

**NORTHEAST GEORGIA COUNCIL
ON DOMESTIC VIOLENCE, INC.**

AUDITED FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2024

**NORTHEAST GEORGIA COUNCIL ON DOMESTIC VIOLENCE, INC.
FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2024**

Table of Contents

	<u>Page No.</u>
Independent Auditor's Report	1-2
Financial Statements:	
Statement of Financial Position	3
Statement of Activities	4
Statement of Functional Expenses	5
Statement of Cash Flows	6
Notes to Financial Statements	7-14
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 <i>Government Auditing Standards</i>	15-16

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November 14, 2024

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of the
Northeast Georgia Council on Domestic Violence, Inc.
Hartwell, Georgia

Opinion

We have audited the accompanying financial statements of the Northeast Georgia Council on Domestic Violence, Inc. ("NEGACDV") (a nonprofit organization), which comprise the statement of financial position as of June 30, 2024, 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 financial statements referred to above present fairly, in all material respects, the financial position of NEGACDV as of June 30, 2024, 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 NEGACDV and to meet our 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 NEGACDV's ability to continue as a going concern within 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 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

BURCH, CROOMS & COMPANY, LLP

Northeast Georgia Council on Domestic Violence, Inc.

Page 2

November 14, 2024

Auditor's Responsibilities for the Audit of the Financial Statements (Continued)

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 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 NEGACDV'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 NEGACDV'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 November 14, 2024, on our consideration of NEGACDV'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 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 NEGACDV'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 NEGACDV's internal control over financial reporting and compliance.

Burch, Crooms & Company, LLP

NORTHEAST GEORGIA COUNCIL ON DOMESTIC VIOLENCE, INC.
STATEMENT OF FINANCIAL POSITION
JUNE 30, 2024

ASSETS

Current assets

Cash and cash equivalents	\$ 421,427
Grants receivable	237,928
Prepaid expenses	2,249

Total current assets	661,604
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Noncurrent assets

Capital assets, depreciable

Building	787,781
Furniture and fixtures	133,789
Vehicles	57,723

Total depreciable capital assets at cost	979,293
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Less accumulated depreciation	(340,219)
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Total capital assets, net of depreciation	639,074
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Total noncurrent assets	639,074
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Other assets

Utility deposits	3,700
Certificate of deposit	26,705
Operating lease right-of-use asset	100,992

Total other assets	131,397
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Total assets	\$ 1,432,075
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LIABILITIES

Current liabilities

Accounts payable	\$ 7,238
Due to grantor	-
Accrued expenses	35,206
Payroll taxes payable	1,413
Note payable - USDA, current portion	9,275
Current portion of operating lease liability	24,848

Total current liabilities	77,980
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Noncurrent liabilities

Note payable - USDA, net of current portion	424,908
Operating lease liability, less current portion	76,144

Total noncurrent liabilities	501,052
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Total liabilities	579,032
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NET ASSETS

Net assets with donor restrictions	-
Net assets without donor restrictions	853,043

Total net assets	853,043
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TOTAL LIABILITIES AND NET ASSETS

	\$ 1,432,075
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The accompanying notes are an integral part of these financial statements.

NORTHEAST GEORGIA COUNCIL ON DOMESTIC VIOLENCE, INC.
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2024

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
SUPPORT AND REVENUE			
Contributions of cash and other financial assets	\$ 87,423	\$ -	\$ 87,423
Government grants	-	1,055,228	1,055,228
5% fines	-	39,577	39,577
Thrift Store sales	171,182	-	171,182
Contributions of nonfinancial assets	81,368	-	81,368
Fundraising events	34,013	-	34,013
Interest and dividend income	107	-	107
Total support and revenue	374,093	1,094,805	1,468,898
Net assets released from donor restrictions	1,094,805	(1,094,805)	-
Total support and revenue and net assets released from donor restrictions	\$ 1,468,898	\$ -	\$ 1,468,898
EXPENSES			
Program services	\$ 1,109,574		\$ 1,109,574
Support services			
General and administrative	144,162	-	144,162
Fundraising	19,498	-	19,498
Total expenses	1,273,234	-	1,273,234
CHANGE IN NET ASSETS	195,664	-	195,664
NET ASSETS, beginning of year	657,379	-	657,379
NET ASSETS, end of year	<u>\$ 853,043</u>	<u>\$ -</u>	<u>\$ 853,043</u>

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

NORTHEAST GEORGIA COUNCIL ON DOMESTIC VIOLENCE, INC.
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2024

	Program Services	Supporting Services		Total
		General and Administrative	Fund Raising	
Accounting and professional	\$ 11,133	\$ 1,237	\$ -	\$ 12,370
Auto	3,786	946	-	4,732
Background checks	824	-	-	824
Bank charges and credit card fees	5,521	1,617	-	7,138
Client assistance	104,740	-	-	104,740
Contract services	10,592	-	-	10,592
Depreciation	35,241	8,810	-	44,051
Dues and subscriptions	12,552	-	-	12,552
Food and house supplies	21,828	-	-	21,828
Fundraising	-	-	19,498	19,498
Health benefits	36,976	4,109	-	41,085
Insurance	15,882	3,970	-	19,852
Interest	-	15,476	-	15,476
Meeting and staff training	7,783	-	-	7,783
Office expense	23,550	5,888	-	29,438
Payroll taxes	38,538	4,282	-	42,820
Penalties	-	474	-	474
Personnel costs	10,913	1,213	-	12,126
Postage and freight	358	90	-	448
Rent	50,927	12,732	-	63,659
Repairs and maintenance	23,258	2,584	-	25,842
Salary	635,981	70,665	-	706,646
Security	1,697	-	-	1,697
Store - advertising	874	-	-	874
Store - supplies	2,647	-	-	2,647
Store - transportation	12,002	-	-	12,002
Taxes and licenses	-	150	-	150
Telephone	12,631	3,158	-	15,789
Travel	2,294	-	-	2,294
Utilities	27,046	6,761	-	33,807
Total expenses	<u>\$ 1,109,574</u>	<u>\$ 144,162</u>	<u>\$ 19,498</u>	<u>\$ 1,273,234</u>

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

NORTHEAST GEORGIA COUNCIL ON DOMESTIC VIOLENCE, INC.
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2024

Cash flows from operating activities:

Change in net assets	\$ 195,664
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Adjustments to reconcile change in net assets to
net cash provided by operating activities:

Depreciation	44,051
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Changes in assets and liabilities:

Loss on disposal of capital assets	2,884
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(Increase) Decrease in grants receivable	168,922
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(Increase) Decrease in prepaid expenses	205
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Increase (Decrease) in accounts payable	(1,499)
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Increase (Decrease) in due to grantor	(38,123)
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Increase (Decrease) in accrued expenses	(29,478)
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Increase (Decrease) in payroll liabilities	(1,115)
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Total adjustments	101,796
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Net cash provided by (used in) operating activities	341,511
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Cash flows from financing activities:

Loan payments	(8,956)
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Net cash provided by (used in) financing activities	(8,956)
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Cash flows from investing activities:

Capital asset additions	(77,408)
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Net cash provided by (used in) investing activities	(77,408)
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Net increase (decrease) in cash and cash equivalents	255,147
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Cash and cash equivalents, beginning of year	192,985
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Cash and cash equivalents, end of year	\$ 448,132
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Reconciliation of cash and cash equivalents to Statement of Financial Position:

Cash and cash equivalents per Statement of Cash Flows	\$ 448,132
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Certificate of deposit	(26,705)
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Cash and cash equivalents per Statement of Financial Position	\$ 421,427
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The accompanying notes are an integral part of these financial statements.

NORTHEAST GEORGIA COUNCIL ON DOMESTIC VIOLENCE, INC.
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended June 30, 2024

NOTE 1 – NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of Northeast Georgia Council on Domestic Violence, Inc. ("NEGACDV") conform to accounting principles generally accepted in the United States of America ("GAAP") as applicable to not-for-profit organizations. The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with GAAP. The following is a summary of the more significant policies:

(A) ORGANIZATION AND NATURE OF ACTIVITIES

NEGACDV is a not-for-profit corporation, incorporated under the laws of the State of Georgia, whose mission is to offer battered women and their children respect, resources, and services to live a life free of violence. The Organization operates a state certified emergency shelter for women and dependent children who are in danger and have no safe place to go. Clients are provided access to safety and to legal, medical, social, financial, educational, transportation, housing, and other assistance. The Organization's support comes primarily from grants and contributions from individuals and the community at large.

NEGACDV is governed by a Board of Directors. Daily operations of NEGACDV are managed by the Executive Director.

(B) FINANCIAL STATEMENT PRESENTATION

The Organization presents its financial statements in accordance with the Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 958, *Not-for Profit Entities* (ASC 958). Under ASC 958, the contributions received, including unconditional promises to give, must be recognized as revenues in the period received at their fair values. Under ASC 958, The Organization is required to report information regarding its financial position and activities according to classes of net revenues and net assets with donor restrictions, and net revenues and net assets without donor restrictions. The Organization reports donor-restricted support whose restrictions are met in the same reporting period as support within net assets without donor restrictions. The Organization is also required to present a statement of cash flows and a statement of functional expenses.

(C) CASH AND CASH EQUIVALENTS

For purposes of the statement of cash flows, NEGACDV considers all highly liquid investments available for current use with an initial maturity of three months or less to be cash equivalents. NEGACDV maintains its cash in bank deposit accounts which, at times, may exceed federally insured limits.

(D) FAIR VALUE OF FINANCIAL INSTRUMENTS

The Organization presents certain fair value disclosures for all financial assets and liabilities and for non-financial assets and liabilities recognized or disclosed at fair value in the financial statements on a recurring basis in accordance with FASB ASC 820, *Fair Value Measurements and Disclosures* (ASC 820). ASC 820 defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. ASC 820 has no significant effect on the Organization's financial statements.

NORTHEAST GEORGIA COUNCIL ON DOMESTIC VIOLENCE, INC.
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended June 30, 2024

NOTE 1 – NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(E) PROPERTY AND EQUIPMENT

Building and Equipment purchased is carried at cost. Equipment donated is carried at estimated fair value at time of donation. Depreciation expense is computed using the straight-line method over the estimated useful life of the asset. The principal life used for the depreciation of equipment and furniture is five or seven years, and 39 years for buildings. Net property and equipment for the fiscal year ending June 30, 2024 equals \$639,074.

(F) MANAGEMENT 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 Statement of Financial Position and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

(G) GOVERNMENT GRANTS AND CONTRIBUTIONS

Government grants and contributions, including unconditional promises to give, are recorded in the period received as net assets with or without donor restrictions depending on the existence and/or nature of any donor restrictions. Non-cash contributions are recorded at their estimated fair value as of the date of the grant. Contributions of long-lived assets without explicit donor-imposed restrictions concerning their use are recorded as an increase to net assets without donor restrictions. Restrictions which require that contributions be used to acquire long-lived assets are considered to be met and are reclassified from net assets with donor restrictions to net assets without donor restrictions when the asset is purchased and placed in service. Contributions with donor-imposed restrictions whose restrictions are met in the year of grant are recorded as an increase in net assets without donor restrictions.

Unconditional promises to give, receivable more than one year from the date of grant, are discounted to their net present value using a discount rate commensurate with the related risks involved. Amortization of any discount on long-term promises to give is recorded as additional contribution revenue. Allowances for uncollectible unconditional promises to give are recorded based on management's evaluation of the current portfolio of promises to give and the likelihood that NEGACDV might not collect all of the unconditional promises.

(H) CLASSIFICATIONS OF NET ASSETS

NEGACDV's financial statements have been prepared to reflect two classes of net assets depending on the presence or absence of donor-imposed limitations on their use. Net assets are comprised of two groups:

Net Assets Without Donor Restrictions – Amounts that are not subject to usage restrictions based on donor-imposed requirements. This class also includes assets previously restricted where restrictions have expired or been met.

Net Assets with Donor Restrictions – Assets subject to usage limitations based on donor-imposed or grantor restrictions. These restrictions may be temporary or may be based on a particular use. Restrictions may be met by the passage of time or by particular actions. Certain restrictions may need to be maintained in perpetuity.

NORTHEAST GEORGIA COUNCIL ON DOMESTIC VIOLENCE, INC.
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended June 30, 2024

NOTE 1 – NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(H) CLASSIFICATIONS OF NET ASSETS (CONTINUED)

Earnings related to restricted net assets will be included in net assets without donor restrictions unless otherwise specifically required to be included in net assets with donor restrictions by donor, grantor, or by applicable state or federal law.

NEGACDV's net assets with donor restrictions represent funds NEGACDV has received that are subject to various purpose restrictions by the grantor. Grants receivable are not reported as a component of net assets with donor restrictions because these grants operate on a reimbursement basis. Because NEGACDV has already expended the funds, implying a time restriction on these funds is unnecessary.

(I) FUNCTIONAL EXPENSES / COST ALLOCATION

The cost of providing program services and supporting services has been summarized on a functional basis in the Statement of Functional Expenses. Expenses directly attributable to a specific functional activity are reported as expenses of those functional activities. Certain categories of expenses are attributable to more than one program or supporting function. Therefore, these expenses require allocation on a reasonable basis that is consistently applied. NEGACDV allocates these expenses based on estimated usage or on estimates of time and effort.

(J) INCOME TAXES

NEGACDV is exempt from all federal and state income taxes under Section 501(c)(3) of the Internal Revenue Code. Accordingly, no provision for income taxes is made in the financial statements for federal or state income taxes. NEGACDV's federal income tax returns are generally subject to examination by the Internal Revenue Service for three years from the later of the due date of the return or the date the return was filed. For the year ended June 30, 2024, NEGACDV's 2020, 2021, and 2022 tax returns remain subject to examination.

(K) SUBSEQUENT EVENTS

Subsequent events have been evaluated by management through November 14, 2024, which is the date the financial statements were available to be issued.

NOTE 2 – ADOPTION OF ACCOUNTING PRONOUNCEMENTS

NEGACDV adopted Financial Accounting Standards Board Update ("ASU") 2016-13, *Financial Instruments-Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments*, which improves financial reporting by requiring earlier recognition of credit losses on financing receivables and other financial assets in scope. Other ASUs were required to be adopted concurrently with this standard. The adoption of the ASUs did not result in any reclassification or restatements to net assets, changes in net assets, or cash flows.

NORTHEAST GEORGIA COUNCIL ON DOMESTIC VIOLENCE, INC.
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended June 30, 2024

NOTE 3 – CONCENTRATION OF CREDIT RISK

The balance of cash and cash equivalents as of June 30, 2024 was \$421,427, in addition to a \$26,705 certificate of deposit. Of the total cash and cash equivalents in the bank, \$250,000 is covered by Federal Depository Insurance. No significant credit risk exists as of June 30, 2024.

NOTE 4 – LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS

As detailed in the Statement of Financial Position, NEGACDV has financial assets of \$686,060 as of June 30, 2024 to meet needs for general expenditures. Of this amount, there are no advances subject to grant contractual restrictions, so the full amount is available to meet NEGACDV's cash needs in the next twelve months.

NEGACDV manages its liquidity by utilizing internal operating budgets that provide sufficient funds for general expenditures in meeting its liabilities and other obligations as they become due. NEGACDV's cash needs are expected to be met on a monthly basis from grant revenues and contributions. NEGACDV maintains sufficient financial assets on hand to meet a minimum of 30 days' worth of normal operating expenses.

NOTE 5 – FAIR VALUE MEASUREMENTS

NEGACDV's significant financial instruments are cash and cash equivalents, accounts receivable, accounts payable, notes payable, and other short-term assets and liabilities. For these financial statements, carrying values approximate fair value.

NOTE 6 – INVESTMENTS

NEGACDV's investments consist of a certificate of deposit with a local bank with a maturity of twelve months. Because the original maturity of the certificates exceeds 90 days, NEGACDV has classified the certificate of deposit as an investment. The interest rate earned on the certificate of deposit approximates the interest rate that can be earned in the market at year-end and the certificate of deposit is federally insured, so the cost of the certificate of deposit approximates their fair value.

NOTE 7 – GRANTS RECEIVABLE

NEGACDV receives the majority of its support by way of governmental grants. The primary source is the Criminal Justice Coordinating Council. All grants receivable are reported as current by NEGACDV because all of the amounts are due and payable currently and are expected to be paid within one year of year-end. Management records an allowance for doubtful accounts to reduce any grants receivable reported in the financial statements to their net realizable value. After considering all relevant factors, management determined that no allowance was necessary for the year ended June 30, 2024.

NORTHEAST GEORGIA COUNCIL ON DOMESTIC VIOLENCE, INC.
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended June 30, 2024

NOTE 8 – PROPERTY AND EQUIPMENT

Property and equipment activity for the year ended June 30, 2024 was as follows:

	Balance June 30, 2023	Additions	Disposals	Balance June 30, 2024
Property and equipment				
Office equipment	\$ 134,021	\$ 38,961	\$ (39,193)	\$ 133,789
Buildings	758,330	38,447	(8,996)	787,781
Vehicles	57,723	-	-	57,723
Total depreciable assets, gross	<u>950,074</u>	<u>77,408</u>	<u>(48,189)</u>	<u>979,293</u>
Less accumulated depreciation				
Office equipment	(108,640)	(15,608)	39,022	(85,226)
Buildings	(180,948)	(24,309)	6,283	(198,974)
Vehicles	(51,885)	(4,134)	-	(56,019)
Total accumulated depreciation	<u>(341,473)</u>	<u>(44,051)</u>	<u>45,305</u>	<u>(340,219)</u>
Total property and equipment, net	<u>\$ 608,601</u>	<u>\$ 33,357</u>	<u>\$ (2,884)</u>	<u>\$ 639,074</u>

Office equipment additions include office/security equipment and building additions include improvements at the shelter and outreach center

Depreciation expense for the year ended June 30, 2024 was \$44,061.

NOTE 9 – ACCRUED EXPENSES

The Organization has implemented a policy to accrue for employees paid days off (PDO) and sick leave. The organization accrues days based on the length of employment. Employees may carry up to 120 hours, but will not be paid out above 80 hours when leaving the Organization. Employees can accumulate no more than 140 hours of sick leave and, upon separation, the first 40 hours are forfeited. Upon termination or resignation, up to 80 hours of PDO that have not been used and unused sick leave in excess of 40 hours, will be paid to that employee at that employee's pay rate. The total amount of PDO as of June 30, 2024 totaled \$28,318.

The final pay period ended on June 30, 2024 and included days worked through June 30, 2024. Therefore, there was no accrued payroll for the period ending June 30, 2024. Payroll liabilities due as of June 30, 2024 totaled \$1,413.

Due to the timing difference with the year end, there were some expenses that were incurred in June but not paid until after the end of the year. These amounts are recorded as a 2024 expense and liability. The June sales tax liability of \$1,148 was accrued as of June 30, and paid in July. Credit card liabilities for June of \$5,740 were paid in July 2024.

	<u>Total Accrued Expenses:</u>	
Sales tax payable		\$ 1,148
Credit card liabilities		5,740
Paid days off (PDO)		<u>28,318</u>
Total		<u>\$35,206</u>

NORTHEAST GEORGIA COUNCIL ON DOMESTIC VIOLENCE, INC.
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended June 30, 2024

NOTE 10 – NOTE PAYABLE – SHORT-TERM

The Organization has a \$100,000 line of credit with Pinnacle Bank bearing interest at 8.50% maturing January 18, 2025. The balance on the line of credit at June 30, 2024 was \$-0- and there were no draws or repayments during the year ended June 30, 2024. The line of credit is secured by accounts receivable and a certificate of deposit with Pinnacle Bank.

NOTE 11 – NOTE PAYABLE – LONG-TERM

Long-term debt consists of the following:

	<u>2024</u>	<u>2023</u>
United States Department of Agriculture Note payable with principal and interest payable in monthly installments of \$2,027, with interest at 3.5%. Thrift Store is held as collateral.	\$434,183	\$443,139
Less: Current maturities of long-term debt	<u>(9,275)</u>	<u>(8,956)</u>
	<u>\$424,908</u>	<u>\$434,183</u>

Maturities for the next five years are as follows:

June 30, 2025	\$ 9,275
June 30, 2026	9,604
June 30, 2027	9,946
June 30, 2028	10,300
June 30, 2029	10,666
Thereafter	<u>384,392</u>
	<u>\$434,183</u>

Total interest paid in the fiscal year ending June 30, 2024 totaled \$15,476.

NOTE 12 – NET ASSETS WITH DONOR RESTRICTIONS

NEGACDV's net assets with donor restrictions represent funds that NEGACDV has received that are subject to various purpose restrictions by the grantor. Grants receivable are not reported as a component of net assets with donor restrictions unless the granting agency allows NEGACDV to receive the money prior to expending the funds on an allowable cost. All of NEGACDV's grants operate on a reimbursement basis and require that NEGACDV incur the expense prior to requesting reimbursement. NEGACDV has either already expended the funds giving rise to a grant receivable or the funds are already subject to a purpose restriction, so implying a time restriction on NEGACDV's grant revenues is unnecessary. As of June 30, 2024, NEGACDV had no restricted net assets.

NORTHEAST GEORGIA COUNCIL ON DOMESTIC VIOLENCE, INC.
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended June 30, 2024

NOTE 13 – CONCENTRATION OF REVENUES AND RECEIVABLES

NEGACDV received approximately 59.7% of its total revenues under grants passed through the Criminal Justice Coordinating Council. Substantially all of NEGACDV's other revenues are derived from various other grants, contributions, fund-raising activities and thrift store sales.

All of the grants receivable reported on the Statement of Financial Position are receivable from federal or state agencies. NEGACDV does not require collateral to secure those receivables and does not require the use of a master netting agreement. If the federal agencies were to fail to perform under the provisions of the grant agreement, NEGACDV would incur an accounting loss equal to the carrying value of the grants receivable.

NOTE 14 – DESCRIPTION OF LEASING ARRANGEMENTS

The Organization leases office space for the administrative office under an operating lease with an initial term of one hundred twenty-two months. The lease can renew at the end of the lease term and is at the sole discretion of the Organization, and only lease options that the Organization believes are reasonably certain to exercise are included in the measurement of the lease asset and liability.

The agreement provides for minimum lease payments. The lease agreement does not include any material residual value guarantees or restrictive covenants.

The following summarizes the line items in the statement of net position which include amounts for operating leases as of June 30, 2024:

Operating lease right-of-use asset	\$100,992
Current portion of operating lease liability	\$ 24,848
Long-term operating lease liability	<u>76,144</u>
Total operating lease liability	\$100,992

The components of operating lease expense that are included in "rent" in the statement of functional expenses for the year ended June 30, 2024 are as follows:

Operating lease cost	\$ 26,550
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The weighted average lease term and discount rate as of June 30, 2024 are as follows:

Weighted average remaining lease term	46 months
Weighted average discount rate	2.90%

NORTHEAST GEORGIA COUNCIL ON DOMESTIC VIOLENCE, INC.
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended June 30, 2024

NOTE 14 – DESCRIPTION OF LEASING ARRANGEMENTS (CONTINUED)

The maturities of the operating lease liability as of June 30, 2024 are as follows:

2025	\$ 27,450
2026	28,350
2027	29,250
2028	<u>21,724</u>
Total lease payments	106,774
Less: imputed interest	<u>(5,782)</u>
Present value of lease liability	<u>\$100,992</u>

NOTE 15 – CONTRIBUTIONS OF NONFINANCIAL ASSETS

NEGACDV recorded non-cash contributions of \$48,368 from various agencies and individuals to assist victims of domestic violence. These unrestricted contributions consist of everyday items such as diapers, groceries, clothing, and school supplies, as well as direct payments to utility companies and landlords to assist victims with the necessities of basic living. Items are recorded at fair market value as determined by costs for similar items at local Wal-Mart or Target stores. All items donated were provided directly to victims and utilized immediately upon receipt. In addition, NEGACDV recorded a non-cash contribution in the amount of \$33,000 for the fair market rental value of the shelter building provided by Hart County, Georgia for the year ended June 30, 2024.

NOTE 16 – COMMITMENTS AND CONTINGENCIES

NEGACDV is dependent upon the grant revenue and contributions received in order to operate. The ability of NEGACDV's contributors to continue giving amounts consistent and comparable with prior years may be dependent upon current and future economic conditions and the continued deductibility for income tax purposes of contributions to NEGACDV. Though the Board of Directors believes NEGACDV has the resources to continue its programs, its ability to do so, and the extent to which it continues, may be dependent on the above factors.

The grant revenue NEGACDV receives requires it to adhere to conditions set forth in the grant agreements. Failure to follow the grant guidelines could result in the return of funds to the grantors. Although the return of funds is a possibility, management and the board of directors deem the contingency unlikely. NEGACDV has a history of accepting and complying with all grant requirements.

NOTE 17 – SUBSEQUENT EVENTS

Effective July 1, 2024, NEGACDV amended the current operating lease agreement to include an additional 1,000 square feet of office space with varying monthly rental amounts with an expiration date of April 30, 2028. This amendment will be classified as an additional operating lease right-of-use asset and operating lease liability for the fiscal year ending June 30, 2025.

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Kristi J. Robinson
Ruth D. Hein
Rylee K. Duncan

November 14, 2024

**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**

To the Board of Directors
Northeast Georgia Council on Domestic Violence, Inc.
Hartwell, Georgia

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 the Northeast Georgia Council on Domestic Violence, Inc. ("NEGACDV") (a nonprofit organization), which comprise the statement of financial position as of June 30, 2024, and the related statements of activities and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated November 14, 2024.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered NEGACDV'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 NEGACDV's internal control. Accordingly, we do not express an opinion on the effectiveness of NEGACDV'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.

BURCH, CROOMS & COMPANY, LLP

Northeast Georgia Council on Domestic Violence, Inc.
Page 2
November 14, 2024

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether NEGACDV'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*.

We noted certain other matters involving the internal control over financial reporting that we have reported to the management of the Northeast Georgia Council on Domestic Violence, Inc. in a separate letter dated November 14, 2024.

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 NEGACDV's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering NEGACDV's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Burch, Crooms & Company, LLP