



South Valley Sanctuary, Inc.

Financial Statements and Single Audit Information

with Independent Auditors' Reports

As of June 30, 2024

and for the year then ended

with summarized comparative information for 2023

South Valley Sanctuary, Inc.

Table of Contents

Independent Auditors' Report	1
Financial Statements	
Statement of Financial Position.....	4
Statement of Activities	5
Statement of Functional Expenses.....	6
Statement of Cash Flows.....	7
Notes to the Financial Statements	8
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.....	23
Corrective Action Plan	25



INDEPENDENT AUDITOR'S REPORT

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

Opinion

We have audited the accompanying financial statements of South Valley Sanctuary, Inc. dba South Valley Services (a nonprofit organization), which comprise the statement of financial position as of June 30, 2024 and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the financial statements present fairly, in all material respects, the financial position of South Valley Sanctuary, Inc. dba South Valley Services as of June 30, 2024, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of South Valley Sanctuary, Inc. dba South Valley Services and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management 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, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of the financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about South Valley Sanctuary, Inc. dba South Valley Services' ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements, including omissions, are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of South Valley Sanctuary, Inc. dba South Valley Services' internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about South Valley Sanctuary, Inc. dba South Valley Services' ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the 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 and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards 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 19, 2025 on our consideration of South Valley Sanctuary, Inc. dba South Valley Services' 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 the effectiveness of South Valley Sanctuary, Inc. dba South Valley Services' 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. dba South Valley Services' internal control over financial reporting and compliance.

Report on Summarized Comparative Information

We have previously audited South Valley Sanctuary, Inc. dba South Valley Services' 2023 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated March 19, 2024. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2023 is consistent, in all material respects, with the audited financial statements from which it has been derived.

Bountiful Peak Advisors

Bountiful, Utah
March 19, 2025

South Valley Sanctuary, Inc.
Statement of Financial Position
June 30, 2024
With Summarized Comparative Information as of June 30, 2023

	<u>06/30/2024</u>	<u>06/30/2023</u>
ASSETS		
Current assets		
Cash and cash equivalents	\$ 201,700	\$ 48,615
Accounts and grants receivable	378,072	514,926
Prepaid expenses	<u>40,658</u>	<u>44,936</u>
Total current assets	<u>620,430</u>	<u>608,477</u>
Investments, other, restricted	187,046	178,782
Property and equipment		
Land	130,700	130,700
Building and improvements	1,948,029	1,844,343
Equipment and furnishings	84,960	91,881
Accumulated depreciation	<u>(1,236,171)</u>	<u>(1,177,158)</u>
Property and equipment, net	<u>927,518</u>	<u>889,766</u>
Total assets	<u>\$ 1,734,994</u>	<u>\$ 1,677,025</u>
 LIABILITIES AND NET ASSETS		
Current liabilities		
Accounts payable	\$ 50,992	\$ 27,340
Accrued payroll	142,406	117,647
Line of credit	<u>45,299</u>	<u>152,023</u>
Total current liabilities	<u>238,697</u>	<u>297,010</u>
Net assets		
Without donor restrictions		
Undesignated	1,227,746	1,081,736
Board-designated	187,046	178,782
With donor restrictions	<u>81,505</u>	<u>119,497</u>
Total net assets	<u>1,496,297</u>	<u>1,380,015</u>
Total liabilities and net assets	<u>\$ 1,734,994</u>	<u>\$ 1,677,025</u>

See accompanying notes to financial statements.

South Valley Sanctuary, Inc.

Statement of Activities

Year Ended June 30, 2024

With Summarized Comparative Information for the Year Ended June 30, 2023

	June 30, 2024			
	<u>Without Donor</u>	<u>With Donor</u>	<u>06/30/2024</u>	<u>06/30/2023</u>
	<u>Restrictions</u>	<u>Restrictions</u>	<u>Total</u>	<u>Total</u>
REVENUES AND SUPPORT				
Government grants	\$ 2,965,265	\$ -	\$ 2,965,265	\$ 2,197,087
Foundation and corporate contributions	209,585	230,000	439,585	605,748
Contributions of nonfinancial assets	226,882	-	226,882	150,596
Individual contributions	104,141	-	104,141	56,389
Special events	42,239	-	42,239	81,664
Other income	250	-	250	-
Investment income, net	8,264	-	8,264	1,611
Interest	-	-	-	11
Loss on disposal of property and equipment	(26,965)	-	(26,965)	-
Net assets released from restrictions	<u>267,992</u>	<u>(267,992)</u>	<u>-</u>	<u>-</u>
 Total revenues and support	 <u>3,797,653</u>	 <u>(37,992)</u>	 <u>3,759,661</u>	 <u>3,093,106</u>
 EXPENSES				
Program services	2,852,838	-	2,852,838	2,389,554
Management and general	526,289	-	526,289	444,628
Fundraising	<u>264,252</u>	<u>-</u>	<u>264,252</u>	<u>217,909</u>
 Total expenses	 <u>3,643,379</u>	 <u>-</u>	 <u>3,643,379</u>	 <u>3,052,091</u>
 Change in net assets	 154,274	 (37,992)	 116,282	 41,015
 Net assets, beginning of year	 <u>1,260,518</u>	 <u>119,497</u>	 <u>1,380,015</u>	 <u>1,339,000</u>
 Net assets, end of year	 <u><u>\$ 1,414,792</u></u>	 <u><u>\$ 81,505</u></u>	 <u><u>\$ 1,496,297</u></u>	 <u><u>\$ 1,380,015</u></u>

See accompanying notes to financial statements.

South Valley Sanctuary, Inc.
Statement of Functional Expenses
Year Ended June 30, 2024
With Summarized Comparative Information for the Year Ended June 30, 2023

	June 30, 2024								
	Program Services				Support Services			06/30/2024	06/30/2023
	Shelter Services	Case Management	Education & Outreach	Total	Management & General	Fundraising	Total	Total	Total
Salaries and wages	\$ 1,017,805	\$ 415,346	\$ 94,648	\$ 1,527,799	\$ 284,060	\$ 189,646	\$ 473,706	\$ 2,001,505	\$ 1,568,997
Payroll taxes	81,266	33,163	7,557	121,986	22,680	15,142	37,822	159,808	125,760
Employee benefits	144,765	38,023	7,398	190,186	26,097	14,710	40,807	230,993	201,184
Housing	44,109	203,421	23,703	271,233	-	-	-	271,233	477,346
Professional services	8,992	70,975	-	79,967	131,603	5,500	137,103	217,070	94,352
Clothing and household	133,352	-	-	133,352	-	-	-	133,352	108,972
Repairs and maintenance	122,361	348	21	122,730	624	21	645	123,375	89,308
Depreciation	69,155	-	-	69,155	14,164	-	14,164	83,319	79,225
Information technology	47,251	2,635	3,207	53,093	16,943	2,187	19,130	72,223	39,067
Occupancy	50,513	14,216	588	65,317	635	675	1,310	66,627	51,543
Food and catering	48,442	-	-	48,442	-	16,316	16,316	64,758	50,568
Supplies	50,324	3,020	606	53,950	3,149	2,863	6,012	59,962	48,649
Small and leased equipment	30,083	4,742	659	35,484	1,140	690	1,830	37,314	30,754
Communications	14,853	4,658	805	20,316	1,182	722	1,904	22,220	15,499
Travel	12,212	4,849	1,542	18,603	637	302	939	19,542	12,898
Insurance	12,916	1,001	195	14,112	5,141	197	5,338	19,450	14,612
Dues and subscriptions	4,620	1,249	293	6,162	4,210	3,408	7,618	13,780	8,422
Interest	6,230	2,626	467	9,323	1,720	864	2,584	11,907	3,067
Conferences and training	2,935	3,006	798	6,739	1,695	830	2,525	9,264	5,287
Miscellaneous	110	41	-	151	8,795	152	8,947	9,098	9,108
Office	1,455	188	325	1,968	1,086	4,838	5,924	7,892	11,778
Bank and merchant	12	18	-	30	728	5,189	5,917	5,947	4,771
Contract labor	2,740	-	-	2,740	-	-	-	2,740	924
								-	
Total expenses	<u>\$ 1,906,501</u>	<u>\$ 803,525</u>	<u>\$ 142,812</u>	<u>\$ 2,852,838</u>	<u>\$ 526,289</u>	<u>\$ 264,252</u>	<u>\$ 790,541</u>	<u>\$ 3,643,379</u>	<u>\$ 3,052,091</u>

See accompanying notes to financial statements.

South Valley Sanctuary, Inc.

Statement of Cash Flows

Year Ended June 30, 2024

With Summarized Comparative Information for the Year Ended June 30, 2023

	<u>06/30/2024</u>	<u>06/30/2023</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ 116,282	\$ 41,015
Items not requiring cash		
Depreciation	83,319	79,225
Loss on disposal of property and equipment	26,965	-
Changes in		
Accounts and grants receivable	136,854	(249,878)
Prepays	4,278	(16,726)
Accounts payable	23,653	15,318
Accrued payroll	<u>24,759</u>	<u>17,657</u>
Net cash provided by (used in) operating activities	<u>416,110</u>	<u>(113,389)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of investments, other	(8,264)	(1,610)
Purchase of property and equipment	<u>(148,037)</u>	<u>(81,099)</u>
Net cash used in investing activities	<u>(156,301)</u>	<u>(82,709)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from line of credit	241,735	146,564
Principal payments on line of credit	<u>(348,459)</u>	<u>(43,052)</u>
Net cash provided by (used in) financing activities	<u>(106,724)</u>	<u>103,512</u>
Net change in cash and cash equivalents	153,085	(92,586)
Cash and cash equivalents, beginning of year	<u>48,615</u>	<u>141,201</u>
Cash and cash equivalents, end of year	<u>\$ 201,700</u>	<u>\$ 48,615</u>
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION		
Cash paid for interest	<u>\$ 11,907</u>	<u>\$ 3,067</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, 2024

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. 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 in Salt Lake and Tooele Counties 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 offers a wide range of evidence-based programs to educate Utahns of all ages and backgrounds about domestic violence. The Organization also works to bring awareness about domestic violence issues and ultimately domestic violence in Utah. Staff members provide programs for individuals, groups, companies, churches, classrooms, schools, and other groups interested in learning more about domestic violence and available services.

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, 2024, cash in bank deposit accounts did not exceed federally insured limits. 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, 2024 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, 2024 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, 2024 was \$83,319.

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 refundable advances in the statement of financial position. The Organization has been awarded cost-reimbursement grants of \$2,627,559 that have not been recognized as revenue at June 30, 2024 because qualifying expenditures have not yet been incurred.

Contributions of Nonfinancial Assets – 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 2021.

Advertising

Advertising costs are expensed when the advertising first takes place. Advertising expense for the year ended June 30, 2024 was \$52. Advertising costs are included in miscellaneous 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, 2023 have been reclassified to conform to the June 30, 2024 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, 2024 for general expenditure over the next twelve months.

Cash and cash equivalents	\$ 201,700
Accounts and grants receivable	<u>378,072</u>
Current financial assets	<u>579,772</u>
Less those unavailable for general expenditure within one year, due to donor-imposed purpose restrictions	<u>(81,505)</u>
Total financial assets available to meet cash needs for general expenditure within one year	<u>\$ 498,267</u>

To help manage unanticipated liquidity needs, the Organization maintains lines of credit with a limit of \$200,000, 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, 2024:

Government cost reimbursement grants receivable	\$ 371,589
Sales tax refund receivable	<u>6,483</u>
	<u>\$ 378,072</u>

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

5. LINE OF CREDIT

At June 30, 2024, the Organization had the following lines of credit:

\$50,000 unsecured line of credit with an outstanding balance of \$45,299, bearing annual interest of 14.24% and expiring in September 2024.

\$150,000 line of credit secured by the West Jordan shelter property, with an outstanding balance of \$0, bearing interest of 8.50% and expiring in December 2024.

6. NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions consisted of the following at June 30, 2024:

Subject to expenditure for specified purpose	
Shelter and support services	\$ 48,638
Community resources	6,622
Financial empowerment	6,853
Clinical programing	<u>19,392</u>
	<u>\$ 81,505</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, 2024:

Satisfaction of purpose restrictions	
Shelter and support services	\$ 173,284
Community resources	20,879
Financial empowerment	24,413
Clinical programing	28,108
Healthcare screenings	4,953
Transportation and hotels	<u>13,355</u>
	<u>264,992</u>
Satisfaction of time restrictions	<u>3,000</u>
	<u>\$ 267,992</u>

7. NET ASSETS WITHOUT DONOR RESTRICTIONS, BOARD-DESIGNATED

Net assets without donor restrictions that are board-designated for an operating reserve totaled \$187,046 at June 30, 2024 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.

8. CONTRIBUTIONS OF NONFINANCIAL ASSETS

During the year ended June 30, 2024, the Organization received the following contributions of nonfinancial assets:

Donated goods	
Clothing and household supplies	\$ 133,352
Food	48,442
Donated services	
Information technology support	<u>45,088</u>
	<u>\$ 226,882</u>

Donated clothing, household supplies, and food were utilized in the shelter services program and were not subject to donor-imposed restrictions. Their fair market value was estimated based on wholesale values that would be available for similar products. Donated information technology support services were utilized for management and general purposes. The fair market value was estimated based on general billing rates charged by the vendor for similar work.

9. RETIREMENT PLAN

The Organization established a 401(k) retirement plan that covers employees who meet certain eligibility requirements. The Organization contributes discretionary matching contributions for eligible employees. The Organization's contribution to the Plan was \$15,800 for the year ended June 30, 2024.

10. COMMITMENTS AND CONTINGENCIES

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.

11. CONCENTRATIONS

A significant portion of the Organization's total revenue and support is derived from government grants. During the year ended June 30, 2024, approximately 79% of the Organization's total revenue and support was received from government agencies. At June 30, 2024, amounts due from government agencies represented approximately 98% 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, 2023 from which the summarized information was derived.

13. SUBSEQUENT EVENTS

All other subsequent events were evaluated through March 19, 2025, 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, 2024

<u>Federal Grantor/Pass-Through Grantor/Program Title</u>	<u>COVID-19 Funding</u>	<u>Agency or Pass-through Number</u>	<u>Assistance Listing Number</u>	<u>Federal Expenditures</u>	<u>Passed through to Subrecipients</u>
<u>U.S. Department of Housing and Urban Development</u>					
<i>CDBG – Entitlements Grants Cluster</i>					
Passed through Salt Lake City Community Development Block Grants		N/A	14.218	\$ 30,486	\$ -
Passed through Sandy City Community Development Block Grants		N/A	14.218	15,000	-
Community Development Block Grants	COVID-19	N/A	14.218	9,153	-
Passed through South Jordan Community Development Block Grants		N/A	14.218	10,000	-
Passed through West Jordan Community Development Block Grants		N/A	14.218	29,639	-
Passed through West Valley City Community Development Block Grants	COVID-19	N/A	14.218	19,000	-
Community Development Block Grants		N/A	14.218	140,402	-
Passed through Utah Community Action Community Development Block Grants		NA	14.218	<u>1,799</u>	<u>-</u>
Total CDBG – Entitlements Grants Cluster				<u>255,479</u>	<u>-</u>
Passed through Salt Lake City Home Investment Partnership Program		N/A	14.239	<u>138,431</u>	<u>-</u>
Total U.S Department of Housing and Urban Development				<u>393,910</u>	<u>-</u>
<u>U.S. Department of Justice</u>					
Passed through State of Utah Office for Victims of Crime Crime Victim Assistance		21/22VOCA91	16.575	131,015	-
Crime Victim Assistance		23/24VOCA61	16.575	<u>184,233</u>	<u>-</u>
Total U.S. Department of Justice				<u>315,248</u>	<u>-</u>

South Valley Sanctuary, Inc.
Schedule of Expenditures of Federal Awards - Continued
Year Ended June 30, 2024

<u>Federal Grantor/Pass-Through Grantor/Program Title</u>	<u>COVID-19 Funding</u>	<u>Agency or Pass-through Number</u>	<u>Assistance Listing Number</u>	<u>Federal Expenditures</u>	<u>Passed through to Subrecipients</u>
<u>U.S. Department of Health and Human Services</u>					
477 Cluster					
Passed through Utah Department of Health and Human Services					
Temporary Assistance for Needy Families		2001UTTANF	93.558	81,238	-
Passed through Utah Department of Workforce Services					
Temporary Assistance for Needy Families		22-DWS-0320	93.558	214,897	-
Temporary Assistance for Needy Families		24-DWS-0429	93.558	<u>35,434</u>	-
Total 477 Cluster				<u>331,569</u>	-
Passed through Utah Department of Health and Human Services					
Family Violence Prevention and Services		A04094	93.671	87,264	-
Family Violence Prevention and Services		A03599	93.671	63,467	-
Family Violence Prevention and Services		A03653	93.671	<u>63,467</u>	-
				<u>214,198</u>	-
Passed through Tooele City					
Social Services Block Grant		N/A	93.667	<u>15,000</u>	-
Total U.S. Department of Health and Human Services				<u>560,767</u>	-
<u>U.S. Department of Homeland Security</u>					
Passed through United Way of Salt Lake					
Emergency Food and Shelter		N/A	97.024	<u>13,808</u>	-
Total U.S. Department of Homeland Security				<u>13,808</u>	-
Total federal expenditures				<u>\$ 1,283,733</u>	<u>\$ -</u>

South Valley Sanctuary, Inc.
Notes to the Schedule of Expenditures of Federal Awards
Year Ended June 30, 2024

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. dba South Valley Services under programs of the federal government for the year ended June 30, 2024. 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. dba South Valley Services, it is not intended to and does not present the financial position, changes in net assets, or cash flows of South Valley Sanctuary, Inc. dba South Valley Services.

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. dba South Valley Services 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.
dba South Valley Services
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. dba South Valley Services (a nonprofit organization), which comprise the statement of financial position as of June 30, 2024, 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 19, 2025.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered South Valley Sanctuary, Inc. dba South Valley Services' 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. dba South Valley Services' 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.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether South Valley Sanctuary, Inc. dba South Valley Services' 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 statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying schedule of findings and questioned costs as items 2024-001 and 2024-002.

South Valley Sanctuary, Inc. dba South Valley Services' Response to Findings

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

Purpose of this Report

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

Bountiful Peak Advisors

Bountiful, Utah
March 19, 2025



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

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

Report on Compliance for Each Major Federal Program

Qualified and Unmodified Opinions

We have audited South Valley Sanctuary, Inc. dba South Valley Services' 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. dba South Valley Services' major federal programs for the year ended June 30, 2024. South Valley Sanctuary, Inc. dba South Valley Services' major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Qualified Opinion on Home Investment Partnership Program

In our opinion, except for the noncompliance described in the Basis for Qualified and Unmodified Opinions section of our report, South Valley Sanctuary, Inc. dba South Valley Services complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on Home Investment Partnership Program for the year ended June 30, 2024.

Unmodified Opinion on Each of the Other Major Federal Programs

In our opinion, South Valley Sanctuary, Inc. dba South Valley Services complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its other major federal programs identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs for the year ended June 30, 2024.

Basis for Qualified and Unmodified Opinions

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*); 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). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of South Valley Sanctuary, Inc. dba South Valley Services and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of South Valley Sanctuary, Inc. dba South Valley Services' compliance with the compliance requirements referred to above.

Matters Giving Rise to Qualified Opinion on Home Investment Partnership Program

As described in the accompanying schedule of findings and questioned costs, South Valley Sanctuary, Inc. dba South Valley Services did not comply with requirements regarding Home Investment Partnership Program as described in finding numbers 2024-001 and 2024-002. Compliance with such requirements is necessary, in our opinion, for South Valley Sanctuary, Inc. dba South Valley Services to comply with the requirements applicable to that program.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to South Valley Sanctuary, Inc. dba South Valley Services' federal programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on South Valley Sanctuary, Inc. dba South Valley Services' compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about South Valley Sanctuary, Inc. dba South Valley Services' compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding South Valley Sanctuary, Inc. dba South Valley Services dba South Valley Services' compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of South Valley Sanctuary, Inc. dba South Valley Services' internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of South Valley Sanctuary, Inc. dba South Valley Services' internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control Over Compliance

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in

internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

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

Bountiful Peak Advisors

Bountiful, Utah
March 19, 2025

South Valley Sanctuary, Inc.
Schedule of Findings and Questioned Costs
Year Ended June 30, 2024

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:

Federal Agency and Name of Major Program	Type of Opinion on Major Program
U.S. Department of Housing and Urban Development Home Investment Partnership Program	Qualified
U.S. Department of Health and Human Services Family Violence Prevention and Services	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:

Assistance Listing Numbers	Name of Federal Program or Cluster
14.239	Home Investment Partnership Program
93.671	Family Violence Prevention and Services

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, 2024

Financial Statements Findings

There were no financial statement findings required to be reported under Uniform Guidance.

Federal Award Findings and Questioned Costs

2024-001 (Noncompliance): Special Tests and Provisions – Housing Standards

Criteria: Under CFR 92.209(i), housing occupied by a family receiving tenant-based assistance through the Home Investment Partnership Program must meet property standards under CFR 92.251. Housing must be inspected initially and re-inspected annually.

Condition: The Organization did not perform any housing standards inspections for any recipients of tenant-based rental assistance through the Home Investment Partnership Program during the year ended June 30, 2024.

Questioned Costs: There were no questioned costs associated with this finding.

Effect: The U.S. Department of Housing and Urban Development establishes housing standards to ensure that housing provided through its program is decent, safe, and sanitary for low-income families, and to protect the integrity of its programs. If housing units are not inspected, these objectives may not be met.

Recommendation: The Organization should improve its understanding of the housing standards and inspection requirements associated with the Home Investment Partnership Program and create policies and procedures to ensure that this compliance requirement is met for future tenant-based rent assistance units.

2024-002 (Noncompliance): Special Tests and Provisions – Tenant Protections

Criteria: Under CFR 92.504(c), tenant-based rental assistance leases through Home Investment Partnership Program must include a written agreement between the tenant and the landlord that conforms to CFR 92.253.

Condition: In a random sample of 17 leases for which tenant-based rent assistance was awarded through the Home Investment Partnership Program during the year ending June 30, 2024, 15 did not include the necessary language to conform with CFR 92.253. The Organization did not evaluate leases to ensure that the tenant protections required by CFR 92.253 were included.

Questioned Costs: There were no questioned costs associated with this finding.

Effect: The U.S. Department of Housing and Urban Development requires certain tenant protection language to help ensure fair housing practices, prevent discrimination, and protect low-income residents from hardship. If the required written agreements are not in place, these objectives may not be met.

Recommendation: The Organization should improve its understanding of the tenant protection requirements associated with the Home Investment Partnership Program and create policies and procedures to ensure that this compliance requirement is met for future tenant-based rent assistance units.

Corrective Action Plan
Year Ended June 30, 2024

Federal Award Findings and Questioned Costs

2024-001 (Noncompliance): Special Tests and Provisions – Housing Standards

Criteria: Under CFR 92.209(i), housing occupied by a family receiving tenant-based assistance through the Home Investment Partnership Program must meet property standards under CFR 92.251. Housing must be inspected initially and re-inspected annually.

Condition: The Organization did not perform any housing standards inspections for any recipients of tenant-based rental assistance through the Home Investment Partnership Program during the year ended June 30, 2024.

Questioned Costs: There were no questioned costs associated with this finding.

Effect: The U.S. Department of Housing and Urban Development establishes housing standards to ensure that housing provided through its program is decent, safe, and sanitary for low-income families, and to protect the integrity of its programs. If housing units are not inspected, these objectives may not be met.

Planned Corrective Actions: Management agrees with the finding and will improve its understanding of the housing standards and inspection requirements associated with the Home Investment Partnership Program and create policies and procedures to ensure that this compliance requirement is met for future tenant-based rent assistance units.

2024-002 (Noncompliance): Special Tests and Provisions – Tenant Protections

Criteria: Under CFR 92.504(c), tenant-based rental assistance leases through Home Investment Partnership Program must include a written agreement between the tenant and the landlord that conforms to CFR 92.253.

Condition: In a random sample of 17 leases for which tenant-based rent assistance was awarded through the Home Investment Partnership Program during the year ending June 30, 2024, 15 did not include the necessary language to conform with CFR 92.253. The Organization did not evaluate leases to ensure that the tenant protections required by CFR 92.253 were included.

Questioned Costs: There were no questioned costs associated with this finding.

Effect: The U.S. Department of Housing and Urban Development requires certain tenant protection language to help ensure fair housing practices, prevent discrimination, and protect low-income residents from hardship. If the required written agreements are not in place, these objectives may not be met.

Planned Corrective Actions: Management agrees with the finding and will improve its understanding of the tenant protection requirements associated with the Home Investment Partnership Program and create policies and procedures to ensure that this compliance requirement is met for future tenant-based rent assistance units.

March 19, 2025

Respectfully,



Lindsey Boyer
Executive Director
South Valley Services