

SAFE HAVEN MINISTRIES, INC.

FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2023

(WITH COMPARATIVE TOTALS FOR 2022)

MEYAARD TOLMAN & VENLET p.c.
Certified Public Accountants
Zeeland, Michigan

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MEYAARD TOLMAN & VENLET p.c.

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INDEPENDENT AUDITOR'S REPORT

Board of Directors
Safe Haven Ministries, Inc.
Grand Rapids, Michigan

Opinion

We have audited the accompanying financial statements of Safe Haven Ministries, Inc. (a nonprofit organization), which comprise the statement of financial position as of June 30, 2023 and the related statements of activities, functional expenses and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Safe Haven Ministries, Inc. as of June 30, 2023, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Safe Haven Ministries, Inc. and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

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.

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with generally accepted auditing standards, we:

Exercise professional judgement and maintain professional skepticism throughout the audit.

Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.

Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Safe Haven Ministries, Inc.'s internal control. Accordingly, no such opinion is expressed.

Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Safe Haven Ministries, Inc.'s ability to continue as a going concern for a reasonable period of time.

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

Report on Summarized Comparative Information

We have previously audited Safe Haven Ministries, Inc.'s 2022 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated October 11, 2022. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2022, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Meygaard Tolman + Venlet p.c.

Meygaard Tolman & Venlet p.c.
Certified Public Accountants
September 11, 2024

SAFE HAVEN MINISTRIES, INC.
STATEMENT OF FINANCIAL POSITION
JUNE 30, 2023
(WITH COMPARATIVE TOTALS FOR JUNE 30, 2022)

<u>ASSETS</u>	<u>2023</u>	<u>2022</u>
CURRENT ASSETS:		
Cash and cash equivalents	\$ 211,661	\$ 737,763
Promises to give	126,625	73,285
Grants receivable	135,877	71,809
Prepaid expenses	27,039	26,349
Total Current Assets	<u>501,202</u>	<u>909,206</u>
PROPERTY AND EQUIPMENT:		
Land	1,864,544	1,864,544
Buildings	3,656,946	3,656,946
Equipment and furnishings	549,498	519,344
Vehicles	20,775	20,775
	<u>6,091,763</u>	<u>6,061,609</u>
Less accumulated depreciation	(874,300)	(679,400)
Net Property and Equipment	<u>5,217,463</u>	<u>5,382,209</u>
OTHER ASSETS:		
Operating lease right-of-use assets	201,454	-
Endowment - board designated	1,000	1,000
Beneficial interest in assets held by the Grand Rapids Community Foundation	70,339	67,973
Total Other Assets	<u>272,793</u>	<u>68,973</u>
TOTAL ASSETS	<u><u>\$ 5,991,458</u></u>	<u><u>\$ 6,360,388</u></u>
 <u>LIABILITIES AND NET ASSETS</u>		
CURRENT LIABILITIES:		
Accounts payable	\$ 69,880	\$ 21,672
Current portion of operating lease liabilities	15,023	-
Salaries, wages and withholdings	91,455	77,263
Funds held for others	45,785	1,506
Total Current Liabilities	<u>222,143</u>	<u>100,441</u>
LONG-TERM LIABILITIES:		
Operating lease liabilities, net of current portion	<u>186,431</u>	<u>-</u>
Total Long-Term Liabilities	<u>186,431</u>	<u>-</u>
Total Liabilities	<u>408,574</u>	<u>100,441</u>
NET ASSETS:		
Net assets without donor restrictions:		
Undesignated	5,511,545	5,885,510
Board designated	1,000	1,000
Net assets with donor restrictions	70,339	373,437
Total Net Assets	<u>5,582,884</u>	<u>6,259,947</u>
TOTAL LIABILITIES AND NET ASSETS	<u><u>\$ 5,991,458</u></u>	<u><u>\$ 6,360,388</u></u>

See accompanying notes.

SAFE HAVEN MINISTRIES, INC.
STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2023
(WITH COMPARATIVE TOTALS FOR THE YEAR ENDED JUNE 30, 2022)

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>2023 Total</u>	<u>2022 Total</u>
REVENUE, GAINS AND OTHER SUPPORT:				
United Way	\$ -	\$ -	\$ -	\$ 6,768
Contributions, general:				
- monetary	1,219,860	-	1,219,860	1,193,831
- noncash	216,892	-	216,892	157,687
Government grants	546,243	-	546,243	684,520
Program service fees	77,746	-	77,746	19,115
Special events, net of event costs of \$46,160 and \$46,495	291,879	-	291,879	184,094
Investment income	5,534	-	5,534	226
Change in beneficial interest	-	2,366	2,366	(11,349)
Miscellaneous income	1,387	-	1,387	-
Net assets released from restrictions	<u>305,464</u>	<u>(305,464)</u>	<u>-</u>	<u>-</u>
Total Revenues	<u>2,665,005</u>	<u>(303,098)</u>	<u>2,361,907</u>	<u>2,234,892</u>
OPERATING EXPENSES:				
Program services	2,202,804	-	2,202,804	1,669,494
Management and general	541,556	-	541,556	444,080
Fundraising	<u>294,610</u>	<u>-</u>	<u>294,610</u>	<u>244,854</u>
Total Expenses	<u>3,038,970</u>	<u>-</u>	<u>3,038,970</u>	<u>2,358,428</u>
CHANGE IN NET ASSETS	(373,965)	(303,098)	(677,063)	(123,536)
NET ASSETS, JULY 1	<u>5,886,510</u>	<u>373,437</u>	<u>6,259,947</u>	<u>6,383,483</u>
NET ASSETS, JUNE 30	<u>\$ 5,512,545</u>	<u>\$ 70,339</u>	<u>\$ 5,582,884</u>	<u>\$ 6,259,947</u>

See accompanying notes.

SAFE HAVEN MINISTRIES, INC.
STATEMENT OF FUNCTIONAL OPERATING EXPENSES
YEAR ENDED JUNE 30, 2023
(WITH COMPARATIVE TOTALS FOR THE YEAR ENDED JUNE 30, 2022)

	Program Services	Management and General	Fundraising	2023 Total	2022 Total
Personnel:					
Contracted services	\$ 92,506	\$ 28,568	\$ 14,964	\$ 136,038	\$ 71,928
Salaries and wages	1,141,346	352,475	183,830	1,677,651	1,277,601
Staff education/development	10,397	3,211	1,682	15,290	17,658
Workers compensation insurance	5,395	1,666	873	7,934	8,636
Employee benefits	98,980	30,567	16,811	146,358	97,663
Payroll taxes	84,510	26,099	13,671	124,280	101,528
Retirement plan	18,841	5,818	3,048	27,707	17,427
Occupancy:					
Property insurance	13,005	1,210	907	15,122	13,979
Utilities	40,835	3,799	2,849	47,483	39,747
Repairs and maintenance	93,658	8,712	6,534	108,904	102,298
Communications and software	43,675	13,488	7,065	64,228	45,381
Direct program services:					
Food	129,495	-	-	129,495	106,260
Household supplies	125,950	-	-	125,950	92,708
Linguistic services	1,671	-	-	1,671	2,240
Incentives and activities	13,616	-	-	13,616	3,713
Client assistance	65,543	-	-	65,543	28,828
Professional services and fees:					
Bank service charges	-	4,387	-	4,387	7,503
Accounting and audit services	-	19,751	-	19,751	36,407
Membership dues	2,765	325	-	3,090	2,978
Publicity and promotion:					
Donor relations	-	-	1,075	1,075	1,512
Publicity/printing/mailings/other	14,250	14,250	28,501	57,001	48,275
Small events	-	-	-	-	1,732
Other:					
Food and hospitality	-	6,476	-	6,476	4,609
Supplies and miscellaneous	22,757	774	516	24,047	15,477
Postage	2,951	1,127	590	4,668	5,366
Mileage and travel	13,044	3,261	-	16,305	9,015
Depreciation	167,614	15,592	11,694	194,900	197,959
TOTAL FUNCTIONAL EXPENSES	\$ 2,202,804	\$ 541,556	\$ 294,610	\$ 3,038,970	\$ 2,358,428

See accompanying notes.

SAFE HAVEN MINISTRIES, INC.
STATEMENT OF CASH FLOWS
YEAR ENDED JUNE 30, 2023
(WITH COMPARATIVE TOTALS FOR THE YEAR ENDED JUNE 30, 2022)

	<u>2023</u>	<u>2022</u>
<u>CASH FLOWS FROM OPERATING ACTIVITIES:</u>		
Change in net assets	\$ (677,063)	\$ (123,536)
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities:		
Depreciation and amortization	194,900	197,959
Change in beneficial interest	(2,366)	11,349
(Increase) decrease in:		
Promises to give	(53,340)	(404)
Grants receivable	(64,068)	9,955
Other current assets	(690)	(4,295)
Increase (decrease) in:		
Accounts payable	48,208	(5,286)
Other current liabilities	58,471	40,975
Net Cash Provided (Used) By Operating Activities	<u>(495,948)</u>	<u>126,717</u>
<u>CASH FLOWS FROM FINANCING ACTIVITIES:</u>		
Payment on note payable - Flint Creek Capital, LLC	<u>-</u>	<u>(50,000)</u>
Net Cash Provided (Used) By Financing Activities	<u>-</u>	<u>(50,000)</u>
<u>CASH FLOWS FROM INVESTING ACTIVITIES:</u>		
Investment in board designed endowment	-	(1,000)
Investment in property and equipment	<u>(30,154)</u>	<u>(104,685)</u>
Net Cash Provided (Used) By Investing Activities	<u>(30,154)</u>	<u>(105,685)</u>
Net change in cash and cash equivalents	(526,102)	(28,968)
Cash and cash equivalents, beginning	<u>737,763</u>	<u>766,731</u>
Cash and cash equivalents, ending	<u>\$ 211,661</u>	<u>\$ 737,763</u>
Interest and income taxes were paid of:		
Income taxes	\$ -	\$ -
Interest	-	-

See accompanying notes.

SAFE HAVEN MINISTRIES, INC.
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2023

MISSION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

MISSION – “Following Christ’s example and motivated by our community needs, our mission is to prevent and end relationship abuse.”

Safe Haven Ministries, Inc., (“Safe Haven”) located in Grand Rapids, Michigan, believes in a multi-faceted approach to solving the problem of domestic abuse in the community.

They offer confidential emergency shelter for individuals and families fleeing domestic violence; support groups, individual counseling, and advocacy for individuals and families who do not require shelter; and prevention and outreach programs for the entire community.

Safe Haven has a unique area of expertise in faith and domestic abuse issues, and offers guidance in this area to all who seek it. They serve approximately 2,600 individuals and families every year and serve all individuals and families equally, regardless of age, race, religious beliefs, ethnic origin, sexual orientation, disability, or socioeconomic status.

BASIS OF PRESENTATION – The accompanying financial statements have been prepared on the accrual basis of accounting and accordingly reflect all significant receivables, payables, and other liabilities.

Under the provisions of *Accounting Standards Codification* (authoritative guidance), net assets and revenues, expenses, gains and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, the net assets of Safe Haven and changes therein are classified and reported as follows:

- a.) Net Assets Without Donor Restrictions – Net assets that are not subject to donor-imposed stipulations.
- b.) Net Assets With Donor Restrictions – Net assets subject to donor-imposed stipulations that may or will be met either by actions of the Organization and/or the passage of time. There was \$70,339 net assets with donor restrictions at June 30, 2023.

Revenues are reported as increases in net assets without donor restrictions unless use of the related assets is limited by donor-imposed restrictions. Expenses are reported as decreases in net assets without donor restrictions. Gains and losses on investments and other assets or liabilities are reported as increases or decreases in net assets without donor restrictions unless their use is restricted by explicit donor stipulation or by law. Expirations of temporary restrictions on net assets (i.e., the donor-stipulated purpose has been fulfilled and/or the stipulated time period has elapsed) are reported as net assets released from restrictions. The Organization has adopted a policy to classify donor restricted contributions as without donor restrictions to the extent that donor restrictions were met in the year the contribution was received.

INCOME TAX EXEMPTION – The Organization qualifies as a tax-exempt organization under Section 501(c) (3) of the Internal Revenue Code.

PROPERTY, EQUIPMENT AND DEPRECIATION – Purchased equipment is recorded at cost and donated assets are recorded at fair market value. Depreciation is computed using the straight-line method over the estimated lives of the assets placed into service.

ESTIMATES – The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results may differ from those estimates.

CASH AND CASH EQUIVALENTS – Cash and cash equivalents consist of two checking accounts and two money market accounts.

COMPENSATED ABSENCES – The Organization has not accrued compensated absences since the amount is determined to be immaterial to the financial statements.

DONATED SERVICES – Volunteers have donated significant amounts of time in support of the Organization’s activities. In the current year, 4,460 hours were logged by 43 active volunteers. The fair market value of unrecorded volunteer services of \$141,828 is not reflected in the accompanying statements, as these services do not meet the criteria for recognition as set forth under generally accepted accounting principles.

DONATED FOOD AND MATERIALS – Food, personal care items, household goods and gift cards are donated to the Organization. The estimated fair value of the donated food is reflected in the accompanying financial statements. The amount of the donated food was \$116,393 for the year ended June 30, 2023. The amount of other donated materials (client expenses) is recorded at \$100,499, which is seventy five (75) percent of the approximate fair market value of the items.

FAIR VALUE OF ASSETS – The Organization adopted the Financial Accounting Standards Board’s (FASB) standard which provides a framework for measuring fair value under generally accepted accounting principles. The Standard defines fair value as the exchange price that would be received for an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date.

The standard for *Fair Value Measurements* 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. Fair value measurement is determined based on the assumptions - referred to as inputs - which market participants would use in pricing the investment, as follows:

- Level 1 inputs - observable quoted price in an active market for an identical investment;
- Level 2 inputs - input that is observable for the investment, either directly or indirectly, other than quoted prices included within level 1;
- Level 3 inputs - unobservable inputs for the investment, used only when observable inputs are not available.

Unrealized, as well as realized gains and losses on investments are included in the change in net assets in the accompanying financial statements. Investment return that is restricted by the donor is reported as an increase in unrestricted net assets if the restriction expires in the reporting period in which the investment return is recognized.

Within the beneficial interest in assets held by the Grand Rapids Community Foundation, the Organization invests in publicly traded securities which are exposed to various risks such as interest rate, market, and credit risks. Due to the level of risk associated with investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect the amounts reported in the statement of financial position.

REVENUE RECOGNITION – Contributions are recognized when cash, securities 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. Contributions received with a donor-stipulation that limits their use are reported as revenue and net assets with donor restrictions. When a donor-stipulated time restriction ends or purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions.

Government grant revenue on cost-reimbursement grants is recognized after the program expenditures have been incurred. As such, the Organization recognizes revenue and records a receivable for the reimbursement amount from the granting agency. Such grant programs are subject to audit or reviews by the grantor.

LEASES – Safe Haven calculates operating lease liabilities with its incremental borrowing rate, using a comparable period with the lease term. All lease and non-lease components are combined for all leases. Lease payments for leases with a term of 12 months or less are expensed on a straight-line basis over the term of the lease with no lease asset or liability recognized.

BENEFICIAL INTEREST IN ASSETS HELD BY THE GRAND RAPIDS COMMUNITY FOUNDATION

The Organization has an Agency Fund within the Grand Rapids Community Foundation. The investment with the Community Foundation is managed by the Foundation on behalf of the Organization. Equity securities with readily determinable fair values and all investments in debt securities are required to be measured at fair value in the statements of financial position. The fair value of the investment in the Community Foundation was determined by Level 3 inputs. The fair market value at June 30, 2023 was \$70,339. The beneficial interest is classified as net assets with donor restrictions on the Organization's statement of financial position.

The Board of Trustees of the Grand Rapids Community Foundation has the power to modify any restrictions or condition on the distribution of funds for any specified charitable purposes or to a specified organization if, in the sole judgment of the Board, such restriction or condition becomes, in effect, unnecessary, incapable of fulfillment, or inconsistent with the charitable needs of the community served.

ENDOWMENT FUND (DONOR FUND) IN THE GRAND RAPIDS COMMUNITY FOUNDATION

An endowment fund (donor fund) is held within the Grand Rapids Community Foundation, with donations received directly by the Community Foundation for the benefit of the Safe Haven Ministries Endowment Fund. The assets in the Endowment Fund are owned by the Community Foundation and controlled by its Board of Directors. The fair value of \$108,518 at June 30, 2023, is not recorded within these financial statements.

RETIREMENT PLAN

Effective May 1, 2016, the Organization sponsors a Simple IRA plan for its employees. Salary deferral by eligible employees is available through payroll deductions, and the Organization contributes a matching contribution of 2% of compensation. Eligibility is limited to employees who are reasonably expected to receive at least \$5,000 in compensation in the current calendar year and have received at least \$5,000 in compensation during any two calendar years preceding the current calendar year. The Organization's match was \$27,707 and \$17,427 for the years ended June 30, 2023 and 2022, respectively.

NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restriction consists of the \$70,339 beneficial interest in assets held by the Grand Rapids Community Foundation.

LINE OF CREDIT - BANK

The Organization has an available \$250,000 line of credit with Mercantile Bank of Michigan, with outstanding borrowings of \$0 for each of the years ended June 30, 2023 and 2022. Interest is due monthly at 9%. The note is secured by any and all mortgages, security agreements, assignments, loan agreements, and pledge agreements evidencing a security interest for payment of the note. The line of credit matures December 10, 2024.

FUNCTIONAL ALLOCATION OF EXPENSES

The costs of providing the various programs and supporting services have been summarized in the financial statements. Accordingly certain costs have been allocated among the programs and supporting services benefited using both judgment and specific identification.

Year ended June 30, 2023:	
Special events revenue	\$ 338,039
Special events expenses	(46,160)
Special events revenue, net	<u>\$ 291,879</u>
Total fundraising expenses	\$ 295,410
Less direct special event expenses	(46,160)
Fundraising expenses, net	<u>\$ 249,250</u>

LIQUIDITY

The following reflects the Organization's financial assets as of the statement of financial position date, reduced by amounts not available for general use because of contractual or donor-imposed restrictions within one year of the statement of financial position date.

Financial assets at June 30, 2023:	
Cash and cash equivalents	\$ 211,661
Grant receivable	135,877
Promises to give (capital campaign and operational)	<u>126,625</u>
Total financial assets at year-end	474,163
Less net assets with donor restrictions – general programs	<u>-</u>
Financial assets available to meet cash needs for general expenditure within one year	<u>\$ 474,163</u>

ENDOWMENT - BOARD DESIGNATED

The Organization has established an endowment fund. During the year ended June 30, 2022, the fund was opened with \$1,000 transferred out of unrestricted net assets of the Organization. The Organization has adopted endowment fund policies as of November 23, 2021. These policies outline guidelines for the administration of the endowment fund. The goal is to provide long-term financial sustainability and predictability to allow the Organization to a) enhance its stewardship of the assets that its donors entrust to it and b) fulfill its mission to prevent and end relationship abuse. The policies also provide an understanding of investment objectives for the endowment fund assets.

The State of Michigan has adopted the Uniform Prudent Management of Institutional Funds Act (UPMIFA), the provisions of which apply to endowment funds existing or established after the date of adoption. The corpus of the fund subject to UPMIFA is classified as net assets with donor restrictions. The corpus represents the fair value of the original gifts as of the gift date and all subsequent gifts where the donor has indicated that the gift must be retained in perpetuity. The value of assets in excess of original gifts in donor-restricted endowment funds is classified as net assets with donor restrictions until appropriated for expenditure.

The \$1,000 endowment balance is a board-designated balance and thereby is reported as unrestricted net assets – board designated at June 30, 2023.

DESCRIPTION OF LEASING ARRANGEMENTS

Safe Haven leases space for their transitional housing program under an operating lease.

The following summarizes the line items in the statement of financial position which include amounts for operating leases as of June 30, 2023:

Operating lease right-of-use assets	<u>\$ 201,454</u>
Current portion of long-term debt and operating lease liabilities	\$ 15,023
Operating lease liabilities	<u>186,431</u>
Total operating lease liabilities	<u>\$ 201,454</u>

The components of operating lease expenses that are included in the statement of activities for the year ended June 30, 2023 were as follows:

Occupancy	<u>\$ 32,454</u>
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The following summarizes the cash flow information related to operating leases for the year ended June 30, 2023:

Cash paid for amounts included in measurement of lease liabilities:	
Operating cash flows for operating leases	\$ 32,454
Lease assets obtained in exchange for lease liabilities:	
Operating leases	\$ 215,188

Weighted average lease term and discount rate as of June 30, 2023 were as follows:

Weighted average remaining lease term	10.08 years
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Weighted average discount rate

9.0%

The maturities of operating lease liabilities for years ending June 30 are:

	2024	\$ 32,544
	2025	32,544
	2026	32,544
	2027	32,544
	2028	32,544
	Thereafter	<u>132,888</u>
Total lease payments		295,608
Less interest		<u>94,154</u>
Present value of lease liabilities		<u>\$ 201,454</u>

FUNDS HELD FOR OTHERS

These funds are held by Safe Haven for the Domestic Violence Coordinated Care Response team. The first pocket of funding was received in this fiscal year for the new Domestic Violence Action Network, to which Safe Haven is holding a fiduciary role. The final operating agreement was formalized within FY2024, even though the initial funding was received within FY2023. Cash and cash equivalents include the balance held for the Domestic Violence Action Network.

NEW ACCOUNTING GUIDANCE IMPLEMENTATION

As of July 1, 2022, Safe Haven changed its accounting method for leases as a result of implementing the requirements in the Financial Accounting Standard Board's Accounting Standards Codification (ASC) 842, Leases, using the modified retrospective transition method. There was no cumulative effect adjustment to Safe Haven's statement of financial position as of July 1, 2022. Comparative information has not been restated and continues to be reported under the accounting standards in effect for the prior period.

The new lease guidance requires the recognition of a right-of-use asset and a lease liability for operating leases. Safe Haven elected the package of practical expedients, which allowed, among other things, for not reassessing the lease classification or initial direct costs for existing leases. Safe Haven has not elected the hindsight practical expedient.

As of July 1, 2022, approximately \$215,000 in operating lease right-of-use assets and corresponding lease liabilities were recognized. Adoption of the new guidance did not have a significant impact to the statement of activities or cash flows for the year ended June 30, 2023.

SUBSEQUENT EVENTS

Subsequent events were evaluated through September 11, 2024, which is the date the financial statements were available to be issued.