SAFEHOUSE DENVER, INC.

Financial Statements

For The Year Ended March 31, 2022
(With Summarized Financial Information For The
Year Ended March 31, 2021)

Together With Independent Auditors' Report

JDS professional group

certified public accountants, consultants and advisors

INDEPENDENT AUDITORS' REPORT

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

Opinion

We have audited the accompanying financial statements of SafeHouse Denver, Inc. (the "SafeHouse"), which comprise the statement of financial position as of March 31, 2022, 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, 2022, 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.

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 the 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 the 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 the 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 the SafeHouse's March 31, 2021 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated July 6, 2021. 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

June 27, 2022

SAFEHOUSE DENVER, INC.

Statement Of Financial Position
As Of March 31, 2022
(With Summarized Comparative Totals For 2021)

	2022	2021
ASSETS		
Cash and cash equivalents	$ 1,177,564	$ 1,341,724
Prepaid expenses	42,273	36,285
Receivables:		
Contributions	35,000	18,473
Government grants	139,706	139,504
Investments	1,273,664	1,285,985
Beneficial interest in Community First Foundation	73,993	74,272
Property and equipment, net of accumulated depreciation of $1,031,650 and $951,082, respectively	2,519,544	2,585,690
TOTAL ASSETS	$ 5,261,744	$ 5,481,933
LIABILITIES AND NET ASSETS		
Liabilities:		
Accounts payable	$ 23,620	$ 23,969
Payroll liabilities	148,798	125,180
Deferred revenue	26,242	9,035
Capital lease	887	4,422
Note payable		725,889
Refundable advance - PPP Loan		258,496
Total Liabilities	199,547	1,146,991
Net Assets:		
Without Donor Restrictions -		
Undesignated	4,125,772	3,386,264
Board designated operating and building reserve	778,798	814,463
Total Without Donor Restrictions	4,904,570	4,200,727
With Donor Restrictions	157,627	134,215
Total Net Assets	5,062,197	4,334,942
TOTAL LIABILITIES AND NET ASSETS	$ 5,261,744	$ 5,481,933

SAFEHOUSE DENVER, INC.

Statement Of Activities
For The Year Ended March 31, 2022
(With Summarized Comparative Totals For 2021)

	Without Donor Restrictions	With Donor Restrictions	2022 Total	2021 Total
Revenue and other support:				
Contributions	$ 978,074	$ 72,872	$ 1,050,946	$ 904,397
Government grants		899,210	899,210	740,869
Foundations	369,500		369,500	436,348
Special events net of direct expenses of $57,768 and $16,441, respectively	316,621		316,621	264,450
United Way and other agencies	103,206		103,206	58,649
Change in beneficial interest		(280)	(280)	17,110
Investment income (loss)	(10,013)		(10,013)	318,991
Other	7,356		7,356	25,285
In-kind contributions	4,345		4,345	15,669
Net assets released from restrictions - Satisfaction of time and purpose restrictions	948,390	(948,390)		
Total Revenue and Other Support	2,717,479	23,412	2,740,891	2,781,768
Expenses:				
Program Services:				
Shelter services	608,843		608,843	645,228
Counseling and advocacy	581,567		581,567	525,995
Extended stay program	243,330		243,330	237,056
Children's program	139,646		139,646	130,305
Total Program Services	1,573,386		1,573,386	1,538,584
Supporting Services-				
General and administrative	206,269		206,269	188,935
Fund raising	233,981		233,981	252,121
Total Supporting Services	440,250		440,250	441,056
Total Expenses	2,013,636		2,013,636	1,979,640
CHANGES IN NET ASSETS	703,843	23,412	727,255	802,128
Net Assets, Beginning Of Year	4,200,727	134,215	4,334,942	3,532,814
NET ASSETS, END OF YEAR	$ 4,904,570	$ 157,627	$ 5,062,197	$ 4,334,942

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

SAFEHOUSE DENVER, INC.

Statement Of Functional Expenses
For The Year Ended March 31, 2022
(With Summarized Comparative Totals For 2021)

	Program Services							2022	2021
	Shelter Services	Counseling & Advocacy	Extended Stay Program	Children's Program	Total Program Services	General and Administrative	Fund Raising	Total Expenses	Total Expenses
Salaries	393,485	388,287	141,942	97,894	$ 1,021,608	$ 148,876	$ 153,116	$ 1,323,600	$ 1,235,790
Payroll taxes and benefits	79,286	92,402	29,278	20,252	221,218	18,061	25,393	264,672	263,621
Occupancy, repair and maintenance	55,145	40,704	24,483	6,899	127,231	2,760	4,829	134,820	167,064
Insurance	8,394	8,394	7,407	2,845	27,040	529	883	28,452	27,975
Direct program support	11,246	2,650	166	770	14,832		2,548	17,380	7,921
Telephone	6,463	5,539	4,883	883	17,768	353	618	18,739	16,551
Staff development	5,909	2,956	1,362	1,466	11,693	324	2,193	14,210	6,962
Dues and subscriptions	400	1,599	400	400	2,799	400	2,317	5,516	7,271
Marketing	656	656	656	656	2,624		3,575	6,199	15,358
Office expenses	3,626	7,254	931	550	12,361	573	23,004	35,938	54,696
Professional fees	9,539	11,734	3,636	3,286	28,195	31,931	8,014	68,140	78,603
Interest	1,424	5,698	1,424	1,424	9,970	1,534	2,849	14,353	11,375
Total	575,573	567,873	216,568	137,325	1,497,339	205,341	229,339	1,932,019	1,893,187
Depreciation	33,270	13,694	26,762	2,321	76,047	928	4,642	81,617	86,453
Total expenses	$ 608,843	$ 581,567	$ 243,330	$ 139,646	$ 1,573,386	$ 206,269	$ 233,981	$ 2,013,636	$ 1,979,640

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

SAFEHOUSE DENVER, INC.

Statement Of Cash Flows
For The Year Ended March 31, 2022
(With Summarized Comparative Totals For 2021)

	2022	2021
Cash flows from operating activities:		
Changes in net assets from operations	$ 727,255	$ 802,128
Adjustments to reconcile changes in net assets to net cash provided by operating activities:		
Depreciation	81,617	86,453
Forgiveness of refundable advance	(258,496)	
Realized/unrealized (gains)/losses on investments	84,190	(305,727)
Change in value of beneficial interest	280	(17,110)
Changes in assets and liabilities -		
Decrease (increase) in contributions receivable	(17,574)	13,601
(Increase) in government grants	(202)	(4,603)
(Increase) in prepaid expense and other assets	(5,988)	(10,926)
Increase (decrease) in accounts payable and accrued expenses	(349)	4,539
Increase in deferred revenue	17,206	535
Increase in payroll liabilities	23,616	7,913
Net cash provided by operating activities	651,555	576,803
Cash flows from investing activities:		
Purchases of property and equipment	(14,422)	(269,993)
Sales of investments	2,155	
Purchases of investments	(74,024)	(61,523)
Net cash (used in) investing activities	(86,291)	(331,516)
Cash flows from financing activities:		
Proceeds from refundable advances - PPP Loan		258,496
Payments on notes payable	(725,889)	(314,111)
Payments on capital lease	(3,535)	(2,965)
Net cash (used in) financing activities	(729,424)	(58,580)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS FROM OPERATIONS	(164,160)	186,707
Cash And Cash Equivalents, Beginning Of Year	1,341,724	1,155,017
CASH AND CASH EQUIVALENTS, END OF YEAR	$ 1,177,564	$ 1,341,724
Supplemental Cash Flow Information		
Cash paid for interest	$ 14,343	$ 11,340
Non-cash investing and financing activities:		
Building purchased with note payable proceeds	$	$ 1,040,000

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 33-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. An ESP Case Manager assists in this process. ESP residents also have access to the full range of services from the Counseling and Advocacy program. The average length of stay is 60 - 90 days.

Basis 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.

Risks and Uncertainties

The global community has been under a significant threat from coronavirus ("COVID-19"). The extent to which the COVID-19 pandemic impacts Safehouse's business, results of operations and financial condition will depend on future developments, which are still uncertain and cannot be predicted. Even after the COVID-19 pandemic has subsided, Safehouse may continue to experience adverse impacts to its business as a result of any economic recession or depression that has occurred or may occur in the future. Therefore, Safehouse cannot reasonably estimate the impact at this time.

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.

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.

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.

<u>Revenue And Revenue Recognition</u>

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, 2022, 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 $534,573 that have not been recognized at March 31, 2022, 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, 2022, 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 $106,005 for the year ended March 31, 2022.

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. Salaries, payroll taxes, benefits, and staff development are allocated to program, fundraising, and general administration based on time and effort as documented by a time study. Utilities, rent, repairs and maintenance, telephone and other occupancy costs are allocated to program, fundraising, and general administration based on square footage. All remaining costs are charged directly to the functions benefitted.

Reclassifications

Certain amounts have been reclassified in the prior year for comparative purposes.

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, 2021, from which the summarized information was derived.

Subsequent Events

SafeHouse has performed an evaluation of subsequent events through June 27, 2022, 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.

SafeHouse follows *Accounting for Uncertainty in Income Taxes*, which clarifies the accounting and reporting for uncertainties in income tax law. The standard prescribes a recognition threshold and measurement attribute for the financial statement recognition and measurement of a tax position taken or expected to be taken in a impact of the tax position if that position will more likely than not be sustained on audit, based on the technical merits of the position. The standard also provides guidance related to de-recognition, classification, and interest and penalties. During the year ended March 31, 2022, SafeHouse performed an evaluation of uncertain tax positions and did not note any matters that would require recognition or which may have an effect on its tax-exempt status.

SafeHouse is no longer subject to U.S. federal tax audits on its Form 990 for fiscal years prior to 2019. 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, 2022, as follows:

	Level 1	Level 2	Level 3	Total
Investments:				
Beneficial interest	$	$	$ 73,993	$ 73,993
Mutual funds -				
Balanced fund	1,015,084			1,015,084
Bonds	160,454			160,454
Equities	36,128			36,128
Certificates of deposit	58,432			58,432
Investments under fair value hierarchy	1,270,098		73,993	1,344,091
Money market	3,566			3,566
Total investments	$ 1,273,664	$	$ 73,993	1,347,657

As of March 31, 2022, 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, 2021	$ 74,272
Fees	(772)
Net investment income	493
Balance as of March 31, 2022	$ 73,993

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 income during the year ended March 31, 2022, consisted of the following:

Interest and dividend income	$	74,023
Net gains (losses)		(84,036)
Total investment income (loss)	$	(10,013)

(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, 2022, SafeHouse's cash demand deposits were in excess of the FDIC's insurance limit by $670,464.

(5) **Property And Equipment**

Property and equipment consisted of the following as of March 31, 2022:

Land	$	909,000
Building and building improvements		2,429,484
Furniture, fixtures and equipment		200,632
Software		12,078
		3,551,194
Less: accumulated depreciation and amortization		(1,031,650)
	$	2,519,544

Depreciation and amortization expense for the year ended March 31, 2022, was $81,617.

(6) Net Assets

Board designated net assets: As of March 31, 2022, the governing board of SafeHouse has the following designated net assets:

Operating reserve	$	472,861
Extended stay building reserve		155,748
Building repairs and maintenance reserves		150,189
Total	$	778,798

Net assets with donor restrictions: The net assets with donor restrictions were available for the following program purposes as of March 21, 2022:

Subject to purpose restriction:		
Food for shelter	$	40,694
Dental needs		968
Children medical		6,236
Diapers		736
Total purpose restriction		48,634
Subject to the passage of time:		
Time restricted contributions		35,000
Subject to spending policy and appropriation:		
Endowment Fund - beneficial interest in Community First Foundation		73,993
Grand Total	$	157,627

(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, 2022, the fair value of the assets of the Fund was $73,993.

(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, 2022, are as follows:

	Net Assets With Donor Restrictions
Beginning endowment net assets, as of March 31, 2021	$ 74,272
Investment return, net of fees of $773	(279)
Endowment net assets, as of March 31, 2022	$ 73,993

As of March 31, 2022, endowment net assets consisted of the following:

	Net Assets With Donor Restrictions
Donor restricted endowment net assets, as of March 31, 2022	$ 73,993

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, 2022, 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, 2022, no amounts were received as distributions.

(9) Refundable Advance - PPP Loan

On April 10, 2020, SafeHouse qualified for and received a refundable advance pursuant to the Paycheck Protection Program ("PPP"), a program implemented by the U.S. Small Business Administration under the Coronavirus Aid, Relief, and Economic Security Act, from a qualified lender, for an aggregate amount of $258,496. The advance was forgiven and is reflected in government grants on the statement of activities.

(10) 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, 2022. As of March 31, 2022, there was no balance owed on the line of credit.

(11) 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, 2022, 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, 2022, was $21,354.

(14) Liquidity And Availability Of Financial Assets

The following represents SafeHouses's financial assets as of March 31, 2022:

Cash and cash equivalents	$ 1,177,564
Investments	1,273,664
Receivables	174,706
Financial assets available to meet cash needs for general expenditures within one year	$ 2,625,934

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.