

SAFE HARBOR AND SUBSIDIARY

**Consolidated Financial Statements
with Supplementary Information**

June 30, 2025

(With Independent Auditor's Report Thereon)

SAFE HARBOR AND SUBSIDIARY

Table of Contents

	<u>Page</u>
Independent Auditor's Report	1 - 3
Consolidated Financial Statements:	
Consolidated Statement of Financial Position	4
Consolidated Statement of Activities	5
Consolidated Statement of Functional Expenses	6
Consolidated Statement of Cash Flows	7
Notes to the Consolidated Financial Statements	8 - 17
Other Supplementary Information:	
Schedule of Compensation, Benefits, and Other Payments to Agency Head	18
Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	19 - 20
Schedule of Findings	21
Status of Prior Year Findings	22



Stephen M. Griffin, CPA
Robert J. Furman, CPA

Howard P. Vollenweider, CPA
Jessica S. Benjamin
Racheal D. Alvey
Michael J. Caparotta, CPA

Michael R. Choate, CPA

American Society of Certified Public Accountants
Society of Louisiana CPAs

Independent Auditor's Report

**To the Board of Directors
Safe Harbor and Subsidiary
Mandeville, Louisiana**

Opinion

We have audited the accompanying consolidated financial statements of Safe Harbor and Subsidiary (both nonprofit organizations), which comprise the consolidated statement of financial position as of June 30, 2025, 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 consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of Safe Harbor and Subsidiary as of June 30, 2025, and the changes in its consolidated net assets and its consolidated cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, 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 Financial Statements section of our report. We are required to be independent of Safe Harbor and Subsidiary to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the 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.

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 Safe Harbor and Subsidiary's ability to continue as a going concern for twelve months beyond the consolidated financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the 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 opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and, therefore, is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, 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 Safe Harbor and Subsidiary'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 Safe Harbor and Subsidiary's ability to continue as a going concern for a reasonable period of time.

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

Report on Other Supplementary Information

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 23, 2025 on our consideration of Safe Harbor and Subsidiary's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, 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 Safe Harbor and Subsidiary'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 Safe Harbor and Subsidiary's internal control over financial reporting and compliance.

Griffin & Furman, LLC

December 23, 2025

Covington, Louisiana

SAFE HARBOR AND SUBSIDIARY**Consolidated Statement of Financial Position****June 30, 2025****Assets****Current assets:**

Cash - unrestricted	\$	419,296	
Cash - restricted		<u>254,966</u>	
Total cash			674,262

Grants receivable			429,625
Prepaid expenses			<u>18,437</u>
Total current assets			<u>1,122,324</u>

Noncurrent assets:

Lease asset, net		335,325	
Property and equipment, net		306,328	
Other assets		<u>5,463</u>	
Total noncurrent assets			<u>647,116</u>

Total assets	\$		<u><u>1,769,440</u></u>
--------------	----	--	-------------------------

Liabilities and Net Assets**Liabilities:****Current liabilities:**

Accounts payable	\$	3,992	
Payroll liabilities		71,167	
Lease liability		<u>76,915</u>	
Total current liabilities			152,074

Noncurrent liabilities:

Lease liability, net of current portion		<u>295,773</u>	
Total non-current liabilities			<u>295,773</u>

Total liabilities			447,847
-------------------	--	--	---------

Net assets:

Without donor restrictions		1,066,627	
With donor restrictions		<u>254,966</u>	
Total net assets			<u>1,321,593</u>

Total liabilities and net assets	\$		<u><u>1,769,440</u></u>
----------------------------------	----	--	-------------------------

See accompanying notes to the consolidated financial statements.

SAFE HARBOR AND SUBSIDIARY**Consolidated Statement of Activities****For the Year Ended June 30, 2025**

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Revenue, gains, and other support:			
Grants	\$ 269,425	948,713	1,218,138
Service fees	-	525,000	525,000
United Way designations	7,639	-	7,639
In-kind donations	17,700	-	17,700
Contributions	87,579	-	87,579
Special events	98,677	-	98,677
Net assets released from restrictions	<u>1,266,902</u>	<u>(1,266,902)</u>	<u>-</u>
Total revenue, gains, and other support	<u>1,747,922</u>	<u>206,811</u>	<u>1,954,733</u>
Expenses:			
Program services	1,430,552	-	1,430,552
Supporting services:			
Management and general	151,780	-	151,780
Fundraising	<u>20,523</u>	<u>-</u>	<u>20,523</u>
Total expenses	<u>1,602,855</u>	<u>-</u>	<u>1,602,855</u>
Change in net assets:	145,067	206,811	351,878
Net assets - beginning of year	<u>921,560</u>	<u>48,155</u>	<u>969,715</u>
Net assets - end of year	<u>\$ 1,066,627</u>	<u>254,966</u>	<u>1,321,593</u>

See accompanying notes to the consolidated financial statements.

SAFE HARBOR AND SUBSIDIARY

Consolidated Statement of Functional Expenses

For the Year Ended June 30, 2025

	Program Services	Supporting Services		Total
		Management and General	Fundraising	
Salaries and benefits	\$ 700,597	48,000	-	748,597
Payroll taxes	136,178	9,330	-	145,508
Total salaries and related expense:	836,775	57,330	-	894,105
Accounting and consulting	-	13,022	-	13,022
Client services	315,397	-	-	315,397
Community awareness and events	-	1,559	-	1,559
Depreciation and amortization	84,501	9,182	-	93,683
Dues and subscriptions	-	9,961	-	9,961
Food supplies	13,152	-	-	13,152
Fundraising expense	-	-	20,523	20,523
Insurance	38,901	9,312	-	48,213
Interest	-	22,821	-	22,821
Miscellaneous	8,409	-	-	8,409
Office supplies	16,523	16,529	-	33,052
Rent expense	6,172	543	-	6,715
Repairs and maintenance	52,588	5,446	-	58,034
Telephone	12,315	3,079	-	15,394
Utilities	45,819	2,996	-	48,815
Total functional expenses	\$ 1,430,552	151,780	20,523	1,602,855

See accompanying notes to the consolidated financial statements.

SAFE HARBOR AND SUBSIDIARY

Consolidated Statement of Cash Flows

For the Year Ended June 30, 2025

Cash flows from operating activities:		
Change in net assets	\$	351,878
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation and amortization		93,683
Increases in assets:		
Grants receivable		(218,855)
Prepaid expenses		(258)
Increases in liabilities:		
Accounts payable		3,213
Payroll liabilities		24,219
Net cash provided by operating activities		<u>253,880</u>
Cash flows from investing activities:		
Purchase of property and equipment		<u>(4,321)</u>
Net cash used by investing activities		(4,321)
Cash flows from financing activities:		
Change in lease liability		<u>(73,179)</u>
Net cash used by financing activities		<u>(73,179)</u>
Net increase in cash		176,380
Cash, beginning of year		<u>497,882</u>
Cash, end of year	\$	<u><u>674,262</u></u>
Reconciliation of cash:		
Cash - unrestricted	\$	419,296
Cash - restricted		<u>254,966</u>
Total	\$	<u><u>674,262</u></u>

See accompanying notes to the consolidated financial statements.

SAFE HARBOR AND SUBSIDIARY

Notes to the Consolidated Financial Statements

June 30, 2025

(1) Summary of Significant Accounting Policies

(a) Nature of Activities

Safe Harbor, (the Organization) was incorporated in January 1991 as a Louisiana non-profit corporation as described in Section 501(c)(3) of the Internal Revenue Code and is exempt from federal and state income taxes. The Organization provides services to adults and their dependent children who are victims of domestic violence. The Safe Harbor Domestic Violence Shelter Program (the Shelter) provides temporary housing for its clients. Clients also receive food and clothing, as well as information on housing, legal, and welfare aid and assistance in educational and employment matters. There is also a full-time children's coordinator at the Shelter to oversee a fully-developed children's program. The Organization incorporates counseling, case management, court advocacy, and referrals to community-based programs. All services are free and confidential, and a crisis line is answered 24 hours a day by staff or volunteers.

Phoenix Partners, Inc. is a Louisiana non-profit corporation formed in January 2008 under authority and at the discretion of the Board of Directors of Safe Harbor. On April 29, 2009, Phoenix Partners, Inc. acquired by purchase, a building and land in Slidell, Louisiana to use as an outreach office in that community. Commencing with the fiscal year ending June 30, 2010, the financials of Phoenix Partners, Inc. are consolidated into the financials of the Organization.

The Organization has their main facility in western St. Tammany Parish located in Mandeville, Louisiana. The Organization also has an outreach office in Slidell to serve only as a meeting place for court appearances and as a location for individual or group counseling and legal advocacy.

In an endeavor to keep the location of the battered women's shelter secret from the general public, the Organization has a policy of allowing donors to call the Safe Harbor telephone number listed in the telephone book, and arrangements can be made to pick up the donation at a prearranged time and location agreed upon by the Organization's representative and donor.

(b) Basis of Accounting

The financial statements of the Organization have been prepared on the accrual basis of accounting and accordingly revenues and gains are recognized when earned, and expenses and losses are recognized when incurred.

(c) Basis of Presentation

The financial statement presentation follows the recommendations of the Financial Accounting Standards Board (FASB) in its Accounting Standards Codification (ASC) 958-210-50-3, *Financial Statements of Not-for-Profit Organizations*. Under FASB ASC 958-210-50-3, The Organization is required to report information regarding its financial position and activities according to two classes of net assets:

Net assets with donor restrictions - The part of net assets of a non-profit entity that is subject to donor-imposed restrictions (donors include other types of contributors, including makers of certain grants).

SAFE HARBOR AND SUBSIDIARY

Notes to the Consolidated Financial Statements

June 30, 2025

Net assets without donor restrictions - The part of net assets of a non-profit entity that is not subject to donor-imposed restrictions (donors include other types of contributors, including makers of certain grants).

(d) **Public Support and Revenue**

Contributions are reported as increases in net assets with donor restrictions or net assets without donor restrictions depending on the existence and/or nature of any donor restrictions.

Grants and contributions without donor restrictions are recorded as revenue when received or unconditionally pledged. Contributions with donor restrictions are reported as increases in net assets without donor restrictions if the restrictions expire, that is, when a stipulated time restriction ends or purpose restriction is accomplished, in the reporting period in which the revenue is recognized.

Contributions of donated noncash assets are recorded at their fair values in the period received. Contributions of donated services that create or enhance nonfinancial assets or that require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation, are recorded at their fair values in the period received.

(e) **Consolidation**

The consolidated financial statements presented include the accounts of the Organization and Phoenix Partners, Inc. However, the accounts of Phoenix Partners, Inc. contain no transactions and are all zero balance accounts, as the Organization has caused the entity to be dormant until a future use is decided.

(f) **Estimates**

Management uses estimates and assumptions in preparing financial statements. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported revenues and expenses. Actual results could differ from those estimates.

(g) **Functional Expense Allocation**

The consolidated financial statements report expenses by both their natural classification and functional classification. Expenses that can be identified with a specific program or supporting service are charged directly based on the nature of the expense.

Shared costs, including occupancy, utilities, insurance, depreciation, and certain administrative salaries, are allocated to program and supporting service categories based on a cost allocation methodology developed by management.

Salaries and related expenses are allocated based on employee time spent on each program or supporting service, as determined through periodic time studies and management review.

SAFE HARBOR AND SUBSIDIARY

Notes to the Consolidated Financial Statements

June 30, 2025

Occupancy and facility-related costs, including utilities, repairs and maintenance, building insurance, and depreciation, are allocated based on square footage utilized by each program.

Office expenses, supplies, technology costs, and other jointly used expenses are allocated based on a combination of time studies, headcount, or usage estimates, depending on the nature of the cost.

Management believes these allocation methods reasonably reflect the consumption of resources by the Village's programs and supporting activities.

(h) Income Tax Status

The Organization is exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code. However, income from certain activities not directly related to the Organization's tax-exempt purpose is subject to taxation as unrelated business income. For the year ended June 30, 2025, the Organization did not have any unrelated business income. Management has evaluated its tax positions and has determined that there are no uncertainties in income taxes that require adjustments to or disclosures in the financial statements. The 2022 through 2024 tax years remain subject to examination by the IRS. Management does not believe that any reasonably possible changes will occur within the next 12 months that will have a material impact on the financial statements.

(i) Operations

The Organization has entered into grant agreements and reimbursement contracts with various local, state, and federal governmental entities. Noncompliance with the terms of these agreements and contracts could have a significant adverse effect on the operations of the Organization.

(j) In-Kind Donations

The Organization's policy is to recognize contributed professional services if the services received create or enhance nonfinancial assets or require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation. Contributions of tangible assets and materials are recognized at fair value when received. The Organization does not sell donated in-kind gifts. In-kind donations amounted to \$17,700 for the year ended June 30, 2025.

The Organization also receives donated services from unpaid volunteers who perform a variety of tasks that support the Organization's activities. However, no amounts have been reflected in the financial statements as these services do not meet the criteria for revenue recognition under GAAP.

SAFE HARBOR AND SUBSIDIARY

Notes to the Consolidated Financial Statements

June 30, 2025

(k) Cash and Cash Equivalents

Cash includes operating bank accounts and restricted cash balances. Restricted cash consists of amounts received with donor-imposed restrictions that limit their use to specific programs or purposes. These restricted amounts are not available for general expenditure.

The Organization considers all highly liquid investments with original maturities of three months or less at the time of purchase to be cash equivalents. The Organization did not hold any cash equivalents as of June 30, 2025.

(l) Property and Equipment

The Organization capitalizes property and equipment over \$500. Buildings, major renovations or major repairs, and equipment are stated at cost at the date of acquisition or renovation, or, if donated, at fair value at the date of donation. Minor renovations or repairs are charged to operations as repairs and maintenance as incurred. Depreciation is provided on the straight-line basis over the estimated useful life of the asset, which is 3 to 5 years for furniture and fixtures and vehicles, 40 years for buildings, and 4 to 40 years for leasehold improvements depending on the nature of the leasehold improvement.

(m) Leases

The Organization accounts for leases in accordance with Accounting Standards Codification ASC 842, *Leases*. The Organization evaluates contracts at inception to determine whether the arrangement contains a lease.

Operating leases are recognized on the statement of financial position as right-of-use (“ROU”) assets and corresponding lease liabilities. ROU assets represent the Organization’s right to use an underlying asset over the lease term, and lease liabilities represent the Organization’s obligation to make lease payments arising from the lease. ROU assets and lease liabilities are measured at the lease commencement date based on the present value of lease payments over the lease term.

The Organization uses its incremental borrowing rate to discount lease payments when the rate implicit in the lease is not readily determinable. Lease expense for operating leases is recognized on a straight-line basis over the lease term and is included in occupancy expense in the accompanying statement of functional expenses. Cash payments for operating leases are reported as operating cash flows in the accompanying statement of cash flows.

The Organization has elected not to recognize right-of-use assets and lease liabilities for leases with an initial term of twelve months or less. Lease agreements do not contain material residual value guarantees, and the Organization has elected the practical expedient to not separate lease and non-lease components.

SAFE HARBOR AND SUBSIDIARY

Notes to the Consolidated Financial Statements

June 30, 2025

(2) Liquidity and Availability of Financial Assets

The following table reflects the Organization's financial assets as of June 30, 2025, reduced by amounts that are not available to meet general expenditures within one year of the statement of financial position date because of donor restrictions.

Financial assets available within one year and free of donor or legal restrictions:	
Cash - unrestricted	\$ 419,296
Grants receivable	<u>429,625</u>
Available without restrictions within one year	848,921
Financial assets available within one year, subject to donor or legal restrictions:	
Cash - restricted	<u>254,966</u>
Total financial assets	\$ <u>1,103,887</u>

The Organization is principally supported by grants from the government and other supporters. The goal of the Organization is to maintain available financial assets to meet its next 90 days of operating expenses. In addition, the Organization has access to available liquidity of \$100,000 under a line of credit. (See Note 12.)

(3) Grants Receivable

Grants receivable from various grantor agencies for services provided through June 30, 2025 was \$429,625. All receivables are expected to be received in a timely manner. Management believes the amounts are fully collectible; therefore, they have elected not to record an allowance at June 30, 2025.

(4) Property and Equipment

As of June 30, 2025, property and equipment consisted of the following:

Buildings and improvements	\$ 425,763
Leasehold improvements	88,992
Furniture and fixtures	76,828
Vehicles	<u>14,120</u>
	605,703
Less: Accumulated depreciation	<u>(299,375)</u>
Property and equipment, net	\$ <u>306,328</u>

Depreciation on property and equipment for the year ended June 30, 2025 was \$14,082. The Organization does not hold title to the underlying land on which the buildings are located as of June 30, 2025.

SAFE HARBOR AND SUBSIDIARY

Notes to the Consolidated Financial Statements

June 30, 2025

(5) Cooperative Endeavor Agreement and Leases

The Organization is a charitable beneficiary of Margie’s House, a tax-exempt charitable entity owned by a third party who serves as an advisor to the Organization. The Organization and Margie’s House have entered into a Cooperative Endeavor Agreement (CEA) whereby Margie’s House furnishes the facilities occupied by the Organization. Occupancy is granted and regulated under a lease and the lease is pursuant to the CEA. The lease is an absolute “triple net lease” whereby the Organization is responsible for all costs of ownership, maintenance, repairs, and insurance. The rental paid by the Organization is \$3,500 per month. The lease has a termination date of June 30, 2035. Margie’s House has designated the facilities as part of its “Safe Harbor Support Fund” which consists of the facilities and all fund balances of Margie’s House attributable thereto. This fund is dedicated to the exclusive benefit of the Organization, as long as the Organization maintains operation as a domestic violence program in St. Tammany Parish, maintains its designation as the official domestic violence program by the State of Louisiana Department of Children and Family Services, and remains as a member in good standing with the Louisiana Coalition Against Domestic Violence. These fund conditions have been maintained and satisfied by Safe Harbor for the period reported herein and there are no facts known which indicate Safe Harbor will not continue to satisfy these conditions in the subsequent and following periods.

The Organization entered into a 15-year term for the use of Margie’s House and requires monthly payments of \$3,500, which include both principal and interest. The lease does not include any renewal, purchase, or termination options, and the Organization does not have any residual value guarantees related to the leased property.

The Organization entered into a two-year lease for residential space and requires monthly payments of \$4,500, which includes both principal and interest. The lease does not include any renewal, purchase, or termination options, and the Organization does not have any residual value guarantees related to the leased property.

Upon commencement of these leases, the Organization recognized right-of-use (ROU) assets of \$386,123 and \$102,375 related to two separate operating leases. Corresponding lease liabilities were also recognized in accordance with ASC 842. For the year ended June 30, 2025, amortization of the right-of-use assets totaled \$79,601.

<u>Lease Balances at June 30, 2025</u>	<u>Amount</u>
Right-of-use asset, net	\$ <u>335,325</u>
Lease liability – current portion	76,915
Lease liability – long-term portion	<u>295,773</u>
Total lease liability	\$ <u>372,688</u>

Total lease expense recognized for the year ended June 30, 2025, was approximately \$96,000, representing six months of payments under the lease agreement. Lease expense is included in occupancy expense on the accompanying statement of functional expenses.

SAFE HARBOR AND SUBSIDIARY

Notes to the Consolidated Financial Statements

June 30, 2025

The future minimum lease payments as of June 30, 2025, were as follows:

<u>Year Ending June 30,</u>	<u>Amount</u>
2026	\$ 96,000
2027	42,000
2028	42,000
2029	42,000
2030	42,000
Thereafter	<u>210,000</u>
	474,000
Less: imputed interest	<u>(101,312)</u>
Present value of lease liability	<u>\$ 372,688</u>

For the year ended June 30, 2025, other information related to the operating lease is as follows:

Right-of-use asset obtained in exchange for lease obligation	\$ 488,498
Weighted-average remaining lease term	7.4 years
Weighted-average discount rate	5.65%

(6) Net Assets with Donor Restrictions

Grants

As of June 30, 2025, the Organization has net assets with restrictions associated with grants for family violence program amounting to \$254,966.

(7) Net Assets Released from Restrictions

At the beginning of the year the Organization had \$48,155 of net assets with donor restrictions. During 2025, the Organization received additional net assets with restrictions (grants) of \$1,473,713 for the year. Restrictions were met for \$1,266,902 of these funds during the year.

SAFE HARBOR AND SUBSIDIARY

Notes to the Consolidated Financial Statements

June 30, 2025

(8) Concentrations of Credit Risk and Revenue Sources

Financial instruments, which potentially subject the Organization to concentration of credit risk, consist of cash accounts held with a bank. Cash accounts are insured by the Federal Deposit Insurance Corporation for up to \$250,000. The Organization maintains cash in financial institutions which often exceed the FDIC limits. Management does not believe that it is exposed to any significant credit risk or uninsured amounts.

The Organization receives a significant amount of funding from the State of Louisiana, Department of Children and Family Services (DCFS). Should the DCFS cut its funding or disallow items, this would have a negative impact on the Organization's operations. For the year ended June 30, 2025, the Organization received 36% of its support and revenues from DCFS. Grants receivable included \$220,000 from the DCFS for the year ended June 30, 2025.

(9) Grants from Governmental Agencies

Grants from governmental agencies include the following for the year ended June 30, 2025:

Total funds in the amount of \$612,057 were awarded under a contract with the State of Louisiana, DCFS for the year ended June 30, 2025. The contract is federal pass-through funds from the United States Department of Health and Human Services, Administration for Children and Families, Family Violence Prevention Services-Grants for Battered Women's Shelters, AL #93.671.

Federal pass-through funds in the amount of \$51,477 were received under a contract with the Louisiana Commission of Law Enforcement and Administration of Criminal Justice for the "Domestic Violence Program 7" (VOCA) and Domestic Violence Program project (VAWA) STOP Violence Against Women Program for the year ended June 30, 2025. The federal funds were received from the United States Department of Justice, Office for Victims of Crime AL #16.575 and the Office on Violence Against Women AL #16.588.

Federal funds in the amount of \$225,179 were received under a contract with the United States Department of Housing and Urban Development (HUD). The contract is under HUD's Continuum of Care Program, AL #14.267, that provides leasing, rental, and support services to homeless individuals.

Funds in the amount of \$41,908 were received under a contract with United Way of Southeast Louisiana. The grant was used to provide services to domestic violence survivors.

Funds in the amount of \$208,477 were received under three contracts with the Louisiana Coalition Against Domestic Violence. These grants were used to provide savings matches and rental and utility assistance.

Funds in the amount of \$60,000 were received in the fiscal year ended June 30, 2025, under a contract with the IOLTA Louisiana Bar Association. This grant was used to supplement the salaries of the legal advocates providing legal assistance to the poor.

In accordance with Louisiana Revised Statute 46:2126, a \$12.50 fee is collected on every marriage license issued in the State of Louisiana. This fee is collected by the clerks of court and is remitted to

SAFE HARBOR AND SUBSIDIARY

Notes to the Consolidated Financial Statements

June 30, 2025

DCFS for distribution to each parish’s designated domestic violence shelter. Funds in the amount of \$19,040 were received during the year under this program.

(10) In-Kind Donations

Goods & Household Items

For the year ended June 30, 2025, in-kind contributions consisted various good and household items valued at \$17,700. Value for these items was estimated based on retail value for new items and thrift store value for used items. These items were utilized in the Organization’s domestic violence assistance program.

Contributed Services

The Organization pays for most services requiring specific expertise. However, many individuals donate their time in performing a variety of tasks to assist the Organization’s operations. The donated hours and value of these contributed services have not been included in these consolidated financial statements, as they do not meet the criteria for recognition. For the year ended June 30, 2025 donated hours amounted to 320 with an estimated value of \$4,793.

(11) Accrued Unpaid Leave

The Organization’s full-time employees accrue annual leave as follows:

Year 1-3	7 days/year
Year 4-7	9 days/year
Year 8-10	12 days/year
Year 10-15	14 days/year
Year 15+	21 days/year

Annual leave is not cumulative and normally must be taken in the year earned. Exceptions for carrying over annual leave are limited to five (5) days and require the approval of the Executive Director. Days accumulated beyond five days without prior approval will not be paid or carried over. Sick leave is earned by regular full-time employees at the rate of twelve (12) days per year. Up to five (5) days of accrued sick leave may be carried over to the next year. In the event of resignation or termination, there is no payment for unused sick leave.

The Organization has accrued \$27,254 of accrued unpaid leave as of June 30, 2025, which is included on the consolidated statement of financial position in payroll liabilities.

(12) Line of Credit

The Organization maintains a line of credit with Margie’s House (an entity owned by a third party who serves as an advisor to the Organization as mentioned in Note 5). This unsecured line of credit, due on demand, allows the Organization to borrow up to \$100,000 with an interest rate of 5.65% per annum. As of June 30, 2025, the Organization had no draws on this line of credit leaving an unused amount of \$100,000.

SAFE HARBOR AND SUBSIDIARY

Notes to the Consolidated Financial Statements

June 30, 2025

(13) Related Party Transactions

During the year ended June 30, 2025, Board members contributed approximately \$3,341 to the Organization.

During the year ended June 30, 2025, a board member provided pro bono accounting services to the Organization. The valuation of the services is approximately \$750.

(14) Evaluation of Subsequent Events

The Organization has evaluated subsequent events through December 23, 2025, the date which the consolidated financial statements were available to be issued.

SAFE HARBOR AND SUBSIDIARY

Schedule of Compensation, Benefits, and Other Payments to Agency Head

For the Year Ended June 30, 2025

Agency Head: Kim Kirby

Salary	\$	90,168
Bonuses		6,350
Benefits - insurance (health and dental)		2,106
Benefits - cell phone		1,200
Travel		1,688
		<hr/>
Total compensation, benefits, and other payments	\$	<u><u>101,512</u></u>



Stephen M. Griffin, CPA
Robert J. Furman, CPA

Howard P. Vollenweider, CPA
Jessica S. Benjamin
Racheal D. Alvey
Michael J. Caparotta, CPA

Michael R. Choate, CPA

American Society of Certified Public Accountants
Society of Louisiana CPAs

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

**To the Board of Directors
Safe Harbor and Subsidiary
Mandeville, Louisiana**

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 Safe Harbor and Subsidiary (non-profit corporations), which comprise the consolidated statement of financial position as of June 30, 2025, 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 23, 2025.

Report on Internal Control over Financial Reporting

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

205 E. Lockwood St.
Covington, LA 70433
Phone: (985) 727-9924
Fax: (985) 400-5026

2915 S. Sherwood Forest Blvd., Suite B
Baton Rouge, LA 70816
Phone: (225) 292-7434
Fax: (225) 293-3651

3711 Cypress St. #2
West Monroe, LA 71291
Phone: (318) 397-2472

www.griffinandco.com

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

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether Safe Harbor and Subsidiary'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 consolidated 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 Safe Harbor and Subsidiary'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 Safe Harbor and Subsidiary's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Griffin & Furman, LLC

December 23, 2025

Covington, Louisiana

SAFE HARBOR AND SUBSIDIARY

Schedule of Findings

For the Year Ended June 30, 2025

Summary of Auditor's Results:

- 1. Type of Report Issued - Unmodified**
- 2. Internal Control Over Financial Reporting**
 - a. Significant Deficiencies - No**
 - b. Material Weaknesses - No**
- 3. Compliance and Other Matters - No**
- 4. Management Letter - No**

SAFE HARBOR AND SUBSIDIARY

Status of Prior Year Findings

For the Year Ended June 30, 2025

Not applicable.

SAFE HARBOR AND SUBSIDIARY

Agreed-Upon Procedures

For the Year Ending June 30, 2025

SAFE HARBOR AND SUBSIDIARY

Table of Contents

	<u>Page</u>
Independent Accountant's Report on Applying Agreed-Upon Procedures	1 - 2
Schedule of Findings	3



Stephen M. Griffin, CPA
Robert J. Furman, CPA

Howard P. Vollenweider, CPA
Jessica S. Benjamin
Racheal D. Alvey
Michael J. Caparotta, CPA

Michael R. Choate, CPA

American Society of Certified Public Accountants
Society of Louisiana CPAs

INDEPENDENT ACCOUNTANT'S REPORT
ON APPLYING AGREED-UPON PROCEDURES

To the Board of Directors
Safe Harbor and Subsidiary
Mandeville, Louisiana

We have performed the procedures enumerated below on the control and compliance (C/C) areas identified in the Louisiana Legislative Auditor's (LLA's) Statewide Agreed-Upon Procedures (SAUPs) for the fiscal period July 1, 2024 through June 30, 2025. Safe Harbor and Subsidiary's management is responsible for those C/C areas identified in the SAUPs.

Safe Harbor and Subsidiary has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of the engagement, which is to perform specified procedures on the C/C areas identified in LLA's SAUPs for the fiscal period July 1, 2024 through June 30, 2025. Additionally, LLA has agreed to and acknowledged that the procedures performed are appropriate for its purposes. This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of this report and may not meet the needs of all users of this report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes.

The procedures and associated findings are as follows:

Credit Cards/Debit Cards/Fuel Cards/Purchase Cards (Cards)

1. Obtain from management a listing of all active credit cards, bank debit cards, fuel cards, and purchase cards (cards) for the fiscal period, including the card numbers and the names of the persons who maintained possession of the cards. Obtain management's representation that the listing is complete.

Finding: Procedure performed without exception.

205 E. Lockwood St.
Covington, LA 70433
Phone: (985) 727-9924
Fax: (985) 400-5026

2915 S. Sherwood Forest Blvd., Suite B
Baton Rouge, LA 70816
Phone: (225) 292-7434
Fax: (225) 293-3651

3711 Cypress St. #2
West Monroe, LA 71291
Phone: (318) 397-2472

www.griffinandco.com

2. Using the listing prepared by management, randomly select 5 cards (or all cards if less than 5) that were used during the fiscal period. Randomly select one monthly statement or combined statement for each card (for a debit card, randomly select one monthly bank statement). Obtain supporting documentation, and

a) Observe whether there is evidence that the monthly statement or combined statement and supporting documentation (e.g., original receipts for credit/debit card purchases, exception reports for excessive fuel card usage) were reviewed and approved, in writing (or electronically approved) by someone other than the authorized card holder (those instances requiring such approval that may constrain the legal authority of certain public officials, such as the mayor of a Lawrason Act municipality, should not be reported); and

Finding: Procedure performed without exception.

b) Observe that finance charges and late fees were not assessed on the selected statements.

Finding: Procedure performed without exception.

We were engaged by Safe Harbor and Subsidiary to perform this agreed-upon procedures engagement and conducted our engagement in accordance with attestation standards established by the American Institute of Certified Public Accountants and applicable standards of *Government Auditing Standards*. We were not engaged to and did not conduct an examination or review engagement, the objective of which would be the expression of an opinion or conclusion, respectively, on those C/C areas identified in the SAUPs. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

We are required to be independent of Safe Harbor and Subsidiary and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our agreed-upon procedures engagement.

This report is intended solely to describe the scope of testing performed on those C/C areas identified in the SAUPs, and the result of that testing, and not to provide an opinion on control or compliance. Accordingly, this report is not suitable for any other purpose. Under Louisiana Revised Statute 24:513, this report is distributed by the LLA as a public document.

Griffin & Furman, LLC

December 23, 2025

Covington, Louisiana

SAFE HARBOR AND SUBSIDIARY

Schedule of Findings

For the Year Ended June 30, 2025

Not applicable.