

# THE HAVEN OF TRANSYLVANIA COUNTY

INDEPENDENT ACCOUNTANTS' REVIEW REPORT  
AND FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2023



CORLISS &  
SOLOMON  
PLLC

CERTIFIED PUBLIC ACCOUNTANTS

# The Haven of Transylvania County

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## **INDEPENDENT ACCOUNTANTS' REVIEW REPORT**

To the Board of Directors  
The Haven of Transylvania County  
Brevard, NC

We have reviewed the accompanying financial statements of The Haven of Transylvania County (a nonprofit organization), which comprise the statement of financial position as of December 31, 2023, the related statements of activities, functional expenses, and cash flows for the year then ended, and the related disclosures to the financial statements. A review includes primarily applying analytical procedures to management's financial data and making inquiries of management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, we do not express such an opinion.

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

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

### **Accountants' Responsibility**

Our responsibility is to conduct the review engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. Those standards require us to perform procedures to obtain limited assurance as a basis for reporting whether we are aware of any material modifications that should be made to the financial statements for them to be in accordance with accounting principles generally accepted in the United States of America. We believe that the results of our procedures provide a reasonable basis for our conclusion.

We are required to be independent of The Haven of Transylvania County and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our review.

### **Accountants' Conclusion**

Based on our review, we are not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in accordance with accounting principles generally accepted in the United States of America.

### **Summarized Comparative Information**

We have previously audited The Haven of Transylvania County's 2022 financial statements, and our report dated September 18, 2023, expressed an unmodified opinion on those audited financial statements. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2023, is consistent, in all material respects, with the audited financial statements from which it has been derived.

*Corliss & Solomon, PLLC*

Asheville, North Carolina  
May 3, 2024

**The Haven of Transylvania County**  
Statement of Financial Position

December 31, 2023

(With summarized comparative totals as of December 31, 2022)

	<b>Reviewed</b>	<b>Audited</b>
<b>Assets</b>	<b>2023</b>	<b>2022</b>
<u>Current Assets</u>		
Cash and Cash Equivalents	\$ 470,936	\$ 472,143
Total Current Assets	470,936	472,143
<u>Long-Term Assets</u>		
Property and Equipment, Net	475,204	362,907
Total Long-Term Assets	475,204	362,907
<b>Total Assets</b>	<b>\$ 946,140</b>	<b>\$ 835,050</b>
<b><u>Liabilities and Net Assets</u></b>		
<u>Current Liabilities</u>		
Accounts Payable	\$ 334	\$ 1,500
Payroll and Related Liabilities	7,556	9,291
Total Current Liabilities	7,890	10,791
<u>Net Assets</u>		
Without Donor Restrictions		
Available for Operations	350,168	271,781
Investment in Property and Equipment	475,204	362,907
Total Without Donor Restrictions	825,372	634,688
With Donor Restrictions	112,878	189,571
Total Net Assets	938,250	824,259
<b>Total Liabilities and Net Assets</b>	<b>\$ 946,140</b>	<b>\$ 835,050</b>

*See accompanying disclosures and independent accountants' review report.*

# The Haven of Transylvania County

## Statement of Activities

Year ended December 31, 2023

(With summarized comparative totals for the prior year)

	<b>Reviewed</b>			<b>Audited</b>
	<b>Without Donor Restrictions</b>	<b>With Donor Restrictions</b>	<b>Total 2023</b>	<b>Total 2022</b>
<b>Support and Revenue</b>				
Contributions	\$ 281,194	\$ 75,275	\$ 356,469	\$ 319,344
Grants	46,051	57,500	103,551	229,016
Event Income	40,683	-	40,683	3,284
Insurance Proceeds	-	-	-	6,316
Interest Income	5,856	-	5,856	-
Other Income	2,512	-	2,512	2,648
Net Assets Released from Restrictions	209,468	(209,468)	-	-
<b>Total Support and Revenue</b>	<b>585,764</b>	<b>(76,693)</b>	<b>509,071</b>	<b>560,608</b>
<b>Expenses</b>				
Program Services	307,132	-	307,132	335,112
Management and General	53,662	-	53,662	51,967
Fundraising	34,286	-	34,286	38,821
<b>Total Expenses</b>	<b>395,080</b>	<b>-</b>	<b>395,080</b>	<b>425,900</b>
Change in Net Assets	190,684	(76,693)	113,991	134,708
Net Assets, Beginning of Year	634,688	189,571	824,259	689,551
<b>Net Assets, End of Year</b>	<b>\$ 825,372</b>	<b>\$ 112,878</b>	<b>\$ 938,250</b>	<b>\$ 824,259</b>

*See accompanying disclosures and independent accountants' review report.*

**The Haven of Transylvania County**  
**Statement of Functional Expenses**

Year Ended December 31, 2023

(With summarized comparative totals for the prior year)

	<b>Reviewed</b>			<b>Audited</b>	
	<b>Program</b>	<b>Management and General</b>	<b>Fundraising</b>	<b>Total 2023</b>	<b>Total 2022</b>
<u>Personnel</u>					
Salaries	\$ 203,554	\$ 14,539	\$ 8,760	\$ 226,853	\$ 252,261
Payroll Taxes	17,042	1,136	757	18,935	20,946
Subtotal Personnel	<u>220,596</u>	<u>15,675</u>	<u>9,517</u>	<u>245,788</u>	<u>273,207</u>
Client Support	3,162	-	-	3,162	3,127
Development/Outreach	-	-	10,287	10,287	9,705
Donor Appeal and Care	-	-	14,369	14,369	18,697
Equipment	4,707	579	-	5,286	-
Fees and Subscriptions	-	4,380	-	4,380	7,447
Insurance	4,164	9,717	-	13,881	17,091
Maintenance	22,139	-	-	22,139	34,497
Miscellaneous	2,745	20	-	2,765	2,514
Office Expense	825	582	36	1,443	2,510
Playground	-	-	-	-	2,413
Professional Services	-	16,469	-	16,469	-
Staff Development	-	1,376	-	1,376	-
Supplies	9,372	129	77	9,578	11,483
Telephone/Communications	7,850	-	-	7,850	9,041
Utilities	12,801	1,422	-	14,223	12,153
Subtotal Other Expenses	<u>67,765</u>	<u>34,674</u>	<u>24,769</u>	<u>127,208</u>	<u>130,678</u>
Depreciation	18,771	3,313	-	22,084	22,015
<b>Total Expenses</b>	<b><u>\$ 307,132</u></b>	<b><u>\$ 53,662</u></b>	<b><u>\$ 34,286</u></b>	<b><u>\$ 395,080</u></b>	<b><u>\$ 425,900</u></b>

*See accompanying disclosures and independent accountants' review report.*

# The Haven of Transylvania County

## Statement of Cash Flows

Year Ended December 31, 2023

(With summarized comparative totals for the prior year)

	<u>Reviewed</u> <u>2023</u>	<u>Audited</u> <u>2022</u>
<b><u>Cash Flows from Operating Activities</u></b>		
Change in Net Assets	\$ 113,991	\$ 134,708
Adjustments to reconcile change in net assets to net cash provided or used by operating activities:		
Depreciation	22,084	22,015
Increase/(Decrease) in Operating Liabilities		
Payroll and Related Liabilities	(1,735)	250
Accounts Payable	(1,166)	1,500
Net Cash Provided by Operating Activities	<u>133,174</u>	<u>158,473</u>
<b><u>Cash Flows from Investing Activities</u></b>		
Purchase of Equipment	(4,167)	-
Construction in Progress	(130,214)	(27,592)
Net Cash Used by Investing Activities	<u>(134,381)</u>	<u>(27,592)</u>
Net Change in Cash and Cash Equivalents	<u>(1,207)</u>	<u>130,881</u>
Cash and Cash Equivalents, Beginning of Year	<u>472,143</u>	<u>341,262</u>
<b>Cash and Cash Equivalents, End of Year</b>	<b><u>\$ 470,936</u></b>	<b><u>\$ 472,143</u></b>

*See accompanying disclosures and independent accountants' review report.*

# **The Haven of Transylvania County**

## **Disclosures to the Financial Statements**

Year Ended December 31, 2023

### **1. Description of the Organization, Corporate and Tax-Exempt Status**

The Haven of Transylvania County is a non-profit, charitable organization. Its mission is to assist families and individuals in crisis in Transylvania County by providing safe temporary refuge in a clean, comfortable shelter.

The Haven Thomas House is an 18-bed overnight shelter to temporarily house homeless men and women. It provides a respite for those who have suddenly and unexpectedly fallen into homelessness or have been chronically homeless for a long time. The Haven is a safe, secure residence where they can be helped to get back onto their feet.

The Haven Family House is a four-bedroom house renovated to provide a safe, secure home for families that are in crisis. Many of these families can no longer afford housing on their own.

Both shelters have laundry facilities, showers, mail service and telephone messaging services. The open floor plan at The Haven makes it possible for trained volunteers and professional staff to monitor activity throughout the early evening and night.

The shelters provide a warm and inviting atmosphere, where the guests are treated with dignity and genuine care. Staff help our guests figure out how they got here and what steps they need to take to move on to stable, affordable housing. The staff of The Haven will refer clients to community agencies that provide needed counseling, medical and dental issues, GED and in several instances employment. Guests are expected to complete goal plans and move forward to better their life.

The Haven and Haven Family House are located behind The Bread of Life, which allows both food and shelter needs to be met in one place. This location is also adjacent to the Sharing House, where clothing and other food sources are available. Department of Social Services and Meridian Behavioral Health are also close on the map to this locale. The Haven collaborates with community agencies devoted to helping people in need.

The Haven Thomas House and Haven Family House provides structure. Guests of The Haven leave in the morning Monday – Saturday at 8:30 am and can return at 4 pm, but are required to be in by 7 pm. During the day, clients are expected to complete goals such as applying for housing and work, attending Meridian (counseling), completing GED, and other goals as set per individual. The Haven Family House is set up to allow families to stay in all day and are also required to complete goals as set per individual family.

### **Corporate and Tax-Exempt Status**

The organization was incorporated in October 2009 as a not-for-profit corporation under the laws of the state of North Carolina and has been recognized as tax-exempt pursuant to Section 501(c)(3) of the Internal Revenue Code. Contributions to the organization qualify for the charitable contribution deduction under Section 170(b)(1)(a). The organization is classified as a publicly supported organization under Section 509(a)(1). The organization receives its support principally through contributions and grants.



## 2. ***Summary of Significant Accounting Policies***

### *Basis of Accounting*

The financial statements have been prepared on an accrual basis of accounting and conform to accounting principles generally accepted in the United States of America (U.S. GAAP), as applicable to not-for-profit organizations.

### *Financial Statement Presentation*

The classification of the organization's net assets, and its support, revenue and expenses is based on the existence or absence of donor-imposed restrictions. It requires that the amounts for each of two classes of net assets – without donor restrictions and with donor restrictions – be displayed in a statement of financial position and that the amounts of change in each of those classes of net assets be displayed in a statement of activities.

The classes of net assets are defined as follows:

*Net Assets Without Donor Restrictions* – Includes net assets that are not subject to donor-imposed restrictions and that may be expended for any purpose in performing the primary objectives of the organization. These net assets may be used at the discretion of the organization's management and board of directors.

*Net Assets With Donor Restrictions* - Includes net assets that are subject to restrictions imposed by donors or grantors. Some donor and grantor restrictions are temporary in nature, such as those with a specified purpose or a timeframe for expenditure established by the donor or grantor. Other donor-imposed restrictions are perpetual in nature, where the donor has stipulated the funds be maintained in perpetuity.

### *Cash and Cash Equivalents*

The organization's cash consists of cash on deposit with banks. Cash equivalents represent money market funds or short-term investments with original maturities of three months or less from the date of purchase.

### *Concentration of Credit Risk*

Financial instruments that potentially subject the organization to concentrations of credit risk consist principally of cash and cash equivalents. The organization maintains its cash and cash equivalents in various bank accounts that, at times, may exceed FDIC federally insured limits. The organization's cash and cash equivalent accounts have been placed with high credit quality financial institutions. The organization has not experienced, nor does it anticipate, any losses with respect to such accounts.

### *Property and Equipment*

Property and equipment purchases are recorded at cost. Depreciation is provided over the estimated useful life of each class of depreciable asset and is computed using the straight-line method. The organization has adopted a capitalization threshold of \$5,000 per item. Expenses for repairs and maintenance that do not improve or extend the life of an asset are expensed as incurred.

### *Contributions and Grants*

Contributions and grants are recognized in support: (1) when the organization receives cash, securities or other assets from a donor or grantor, (2) when a donor conveys a promise to make a donation in the future, on an unconditional basis, and (3) when a grantor awards a grant to be paid in the future, on an unconditional basis. Contributions and grants with conditions, such as performance requirements, are not recognized until the conditions on which they depend have been substantially met.

Use of Estimates

The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the period. Actual results could differ from those estimates.

Functional Allocation of Expenses

The costs of program and supporting services activities have been summarized on a functional basis in the statement of activities. The statement of functional expenses presents the natural classification detail of expenses by function. Certain categories of expenses that are attributable to more than one program or supporting function require management's allocation on a reasonable basis that is consistently applied. The primary allocation basis used by management for personnel expenses and applicable overhead expenses is estimated based on employee time and effort.

Income Taxes/Uncertain Tax Positions

The Haven of Transylvania County is exempt from federal income taxes under 501(c)(3) of the Internal Revenue Code. Under the Code, however, income from certain activities not related to the organization's tax-exempt purpose may be subject to taxation as unrelated business income. The organization had no income from unrelated business activities in 2023 and was, therefore, not required to file Federal Form 990-T (Exempt Organization Business Income Tax Return). The organization believes that it has appropriate support for all tax positions taken, and as such, does not have any uncertain tax positions that are material to the financial statements.

Summarized Comparative Data

The financial statements include certain prior year summarized comparative information. Such information does not include sufficient detail to constitute a presentation in conformity with US GAAP. Accordingly, such information should be read in conjunction with the organization's audited financial statements for the year ended December 31, 2022, from which the summarized information was derived. Certain amounts in the prior-year financial statements have been reclassified to conform to the current year presentation.

**3. Liquidity and Availability**

Financial assets available for general expenditures, that is, without donor or other restrictions limiting their use, within one year of the statement of financial position date, are comprised of cash and cash equivalents. As of December 31, 2023 and December 2022, cash and cash equivalents totaled \$470,936 and \$472,143, respectively.

**4. Cash and Cash Equivalents**

Cash and cash equivalent amounts are shown in the list below.

<u>As of December 31:</u>	<u>2023</u>	<u>2022</u>
Checking	\$ 172,524	\$ 465,655
Money Market	290,437	-
Undeposited Funds	7,975	6,488
Total Cash and Cash Equivalents	<u>\$ 470,936</u>	<u>\$ 472,143</u>

As of December 31, 2023, the organization had exceeded the federally insured limit in cash accounts by \$213,799. Management believes the organization is not exposed to any significant credit risk on its cash balances.

**5. Property and Equipment**

Property and equipment consist of the following:

<u>As of December 31:</u>	<u>2023</u>	<u>2022</u>
Land	\$ 30,810	\$ 30,810
Buildings	302,158	302,158
Vehicles	19,884	19,884
Office Furniture and Equipment	77,157	72,989
Improvements	120,206	120,206
Construction in Progress	130,214	-
Less: Accumulated Depreciation	<u>(205,224)</u>	<u>(183,140)</u>
Property and Equipment, Net	<u>\$ 475,204</u>	<u>\$ 362,907</u>

Depreciation expense totaled \$22,084 and \$22,015 for the years ended December 31, 2023, and December 31, 2022, respectively.

**6. Construction in Progress**

The Haven of Transylvania County began a building expansion project during the year ended December 31, 2023 to increase building space at the shelter. Total construction in progress for the year ended December 31, 2023 was \$130,214.

**7. Net Assets With Donor Restrictions**

Net assets with donor restrictions were available for the following purposes:

<u>As of December 31:</u>	<u>2023</u>	<u>2022</u>
Expansion Project	\$ 104,039	166,978
Assistant Director Salary	-	20,000
Educational Classes	1,358	1,200
Employee Counseling	7,263	-
Other	218	1,393
Total Net Assets With Donor Restrictions	<u>\$ 112,878</u>	<u>\$ 189,571</u>

**8. Subsequent Events**

Subsequent events have been evaluated through May 3, 2024, which is the date the financial statements were available to be issued.