



**South Valley Sanctuary, Inc.**

**Financial Statements and Single Audit Information**

**with Independent Auditors' Reports**

**As of June 30, 2021**

**and for the year then ended**

**with summarized comparative information for 2020**

**South Valley Sanctuary, Inc.**

**Table of Contents**

Independent Auditors' Report .....	1
Financial Statements	
Statement of Financial Position.....	3
Statement of Activities .....	4
Statement of Functional Expenses.....	5
Statement of Cash Flows.....	6
Notes to the Financial Statements .....	7
Schedule of Expenditures of Federal Awards.....	15
Independent Auditors' Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with <i>Government Auditing Standards</i> .....	18
Independent Auditors' Report on Compliance for Each Major Program and on Internal Control Over Compliance as required by Uniform Guidance .....	20
Schedule of Findings and Questioned Costs.....	22
Summary Schedule of Prior Audit Findings .....	24
Corrective Action Plan .....	25



## INDEPENDENT AUDITOR'S REPORT

To the Board of Directors  
South Valley Sanctuary, Inc.  
West Jordan, Utah

### ***Report on the Financial Statements***

We have audited the accompanying financial statements of South Valley Sanctuary, Inc. (a nonprofit organization) which comprise the statement of financial position as of June 30, 2021, and the related statements of revenues, expenses, and changes in net assets, 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*, issues 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 of 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 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 South Valley Sanctuary, Inc. as of June 30, 2021, and the changes in its net assets and its cash flow for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### ***Supplementary 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. 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 reported dated March 14, 2022 on our consideration of South Valley Sanctuary, Inc.'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 solely 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 South Valley Sanctuary, Inc.'s internal control over financial reporting and compliance.

### ***Report on Summarized Comparative Information***

We have previously audited South Valley Sanctuary Inc.'s 2020 financial statements and we expressed an unmodified audit opinion on those audited financial statements in our report dated February 5, 2021. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2020, is consistent, in all material respects, with the audited financial statements from which it has been derived.

*Bountiful Peak Advisors*

Bountiful, Utah  
March 14, 2022

**South Valley Sanctuary, Inc.**  
**Statement of Financial Position**  
**June 30, 2021**  
**With Summarized Comparative Information as of June 30, 2020**

	<u>06/30/2021</u>	<u>06/30/2020</u>
<b>ASSETS</b>		
Current assets		
Cash and cash equivalents	\$ 201,977	\$ 235,523
Accounts and grants receivable	304,921	325,452
Prepaid expenses	<u>10,645</u>	<u>35,458</u>
Total current assets	<u>517,543</u>	<u>596,433</u>
Investments, other, restricted	174,120	170,848
Land	130,700	130,700
Building and improvements	1,905,416	1,830,266
Equipment and furnishings	56,362	54,428
Accumulated depreciation	<u>(1,106,274)</u>	<u>(1,075,842)</u>
Total assets	<u>\$ 1,677,867</u>	<u>\$ 1,706,833</u>
 <b>LIABILITIES AND NET ASSETS</b>		
Current liabilities		
Accounts payable	\$ 15,720	\$ 20,060
Accrued payroll	118,754	75,737
Paycheck protection loan, current portion	<u>8,376</u>	<u>52,426</u>
Total current liabilities	<u>142,850</u>	<u>148,223</u>
Paycheck protection loan, net of current portion	<u>253,723</u>	<u>164,074</u>
Total liabilities	<u>396,573</u>	<u>312,297</u>
Net assets		
Without donor restrictions		
Undesignated	937,890	938,032
Board-designated	174,120	170,848
With donor restrictions	<u>169,284</u>	<u>285,656</u>
Total net assets	<u>1,281,294</u>	<u>1,394,536</u>
Total liabilities and net assets	<u>\$ 1,677,867</u>	<u>\$ 1,706,833</u>

See accompanying notes to financial statements.

# South Valley Sanctuary, Inc.

## Statement of Activities

Year Ended June 30, 2021

With Summarized Comparative Information for the Year Ended June 30, 2020

	<b>June 30, 2021</b>		06/30/2021	06/30/2020
	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>	<u>Total</u>
<b>REVENUES AND SUPPORT</b>				
Government grants	\$ 1,776,669	\$ -	\$ 1,776,669	\$ 1,288,348
Foundation and corporate contributions	110,318	284,500	394,818	595,789
In-kind contributions	340,446	-	340,446	332,519
Paycheck protection loan forgiveness	262,099	-	262,099	-
Individual contributions	43,777	5,000	48,777	212,995
Investment income, net	3,272	-	3,272	1,848
Interest	41	-	41	68
Loss on disposal of property and equipment	-	-	-	(2,201)
Net assets released from restrictions	<u>405,872</u>	<u>(405,872)</u>	<u>-</u>	<u>-</u>
Total revenues and support	<u>2,942,494</u>	<u>(116,372)</u>	<u>2,826,122</u>	<u>2,429,365</u>
<b>EXPENSES</b>				
Program services	2,398,291	-	2,398,291	1,817,914
Management and general	399,772	-	399,772	314,684
Fundraising	<u>141,301</u>	<u>-</u>	<u>141,301</u>	<u>86,846</u>
Total expenses	<u>2,939,364</u>	<u>-</u>	<u>2,939,364</u>	<u>2,219,444</u>
Change in net assets	3,130	(116,372)	(113,242)	209,921
Net assets, beginning of year	<u>1,108,880</u>	<u>285,656</u>	<u>1,394,536</u>	<u>1,184,615</u>
Net assets, end of year	<u>\$ 1,112,010</u>	<u>\$ 169,284</u>	<u>\$ 1,281,294</u>	<u>\$ 1,394,536</u>

See accompanying notes to financial statements.

# South Valley Sanctuary, Inc.

## Statement of Functional Expenses

Year Ended June 30, 2021

With Summarized Comparative Information for the Year Ended June 30, 2020

	June 30, 2021								
	Program Services				Support Services				
	Shelter Services	Case Management	Education & Outreach	Total	Management & General	Fundraising	Total	06/30/2021 Total	06/30/2020 Total
Salaries and wages	\$ 622,642	\$ 437,481	\$ 78,902	\$ 1,139,025	\$ 220,362	\$ 116,624	\$ 336,986	\$ 1,476,011	\$ 1,149,850
Payroll taxes	51,627	40,916	6,808	99,351	2,493	11,354	13,847	113,198	86,091
Employee benefits	60,537	53,157	8,422	122,116	55,971	6,136	62,107	184,223	133,373
Housing	15,953	258,095	-	274,048	-	-	-	274,048	136,845
Clothing and household	234,016	-	-	234,016	-	-	-	234,016	258,755
Repairs and maintenance	120,372	337	147	120,856	209	148	357	121,213	51,831
Food	96,290	-	-	96,290	-	-	-	96,290	63,795
Professional services	740	-	3,419	4,159	76,342	-	76,342	80,501	96,468
Depreciation	58,096	-	-	58,096	11,992	-	11,992	70,088	63,528
Miscellaneous	328	24,922	33,059	58,309	146	-	146	58,455	13,867
Small and leased equipment	50,383	2,167	672	53,222	1,319	672	1,991	55,213	20,608
Information technology	24,826	10,277	1,578	36,681	5,390	2,719	8,109	44,790	28,274
Occupancy	26,486	11,099	419	38,004	1,334	420	1,754	39,758	38,249
Supplies	15,153	3,581	1,015	19,749	6,508	1,139	7,647	27,396	13,658
Insurance	14,479	1,206	235	15,920	333	237	570	16,490	19,134
Conferences and training	274	1,624	-	1,898	13,556	-	13,556	15,454	1,672
Travel	9,971	1,618	-	11,589	23	51	74	11,663	24,818
Communications	4,878	4,301	491	9,670	654	925	1,579	11,249	9,876
Office	1,772	22	964	2,758	869	1	870	3,628	4,595
Dues and subscriptions	1,076	450	-	1,526	1,193	79	1,272	2,798	2,203
Bank and merchant	-	-	-	-	1,078	796	1,874	1,874	550
Contract labor	504	325	-	829	-	-	-	829	1,246
Interest	179	-	-	179	-	-	-	179	-
Marketing	-	-	-	-	-	-	-	-	158
								-	
Total expenses	<u>\$ 1,410,582</u>	<u>\$ 851,578</u>	<u>\$ 136,131</u>	<u>\$ 2,398,291</u>	<u>\$ 399,772</u>	<u>\$ 141,301</u>	<u>\$ 541,073</u>	<u>\$ 2,939,364</u>	<u>\$ 2,219,444</u>

See accompanying notes to financial statements.

# South Valley Sanctuary, Inc.

## Statement of Cash Flows

Year Ended June 30, 2021

With Summarized Comparative Information for the Year Ended June 30, 2020

	<u>06/30/2021</u>	<u>06/30/2020</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Change in net assets	\$ (113,242)	\$ 209,921
Items not requiring cash		
Depreciation	70,088	63,528
Loss on disposal of property and equipment	-	2,201
Paycheck protection loan forgiveness	(216,500)	-
Changes in		
Accounts and grants receivable	20,531	15,812
Prepays	24,813	(25,183)
Accounts payable	(4,339)	(88,538)
Accrued payroll	<u>43,017</u>	<u>28,390</u>
Net cash provided by (used in) operating activities	<u>(175,632)</u>	<u>206,131</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of investments, other	(3,272)	(170,848)
Purchase of property and equipment	<u>(116,740)</u>	<u>(45,918)</u>
Net cash used in investing activities	<u>(120,012)</u>	<u>(216,766)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Proceeds from note payable	<u>262,099</u>	<u>216,500</u>
Net cash provided by financing activities	<u>262,099</u>	<u>216,500</u>
Net change in cash and cash equivalents	(33,545)	205,865
Cash and cash equivalents, beginning of year	<u>235,522</u>	<u>29,658</u>
Cash and cash equivalents, end of year	<u>\$ 201,977</u>	<u>\$ 235,523</u>
<b>SUPPLEMENTAL DISCLOSURE OF NON-CASH FINANCING ACTIVITIES</b>		
Paycheck protection loan forgiveness	<u>\$ (216,500)</u>	<u>\$ -</u>
<b>SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION</b>		
Cash paid for interest	<u>\$ 179</u>	<u>\$ -</u>
Cash paid for income taxes	<u>\$ -</u>	<u>\$ -</u>

See accompanying notes to financial statements.



# **South Valley Sanctuary, Inc.**

## **Notes to Financial Statements**

**June 30, 2021**

### **1. ORGANIZATION HISTORY AND NATURE OF ACTIVITIES**

South Valley Sanctuary, Inc. (the “Organization”) was incorporated as a nonprofit in the State of Utah in 1994. The Organization is a public charity with a mission to provide safe shelter, advocacy, case management, and prevention services to men, women, and children experiencing physical, psychological, emotional, economic, or sexual abuse at home. The Organization operates under the dba South Valley Services, Inc. The Organization’s major sources of revenue include government grants and private contributions. Its major programs include the following:

#### Shelter Services

The Organization provides shelter and supportive services to men, women, and children who are seeking refuge due to a high risk of lethality. Shelter services include hotline, intake, food, clothing, over-the-counter medications, transportation, hygiene, therapy, psychoeducational classes, and children’s learning.

#### Case Management

The Organization provides intensive case management for residents of the shelter and members of the community. For shelter residents, case managers implement safety and action plans and perform comprehensive needs assessments to aid in their transition to permanent housing. For community members, case managers perform needs assessments and provide assistance in accessing resources and long-term social services.

#### Education & Outreach

The Organization provides education about healthy relationships and domestic violence, targeted at the specific needs of participants. Initiatives within education and outreach include the Latino coalition against domestic violence, the West Jordan coalition against domestic violence, Enough (a teen dating program), and healthy relationship psychoeducational classes in Spanish and English. The Organization also provides education and outreach to the community through presentations at fairs, churches, schools, and clinics.

### **2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

#### Basis of Accounting

The financial statements of the Organization have been prepared using the accrual method of accounting in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP).

#### Cash and Cash Equivalents

The Organization considers all cash and highly liquid financial instruments with original maturities of three months or less, and which are neither held for nor restricted by donors for long-term purposes, to be cash and cash equivalents.

#### Concentrations of Credit Risks

Financial instruments that potentially subject the Organization to concentrations of credit risk consist principally of cash and cash equivalents. The Organization maintains its cash and cash equivalents in various financial institution accounts that, at times, may exceed federally insured limits. At June 30, 2021, cash in bank deposit accounts exceeded federally insured limits by \$57,090. These assets have been placed with high credit quality financial institutions and the Organization has not experienced, nor does it anticipate, any losses with respect to such accounts.

#### Accounts Receivable and Allowance for Doubtful Accounts

Accounts receivable are carried at their estimated collectable amounts. The Organization's accounts receivable are generally short-term in nature; thus accounts receivable do not bear interest.

Accounts receivable are periodically evaluated for collectability based on past credit history with customers and their current financial condition. An allowance for doubtful accounts related to accounts receivable has not been established at June 30, 2021 because management believes that all accounts receivable will be fully collectable.

#### Grants Receivable

Grants receivable consist of unconditional promises to give. Unconditional promises to give that are expected to be collected within one year are recorded at net realizable value. Unconditional promises to give expected to be collected in future years are initially recorded at fair value using present value techniques incorporating risk-adjusted discount rates designed to reflect the assumptions market participants would use in pricing the asset. In subsequent years, amortization of the discounts is included in contribution revenue in the statement of activities. The Organization determines the allowance for uncollectable promises to give based on historical experience, an assessment of economic conditions, and a review of subsequent collections. An allowance for doubtful promises has not been established at June 30, 2021 because management believes that all promises to give will be fully collectable.

#### Investments, other

Investments, other, consist of certificates of deposit with original maturities of more than three months that are held with a credit union. The investments are reported at amortized cost in the statement of financial position. Net investment return is reported in the statement of activities and consists of interest. Investments, other, are presented as restricted on the statement of financial position because they have been board-designated as an operating reserve.

#### Property and Equipment

Property and equipment are recorded at acquisition cost, or if donated, at the fair market value at the date donated. The Organization capitalizes additions that exceed \$1,500. If donors stipulate how long the assets must be used, the contributions are recorded as revenue with donor restrictions. In the absence of such stipulations, contributions of property and equipment are recorded as revenue without donor restrictions. Depreciation expense is provided on a straight-line basis over the estimated useful lives of the respective assets or lease terms. Estimated useful lives by type of property and equipment are as follows:

Building and improvements	3 – 40 years
Equipment and furnishings	3 – 5 years

Depreciation expense for the year ended June 30, 2021 was \$70,088.

Management reviews the carrying value of property and equipment for impairment whenever events or circumstances indicate that the carrying value of an asset may not be recoverable from the estimated future cash flows expected to result from its use and eventual disposition. When considered impaired, an impairment loss is recognized to the extent carrying value exceeds the fair value of the asset.

### Classes of Net Assets

Net assets, revenues and gains are classified based on the presence or absence of donor or grantor-imposed restrictions. Accordingly, net assets and changes therein are classified and reported as follows:

***Net Assets Without Donor Restrictions*** – Net assets available for use in general operations and not subject to donor (or certain grantor) restrictions.

***Net Assets With Donor Restrictions*** – Net assets subject to donor- (or certain grantor-) imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. Donor-imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both.

Donor-restricted contributions are reported as increases in net assets with donor restrictions, depending on the nature of the restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions.

### Revenue Recognition

***Contributions*** – Contributions are recognized as support when cash, securities or other assets, or an unconditional promise to give is received. Conditional promises to give (those with a measurable performance or other barrier and a right of return) are not recognized until the conditions on which they depend have been substantially met. Contributions are considered to be without donor restrictions unless restricted by the donor.

A portion of the Organization's revenue is derived from cost-reimbursement government grants, which are conditioned upon certain performance requirements and the incurrence of allowable qualifying expenses. Amounts received are recognized as revenue when the Organization has incurred expenditures in compliance with grant provisions. Amounts received prior to incurring qualifying expenditures, if any, are reported as advances in the statement of financial position. The Organization has been awarded cost-reimbursement grants of \$46,075 that have not been recognized as revenue at June 30, 2021 because qualifying expenditures have not yet been incurred.

***In-Kind Contributions*** – Contributed goods, use of facilities, and services that either create or enhance nonfinancial assets or that require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation are recorded at fair value at the date of donation.

### Income Taxes

The Organization has been recognized by the Internal Revenue Service (IRS) as exempt from federal income taxes under Section 501(c)(3), qualifying for the charitable contribution deduction under section 170(b)(1)(A)(iv) and has been determined not to be a private foundation under Section 509(a). The Organization is annually required to file a Return of Organization Exempt from Income Tax (Form 990) and is subject to income tax on net income that is derived from business activities that are unrelated to their exempt purposes. Management has determined that the Organization is not subject to unrelated business income tax. Management believes that the Organization has appropriate support for any tax positions taken in its annual filing and does not have any uncertain tax positions that are material to the financial statements. The Organization's Forms 990 are no longer subject to tax examination for years before 2018.

Advertising

Advertising costs are expensed when the advertising first takes place. Advertising expense for the year ended June 30, 2021 was \$0. Advertising costs are included in marketing in the statement of functional expenses.

Functional Allocation of Expenses

The cost of providing programs and supporting services activities have been summarized on a functional basis in the statement of activities. The statement of functional expenses presents the natural classification detail of expenses by function. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

The financial statements report certain categories of expenses that are attributed to more than one program or supporting function. Therefore, expenses require allocation on a reasonable basis that is consistently applied. Allocation bases used by the Organization include square footage, employee time, and other relevant bases.

Estimates in the Financial Statements

The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Actual results could differ from those estimates.

Reclassifications

Certain items from June 30, 2020 have been reclassified to conform to the June 30, 2021 presentation.

**3. LIQUIDITY AND AVAILABILITY**

The Organization regularly monitors liquidity required to meet annual operating needs and other commitments. The following chart reflects the Organization's financial assets available as of June 30, 2021 for general expenditure over the next twelve months.

Cash and cash equivalents	\$ 201,977
Accounts and grants receivable	<u>304,921</u>
Current financial assets	<u>506,898</u>
Less those unavailable for general expenditure within one year, due to donor-imposed purpose restrictions	<u>(169,284)</u>
Total financial assets available to meet cash needs for general expenditure within one year	<u>\$ 337,614</u>

To help manage unanticipated liquidity needs, the Organization maintains a line of credit with a limit of \$50,000, which it could draw upon. Additionally, the Organization has investments which have been designated by the board as an operating reserve and which are included in non-current assets on the statement of financial position. Although the Organization does not intend to spend from their board-designated reserves, these amounts could be made available through board appropriation, if necessary.

#### 4. ACCOUNTS AND GRANTS RECEIVABLE

Accounts and grants receivable consisted of the following at June 30, 2021:

Government cost reimbursement grants receivable	\$ 300,504
Sales tax refund receivable	<u>4,417</u>
	<u>\$ 304,921</u>

Accounts and grants receivable are expected to be collected in full within the next year.

#### 5. PAYCHECK PROTECTION LOAN

On February 21, 2021, the Organization received loan proceeds in the amount of \$262,099 under the Paycheck Protection Program (PPP). PPP loans and accrued interest are forgivable after a “covered period” if the borrower maintains its payroll levels and uses the loan proceeds for eligible purposes. The forgiveness amount will be reduced if the borrower terminates employees or reduces salaries during the covered period. Any unforgiven portion of the PPP loan is payable over five years at an interest rate of 1%, with a deferral of payments for 10 months after the end of the covered period. The Organization intends to use PPP loan proceeds for purposes consistent with the requirements to obtain full forgiveness.

To the extent that the Organization is not granted forgiveness, it will be required to pay interest on the PPP loan at an annual rate of 1%. If the application for forgiveness is not made within 10 months of the end of the covered period, payments of principal and interest will be required as follows:

<u>Year Ended June 30,</u>	
2022	\$ 8,376
2023	69,894
2024	70,597
2025	71,306
2026	41,926
Thereafter	<u>-</u>
	<u>\$ 262,099</u>

#### 6. LINE OF CREDIT

At June 30, 2021, the Organization had an unsecured \$50,000 line of credit, which expires September 2022. At June 30, 2021, there was \$0 borrowed against the line of credit and the interest rate was 5.49%.

**7. NET ASSETS WITH DONOR RESTRICTIONS**

Net assets with donor restrictions consisted of the following at June 30, 2021:

Subject to expenditure for specified purpose	
Shelter and support services	\$ 147,053
Financial empowerment	8,364
Kids' club and moms' empowerment	4,116
Case management	2,493
Healthcare screenings	4,535
Housing for homeless	<u>2,723</u>
	<u>\$ 169,284</u>

Net assets were released from donor restrictions by incurring expenses satisfying the restricted purpose or by the occurrence of the passage of time or other events specified by the donors as follows for the year ended June 30, 2021:

Satisfaction of purpose restrictions	
Shelter and support services	\$ 298,514
Community resources	36,760
Financial empowerment	38,713
Kids' club and moms' empowerment	6,884
Case management	7,507
Healthcare screenings	12,601
Housing for homeless	2,893
Women's giving circle	<u>2,000</u>
	<u>\$ 405,872</u>

**8. NET ASSETS WITHOUT DONOR RESTRICTIONS, BOARD-DESIGNATED**

Net assets without donor restrictions that are board-designated for an operating reserve totaled \$174,120 at June 30, 2021 and consisted of investments, other, restricted. The purpose of the operating reserve is to build and maintain an adequate level of financial resources to support the Organization's day-to-day operations in the event of unforeseen shortfalls. Use of up to one-third of the fund may be approved by the Finance Committee. Use of the remainder of the fund must be approved by the Board of Directors.

## 9. IN-KIND CONTRIBUTIONS

During the year ended June 30, 2021, the Organization received the following in-kind contributions:

Donated goods	
Clothing and household supplies	\$ 234,016
Food	96,290
Donated use of facilities and equipment	
Community centers	<u>10,140</u>
	<u>\$ 340,446</u>

## 10. COMMITMENTS AND CONTINGENCIES

The Organization leases office equipment under non-cancellable operating leases. These leases require monthly payments of \$1,039 and expire between 2025 and 2026. Future minimum payments required under these leases are as follows:

<u>Year ending June 30,</u>	
2022	\$ 14,731
2023	13,699
2024	13,183
2025	10,047
2026	2,831
Thereafter	<u>-</u>
	<u>\$ 54,491</u>

Total expense for equipment leasing during the year ended June 30, 2021 was \$10,906.

The Organization has entered into non-cancellable service agreements with certain vendors. These service agreements require monthly payments of \$1,384 and expire between 2022 and 2026. Some service agreements contain provisions under which the contract will automatically renew unless cancelled in writing during a specified time frame.

The Organization participates in various government-assisted grant programs that are subject to review and audit by grantor agencies. Entitlements to these resources are generally conditioned upon compliance with the terms and conditions of grant agreements and applicable state regulations, including the expenditure of resources for allowable purposes. Any disallowance resulting from a government audit may become a liability of the Organization. The ultimate disallowance pertaining to these regulations, if any, is estimated to be immaterial to the overall financial condition of the Organization.

The Organization may be involved in certain claims arising from the ordinary course of operations and has purchased insurance policies to cover these risks.

As a result of the spread of the COVID-19 coronavirus, economic uncertainties have had and are likely to continue to have a negative impact on the Organization. Certain activities the Organization typically uses to accomplish its mission have been disrupted. While the disruption is currently expected to be temporary, there is considerable uncertainty around the duration.

## **11. CONCENTRATIONS**

A significant portion of the Organization's total revenue and support is derived from government grants. During the year ended June 30, 2021, approximately 72% of the Organization's total revenue and support was received from government agencies. At June 30, 2021, amounts due from government agencies represented approximately 99% of the Organization's total accounts and grants receivable.

## **12. COMPARATIVE FINANCIAL INFORMATION**

The accompanying financial statements include certain prior year summarized comparative information in total but not by net asset class or functional expense category. Such information does not include sufficient detail to constitute a presentation in conformity with U.S. GAAP. Accordingly, such information should be read in conjunction with the Organization's financial statements for the year ended June 30, 2020 from which the summarized information was derived.

## **13. SUBSEQUENT EVENTS**

On October 5, 2021, the Organization received a letter from the Small Business Administration confirming that its PPP loan in the amount of \$262,099 had been fully forgiven.

All other subsequent events were evaluated through March 14, 2022, which is the date the financial statements were available to be issued. From their review, management has determined that there were no other significant recognizable or unrecognizable subsequent events that were not properly disclosed.



**South Valley Sanctuary, Inc.**  
**Schedule of Expenditures of Federal Awards**  
**Year Ended June 30, 2021**

<u>Federal Grantor/Pass-Through Grantor/Program Title</u>	<u>COVID-19 Funding</u>	<u>Agency or Pass-through Number</u>	<u>Federal CFDA Number</u>	<u>Federal Expenditures</u>	<u>Passed through to Subrecipients</u>
<u>U.S. Department of Housing and Urban Development</u>					
Passed through Salt Lake City					
CDBG – Entitlements Grants Cluster					
Community Development Block Grants		71-5-21-2825	14.218	\$ 29,974	\$ -
Passed through Salt Lake County					
CDBG – Entitlements Grants Cluster					
Community Development Block Grants		HCD19037CS	14.218	44,633	-
Community Development Block Grants		HCD19037CH	14.218	65,000	-
Community Development Block Grants	COVID-19	HCDCV525CS	14.218	54,027	-
Passed through Sandy City					
CDBG – Entitlements Grants Cluster					
Community Development Block Grants		N/A	14.218	8,999	-
Community Development Block Grants	COVID-19	N/A	14.218	10,000	-
Passed through South Jordan					
CDBG – Entitlements Grants Cluster					
Community Development Block Grants		N/A	14.218	7,200	-
Community Development Block Grants	COVID-19	2020-0150	14.218	20,000	-
Passed through West Jordan					
CDBG – Entitlements Grants Cluster					
Community Development Block Grants		4801-473420	14.218	14,502	-
Community Development Block Grants	COVID-19	4801-473420 COVID	14.218	12,944	-
Community Development Block Grants	COVID-19	CV-19 4804-473420	14.218	41,206	-
Community Development Block Grants		4801-473420PF	14.218	2,747	-
Passed through West Valley City					
CDBG – Entitlements Grants Cluster					
Community Development Block Grants		N/A	14.218	20,000	-
Total U.S Department of Housing and Urban Development				331,232	-
<u>U.S. Department of Justice</u>					
Passed through State of Utah Office for Victims of Crime					
Crime Victim Assistance		19/20VOCA090	16.575	553,485	-
Crime Victim Assistance		19/20VOCA134	16.575	34,893	-
Total U.S. Department of Justice				588,378	-

**South Valley Sanctuary, Inc.**  
**Schedule of Expenditures of Federal Awards - Continued**  
**Year Ended June 30, 2021**

<u>Federal Grantor/Pass-Through Grantor/Program Title</u>	<u>COVID-19 Funding</u>	<u>Agency or Pass-through Number</u>	<u>Federal CFDA Number</u>	<u>Federal Expenditures</u>	<u>Passed through to Subrecipients</u>
<u>U.S. Department of the Treasury</u>					
Coronavirus Relief Fund	COVID-19	B60011	21.019	\$ 80,000	\$ -
Coronavirus Relief Fund	COVID-19	0000002602	21.019	<u>172,380</u>	<u>-</u>
Total U.S. Department of the Treasury				<u>252,380</u>	<u>-</u>
<u>U.S. Department of Health and Human Services</u>					
Passed through Utah Department of Human Services					
Family Violence Prevention and Services		A02447	93.671	103,400	-
Family Violence Prevention and Services	COVID-19	B60011	93.671	33,950	-
Social Services Block Grant		A02447	93.667	61,960	-
Passed through Utah Department of Workforce Services					
477 Cluster					
Temporary Assistance for Needy Families		18DWS0140	93.558	55,120	-
Passed through Utah Department of Health					
477 Cluster					
Temporary Assistance for Needy Families		150800	93.558	<u>31,725</u>	<u>-</u>
Total U.S. Department of Health and Huan Services				<u>286,155</u>	<u>-</u>
<u>U.S. Department of Homeland Security</u>					
Emergency Food and Shelter National Board Program		LRO ID 851000-012	97.024	6,308	-
Passed through Salt Lake County					
Emergency Food and Shelter National Board Program	COVID-19	N/A	97.024	<u>15,000</u>	<u>-</u>
Total U.S. Department of Homeland Security				<u>21,308</u>	<u>-</u>
Total federal expenditures				<u>\$ 1,479,453</u>	<u>\$ -</u>

**South Valley Sanctuary, Inc.**  
**Notes to the Schedule of Expenditures of Federal Awards**  
**Year Ended June 30, 2021**

**Note 1 - Basis of Accounting**

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal award activity of South Valley Sanctuary, Inc. under programs of the federal government for the year ended June 30, 2021. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of South Valley Sanctuary, Inc., it is not intended to and does not present the financial position, changes in net assets, or cash flows of South Valley Sanctuary, Inc.

**Note 2 - Summary of Significant Accounting Policies**

- (1) Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.
- (2) South Valley Sanctuary, Inc. has elected to use the 10% de minimis indirect cost rate allowed under the Uniform Guidance.
- (3) Pass-through entity identifying numbers are presented where available.



**INDEPENDENT AUDITORS' 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***

The Board of Directors  
South Valley Sanctuary, Inc.  
West Valley, Utah

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 South Valley Sanctuary, Inc. (a nonprofit organization), which comprise the statement of financial position as of June 30, 2021, and the related statements of activities, functional expenses and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated March 14, 2022.

***Internal Control Over Financial Reporting***

In planning and performing our audit of the financial statements, we considered South Valley Sanctuary, Inc.'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 South Valley Sanctuary, Inc.'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 South Valley Sanctuary, Inc.'s financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the 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 an instance of noncompliance or other matter that is required to be reported under *Government Auditing Standards* and which is described in the accompanying schedule of findings and questioned costs as item 2021-001.

### ***South Valley Sanctuary, Inc.'s Response to Findings***

South Valley Sanctuary, Inc.'s response to the findings identified in our audit is described in the accompanying schedule of findings and questioned costs. The Organization's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

### ***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.

*Bountiful Peak Advisors*

Bountiful, Utah  
March 14, 2022



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

The Board of Directors  
South Valley Sanctuary, Inc.  
West Valley, Utah

***Report on Compliance for Each Major Federal Program***

We have audited South Valley Sanctuary, Inc.'s compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of South Valley Sanctuary, Inc.'s major federal programs for the year ended June 30, 2021. South Valley Sanctuary, Inc.'s major federal program is identified in the summary of auditors' 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 South Valley Sanctuary, Inc.'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 South Valley Sanctuary, Inc.'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 South Valley Sanctuary, Inc.'s compliance.

***Opinion on Each Major Federal Program***

In our opinion, South Valley Sanctuary, Inc. complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2021.

***Other Matters***

The results of our auditing procedures disclosed an instance of noncompliance, which is required to be reported in accordance with Uniform Guidance and which is described in the accompanying schedule of findings and questioned costs as item 2021-001. Our opinion on each major federal program is not modified with respect to this matter.

South Valley Sanctuary, Inc.'s response to the noncompliance finding identified in our audit is described in the accompanying schedule of findings and questioned costs. South Valley Sanctuary, Inc.'s response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

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

Management of South Valley Sanctuary, Inc. 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 South Valley Sanctuary, Inc.'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 South Valley Sanctuary, Inc.'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.

*Bountiful Peak Advisors*

Bountiful, Utah  
March 14, 2022

**South Valley Sanctuary, Inc.**  
**Schedule of Findings and Questioned Costs**  
**Year Ended June 30, 2021**

**Summary of Auditor's Results**

*Financial Statements*

Type of auditor's report issued: Unmodified

Internal control over financial reporting:

- Material weakness(es) identified? ☐ Yes ☒ No
- Significant deficiency(ies) identified that are not considered to be material weaknesses? ☐ Yes ☒ None reported

Noncompliance material to financial statements noted? ☐ Yes ☒ No

*Federal Awards*

Internal control over major programs:

- Material weaknesses identified? ☐ Yes ☒ No
- Significant deficiency(ies) identified that are not considered to be material weaknesses? ☐ Yes ☒ None reported

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

Any audit findings that are required to be reported

In accordance with 2 CFR section 200.516(a)? ☒ Yes ☐ No

Identification of major programs:

<u>CFDA #</u>	<u>Name of Federal Program</u>
16.575	Crime Victim Assistance
97.024	Emergency Food and Shelter National Board Program

Dollar threshold used to distinguish between

Type A and Type B programs: \$750,000

Auditee qualified as low-risk auditee? ☐ Yes ☒ No



**South Valley Sanctuary, Inc.**  
**Schedule of Findings and Questioned Costs (continued)**  
**Year Ended June 30, 2021**

**Federal Award Findings and Questioned Costs**

**2021-001 (Noncompliance): Inadequate Written Procurement Policy**

**Criteria**

The Organization should have a formal, written procurement policy that addresses the elements outlined in 2 CFR 200.318-200.326.

**Condition**

The Organization's written accounting policies and procedures did not include adequate procurement policies. Significant elements that were missing included procurement thresholds and required methods of procurement within those thresholds.

**Questioned Costs**

There were no questioned costs associated with this finding.

**Effect**

The Organization lacks an appropriate standard to which management is held to ensure that the Organization is minimizing waste and spending in accordance with compliance requirements.

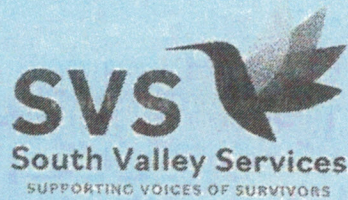
**Recommendation**

The Organization should update its procurement policy to ensure that it addresses the elements outlined in 2 CFR 200.318-200.326.

**View of Responsible Officials and Planned Corrective Actions**

South Valley Sanctuary, Inc. agrees with this finding. The Organization will revise its written procurement policy to ensure that the elements outlined in 2 CFR 200.318-200.326 are addressed.





Jeff Stott  
Board Chair

Tiffany Turley  
Past Chair

Iy Barnes  
Chair-Elect

Richie Stevens  
Treasurer

Nicholas Nash  
Secretary

Leah Barker  
Brendon Burke  
Andrew Cuthbert  
Dana Bentmeister  
Garrett Robertson

## Summary Schedule of Prior Audit Findings Year Ended June 30, 2021

### Financial Statement Audit Findings

#### Finding 2020-001: Establishing cutoff for promises to give

##### Criteria

In accordance with FASB ASC 958-605-25, unconditional promises to give should be recognized as revenue when the promise is made, assuming that the promise is evidenced by sufficient verifiable documentation.

##### Condition

During the audit, we noted one instance in which the Organization did not have proper cutoff for its promises to give.

##### Effect

This error resulted in overstating revenue and the opening balance of net assets both by \$65,000.

##### Recommendation

The Organization should implement policies and procedures to ensure that unconditional promises to give that meet revenue recognition criteria are recorded in the year in which the promise is made.

##### Current Status

Corrected.

#### Findings and Questioned Costs – Major Federal Award Program Audit

There were no prior year findings or questioned costs related to Federal Awards for the year ended June 30, 2020.

LeAnn Saldivar, Interim Director  
leanns@svsutah.org  
801-718-2188





Jeff Stott  
Board Chair

Tiffany Furley  
Past Chair

Jy Barnes  
Chair-Elect

Richie Stevens  
Treasurer

Nicholas Nash  
Secretary

Leah Barker  
Brendan Burke  
Andrew Cuthbert  
Donna Rentmeister  
Garrett Robertson

**Management Views and Corrective Action Plan  
Year Ended June 30, 2021**

**Federal Award Findings and Questioned Costs**

**2021-001 (Noncompliance): Inadequate Written Procurement Policy**

**Recommendation**

The Organization should update its procurement policy to ensure that it addresses the elements outlined in 2 CFR 200.318-200.326.

**View of Responsible Officials and Planned Corrective Actions**

South Valley Sanctuary, Inc. agrees with this finding. Management has already revised its written procurement policy to include the elements outlined in 2 CFR 200.318-200.326.

A handwritten signature in dark ink, appearing to read "LeAnn Saldivar", is written over a horizontal line.

LeAnn Saldivar, Interim Director  
leanns@svsutah.org  
801-718-2188