

**Combined Audited
Financial Statements**
With Supplemental Information

Coburn Place

December 31, 2021 and 2020



LEMLERGROUP
certified public accountants

Coburn Place

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Coburn Place
Indianapolis, Indiana

Opinion

We have audited the accompanying financial statements of Coburn Place, which comprise the combined statements of financial position as of December 31, 2021 and 2020, and the related combined statements of activities and changes in net assets, cash flows, and functional expenses for the years then ended, and the related notes to the financial statements.

In our opinion, the combined financial statements referred to above present fairly, in all material respects, the combined financial position of Coburn Place as of December 31, 2021 and 2020, and the combined statements of activities and changes in net assets, cash flows, and functional expenses for the years 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 Coburn Place and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. 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 the combined 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 Coburn Place'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 as a whole 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, including omissions, 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.

Auditor's Responsibilities for the Audit of the Financial Statements (continued)

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 Coburn Place'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 Coburn Place'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 Supplemental Information

Our audits were conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying supplemental information is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.



Lemler Group, LLC
Indianapolis, Indiana

May 9, 2022

Coburn Place

Combined Statements of Financial Position December 31, 2021 and 2020

	ASSETS	
	2021	2020
Current assets		
Cash and cash equivalents	\$ 777,004	\$ 369,866
Accounts receivable	7,791	10,000
Grants receivable	390,224	801,792
Prepaid expenses	64,957	22,113
Total current assets	1,239,976	1,203,771
Restricted assets		
Replacement reserves	49,910	35,800
Operating reserves	152,144	152,144
Tax credit exchange reserve funds	91,283	181,293
Total restricted assets	293,337	369,237
Fixed assets		
Land	80,000	80,000
Building and building improvements	7,028,030	6,915,991
Furnishings and equipment	1,044,483	882,569
Total fixed assets	8,152,513	7,878,560
Accumulated depreciation	(2,544,964)	(2,276,490)
Net fixed assets	5,607,549	5,602,070
Long-term assets		
Investments	6,629,143	4,768,601
Tax credit costs (net of amortization of \$21,389 and \$19,701)	2,383	4,071
Total long-term assets	6,631,526	4,772,672
Total Assets	\$ 13,772,388	\$ 11,947,750

Coburn Place

Combined Statements of Financial Position (continued) December 31, 2021 and 2020

	<u>2021</u>	<u>2020</u>
Current liabilities		
Accounts payable	\$ 36,159	\$ 30,209
Accrued payroll	101,893	90,334
Accrued asset management fees	7,130	6,922
INHP payable	-	375,354
Deferred revenue	1,555,519	466,769
Total current liabilities	<u>1,700,701</u>	<u>969,588</u>
Long-term liabilities		
Deferred tax credit exchange funds revenue	104,066	138,755
Total long-term liabilities	<u>104,066</u>	<u>138,755</u>
Total Liabilities	<u>1,804,767</u>	<u>1,108,343</u>
Net Assets		
Without donor restrictions	8,314,433	8,328,456
With donor restrictions	3,653,188	2,510,951
Total Net Assets	<u>11,967,621</u>	<u>10,839,407</u>
Total Liabilities and Net Assets	<u>\$ 13,772,388</u>	<u>\$ 11,947,750</u>

Coburn Place

Combined Statement of Activities and Changes in Net Assets For the Year Ended December 31, 2021

	2021		
	Without Donor Restrictions	With Donor Restrictions	Total
Operating Revenues			
Contributions	\$ 737,817	\$ 1,019,316	\$ 1,757,133
Special events	28,585	-	28,585
Grants and contracts			
Federal	1,669,221	-	1,669,221
Non-federal	223,728	-	223,728
Private grants	434,271	366,000	800,271
Interest and dividends	17,721	43,966	61,687
Other	1,519	-	1,519
Inkind	280,767	-	280,767
Net assets released from restrictions	579,816	(579,816)	-
Total operating revenues	3,973,445	849,466	4,822,911
Operating Expenses			
Program services	3,336,857	-	3,336,857
Management and general	364,196	-	364,196
Fundraising	587,902	-	587,902
Total operating expenses	4,288,955	-	4,288,955
Non-Operating Revenue (Expense)			
Gain (loss) on investment	11,509	292,771	304,280
PPP loan forgiveness	-	-	-
Total non-operating revenue (expense)	11,509	292,771	304,280
Net Increase (Decrease) In Net Assets	(304,001)	1,142,237	838,236
Capital Contributions	289,978	-	289,978
Net Assets, Beginning of Year	8,328,456	2,510,951	10,839,407
Net Assets, End of Year	\$ 8,314,433	\$ 3,653,188	\$ 11,967,621

Coburn Place

Combined Statement of Activities and Changes in Net Assets For the Year Ended December 31, 2020

	2020		Total
	Without Donor Restrictions	With Donor Restrictions	
Operating Revenues			
Contributions	\$ 559,159	\$ 16,644	\$ 575,803
Special events	31,215	-	31,215
Grants and contracts			
Federal	1,250,617	-	1,250,617
Non-federal	168,332	-	168,332
Private grants	703,121	233,731	936,852
Interest and dividends	20,738	38,003	58,741
Other	2,203	-	2,203
Inkind	193,582	-	193,582
Net assets released from restrictions	250,375	(250,375)	-
Total operating revenues	3,179,342	38,003	3,217,345
Operating Expenses			
Program services	2,502,923	-	2,502,923
Management and general	333,021	-	333,021
Fundraising	516,271	-	516,271
Total operating expenses	3,352,215	-	3,352,215
Non-Operating Revenue (Expense)			
Gain (loss) on investment	28,508	261,763	290,271
PPP loan forgiveness	260,500	-	260,500
Total non-operating revenue (expense)	289,008	261,763	550,771
Net Increase (Decrease) In Net Assets	116,135	299,766	415,901
Capital Contributions	289,978	-	289,978
Net Assets, Beginning of Year	7,922,343	2,211,185	10,133,528
Net Assets, End of Year	\$ 8,328,456	\$ 2,510,951	\$ 10,839,407

Coburn Place

Combined Statements of Functional Expenses For the Years Ended December 31, 2021 and 2020

	Program	Management and General	Fundraising	2021 Totals
Expenses				
Salaries and wages	\$ 1,308,620	\$ 230,997	\$ 388,021	\$ 1,927,638
Retirement	10,456	5,613	6,229	22,298
Employee benefits	139,843	10,995	32,050	182,888
Payroll taxes	123,804	28,809	37,134	189,747
Professional fees				
Management	55,382	37,417	13,181	105,980
Legal	-	5,913	-	5,913
Accounting	49,984	5,521	8,248	63,753
Consulting	11,605	-	-	11,605
Advertising and marketing	7,255	-	34,874	42,129
Office	45,935	17,654	28,493	92,082
Information technology	50,273	8,195	22,980	81,448
Occupancy	266,288	-	-	266,288
Travel and transportation	9,015	283	393	9,691
Conferences	17,538	4,889	6,107	28,534
Depreciation	262,007	1,687	4,780	268,474
Insurance	46,109	6,223	5,412	57,744
Inkind	280,767	-	-	280,767
Client flexible funding	684,977	-	-	684,977
Amortization	1,688	-	-	1,688
Amortization of 1602 funds	(34,689)	-	-	(34,689)
Total expenses	<u>\$ 3,336,857</u>	<u>\$ 364,196</u>	<u>\$ 587,902</u>	<u>\$ 4,288,955</u>
Expenses				
Salaries and wages	\$ 1,062,983	\$ 232,877	\$ 333,690	\$ 1,629,550
Retirement	10,615	8,017	7,735	26,367
Employee benefits	98,784	20,670	29,548	149,002
Payroll taxes	97,537	21,721	32,303	151,561
Professional fees				
Management	-	67	7,632	7,699
Legal	24,224	-	-	24,224
Accounting	-	2,234	4,617	6,851
Consulting	45,701	-	-	45,701
Advertising and marketing	1,070	138	42,846	44,054
Office	32,967	32,405	23,937	89,309
Information technology	49,327	6,117	19,859	75,303
Occupancy	203,592	-	-	203,592
Travel and transportation	11,491	431	1,603	13,525
Conferences	2,288	3,780	2,038	8,106
Depreciation	233,782	1,687	4,780	240,249
Insurance	44,991	2,877	5,683	53,551
Inkind	193,582	-	-	193,582
Client flexible funding	412,534	-	-	412,534
Amortization	1,688	-	-	1,688
Amortization of 1602 funds	(34,689)	-	-	(34,689)
Total expenses	<u>\$ 2,492,467</u>	<u>\$ 333,021</u>	<u>\$ 516,271</u>	<u>\$ 3,341,759</u>

Coburn Place

Combined Statements of Cash Flows For the Years Ended December 31, 2021 and 2020

	2021	2020
Reconciliation of Changes in Net Assets to		
Net Cash Provided By (Used In) Operating Activities		
Change in net assets	\$ 838,236	\$ 415,901
Adjustments to Reconcile Change in Net Assets to		
Net Cash Provided By (Used In) Operating Activities		
Depreciation expense	268,474	240,249
Amortization expense	1,688	1,688
Amortization of 1062 funds	(34,689)	(34,689)
(Gain) loss on investments	(304,280)	(290,232)
PPP loan forgiveness	-	(260,500)
Decrease (increase) in accounts receivable	2,209	(10,000)
Decrease (increase) in grants receivable	411,568	(599,742)
Decrease (increase) in prepaid expenses	(42,844)	5,542
Increase (decrease) in accounts payable	5,950	(1,090)
Increase (decrease) in accrued payroll	11,559	90,334
Increase (decrease) in accrued asset management fees	208	(6,322)
Increase (decrease) in deferred revenue	1,088,750	151,269
Net Cash Provided By (Used In) Operating Activities	2,246,829	(297,592)
Cash Flow From Investing Activities		
Purchase of fixed assets	(273,953)	(88,112)
Purchase of investments	(2,650,762)	(619,383)
Sold investments	1,094,500	-
Net Cash Used In Investing Activities	(1,830,215)	(707,495)
Cash Flow from Financing Activities		
INHP loan proceeds	(375,354)	554,607
INHP loan payments	-	(179,253)
Capital Contributions	289,978	289,978
Proceeds on PPP loan	-	260,500
Net Cash Provided By Financing Activities	(85,376)	925,832
Net Increase (Decrease) in Cash, Cash Equivalents and Restricted Cash	331,238	(79,255)
Cash, Cash Equivalents and Restricted Cash, Beginning of Year	739,103	818,358
Cash, Cash Equivalents and Restricted Cash, End of Year	\$ 1,070,341	\$ 739,103

Coburn Place

Notes to Financial Statements For the Years Ended December 31, 2021 and 2020

Note 1 – Nature of Activities

Background

The combined financial statements include the activity of Coburn Place Safehaven II, Inc. and Coburn Place, L.P. collectively referenced as Coburn Place.

- Coburn Place Safehaven II, Inc. (Safehaven) was formed as an Indiana not-for-profit organization on January 8, 2003. Safehaven has been providing compassionate support and safe housing choices for survivors of domestic violence and their children in Indianapolis for 25 years. We work with survivors during a key safety and stabilization period between fleeing an abuser and regaining their ability to live self-determined lives. Through a Housing First approach, we serve about 105 households at any given time between 35 transitional housing units at our flagship building and 70 rapid rehousing units across the Indy metro area. Providing pathways to safe housing and comprehensive well-being support interrupts poverty and breaks the cycle of abuse. Our vision is to illuminate a path forward to restore hope and promote healing.
- Coburn Place, L.P. (Coburn LP) was formed as a limited partnership on April 2, 2009 under the state of Indiana, to acquire, substantially rehabilitate, and own a 35-unit transitional housing facility for victims of domestic violence known as Coburn Place, which is operated by Safehaven.

Mission Statement

Empowering people impacted by interpersonal abuse.

Vision and Identity Statement

A world where every human may live free from interpersonal abuse with safe and stable housing and an opportunity to enjoy overall wellbeing.

Values

Empower each program participant to heal from trauma and be free from interpersonal abuse, housing and economic instability by providing:

- *Voluntary Services and Trauma-Informed Care in an Overall Wellbeing-Focused and Healing-Centered Service Delivery Model*
- *Warm & Caring Environment.* We commit to providing an environment that:
 - Encourages openness among program participants, staff, volunteers, donors, and supporters
 - Promotes friendly interactions among all who engage in life, services, and work at Coburn Place
 - Infuses compassion in all that we do
 - Upholds the importance of clean and inviting spaces
- *Safety and Security.* We understand that our ability to have an impact on the lives of those who benefit from our services rests on:
 - Providing space which is first and foremost safe and secure
 - Giving survivors a dependable and predictable environment
- *Respect.* We strive in all that we do to:
 - Honor personal and professional boundaries
 - Recognize the inherent differences and importance of each person
 - Acknowledge that each survivor is the expert in their own life

Coburn Place

Note 1 – Nature of Activities (continued)

Basis for Combination

Significant intercompany transactions were eliminated during the combination process. Safehaven is a general partner of Coburn LP with a 0.01% interest and initial investment of \$865,000. Since Safehaven is the general partner and operates in the same location, management elected to prepare combined financial statements in accordance with generally accepted accounting principles using Financial Statements of Not-for-Profit Organizations standards and formats. Eliminating entries were prepared in the process of combining Safehaven and Coburn LP. The eliminating entries consist of notes receivable/payable, interest receivable/payable, due to/due from, lease receivable/payable, and investments.

Note 2 – Significant Accounting Policies

Accounting Method

Coburn Place's financial statements are prepared on the accrual basis of accounting.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to use estimates and assumptions in preparing financial statements. Those estimates and assumptions affect the report amount of assets and liabilities, the disclosure of contingent assets and liabilities, and the report of revenues and expenses.

Subsequent Events

Coburn Place evaluated subsequent events through May 9, 2022, which is the date the financial statements were available to be issued. This evaluation determined that there are no subsequent events that necessitated further disclosure in and/or adjustments to the accompanying financial statements.

Cash and Cash Equivalents

For the purpose of the statements of cash flows, restricted deposits and funded reserves are included with total cash and cash equivalent amounts. In addition, Coburn Place considers all highly liquid debt instruments purchased with a maturity of three months or less to be considered cash and cash equivalents. The carrying amount of cash, deposits held in trust, restricted deposits, and funded reserves approximate fair value due to the type of investments and the maturity dates.

Reconciliation of cash, cash equivalents and restricted cash balances consist of the following:

	<u>2021</u>	<u>2020</u>
Cash and cash equivalents	\$ 777,004	\$ 369,866
Replacement reserve	49,910	35,800
Operating reserve	152,144	152,144
Other reserves	91,283	181,293
Total cash, cash equivalents and restricted cash balances	<u>\$ 1,070,341</u>	<u>\$ 739,103</u>

Accounts Receivable

Accounts receivable are stated at the amount Safehaven's management expects to collect from outstanding balances. The allowance for doubtful accounts as of December 31, 2021 and 2020 is \$0 and \$0, respectively, due to subsequent collection on account receivables.

Grants Receivable

Coburn Place records grants receivable for services provided during the year even though payment has not been received. Coburn Place does not establish an allowance for doubtful accounts and does not use the reserve method for recognizing bad debt. Bad debt is treated as direct write-offs in the period Coburn Place determines that collection is not probable. No allowance is necessary due to the grants receivable being received subsequent to year end.

Coburn Place

Note 2 – Significant Accounting Policies (continued)

Replacement Reserves

Coburn LP shall establish and fund a reserve for replacements account. The required funding is equal to \$300 per unit (or \$10,500) per year, increasing annually at a rate of 3% per annum, funded monthly. The reserve for replacements and any interest earned shall be maintained by Coburn LP in the reserve for replacements account. The funds will be utilized to make capital improvements and repairs to Coburn Place and all withdrawals require the signatures of the general partner and the asset manager, Key Community Development Corporation.

Operating Reserve

Pursuant to the Coburn LP partnership agreement, Safehaven will establish the operating reserve account in the amount of \$152,144, which will be funded out of the second installment of the limited partner's capital contributions. The operating reserve will be used for working capital and operating purposes.

Fixed Assets

Coburn Place's fixed assets are stated at cost and depreciated over estimated useful lives using the straight-line method. Expenditures for improvements and major renewals are capitalized. When property or equipment is sold, retired, or otherwise disposed of, the related cost and accumulated depreciation are eliminated from the accounts and any resulting gain or loss is credited or charged to income.

Tax Credit Fees

Tax credit monitoring fees of \$23,772 are amortized over the 15-year low-income tax credit compliance period using the straight-line method. For the years ended December 31, 2021 and 2020, amortization expenses are \$1,688 and \$1,688, respectively.

Deferred Revenue

Safehaven's deferred revenue is grant revenue received for a particular purpose before those services are performed. When associated grant expenses are incurred, the deferred revenue is released into grant revenue. Should Safehaven not fulfill the grant stipulations, the entire amount would be due back to the grantor. Deferred revenue consists of the following at December 31, 2021 and 2020:

	<u>2021</u>	<u>2020</u>
Real estate expansion	\$ 120,000	\$120,000
Building improvements	1,204,750	0
Development capacity	0	62,000
COVID 19 emergency relief efforts	230,769	230,769
COVID 19 youth programs	0	54,000
Total	<u>\$1,555,519</u>	<u>\$466,769</u>

Net Assets

The financial statements are prepared in accordance with Financial Statements of Not-for-Profit Organizations. This requires, among other things, that the financial statements report the changes in and total of each of the net asset classes, based upon donor restrictions, as applicable. Net assets are classified as either without or with donor restrictions.

Coburn Place

Note 2 – Significant Accounting Policies (continued)

Net Assets (continued)

The following class of net assets and a brief description is as follows:

Net Assets Without Donor Restrictions – These amounts are not subject to usage restrictions based on donor-imposed requirements and include general assets and liabilities of Safehaven. These amounts also include previously restricted assets where restrictions are met or expire. The net assets without donor restrictions may be used freely at the direction of management to support Safehaven's purpose and operations. Coburn LP's activity is classified as net assets without donor restrictions and consists of the following:

Partners' Equity - The general partner for Coburn LP is Safehaven, having a 0.01% interest, and the limited partner is Meridian Affordable Housing Acquisition, LLC (Limited Partner), having a 99.99% interest.

Capital Contributions - In accordance with the partnership agreement, the required limited partner capital contribution is \$6,525,952. During the years ended December 31, 2021 and 2020, Limited Partner made contributions of \$289,988 and \$289,988, respectively. At December 31, 2021 and 2020, Limited Partner has cumulative contributions of \$5,656,108 and \$5,366,122, respectively. The remaining contributions will be due upon completion of specific events as outlined in the partnership agreement until January 1, 2025.

Income and loss - All income and loss, except those arising from a capital transaction, are allocated 99.99% to Limited Partner and 0.01 % to General Partner.

Net Assets With Donor Restrictions – These amounts are subject to usage limitations based on donor-imposed or grantor restrictions. These restrictions may be temporary or may be based on a particular use. Restrictions may be met by the passage of time or by management's actions. Certain assets may be restricted in perpetuity. When a restriction expires, the amount is reclassified to without donor restrictions and reported in the statement of activities as net assets released from restrictions. See Note 6 for net assets with donor restrictions.

Contributions

Contributions received are recorded as with and without donor restrictions depending on the existence and/or nature of any donor restrictions. Contributions are recorded when the unconditional promise to give is made. Safehaven reports gifts of cash and other assets as restricted support if they are received with donor stipulations that limit the use of the donated assets.

Grants and Contracts Revenue

Safehaven receives grants and contract revenue from federal, state, and local entities (oversight agencies) to carry out certain program activities. These grants and contracts are received under an oversight agency that require Safehaven to submit records of service provided on a periodic basis. Revenues under these contracts are recognized as services that are provided. Grant expenditures are subject to audit and acceptance by the oversight agencies and, as a result of such audits, adjustments could be required.

Advertising Expense

Coburn Place expenses advertising costs as they incur. For the years ended December 31, 2021 and 2020, advertising expenses are \$42,129 and \$44,054, respectively.

In-kind Contributions

Coburn Place receives in-kind contributions from various donors. Coburn Place's policy is to record the estimated fair value of certain in-kind donations as an expense in its financial statements, and similarly increase revenue and other support by a like amount.

Coburn Place

Note 2 – Significant Accounting Policies (continued)

Income Taxes

Safehaven is exempt from federal and state income tax under the provisions of Section 501(c)(3) of the Internal Revenue Code; therefore, no provision for income taxes is made in the financial statements. Safehaven is classified as an entity that is not a private foundation within the meaning of Section 509(a) and qualifies for deductible contributions as provided in Section 170(b)(1)(A)(vi).

No provision for federal or state income taxes is made in Coburn Place's financial statements as the federal and state income tax effect on Coburn LP's activities accrues to its partners.

Generally accepted accounting principles in the United States require Coburn Place to examine its tax positions for uncertain positions. Coburn Place is not aware of any tax positions that are more likely than not to change in the next 12 months, or that would not sustain an examination by applicable taxing authorities. Coburn Place's policy is to recognize penalties and interest as incurred in its statements of activities as a component of operating expenses, and totaled \$0 for the years ended December 31, 2021 and 2020. Coburn Place's federal and state income tax returns are subject to examination by the applicable tax authorities, generally for three years after the later of the original or extended due date.

Allocation of Functional Expenses

The costs of providing various programs and other activities are summarized on a functional basis in the statement of activities and changes in net assets and statement of functional expenses. Accordingly, personnel and staffing costs are allocated among the programs and supporting services which benefit from those costs based on estimates of time and effort spent on the related activities.

Organization History

Safehaven was owned by Coburn Place Associates II LP, until May 20, 2008. A portion of the debt used to acquire Safehaven by Coburn Place Associates II LP was payable to Safehaven. The debt agreement provided Safehaven the option to purchase Coburn Place from Coburn Place Associates II LP on or before July 15, 2008. Safehaven exercised its option to purchase Coburn Place for a purchase price equivalent to the outstanding debt secured by Coburn Place (including the debt payable to Safehaven) that was owed by Coburn Place Associates II LP as of May 20, 2008. Debt assumed by Safehaven, payable to the City of Indianapolis was forgiven on May 21, 2008, and June 19, 2008.

On May 22, 2008, Safehaven sold Coburn Place to Coburn Place 20/20 LP. The purchase price paid by Coburn Place 20/20 LP was entirely financed with a note payable to Safehaven and was released on May 1, 2009. On the same date, Coburn Place 20/20 LP transferred Coburn Place to Coburn Place LP, an Indiana limited partnership. The purchase price paid by Coburn Place LP was entirely financed with a note payable to Safehaven.

Coburn Place LP was awarded Low-Income Housing Tax Credits pursuant to Section 42 of the Internal Revenue Code as enacted by the Tax Reform Act of 1986 on qualified low-income units. Generally, the low-income housing tax credit is computed as a percent of the qualified basis of the property and is allowed annually during a period of 10 years commencing with the year the rehabilitation expenditures are placed into service. Safehaven executed a development agreement and served as developer in the acquisition and substantial rehabilitation of Safehaven.

Reclassifications

Certain accounts in the 2020 financial statements are reclassified for comparative purposes to conform with the presentation in the 2021 financial statements. Total assets, liabilities, net assets and changes in net assets are unchanged due to these reclassifications.

Coburn Place

Note 3 – Deferred Tax Credit Exchange Funds Revenue

Section 1602 of the American Recovery and Reinvestment Act provided for a Low-Income Housing Tax Credit (LIHTC) Exchange program wherein housing agencies are allowed to exchange certain LIHTC allocations with the United States Treasury for cash grants equal to 85% of the credits exchanged. The housing agencies are able to provide these funds in the form of forgivable loans or grants to LIHTC eligible properties. Federal guidelines provide that 1/15th of the total funds are earned each year that Coburn Place complies with the applicable LIHTC requirements, beginning in the year the property is placed into service. The Indiana Housing and Community Development Authority (IHCDA) provides these funds to Coburn LP in the form of a forgivable loan. IHCDA committed to provide a tax credit exchange fund loan of \$520,333 to Coburn LP, all of which was received. For financial reporting, 1/15th of the funds will be recorded as a liability upon receipt and recorded into income per year, beginning when Coburn Place was placed into service. During the years ended December 31, 2021 and 2020, \$34,689 and \$34,689 of income is recognized. As of December 31, 2021 and 2020, the deferred portion is \$104,066 and \$138,755, respectively.

Coburn LP's tax credit exchange funds were placed in two controlled bank accounts. Funds are to be requested by Coburn LP and will be disbursed annually in 15 equal installments. During the years ended December 31, 2021 and 2020, amounts disbursed were \$90,143 and \$34,689, respectively. During the year ended December 31, 2021, Coburn LP requested an additional \$55,454 to be withdrawn to cover capital improvements relating to the elevator system.

Note 4 – Investments and Fair Value

Safehaven adopted the provisions of Fair Value Measurements (Fair Value) for measurement of investments that are recognized or disclosed at fair value in the financial statements on a recurring basis. Fair Value is defined as the price that would be received to sell an asset or pay to transfer a liability in an orderly transaction between market participants at the measurement date.

Interest earned is recorded on the accrual basis and dividends are recorded on the ex-dividend date. Purchases and sales of investments are recorded on the trade date. Gains and losses on the sales of investments are determined using the specific-identification method. Realized and unrealized gains and losses on investments are included in the statement of activities.

Fair Value establishes a 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 measurements involving significant unobservable inputs (Level 3 measurements).

The three levels of the fair value hierarchy are as follows:

- 1) Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that Safehaven can access at the measurement date.
- 2) Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.
- 3) Level 3 inputs are unobservable inputs for the asset or liability.

Coburn Place

Note 4 – Investments and Fair Value (continued)

Safehaven's investments consist of the following as of December 31, 2021 and 2020:

	December 31, 2021		
	Costs or Original Donated Value	Market Value	Unrealized Gain (loss)
Money Market Funds	\$ 4,029,300	\$ 4,029,300	\$ 0
Bonds	830,778	835,476	4,698
Stocks and Mutual Funds	<u>1,282,682</u>	<u>1,764,367</u>	<u>481,685</u>
	<u>\$ 6,172,760</u>	<u>\$ 6,629,143</u>	<u>\$ 486,383</u>
	December 31, 2020		
	Costs or Original Donated Value	Market Value	Unrealized Gain (loss)
Money Market Funds	\$ 2,320,862	\$ 2,320,862	\$ 0
Bonds	684,693	720,129	35,436
Stocks and Mutual Funds	<u>1,336,715</u>	<u>1,727,610</u>	<u>390,895</u>
	<u>\$ 4,342,270</u>	<u>\$ 4,768,601</u>	<u>\$ 426,331</u>

Included in gains (losses) on investments on the statements of activities and changes net assets are the following gains and losses for the years ended December 31, 2021 and 2020:

	2021	2020
Realized Gain (Loss)	\$ 68,260	\$ 22,873
Unrealized Gain (Loss)	267,692	267,398
Endowment fees	<u>(31,673)</u>	<u>0</u>
	<u>\$ 304,279</u>	<u>\$ 290,271</u>

Note 5 – Paycheck Protection Program

In April 2020, Safehaven received funding in the amount of \$260,500, under the Paycheck Protection Program (PPP). The PPP, established as part of the Coronavirus Aid, Relief and Economic Security Act (CARES Act), provides for loans to qualifying organizations for amounts up to 2.5 times of the average monthly payroll expenses of the qualifying organization. The loans and accrued interest are forgivable within a 24-week period if the borrower uses the loan proceeds for eligible purposes, including payroll, benefits, rent and utilities, and maintains other designated thresholds. The unforgiven portion of the PPP loan is payable over five years at an interest rate of 1%, with a deferral of payments until the date that the lender receives the forgiveness amount from the Small Business Administration. Safehaven used the proceeds for purposes consistent with the PPP. Safehaven accounts for the PPP Funding in accordance with ASC 958-605 *Revenue Recognition for Nonprofit Entities*. Revenue is recognized when eligible expenses and other conditions are substantially met or incurred.

During the year ended December 31, 2020, Safehaven recognized revenue of \$260,500 as they determined eligible expenses and other conditions were met regarding the funding. On November 6, 2020, Safehaven submitted and received PPP forgiveness from the Small Business Administration.

Note 6 – Indianapolis Neighborhood Housing Partnership, Inc.

Indianapolis Neighborhood Housing Partnership, Inc. (INHP) provided organizations with a bridge loan to assist with funding due to Governmental Agencies' delay in processing reimbursements for certain claims due to COVID-19. Safehaven received a \$554,622 bridge loan on June 9, 2020, which is due on June 9, 2021 and bears no interest. As Safehaven receives these specific funds, Safehaven repays INHP. During the years ended December 31, 2021 and 2020, Safehaven repaid \$375,354 and \$179,253, respectively. Safehaven has classified this loan as short-term on the statement of financial position.

Coburn Place

Note 7 – Net Assets With Donor Restrictions

Safehaven has the following net assets with donor restrictions as of December 31, 2021 and 2020:

Neighborhood Assistance Program

Safehaven entered into a Neighborhood Assistance Program Agreement with the Indiana Housing and Community Development Authority (IHCDA).

- During the year ended December 31, 2020, Safehaven was awarded \$8,322 from IHCDA. Safehaven received \$16,644 in cash donations, and in turn awarded tax credits to the donors in the amount of \$8,322. During the year ended December 31, 2020, allowable costs of \$8,322 are incurred by Safehaven, and \$16,644 is classified as with donor restrictions and released from the restriction.
- During the year ended December 31, 2021, Safehaven was awarded \$9,658 from IHCDA. Safehaven received \$19,316 in cash donations, and in turn awarded tax credits to the donors in the amount of \$9,658. During the year ended December 31, 2021, allowable costs of \$9,658 are incurred by Safehaven, and \$19,316 is classified as with donor restrictions and released from the restriction.

Individual Development Account Program

Safehaven accepted individual donations to be used to match funds deposited into individual development accounts by the residents. In prior years, Safehaven received donations, all which are classified as with donor restrictions. During the years ended December 31, 2021 and 2020, no allowable costs were incurred by Safehaven and the remaining balances are \$21,952 and \$21,952, respectively.

Support for Endowment and Development Capacity

Safehaven received an endowment and development capacity grant for \$2,500,000 for the grant period of December 2018 through December 2021. The endowment portion (\$2,000,000) is recognized as restricted revenue in accordance with the agreement. The development capacity portion (\$500,000) is considered deferred revenue and will be released as restricted revenue to match the corresponding expenses. Should Safehaven violate the development capacity portion, these funds are to be repaid to the grantor.

During 2021, Safehaven received an endowment of \$1,000,000 which is recognized as restricted revenue in accordance with the agreement. The endowment is to fund support staff for survivors and other survivor needs and services.

The net asset with donor restrictions includes assets related to donor-imposed restrictions that have not been met, whether for a specified purpose or for later periods of time, or after specified dates.

These net assets with donor restrictions are comprised of the following at December 31st:

	<u>2021</u>	<u>2020</u>
Subject for specific purpose		
Individual development account program	\$ 21,952	\$ 21,952
Endowment subject to spending policies		
General operations		
CICF	15,000	15,000
Other	3,000,000	2,000,000
Interest and market change	<u>616,236</u>	<u>473,999</u>
Total endowment subject to spending policies	<u>3,631,236</u>	<u>2,488,999</u>
Total Net Assets With Donor Restrictions	<u>\$ 3,653,188</u>	<u>\$ 2,510,951</u>

Coburn Place

Note 7 – Net Assets With Donor Restrictions (continued)

Net assets that were released from donor restrictions by satisfying the purpose or time restrictions specified by the donors is as follows at December 31st:

	2021	2020
Subject for specific purpose		
Neighborhood assistance program	\$ 19,316	\$ 16,644
Interest and earnings	366,000	233,731
Endowment earnings	194,500	0
Total Net Assets With Donor Restrictions Released		
From Restrictions	\$ 579,816	\$ 250,375

Safehaven has three endowment funds.

- Central Indiana Community Foundation, Inc. holds endowment funds on behalf of Safehaven. The endowment funds consist of those without donor restrictions (donations from various individuals) and those permanently restricted. On April 17, 2001, Martin Luther King Community Development Corporation (MLKCDC) entered into an agreement designated as the Marjorie R. Baxter Endowment Fund with Central Indiana Community Foundation, Inc. On December 31, 2003, MLKCDC transferred and assigned to Safehaven all rights and interest in the endowment fund. The primary purpose of the Marjorie R. Baxter Endowment Fund shall be to provide support for Safehaven to carry out its role and mission. The historic dollar value of the fund in the amount of \$15,000 may not be committed, granted, or expended. The Board of Directors monitors the distribution of the fund to ensure it is used exclusively for charitable or other exempt purposes.
- During the year ended December 31, 2018, Safehaven received endowment funds worth \$2,000,000 (historic dollar value), which are subject to spending policies. Safehaven will invest and make withdrawals from the grant fund in a manner consistent with applicable laws governing donor-designated endowments. Even if such laws permit withdrawals that would cause the fair market value of the grant fund to drop or remain below the historic dollar value of the grant, Safehaven agrees that it will preserve and replenish the historic dollar value of the grant. Each year on the valuation date of May 31st:
 - 1) If the endowment fund is less than the historic dollar value of the grant, Safehaven is allowed 2% of the endowment fund balance during the next fiscal year. This maximum spending limit shall continue until the grant funds balance exceeds the historic dollar value of the grant.
 - 2) If the endowment fund balance is greater than the historic dollar value of the grant, Safehaven may spend any percentage or amount of the endowment fund as is consistent with its prudent spending policies for donor-designated endowments and applicable law; provided, however, that if such spending would cause the endowment fund balance as calculated on that valuation date to fall below the historic dollar value of the grant, then spending for Safehaven's next fiscal year shall be limited to the greater of (i) the excess of the endowment fund balance on that valuation date over the historic dollar value of the grant or (ii) 2% of the endowment fund balance on that valuation date.
- During the year ended December 31, 2021, Safehaven received endowment funds worth \$1,000,000, which are subject to spending policies. Safehaven will invest and make withdrawals from the grant fund in a manner consistent with applicable laws governing donor-designated endowments

From time to time, endowment funds may have fair values less than the amount required to be maintained by donors or by law (underwater endowments). Safehaven is spending from underwater endowments in accordance with prudent measures required under law with discussions with the investment advisor and donor.

Coburn Place

Note 8 – Asset Management Fee Agreements

Key Community Development Corporation is to be paid an asset management fee for property management oversight, tax credit compliance monitoring, and related services in the amount of \$5,000 per annum increased annually by 3% as provided in the Coburn LP partnership agreement for Coburn LP. This fee shall accrue to the extent not paid. During the years ended December 31, 2021 and 2020, an asset management fee of \$7,129 and \$6,922, respectively, was earned and included in professional fees. As of December 31, 2021 and 2020, asset management fees of \$7,129 and \$6,922, respectively, remain payable.

Note 9 – Retirement Plan

Safehaven established a 401(k)-retirement plan in 2019. The plan is administered and monitored by Axiom. Employees that are over 21 years old and have one year of service are eligible for enrollment in the next quarter. Employees are eligible to make a payroll deduction of a selected percentage or amount not to exceed the Internal Revenue Service limits. Safehaven matches employees' contributions based on a discretionary percentage uniformly applied to all participants. The employees' match is on a vesting schedule of six years. Safehaven contributed a total of \$22,299 and \$26,367 during the years ended December 31, 2021 and 2020, respectively.

Note 10 – Related Party Transactions

Coburn Place has the following related party transactions between Safehaven and Coburn LP, which are eliminated in preparation of the combined financial statements.

- Notes receivable/Notes payable - Safehaven executed two notes receivable with Coburn LP for \$2,650,000 and \$300,000 in May 2009 with an interest rate of 4.25% per annum until May 2049. The notes are secured by a mortgage on all property and equipment. As of December 31, 2021 and 2020, notes receivable/notes payable unpaid balance is \$982,450 and \$1,183,057, respectively. Accrued interest receivable/payable as of December 31, 2021 and 2020 is \$307,419 and \$284,052, respectively. During the years ended December 31, 2021 and 2020, interest income/expense is \$43,095 and \$51,803, respectively.
- Due from Coburn LP/Due to Safehaven - During the normal course of business, Safehaven transferred funds to assist with Coburn LP's operations. As of December 31, 2021 and 2020, due from Coburn LP/due to Safehaven is \$2,256,282 and \$1,882,502, respectively.
- Development fee receivable/payable - In accordance with the Development Agreement dated April 30, 2009 with Coburn LP, Safehaven is to be paid \$1,320,000 for its services in connection with the rehabilitation. The development fee is deemed earned in proportion to the percent of completion of the construction project. The development fee does not accrue interest and all unpaid developer fees were due and payable on December 31, 2019, 10 years after the construction completion date of December 31, 2009. As of December 31, 2021 and 2020, development fee receivable/payable is \$263,864 and \$326,586, respectively.
- Rental subsidy agreement - Safehaven entered into a Rental Subsidy Agreement with Coburn LP in order to provide temporary housing and other services to victims of domestic abuse and their families. In consideration for allowing Safehaven to run their programs at Coburn LP, Safehaven agrees to pay an annual rent subsidy. The rent subsidy was \$150,161 in 2013 and increases by 2% each subsequent year. This agreement expires on April 24, 2049.

Coburn Place

Note 10 – Related Party Transactions (continued)

Rental subsidy agreement(continued)

In accordance with the provisions of the Accounting for Leases topic of Accounting Standards Codification (ASC) 840, Coburn Place recognizes rental income/expenses on a straight-line basis over the terms of the leases. As a result of this treatment, Coburn LP recorded a receivable and Safehaven recorded a payable, which represents lease expenses recognized in excess of lease payments contractually due. As of December 31, 2021 and 2020, lease receivable/payable amounts to \$2,055,446 and \$1,844,206, respectively. During the years ended December 31, 2021 and 2020, Coburn LP's rental subsidy income and Safehaven's rental subsidy expenses are \$211,240 and \$211,240, respectively.

- Investment in Coburn Place, LP - Safehaven has a 0.01% general partner interest in Coburn LP and uses the equity method of accounting. In accordance with accounting principles generally accepted in the United States of America, the investment is accounted for using the equity method of accounting. Under the equity method, the investment is recorded at cost and subsequently increased or decreased by Safehaven's share of income or loss. As of December 31, 2021 and 2020, Safehaven's investment in Coburn LP and Coburn LP's allocated equity is \$864,584 and \$864,766, respectively.

Note 11 – Contingencies and Concentrations

Contingencies in Governmental Awards

Financial awards from federal, state, and local entities are subject to financial and compliance audits. Such audits could result in claims against Safehaven for disallowed costs or noncompliance with grantor restrictions. No provision is made for any liabilities that may arise from such audits since the amounts, if any, cannot be determined at this date. Safehaven received a significant portion of total revenue from a few contributors and governmental agencies.

Concentrations in Major Contributors and Governmental Agencies

Safehaven received a significant portion of total revenue from a few contributors and governmental agencies. For the year ended December 31, 2021, one entity made up over 20% of total revenue. For the year ended December 31, 2020, one entity made up over 33% of total revenue or over 10% of grants receivable.

Contingency

Coburn LP has low-income housing credits that are contingent on its ability to maintain certain compliance with an applicable section of Internal Revenue Code. Failure to maintain compliance with occupant eligibility, and/or unit gross rent or to correct noncompliance within a specified time period could result in a recapture of previously taken tax credits plus interest.

Concentration in Affordable Housing Market

Coburn LP's sole asset is a 35-unit apartment project. Coburn LP's operations are concentrated in the multifamily real estate market, which is a heavily regulated environment. Coburn LP's operations are subject to the administrative directives, rules, and regulations of federal, state, and local regulatory agencies. Such administrative directives, rules and regulations are subject to change by an Act of Congress or an administrative change. Such changes may occur with little notice or inadequate funding to pay for the related costs, including additional administrative burden, to comply with a change.

Coburn Place

Note 11 – Contingencies and Concentrations (continued)

Concentration in Credit Risk

Coburn LP continually monitors its positions with and the credit quality of the financial institutions with which it invests. Financial instruments that potentially subject the company to concentration of credit risk consist principally of cash. As of the balance sheet dates, and periodically throughout the year, Coburn LP maintains balances in various operating accounts in excess of federally insured limits. Management believes Coburn LP placed all cash with high-credit quality financial institutions and that there is no significant concentration of credit risk with respect to cash. The total uninsured balances in these accounts as of December 31, 2021 and 2020 are \$491,073 and \$117,593, respectively.

Note 12 – Liquidity

Coburn Place's liquidity measurements consist of the following quantitative and qualitative measurements:

Quantitative measurement - Coburn Place's resources available for general use within one year at December 31, 2021 and 2020 are:

	<u>2021</u>	<u>2020</u>
Financial assets (current assets)	\$ 1,239,976	\$ 1,203,771
Not available within one year (prepaid expenses)	(64,957)	(22,113)
Less restricted cash	<u>(141,952)</u>	<u>(141,952)</u>
Total financial assets at year end	1,033,067	1,039,706
Less current obligations	<u>(575,951)</u>	<u>(787,588)</u>
Financial assets available for general use within one year	<u>\$ 457,116</u>	<u>\$ 252,118</u>

Qualitative measurement - Coburn Place receives a significant amount of its support through contributions and grants. Because these contributions and grants require resources to be used in a particular manner or in a future period, Coburn Place must maintain sufficient resources to meet those responsibilities to its donors. Thus, financial assets may not be available for general expenditure within one year. In the course of business, management structures Coburn Place's financial assets to be available as its general expenditures, liabilities, and other obligations come due, and endeavors to maintain cash balances equal to approximately three to six months of annual operating expenses. Safehaven has investments without donor restrictions to cover operating shortfalls if needed. Restricted cash consist of \$120,000 real estate expansion and \$21,952 in individual development account program.

Note 13 – Coronavirus

In March 2020, the outbreak of COVID-19 (coronavirus) was recognized as a pandemic by the World Health Organization, and the outbreak has become widespread in the United States. The outbreak has had a notable impact on general economic conditions with many unknown effects. Coburn Place has been required to temporarily close locations, cancel services, and operate under reduced hours. Coburn Place continues to monitor the impact of the coronavirus outbreak closely. The extent to which the coronavirus outbreak will impact its operations or financial results is uncertain.

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Supplemental Information

Coburn Place

Combining Schedules of Financial Position December 31, 2021

	ASSETS			2021
	Safehaven	Coburn LP	Elimination	Total
Current assets				
Cash and cash equivalents	\$ 718,095	\$ 58,909	\$ -	\$ 777,004
Accounts receivable	7,791	-	-	7,791
Grants receivable	390,224	-	-	390,224
Prepaid expenses	62,677	2,280	-	64,957
Total current assets	1,178,787	61,189	-	1,239,976
Restricted assets				
Replacement reserves	-	49,910	-	49,910
Operating reserves	-	152,144	-	152,144
Tax credit exchange reserve funds	-	91,283	-	91,283
Total restricted assets	-	293,337	-	293,337
Fixed assets				
Land	-	80,000	-	80,000
Building and building improvements	78,360	6,949,670	-	7,028,030
Furnishings and equipment	410,982	633,501	-	1,044,483
Total fixed assets	489,342	7,663,171	-	8,152,513
Accumulated depreciation	(223,495)	(2,321,469)	-	(2,544,964)
Net fixed assets	265,847	5,341,702	-	5,607,549
Long-term assets				
Investments	6,629,143	-	-	6,629,143
Notes receivable	982,450	-	(982,450)	-
Interest receivable on notes receivable	307,419	-	(307,419)	-
Due from Coburn Place, LP	2,256,282	-	(2,256,282)	-
Development fee receivable	263,864	-	(263,864)	-
Lease receivable	-	2,055,446	(2,055,446)	-
Investment in Coburn Place, LP	864,584	-	(864,584)	-
Tax credit costs (net of amortization of \$21,389 and \$19,701)	-	2,383	-	2,383
Total long-term assets	11,303,742	2,057,829	(6,730,045)	6,631,526
Total Assets	\$ 12,748,376	\$ 7,754,057	\$ (6,730,045)	\$ 13,772,388

Coburn Place

Combining Schedules of Financial Position (continued) December 31, 2021

LIABILITIES AND NET ASSETS

	Safehaven	Coburn LP	Elimination	2021 Total
Current liabilities				
Accounts payable	\$ 31,939	\$ 4,220	\$ -	\$ 36,159
Accrued payroll	101,893	-	-	101,893
Accrued asset management fees	-	7,130	-	7,130
INHP payable	-	-	-	-
Deferred revenue	1,555,519	-	-	1,555,519
Total current liabilities	<u>1,689,351</u>	<u>11,350</u>	<u>-</u>	<u>1,700,701</u>
Long-term liabilities				
Notes payable	-	982,450	(982,450)	-
Accrued interest on notes payable	-	307,419	(307,419)	-
Due to Safehaven	-	2,256,282	(2,256,282)	-
Deferred tax credit exchange funds revenue	-	104,066	-	104,066
Developer fee payable	-	263,864	(263,864)	-
Lease payable	2,055,446	-	(2,055,446)	-
Total long-term liabilities	<u>2,055,446</u>	<u>3,914,081</u>	<u>(5,865,461)</u>	<u>104,066</u>
Total Liabilities	<u>3,744,797</u>	<u>3,925,431</u>	<u>(5,865,461)</u>	<u>1,804,767</u>
Net Assets				
Without donor restrictions	5,350,391	3,828,626	(864,584)	8,314,433
With donor restrictions	3,653,188	-	-	3,653,188
Total Net Assets	<u>9,003,579</u>	<u>3,828,626</u>	<u>(864,584)</u>	<u>11,967,621</u>
Total Liabilities and Net Assets	<u>\$ 12,748,376</u>	<u>\$ 7,754,057</u>	<u>\$ (6,730,045)</u>	<u>\$ 13,772,388</u>

Coburn Place

Combining Schedules of Financial Position December 31, 2020

	ASSETS			2020
	Safehaven	Coburn LP	Elimination	Total
Current assets				
Cash and cash equivalents	\$ 360,271	\$ 9,595	\$ -	\$ 369,866
Accounts receivable	10,000	-	-	10,000
Grants receivable	801,792	-	-	801,792
Prepaid expenses	11,688	10,425	-	22,113
Total current assets	1,183,751	20,020	-	1,203,771
Restricted assets				
Replacement reserves	-	35,800	-	35,800
Operating reserves	-	152,144	-	152,144
Tax credit exchange reserve funds	-	181,293	-	181,293
Total restricted assets	-	369,237	-	369,237
Fixed assets				
Land	-	80,000	-	80,000
Building and building improvements	65,050	6,850,941	-	6,915,991
Furnishings and equipment	249,068	633,501	-	882,569
Total fixed assets	314,118	7,564,442	-	7,878,560
Accumulated depreciation	(170,067)	(2,106,423)	-	(2,276,490)
Net fixed assets	144,051	5,458,019	-	5,602,070
Long-term assets				
Investments	4,768,601	-	-	4,768,601
Notes receivable	1,183,057	-	(1,183,057)	-
Interest receivable on notes receivable	284,052	-	(284,052)	-
Due from Coburn Place, LP	1,882,502	-	(1,882,502)	-
Development fee receivable	326,586	-	(326,586)	-
Lease receivable	-	1,844,206	(1,844,206)	-
Investment in Coburn Place, LP	864,766	-	(864,766)	-
Tax credit costs (net of amortization of \$21,389 and \$19,701)	-	4,071	-	4,071
Total long-term assets	9,309,564	1,848,277	(6,385,169)	4,772,672
Total Assets	\$ 10,637,366	\$ 7,695,553	\$ (6,385,169)	\$ 11,947,750

Coburn Place

Combining Schedules of Financial Position (continued) December 31, 2020

LIABILITIES AND NET ASSETS

	Safehaven	Coburn LP	Elimination	2020 Total
Current liabilities				
Accounts payable	\$ 15,077	\$ 15,132	\$ -	\$ 30,209
Accrued payroll	90,334	-	-	90,334
Accrued asset management fees	-	6,922	-	6,922
INHP payable	375,354	-	-	375,354
Deferred revenue	466,769	-	-	466,769
Total current liabilities	<u>947,534</u>	<u>22,054</u>	<u>-</u>	<u>969,588</u>
Long-term liabilities				
Notes payable	-	1,183,057	(1,183,057)	-
Accrued interest on notes payable	-	284,052	(284,052)	-
Due to Safehaven	-	1,882,502	(1,882,502)	-
Deferred tax credit exchange funds revenue	-	138,755	-	138,755
Developer fee payable	-	326,586	(326,586)	-
Lease payable	1,844,206	-	(1,844,206)	-
Total long-term liabilities	<u>1,844,206</u>	<u>3,814,952</u>	<u>(5,520,403)</u>	<u>138,755</u>
Total Liabilities	<u>2,791,740</u>	<u>3,837,006</u>	<u>(5,520,403)</u>	<u>1,108,343</u>
Net Assets				
Without donor restrictions	5,334,675	3,858,547	(864,766)	8,328,456
With donor restrictions	2,510,951	-	-	2,510,951
Total Net Assets	<u>7,845,626</u>	<u>3,858,547</u>	<u>(864,766)</u>	<u>10,839,407</u>
Total Liabilities and Net Assets	<u>\$ 10,637,366</u>	<u>\$ 7,695,553</u>	<u>\$ (6,385,169)</u>	<u>\$ 11,947,750</u>

Coburn Place

Combining Schedules of Activities and Changes in Net Assets For the Year Ended December 31, 2021

	2021				
	Safehaven				
	Without Donor Restrictions	With Donor Restrictions	Coburn LP	Elimination	Total
Operating Revenues					
Contributions	\$ 737,817	\$ 1,019,316	\$ -	\$ -	\$ 1,757,133
Special events	28,585	-	-	-	28,585
Grants and contracts					
Federal	1,669,221	-	-	-	1,669,221
Non-federal	223,728	-	-	-	223,728
Private grants	434,271	366,000	-	-	800,271
Rental subsidy	-	-	211,240	(211,240)	-
Interest and dividends	60,626	43,966	190	(43,095)	61,687
Other	-	-	1,519	-	1,519
Inkind	280,767	-	-	-	280,767
Net assets released from restrictions	579,816	(579,816)	-	-	-
Total operating revenues	4,014,831	849,466	212,949	(254,335)	4,822,911
Operating Expenses					
Program services	3,058,344	-	532,848	(254,335)	3,336,857
Management and general	364,196	-	-	-	364,196
Fundraising	587,902	-	-	-	587,902
Total operating expenses	4,010,442	-	532,848	(254,335)	4,288,955
Non-Operating Revenue (Expense)					
Gain (loss) on investment	11,327	292,771	-	182	304,280
PPP loan forgiveness	-	-	-	-	-
Total non-operating revenue (expense)	11,327	292,771	-	182	304,280
Net Increase (Decrease) In Net Assets	15,716	1,142,237	(319,899)	182	838,236
Capital Contributions	-	-	289,978	-	289,978
Net Assets, Beginning of Year	5,334,675	2,510,951	3,858,547	(864,766)	10,839,407
Net Assets, End of Year	\$ 5,350,391	\$ 3,653,188	\$ 3,828,626	\$ (864,584)	\$ 11,967,621

Coburn Place

Combining Schedules of Activities and Changes in Net Assets (continued) For the Year Ended December 31, 2020

	2020				
	Safehaven		Coburn LP	Elimination	Total
	Without Donor Restrictions	With Donor Restrictions			
Operating Revenues					
Contributions	\$ 559,159	\$ 16,644	\$ -	\$ -	\$ 575,803
Special events	31,215	-	-	-	31,215
Grants and contracts					
Federal	1,250,617	-	-	-	1,250,617
Non-federal	168,332	-	-	-	168,332
Private grants	703,121	233,731	-	-	936,852
Rental subsidy	-	-	211,240	(211,240)	-
Interest and dividends	72,178	38,003	363	(51,803)	58,741
Other	1,360	-	843	-	2,203
Inkind	193,582	-	-	-	193,582
Net assets released from restrictions	250,375	(250,375)	-	-	-
Total operating revenues	3,229,939	38,003	212,446	(263,043)	3,217,345
Operating Expenses					
Program services	2,177,289	-	588,677	(263,043)	2,502,923
Management and general	333,021	-	-	-	333,021
Fundraising	516,271	-	-	-	516,271
Total operating expenses	3,026,581	-	588,677	(263,043)	3,352,215
Non-Operating Revenue (Expense)					
Gain (loss) on investment	28,469	261,763	-	39	290,271
PPP loan forgiveness	260,500	-	-	-	260,500
Total non-operating revenue (expense)	288,969	261,763	-	39	550,771
Net Increase (Decrease) In Net Assets	492,327	299,766	(376,231)	39	415,901
Capital Contributions	-	-	289,978	-	289,978
Net Assets, Beginning of Year	4,842,348	2,211,185	3,944,800	(864,805)	10,133,528
Net Assets, End of Year	\$ 5,334,675	\$ 2,510,951	\$ 3,858,547	\$ (864,766)	\$ 10,839,407

Coburn Place

Combining Schedules of Cash Flows For the Year Ended December 31, 2021

	Safehaven	Coburn LP	Elimination	2021 Total
Reconciliation of Changes in Net Assets to				
Net Cash Provided By (Used In) Operating Activities				
Change in net assets	\$ 1,157,953	\$ (319,899)	\$ 182	\$ 838,236
Adjustments to Reconcile Changes in Net Assets to				
Net Cash Provided By (Used In) Operating Activities				
Depreciation expense	53,428	215,046	-	268,474
Amortization expense	-	1,688	-	1,688
Amortization of 1062 funds	-	(34,689)	-	(34,689)
Loss on investment in Coburn Place, LP	182	-	(182)	-
(Gain) loss on investments	(304,280)	-	-	(304,280)
PPP loan forgiveness	-	-	-	-
Decrease (increase) in rental subsidy	-	(211,240)	211,240	-
Decrease (increase) in accounts receivable	2,209	-	-	2,209
Decrease (increase) in grants receivable	411,568	-	-	411,568
Decrease (increase) in prepaid expenses	(50,989)	8,145	-	(42,844)
Increase (decrease) in accounts payable	16,862	(10,912)	-	5,950
Increase (decrease) in accrued payroll	11,559	-	-	11,559
Increase (decrease) in accrued asset management fees	-	208	-	208
Increase (decrease) in deferred revenue	1,088,750	-	-	1,088,750
Increase (decrease) in lease payable	211,240	-	(211,240)	-
Net Cash Provided By (Used In) Operating Activities	2,598,482	(351,653)	-	2,246,829
Cash Flow From Investing Activities				
Purchase of fixed assets	(175,224)	(98,729)	-	(273,953)
Purchase of investments	(2,650,762)	-	-	(2,650,762)
Sold investments	1,094,500	-	-	1,094,500
Payments received on notes receivable	200,607	-	(200,607)	-
Increase in accrued interest receivable	(23,367)	-	23,367	-
Advances from (payments to) related parties	(373,780)	-	373,780	-
Payments on development fee receivable	62,722	-	(62,722)	-
Net Cash Provided By (Used In) Investing Activities	(1,865,304)	(98,729)	133,818	(1,830,215)
Cash Flow from Financing Activities				
Principal payments on notes payable	-	(200,607)	200,607	-
INHP loan proceeds	(375,354)	-	-	(375,354)
INHP loan payments	-	-	-	-
Increase on accrued interest on notes payable	-	23,367	(23,367)	-
Advances from (payments to) related parties	-	373,780	(373,780)	-
Payments on development fees	-	(62,722)	62,722	-
Capital Contributions	-	289,978	-	289,978
Proceeds on PPP loan	-	-	-	-
Net Cash Provided By (Used In) Financing Activities	(375,354)	423,796	(133,818)	(85,376)
Net Increase (Decrease) in Cash, Cash Equivalents and Restricted Cash	357,824	(26,586)	-	331,238
Cash, Cash Equivalents and Restricted Cash, Beginning of Year	360,271	378,832	-	739,103
Cash, Cash Equivalents and Restricted Cash, End of Year	\$ 718,095	\$ 352,246	\$ -	\$ 1,070,341
	Safehaven	Coburn LP	Elimination	2021 Total
Cash and cash equivalents	\$ 718,095	\$ 58,909	\$ -	\$ 777,004
Replacement reserve	-	49,910	-	49,910
Operating reserve	-	152,144	-	152,144
Other reserves	-	91,283	-	91,283
Total cash, cash equivalents and restricted cash balances	\$ 718,095	\$ 352,246	\$ -	\$ 1,070,341

Coburn Place

Combining Schedules of Cash Flows (continued) For the Year Ended December 31, 2020

	Safehaven	Coburn LP	Elimination	2020 Total
Reconciliation of Changes in Net Assets to				
Net Cash Provided By (Used In) Operating Activities				
Change in net assets	\$ 792,093	\$ (376,231)	\$ 39	\$ 415,901
Adjustments to Reconcile Changes in Net Assets to				
Net Cash Provided By (Used In) Operating Activities				
Depreciation expense	28,115	212,134	-	240,249
Amortization expense	-	1,688	-	1,688
Amortization of 1062 funds	-	(34,689)	-	(34,689)
Loss on investment in Coburn Place, LP	39	-	(39)	-
(Gain) loss on investments	(290,232)	-	-	(290,232)
PPP loan forgiveness	(260,500)	-	-	(260,500)
Decrease (increase) in rental subsidy	-	(211,240)	211,240	-
Decrease (increase) in accounts receivable	(10,000)	-	-	(10,000)
Decrease (increase) in grants receivable	(599,742)	-	-	(599,742)
Decrease (increase) in prepaid expenses	5,542	-	-	5,542
Increase (decrease) in accounts payable	(4,101)	3,011	-	(1,090)
Increase (decrease) in accrued payroll	90,334	-	-	90,334
Increase (decrease) in accrued asset management fees	-	(6,322)	-	(6,322)
Increase (decrease) in deferred revenue	151,269	-	-	151,269
Increase (decrease) in lease payable	211,240	-	(211,240)	-
Net Cash Provided By (Used In) Operating Activities	114,057	(411,649)	-	(297,592)
Cash Flow From Investing Activities				
Purchase of fixed assets	(45,550)	(42,562)	-	(88,112)
Purchase of investments	(619,383)	-	-	(619,383)
Sold investments	-	-	-	-
Payments received on notes receivable	187,124	-	(187,124)	-
Increase in accrued interest receivable	(26,568)	-	26,568	-
Advances from (payments to) related parties	(342,447)	-	342,447	-
Payments on development fee receivable	64,375	-	(64,375)	-
Net Cash Provided By (Used In) Investing Activities	(782,449)	(42,562)	117,516	(707,495)
Cash Flow from Financing Activities				
Principal payments on notes payable	-	(187,124)	187,124	-
INHP loan proceeds	554,607	-	-	554,607
INHP loan payments	(179,253)	-	-	(179,253)
Increase on accrued interest on notes payable	-	26,568	(26,568)	-
Advances from (payments to) related parties	-	342,447	(342,447)	-
Payments on development fees	-	(64,375)	64,375	-
Capital Contributions	-	289,978	-	289,978
Proceeds on PPP loan	260,500	-	-	260,500
Net Cash Provided By (Used In) Financing Activities	635,854	407,494	(117,516)	925,832
Net Increase (Decrease) in Cash, Cash Equivalents and Restricted Cash	(32,538)	(46,717)	-	(79,255)
Cash, Cash Equivalents and Restricted Cash, Beginning of Year	392,809	425,549	-	818,358
Cash, Cash Equivalents and Restricted Cash, End of Year	\$ 360,271	\$ 378,832	\$ -	\$ 739,103
	Safehaven	Coburn LP	Elimination	2020 Total
Cash and cash equivalents	\$ 360,271	\$ 9,595	\$ -	\$ 369,866
Replacement reserve	-	35,800	-	35,800
Operating reserve	-	152,144	-	152,144
Other reserves	-	181,293	-	181,293
	\$ 360,271	\$ 378,832	\$ -	\$ 739,103

Coburn Place

Combining Schedule of Functional Expenses For the Year Ended December 31, 2021

	Safehaven Support Services	Coburn LP Support Services	Elimination	Total Program	Management and General	Fundraising	2021 Totals
Expenses							
Salaries and wages	\$ 1,262,787	\$ 45,833	\$ -	\$ 1,308,620	\$ 230,997	\$ 388,021	\$ 1,927,638
Retirement	10,456	-	-	10,456	5,613	6,229	22,298
Employee benefits	139,843	-	-	139,843	10,995	32,050	182,888
Payroll taxes	123,804	-	-	123,804	28,809	37,134	189,747
Professional fees							
Management	46,467	8,915	-	55,382	37,417	13,181	105,980
Legal	-	-	-	-	5,913	-	5,913
Accounting	29,495	20,489	-	49,984	5,521	8,248	63,753
Consulting	11,605	-	-	11,605	-	-	11,605
Advertising and marketing	7,255	-	-	7,255	-	34,874	42,129
Office	45,752	183	-	45,935	17,654	28,493	92,082
Information technology	50,273	-	-	50,273	8,195	22,980	81,448
Occupancy	272,407	205,121	(211,240)	266,288	-	-	266,288
Travel and transportation	9,015	-	-	9,015	283	393	9,691
Conferences	17,538	-	-	17,538	4,889	6,107	28,534
Depreciation	46,961	215,046	-	262,007	1,687	4,780	268,474
Insurance	18,942	27,167	-	46,109	6,223	5,412	57,744
Inkind	280,767	-	-	280,767	-	-	280,767
Client flexible funding	684,977	-	-	684,977	-	-	684,977
Interest	-	43,095	(43,095)	-	-	-	-
Amortization	-	1,688	-	1,688	-	-	1,688
Amortization of 1602 funds	-	(34,689)	-	(34,689)	-	-	(34,689)
Total expenses	<u>\$ 3,058,344</u>	<u>\$ 532,848</u>	<u>\$ (254,335)</u>	<u>\$ 3,336,857</u>	<u>\$ 364,196</u>	<u>\$ 587,902</u>	<u>\$ 4,288,955</u>

	Safehaven Support Services	Coburn LP Support Services	Elimination	Total Program	Management and General	Fundraising	2020 Totals
Expenses							
Salaries and wages	\$ 962,983	\$ 100,000	\$ -	\$ 1,062,983	\$ 232,877	\$ 333,690	\$ 1,629,550
Retirement	10,615	-	-	10,615	8,017	7,735	26,367
Employee benefits	98,784	-	-	98,784	20,670	29,548	149,002
Payroll taxes	97,537	-	-	97,537	21,721	32,303	151,561
Professional fees							
Management	16,025	8,199	-	-	67	7,632	7,699
Legal	-	-	-	24,224	-	-	24,224
Accounting	25,461	20,240	-	-	2,234	4,617	6,851
Consulting	10,456	-	-	45,701	-	-	45,701
Advertising and marketing	1,070	-	-	1,070	138	42,846	44,054
Office	32,357	610	-	32,967	32,405	23,937	89,309
Information technology	49,327	-	-	49,327	6,117	19,859	75,303
Occupancy	211,240	203,592	(211,240)	203,592	-	-	203,592
Travel and transportation	11,491	-	-	11,491	431	1,603	13,525
Conferences	2,288	-	-	2,288	3,780	2,038	8,106
Depreciation	21,648	212,134	-	233,782	1,687	4,780	240,249
Insurance	19,891	25,100	-	44,991	2,877	5,683	53,551
Inkind	193,582	-	-	193,582	-	-	193,582
Client flexible funding	412,534	-	-	412,534	-	-	412,534
Interest	-	51,803	(51,803)	-	-	-	-
Amortization	-	1,688	-	1,688	-	-	1,688
Amortization of 1602 funds	-	(34,689)	-	(34,689)	-	-	(34,689)
Total expenses	<u>\$ 2,177,289</u>	<u>\$ 588,677</u>	<u>\$ (263,043)</u>	<u>\$ 2,492,467</u>	<u>\$ 333,021</u>	<u>\$ 516,271</u>	<u>\$ 3,341,759</u>

Coburn Place

Schedule of Lead Auditor For the Years Ended December 31, 2021 and 2020

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Auditor Contact: David W. Lemler, CPA

Auditor Contact Title: Member

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