

Violence Intervention Program, Inc.

Financial Statements
June 30, 2021



Mazars USA LLP is an independent member firm of Mazars Group.

Violence Intervention Program, Inc.

Table of Contents

June 30, 2021

	Page(s)
Independent Auditors' Report.....	1-2
Statement of Financial Position	3
Statement of Activities and Changes in Net Assets	4
Statement of Functional Expenses.....	5
Statement of Cash Flows	6
Notes to Financial Statements.....	7-13
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.....	14-15
Independent Auditors' Report on Compliance for Each Major Program and on Internal Control Over Compliance Required By The Uniform Guidance	16-17
Schedule of Expenditures of Federal Awards	18-19
Schedule of Findings and Questioned Costs	20-21
Summary Schedule of Prior Audit Findings.....	22

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, 2021, 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, 2021, 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 February 7, 2022, 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.

Mazars USA LLP

February 7, 2022

Violence Intervention Program, Inc.

Statement of Financial Position June 30, 2021

Assets

Cash and cash equivalents	\$ 492,880
Grants receivable	2,056,916
Other receivables	49,312
Restricted cash - reserve for replacement	161,040
Prepaid expenses	26,155
Property and equipment, net of accumulated depreciation	1,248,025
Security deposits and other assets	49,440

Total assets	<u>\$ 4,083,768</u>
--------------	---------------------

Liabilities and Net Assets

Liabilities

Accounts payable and accrued expenses	\$ 469,839
Deferred revenue and refundable advances	155,600
Loan payable	150,000
Security deposits payable	5,084
Reserve for replacement	160,970

Total liabilities	<u>941,493</u>
-------------------	----------------

Net assets

Without donor restrictions	<u>3,142,275</u>
Total net assets	<u>3,142,275</u>

Total liabilities and net assets	<u>\$ 4,083,768</u>
----------------------------------	---------------------

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, 2021

	Without Donor Restrictions	With Donor Restrictions	Total
Public support and revenue			
Government grants	\$ -	\$ 5,383,764	\$ 5,383,764
Rent housing stability	55,995	-	55,995
Contributions	379,745	276,761	656,506
In-kind revenue	102,270	-	102,270
Donations and fundraising income	97,627	-	97,627
Net assets released from restrictions	5,660,525	(5,660,525)	-
Total revenue	<u>6,296,162</u>	<u>-</u>	<u>6,296,162</u>
Expenses			
Program	4,969,311	-	4,969,311
Management and general	945,890	-	945,890
Fundraising	137,968	-	137,968
Total operating expenses	<u>6,053,169</u>	<u>-</u>	<u>6,053,169</u>
Change in net assets	242,993	-	242,993
Net assets			
Beginning of year	<u>2,899,282</u>	<u>-</u>	<u>2,899,282</u>
End of year	<u>\$ 3,142,275</u>	<u>\$ -</u>	<u>\$ 3,142,275</u>

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

Violence Intervention Program, Inc.

Statement of Functional Expenses Year Ended June 30, 2021

	Program Services			Total Program Services	Management and General	Fundraising	Total
	Residential	Non- Residential	Communications and Outreach				
Salaries and related expenses:							
Salaries	\$ 1,065,406	\$ 1,434,306	\$ 188,549	\$ 2,688,261	\$ 473,837	\$ -	\$ 3,162,098
Employee taxes and benefits	311,502	527,316	56,804	895,622	171,086	-	1,066,708
Total salaries taxes and benefits	1,376,908	1,961,622	245,353	3,583,883	644,923	-	4,228,806
Other expenses:							
Rent	295,301	161,333	33,505	490,139	39,079	593	529,811
Consultants	30,765	51,461	14,313	96,539	64,967	129,773	291,279
Utilities	74,125	10,702	1,437	86,264	9,613	-	95,877
Telephone	43,999	38,969	4,178	87,146	4,955	1,168	93,269
Maintenance and repairs	59,085	4,763	536	64,384	1,573	-	65,957
Travel and conferences	39,133	2,190	9,762	51,085	91	-	51,176
Insurance	17,359	-	-	17,359	35,939	-	53,298
Participant activities and events	1,268	12,093	11,568	24,929	23,854	-	48,783
Supplies	63,860	69,585	20,920	154,365	32,370	328	187,063
Equipment rental	3,204	12,563	3,532	19,299	-	-	19,299
Printing and brochure	3,189	729	4,607	8,525	101	-	8,626
Payroll services and 403(b) fees	-	-	-	-	7,597	-	7,597
Postage and courier service	89	47	187	323	4,222	-	4,545
Software	1,580	10,899	1,240	13,719	8,373	-	22,092
Miscellaneous	37,832	6,159	7,414	51,405	67,699	6,106	125,210
Interest	-	-	-	-	534	-	534
In-kind expenses	-	102,270	-	102,270	-	-	102,270
Total expenses before depreciation	2,047,697	2,445,385	358,552	4,851,634	945,890	137,968	5,935,492
Depreciation	117,677	-	-	117,677	-	-	117,677
Total expenses	<u>\$ 2,165,374</u>	<u>\$ 2,445,385</u>	<u>\$ 358,552</u>	<u>\$ 4,969,311</u>	<u>\$ 945,890</u>	<u>\$ 137,968</u>	<u>\$ 6,053,169</u>

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

Violence Intervention Program, Inc.

Statement of Cash Flows Year Ended June 30, 2021

Cash flows from operating activities	
Change in net assets	\$ 242,993
Adjustments to reconcile change in net assets to net cash used in operating activities:	
Depreciation	117,677
Forgiveness of note payable	(448,007)
(Increase) decrease in:	
Grants receivable	(784,182)
Other receivables	3,480
Prepaid expenses	34,264
Increase (decrease) in:	
Accounts payable and accrued expenses	172,898
Deferred revenue and refundable advances	(27,920)
Security deposits payable	2,078
Net cash used in operating activities	<u>(686,719)</u>
Cash flows from financing activities	
Proceeds from loan payable	<u>150,000</u>
Net cash provided by financing activities	<u>150,000</u>
Net decrease in cash and cash equivalents and restricted cash	(536,719)
Cash and cash equivalents and restricted cash	
Beginning	<u>1,190,639</u>
Ending	<u><u>\$ 653,920</u></u>
Supplemental disclosure of cash flow information:	
Cash paid for interest	<u><u>\$ 534</u></u>
Cash and cash equivalents and restricted cash consist of:	
Cash and cash equivalents	\$ 492,880
Restricted cash - reserve for replacement	<u>161,040</u>
	<u><u>\$ 653,920</u></u>

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

Violence Intervention Program, Inc.

Notes to Financial Statements Year Ended June 30, 2021

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 access to 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.

In 2021, VIP launched Rapid Re-Housing (RRH), its first new housing program in 15 years. RRH provides survivors of domestic violence who are homeless, or at risk of imminent homelessness, with financial resources needed to secure permanent, private housing. During and after the housing placement process, survivors are also receiving intensive case management to establish and attain financial goals for ongoing income and housing security. This new program provides a flexible and practical early intervention to prevent chronic homelessness among survivors of domestic violence.

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,

Violence Intervention Program, Inc.

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.

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

VIP's sexual violence program provides 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.

Child and Adolescent Program

In fiscal year 2021, VIP launched its first clinical program to provide culturally specific early trauma intervention for children who witnessed or experienced domestic violence as a way to address intergenerational transmission of abuse. This program tailors an evidence-based model for Latinx youth by reflecting elements of their cultural heritage in therapeutic practices. Children and abused parents strengthen their bonds and leverage the positive cultural elements that increase resiliency and healthful coping mechanisms after violence.

Community Engagement Program (CEP)

CEP raises awareness about the detrimental impact of domestic and sexual violence while promoting access to services, developing meaningful community partnerships and organizing survivors to establish their own awareness and advocacy campaigns. 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.

Violence Intervention Program, Inc.

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, 2021, there were no net assets with board restrictions.

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, 2021, cash and cash equivalents balances with one financial institution exceeded Federal Deposit Insurance Corporation limits by approximately \$236,000. 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, 2021, 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

Contributions are recorded as revenue upon the receipt of cash, gift, or unconditional pledge. Contributions are recorded as without donor restrictions or with donor restrictions support, depending on the existence and or nature of any donor restrictions. Contributions received with specific donor restrictions are reported as increases in net assets with donor restrictions. 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.

Rent Housing Stability

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

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.

Violence Intervention Program, Inc.

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 2021.

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.

3. 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, 2021 are as follows:

Cash and cash equivalents	\$ 492,880
Grants receivable	2,056,916
Other receivables	<u>49,312</u>
Total financial assets available to management for general and operational expenditures within one year	<u>\$ 2,599,108</u>

Liquidity Management

The Organization maintains a policy of structuring its financial assets to be available as its general liabilities and other obligations become due.

4. 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, 2021, the unused portion of \$160,970 is reflected as a liability in the statement of financial position.

Violence Intervention Program, Inc.

5. Grants Receivable

Grants receivable as of June 30, 2021 consist of:

Office of Victim Services	\$ 687,634
Human Resource Administration - residential	365,159
Human Resource Administration - nonresidential	313,517
City Council	238,750
Dove Safe Horizon	183,556
Office on Violence Against Women	137,903
U.S. Department of Housing and Urban Development	51,679
Office of Children Services	34,657
Health and Human Services	17,817
Federal Emergency Management Agency	11,849
Office of Temporary and Disability Assistance	10,100
Westchester County Department of Social Services	4,295
Total	<u>\$ 2,056,916</u>

6. Property and Equipment, Net

Property and equipment consist of the following at June 30, 2021:

	2021	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	<u>3,934,563</u>	
Less: accumulated depreciation	<u>(2,686,538)</u>	
Property and equipment, net	<u>\$ 1,248,025</u>	

7. 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, 2021, the amount eligible for forgiveness amounted to \$448,007, and is included in government grants on the statement of activities and changes in net assets. Based on qualifying expenses incurred during fiscal 2020, \$142,570 was eligible for forgiveness and was included in government grants in the prior year financial statements. The note has been fully forgiven on July 29, 2021.

Violence Intervention Program, Inc.

8. Economic Injury Disaster Loan

On July 13, 2020, VIP entered into a loan agreement with the U.S. Small business Administration for a loan of \$150,000 under the Small Business Act. This loan is evidenced by a promissory note dated July 13, 2020 and matures 30 years from the disbursement date. This loan bears interest at a rate of 2.75% per annum, with the first 12 months of principal and interest deferred. Principal and interest of \$641 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.

9. 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 2021 and has a maturity date of July 2022, 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, 2021, the outstanding balance amounted to \$0.

10. 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.

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, 2021 amounted to approximately \$530,000. 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 remaining years are as follows:

Years Ending June 30,	
2022	\$ 321,748
2023	193,062
2024	215,431
	<u>\$ 730,241</u>

11. 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, 2021, no employer contributions were made. The 403(b) plan is available for employee contributions only.

Violence Intervention Program, Inc.

12. 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 plans to implement a permanent hybrid model that reduces exposure for staff and clients in the delivery of services, while ensuring that all program participants are provided high quality services in the manner that is most effective for them.

13. Subsequent Events

The Organization has evaluated subsequent events through February 7, 2022, 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, 2021, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated February 7, 2022.

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.

Mazars USA LLP

February 7, 2022

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, 2021. 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 federal statutes, regulations, and the terms and conditions of its federal awards 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, 2021.



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 a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

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

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

Mazars USA LLP

February 7, 2022

Violence Intervention Program, Inc.

Schedule of Expenditures of Federal Awards Year Ended June 30, 2021

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Assistance Listing Number	Agency or Pass- Through Entity Identifying Number	Amounts passed to subrecipients	Total Federal Expenditures
Department of Health and Human Services				
Pass-through the NYC Human Resource Administration				
HRA Residential Services	93.558	20171415859	\$ -	\$1,175,910
HRA Nonresidential Services	93.558	CT106920151426792	-	382,880
			-	1,558,790
Pass-through NYC Department of Children and Family				
NYS Office of Children and Family	93.671	C028788	-	61,615
NYS Office of Children and Family	93.671	T012413	-	33,000
Administration for Children	93.592	90EV-0477-01-00	-	17,817
			-	112,432
Total Department of Health and Human Services			-	1,671,222
Department of Housing and Urban Development				
Supportive Housing Program	14.235	NY0410L2T001710	-	391,820
Total Department of Housing and Urban Development			-	391,820
U.S. Department of Justice Office for Victims of Crime				
Pass-through the NYS Office of Victim Services				
Crime Victim Assistance	16.575	C-100126	-	242,865
Victim Assistance Program	16.575	C-11107GG	-	761,461
			-	1,126,264
U.S. Department of Justice - Office of Violence Against Women				
Sexual Assault Services Culturally Specific Program	16.023	2019-WL-AX-0010	-	27,140
Culturally and Linguistically Specific Services Program	16.023	2016-UW-AX-0017	-	28,543
Culturally and Linguistically Specific Services Program	16.023	2020-KS-AX-0008	-	154,788
New York Legal Assistance	16.023	N/A	-	9,268
			-	219,739
Total Department of Justice			-	1,346,003
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	-	18,676
Total Department of Homeland Security / Federal Emergency Management Agency			-	18,676
Total Expenditures of Federal Awards				\$3,427,721

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, 2021

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>Assistance Listing Number</u>
Temporary Assistance for Needy Families	93.558
Culturally and Linguistically Specific Services Program	16.023

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, 2021

A. PRIOR YEAR FINANCIAL STATEMENT FINDINGS:

NONE

B. PRIOR YEAR FEDERAL AWARD FINDINGS AND QUESTIONED COSTS:

NONE

mazars

www.mazars.us