

**NASHVILLE SAFE HAVEN  
FAMILY SHELTER, INC.**

**CONSOLIDATED FINANCIAL STATEMENTS  
AND SUPPLEMENTAL INFORMATION**

**DECEMBER 31, 2020 AND 2019**

NASHVILLE SAFE HAVEN FAMILY SHELTER, INC.

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## Independent Auditor's Report

To the Board of Directors  
Nashville Safe Haven Family Shelter, Inc.  
Nashville, Tennessee

### **Report on the Financial Statements**

We have audited the accompanying consolidated financial statements of Nashville Safe Haven Family Shelter, Inc. ("Safe Haven"), which comprise the consolidated statements of financial position as of December 31, 2020 and 2019, and the related consolidated statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the consolidated financial statements.

### ***Management's Responsibility for the Financial Statements***

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### ***Auditor's Responsibility***

Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.



To the Board of Directors  
Nashville Safe Haven Family Shelter, Inc.

### ***Opinion***

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Nashville Safe Haven Family Shelter, Inc. as of December 31, 2020 and 2019, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

### ***Other Matters***

Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The accompanying schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirement for Federal Awards* (Uniform Guidance) is presented for purposes of additional analysis and is not a required part of the consolidated 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 consolidated financial statements. The information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated 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 consolidated financial statements as a whole.

### ***Other Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated June 16, 2021, on our consideration of the Safe Haven's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Safe Haven's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Safe Haven's internal control over financial reporting and compliance.

Nashville, Tennessee  
June 16, 2021

NASHVILLE SAFE HAVEN FAMILY SHELTER, INC.  
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION  
DECEMBER 31, 2020 AND 2019

<u>ASSETS</u>		
	<u>2020</u>	<u>2019</u>
Cash and cash equivalents	\$ 1,924,753	\$ 942,145
Investments	1,532,925	253,664
Grants and contributions receivable, no allowance	323,758	177,098
Other receivables	29,339	-
Inventories	134,390	117,077
Prepaid expenses	58,324	41,074
Property and equipment, net	<u>1,836,443</u>	<u>1,979,792</u>
Total assets	<u>\$ 5,839,932</u>	<u>\$ 3,510,850</u>
 <u>LIABILITIES AND NET ASSETS</u>		
LIABILITIES		
Accounts payable and accrued expenses	\$ 73,867	\$ 94,702
Deferred revenue	42,000	-
Note payable	<u>339,165</u>	<u>-</u>
Total liabilities	<u>455,032</u>	<u>94,702</u>
NET ASSETS		
Net assets without donor restrictions	5,341,458	3,374,706
Net assets with donor restrictions	<u>43,442</u>	<u>41,442</u>
Total net assets	<u>5,384,900</u>	<u>3,416,148</u>
Total liabilities and net assets	<u>\$ 5,839,932</u>	<u>\$ 3,510,850</u>

See notes to financial statements.

NASHVILLE SAFE HAVEN FAMILY SHELTER, INC.  
CONSOLIDATED STATEMENTS OF ACTIVITIES  
FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019

	2020		
	Without Donor Restrictions	With Donor Restrictions	Total
Revenues and gains:			
Contributions	\$ 2,471,450	\$ 2,000	\$ 2,473,450
Fundraising events, net of direct expenses of \$87,411 and \$188,390 in 2020 and 2019, respectively	622,177	-	622,177
In-kind contributions	121,063	-	121,063
Grants	2,463,506	-	2,463,506
Staffing income	488,923	-	488,923
Interest	10,778	-	10,778
Other	35,989	-	35,989
Net assets released from restrictions	-	-	-
Total revenues and gains	6,213,886	2,000	6,215,886
Expenses and losses:			
Program services	3,055,051	-	3,055,051
Supporting services:			
Management and general	820,377	-	820,377
Fundraising	371,706	-	371,706
Total supporting services	1,192,083	-	1,192,083
Total expenses and losses	4,247,134	-	4,247,134
Change in net assets	1,966,752	2,000	1,968,752
Net assets, beginning of year	3,374,706	41,442	3,416,148
Net assets, end of year	\$ 5,341,458	\$ 43,442	\$ 5,384,900

See notes to financial statements.

2019		
Without Donor Restrictions	With Donor Restrictions	Total
\$ 1,095,086	\$ 24,150	\$ 1,119,236
625,278	-	625,278
132,592	-	132,592
1,622,519	-	1,622,519
173,687	-	173,687
10,356	-	10,356
64	-	64
135,711	(135,711)	-
<u>3,795,293</u>	<u>(111,561)</u>	<u>3,683,732</u>
 <u>2,613,984</u>	 <u>-</u>	 <u>2,613,984</u>
 620,489	 -	 620,489
<u>316,364</u>	<u>-</u>	<u>316,364</u>
 <u>936,853</u>	 <u>-</u>	 <u>936,853</u>
 <u>3,550,837</u>	 <u>-</u>	 <u>3,550,837</u>
 244,456	 (111,561)	 132,895
<u>3,130,250</u>	<u>153,003</u>	<u>3,283,253</u>
<u><u>\$ 3,374,706</u></u>	<u><u>\$ 41,442</u></u>	<u><u>\$ 3,416,148</u></u>

See notes to financial statements.

NASHVILLE SAFE HAVEN FAMILY SHELTER, INC.  
CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES  
FOR THE YEAR ENDED DECEMBER 31, 2020

		Supporting Services			
	Program Services	Management and General	Fundraising	Total Supporting Services	Total
Salaries	\$ 1,175,775	\$ 416,962	\$ 145,263	\$ 562,225	\$ 1,738,000
Payroll taxes	99,796	32,550	12,108	44,658	144,454
Employee benefits	168,858	50,530	37,114	87,644	256,502
Total salaries and related expenses	1,444,429	500,042	194,485	694,527	2,138,956
In-kind program supplies	103,750	-	-	-	103,750
Professional fees	11,623	98,799	87,969	186,768	198,391
Building maintenance and general liability insurance	25,464	84,086	898	84,984	110,448
Utilities	13,595	29,916	-	29,916	43,511
Individual family assistance	1,232,597	-	-	-	1,232,597
Vehicle maintenance	1,466	10,539	-	10,539	12,005
Office supplies	8,102	12,875	933	13,808	21,910
Public relations	218	227	5,877	6,104	6,322
Employee travel and mileage	7,883	132	32	164	8,047
Bank fees and other	-	6,981	23,759	30,740	30,740
Dues, memberships and training	21,757	16,314	12,084	28,398	50,155
Rent assistance	26,943	1,867	32,033	33,900	60,843
Newsletter	2,862	9,347	8,673	18,020	20,882
Other	356	22,075	4,963	27,038	27,394
Total other expenses	1,456,616	293,158	177,221	470,379	1,926,995
Total expenses before depreciation	2,901,045	793,200	371,706	1,164,906	4,065,951
Depreciation	154,006	27,177	-	27,177	181,183
Total expenses	<u>\$ 3,055,051</u>	<u>\$ 820,377</u>	<u>\$ 371,706</u>	<u>\$ 1,192,083</u>	<u>\$ 4,247,134</u>

See notes to financial statements.

NASHVILLE SAFE HAVEN FAMILY SHELTER, INC.  
CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES  
FOR THE YEAR ENDED DECEMBER 31, 2019

		Supporting Services			
	Program Services	Management and General	Fundraising	Total Supporting Services	Total
Salaries	\$ 957,188	\$ 307,612	\$ 158,931	\$ 466,543	\$ 1,423,731
Payroll taxes	92,420	29,149	13,056	42,205	134,625
Employee benefits	129,434	48,378	22,144	70,522	199,956
Total salaries and related expenses	1,179,042	385,139	194,131	579,270	1,758,312
In-kind program supplies	95,890	-	-	-	95,890
Professional fees	16,914	111,779	63,706	175,485	192,399
Building maintenance and general liability insurance	122,337	8,568	-	8,568	130,905
Utilities	44,713	9,934	-	9,934	54,647
Individual family assistance	674,285	-	-	-	674,285
Vehicle maintenance	11,299	-	-	-	11,299
Office supplies	7,638	11,665	2,015	13,680	21,318
Public relations	376	958	17,796	18,754	19,130
Employee travel and mileage	25,982	5,751	1,295	7,046	33,028
Bank fees and other	-	1,818	14,644	16,462	16,462
Dues, memberships and training	12,514	29,801	8,814	38,615	51,129
Equipment rental	947	1,894	-	1,894	2,841
Rent assistance	259,781	-	-	-	259,781
Newsletter	1,259	10,322	11,670	21,992	23,251
Other	8,952	16,027	2,293	18,320	27,272
Total other expenses	1,282,887	208,517	122,233	330,750	1,613,637
Total expenses before depreciation amortization, and loss on sale	2,461,929	593,656	316,364	910,020	3,371,949
Depreciation	152,055	26,833	-	26,833	178,888
Total expenses	\$ 2,613,984	\$ 620,489	\$ 316,364	\$ 936,853	\$ 3,550,837

See notes to financial statements.

NASHVILLE SAFE HAVEN FAMILY SHELTER, INC.  
CONSOLIDATED STATEMENTS OF CASH FLOWS  
FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019

	<u>2020</u>	<u>2019</u>
Cash flows from operating activities:		
Change in net assets	\$ 1,968,752	\$ 132,895
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	181,183	178,888
Loss on sale of vehicles	-	7,455
Unrealized gain on investments	(20,879)	-
Contributions of stock	(1,252,580)	-
Increase in current assets:		
Other receivables	(29,339)	(20,236)
Grants and contributions receivable	(146,660)	(53,224)
Inventory	(17,313)	(36,399)
Prepaid expenses	(17,250)	(25,495)
Increase (decrease) in current liabilities:		
Accounts payable and accrued expenses	(20,835)	29,008
Unearned revenue	42,000	-
Net cash provided by operating activities	<u>687,079</u>	<u>212,892</u>
Cash flows from investing activities:		
Net purchases of investments	(5,802)	(253,664)
Purchase of property and equipment	<u>(37,834)</u>	<u>(79,157)</u>
Net cash used in investing activities	<u>(43,636)</u>	<u>(332,821)</u>
Cash flows from financing activities:		
Proceeds from note payable	<u>339,165</u>	<u>-</u>
Net cash provided by financing activities	<u>339,165</u>	<u>-</u>
Net change in cash and cash equivalents	982,608	(119,929)
Cash and cash equivalents, beginning of year	<u>942,145</u>	<u>1,062,074</u>
Cash and cash equivalents, end of year	<u><u>\$ 1,924,753</u></u>	<u><u>\$ 942,145</u></u>

See notes to financial statements.

NASHVILLE SAFE HAVEN FAMILY SHELTER, INC.  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
DECEMBER 31, 2020 AND 2019

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Organization

Nashville Safe Haven Family Shelter, Inc. (“Safe Haven”) is a nonprofit corporation located in Nashville, Tennessee. Safe Haven provides shelter, training, counseling, spiritual guidance, and education to homeless families in a faith-based setting in and around Middle Tennessee. The primary goal of Safe Haven is to help families overcome homelessness and achieve social and economic independence. Staff 360, LLC is a wholly-owned subsidiary of Safe Haven, formed in 2017 for the purpose of providing temporary staffing, job support training, and other ancillary support services to the homeless population of Middle Tennessee. The financial statements and footnotes are presented on a consolidated basis with all significant intercompany balances and transactions eliminated in the consolidation. The significant accounting policies and practices followed by Safe Haven, are presented below to assist the reader in evaluating the consolidated financial statements.

Basis of Presentation

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

Classification of Net Assets

Safe Haven reports information regarding its financial position and activities according to two classes of net assets based on the existence or absence of donor-imposed restrictions. Accordingly, net assets and changes therein are classified and reported as follows:

*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 mission of Safe Haven. These net assets may be used at the discretion of Safe Haven’s management and the board of directors. Net assets without donor restrictions includes the following:

*Board Designated Net Assets* - operating and capital reserves to be used at the Board of Directors’ discretion, totaling \$114,270 and \$111,792 at December 31, 2020 and 2019, respectively.

*Undesignated Net Assets* - net assets without donor restrictions excluding those designated for specific activities by the Board of Directors.

NASHVILLE SAFE HAVEN FAMILY SHELTER, INC.  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
DECEMBER 31, 2020 AND 2019

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

*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 Safe Haven or by the passage of time. Other donor restrictions are perpetual in nature, whereby the donor has stipulated the funds be maintained in perpetuity. Safe Haven does not have net assets with donor restrictions that are perpetual in nature.

Cash and Cash Equivalents

For financial statement purposes, Safe Haven considers all cash and all highly liquid investments not held for long-term investment, and which have original maturities of three months or less, to be cash equivalents.

Contributions

Gifts of cash and other assets are reported as restricted support if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, that is, when a stipulated time restriction ends or the purpose of the restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the consolidated statement of activities as net assets released from restriction.

Gifts of property and equipment are reported as unrestricted support unless explicit donor stipulations specify how the donated assets must be used. Gifts of long-lived assets with explicit restrictions that specify how the assets are to be used and gifts of cash or other assets that must be used to acquire long-lived assets are reported as restricted support. Absent explicit donor stipulations about how long those long-lived assets must be maintained, Safe Haven reports expirations of donor restrictions when the donated or acquired long-lived assets are placed in service.

Safe Haven receives various types of in-kind contributions including food and other program supplies and volunteer services. Contributed professional services are recognized if the services received (a) create or enhance long-lived assets or (b) require specialized skills, are provided by the individuals possessing those skills, and would typically need to be purchased if not provided by the donation. Donated food and other program supplies are reflected as contributions in the accompanying consolidated financial statements at their estimated fair values at date of receipt. The amounts reflected in the accompanying consolidated financial statements as in-kind donations are offset by corresponding amounts included in expenses.

NASHVILLE SAFE HAVEN FAMILY SHELTER, INC.  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
DECEMBER 31, 2020 AND 2019

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

Contributions receivable are recorded at their fair value and reflect discounts for payment terms greater than one year. They represent pledges which are considered to be either conditional or unconditional promises to give. A conditional contribution is one which depends on the occurrence of some specified uncertain future event to become binding on the donor. Conditional contributions are not recorded as revenue until the condition is met, at which time they become unconditional. Unconditional contributions are recorded as revenue at the time verifiable evidence of the pledge is received.

Safe Haven evaluates receivables for collectability whenever facts or circumstances indicate that a balance might not be collectible. An allowance is established for those receivables that are not considered collectible based on historical experience and a review of the current status of receivables. Receivables are written off when all collection efforts have been exhausted and collection is considered remote.

Revenue Recognition

Revenues from contracts with customers is based on consideration defined in the contracts. Safe Haven's contracts with customers include staffing services and are recognized as earned or when the performance obligations are satisfied. Performance obligations are determined based on the nature of the service provided by Safe Haven.

Grant Revenue and Receivables

Revenue under federal, state and other grants is recognized to the extent related expenses have been incurred. Grants receivable represents the difference between amounts earned and amounts received.

Inventories

Inventories consist primarily of donated program supplies and are stated at the lower of cost and net realizable value. Cost has been determined on the first-in, first-out basis.

Property and Equipment

Property and equipment are carried at cost or at fair value as of the date contributed. The fair value of donated labor services associated with property and equipment are added to the cost of the asset. Repairs and maintenance are charged to expense as incurred. Depreciation is computed using the straight-line method over the estimated useful lives of the assets, which range from 3 to 31.5 years.

NASHVILLE SAFE HAVEN FAMILY SHELTER, INC.  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
DECEMBER 31, 2020 AND 2019

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

Income Taxes

Safe Haven is exempt from income tax under Section 501(c)(3) of the U.S. Internal Revenue Code; accordingly, no provision for income taxes is included in the accompanying consolidated financial statements.

Safe Haven accounts for the effect of any uncertain tax positions based on a more likely than not threshold to the recognition of the tax positions being sustained based on the technical merits of the position under examination by the applicable taxing authority. If a tax position or positions are deemed to result in uncertainties of those positions, the unrecognized tax benefit is estimated based on a cumulative probability assessment that aggregates the estimated tax liability for all uncertain tax positions. Tax positions for Safe Haven include, but are not limited to, the tax-exempt status and determination of whether income is subject to unrelated business income tax; however, Safe Haven has determined that such tax positions do not result in an uncertainty requiring recognition.

Investments

Investments consist of a certificate of deposit and stocks, which are stated at fair value. Fair value is determined as the cost of the deposit plus any accrued interest and of the actively traded value of the stock on the open market.

Estimates

Judgment and estimation are exercised by management in certain areas of the preparation of the consolidated financial statements. The more significant areas include the recovery period for property and equipment, the allowance for uncollectible receivables, the functional allocation of expenses, and the fair value of investments. Management believes that such estimates have been based on reasonable assumptions and that such estimates are adequate. Actual results could differ from these estimates.

Fair Value of Financial Instruments

Assets and liabilities recorded at fair value in the consolidated statement of financial position are categorized based on the level of judgment associated with the inputs used to measure their fair value (Note E). Level inputs, as defined by Financial Accounting Standards Board Accounting Standards Codification (ASC) 820 *Fair Value Measurements and Disclosures*, are as follows:

NASHVILLE SAFE HAVEN FAMILY SHELTER, INC.  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
DECEMBER 31, 2020 AND 2019

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

Level 1 - Values are unadjusted quoted prices for identical assets and liabilities in active markets accessible at the measurement date.

Level 2 - Inputs include quoted prices for similar assets or liabilities in active markets, quoted prices from those willing to trade in markets that are not active, or other inputs that are observable or can be corroborated by market data for the term of the instrument. Such inputs include market interest rates and volatilities, spreads and yield curves.

Level 3 - Certain inputs are unobservable (supported by little or no market activity) and significant to the fair value measurement. Unobservable inputs reflect Safe Haven's best estimate of what hypothetical market participants would use to determine a transaction price for the asset or liability at the reporting date.

Functional Allocation of Expenses

Costs of providing Safe Haven's programs and services are summarized and reported on a functional basis. Program expenses included costs directly associated with the program and other indirect costs determined to benefit that program. These costs have been allocated between program and supporting services based on estimates made by management.

Reclassifications

Certain reclassifications were made to the 2019 financial statement amounts to conform to the 2020 presentation.

NASHVILLE SAFE HAVEN FAMILY SHELTER, INC.  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
DECEMBER 31, 2020 AND 2019

B. LIQUIDITY AND AVAILABILITY OF RESOURCES

The table below represents financial assets available for general expenditures within one year at December 31, 2020 and 2019:

	<u>2020</u>	<u>2019</u>
Financial assets at year end:		
Cash and cash equivalents	\$1,924,753	\$ 942,145
Investments	1,532,925	253,664
Grants and contributions receivable, net	323,758	177,098
Other receivable	<u>29,339</u>	<u>-</u>
Total financial assets	<u>3,810,775</u>	<u>1,372,907</u>
Less amounts not available to be used for general expenditures within one year:		
Board designated funds	114,270	111,792
Subject to donor restrictions	<u>43,442</u>	<u>41,442</u>
Financial assets not available to be used within one year to be used within one year	<u>157,712</u>	<u>153,234</u>
Financial assets available to meet general expenditures within one year	<u>\$3,653,063</u>	<u>\$1,219,673</u>

Safe Haven receives substantial support through grants, restricted and unrestricted contributions and fundraising events. Safe Haven must maintain sufficient resources to meet responsibilities to its grantors and donors. Grant revenues are received monthly through submittal of reimbursement requests for various programs. Safe Haven has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due.

Safe Haven intends to hold board designated funds for operating and capital reserves, as designated by the Board of Directors, however these amounts could be made available, if necessary. Safe Haven also has a line-of-credit with a maximum borrowing limit of \$100,000, which is available for use in operations, as needed.

C. CONTRIBUTIONS RECEIVABLE

Contributions receivable at December 31, 2020 and 2019 consisted of \$-0- and \$35,170, respectively, and are expected to be collected within one year.

NASHVILLE SAFE HAVEN FAMILY SHELTER, INC.  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
DECEMBER 31, 2020 AND 2019

D. PROPERTY AND EQUIPMENT

Property and equipment consist of the following:

	<u>2020</u>	<u>2019</u>
Land	\$ 272,305	\$ 272,305
Buildings	2,496,883	2,496,883
Building improvements	190,720	180,514
Equipment	125,378	102,553
Furnishings	191,637	191,637
Vehicles	151,267	151,267
Construction in progress	<u>4,803</u>	<u>-</u>
	3,432,993	3,395,159
Less: accumulated depreciation	<u>(1,596,550)</u>	<u>(1,415,367)</u>
Property and equipment, net	<u>\$ 1,836,443</u>	<u>\$ 1,979,792</u>

Depreciation expense was \$181,183 and \$178,888 in 2020 and 2019, respectively. Construction in progress consists of office expansion. Estimated costs to complete construction were \$440,000 at December 31, 2020.

E. FAIR VALUE OF FINANCIAL INSTRUMENTS

Required disclosures concerning the estimated fair value of financial instruments are presented below. The estimated fair value amounts have been determined based on Safe Haven's assessment of available market information and appropriate valuation methodologies. The following table summarizes required fair value disclosures and measurements at December 31, 2020 and 2019:

		<u>Fair Value Measurements at Reporting Date Using</u>		
		<u>Quoted Prices in</u>	<u>Significant</u>	<u>Significant</u>
		<u>Active Markets for</u>	<u>Other Observable</u>	<u>Unobservable</u>
		<u>Identical Assets</u>	<u>Inputs</u>	<u>Inputs</u>
		<u>(Level 1)</u>	<u>(Level 2)</u>	<u>(Level 3)</u>
		<u>Assets Measured</u>		
		<u>at Fair Value</u>		
<u>December 31, 2020</u>				
Marketable equity securities	\$1,273,459	\$1,273,459	\$ -	\$ -
Certificates of deposit	<u>259,466</u>	<u>259,466</u>	<u>-</u>	<u>-</u>
	<u>\$1,532,925</u>	<u>\$1,532,925</u>	<u>\$ -</u>	<u>\$ -</u>

NASHVILLE SAFE HAVEN FAMILY SHELTER, INC.  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
DECEMBER 31, 2020 AND 2019

E. FAIR VALUE OF FINANCIAL INSTRUMENTS - Continued

	Assets Measured at Fair Value	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
<u>December 31, 2019</u>				
Certificates of deposit	\$253,664	\$253,664	\$ -	\$ -
	<u>\$253,664</u>	<u>\$253,664</u>	<u>\$ -</u>	<u>\$ -</u>

F. NOTE PAYABLE

Safe Haven has an available \$100,000 line-of-credit agreement that matures in May 2028. Interest is payable monthly at the bank's prime rate plus 1.0%, not to fall below 4.75%. The interest rate at December 31, 2020 and 2019 was 4.75% and 5.75%, respectively. There was no outstanding balance at December 31, 2020 and 2019.

On April 17, 2020, the Safe Haven and Staff 360 received loan proceeds in the amount of \$270,648 and \$68,517, respectively, under the Paycheck Protection Program (the "Program"). The Program, established as part of the Coronavirus Aid, Relief, and Economic Security Act ("CARES Act"), provides for loans to qualifying businesses for amounts up to 2.5 times of the average monthly payroll expenses of the qualifying business. The note payable and accrued interest are forgivable as long as the organization uses the proceeds for eligible purposes, including payroll, benefits, rent and utilities, and maintains its payroll levels. The amount of forgiveness will be reduced if the organization terminates employees or reduces salaries during the applicable period. The unforgiven portion of the note payable is payable over two years at an interest rate of 1% and the organization's monthly principal and interest payments would begin seven months from the date the notes payable were dated. The organization believes that its use of the loan proceeds will meet the conditions for forgiveness and has applied for forgiveness. The organization has included the full amount of the PPP loan proceeds in notes payable in the consolidated statement of financial position.

NASHVILLE SAFE HAVEN FAMILY SHELTER, INC.  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
DECEMBER 31, 2020 AND 2019

G. NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions are restricted for the following:

	<u>2020</u>	<u>2019</u>
Subject to expenditure for specified purposes:		
Scholarships	\$20,292	\$18,292
Expiration of time restrictions	<u>23,150</u>	<u>23,150</u>
Total net assets with donor restrictions	<u>\$43,442</u>	<u>\$41,442</u>

Net assets were released from donor restrictions by satisfying the restricted purposes or by occurrence of other events specified by donors for the years ended December 31, 2020 and 2019, respectively, as follows:

	<u>2020</u>	<u>2019</u>
Satisfaction of purpose restrictions	\$ -	\$ 75,000
Expiration of time restrictions	<u>-</u>	<u>60,711</u>
Total net assets released from restrictions	<u>\$ -</u>	<u>\$135,711</u>

H. CONCENTRATION OF CREDIT RISK

Safe Haven maintains its cash and cash equivalents in high credit quality financial institutions at balances which, at times, may exceed federally insured limits. Safe Haven has not experienced any losses in such accounts. Credit risk also extends to uncollateralized receivables.

I. IN-KIND CONTRIBUTIONS

During the year, Safe Haven received in-kind contributions of food and other program supplies valued at \$121,063 and \$132,592 in 2020 and 2019, respectively. In both 2020 and 2019, individual volunteers contributed significant amounts of time to Safe Haven activities, which have not been reflected in the accompanying consolidated financial statements, as they did not meet the recognition criteria.

NASHVILLE SAFE HAVEN FAMILY SHELTER, INC.  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
DECEMBER 31, 2020 AND 2019

J. RETIREMENT PLAN

Safe Haven participates in a multi-employer retirement program. The Plan is a defined contribution retirement plan (401k) covering employees who meet certain eligibility requirements. Safe Haven's contributions to the plan are discretionary up to 5% of the participants' elective deferral. Employer contributions for the years ended December 31, 2020 and 2019 totaled \$32,626 and \$30,499, respectively.

K. COVID-19 PANDEMIC

On January 30, 2020, the World Health Organization ("WHO") announced a global health emergency because of a new strain of coronavirus (the "COVID-19 outbreak"). In March 2020, the WHO classified the COVID-19 outbreak as a pandemic, based on the rapid increase in exposure globally.

The extent of the impact of COVID-19 on Safe Haven's operational and financial performance will depend on certain developments, including the duration and spread of the outbreak, impact on its clients, donors, employees, and vendors, all of which are uncertain and cannot be predicted. In order to assist in the mitigation of potential negative impact on its operational and financial performance, the organization applied for and received financing from the Small Business Administration (the "SBA") through the Paycheck Protection Program (Note F) and also received funding through the Department of Treasury through the Coronavirus Relief Fund totaling \$814,723.

The full impact of the COVID-19 outbreak continues to evolve as of the date of this report. The ultimate future impact, if any, of the pandemic on Safe Haven's results of operations, financial position, liquidity, or capital resources cannot be reasonably estimated at this time.

L. SUBSEQUENT EVENTS

Management has evaluated subsequent events through June 16, 2021, which is the date the consolidated financial statements were available for issuance, and has determined that the following subsequent events require disclosure as follows:

On April 2, 2021, Staff 360 ceased operations and the Board formally dissolved the company in May 2021.

On April 20, 2021, Staff 360 was notified that their application for forgiveness of their PPP loan was approved, and that the SBA had remitted \$68,517 to the lender of record as authorized by Section 1106 of the CARES Act.

On May 17, 2021, Safe Haven was notified that their application for forgiveness of their PPP loan was approved, and that the SBA had remitted \$270,648 to the lender of record as authorized by Section 1106 of the CARES Act.

## **SUPPLEMENTAL INFORMATION**

NASHVILLE SAFE HAVEN FAMILY SHELTER, INC.  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
YEAR ENDED DECEMBER 31, 2020

Grantor/Pass-Through Grantor/Program Title	CFDA Number	Pass-through Entity Identifying Number	Expenditures
<b>* Temporary Assistance for Needy Families</b>			
<u>United States Department of Health and Human Services</u>			
Family Empowerment Program: Rapid Rehousing, Prevention and Diversion FY19/20 (1)	93.558	71719	\$ 774,633
Family Empowerment Program: Rapid Rehousing, Prevention and Diversion FY20/21 (1)	93.558	68080	231,601
Total Temporary Assistance for Needy Families			<u>1,006,234</u>
<b>* Coronavirus Relief Fund</b>			
<u>Department of the Treasury</u>			
TN-CARES FY20 (1)	21.019	N/A	495,723
Metro CARES Act FY20 (1)	21.019	N/A	319,000
Total Coronavirus Relief Fund			<u>814,723</u>
<b>Continuum of Care Program</b>			
<u>Department of Housing and Urban Development</u>			
Continuum of Care - CES Collaboration - FY19/20 (2)	14.267	TN0269L4J041802	70,044
Emergency Solutions Grants - FY19/20 (3)	14.267	TN0192L4J041805	47,185
Emergency Solutions Grants - FY20/21 (3)	14.267	TN0192L4J041906	233,868
Total Continuum of Care Program			<u>351,097</u>
<b>Emergency Solutions Grant Program</b>			
<u>Department of Housing and Urban Development</u>			
Emergency Solutions Grant - FY19/20 (4)	14.231	N/A	3,513
Emergency Solutions Grant - FY20/21 (4)	14.231	615-256-8195	31,548
Emergency Solutions Grant - FY20-22 (4)	14.231	N/A	14,533
Total Emergency Solutions Grant Program			<u>49,594</u>
<b>Emergency Food and Shelter National Board Program</b>			
<u>Department of Homeland Security</u>			
FEMA - Shelter Program	97.024	N/A	24,958
TOTAL FEDERAL AWARDS			<u><u>\$ 2,246,606</u></u>

\* - denotes major program

(1) - Passed through the Tennessee Department of Human Services and the United Way of Metropolitan Nashville

(2) - Passed through the Tennessee Department of Housing and Urban Development

(3) - Passed through the Tennessee Department of Housing and Urban Development and the Metropolitan Development and Housing Agency

(4) - Passed through the Metropolitan Development and Housing Agency

See independent auditor's opinion and accompanying notes.

NASHVILLE SAFE HAVEN FAMILY SHELTER, INC.  
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
YEAR ENDED DECEMBER 31, 2020

A. BASIS OF ACCOUNTING

The accompanying schedule of expenditures of federal awards is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), on the accrual basis of accounting.

Safe Haven has elected not to use the 10-percent de minimis indirect cost rate allowed under the Uniform Guidance.

B. SUBRECIPIENTS

Safe Haven passed through \$-0- to sub recipients in 2020.



Independent Auditor's Report on Internal Control over Financial Reporting  
and on Compliance and Other Matters Based on an Audit of Financial  
Statements Performed in Accordance with *Government Auditing Standards*

Members of the Board of Directors  
Nashville Safe Haven Family Shelter  
Nashville, Tennessee

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the consolidated financial statements of Nashville Safe Haven Family Shelter ("Safe Haven"), which comprise the consolidated statement of financial position as of December 31, 2020, and the related consolidated statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the consolidated financial statements, and have issued our report thereon dated June 16, 2021.

**Internal Control Over Financial Reporting**

In planning and performing our audit of the consolidated financial statements, we considered Safe Haven's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the consolidated financial statements, but not for the purpose of expressing an opinion on the effectiveness of Safe Haven's internal control. Accordingly, we do not express an opinion on the effectiveness of Safe Haven's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.



## **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether Safe Haven's consolidated financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

## **Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Safe Haven's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Safe Haven's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Nashville, Tennessee  
June 16, 2021



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

Members of the Board of Directors  
Nashville Safe Haven Family Shelter  
Nashville, Tennessee

**Report on Compliance for Each Major Federal Program**

We have audited Nashville Safe Haven Family Shelter's ("Safe Haven") compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of Safe Haven's major federal programs for the year ended December 31, 2020. Safe Haven's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

***Management's Responsibility***

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

***Auditor's Responsibility***

Our responsibility is to express an opinion on compliance for each of Safe Haven's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Safe Haven's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of Safe Haven's compliance.



### ***Opinion on Each Major Federal Program***

In our opinion, Safe Haven complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2020.

### **Report on Internal Control Over Compliance**

Management of Safe Haven are responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered Safe Haven's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Safe Haven's internal control over compliance.

*A deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance. Our consideration of internal control over compliance was for the limited purpose described in the preceding paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Nashville, Tennessee  
June 16, 2021

NASHVILLE SAFE HAVEN FAMILY SHELTER  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
YEAR ENDED DECEMBER 31, 2020

I. SUMMARY OF INDEPENDENT AUDITORS' RESULTS

Financial Statements

Type of auditors' report issued:

Unmodified

Internal control over financial reporting:

- Material weakness(es) identified?     Yes   X  No
- Significant deficiency(ies) identified?     Yes   X  None Reported

Noncompliance material to financial statements noted?

    Yes   X  No

Federal Awards

Internal control over major programs:

- Material weakness(es) identified?     Yes   X  No
- Significant deficiency(ies) identified?     Yes   X  None Reported

Type of auditors' report issued on compliance for major programs:

Unmodified

Any audit findings disclosed that are required to be reported in accordance with section 2CFR 200.516(a) of the Uniform Guidance?

    Yes   X  No

Major Programs

CFDA Number	Grantor	Name of Federal Program	Amount Expended
93.558	Dept of Health and Human Services	Temporary Assistance for Needy Families	\$1,006,234
21.019	Dept of the Treasury	Coronavirus Relief Fund	\$ 814,723

Dollar threshold used to distinguish between type A and type B program

\$750,000

Auditee qualified as low-risk auditee

    Yes   X  No

NASHVILLE SAFE HAVEN FAMILY SHELTER  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS - Continued  
YEAR ENDED DECEMBER 31, 2020

II. FINANCIAL STATEMENT FINDINGS

*There were no current year or prior year findings.*