THE HAVEN AND SUBSIDIARIES

INDEPENDENT AUDITOR'S REPORT
AND CONSOLIDATED FINANCIAL REPORT
(INCLUDING UNIFORM GUIDANCE REPORTS)

YEAR ENDED SEPTEMBER 30, 2023

REGIER CARR & MONROE, LLP, CPAs

THE HAVEN AND SUBSIDIARIES

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INDEPENDENT AUDITOR'S REPORT

Board of Directors
The Haven and Subsidiaries
Tucson, Arizona

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of The Haven and Subsidiaries (nonprofit organizations) (collectively the "Organization"), which comprise the consolidated statement of financial position as of September 30, 2023, 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.

In our opinion, the accompanying consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of the Organization as of September 30, 2023, and the changes in their net assets and their cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Governmental Auditing Standards* ("GAS") issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are required to be independent the Organization, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Consolidated Financial Statements

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

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In preparing the consolidated financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Organization's ability to continue as a going concern for one year after the date that the consolidated financial statements are issued.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and GAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the consolidated financial statements.

In performing an audit in accordance with GAAS and GAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the consolidated financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Organization's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control–related matters that we identified during the audit.

(continued)

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The accompanying schedule of expenditures of federal awards, as required by Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* is presented for purposes of additional analysis and is not a required part of the consolidated financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. The information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards 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 January 19, 2024, on our consideration of the Organization's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Organization's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Organization's internal control over financial reporting and compliance.

Regier Carr & Monroe, L.L.P.

January 19, 2024
Tucson, Arizona

THE HAVEN AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
September 30, 2023

ASSETS

CURRENT ASSETS	
Cash and cash equivalents	$ 530,853
Accounts receivable, net of allowance for doubtful accounts	397,403
Prepaid expenses and other current assets	121,540
Certificates of deposit, current portion	711,843
Total current assets	1,761,639
PROPERTY AND EQUIPMENT, NET	1,781,135
OTHER ASSETS	
Investments	431,369
Certificates of deposit, less current portion	2,694,199
Operating lease right-of-use assets	1,679,725
Deposits	66,138
Total other assets	4,871,431
Total assets	$ 8,414,205

The Notes to Consolidated Financial Statements are an integral part of these statements.

THE HAVEN AND SUBSIDIARIES
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
September 30, 2023

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES	
Accounts payable	$ 164,052
Accrued expenses	330,648
Refundable advances	351,222
Long term debt - current portion	30,166
Operating lease liabilities - current portion	328,144
Total current liabilities	1,204,232
LONG-TERM LIABILITIES	
Long-term debt, less current portion	611,166
Operating lease liabilities, less current portion	1,483,899
Total long-term liabilities	2,095,065
Total liabilities	3,299,297
NET ASSETS	
Without donor restrictions	4,893,525
With donor restrictions	221,383
Total net assets	5,114,908
Total liabilities and net assets	$ 8,414,205

The Notes to Consolidated Financial Statements are an integral part of these statements.

THE HAVEN AND SUBSIDIARIES
CONSOLIDATED STATEMENT OF ACTIVITIES
For the Year Ended September 30, 2023

	Net Assets Without Donor Restrictions	Net Assets With Donor Restrictions	Total
REVENUES			
Government contracts	$ 6,179,957	$ -	$ 6,179,957
Client service fees	30,830	-	30,830
Contributions and grants	169,347	81,646	250,993
Investment gain, net	9,869	-	9,869
Interest and dividends	91,668	-	91,668
Other support	6,881	-	6,881
Net assets released from restrictions	35,830	(35,830)	-
Total revenues	6,524,382	45,816	6,570,198
EXPENSES			
Program services	6,015,579	-	6,015,579
General and administrative	930,971	-	930,971
Fundraising and development	194,645	-	194,645
Total expenses	7,141,195	-	7,141,195
CHANGE IN NET ASSETS	(616,813)	45,816	(570,997)
NET ASSETS, BEGINNING OF YEAR	5,510,338	175,567	5,685,905
NET ASSETS, END OF YEAR	$ 4,893,525	$ 221,383	$ 5,114,908

The Notes to Consolidated Financial Statements are an integral part of these statements.

THE HAVEN AND SUBSIDIARIES
CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES
For the Year Ended September 30, 2023

	Program Services	General and Administrative	Fundraising and Development	Total
Salaries, related taxes and employee benefits	$ 3,962,193	$ 619,226	$ 107,071	$ 4,688,490
Professional fees and outside services	434,557	130,048	45,714	610,319
Facilities rental	249,309	112,889	-	362,198
Housekeeping and food	342,314	4,379	37	346,730
Supplies	273,016	13,930	13,501	300,447
Depreciation and amortization	201,150	1,220	-	202,370
Utilities	170,249	1,880	507	172,636
Repairs and maintenance	126,870	495	-	127,365
Travel	87,802	4,755	1,102	93,659
Insurance	48,946	18,338	226	67,510
Bad debt expense	39,456	33	-	39,489
Interest	26,586	2,871	-	29,457
Meetings expense	16,507	5,047	1,024	22,578
Dues and subscriptions	11,654	9,491	1,303	22,448
Fundraising	1,299	-	15,487	16,786
Equipment rental	14,720	1,342	-	16,062
Miscellaneous	4,238	4,369	117	8,724
Advertising	483	18	7,343	7,844
Postage and delivery	4,230	640	1,213	6,083
Totals	$ 6,015,579	$ 930,971	$ 194,645	$ 7,141,195

The Notes to Consolidated Financial Statements are an integral part of these statements.

THE HAVEN AND SUBSIDIARIES
CONSOLIDATED STATEMENT OF CASH FLOWS
For the Year Ended September 30, 2023

CASH FLOWS FROM OPERATING ACTIVITIES	
Change in net assets	$ (570,997)
Adjustments to reconcile change in net assets to net cash from operating activities	
Net realized and unrealized loss on investments	(9,869)
Interest and dividends	(91,668)
Depreciation and amortization	202,370
Accretion of operating lease liabilities	60,665
Changes in operating assets and liabilities	
Accounts receivable	48,697
Prepaid expenses and other current assets	37,180
Deposits	(51,647)
Operating lease right-of-use assets	277,973
Accounts payable	88,584
Accrued expenses	75,611
Refundable advances	220,055
Operating lease liability	(312,519)
Net cash used by operating activities	(25,565)
CASH FLOWS FROM INVESTING ACTIVITIES	
Purchases of property and equipment	(177,034)
Purchases of investments	(444,078)
Proceeds from sales and maturities of investments	462,306
Net cash used by investing activities	(158,806)

(continued)

The Notes to Consolidated Financial Statements are an integral part of these statements.

THE HAVEN AND SUBSIDIARIES
CONSOLIDATED STATEMENT OF CASH FLOWS (continued)
For the Year Ended September 30, 2023

CASH FLOWS FROM FINANCING ACTIVITIES	
Principal payments on notes payable	(28,390)
Net increase in cash and cash equivalents	(212,761)
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	743,614
CASH AND CASH EQUIVALENTS, END OF YEAR	$ 530,853
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION	
Cash paid during the year for interest	$ 29,457

The Notes to Consolidated Financial Statements are an integral part of these statements.

1. ORGANIZATION

Nature of Operations

The Haven was founded in 1970 to provide effective substance use recovery specifically for women. It is licensed by the Arizona Department of Health Services and is CARF-accredited. The mission of The Haven is to provide professional, holistic services to all women as they unlock their potential, while recovering from substance use and moving towards their best mental health. Because 7 in 10 women in recovery are mothers, The Haven approaches the process of healing from substance use and co-occurring disorders with a goal to reunite families, rebuild communities, and strengthen the mother/child bond. The Haven's approach is unique because it has always focused on women and their children and allows mothers to bring their young children into treatment with them.

The Haven's mission is carried out through three programs:

- Residential

  The Haven's residential program creates a space where women are provided with the tools, trauma-informed clinical treatments, and unwavering support they need to heal from substance use disorders. Treatment is individualized, to address each woman's emotional, psychological, physical, and spiritual needs. The residential facility is in midtown Tucson and covers more than three acres. The facility features shared bed-and-bath suites and small cottages as well as outdoor courtyards and a children's playground for recreation and relaxation.

- Outpatient Services

  The Haven's Intensive Outpatient Program provides a higher level of care than traditional outpatient programs. The Program is intended for women who are struggling with substance use disorders and would benefit from the more structured model. The program may also serve as a steppingstone between residential treatment and ongoing outpatient treatment. The Haven provides its intensive outpatient members housing free of charge if the women don't have stable and safe housing in the community.

(continued)

1. **ORGANIZATION** (continued)

Nature of Operations (continued)

- Native Ways program

  The Haven's Native Ways Program was developed in 2005 to create a space in which Indigenous women could feel whole and respected. In addition to trauma-informed clinical treatment interventions, the program includes the teachings of the White Bison Wellbriety Movement, and clients engage in drumming circles, smudging, Native crafts, blessings, counseling and healing, and traditional ceremonies. The Native Ways Program capitalizes on Indigenous communities' strengths and resilience and provides historical trauma-informed care.

Refugio3727, LLC (a wholly-owned Arizona LLC, disregarded as a separate entity for income tax purposes), was formed in 2019. The LLC was formed to purchase and hold real property used by The Haven.

The Haven Butterfly Foundation was founded in 2021 as a nonprofit organization under the laws of the State of Arizona to promote the mission and vision of The Haven, support women and families in the pursuit of living free of substance misuse, and provide education and public advocacy in the area of women's health.

The consolidated financial statements include The Haven, its wholly-owned subsidiary, Refugio3727, LLC, and The Haven Butterfly Foundation (collectively referred to as the "Organization"). All significant intercompany transactions have been eliminated.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

The Organization follows accounting standards set by the Financial Accounting Standards Board ("FASB"). The FASB sets the United States' generally accepted accounting principles ("U.S. GAAP"), which are followed by the Organization in order to ensure the consistent reporting of its financial position, changes in net assets, and cash flows. The consolidated financial statements of the Organization have been prepared on the accrual basis of accounting and accordingly, reflect all receivables, payables, and other liabilities.

(continued)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

The Organization reports information regarding its consolidated financial position and activities according to the presence or absence of donor-imposed restrictions, which are segregated into the following categories:

Net assets without donor restrictions – Net assets that are not subject to donor-imposed stipulations. Items that affect this net asset category principally consist of fees for service and related expenses associated with core activities of the Organization.

Net assets with donor restrictions – Net assets which are subject to donor-imposed stipulations that will be met by actions of the Organization and/or the passage of time. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions, and reported in the consolidated statement of activities as net assets released from restrictions. Other donor restrictions are perpetual in nature, whereby the donor has stipulated the funds be maintained in perpetuity. The Organization has elected to record contributions with donor restrictions as contributions without donor restrictions if the restrictions are met in the current year.

Use of Estimates

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

Cash and Cash Equivalents

It is the Organization's policy to invest cash in excess of operating requirements in income-producing investments. Cash and equivalents consist of operating cash and temporary cash investments. For purposes of the statement of cash flows, The Organization considers all highly-liquid cash investments purchased with an original maturity of three months or less to be cash equivalents. Certificates of deposits with maturities of less than 90 days are considered cash equivalents.

Accounts Receivable

Accounts receivable are stated at the amount that the Organization expects to collect on outstanding balances. The Organization provides for losses using the allowance method. The allowance is based on experience, third-party remittances and other circumstances, which may affect the collectability of accounts receivable. Receivables are considered impaired if full principal payment is not received in accordance with the contractual terms. It is the Organization's policy to charge off uncollectible accounts receivable if and when management determines the receivable will not be collected. The allowance for uncollectible amounts was $137,653, at September 30, 2023.

(continued)

2. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (continued)

Investments

Investments in marketable securities are carried at market value determined at the date of the statement of financial position. Unrealized gains and losses are included as part of investment income in the change in net assets in the accompanying statement of activities.

Property and Equipment

Purchased property and equipment are carried at cost. The cost of maintenance and repairs is charged to expense in the year incurred. Expenditures in excess of $2,000 that increase the useful lives of the assets are capitalized and depreciated. Donated property and equipment are recorded at their fair value at the date of gift. Depreciation for financial reporting is computed using straight-line and accelerated methods over the following estimated useful lives of the assets:

Buildings and improvements	39 years
Furniture and equipment	3 to 15 years
Software	3 years
Vehicles	3 to 5 years

Leases

The Organization accounts for leases in accordance with FASB ASC 842. The Organization is a lessee in several noncancellable operating leases for office space. Leases for other equipment are evaluated using the criteria outlined in FASB ASC 842 to determine whether they will be classified as operating leases or finance leases. The Organization determines if an arrangement is a lease, or contains a lease, at inception of a contract and when terms of an existing contract are changed. The Organization recognizes a right-of-use ("ROU") asset and lease liability at the commencement date of the lease. Operating lease ROU assets and related current and long-term portions of operating lease liabilities are presented on the consolidated statement of financial position in operating lease right-of-use assets; operating lease liabilities, due in one year and operating lease liabilities, due after one year.

ROU assets: A ROU asset is measured at the commencement date at the amount of the initially measured liability plus any lease payments made to the lessor before or after commencement date, minus any lease incentives received, plus any initial direct costs. Unless impaired, the ROU asset is subsequently measured throughout the lease term at the amount of the lease liability (that is the present value of the remaining lease payments), plus unamortized initial direct costs, plus (minus) any prepaid (accrued) lease payments, less the unamortized balance of lease incentives received. Lease cost for lease payments is recognized on a straight-line basis over the lease term. Finance lease ROU assets are amortized on a straight-line basis over the shorter of the lease term or the remaining useful life of the asset.

(continued)

2. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (continued)

Leases (continued)

Lease liabilities: A lease liability is measured based on the present value of its future lease payments. Variable payments are included in the future lease payments when those variable payments depend on an index or rate and are measured using the index or rate at the commencement date. Lease payments, including variable payments made based on an index rate, are remeasured when any of the following occur: (1) the lease is modified (and the modification is not accounted for as a separate contract), (2) certain contingencies related to variable lease payments are resolved, or (3) there is a reassessment of any of the following: the lease term, purchase options, or amounts that are probable of being owed under a residual value guarantee. The discount rate is the rate implicit in the lease if it is readily determinable; otherwise, the Organization uses its incremental borrowing rate. The implicit rates of the Organization's leases are not readily determinable; accordingly, the Organization uses its incremental borrowing rate based on the information available at the commencement date for each lease. The Organization's incremental borrowing rate for a lease is the rate of interest it would have to pay on a collateralized basis to borrow an amount equal to the lease payments under similar terms and in a similar economic environment and geographic location. If present, options to extend or terminate the lease are considered in determining the lease term, if it is reasonably certain that the option will be exercised.

As a practical expedient, the Organization has elected an accounting policy not to separate non-lease components from lease components and instead account as a single lease component. The Organization has also elected for all underlying classes of assets, to not recognize ROU assets and lease liabilities for short-term leases that have a lease term of 12 months or less, but greater than 1 month at lease commencement, and do not include an option to purchase the underlying asset that the Organization is reasonably certain to exercise. The Organization recognizes lease cost associated with its short-term leases on a straight-line basis over the lease term.

Vacation Pay

Vacation pay is accrued as a liability when earned by the employees since the employees receive vested rights to this employee benefit.

Contributions

Contributions that are restricted by the donor are reported as an increase in net assets without donor restrictions if the restriction expires in the reporting period in which the contribution is received. All other donor-restricted contributions are reported as increases in net assets with donor restrictions. When a restriction expires, donor-restricted net assets are reclassified to net assets without donor restrictions.

(continued)

2. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (continued)

Functional Allocation of Expenses

The cost of providing program and supporting services has been summarized on a functional basis in the accompanying statement of activities and statement of functional expenses. Accordingly, certain costs have been allocated among the programs and supporting services benefited. Management allocates shared facilities expenses based on a per capita basis. Technology and equipment expenses are allocated based on percentage of total units as surveyed at the start of the year. Payroll expenses are allocated directly to the programs and supporting services benefited based on actual time worked or time studies.

Revenue from Contracts with Customers

Management has analyzed the Organization's contracts with customers and evaluated the nature, amount, timing and uncertainty of revenue and cash flows in accordance with ASC 606 using the five-step process provided in the accounting standard.

Revenue from contracts with customers is derived from services rendered to clients for residential and outpatient substance abuse disorder treatment. The services provided have no fixed duration and can be terminated by the client or the Organization at any time, and therefore, each service is its own stand-alone contract consisting of a single performance obligation. Contracts do not contain any form of variable consideration and there are no contract assets or contract liabilities arising from the services provided. Outpatient services consist of group and individual therapy as well as education programs. Residential services provide room and board, daily. Performance obligations are satisfied at a point in time, when the client has received and consumed the benefits of the service provided. The transaction price of each performance obligation is determined by established billing rates reduced by contractual adjustments provided to third-party payers, discounts provided to uninsured clients and implicit price concessions. Contractual adjustments and discounts are based on contractual agreements, discount policies and historical experience. Implicit price concessions are based on historical collection experience. Typically, clients and third-party payers are billed within several days of the service being performed and payments are due based on contract terms. Revenue from contracts with customers is reported at the estimated net realizable amount from payers for services rendered. As performance obligations relate to contracts with a duration of one year or less the Organization elected the optional exemption under ASC 606 to not disclose the transaction price for remaining performance obligations at the end of the reporting period or when the Organization expects to recognize the revenue. As clients are under no obligation to continue treatment with the Organization, there are minimal unsatisfied performance obligations at the end of the reporting period.

See Note 11 – Revenue from Contracts with Customers, for additional related disclosures.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Donated Goods, Facilities and Services

Donated goods and facilities are valued at fair market value. Donated services are recognized in the consolidated financial statements at fair market value if the following criteria are met:

- The services require specialized skills and the services are provided by individuals possessing those skills.
- Their services would typically need to be purchased if not donated.

Although the Organization utilizes the services of many outside volunteers, the fair value of these services is not recognized in the accompanying statements since they do not meet the criteria for recognition under generally accepted accounting principles.

Advertising

Advertising costs are expensed as incurred or when the first advertising takes place. The Organization does not participate in direct-response advertising which requires the capitalization and amortization of the related cost. Total advertising was $7,844 for the year ended September 30, 2023.

Income Tax

The Haven is exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code and Arizona Revised Statutes Section 43-1201(4). The Haven Butterfly Foundation intends to file Form 1023 with the Internal Revenue Service to also consider be considered exempt, but it did not have any receipts for the year ended September 30, 2023. Therefore, no provision for income taxes has been made in the accompanying consolidated financial statements. However, income from certain activities not directly related to the organizations' tax-exempt purpose may be subject to taxation as unrelated business income. The Haven qualifies for the charitable contribution deduction under Section 170(b)(1)(A) and has been classified as an organization other than a private foundation under Section 509(a)(1). The Haven Butterfly Foundation intends to file Form 1023 to also qualify for the aforementioned charitable contribution deduction and classification as an organization other than a private foundation.

The Organization has adopted the revised provisions of FASB ASC Topic 740-10, *Accounting for Uncertainty in Income Taxes*, which prescribes a recognition threshold and measurement attribute for financial statement recognition and measurement of a tax position taken or expected to be taken in a tax return. For those benefits to be recognized, a tax position must be more-likely-than-not to be sustained upon examination by taxing authorities. For the year ended September 30, 2023, the Organization has no material uncertain tax positions to be accounted for in the consolidated financial statements under these rules.

Any interest and penalties assessed to the Organization are recorded in operating expenses. For the year ended September 30, 2023, there were no interest or penalties recorded in the accompanying consolidated financial statements.

(continued)

3. LIQUIDITY AND AVAILABILITY OF FUNDS

The Organization's financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the statement of financial position date, are as follows.

Financial assets at year-end:	
Cash and cash equivalents	$ 530,853
Accounts receivable, net	397,403
Investments and certificates of deposit	3,837,411
Total financial assets	4,765,667
Less amounts not available to be used within one year:	
Net assets with donor restrictions	(221,383)
Financial assets available to meet general expenditures over the next twelve months	$ 4,544,284

The Organization regularly monitors liquidity required to meet its operating needs and other commitments, while also maximizing funds available for low-risk investment with a focus on maintaining principle. The Organization invests primarily in a brokered certificate of deposit account with a small allocation to mutual funds and exchange-traded funds.

For purposes of analyzing resources available to meet general expenditures over a 12-month period, the Organization considers all expenditures related to its ongoing activities of behavioral health substance use disorder services for women to be general expenditures.

In addition to financial assets available to meet general expenditures over the next 12 months, the Organization operates with a balanced budget and anticipates collections of earned revenue sufficient to cover general expenditures. Donations and grants with restrictions are minimal and ordinarily spent within a year's time.

(continued)

4. PROPERTY AND EQUIPMENT

Property and equipment and related accumulated depreciation at September 30, 2023, consists of the following:

Land	$ 378,866
Building and improvements	2,257,411
Furniture, fixtures, and refurbishments	560,114
Vehicles	179,514
Software	302,303
Total	3,678,208
Less accumulated depreciation	(1,897,073)
Net property and equipment	$ 1,781,135

5. LEASES

The Organization has obligations as a lessee in several noncancelable leases for office space with initial noncancelable terms in excess of one year. These leases have initial terms ranging from 7 to 11 years and contain options to extend the term an additional 10 years. Because the Organization is not reasonably certain to exercise the renewal options, the optional periods are not included in determining the lease term, and associated payments under the renewal options are excluded from lease payments used to determine the lease liabilities. The Organization's leases do not include early termination options for either party to the lease, guaranteed residual values or restrictive financial or other covenants. These leases have been classified as operating leases.

Payments due under the office space lease contracts include both fixed payments and variable payments. The variable payments are for the Organization's proportionate share of the buildings' property taxes. These variable payments are not included in lease payments used to determine lease liabilities and are recognized as variable lease costs when incurred.

(continued)

5. LEASES (continued)

The components of lease expenses allocated in the consolidated statement of financial position for the year ended September 30, 2023, are as follows:

	Program Services	General and Administrative	Total
Operating lease expense	$ 233,125	$ 105,511	$ 338,636
Variable payment lease expense	16,218	7,344	23,562
Total lease expense	$ 249,343	$ 112,855	$ 362,198

Supplemental operating cash flow information related to leases for the year ended September 30, 2023 is as follows:

Cash paid for operating leases included in cash flows from operating activities	$ 312,519
Cash paid for variable lease expenses included in cash flows from operating activities	$ 23,562

For the year ended September 30, 2023, the weighted average remaining lease term for operating leases is 5.6 years and the weighted average discount rate is 3.11%.

Maturities of future minimum undiscounted lease payments, including interest, are as follows for the years ending September 30:

2024	$ 328,144
2025	344,552
2026	361,780
2027	379,869
2028	210,673
Thereafter	366,979
Total minimum lease payments	1,991,997
Less present value adjustment	(179,954)
Present value of operating lease liabilities	$ 1,812,043

(continued)

6. INVESTMENTS

Investments are valued at fair market value and consist of the following at September 30, 2023:

Marketable securities	
Mutual Funds	$ 299,520
Exchange-traded funds	131,849
Certificates of deposit	3,406,042
Total investments	$ 3,837,411

Investment loss consisted of the following for the year ended September 30, 2023:

Unrealized and realized gains and losses	$ 30,464
Fees	(20,595)
Investment gain, net	$ 9,869

7. FAIR VALUE MEASUREMENTS

U.S. generally accepted accounting principles establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. This hierarchy consists of three broad levels: Level 1 inputs consists of unadjusted quoted prices in active markets for identical assets and have the highest priority, Level 2 inputs consist of observable inputs other than quoted prices for similar assets, and Level 3 inputs have the lowest priority. The Organization uses appropriate valuation techniques based on the available inputs to measure the fair value of its investments. When available, the Organization measures fair values using Level 1 input because they generally provide the most reliable evidence of fair value.

Level 1 Fair Value Measurements are based on quoted prices (unadjusted) in active markets for identical assets that the reporting entity has the ability to access at the measurement date. An active market for the assets is a market in which transactions for the asset occur with sufficient frequency and volume to provide pricing information on an ongoing basis.

Level 2 Fair Value Measurements are based on inputs other than quoted prices included within Level 1 that are observable for the asset, either directly or indirectly. If the asset has a specified (contractual) term, a Level 2 input must be observable for substantially the full term of the asset.

(continued)

7. **FAIR VALUE MEASUREMENTS** (continued)

Level 3 Fair Value Measurements are based on unobservable inputs for the asset. Unobservable inputs shall be used to measure fair value to the extent that relevant observable inputs are not available, thereby allowing for situations in which there is little, if any, market activity for the assets at the measurement date. However, the fair value measurement objective remains the same, that is, an exit price from the perspective of a market participant that holds the asset. Therefore, unobservable inputs shall reflect the reporting entity's own assumptions about the assumptions that market participants would use in pricing the asset (including assumption about risk). Unobservable inputs shall be developed based on the best information available in the circumstances, which might include the reporting entity's own data.

The following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in the methodologies used at September 30, 2023.

- Certificates of deposits are traded on the secondary market. They are carried at fair value and are classified as either short-term or long-term based on their maturity dates.

- Mutual funds and exchange-traded funds are valued at the closing price reported on the active market on which the individual securities are traded.

The methods described above may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, while the Organization believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

The following table sets forth by level, within the fair value hierarchy, the Organization's investment assets at fair value as of September 30, 2023:

	Level 1	Level 2	Level 3	Total
Mutual funds	$ 299,520	$ -	$ -	$ 299,520
Exchange-traded funds	131,849	-	-	131,849
Certificates of deposit	-	3,406,042	-	3,406,042
Total investments at fair value	$ 431,369	$ 3,406,042	$ -	$ 3,837,411

8. REFUNDABLE ADVANCES

Refundable advances of $351,222 at September 30, 2023, consists of American Rescue Plan grant funds received but not yet earned. The Organization expects to perform the services necessary in order to earn as revenue the entire balance within the next fiscal year.

9. LONG-TERM DEBT

Long-term debt consists of the following as of September 30, 2023:

	Collateral	Interest Rate	Monthly Payment	Maturity Date	Balance
Business loan	Real property	4.24%	$ 3,681	Dec 2034	$ 617,493
Capital lease	Equipment	10.00%	1,139	Aug 2025	23,839
					641,332
	Less amounts due within one year				(30,166)
	Notes payable due after one year				$ 611,166

The aggregate annual maturities of long-term debt are as follows for the years ending September 30,

2024	$ 30,166
2025	31,089
2026	19,967
2027	20,830
2028	21,668
Thereafter	517,612
Total	$ 641,332

(continued)

10. NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions activity was as follows for the year ended September 30, 2023:

	Beginning Balance	Additions	Releases	Ending Balance
Stonewall	$ 154,531	$ 15,651	$ (1,208)	$ 168,974
O'Rielly Foundation	12,210	7,500	(19,710)	-
Arizona Blue Foundation	-	44,995	(1,556)	43,439
All Smiles Program	4,602	-	(1,381)	3,221
Kid Costs	-	5,000	(4,920)	80
Wellbriety	2,455	-	-	2,455
Other miscellaneous	1,049	1,000	(802)	1,247
Native Ways	720	7,500	(6,253)	1,967
Total	$ 175,567	$ 81,646	$ (35,830)	$ 221,383

All the Organization's net assets with donor restrictions are restricted for purpose. Net assets with donor restrictions are reclassified to net assets without donor restrictions in the period when the donor specified purpose has been satisfied.

11. REVENUE FROM CONTRACTS WITH CUSTOMERS

The following table disaggregates revenue by major source and type of service for the year ended September 30, 2023:

	Government Contract	Client Self-pay
Residential	$ 3,045,888	$ 12,455
Outpatient	2,019,069	13,380
Intake	57,935	225
CRRSAA	194,619	-
Native Ways	831,557	4,770
Administration	30,889	-
Total	$ 6,179,957	$ 30,830

Receivables from contracts with customers at September 30, 2023 and October 1, 2022 were $397,403 and $446,100, respectively, net of allowance for uncollectible amounts of $137,653 and $177,690, respectively.

(continued)

12. CONCENTRATION OF CREDIT RISK

The Organization grants unsecured short-term credit to its various customers. The Organization performs ongoing credit evaluations of its customers. Accounts receivable from four major funding agencies account for 75% of total accounts receivable. No other customer represents more than 10% of total accounts receivable.

The Organization maintains its cash balances in financial institutions. The Federal Deposit Insurance Corporation (FDIC) insures the Organization's cash balances up to $250,000 per federally insured institution. The Organization did not have any uninsured balances at September 30, 2023. The Organization maintains investment accounts which are comprised in part of marketable securities from various United States banks. The balance of these investment accounts at September 30, 2023 was $4,238,172, which is included in investments, certificates of deposit, and cash equivalents in the statement of financial position. It is the opinion of management that the solvency of the referenced financial institutions and government agencies is not of concern at this time.

13. CONCENTRATION OF REVENUE

During the year ended September 30, 2023, revenue from government contracts was concentrated in three major funding agencies.

14. RETIREMENT PLAN

The Organization sponsors a simplified employee plan (the "Plan") covering substantially all employees who have completed at least one year of service and have attained the age of 21 years at the anniversary date of the Plan. The Organization's matching and nonelective contribution is an amount the employer, in its sole discretion, may determine. Total plan expense for the year ended September 30, 2023 was $71,345.

15. OTHER CONTINGENCIES

Support from government agencies

The Organization receives a substantial amount of its support from governmental agencies. A significant reduction in the level of this support could have a material effect on the programs and activities of the Organization. Governmental agency funding is subject to compliance audits. Assessments for such audits, if any, are recorded when the amounts of such assessments are reasonably determinable.

16. SUBSEQUENT EVENTS

Management evaluated subsequent events through January 19, 2024, which is the date on which the consolidated financial statements were available to be issued.

SUPPLEMENTARY INFORMATION

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

INDEPENDENT AUDITOR'S REPORT

Board of Directors
The Haven and Subsidiaries
Tucson, Arizona

We have audited 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, the consolidated financial statements of The Haven and Subsidiaries, (collectively the "Organization") (a nonprofit organization) which comprise the consolidated statement of financial position as of September 30, 2023, the related consolidated statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated January 19, 2024.

<u>Report on Internal Control Over Financial Reporting</u>

In planning and performing our audit of the financial statements, we considered the Organization's internal control over financial reporting to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control. Accordingly, we do not express an opinion on the effectiveness of the Organization'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 combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the Organization's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

(continued)

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

Report on Compliance and Other Matters

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

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Organization'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 Organization's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Regier Carr & Monroe, L.L.P.

January 19, 2024
Tucson, Arizona

REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM AND REPORT ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH THE UNIFORM GUIDANCE

INDEPENDENT AUDITOR'S REPORT

Board of Directors
The Haven and Subsidiaries
Tucson, Arizona

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited The Haven and Subsidiaries' (collectively the "Organization") compliance with the types of compliance requirements identified as subject to audit in the *OMB Compliance Supplement* that could have a direct and material effect on each of the Organization's major federal programs for the year ended September 30, 2023. The Organization's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the Organization complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended September 30, 2023.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*); 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). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the Organization and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of the Organization's compliance with the compliance requirements referred to above.

(continued)

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to the Organization's federal programs.

Auditor's Responsibility for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the Organization's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the Organization's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the Organization's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the Organization's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances 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 the Organization's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

(continued)

Other Matters

The results of our auditing procedures disclosed instances of noncompliance which are required to be reported in accordance with the Uniform Guidance and which are described in the accompanying schedule of findings and questioned costs as item 2023-001. Our opinion on each major federal program is not modified with respect to these matters. *Government Auditing Standards* requires the auditor to perform limited procedures on the Organization's response to the noncompliance findings identified in our audit described in the accompanying schedule of findings and questioned costs. The Organization's response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

Report on Internal Control Over Compliance

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance 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, as discussed below, we did identify a deficiency in internal control, described in the accompanying schedule of findings and questioned costs as item 2023-001, that we consider to be a significant deficiency.

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 a 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. We consider the deficiencies in internal control over compliance described in the accompanying schedule of findings and questioned costs as item 2023-001 to be a significant deficiency.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed. *Government Auditing Standards* requires the auditor to perform limited procedures on the Organization's response to the internal control over compliance findings identified in our audit described in the accompanying schedule of findings and questioned costs. The Organization's response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

(continued)

Purpose of this Report

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.

Regier Carr & Monroe, L.L.P.

January 19, 2024
Tucson, Arizona

THE HAVEN AND SUBSIDIARY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended September 30, 2023

Federal Grantor/Pass Through Grantor/Program Title	Pass-Through Entity Identifying Number	Federal Assistance Listing Number	Federal Funds Expended
U.S. Department of the Treasury			
Passed through Arizona Council of Human Service Providers:			
Coronavirus State and Local Fiscal Recovery Funds	N/A	21.027	$ 8,520
Total U.S. Department of the Treasury			8,520
U.S. Department of Health and Human Services:			
Passed through Arizona Complete Health:			
Block Grants for Prevention and Treatment of Substance Abuse	N/A	93.959	534,344
Block Grants for Prevention and Treatment of Substance Abuse Supplemental Appropriations ACT (CRRSAA) Funding	N/A	93.959	194,619
Passed through the University of Arizona			
Substance Abuse and Mental Health Services Projects of Regional and National Significance	N/A	93.243	81,200
Passed through UnitedHealth Group			
Provider Relief Fund and American Rescue Plan	CR-66813340834	93.498	9,534
Total U.S. Department of Health and Human Services			819,697
Total Expenditures of Federal Awards			$ 828,217

THE HAVEN AND SUBSIDIARIES
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended September 30, 2023

1. BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards ("Schedule") includes the federal grant activity of the Organization and is presented on the accrual basis of accounting. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards.* Because the Schedule presents only a selected portion of the operations of the Organization, it is not intended to and does not present the financial position, changes in net assets, or cash flows of the Organization.

The Organization did not pass through any of the federal awards during the audit year.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures included on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance wherein certain types of expenditures are not allowable or are limited as to reimbursement.

3. INDIRECT COST RATE

The Organization did not recover its indirect costs using the 10% *de minimus* indirect cost rate provided under Section 200.414 of the Uniform Guidance.

THE HAVEN AND SUBSIDIARIES
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended September 30, 2023

Section I – Summary of Auditor's Results

<u>Financial Statements</u>

Type of auditor's report issued on whether the financial statements audited were prepared in accordance with GAAP:	Unmodified
Internal control over financial reporting:	
Material weaknesses identified?	No
Significant deficiencies identified?	None reported
Noncompliance material to financial statements noted?	No

<u>Federal Awards</u>

Internal control over major federal programs:	
Material weaknesses identified?	No
Significant deficiencies identified?	Yes
Type of auditor's report issued on compliance for major federal programs:	Unmodified
Any audit findings disclosed that are required to be reported in accordance with 2 CFR section 200.516(a)?	Yes

Identification of major programs:

Assistance Listing Number	Name of Federal Program or Cluster
93.959	Block Grants for Prevention and Treatment of Substance Abuse

Dollar threshold used to distinguish between Type A and Type B programs:	$ 750,000
Auditee qualified as low-risk auditee?	No

Section II - Financial Statement Findings

None noted.

Section III - Federal Award Findings and Questioned Costs

Finding Number 2023-001 Internal Controls over Reporting, United States Department of Health and Human Services, Substance Abuse Prevention and Treatment Block Grant (SABG), ALN 93.959, October 1, 2022 through September 30, 2023 (Significant Deficiency).

Statement of Condition:

For the six reports required to be submitted to the funding agency that were sampled, one report did not have accurate information reported.

Questioned Costs:

None.

Criteria:

The Organization must have adequate controls implemented over its preparation and submission of reports to ensure accurate and complete reporting.

Cause:

The Organization's review process over its preparation and submission of required reports failed.

Effect:

With inaccurate information reported, the Organization could be in noncompliance with reporting standards set by the grant.

Recommendation:

We recommend the Organization strengthen its review process over its reporting requirements.

Management Response:

Management agrees with the finding. Procedures are being implemented to ensure a review of the program's reports is conducted after all accounting for the reports' periods have been finalized.

THE HAVEN AND SUBSIDIARIES
SCHEDULE OF PRIOR YEAR FINDINGS AND QUESTIONED COSTS
For the Year Ended September 30, 2023

Prior Audit Findings Unresolved:

None

Prior Audit Findings Resolved:

Finding Number 2022-001: A level of review was enacted over changes to the Organization's electronic health records.

Finding Number 2022-002: A level of review was enacted over the Organization's SABG programs reports.

THE HAVEN
Recovery with Respect

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December 26, 2023

Management Response to Audit Findings

Significant Deficiencies:

2023-001 Inaccurate information reported

Revenue was overstated on Quarter 4 Deliverable FN-403 for SUBG profit corridor report.

The final general ledger of October 26, 2023, did not tie to the profit corridor report submitted on October 16, 2023, as prepared by Cynthia Duncan and approved by Aimee Graves. The profit corridor on the original report was -1%.

A corrected report was submitted on November 09, 2023, by Cynthia Duncan and approved by Aimee Graves. The corrected profit corridor was -3%.

The Deliverable should not be filed until the general ledger is finalized.

Contact Information:
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