



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

STATE BOARD OF ACCOUNTS
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February 7, 2023

Board of Directors
Safe Passage, Inc.
125 E. George Street
Batesville, IN 47006

We have reviewed the audit report of Safe Passage, Inc. which was opined upon by Humphrey CPA Group, LLC, Independent Public Accountants, for the period July 1, 2020 to June 30, 2021. Per the *Independent Auditor's Report*, the financial statements included in the report present fairly the financial condition of Safe Passage, Inc. as of June 30, 2021 and the results of its operations for the period then ended, on the basis of accounting described in the report.

In our opinion, Humphrey CPA Group, LLC prepared the audit report in accordance with the guidelines established by the State Board of Accounts.

The audit report is filed with this letter in our office as a matter of public record.

A handwritten signature in cursive script that reads "Tammy R. White".

Tammy R. White, CPA
Deputy State Examiner

SAFE PASSAGE, INC.
(AN INDIANA NOT-FOR-PROFIT CORPORATION)

FINANCIAL STATEMENTS

JUNE 30, 2021
WITH SUMMARIZED COMPARATIVE FINANCIAL
INFORMATION AS OF AND FOR THE YEAR
ENDED JUNE 30, 2020

SAFE PASSAGE, INC.

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JUNE 30, 2021

WITH SUMMARIZED COMPARATIVE FINANCIAL INFORMATION
AS OF AND FOR THE YEAR ENDED JUNE 30, 2020

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Humphrey CPA Group, L.L.C.

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INDEPENDENT AUDITOR'S REPORT

Board of Directors
Safe Passage, Inc.
Batesville, Indiana

Report on the Financial Statements

We have audited the accompanying statements of **Safe Passage, Inc.** (the Organization) (an Indiana Not-for-Profit Corporation) which comprise the statements of financial position as of June 30, 2021 and 2020, and the related statements of activities, functional expenses and cash flows for the years 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 audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Organization'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 Safe Passage's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Agency, as of June 30, 2021 and 2020, and the results of its operations and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Report on Summarized Comparative Information

We have previously audited Safe Passage's financial statements for the year ended June 30, 2020 and we expressed an unmodified opinion on the financial statements dated October 21, 2020. 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.

Other Matters**Other Information**

Our audits were conducted for the purpose of forming an opinion on the financial statements taken as a whole. The accompanying schedule of expenditures of federal award shown on page 14 is presented for purposes of additional analysis 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, and is not a required part of the basic 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 audits 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 U.S. generally accepted auditing standards. In our opinion, the accompanying supplementary information is fairly stated in all material respects in relation to the financial statements as a whole.

Reports Issued in Accordance with *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued a report dated November 17, 2021 on our consideration of the Organization's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and in considering the Agency's internal control over financial reporting and compliance.

Humphrey CPA Group, L.L.C.

Indianapolis, Indiana
November 17, 2021

SAFE PASSAGE, INC.

STATEMENTS OF FINANCIAL POSITION

JUNE 30, 2021
WITH SUMMARIZED COMPARATIVE FINANCIAL INFORMATION
AS OF JUNE 30, 2020

	2021	2020
ASSETS		
Current assets:		
Cash	\$ 718,637	\$ 846,984
Grants receivable	302,032	254,855
Prepaid insurance	10,554	9,025
Total current assets	1,031,223	1,110,864
Property and equipment:		
Building and improvements	1,360,956	1,311,063
Equipment and vehicles	104,525	104,407
Land and improvements	14,000	14,000
Furniture and fixtures	26,506	21,205
	1,505,987	1,450,675
Less accumulated depreciation	620,559	563,660
Property and equipment, net	885,428	887,015
Total assets	\$ 1,916,651	\$ 1,997,879
LIABILITIES AND NET ASSETS		
Current liabilities:		
Accounts payable	\$ 27,250	\$ 24,575
Accrued liabilities	41,865	30,920
CARES Act note payable	-0-	247,200
Total current liabilities	69,115	302,695
Net assets:		
Net assets without donor restrictions	1,803,488	1,648,509
Net assets with donor restrictions	44,048	46,675
Total net assets	1,847,536	1,695,184
Total liabilities and net assets	\$ 1,916,651	\$ 1,997,879

See accompanying Notes to Financial Statements.

SAFE PASSAGE, INC.

STATEMENTS OF ACTIVITIES AND CHANGES IN NET ASSETS

YEAR ENDED JUNE 30, 2021 WITH SUMMARIZED COMPARATIVE FINANCIAL INFORMATION FOR THE YEAR ENDED JUNE 30, 2020

	Year Ended June 30, 2021			Year Ended June 30, 2020
	Without Donor Restrictions	With Donor Restrictions	Total	
Support and revenues:				
Government grants	\$ 1,266,482	\$ -0-	\$ 1,266,482	\$ 1,165,336
NAP	20,806	-0-	20,806	22,798
United Way	38,940	-0-	38,940	29,150
Foundations and trusts	73,853	45,986	119,839	139,341
Business support	103,007	-0-	103,007	93,949
Individual support	106,337	-0-	106,337	121,071
In-kind contribution income	69,651	-0-	69,651	126,309
Faith-based support	22,035	-0-	22,035	16,850
County and city support	65,250	-0-	65,250	59,800
Forgiveness of CARES Act note payable	132,429	-0-	132,429	-0-
Other support and revenue	2,440	-0-	2,440	13,140
Net assets released from restrictions	48,613	(48,613)	-0-	-0-
Total support and revenues	<u>1,949,843</u>	<u>(2,627)</u>	<u>1,947,216</u>	<u>1,787,744</u>
Expenses:				
Program services	1,508,404	-0-	1,508,404	1,506,812
Management and general	248,277	-0-	248,277	232,082
Resource development	38,183	-0-	38,183	20,801
Total expenses	<u>1,794,864</u>	<u>-0-</u>	<u>1,794,864</u>	<u>1,759,695</u>
Increase (decrease) in net assets	154,979	(2,627)	152,352	28,049
Net assets, beginning of year	<u>1,648,509</u>	<u>46,675</u>	<u>1,695,184</u>	<u>1,667,135</u>
Net assets, end of year	<u><u>\$ 1,803,488</u></u>	<u><u>\$ 44,048</u></u>	<u><u>\$ 1,847,536</u></u>	<u><u>\$ 1,695,184</u></u>

See accompanying Notes to Financial Statements.

SAFE PASSAGE, INC.

STATEMENTS OF FUNCTIONAL EXPENSES

YEAR ENDED JUNE 30, 2021 WITH SUMMARIZED COMPARATIVE FINANCIAL INFORMATION FOR THE YEAR ENDED JUNE 30, 2020

	Year Ended June 30, 2021			Total	Year Ended June 30, 2020
	Program Services	Management and General	Resource Development		
Personnel	\$ 1,146,141	\$ 188,776	\$ 13,484	\$ 1,348,401	\$ 1,295,059
In-kind expenses	69,651	-0-	-0-	69,651	126,309
Contract services	66,991	22,330	-0-	89,321	76,737
Depreciation	48,365	8,535	-0-	56,900	51,415
Facilities and small equipment	56,258	9,928	-0-	66,186	45,368
Client assistance	30,070	-0-	-0-	30,070	26,086
Insurance	17,931	7,685	-0-	25,616	26,158
Technology	7,437	1,344	179	8,960	19,950
Supplies	26,581	4,691	-0-	31,272	16,919
Transportation	19,571	-0-	-0-	19,571	19,748
Telephone and internet	6,654	1,203	160	8,017	12,235
Training and development	10,294	1,817	-0-	12,111	11,442
Marketing and resource development	-0-	-0-	24,346	24,346	27,493
Dues, fees, subscriptions, and taxes	1,860	1,860	-0-	3,720	4,194
Miscellaneous	600	108	14	722	582
Total	\$ 1,508,404	\$ 248,277	\$ 38,183	\$ 1,794,864	\$ 1,759,695

See accompanying Notes to Financial Statements.

SAFE PASSAGE, INC.

STATEMENTS OF CASH FLOWS

FOR THE YEARS ENDED JUNE 30, 2021 AND 2020

	<u>2021</u>	<u>2020</u>
Cash flows from operating activities:		
Change in net assets	\$ 152,352	\$ 28,049
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	56,900	51,415
Forgiveness of CARES Act note payable	(132,429)	-0-
Changes in operating assets and liabilities:		
Grants receivable	(47,177)	(57,836)
Prepaid expenses	(1,529)	(1,970)
Accounts payable	2,675	19,327
Accrued liabilities	10,945	4,970
	<u>41,737</u>	<u>43,955</u>
Net cash provided by operating activities		
Cash flows from investing activities:		
Capital expenditures	<u>(55,313)</u>	<u>(21,274)</u>
Net cash used in investing activities	<u>(55,313)</u>	<u>(21,274)</u>
Cash flows from financing activities:		
Proceeds (payments), CARES Act note payable	<u>(114,771)</u>	<u>247,200</u>
Net cash provided by (used in) financing activities	<u>(114,771)</u>	<u>247,200</u>
Net increase (decrease) in cash	(128,347)	269,881
Cash, beginning of year	<u>846,984</u>	<u>577,103</u>
Cash, end of year	<u>\$ 718,637</u>	<u>\$ 846,984</u>

See accompanying Notes to Financial Statements.

SAFE PASSAGE, INC.

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2021

WITH SUMMARIZED COMPARATIVE FINANCIAL INFORMATION
AS OF AND FOR THE YEAR ENDED JUNE 30, 2020

1. SIGNIFICANT ACCOUNTING POLICIES

DESCRIPTION OF ENTITY

Safe Passage, Inc. (the Organization) is a not-for-profit organization founded in 1997 to provide a safe, nurturing living environment for victims of domestic violence and sexual assault and their children, and/or programs and services that facilitate healing, self-confidence, and economic independence. The Organization provides services to residents of Dearborn, Franklin, Ohio, Ripley, and Switzerland counties in Southeastern Indiana.

FINANCIAL STATEMENT PRESENTATION

The financial statements are in conformity with the provisions of Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 958, *Financial Statements of Not-for-Profit Organizations*. This statement established standards for external financial reporting for not-for-profit organizations.

ASC 958 primarily affects the display of financial statements and requires that the amounts for each of two classes of net assets – net assets with donor restrictions and net assets without donor restrictions – be displayed in an aggregate statement of financial position and the amounts of change in each of those classes be displayed in a statement of changes in net assets. The two-part net asset accounts used include the following:

Net Assets Without Donor Restrictions – Funds that have not been restricted in any manner by the donors are referred to as net assets without donor restrictions and are available for general Organization purposes. The Organization had net assets without donor restrictions of \$1,803,488 and \$1,648,509, at June 30, 2021 and 2020, respectively.

Net Assets With Donor Restrictions – Funds received from donors or grantors who have specified as to the use of their gifts or grants for specific purposes. Net assets with donor restrictions are subject to donor-imposed restrictions that will be met by future obligations or are to be invested and maintained intact in perpetuity. The Organization had \$44,048 and \$46,675 of net assets with donor restrictions at June 30, 2021 and 2020, respectively.

ESTIMATES

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America (GAAP) requires management to make estimates and assumptions that affect the reported amounts in the financial statements and notes to the financial statements. Actual results could differ from those estimates. Significant estimates made in the preparation of the financial statements include the allocation of costs among the Organization's various programs in the statement of functional expenses and the depreciable lives of property and equipment.

GRANTS RECEIVABLE

The Organization carries its grants receivable at cost. Grants receivable represent amounts due from government agencies for services provided in months prior to June 30. There is no allowance for uncollectible accounts, as historically, amounts billed have been collected in their entirety.

SAFE PASSAGE, INC.

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2021 WITH SUMMARIZED COMPARATIVE FINANCIAL INFORMATION AS OF AND FOR THE YEAR ENDED JUNE 30, 2020

PROPERTY AND EQUIPMENT AND DEPRECIATION

Property and equipment are stated at cost or fair market value at the time of the gift in the case of donated items. Major expenditures which substantially increase the useful lives of existing assets are capitalized. Maintenance, repairs and minor renewals are expensed as incurred. The Organization follows the practice of depreciating the cost of property and equipment using the straight-line method of depreciation over their estimated useful lives. The ranges of estimated useful lives used by the Organization are as follows:

<u>Description</u>	<u>Range of Useful Lives</u>
Equipment and vehicles	3-7 years
Furniture and fixtures	5-7 years
Building, land, and improvements	5-39 years

SUPPORT AND REVENUE RECOGNITION

The Organization records support and revenues from various sources as revenue when either grant specifications are met or the donor makes an unconditional promise to give to the Organization. Support and revenues that are unrestricted by the donor are reported as increases in net assets without donor restrictions. Donor-restricted support and revenues are reported as increases in net assets with donor restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions. However, contributions that are restricted by the donor are reported as increases to net assets without donor restrictions if the restriction expires in the year in which the contributions are recognized.

CONTRIBUTIONS OF GOODS, EQUIPMENT AND SERVICES

Contributions of goods and services are recognized if the goods or services received (a) create or enhance nonfinancial assets or (b) require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation, in accordance with ASC 958, *Accounting for Contributions Received and Contributions Made*. Such donations are recorded as revenue at their estimated fair value at the date of donation.

The Organization received in-kind contributions of \$69,651 and \$126,309 during the years ended June 30, 2021 and 2020, respectively, including donations of food, clothing, office equipment, and office supplies.

GOVERNMENT GRANTS

Safe Passage, Inc. records cost reimbursement grants as revenues in the period in which the related expenses are incurred and claimed for reimbursement. Revenues from performance-based grants, whereby revenue is based on units of service delivered, are recorded in the period that Safe Passage, Inc. rendered the agreed-upon services and claimed the services for reimbursement. Certain grants require Safe Passage, Inc. to attain minimum levels of matching funds.

SAFE PASSAGE, INC.

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2021 WITH SUMMARIZED COMPARATIVE FINANCIAL INFORMATION AS OF AND FOR THE YEAR ENDED JUNE 30, 2020

FUNCTIONAL EXPENSES

The allocation of the costs of providing the Organization's various programs has been summarized on a functional basis in the accompanying statements of functional expenses. Accordingly, certain indirect costs have been allocated to program services, management and general, fundraising, and other activities based on management's estimates of resources devoted to these activities.

INCOME TAXES

The Organization is organized as a not-for-profit corporation and, accordingly, is exempt from federal and state income taxes under Section 501(c)(3) of the Internal Revenue Code.

The Organization files income tax returns in the U.S. federal jurisdiction and one state. The Organization is no longer subject to U.S. federal or state income tax examinations by tax authorities for the years prior to the year ended June 30, 2018. As of and for the year ended June 30, 2021, tax authorities have not proposed any adjustments to the Organization that would result in a material change to the Organization's financial position. No tax-related interest or penalties have been recorded in these financial statements. GAAP requires an entity to recognize the financial statement impact of a tax benefit position when it is more likely than not that the position will be sustained upon examination. The Organization does not believe it is taking any uncertain tax benefit positions.

RECLASSIFICATIONS

Certain prior period amounts have been reclassified to conform to the current presentation. Such reclassifications had no effect on the previously reported change in net assets.

ACCOUNTING STANDARDS NOT YET ADOPTED

In February 2016, the FASB issued ASU No. 2016-02 Leases (Topic 842). This new standard which the Organization is not required to adopt until its year ending December 31, 2021, is intended to improve financial reporting about leasing transactions by requiring entities that lease assets to recognize in their balance sheets the assets and liabilities for the rights and obligations created by those leases and to provide additional disclosures regarding the leases. Leases with terms (as defined in the ASU) of twelve months or less are not required to be reflected on the entity's balance sheet.

In May 2014, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) 2014-09, *Revenue from Contracts with Customers Topic (606)*. This ASU, which the Organization is not required to adopt until its year ending December 31, 2020, supersedes the revenue recognition requirements in *Topic 605, Revenue Recognition*, and most industry-specific guidance. The core principle of the guidance is that an entity should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services.

The Organization is presently evaluating the effects that these standards will have on future financial statements, including related disclosures.

SAFE PASSAGE, INC.

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2021 WITH SUMMARIZED COMPARATIVE FINANCIAL INFORMATION AS OF AND FOR THE YEAR ENDED JUNE 30, 2020

2. LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS

The Organization's financial assets available for general expenditures within one year of the statement of financial position date include cash and cash equivalents and grants receivable.

	<u>2021</u>	<u>2020</u>
Cash	\$ 718,637	\$ 846,984
Grants receivable	<u>302,032</u>	<u>254,855</u>
Total financial assets	1,020,669	1,101,839
Less amounts unavailable for general expenditures within one year due to: Restrictions of time or purpose:		
Restricted grants	<u>(44,048)</u>	<u>(46,675)</u>
Total financial assets available to management for general expenditures within one year	<u>\$ 976,621</u>	<u>\$ 1,055,164</u>

As part of the Organization's liquidity management, it has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due.

3. NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions were available for the following purposes at June 30, 2021 and 2020:

	<u>2021</u>	<u>2020</u>
WA Hillenbrand	\$ 18,733	\$ 40,000
SCCF HVAC	6,000	-0-
Robinson-Doyle	5,327	-0-
DC Youth	4,500	-0-
Make A Difference	4,225	-0-
Baylor Foundation	3,000	-0-
SCCF Art	1,492	-0-
UWGC SEI	771	-0-
FCCF water heater	-0-	2,675
RSRF water heater	<u>-0-</u>	<u>4,000</u>
Net assets with donor restrictions	<u>\$ 44,048</u>	<u>\$ 46,675</u>

SAFE PASSAGE, INC.

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2021 WITH SUMMARIZED COMPARATIVE FINANCIAL INFORMATION AS OF AND FOR THE YEAR ENDED JUNE 30, 2020

4. CARES ACT NOTE PAYABLE

The Organization received a Paycheck Protection Program (PPP) loan of \$247,200 on April 28, 2020. In 2021, \$132,429 of the loan was forgiven and \$114,772 was repaid.

5. SUMMARY OF GOVERNMENT GRANT FUNDING

The Organization is substantially funded by grants and contracts awarded directly and indirectly by the federal government and the State of Indiana. The majority of the agreements contain provisions which permit the arrangements to be terminated or the funds provided to be reduced if the unit of government does not appropriate any or adequate funds to maintain the current funding levels. Any excess funds on hand at the termination date would be subject to refund if such funds exceeded the accrued expenditures allowable under the grants and contracts at that date. Revenues recognized from government sources and included in support and revenues for the years ended June 30, 2021 and 2020 are as follows:

	<u>2021</u>	<u>2020</u>
Domestic Violence Prevention (DVPT)	\$ 249,582	\$ 204,347
Victims of Crime Acts (VOCA)	873,247	750,688
Family Violence Prevention Service Act (FVPSA)	35,184	48,587
Social Services Block Grant (SSBG)	10,000	4,800
Sexual Assault Victim Assistance Fund (SAVAF)	<u>98,469</u>	<u>123,879</u>
	<u>\$ 1,266,482</u>	<u>\$ 1,132,301</u>

6. CONCENTRATION OF CREDIT RISK

The Organization maintains cash and cash equivalents in bank deposit accounts which, at times, may exceed federally insured limits. The Organization has not experienced any losses in such accounts. The Organization believes it is not exposed to any significant credit risk on cash and cash equivalents.

The Organization receives most of its support from government grants. The majority of the government grants are with the Indiana Criminal Justice Institute, the loss of which could have a materially adverse effect on the Organization.

As of both June 30, 2021 and 2020, government grants accounted for 100% of grant receivables.

For the years ended June 30, 2021 and 2020, government grants accounted for 67% and 65%, respectively, of total support and revenues.

SAFE PASSAGE, INC.

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2021
WITH SUMMARIZED COMPARATIVE FINANCIAL INFORMATION
AS OF AND FOR THE YEAR ENDED JUNE 30, 2020

7. OPERATING LEASES

The Organization is party to various vehicle operating leases, which require monthly payments ranging from \$173 to \$338 through September 2022. Such payments are included in transportation in the statement of functional expenses.

The Organization utilizes office space throughout its service area under the following operating leases, payments for which are included in facilities and equipment in the statement of functional expenses:

JEFFERSON COUNTY

The Organization utilizes space under a renewable operating lease through September 2022. Monthly payments under this lease are \$475.

MADISON COUNTY

The Organization utilizes space under a renewable operating lease through September 2022. Monthly payments under this lease are \$350.

RIPLEY COUNTY

The Organization utilizes space under a renewable operating lease through March 2022. Monthly payments under this lease are \$465.

The Organization utilizes space under a month to month lease. Monthly payments under this lease are \$175.

DEARBORN COUNTY

The Organization utilizes space under a month to month lease. Monthly payments under this lease are \$600.

For the years ended June 30, 2020 and 2019, the total expense for all operating leases was \$23,700 and \$18,960, including in-kind rent of \$5,100 and \$0, all respectively.

Future minimum lease payments subsequent to June 30, 2021 required under these leases are as follows:

<u>Year ended June 30,</u>	
2022	\$ 24,993
2023	<u>4,725</u>
	<u>\$ 29,718</u>

SAFE PASSAGE, INC.

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2021

WITH SUMMARIZED COMPARATIVE FINANCIAL INFORMATION
AS OF AND FOR THE YEAR ENDED JUNE 30, 2020

8. CORONAVIRUS PANDEMIC

In December 2019, an outbreak of a novel strain of coronavirus (COVID-19) originated in Wuhan, China and has since spread to other countries, including the U.S. On March 11, 2020, the World Health Organization characterized COVID-19 as a pandemic. In addition, multiple jurisdictions in the U.S. have declared a state of emergency.

The Organization has been impacted directly in various ways, including the necessity to provide certain services and manage operations remotely.

Other potential future impacts are anticipated to include further disruptions to or restrictions on services provided as well as potential effects on the Organization's Resource Development efforts. The full effects of this pandemic on the organization are unknown at this time.

9. SUBSEQUENT EVENTS

In accordance with ASC Topic 855, *Subsequent Events*, the Organization has evaluated subsequent events through November 17, 2021, which is the date these financial statements were available to be issued, and has determined that there are no subsequent events that require disclosure in the financial statements.

SUPPLEMENTARY INFORMATION

SAFE PASSAGE, INC.

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

YEAR ENDED JUNE 30, 2021

<u>Federal Grantor/Pass-through Grantor/Program Title</u>	<u>Federal CFDA Number</u>	<u>Federal Expenditures</u>
U.S. Department of Health and Human Services:		
Pass-through Indiana Family and Social Services Administration:		
Family Violence Prevention and Services Grant	93.671	\$ 20,425
Family Violence Prevention Service Act Coronavirus Aid, Relief, and Economic Security Act	93.671	14,758
U.S. Department of Justice:		
Passed through the Indiana Criminal Justice Institute:		
Victims of Crime Act	16.575	704,052
Victims of Crime Act - Sexual Assault	16.575	169,195
Social Services Block Grant	93.667	<u>10,000</u>
Total expenditures of federal awards		<u><u>\$ 918,430</u></u>

SAFE PASSAGE, INC.

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

YEAR ENDED JUNE 30, 2021

1. BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards includes the federal grant activity of Safe Passage, Inc. and is presented on the accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

DE MINIMIS COST RATE

The Corporation does not utilize the 10% de minimis cost rate because the guidance under Part 200.414 Indirect Costs does not apply.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES FOR FEDERAL AWARD EXPENDITURES

Expenditures consist of direct and indirect costs. Direct costs are those that can be readily identified with an individual federally sponsored program. Benefit payments made on behalf of an eligible recipient and the materials consumed by the program are examples of direct costs.

Unlike direct costs, indirect costs cannot be readily identified with an individually sponsored project. Indirect costs are the costs of services and resources that benefit many projects, as well as nonsponsored projects and activities. Indirect costs primarily consist of expenses incurred for administration, payroll taxes and fringe benefits.

3. MANAGEMENT'S USE OF ESTIMATES

The above basis of accounting requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenues and expenses and disclosures of contingent assets and liabilities reported in the schedule of expenditures of federal awards. Actual results could differ from those estimates.

SAFE PASSAGE, INC.
SCHEDULE OF PRIOR AUDIT FINDINGS
YEAR ENDED JUNE 30, 2021

There are no outstanding corrective actions on findings from prior audit reports.



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Indianapolis, IN 46237

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*

To the Board of Directors of
Safe Passage, Inc.
Batesville, Indiana

We have audited, 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, the financial statements of Safe Passage, Inc., which comprise the statement of financial position as of June 30, 2021, and the related statements of activities, changes in net assets, 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 November 17, 2021.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered Safe Passage, 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 Safe Passage, Inc.'s internal control. Accordingly, we do not express an opinion on the effectiveness of Safe Passage, Inc.'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 combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of Safe Passage, Inc.'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 Safe Passage, 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 no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

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

Humphrey CPA Group, L.L.C.

Type text here

Indianapolis, Indiana
November 17, 2021



Humphrey CPA Group, L.L.C.

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5915 S. Emerson Avenue, Ste 400
Indianapolis, IN 46237

Independent Auditors' Report on Compliance for Each Major Federal Program and on Internal Control over Compliance in Accordance with the Uniform Guidance

To the Board of Directors of
Safe Passage, Inc.
Batesville, Indiana

Report on Compliance for Each Major Federal Program

We have audited Safe Passage, Inc.'s compliance with the types of compliance requirements described in the U.S. *Office of Management and Budget (OMB) Compliance Supplement* that could have a direct and material effect on Safe Passage, Inc.'s major federal program for the year ended June 30, 2021. Safe Passage, Inc.'s major federal program is identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts and grants applicable to its federal program.

Auditors' Responsibility

Our responsibility is to express an opinion on compliance for Safe Passage, Inc.'s major federal program 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 (CFR) 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 compliance requirements referred to above that could have a direct and material effect on the major federal program occurred. An audit includes examining, on a test basis, evidence about Safe Passage, 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 with the major federal program. However, our audit does not provide a legal determination of Safe Passage, Inc.'s compliance.

Opinion on Each Major Federal Program

In our opinion, Safe Passage, Inc. complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on its major federal program identified above for the year ended June 30, 2021.

Report on Internal Control over Compliance

Management of Safe Passage, 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 Safe Passage, Inc.'s internal control over compliance with the types of requirements that could have a direct and material effect on its major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for its 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 Safe Passage, 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 preceding paragraph and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies and, therefore, material weaknesses or significant deficiencies may exist that were not identified. 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.

Purpose of This Report

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 our testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Humphrey CPA Group, L.L.C.

Indianapolis, Indiana
November 17, 2021

SAFE PASSAGE, INC.

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

YEAR ENDED JUNE 30, 2021

SECTION I – SUMMARY OF AUDITORS’ RESULTS

Financial Statements

Type of auditors’ report issued: Unmodified

Internal control over financial reporting:

- Material weakness(es) identified? YES NO
- Significant deficiencies identified that are not considered to be material weaknesses? YES NO

Noncompliance material to financial statements noted? YES NO

Federal Awards

Internal control over major programs:

- Material weakness(es) identified? YES NO
- Significant deficiencies identified that are not considered to be material weaknesses? YES NO

Type of auditors’ report issued: Unmodified

Any audit findings disclosed required to be reported in accordance with section 200.516 of OMB Uniform Guidance? YES NO

Identification of major programs

<u>CFDA Number(s)</u>	<u>Name of Federal Program or Cluster</u>
16.575	Victims of Crime Act

Dollar threshold used to distinguish between type A and type B programs? \$750,000

Auditee qualified as low-risk auditee? YES NO

SECTION II – FINANCIAL STATEMENT FINDINGS

No matters were reported for the year ended June 30, 2021.

SECTIONS III – FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

No matters were reported for the year ended June 30, 2021.