SAVING GRACE

FINANCIAL STATEMENTS AND
SINGLE AUDIT INFORMATION

For the Year Ended June 30, 2021
(With Comparative Totals for the Year Ended June 30, 2020)

Jones & Roth
CPAs & Business Advisors

SAVING GRACE
FINANCIAL STATEMENTS AND SINGLE AUDIT INFORMATION
For the Year Ended June 30, 2021
(With Comparative Totals for the Year Ended June 30, 2020)

TABLE OF CONTENTS

Jones & Roth
CPAs & Business Advisors

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Saving Grace
Bend, Oregon

Report on the Financial Statements

We have audited the accompanying financial statements of Saving Grace (a nonprofit organization), which comprise the statement of financial position as of June 30, 2021, and the related statements of activities and changes in net assets, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial statement audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Saving Grace as of June 30, 2021, 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.

Report on Summarized Comparative Information

We have previously audited Saving Grace's 2020 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated January 21, 2021. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2020, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Other Matters

Other Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, is presented for the purpose of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated February 14, 2022, on our consideration of Saving Grace's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Saving Grace's 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 Saving Grace's internal control over financial reporting and compliance.

Jones & Roth, P.C.

Jones & Roth, P.C.
Bend, Oregon
February 14, 2022

FINANCIAL STATEMENTS

SAVING GRACE
STATEMENT OF FINANCIAL POSITION
June 30, 2021
(With Comparative Totals for June 30, 2020)

	2021	2020
Assets		
Current assets		
Cash and cash equivalents	$ 1,635,594	$ 1,385,845
Grants and contracts receivable	227,230	278,304
Unconditional promises to give, due within one year, net	24,217	20,833
Prepaid expenses	18,752	5,544
Total current assets	1,905,793	1,690,526
Property and equipment		
Property and equipment	856,836	854,036
Accumulated depreciation	(469,601)	(453,891)
Property and equipment, net	387,235	400,145
Other assets		
Unconditional promises to give, due beyond one year, net	3,068	4,294
Beneficial interest in assets held by OCF	121,851	91,965
Total other assets	124,919	96,259
Total assets	$ 2,417,947	$ 2,186,930
Liabilities and Net Assets		
Current liabilities		
Accounts payable	$ 17,259	$ 26,905
Accrued payroll and payroll taxes	46,070	36,252
Unearned revenue	89,240	118,622
Accrued vacation and severance payable	30,525	35,589
Total current liabilities	183,094	217,368
Unspent payroll protection program advance	-	164,940
Total liabilities	183,094	382,308
Net assets		
Without donor restrictions:		
Undesignated	1,685,869	1,294,658
Board-designated	121,851	91,965
Invested in property and equipment	387,235	400,145
Total without donor restrictions	2,194,955	1,786,768
Net assets with donor restrictions	39,898	17,854
Total net assets	2,234,853	1,804,622
Total liabilities and net assets	$ 2,417,947	$ 2,186,930

The accompanying notes are an integral part of these statements.

SAVING GRACE
STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS
For the Year Ended June 30, 2021
(With Comparative Totals for the Year Ended June 30, 2020)

	2021			
	Without Donor Restrictions	With Donor Restrictions	Total	2020 Total
Revenue, gains, and other support				
Government and foundation grants	$ 8,135	$ 2,030,472	$ 2,038,607	$ 1,591,035
Fundraising, special events, net of direct expenses of $36,380	140,710	-	140,710	92,183
Donations	575,627	46,661	622,288	492,747
Training fees and miscellaneous income	1,616	-	1,616	6,465
Paycheck protection program grant revenue	-	164,940	164,940	95,060
Investment income (loss)	33,995	-	33,995	(498)
Gain (loss) on disposal of assets	(2,300)	-	(2,300)	332
Total revenue, gains, and other support	757,783	2,242,073	2,999,856	2,277,324
Release of restrictions on net assets with donor restrictions				
Satisfaction of usage restrictions	2,220,029	(2,220,029)	-	-
Expenses				
Program services	2,077,359	-	2,077,359	1,609,792
General and administrative	262,949	-	262,949	238,268
Fundraising	229,317	-	229,317	237,488
Total expenses	2,569,625	-	2,569,625	2,085,548
Change in net assets	408,187	22,044	430,231	191,776
Net assets, beginning of year	1,786,768	17,854	1,804,622	1,612,846
Net assets, end of year	$ 2,194,955	$ 39,898	$ 2,234,853	$ 1,804,622

The accompanying notes are an integral part of these statements.

SAVING GRACE
STATEMENT OF FUNCTIONAL EXPENSES
For the Year Ended June 30, 2021
(With Comparative Totals for the Year Ended June 30, 2020)

	2021				
	Program Services	General and Administrative	Fundraising	Total	2020 Total
Functional expenses					
Salaries, taxes, and benefits	$ 1,276,864	$ 205,219	$ 174,246	$ 1,656,329	$ 1,562,327
Occupancy	112,983	18,159	15,418	146,560	137,336
Telephone	26,937	4,329	3,676	34,942	26,284
Office expense	19,392	3,117	2,646	25,155	14,419
Travel and lodging	2,737	440	373	3,550	20,507
Depreciation	35,811	5,756	4,887	46,454	44,546
Shelter and office supplies	16,741	2,690	2,284	21,715	13,165
Professional fees	87,943	14,134	12,001	114,078	68,081
Insurance	13,202	2,122	1,802	17,126	15,667
Training	29,134	4,682	3,976	37,792	5,463
Printing	4,691	754	640	6,085	11,504
Postage	1,057	170	144	1,371	1,568
Victim assistance	401,973	-	-	401,973	95,880
Victim counseling	39,330	-	-	39,330	36,645
Grant pass-through expense	3,083	496	421	4,000	20,000
Volunteer recognition	2,401	386	328	3,115	5,666
Uncollectible pledges	-	-	6,055	6,055	-
Miscellaneous	3,080	495	420	3,995	6,490
Total functional expenses	$ 2,077,359	$ 262,949	$ 229,317	$ 2,569,625	$ 2,085,548

The accompanying notes are an integral part of these statements.

SAVING GRACE
STATEMENT OF CASH FLOWS
For the Year Ended June 30, 2021
(With Comparative Totals for the Year Ended June 30, 2020)

	2021	2020
Cash flows from operating activities		
Change in net assets	$ 430,231	$ 191,776
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	46,454	44,546
(Gain) loss on disposal of assets	2,300	(332)
(Increase) decrease in operating assets:		
Grants and contracts receivable	51,074	(57,978)
Unconditional promises to give	(2,158)	18,540
Prepaid expenses	(13,208)	144
Increase (decrease) in operating liabilities:		
Accounts payable	(9,646)	11,943
Accrued payroll and payroll taxes	9,818	13,105
Unearned revenue	(29,382)	102,222
Accrued vacation and severance payable	(5,064)	3,280
Unspent payroll protection program advance	(164,940)	164,940
Net cash provided by operating activities	315,479	492,186
Cash flows from investing activities		
Purchase of property and equipment	(35,844)	(11,367)
Proceeds from sale of assets	-	332
Change in OCF assets	(29,886)	4,580
Net cash used by investing activities	(65,730)	(6,455)
Net increase in cash and cash equivalents	249,749	485,731
Cash and cash equivalents, beginning of year	1,385,845	900,114
Cash and cash equivalents, end of year	$ 1,635,594	$ 1,385,845

The accompanying notes are an integral part of these statements.

1. Summary of Significant Accounting Policies

Nature of Activities

Saving Grace is a nonprofit organization, incorporated under the laws of the state of Oregon, which provides services to victims of domestic violence and sexual assault. Also provided is related community education in the Central Oregon counties of Deschutes, Jefferson, and Crook. Services include a 24-hour crisis line, emergency housing, information and referral services, transportation, advocacy, crisis counseling, support groups, training, and a supervised visitation center.

Program Services

The following paragraphs describe the programs provided by Saving Grace:

Helpline - Saving Grace provides a 24-hour, crisis telephone line accessible by a local or toll-free number. Helpline advocates provide safety planning, crisis intervention, emotional support and information, and referrals for callers. Advocates also provide other forms of emergency assistance as a result of helpline communications, such as shelter, food, and transportation.

Emergency Shelter - Saving Grace provides an emergency shelter in Bend, Oregon, which is available for adults and their dependent children who are survivors of intimate partner violence, stalking, human trafficking, or sexual assault. The shelter program provides food and personal supplies, emotional support, and advocacy. When the shelter is full, or it is not feasible to place someone in the shelter due to the time of night or location of the client, etc., local motels are relied upon for short-term stays. While the shelter is located in Bend, it serves all three Central Oregon counties.

Lethality Assessment Program (LAP) - LAP is a partnership between law enforcement officers in Deschutes County and Saving Grace. Its purpose is to identify high risk domestic violence survivors and connect them with services. If a survivor screens in at high risk of being seriously injured or killed, a phone call is immediately made to a special Saving Grace hotline specifically for LAP. The survivor is encouraged to speak on the phone where hotline workers explain options and offer services.

Crisis Counseling and Support Groups - Saving Grace offers individual and group sessions with an advocate or therapist who provides crisis intervention, emotional support, and education information.

Bend Counseling Center - The counseling center hosts the space for trauma-informed individual and group therapy for survivors. The center currently has support groups for adults, teens, and children. Advocates also meet clients for safety planning, emotional support, accessing community resources, and system advocacy.

Courthouse Advocacy - A Saving Grace advocate is co-located at the Deschutes County Circuit Court to provide bilingual assistance for those filing for protection orders. The advocate, assisted by volunteers, provides support with filling out protection order applications, attends court appointments with clients, and provides general advocacy services to clients as well.

1. Summary of Significant Accounting Policies, continued

Program Services, continued

Advocacy Centers for Rural Outreach - Saving Grace maintains offices in La Pine, Redmond, Crook County (Prineville), and Jefferson County (Madras). Most services mentioned previously are provided in these communities. The facilities for Saving Grace's emergency shelter and supervised visitation center are located in Deschutes County. Saving Grace transports clients to the emergency shelter or uses local motels as needed.

Children's Program - The children's program focuses on providing advocacy and support for children who have been impacted by domestic violence. An integral part of the program is the daycare at the shelter, where children have a structured, emotionally safe environment under the care of a children's advocate provided by Saving Grace. Saving Grace also provides individual and group counseling services for children so that they can find a voice for their experience, explore their feelings, and connect with other children who have had similar experiences. Supporting moms to reconnect with their children in developmentally matched ways is also a primary goal of the program.

Co-Location at Department of Human Services (DHS) and Deschutes County Health Department - Saving Grace has advocates who spend a portion of their work week within the local DHS offices and Deschutes County Health Department. This partnership allows them to bridge the gap that often occurs when a referral is made between agencies and gives the domestic/sexual violence survivor more direct and quicker access to Saving Grace services.

Community Education and Training - Saving Grace conducts numerous public speaking engagements to service organizations, clubs, classrooms, churches, businesses, and the general public regarding domestic violence and sexual assault. Saving Grace offers training for professional groups such as law enforcement, medical staff, and the Department of Human Services. A comprehensive training program is provided for volunteers.

Legal Advocacy - Advocates provided by Saving Grace can assist clients in obtaining restraining orders and can attend court proceedings with clients to provide support. Advocates are also able to assist clients in obtaining the proper civil paperwork for such things as divorce and/or custody issues and give basic instruction on how to complete the documents. Advocates provide referrals to the appropriate sources for further information about specific questions. Saving Grace does not give legal advice.

Supervised Visitation Center (Mary's Place) - The center is located in Bend. Saving Grace provides supervised visitation or exchanges which can be accomplished in a safe, monitored environment. Clients are referred to the facility by courts, other agencies, or by self-referral. In order to utilize Saving Grace's services, one parent must reside in Deschutes County, but the other parent may live anywhere. Services are free.

Hospital Response Team (HRT) - The Saving Grace HRT consists of staff and volunteers who respond to St. Charles Medical Center or Deschutes County Health Services for advocacy with sexual assault and domestic violence survivors. HRT advocates provide emotional support, information, and referrals to survivors.

1. Summary of Significant Accounting Policies, continued

Program Services, continued

Youth Violence Prevention Program - The Youth Violence Prevention Program provides education on healthy dating relationships and how to prevent dating violence. Through classroom presentations, preventative groups, presentations with at-risk youth, and community outreach during Teen Dating Violence Awareness month (February), teens are able to develop preventative tools that will help them from entering abusive relationships. This program also provides them with tools they can use when they see red flags in their friends' relationships and ways to connect to services if they find themselves in abusive situations.

Basis of Accounting

The financial statements of Saving Grace have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America. Net assets and revenue, expenses, gains, and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets of Saving Grace and changes therein are classified and reported as follows:

Net assets without donor restrictions –

Undesignated – Net assets that are not subject to donor-imposed stipulations.

Board-designated net assets – Certain amounts have been designated by the Board of Directors to be expended at the discretion of the Board of Directors. Board designated net assets consist of the investment in OCF and certain contributions designated for staff salaries.

Net assets with donor restrictions - Net assets subject to donor-imposed stipulations that may or will be met, either by actions of Saving Grace and/or the passage of time. When a restriction expires, net assets with donor restriction are reclassified to net assets without donor restriction and reported in the statement of activities and changes in net assets as satisfaction of usage restrictions.

Recent Accounting Standard Adopted
Saving Grace adopted Financial Accounting Standards Board (FASB) Accounting Standards Update (ASU) No. 2014-09, *Revenue from Contracts with Customers* (Topic 606). The ASU required expanded disclosures related of the nature, amount, timing, and uncertainty of revenue and cash flows arising from contracts with customers. Saving Grace adopted the new standard effective July 1, 2020, using the full retrospective approach in these financial statements. No changes were required to previously reported revenues as a result of the adoption, and the adoption did not result in the recognition of additional assets or liabilities.

Cash and Cash Equivalents

For purposes of the statement of cash flows, Saving Grace considers all cash and other highly liquid debt instruments purchased with an original maturity date of three months or less to be cash equivalents.

1. Summary of Significant Accounting Policies, continued

Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

Property and Equipment

Property and equipment are stated at cost or at the fair market value of the donated assets. Expenditures for repairs and maintenance which do not appreciably extend the useful life or increase the value of an asset are expensed in the period in which the costs are incurred. Assets with a cost greater than $1,000 and have an expected useful life exceeding one year, are capitalized and depreciated on the straight-line method over the estimated useful lives of the assets; 8 to 40 years for building and improvements and 5 to 10 years for furniture and equipment.

Contributions and Promises to Give

Contributions, including unconditional promises to give, are recorded as made. All contributions are available for use without restrictions unless specifically restricted by the donor. Conditional promises to give are recognized when the conditions on which they depend are substantially met. Unconditional promises to give due in the next year are recorded at their estimated net realizable value. Unconditional promises to give due in subsequent years are reported at the present value of their estimated net realizable value, using risk-free interest rates applicable to the years in which the promises are to be received. An allowance for uncollectible promises to give has been recorded based on specific identification and historical collection experience.

Functional Allocation of Expenses

The costs of providing various programs and other activities have been summarized on a functional basis in the accompanying statement of functional expenses. Accordingly, certain costs have been allocated among the programs and supporting services benefited. Saving Grace utilizes a simplified cost allocation method whereby specifically identifiable costs are charged directly to the grant or project and indirect costs are allocated among programs and grants through an allocation base. Saving Grace uses full time equivalents as the allocation base.

Income Tax Status

Saving Grace qualifies as a tax-exempt organization under Section 501(c)(3) of the Internal Revenue Code (IRC) and, therefore, no provision for federal or state income taxes has been included in these financial statements.

1. Summary of Significant Accounting Policies, continued

Liquidity and Reserves

Saving Grace has a policy to manage its liquidity and reserves in order to meet its needs to fund operating expenditures. At June 30, 2021, Saving Grace's financial assets, reduced by amounts not available for general expenditures within one year, are listed below.

Cash and cash equivalents	$ 1,635,594
Beneficial interest in assets held by OCF	121,851
Unconditional promises to give, due within one year	24,217
Grants and contracts receivable	227,230
	2,008,892
Less board-designated reserves	(121,851)
Less net assets with donor restrictions	(39,898)
	(161,749)
Financial assets available for general expenditure	$ 1,847,143

2. Grants and Contracts Receivable

Grants and contracts receivable at June 30, 2021, were comprised of receivables due within one year from various grantors for services provided under various contracts. Management considers all grants receivable fully collectible; accordingly, an allowance for uncollectible grants receivable has not been recorded as of June 30, 2021.

3. Unconditional Promises to Give

At June 30, 2021, unconditional promises to give, consisted of the following:

Expected future cash flow before unamortized discount	$ 29,125
Unamortized discount	(835)
	28,290
Allowance for doubtful pledges	(1,005)
Unconditional promises to give, net	$ 27,285

Amounts due:	
Within one year	$ 24,217
Beyond one year	3,068
Total	$ 27,285

4. Property and Equipment

At June 30, 2021, property and equipment consisted of the following:

Land	$ 34,625
Building and improvements	675,514
Furniture and equipment	146,697
	856,836
Accumulated depreciation	(469,601)
Property and equipment, net	$ 387,235

Depreciation expense for the year ended June 30, 2021, was $46,454.

The building owned by Saving Grace was acquired with federal and local government contributions and subsequently transferred to Saving Grace by the city of Bend. Saving Grace retains title to the property without restriction.

5. Beneficial Interest in Assets Held by the Oregon Community Foundation

Contributions made to the Oregon Community Foundation (OCF), an Oregon nonprofit, become permanent funds of OCF under the Saving Grace Fund. Distributions made to Saving Grace are at the sole discretion of OCF. The agreement with OCF stipulates OCF maintains variance power over the fund and that the fund shall be held and owned by OCF. The agreement also provides that, upon written request from a majority of the Board of Directors of Saving Grace, additional distributions may be made from the fund assets, even to the exhaustion of the fund, if in the sole judgment of the Board of Directors of OCF the requested distribution is consistent with the objectives and purpose of Saving Grace. The OCF balance is shown as board-designated net assets by Saving Grace and is considered a beneficial interest in the Fund. The outstanding interest in assets held by OCF was $121,851 at June 30, 2021.

6. Fair Value Measurement

FASB Accounting Standards Codification (ASC) 820, *Fair Value Measurements and Disclosures*, establishes a framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy under professional standards are as follows:

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

6. Fair Value Measurement, continued

Level 2: Inputs to the valuation methodology include:

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

If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.

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

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

The following table presents Saving Grace's fair value hierarchy for those assets measured at fair value on a recurring basis:

	Assets at Fair Value as of June 30, 2021			
	Level 1	Level 2	Level 3	Total
Beneficial interest in OCF	$ -	$ -	$ 121,851	$ 121,851

The principal input used in determining the fair value of the beneficial interest in OCF is the value of the fund as provided by OCF, which is provided in their annual statement.

The following table sets forth a summary of changes in the fair value of Saving Grace's Level 3 assets for the year ended June 30, 2021:

Beneficial interest in OCF, beginning of year	$ 91,965
Distributions	(4,109)
Unrealized gain	33,995
Beneficial interest in OCF, end of year	$ 121,851

7. Net Assets with Donor Restrictions

A significant portion of Saving Grace's grants with donor restrictions are received from the state of Oregon. As of June 30, 2021, net assets with donor restrictions totaling $39,898 consisted of contributions and grants with carrying purpose restrictions remaining unexpended. Net assets were released from donor restrictions by incurring expenses or providing the services satisfying the purpose of time restrictions specified by donors as follows:

Purpose restriction accomplished:	
Government grants:	
Criminal Fine Assessment Account (CFAA)	$ 133,476
Violence Against Women Act (VAWA)	88,673
Marriage License Tax (MLT)	44,064
Victims of Crime Act (VOCA)	467,629
Family Violence Prevention (FVP)	141,633
Federal Emergency Management Act (FEMA)	22,127
State and Local Deschutes County	192,223
State and Local Jefferson County	3,343
Oregon Domestic and Sexual Violence Services (ODSVS)	214,760
Justice for Families	186,070
NeighborImpact	20,500
Justice Reinvestment	49,179
State and Local Survivor Housing	105,687
Coronavirus Relief Funds (Federal)	288,840
City of Bend	60,000
Paycheck Protection Program Loan	164,940
Miscellaneous government grants	8,268
	2,191,412
Miscellaneous grants and contributions	28,617
Total satisfaction of usage restrictions	$ 2,220,029

8. Paycheck Protection Program

In April 2020, to mitigate the effect of the COVID-19 outbreak, Saving Grace requested and was granted a loan under the Paycheck Protection Program (PPP) by First Interstate Bank, administered through the United States Small Business Administration, in the amount of $260,000. Allowable uses for the loan proceeds include payroll, rent, and other operating expenses in accordance with the provisions of the Coronavirus Aid, Relief and Economic Security Act (the CARES Act). If certain conditions are met, the loan is forgivable by First Interstate Bank. Given the circumstances, Saving Grace accounted for the funds received via the PPP as a conditional contribution pursuant to FASB ASC Topic 958-605; as funds are spent on allowable expenses, they are recognized as revenue. During the years ended June 30, 2021 and 2020, Saving Grace had expended $164,940 and $95,060, respectively, of the funds which are recognized as grant revenue on the statement of activities and changes in net assets as upon expenditure Saving Grace had substantially met the conditions of such proportion of the contribution. At June 30, 2021 and 2020, the remaining $-0- and $164,940, respectively, of unexpended funds was classified as a long-term liability on the statement of financial position. The loan plus all accrued interest was forgiven in full by First Interstate Bank on November 10, 2021.

9. Donated Services

No amounts have been reflected in the financial statements for donated services. Saving Grace generally pays for services requiring specific expertise. However, many individuals volunteer their time and perform a variety of tasks that assist Saving Grace with specific assistance programs, campaign solicitations, and various committee assignments. Saving Grace received an estimated 4,534 volunteer hours in fiscal year 2021.

10. Commitments and Contingencies

At various times during the year, cash in the bank may exceed the Federal Deposit Insurance Corporation (FDIC) insured limit of $250,000 per financial institution. At June 30, 2021, $226,843 was uninsured and in excess of FDIC insured limits.

Grants require the fulfillment of certain conditions as set forth in the instrument of the grant. Failure to fulfill the conditions could result in the return of the funds to the grantors. Although that is a possibility, the Board of Directors and management deem the contingency remote.

Beginning July 1, 2014, Saving Grace entered into a 10-year lease agreement for the administration building that expires on July 1, 2024. Total administrative office rent expense under this lease for the year ended June 30, 2021, was $30,455.

Beginning April 1, 2016, Saving Grace entered into a 5-year lease agreement for a counseling center that was extended an additional 3 years and expires March 31, 2024. Total counseling center rent expense under this lease for the year ended June 30, 2021, was $32,563.

Future minimum lease payments under all lease agreements, before consideration of property tax exemptions, are as follows:

Year Ending June 30,	
2022	$ 68,984
2023	68,069
2024	61,139
Total	$ 198,192

11. Prior Year Summarized Comparative Information

The financial statements include certain prior year, summarized, comparative information in total, but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with accounting principles generally accepted in the United States of America. Accordingly, such information should be read in conjunction with Saving Grace’s audited financial statements for the year ended June 30, 2020, from which the summarized information is derived.

12. COVID-19 Pandemic

As a result of the spread of COVID-19 coronavirus, economic uncertainties have arisen which could negatively impact Saving Grace's financial condition and operating results. Other financial impacts could occur, though such potential impact and duration cannot be reasonably estimated at this time.

13. Subsequent Events

Management evaluates events and transactions that occur after the statement of financial position date as potential subsequent events. Management has performed this evaluation through the date of the independent auditor's report.

SINGLE AUDIT INFORMATION

SAVING GRACE
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended June 30, 2021

Federal Grantor/Pass-Through Grantor/Program Title	Assistance Listing Number	Pass-Through Grant Identifying Number	Federal Expenditures
Department of Justice			
Justice Systems Response to Families	16.021	2020-FJ-AX-0007	$ 129,869
Passed through Deschutes County:			
Supervised Visitation, Safe Havens for Children	16.527	2017-FJ-AX-0007	56,201
Passed through Deschutes County:			
Encourage Arrest Policies and Enforcement of Protection Orders	16.590	2018-WE-AC-0030	40,849
Passed through Jefferson County:			
Encourage Arrest Policies and Enforcement of Protection Orders	16.590	2016-WE-AX-0035	3,343
Passed through Oregon Department of Justice:			
Crime Victim Assistance:	16.575		
VOCA Joint		Joint-2019-SavingGrace-00045	363,013
VOCA Competitive		VOCA-C-2019-SavingGrace-00092	104,616
Violence Against Women Formula Grants:	16.588		
VAWA Joint		Joint-2019-SavingGrace-00045	52,554
Passed through Jefferson County:			
VAWA Stop		VAWA-C-2020-JeffersonCo.DAVAP-00012	4,048
Passed through Jefferson County:			
Rural Domestic Violence, Dating Violence, Sexual Assault, and Stalking Assistance:	16.589		
Rural Domestic Violence Grant, Jefferson County		2017-WR-AX-0021	32,071
Total Department of Justice			786,564
Department of Health and Human Services			
Passed through Oregon Department of Human Services:	93.671		
COVID-19 Family Violence Prevention		149963	16,305
Family Violence Prevention		149963	125,328
Total Department of Health and Human Services			141,633
Department of Housing and Urban Development			
Passed through the City of Bend:			
Community Development Block Grant	14.218	B-20-MC-41-0010	60,000
Passed through NeighborImpact:			
Emergency Solutions Grant Program	14.231	E20-DC-41-0001	20,500
Total Department of Housing and Urban Development			80,500
Department of Homeland Security			
Passed through Deschutes County:	97.024		
Emergency Food and Shelter National Board		Phase 37/38	17,200
Passed through Jefferson County:			
Emergency Food and Shelter National Board		Phase 37	3,479
Total Department of Homeland Security			20,679
Department of the Treasury			
Passed through Oregon Department of Justice:			
COVID-19 Coronavirus Relief Fund	21.019*	Joint-2019-SavingGrace-00045	288,840
Total federal awards			$ 1,318,216

* Denotes major program

SAVING GRACE
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended June 30, 2021

1. Basis of Presentation

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal grant activity of Saving Grace. 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.

2. Summary of Significant Accounting Policies

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*, Subpart E*, *Cost Principles,* wherein certain types of expenditures are not allowable or are limited as to reimbursement.

3. Major Programs

The Uniform Guidance establishes criteria to be used in defining major programs. Major programs for Saving Grace are those programs selected for testing by the auditor using a risk-assessment model, as well as certain minimum expenditure requirements, as outlined in the Uniform Guidance. Programs with similar requirements may be grouped into a cluster for testing purposes.

4. De Minimis Indirect Cost Rate

Saving Grace has elected to use the 10 percent de minimis indirect cost rate as allowed under the Uniform Guidance.

5. Insurance Coverage

Saving Grace maintains insurance coverage as recommended by its insurance agent of record.

6. Subrecipients

No award payments were made to subrecipients for the year ended June 30, 2021.

Jones & Roth
CPAs & Business Advisors

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

To the Board of Directors
Saving Grace
Bend, Oregon

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 Saving Grace (a nonprofit organization), which comprise the statement of financial position as of June 30, 2021, and the related statements of activities and 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 February 14, 2022.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered Saving Grace's internal control over financial reporting (internal control) as a basis for designing 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 Saving Grace's internal control. Accordingly, we do not express an opinion on the effectiveness of Saving Grace's internal control.

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

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Saving Grace'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 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 no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

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

Jones & Roth, P.C.

Jones & Roth, P.C.
Bend, Oregon
February 14, 2022

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

To the Board of Directors
Saving Grace
Bend, Oregon

Report on Compliance for Each Major Federal Program

We have audited Saving Grace's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of Saving Grace's major federal programs for the year ended June 30, 2021. Saving Grace's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

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

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of Saving Grace's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* (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 types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Saving Grace's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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

Opinion on Each Major Federal Program

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

Report on Internal Control Over Compliance

Management of Saving Grace 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 Saving Grace's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Saving Grace's internal control over compliance.

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

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

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

Jones & Roth, P.C.

Jones & Roth, P.C.
Bend, Oregon
February 14, 2022

Summary of Auditor's Results

1) The independent auditor's report expresses an unmodified opinion on the financial statements of Saving Grace.

2) No significant deficiencies or material weaknesses in internal control were disclosed by the audit of the financial statements.

3) No instances of noncompliance material to the financial statements, which would be required to be reported in accordance with *Government Auditing Standards,* were disclosed during the audit.

4) No significant deficiencies or material weaknesses in internal control were disclosed by the audit of the major federal awards programs.

5) The independent auditor's report on compliance for the major federal awards programs for Saving Grace expresses an unmodified opinion. No instances of noncompliance were disclosed by the audit of the major federal awards programs.

6) No instances of findings or questioned costs were disclosed during the audit which are required to be reported under Title 2 CFR §200.516 paragraph (a).

7) The program tested as a major program was:

Coronavirus Relief Fund	Assistance Listing # 21.019

8) The threshold for distinguishing between Type A and B programs was $750,000.

9) Saving Grace qualified as a low-risk auditee under Title 2 CFR §200.520.

Findings – Financial Statements Audit

None.

Findings and Questioned Costs – Major Federal Award Programs Audit

None.

Prior Year Findings – Financial Statements Audit

None.

Prior Year Findings and Questioned Costs – Major Federal Award Programs Audit

None.