SAFEHOUSE DENVER, INC.

Financial Statements

For The Year Ended March 31, 2023
(With Summarized Financial Information For The
Year Ended March 31, 2022)

Together With Independent Auditors' Report

JDS professional group

certified public accountants, consultants and advisors

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors of
SafeHouse Denver, Inc.:

Opinion

We have audited the accompanying financial statements of SafeHouse Denver, Inc. ("SafeHouse"), which comprise the statement of financial position as of March 31, 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 SafeHouse as of March 31, 2023, and the changes in 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 Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the SafeHouse 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.

Responsibilities of Management 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, and for 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.

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Independent Auditors' Report (Continued)

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 SafeHouse's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' 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 judgment 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 SafeHouse'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 SafeHouse's ability to continue as a going concern for a reasonable period of time.

We are required to communicate to 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.

Reporting on Summarized Comparative Information

We have previously audited SafeHouse's March 31, 2022 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated June 27, 2022. In our opinion, the summarized comparative information presented herein as of and for the year ended March 31, 2022, is consistent, in all material respects, with the audited financial statements from which it has been derived.

JDS Professional Group

July 6, 2023

SAFEHOUSE DENVER, INC.

Statement Of Financial Position
As Of March 31, 2023
(With Summarized Comparative Totals For 2022)

	2023	2022
ASSETS		
Cash and cash equivalents	$ 1,472,212	$ 1,177,564
Prepaid expenses	62,553	42,273
Receivables:		
Contributions		35,000
Government grants	168,771	139,706
Investments	1,208,815	1,273,664
Beneficial interest in Community First Foundation	69,188	73,993
Property and equipment, net of accumulated depreciation of $1,102,125 and $1,031,650, respectively	2,566,783	2,519,544
TOTAL ASSETS	$ 5,548,322	$ 5,261,744
LIABILITIES AND NET ASSETS		
Liabilities:		
Accounts payable	$ 85,432	$ 23,620
Payroll liabilities	130,972	148,798
Deferred revenue	5,500	26,242
Capital lease		887
Total Liabilities	221,904	199,547
Net Assets:		
Without Donor Restrictions -		
Undesignated	4,386,689	4,125,772
Board designated operating and building reserves	833,046	778,798
Total Without Donor Restrictions	5,219,735	4,904,570
With Donor Restrictions	106,683	157,627
Total Net Assets	5,326,418	5,062,197
TOTAL LIABILITIES AND NET ASSETS	$ 5,548,322	$ 5,261,744

The accompanying notes are an integral part of the financial statements.

SAFEHOUSE DENVER, INC.

Statement Of Activities
For The Year Ended March 31, 2023
(With Summarized Comparative Totals For 2022)

	Without Donor Restrictions	With Donor Restrictions	2023 Total	2022 Total
Revenue and other support:				
Contributions	$ 964,565	$ 29,687	$ 994,252	$ 1,050,946
Government grants		750,153	750,153	899,210
Foundations	440,500		440,500	369,500
Special events net of direct expenses of $81,892 and $57,768, respectively	368,753		368,753	316,621
United Way and other agencies	9,909		9,909	103,206
Change in beneficial interest		(4,805)	(4,805)	(280)
Investment income (loss)	(64,593)		(64,593)	(10,013)
Other	1,410		1,410	7,356
In-kind contributions	12,012		12,012	4,345
Net assets released from restrictions - Satisfaction of time and purpose restrictions	825,979	(825,979)		
Total Revenue and Other Support	2,558,535	(50,944)	2,507,591	2,740,891
Expenses:				
Program Services:				
Shelter services	779,355		779,355	608,843
Counseling and advocacy	846,404		846,404	581,567
Extended stay program	107,591		107,591	243,330
Children's program	66,882		66,882	139,646
Total Program Services	1,800,232		1,800,232	1,573,386
Supporting Services-				
General and administrative	305,919		305,919	206,269
Fund raising	206,508		206,508	233,981
Total Supporting Services	512,427		512,427	440,250
Total Expenses	2,312,659		2,312,659	2,013,636
CHANGES IN NET ASSETS FROM OPERATIONS	245,876	(50,944)	194,932	727,255
Gain on insurance proceeds	69,289		69,289	
CHANGES IN NET ASSETS	315,165	(50,944)	264,221	727,255
Net Assets, Beginning Of Year	4,904,570	157,627	5,062,197	4,334,942
NET ASSETS, END OF YEAR	$ 5,219,735	$ 106,683	$ 5,326,418	$ 5,062,197

The accompanying notes are an integral part of the financial statements.

SAFEHOUSE DENVER, INC.

Statement Of Functional Expenses
For The Year Ended March 31, 2023
(With Summarized Comparative Totals For 2022)

	Program Services							2023	2022
	Shelter Services	Counseling & Advocacy	Extended Stay Program	Children's Program	Total Program Services	General and Administrative	Fund Raising	Total Expenses	Total Expenses
Salaries	503,677	565,909	56,635	45,469	$ 1,171,690	$ 153,051	$ 123,387	$ 1,448,128	$ 1,323,600
Payroll taxes and benefits	92,595	116,828	11,692	9,387	230,502	31,597	25,472	287,571	264,672
Occupancy, repair and maintenance	48,528	39,186	4,379	2,750	94,843	9,258	7,463	111,564	134,820
Insurance	11,317	14,279	1,429	1,147	28,172	3,862	3,113	35,147	28,452
Direct program support	15,309	5,766	985	146	22,206	1,133	646	23,985	17,380
Telephone	6,053	7,637	764	614	15,068	2,065	1,665	18,798	18,739
Employee expenses	2,997	3,781	378	304	7,460	1,023	824	9,307	14,210
Dues and subscriptions					-			-	5,516
Marketing	168	212	21	17	418	57	6,749	7,224	6,199
Office expenses	20,791	26,227	2,625	2,107	51,750	7,297	23,779	82,826	35,938
Other expenses	9,309	16,823	1,175	944	28,251	3,177	2,561	33,989	-
Professional fees	33,848	42,707	4,274	3,431	84,260	91,433	9,312	185,005	68,140
Interest					-	60		60	14,353
Total	744,592	839,355	84,357	66,316	1,734,620	304,013	204,971	2,243,604	1,932,019
Depreciation	34,763	7,049	23,234	566	65,612	1,906	1,537	69,055	81,617
Total expenses	$ 779,355	$ 846,404	$ 107,591	$ 66,882	$ 1,800,232	$ 305,919	$ 206,508	$ 2,312,659	$ 2,013,636

The accompanying notes are an integral part of the financial statements.

SAFEHOUSE DENVER, INC.

Statement Of Cash Flows
For The Year Ended March 31, 2023
(With Summarized Comparative Totals For 2022)

	2023	2022
Cash flows from operating activities:		
Changes in net assets from operations	$ 264,221	$ 727,255
Adjustments to reconcile changes in net assets to net cash provided by operating activities:		
Depreciation	70,474	81,617
Forgiveness of refundable advance		(258,496)
Realized/unrealized losses on investments	82,217	84,190
Change in value of beneficial interest	4,805	280
Changes in assets and liabilities -		
Decrease (increase) in contributions receivable	35,000	(17,574)
(Increase) in government grants	(29,065)	(202)
(Increase) in prepaid expense and other assets	(20,280)	(5,988)
Increase (decrease) in accounts payable and accrued expenses	61,809	(349)
(Decrease)Increase in deferred revenue	(20,742)	17,206
(Decrease) Increase in payroll liabilities	(17,824)	23,616
Net cash provided by operating activities	430,615	651,555
Cash flows from investing activities:		
Purchases of property and equipment	(117,713)	(14,422)
Sales of investments		2,155
Purchases of investments	(17,367)	(74,024)
Net cash (used in) investing activities	(135,080)	(86,291)
Cash flows from financing activities:		
Payments on notes payable		(725,889)
Payments on capital lease	(887)	(3,535)
Net cash (used in) financing activities	(887)	(729,424)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS FROM OPERATIONS	294,648	(164,160)
Cash And Cash Equivalents, Beginning Of Year	1,177,564	1,341,724
CASH AND CASH EQUIVALENTS, END OF YEAR	$ 1,472,212	$ 1,177,564
Supplemental Cash Flow Information		
Cash paid for interest	$ 60	$ 14,343

The accompanying notes are an integral part of the financial statements.

(1) Nature Of SafeHouse

SafeHouse Denver, Inc. ("SafeHouse") was incorporated in the state of Colorado in 1977. Its mission is helping adults, children and youth to reclaim their right to a life free of domestic violence. SafeHouse's revenue are primarily derived from contributions, foundations and government grants. SafeHouse offers the following programs:

The Shelter Services Program provides temporary emergency shelter in a secured 31-bed facility for adults and children victimized by domestic violence. Additionally, the program provides emotional support, information resources and referrals to assist adult clients in developing safety plans and setting goals within a trauma informed shelter environment. Weekly support groups, individual advocacy and family meetings are available to residents at the shelter.

The Children's program includes personal advocacy, educational assistance, and therapeutic play and intervention groups that support children in developing safety plans, conflict resolution skills, and developing healthy relationships.

Counseling and advocacy programs offer support services to adults, youth and children outside of a shelter environment. Services include individualized advocacy/resource referral, educational and support groups, education/support services for friends and families of victims, personal advocacy and support groups for children and legal resources. The 24-Hour Crisis/Information Line offers crisis intervention, information and referral assistance.

The Extended Stay Program ("ESP"), housed in a six-unit apartment building, provides safe, independent housing for Emergency Housing residents who are out of acute crisis but in need of additional time to access long-term housing and other resources related to self-sufficiency. The advocate assigned to clients at the emergency residential facility is assigned to assist clients transitioning into the ESP, and continues to provide case management while residing at ESP. ESP residents also have access to the full range of services from the Counseling and Advocacy Center programs. The average length is 115 days.

(2) Summary Of Significant Accounting Policies

Method Of Accounting

The financial statements of SafeHouse have been prepared on the accrual basis of accounting in accordance with the accounting principles generally accepted in the United States of America.

Recently Adopted Accounting Standard

In 2023, the Organization adopted Accounting Standards Update (ASU) No. 2016-02, *Leases*, which required lessees to recognize leases on the balance sheet and disclose key information about leasing arrangements. The adoption resulted in no effect on the financial statements for the fiscal year ended

March 31, 2023, as the leases expired during the year and the new equipment lease was not signed until subsequent to year end.

Basis Of Presentation

Financial statement presentation follows the recommendations of *Financial Statements for Not-for-Profit SafeHouses*. Under this standard, SafeHouse is required to report information regarding financial position and activities according to the following net asset classifications:

Net assets without donor restrictions: Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of SafeHouse. These net assets may be used at the discretion of SafeHouse's management and the board of directors.

Net assets with donor restrictions: Net assets subject to stipulations imposed by donors, and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of SafeHouse or by the passage of time. Other donor restrictions are perpetual in nature, whereby the donor has stipulated the funds must be maintained in perpetuity.

Use Of Estimates

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

Cash And Cash Equivalents

SafeHouse considers all highly liquid investments with an original maturity of three months or less that are not part of the long-term investment portfolio to be cash equivalents.

Investments

Investments in marketable securities with readily determinable fair values and all investments in debt securities are stated at their fair values in the statement of financial position. Unrealized gains and losses are included in the change in net assets in the statement of activities.

Property And Equipment

Property and equipment is stated at acquisition cost, or if contributed, at estimated fair value at the date of donation. SafeHouse capitalizes all fixed asset purchases over $2,500 with an estimated life of three years or more. Depreciation is provided on a straight-line basis over the estimated useful lives of the assets, ranging from 3-40 years.

Fair Value Measurements

SafeHouse follows *Fair Value Measurements,* which requires enhanced disclosures about investments that are measured and reported at fair value and establishes a framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy under the standard are described below:

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

Level 2 Inputs to the valuation methodology include:

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

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

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

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

Following is a description of the valuation methodologies used for assets measured at fair value.

Certificates of deposit: The fair value of the certificates of deposit is based on amortized cost or original cost plus accrued interest.

Mutual funds: Valued at the published net asset value (NAV) of the shares held at the reporting date.

Bonds and equities: Valued at the closing price reported on the active market on which the individual securities are traded.

Beneficial interest in trust: Valued as reported by the foundation holding the endowment fund.

The methods described above may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, while SafeHouse believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

In general, investments are exposed to various risks, such as interest rate, credit and overall market volatility risk. Due to the level of risk associated with certain investments, it is reasonably possible that changes in the values of the investments will occur in the near term and that such changes could materially affect the investment balances and the amounts reported in the balance sheets.

The carrying amount reported in the statement of financial position for cash and cash equivalents, government contracts and grants, contributions receivables, accounts payable and payroll liabilities, approximate fair value because of the immediate or short-term maturities of these financial instruments.

Compensated Absences

SafeHouse accrues for the costs of compensated absences to the extent that the employee's right to receive payment relates to service already rendered, the obligation vests or accumulates, payment is probable, and the amount can be reasonably estimated. SafeHouse accrues for vacation leave but not sick leave, as such amount cannot be reasonably estimated.

Leases

SafeHouse determines if an arrangement is or contains a lease at inception. Leases are included in right-of-use (ROU) assets and lease liabilities on the statement of financial position. ROU assets and lease liabilities reflect the present value of the future minimum lease payments over the lease term, and ROU assets also include prepaid or accrued rent. Operating lease expense is recognized on a straight-line basis over the lease term. SafeHouse does not report ROU assets and lease liabilities for its short-term leases (leases with a term of 12 months or less). Instead, the lease payments of those leases are reported as lease expense on a straight-line basis over the lease term.

Measure Of Operations

The statement of activities reports all changes in net assets, including changes in net assets from operating and non operating activities. Operating activities consist of those items attributable to SafeHouse's ongoing program services. Nonoperating activities are limited to resources that generate other activities considered to be of a more unusual or nonrecurring nature.

Revenue And Revenue Recognition

Special events revenues are recognized as the events are held. Sponsorships are recognized as a contribution as SafeHouse does not provide any material benefits to the sponsors. Other revenue is recognized as services are performed

Conditional contributions with a measurable performance or other barrier and a right of return/right of release are not recognized until the conditions on which they depend have been met. As of March 31, 2023, SafeHouse did not have any advances on conditional contributions.

A portion of SafeHouse's revenue is derived from cost-reimbursable federal and state grants which are conditioned upon certain performance requirements and/or the incurrence of allowable qualifying expenses. Amounts received are recognized as revenue when SafeHouse 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 statement of financial position. SafeHouse received cost-reimbursable grants of $889,282 that have not been recognized at March 31, 2023, because qualifying expenditures have not yet been incurred.

Contributions receivable are recorded at net realizable value if expected to be collected in one year and at fair value if expected to received in more than one year. As of March 31, 2023, all contributions receivable are expected to be received within one year.

Unpaid volunteers have donated a significant number of hours assisting in SafeHouse's program services and in its fund-raising campaigns. The value of this contributed time is not reflected in the accompanying financial statements as it does not meet the requirements for recognition. However, these amounts are estimated based on rates earned by persons performing similar services as published by an association of volunteer groups and/or as determined by prevailing labor costs in the respective industry. The value of the donated services as estimated by SafeHouse approximated $123,834 for the year ended March 31, 2023.

Contributions of property and equipment or cash restricted to acquisition of property and equipment are reported as net assets with donor restrictions if the donor has restricted the property or equipment to a particular program. These restrictions expire when the assets are placed in service.

Donor restricted contributions are reported as increases in net assets with donor restrictions. When a restriction expires, net assets are reclassified from net assets with donor restrictions to net assets without donor restrictions in the statements of activities.

Methods Used For Allocation Of Expenses From Management And General Activities

The financial statements report certain categories of expenses that are attributable to one or more program or supporting functions of SafeHouse. Therefore, these expenses require allocation on a reasonable basis that is consistently applied. All categories on the statement of functional expenses allocated are allocated based upon time and effort, except for marketing and interest. Additionally, such categories have direct costs included that benefit only one program or supporting services.

Prior-Year Amounts

The financial statements include certain prior-year summarized comparative information in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with generally accepted accounting principles. Accordingly, such information should be read in conjunction with SafeHouse's financial statements for the year ended March 31, 2022, from which the summarized information was derived.

Subsequent Events

SafeHouse has performed an evaluation of subsequent events through July 6, 2023, which is the date the financial statements were available to be issued, and has considered any relevant matters in the preparation of the financial statements and footnotes.

(2) Tax Exempt Status

SafeHouse has previously received notice from the Internal Revenue Service of exemption from income tax under Section 501(c)(3) of the Internal Revenue Code. Income from activities not directly related to SafeHouse's tax-exempt purpose is subject to taxation as unrelated business income. Also, donors are entitled to a charitable deduction for their contribution to SafeHouse.

Management believes that SafeHouse has appropriate support for any tax positions taken affecting its annual filing requirements, and as such, does not have any uncertain tax positions that are material to the financial statements. SafeHouse would recognize future accrued interest and penalties related to unrecognized tax benefits and liabilities in income tax expense if such interest and penalties are incurred.

SafeHouse is no longer subject to U.S. federal tax audits on its Form 990 for fiscal years prior to 2020. The years subsequent to these years contain matters that could be subject to differing interpretations of applicable tax laws and regulations. Such returns contain matters that could be subject to differing interpretations of applicable tax laws and regulations. Although the outcome of tax audits is uncertain, SafeHouse believes no issues would arise.

(3) **Investments**

The following table presents SafeHouse's fair value hierarchy for those assets measured at fair value on a recurring basis as of March 31, 2023, as follows:

	Level 1	Level 2	Level 3	Total
Investments:				
Beneficial interest	$	$	$ 69,188	$ 69,188
Mutual funds -				
Balanced fund	951,908			951,908
Bonds	153,637			153,637
Equities	36,680			36,680
Certificates of deposit	58,617			58,617
Investments under fair value hierarchy	1,200,842		69,188	1,270,030
Money market	7,973			7,973
Total investments	$ 1,208,815	$	$ 69,188	1,278,003

As of March 31, 2023, the bonds did not have a concentration in any sector or market.

The changes in the investments for which SafeHouse has used Level 3 inputs to determine the fair values are as follows:

Balance as of March 31, 2022	$ 73,993
Fees	(677)
Net investment income	(4,128)
Balance as of March 31, 2023	$ 69,188

Level 3 investments consist of SafeHouse's beneficial interest in Community First Foundation. The fair value is based on the value of SafeHouse's portion of the underlying investments in the beneficial interest using valuation methods that are appropriate for those investments as determined by the Community First Foundation.

Quantitative information related to valuation inputs is not available since the value provided by Community First Foundation was used without adjustment. On an annual basis, SafeHouse's management evaluates the return received from the beneficial interest against the value of its portion of the beneficial interest for reasonableness as compared with current market returns. Management believes that the sensitivity in the fair value measurement of the beneficial interest is related to market fluctuations, as the investments held in the beneficial interest are primarily marketable securities.

Investment (loss) during the year ended March 31, 2023, consisted of the following:

Interest and dividend income	$ 17,624
Net gains (losses)	(82,217)
Total investment income (loss)	$ (64,593)

(4) Concentrations Of Credit Risk

SafeHouse places its temporary cash and money market accounts with creditworthy, high-quality financial institutions. A significant portion of the funds are not insured by the FDIC or related entity. SafeHouse has significant investments in mutual funds and is therefore subject to concentrations of credit risk. Investments are monitored by a committee of board of directors and the management of SafeHouse. Though the market value of investments is subject to fluctuations on a year-to-year basis, management believes that the investment strategy is prudent for the long-term welfare of SafeHouse.

SafeHouse's cash demand deposits are held at financial institutions at which deposits are insured up to $250,000 by the FDIC. As of March 31, 2023, SafeHouse's cash demand deposits were in excess of the FDIC's insurance limit by $961,884.

(5) Property And Equipment

Property and equipment consisted of the following as of March 31, 2023:

Land	$ 909,000
Building and building improvements	2,544,064
Furniture, fixtures and equipment	203,766
Software	12,078
	3,668,908
Less: accumulated depreciation and amortization	(1,102,125)
	$ 2,566,783

Depreciation expense for the year ended March 31, 2023, was $70,474.

(6) Net Assets

Board designated net assets: As of March 31, 2023, the governing board of SafeHouse has the following designated net assets:

Operating reserve	$	493,347
Extended stay building reserve		135,312
Building repairs and maintenance reserves		204,387
Total	$	833,046

Net assets with donor restrictions: The net assets with donor restrictions were available for the following program purposes as of March 21, 2023:

Subject to purpose restriction:		
Food for shelter	$	29,594
Dental needs		968
Children medical		6,236
Diapers		697
Total purpose restriction		37,495
Subject to spending policy and appropriation:		
Endowment Fund - beneficial interest in Community First Foundation		69,188
Grand Total	$	106,683

(7) Beneficial Interest In Assets Held By Community First Foundation Endowment Fund

During the year ended March 31, 2013, the Santone endowment fund was transferred to the Community First Foundation (the "Foundation"). SafeHouse granted variance power to the Fund which allows the Fund to modify any condition or restriction on its distributions for any specified charitable purpose or to any specified Foundation if, in the sole judgment of Community First Foundation's Board of Directors such restriction or condition becomes unnecessary, incapable of fulfillment, or inconsistent with the charitable needs of SafeHouse. The transfer was not considered to be a contribution from SafeHouse to the Fund, but rather was accounted for as reciprocal transfer between SafeHouse and the Fund. Therefore, the transfers are reflected collectively in the *Statement of Financial Position* as Beneficial interest in assets held by Community First Foundation Endowment Fund.

The Fund is held and invested by Community First Foundation for the benefit of SafeHouse. SafeHouse can receive annual distributions of four percent of the average net fair market value of the assets of the Fund on the last business day of each of the three calendar years preceding the year for which the distribution is being made. The distribution shall not be cumulative, and, if the Foundation distributes to or for the benefit of SafeHouse less than the described amount in the preceding sentence with respect to any calendar year, then SafeHouse shall not be entitled to request a distribution of such undistributed amount in any subsequent year. Excess earnings, if any, are reinvested in the Fund. However, SafeHouse will never receive the assets held by the Fund.

As of March 31, 2023, the fair value of the assets of the Fund was $69,188.

(8) Endowment Net Assets

General

Net assets restricted in perpetuity represent the proceeds of a bequest received in 1988. The principal is to be maintained inviolate and in perpetuity and the income is restricted for education. As required by generally accepted accounting principles, net assets associated with this endowment fund are classified and reported based on the existence of donor-imposed restrictions.

Interpretation of Relevant Law

The Board of Directors of SafeHouse has interpreted the Uniform Prudent Management of Institutional Funds Act ("UPMIFA") as requiring the preservation of the fair value of original gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary. As a result of this interpretation, SafeHouse classifies as permanently restricted net assets (a) the original value of gifts donated to the permanent endowment, (b) the original value of subsequent gifts to the permanent endowment, and (c) accumulations to the permanent endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund. The remaining portion of the donor-restricted endowment fund that is not classified in net assets restricted in perpetuity is classified as restricted net assets until those amounts are appropriated for expenditure by SafeHouse in a manner consistent with the standard of prudence prescribed by UPMIFA. In accordance with UPMIFA, SafeHouse considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

1. The duration and preservation of the fund
2. The purposes of SafeHouse and the donor-restricted endowment fund
3. General economic conditions
4. The possible effect of inflation and deflation
5. The expected total return from income and the appreciation of investments
6. Other SafeHouse resources
7. Investment policies of Community First Foundation

Changes in Endowment Net Assets

Changes in endowment net assets for the years ended March 31, 2023, are as follows:

		Net Assets With Donor Restrictions
Beginning endowment net assets, as of March 31, 2022	$	73,993
Investment return, net of fees of $677		(4,805)
Endowment net assets, as of March 31, 2023	$	69,188

As of March 31, 2023, endowment net assets consisted of the following:

		Net Assets With Donor Restrictions
Donor restricted endowment net assets, as of March 31, 2023	$	69,188

Funds With Deficiencies

From time to time, the fair value of assets associated with individual donor-restricted endowment funds may fall below the level that the donor or UPMIFA requires SafeHouse to retain as a fund of perpetual duration. In accordance with GAAP, deficiencies of this nature are reported in unrestricted net assets. These deficiencies result from unfavorable market fluctuations that may occur after the investment of permanently restricted contributions and appropriation that was deemed prudent by the Board. As of March 31, 2023, such deficiencies amounted to $0.

Return Objectives And Risk Parameters

SafeHouse follows the investment and spending policies adopted by Community First Foundation for endowment assets that attempt to provide a predictable stream of funding to programs supported by its endowment while seeking to maintain the purchasing power of endowment assets. Endowment assets include those assets of donor-restricted funds that the Foundation must hold in perpetuity.

Strategies Employed for Achieving Objectives

To satisfy its long-term objectives for Community First Foundation Endowment, SafeHouse relies on the Community First Foundation investment policy and strategy, as discussed in Note 7.

Spending Policy And How The Investment Objectives Relate To Spending Policy

SafeHouse can elect to receive annual distributions of four percent of the average net fair market value of the assets of the Fund on the last business day of each of the three calendar years preceding the year for which the distribution is being made. During the year ended March 31, 2023, no amounts were received as distributions.

(9) **Line Of Credit**

SafeHouse has a line of credit in the amount of $150,000 with a financial institution at the interest rate of 5.25% which matures on October 6, 2023. As of March 31, 2023, there was no balance owed on the line of credit.

(10) **Retirement Plan**

SafeHouse has a 401(k) retirement plan (the "Plan"). At its discretion, SafeHouse can opt to make a matching contributions to the Plan each year. During the year ending March 31, 2023, SafeHouse provided a match of up to the first 3% contributed by employees to the Plan. The 401(k) match expense for the year ended March 31, 2023, was $20,503.

(11) **Liquidity And Availability Of Financial Assets**

The following represents SafeHouses's financial assets as of March 31, 2023:

Cash and cash equivalents	$	1,472,212
Investments		1,208,815
Receivables		168,771
Financial assets available to meet cash needs for general expenditures within one year	$	2,849,798

As part of the SafeHouse's liquidity management, it has a policy to maintain the short-term liquidity of financial assets. SafeHouse's goal is generally to maintain financial assets sufficient to meet 90 days of operating expenses. Additionally SafeHouse has a $150,000 line of credit available to meet cash flow needs.