

S.A.F.E HOUSE, INC.
(STOP ABUSE IN THE FAMILY ENVIRONMENT)
REPORT ON AUDIT OF
FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2019

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

YEAR ENDED JUNE 30, 2019

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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, 2019, 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.

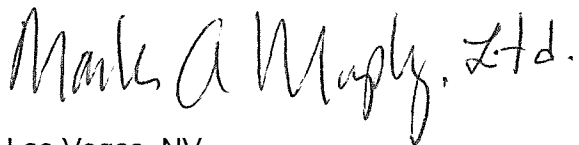
An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or 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, 2019, 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 Murphy, Ltd." The signature is written in a cursive, flowing style.

Las Vegas, NV
August 15, 2019

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

STATEMENT OF FINANCIAL POSITION

JUNE 30, 2019

Assets:

Cash and cash equivalents	\$	430,200
Grants and contributions receivable, net		385,800
Prepaid expenses and other		29,500
Total current assets		<u>845,500</u>
Building, property and equipment, net (Notes 1 and 5)		293,700
Investments (Note 1 and 3)		1,236,100
Refundable deposits		<u>4,000</u>
TOTAL ASSETS	\$	<u>2,379,300</u>

LIABILITIES AND NET ASSETS

Current liabilities:

Accounts payable	\$	7,800
Accrued expenses		49,400
Total current liabilities		<u>57,200</u>
TOTAL LIABILITIES		<u>57,200</u>

Net assets:

Unrestricted		2,006,300
Temporary restricted		315,800
Permanently restricted		-
Total net assets		<u>2,322,100</u>
TOTAL LIABILITIES AND NET ASSETS	\$	<u>2,379,300</u>

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

STATEMENTS OF ACTIVITIES AND CHANGES IN NET ASSETS

YEAR ENDED JUNE 30, 2019

Support and revenues:

Unrestricted revenues and gains:

Federal, state and other grants	\$	715,300
Contributions		120,100
Special event revenue, including special event in-kind		96,000
Other grants		896,400
In-kind contributions		9,100
Investment return		121,200
Program fees		3,400
		<u>1,961,500</u>

Expenses:

Emergency shelter services		670,400
Counseling		328,200
Advocacy		266,700
Outreach and education		46,000
Fundraising		27,600
Management and general		306,800
Total Expenses		<u>1,645,700</u>

Changes in unrestricted net assets		<u>315,800</u>
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Increase in unrestricted net assets		315,800
Net assets, beginning of year		<u>2,006,300</u>
Net assets, end of year	\$	<u><u>2,322,100</u></u>

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

STATEMENTS OF ACTIVITIES AND CHANGES IN NET ASSETS

YEAR ENDED JUNE 30, 2019

	Emergency Shelter Services	PROGRAM				Total	Fundraising	Management & General	Total
		Counseling	Advocacy	Outreach and Education					
Accounting	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 13,000	\$ 13,000
Bank Fees	-	-	-	-	-	-	-	11,100	11,100
Client Assistance	62,700	-	33,400	-	96,100	-	-	-	96,100
Client Food/Meals	5,300	1,900	1,900	-	9,100	-	-	-	9,100
Contract Services	-	100	-	-	100	-	-	66,800	66,900
Depreciation	47,300	-	-	-	47,300	-	-	-	47,300
Dues and subscriptions	-	-	-	-	-	-	-	28,100	28,100
Employee Benefits	69,700	27,000	33,500	5,400	135,600	-	-	18,000	153,600
Employee Work-Related	600	100	200	-	900	-	-	100	1,000
Equipment Lease	-	11,400	-	-	11,400	-	-	300	11,700
Equipment Purchase	2,100	-	-	-	2,100	-	-	-	2,100
Fundraising Expenses	-	-	-	-	-	7,100	-	-	7,100
Insurance	4,100	(1,800)	1,300	-	3,600	-	-	24,800	28,400
Internet, Cable, Website	7,700	1,700	-	-	9,400	-	-	800	10,200
Occupancy	-	46,300	-	-	46,300	-	-	-	46,300
Payroll Expenses	-	-	-	-	-	-	-	1,300	1,300
Payroll Taxes	30,000	18,600	15,600	3,200	67,400	-	-	6,600	74,000
Postage and Delivery	-	-	-	-	-	-	-	1,200	1,200
Repairs and maintenance	17,700	3,600	-	-	21,300	-	-	-	21,300
Salaries	326,700	203,500	167,100	34,100	731,400	-	-	128,400	859,800
Shelter Food	27,500	-	-	-	27,500	-	-	-	27,500
Shelter Renovations	13,700	-	-	-	13,700	-	-	-	13,700
Shelter Security	2,900	-	-	-	2,900	-	-	-	2,900
Special Event Expenses	-	-	-	-	-	20,500	-	-	20,500
Storage	-	-	-	-	-	-	-	700	700
Supplies & Materials	20,100	7,300	500	2,700	30,600	-	-	1,400	32,000
Technology Expenses	7,500	-	-	-	7,500	-	-	400	7,900
Telephone	5,600	3,200	2,600	-	11,400	-	-	2,800	14,200
Training	700	1,000	(500)	-	1,200	-	-	300	1,500
Travel	2,500	-	11,100	600	14,200	-	-	-	14,200
Utilities	16,000	4,300	-	-	20,300	-	-	-	20,300
Volunteer Expenses	-	-	-	-	-	-	-	700	700
Total Expenses	\$ 670,400	\$ 328,200	\$ 266,700	\$ 46,000	\$ 1,311,300	\$ 27,600	\$ 306,800	\$ 1,645,700	

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, 2019

Cash flows from operating activities:	
Increase in net assets	\$ 315,800
Adjustments to reconcile increase in net assets to net cash used by operating activities:	
Depreciation	47,300
Increase in contributions and grants receivable	(235,400)
Increase in prepaid expenses	(12,700)
Increase in accounts payable	25,800
Decrease in accrued expenses	(37,000)
Net cash provided by operating activities	<u>103,800</u>
Cash flows from investing activities	
Purchase of equipment	-
Gain on investment	218,000
Net cash used by investing activities	<u>218,000</u>
Cash flow from financing activities	
Purchase of long-term investments	-
Net cash used by financing activities	<u>-</u>
Net increase in cash	321,800
Cash, beginning of year	108,400
Cash, end of year	<u>\$ 430,200</u>

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

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2019

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, 2019.

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

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2019

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, 2019

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, 2019, approximately 68.27% of the Organization's federal grant funding was provided from two sources. The Department of Health and Human Services provided 24.33% through Temporary Assistance for Needy Families, and also provided 43.94% 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 2019, 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, 2019

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

The mission of S.A.F.E. House is to stop abuse in the family environment by providing safe shelter, support, advocacy, counseling, and education. Over the last two decades, S.A.F.E. House has grown into one of the most comprehensive domestic violence organizations in Nevada. Since its inception, S.A.F.E. House has provided shelter, counseling, advocacy, housing assistance, and education to more than 80,000 people. All of S.A.F.E. House's services are free, flexible and individualized, driven by the victim's needs and goals.

Emergency Services

S.A.F.E. House operates one of the largest confidential emergency shelters in the state and has 56 shelter beds, which represents nearly 45% of the undisclosed, domestic violence shelter beds in Clark County. A victim's journey to safety begins when they call S.A.F.E. House's 24/7 emergency hotline or come in contact with local law enforcement or other agencies who refer them to the shelter. Upon arrival at the shelter, a survivor's most basic needs are attended to, which includes assessing the client's safety, medical, and physical needs. Within 48 hours, the client meets with the Case Manager and begins to develop a case plan. Over time, this plan expands into a comprehensive guide for all of the services a victim of domestic violence will need such as support group attendance, individual counseling, parenting classes, employment issues, educational issues, housing needs, and household necessities. S.A.F.E. House addresses the needs of the children too and provide them with clothing, food, and social activities that help them feel at home. In addition, the services include financial assistance through the S.A.F.E. House Client Empowerment Fund, which supports clients' employment and housing goals. When funds are available, clients are provided with assistance for rental expenses, transportation (gas card, bus passes); and other expenses related to maintaining employment, which is necessary to maintain housing.

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

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2019

2. Description of Program Services (continued)

Advocacy

S.A.F.E. House provides personal and criminal justice support advocacy and incorporates a victim-defined advocacy approach to meeting the needs of survivors of domestic violence. Through this process, the advocates uncover and identify what is relevant to each individual. Program participants who need assistance with advocacy may receive services such as accompaniment to court proceedings, assistance with making victim notification, and personal advocacy in order to access community resources. S.A.F.E. House is committed to reaching survivors of domestic violence through mobile advocacy, which reduces the barriers to support services. The advocates meet them in their own setting or in places such as coffee shops, so that they can get help. The advocates also utilize digital advocacy via mobile phone (i.e., Facetime), web-based (i.e., Skype) or text.

Counseling

S.A.F.E. House recognizes that mental health plays a big role in helping victims become survivors. Counseling services are available to children and adults at the shelter and the Counseling and Advocacy Center, located in Henderson. The counselors help the clients understand the severe impact of domestic violence on their lives. In addition to individual counseling, clients are offered an opportunity to participate in family therapy that builds the parent-child relationship. A children's advocate is employed by S.A.F.E. House and helps children impacted by domestic violence recover. The overall purpose of the counseling and therapy is to assist clients in understanding the impact and trauma of domestic violence, access healing options, improve their life skills and development of greater self-awareness.

Outreach and Education

The Outreach and Education services offer training and information to the public with the purpose of educating people on how to identify, and help, victims of domestic violence, while also giving voice to the issue. The Outreach & Education Coordinator reaches more than 10,000 community members each year through contact with community groups, schools, churches, and other organization that have members that could benefit from the awareness and educational sessions. Another goal of the outreach efforts is to raise awareness about the impact of domestic violence among underserved populations. The Outreach & Education Coordinator regularly conducts outreach to youth, seniors, and the LGBTQIA2+ community by providing information to community partners and conducting education sessions. These sessions help individuals, who are victims of abuse, understand how they can get help and become a survivor.

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

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2019

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 publicly traded equity or debt instruments, as follows:

	<u>June 30, 2019</u>	<u>Level 1</u>
Equities	\$ 1,597,500	\$ 1,597,500
Total	<u>\$ 1,597,500</u>	<u>\$ 1,597,500</u>

4. Restricted net assets

Temporarily and permanently restricted net assets at June 30, 2019:

Temporarily restricted net assets	\$ 315,800
Permanently restricted net assets	-
	<u>\$ 315,800</u>

5. Property and Equipment

Property and Equipment by major classification consists of the following at June 30, 2019:

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>(633,700)</u>
Total	<u>\$ 293,700</u>

Depreciation expense was \$47,300 for the year ended June 30, 2019.

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

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2019

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 \$900 to total \$4,171. In addition, the Organization has a noncancelable operating lease for office equipment that expires in August 2019. The total monthly payment for this lease is \$1,096.

Future minimum rental payments for each of the:

Years ending June 30,		Amount
2020	\$	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, 2019 was \$11,800.

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, 2019.

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, 2019, the Organization did not maintain any uninsured balance