Violence Intervention Program, Inc.

Financial Statements
June 30, 2023

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Violence Intervention Program, Inc.

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June 30, 2023

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Independent Auditors' Report

Board of Directors of
Violence Intervention Program, Inc.

Report on the Audit of the Financial Statements

Opinion
We have audited the accompanying financial statements of Violence Intervention Program, Inc. (a nonprofit organization), which comprise the statement of financial position as of June 30, 2023, 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.

In our opinion, the financial statements present fairly, in all material respects, the financial position of Violence Intervention Program, Inc. as of June 30, 2023, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion
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. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Violence Intervention Program, Inc. and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements
Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Violence Intervention Program, Inc.'s ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditors' Responsibilities for the Audit of the Financial Statements
Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

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In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 Violence Intervention Program, Inc.'s internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Violence Intervention Program, Inc.'s ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Supplementary 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 schedule of expenditures of federal awards is fairly stated, in all material respects, in relation to the financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated February 23, 2024, 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 23, 2024

Violence Intervention Program, Inc.

Statement of Financial Position
June 30, 2023

Assets		
Cash	$	297,781
Grants receivable		2,893,524
Other receivables		61,215
Restricted cash - reserve for replacement		161,437
Prepaid expenses		90,899
Property and equipment, net of accumulated depreciation		1,012,671
Right of use asset		828,689
Security deposits and other assets		56,407
Total assets	$	5,402,623
Liabilities and Net Assets		
Liabilities		
Accounts payable and accrued expenses	$	220,148
Deferred revenue and refundable advances		345,874
Loans payable		650,000
Security deposits payable		7,641
Reserve for replacement		160,970
Lease liability		829,236
Total liabilities		2,213,869
Net assets		
Without donor restrictions		3,188,754
Total net assets		3,188,754
Total liabilities and net assets	$	5,402,623

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, 2023

	Without Donor Restrictions	With Donor Restrictions	Total
Public support and revenue			
Government grants	$ -	$ 6,550,916	$ 6,550,916
Rent housing stability	47,468	-	47,468
Contributions	222,079	234,918	456,997
In-kind revenue	118,635	-	118,635
Donations and fundraising income	195,807	-	195,807
Net assets released from restrictions	6,785,834	(6,785,834)	-
Total revenue	7,369,823	-	7,369,823
Expenses			
Program	5,913,765	-	5,913,765
Management and general	1,044,686	-	1,044,686
Fundraising	266,216	-	266,216
Total operating expenses	7,224,667	-	7,224,667
Change in net assets	145,156	-	145,156
Net assets			
Beginning of year	3,043,598	-	3,043,598
End of year	$ 3,188,754	$ -	$ 3,188,754

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

Violence Intervention Program, Inc.

Statement of Functional Expenses
Year Ended June 30, 2023

	Program Services						
	Residential	Non-Residential	Communications and Outreach	Total Program Services	Management and General	Fundraising	Total
Salaries and related expenses:							
Salaries	$ 1,065,700	$ 1,757,455	$ 174,820	$ 2,997,975	$ 513,564	$ 46,031	$ 3,557,570
Employee taxes and benefits	413,965	635,681	67,958	1,117,604	138,903	23,797	1,280,304
Total salaries taxes and benefits	1,479,665	2,393,136	242,778	4,115,579	652,467	69,828	4,837,874
Other expenses:							
Rent	306,164	159,584	17,564	483,312	38,432	-	521,744
Consultants	55,539	70,557	8,250	134,346	111,263	132,229	377,838
Utilities	78,421	14,191	1,506	94,118	10,281	-	104,399
Telephone	51,134	41,044	4,479	96,657	17,041	-	113,698
Maintenance and repairs	109,016	7,728	-	116,744	27,324	-	144,068
Travel and conferences	45,806	5,885	14,630	66,321	3,237	-	69,558
Insurance	-	-	-	-	57,510	-	57,510
Participant activities and events	1,516	22,334	7,130	30,980	1,365	500	32,845
Supplies	380,591	66,370	7,765	454,726	9,939	-	464,665
Equipment rental	13,566	14,095	4,939	32,600	2,432	-	35,032
Printing and brochure	-	463	4,338	4,801	2,882	4,430	12,113
Payroll services and 403(b) fees	-	-	-	-	8,117	-	8,117
Bad debt	22,659	9,087	-	31,746	3,576	-	35,322
Postage and courier service	256	68	34	358	8,597	-	8,955
Software	-	-	-	-	2,865	1,609	4,474
Miscellaneous	27,192	19,127	6,436	52,755	42,903	57,620	153,278
Interest	-	-	-	-	6,865	-	6,865
In-kind expenses	-	81,045	-	81,045	37,590	-	118,635
Total expenses before depreciation	2,571,525	2,904,714	319,849	5,796,088	1,044,686	266,216	7,106,990
Depreciation	117,677	-	-	117,677	-	-	117,677
Total expenses	$ 2,689,202	$ 2,904,714	$ 319,849	$ 5,913,765	$ 1,044,686	$ 266,216	$ 7,224,667

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

Violence Intervention Program, Inc.

Statement of Cash Flows
Year Ended June 30, 2023

Cash flows from operating activities	
Change in net assets	$ 145,156
Adjustments to reconcile change in net assets to net cash provided by operating activities:	
Depreciation	117,677
Bad debt expense	35,322
Amortization of right of use asset	(377,030)
(Increase) decrease in:	
Grants receivable	(82,955)
Other receivables	(40,567)
Prepaid expenses	(10,304)
Security deposits and other assets	(6,628)
Increase (decrease) in:	
Accounts payable and accrued expenses	(189,366)
Deferred revenue and refundable advances	50,343
Lease liability	377,577
Security deposits payable	2,399
Net cash provided by operating activities	21,624
Cash flows from financing activities	
Repayments of line of credit	(150,000)
Net cash used in financing activities	(150,000)
Net decrease in cash and restricted cash	(128,376)
Cash and restricted cash	
Beginning	587,594
Ending	$ 459,218
Supplemental disclosure of cash flow information:	
Cash paid for interest	$ 6,865
Cash and restricted cash consist of:	
Cash	$ 297,781
Restricted cash - reserve for replacement	161,437
	$ 459,218

Violence Intervention Program, Inc.

Notes to Financial Statements
Year Ended June 30, 2023

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, community-based social service programs, emergency and transitional shelter, permanent housing programs, specialized economic justice, sexual violence and children and adolescent programs, and a robust community engagement team targeting the most vulnerable survivors of abuse. VIP advocates for systemic and 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. Latinx 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.

Housing Programs
Morivivi Safe Dwelling Program is an emergency domestic violence shelter that offers immediate sanctuary to survivors 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.

Rapid Re-Housing (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.

Home+ program prevents homelessness by increasing safety so that survivors do not have to flee in order to remain safe. This program installs alarm systems and provides security-related repairs to support survivors to remain safely in their homes and provides case management services to address ongoing safety needs.

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.

Specialized Programs
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 and small business development. 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.

VIP’s Sexual Violence Program (SVP) provides a survivor-informed healing space for Latinx immigrant survivors of sexual violence. Group and individual counseling and empowerment workshops cultivate an immigrant-focused healing community addressing sexual violence and reclaiming sexual health and bodily autonomy.

The Child and Adolescent Program (CAP) is VIP’s first clinical program to provide culturally specific early trauma intervention for children who witnessed or experienced domestic violence as a way to end 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 models, survivors use their own experiences of healing and empowerment to bring a powerful antiviolence message to Latinx 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 VIP 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, 2023, there were no net assets with board restrictions.

Cash
As of June 30, 2023, cash balances with one financial institution exceeded Federal Deposit Insurance Corporation limits by approximately $24,000. VIP 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, 2023, 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.

Leases
VIP is accounting for its leases in accordance with the Financial Accounting Standards Board ("FASB") Accounting Standards Codification ("ASC") Topic 842, Leases ("ASC 842") Per ASC 842 the lease contract gives rise to the recognition of a lease liability in the lessee's balance sheet, representing the present value of lease payments including fixed rental payments The lease liability is recognized against a right-of-use asset corresponding to the leased item. VIP defines the lease term as the noncancellable term of the lease plus any renewables covered by renewal options that are reasonably certain of exercise based on management's assessment of the economic factors relevant to the lessee.

VIP adopted ASC 842 on July 1, 2022, using the modified retrospective method. VIP recognizes a right-of-use asset and lease liability at the adoption date, which is measured by discounting lease payments using the incremental borrowing rate. As the implicit rate in VIP's leases is unknown, VIP uses the practical expedient available to use the risk-free rate at the adoption date in determining the present value of future lease payments.

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.

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.

VIP 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 VIP's ability to carry out its activities at current levels.

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.

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 2023.

Gifts-in-Kind and Contributed Services
VIP 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, 2023 are as follows:

Cash	$ 297,781
Grants receivable	2,893,524
Other receivables	61,215
Total financial assets available to management for general and operational expenditures within one year	$ 3,252,520

Liquidity Management

VIP maintains a policy of structuring its financial assets to be available as its general liabilities and other obligations become due. VIP also has a line of credit of $150,000 available should it need additional funds.

4. Restricted Cash - 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, 2023, the unused portion of $160,970 is reflected as a liability in the statement of financial position.

5. Grants Receivable

Grants receivable as of June 30, 203 consist of:

Human Resource Administration - nonresidential	$ 418,526
Human Resource Administration - residential	780,673
Office of Victim Services	683,567
City Council	302,500
Dove	189,056
U.S. Department of Housing and Urban Development	174,233
Department of Health and Human Services	23,073
Office of Violence Against Women	192,640
Federal Emergency Management Agency	29,899
Office of Children Services	83,966
Office of Temporary and Disability Assistance	15,391
Total	$ 2,893,524

6. Property and Equipment, Net

Property and equipment consist of the following at June 30, 2023:

	2023	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	(2,921,892)	
Property and equipment, net	$ 1,012,671	

7. 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 which is the date of the loan agreement. 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. The commencement of the repayment of the loan was deferred to February 2023. As of June 30, 2023, interest only payments were made. 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.

8. Working Capital Loan

During the year ended June 30, 2022, VIP entered into a loan agreement with a nonprofit lender for a loan of $500,000. The loan bears no interest and is to be repaid in four quarterly payments starting beginning on November 1, 2024. The loan is scheduled to mature on August 1, 2025. 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. VIP must maintain a minimum average depository balance of $150,000, tested quarterly. The line of credit was renewed in November 2023 and has a maturity date of September 2024, 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, 2023, the outstanding balance amounted to $0.

10. Leases Commitments

VIP leases office space in New York under various non-cancellable operating leases expiring in 2027. As disclosed in Note 2, VIP adopted ASC 842 on July 1, 2022 using the modified retrospective transition method.

Accordingly, operating lease right of use assets and lease liabilities were recognized at July 1, 2022 based on the present value of minimum lease payments over the remaining lease term. The minimum lease payments include base rent payments. As the implicit rate in VIP's leases is unknown, VIP uses the practical expedient available to use the risk-free rate at the adoption date in determining the present value of future lease payments. Operating lease expense is recognized on a straight-line basis over the lease term.

Rent expenses amounted to approximately $522,000 and $546,000 for the years ended June 30, 2023 and 2022, respectively.

Supplemental information as June 30, 2023:

Weighted average remaining lease term	2.67 years
Weighted average discount rate	3.15%

Approximate future minimum obligations under the leases are as follows:

Years Ending June 30,	Amount
2024	$ 427,647
2025	193,888
2026	134,695
2027	112,246
Total lease payments	868,476
Less: present value discount	39,240
Operating of Lease liabilities	$ 829,236

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, 2022, no employer contributions were made. The 403(b) plan is available for employee contributions only.

12. In-Kind Contributions

A number of individuals volunteer their services to VIP. Contributed services from volunteer councils are reported at their estimated fair value based on current market rates for similar services. In-kind contributions amounted to $118,635 for the year ended June 30, 2023.

13. Subsequent Events

VIP has evaluated subsequent events through February 23, 2024, the date the financial statements were available for issuance.

SUPPLEMENTARY INFORMATION

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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, 2023, 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 23, 2024.

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 23, 2024

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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

Opinion on Each Major Federal Program

We have audited Violence Intervention Program, Inc.'s compliance with the types of compliance requirements identified as subject to audit 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, 2023. Violence Intervention Program, Inc.'s major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

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, 2023.

Basis for Opinion on Each Major Federal Program

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). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of Violence Intervention Program, Inc. and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of Violence Intervention Program, Inc.'s compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to Violence Intervention Program, Inc.'s federal programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on Violence Intervention Program, Inc.'s compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, Government Auditing Standards, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred

In performing an audit in accordance with generally accepted auditing standards, Government Auditing Standards, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.

- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding Violence Intervention Program, Inc.'s compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.

- Obtain an understanding of Violence Intervention Program, Inc.'s internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances 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 Violence Intervention Program, Inc.'s internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on 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 Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

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 23, 2024

Violence Intervention Program, Inc.

Schedule of Expenditures of Federal Awards
Year Ended June 30, 2023

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	$ -	$ 1,348,870
HRA Nonresidential Services	93.558	CT106920238802045	-	429,803
			-	1,778,673
Pass-through NYC Department of Children and Family				
NYS Office of Children and Family				
Family Violence Prevention and Services	93.671	C028788	-	79,147
Family Violence Prevention and Services	93.671	DV82	-	92,254
Family Violence Prevention and Services	93.671	C029184	-	18,797
			-	190,198
Administration for Children				
Family Violence Prevention and Services/Discretionary	93.592	90EV-050401C6	-	88,368
Family Violence Prevention and Services/Discretionary	93.592	90EV-0477-02-00	-	387,721
			-	476,089
Total Department of Health and Human Services			-	2,444,960
Department of Housing and Urban Development				
Continuum of Care Program	14.267	NY0410L2T002013	-	58,967
Continuum of Care Program	14.267	NY0410L2T002114	-	296,940
Continuum of Care Program	14.267	NY1275D2T002102	-	409,892
Continuum of Care Program	14.267	N/A	-	95,785
Total Department of Housing and Urban Development			-	861,584
U.S. Department of Justice Office for Victims of Crime				
Pass-through the NYS Office of Victim Services				
Crime Victim Assistance	16.575	OVS01-C11412GG-1080200	-	827,155
Crime Victim Assistance	16.575	C-11107GG	-	245,778
Crime Victim Assistance	16.575	C-10764GG	-	30,433
			-	1,103,366
U.S. Department of Justice - Office of Violence Against Women				
Sexual Assault Services Culturally Specific Program	16.023	2019-WL-AX-0010	-	22,406
Culturally and Linguistically Specific Services Program	16.023	2016-UW-AX-0017	-	42,484
Culturally and Linguistically Specific Services Program	16.023	2020-KS-AX-0008	-	95,038
Culturally and Linguistically Specific Services Program	16.023	15JOVW-22-GG-02977-CSSP	-	117,889
New York Legal Assistance	16.023	N/A	-	10,146
			-	287,963
Total Department of Justice			-	1,391,329
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	-	46,987
Total Department of Homeland Security / Federal Emergency Management Agency			-	46,987
Total Expenditures of Federal Awards				$ 4,744,860

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, 2023

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:

Name of Federal Program or Cluster	Assistance Listing Number
Continuum of Care Program	14.267
Family Violence Prevention and Services/Discretionary	93.592

8. The threshold for distinguishing between types A and B programs was $750,000.

9. Auditee qualified as low-risk auditee __X__ Yes _____ No

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, 2023

A. PRIOR YEAR FINANCIAL STATEMENT FINDINGS:

NONE

B. PRIOR YEAR FEDERAL AWARD FINDINGS AND QUESTIONED COSTS:

NONE

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