
SafePlace

Financial Statements

For the Year Ended December 31, 2020

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
SafePlace
Olympia, WA

Report on the Financial Statements

We have audited the accompanying financial statements of SafePlace (the Organization), which comprise the statement of financial position as of December 31, 2020, and the related statements of activities and changes in net assets, functional expenses and cash flows for the fiscal 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 estimates 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 Organization, as of December 31, 2020, and changes in net assets and its cash flows for the

year then ended in accordance with accounting principles generally accepted in the United States of America.

Report on Summarized Comparative Information

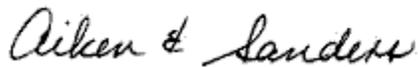
We have previously audited the Organization's 2019 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated February 24, 2020. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2019, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Other Information

Our audit was conducted for the purpose of forming an opinion on the 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, is presented for purposes of additional analysis and is not a required part of the financial statements. The supplementary information on page 19 are presented for purposes of additional analysis and are not a required part of the 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 financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the 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 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 February 23, 2021 on our consideration of the Organization'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 the Organization's internal control over financial reporting and compliance.



Aiken & Sanders, Inc., PS
Certified Public Accountants
& Consultants

February 23, 2021

SafePlace

STATEMENT OF FINANCIAL POSITION

December 31, 2020 (With Comparative Totals for 2019)	2020	2019
ASSETS		
<u>Current Assets</u>		
Cash and cash equivalents	\$ 371,202	\$ 387,150
Pledges receivable	19,301	15,741
Grants receivable	169,122	97,275
Other assets	3,500	52
	563,125	500,218
<u>Property & Equipment</u>		
Land	474,012	474,012
Buildings	2,352,861	2,352,861
Shelter equipment	111,988	111,988
Office equipment	5,707	29,515
Shelter improvements	1,269,121	1,269,121
Construction in progress	11,314	-
Accumulated depreciation	(1,118,306)	(1,015,878)
	3,106,697	3,221,619
<u>Other Assets</u>		
Cash held as reserves	134,356	133,779
Investments held as reserves	55,832	54,017
Investments	17,779	8,560
	207,967	196,356
Total Assets	\$ 3,877,789	\$ 3,918,193

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

SafePlace

STATEMENT OF FINANCIAL POSITION

December 31, 2020 (With Comparative Totals for 2019)	2020	2019
LIABILITIES AND NET ASSETS		
<u>Current Liabilities</u>		
Accounts payable	\$ 7,938	\$ 13,187
Accrued payroll and related expenses	76,518	65,853
Accrued compensated absences	36,583	28,872
Other liabilities	3,078	2,304
Long term debt, current portion	11,211	11,454
	<u>135,328</u>	<u>121,670</u>
<u>Long Term Liabilities</u>		
Long term debt with banks, net of current portion	390,824	401,624
Long term debt with government agencies, net of current portion	196,639	196,639
	<u>587,463</u>	<u>598,263</u>
<u>Net Assets</u>		
Without donor restrictions	2,711,863	2,652,759
With donor restrictions	443,135	545,501
	<u>3,154,998</u>	<u>3,198,260</u>
Total Liabilities and Net Assets	\$ <u>3,877,789</u>	\$ <u>3,918,193</u>

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

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STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS

Year Ended December 31, 2020 <i>(With Comparative Totals for 2019)</i>			2020	2019
	Without Donor Restrictions	With Donor Restrictions	TOTAL	TOTAL
<u>Support and Revenue</u>				
Contributions	\$ 555,277	\$ 38,550	\$ 593,827	\$ 459,418
Special events	-	-	-	101,109
In-kind revenue	24,568	-	24,568	33,018
Satisfaction of restrictions	140,916	(140,916)	-	-
Total Public Support and Revenue	720,761	(102,366)	618,395	593,545
<u>Government Grants</u>	1,431,690	-	1,431,690	1,368,324
<u>Other Revenue</u>				
Forgiveness of debt	125,000	-	125,000	-
Investment income	7,969	-	7,969	6,674
Total Other Revenue	132,969	-	132,969	6674
Total Support and Revenue	2,285,420	(102,366)	2,183,054	1,968,543
<u>Expenses</u>				
Program Services	1,830,889	-	1,830,889	1,737,809
Management and General	187,349	-	187,349	164,783
Fundraising	208,078	-	208,078	184,928
Total Expenses	2,226,316	-	2,226,316	2,087,520
Increase (Decrease) in Net Assets	59,104	(102,366)	(43,262)	(118,977)
Net Assets at Beginning of Year	2,652,759	545,501	3,198,260	3,317,237
Net Assets at End of Year	\$ 2,711,863	\$ 443,135	\$ 3,154,998	\$ 3,198,260

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

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STATEMENT OF FUNCTIONAL EXPENSES

Year Ended December 31, 2020 <i>(With Comparative Totals for 2019)</i>	2020	2019			
	Program Services	Management & General	Fundraising	Total	Total
Salaries and wages	\$ 1,058,927	\$ 111,930	\$ 134,494	\$ 1,305,350	\$ 1,194,303
Employee benefits	111,004	10,878	10,668	132,550	143,077
Payroll taxes	87,898	8,959	10,756	107,613	103,350
Depreciation	114,492	5,556	6,188	126,236	125,956
Professional services	45,272	41,013	10,037	96,322	68,443
Facilities	72,822	1,740	4,019	78,581	68,488
In-kind	24,568	-	-	24,568	33,018
Client assistance	184,612	-	-	184,612	225,012
Printing	3,074	584	11,981	15,639	16,493
Supplies & postage	26,363	1,393	9,049	36,805	15,450
Insurance	36,319	769	1,270	38,358	35,032
Travel & training	9,177	54	367	9,598	13,166
Equipment	32,684	1,871	1,333	35,889	16,967
Interest	16,599	1,491	2,655	20,744	21,233
Property taxes and fees	1,724	790	2,777	5,292	3,946
Dues, books and publications	5,354	322	2,482	8,159	3,586
Total	\$ 1,830,889	\$ 187,349	\$ 208,078	\$ 2,226,315	\$ 2,087,520

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

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STATEMENT OF CASH FLOWS

Year Ended December 31, 2020 <i>(With Comparative Totals for 2019)</i>	2020	2019
<u>Cash Flows from Operating Activities</u>		
Increase (Decrease) in Net Assets	\$ (43,262)	\$ (118,977)
Adjustments to Reconcile Increase (Decrease) in Net Assets to Net Cash Provided (Used) by Operating Activities:		
Depreciation	126,236	125,956
Change in value of investments	(5,972)	(4,341)
Forgiveness of debt	(125,000)	-
(Increase) Decrease in pledges and grants receivable	(75,407)	54,821
(Increase) Decrease in other assets	(3,448)	(52)
Increase (Decrease) in accounts payable	(5,249)	1,469
Increase (Decrease) in accrued expenses	19,150	(48,085)
Total Adjustments	<u>(69,690)</u>	<u>129,768</u>
Net Cash Provided (Used) by Operating Activities	<u>(112,952)</u>	<u>10,791</u>
<u>Cash Flows from Investing Activities</u>		
Purchase of investments	(5,062)	(4,019)
Capital expenditures	(11,314)	(8,417)
Net Cash Provided (Used) by Investing Activities	<u>(16,376)</u>	<u>(12,436)</u>
<u>Cash Flows from Financing Activities</u>		
Proceeds from debt	125,000	-
Payments on bank borrowings	(11,043)	(10,568)
Net Cash Provided (Used) by Financing Activities	<u>113,957</u>	<u>(10,568)</u>
Net Increase (Decrease) in Cash & Cash Equivalents	(15,371)	(12,213)
Cash and Cash Equivalents at Beginning of Year	520,929	533,142
Cash and Cash Equivalents at End of Year	<u>\$ 505,558</u>	<u>\$ 520,929</u>
Supplemental Disclosures of Cash Flow Information:		
Cash Paid During the Fiscal Year for Interest	<u>\$ 10,474</u>	<u>\$ 10,963</u>

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

SafePlace

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2020

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization and Purpose - SafePlace (the Organization) is a nonprofit corporation organized under the laws of the State of Washington, which provides emergency shelter and related support services for victims of sexual and domestic violence and their children in Thurston County. The Organization also provides a 24 hour crisis phone line, support groups, and public education regarding the issues of domestic and sexual violence.

Basis of Presentation – Net assets and revenues, expenses, and gains and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, the net assets of the Organization and changes therein are reported as follows:

Net Assets without Donor Restrictions – Net assets that are not subject to donor-imposed stipulations. Includes public support and revenues which are not restricted by the donor and currently available for the support of the Organization.

Net Assets with Donor Restrictions – Includes public support and revenues which are restricted by the donor through either purpose or time restrictions. Net assets are released from restriction when the purpose or time restrictions have been satisfied. The following represent net assets with donor restrictions at December 31, 2020:

Time restrictions:		
Shelter building	\$	405,071
Community service building		34,001
Program restrictions:		
Client assistance		2,060
Crisis Intervention		<u>2,003</u>
	\$	<u><u>443,135</u></u>

Net assets with donor restrictions as of December 31, 2019, was \$545,501.

The shelter building is restricted by a funder for 40 years, ending October 31, 2046. The shelter is also restricted by the donor for use as a shelter as long as is feasibly possible. It is the Organization's policy to release gifts for the acquisition of long-term assets over the life of the asset.

Net assets released from donor restrictions by incurring expenses satisfying the restricted purpose or the occurrence of other events specified by donors totaled \$116,246 and \$149,656, respectively, and by the passage of time totaled \$24,670 and \$24,670, respectively, for the years ended December 31, 2020 and 2019.

SafePlace

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2020

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT.)

Financial Statements - The Organization maintains its financial records on the accrual basis of accounting.

If the restrictions on grant funds are met in the same year the funds are awarded, it is the Organization's policy to report the grant funds as without donor restriction support on the statement of activities and changes in net assets.

Recognizing Revenue from Grants and Contracts - The Financial Accounting Standards Board (FASB) issued amended guidance to clarify the principles for recognizing revenue from contracts with customers. The standard will be effective for annual periods beginning after December 15, 2018. The guidance requires an entity to recognize revenue to depict the transfer of goods or services to customers in an amount that reflects the consideration to which an entity expects to be entitled in exchange for those goods or services. The Organization follows these principles.

Upon receipt of an advance from grants and contracts from their funding sources, the Organization recognizes deferred revenue in the amount of the advance for its performance obligation to perform services in the future. At December 31, 2020 and 2019, the Organization has recorded deferred revenue of \$0, respectively, which the Organization expects to recognize as revenue in the following year, when it performs those services and, therefore, satisfies its performance obligation to the funding sources.

The balances of receivables and deferred revenue from grant and contracts with funding sources are as follows as of December 31, 2020 and 2019:

	2020	2019
Grants Receivable	\$169,122	\$97,275
Deferred Revenue	\$ -	\$ -

Liquidity and Availability – The Organization has \$559,625 of financial assets available within one year of the statement of financial position date to meet cash needs for general expenditure, consisting of cash of \$371,202, grants receivable of \$169,122, and pledges receivable of \$19,301 as of December 31, 2020. The Organization has \$500,166 of financial assets available within one year of the statement of financial position date to meet cash needs for general expenditure, consisting of cash of \$387,150, grants receivable of \$97,275, and pledges receivable of \$15,741 as of December 31, 2019. None of the financial assets are subject to donor or other contractual restrictions that make them unavailable for general expenditures within one year of the statement of financial position date. The pledges receivable are expected to be collected within one year. The Organization has ongoing grants and contracts that will reimburse the Organization's allowable expenditures for that grant or contract. The Organization has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due.

The Organization has a shelter operating reserve consisting of cash of \$27,516 and investments of \$55,832, which can be used for shelter expenditures as of December 31, 2020. The Organization has a shelter operating reserve consisting of cash of \$27,471 and investments of \$54,017, which can be used for shelter expenditures as of December 31, 2019.

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NOTES TO THE FINANCIAL STATEMENTS

December 31, 2020

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT.)

The Organization has a replacement reserve that can be used for maintenance or improvements to the shelter building. As of December 31, 2020 and 2019, the replacement reserve was \$106,840 and \$106,308, respectively.

Grants Receivable - Grants receivable are recorded to the extent of qualifying grant expenditures made during the current year, and are to be reimbursed after year-end.

Property, Equipment and Depreciation - Property and equipment purchased by the Organization is recorded at cost. Equipment donated to the Organization is capitalized at its estimated fair value. The Organization's policy is to expense the acquisition cost of equipment if it is less than \$5,000 in the year the equipment is purchased. Depreciation is computed on the straight-line basis over three, five, and seven year periods for furnishings and equipment, and over thirty years for buildings and improvements.

Maintenance and repairs are charged to expense as incurred; major renewals and improvements are capitalized. When items of equipment are sold or are otherwise disposed of, the appropriate cost and related accumulated depreciation amounts are removed from the accounts, and any gain or loss is included in income.

Use of Estimates - The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions affecting certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Recognition of Contribution Revenue - The Organization reports gifts of cash and other assets as restricted support if they are received with donor stipulated time restriction or purpose restriction. When a donor restriction expires, that is, when a stipulated time restriction ends or the purpose restriction is accomplished, with donor restriction net assets are reclassified to without donor restriction net assets and reported in the statement of activities as net assets released from restrictions

The Organization reports gifts of land, buildings, and equipment as unrestricted support unless explicit donor stipulations specify how the donated assets must be used. Gifts of long-lived assets with explicit restrictions specifying how the assets are to be used and gifts of cash or other assets, which must be used to acquire long-lived assets, are reported as restricted support. Absent explicit donor stipulations about how those long-lived assets must be maintained, the Organization reports expirations of donor restrictions when the donated or acquired long-lived assets are placed in service.

If the restrictions on restricted contributions are met in the same year the gift is received, it is the Organization's policy to report the contribution as without donor restrictions on the statement of activities and changes in net assets.

Allocation of Indirect Costs - The financial statements report certain categories of expenses that are attributable to one or more programs or supporting functions of the Organization. These expenses include facilities, insurance, supplies and depreciation and are allocated based on full time equivalents. Payroll and related costs are allocated based on time spent on each function. Postage and printing are allocated based on usage by department.

Advertising - The Organization expenses advertising costs as they are incurred.

SafePlace

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2020

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT.)

Cash and Cash Equivalents - Cash and cash equivalents includes cash on hand, cash on deposit in financial institutions, and all highly liquid debt instruments available for current use purchased with a maturity of three months or less.

In-Kind Contributions - Volunteers contribute services toward the fulfillment of programs sponsored by the Organization. During the year ended December 31, 2020, there were 747 volunteer hours worked which would have been valued at \$11,205, and for the year ended December 31, 2019 there were 3,554 volunteer hours worked which would have been valued at \$53,310. The contributed services that do not meet the requirements set out in FASB ASC 958 are not recorded in the financial statements. During the year ended December 31, 2020, donated goods of \$14,298 and donated interest of \$10,270 (Note 6) were included in revenues and expenses. During the year ended December 31, 2019, donated goods of \$22,748 and donated interest of \$10,270 (Note 6) were included in revenues and expenses. There were no donated services that met the requirements for recognition in the financial statements for the years ended December 31, 2020 and 2019.

Federal Income Tax Status – The Organization is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code and is not classified as a private foundation.

Cash Held as Reserves – In 2006 the Organization received a grant from the State of Washington Housing Trust Fund for the remodel of its shelter. A condition of the grant was to maintain reserves for the maintenance and operations of the shelter.

NOTE 2 – PLEDGES RECEIVABLE

Pledges receivables are as follows at December 31, 2020:

Receivables to be collected in less than one year	\$ 19,301
Receivables to be collected in one to five years	<u>-</u>
Net Contributed Receivable	<u>\$ 19,301</u>

Net pledges receivable as of December 31, 2019, was \$15,741.

NOTE 3 – INVESTMENTS & FAIR VALUE MEASUREMENTS

As of December 31, 2020, the investments had a cost basis of \$55,016 and fair market value of \$73,611.

Fair Value Measurements, establishes a framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1 measurements) and the lowest priority to unobservable inputs (level 3 measurements). The three levels of the fair value hierarchy are described as follows:

Level 1: Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Organization has the ability to access.

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NOTES TO THE FINANCIAL STATEMENTS

December 31, 2020

NOTE 3 – INVESTMENTS & FAIR VALUE MEASUREMENTS (CONT.)

Level 2: Inputs to valuation methodology include:

- A. Quoted prices for similar assets or liabilities in active markets.
- B. Quoted prices for identical or similar assets or liabilities in inactive markets.
- C. Inputs other than quoted prices that are observable for the asset or liability.
- D. Inputs that are principally from or corroborated by observable market data by correlation or other means.

Level 3: Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The asset or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

Following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in the methodologies used at December 31, 2020.

Mutual Funds: Valued at the Net Asset Value (NAV) of shares held by the Organization at year end.

Corporate Stocks: Valued at stock price per shares held by the Organization at year end.

The preceding methods described may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, although the Organization believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

The following table sets forth by level, within the fair value hierarchy, the Organization assets at fair value as of December 31, 2020 with comparative totals for 2019:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>2020 Total</u>	<u>2019 Total</u>
Mutual Funds	\$ 55,832	\$ -	\$ -	\$ 55,832	\$ 54,017
Corporate Stocks	<u>17,779</u>	<u>-</u>	<u>-</u>	<u>17,779</u>	<u>8,560</u>
Total	\$ <u>73,611</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>73,611</u>	\$ <u>62,577</u>

NOTE 4 – CONCENTRATIONS

The Organization receives a substantial amount of its support and revenue from grants. If a significant change or reduction in the level of this support and revenue occurred, it might have a significant effect on the Organization's programs and activities.

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NOTES TO THE FINANCIAL STATEMENTS

December 31, 2020

NOTE 5 – LINE OF CREDIT

The Organization had a line of credit at Timberland Bank for \$50,000, bearing interest at index plus 1.75 points (currently 6.75%). The line of credit expired March 15, 2020 and was not renewed. The outstanding balance at December 31, 2020 and 2019 was \$0 and \$0, respectively.

NOTE 6 – LONG-TERM DEBT WITH GOVERNMENT AGENCIES

At December 31, 2020 and 2019, the Organization had a loan balance of \$116,123 outstanding with the City of Olympia, Washington under its housing rehabilitation loan program. The loan is secured by the shelter and there is no interest due on balance. The principal is due and payable upon the sale or transfer of any interest in the real property which serves as security for the loan. In addition, if the shelter ceases to be used as a domestic violence shelter, then the interest rate on the principal balances outstanding will be 12% annually and the loans will be payable in 240 equal monthly payments. Imputed interest on the loan was \$6,814 at a rate of 6.68% for the years ended December 31, 2020 and 2019, respectively. The imputed interest is recorded as an in-kind contribution on the statement of activities and in-kind expense on the statement of functional expenses.

In September 2010, the Organization obtained an additional loan with the City of Olympia through the Community Development Block Grant program. The purpose of the loan is for predevelopment costs for the SafePlace Community Service Building. The principal is due and payable upon the sale or transfer of any interest in the real property which serves as security for the loan. In addition, if the building ceases to be used as a community center in conjunction with the domestic violence advocacy center and confidential shelter program, then the interest rate on the principal balances outstanding will be 12% annually and the loans will be payable in 240 equal monthly payments. The loan does not require principal or interest payments. The Organization had an outstanding balance of \$80,516 and \$80,516 at December 31, 2020 and 2019, respectively. Imputed interest on the loan was \$3,456 at a rate of 4.32% for the years ended December 31, 2020 and 2019, respectively.

The imputed interest is recorded as an in-kind contribution on the statement of activities and in-kind expense on the statement of functional expenses.

NOTE 7 – LONG-TERM DEBT WITH BANKS

Long-term debt with banks at December 31, 2020, consisted of the following:

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NOTES TO THE FINANCIAL STATEMENTS

December 31, 2020

NOTE 7 – LONG-TERM DEBT WITH BANKS (CONT.)

In November 2014, the Organization entered into a loan to purchase and renovate a office building in the amount of \$825,000. The loan bears interest at prime plus 1.75 points (currently 5%) and is secured by a deed of trust. The loan requires monthly interest payments for one year beginning December 2014, which has been extended to March 2016. Beginning March 2016, the loan requires monthly principal and interest payments. Safeplace will not be utilizing the full amount of the loan but rather an amount of \$450,000. The monthly payments including interest is \$2,644.

\$ 402,035

Long-term debt with banks at December 31, 2019, was \$413,078.

The following table sets forth the future principle payment due:

	<u>Banks</u>	<u>Government Agencies</u>	<u>Total</u>
2021	\$ 11,211	\$ -	\$ 11,211
2022	11,804	-	11,804
2023	12,429	-	12,429
2024	13,086	-	13,086
2025	13,779	-	13,779
Thereafter	<u>339,726</u>	<u>196,639</u>	<u>536,365</u>
Total	<u>\$402,035</u>	<u>\$ 196,639</u>	<u>\$ 598,674</u>

NOTE 8 - CONTINGENCIES

Amounts received or receivable from federal and state government agencies are subject to audit and potential adjustment by the contracting agencies. Any disallowed claims, including amounts already collected, would become a liability of the Organization if so determined in the future. It is management's belief that no material amounts received or receivable will be required to be returned in the future.

NOTE 9 – RETIREMENT PLAN

Starting January 2013, the Organization offered a simple IRA retirement plan. During 2020 and 2019, the Organization matched employee contributions of 3% and 3%, respectively, of gross wages for all participating employees. Pension expense for the years ended December 31, 2020 and 2019, was \$12,241 and \$15,301, respectively.

SafePlace

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2020

NOTE 10 - SUBSEQUENT EVENTS

The Organization did not have any subsequent events through February 23, 2021, which is the date the financial statements were available to be issued, for events requiring recording or disclosure in the financial statements for the year ended December 31, 2020.

NOTE 11 - UNCERTAIN TAX POSITIONS

The Organization files income tax returns in the U.S. federal jurisdiction. The Organization is no longer subject to U.S. federal income tax examinations by tax authorities for the years before December 31, 2017. Currently, there is no examination or pending examination with the Internal Revenue Service (IRS).

As of December 31, 2020, there are no tax positions for which the deductibility is certain but for which there is uncertainty regarding the timing of such deductibility.

NOTE 12 – SPECIAL EVENTS

For the year ended December 31, 2019, the Organization held their annual dinner event. The related special event revenue from this event was \$101,109 for the year ended December 31, 2019. The related expense for this event was \$38,150 for the year ended December 31, 2019. Special event expenses are included in fundraising expenses on the statement of activities and statement of functional expenses.

The annual dinner event was not held during 2020 because of the coronavirus.

NOTE 13 – DEBT & COVID-19 CORONAVIRUS

As a result of the spread of the COVID-19 coronavirus, economic uncertainties have arisen which could negatively impact income. Also because of government mandates, which is expected to be temporary, could have a negative impact on operating results. However, the related financial impact and duration cannot be reasonably estimated at this time.

On April 6, 2020, the Organization received loan proceeds in the amount of \$125,000 under the Paycheck Protection Program (PPP). The PPP, established as part of the Coronavirus Aid, Relief and Economic Security Act (Cares Act), provides for loans to qualifying businesses. The loans and accrued interest are forgivable as long as the borrower uses the loan proceeds for eligible purposes, including payroll, benefits, rent and utilities, and maintains its payroll levels. The amount of loan forgiveness will be reduced if the borrower terminates employees or reduces salaries as described in the Cares Act.

The PPP loan was forgiven on December 23, 2020, and is shown as forgiveness of debt on the statement of activities.

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SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

For the Year Ended December 31, 2020

Federal Grantor/ Pass-through Grantor/ Program Title	Federal CFDA Number	Grantor's Number	Expenditures		Total
			From Pass-Through Awards	From Direct Awards	
<u>Department of Justice</u>					
Passed through Department of Social & Health Services:					
Crime Victim Assistance	16.575	2012-86887	\$ 203,425	\$ -	\$ 203,425
Crime Victim Assistance	16.575	1912-58355	148,760	-	148,760
Crime Victim Assistance	16.575	1913-60336	172,015	-	172,015
Crime Victim Assistance	16.575	1913-45388	47,444	-	47,444
Passed through Department of Commerce:					
Crime Victim Assistance	16.575	20-31310-152	86,956	-	86,956
Crime Victim Assistance	16.575	21-31310-152	110,528	-	110,528
			769,128	-	769,128
Violence Against Women Formula Grants	16.588	F19-31103-03	17,114	-	17,114
Total Department of Justice			786,242	-	786,242

SafePlace

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

For the Year Ended December 31, 2020

Federal Grantor/ Pass-through Grantor/ Program Title	Federal CFDA Number	Grantor's Number	Expenditures		Total
			From Pass-Through Awards	From Direct Awards	
<u>Department of Health & Human Services</u>					
Passed through Department of Social & Health Services:					
Coronavirus - Family Violence Prevention & Services/Domestic Violence Shelter & Supportive Services	93.671	2012-86887	11,854	-	11,854
Family Violence Prevention & Services/Domestic Violence Shelter & Supportive Services	93.671	2012-86887	31,647	-	31,647
Family Violence Prevention & Services/Domestic Violence Shelter & Supportive Services	93.671	1912-58355	23,143	-	23,143
Total Department of Health & Human Services			66,644	-	66,644
<u>Coronavirus Relief Fund</u>					
Pass through Thurston County:					
Coronavirus - Rental Assistance	21.019	2021-CAR-COV-SP	70,500	-	70,500
<u>Department of Housing and Urban Development</u>					
Pass through Thurston County:					
Coronavirus - Emergency Solutions Grant Program	14.231	2021-ESG-Cov-SP	1,705	-	1,705
Pass through City of Olympia:					
Community Development Block Grant - Loan	14.218	DPL #338	116,123	-	116,123
Community Development Block Grant - Loan	14.218	DPL #382	80,516	-	80,516
Total Department of Housing and Urban Development			198,344	-	198,344
Total			\$ 1,121,730	\$ -	\$ 1,121,730

SafePlace

NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Year Ended December 31, 2020

NOTE 1: BASIS OF ACCOUNTING

This schedule is prepared on the same basis of accounting as the Organization's financial statements. The Organization uses the accrual basis of accounting.

NOTE 2: DE-MINIMIS COST RATE

The Organization did use the 10% de-minimis cost rate.

NOTE 3: FEDERAL EXPENDITURES FROM LOANS

	<u>Beginning Balance</u>	<u>Current Year Activity</u>	<u>Ending Balance</u>
CDBG Loan	\$ 116,123	\$ -	\$ 116,123
CDBG Loan	<u>80,516</u>	<u>-</u>	<u>80,516</u>
Total	<u>\$ 196,639</u>	<u>\$ -</u>	<u>\$ 196,639</u>

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SCHEDULE OF EXPENDITURES OF STATE AWARDS

Year Ended December 31, 2020

<u>State Grantor/ Pass-through Grantor/ Program Title</u>	<u>Pass-through Grantor's Number</u>	<u>State Expenditures</u>
Washington State Department of Commerce		
Crime Victim Assistance	21-31310-152	\$ 119,773
Prison Rape Elimination Act	S21-31312-011	12,322
Prison Rape Elimination Act	S20-31312-011	16,789
Legal Domestic Violence	S20-31108-004	14,021
Legal Domestic Violence	S21-31108-004	14,668
Prevention Sexual Assault	21-31310-152	23,459
Prevention Sexual Assault	20-31310-152	6,095
Operations & Maintenance	21-42200-108	53,809
		<u>260,936</u>
Washington State Department of Social & Health Services		
Domestic Violence Shelter	2012-86887	99,042
Language Bank	2012-86887	2,615
Domestic Violence Prevention	2012-86887	10,472
Domestic Violence Prevention	1912-58355	4,934
Domestic Violence Training	1912-58355	751
Domestic Violence Training	2012-86887	444
		<u>118,258</u>
Total State Awards		\$ <u>379,194</u>

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

SafePlace

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

Year Ended December 31, 2020

No matters are reportable.

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

To the Board of Directors
SafePlace
Olympia, WA

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 financial statements of SafePlace (the Organization), which comprise the statement of financial position as of December 31, 2020, and the related statements of activities, and cash flows for the fiscal year then ended, and the related notes to the financial statements, and have issued our report thereon dated February 23, 2021.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Organization's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the 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 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. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Organization's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Organization's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Organization's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



Aiken & Sanders, Inc., PS
Certified Public Accountants
& Consultants

February 23, 2021

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

To the Board of Directors
SafePlace
Olympia, WA

Report on Compliance for Each Major Federal Program

We have audited SafePlace (the Organization) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the Organization's major federal programs for the year ended December 31, 2020. The Organization's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

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

Auditor's Responsibility

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

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

Opinion on Each Major Federal Program

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 December 31, 2020.

Report on Internal Control over Compliance

Management of the Organization is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Organization's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Organization's internal control over compliance.

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

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

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



Aiken & Sanders, Inc., PS
Certified Public Accountants
& Consultants

February 23, 2021

SafePlace

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Year Ended December 31, 2020

Section I - Summary of Auditor's Results:

Financial Statements

Type of auditor's report issued: Unmodified

Internal control over financial reporting:

Material weaknesses identified: No

Significant deficiencies identified not considered to be material weaknesses: No

Noncompliance material to financial statements noted: No

Federal Awards

Internal control over major programs:

Material weaknesses identified: No

Significant deficiencies identified not considered to be material weaknesses: No

Type of auditor's report issued on compliance for major programs: Unmodified

Any audit findings disclosed that are required to be reported in accordance with Uniform Guidance, Section 200.516(a): No

Identification of major programs:

<u>CFDA Numbers</u>	<u>Name of Federal Program</u>
16.575	Crime Victim Assistance

Dollar threshold used to distinguish between Type A and Type B programs: \$750,000

Auditee qualified as low-risk auditee: Yes

Section II – Financial Statement Findings: None

Section III – Federal Award Findings and Questioned Costs: None