

S.A.F.E HOUSE, INC.
(STOP ABUSE IN THE FAMILY ENVIRONMENT)
REPORT ON AUDIT OF
FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2018

S.A.F.E. HOUSE, INC. (STOP ABUSE IN THE FAMILY ENVIRONMENT)

YEAR ENDED JUNE 30, 2018

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INDEPENDENT AUDITOR'S REPORT

Board of Directors
S.A.F.E. House, Inc.
Henderson, NV

Report on the Financial Statements

We have audited the accompanying financial statements of S.A.F.E. House, Inc. (Stop Abuse in the Family Environment) (a nonprofit organization), which comprise the statement of financial position as of June 30, 2018, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these 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 financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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

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

An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimated made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the S.A.F.E. House, Inc. (Stop Abuse in the Family Environment) as of June 30, 2018, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United State of America.

A handwritten signature in black ink that reads "Mark A. King, CPA". The signature is written in a cursive style with a large initial "M".

Las Vegas, NV
February 13, 2019

S.A.F.E. HOUSE, INC. (STOP ABUSE IN THE FAMILY ENVIRONMENT)

STATEMENT OF FINANCIAL POSITION

JUNE 30, 2018

Assets:

Cash and cash equivalents	\$	108,400
Grants and contributions receivable, net		150,400
Prepaid expenses and other		16,800
Total current assets		<u>275,600</u>

Building, property and equipment, net (Notes 1 and 5) 341,000

Investments (Note 1 and 3) 1,454,100

Refundable deposits 4,000

TOTAL ASSETS \$ 2,074,700

LIABILITIES AND NET ASSETS

Current liabilities:

Accounts payable	\$	1,000
Accrued expenses		67,500
Total current liabilities		<u>68,500</u>

TOTAL LIABILITIES 68,500

Net assets:

Unrestricted		1,947,400
Temporary restricted		58,800
Permanently restricted		-
Total net assets		<u>2,006,200</u>

TOTAL LIABILITIES AND NET ASSETS \$ 2,074,700

S.A.F.E. HOUSE, INC. (STOP ABUSE IN THE FAMILY ENVIRONMENT)

STATEMENTS OF ACTIVITIES AND CHANGES IN NET ASSETS

YEAR ENDED JUNE 30, 2018

Support and revenues:

Unrestricted revenues and gains:

Federal, state and other grants	\$	513,000
Contributions		188,600
Special event revenue, including special event in-kind		49,700
Other grants		803,800
In-kind contributions		68,700
Investment return		167,000
Program fees		2,100
		<u>1,792,900</u>

Expenses:

Emergency shelter services		704,600
Counseling		436,800
Advocacy		244,500
Outreach and education		50,500
Fundraising		18,400
Management and general		279,300
Total Expenses		<u>1,734,100</u>

Changes in unrestricted net assets 58,800

Increase in unrestricted net assets		58,800
Net assets, beginning of year		<u>1,947,400</u>
Net assets, end of year	\$	<u><u>2,006,200</u></u>

**S.A.F.E. HOUSE, INC. (STOP ABUSE IN THE FAMILY ENVIRONMENT)
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED JUNE 30, 2018**

	PROGRAM						Total	Management & General	Total		
	Emergency Shelter Services	Counseling	Advocacy	Outreach and Education	Fundraising						
Accounting	\$	\$	\$	\$	\$	\$	-	\$	12,500	\$	12,500
Bank charges									10,800		10,800
Client Assistance	67,700	1,800	500				70,000				70,000
Contract Services	47,300						47,300				47,300
Depreciation											26,800
Dues and subscriptions											137,800
Employee Benefits	68,000	36,100	29,900	3,800			137,800				137,800
Equipment Leases		10,900					10,900			1,200	12,100
Fundraising supplies								18,400			18,400
Insurance	5,800	12,500	4,400				22,700			5,900	28,600
Technology Expenses	11,600	300		100			12,000			5,000	17,000
Occupancy		46,100					46,100				46,100
Training	200	200	2,500	900			3,800			300	4,100
Payroll Expenses										1,100	1,100
Payroll Taxes	38,600	28,300	17,600	3,800			88,300			10,900	99,200
Postage and Delivery										1,900	1,900
Program supplies	14,900	6,400	3,200	6,200			30,700			3,300	34,000
Repairs and maintenance	17,100	2,100					19,200				19,200
Salaries & Related	354,900	274,000	165,100	35,700			829,700			133,300	963,000
Security	2,600						2,600				2,600
Storage		600					600			800	1,400
Telephone	3,200	6,000	3,500				12,700			600	13,300
Travel	1,600	200	10,900				12,700				12,700
Utilities	16,200	4,400					20,600				20,600
Volunteer Expenses										700	700
Client Food	54,900	6,900	6,900				68,700				68,700
Total Expenses	\$ 704,600	\$ 436,800	\$ 244,500	\$ 50,500	\$ 18,400	\$ 1,436,400	\$ 279,300	\$ 1,734,100			

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

S.A.F.E. HOUSE, INC. (STOP ABUSE IN THE FAMILY ENVIRONMENT)

STATEMENT OF CASH FLOWS

YEAR ENDED JUNE 30, 2018

Cash flows from operating activities:	
Increase in net assets	\$ 58,800
Adjustments to reconcile decrease in net assets to net cash used by operating activities:	
Depreciation	47,300
Decrease in contributions and grants receivable	89,800
Increase in prepaid expenses	(9,700)
Decrease in accounts payable	(18,400)
Increase in accrued expenses	12,300
Net cash provided by operating activities	<u>180,100</u>
Cash flows from investing activities	
Purchase of equipment	2,600
Gain on investment	(222,200)
Net cash used by investing activities	<u>(219,600)</u>
Cash flow from financing activities	
Purchase of long-term investments	-
Net cash used by financing activities	<u>-</u>
Net increase in cash	(39,500)
Cash, beginning of year	147,900
Cash, end of year	<u>\$ 108,400</u>

S.A.F.E. HOUSE, INC. (STOP ABUSE IN THE FAMILY ENVIRONMENT)

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2018

1. Summary of significant accounting policies

Nature of Activities

S.A.F.E. House, Inc. (Stop Abuse in the Family Environment) (the "Organization") is a community based not-for-profit organization committed to stopping abuse in the family environment by providing shelter, support, advocacy, counseling, and education. The Organization is primarily supported through government grants, program fees, and contributions from the general public. The services provided by the organization are provided to the Southern Nevada community.

Financial Statement Preparation

The Organization prepares its financial statements on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America which is promulgated on Financial Accounting Standards Board ("FASB") Accounting Standards Codification ("ASC").

Basis of Presentation

Financial statement presentation follows the recommendations of the Financial Accounting Standards Board Accounting Standards Codification (FASB ASC) 958 regarding not-for-profit organizations. Under FASB ASC 958, the Organization is required to report information regarding its financial position and activities according to three classes of net assets; unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets.

Use of Estimates in Financial Statements

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Due to their prospective nature, actual results could differ from those estimates.

Cash and Cash Equivalents

For purposes of the statement of cash flows, the Organization considers all cash and all unrestricted highly liquid investments with an initial maturity of three months or less to be cash equivalents.

Investments

Investments in marketable securities with readily determinable fair values are stated at fair market value. Unrealized gains and losses are included in the change in net assets in the accompanying statements of activities.

Grants and Contributions Receivable

Grants and contributions receivable are stated at the amount management expects to collect on the balances. There is no allowance for uncollectible balances at June 30, 2018.

S.A.F.E. HOUSE, INC. (STOP ABUSE IN THE FAMILY ENVIRONMENT)

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2018

1. Summary of significant accounting policies (continued)

Donated Assets

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

Building, Property and Equipment

Building, property and equipment, acquired by the Organization are considered to be owned by the Organization. However, Federal, State and local government funding sources may maintain equitable interests in the property purchased with grant monies as well as the right to determine the use of any proceeds from the sale of these assets.

Donations of property and equipment are recorded as support at their estimated fair value. Such donations are reported as unrestricted support unless the donor has restricted the donated asset to a specific purpose. It is the Organization's policy to capitalize only those assets with a cost (fair market value for donated assets) of \$500 or more and an expected useful life of at least three years. Depreciation on all assets is computed using the straight-line method over the estimated useful lives of the assets which range from 3-7 years and 30 years for the building.

When assets are sold or otherwise disposed of, the assets and related accumulated depreciation are removed from the accounts and any remaining gain or loss is included in the statement of activities. Repair and maintenance costs are charged to expense when incurred.

Net Assets

Unrestricted net assets are available for use in general operations.

Temporarily restricted net assets consist of amounts that are subject to donor restrictions and income earned on temporarily restricted net assets. The Organization is permitted to use up or expend the donated assets in accordance with the donor restrictions.

Restricted and Unrestricted Revenues

The Organization reports gifts of cash and other assets as restricted support if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, that is, when a stipulated time restriction ends, or purpose restriction is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions. The Organization reports contributions of cash or other assets received with donor restrictions as unrestricted support when the donor restrictions are fulfilled within the same accounting period.

S.A.F.E. HOUSE, INC. (STOP ABUSE IN THE FAMILY ENVIRONMENT)

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2018

1. Summary of significant accounting policies (continued)

Contributions

Generally, donated materials, if significant in amount, are recorded at their fair market value, provided there is a clearly measurable and objective basis for determining the value. In the case of materials where such values cannot reasonably be determined, the donation is not recorded. Donated professional services are recognized if the services received (a) create or enhance long-lived assets or (b) require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation.

Concentration of Federal Grant Revenue

For the year ended June 30, 2018, approximately 50.93% of the Organization's federal grant funding was provided from two sources. The Department of Health and Human Services provided 16.93% through Family Violence Grants, and also provided 34.0% through the Victims of Crime Act grant program.

Advertising

The Organization uses advertising to promote its programs and fundraising events. The production costs of advertising are expensed as incurred.

Functional Expenses

Expenses that can be identified with a specific program are applied directly according to their natural expense classifications. Nonspecific program costs are allocated to the programs and support services benefited.

Income Tax

The Organization is exempt from federal income taxes under Section 501(c) (3) of the Internal Revenue Code and has been classified as other than a private foundation by the Internal Revenue Service. However, income from certain activities not directly related to the Organization's tax-exempt purpose is subject to taxation as unrelated business income.

The Organization has adopted ASC 740-10, *Income Taxes*, in which an organization must recognize the tax benefit associated with tax positions taken for tax return purposes when it is more-likely-than-not that the position will be sustained. For the years 2014 through 2018, the Organization does not believe there are any material uncertain tax positions.

S.A.F.E. HOUSE, INC. (STOP ABUSE IN THE FAMILY ENVIRONMENT)

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2018

1. Summary of significant accounting policies (continued)

Accounting Pronouncement Adopted

In May 2012, the FASB issued ASU 2011-04, *Amendments to Achieve Common Fair Value Measurement and Disclosure Requirements in U.S. GAAP and IFRSs* (ASU 2011-04). ASU 2011-04 amends ASC 820, *Fair Value Measurements and Disclosures*, to provide a consistent definition of fair value and improve the comparability of fair value measurements presented and disclosed in financial statements prepared in accordance with U.S. GAAP and IFRs. Some of the amendments clarify the application of existing fair value measurement and disclosure requirements, while other amendments change a particular principle or requirement for measuring fair value or disclosing information about fair value measurements. The amendments are to be applied prospectively and are effective for annual periods beginning after December 15, 2011. The adoption did not have a material impact on the financial statements.

2. Description of Program Services

Emergency Shelter Services

Emergency shelter Services provides a confidential location shelter for victims of domestic violence and their children. Shelter services include case management services for shelter residents, life skills, and a children's learning center. The children's learning center provides fun, age appropriate education programs as well as homework assistance for children who are attending school. The child advocate at the shelter also operates a support group for children who have witnessed violence in the home. Appropriate accommodations can also be made for male victims and their children. The Emergency Shelter Services program also operates a 24/7 crisis hotline. The hotline responds to crisis calls from victims of domestic violence and offers support and referrals to victims seeking help.

Advocacy

Through the Organization's Advocacy program, advocates provide emotional support and assistance to victims with cases in Family Court, Municipal Court, Justice Court, Henderson Police Department, and Child Protective Services. Advocates can explain basic legal procedures to clients and, when necessary, help them locate an attorney. Advocates also assist clients by referring them to appropriate resources in the community. Transitional advocates assist clients in obtaining affordable housing and household items, so they may establish their own homes free of violence and dependency. The Organization employs a bilingual advocate to meet the needs of limited English proficient clients.

S.A.F.E. HOUSE, INC. (STOP ABUSE IN THE FAMILY ENVIRONMENT)

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2018

2. Description of Program Services (continued)

Counseling

The Counseling program provides individual victim counseling for adult victims and children who witness violence. S.A.F.E. House recognizes that mental health plays a big role in helping victims become survivors. Clients are offered an opportunity to participate in free counseling that helps them understand the impact of violence in their lives. The counseling Program also provides family therapy that builds the parent-child relationships during this difficult time.

Outreach and Education

The Outreach and Education programs on the issue of domestic violence as well as distributing information about domestic violence in the community with the goal of getting the information to victims of domestic violence and community organizations who work with victims of domestic violence. The education programs provided by the Outreach and Education team include training for law enforcement, adolescents, young children, and the community at large.

3. Fair Value of Investments

In accordance with FASB ASC, the following are quantitative disclosures about fair value measurements of assets. Fair value measurements are categorized on three levels:

Level 1 inputs are quoted market prices in active markets for identical assets.

Level 2 inputs are inputs other than quoted prices within Level 1; for example, quoted prices similar assets.

Level 3 inputs are unobservable inputs for the assets.

The Organization's only asset valued at fair value are its investments. The Organization holds all of its investments in publically traded equity or debt instruments, as follows:

	<u>June 30, 2018</u>	<u>Level 1</u>
Equities	\$ 1,454,100	\$ 1,454,100
Total	<u>\$ 1,454,100</u>	<u>\$ 1,454,100</u>

S.A.F.E. HOUSE, INC. (STOP ABUSE IN THE FAMILY ENVIRONMENT)

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2018

4. Restricted net assets

Temporarily and permanently restricted net assets at June 30, 2018:

Temporarily restricted net assets	\$	58,800
Permanently restricted net assets		-
	\$	<u>58,800</u>

5. Property and Equipment

Property and Equipment by major classification consists of the following at June 30, 2018:

Computer	\$	9,100
Computer software		6,000
Buildings		183,400
Furniture and fixtures		129,900
Equipment		262,200
Building improvements		314,800
Vehicle		22,000
		<u>927,400</u>
Less: accumulated depreciation		<u>(586,400)</u>
Total	\$	<u>341,000</u>

Depreciation expense was \$47,300 for the year ended June 30, 2018.

6. Operating Leases

The Organization has a month to month operating lease for office facilities. The monthly payment the office facility is \$3,271 plus CAM charges of \$695 to total \$3,966. In addition, the Organization has a noncancelable operating lease for office equipment that expires in August 2018. The total monthly payment for this lease is \$1,096.

S.A.F.E. HOUSE, INC. (STOP ABUSE IN THE FAMILY ENVIRONMENT)

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2018

6. Operating Leases (continued)

Future minimum rental payments for each of the:

Years ending June 30,		Amount
2019	\$	3,700
Thereafter		<u>-</u>
Total	\$	<u><u>3,700</u></u>

The lease expense recognized on the statement of activities for the year ended June 30, 2018 was \$12,100.

7. Tax Deferred Annuity Plan

The Organization offers a tax-deferred annuity plan qualified under Section 403(b) of the Internal Revenue Code. The plan covers full-time employees of the Organization. Employees may make contributions to the plan up to the maximum amount allowed by the Internal Revenue Code if they wish. The Organization made no contributions to this plan on behalf of the employees for the year ended June 30, 2018.

8. Commitments and Contingency Liabilities

Concentration of Credit Risk

Financial instruments that potentially subject the Organization to significant concentrations credit risk consist principally of cash. At times such amounts may be in excess of federal insurance limits. As of June 30, 2018, the Organization did not maintain any uninsured balances.