A Safe Haven Foundation
(An Illinois not-for-profit corporation)

Consolidated Financial Statements
and Independent Auditor's Report

June 30, 2021 and 2020

A SAFE HAVEN FOUNDATION
(AN ILLINOIS NOT-FOR-PROFIT CORPORATION)

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of
A Safe Haven Foundation

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of A Safe Haven Foundation which comprise the consolidated statements of financial position as of June 30, 2021 and 2020, 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 Consolidated 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 consolidated 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 audits to obtain reasonable assurance about whether the consolidated 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.

Opinion

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of A Safe Haven Foundation as of June 30, 2021 and 2020, 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.

Emphasis of Matter

As discussed in Note 2 to the consolidated financial statements, A Safe Haven Foundation has adopted Financial Accounting Standards Board ("FASB") Accounting Standards Update ("ASU") 2018-08, *Not-For-Profits Entities (Topic 958): Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made*. The update addresses evaluating whether transactions should be accounted for as contributions (nonreciprocal), or as exchange (reciprocal) transactions, and determining whether a contribution is conditional. The adoption resulted in additional footnote disclosures and changes to the classification of governmental contracts as of June 30, 2020. Our opinion is not modified with respect to this matter.

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Report on Supplementary Information

Our audits were conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The accompanying supplementary information, including the Consolidated Schedule of Expenditures of Federal Awards, as required by Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements 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 audits 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 December 22, 2021, on our consideration of A Safe Haven Foundation'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 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 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 A Safe Haven Foundation's internal control over financial reporting and compliance.

FGMK, LLC

Bannockburn, Illinois
December 22, 2021

A SAFE HAVEN FOUNDATION

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

JUNE 30, 2021 AND 2020

ASSETS

	2021	2020
Current Assets		
Cash and cash equivalents	$ 3,682,412	$ 4,642,660
Restricted cash	4,205,068	2,970,372
Contributions receivable-net	653,096	1,115,894
Contracts receivable-net	2,872,500	1,963,925
Due from related parties	145,421	117,288
Prepaid expenses	218,531	204,276
Total current assets	11,777,028	11,014,415
Property and equipment		
Land	2,991,507	2,991,507
Buildings and improvements	39,916,776	39,895,365
Furniture, fixtures, and equipment	2,276,171	2,276,171
Automobiles	897,350	897,350
Computer software	6,927	5,600
Construction in progress	27,363,325	6,265,674
	73,452,056	52,331,667
Less: Accumulated depreciation and amortization	(17,455,111)	(15,980,999)
Net property and equipment	55,996,945	36,350,668
Other assets		
Deferred rent assets	164,580	183,867
Other assets	127,261	127,261
Lease commissions	124,545	124,545
Less: Accumulated amortization	(123,436)	(101,813)
	292,950	333,860
Investment- U.S. Treasury Notes	7,135,201	7,207,544
Investment in partnerships	1,811,662	1,820,437
Total other assets	9,239,813	9,361,841
Total assets	$ 77,013,786	$ 56,726,924

The accompanying notes are an integral part of these statements.

A SAFE HAVEN FOUNDATION

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

JUNE 30, 2021 AND 2020

LIABILITIES AND NET ASSETS

	2021	2020
Current liabilities		
Lines of credit	$ 350,000	$ 750,000
Current portion of long-term debt	454,625	956,407
Current portion of capital leases	49,126	62,745
Accounts payable and accrued expenses	5,121,088	2,537,051
Accrued interest	46,156	65,284
Current portion of deferred grant revenue	731,354	336,665
Deferred revenue	267,140	341,216
Other current liabilities	131,538	129,074
Retainage payable	2,011,705	111,626
Due to related parties	1,922,093	1,790,418
Total current liabilities	11,084,825	7,080,486
Long-term liabilities		
Long-term debt, net of current portion	27,493,992	23,544,810
Capital leases, net of current portion	103,418	152,544
Interest rate swap	872,175	1,375,337
Deferred grant revenue, net of current portion	9,918,017	2,087,427
Total long-term liabilities	38,387,602	27,160,118
Total liabilities	49,472,427	34,240,604
Net Assets - Without donor restrictions		
Controlling interest	14,645,355	9,815,224
Noncontrolling interest	10,731,897	9,974,943
Total net assets - without donor restrictions	25,377,252	19,790,167
Net Assets - With donor restrictions		
Controlling interest	2,164,107	2,696,153
Total net assets	27,541,359	22,486,320
Total liabilities and net assets	$ 77,013,786	$ 56,726,924

The accompanying notes are an integral part of these statements.

A SAFE HAVEN FOUNDATION

CONSOLIDATED STATEMENTS OF ACTIVITIES

YEARS ENDED JUNE 30, 2021 AND 2020

	2021			2020		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
Revenue and support						
Government grants	$ 10,105,364	$ -	$ 10,105,364	$ 6,699,675	$ -	$ 6,699,675
Government contracts	577,513	-	577,513	604,026	-	604,026
Social enterprise revenue	6,579,124	-	6,579,124	5,586,421	-	5,586,421
Rental income	3,081,508	-	3,081,508	3,325,031	-	3,325,031
Tax incremental fund revenue	2,943,112	-	2,943,112	172,954	-	172,954
Contributions	2,757,204	182,352	2,939,556	5,899,395	2,050,000	7,949,395
Gain on disposal of assets	-	-	-	281,026	-	281,026
Other revenue	86,963	-	86,963	196,770	-	196,770
Net assets released from restrictions	714,398	(714,398)	-	360,682	(360,682)	-
Total support and revenue	26,845,186	(532,046)	26,313,140	23,125,980	1,689,318	24,815,298
Operating expenses						
Program services	22,095,278	-	22,095,278	18,215,087	-	18,215,087
Management and general	2,363,673	-	2,363,673	2,270,896	-	2,270,896
Fundraising	398,058	-	398,058	545,088	-	545,088
Total operating expenses	24,857,009	-	24,857,009	21,031,071	-	21,031,071
Nonoperating activities						
Paycheck protection program loan and interest forgiveness	1,496,822	-	1,496,822	-	-	-
Change in fair value of interest rate swap	503,162	-	503,162	(709,082)	-	(709,082)
Total nonoperating activities	1,999,984	-	1,999,984	(709,082)	-	(709,082)
Change in net assets before noncontrolling interest	3,988,161	(532,046)	3,456,115	1,385,827	1,689,318	3,075,145
Change in net assets attributable to noncontrolling interest	841,870	-	841,870	859,733	-	859,733
Change in net assets attributable to controlling interest	4,830,031	(532,046)	4,297,985	2,245,560	1,689,318	3,934,878
Controlling interest net assets - Beginning of year	9,815,224	2,696,153	12,511,377	7,569,664	1,006,835	8,576,499
Contributions	100	-	100	-	-	-
Controlling interest net assets - End of year	$ 14,645,355	$ 2,164,107	$ 16,809,462	$ 9,815,224	$ 2,696,153	$ 12,511,377
Noncontrolling interest net assets - Beginning of year	$ 9,974,943	$ -	$ 9,974,943	$ 9,076,619	$ -	$ 9,076,619
Contributions	1,604,688	-	1,604,688	1,758,057	-	1,758,057
Distributions	(5,864)	-	(5,864)	-	-	-
Change in net assets attributable to noncontrolling interest	(841,870)	-	(841,870)	(859,733)	-	(859,733)
Noncontrolling interest net assets - End of year	$ 10,731,897	$ -	$ 10,731,897	$ 9,974,943	$ -	$ 9,974,943
Total net assets - End of year	$ 25,377,252	$ 2,164,107	$ 27,541,359	$ 19,790,167	$ 2,696,153	$ 22,486,320

A SAFE HAVEN FOUNDATION

CONSOLIDATED STATEMENTS OF FUNCTIONAL EXPENSES

YEARS ENDED JUNE 30, 2021 AND 2020

	2021							
	Program Expenses							
	Health Initiatives	Education	Residential	Social Enterprise	Supportive Services	Workforce Development	Real Estate Operations	Total
Salaries and related expenses	$ 32,619	$ 379,228	$ 1,888,472	$ 5,911,274	$ 1,076,079	$ 122,754	$ 334,414	$ 9,744,840
Interest	-	-	-	13,882	-	-	222,002	235,884
Program food clothing and personal maintenance	-	45,776	1,914,609	519	363,925	61,581	27,405	2,413,815
Utilities, supplies and maintenance	-	9,297	1,631,212	673,870	11,561	13,127	671,910	3,010,977
General insurance	-	3,119	39,907	79,256	377	945	64,039	187,643
Professional fees / contract services	8,075	75,972	1,123,491	682,643	237,003	6,415	275,777	2,409,376
Office expenses	-	69,285	85,941	20,828	76,243	5,799	23,135	281,231
In-Kind expense	-	-	1,764,593	-	-	-	3,260	1,767,853
Miscellaneous	-	118	137,515	7,034	9,748	-	169,488	323,903
Real estate tax expense	-	-	-	43,294	12,200	-	249,365	304,859
Catering and event planning	-	-	-	-	-	-	-	-
Telephone	-	44	8,224	8,991	9,287	389	19,966	46,901
Postage/printing	-	19	240	281	81	-	347	968
Transportation and travel	-	13	25,635	152,907	16,146	-	336	195,037
Total expenses before depreciation and amortization	40,694	582,871	8,619,839	7,594,779	1,812,650	211,010	2,061,444	20,923,287
Depreciation	713	-	647	83,798	-	-	1,058,523	1,143,681
Amortization	-	-	-	-	-	-	28,310	28,310
	$ 41,407	$ 582,871	$ 8,620,486	$ 7,678,577	$ 1,812,650	$ 211,010	$ 3,148,277	$ 22,095,278

The accompanying notes are an integral part of these statements.

A SAFE HAVEN FOUNDATION

CONSOLIDATED STATEMENTS OF FUNCTIONAL EXPENSES

YEARS ENDED JUNE 30, 2021 AND 2020

	2021			
	Management Expenses			
	Management and General	Fundraising	Total	Total
Salaries and related expenses	$ 1,104,902	$ 217,873	$ 1,322,775	$ 11,067,615
Interest	392,497	-	392,497	628,381
Program food clothing and personal maintenance	2,780	725	3,505	2,417,320
Utilities, supplies and maintenance	6,624	21	6,645	3,017,622
General insurance	76,727	-	76,727	264,370
Professional fees / contract services	189,983	34,462	224,445	2,633,821
Office expenses	198,410	93,558	291,968	573,199
In-Kind expense	-	-	-	1,767,853
Miscellaneous	22,052	11,835	33,887	357,790
Real estate tax expense	8,753	-	8,753	313,612
Catering and event planning	-	34,506	34,506	34,506
Telephone	4,228	2,233	6,461	53,362
Postage/printing	12,102	1,241	13,343	14,311
Transportation and travel	2,799	1,604	4,403	199,440
Total expenses before depreciation and amortization	2,021,857	398,058	2,419,915	23,343,202
Depreciation	330,426	-	330,426	1,474,107
Amortization	11,390	-	11,390	39,700
	$ 2,363,673	$ 398,058	$ 2,761,731	$ 24,857,009

The accompanying notes are an integral part of these statements.

A SAFE HAVEN FOUNDATION

CONSOLIDATED STATEMENTS OF FUNCTIONAL EXPENSES

YEARS ENDED JUNE 30, 2021 AND 2020

	2020							
	Program Expenses							
	Health Initiatives	Education	Residential	Social Enterprise	Supportive Services	Workforce Development	Real Estate Operations	Total
Salaries and related expenses	$ 560	$ 250,680	$ 1,760,176	$ 4,415,547	$ 707,567	$ 387,016	$ 281,390	$ 7,802,936
Interest	-	-	-	12,970	-	-	232,291	245,261
Program food clothing and personal maintenance	2,892	19,589	960,562	12,366	446,012	163,110	30,204	1,634,735
Utilities, supplies and maintenance	-	11,121	1,194,534	602,199	7,311	20,634	780,864	2,616,663
General insurance	-	2,884	36,800	73,312	354	5,203	71,308	189,861
Professional fees / contract services	21,451	49,957	826,011	544,219	202,389	72,710	270,134	1,986,871
Office expenses	-	21,744	76,266	18,024	48,229	12,963	13,864	191,090
In-Kind expense	-	-	1,374,181	-	-	-	-	1,374,181
Miscellaneous	-	-	133,672	9,876	9,600	-	259,816	412,964
Real estate tax expense	-	-	-	33,874	9,612	-	239,141	282,627
Catering and event planning	-	-	-	-	-	-	-	-
Telephone	-	-	4,992	11,958	5,114	2,110	18,641	42,815
Postage/printing	-	140	1,409	175	72	1,102	636	3,534
Transportation and travel	-	548	28,114	165,880	9,265	10,770	155	214,732
Total expenses before depreciation and amortization	24,903	356,663	6,396,717	5,900,400	1,445,525	675,618	2,198,444	16,998,270
Depreciation	713	-	1,955	104,906	-	-	1,081,096	1,188,670
Amortization	-	-	-	-	-	-	28,147	28,147
	$ 25,616	$ 356,663	$ 6,398,672	$ 6,005,306	$ 1,445,525	$ 675,618	$ 3,307,687	$ 18,215,087

A SAFE HAVEN FOUNDATION

CONSOLIDATED STATEMENTS OF FUNCTIONAL EXPENSES

YEARS ENDED JUNE 30, 2021 AND 2020

	2020			
	Management Expenses			
	Management and General	Fundraising	Total	Total
Salaries and related expenses	$ 976,639	$ 228,682	$ 1,205,321	$ 9,008,257
Interest	459,289	-	459,289	704,550
Program food clothing and personal maintenance	4,821	-	4,821	1,639,556
Utilities, supplies and maintenance	4,315	-	4,315	2,620,978
General insurance	65,781	-	65,781	255,642
Professional fees / contract services	245,778	57,259	303,037	2,289,908
Office expenses	135,889	47,487	183,376	374,466
In-Kind expense	-	4,632	4,632	1,378,813
Miscellaneous	11,467	2,377	13,844	426,808
Real estate tax expense	8,602	-	8,602	291,229
Catering and event planning	-	199,421	199,421	199,421
Telephone	1,307	1,311	2,618	45,433
Postage/printing	11,968	674	12,642	16,176
Transportation and travel	995	3,245	4,240	218,972
Total expenses before depreciation and amortization	1,926,851	545,088	2,471,939	19,470,209
Depreciation	332,655	-	332,655	1,521,325
Amortization	11,390	-	11,390	39,537
	$ 2,270,896	$ 545,088	$ 2,815,984	$ 21,031,071

The accompanying notes are an integral part of these statements.

A SAFE HAVEN FOUNDATION

CONSOLIDATED STATEMENTS OF CASH FLOWS

YEARS ENDED JUNE 30, 2021 AND 2020

	2021	2020
Cash flows from operating activities		
Change in net assets attributable to controlling interest	$ 4,297,985	$ 3,934,878
Adjustments to reconcile change in net assets attributable to controlling interest to net cash provided by operating activities		
Change in net assets attributable to noncontrolling interest	(841,870)	(859,733)
Loss from investment in partnerships	8,775	47
Change in fair value of interest rate swaps	(503,162)	709,082
Gain from debt forgiveness	(1,496,822)	-
Gain from assets available for sale	-	(281,026)
Non-cash contribution revenue	100	(1,175,000)
Depreciation and amortization, including debt issuance costs	1,513,807	1,560,862
Change in allowance for doubtful accounts	34,217	38,417
Changes in operating assets and liabilities:		
Contributions and contracts receivable	(479,994)	(1,546,499)
Prepaid expenses	(14,255)	122,087
Deferred rent assets	19,287	(44,895)
Other assets	21,623	(3,585)
Accounts payable and accrued expenses	(346,419)	1,248,730
Accrued interest	(19,128)	(14,588)
Retainage payable	1,900,079	111,626
Other liabilities	2,464	16,894
Deferred revenue	8,151,203	1,866,416
Net cash provided by operating activities	12,247,890	5,683,713
Cash flow from investing activities		
Purchases of property and equipment	(18,202,131)	(4,536,246)
Purchases of investments	72,343	(7,207,544)
Proceeds from assets available for sale	-	532,175
Net cash used in investing activities	(18,129,788)	(11,211,615)
Cash flows from financing activities		
Net change in due to/from related parties	103,542	491,654
Net change in lines of credit	(400,000)	200,000
Principal payments on capital leases	(62,745)	(66,979)
Proceeds from long-term debt	5,275,228	9,029,984
Principal payments on long-term debt	(358,503)	(1,427,386)
Contributions	1,604,688	1,758,057
Distributions	(5,864)	-
Net cash provided by financing activities	6,156,346	9,985,330
Net change in cash, cash equivalents, and restricted cash	274,448	4,457,428
Cash, cash equivalents, and restricted cash - Beginning of year	7,613,032	3,155,604
Cash, cash equivalents, and restricted cash - End of year	$ 7,887,480	$ 7,613,032
SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION		
Interest paid by Organization	$ 647,509	$ 719,138
SUPPLEMENTAL DISCLOSURES OF NON-CASH INVESTING AND FINANCING ACTIVITIES		
Non-cash purchases of property and equipment	$ 2,939,878	$ -
Financed property and equipment through obligations under capital leases	$ -	$ 199,118

The accompanying notes are an integral part of these statements.

A SAFE HAVEN FOUNDATION

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Note 1 – Organization and Program Description

A Safe Haven Foundation ("ASHF") was formed on April 26, 2001 as a not-for-profit corporation under the laws of the State of Illinois to provide job placement, rehabilitation services, and shelter to the people of the City of Chicago ("City") that are in need. In 2012, the Foundation added to its mission other activities to create and promote long-term housing for those in need.

On September 30, 2009, ASHF signed a management agreement with the Chicago Christian Industrial League ("CCIL"), an unrelated party at that time, to act as Manager and to oversee CCIL's programs and facilities. This agreement charged ASHF with the establishment of a long-term strategic plan and efficient operation of CCIL's business plan. On March 24, 2010, ASHF entered into a Strategic Alliance/Transfer Agreement ("Strategic Alliance") with CCIL to provide for an alignment of revenue contracts, oversight of fund raising efforts, oversight of the human resources function, and to work with service providers and other vendor relationships to carry out the strategic joint mission of ASHF and CCIL. Concurrent with the Strategic Alliance, CCIL assigned its interest in the 2750 W Roosevelt Building and related debt, and certain identified homeless service contracts with the City, to ASHF. Accordingly, assets and liabilities of approximately $15,572,000 were transferred and recorded by ASHF based on CCIL's net book value. The Strategic Alliance also provided an option of transferring future responsibility from CCIL to ASHF for any contractual responsibility when it becomes mutually beneficial to both organizations to do so. Additional program and contracts were subsequently transferred to ASHF.

In 2012, ASHF became the single member of an Illinois Limited Liability Company known as KMA Holdings V, LLC ("KMA V"). KMA V is a limited partner in real estate development projects (Note 3) for low income housing where ASHF will provide case management and supportive services to certain residents of the housing development once construction and leasing are complete.

In 2013, two of ASHF's board members became the majority board members for a 501(c)(3) organization known as Harborquest, Inc. Harborquest, Inc. owns a single member L3C known as Civic Staffing ("CS") which provides a temporary employment labor force for clients that are in the need of such low cost alternatives to permanent hiring. Collectively the organizations are referred to as Harborquest ("HQ"). The organizations began working together in a collaborative way to provide employment training services to the current customer base of CS and to fulfill the separate workforce development contracts of ASHF.

In December 2013, ASHF's and CCIL's Boards of Directors approved a transaction that would combine the remaining business interests of CCIL into ASHF. CCIL owns two single member LLCs known as 600 S Wabash Commercial ("Commercial") and 600 S Wabash LLC ("LLC"). The LLC is the .01% general partner of 600 S Wabash LP ("LP'). Commercial owns six spaces of commercial space on the ground floor of the building. The LP owns a 169 unit residential structure which sits on the upper floors of the same building at 600 S Wabash. Under the above mentioned management agreement and a CCIL board resolution, ASHF gained full management control of the CCIL operations.

In 2014, ASHF became the single member of an Illinois Limited Liability Company, KMA Holdings VIII, LLC ("KMA VIII"). The entity was formed with the intent to develop real estate on several parcels of land in Melrose Park, Illinois. In 2016, KMA VIII admitted a minority partner to help with those development efforts. KMA VIII decided to utilize low income housing tax credits and to seek a limited partner to bring significant equity to the project. Therefore, in anticipation of that transaction, it formed a joint venture, Melrose Park Veterans Housing, LP ("MPVH"). The financing closed on October 21, 2015 with a $2,396,563 initial equity injection by the limited partner, the National Equity Fund ("NEF"), and construction of the project began in earnest. In July 2016, the construction was completed, and the building began leasing units. Melrose Park was fully leased in May 2017.

In 2017, ASHF became the single member of an Illinois Limited Liability Company, ASH IV, LLC ("ASH IV"). The entity was formed with the intent to renovate real estate in Chicago, Illinois. ASH IV is a minority partner in Celadon-KMA GP I, which is the general partner in WP School Redevelopment Limited Partnership. The limited partner in this development is Enterprise Community Partner ("Enterprise"). This facility is able to provide 60 affordable housing units for seniors and was completed in the summer of 2019. Lease up was completed in December 2019.

(Continued)

A SAFE HAVEN FOUNDATION

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Note 1 – Organization and Program Description (concluded)

In 2018, ASH V, LLC ("ASH V") was formed and became the single member of an Illinois Limited Partnership Company, Roosevelt Road Veteran Housing, LP ("RRVH"), also formed in 2018. The entity was formed with the intent to develop real estate in Chicago, Illinois. ASH V is the general partner along with National Equity Fund ("NEF") as the limited partner. RRVH decided to utilize low income housing tax credits and to obtain a limited partner to bring significant equity to the project. RRVH broke ground in the spring of 2020 and will contain 90 veteran preference units.

In 2019, ASH VI, LLC ("ASH VI") was formed and became the single member of an Indiana Limited Liability Company, A Safe Haven Veteran Apartments, LP ("ASHVA"), which was formed in August 2019 as an Indiana Limited Liability Company. The entity was formed with the intent to develop real estate in Hobart, Indiana. ASH VI is the general partner along with Cinnaire, a Michigan investment company, as the limited partner. ASHVA decided to utilize low income housing tax credits and to obtain a limited partner to bring significant equity to the project. In 2020, ASH Hobart, LLC ("ASH Hobart") was formed and became the single member of an Illinois Limited Liability Company, ASH VI, LLC, and admitted a minority partner to help with development efforts. ASHVA broke ground in the spring of 2020.

ASHF manages its programs and their related functional expenses under seven distinct areas of impact:

Health Initiatives – Assistance in accessing health insurance and services for populations at risk
Education – Life skills and literacy training for ASHF clients, including youth mentoring and support
Residential – Emergency and interim housing for populations at risk
Social Enterprise – Landscaping, staffing and catering services sold into multiple markets
Supportive Services – Homeless prevention interventions, substance abuse treatment and transitional housing
Workforce Development – Job skills training, transition back to work counseling and job placement support
Real Estate Operations – Rental of affordable housing and commercial space

Note 2 – Summary of Significant Accounting Policies

Principles of Consolidation

The accompanying consolidated financial statements include the accounts of ASHF, KMA V, KMA VIII, HQ, MPVH, CCIL, LLC, Commercial, LP, ASH IV, ASH V, ASH VI, ASH Hobart, ASHVA and RRVH (collectively the "Organization").

Basis of Accounting

The accompanying consolidated financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America ("GAAP"). Information regarding the financial position and activities of the Organization are reported in two classes of net assets (as applicable): with donor restrictions and without donor restrictions.

Classification of Net Assets

Net assets of the Organization are classified based on the presence or absence of donor-imposed restrictions. Net assets without donor restrictions: Net assets that are not subject to donor-imposed or the donor-imposed restriction have expired or been fulfilled. Net assets in this category may be expended for any purpose in performing the primary objectives of the Organization. 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 the Organization or by the passage of time. Other donor restrictions are perpetual in nature, whereby the donor has stipulated the funds be maintained in perpetuity. Earnings, gains, and losses on donor-restricted net assets are classified as net assets without donor restrictions unless specifically restricted by the donor or by applicable state law.

(Continued)

A SAFE HAVEN FOUNDATION

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Note 2 – Summary of Significant Accounting Policies (continued)

Allocation of Expenses

The costs of providing the various programs, fund-raising, and other activities have been summarized on a functional basis in the statement of functional expenses. Accordingly, certain indirect costs have been allocated among the seven program areas, administrative and fundraising activities on the basis of management's estimates.

Management Estimates and Assumptions

The preparation of consolidated financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the amounts reported in the consolidated financial statements and accompanying notes. Actual results could differ from those estimates.

Cash and Cash Equivalents

The Organization considers all highly liquid short-term investments with original maturities of three months or less to be cash equivalents. The Organization regularly maintains cash balances, which at times may exceed federally insured limits. The Organization has not experienced any losses in such accounts and believes that it is not exposed to any significant credit risk related to cash and cash equivalents.

Restricted Cash

Escrows are maintained for the benefit of projects of LP, MPVH and RRVH. These escrowed funds are restricted as to their use based upon the applicable regulatory documents.

LP, as mentioned further under Note 7, owns real property financed by mortgages through the Illinois Housing Development Authority ("IHDA"). It is IHDA's position, under Illinois statute, that project cash surplus cannot be used to pay off the IHDA mortgages, and, upon such payoff from other funds, IHDA is entitled to any surplus cash, including reserves and escrows remaining at such time as in excess of the maximum cash return allowable to the property owners set forth in the Regulatory Agreement at such times as the loan was consummated. The potential amount to be returned upon such an event cannot be determined and, as such, no related amounts have been reflected in the accompanying consolidated financial statements. Escrows and reserves were appropriately funded as of June 30, 2021 and 2020. MPVH has four escrowed funds for operating reserves. RRVH and ASH VA are developments that began construction in 2020. As part of the construction loans, escrow accounts have been established.

Contributions Receivable

Contributions are recorded as increases in net assets with donor restrictions or increases in net assets without donor restrictions, depending on the existence or nature of any donor restrictions. When a donor restriction expires, that is, when a time restriction ends or purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the accompanying consolidated statements of activities as net assets released from restriction. The Organization uses the allowance method to determine uncollectible unconditional promises receivable. The allowance is based on prior years' experience and management's analysis of specific promises made. The allowance for doubtful accounts was approximately $133,000 and $110,000 as of June 30, 2021 and 2020, respectively.

Contracts Receivable

Contacts receivable represent amounts due for various program services provided to funding agencies and others, as well as earned revenue from social business enterprises. The allowance for doubtful accounts is determined based on historical experience and analysis of specific accounts. Uncollectible amounts are charged to bad debt expense when that determination is made. There was no allowance for doubtful accounts as of June 30, 2021 and 2020, respectively.

(Continued)

A SAFE HAVEN FOUNDATION

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Note 2 – Summary of Significant Accounting Policies (continued)

Tenant Security Deposits

Regulations of IHDA require that security deposits be segregated from the general funds of LP and MPVH. Accordingly, these entities hold all security deposit funds in a separate interest-bearing account. When the tenant vacates the unit, any unpaid balance remaining after application of the security deposit is charged to bad debt expense. The security deposit is included in other current liabilities in the consolidated statements of financial position.

Property and Equipment

Property and equipment purchased are recorded at cost. Donations of property and equipment are recorded as contributions at their estimated fair value at the time of donation. Improvements are capitalized, while expenditures for ordinary maintenance and repairs are expensed as incurred. Property and equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying amount of the assets may not be recoverable. There were no impairment charges for the years ended June 30, 2021 and 2020. For projects where ASHF is functioning as the general partner in an affordable housing construction project, construction in progress entries are made based on the certified construction draw materials which document the capitalized costs of the project completed at the end of each month.

Property and equipment are depreciated or amortized over their estimated useful lives, using the straight-line method as follows:

	Estimated Useful Lives (in Years)
Building and improvements	15-50
Furniture, fixtures, and equipment	5-20
Automobiles	5
Computer software	2-3
Tenant improvements	Lease Life

Depreciation expense totaled $1,474,107 and $1,521,325 for the years ended June 30, 2021 and 2020, respectively.

Asset Available for Sale

The land and building, located at 817 S. Springfield purchased by the Organization in 2010, was listed for sale in 2019 and sold in 2020 for proceeds of approximately $575,000, resulting in a gain of approximately $281,000. The loan collateralized by the building was paid in full as a result of the transaction.

Debt Issuance Costs and Amortization

Debt issuance and financing costs consist of bond issuance costs and other fees incurred in order to obtain financing. Such amounts are amortized over the term of the related debt using the straight-line method. GAAP requires that the effective yield method be used to amortize financing costs; however, the effect of using the straight-line method is not materially different from the results that would have been obtained under the effective yield method. Tax credit fees are amortized over 10 years using the straight-line method. The costs are presented net of long-term debt in the consolidated statements of financial position.

(Continued)

A SAFE HAVEN FOUNDATION

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Note 2 – Summary of Significant Accounting Policies (continued)

Investment in Partnerships

The Organization accounts for investments in partnerships under the equity method of accounting because the Organization does not have operational and financial control. The aspects of control are reviewed annually. The equity method of accounting shows the net equity investment in the partnerships consisting of total contributions to the partnerships less distributions adjusted for the income or loss allocated to the Organization from the partnerships. The investment in partnerships is reviewed for impairment when events or changes in circumstances indicate that the carrying value of the investment is not recoverable. There were no impairment charges for the years ended June 30, 2021 and 2020.

Non-Controlling Interest in Limited Partnership

This amount represents the aggregate balance of limited partner equity interests in the non-wholly owned limited partnerships that are included in the consolidated financial statements.

Revenue from Contracts with Customers

Effective July 1, 2020, the Organization adopted FASB Accounting Standards Codification ("ASC") 606, *Revenue from Contracts with Customers*. Revenue is recognized when performance obligations under the terms of the contracts with government agencies on behalf of eligible individuals are satisfied. The Organization adopted ASC 606 using the modified retrospective method. The Organization has applied this standard to all open contracts at the effective date and all contracts entered into thereafter, while prior period amounts and disclosures are not adjusted and continue to be reported under the accounting standards in effect for the prior period. The Organization did not record a cumulative-effect adjustment to net assets for adopting ASC 606 as the adjustment was immaterial to the financial statements as a whole. There was no material impact on net income in the accompanying statement of income for the year ended June 30, 2021 from the adoption of ASC 606. Revenue from contracts with customers are recognized over time and consisted of the following components for the year ended June 30, 2021:

	Amount
Governmental contracts	$ 577,513
Social enterprise revenue	6,579,124
	$ 7,156,637

Governmental Contracts- The Organization's governmental contracts are comprised of contracts with various governmental agencies providing recovery housing arrangements and other supplemental services if needed to the enrolled participants. Revenues are recognized when the promised services were rendered in an amount that reflects the consideration (per diem rate) that Organization is entitled to receive per contracts terms with the governmental agencies.

Social Enterprise Revenue- Social enterprise revenue is comprised of contracts with various private and governmental agencies to provide landscaping, catering or temporary staffing services. Revenues are recognized when the Organization has satisfied the terms of the contract by transferring the promised services to the customer in an amount that reflects the consideration that the Organization is entitled to receive per contract terms with the customer.

Practical Expedients- The Organization has adopted certain practical expedients under ASC 606 with significant items disclosed herein. The Organization has elected to apply the portfolio approach practical expedient allowed under ASC 606 to evaluate contracts with customers that share the same revenue recognition patterns as the result of evaluating them as a group will have substantially the same result as evaluating them individually.

(Continued)

A SAFE HAVEN FOUNDATION

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Note 2 – Summary of Significant Accounting Policies (continued)

Disaggregation of Revenue- The Organization's revenue under governmental contracts consisted of approximately 88% of revenue from Department of Housing and Urban Development ("HUD"), 11% from City of Chicago, and 1% from others. The Organization's revenue under social enterprise revenue of approximately 69% of revenue from landscaping and 31% of temporary staffing services.

Impact on Financial Statements- Prior to the adoption of ASC 606, the Organization recognized revenue from governmental contracts when persuasive evidence of an arrangement existed, delivery of services had occurred, the contract price charged was fixed or determinable, and collectability was reasonably assured.

Rental Income

Rental income for office/retail space is from other service providers that provide specific services that complement ASHF's homeless service programs. ASHF also leases beds to a related entity (See Note 5). Rental income is recognized as it is earned under the specific non-cancellable operating lease agreements. Rental income of CCIL and its subsidiary entities is recognized as income on the accrual basis as it is earned. Certain leases provide for tenant occupancy during periods for which no rent is due and/or increases in minimum lease payments over the terms of the leases. Rental revenue is accrued for the full period of occupancy on a straight-line basis. All leases between LP and the tenants of the property are considered operating leases and have terms of one year or less.

Governmental Grants

Revenue recorded as governmental grants are considered contributions. Contribution revenue is recognized as services are provided in accordance with the terms of the grants, which are primarily related to providing facilities to shelter the homeless. Grant funds received in advance of being earned are reported as deferred grant revenue. Any of the funders may, at their discretion, request reimbursement for expenses or return of funds, or both, as a result of noncompliance by ASHF with the terms of the grants. Management believes that the Organization is in compliance with all grants and that no amounts are due to grantors as of June 30, 2021.

Income Taxes

Not-For-Profit: The Organization's primary entities qualify as tax-exempt organizations under Section 50l(c) (3) of the Internal Revenue Code and are exempt from federal and state income taxes excluding any income not related to its tax-exempt purpose. The operations of CS are reported by HQ for tax purposes and are considered to be related to its tax-exempt purposes. No provision for income taxes has been recorded in the accompanying consolidated financial statements for the years ended June 30, 2021 and 2020, as all income is related to its tax exempt purpose. However, these entities would be liable for taxes on unrelated business income generated from unrelated trade or business activities. These entities had no unrelated trade or business activity during the years ended June 30, 2021 and 2020.

Corporations: ASH IV, ASH V, ASH VI, KMA V and KMA VIII have elected to be taxed as corporations. The Company provides for deferred income tax assets and liabilities based on the estimated future tax effects of differences between the consolidated financial statement and income tax basis of assets and liabilities based on the provision of enacted tax laws. Deferred income tax expenses or benefits are based on the charges in the asset and liability from year to year. The entities do not have a valuation allowance related to deferred income tax assets.

Limited Partnerships: No provision or benefit for income taxes has been included in these consolidated financial statements since taxable income or loss passes through to, and is reportable by, the partners individually.

Limited Liability Companies: The limited liability companies ("LLCs") are single member LLCs which are treated as disregarded entities for income tax purposes. Therefore, no provision or benefit for income taxes has been included in these consolidated financial statements since taxable income or loss passes through to, and is reportable by, the members individually.

(Continued)

A SAFE HAVEN FOUNDATION

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Note 2 – Summary of Significant Accounting Policies (continued)

Liquidity and Availability

The Organization strives to maintain liquid financial assets sufficient to cover 60 days of general expenditures. This includes the use of a revolving Line of Credit. The following table reflects the Foundation's current consolidated unrestricted financial assets as of June 30, 2021 and 2020. The Organization has a line of credit with an available balance of $1,650,000 and $1,250,000 as of June 30, 2021 and 2020, respectively. The Organization has a related party that has been available as an additional source of liquidity. The operations of the Foundation averages $2.2 million per month in expense (excluding In-Kind). The Organization is heavily depended upon revenue from grants and donations as well as various revenue-producing activities.

	2021	2020
Consolidated Current Assets		
Cash and cash equivalents	$ 3,682,412	$ 4,642,660
Contributions receivable-net	653,096	1,115,894
Contracts receivable-net	2,872,500	1,963,925
Prepaid expenses	218,531	204,276
Total current assets excluding restricted cash and related party receivables	7,426,539	7,926,755
Total current liabilities	11,084,825	7,080,486
Less: Due to related parties	1,922,093	1,790,418
Total current liabilities excluding related party payables	9,162,732	5,290,068
Liquidity Ratio*	0.81	1.50

*Excludes related party activities

Derivative Instruments

The Organization's interest rate swap is recognized as a liability in the accompanying consolidated statements of financial position and measured at fair value. Any change in the fair value is recognized immediately in earnings.

In order to present the interest expense at the fixed amount paid, the periodic settlement payments are recorded as interest expense and are included as operating expenses in the accompanying consolidated statement of activities. The change in the fair value of this financial instrument, net of the periodic settlement payments, has been recorded in nonoperating activities in the accompanying consolidated statements of activities. See Note 9 for further disclosures.

Economic Conditions

In March 2020, government agencies announced warnings related to the Coronavirus ("COVID-19"). Any potential decline in economic activity in the U.S. and other regions of the world as a result of the virus may have an adverse impact on the Organization.

Recent Accounting Pronouncements

In February 2016, FASB issued Accounting Standards Update ("ASU") 2016-02, *Leases (Topic 842)*. FASB issued ASU 2016-02 to increase transparency and comparability among organizations by recognizing lease assets and lease liabilities on the balance sheet and disclosing key information about leasing arrangements. Certain qualitative and quantitative disclosures are required, as well as a retrospective recognition and measurement of impacted leases. In June 2020, FASB issued ASU 2020-05, *Revenue from Contracts with Customers (Topic 606)* and *Leases (Topic 842): Deferral of the Effective Dates for Certain Entities*, which deferred the effective date of ASU 2016-02 to annual reporting periods beginning after December 15, 2021, with early adoption permitted. Management is currently evaluating this standard.

(Continued)

A SAFE HAVEN FOUNDATION

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Note 2 – Summary of Significant Accounting Policies (concluded)

Reclassification

Certain 2020 amounts have been reclassified to conform to the 2021 presentation which had no effect on previously reported net assets.

Note 3 – Fair Value Measurements

FASB ASC 820, *Fair Value Measurements*, provides the framework for measuring fair value. The framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets and liabilities (level 1 measurements) and the lowest priority to unobservable inputs (level 3 measurements). The three levels of the fair value hierarchy under FASB ASC 820 are described as follows:

Level 1 Inputs - Observable inputs that reflect unadjusted quoted prices for identical assets or liabilities in active markets as of the reporting date. Active markets are those in which transactions for the asset or liability occur in sufficient frequency and volume to provide pricing information on an ongoing basis. Investments included in Level 1 include listed equities.

Level 2 Inputs - Observable market-based inputs or unobservable inputs that are corroborated by market data. Investments which are generally included in this category include less liquid and certain over-the-counter derivatives. Investments that are included in this category also include investments in commingled funds and investment partnerships such as hedge funds and open-ended real estate funds.

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

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

Following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in the methodologies used as of June 30, 2021 and 2020.

U.S. Treasury Notes. U.S. Treasury notes are valued based on quoted prices in dealer or over-the-counter ("OTC") markets.

Interest Rate Swap Agreement. The agreement is not traded on an exchange and is recorded at fair value based on a variety of observable inputs, including contractual terms, interest rate curves, yield curves, credit curves, measure of volatility, and correlations of such inputs. Valuation adjustments may be made in the determination of fair value, which was obtained by an independent third-party advisor. These adjustments include amounts to reflect counterparty credit quality and liquidity risk. A schedule of potential counterparty risk was also provided by an independent third-party advisor. Management's assessment of the maximum exposure assumed the counterparty had no claims-paying ability and had not posted collateral with a third party.

(Continued)

A SAFE HAVEN FOUNDATION

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Note 3 – Fair Value Measurements (concluded)

The following table summarizes investments according to the fair value hierarchy as of June 30, 2021 and 2020.

	Assets at Fair Value as of June 30, 2021			
	Level 1	Level 2	Level 3	Total
ASSETS:				
U.S. Treasury Notes	$ 7,135,201	$ -	$ -	$ 7,135,201
LIABILITIES:				
Interest rate swap agreement	$ -	$ 872,175	$ -	$ 872,175

	Assets at Fair Value as of June 30, 2020			
	Level 1	Level 2	Level 3	Total
ASSETS:				
U.S. Treasury Notes	$ 7,207,544	$ -	$ -	$ 7,207,544
LIABILITIES:				
Interest rate swap agreement	$ -	$ 1,375,337	$ -	$ 1,375,337

Note 4 – Investment in Partnerships

In June 2012, ASHF received $400,100 of project fee rebates from the Village of East Dundee in connection with the first phase of a two-phase development project to provide low income rental housing for individuals and families. ASHF contributed this amount to KMA V. ASHF was also awarded an Affordable Housing Program (“AHP”) grant of $420,000 through a Member bank of the Federal Home Loan Bank system in connection with the development which it also contributed to KMA V. KMA V used the combined funds of $820,100 to make a capital contribution to Gardiner Senior Development, LLC which is the general partner of Gardiner Senior Apartments, LP, and the owner of the first phase of a low-income housing project. KMA V has a 26% interest in the general partner and is a non-managing member. The general partner in turn made an $820,000 capital contribution to the owner. This investment is recorded in accordance with the equity method of accounting.

In July 2012, ASHF received $1,000,000 of project rebate fees from the Village of East Dundee in connection with the second phase of the above two-phase development project to provide low income rental housing for individuals and families. ASHF contributed this amount to KMA V. KMA V used the $1,000,000 to make a capital contribution to River Haven Place GP, LLC which is the general partner of River Haven Place, LP, and the owner of the second phase of a low-income housing project. KMA V has a 26% interest in the general partner and is a non-managing member. The general partner, in turn, made a $1,000,000 capital contribution to the owner. This investment is recorded in accordance with the equity method of accounting.

In July 2012, KMA V also entered into a joint venture agreement with the same investor group for an interest in Oswego Mill Street Station GP, LLC which is the general partner of Oswego Mill Street Station LP. The LP is the owner of a development project that plans to construct and rent townhomes to low income individuals and families in the Oswego, Illinois area. The general partner acts as developer for the construction and that role generates owner development fees in addition to future property cash flows. Accordingly, ASHF records its share of development fees earned through its general partnership interest. ASHF will provide social service support for a portion of the tenants in the housing development. In 2013, the two East Dundee projects finished construction and lease-up and became operational. The Oswego project was finished in December 2014 and became operational. This investment is recorded in accordance with the equity method of accounting.

(Continued)

A SAFE HAVEN FOUNDATION

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Note 4 – Investment in Partnerships (concluded)

In October 2015, ASHF received a donation of land parcels in Melrose Park, Illinois valued at $750,000 to be used for the Melrose Park Veterans Housing project discussed in Note 1, and was included in the net assets with donor restrictions at June 30, 2021 and 2020. Additionally, ASHF was awarded another AHP grant of $630,000 through a Member bank of the Federal Home Loan Bank system in connection with the development. ASHF contributed these to KMA VIII, and they were in turn contributed to MPVH.

Note 5 – Related Party Transactions

The Organization transacts business with entities under the control of related parties. Due to (from) related parties are disclosed in the accompanying consolidated statements of financial position as of June 30, 2021 and 2020. The following is a summary of transactions between the Organization and related parties for the years ended June 30, 2021 and 2020:

	2021	2020
Social enterprise revenue	$ 60,100	$ 23,500
Bed-leasing revenue	$ 1,016,200	$ 1,212,400
Management fee expense	$ 1,981,700	$ 1,559,800
Property rent expense	$ 158,400	$ 158,400
Supportive service fees expense	$ 74,500	$ 68,100
Reimbursed expenses	$ 391,100	$ 318,600
Development fee expense	$ 120,100	$ 114,300

Note 6 – Deferred Grant Revenue

Deferred grant revenue balances of $10,649,371 and $2,424,092 as of June 30, 2021 and 2020, respectively, are comprised of amounts from the following grants:

Affordable Housing Program grants were used to fund ASHF’s partnership investments as described in Note 4 for Gardiner Senior Development, LLC (“Gardiner”), MPVH and RRVH. It consists of $193,127 and $221,667 for the Organization’s investment in Gardiner as of June 30, 2021 and 2020, respectively, $430,500 and $472,500 for the Organization’s investment in MPVH as of June 30, 2021 and 2020, respectively, and $750,000 for the Organization’s investment in RRVH as of June 30, 2021 and 2020. The grant related to Gardiner requires that 70 units of the 80 total units of the project be leased to individuals who qualify as very low and/or low income under HUD guidelines. The grant related to MPVH requires that 18 of the 35 total units of the project be leased to individuals who qualify as very low income under HUD guidelines and 17 of the 35 total units of the project be leased to individuals who qualify as low income under HUD guidelines. ASHF is recognizing the grant revenue evenly over the 15-year compliance periods which expire in 2028 and 2032 for Gardiner and MPVH, respectively. ASHF will recognize the grant revenue for RRVH once the 15-year compliance period is over in 2035 based on the compliance requirement.

ASHF was awarded $402,000 in forgivable home funds from Lake County Economic Development Department (“LCCEDD”) and received $401,000 as of June 30, 2021 and 2020. 66.67% will be forgiven within 24 months of this note and the remaining will be forgiven at maturity in 2042.

ASHF was awarded up to $7,900,000 from Indiana Housing Community Development Authority (“IHCDA”) and received $7,117,856 and $578,925 as of June 30, 2021 and 2020, respectively, to fund ASHF’s loan to ASH VA. Upon completion of the project, ASHF will recognize the grant revenue over the 15-year compliance period based on the compliance requirement.

ASHF was awarded up to $4,500,000 in Tax Increment Financing (TIF) funds received from the City. $3,000,000 was received, $2,943,112 was recognized, and $56,888 was deferred as of June 30, 2021. ASHF is recognizing the grant revenue as specific costs are incurred.

(Continued)

A SAFE HAVEN FOUNDATION

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Note 6 – Deferred Grant Revenue (concluded)

RRVH was awarded up to $1,700,000 from Chicago Low-Income Housing Trust Fund ("CLIHTF") and received $1,700,000 as of June 30, 2021 to support rental subsidies for RRVH. Upon completion of the project, ASHF will recognize the grant revenue as specific costs are incurred.

Note 7 – Long-Term Debt

Long-term debt consisted of the following as of June 30:

	2021	2020
A construction loan with National Bank of Indiana for A Safe Haven Veterans Apartments for $3,000,000 with loan proceeds of $50,000 at closing. The loan was initiated on March 12, 2020 with a maturity date of September 12, 2022. The interest rate is the greater of 3.75% or the prime rate ("Prime" 3.25% at June 30, 2021).	$ 49,990	$ 49,995
A promissory note with The City of Hobart for A Safe Haven Veterans Apartments development on March 1, 2020. There is a mandatory tender date of September 1, 2021 and a maturity date of September 1, 2022. The interest rate on these bonds is .75%.	7,100,000	7,100,000
A mortgage loan with Busey Bank with a beginning balance of $7,600,000. The mortgage was initiated on March 1, 2019 with a maturity date of March 1, 2029. The interest rate is equal to LIBOR plus 2.5%. This agreement also includes a swap component, as discussed in Note 9. The outstanding balance is presented net of unamortized debt issuance costs of $87,317 and $98,706 at June 30, 2021 and 2020, respectively.	7,017,010	7,235,602
A promissory note with a life insurance company bearing an effective interest rate of 5.13%, requiring monthly payments of principal and interest in the amount of $17,766 with an initial amount of $3,000,000 and maturing January 15, 2034. The outstanding balance is presented net of unamortized debt issuance costs of $40,154 and $43,388 at June 30, 2021 and 2020, respectively.	2,851,267	2,869,686
A first mortgage note of LP held by IHDA bearing an effective interest rate of 6.5%, requiring monthly payments of principal and interest of $11,155, maturing July 1, 2025. The note is collateralized by real estate held for lease and an assignment of rents and leases. The outstanding balance is presented net of unamortized debt issuance costs of $14,473 and $17,809 at June 30, 2021 and 2020, respectively.	577,834	666,486
A second mortgage note of LP held by IHDA, non-interest bearing, requiring monthly principal payments of $417, maturing July 1, 2025. This loan is subordinated to the first mortgage. The note is collateralized by real estate held for lease and an assignment of rents and leases.	2,589,623	2,594,623
Subtotal to page 22	$ 20,185,724	$ 20,516,392

(Continued)

A SAFE HAVEN FOUNDATION

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Note 7 – Long-Term Debt (continued)

	2021	2020
Subtotal from page 21	$ 20,185,724	$ 20,516,392
A third mortgage note of LP held by IHDA under the Trust Fund Act, non-interest bearing, requiring monthly principal payments of $100, maturing July 1, 2025. The note is collateralized by real estate held for lease and an assignment of rents and leases.	730,700	731,900
A fourth mortgage note of LP, held by IHDA under the Financing Adjustment Factor Refunding Agreement, non-interest bearing. All outstanding principal is due at maturity, July 1, 2025. The note is collateralized by real estate held for lease and an assignment of rents and leases.	290,000	290,000
An equipment loan with a financing company that is non-interest bearing and requires monthly principal payments of $723, maturing in December 2021.	4,339	13,016
A Second Draw Paycheck Protection Program ("PPP") loan through the Small Business Administration ("SBA") that was made available under the CARES Act passed by Congress in response to the COVID-19 pandemic.	1,020,440	-
A Paycheck Protection Program ("PPP") loan through the Small Business Administration ("SBA") that was made available under the CARES Act passed by Congress in response to the COVID-19 pandemic. This PPP loan was forgiven by SBA on December 1, 2020.	-	1,020,400
Another PPP loan that was made available under the CARES Act passed by Congress in response to the COVID-19 pandemic. This PPP loan was forgiven by SBA on December 8, 2020.	-	467,000
A loan issued by the City of Chicago dated March 19, 2020 to finance construction of the RRVH property that is non-interest bearing. All outstanding principal is due at maturity, paid in full on April 1, 2062.	430,203	-
A construction promissory note of RRVH issued by Bank of America dated March 19, 2020 to finance construction of the Roosevelt Road Veterans Housing property. The note bears an effective interest rate of Libor + 1.85%, requiring accrued and unpaid interest to be paid monthly. All outstanding principal is due at maturity, July 19, 2022.	3,824,585	-
Subtotal to page 23	$ 26,485,991	$ 23,038,708

(Continued)

A SAFE HAVEN FOUNDATION

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Note 7 – Long-Term Debt (concluded)

	2021	2020
Subtotal from page 22	$ 26,485,991	$ 23,038,708
A construction promissory note of MPVH issued by the County of Cook dated October 23, 2015 to finance construction of the A Safe Haven Veteran Village property. The note bears interest at an effective rate of 1.73% per annum, requiring annual payments of accrued interest only in the amount of $25,373 per year, paid in arrears, due beginning October 1, 2017 until maturity, October 16, 2055. The note is collateralized by the five land parcels in the village of Melrose Park on which the A Safe Haven Veteran Village property was constructed. The maximum loan value per the agreement is in the amount $1,466,674. The outstanding balance is presented net of unamortized debt issuance costs of $4,048 and $4,165 at June 30, 2021 and 2020, respectively.	1,462,626	1,462,509
	27,948,617	24,501,217
Current	454,625	956,407
Long-Term	$ 27,493,992	$ 23,544,810

Future minimum payments of long-term debt were as follows as of June 30, 2021:

Year Ending June 30:	Amount
2022	$ 454,625
2023	11,615,763
2024	668,096
2025	699,035
2026	4,340,235
Thereafter	10,170,863
	$ 27,948,617

Note 8 – Lines of Credit

Busey Bank Line of Credit: On March 1, 2019, the Organization entered an operating line of credit with Busey Bank up to 80% of eligible receivables, as defined, from ASHF not to exceed $2,000,000. This line of credit was renewed in March 2021. Interest at Prime plus 1% is due monthly and the balance was $350,000 and $750,000 as of June 30, 2021 and 2020, respectively. The maturity date on the line of credit is March 1, 2023.

Note 9 – Interest Rate Swap

The Organization entered into an interest rate swap agreement for $7,600,000 in connection to the Busey promissory note. Under the terms of the agreement, the Organization is to pay the variable rate noted in Note 8 above and receive a fixed rate of 5.44%. The purpose of the swap is to effectively fix the variable interest rate attached to the Organization’s borrowings. The swap agreement terminates on March 1, 2029. The Organization is exposed to credit loss in the event of nonperformance with the interest rate swap agreements; however, the Organization does not anticipate any nonperformance.

A SAFE HAVEN FOUNDATION

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Note 10 – Capital Leases

The Organization leases certain equipment and automobiles under agreements accounted for as capital leases with various terms extending through Fiscal 2025 and with interest rates varying from 1.51 % to 6.89%. The cost of leased assets was $344,745 as of both June 30, 2021 and 2020, and related accumulated depreciation was $193,046 and $130,131, respectively, for the years then ended. Amortization of leased assets is included in depreciation expense. Future minimum payments under capital leases are as follows as of June 30, 2021:

Year Ending June 30:	Amount
2022	$ 57,349
2023	43,217
2024	43,217
2026	26,451
Total minimum lease payments	170,234
Less: Amount attributable to interest	17,690
Present value of minimum lease payments	152,544
Less: Current maturities	49,126
Long-term portion of capital lease payments	$ 103,418

Note 11 – Operating Leases

ASHF has portions of its 2750 W. Roosevelt Building under lease to an unrelated service provider whose services complement the homeless service programs housed at the facility. The lease expires January 16, 2023.

Commercial leases space under operating lease agreements that expire based on terms of lease agreements through April 30, 2026. The terms of the leases call for monthly payments ranging between $3,900 and $11,700. Some leases allow tenants to occupy space rent-free before opening or feature accelerating monthly rents through the lease term. ASHF recognizes income from these agreements on a straight-line basis over the term of the lease. Accordingly, ASHF has recorded deferred rent assets of approximately $165,000 and $184,000 as of June 30, 2021 and 2020, respectively. Approximate future rentals to be received under the leases currently in place as of June 30, 2021 are as follows:

Year Ending June 30:	Amount
2022	$ 617,179
2023	498,996
2024	378,166
2025	343,869
2026	209,218
	$ 2,047,428

A SAFE HAVEN FOUNDATION

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Note 12 – Tax Credits

The LP has received an allocation of low-income housing tax credits from the State of Illinois totaling $10,779,710. The building of the project has qualified for and been allocated low-income housing tax credits pursuant to Internal Revenue Code Section 42 ("Section 42"). These tax credits are contingent on its ability to maintain compliance with applicable provisions of Section 42. Failure to maintain compliance with occupant eligibility, and/or unit gross rent, or to correct noncompliance within a specified time period, could result in recapture of previously claimed tax credits plus interest. In addition, such potential noncompliance could result in an adjustment to the capital contributed by the Limited Partner.

Primarily due to a fire in LP's building in 2006, the timing of the tax credits was delayed from the initial projections and therefore the value of the credits delivered to the Limited Partner was diminished. According to the terms of the partnership agreement, a Tax Credit Adjustment of $730,000 was calculated by the Limited Partner and reviewed and approved by the general partner. The Limited Partner had reduced its capital contributions by $443,893 to partially offset the difference in value. The partnership paid the difference of $286,107 of amounts withheld and the full tax credit adjustment back to the Limited Partner in October 2013 and an amendment was signed to clarify how future available cash flow would be shared going forward.

MPVH has received an allocation of low-income housing tax credits from the State of Illinois totaling $9,458,480. The building of the project has qualified for and been allocated low-income housing tax credits pursuant to Section 42. These tax credits are contingent on its ability to maintain compliance with applicable provisions of Section 42. Failure to maintain compliance with occupant eligibility, and/or unit gross rent, or to correct noncompliance within a specified time period, could result in recapture of previously claimed tax credits plus interest. The credit allocation will be allowed annually in the amount of $945,848 for 10 years up to 15 years if the Project remains in compliance, and dependent on unit lease-up during the two initial years of operations. MPVH began receiving a credit allocation during the year ended June 30, 2016.

Note 13 – Commitments and Guarantees

The LP has executed a regulatory agreement with IHDA which requires the operation of the low-and moderate-income rental housing project pursuant to Section 42 for a minimum of 30 years. The agreement provides for regulation of rental charges, restrictions on disposition of property, and the limitation of annual cash distributions to the partners. This agreement expires on December 29, 2033.

MPVH has executed a regulatory agreement with IHDA which requires the operation of the 35 unit low-and moderate-income rental housing project pursuant to Section 42 for a minimum of 30 years. The agreement provides for regulation of rental charges, restrictions on disposition of property, and the limitation of annual cash distributions to the partners. This agreement expires on October 23, 2035.

ASHVA has executed a regulatory agreement with the City of Hobart which requires the operation of the 75 unit low-and moderate-income rental housing project pursuant to Section 4 for a minimum of 15 years. The agreement provides for regulation of rental charges, restrictions on disposition of property, and the limitation of annual cash distributions to the partners. This agreement expires September 1, 2036.

RRVH has executed a regulatory agreement with City of Chicago Department of Housing which requires the operation of the 90 unit low-and moderate-income rental housing project pursuant to Section 42 for a minimum of 30 years. The agreement provides for regulation of rental charges, restrictions on disposition of property, and the limitation of annual cash distributions to the partners. This agreement expires on October 23, 2051.

A SAFE HAVEN FOUNDATION

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Note 14 – Partnership Profits, Losses, and Distributions

As the general partner, LLC, KMA VIII, ASH V and ASH VI have a 0.01% interest in LP, MPVH, RRVH and ASHVA, respectively, while one other limited partner has a 99.99% interest. Generally, profits and losses from the limited partnerships are allocated to their partners in accordance with their percentage interests. Cash flow, as defined by the Partnership Agreement, generally is distributable as scheduled. Profits and losses arising from the sale, refinancing, or other disposition of all or substantially all of the partnership's assets will be specifically allocated as scheduled in the respective partnership agreements. Additionally, the partnership agreements provide for other instances in which a special allocation of profits, losses and distributions may be required.

Note 15 – Redevelopment Agreement

ASHF is bound by a Redevelopment Agreement originally entered into on May 14, 2004 between CCIL and the City. The City, through the West Ogden TIF, and the Near West TIF, provided substantial financing for the 2750 W. Roosevelt Building. The Redevelopment Agreement provides funding for a transitional housing facility, adult and child training center, and staff offices. The agreement expired February 5, 2021 and was not extended.

The Redevelopment Agreement provides for the City to provide funds subject to the terms and conditions as defined in the agreement. The expected future payments under the Redevelopment Agreement match the loan obligation to NCB described in Note 8. The anticipated revenue from the TIF received by the City pursuant to the Redevelopment Agreement is in an annual amount of approximately $756,000 and over the course of the remainder of the agreement will pay off the NCB loan and accrued interest. Management believes that the provisions within the Redevelopment Agreement define the financing as a gain contingency and as such, ASHF only recognizes revenue when the payment has been made by the City. Payments of $172,954 was made to NCB during the year ended June 30, 2020, and was reported as tax incremental fund revenue on the accompanying consolidated statement of activities. As of February 27, 2019, this loan was paid in full. All TIF revenue was fully received in November 2019.

Note 16 – Significant Contracts

ASHF has two revenue contracts to provide homeless housing and supportive services with projected annual revenues of approximately $1,100,000 in 2021 and $1,000,000 in 2020 that renew annually. The CHA contract renews on July 1 and the SPC contract renews on May 31. The CHA payments are received by direct deposit into the LP's operating account, and the SPC payments are received by ASHF and flow through to the LP. In 2021 and 2020, the HAP contracts contributed 76 percent and 65 percent of rental revenue, respectively. The remaining revenue was received directly from the tenants.

ASHF has four HUD grants to provide transitional housing and supportive services to a variety of populations. These contracts provide for partial funding of total program costs and require a portion of the program costs, as defined, to be matched by other contracts or contributions. Revenues from these contracts were $989,761 and $982,637 for the years ended June 30, 2021 and 2020, respectively.

ASHF has contracts with the City's Department of Families and Support Services to perform supportive services for people who are formerly homeless. These contracts allow ASHF to serve an additional three populations of families and at-risk youth and provide funding for the program costs, as defined. Total revenue recognized by ASHF under these contracts was $1,723,758 and $1,709,938 for the years ended June 30, 2021 and 2020, respectively.

ASHF has a contract with the Illinois Department of Human Services to perform supportive services for people who are formerly homeless, or who are under threat of homelessness, who occupy units of affordable housing with affiliated companies. This contract provides partial funding for the program and requires a portion of the program costs, as defined, to be matched by other contracts or contributions. Revenues from this contract were $540,362 and $547,211 for the years ended June 30, 2021 and 2020, respectively.

(Continued)

A SAFE HAVEN FOUNDATION

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Note 16 – Significant Contracts (concluded)

As part of providing a comprehensive training employment program, ASHF has various contracts with the City and the Chicago Public Schools to perform landscape maintenance services throughout the City. Revenues from these contracts were $3,445,447 and $3,491,197 for the years ended June 30, 2021 and 2020, respectively.

ASHF has a management agreement whereby a related party provides management services to ASHF in the form of corporate management and property management for the Foundation's rental property. Total management fees incurred under the agreements were $1,782,533 and $1,407,688 for the years ended June 30, 2021 and 2020, respectively.

Note 17 – Employee Benefit Plan

The ASHF benefit plan provides for discretionary matching contributions, not to exceed 6% of each participant's eligible compensation per payroll period. The plan also provides for an annual profit-sharing contribution to be made at the discretion of ASHF for the benefit of all eligible employees who have worked at least 1,000 hours during the plan year. The plan is offered to those Eligible employees defined as those who are 21 years of age or older, who have completed three months or more of service, and who are not members of a union. Matching contributions of $35,686 and $31,400 were made for the years ended June 30, 2021 and 2020, respectively. No annual profit-sharing contributions were elected for either year.

Note 18 – Donated Services and Items

ASHF received donated services and items in the amount of $1,767,853 and $2,116,160 during the years ended June 30, 2021 and 2020, respectively. These donated services, which primarily pertained to the Organization's interim housing and veteran's support programs, and items, which were mainly comprised of food donations from the Greater Chicago Food Depository. In 2020, ASHF received a land donation from an affiliate, valued at $800,000, as well as another land donation valued at $875,000 to be used for the Roosevelt Road Veteran Housing project. ASHF received a donation of land parcel in Hobart, Indiana with a fair market value $300,000 to be used for the ASH Veteran Apartments project discussed in Note 1.

These donations were recorded at fair value and recognized as income and expense when the services were performed or the items were received.

Note 19 – Concentrations

One grantor accounted for approximately 34% and 20% of total support and revenue for the years ended June 30, 2021 and 2020, respectively. Two different grantors accounted for approximately 50% and 35% of total accounts receivable as of June 30, 2021 and 2020, respectively. One customer accounted for approximately 13% of total accounts receivable as of June 30, 2021 and two customers accounted for approximately 27% of total accounts receivable as of June 30, 2020.

Note 20 – Construction in Progress

Construction in progress as of June 30, 2021 and 2020 includes the 90 unit affordable housing project of RRVH, totaling $16,731,894 and $3,671,070, which comprises all costs incurred by the Foundation through June 30, 2021 and 2020, respectively. Ground breaking occurred in the spring of 2020.

Construction in progress as of June 30, 2021 and 2020 includes the 75 unit affordable housing project of ASHVA, totaling $10,532,733 and $2,594,604, which comprises all costs incurred by the Foundation through June 30, 2021 and 2020, respectively. Ground breaking occurred in the spring of 2020.

There was a balance of $98,698 of construction in progress under LP as of June 30, 2021.

A SAFE HAVEN FOUNDATION

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Note 21 – Net Assets with Donor Restrictions

Net Assets with donor restrictions arise from the following types of restrictions by donors as of June 30:

	2021	2020
Purpose Restriction:		
Donated property	$ 1,050,000	$ 1,050,000
Program related	239,107	643,153
Purpose and Time Restriction:		
Donated property	875,000	875,000
Program related	-	128,000
	$ 2,164,107	$ 2,696,153

Note 22 – Contingent Liabilities

ASHF is a defendant in various legal actions arising from the normal course of its operations. While it is not possible to predict accurately or determine the eventual outcome of such actions, management believes that the outcome of these proceedings will not have a material adverse effect on the financial position of the Organization, its changes in net assets, or its cash flows.

Note 23 – Subsequent Events

Management has evaluated all known subsequent events from June 30, 2021 through December 22, 2021, the date the accompanying consolidated financial statements were available to be issued.

SUPPLEMENTARY INFORMATION

A SAFE HAVEN FOUNDATION

CONSOLIDATING SCHEDULE OF FINANCIAL POSITION

JUNE 30, 2021

ASSETS

	ASHF	KMA Holdings V (KMA V)	KMA Holdings VIII (KMA VIII)	Melrose Park Veterans Housing LP (MPVH)	Harborquest (HQ)	CCIL	600 S. Wabash Commercial (Commercial)	600 S. Wabash LLC (LLC)	600 S. Wabash LP (LP)
Current Assets									
Cash and cash equivalents	$ 2,025,522	$ 58,017	$ 7,625	$ 296,683	$ 158,638	$ 19,981	$ 490,246	$ -	$ 625,320
Restricted cash	-	-	-	281,058	-	-	-	-	1,502,964
Contributions receivable-net	542,774	-	-	13,323	-	-	86,695	-	10,304
Contracts receivable-net	2,497,658	-	-	-	374,842	-	-	-	-
Due from related parties	16,044,747	-	151,551	-	142,404	2,206,275	300	1,914,521	137,273
Prepaid expenses	128,168	-	-	23,157	12,024	-	10,000	-	45,182
Total current assets	21,238,869	58,017	159,176	614,221	687,908	2,226,256	587,241	1,914,521	2,321,043
Property and equipment									
Land	1,041,407	-	-	750,100	-	-	184,800	-	1,015,200
Buildings and improvements	13,842,318	-	-	9,986,615	-	-	2,140,528	-	14,996,794
Furniture, fixtures, and equipment	740,569	-	-	1,078,599	2,425	-	-	-	502,641
Automobiles	897,350	-	-	-	-	-	-	-	-
Computer software	1,327	-	-	-	5,600	-	-	-	-
Construction in progress	-	-	-	-	-	-	-	-	98,698
	16,522,971	-	-	11,815,314	8,025	-	2,325,328	-	16,613,333
Less: Accumulated depreciation and amortization	(4,984,238)	-	-	(2,988,835)	(8,025)	-	(805,329)	-	(9,077,106)
Net property and equipment	11,538,733	-	-	8,826,479	-	-	1,519,999	-	7,536,227
Other assets									
Deferred rent assets	-	-	-	-	-	-	164,580	-	-
Other assets	-	-	-	113,585	13,176	-	-	-	500
Lease commissions	19,150	-	-	-	-	-	105,395	-	-
Less: Accumulated amortization	(19,150)	-	-	(37,862)	-	-	(65,924)	-	(500)
	-	-	-	75,723	13,176	-	204,051	-	-
Investment- U.S. Treasury Notes	-	-	-	-	-	-	-	-	-
Investment in partnerships	2,992,374	1,811,822	749,777	-	-	-	-	285,995	-
Total other assets	2,992,374	1,811,822	749,777	75,723	13,176	-	204,051	285,995	-
Total assets	$ 35,769,976	$ 1,869,839	$ 908,953	$ 9,516,423	$ 701,084	$ 2,226,256	$ 2,311,291	$ 2,200,516	$ 9,857,270

See Independent Auditor's Report.

A SAFE HAVEN FOUNDATION

CONSOLIDATING SCHEDULE OF FINANCIAL POSITION

JUNE 30, 2021

ASSETS

	RRVH	ASH V	ASH IV	ASH VI	ASH VA Apts	ASH Hobart	Subtotal	Eliminations	2021
Current Assets									
Cash and cash equivalents	$ 100	$ -	$ -	$ -	$ 280	$ -	$ 3,682,412	$ -	$ 3,682,412
Restricted cash	1,755,083	-	-	-	665,963	-	4,205,068	-	4,205,068
Contributions receivable-net	-	-	-	-	-	-	653,096	-	653,096
Contracts receivable-net	-	-	-	-	-	-	2,872,500	-	2,872,500
Due from related parties	-	-	-	-	-	-	20,597,071	(20,451,650)	145,421
Prepaid expenses	-	-	-	-	-	-	218,531	-	218,531
Total current assets	1,755,183	-	-	-	666,243	-	32,228,678	(20,451,650)	11,777,028
Property and equipment									
Land	-	-	-	-	-	-	2,991,507	-	2,991,507
Buildings and improvements	-	-	-	-	-	-	40,966,255	(1,049,479)	39,916,776
Furniture, fixtures, and equipment	-	-	-	-	-	-	2,324,234	(48,063)	2,276,171
Automobiles	-	-	-	-	-	-	897,350	-	897,350
Computer software	-	-	-	-	-	-	6,927	-	6,927
Construction in progress	17,134,956	-	-	-	10,770,205	-	28,003,859	(640,534)	27,363,325
	17,134,956	-	-	-	10,770,205	-	75,190,132	(1,738,076)	73,452,056
Less: Accumulated depreciation and amortization	-	-	-	-	-	-	(17,863,533)	408,422	(17,455,111)
Net property and equipment	17,134,956	-	-	-	10,770,205	-	57,326,599	(1,329,654)	55,996,945
Other assets									
Deferred rent assets	-	-	-	-	-	-	164,580	-	164,580
Other assets	-	-	-	-	-	-	127,261	-	127,261
Lease commissions	-	-	-	-	-	-	124,545	-	124,545
Less: Accumulated amortization	-	-	-	-	-	-	(123,436)	-	(123,436)
	-	-	-	-	-	-	292,950	-	292,950
Investment- U.S. Treasury Notes	-	-	-	-	7,135,201	-	7,135,201	-	7,135,201
Investment in partnerships	-	-	(160)	391,670	-	391,670	6,623,148	(4,811,486)	1,811,662
Total other assets	-	-	(160)	391,670	7,135,201	391,670	14,051,299	(4,811,486)	9,239,813
Total assets	$ 18,890,139	$ -	$(160)	$ 391,670	$ 18,571,649	$ 391,670	$ 103,606,576	$(26,592,790)	$ 77,013,786

A SAFE HAVEN FOUNDATION

CONSOLIDATING SCHEDULE OF FINANCIAL POSITION

JUNE 30, 2021

LIABILITIES AND NET ASSETS

	ASHF	KMA Holdings V (KMA V)	KMA Holdings VIII (KMA VIII)	Melrose Park Veterans Housing LP (MPVH)	Harborquest (HQ)	CCIL	600 S. Wabash Commercial (Commercial)	600 S. Wabash LLC (LLC)	600 S. Wabash LP (LP)
Current liabilities									
Line of credit	$ 350,000	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Current portion of long-term debt	280,529	-	-	-	-	-	69,748	-	104,348
Current portion of capital leases	49,126	-	-	-	-	-	-	-	-
Accounts payable and accrued expenses	974,461	180	-	62,869	240,906	-	35,111	-	197,147
Accrued interest	-	-	-	19,030	-	-	-	-	3,208
Current portion of deferred grant revenue	674,277	-	-	-	-	-	-	-	-
Deferred revenue	267,140	-	-	-	-	-	-	-	-
Other current liabilities	-	-	-	17,195	-	-	63,171	-	51,172
Retainage payable	-	-	-	-	-	-	-	-	-
Due to related parties	2,148,901	-	151,551	791,081	149,183	5,148	15,386	-	4,158,944
Total current liabilities	4,744,434	180	151,551	890,175	390,089	5,148	183,416	-	4,514,819
Long-term liabilities									
Long-term debt, net of current portion	7,761,260	-	-	1,462,626	-	-	2,781,519	-	4,083,809
Capital leases, net of current portion	103,418	-	-	-	-	-	-	-	-
Interest rate swap	872,175	-	-	-	-	-	-	-	-
Deferred grant revenue, net of current portion	8,275,094	-	-	-	-	-	-	-	-
Total long-term liabilities	17,011,947	-	-	1,462,626	-	-	2,781,519	-	4,083,809
Total liabilities	21,756,381	180	151,551	2,352,801	390,089	5,148	2,964,935	-	8,598,628
Net Assets (Deficit)									
Controlling interest	14,013,595	1,869,659	755,212	749,765	310,995	2,221,108	(653,644)	2,200,516	316,341
Noncontrolling interest	-	-	2,190	6,413,857	-	-	-	-	942,301
Total net assets (deficit)	14,013,595	1,869,659	757,402	7,163,622	310,995	2,221,108	(653,644)	2,200,516	1,258,642
Total liabilities and net assets	$ 35,769,976	$ 1,869,839	$ 908,953	$ 9,516,423	$ 701,084	$ 2,226,256	$ 2,311,291	$ 2,200,516	$ 9,857,270

A SAFE HAVEN FOUNDATION

CONSOLIDATING SCHEDULE OF FINANCIAL POSITION

JUNE 30, 2021

LIABILITIES AND NET ASSETS

	RRVH	ASH V	ASH IV	ASH VI	ASH VA Apts	ASH Hobart	Subtotal	Eliminations	2021
Current liabilities									
Line of credit	$ -	$ -	$ -	$ -	$ -	$ -	$ 350,000	$ -	$ 350,000
Current portion of long-term debt	-	-	-	-	-	-	454,625	-	454,625
Current portion of capital leases	-	-	-	-	-	-	49,126	-	49,126
Accounts payable and accrued expenses	2,056,311	-	-	-	1,554,103	-	5,121,088	-	5,121,088
Accrued interest	6,168	-	-	-	17,750	-	46,156	-	46,156
Current portion of deferred grant revenue	57,077	-	-	-	-	-	731,354	-	731,354
Deferred revenue	-	-	-	-	-	-	267,140	-	267,140
Other current liabilities	-	-	-	-	-	-	131,538	-	131,538
Retainage payable	1,235,688	-	-	-	776,017		2,011,705	-	2,011,705
Due to related parties	6,852,152	3,483	4,414	-	8,093,501	-	22,373,744	(20,451,651)	1,922,093
Total current liabilities	10,207,396	3,483	4,414	-	10,441,371	-	31,536,476	(20,451,651)	11,084,825
Long-term liabilities									
Long-term debt, net of current portion	4,254,788	-	-	-	7,149,990	-	27,493,992	-	27,493,992
Capital leases, net of current portion	-	-	-	-	-	-	103,418	-	103,418
Interest rate swap	-	-	-	-	-	-	872,175	-	872,175
Deferred grant revenue, net of current portion	1,642,923	-	-	-	-	-	9,918,017	-	9,918,017
Total long-term liabilities	5,897,711	-	-	-	7,149,990	-	38,387,602	-	38,387,602
Total liabilities	16,105,107	3,483	4,414	-	17,591,361	-	69,924,078	(20,451,651)	49,472,427
Net Assets (Deficit)									
Controlling interest	100	(3,483)	(4,574)	391,670	391,671	391,670	22,950,601	(6,141,139)	16,809,462
Noncontrolling interest	2,784,932	-	-	-	588,617	-	10,731,897	-	10,731,897
Total net assets (deficit)	2,785,032	(3,483)	(4,574)	391,670	980,288	391,670	33,682,498	(6,141,139)	27,541,359
Total liabilities and net assets	$ 18,890,139	$ -	$(160)	$ 391,670	$ 18,571,649	$ 391,670	$ 103,606,576	$(26,592,790)	$ 77,013,786

See Independent Auditor's Report.

A SAFE HAVEN FOUNDATION

CONSOLIDATING SCHEDULE OF ACTIVITIES

YEAR ENDED JUNE 30, 2021

	ASHF	KMA Holdings V (KMA V)	KMA Holdings VIII (KMA VIII)	Melrose Park Veterans Housing LP (MPVH)	Harborquest (HQ)	CCIL	600 S. Wabash Commercial (Commercial)	600 S. Wabash LLC (LLC)	600 S. Wabash LP (LP)
Revenue and support									
Government grants	$ 10,105,364	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Government contracts	577,513	-	-	-	-	-	-	-	-
Social enterprise revenue	4,550,570	-	-	-	5,127,228	-	-	-	-
Rental income	1,290,872	-	-	351,706	-	-	395,121	-	1,594,961
Tax incremental fund revenue	2,943,112	-	-	-	-	-	-	-	-
Contributions	2,955,556	-	-	-	-	32,455	-	-	-
Other revenue	283,252	108,732	(34)	82	5,519	44,507	-	56,267	27,160
Total support and revenue	22,706,239	108,732	(34)	351,788	5,132,747	76,962	395,121	56,267	1,622,121
Operating expenses									
Program services	17,593,888	61,193	1,493	819,351	5,153,911	-	355,601	28,455	1,931,196
Management and general	2,345,130	-	-	-	4,088	44,465	-	-	-
Fundraising	398,058	-	-	-	-	-	-	-	-
Total operating expenses	20,337,076	61,193	1,493	819,351	5,157,999	44,465	355,601	28,455	1,931,196
Nonoperating activities									
Paycheck protection program loan and interest forgiveness	1,026,802	-	-	-	470,020	-	-	-	-
Change in fair value of interest rate swap	503,162	-	-	-	-	-	-	-	-
Total nonoperating activities	1,529,964	-	-	-	470,020	-	-	-	-
Change in net assets before noncontrolling interest	3,899,127	47,539	(1,527)	(467,563)	444,768	32,497	39,520	27,812	(309,075)
Change in net assets attributable to noncontrolling interest	-	-	458	467,516	-	-	-	-	309,044
Change in net assets attributable to controlling interest	3,899,127	47,539	(1,069)	(47)	444,768	32,497	39,520	27,812	(31)
Controlling interest net assets (deficit) - Beginning of year	10,114,468	1,822,120	752,781	749,812	(133,773)	2,188,611	(693,164)	2,172,704	339,827
Distributions	-	-	-	-	-	-	-	-	(23,455)
Contributions	-	-	3,500	-	-	-	-	-	-
Controlling interest net assets (deficit) - End of year	$ 14,013,595	$ 1,869,659	$ 755,212	$ 749,765	$ 310,995	$ 2,221,108	$(653,644)	$ 2,200,516	$ 316,341
Noncontrolling interest net assets - Beginning of year	$ -	$ -	$ 1,148	$ 6,881,373	$ -	$ -	$ -	$ -	$ 1,257,209
Contributions	-	-	1,500	-	-	-	-	-	-
Distributions	-	-	-	-	-	-	-	-	(5,864)
Change in net assets attributable to noncontrolling interest	-	-	(458)	(467,516)	-	-	-	-	(309,044)
Noncontrolling interest net assets - End of year	$ -	$ -	$ 2,190	$ 6,413,857	$ -	$ -	$ -	$ -	$ 942,301
Total net assets (deficit) - End of year	$ 14,013,595	$ 1,869,659	$ 757,402	$ 7,163,622	$ 310,995	$ 2,221,108	$(653,644)	$ 2,200,516	$ 1,258,642

See Independent Auditor's Report.

A SAFE HAVEN FOUNDATION

CONSOLIDATING SCHEDULE OF ACTIVITIES

YEAR ENDED JUNE 30, 2021

	RRVH	ASH V	ASH IV	ASH VI	ASH VA Apts	ASH Hobart	Subtotal	Eliminations	Total
Revenue and support									
Government grants	$ -	$ -	$ -	$ -	$ -	$ -	$ 10,105,364	$ -	$ 10,105,364
Government contracts	-	-	-	-	-	-	577,513	-	577,513
Social enterprise revenue	-	-	-	-	-	-	9,677,798	(3,098,674)	6,579,124
Rental income	-	-	-	-	180	-	3,632,840	(551,332)	3,081,508
Tax incremental fund revenue	-	-	-	-	-	-	2,943,112	-	2,943,112
Contributions	-	-	-	-	-	-	2,988,011	(48,455)	2,939,556
Other revenue	-	-	(40)	-	(65,038)	-	460,407	(373,444)	86,963
Total support and revenue	-	-	(40)	-	(64,858)	-	30,385,045	(4,071,905)	26,313,140
Operating expenses									
Program services	-	877	1,720	-	-	-	25,947,685	(3,852,407)	22,095,278
Management and general	-	-	-	-	-	-	2,393,683	(30,010)	2,363,673
Fundraising	-	-	-	-	-	-	398,058	-	398,058
Total operating expenses	-	877	1,720	-	-	-	28,739,426	(3,882,417)	24,857,009
Nonoperating activities									
Paycheck protection program loan and interest forgiveness	-	-	-	-	-	-	1,496,822	-	1,496,822
Change in fair value of interest rate swap	-	-	-	-	-	-	503,162	-	503,162
Total nonoperating activities	-	-	-	-	-	-	1,999,984	-	1,999,984
Change in net assets before noncontrolling interest	-	(877)	(1,760)	-	(64,858)	-	3,645,603	(189,488)	3,456,115
Change in net assets attributable to noncontrolling interest	-	-	-	-	64,852	-	841,870	-	841,870
Change in net assets attributable to controlling interest	-	(877)	(1,760)	-	(6)	-	4,487,473	(189,488)	4,297,985
Controlling interest net assets (deficit) - Beginning of year	-	(2,606)	(2,814)	391,570	391,577	391,570	18,482,683	(5,971,306)	12,511,377
Distributions	-	-	-	-	-	-	(23,455)	23,455	-
Contributions	100	-	-	100	100	100	3,900	(3,800)	100
Controlling interest net assets (deficit) - End of year	$ 100	$(3,483)	$(4,574)	$ 391,670	$ 391,671	$ 391,670	$ 22,950,601	$(6,141,139)	$ 16,809,462
Noncontrolling interest net assets - Beginning of year	$ 1,181,744	$ -	$ -	$ -	$ 653,469	$ -	$ 9,974,943	$ -	$ 9,974,943
Contributions	1,603,188	-	-	-	-	-	1,604,688	-	1,604,688
Distributions	-	-	-	-	-	-	(5,864)	-	(5,864)
Change in net assets attributable to noncontrolling interest	-	-	-	-	(64,852)	-	(841,870)	-	(841,870)
Noncontrolling interest net assets - End of year	$ 2,784,932	$ -	$ -	$ -	$ 588,617	$ -	$ 10,731,897	-	$ 10,731,897
Total net assets (deficit) - End of year	$ 2,785,032	$(3,483)	$(4,574)	$ 391,670	$ 980,288	$ 391,670	$ 33,682,498	$(6,141,139)	$ 27,541,359

See Independent Auditor's Report.

A SAFE HAVEN FOUNDATION

CONSOLIDATED SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

YEAR ENDED JUNE 30, 2021

Federal Grantor **Pass- Through Grantor/Program Title**	**Annual Contribution Contract #**	**Program or Award CFDA#**	**Federal Awards Expended**
U.S. Department of Housing and Urban Development			
Family Wellness Center	IL0121L5T101912	14.267	$ 350,676
Westside Housing and Independent Living	IL0236L5T101912	14.267	216,425
The Studios (1801)	IL0222L5T101912	14.267	367,453
600 South	IL0095L5T101912	14.267	40,088
600 South	IL0095L5T102013	14.267	15,120
Shelter Plus Care	IL0371L5T101911	14.267	446,619
Shelter Plus Care	IL0371L5T102012	14.267	94,106
			1,530,487
Passed-through the City of Chicago Department of Family and Support Services			
Youth Emergency Overnight Shelter	144839-145636	14.231	15,285
Youth Emergency Overnight Shelter	144839-157869	14.231	6,558
Youth Emergency Overnight Shelter	144839-159062	14.231	19,852
Interim Housing	85120-122993	14.231	243,203
Interim Housing	85120-152565	14.231	201,575
			486,473
Passed-through All Chicago			
Rapid Re-Housing	85383	14.231	42,908
Rapid Re-Housing	85383	14.231	31,622
Rapid Re-Housing	134986	14.231	203,110
			277,640
			764,113
Passed-through the City of Chicago Department of Family and Support Services			
Interim Housing	85150-125001	14.218	270,906
Interim Housing	85150-152898	14.218	186,089
			456,995
Passed Through from the Greater Chicago Food Depository			
Community Development Block Grants (CDHS-PROD)		14.218	19,279
			476,274
Total U.S. Department of Housing and Urban Development			**2,770,874**
U.S. Department of Agriculture			
Passed Through from the Greater Chicago Food Depository			
Emergency Food Assistance Program (USDA Commodities)		10.569	718,334
Total U.S. Department of Agriculture			**718,334**
U.S. Department of Health and Human Services			
Passed-through the City of Chicago Department of Family and Support Services			
Interim Housing	85141-124544	93.569	329,343
Interim Housing	85141-152562	93.569	223,480
Interim Housing Roosevelt and West	148069-157870	93.569	4,402
			557,225
Passed Through from Chicago Department of Public Health			
COVID Isolation Shelter Site	127968	97.036	5,705,312
Total U.S. Department of Health and Human Services			**6,262,537**

See Independent Auditor's Report.

A SAFE HAVEN FOUNDATION

CONSOLIDATED SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

YEAR ENDED JUNE 30, 2021

Federal Grantor Pass- Through Grantor/Program Title	Annual Contribution Contract #	Program or Award CFDA#	Federal Awards Expended
U.S. Department of Education			
Passed Through from the Illinois Community College Board			
Adult Education and Literacy	508CA20	84.002	1,874
Adult Education and Literacy	508CA21	84.002	78,216
Total U.S. Department of Education			**80,090**
U.S. Department of Labor			
Passed-through from IL Department of Commerce and Economic Opportunity			
WIOA Adult Program -Illinois Talent Pipeline	18-634032	17.258	43,161
Total U.S. Department of Labor			**43,161**
U.S. Department of Homeland Security			
Passed Through from the Greater Chicago Food Depository			
Emergency Food and Shelter Program (FEMA)		97.024	3,658
Total U.S. Department of Homeland Security			**3,658**
U.S. Department of Department of Justice			
Passed Through from The County of Cook			
Edward Byrne Justice Assistance Grant (JAG)	JAG 2017	16.738	8,048
Passed Through from Illinois Criminal Justice Information Authority			
Transitional Housing	218084	16.575	106,478
Total U.S. Department of Department of Justice			**114,526**
U.S. Department of Department of the Treasury			
Passed Through from the Illinois Community College Board			
ICCB Cures Act	CURES01	21.019	25,668
Passed Through from Illinois Housing Development Authority			
Community Outreach and Assistance (COA)	51738	21.019	21,974
Total U.S. Department of Department of the Treasury			**47,642**
Total Federal Program Expenditures			**$ 10,040,822**

A SAFE HAVEN FOUNDATION

NOTES TO THE CONSOLIDATED SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Note 1 – Basis of Presentation

The accompanying consolidated schedule of expenditures of federal awards (the “Schedule”) of A Safe Haven Foundation (“ASHF”) is presented on the same basis of accounting as ASHF’s consolidated financial statements. ASHF uses the accrual basis of accounting. The information in the Schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements. Therefore, some amounts presented in the Schedule may differ from the amounts presented in, or used in the preparation of the basic consolidated financial statements.

Note 2 – Program Costs

Expenditures represent only the federally funded portions of ASHF programs. Entire program costs, including the portions funded by ASHF, may be more than shown.

Note 3 – Non-cash Awards

The amount reported for the Emergency Food Assistance Program on the Schedule is the value of food distributed and priced by the Greater Chicago Food Depository during the current year.

Note 4 – Sub-recipients

ASHF provided no awards to sub-recipients during the year ended June 30, 2021 with respect to the federal awards reported on the Schedule.

Note 5 – Non-cash Assistance from Federal Loans and Insurance

ASHF had no insurance provided under federal awards during the year ended June 30, 2021 or any federal loans or federal loan guarantees outstanding at June 30, 2021.

Note 6 – Indirect Cost Rate

ASHF did not elect to use the de minimis 10% rate for allocating indirect costs.

A SAFE HAVEN FOUNDATION

SCHEDULE OF FUNCTIONAL EXPENSES

YEAR ENDED JUNE 30, 2021

	Program	Management and General	Fundraising	Total
Salaries and related expenses	$ 7,685,545	$ 1,104,902	$ 217,873	$ 9,008,320
Interest	13,004	392,497	-	405,501
Program food clothing and personal maintenance	2,926,749	2,780	725	2,930,254
Utilities, supplies and maintenance	2,378,854	6,624	21	2,385,499
General insurance	113,681	76,727	-	190,408
Professional fees / contract services	1,808,933	179,389	34,462	2,022,784
Office expenses	256,348	198,358	93,558	548,264
In-Kind expense	1,767,853	-	-	1,767,853
Miscellaneous	277,207	14,151	11,835	303,193
Real estate tax expense	56,938	8,754	-	65,692
Catering and event planning	-	-	34,506	34,506
Telephone	26,934	4,229	2,233	33,396
Other program costs	-	-	-	-
Postage/printing	628	12,103	1,241	13,972
Transportation and travel	196,056	2,800	1,604	200,460
Total expenses before depreciation and amortization	17,508,730	2,003,314	398,058	19,910,102
Depreciation	85,158	330,426	-	415,584
Amortization	-	11,390	-	11,390
	$ 17,593,888	$ 2,345,130	$ 398,058	$ 20,337,076

The information presented above is stand alone, unconsolidated financial information of A Safe Haven Foundation.

See Independent Auditor's Report.

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF CONSOLIDATED FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

To the Board of Directors of
A Safe Haven Foundation

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 A Safe Haven Foundation ("ASHF"), which comprise the consolidated statement of financial position as of June 30, 2021, 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 December 22, 2020.

Internal Control over Financial Reporting
In planning and performing our audit of the consolidated financial statements, we considered ASHF's internal control over financial reporting ("internal control") to determine the 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 ASHF's internal control. Accordingly, we do not express an opinion on the effectiveness of ASHF'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 consolidated 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 over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be material weaknesses or significant deficiencies, and therefore, material weaknesses or significant deficiencies may exist that have not been identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We did identify certain deficiencies in internal control, described in the accompanying Schedule of Findings and Questioned Costs, as item 2021-001 that we consider to be a significant deficiency.

Compliance and Other Matters
As part of obtaining reasonable assurance about whether ASHF'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 determination of consolidated financial statement amounts. 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*.

ASHF's Response to Findings
ASHF's response to the findings identified in our audit are described in the accompanying Schedule of Findings and Questioned Costs. ASHF's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

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 the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

FGMK, LLC

Bannockburn, Illinois
December 22, 2021

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM AND REPORT ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

To the Board of Directors of
A Safe Haven Foundation

Report on Compliance for Each Major Federal Program
We have audited A Safe Haven Foundation's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of A Safe Haven Foundation's major federal programs for the year ended June 30, 2021. A Safe Haven Foundation'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 the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditor's Responsibility
Our responsibility is to express an opinion on compliance for each of A Safe Haven Foundation'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 A Safe Haven Foundation'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 A Safe Haven Foundation's compliance.

Opinion on Each Major Federal Program
In our opinion, A Safe Haven Foundation 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 June 30, 2021.

Report on Internal Control over Compliance
Management of A Safe Haven Foundation is 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 A Safe Haven Foundation's internal control over compliance with the types of requirements that could have a direct and material effect on its 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 A Safe Haven Foundation'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 first 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 and therefore, material weaknesses or significant deficiencies may exist that were not identified. 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.

FGMK, LLC

Bannockburn, Illinois
December 22, 2021

A SAFE HAVEN FOUNDATION

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Section I – Summary of Auditors' Results

Financial Statements

The type of report issued: **Unmodified**

Internal control over financial reporting:

Material weakness(es) identified? ____ Yes __X__ No

Significant deficiencies identified? __X__ Yes ____ None reported

Noncompliance material to financial statements noted?
____ Yes __X__ None reported

Federal Awards

Internal control over major programs:

Material weakness (es) identified? ____ Yes __X__ No

Significant deficiencies identified? ____ Yes __X__ No

Type of auditor's report issued on compliance for major programs: **Unmodified**

Any audit findings disclosed that are required to be reported in accordance with Code of Federal Regulations Section 200.516?
____ Yes __X__ No

Identification of major programs:

CFDA Number	Name of Federal Program
97.036	Disaster Grants- Public Assistance
14.231	Emergency Solutions Grants Program

Dollar threshold used to distinguish between Type A and Type B programs: **$ 750,000**

Auditee qualified as low-risk auditee? __X__ Yes ____ No

A SAFE HAVEN FOUNDATION

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Section II – Financial Statement Findings

Finding 2021-001: Accounting for escrow cash and construction payable

Criteria: Financial statements should reflect correct balances for all the accounts presented.

Condition and Context: For the year ended June 30, 2021, it was noted escrow cash and construction payable were understated by approximately $666,000.

Cause: Controls related to the review of the financial close process for the mentioned accounts were not operating effectively.

Effect or Potential Effect: Understatement of escrow cash and construction payable by approximately $666,000.

Recommendation: Management should design and implement controls to ensure a complete review of the financial close process.

Responsible Official's Response: Management concurs with finding and has established controls to ensure the complete review of the financial close process.

Section III – Federal Award Findings and Questioned Costs

None noted

Section IV – Summary of Prior Year Audit Findings

N/A

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INDEPENDENT AUDITOR'S REPORT ON OTHER FINANCIAL INFORMATION

To the Board of Directors of
A Safe Haven Foundation

We have audited the consolidated financial statements of A Safe Haven Foundation as of and for the years ended June 30, 2021 and 2020, and our report thereon dated December 22, 2021 which expressed an unmodified opinion appears on page 1. Our audits were conducted for the purpose of forming an opinion on the basic consolidated financial statements taken as a whole. The accompanying stand alone, unconsolidated financial information of A Safe Haven Foundation presented on pages 45 to 46, which is the responsibility of management, is presented for purposes of additional analysis, as well as to comply with certain reporting requirements of the Illinois Department of Human Services, and is not a required part of the basic consolidated financial statements. Such information was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. That information has been subjected to the auditing procedures applied in the audits 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, that information is fairly stated in all material respects in relation to the consolidated financial statements taken as a whole.

Reconciliation to the Consolidated Schedule of Expenditures of Federal Awards

On page 45, the total federal expenditure amount is $1,279,523 lower than the total amount per the Consolidated Schedule of Expenditures of Federal Awards on page 36. The difference is due to the Isolation Shelter Site, a fixed fee contract, with revenue of $5,705,312 and expenditures of $4,425,789 for the year ended June 30, 2021.

FGMK, LLC

Bannockburn, Illinois
December 22, 2021

Illinois Grant Accountability and Transparency Act
Grantee Portal - Audit Consolidated Year-End Financial Report

Add a Program | Certify & Submit

	CSFA #	Program Name	$ State	$ Federal	$ Other	$ Total
View	420-30-0075	WIOA Statewide Activities - Nonformula	0	43,161	17,295	60,456
View	444-80-0658	Supportive Housing Program	483,805	0	226,657	710,462
View	497-00-1177	Veterans Scratch-Off Lottery Ticket Program	6,774	0	161	6,935
View	546-00-1745	Victims of Crime Act (VOCA)	0	106,478	5,070	111,548
View	684-00-2499	CURES Grant	0	25,668	4,611	30,279
View	684-01-1625	Adult Education and Literacy Basic Grants - Federal and State	183,632	80,090	25,831	289,553
View	684-01-1670	Innovative Bridge and Transition Grant - State	174,113	0	24,950	199,063
View		Other grant programs and activities		8,505,902	8,705,676	17,211,578
View		All other costs not allocated			1,717,202	1,717,204
		Totals:	848,324	8,761,299	10,727,453	20,337,076

Please note the following:

- The CYEFR may be per-populated with programs based on existing awards in the GATA system. These programs cannot be removed. If no spending occurred in a program leave the amounts at zero.
- Any grant expenditures not associated with funding received through the State of Illinois are to be entered in "Other grant programs and activities". The expenditures must be identified as federal (direct or pass-through) or other funding.
- All other expenditures not related to grants are to be entered in "All other costs not allocated".
- The grand total must account for all expenditures for the fiscal year and must tie to the audited financials.