

**WEAVE Inc.**

**Financial Statements  
(With Supplementary Information),  
Schedule of Expenditures of Federal Awards,  
Internal Control and Compliance  
and Independent Auditor's Reports**

**September 30, 2020 and 2019**

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**WEAVE Inc.**

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## Independent Auditor's Report

To the Board of Directors  
WEAVE Inc.

### Report on the Financial Statements

We have audited the accompanying financial statements of WEAVE Inc., (a nonprofit organization) which comprise the statements of financial position as of September 30, 2020 and 2019, and the related statements of activities and changes in net assets, functional expenses and cash flows for the periods 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 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 WEAVE Inc. as of September 30, 2020 and 2019, and the changes in its net assets and its cash flows for the periods then ended in accordance with accounting principles generally accepted in the United States of America.

*Other Matters**Other Information*

Our audits were conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying Schedule of Expenditures of Federal Awards as required by Title 2 U.S. Code of Federal Regulations ("CFR") Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, is presented for purposes of additional analysis and is not a required part of the financial statements. The accompanying Schedule of Expenditures for the California Emergency Management Agency (Criminal Justice Programs) ("CalEMA") for the year ended September 30, 2020 on page 33, is presented for purposes of additional analysis as required by CalEMA, and is also 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 19, 2021, on our consideration of WEAVE Inc.'s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of WEAVE Inc.'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 WEAVE Inc.'s internal control over financial reporting and compliance.



Sacramento, California  
February 19, 2021

**WEAVE Inc.**

**Statements of Financial Position  
September 30, 2020 and 2019**

Assets

	<u>2020</u>	<u>2019</u>
Current assets		
Cash and cash equivalents	\$ 2,054,790	\$ 580,095
Grants receivable	1,608,719	1,497,793
Inventories	181,087	181,438
Prepaid expenses	<u>86,371</u>	<u>56,551</u>
Total current assets	<u>3,930,967</u>	<u>2,315,877</u>
Noncurrent assets		
Investments	1,252,624	1,193,599
Property and equipment, net	4,571,095	4,618,578
Deposits	8,777	17,322
Charitable remainder trust assets	<u>394,601</u>	<u>397,793</u>
Total noncurrent assets	<u>6,227,097</u>	<u>6,227,292</u>
Total assets	<u><u>\$ 10,158,064</u></u>	<u><u>\$ 8,543,169</u></u>

Liabilities and Net Assets

Current liabilities		
Accounts payable	\$ 158,499	\$ 185,606
Accrued liabilities	850,154	373,499
Unearned grant revenue	800,181	393,996
Current portion of long-term debt	<u>96,680</u>	<u>92,217</u>
Total current liabilities	<u>1,905,514</u>	<u>1,045,318</u>
Noncurrent liabilities		
Long-term debt, net of current portion	2,917,892	3,014,642
Deferred interest payable	<u>463,726</u>	<u>403,726</u>
Total liabilities	<u>5,287,132</u>	<u>4,463,686</u>
Commitments and contingencies		
Net assets		
Without donor restrictions	4,170,821	3,485,555
With donor restrictions	<u>700,111</u>	<u>593,928</u>
Total net assets	<u>4,870,932</u>	<u>4,079,483</u>
Total liabilities and net assets	<u><u>\$ 10,158,064</u></u>	<u><u>\$ 8,543,169</u></u>

See Notes to Financial Statements.

**WEAVE Inc.**

**Statements of Activities and Changes in Net Assets  
Year Ended September 30, 2020**

	Without Donor Restrictions	With Donor Restrictions	Total
Revenues			
Government grants	\$ 5,324,835	\$ -	\$ 5,324,835
Contributions	1,604,863	509,201	2,114,064
Thrift store income including in-kind contributions, net of cost of sales	821,727	-	821,727
Interest and investment income	93,482	-	93,482
Service fees	393,196	-	393,196
Other income	924,537	-	924,537
Change in value of charitable remainder trust assets	-	(3,192)	(3,192)
Net assets released from restriction	399,826	(399,826)	-
Total revenues	9,562,466	106,183	9,668,649
Expenses			
Intervention programs			
Domestic violence services	1,724,352	-	1,724,352
Sexual assault services	1,231,363	-	1,231,363
Legal services	634,303	-	634,303
Victims of trafficking services	503,490	-	503,490
Residential services	1,757,485	-	1,757,485
Other programs			
Prevention services	772,797	-	772,797
Community education	49,263	-	49,263
Total program services	6,673,053		6,673,053
Supporting services			
Thrift stores	972,144	-	972,144
Fund development	704,723	-	704,723
Management and general	527,280	-	527,280
Total expenses	8,877,200	-	8,877,200
Increase in net assets	685,266	106,183	791,449
Net assets, beginning of year	3,485,555	593,928	4,079,483
Net assets, end of year	\$ 4,170,821	\$ 700,111	\$ 4,870,932

**WEAVE Inc.**

**Statements of Activities and Changes in Net Assets  
Period Ended September 30, 2019**

	Without Donor Restrictions	With Donor Restrictions	Total
Revenues			
Government grants	\$ 6,230,480	\$ -	\$ 6,230,480
Contributions	1,818,406	502,375	2,320,781
Thrift store income including in-kind contributions, net of cost of sales	1,350,680	-	1,350,680
Interest and investment income	102,588	-	102,588
Service fees	502,962	-	502,962
Other income	30,503	-	30,503
Gain on forgiveness of debt and accrued interest	1,300,000		1,300,000
Change in value of charitable remainder trust assets	-	1,363	1,363
Net assets released from restriction	436,124	(436,124)	-
Total revenues	<u>11,771,743</u>	<u>67,614</u>	<u>11,839,357</u>
Expenses			
Intervention programs			
Domestic violence services	1,524,776	-	1,524,776
Sexual assault services	1,585,229	-	1,585,229
Legal services	777,697	-	777,697
Victims of trafficking services	652,180	-	652,180
Residential services	1,963,453	-	1,963,453
Other programs			
Prevention services	617,495	-	617,495
Community education	3,612	-	3,612
Total program services	<u>7,124,442</u>	<u>-</u>	<u>7,124,442</u>
Supporting services			
Thrift stores	1,460,510	-	1,460,510
Fund development	913,455	-	913,455
Management and general	510,562	-	510,562
Total expenses	<u>10,008,969</u>	<u>-</u>	<u>10,008,969</u>
Increase in net assets	1,762,774	67,614	1,830,388
Net assets, beginning of year	<u>1,722,781</u>	<u>526,314</u>	<u>2,249,095</u>
Net assets, end of year	<u><u>\$ 3,485,555</u></u>	<u><u>\$ 593,928</u></u>	<u><u>\$ 4,079,483</u></u>

See Notes to Financial Statements.

**WEAVE Inc.**

**Statements of Functional Expenses  
Year Ended September 30, 2020**

	Intervention Programs					Other Programs		Total Program Services	Supporting Services			Total
	Domestic Violence Services	Sexual Assault Services	Legal Services	Victims of Trafficking Services	Residential Services	Prevention Services	Community Education		Thrift Stores	Fund Development	Management and General	
Personnel	\$ 1,321,407	\$ 840,422	\$ 525,439	\$ 347,434	\$ 914,465	\$ 512,450	\$ -	\$ 4,461,617	\$ 663,688	\$ 355,722	\$ 436,778	\$ 5,917,805
Cost of sales	-	-	-	-	-	-	-	-	822,312	-	-	822,312
Occupancy	129,404	44,191	21,360	15,546	99,176	36,007	14	345,698	189,480	15,392	17,640	568,210
Professional services	36,245	116,490	15,196	13,502	129,159	30,580	24,000	365,172	20,060	97,725	12,642	495,599
Depreciation	27,832	15,904	7,157	-	202,903	15,904	-	269,700	18,748	2,386	10,338	301,172
Interest expense	17,176	9,815	4,417	-	60,000	9,815	-	101,223	-	1,472	6,380	109,075
Telecommunications	28,042	21,826	8,392	10,757	25,119	10,458	-	104,594	11,470	7,522	2,795	126,381
Business insurance and taxes	4,604	6,870	5,528	3,752	11,304	2,355	-	34,413	13,211	639	3,363	51,626
Supplies and materials	5,448	45,523	6,936	17,643	36,523	16,044	323	128,440	10,497	1,079	3,441	143,457
Printing and photocopying	6,354	3,525	761	168	6,339	11,845	47	29,039	133	3,804	259	33,235
Furniture and equipment	55,160	23,001	10,743	478	36,082	31,121	-	156,585	799	5,509	14,418	177,311
Travel	4,011	5,102	2,404	3,073	3,565	3,988	48	22,191	3,710	2,181	348	28,430
Public relations	54	42	21	10	32	43,321	11,401	54,881	-	122	29	55,032
Computer hardware/software	46,158	14,483	10,922	8,262	39,096	22,776	8,226	149,923	3,041	11,924	8,328	173,216
Merchant credit card fees	2,951	2,270	1,136	568	1,701	1,285	-	9,911	20,467	8,202	1,589	40,169
Meetings and events	2,758	2,201	1,043	576	1,634	1,176	-	9,388	216	10,147	1,461	21,212
Postage and delivery	605	362	2,004	140	336	228	-	3,675	654	5,606	89	10,024
Volunteer and employee appreciation	2,727	2,087	1,028	616	1,790	1,063	-	9,311	-	286	1,440	11,037
Client emergency expenses	7,811	35,987	349	68,308	178,685	1,435	-	292,575	9,029	5,569	-	307,173
Membership dues and subscriptions	7,647	4,269	4,416	2,035	1,040	16,348	4,629	40,384	5,661	8,088	1,113	55,246
Seminar fees and related travel	9,083	17,351	1,954	9,073	3,819	1,501	25	42,806	312	714	493	44,325
Board expense	88	68	34	17	51	34	-	292	-	-	47	339
Outreach	6	13,452	2	1	5	2	550	14,018	968	160,634	3	175,623
Recruitment	8,456	6,120	3,060	1,530	4,659	3,060	-	26,885	-	-	4,284	31,169
Bad debt expense	325	2	1	1	2	1	-	332	-	-	2	334
<b>Total functional expenses</b>	<b>1,724,352</b>	<b>1,231,363</b>	<b>634,303</b>	<b>503,490</b>	<b>1,757,485</b>	<b>772,797</b>	<b>49,263</b>	<b>6,673,053</b>	<b>1,794,456</b>	<b>704,723</b>	<b>527,280</b>	<b>9,699,512</b>
Less cost of sales offset against thrift store income on the statement of activities and changes in net assets	-	-	-	-	-	-	-	-	(822,312)	-	-	(822,312)
<b>Total expenses on the statement of activities</b>	<b>\$ 1,724,352</b>	<b>\$ 1,231,363</b>	<b>\$ 634,303</b>	<b>\$ 503,490</b>	<b>\$ 1,757,485</b>	<b>\$ 772,797</b>	<b>\$ 49,263</b>	<b>\$ 6,673,053</b>	<b>\$ 972,144</b>	<b>\$ 704,723</b>	<b>\$ 527,280</b>	<b>\$ 8,877,200</b>

**WEAVE Inc.**

**Statements of Functional Expenses  
Period Ended September 30, 2019**

	Intervention Programs					Other Programs		Total Program Services	Supporting Services			Total
	Domestic Violence Services	Sexual Assault Services	Legal Services	Victims of Trafficking Services	Residential Services	Prevention Services	Community Education		Thrift Stores	Fund Development	Management and General	
Personnel	\$ 1,285,218	\$ 1,139,861	\$ 637,081	\$ 405,775	\$ 974,329	\$ 428,673	\$ -	\$ 4,870,937	\$ 1,019,648	\$ 375,195	\$ 443,160	\$ 6,708,940
Cost of sales	-	-	-	-	-	-	-	-	1,350,642	-	-	1,350,642
Occupancy	33,953	57,869	13,742	23,496	201,613	9,526	-	340,199	224,043	9,059	2,005	575,306
Professional services	25,510	64,489	29,385	11,261	151,339	23,909	-	305,893	14,685	109,219	12,810	442,607
Depreciation	29,762	29,939	7,496	2,998	236,401	9,549	-	316,145	26,884	4,710	7,616	355,355
Interest expense	23,581	13,495	6,748	19	107,558	10,102	-	161,503	-	3,354	11,230	176,087
Telecommunications	38,657	46,650	16,468	16,825	35,385	13,580	-	167,565	37,061	10,951	3,818	219,395
Business insurance and taxes	5,044	9,695	6,802	4,907	12,666	1,906	-	41,020	17,938	821	2,121	61,900
Supplies and materials	12,379	56,751	14,122	27,341	42,354	62,187	47	215,181	14,457	46,398	2,567	278,603
Printing and photocopying	9,731	8,667	2,478	1,012	4,692	5,212	9	31,801	2,820	9,422	652	44,695
Furniture and equipment	5,787	4,674	5,407	6,040	10,978	5,759	-	38,645	1,079	5,564	4,367	49,655
Travel	3,400	20,001	5,048	12,408	10,061	9,277	118	60,313	7,810	2,640	1,158	71,921
Public relations	413	318	159	79	632	159	394	2,154	26	9,388	222	11,790
Computer hardware/software	22,625	20,049	8,759	8,833	9,427	7,423	1,584	78,700	3,475	1,739	5,304	89,218
Merchant credit card fees	1,110	854	427	213	679	427	-	3,710	33,183	18,158	618	55,669
Meetings and events	4,177	4,064	1,644	1,156	3,297	1,786	-	16,124	2,603	88,550	2,302	109,579
Postage and delivery	578	507	3,666	159	385	420	-	5,715	366	6,599	466	13,146
Volunteer and employee appreciation	2,916	2,463	1,108	639	1,542	1,460	-	10,128	-	145	1,559	11,832
Client emergency expenses	-	47,040	2,319	114,596	141,784	-	-	305,739	37,641	-	-	343,380
Membership dues and subscriptions	2,542	2,162	2,538	572	2,100	1,076	610	11,600	661	15,610	1,048	28,919
Seminar fees and related travel	12,242	51,615	10,319	12,513	13,259	22,213	-	122,161	5,374	3,460	4,765	135,760
Board expense	221	170	85	43	128	85	-	732	121	48	119	1,020
Outreach	-	104	-	347	-	870	850	2,171	10,635	192,425	-	205,231
Recruitment	4,930	3,792	1,896	948	2,844	1,896	-	16,306	-	-	2,655	18,961
Bad debt expense	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total functional expenses</b>	<b>1,524,776</b>	<b>1,585,229</b>	<b>777,697</b>	<b>652,180</b>	<b>1,963,453</b>	<b>617,495</b>	<b>3,612</b>	<b>7,124,442</b>	<b>2,811,152</b>	<b>913,455</b>	<b>510,562</b>	<b>11,359,611</b>
Less cost of sales offset against thrift store income on the statement of activities and changes in net assets	-	-	-	-	-	-	-	-	(1,350,642)	-	-	(1,350,642)
<b>Total expenses on the statement of activities</b>	<b>\$ 1,524,776</b>	<b>\$ 1,585,229</b>	<b>\$ 777,697</b>	<b>\$ 652,180</b>	<b>\$ 1,963,453</b>	<b>\$ 617,495</b>	<b>\$ 3,612</b>	<b>\$ 7,124,442</b>	<b>\$ 1,460,510</b>	<b>\$ 913,455</b>	<b>\$ 510,562</b>	<b>\$ 10,008,969</b>

See Notes to Financial Statements.

**WEAVE Inc.**

**Statements of Cash Flows**  
**Year Ended September 30, 2020 and**  
**Period Ended September 30, 2019**

	<u>2020</u>	<u>2019</u>
Cash flows from operating activities		
Change in net assets	\$ 791,449	\$ 1,830,388
Reconciliation of change in net assets to net cash provided by operating activities		
Net realized and unrealized gain on investments	(79,040)	(84,548)
Depreciation	301,172	355,355
Change in charitable remainder trust asset value	3,192	(1,363)
Gain on forgiveness of debt and accrued interest	-	(1,300,000)
Changes in		
Accounts receivable	(110,926)	(831,627)
Inventories	351	14,494
Prepaid expenses	(29,820)	4,650
Deposits	8,545	(4,482)
Accounts payable	14,643	53,183
Accrued liabilities	476,655	103,852
Unearned grant revenue	406,185	393,996
Accrued interest	60,000	107,500
Net cash provided by operating activities	<u>1,842,406</u>	<u>641,398</u>
Cash flows from investing activities		
Purchases of investments	(792,572)	(415,835)
Proceeds from sale of investments	812,587	122,809
Purchases of property and equipment	<u>(295,439)</u>	<u>(287,841)</u>
Net cash used in investing activities	<u>(275,424)</u>	<u>(580,867)</u>
Cash flows from financing activities		
Principal payments on long-term debt	<u>(92,287)</u>	<u>(109,618)</u>
Net cash used in financing activities	<u>(92,287)</u>	<u>(109,618)</u>
Net increase (decrease) in cash and cash equivalents	1,474,695	(49,087)
Cash and cash equivalents, beginning of year	<u>580,095</u>	<u>629,182</u>
Cash and cash equivalents, end of year	<u><u>\$ 2,054,790</u></u>	<u><u>\$ 580,095</u></u>
Supplemental cash flow information		
Cash paid for interest	<u><u>\$ 49,075</u></u>	<u><u>\$ 68,587</u></u>
Significant noncash investing activities		
Purchases of property and equipment included in accounts payable	<u><u>\$ -</u></u>	<u><u>\$ 41,750</u></u>

See Notes to Financial Statements.

## **WEAVE Inc.**

### **Notes to Financial Statements September 30, 2020 and 2019**

#### **Note 1 - Organization and nature of operations**

WEAVE Inc. ("WEAVE") is a nonprofit corporation established in 1978 to build a community that does not tolerate sexual assault, domestic violence and sex trafficking and provides survivors with the support they need to be safe and thrive. WEAVE's vision is a community free of violence and abuse. WEAVE's programs and services include the following:

##### **24-hour Support and Information Line**

WEAVE operates a 24-hour Support and Information Line to provide support and referrals to victims of domestic violence, sexual assault, sex trafficking and their families/friends as well as screen victims for entry into the Safehouse program. During the year ended September 30, 2020, WEAVE answered 10,530 calls on the 24-hour Support and Information Line.

##### **Domestic violence services**

WEAVE provides crisis intervention, therapeutic counseling, advocacy, and supportive services to domestic violence victims through its 24-hour Support and Information Line and counseling programs. A total of 493 domestic violence victims received individual counseling, 259 victims received group counseling and 611 domestic violence victims were triaged for crisis related services during the year ended September 30, 2020.

##### **Residential services**

Shelter is provided at two WEAVE locations, the Residential Campus and Open House. The three-acre Residential Campus is a secure, confidential site that includes an 18 suite Safehouse where families stay in private rooms spread over three wings with shared bathrooms, kitchens and living spaces. The campus also features six cottages including five two-bedroom, two-bathroom units and one ADA compliant unit with two bedrooms and one bathroom. The cottages are flexible in design. Each cottage can accommodate multiple single women and smaller families or one large family. The cottages offer more space and privacy and are used to accommodate victims who remain in the program for longer lengths of stay. In all, WEAVE's Residential Campus can accommodate up to 101 victims with a housing situation and level of support that is right for them and meets their needs. WEAVE also operates the Open House facility which features seven one-bedroom apartments to respond to survivors who may not be comfortable or appropriately served on the Residential Campus. In the year ended September 30, 2020, WEAVE's residential program provided 20,036 bed nights of safe shelter to 94 adults and 73 children.

##### **Sexual assault services**

WEAVE offers therapeutic counseling services to sexual assault victims and operates a 24-hour Sexual Assault Response Team ("SART"). The SART team dispatches a trained advocate to the hospital to provide support to every sexual assault victim undergoing an evidentiary examination. During the year ended September 30, 2020, WEAVE's SART team responded to 255 victims and WEAVE's counseling program provided individual counseling to 127 sexual assault victims.

##### **Youth prevention education services**

WEAVE works with youth to provide a range of educational programs designed to challenge attitudes of gender, masculinity/femininity, and to help youth understand healthy relationships and indicators of abusive relationships. During the year ended September 30, 2020, WEAVE impacted more than 3,922 youth through 181 presentations, campus-wide events and trainings.

##### **Legal services**

WEAVE Legal offers free and accessible legal services through a Legal Director, who is a family law attorney, staff attorneys and legal advocates who provide consultation, limited scope and full

## **WEAVE Inc.**

### **Notes to Financial Statements September 30, 2020 and 2019**

representation to individuals who have experienced domestic violence, sexual assault, and sex trafficking. During the year ended September 30, 2020, WEAVE Legal provided legal services to 769 victims, including assistance with protection orders, family court issues, and referrals to outside agencies.

#### **Community education**

WEAVE builds awareness through community outreach, presentations, and proactive media engagement to inform the community of the impact of domestic violence and sexual assault. During the year ended September 30, 2020, WEAVE reached more than 6,300 adults through 533 educational presentations, community and/or campus-wide events.

#### **Victims of sex trafficking services**

WEAVE provides community outreach activities to raise awareness regarding sex trafficking in the region. Additionally, WEAVE provides supportive services to adult and child victims of sex trafficking, including Commercially Sexually Exploited Children ("CSEC") that includes crisis intervention and stabilization, case management and advocacy. WEAVE provided services to 304 victims of sex trafficking, this includes 55 CSEC clients and 249 adult victims between October 1, 2019 and September 30, 2020.

WEAVE operates the only 24/7 Anti-Trafficking Response Team ("ART") supporting child and adult victims of sex trafficking in Sacramento County.

During fiscal year 2019, WEAVE's management and Board of Directors elected to change the fiscal year end for the Organization from June 30 to September 30. The amounts reported for fiscal year 2019 include 15 months of operations from July 1, 2018 through September 30, 2019; whereas the amounts reported for fiscal year 2020 include 12 months of operations from October 1, 2019 through September 30, 2020.

### **Note 2 - Summary of significant accounting policies**

#### **Accounting method**

WEAVE uses the accrual method of accounting which recognizes income in the period earned and expenses when incurred, regardless of the timing of payments.

#### **Basis of presentation**

The financial statements are presented in accordance with accounting principles generally accepted in the United States of America ("GAAP"), which require WEAVE to report information regarding its financial position and activities according to the following net asset classifications:

##### **Net assets without donor restrictions**

Net assets without donor restrictions consist of all resources of WEAVE that have not been specifically restricted by a donor.

##### **Net assets with donor restrictions**

Net assets with donor restrictions consist of cash received or other assets with donor stipulations that limit their use. Donor restrictions are stipulated by either a time restriction or a purpose restriction. Upon expiration of a time restriction or completion of a purpose restriction, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statements of activities as net assets released from restriction.

## **WEAVE Inc.**

### **Notes to Financial Statements September 30, 2020 and 2019**

#### **Cash and cash equivalents**

For financial statement purposes, WEAVE considers all investments with a maturity at purchase of three months or less to be cash equivalents.

#### **Accounts receivable**

Accounts receivable are reported net of an allowance for doubtful accounts. Management's estimate of the allowance is based on historical collection experience and a review of the current status of accounts receivable. It is reasonably possible that management's estimate of the allowance will change. As of September 30, 2020 and 2019, there is no allowance for doubtful accounts.

#### **Inventories**

Inventories consist primarily of donated thrift store goods and are stated at estimated market value at time of donation.

#### **Investments**

Investments are stated at fair value based on quoted market prices or set interest rates. Investments are intended to be held long-term.

#### **Property and equipment**

Property and equipment are stated at cost or, if donated, at fair market value as of the date of donation and depreciated using the straight-line method over estimated useful lives of five to 30 years. WEAVE capitalizes all expenditures of property and equipment in excess of \$5,000.

#### **Impairment of long-lived assets**

WEAVE reviews its property and equipment for impairment whenever events or changes in circumstances indicate that the carrying value of an asset may not be recoverable. If the fair value is less than the carrying amount of the asset, an impairment loss is recognized for the difference. No impairment losses have been recognized during the year ended September 30, 2020 and the period ended September 30, 2019.

#### **Unearned grant revenue**

During the year ended September 30, 2020 and the period ended September 30, 2019, WEAVE received grant proceeds from various funding sources which are subject to certain conditions as described in the grant agreements. Due to the uncertainty of meeting those conditions and the qualifying costs having not been incurred, WEAVE has deferred recognition of the funds until those conditions have been met. As of September 30, 2020 and 2019, \$800,181 and \$393,996, respectively, is included in unearned grant revenue on the statements of financial position.

#### **Revenue recognition**

Contributions, including fundraiser proceeds and private foundation grants, are recognized in full when received or unconditionally promised, in accordance with ASC 958-605, *Not-for-Profit Entities - Revenue Recognition*. Conditional promises to give, that is, those with a measurable performance or other barrier, and a right of return, are not recognized until the conditions on which they depend have been substantially met. Donated goods and services, including thrift store contributions, are recorded at their estimated fair market value.

Contributions accompanied by donor restrictions are initially reported as increases in net assets with donor restriction. When a restriction expires (generally, as payments are made to fulfill the donor-imposed purpose of the contribution), net assets with donor restriction are reclassified to net

## **WEAVE Inc.**

### **Notes to Financial Statements September 30, 2020 and 2019**

assets without donor restriction and reported in the statements of activities as net assets released from restrictions.

A portion of WEAVE's revenue is derived from cost-reimbursable federal and state contracts and grants, which are conditioned upon certain performance requirements and/or the incurrence of allowable qualifying expenses. Amounts received are recognized as revenue when the Organization has incurred expenditures in compliance with specific contract or grant provisions. Amounts received prior to incurring qualifying expenditures are reported as refundable advances in the statements of financial position. No amounts have been received in advance under our federal and state contracts and grants.

Thrift store revenue and service fee revenue are accounted for as contracts with customers. Under the guidance for contracts with customers, an entity is required to (a) identify the contract(s) with a customer, (b) identify the performance obligations in the contract, (c) determine the transaction price, (d) allocate the transaction price to the performance obligations in the contract, and (e) recognize revenue when (or as) the entity satisfies a performance obligation. In determining the transaction price, an entity may include variable considerations only to the extent that it is probable that a significant reversal in the amount of cumulative revenue recognized would not occur when the uncertainty associated with the variable consideration is resolved.

Thrift store revenue is recognized at the time of sale. Service fee revenue is recognized as the services are performed.

#### **Income taxes**

WEAVE has applied for and received a determination letter from the Internal Revenue Service ("IRS") to be treated as a tax exempt entity pursuant to Section 501(c)(3) of the Internal Revenue Code and did not have any unrelated business income for the year ended September 30, 2020 and the period ended September 30, 2019. Due to its tax exempt status, WEAVE is not subject to income taxes. WEAVE is required to file tax returns with the IRS and other taxing authorities. Accordingly, these financial statements do not reflect a provision for income taxes and the organization has no other tax positions which must be considered for disclosure. WEAVE is subject to routine audits by taxing jurisdictions; however, there are currently no audits for any tax periods in progress. Management believes it is no longer subject to income tax examinations for years prior to 2017.

#### **Functional allocation of expenses**

Expenses have been summarized on a functional basis in the statements of functional expenses. Accordingly, certain costs have been allocated between the functional areas based on management estimates of employees' time incurred and on resource usage.

#### **Use of estimates**

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America require management to make estimates and assumptions that affect certain 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. Accordingly, actual results could differ from those estimates.

#### **New accounting pronouncements**

In June 2018, FASB issued ASU 2018-08, *Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made* ("ASU 2018-08"). This standard assists entities in evaluating whether transactions should be accounted for as contributions or exchange transactions

**WEAVE Inc.**

**Notes to Financial Statements  
September 30, 2020 and 2019**

and determining whether a contribution is conditional. The Organization has implemented the provisions of ASU 2018-08 applicable to both contributions received and to contributions made in the accompanying financial statements under a retrospective basis. Accordingly, there is no effect on net assets in connection with the implementation of ASU 2018-08.

In May 2014, the FASB issued Accounting Standards Update 2014-09, *Revenue from Contracts with Customers* ("ASU 2014-09"), as amended by subsequent Accounting Standard Updates, collectively Codification Topic 606 ("ASC 606"). The Organization adopted ASC 606 as amended as management believes the standard improves the usefulness and understandability of the Organization's financial reporting. Analysis of various provisions of this standard resulted in no significant changes in the way the Organization recognizes revenue, and therefore no changes to the previously issued audited financial statements were required on a retrospective basis. The presentation and disclosures of revenue have been enhanced in accordance with the standard.

**Note 3 - Grants receivable**

Grants receivable consist of the following at September 30:

	<u>2020</u>	<u>2019</u>
Government grants	\$ 1,600,411	\$ 1,465,878
Other services	<u>8,308</u>	<u>31,915</u>
Total	<u>\$ 1,608,719</u>	<u>\$ 1,497,793</u>

**Note 4 - Investments**

Investments recorded at fair value consist of the following at September 30:

	<u>2020</u>	<u>2019</u>
Sacramento Region Community Foundation	\$ 8,566	\$ 8,124
Corporate bonds	431,308	449,556
Equity securities	<u>812,750</u>	<u>735,919</u>
Total	<u>\$ 1,252,624</u>	<u>\$ 1,193,599</u>

**WEAVE Inc.**

**Notes to Financial Statements  
September 30, 2020 and 2019**

**Note 5 - Property and equipment, net**

Property and equipment consist of the following as of September 30:

	2020	2019
Land	\$ 435,000	\$ 435,000
Buildings and improvements	6,833,273	6,631,282
Furniture and equipment	361,776	356,069
Vehicles	194,023	148,031
	<u>7,824,072</u>	<u>7,570,382</u>
Less accumulated depreciation	<u>(3,252,977)</u>	<u>(2,951,804)</u>
Property and equipment, net	<u><u>\$ 4,571,095</u></u>	<u><u>\$ 4,618,578</u></u>

**Note 6 - Charitable remainder trust assets**

Charitable remainder trust assets reflect the estimated fair value of an irrevocable charitable trust, held by a third-party trustee, for which WEAVE is a remainder beneficiary. The trust agreement provides payments to designated lead beneficiaries equaling the lesser of 5% of trust net assets or total trust net income, with catch-up provisions. After the trust's specified term, WEAVE's share of the remainder of trust net assets will be distributed. The net present value of these assets was determined using an investment return consistent with the composition of the asset portfolio, life expectancies of the lead beneficiaries, and a discount rate of 2.2% at September 30, 2019. The value as of September 30, 2020 was determined based on the actual payout received in October 2020. The donors did not impose any purpose restrictions on WEAVE's use of the funds when eventually received. The trust and its significant terms are as follows as of September 30:

	2020	2019	Difference
Hansen CRT-10% remainder interest in a unitrust established in 2000; term is the lesser of 20 years from establishment (2020) or the lives of both lead beneficiaries; term is assumed to be 20 years, based on actuarial estimates.	<u>\$ 394,601</u>	<u>\$ 397,793</u>	<u>\$ 3,192</u>

**Note 7 - Fair value measurements and disclosures**

WEAVE measures the fair value of its investments and charitable remainder trust assets on a recurring basis in the financial statements. The following summarizes the three levels of inputs and hierarchy of fair value WEAVE uses when measuring fair value:

- Level 1 inputs utilize quoted prices (unadjusted) in active markets for identical assets or liabilities that WEAVE has the ability to access;

**WEAVE Inc.**

**Notes to Financial Statements  
September 30, 2020 and 2019**

- Level 2 inputs may include quoted prices for similar assets and liabilities in active markets, as well as interest rates and yield curves that are observable at commonly quoted intervals; and
- Level 3 inputs are unobservable inputs for the asset or liability that are typically based on an entity's own assumptions as there is little, if any, related market activity.

In instances where the determination of the fair value measurement is based on inputs from different levels of the fair value hierarchy, the fair value measurement will fall within the lowest level input that is significant to the fair value measurement in its entirety.

WEAVE's assets subject to fair value measurements and disclosures are classified as follows:

September 30, 2020				
	Level 1	Level 2	Level 3	Total
Stocks	\$ 725,352	\$ -	\$ -	\$ 725,352
Mutual funds	95,964	-	-	95,964
Corporate bonds	-	431,308	-	431,308
Charitable remainder interests from third parties	-	-	394,601	394,601
Total	<u>\$ 821,316</u>	<u>\$ 431,308</u>	<u>\$ 394,601</u>	<u>\$ 1,647,225</u>

  

September 30, 2019				
	Level 1	Level 2	Level 3	Total
Stocks	\$ 638,410	\$ -	\$ -	\$ 638,410
Mutual funds	105,633	-	-	105,633
Corporate bonds	-	449,556	-	449,556
Charitable remainder interests from third parties	-	-	397,793	397,793
Total	<u>\$ 744,043</u>	<u>\$ 449,556</u>	<u>\$ 397,793</u>	<u>\$ 1,591,392</u>

WEAVE's charitable remainder interest receivable from a third party is classified within Level 3 of the hierarchy because determination of the present value of future cash flows is based on little or no market data and requires management to develop their own assumptions.

**WEAVE Inc.**

**Notes to Financial Statements  
September 30, 2020 and 2019**

Changes in the Level 3 charitable remainder interest for the fiscal year end consist of the following:

	<u>2020</u>	<u>2019</u>
Beginning of period	\$ 397,793	\$ 396,430
Unrealized increase (decrease) in fair value	<u>(3,192)</u>	<u>1,363</u>
End of period	<u><u>\$ 394,601</u></u>	<u><u>\$ 397,793</u></u>

**Note 8 - Long-term debt**

Long-term debt consists of the following at September 30:

	<u>2020</u>	<u>2019</u>
Fixed-rate mortgage payable, secured by the 1900 K Street building, payable in \$11,980 monthly installments including interest at 4.53% per annum, maturing June 18, 2029. For the year ended September 30, 2020 and the period ended September 30, 2019, interest expense was \$49,075 and \$67,085, respectively.	\$ 1,015,247	\$ 1,107,534
Mortgage note payable to EHAP, secured by the Open House Emergency Shelter, with simple interest of 3% per annum. No monthly payments through maturity in November 1, 2025, at which time all outstanding principal and accrued interest will be forgiven provided that WEAVE continues to operate the Open House Emergency Shelter as an emergency shelter, a transitional housing facility, or a safe haven throughout the term. For the year ended September 30, 2020 and the period ended September 30, 2019, interest expense totaled \$30,000 and \$37,500, respectively. Accrued interest as of September 30, 2020 and 2019 is \$210,000 and \$180,000, respectively.	1,000,000	1,000,000

**WEAVE Inc.**

**Notes to Financial Statements  
September 30, 2020 and 2019**

	<u>2020</u>	<u>2019</u>
Mortgage note payable in the amount of \$1,000,000 to EHAP, secured by the transitional housing cottages, with simple interest of 3% per annum. No monthly payments through maturity in November 27, 2022, at which time all outstanding principal and accrued interest will be forgiven provided that WEAVE continues to operate the Cottages as an emergency shelter, a transitional housing facility, or a safe haven throughout the term. For the year ended September 30, 2020 and the period ended September 30, 2019, interest expense totaled \$30,000 and \$37,500, respectively. Accrued interest as of September 30, 2020 and 2019 is \$253,726 and \$223,726, respectively.	<u>999,325</u>	<u>999,325</u>
Subtotal	3,014,572	3,014,642
Less current portion	<u>(96,680)</u>	<u>(92,217)</u>
Long-term debt, net	<u>\$ 2,917,892</u>	<u>\$ 3,014,642</u>

Future annual maturities of long-term debt over each of the next five years and thereafter subsequent to September 30, 2020 are as follows:

2021	\$ 96,680
2022	101,215
2023	1,105,288
2024	110,848
2025	116,133
Thereafter	<u>1,484,408</u>
	<u>\$ 3,014,572</u>

For the year ended September 30, 2020 and the period ended September 30, 2019, interest expense was \$109,075 and \$176,087, respectively.

WEAVE was granted a \$923,020 loan under the Paycheck Protection Program ("PPP") administered by a Small Business Administration approved partner. The loan is uncollateralized and is fully guaranteed by the Federal government. WEAVE initially recorded the loan as a refundable advance and subsequently recognized grant revenue in accordance with guidance for conditional contributions; that is, once the measurable performance or other barrier and right of return of the PPP loan no longer existed. WEAVE has recognized the entire amount as other income for the year ended September 30, 2020.

**WEAVE Inc.**

**Notes to Financial Statements  
September 30, 2020 and 2019**

**Note 9 - Net assets with donor restriction**

Net assets with donor restriction consist of the following at September 30:

	<u>2020</u>	<u>2019</u>
Charitable remainder trust assets, unconditionally promised but not received (time restriction only)	\$ 394,601	\$ 397,793
Other time restricted contributions	<u>305,510</u>	<u>196,135</u>
Total	<u>\$ 700,111</u>	<u>\$ 593,928</u>

**Note 10 - Operating lease obligations**

WEAVE leases its buildings and some office equipment under noncancelable operating lease agreements expiring through 2024.

Rental expense for the year ended September 30, 2020 and the period ended September 30, 2019 was \$167,059 and \$209,986, respectively.

Future minimum lease payments for each of the next four years subsequent to September 30, 2020 are as follows:

2021	\$ 133,317
2022	127,844
2023	109,305
2024	74,550

**Note 11 - Contributed goods and services**

WEAVE receives donated clothing and household items for resale or for use in the shelter. As of September 30, 2020 and 2019, corresponding estimated values of \$822,312 and \$1,350,642, respectively, are recognized as contributions and once sold is recorded as thrift store income in the financial statements.

Volunteers donated approximately 6,149 hours during the fiscal year to WEAVE to assist in administration, fundraising, and program activities. The value of this donated time is not recognized in the accompanying financial statements because it does not meet the criteria for recognition under ASC 958-605.

**Note 12 - Retirement plan**

WEAVE sponsors an employee retirement plan under IRC §401(k). All employees of at least 21 years of age, who have completed at least one year of service, including at least 1,000 hours, are eligible to participate. Employer contributions are discretionary and vest at 20% per year beginning with completion of one year of service. Employee contributions are subject to limits by the IRC. Total plan costs were \$1,034 and \$1,925 for 2020 and 2019, respectively. Employer contributions to the employee retirement plan for 2020 and 2019 were \$41,455 and \$31,995, respectively.

**WEAVE Inc.**

**Notes to Financial Statements  
September 30, 2020 and 2019**

**Note 13 - Overhead percentage**

WEAVE measures the ratio of its supporting service expenses to its total revenues, exclusive of thrift store activities, as of September 30, 2020 and 2019 are as follows:

	2020		2019	
	Amounts	% of Total Revenues	Amounts	% of Total Revenues
Supporting service expenses				
Fund development	\$ 704,723	8.0%	\$ 913,455	9.9%
Management and general	527,280	6.0%	510,562	5.6%
Total supporting services, net	<u>\$ 1,232,003</u>	<u>13.9%</u>	<u>\$ 1,424,017</u>	<u>15.5%</u>
Total revenues				
Total unrestricted revenues	\$ 9,562,466		\$ 11,771,743	
Temporarily restricted contributions	509,201		502,375	
Less releases temporarily restricted contributions	(399,826)		(436,124)	
Less forgiveness of debt	-		(1,300,000)	
Less net thrift store income	<u>(821,727)</u>		<u>(1,350,680)</u>	
Total revenues, net	<u>\$ 8,850,114</u>		<u>\$ 9,187,314</u>	

**Note 14 - Availability and liquidity**

The following represents WEAVE's financial assets at September 30, 2020:

	2020	2019
Cash and cash equivalents	\$ 2,054,790	\$ 580,095
Receivables	<u>1,608,719</u>	<u>1,497,793</u>
Financial assets available to meet general expenditures over the next twelve months	<u>\$ 3,663,509</u>	<u>\$ 2,077,888</u>

WEAVE's financial assets are intended to be sufficient to meet its general expenditures, liabilities and other obligations as they become due. As part of its liquidity plan, excess cash is invested in short-term investments, including money market accounts and certificates of deposit, or used as part of income generating programs.

**Note 15 - Concentration of credit risk**

WEAVE maintains its cash balances in bank deposit accounts. At times, these balances may exceed the federal insurance limits; however, WEAVE has not experienced any losses with respect to its bank balances in excess of government provided insurance. Management believes that no significant concentration of credit risk exists with respect to these cash balances at September 30, 2020.

## **WEAVE Inc.**

### **Notes to Financial Statements September 30, 2020 and 2019**

#### **Note 16 - Contingencies**

WEAVE's government funding is subject to audit by granting agencies. Although such audits could generate expense disallowances under terms of the grants, management believes that any required reimbursements would not be material to WEAVE's financial statements as a whole.

In early 2020, an outbreak of a novel strain of coronavirus ("COVID-19") emerged globally. As a result, events have occurred including mandates from federal, state, and local authorities leading to an overall decline in economic activity. The Organization is not able to estimate the length or severity of this outbreak and the related financial impact. As of September 30, 2020, the global pandemic is still ongoing. Management continues to monitor the results of operations to evaluate the economic impact of the pandemic on the Organization.

#### **Note 17 - Subsequent events**

Events that occur after the statement of financial position date but before the financial statements were available to be issued must be evaluated for recognition or disclosure. The effects of subsequent events that provide evidence about conditions that existed at the statement of financial position date are recognized in the accompanying statement of financial position. Subsequent events which provide evidence about conditions that existed after the balance sheet date, require disclosure in the accompanying notes. Management evaluated the activity of the WEAVE through February 19, 2021 (the date the financial statements were available to be issued) and concluded that no subsequent events have occurred that would require recognition in the financial statements or disclosure in the notes to financial statements.

## **Supplementary Information**

**WEAVE Inc.**

**Schedule of Expenditures of Federal Awards  
Year Ended September 30, 2020**

Federal Grantor/ (Pass-through Grantor)/ Program or Cluster Title	Federal CFDA Number	Agency or Pass-through Number	Federal Expenditures	Passed Through to Subrecipients
United States Department of Justice Women				
Legal Assistance for Victims	16.524	2015-WL-AX-0022	\$ 140,711	\$ -
Total Legal Assistance for Victims			<u>\$ 140,711</u>	<u>\$ -</u>
Education, Training, and Enhanced Services to End Violence Against and Abuse of Women with Disabilities				
Education, Training, and Enhanced Services to End Violence Against and Abuse of Women with Disabilities	16.529	2017-FW-AX-K007	\$ 89,615	\$ -
Total Education, Training, and Enhanced Services to End Violence Against and Abuse of Women with Disabilities			<u>\$ 89,615</u>	<u>\$ -</u>
Passed through from the California Emergency Management Agency				
Federal Victims of Crime Act	16.575	DV 19 34 1196	\$ 366,289	\$ -
Federal Victims of Crime Act	16.575	RC 19 31 1196	642,990	-
Federal Victims of Crime Act	16.575	XV 15 01 1196	34,712	-
Federal Victims of Crime Act	16.575	UV 19 02 1196	132,506	-
Federal Victims of Crime Act	16.575	XS 16 01 1196	22,296	-
Federal Victims of Crime Act	16.575	XS 19 02 1196	51,928	-
Federal Victims of Crime Act	16.575	XL 16 01 1196	26,383	-
Federal Victims of Crime Act	16.575	XL 19 02 1197	101,485	-
Federal Victims of Crime Act	16.575	KD 19 02 1196	235,307	-
Federal Victims of Crime Act	16.575	KD 17 01 1196	92,460	-
Federal Victims of Crime Act	16.575	KA 18 02 1196	161,760	-
Federal Victims of Crime Act	16.575	KU 18 01 1196	70,967	-
Federal Victims of Crime Act	16.575	XE 18 01 1196	64,556	-
Federal Victims of Crime Act	16.575	XE 19 02 1196	117,888	-
Federal Victims of Crime Act	16.575	XH 18 01 1196	154,402	-
Federal Victims of Crime Act	16.575	XH 19 02 1196	225,368	-
Federal Victims of Crime Act	16.575	KU 19 02 1196	30,767	-
Federal Victims of Crime Act	16.575	XH 18 01 1231	26,012	-
Federal Victims of Crime Act	16.575	XH 19 02 1232	<u>18,546</u>	<u>-</u>
Total Crime Victim Assistance			<u>\$ 2,576,622</u>	<u>\$ -</u>
Grants to Encourage Arrest Policies and Enforcement of Protection Orders Program				
Grants to Encourage Arrest Policies and Enforcement of Protection Orders Program	16.590	2018-WE-AX-0006	94,688	-
Grants to Encourage Arrest Policies and Enforcement of Protection Orders Program	16.590	C-13-473	<u>41,718</u>	<u>-</u>
Total Grants to Encourage Arrest Policies and Enforcement of Protection Orders Program			<u>\$ 136,406</u>	<u>\$ -</u>

**WEAVE Inc.**

**Schedule of Expenditures of Federal Awards  
Year Ended September 30, 2020**

Federal Grantor/ (Pass-through Grantor)/ Program or Cluster Title	Federal CFDA Number	Agency or Pass-through Number	Federal Expenditures	Passed Through to Subrecipients
Transitional Housing Assistance for Victims of Domestic Violence, Dating Violence, Stalking, or Sexual Assault				
Transitional Housing Assistance for Victims of Domestic Violence, Dating Violence, Stalking, or Sexual Assault	16.736	2015-WH-AX-0065	\$ 95,403	\$ -
Total Transitional Housing Assistance for Victims of Domestic Violence, Dating Violence, Stalking, or Sexual Assault			<u>\$ 95,403</u>	<u>\$ -</u>
Consolidated And Technical Assistance Grant Program to Address Children and Youth Experiencing Domestic and Sexual Violence and Engage Men and Boys as Allies				
Consolidated And Technical Assistance Grant Program to Address Children and Youth Experiencing Domestic and Sexual Violence and Engage Men and Boys as Allies	16.888	2018-CY-AX-0006	\$ 138,455	\$ -
Total Consolidated And Technical Assistance Grant Program to Address Children and Youth Experiencing Domestic and Sexual Violence and Engage Men and Boys as Allies			<u>\$ 138,455</u>	<u>\$ -</u>
Total United States Department of Justice			<u>\$ 3,177,212</u>	<u>\$ -</u>
United States Department of the Treasury				
Passed through from the City of Sacramento Coronavirus Relief Fund	21.019		\$ 154,489	\$ -
Total United States Department of the Treasury			<u>\$ 154,489</u>	<u>\$ -</u>
Department of Health and Human Services				
Injury Prevention and Control Research and State and Community Based Programs				
Injury Prevention and Control Research and State and Community Based Programs	93.136	14-10673	\$ 36,263	\$ -
Injury Prevention and Control Research and State and Community Based Programs	93.136	14-10673	41,912	-
Total Injury Prevention and Control Research and State and Community Based Programs			<u>\$ 78,175</u>	<u>\$ -</u>
Total Department of Health and Human Services			<u>\$ 78,175</u>	<u>\$ -</u>

See Notes to Schedule of Expenditures of Federal Awards.

**WEAVE Inc.**

**Schedule of Expenditures of Federal Awards  
Year Ended September 30, 2020**

<u>Federal Grantor/ (Pass-through Grantor)/ Program or Cluster Title</u>	<u>Federal CFDA Number</u>	<u>Agency or Pass-through Number</u>	<u>Federal Expenditures</u>	<u>Passed Through to Subrecipients</u>
Department of Homeland Security				
Passed through from the Sacramento Regional Emergency Food and Shelter Board Program	97.024	32-0824-00-023	\$ 57,446	\$ -
Total Department of Homeland Security			<u>\$ 57,446</u>	<u>\$ -</u>
Total expenditures of federal awards			<u>\$ 3,467,322</u>	<u>\$ -</u>

See Notes to Schedule of Expenditures of Federal Awards.

**WEAVE Inc.**

**Notes to Schedule of Expenditures of Federal Awards  
September 30, 2020**

**Note 1 - Basis of presentation**

The accompanying schedule of expenditures of federal awards ("Schedule") includes the federal grant activity of WEAVE Inc. ("WEAVE") 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"). Because the Schedule presents only a selected portion of the operations of WEAVE, the amounts presented in this Schedule may differ from the amounts presented in, or used in the preparation of, the basic financial statements of WEAVE.

**Note 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 costs principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. WEAVE has elected to use the 10-percent de minimis cost rate allowed under the Uniform Guidance.

**Note 3 - CARES Act Funds**

In August 2020, WEAVE directly received \$562,987 of CARES Act funds from the City of Sacramento. As of September 30, 2020, WEAVE has expended \$154,489 which is included in the schedule of expenditure of federal awards. The deadline to expend the CARES Act funds is March 31, 2021. WEAVE anticipates expending all funds it directly receives by this deadline.

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  
WEAVE Inc.

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 WEAVE Inc. ("WEAVE"), which comprise the statement of financial position as of September 30, 2020, 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 19, 2021.

#### Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered WEAVE'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 WEAVE's internal control. Accordingly, we do not express an opinion on the effectiveness of WEAVE'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 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 WEAVE'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 entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*CohnReznick LLP*

Sacramento, California  
February 19, 2021

Independent Auditor's Report on Compliance for the Major Federal Program and  
on Internal Control over Compliance Required by the Uniform Guidance

To the Board of Directors  
WEAVE Inc.

Report on Compliance for the Major Federal Program

We have audited WEAVE Inc.'s ("WEAVE") compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on WEAVE's major federal program for the year ended September 30, 2020. WEAVE'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 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 WEAVE'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* 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 WEAVE'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 the major federal program. However, our audit does not provide a legal determination of WEAVE's compliance.

*Opinion on the Major Federal Program*

In our opinion, WEAVE complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended September 30, 2020.

## Report on Internal Control over Compliance

Management of WEAVE 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 WEAVE's internal control over compliance with the types of requirements that could have a direct and material effect on the major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for the 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 WEAVE'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 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 our testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.



Sacramento, California  
February 19, 2021

WEAVE Inc.

Schedule of Findings and Questioned Costs  
September 30, 2020

A. Summary of Auditor's Results

*Financial Statements*

1. Type of report the auditor issued on whether the financial statements audited were prepared in accordance with generally accepted accounting principles: Unmodified
2. Internal control over financial reporting:
  - a. Material weakness(es) identified?        Yes   X   No
  - b. Significant deficiency(ies) identified?        Yes   X   None reported
3. Noncompliance material to financial statements noted?        Yes   X   No

*Federal Awards*

4. Internal control over major federal programs:
  - a. Material weakness(es) identified?        Yes   X   No
  - b. Significant deficiency(ies) identified?        Yes   X   None reported
5. Type of auditor's report issued on compliance for major federal programs: Unmodified
6. Any audit findings disclosed that are required to be reported in accordance with 2 CFR Section 200.516(a)?        Yes   X   No
7. Identification of major federal programs:

CFDA Numbers(s)	Name of Federal Program or Cluster
16.575	Federal Victims of Crime Act

8. Dollar threshold used to distinguish between Type A and Type B programs: \$750,000
9. Auditee qualified as low-risk auditee   X   Yes        No

**WEAVE Inc.**

**Schedule of Findings and Questioned Costs  
September 30, 2020**

**B. Findings - Financial Statements Audit**

None

**C. Findings and Questioned Costs - Major Federal Award Programs Audit**

None

**WEAVE Inc.**

**Schedule of Expenditures  
California Emergency Management Agency (Criminal Justice Programs)  
Year Ended September 30, 2020**

Grant Number	Grant Period	Personnel Services	Operating Expenses	Cash Total	Less State Portion	Federal Portion	Match Portion	Total Cash + Match
DV 19 34 1196	10/1/2019 - 9/30/2020	\$ 295,622	\$ 272,645	\$ 568,267	\$ (201,978)	\$ 366,289	\$ 14,271	\$ 582,538
RC 19 31 1196	10/1/2019 - 9/30/2020	425,631	217,359	642,990	-	642,990	29,093	672,083
XV 15 01 1196	4/1/2016 - 12/31/19	27,198	7,514	34,712	-	34,712	13,382	48,094
UV 19 02 1196	1/1/2020 - 12/31/2020	85,372	47,135	132,507	-	132,507	1,750	134,257
XS 16 01 1196	7/1/2016 - 12/31/2019	17,625	4,671	22,296	-	22,296	16,670	38,966
XS 09 02 1196	1/1/2020 - 12/31/2020	40,302	11,626	51,928	-	51,928	117	52,045
XL 16 01 1196	7/1/2016 - 12/31/2019	20,729	5,654	26,383	-	26,383	15,739	42,122
XL 19 02 1197	1/1/2020 - 12/31/2020	79,334	22,152	101,486	-	101,486	8,395	109,881
KU 18 01 1196	10/1/2018 - 6/30/2020	37,542	33,425	70,967	-	70,967	1,912	72,879
KU 19 02 1196	4/1/2020 - 9/30/2021	22,722	8,045	30,767	-	30,767	-	30,767
KD 17 01 1196	10/1/2017-12/31/2019	35,459	57,001	92,460	-	92,460	43,577	136,037
KD 19 02 1196	1/1/2020 - 12/31/2020	81,454	153,853	235,307	-	235,307	4,570	239,877
XE 18 01 1196	1/1/2019 - 12/31/2019	44,641	19,915	64,556	-	64,556	2,832	67,388
XE 19 02 1196	1/1/2020 - 12/31/2020	84,867	33,021	117,888	-	117,888	1,800	119,688
XH 18 01 1196	1/1/2019 - 12/31/2019	72,112	82,290	154,402	-	154,402	-	154,402
XH 19 02 1196	1/1/2020 - 12/31/2020	131,545	93,823	225,368	-	225,368	15,000	240,368
KA 18 02 1196	10/1/2019 - 9/30/2020	124,977	36,783	161,760	-	161,760	9,466	171,226
		<u>\$ 1,627,132</u>	<u>\$ 1,106,912</u>	<u>\$ 2,734,044</u>	<u>\$ (201,978)</u>	<u>\$ 2,532,066</u>	<u>\$ 178,574</u>	<u>\$ 2,912,618</u>

See Independent Auditor's Report.



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