

**SAFE NEST: TEMPORARY ASSISTANCE FOR DOMESTIC CRISIS, INC.**

**CONSOLIDATED FINANCIAL STATEMENTS**

**JUNE 30, 2021**

The logo consists of a dark blue square with a white border. Inside the square, the letters "HRC" are written in a white, sans-serif font.

**HRC**

**SAFE NEST: TEMPORARY ASSISTANCE FOR DOMESTIC CRISIS, INC.**

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## INDEPENDENT AUDITOR'S REPORT

To the Board of Directors  
Safe Nest: Temporary Assistance for Domestic Crisis, Inc. and Subsidiary  
Las Vegas, Nevada

### **Report on the Consolidated Financial Statements**

We have audited the accompanying consolidated financial statements of Safe Nest: Temporary Assistance for Domestic Crisis, Inc. and Subsidiary (both nonprofit organizations), which comprise the consolidated statement of financial position as of June 30, 2021, and the related consolidated statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the consolidated financial statements.

### ***Management's Responsibility for the Consolidated Financial Statements***

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

### ***Auditor's Responsibility***

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

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

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

### ***Opinion***

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Safe Nest: Temporary Assistance for Domestic Crisis, Inc. and Subsidiary as of June 30, 2021, and the changes in its net assets and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

## ***Other Matters***

### *Other Information*

Our audit was conducted for the purpose of forming an opinion on the consolidated 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 consolidated 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 consolidated financial statements. The information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the consolidated 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 September 9, 2021 on our consideration of Safe Nest: Temporary Assistance for Domestic Crisis, Inc. and Subsidiary'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 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 Safe Nest: Temporary Assistance for Domestic Crisis, Inc. and Subsidiary's internal control over financial reporting and compliance.

*Houldsworth, Russo & Company, P.C.*

Las Vegas, Nevada  
September 9, 2021

**SAFE NEST: TEMPORARY ASSISTANCE FOR DOMESTIC CRISIS, INC.**  
**CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
**JUNE 30, 2021**

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**ASSETS**

**CURRENT ASSETS**

Cash and cash equivalents	\$ 861,515
Cash and cash equivalents, restricted	238,555
Accounts receivable	163,472
Pledges receivable	66,489
Government support receivable	657,615
Inventory	17,201
Prepaid expenses	117,420

2,122,267

**OTHER ASSETS**

Cash and cash equivalents, restricted, net of current portion	1,075,623
Investments	140,550
Property and equipment, net	863,145
Deposits receivable	21,989

2,101,307

**Total assets** \$ 4,223,574

**LIABILITIES AND NET ASSETS**

**CURRENT LIABILITIES**

Accounts payable	\$ 108,201
Accrued expenses	256,944
Deferred revenue	70,545
Current portion of capital lease obligations	1,991

437,681

**OTHER LIABILITIES**

Deferred rent	28,781
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**Total liabilities** 466,462

**NET ASSETS**

Without donor restrictions	2,376,445
With donor restrictions	1,380,667

3,757,112

**Total liabilities and net assets** \$ 4,223,574

See accompanying notes to financial statements

**SAFE NEST: TEMPORARY ASSISTANCE FOR DOMESTIC CRISIS, INC.**  
**CONSOLIDATED STATEMENT OF ACTIVITIES**  
**YEAR ENDED JUNE 30, 2021**

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**NET ASSETS WITHOUT DONOR RESTRICTIONS**

Revenues, gains, and other support:	
Federal grants	\$ 2,776,658
State and local grants	664,054
Contributions	2,021,888
Special events, net of direct benefits to donors of \$4,661	14,558
In-kind contributions	165,430
Investment income, net	18,070
Program revenue	226,865
Donation Center revenue	1,104,455
Net assets released from restriction	<u>37,304</u>
Total revenues, gains, and other support	7,029,282
Expenses:	
Program services:	
Crisis services	3,052,318
Counseling, advocacy, and education	2,096,354
Supporting services:	
Management and general	792,309
Fundraising	<u>1,267,797</u>
Total program and supporting services	<u>7,208,778</u>
Change in net assets without donor restrictions	(179,496)
<b>NET ASSETS WITH DONOR RESTRICTIONS</b>	
Contributions	276,989
Net assets released from restriction	<u>(37,304)</u>
Change in net assets with donor restrictions	<u>239,685</u>
<b>CHANGE IN NET ASSETS</b>	60,189
<b>NET ASSETS, BEGINNING OF YEAR</b>	<u>3,696,923</u>
<b>NET ASSETS, END OF YEAR</b>	<u><u>\$ 3,757,112</u></u>

See accompanying notes to financial statements

**SAFE NEST: TEMPORARY ASSISTANCE FOR DOMESTIC CRISIS, INC.**  
**CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES**  
**YEAR ENDED JUNE 30, 2021**

	Program Services		Supporting Services			Total
	Crisis Services	Counseling, Advocacy, and Education	Management and General	Fundraising	Special Event Direct Benefits	
Salaries and wages	\$ 1,245,200	\$ 1,331,153	\$ 375,718	\$ 628,009	\$ -	\$ 3,580,080
Employee benefits	146,317	156,417	44,150	89,918	-	436,802
Payroll taxes and related	113,600	121,442	34,277	58,464	-	327,783
Depreciation and amortization	70,277	75,128	21,204	11,672	-	178,281
Accounting fees	-	-	28,921	6,427	-	35,348
Advertising	-	-	33,126	7,930	-	41,056
Bank fees	-	-	12,580	3,174	-	15,754
Direct client assistance	897,732	-	-	-	-	897,732
Insurance	18,501	19,778	5,581	33,646	-	77,506
Interest	-	-	1,821	-	-	1,821
Information technology	130,157	139,142	39,273	72,481	-	381,053
Occupancy	94,912	101,464	28,638	42,621	4,661	272,296
Office equipment	15,830	16,923	4,777	21,336	-	58,866
Office supplies	32,800	35,064	9,897	10,260	-	88,021
Postage and shipping	812	867	245	465	-	2,389
Professional fees	13,847	14,168	80,126	138,118	-	246,259
Program supplies	109,532	-	-	-	-	109,532
Repairs and maintenance	42,174	45,086	12,725	11,932	-	111,917
Security	58,277	23,240	11,608	13,194	-	106,319
Staff development	-	-	39,257	799	-	40,056
Income taxes	-	-	3,190	-	-	3,190
Travel and transportation	8,222	8,790	2,480	109,624	-	129,116
Utilities	54,128	7,692	2,715	7,727	-	72,262
Total expenses	<u>\$ 3,052,318</u>	<u>\$ 2,096,354</u>	<u>\$ 792,309</u>	<u>\$ 1,267,797</u>	<u>\$ 4,661</u>	7,213,439
Less: costs of direct benefits to donors						<u>(4,661)</u>
Total program and supporting services						<u>\$ 7,208,778</u>

See accompanying notes to financial statements

**SAFE NEST: TEMPORARY ASSISTANCE FOR DOMESTIC CRISIS, INC.**  
**CONSOLIDATED STATEMENT OF CASH FLOWS**  
**YEAR ENDED JUNE 30, 2021**

**CASH FLOWS FROM OPERATING ACTIVITIES**

Change in net assets	\$ 60,189
Adjustments to reconcile increase in net assets to cash used in operating activities:	
Depreciation and amortization	178,281
Paycheck Protection Program loan forgiveness	(706,400)
Change in operating assets:	
Accounts receivable	(56,756)
Pledges receivable	(66,489)
Government support receivable	68,330
Inventory	7,954
Prepaid expenses	23,129
Change in operating liabilities	
Accounts payable	7,293
Accrued expenses	31,839
Deferred revenue	57,195
Deferred rent	875
	<hr/>
Net cash used in operating activities	(394,560)

**CASH FLOWS FROM INVESTING ACTIVITIES**

Purchase of property and equipment	(317,599)
	<hr/>
Net cash used in investing activities	(317,599)

**CASH FLOWS FROM FINANCING ACTIVITIES**

Payments on capital lease obligations	(22,074)
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Net cash used in financing activities	(22,074)

NET CHANGE IN CASH AND EQUIVALENTS (734,233)

CASH AND EQUIVALENTS, BEGINNING OF YEAR 

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2,909,926

CASH AND EQUIVALENTS, END OF YEAR 

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\$ 2,175,693

**SUMMARY OF CASH ACCOUNTS:**

Cash and equivalents	\$ 861,515
Cash and equivalents, restricted	238,555
Cash and equivalents, restricted, noncurrent	1,075,623
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	\$ 2,175,693
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**SUPPLEMENTAL DISCLOSURE:**

Cash paid for interest	\$ 2,121
Cash paid for income taxes	\$ 3,253
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See accompanying notes to financial statements



**SAFE NEST: TEMPORARY ASSISTANCE FOR DOMESTIC CRISIS, INC.**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**YEAR ENDED JUNE 30, 2021**

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**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Nature of Activities

Safe Nest: Temporary Assistance for Domestic Crisis, Inc. and Subsidiary (collectively, the Organization) is a not-for-profit organization including Safe Nest: Temporary Assistance for Domestic Crisis, Inc. (Safe Nest) and Safe Nest Foundation, Inc. (the Foundation). Safe Nest and the Foundation were incorporated under the laws of the State of Nevada on February 23, 1977 and September 15, 2017, respectively.

Safe Nest's purpose is to address domestic violence issues by providing crisis and counseling services, outreach, and education to victims and abusers in the state of Nevada. Safe Nest receives contributions and grants from private, federal, state, and local sources, as well as programmatic income.

The Foundation's purpose is to support the important work of Safe Nest. The Foundation receives contributions as well as revenues from donated goods sold for cash.

Program Descriptions

*Crisis Services*

Safe Nest's crisis services programs (shelter and hotline) provide comprehensive services for domestic violence victims and their children, including emergency 24-hour intake, 24-hour crisis hotline services, 24-hour access to Emergency Temporary Protection Orders (the sole access point in Clark County), case management, employment counseling, housing assistance, support groups, sobriety support, parenting training, child counseling, and life-skills support, in addition to providing for safety and basic needs.

*Counseling, Advocacy, and Education*

Counseling services offered by Safe Nest include individual and group therapy sessions for adult and youth victims conducted in Las Vegas, Boulder City, and Mesquite. Understanding that ending domestic violence means changing how abusive individuals handle their emotions and interact with their partners, Safe Nest also provides state-certified batterer's therapy groups for court-ordered and volunteer participants as well as for teens exhibiting violence in dating and familial relationships.

Safe Nest's advocacy program provides counselors both on-site and in the field to assist survivors who are navigating the legal system in pursuit of safety and justice. Safe Nest Advocates at Family Court, the Temporary Protection Order (TPO) Office, and the District Attorney's Office orient victims to court processes; develop safety plans; assist with obtaining protection orders; provide referrals; accompany victims to court; and partner with attorneys, law enforcement, prosecutors, judges, Child Protective Services, and other entities as needed.

Safe Nest's training and education program provides community engagement to counter harmful social norms that encourage intimate partner violence. These services include age-appropriate dating violence prevention classes in the Clark County School District, conflict resolution training and mentoring programs for teens, information and resources for faith-based communities, culturally-specific outreach to under-served populations, and training for community partners and professionals who identify and refer victims.

**SAFE NEST: TEMPORARY ASSISTANCE FOR DOMESTIC CRISIS, INC.**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**  
**YEAR ENDED JUNE 30, 2021**

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**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

Basis of Accounting

The accompanying consolidated financial statements have been prepared on the accrual basis of accounting and, accordingly, reflect all significant receivables, payables and other liabilities.

Basis of Presentation

The Organization presents its financial statements in accordance with the Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC). Under the FASB ASC, the Organization is required to report information regarding its financial position and changes in financial position activities according to two classes of net assets: net assets without donor restrictions and net assets with donor restrictions.

Income Tax Status

Safe Nest is a not-for-profit organization and the Foundation is a not-for-profit supporting organization as described in Section 501(c)(3) of the Internal Revenue Code. Both are generally exempt from income taxes on related income pursuant to the appropriate section of the Internal Revenue Code.

Use of Estimates

Management uses estimates and assumptions in preparing financial statements. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported revenues and expenses. Actual results may differ from those estimates.

Cash and Cash Equivalents

Cash and cash equivalents are highly-liquid investments with an initial maturity of three months and are stated at the lower of cost or market value.

Investments

The balance of investments consists of shares of an S Corporation donated to the Organization. Distributions earned from these shares are paid to the Organization monthly. This investment is recorded at fair value and is regularly assessed for impairment by the Organization's management.

Accounts Receivable

Accounts receivable result from amounts due from the bulk sale of donated goods and for the services of the Organization to clients. It is the Organization's policy to charge off uncollectible receivables when management determines the receivable will not be collected. Management reviews accounts receivable balances to determine if an allowance for doubtful accounts is necessary. At June 30, 2021, no allowance is recorded and all amounts are expected to be received within one year. As of June 30, 2021, 65% of the balance was due from one source.

**SAFE NEST: TEMPORARY ASSISTANCE FOR DOMESTIC CRISIS, INC.**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**  
**YEAR ENDED JUNE 30, 2021**

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**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

Government Support Receivable

Government support receivable is due from federal, state, and local governments. Management reviews government support receivable balances to determine if an allowance for doubtful accounts is necessary. At June 30, 2021, no allowance is recorded and all amounts are expected to be received within one year. As of June 30, 2021, approximately 67% of the balance was due from two sources.

Inventory

Inventory consists of purchased and donated gift cards, as well as in-kind contributions of clothing and supplies to be distributed to individuals utilizing the Organization's crisis services. Purchased inventory is valued using the specific identification method based on the value of gift cards. Donated inventory is recorded when received at the estimated fair value on the date of donation.

Property and Equipment

The Organization capitalizes all expenditures for property and equipment in excess of \$2,500 and with a useful life of greater than one year. Purchased property and equipment are carried at cost. Donated property and equipment are carried at the approximate fair value at the date of donation. Costs associated with the acquisition, development, and construction of a project are capitalized as construction in progress and are not depreciated until placed in service. Depreciation is computed using the straight-line method over the estimated useful lives of the associated assets. The useful lives are estimated as follows:

- 5 to 10 years for vehicles;
- 5 to 7 years for furniture and equipment;
- 10 to 40 years for buildings and improvements.

Impairment of Long-Lived Assets

The Organization reviews long-lived assets for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Recoverability of assets to be held and used is measured by a comparison of the carrying amount of an asset to future net cash flows expected to be generated by the asset. If such assets are considered to be impaired, the impairment to be recognized is measured by the amount by which the carrying amount of the assets exceeds the fair value of the assets.

Advertising

The Organization expenses all advertising costs as they are incurred.

**SAFE NEST: TEMPORARY ASSISTANCE FOR DOMESTIC CRISIS, INC.**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**  
**YEAR ENDED JUNE 30, 2021**

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**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

Revenue Recognition

Contributions received are recorded as increases in net assets with or without restrictions, depending on the existence and/or nature of any donor restrictions. Support that is restricted by the donor is reported as an increase in net assets without donor restrictions if the restriction expires in the reporting period in which the support is recognized. All other donor-restricted support is reported as an increase in net assets with donor restrictions. When a 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.

The Organization receives a substantial amount of donated goods that are sold to private organizations at agreed-upon rates to generate revenue to support programs and operations. Assets unconditionally donated and retained by the Organization are recorded at fair value on the date of donation.

Government support is obtained from various government agencies through cost reimbursement grants. Revenue is recorded in the same period as the costs are incurred. Service contracts are obtained from various public and private agencies throughout the community and are recognized when costs allowed for reimbursement are incurred.

Functional Allocation of Expenses

The costs of providing various programs and activities have been summarized on a functional basis in the statement of activities and in the statement of functional expenses. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

The following expenses were allocated on the basis of employee time and effort: salaries and wages, employee benefits, payroll taxes and related, depreciation and amortization, insurance, information technology, occupancy, office equipment, office supplies, postage and shipping, repairs and maintenance, and travel and transportation.

The following expenses were directly allocated by function according to the nature of the expense: accounting fees, advertising, bank fees, direct client assistance, interest, professional fees, program supplies, security, staff development, income taxes, and utilities.

Donated Assets and Services

Donated marketable securities and other noncash donations are recorded as contributions at their estimated fair value at the date of donation.

Donated services are recognized as contributions in accordance with the FASB ASC, if the services create or enhance nonfinancial assets or require specialized skills, are performed by people with those skills, and would otherwise be purchased by the Organization. For the year ended June 30, 2021, recognized donated services consisted of information technology services of \$72,759 and legal services of \$3,661. Additionally, volunteers donate a substantial amount of time to the Organization to further its programs that is not recognized in accordance with the FASB ASC. The Organization estimates the value of such donated services is \$416,864 for the year ended June 30, 2021.

**SAFE NEST: TEMPORARY ASSISTANCE FOR DOMESTIC CRISIS, INC.**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**  
**YEAR ENDED JUNE 30, 2021**

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**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

Consolidated Statements

The consolidated financial statements include the financial information of Safe Nest and the Foundation. Safe Nest controls and has an economic interest in the Foundation. Intercompany transactions have been eliminated in the consolidation.

Date of Management's Review

Subsequent events have been evaluated through September 9, 2021, which is the date the financial statements were available to be issued.

**NOTE 2. INFORMATION REGARDING LIQUIDITY AND AVAILABILITY**

The Organization receives program and contribution revenues, and considers contributions restricted for programs which are ongoing, major, and central to its operations to be available to meet cash needs for general expenditures. The Organization manages its liquidity and reserves following three guiding principles: operating within a prudent range of financial soundness and stability, maintaining adequate liquid assets to fund near-term operating needs, and maintaining sufficient reserves to provide reasonable assurance that long-term obligations will be discharged.

The following table reflects the Organization's financial assets as of June 30, 2021, reduced by amounts that are not available to meet general expenditures within one year of the statement of financial position date:

Cash and cash equivalents	\$ 2,175,693
Accounts receivable	163,472
Pledges receivable	66,489
Government support receivable	<u>657,615</u>
Total financial assets	3,063,269
Donor-imposed restrictions – capital campaign, held in cash and cash equivalents	<u>(1,075,623)</u>
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 1,987,646</u>

**NOTE 3. INVESTMENTS AND FAIR VALUE MEASUREMENTS**

Fair value is identified 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 and is measured according to a hierarchy that includes: "Level 1" inputs, such as quoted prices in an active market for identical assets or liabilities; "Level 2" inputs, which are observable inputs for similar assets; or "Level 3" inputs, which are unobservable inputs.

**SAFE NEST: TEMPORARY ASSISTANCE FOR DOMESTIC CRISIS, INC.**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**  
**YEAR ENDED JUNE 30, 2021**

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**NOTE 3. INVESTMENTS AND FAIR VALUE MEASUREMENTS (CONTINUED)**

The Organization's only assets valued at fair value are its investments, which are based on Level 3 inputs and consist solely of stock representing a 2.78% ownership in a corporation that owns real estate which is leased on a long-term basis. The Organization receives monthly distributions, when available, as a shareholder in this corporation. The estimated fair value at the date of donation was based on the present value of an annuity paid in perpetuity at an estimated incremental borrowing rate of 8%.

Investments measured at fair value on a recurring basis at June 30, 2021 are summarized as follows:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Privately held stock	\$ -	\$ -	\$ 140,550	\$ 140,550

For the year ended June 30, 2021, there was no reportable investment activity affecting the fair value of this investment.

**NOTE 4. PROPERTY AND EQUIPMENT**

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

Buildings and improvements	\$ 1,475,780
Furniture and equipment	886,438
Leasehold improvements	<u>162,829</u>
	2,525,047
Less: accumulated depreciation	<u>(1,661,902)</u>
Total property and equipment, net	<u>\$ 863,145</u>

Depreciation expense totaled \$161,089 for the year ended June 30, 2021.

**NOTE 5. NET ASSETS WITH DONOR RESTRICTIONS**

Net assets with donor restrictions represent contributions and other inflows of assets whose use by the Organization is limited by donor-imposed stipulations that either expire by the passage of time or are fulfilled and removed by actions of the Organization pursuant to those stipulations.

Net assets with donor restrictions are restricted for the following purposes and periods at June 30, 2021:

Capital campaign drive	\$ 1,075,623
Coaching Boys into Men	203,948
Shelter programs and facilities	26,552
Mesquite Awareness Campaign	8,055
Time restricted	<u>66,489</u>
Total	<u>\$ 1,380,667</u>

**SAFE NEST: TEMPORARY ASSISTANCE FOR DOMESTIC CRISIS, INC.**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**  
**YEAR ENDED JUNE 30, 2021**

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**NOTE 5. NET ASSETS WITH DONOR RESTRICTIONS (CONTINUED)**

Net assets with donor restrictions are held in the following assets at June 30, 2021:

Cash and equivalents	\$ 1,314,178
Pledges receivable	<u>66,489</u>
Total	<u>\$ 1,380,667</u>

Net assets were released from donor restrictions by incurring expenses satisfying the restricted purposes or by occurrence of the passage of time or other events as follows during the year ended June 30, 2021:

Camp Hope	\$ 2,632
Shelter pet program	20,000
Mesquite Awareness Campaign	1,945
Transitional housing support	<u>12,727</u>
Total	<u>\$ 37,304</u>

**NOTE 6. CONCENTRATION OF CREDIT RISK**

In the ordinary course of business, the Organization maintains cash balances at financial institutions in excess of federally insured limits. The cash held by the banking institutions is insured up to the Federal Deposit Insurance Corporation (“FDIC”) limit of \$250,000.

**NOTE 7. LEASES**

*Capital Leases:* The Organization leases certain office equipment under long-term agreements that are classified as capital leases. Amortization related to these assets is included in depreciation and amortization expense and totaled \$17,192 for the year ended June 30, 2021. Assets under capital lease obligations included in property and equipment are as follows at June 30, 2021:

Office equipment	\$ 85,958
Less: accumulated amortization	<u>(81,963)</u>
Total assets under capital lease obligations	<u>\$ 3,995</u>

Future minimum lease payments under these capital lease obligations are:

Fiscal year ending June 30,

2022	\$ 2,016
Less: amount representing interest	(25)
Less: current portion	<u>(1,991)</u>
Long-term capital lease obligations	<u>\$ -</u>

**SAFE NEST: TEMPORARY ASSISTANCE FOR DOMESTIC CRISIS, INC.**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**  
**YEAR ENDED JUNE 30, 2021**

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**NOTE 7. LEASES (CONTINUED)**

*Operating Leases:* The Organization leases office space, equipment, and vehicles under long-term agreements that are classified as operating leases. The terms of these leases range from 36 to 64 months with monthly payments from \$88 to \$13,200 for the year ended June 30, 2021. The expenses incurred under these leases are recognized on the straight-line basis and total \$375,707 for the year ended June 30, 2021.

Future minimum payments under these operating leases are:

Fiscal year ending June 30,

2022	\$ 270,509
2023	260,129
2024	224,143
2025	185,599
2026	187,158
Thereafter	<u>305,059</u>
	<u>\$ 1,432,597</u>

**NOTE 8. PAYCHECK PROTECTION PROGRAM LOAN**

On May 4, 2020, the Organization qualified for and received a loan pursuant to the Paycheck Protection Program, a program implemented by the U.S. Small Business Administration (SBA) under the Coronavirus Aid, Relief, and Economic Security Act, from a qualified lender, for an aggregate principal amount of \$706,400 (the PPP Loan). During the year ended June 30, 2021, the Organization applied for and was notified that the entire PPP Loan amount and all accrued interest had been forgiven and the Organization recognized contribution income totaling \$706,400.

**NOTE 9. RETIREMENT PLAN**

The Organization offers a voluntary salary reduction plan under Internal Revenue Code Section 403(b) to all employees at hire. After one year of employment, the Organization contributes matching amounts of 25% of employee contributions on a maximum of 4% of the employee's elective salary deferral. During the year ended June 30, 2021, the Organization's contributions to the retirement plan totaled \$8,650.

**NOTE 10. WORLDWIDE PANDEMIC**

As of September 9, 2021, the date these financial statements were available to be issued, in connection with the Coronavirus (COVID-19) pandemic, there have been significant global, federal, state, and local developments. As a result of this worldwide pandemic, which is driving economic uncertainty, the Organization may experience volatility that may impact results and/or impede general operations. The Organization continues to monitor this unprecedented situation and evaluate the impact of this pandemic on its results.



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

To the Board of Directors  
Safe Nest: Temporary Assistance for Domestic Crisis, Inc. and Subsidiary  
Las Vegas, Nevada

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 consolidated financial statements of Safe Nest: Temporary Assistance for Domestic Crisis, Inc. and Subsidiary (both nonprofit organizations) (collectively, the Organization), which comprise the consolidated statement of financial position as of June 30, 2021, and the related consolidated statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the consolidated financial statements, and have issued our report thereon dated September 9, 2021.

**Internal Control Over Financial Reporting**

In planning and performing our audit of the consolidated 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 consolidated 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 consolidated 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 have not been identified. 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 consolidated financial statements are free of 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.

Howdsworth, Russo & Company, P.C.

Las Vegas, Nevada  
September 9, 2021

**INDEPENDENT AUDITOR’S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM  
AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM  
GUIDANCE**

To the Board of Directors  
Safe Nest: Temporary Assistance for Domestic Crisis, Inc. and Subsidiary  
Las Vegas, Nevada

**Report on Compliance for Each Major Federal Program**

We have audited Safe Nest: Temporary Assistance for Domestic Crisis, Inc. and Subsidiary’s (collectively the Organization) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the Organization’s major federal programs for the year ended June 30, 2021. The Organization’s major federal programs are identified in the summary of auditor’s results section of the accompanying schedule of findings and questioned costs.

***Management’s Responsibility***

Management is responsible for compliance with the federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

***Auditor’s Responsibility***

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

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of Organization’s compliance.

***Opinion on Each Major Federal Program***

In our opinion, Organization complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2021.

**Report on Internal Control Over Compliance**

Management of the Organization is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Organization’s internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on



compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Organization's internal control over compliance.

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

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

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

Howdsworth, Russo & Company, P.C.

Las Vegas, Nevada  
September 9, 2021

**SAFE NEST: TEMPORARY ASSISTANCE FOR DOMESTIC CRISIS, INC.**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**YEAR ENDED JUNE 30, 2021**

Grantor and Program Title	Assistance Listing Number	Pass-Through Identifying Number	Total Federal Expenditures
<b><u>United States Department of Housing and Urban Development</u></b>			
Continuum of Care Grant	14.267	NV0188L9T001801	\$ 55,884
Continuum of Care Grant	14.267	NV0188L9T001902	146,521
Total Continuum of Care Grant			202,405
<i>Passed through Clark County, NV:</i>			
Emergency Solutions Grant	14.231	Agreement	91,199
Total United States Department of Housing and Urban Development			293,604
<b><u>United States Department of Justice</u></b>			
<i>Passed through Nevada Division of Child and Family Services:</i>			
Crime Victim Assistance Grant	16.575	16575-19-057	1,200,000
Crime Victim Assistance Grant	16.575	16575-19-121	115,000
Total Crime Victim Assistance Grant			1,315,000
<i>Passed through the Nevada Office of the Attorney General:</i>			
Violence Against Women STOP Grant	16.588	2020-VAWA-36	37,500
Total United States Department of Justice			1,352,500
<b><u>United States Department of Health and Human Services</u></b>			
<i>Passed through Nevada Division of Child and Family Services:</i>			
Family Violence Prevention and Services Act Grant	93.671	93671-20-012	410,785
COVID-19 Family Violence Prevention and Services Act Grant: CARES	93.671	93671-20-109	115,358
Total Family Violence Prevention and Services Act Grant			526,143
<i>Passed through Nevada Division of Child and Family Services:</i>			
Promoting Safe and Stable Families	93.556	93556-20-035	65,609
Total United States Department of Health and Human Services			591,752
<b><u>Department of Homeland Security</u></b>			
<i>Passed through Clark County, NV:</i>			
Emergency Food and Shelter Program: Phase 37	97.024	586800-060	16,875
COVID-19 Emergency Food and Shelter Program: CARES	97.024	586800-060	16,875
Emergency Food and Shelter Program: Phase 38	97.024	586800-060	15,000
Total Department of Homeland Security			48,750
<b><u>United States Department of the Treasury</u></b>			
<i>Passed through Clark County, NV:</i>			
COVID-19 CARES Basic Needs Assistance Program	21.019	Agreement	327,497
COVID-19 Coronavirus Housing Assistance Program	21.019	Agreement	162,555
Total United States Department of the Treasury			490,052
Total Federal Expenditures			\$ 2,776,658

See notes to schedule of expenditures of federal awards

**SAFE NEST: TEMPORARY ASSISTANCE FOR DOMESTIC CRISIS, INC.**  
**NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**FOR THE YEAR ENDED JUNE 30, 2021**

NOTE 1. BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards includes federal award activity of Safe Nest: Temporary Assistance for Domestic Crisis, Inc. and Subsidiary (collectively, the Organization) under programs of the federal government for the year ended June 30, 2021. The information in the schedule is presented in accordance with the 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). Because this schedule only presents a select portion of the operations of the Organization, it is not intended to and does not present the consolidated financial position, changes in net assets, functional expenses, or cash flows of the Organization.

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the schedule of expenditures of federal awards 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. INDIRECT COST RATES

The Organization has not elected to use the 10 percent de minimis indirect cost rate as allowed under the Uniform Guidance.

NOTE 4. PASS-THROUGH AWARDS

The Organization received certain federal financial assistance from pass-through awards of the pass-through entities listed on the schedule of expenditures of federal awards.

NOTE 5. EXPENDITURES FROM PRIOR PERIODS

Grants awarded under the Coronavirus Relief Funds (Assistance Listing #21.019) during the year ended June 30, 2021, allowed for reimbursement of expenditures made from March 1, 2020 through December 31, 2020. As a result, amounts reported on the schedule of expenditures of federal awards for the year ended June 30, 2021, include \$20,923 in expenditures made during the year ended June 30, 2020.

**SAFE NEST: TEMPORARY ASSISTANCE FOR DOMESTIC CRISIS, INC.**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**FOR THE YEAR ENDED JUNE 30, 2021**

**SUMMARY OF AUDITOR’S RESULTS**

*Financial Statements*

1. The auditor’s report expresses an unmodified opinion on the consolidated financial statements of the Organization.
2. No instances of material weaknesses or significant deficiencies related to the audit of the consolidated financial statements required to be reported in accordance with *Government Auditing Standards* were disclosed during the audit.
3. No instances of noncompliance material to the consolidated financial statements of the Organization, which would be required to be reported in accordance with *Government Auditing Standards*, were disclosed during the audit.

*Federal Awards*

4. No material weaknesses or significant deficiencies related to the audit of major federal award programs are reported in the Independent Auditor’s Report on Compliance for Each Major Program and on Internal Control Over Compliance Required by the Uniform Guidance.
5. The auditor’s report on compliance for the Organization expresses an unmodified opinion.
6. There are no audit findings that are required to be reported in accordance with 2 CFR 200.516 (a).
7. The programs tested as major programs were the U.S. Department of Justice, Assistance Listing Number 16.575, Crime Victim Assistance Grant and the U.S. Department of the Treasury, Assistance Listing Number 21.019, Coronavirus Relief Fund.
8. The threshold used for distinguishing between Type A and Type B programs was \$750,000.
9. The Organization qualified as a low-risk auditee.

**FINDINGS AND QUESTIONED COSTS – FINANCIAL STATEMENT AUDIT**

None.

**FINDINGS AND QUESTIONED COSTS – MAJOR FEDERAL AWARDS PROGRAM AUDIT**

None.

**SAFE NEST: TEMPORARY ASSISTANCE FOR DOMESTIC CRISIS, INC.  
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS  
FOR THE YEAR ENDED JUNE 30, 2021**

**PRIOR YEAR FINDINGS – FINANCIAL STATEMENT AUDIT**

None.

**PRIOR YEAR FINDINGS – MAJOR FEDERAL AWARDS PROGRAM AUDIT**

None.