THE SAFETY PLACE

BATON ROUGE, LOUISIANA

DECEMBER 31, 2019

L.A. CHAMPAGNE & CO.

CERTIFIED PUBLIC ACCOUNTANTS

TABLE OF CONTENTS

Robert L. Stamey, CPA
Kimberly G. Sanders, CPA, MBA
Neal Fortenberry, CPA
Wayne Dussel, CPA, CFE

Alvin J. Callais, CPA
Jonathan Clark, CPA

L.A. CHAMPAGNE & CO.
CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT ACCOUNTANT'S COMPILATION REPORT

The Board of Directors of
The Safety Place

Management is responsible for the accompanying financial statements of The Safety Place (a nonprofit organization), which comprise the statement of financial position as of December 31, 2019, 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 accordance with accounting principles generally accepted in the United States of America. We have performed a compilation engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. We did not audit or review the financial statements nor were we required to perform any procedures to verify the accuracy or completeness of the information provided by management. We do not express an opinion, a conclusion, nor provide any assurance on these financial statements.

Supplementary Information
The accompanying schedule of compensation, benefits, and other payments to the agency head is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management. The supplementary information was subject to our compilation engagement. We have not audited or reviewed the supplementary information and do not express an opinion, conclusion, nor provide any assurance on such information.

L.A. Champagne & Co., LLP

Baton Rouge, Louisiana
June 26, 2020

4911 Bennington Avenue · Baton Rouge, LA 70808-3153 · Phone (225) 925 1120 · Fax (225) 927 8124 · lac@laccpa.com
1234 Del Este, Ste 503 · Denham Springs, LA 70726 · Phone (225) 664 3671

THE SAFETY PLACE
STATEMENT OF FINANCIAL POSITION
December 31, 2019
(See Independent Accountant's Compilation Report)

ASSETS		
CURRENT ASSETS		
Cash	$	51,139
Accounts receivable, net		12,810
Prepaid expenses		4,178
Total current assets		68,127
PROPERTY AND EQUIPMENT, NET		15,794
Total assets	$	83,921

LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Accrued expenses	$	294
Payroll liabilities		1,781
Deferred income		231
Total current liabilities		2,306
NET ASSETS WITHOUT DONOR RESTRICTIONS		81,615
Total liabilities and net assets	$	83,921

See accompanying notes to financial statements.

THE SAFETY PLACE
STATEMENT OF ACTIVITIES
For the Year Ended December 31, 2019
(See Independent Accountant's Compilation Report)

	Without Donor Restrictions
SUPPORT AND REVENUE	
Government grants	$ 86,187
Corporate and business grants	71,001
Donations	60,303
Special events	21,002
In-kind contributions	2,147
Other	864
Total support and revenue	241,504
EXPENSES	
Program expenses	197,502
Management and general expenses	70,117
Fundraising expenses	29,799
Total expenses	297,418
Change in net assets	(55,914)
Net assets - beginning of year	137,529
Net assets - end of year	$ 81,615

See accompanying notes to financial statements.

THE SAFETY PLACE
STATEMENT OF CASH FLOWS
For the Year Ended December 31, 2019
(See Independent Accountant's Compilation Report)

CASH FLOWS FROM OPERATING ACTIVITIES		
Decrease in net assets	$	(55,914)
Adjustments to reconcile change in net assets to net cash used in operating activities:		
Depreciation expense		4,998
Bad debt		5,000
Decrease in accounts receivable		4,513
Increase in prepaid expense		(3,909)
Decrease in payroll liabilities		(6)
Decrease in accrued expenses		(4,475)
Increase in deferred income		231
Net cash used in operating activities		(49,562)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property and equipment		(13,347)
CASH FLOWS FROM FINANCING ACTIVITIES		-
NET DECREASE IN CASH		(62,909)
Cash - beginning of year		114,048
Cash - end of year	$	51,139
SUPPLEMENTAL CASH FLOW INFORMATION:		
Cash paid for interest	$	291

See accompanying notes to financial statements.

THE SAFETY PLACE
STATEMENT OF FUNCTIONAL EXPENSES
For the Year Ended December 31, 2019
(See Independent Accountant's Compilation Report)

	Program Services	Management and General	Fund Raising	Total
Salaries and wages	$ 107,841	$ 17,504	$ 17,500	$ 142,845
Payroll taxes and benefits	15,239	8,493	1,338	25,070
Bad debt	-	5,000	-	5,000
Business expenses	60	5,198	-	5,258
Community events	1,363	-	-	1,363
Contract labor	4,875	-	-	4,875
Accounting	-	11,560	-	11,560
Depreciation expense	3,998	1,000	-	4,998
Storage expenses	3,324	3,308	-	6,632
Fundraising expenses	-	618	9,293	9,911
Insurance	2,538	5,661	-	8,199
Travel and conferences	4,734	32	-	4,766
Administrative and banking fees	-	46	391	437
Occupancy expenses	18,229	4,557	-	22,786
Dues and subscriptions	-	250	-	250
Website and IT expenses	463	1,269	150	1,882
Marketing expenses	3,200	180	-	3,380
Merchandise	2,980	-	-	2,980
Office expenses	14,224	1,205	-	15,429
Telephone expenses	-	2,994	-	2,994
Other expenses	359	951	51	1,361
Equipment and supplies	14,075	-	1,076	15,151
Interest expense	-	291	-	291
Total expenses	$ 197,502	$ 70,117	$ 29,799	$ 297,418

See accompanying notes to financial statements.

THE SAFETY PLACE
NOTES TO FINANCIAL STATEMENTS
December 31, 2019

A: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of activities
The Safety Place (the "Organization") is a non-profit corporation exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code. The Organization was incorporated in 2010 with the purpose of educating and empowering individuals to lead a safe lifestyle through safety education. The Organization's mission is to save and improve the lives of children, by empowering caregivers and youth through awareness of injury risks and prevention. The Organization is located in Baton Rouge, Louisiana and strives to foster community partnerships with safety-minded organizations to create solutions for preventing child injuries.

Basis of accounting
The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP), which recognizes revenue when earned and expenses when incurred and accordingly, reflect all significant receivables, payables, and other liabilities.

Basis of presentation
Financial statement presentation follows the recommendations of the Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC). The Organization reports information regarding its financial position and activities according to the two classes of net assets as follows:

> *Net assets without donor restrictions* - resources available to support operations and not subject to donor restrictions. The only limits on the use of net assets without donor restrictions are the broad limits resulting from the nature of the Organization, the environment in which it operates, the purposes specified in its corporate documents and its application for tax-exempt status, and any limits resulting from contractual agreements with creditors and others that are entered into in the course of its operations.
>
> *Net assets with donor restrictions* - resources that are subject to donor-imposed restrictions. Some restrictions are temporary in nature, such as those that are restricted by a donor for use for a particular purpose or in a particular future period. Other restrictions may be perpetual in nature; such as those that are restricted by a donor that the resources be maintained in perpetuity.
>
> When a donor's restriction is satisfied, either by using the resources in the manner specified by the donor or by the passage of time, the expiration of the restriction is reported in the financial statements by reclassifying the net assets with donor restrictions to net assets without donor restrictions.

A: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

Revenue and revenue recognition
Revenue is recognized when earned. Program service fees and payments under cost-reimbursable contracts received in advance are deferred to the applicable period in which the related services are performed, or expenditures are incurred, respectively. Contributions are recognized when cash, or other assets, an unconditional promise to give, or notification of a beneficial interest is received. Conditional promises to give are not recognized until the conditions on which they depend have been substantially met or the donor has explicitly released the restriction.

Accounts receivable
Accounts receivable represent consideration from state and local government agencies, of which the organization has an unconditional right to receive. Accounts receivable are stated at the amount management expects to be collected from the outstanding balance. As of December 31, 2019, the allowance for doubtful accounts was $5,000.

Use of 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.

Cash
For the purposes of the statement of cash flows, the Organization considers all unrestricted highly liquid investments with a maturity of three months or less when acquired to be cash.

Prepaid expenses
Insurance and similar services which extend benefits over more than one accounting period have been recorded as prepaid.

Property and equipment
Property and equipment are stated at cost less accumulated depreciation. Depreciation is calculated on the straight-line basis over the estimated useful life of the assets ranging from 5 to 10 years. Costs of major additions and improvements are capitalized. Expenditures for maintenance and repairs are charged to expense as incurred.

When property is retired or otherwise disposed of, the accounts are relieved of the applicable cost and accumulated depreciation, and any resulting gain or loss is reflected in operations.

Income tax status
The Organization is exempt from federal income taxes under Section 501(c)(4) of the Internal Revenue Code. Accordingly, no provision for income taxes has been included in the financial statements.

A: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

The Organization accounts for income taxes in accordance with the income tax accounting guidance included in the FASB ASC. Under this guidance, the Organization may recognize the tax effects from an uncertain tax position only if it is more likely than not that the tax position will be sustained upon examination by tax authorities. The Organization has evaluated its position regarding the accounting for uncertain tax positions and does not believe that it has any material uncertain tax positions.

Functional allocation of expenses
The costs of providing the various programs and activities have been summarized on a functional basis in the statement of functional expenses. Accordingly, certain costs are charged specifically to a program or function and the remaining costs are allocated among programs, management, and fund raising. Salaries and wages, related payroll taxes, and benefit allocations are determined by management on an equitable basis based on time and effort.

Change in Accounting Principles
In June 2018, the FASB issued Accounting Standards Update (ASU) No. 2018-08, *Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made*, which clarifies and improves the scope and accounting guidance around contributions received and made by not-for-profit organizations. The Organization adopted ASU 2018-08 using a modified prospective method effective January 1, 2019. Under the modified prospective method, this ASU only applies to agreements not completed or entered into as of January 1, 2019. As a result, the 2018 financial statements are not restated and there was no cumulative-effect adjustment to opening net assets as of January 1, 2019. There were no material changes to the recognition of contribution revenue during 2019.

In May 2014, the FASB issued ASU No. 2014-09, (Topic 606) R*evenue from Contracts with Customers*. This ASU is a comprehensive new revenue recognition model that requires an organization to recognize revenue to depict the transfer of goods or services to a customer at an amount that reflects the consideration it expects to receive in exchange for those goods and services. Additional disclosure is required to enable users of financial statements to understand the nature, amount, timing, and uncertainty of revenue and cash flows arising from contracts with customers. This standard was adopted by the Organization effective January 1, 2019 using the full retrospective method. The adoption of this standard did not have a material impact on the Organization's financial statements. All of the Organization's contract revenues consist of a single performance obligation to transfer promised goods or services.

B: CONCENTRATION OF REVENUE

The Organization receives a significant portion of its funds provided through government grants and contracts. Thus, its funding is vulnerable to changes in the legislative priorities of federal, state, and local governments.

C: CONCENTRATION OF CREDIT RISK

The Organization maintains deposits in a local financial institution with balances at times that may exceed the $250,000 federal insurance provided by the Federal Deposit Insurance Corporation. Management believes the credit risk associated with these deposits is minimal.

D: NON-CASH INVESTING AND FINANCING ACTIVITIES

There were no non-cash investing and financing activities in 2019.

E: PROPERTY AND EQUIPMENT

The following is a summary of property and equipment at cost, less accumulated depreciation:

	2019
Furniture and equipment	$ 38,870
Less accumulated depreciation	(23,076)
	$ 15,794

Depreciation expense was $4,998 for the year ended December 31, 2019.

F: LIQUIDITY

As of December 31, 2019, the Organization had $68,949 of financial assets available within one year of the statement of net position date consisting of cash and receivables. None of the financial assets are subject to donor or other contractual restrictions that make them unavailable for general expenditure within one year of the statement of position date.

G: LEASE COMMITTMENTS

The Organization leases office space under an agreement that is classified as an operating lease. This lease provided monthly rent of $1,675 and expired November 30, 2019, with options to renew the lease contract every three years for the next six years. The lease was renewed on December 1, 2019, extending the term thru November 30, 2022 with monthly rent of $1,708. The Organization also leases storage space under agreements that are classified as operating leases. The leases are month-to-month and provides for monthly rent of $551.

Lease expense under these agreements was $26,765 for the year ended December 31, 2019.

G: LEASE COMMITMENTS *(Continued)*

Future minimum lease payments required under the operating leases are as follows:

2020	$	20,496
2021		20,496
2022		18,788
	$	59,780

H: SUBSEQUENT EVENTS

Subsequent events were evaluated through June 26, 2020, which is the date the financial statements were available to be issued. As a result of the spread of the COVID-19 coronavirus, economic uncertainties have arisen that could negatively impact contributions and operating results. At this point, the extent to which COVID-19 may impact the financial conditions or results of operations is uncertain.

SUPPLEMENTARY INFORMATION

THE SAFETY PLACE
SCHEDULE OF COMPENSATION, BENEFITS, AND OTHER PAYMENTS TO AGENCY HEAD

For the Year Ended December 31, 2019
(See Independent Accountant's Compilation Report)

Agency Head Name: Crystal Pichon, Executive Director

Purpose:		Amount
Salary	$	70,000
Benefits - insurance		6,780