

SAFE NEST: TEMPORARY ASSISTANCE FOR DOMESTIC CRISIS, INC.

CONSOLIDATED FINANCIAL STATEMENTS

JUNE 30, 2023

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.

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, 2023, 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, 2023, 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 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 (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* and Title 45 U.S. *Code of Federal Regulations Part 75, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for HHS 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 November 2, 2023 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.

Howdsworth, Russo & Company, P.C.

Las Vegas, Nevada
November 2, 2023

SAFE NEST: TEMPORARY ASSISTANCE FOR DOMESTIC CRISIS, INC.
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
JUNE 30, 2023

ASSETS

CURRENT ASSETS

Cash and cash equivalents	\$ 2,415,019
Cash and cash equivalents, restricted	86,837
Accounts receivable	162,402
Government support receivable	1,028,104
Pledges receivable	100,459
Inventory	54,550
Prepaid expenses	<u>132,628</u>

3,979,999

OTHER ASSETS

Investments	140,550
Property and equipment, net	1,782,615
Operating lease right-of-use (ROU) asset	2,245,546
Deposits receivable	<u>21,143</u>

4,189,854

Total assets \$ 8,169,853

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES

Accounts payable	\$ 117,954
Accrued expenses	295,183
Operating lease liability, current portion	<u>196,158</u>

609,295

OTHER LIABILITIES

Operating lease liability, net of current	<u>2,096,784</u>
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Total liabilities 2,706,079

NET ASSETS

Without donor restrictions	5,276,478
With donor restrictions	<u>187,296</u>

5,463,774

Total liabilities and net assets \$ 8,169,853

See accompanying notes to financial statements

SAFE NEST: TEMPORARY ASSISTANCE FOR DOMESTIC CRISIS, INC.
CONSOLIDATED STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2023

NET ASSETS WITHOUT DONOR RESTRICTIONS

Revenues, gains, and other support:

Federal grants	\$ 2,960,731
State and local grants	2,584,014
Contributions	2,236,055
Special events, net of direct benefits to donors of \$108,498	25,249
In-kind contributions	168,673
Investment income, net	29,232
Program revenue	176,594
Donation Center revenue	1,399,469
Employee Retention Credit revenue	1,644,974
Net assets released from restriction	<u>1,553,503</u>

Total revenues, gains, and other support 12,778,494

Expenses:

Program services:	
Crisis services	4,326,831
Counseling, advocacy, and education	2,268,205
Supporting services:	
Management and general	1,589,615
Fundraising	<u>1,536,891</u>

Total program and supporting services 9,721,542

Change in net assets without donor restrictions 3,056,952

NET ASSETS WITH DONOR RESTRICTIONS

Contributions	50,000
Net assets released from restriction	<u>(1,553,503)</u>

Change in net assets with donor restrictions (1,503,503)

CHANGE IN NET ASSETS 1,553,449

NET ASSETS, BEGINNING OF YEAR 3,910,325

NET ASSETS, END OF YEAR \$ 5,463,774

See accompanying notes to financial statements

SAFE NEST: TEMPORARY ASSISTANCE FOR DOMESTIC CRISIS, INC.
CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED JUNE 30, 2023

	Program Services		Supporting Services			Total
	Crisis Services	Counseling, Advocacy, and Education	Management and General	Fundraising	Special Event Direct Benefits	
Salaries and wages	\$ 1,820,188	\$ 1,198,359	\$ 658,460	\$ 811,159	\$ -	\$ 4,488,166
Employee benefits	191,556	126,115	69,296	85,367	-	472,334
Payroll taxes and related	158,032	104,044	57,169	70,427	-	389,672
Depreciation	60,322	39,714	21,822	26,881	-	148,739
Accounting fees	-	-	299,044	19,452	-	318,496
Advertising	-	-	17,612	93,968	-	111,580
Bank fees	-	-	21,316	-	-	21,316
Direct client assistance	1,203,047	-	-	-	-	1,203,047
Insurance	35,171	12,149	14,849	27,758	-	89,927
Interest	-	-	19,934	-	-	19,934
Information technology	77,922	49,123	46,281	84,632	-	257,958
Occupancy	113,438	131,868	44,725	37,247	59,340	386,618
Office equipment	36,562	13,901	17,271	9,450	-	77,184
Professional fees	51,394	383,222	159,491	66,576	-	660,683
Program supplies	8,322	59,516	365	4,052	-	72,255
Repairs and maintenance	148,795	20,888	14,735	15,028	-	199,446
Security	70,099	19,086	9,168	4,947	-	103,300
Staff development	10,118	28,794	60,548	9,259	-	108,719
Supplies	204,927	25,392	17,078	14,015	49,158	310,570
Income taxes	-	-	377	-	-	377
Travel and transportation	32,178	24,491	24,506	130,949	-	212,124
Utilities	104,760	31,543	15,568	25,724	-	177,595
Total expenses	<u>\$ 4,326,831</u>	<u>\$ 2,268,205</u>	<u>\$ 1,589,615</u>	<u>\$ 1,536,891</u>	<u>\$ 108,498</u>	9,830,040
Less: costs of direct benefits to donors						<u>(108,498)</u>
Total program and supporting services						<u>\$ 9,721,542</u>

See accompanying notes to financial statements

SAFE NEST: TEMPORARY ASSISTANCE FOR DOMESTIC CRISIS, INC.
CONSOLIDATED STATEMENT OF CASH FLOWS
YEAR ENDED JUNE 30, 2023

CASH FLOWS FROM OPERATING ACTIVITIES

Change in net assets	\$ 1,553,449
Adjustments to reconcile change in net assets to cash provided by operating activities:	
Depreciation	148,739
Amortization of operating lease ROU asset	225,017
Donated inventory	(23,701)
Change in operating assets:	
Accounts receivable	(49,177)
Government support receivable	(51,515)
Pledges receivable	270,566
Prepaid expenses	(45,252)
Deposits receivable	2,856
Change in operating liabilities	
Accounts payable	(43,613)
Accrued expenses	31,727
Operating lease liability	(189,677)
	<u>1,829,419</u>
Net cash provided by operating activities	<u>1,829,419</u>

CASH FLOWS FROM INVESTING ACTIVITIES

Purchase of property and equipment	<u>(1,168,046)</u>
Net cash used in investing activities	<u>(1,168,046)</u>

NET CHANGE IN CASH AND EQUIVALENTS 661,373

CASH AND EQUIVALENTS, BEGINNING OF YEAR 1,840,483

CASH AND EQUIVALENTS, END OF YEAR \$ 2,501,856

SUMMARY OF CASH ACCOUNTS:

Cash and cash equivalents	\$ 2,415,019
Cash and cash equivalents, restricted	<u>86,837</u>
	<u><u>\$ 2,501,856</u></u>

SUPPLEMENTAL DISCLOSURE:

Cash paid for interest	<u>\$ 19,934</u>
Cash paid for income taxes	<u>\$ 3,507</u>
Operating lease ROU asset obtained for operating lease liability	<u><u>\$ 2,470,563</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, 2023**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Activities

Safe Nest: Temporary Assistance for Domestic Crisis, Inc. and Subsidiary (collectively, 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, 2023

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

Timely preparation of financial statements in accordance with accounting principles generally accepted in the United States of America requires management to make certain estimates and assumptions. Those estimates and assumptions affect the reported amounts of assets and liabilities and disclosures of any contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the period. Actual results could differ from management's 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, 2023, 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, 2023

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, 2023, no allowance is recorded and all amounts are expected to be received within one year.

Pledges Receivable

Pledges receivable are due from private organizations. Management reviews pledges to determine if an allowance for doubtful accounts is necessary. At June 30, 2023, 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 \$5,000 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, 2023

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Leases

The Organization leases office space utilized for program and supporting activities and determines if an arrangement is a lease at inception. Operating leases are included in operating lease right-of-use (ROU) assets and operating lease liabilities on the statement of financial position.

ROU assets represent the Organization's right to use an underlying asset for the lease term and lease liabilities represent an obligation to make lease payments arising from the lease. Operating lease ROU assets and liabilities are recognized at commencement date based on the present value of lease payments over the lease term. As the Organization's leases do not provide an implicit rate, a risk-free rate is used based on the information available at commencement date in determining the present value of lease payments. The operating lease ROU asset also includes any lease payments made and excludes lease incentives. Lease terms may include options to extend or terminate the lease when it is reasonably certain the option will be exercised. Lease expense for lease payments is recognized on a straight-line basis over the lease term.

Our lease agreements do not contain any material residual value guarantees or material restrictive covenants.

The Organization has a lease agreement with lease and non-lease components, which are generally accounted for separately. For certain leases, such as the lease for office space, the Organization accounts for the lease and non-lease components as a single lease component.

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.

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.

SAFE NEST: TEMPORARY ASSISTANCE FOR DOMESTIC CRISIS, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2023

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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, and depreciation. All other natural classifications were directly allocated.

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.

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 \$253,187. In-kind contributions are described in Note 10.

Date of Management's Review

Subsequent events have been evaluated through November 2, 2023, 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 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	\$ 2,501,856
Accounts receivable	162,402
Government support receivable	1,028,104
Pledges receivable	<u>100,459</u>
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 3,792,821</u>

SAFE NEST: TEMPORARY ASSISTANCE FOR DOMESTIC CRISIS, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2023

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 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

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:

Buildings and improvements	\$ 2,215,021
Furniture and equipment	1,014,985
Leasehold improvements	223,409
Land	<u>297,126</u>
	3,750,541
Less: accumulated depreciation	<u>(1,967,926)</u>
Total property and equipment, net	<u>\$ 1,782,615</u>

NOTE 5. NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions are held in the following assets:

Cash and cash equivalents	\$ 86,837
Pledges receivable	<u>100,459</u>
Total	<u>\$ 187,296</u>

SAFE NEST: TEMPORARY ASSISTANCE FOR DOMESTIC CRISIS, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2023

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:

Brave conference	\$ 50,000
Court advocacy	35,059
Mesquite Awareness Campaign	1,778
Time restricted	<u>100,459</u>
Total	<u>\$ 187,296</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:

Capital campaign	\$ 1,075,623
Coaching Boys Into Men	136,592
Shelter programs and facilities	37,299
Court advocacy	972
Camp Hope	25,074
Mesquite Awareness Campaign	7,377
Time restricted	<u>270,566</u>
Total	<u>\$ 1,553,503</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. Management does not believe the Organization is exposed to a significant credit risk and has not experienced any losses on these accounts.

During the year ending June 30, 2023, approximately 72% of grants receivable was due from one funding source and approximately 97% of accounts receivable was due from two constituents.

NOTE 7. RELATED PARTY

Through individual and corporate donations, board members contributed \$77,823 during the year ending June 30, 2023.

SAFE NEST: TEMPORARY ASSISTANCE FOR DOMESTIC CRISIS, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2023

NOTE 8. LEASES

In September 2017, the Organization entered into a non-cancelable operating lease for office space for the term of October 1, 2017 through January 31, 2023. The lease contained two five-year options to renew, the first of which was exercised in November 2021, effective February 1, 2023. As the Organization reasonably expects to exercise the second five-year option to renew, the operating lease liability, ROU asset, and future minimum payments include the final renewal term through January 3033. The components of lease expense were operating lease costs of \$267,856 and short-term lease costs of \$59,421 for the year ended June 30, 2023.

Future minimum lease payments are as follows for the years ended June 30:

2024	\$	259,632
2025		251,817
2026		254,933
2027		261,699
2028		269,550
Thereafter		<u>1,342,857</u>
Total future minimum lease payments		2,640,488
Less: imputed interest		<u>(347,546)</u>
Total operating lease liabilities		2,292,942
Less: current portion		<u>(196,158)</u>
Long-term operating lease liabilities	\$	<u>2,096,784</u>

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. The Organization's contributions to the retirement plan totaled \$10,230.

NOTE 10. 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.

SAFE NEST: TEMPORARY ASSISTANCE FOR DOMESTIC CRISIS, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2023

NOTE 10. IN-KIND CONTRIBUTIONS (CONTINUED)

The Organization's in-kind contributions consisted of the following:

<u>Category</u>	<u>Usage</u>	<u>Total</u>
Donated goods, retained	Distributed to shelter clients	\$ 168,673
Donated goods, sold	Sold to private organizations	<u>1,399,469</u>
		<u>\$ 1,568,142</u>

NOTE 11. ADOPTION OF ACCOUNTING PRONOUNCEMENT

In February 2016, the FASB issued ASC 842, *Leases*, to increase transparency and comparability among organizations by requiring the recognition of ROU assets and lease liabilities on the statement of financial position. Most prominent among the changes in the standard is the recognition of ROU assets and lease liabilities by lessees for those leases classified as operating leases. Under the standard, disclosures are required to meet the objective of enabling users of financial statements to assess the amount, timing, and uncertainty of cash flows arising from leases.

The Organization adopted the standard effective July 1, 2022 and recognized and measured leases existing at, or entered into after, July 1, 2022 (the beginning of the period of adoption) using a modified retrospective approach, with certain practical expedients available.

The Organization elected the available practical expedients to account for existing capital leases and operating leases as finance leases and operating leases, respectively, under the new guidance, without reassessing (a) whether the contracts contain leases under the new standard, (b) whether classification of capital leases or operating leases would be different in accordance with the new guidance, or (c) whether the unamortized initial direct costs before transition adjustments would have met the definition of initial direct costs in the new guidance at lease commencement.

As a result of the adoption of the new lease accounting guidance, the Organization recognized on July 1, 2022 a lease liability of \$2,482,620, which represents the present value of the remaining operating lease payments of \$2,893,145, discounted using risk free rates ranging from 2.84% to 2.88% based on the remaining term of each lease and an ROU asset of \$2,470,563 adjusted for deferred rent of \$12,056.

Adoption of the standard had a material impact on the Organization's statement of financial position, statement of cash flows, and statement of activities. The most significant impact was the recognition of ROU assets and lease liabilities for operating leases.

NOTE 12. CONTINGENCIES

The Organization may become involved in legal actions arising in the ordinary course of business. In the opinion of management, the Organization carries adequate insurance coverage to mitigate the risk of material losses and the ultimate disposition of these matters will not have a material adverse effect on the Organization's financial position, results of operations, or liquidity.

**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**

ocTo 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, Organization), which comprise the consolidated statement of financial position as of June 30, 2023, 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 November 2, 2023.

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. We identified a certain deficiency in internal control, described in the accompanying schedule of findings and questioned costs as item 2023-001, that we consider to be a significant deficiency.

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*.

Management Response to Findings

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

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the 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
November 2, 2023

**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

Opinion on Each Major Federal Program

We have audited Safe Nest: Temporary Assistance for Domestic Crisis, Inc. and Subsidiary’s (collectively 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, 2023. 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, 2023.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* and Title 45 U.S. *Code of Federal Regulations Part 75, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for HHS 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
November 2, 2023

SAFE NEST: TEMPORARY ASSISTANCE FOR DOMESTIC CRISIS, INC.
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2023

Grantor and Program Title	Assistance Listing Number	Pass-Through Identifying Number	Total Federal Expenditures
<u>United States Department of Housing and Urban Development</u>			
Continuum of Care Program	14.267	NV0118L9T002003	\$ 136,712
Continuum of Care Program	14.267	NV0118L9T002104	261,289
Total Continuum of Care Program			398,001
<i>Passed through Clark County, Nevada:</i>			
COVID-19 Emergency Solutions Grant Program	14.231	CBE606133-22	109,814
Emergency Solutions Grant Program	14.231	ESG23-NEST	89,233
Total Emergency Solutions Grant Program			199,047
COVID-19 Community Development Block Grants: CDBG - Entitlement Grants Cluster	14.218	CBE606133-22	96,000
Total United States Department of Housing and Urban Development			693,048
<u>United States Department of Justice</u>			
<i>Passed through Nevada Division of Child and Family Services:</i>			
Crime Victim Assistance Grant	16.575	16575-20-131	1,247,600
<i>Passed through the Nevada Office of the Attorney General:</i>			
Violence Against Women STOP Grant	16.588	2022-VAWA-36	70,000
Total United States Department of Justice			1,317,600
<u>United States Department of the Treasury</u>			
<i>Passed through Nevada Division of Child and Family Services:</i>			
COVID-19 Coronavirus State and Local Fiscal Recovery Funds	21.027	21027-22-004	100,000
Total United States Department of the Treasury			100,000
<u>United States Department of Health and Human Services</u>			
<i>Passed through Nevada Division of Child and Family Services:</i>			
Family Violence Prevention and Services Act Grant	93.671	93671-21-012	221,612
Family Violence Prevention and Services Act Grant	93.671	93671-22-014	454,938
COVID-19 American Rescue Plan: Family Violence Prevention and Services Act	93.671	93671-21-106	154,783
Total United States Department of Health and Human Services			831,333
<u>Department of Homeland Security</u>			
<i>Passed through United Way of Southern Nevada:</i>			
COVID-19 Emergency Food and Shelter Program: Phase 39/ARPAR	97.024	586800-060	18,750
Total Department of Homeland Security			18,750
Total federal expenditures			\$ 2,960,731

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, 2023**

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, 2023. The information in the schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* and Title 45 U.S. Code of Federal Regulations Part 75, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for HHS 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.

SAFE NEST: TEMPORARY ASSISTANCE FOR DOMESTIC CRISIS, INC.
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2023

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 and one instance of significant deficiency 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 45 CFR 75.516 (a).
7. The program tested as a major program was the U.S. Department of Health and Human Services, Assistance Listing Number 93.671, Family Violence Prevention and Services Act 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

2023-001 Completeness of the General Ledger

Criteria: For a general ledger to be considered complete, all financial activity related to the Organization must be included.

Condition: During our audit, it was discovered that a PayPal account held in the name of the Organization had not been included in the general ledger balances initially presented for audit. Upon further investigation, we learned the PayPal account was created without the approval of a member of management, as dictated by the Organization’s internal control policy.

Cause: Internal controls over appropriate approvals for establishing access and appropriate use of bank account information, and authorization channels for cash receipt portal/applications, did not operate effectively.

SAFE NEST: TEMPORARY ASSISTANCE FOR DOMESTIC CRISIS, INC.
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2023

2023-001 Completeness of the General Ledger (continued)

Effect: The general ledger balances presented for audit were incomplete. Additionally, without appropriately designed and effectively operating internal controls over the setup of cash receipts portals/applications, there is an increased risk of misappropriation/fraud as an employee could perform an unauthorized setup to be used for personal benefit.

Recommendation: We recommend management revise as necessary and implement a system of internal controls whereby the use of the Organization's bank account information and/or setup of cash receipts portals/applications is approved by an appropriate member of management before setup occurs. Further, we recommend management create a written policy prescribing appropriate and/or disallowed use of bank account information, to be signed by all those granted said access.

Views of Responsible Officials and Planned Corrective Actions: On August 31, 2023, we established the agency policy that no new accounts to receive funds through donation platforms (nor to create any new funds receivable or funds payable accounts, for that matter) are to be setup/established unless they have been requested through the accounting team with approval from the Chief Financial Officer (CFO).

We do not believe that our bank account information is at risk of being misused, as we have strict access guidelines that do not allow sharing of such access unless granted directly by the Chief Executive Officer (CEO), who receives approval first from the CFO. The only people who would be granted bank account access would be employees directly on the accounting team (CFO, CEO and her Executive Assistant, Grant Billing Specialist, and Bookkeeper), and any of these employees who have access to our accounting system do not have the ability to transfer funds nor set up new account users. To further establish this security, we will create a written policy regarding proper use & sharing and disallowed use of bank account information for these individuals with bank account access to review and sign, which we will implement going forward for any other staff member who joins Safe Nest and needs such access.

It is also relevant to note that any member of the public can fraudulently setup an unauthorized donation account in our, or any charity's, name and claim to take donations on the agency's behalf while instead using the funds for personal benefit; this is out of the control of the agency and something that we educate our donors on to make sure they are contributing through authorized Safe Nest donation platforms.

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, 2023**

PRIOR AUDIT FINDINGS – FINANCIAL STATEMENT AUDIT

None.

PRIOR AUDIT FINDINGS – MAJOR FEDERAL AWARDS PROGRAM AUDIT

None.