

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

**CONSOLIDATED FINANCIAL STATEMENTS**

**JUNE 30, 2022**

The logo for HRC (Homeless Reentry Center) is located in the bottom right corner. It consists of the letters "HRC" in a white, sans-serif font, centered within a dark blue square. The square has a white border and is set against a background of green curved shapes that frame the page.

**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 Audit of the Consolidated Financial Statements

#### *Opinion*

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, 2022, 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.

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, 2022, and the changes in their net assets and their cash flows for the year then ended in conformity 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 Safe Nest: Temporary Assistance for Domestic Crisis, Inc. and Subsidiary 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's 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.

In preparing the consolidated financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Safe Nest: Temporary Assistance for Domestic Crisis, Inc. and Subsidiary's ability to continue as a going concern within one year after the date that the consolidated 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 consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists.

The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

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 consolidated 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 consolidated 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 about Safe Nest: Temporary Assistance for Domestic Crisis, Inc. and Subsidiary'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 consolidated financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about about Safe Nest: Temporary Assistance for Domestic Crisis, Inc. and Subsidiary's ability to continue as a going concern for a reasonable period of time.

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

### ***Supplementary Information***

Our audit was conducted for the purpose of forming an opinion on the 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 29, 2022 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 29, 2022

**SAFE NEST: TEMPORARY ASSISTANCE FOR DOMESTIC CRISIS, INC.**  
**CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
**JUNE 30, 2022**

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**ASSETS**

**CURRENT ASSETS**

Cash and cash equivalents	\$ 520,709
Cash and cash equivalents, restricted	244,151
Accounts receivable	113,225
Pledges receivable	371,025
Government support receivable	976,589
Inventory	30,849
Prepaid expenses	87,376

2,343,924

**OTHER ASSETS**

Cash and cash equivalents, restricted, net of current portion	1,075,623
Investments	140,550
Property and equipment, net	763,308
Deposits receivable	23,999

2,003,480

**Total assets**

\$ 4,347,404

**LIABILITIES AND NET ASSETS**

**CURRENT LIABILITIES**

Accounts payable	\$ 161,567
Accrued expenses	263,456
Deferred rent	12,056

437,079

**NET ASSETS**

Without donor restrictions	2,219,526
With donor restrictions	1,690,799

3,910,325

**Total liabilities and net assets**

\$ 4,347,404

See accompanying notes to financial statements

**SAFE NEST: TEMPORARY ASSISTANCE FOR DOMESTIC CRISIS, INC.**  
**CONSOLIDATED STATEMENT OF ACTIVITIES**  
**YEAR ENDED JUNE 30, 2022**

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**NET ASSETS WITHOUT DONOR RESTRICTIONS**

Revenues, gains, and other support:

Federal grants	\$ 2,379,612
State and local grants	1,954,178
Contributions	1,471,889
Special events, net of direct benefits to donors of \$127,933	164,433
In-kind contributions	67,615
Investment income, net	19,009
Program revenue	213,446
Donation Center revenue	1,362,268
Net assets released from restriction	<u>67,357</u>

Total revenues, gains, and other support 7,699,807

Expenses:

Program services:	
Crisis services	3,326,835
Counseling, advocacy, and education	2,244,257
Supporting services:	
Management and general	1,057,890
Fundraising	<u>1,227,744</u>

Total program and supporting services 7,856,726

Change in net assets without donor restrictions (156,919)

**NET ASSETS WITH DONOR RESTRICTIONS**

Contributions	377,489
Net assets released from restriction	<u>(67,357)</u>

Change in net assets with donor restrictions 310,132

**CHANGE IN NET ASSETS** 153,213

**NET ASSETS, BEGINNING OF YEAR** 3,757,112

**NET ASSETS, END OF YEAR** \$ 3,910,325

**SAFE NEST: TEMPORARY ASSISTANCE FOR DOMESTIC CRISIS, INC.**  
**CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES**  
**YEAR ENDED JUNE 30, 2022**

	Program Services		Supporting Services			Total
	Crisis Services	Counseling, Advocacy, and Education	Management and General	Fundraising	Special Event Direct Benefits	
Salaries and wages	\$ 1,448,793	\$ 1,232,029	\$ 458,716	\$ 676,631	\$ -	\$ 3,816,169
Employee benefits	152,667	129,828	48,339	78,700	-	409,534
Payroll taxes and related	127,749	108,636	40,448	61,224	-	338,057
Depreciation and amortization	68,131	57,938	21,571	9,645	-	157,285
Accounting fees	-	-	34,935	9,703	-	44,638
Advertising	-	-	77,279	10,856	-	88,135
Bank fees	-	-	22,535	1,396	-	23,931
Direct client assistance	703,072	-	-	-	-	703,072
Insurance	24,885	21,161	7,878	18,379	-	72,303
Information technology	195,261	166,046	61,823	100,356	-	523,486
Occupancy	114,538	97,401	36,265	30,511	127,933	406,648
Office equipment	23,862	20,291	7,555	16,915	-	68,623
Office supplies	62,371	53,038	19,746	17,424	-	152,579
Postage and shipping	2,972	2,525	940	982	-	7,419
Professional fees	20,767	235,390	107,763	45,330	-	409,250
Program supplies	150,537	-	-	1,353	-	151,890
Repairs and maintenance	60,958	51,838	19,301	13,995	-	146,092
Security	74,026	25,758	9,908	3,372	-	113,064
Staff development	-	-	63,530	-	-	63,530
Income taxes	-	-	3,488	-	-	3,488
Travel and transportation	40,028	34,038	12,672	127,731	-	214,469
Utilities	56,218	8,340	3,198	3,241	-	70,997
<b>Total expenses</b>	<b>\$ 3,326,835</b>	<b>\$ 2,244,257</b>	<b>\$ 1,057,890</b>	<b>\$ 1,227,744</b>	<b>\$ 127,933</b>	<b>7,984,659</b>
Less: costs of direct benefits to donors						(127,933)
<b>Total program and supporting services</b>						<b>\$ 7,856,726</b>

See accompanying notes to financial statements



**SAFE NEST: TEMPORARY ASSISTANCE FOR DOMESTIC CRISIS, INC.**  
**CONSOLIDATED STATEMENT OF CASH FLOWS**  
**YEAR ENDED JUNE 30, 2022**

	<u>2022</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>	
Change in net assets	\$ 153,213
Adjustments to reconcile change in net assets to cash used in operating activities:	
Depreciation and amortization	157,285
Change in operating assets:	
Accounts receivable	50,247
Pledges receivable	(304,536)
Government support receivable	(318,974)
Inventory	(13,648)
Prepaid expenses	30,044
Deposits receivable	(2,010)
Change in operating liabilities	
Accounts payable	53,366
Accrued expenses	6,512
Deferred revenue	(70,545)
Deferred rent	(16,725)
	<u>(275,771)</u>
Net cash used in operating activities	
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>	
Purchase of property and equipment	<u>(57,448)</u>
Net cash used in investing activities	<u>(57,448)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>	
Payments on capital lease obligations	<u>(1,991)</u>
Net cash used in financing activities	<u>(1,991)</u>
<b>NET CHANGE IN CASH AND EQUIVALENTS</b>	(335,210)
<b>CASH AND EQUIVALENTS, BEGINNING OF YEAR</b>	<u>2,175,693</u>
<b>CASH AND EQUIVALENTS, END OF YEAR</b>	<u><u>\$ 1,840,483</u></u>
<b>SUMMARY OF CASH ACCOUNTS:</b>	
Cash and equivalents	\$ 520,709
Cash and equivalents, restricted	244,151
Cash and equivalents, restricted, noncurrent	<u>1,075,623</u>
	<u><u>\$ 1,840,483</u></u>
<b>SUPPLEMENTAL DISCLOSURE:</b>	
Cash paid for income taxes	<u><u>\$ 3,488</u></u>

See accompanying notes to financial statements

**SAFE NEST: TEMPORARY ASSISTANCE FOR DOMESTIC CRISIS, INC.  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2022**

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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. (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, 2022**

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

Basis of Accounting

The accompanying consolidated financial statements (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

The Organization considers all cash and highly-liquid financial instruments with initial maturities of three months or less to be cash and cash equivalents.

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, 2022, no allowance is recorded and all amounts are expected to be received within one year.

**SAFE NEST: TEMPORARY ASSISTANCE FOR DOMESTIC CRISIS, INC.**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**  
**YEAR ENDED JUNE 30, 2022**

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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, 2022, no allowance is recorded and all amounts are expected to be received within one year. As of June 30, 2022, approximately 35% of the total receivable balance was due from one government support source.

Pledges Receivable

Pledges receivable is due from private organizations. Management reviews pledges to determine if an allowance for doubtful accounts is necessary. At June 30, 2022, no allowance is recorded and all amounts are expected to be received within one year.

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, 2022**

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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.

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, 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 FASB ASC, if the services (a) create or enhance nonfinancial assets or (b) require specialized skills, are performed by people with those skills, and would otherwise be purchased by the Organization. For the year ended June 30, 2022, donated services consisted of legal services in the amount of \$2,867 and are reported as management and general expenses in the statement of functional expenses. 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 \$382,392 for the year ended June 30, 2022. In-kind contributions are described in Note 9.

**SAFE NEST: TEMPORARY ASSISTANCE FOR DOMESTIC CRISIS, INC.**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**  
**YEAR ENDED JUNE 30, 2022**

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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.

New Accounting Pronouncement

During the year ended June 30, 2022, the organization adopted the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) 2020-07, *Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets* (Topic 958), which is effective for fiscal years beginning after June 15, 2021 and is intended to improve transparency in the reporting of contributed nonfinancial assets, also known as gifts in-kind, for not-for-profit organizations. The ASU requires a not-for-profit organization to present contributed nonfinancial assets as a separate line item in the statement of activities, apart from contributions of cash or other financial assets, along with expanded disclosure requirements. The adoption of this ASU had no effect on the balance of net assets.

Date of Management's Review

Subsequent events have been evaluated through September 29, 2022, 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, 2022, 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	\$ 1,840,483
Accounts receivable	113,225
Pledges receivable	371,025
Government support receivable	<u>976,589</u>
Total financial assets	3,301,322
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>\$ 2,225,699</u>

**SAFE NEST: TEMPORARY ASSISTANCE FOR DOMESTIC CRISIS, INC.  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)  
YEAR ENDED JUNE 30, 2022**

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**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.

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, 2022 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, 2022, 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, 2022:

Buildings and improvements	\$ 1,475,780
Furniture and equipment	943,886
Leasehold improvements	<u>162,829</u>
	2,582,495
Less: accumulated depreciation	<u>(1,819,187)</u>
Total property and equipment, net	<u>\$ 763,308</u>

Depreciation related to these assets is included with depreciation and amortization in the statement of functional expenses and totaled \$153,289 for the year ended June 30, 2022.

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

Net assets with donor restrictions are held in the following assets at June 30, 2022:

Cash and cash equivalents	\$ 1,319,774
Pledges receivable	<u>371,025</u>
Total	<u>\$ 1,690,799</u>

**SAFE NEST: TEMPORARY ASSISTANCE FOR DOMESTIC CRISIS, INC.**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**  
**YEAR ENDED JUNE 30, 2022**

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

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, 2022:

Capital campaign	\$ 1,075,623
Coaching Boys Into Men	136,592
Shelter programs and facilities	37,299
Court advocacy	36,031
Camp Hope	25,074
Mesquite Awareness Campaign	9,155
Time restricted	<u>371,025</u>
Total	<u>\$ 1,690,799</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, 2022:

Coaching Boys Into Men	<u>\$ 67,357</u>
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**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. Management does not believe the Organization is exposed to a significant credit risk and has not experienced any losses on these accounts.

**NOTE 7. LEASES**

*Capital Leases:* The Organization leased certain office equipment under long term agreements that were classified as capital leases, all of which expired during the year ended June 30, 2022. Amortization related to these leases is included with depreciation and amortization in the statement of functional expenses and totaled \$3,996.

*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 \$18,950 for the year ended June 30, 2022. The expenses incurred under these leases are recognized on the straight-line basis and total \$409,116 for the year ended June 30, 2022.



**SAFE NEST: TEMPORARY ASSISTANCE FOR DOMESTIC CRISIS, INC.**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**  
**YEAR ENDED JUNE 30, 2022**

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**NOTE 7. LEASES (CONTINUED)**

Future minimum payments under these operating leases are:

2023	\$ 327,136
2024	286,615
2025	249,404
2026	252,877
2027	260,425
Thereafter	<u>153,778</u>
	<u>\$ 1,530,235</u>

**NOTE 8. 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, 2022, the Organization's contributions to the retirement plan totaled \$4,912.

**NOTE 9. IN-KIND CONTRIBUTIONS**

In addition to goods and services donated for use in the Organization's programs, the Organization receives a substantial amount of donated goods that are sold to private organizations at agreed-upon rates. The revenue generated is used to support the Organization's programs and operations. Assets unconditionally donated and retained by the Organization are recorded at fair value on the date of donation.

The Organization's in-kind contributions consisted of the following during the year ended June 30, 2022:

<u>Category</u>	<u>Usage</u>	<u>Total</u>
Donated goods, retained	Distributed to shelter clients	\$ 64,748
Donated goods, sold	Sold to private organizations	1,362,268
Donated services	Legal services	<u>2,867</u>
		<u>\$ 1,429,883</u>

**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, 2022, 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 29, 2022.

**Report on 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) as a basis for designing 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.

**Report on 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 consolidated 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*.



**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.

Houldsworth, Russo & Company, P.C.

Las Vegas, Nevada  
September 29, 2022

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**

### ***Opinion on 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 identified as subject to audit 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, 2022. 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.

In our opinion, the 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, 2022.

### ***Basis for Opinion on Each Major Federal Program***

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

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

### ***Responsibilities of Management for Compliance***

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

### ***Auditor's Responsibilities for the Audit of Compliance***

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the Organization's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with

generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the Organization's compliance with the requirements of each major federal program as a whole.

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the Organization's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the Organization's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control over compliance. Accordingly, no such opinion is expressed.

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

### **Report on Internal Control Over Compliance**

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

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified. Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

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

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

Las Vegas, Nevada  
September 29, 2022

**SAFE NEST: TEMPORARY ASSISTANCE FOR DOMESTIC CRISIS, INC.**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**YEAR ENDED JUNE 30, 2022**

<b>Grantor and Program Title</b>	<b>Assistance Listing Number</b>	<b>Pass-Through Identifying Number</b>	<b>Total Federal Expenditures</b>
<b><u>United States Department of Housing and Urban Development</u></b>			
Continuum of Care Grant	14.267	NV0188L9T001902	\$ 126,011
Continuum of Care Grant	14.267	NV0118L9T002003	169,131
Total Continuum of Care Grant			295,142
<i>Passed through Clark County, Nevada:</i>			
COVID-19 Emergency Solutions Grant Coronavirus Funding	14.231	Agreement	40,186
Emergency Solutions Grant	14.231	Agreement	107,062
Total Emergenc Services Grant			147,248
Total United States Department of Housing and Urban Development			442,390
<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	16575-20-048	1,170,757
<i>Passed through the Nevada Office of the Attorney General:</i>			
Violence Against Women STOP Grant	16.588	2020-VAWA-36	40,000
Violence Against Women STOP Grant	16.588	2021-VAWA-25	29,785
Total Violence Against Women STOP Grant			69,785
Total United States Department of Justice			1,240,542
<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	106,110
Family Violence Prevention and Services Act Grant	93.671	93671-21-012	336,175
American Rescue Plan: Family Violence Prevention and Services Act Grant	93.671	93671-21-106	176,933
COVID-19 American Rescue Plan: Family Violence Prevention and Services Act Grant COVID-19 Testing	93.671	93671-22-312	30,000
COVID-19 Family Violence Prevention and Services Act Grant: CARES	93.671	93671-20-109	13,712
Total United States Department of Health and Human Services			662,930
<b><u>Department of Homeland Security</u></b>			
<i>Passed through Clark County, Nevada:</i>			
Emergency Food and Shelter Program: Phase 38	97.024	586800-060	15,000
COVID-19 Emergency Food and Shelter Program: Phase 39/ARPAR	97.024	586800-060	18,750
Total Department of Homeland Security			33,750
Total federal expenditures			\$ 2,379,612

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, 2022**

**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.



**SAFE NEST: TEMPORARY ASSISTANCE FOR DOMESTIC CRISIS, INC.  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED JUNE 30, 2022**

**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.
8. The threshold used for distinguishing between Type A and Type B programs was \$750,000.
9. The Organization qualifies 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, 2022**

**PRIOR YEAR FINDINGS – FINANCIAL STATEMENT AUDIT**

None.

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

None.