



**FINANCIAL STATEMENTS**

**JUNE 30, 2023**

**PARTNERSHIP AGAINST DOMESTIC VIOLENCE, INC.**

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**JUNE 30, 2023**

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*Independent Auditor's Report*

Board of Directors  
Partnership Against Domestic Violence, Inc.

**Report on the Audit of the Financial Statements**

***Opinion***

We have audited the financial statements of Partnership Against Domestic Violence, 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.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Organization 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 (GAAS) 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 the Organization 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 opinion.

***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 the Organization's ability to continue as a going concern for one year after the date that the financial statements are available to be issued.

***Auditor's 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 GAAS 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.

In performing an audit in accordance with GAAS 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 the Organization'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 the Organization'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.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated December 5, 2024 on our consideration of the Organization'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 the Organization'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 the Organization's internal control over financial reporting and compliance.

*Richards, Cauley + Associates, LLC*

Dublin, Georgia  
December 5, 2024

**PARTNERSHIP AGAINST DOMESTIC VIOLENCE, INC.**  
**STATEMENT OF FINANCIAL POSITION**  
**JUNE 30, 2023**

<b>Assets</b>	
Cash and cash equivalents	\$ 593,785
Investments, at fair value	1,086,216
Grants receivable	388,795
Prepaid expenses	27,020
Property and equipment, net	3,618,153
Operating lease right-to-use asset	68,007
Irrevocable beneficial interest trust	267,091
Other assets	500
Total assets	<u>\$ 6,049,567</u>
 <b>Liabilities and Net Assets</b>	
<b>Liabilities</b>	
Accounts payable	\$ 151,561
Accrued expenses	105,104
Line of credit	101,258
Operating lease liability	66,517
Total liabilities	<u>424,440</u>
 <b>Net assets</b>	
Without donor restrictions	4,899,638
With donor restrictions	725,489
Total net assets	<u>5,625,127</u>
Total liabilities and net assets	<u>\$ 6,049,567</u>

See accompanying notes to the financial statements

**PARTNERSHIP AGAINST DOMESTIC VIOLENCE, INC.**  
**STATEMENT OF ACTIVITIES**  
**YEAR ENDED JUNE 30, 2023**

	Without Donor Restrictions	With Donor Restrictions	Total
<b>Revenue, Support and Gains</b>			
Federal, state and local Contributions	\$ 4,344,360	\$ -	\$ 4,344,360
	1,485,295	-	1,485,295
Gross special events revenue	239,034	-	239,034
Less cost of direct benefits to donors	(182,784)	-	(182,784)
Net special event revenue	56,250	-	56,250
Net investment income	81,913	-	81,913
Change in irrevocable beneficial interest trust	-	4,889	4,889
Other revenue	42,826	-	42,826
Net assets released from restrictions	10,752	(10,752)	-
Total revenue, support and gains	<u>6,021,396</u>	<u>(5,863)</u>	<u>6,015,533</u>
<b>Expenses</b>			
Program services			
Prevention and outreach	1,216,898	-	1,216,898
Shelters	4,314,641	-	4,314,641
Supportive housing	608,448	-	608,448
Total program services	<u>6,139,987</u>	<u>-</u>	<u>6,139,987</u>
Supporting Services			
Management and general	555,042	-	555,042
Fundraising and development	499,533	-	499,533
Total supporting services	<u>1,054,575</u>	<u>-</u>	<u>1,054,575</u>
Total expenses	<u>7,194,562</u>	<u>-</u>	<u>7,194,562</u>
Change in net assets	(1,173,166)	(5,863)	(1,179,029)
Net assets - beginning of year	6,072,804	731,352	6,804,156
Net assets - end of year	<u>\$ 4,899,638</u>	<u>\$ 725,489</u>	<u>\$ 5,625,127</u>

See accompanying notes to the financial statements

**PARTNERSHIP AGAINST DOMESTIC VIOLENCE, INC.**  
**STATEMENT OF FUNCTIONAL EXPENSES**  
**YEAR ENDED JUNE 30, 2023**

	Program Services				Supporting Services		Total
	Prevention and Outreach	Shelters	Supportive Housing	Total Program Services	Management and General	Fundraising and Development	
Salaries and related expenses	\$ 647,783	\$ 2,307,728	\$ 323,892	\$ 3,279,403	\$ 404,865	\$ 364,377	4,048,645
Insurance	24,618	87,703	12,309	124,630	15,387	13,848	153,865
Direct expense	9,374	33,393	4,687	47,454	5,859	5,272	58,585
Legal and professional fees	12,356	44,017	6,178	62,551	7,722	6,949	77,222
Office expenses	7,584	27,017	3,792	38,393	4,740	4,266	47,399
Technology	19,595	69,806	9,797	99,198	12,247	11,021	122,466
Printing and promotions	671	2,391	336	3,398	419	377	4,194
Occupancy expenses	80,406	286,447	40,203	407,056	50,254	45,229	502,539
Specific assistance	328,831	1,150,907	164,415	1,644,153	-	-	1,644,153
Vehicle and travel	4,600	16,387	2,300	23,287	2,875	2,587	28,749
Other	32,207	114,736	16,103	163,046	20,129	18,116	201,291
Depreciation and amortization	48,873	174,109	24,436	247,418	30,545	27,491	305,454
<b>Total expenses</b>	<b>\$ 1,216,898</b>	<b>\$ 4,314,641</b>	<b>\$ 608,448</b>	<b>\$ 6,139,987</b>	<b>\$ 555,042</b>	<b>\$ 499,533</b>	<b>\$ 7,194,562</b>

See accompanying notes to the financial statements

**PARTNERSHIP AGAINST DOMESTIC VIOLENCE, INC.**  
**STATEMENT OF CASH FLOWS**  
**YEAR ENDED JUNE 30, 2023**

<b>Cash Flows from Operating Activities</b>	
Change in net assets	\$ (1,179,029)
Adjustments to reconcile changes in net assets to net cash provided (used) by operating activities	
Depreciation and amortization	305,454
Gains (losses) on investments	(61,165)
Change in irrevocable beneficial interest trust	(4,899)
Changes in assets and liabilities	
Grants receivable	694,117
Pledges receivable	3,450
Prepaid expenses	294,288
Other assets	(500)
Accounts payable	50,760
Accrued expenses	(26,517)
Deferred revenue	(94,429)
Operating lease assets and liabilities	22,579
Net cash provided by operating activities	<u>4,109</u>
<b>Cash Flows from Investing Activities</b>	
Purchases of investments	(280,664)
Proceeds from sale of investments	423,367
Net cash provided by investing activities	<u>142,703</u>
<b>Cash Flows from Financing Activities</b>	
Borrowings under line of credit	101,258
Net cash provided by investing activities	<u>101,258</u>
Net change in cash and cash equivalents	248,070
Cash and cash equivalents - beginning of year	345,715
Cash and cash equivalents - end of year	<u>\$ 593,785</u>

See accompanying notes to the financial statements

# PARTNERSHIP AGAINST DOMESTIC VIOLENCE, INC.

## NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2023

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### NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Partnership Against Domestic Violence, Inc. (the "Organization") was established in 1975, for the purpose of providing emergency assistance to people who have been victimized by domestic violence in Georgia. The Organization works to educate the public on the dynamics of domestic violence and to create an effective and coordinated community response to domestic violence. The Organization also receives support in the form of donations from foundations, churches and ministries, businesses, civic associations, and individuals. It has also received grants from various foundations, other organizations, and the Federal Government.

The accounting and reporting policies of the Organization conform to generally accepted accounting principles (GAAP) in the United States of America. The following is a description of the more significant of those policies the Organization follows in preparing and presenting its financial statements.

#### Cash and Cash Equivalents

Cash and cash equivalents include all cash balances and highly liquid investments with an initial maturity of three months or less. The Organization places its temporary cash investments with high credit quality financial institutions. At times such investments may be in excess of the Federal Deposit Insurance Corporation (FDIC) insurance limit.

#### Beneficial Interest in Perpetual Trust

The Organization is the beneficiary of an irrevocable beneficial interest trust held and administered by a local community foundation (the "Foundation"). The trust was created by an agreement between the Organization and the Foundation. In accordance with the terms of the agreement, the Organization has recorded \$150,000 of net assets with donor restrictions that is to be maintained in perpetuity. Amounts in excess of \$150,000 can be used to provide for maintenance, repairs, renovations and upkeep of a building occupied by the Organization. Amounts in excess of \$150,000 are recorded as net assets with donor restrictions until expended. Fair value for the beneficial interest trust is measured using the fair value of the assets held in the trust as reported by the trustee as of June 30, 2023. The Organization considers the measurement of its beneficial interest in the trust to be a Level 3 measurement within the fair value hierarchy because even though that measurement is based on the unadjusted fair values of the trust assets reported by the trustee, the Organization will never receive those assets or have the ability to direct the trustee to redeem them.

#### Investments

Investment purchases are recorded at cost, or if donated, at fair value on the date of donation. Thereafter, investments are reported at their fair values in the statement of financial position. Net investment return/(loss) is reported in the statement of activities and consists of interest and dividend income, realized and unrealized capital gains and losses, less external and direct internal investment expenses.

# PARTNERSHIP AGAINST DOMESTIC VIOLENCE, INC.

## NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2023

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### NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

#### Property and Equipment

Property and equipment over \$1,000 are recorded at cost, or if donated, fair value on the date of the donation. Depreciation is provided over the estimated useful lives of the related assets using the straight-line method ranging from 5 to 20 years. When property and equipment are retired, sold, or otherwise disposed of, the asset's carrying amount and related accumulated depreciation are removed from the accounts and any gain or loss is included in operations. Repairs and maintenance are expensed as incurred. Expenditures that increase the value or productive capacity of assets are capitalized.

We review the carrying values of property and equipment for impairment whenever events or circumstances indicate that the carrying value of an asset may not be recoverable from the estimated future cash flows expected to result from its use and eventual disposition. When considered impaired, an impairment loss is recognized to the extent carrying value exceeds the fair value of the asset. There were no indicators of asset impairment during the year ended June 30, 2023.

#### Right of Use Leased Assets and Liabilities

Right to use leased assets and the related liabilities are recognized at the lease commencement date and represent the right to use an underlying asset and lease obligations for the lease term. Right to use leased assets are measured at the initial value of the lease liability plus any payments made to the lessor before the commencement of the lease term, less any lease incentives received from the lessor at or before the commencement of the lease term, plus any initial direct costs necessary to place the lease asset into service. Right to use leased assets are amortized over the shorter of the lease term or the useful life of the underlying asset using the straight-line method. The amortization period varies among the leases.

#### Net Assets

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

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

*Net Assets With Donor Restrictions* - Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. Donor-imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both.

# PARTNERSHIP AGAINST DOMESTIC VIOLENCE, INC.

## NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2023

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### NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

#### Contributions

Contributions of cash and services are recorded as net assets without donor restrictions or net assets with donor restrictions support depending on the existence and/or nature of any donor restrictions. Net assets with donor restrictions are reclassified to net assets without donor restrictions upon satisfaction of the time or purpose restriction and reported in the statement of activities as net assets released from restrictions. The Organization recognizes pledges as revenue when received and uses discounting for recording long-term pledges.

Contributions are recognized when the donor makes a promise to give that is in substance, unconditional. Bad debts are expensed and charged against the allowance account when deemed uncollectible based upon a periodic review of collections. Management has deemed that there is no allowance necessary at June 30, 2023. The Organization recognizes contributions from cash, securities, or other assets: a pledges receivable; or a notification of a beneficial interest is received. Conditional promises to give - that is, those with a measurable performance or other barrier and a right of return - are not recognized until the conditions on which they depend have been met.

#### Government Support

A portion of the Organization's revenue is derived from cost-reimbursable federal and state contracts and grants, which are conditioned upon certain performance requirements and/ or the incurrence of allowable qualifying expenses. Amounts received are recognized as revenue when the Organization has incurred expenditures in compliance with specific contract or grant provisions. If amounts received prior to incurring qualifying expenditures, these amounts are reported as refundable advances in the statement of financial position.

#### Donated Services and In-Kind Contributions

All non-cash gifts (other than personal services) are recorded at their estimated fair value at date of receipt. Contributed services are reflected in the financial statements at the fair value of the services received. In accordance with GAAP, contributions of services are recognized if the services received (a) create or enhance non-financial assets or (b) require specialized skills that are provided by individuals possessing those skills and would typically need to be purchased if not provided by donation. There were no donated services for the years ended June 30, 2023. The Organization received \$0 of other in-kind donations for the year ended June 30, 2023.

Donations of property and equipment are recorded as support at their estimated fair value. Such donations are reported as support without restrictions unless the donor has restricted the donated asset to a specific purpose. Assets donated with explicit restrictions regarding their use and contributions of cash that must be used to acquire property and equipment are reported as restricted support. Absent donor stipulations regarding how long those donated assets must be maintained, the Organization reports expirations of donor restrictions when the donated or acquired assets are placed in service as instructed by the donor. The Organization reclassifies net assets with donor restrictions to net assets without donor restrictions at that time.

# PARTNERSHIP AGAINST DOMESTIC VIOLENCE, INC.

## NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2023

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### NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

#### Functional Allocation of Expenses

The costs of program and supporting services activities have been summarized on a functional basis in the statement of activities. The statement of functional expenses presents the natural classification detail of expenses by function. Accordingly, certain costs have been allocated among the programs and supporting services benefited. The expenses that are allocated include salaries and related benefits, insurance, professional services, office expenses, information technology, interest, occupancy, depreciation, and amortization, which are allocated on a basis of estimates of time and effort.

#### Income Taxes

Partnership Against Domestic Violence, Inc. is organized as a Georgia nonprofit corporations and has been recognized by the Internal Revenue Service (IRS) as exempt from federal income taxes under IRC Section 501(a) as an organization described in internal Revenue Code Section 501(c)(3), qualifies for the charitable contribution deduction, and has been determined not to be a private foundation. The Organization is annually required to file a Return of Organization Exempt from Income Tax (Form 990) with the IRS. In addition, it is subject to income tax on net income that is derived from business activities that are unrelated to our exempt purposes. We have determined that we are not subject to unrelated business income tax and have not filed an Exempt Organization Business Income Tax Return (Form 990-T) with the IRS.

The Organization believes that it has appropriate support for any tax positions taken, and as such, does not have any uncertain tax positions that are material to the financial statements. The Organization's Form 990 is subject to examination by the IRS, generally for three years after it is filed.

#### Estimates

Preparing the Organization's financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect 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.

#### Risks and Uncertainties

The Organization's financial instruments that are exposed to concentrations of credit risk consist primarily of cash and cash equivalents, grants receivable and investments. At times, cash and cash equivalents may exceed federally insured amounts. The Organization believes it reduces risks associated with balances in excess of federally insured amounts by maintaining its cash and cash equivalents with major financial institutions with sound financial standing. Management continually monitors receivable balances and believes that its exposure to credit risk is limited. Investment securities are exposed to various risks, such as interest rate risk, market risk, and credit risk.

# PARTNERSHIP AGAINST DOMESTIC VIOLENCE, INC.

## NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2023

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### NOTE 2 – LIQUIDITY AND AVAILABILITY

Financial assets available for general expenditures, that is, without donor or other restriction limiting their use, within one year of the statement of financial position as of June 30, 2023 are as follows:

Cash and cash equivalents	\$ 593,785
Investments	1,086,216
Grants receivable	388,795
Irrevocable beneficial interest trust	267,091
Donor imposed restrictions	(725,489)
	<u>\$ 1,610,398</u>

As part of the Organization's liquidity management, it has a policy to structure its financial assets to be available as its general expenditures, liabilities and other obligations come due. In addition, the Organization invests cash in excess of daily requirements in short-term investments.

### NOTE 3 – FAIR VALUE MEASUREMENTS AND DISCLOSURES

We report certain assets at fair value in the financial statements. Fair value is the price that would be received to sell an asset in an orderly transaction in the principal, or most advantageous, market at the measurement date under current market conditions regardless of whether that price is directly observable or estimated using another valuation technique. Inputs used to determine fair value refer broadly to the assumptions that market participants would use in pricing the asset, including assumptions about risk. Inputs may be observable or unobservable. Observable inputs are inputs that reflect the assumptions market participants would use in pricing the asset based on market data obtained from sources independent of the reporting entity. Unobservable inputs are inputs that reflect the reporting entity's own assumptions about the assumptions market participants would use in pricing the asset based on the best information available. A three-tier hierarchy categorizes the inputs as follows:

Level 1 – Quoted prices (unadjusted) in active markets for identical assets that we can access at the measurement date.

Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset, either directly or indirectly. These include quoted prices for similar assets in active markets, quoted prices for identical or similar assets in markets that are not active, inputs other than quoted prices that are observable for the asset, and market-corroborated inputs.

Level 3 – Unobservable inputs for the asset. In these situations, we develop inputs using the best information available in the circumstances.

**PARTNERSHIP AGAINST DOMESTIC VIOLENCE, INC.**

**NOTES TO THE FINANCIAL STATEMENTS**

**JUNE 30, 2023**

**NOTE 3 – FAIR VALUE MEASUREMENTS AND DISCLOSURES**

In some cases, the inputs used to measure the fair value of an asset might be categorized within different levels of the fair value hierarchy. In those cases, the fair value measurement is categorized in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement. Assessing the significance of a particular input to entire measurement requires judgment, taking into account factors specific to the asset. The categorization of an asset within the hierarchy is based upon the pricing transparency of the asset and does not necessarily correspond to our assessment of the quality, risk, or liquidity profile of the asset.

A significant portion of our investment assets are classified within Level 1 because they comprise trading securities with readily determinable fair values. The fair value of the irrevocable beneficial interest trust in assets held by the Foundation is based upon the net present value of expected future cash flows. The Organization does not have the ability to redeem this beneficial interest and withdrawals are limited to the terms of the agreement with the Foundation. We have no Level 2 investments.

	Total	Fair Value Measurements at Report Date Using		
		Level 1	Level 2	Level 3
Cash and money market	\$ 593,785	\$ 593,785	\$ -	\$ -
Equity securities	546,443	546,443	-	-
Fixed income securities	539,773	539,773	-	-
Irrevocable beneficial interest trust	267,091	-	-	267,091
	<u>\$ 1,947,092</u>	<u>\$ 1,680,001</u>	<u>\$ -</u>	<u>\$ 267,091</u>

The availability of observable market data is monitored to assess the appropriate classification of financial institutions within the fair value hierarchy. Changes in economic conditions or model-based valuation techniques may require the transfer of financial instruments from one fair value level to another. In such instances, the transfer is reported at the beginning of the reporting period.

Management evaluated the significance of transfer between levels based upon the nature of the financial instrument and size of the transfer relative to total assets. For the year ended June 30, 2023 there were no significant transfers in or out of Levels 1, 2 or 3.

**PARTNERSHIP AGAINST DOMESTIC VIOLENCE, INC.**

**NOTES TO THE FINANCIAL STATEMENTS**

**JUNE 30, 2023**

**NOTE 4 – PROPERTY AND EQUIPMENT**

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

Land and improvements	\$ 1,256,700
Building and improvements	6,025,831
Equipment	671,404
Automobiles	<u>252,162</u>
	8,206,097
Less accumulated depreciation	<u>(4,587,944)</u>
	<u>\$ 3,618,153</u>

Depreciation expense was \$305,454 for the year ended June 30, 2023.

**NOTE 5 – LINE OF CREDIT**

The Organization has a \$250,000 revolving line of credit agreement with a financial institution. The line of credit bore interest at the Prime rate of interest plus .25% (8.50% at June 30, 2023). This line is payable on demand with consecutive monthly interest payments. There was \$101,258 in outstanding borrowings at June 30, 2023.

**NOTE 6 - LEASES**

The organization leases office space under a long-term non-cancellable operating lease agreement. The lease expires on August 31, 2024. Included in the determination of the right-of-use asset and lease liability any renewal options when the options are reasonably certain to be exercised. The Organization's current lease doesn't provide for any renewal options. The operating lease provides for increases in future minimum annual rental payments. The Organization has elected to use the risk-free rate determined using a period comparable to the lease terms as the discount rate for leases where the implicit rate is not readily determinable. The Organization has applied the risk-free rate option to the real estate class of assets. The Organization has have elected the short-term lease exemption for all leases with a term of less than 12 months or less for both existing and ongoing operating leases to not recognize the asset and liability for these leases. Lease payments for short-term leases are recognized on a straight-line basis.

The future minimum lease payments under noncancellable leases with terms greater than one year are listed below as of June 30, 2023:

2024	\$ 57,850
2025	<u>9,760</u>
	67,610
Less interest	<u>(1,093)</u>
Present value of lease liabilities	<u>\$ 66,517</u>

**PARTNERSHIP AGAINST DOMESTIC VIOLENCE, INC.**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2023**

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**NOTE 6 - LEASES**

The weighted average remaining lease term is approximately 1.17 years. The Organization recognized lease expense of \$55,046 for the year ended June 30, 2023.

**NOTE 6 – NET ASSETS WITH DONOR RESTRICTIONS**

Net assets with donor restrictions are restricted for the following purpose at June 30, 2023:

Subject to expenditure for specified purpose:

Building reserve fund	\$ 398,636
Specific programming initiatives	59,762
Beneficial interest in perpetual trust, distributions restricted for building maintenance	<u>267,091</u>
	<u><u>\$ 725,489</u></u>

**NOTE 8 – CONTIGENCIES**

In 2010, the Organization received a community development block grant (CDBG) from Gwinnett County in the amount of \$1,500,000 for the acquisition of a building. In return, the Organization has signed a promissory note that is secured by a Security Deed in the event the Organization defaults on the promissory note. The promissory note expires in November 2030 the Organization is required to return \$1,500,000 to the Gwinnett County Community Development program. After November 2030, the building becomes the unencumbered property of the Organization.

Certain federally funded programs are routinely subject to special audit. The audit reports, which are prepared by the auditors for the Organization pursuant to specific regulatory requirements, are required to be submitted to both the Organization and various federal agencies. Such agencies have the authority to determine liabilities as well as to limit, suspend, or terminate the federal programs. Since the Organization does not expect claims to arise as a result of such audits no provision for liabilities, if any, has been provided in the accompanying financial statements.

**NOTE 9 – BENEFICIAL INTEREST IN ASSETS HELD AT THE COMMUNITY FOUNDATION**

The Organization has transferred assets to the Community Foundation for Greater Atlanta which is holding them as endowed component funds (the Funds) for the benefit of the Organization. The Organization has granted the Foundation variance power that gives the Foundation's Board the power to use the Funds for other purposes in certain circumstances. The Funds are subject to the Foundation's investments and spending policies. The Organization reports the fair value of the Funds as beneficial interest in assets held at Community Foundation in the statements of the financial position and reports distributions received as investment income. Changes in the value of the funds are reported as gains or losses in the statement of activities.

**PARTNERSHIP AGAINST DOMESTIC VIOLENCE, INC.**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2023**

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**NOTE 9 – BENEFICIAL INTEREST IN ASSETS HELD AT THE COMMUNITY FOUNDATION**

Changes in the Funds for the year ended June 30, 2023 are as follows:

Balance at June 30, 2022	\$ 262,192
Net investment earnings	21,051
Grants approved	(12,829)
Administrative fees	(3,323)
Balance at June 30, 2023	<u>\$ 267,091</u>

**NOTE 10 – SUBSEQUENT EVENTS**

In August of 2024, the Organization purchased real estate for a new emergency shelter in the amount of \$3,750,000. The purchase was facilitated with a \$1.25 Million line of credit from a financial institution. The line bears variable interest rate, currently 8.50% and matures on September 1, 2026. The Organization evaluated subsequent events through December 5, 2024, the date these financial statements were available to be issued. There were no other material subsequent events that required recognition or additional disclosure in these financial statement



**INDEPENDENT AUDITOR’S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

Board of Directors  
Partnership Against Domestic Violence, Inc.

We have audited, 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, the financial statements of Partnership Against Domestic Violence, 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 December 5, 2024.

***Report on 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) as a basis for designing 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 Organization’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 and therefore, material weaknesses or significant deficiencies may exist that were not identified. We identified a certain deficiency in internal control, described in the accompanying *schedule of findings and questioned costs* as item 2023-001 that we consider to be a material weakness.

### ***Report on 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 financial statements. 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*.

### **Partnership Against Domestic Violence, Inc.'s Response to Findings**

*Government Auditing Standards* requires the auditor to perform limited procedures on the Organization's response to the finding identified in our audit and described in the accompanying *schedule of findings and questioned costs*. The Organization's response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

### **Purpose of this Report**

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

*Richels, Cauley + Associates, LLC*

Dublin, Georgia  
December 5, 2024

**PARTNERSHIP AGAINST DOMESTIC VIOLENCE, INC.**  
**SCHEDULE OF FINDINGS AND RESPONSES**  
**YEAR ENDED JUNE 30, 2023**

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Finding 2023-001

*Criteria:* Management is responsible for establishing and maintaining effective internal controls over financial reporting.

*Condition:* During our review, there were several balance sheet accounts that were not reconciled at year end. Additionally, it was noted that prior year journal entries were not being posted to the general ledger. As a result several material audit adjustments were required to present the financial statements in accordance with accounting principles generally accepted in the United States of America.

*Cause:* The Organization does not have process and procedures to identify and make the necessary adjustments to present the financial statements in accordance with accounting principles generally accepted in the United States of America.

*Effect or Potential Effect:* Adjusting entries were proposed during the financial statement audit as a result of errors identified during the audit process.

*Recommendation:* The Organization should perform a review of all accounts to ensure all transactions are recorded in the appropriate period and reconciled to supporting schedules and statements.

*Views of Responsible Official:* The Organization has recently engaged an external accountant to assist with the balancing of balance sheet accounts. Additionally, the auditor has provided advice on how to proceed going forward. The Organization will ensure that audit adjustments are posted and that all balance sheet accounts are reconciled going forward.