Haven of Rest Ministries of Battle Creek

Financial Statements

June 30, 2023
(With Summarized Comparative Information for 2022)

YEO & YEO

BUSINESS SUCCESS PARTNERS

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Independent Auditors' Report

Management and the Board of Directors
Haven of Rest Ministries of Battle Creek
Battle Creek, Michigan

Opinion
We have audited the accompanying financial statements of Haven of Rest Ministries of Battle Creek (a nonprofit organization), which comprise the statement of financial position as of June 30, 2023, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Haven of Rest Ministries of Battle Creek as of June 30, 2023, and the changes in its net assets and its 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. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Haven of Rest Ministries of Battle Creek and 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 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 financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Haven of Rest Ministries of Battle Creek's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditors' Responsibilities for the Audit of the Financial Statements
Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' 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 generally accepted 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, including omissions, 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, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.

- Identify and assess the risks of material misstatement of the 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 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 Haven of Rest Ministries of Battle Creek'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 financial statements.

- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Haven of Rest Ministries of Battle Creek'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 Summarized Comparative Information
We have previously audited the Haven of Rest Ministries of Battle Creek's 2022 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated January 10, 2023. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2022, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Yeo & Yeo, P.C.

Kalamazoo, Michigan
February 5, 2024

Haven of Rest Ministries of Battle Creek
Statement of Financial Position
June 30, 2023 (With Summarized Comparative Information for 2022)

	2023	2022
Assets		
Current assets		
Cash and cash equivalents	**$ 236,387**	$ 97,236
Investments	**401**	99,059
Grants receivable	**1,174,865**	813,957
Accounts receivable	**39,516**	37,649
Other assets	**-**	12,859
Land contracts receivable - current portion	**500**	5,500
Total current assets	**1,451,669**	1,066,260
Noncurrent assets		
Property and equipment	**4,824,494**	4,722,210
Less: accumulated depreciation	**(2,828,457)**	(2,654,979)
Net property and equipment	**1,996,037**	2,067,231
Total assets	**$ 3,447,706**	$ 3,133,491

Haven of Rest Ministries of Battle Creek
Statement of Financial Position
June 30, 2023 (With Summarized Comparative Information for 2022)

	2023	2022
Liabilities and net assets		
Current liabilities		
Accounts payable	**$ 10,047**	$ 26,391
Accrued payroll	**32,732**	96,666
Accrued compensated absences	**55,513**	61,338
Accrued payroll taxes	**2,504**	7,395
Deferred revenue	**22,500**	-
Line of credit	**-**	30,000
Total liabilities	**123,296**	221,790
Net assets		
Without donor restrictions		
Net investment in property and equipment	**1,996,037**	2,067,231
Undesignated surplus	**188,373**	264,526
Total without donor restrictions	**2,184,410**	2,331,757
With donor restrictions		
Purpose restrictions	**1,140,000**	579,944
Total with donor restrictions	**1,140,000**	579,944
Total net assets	**3,324,410**	2,911,701
Total liabilities and net assets	**$ 3,447,706**	$ 3,133,491

See Accompanying Notes to the Financial Statements

Haven of Rest Ministries of Battle Creek
Statement of Activities
Year Ended June 30, 2023 (With Summarized Comparative Information for 2022)

	Without Donor Restrictions	With Donor Restrictions	**Total 2023**	Total 2022
Revenues and public support				
Contributions	$ 649,494	$ 640,000	**$ 1,289,494**	$ 1,379,011
Contribution of nonfinancial assets	135,204	-	**135,204**	115,091
Grants	1,545,518	-	**1,545,518**	1,359,869
Program fees	24,112	-	**24,112**	27,640
Special events	69,570	-	**69,570**	59,855
Third party billings	80,805	-	**80,805**	66,133
Gain (loss) on disposal of capital assets	(466)	-	**(466)**	19,252
Other revenues	192,665	-	**192,665**	81,726
Net assets released from restrictions	79,944	(79,944)	**-**	-
Total revenues and public support	2,776,846	560,056	**3,336,902**	3,108,577
Expenses				
Program services	2,418,025	-	**2,418,025**	2,301,539
Management and general	408,616	-	**408,616**	379,997
Fundraising	97,552	-	**97,552**	75,123
Total expenses	2,924,193	-	**2,924,193**	2,756,659
Change in net assets	(147,347)	560,056	**412,709**	351,918
Net assets – beginning of year	2,331,757	579,944	**2,911,701**	2,559,783
Net assets – end of year	$ 2,184,410	$ 1,140,000	**$ 3,324,410**	$ 2,911,701

See Accompanying Notes to the Financial Statements

Haven of Rest Ministries of Battle Creek
Statement of Cash Flows
Year Ended June 30, 2023 (With Summarized Comparative Information for 2022)

	2023	2022
Cash flows from operating activities		
Change in net assets	**$ 412,709**	$ 351,918
Items not requiring cash		
Depreciation expense	**173,979**	169,901
Bad debt expense	**1,337**	-
Realized and unrealized (gain) loss on investments	**(5,847)**	4,671
(Gain) loss on disposal of property and equipment	**466**	(19,252)
Changes in operating assets and liabilities		
Grants receivable	**(360,908)**	(350,632)
Accounts receivable	**(3,204)**	(13,024)
Other assets	**12,859**	(12,859)
Accounts payable	**(16,344)**	9,166
Accrued payroll	**(63,934)**	8,390
Accrued compensated absences	**(5,825)**	8,290
Accrued payroll taxes	**(4,891)**	681
Deferred revenue	**22,500**	-
Net cash provided by operating activities	**162,897**	157,250
Cash flows from investing activities		
Proceeds from sale of capital assets	**-**	21,272
Acquisition of capital assets	**(103,251)**	(59,292)
Payments received on land contracts receivable	**5,000**	30,160
Purchase of investments	**-**	(101,102)
Sales of investments	**104,505**	-
Net cash provided (used) by investing activities	**6,254**	(108,962)
Cash flows from financing activities		
Payments on line of credit (net)	**(30,000)**	(25,000)
Principal payments on long-term debt	**-**	(19,780)
Net cash used by financing activities	**(30,000)**	(44,780)
Net change in cash and cash equivalents	**139,151**	3,508
Cash and cash equivalents – beginning of year	**97,236**	93,728
Cash and cash equivalents – end of year	**$ 236,387**	$ 97,236
Supplemental disclosure of cash flow information		
Cash paid for interest	**$ 1,737**	$ 1,412

See Accompanying Notes to the Financial Statements

Haven of Rest Ministries of Battle Creek
Statement of Functional Expenses
Year Ended June 30, 2023 (With Summarized Comparative Information for 2022)

	Program Service	Management and General	Fundraising	**2023 Totals**	2022 Totals
Salaries and wages	$ 1,516,934	$ 258,525	$ 56,845	**$ 1,832,304**	$ 1,669,085
Payroll taxes	114,959	18,715	4,267	**137,941**	123,789
Fringe benefits	36,315	24,240	2,162	**62,717**	75,891
Food	81,452	-	-	**81,452**	86,600
Maintenance	84,948	6,651	204	**91,803**	111,235
Interest	-	1,737	-	**1,737**	1,412
Education and training	460	87	345	**892**	613
Insurance	31,602	5,123	318	**37,043**	31,864
Office expense	9,994	16,069	9,492	**35,555**	78,556
Utilities	114,957	12,812	-	**127,769**	121,034
Supplies	66,928	5,442	5,007	**77,377**	71,465
Telephone	13,025	2,130	420	**15,575**	7,359
Depreciation	144,035	24,547	5,397	**173,979**	169,901
Professional fees	76,487	19,168	3,318	**98,973**	101,131
Property tax	-	28	-	**28**	430
Advertising and similar costs	40	878	8,777	**9,695**	14,122
Other miscellaneous shelter supplies	114,722	-	-	**114,722**	72,086
Bad debt	-	1,337	-	**1,337**	-
Other	11,167	11,127	1,000	**23,294**	20,086
Total expenses	$ 2,418,025	$ 408,616	$ 97,552	**$ 2,924,193**	$ 2,756,659

Note 1 - Summary of Significant Accounting Policies

Nature of Activities

Haven of Rest Ministries (the "Organization") is a Michigan non-profit Organization, based in Battle Creek, Michigan. The Organization was established to provide meals, shelter and the gospel message to individuals suffering from homelessness and addiction. The Organization offers many other pastoral and case management services to provide comfort and counseling to various individuals in the Battle Creek area.

Basis of Accounting

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

Basis of Presentation

Net assets of the Organization and changes therein, are classified and reported as follows:

Net assets, revenues, gains, and losses are classified based on the existence or absence of donor or grantor-imposed restrictions. Accordingly, net assets and changes therein are classified and reported as follows:

<u>Net assets without donor restrictions</u> – Net assets available for use in general operations and not subject to donor (or certain grantor) restrictions.

<u>Net assets with donor restrictions</u> – Net assets subject to donor (or certain grantor) imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor.

We report contributions restricted by donors 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. All other donor-restricted contributions are reported as increases in net assets with donor restrictions, depending on the nature of the restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statements of activities as net assets released from restrictions.

Cash and Cash Equivalents

The Organization considers all highly liquid investments purchased with maturity of three months or less to be cash equivalents. The entire bank balance was insured by the FDIC.

Investments

Investments are stated at fair value. Donated investments are reflected as contributions at their fair values at date of receipt. Investment income is reported net of direct investment expenses.

Property and Equipment

The Organization follows the practice of capitalizing all expenditures in excess of $1,000. Property and equipment is recorded at cost or, if acquired by gift, the fair market value at the date of the gift. Assets acquired through lease agreements meeting requirements under generally accepted accounting principles that require capitalization are recorded at the lower of the present value of the minimum lease payments or their fair value as of the date of lease inception. Depreciation is mainly provided on the straight-line basis over the estimated useful lives of the respective assets, although accelerated methods have been utilized in previous years for certain assets. The Organization intends to only use the straight-line basis going forward. Useful lives range from three to forty years.

Promises to Give

Contributions are recognized when the donor makes a promise to give to the Organization that is, in substance, unconditional.

The Organization uses the income approach to value unconditional promises to give, in the aggregate on an annual basis, under the fair value option.

Other Funds Held by Battle Creek Community Foundation
The Organization is the income beneficiary of permanent endowment funds held by the Battle Creek Community Foundation. The Community Foundation's board of trustees has variance power over the endowment funds held by it. Under variance powers, if the named charity is no longer active or providing a needed service, or if the purpose of the fund becomes impractical or impossible to fulfill, the board of trustees of the Community Foundation may select another recipient with a similar purpose. Income distributions are based upon a formula of the market value of the assets under management and are reflected as grant revenues by the beneficiary organization. This endowment fund has not been recorded as an asset of the Organization.

The funds held by the Community Foundation are detailed as follows:

The A. Robert Briere Endowment Fund was established in 2017 for the purpose of supporting the programs provided by the Organization. The fair value of this fund was $25,237 and $23,155 for the years of June 30, 2023 and 2022, respectively. The Organization did not receive any revenue in 2023 or 2022 from this fund.

The Haven of Rest Ministries, Inc. Endowment Fund was established in 2010 for the purpose of supporting the programs provided by the Organization. The fair value of this fund was $46,240 and $42,322 for the years of June 30, 2023 and 2022, respectively. The Organization did not receive any revenue in 2023 or 2022 from this fund.

Compensated Absences
Employees of the Organization are entitled to paid time off, depending on length of service. Employees are allowed to accumulate days of varying limits depending on length of service and, upon separation, are paid out amounts at various limits at the employees' current pay rate. Employees can also carry over 5 days of earned vacation from year to year.

Revenue and Revenue Recognition
Revenue is recognized when earned. Program service fees are deferred to the applicable period in which the performance obligations are met. Contributions are recognized when cash, securities or other assets, an unconditional promise to give, or notification of a beneficial interest is received. Conditional promises to give are not recognized until the conditions on which they depend have been substantially met.

Donated Services and Goods
The Organization records the value of donated goods as contributions using estimated fair values at the date of receipt.

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

Advertising
The Organization expenses advertising costs the first time the advertising occurs. Advertising expense for the years ended June 30, 2023 and 2022 was $9,695 and $14,122, respectively.

Functional Expenses
The costs of program and supporting services activities have been summarized on a functional basis in the statements of activities. The statements of functional expenses present the natural classification detail of expenses by function. Accordingly, all costs have been directly charged to the functions except for an immaterial amount of salaries have been allocated to fundraising.

Income Tax Status
The Organization is qualified as a tax-exempt Organization under Section 501(c)(3) of the Internal Revenue Code, and is classified as an Organization other than a private foundation, as described in Section 509(a).

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Date of Management's Review

Management has evaluated subsequent events through February 5, 2024, which is the date the financial statements were available to be issued.

Note 2 - Liquidity and Availability

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, comprise the following:

	2023	2022
Cash and cash equivalents	$ 236,387	$ 97,236
Investments	401	99,059
Grants receivable	1,174,865	813,957
Accounts receivable	39,516	37,649
Land contracts receivable	500	5,500
Spendable portion of beneficial interest in assets held by community foundation	13,560	10,840
Total financial assets - end of year	1,465,229	1,064,241
Less: Financial assets unavailable for general expenditures within one year, due to:		
Contractual or donor-imposed restrictions		
Restricted by donor with time or purpose restrictions	(1,140,000)	(579,944)
Financial assets available to meet cash needs for general expenditures within one year	$ 325,229	$ 484,297

The Organization does not have a policy to maintain a particular amount of days of operating expenses as liquid assets. The Organization is primarily supported by grants and contributions that are received on a frequent basis throughout the year. As such, the future cash needs of the Organization are substantially met by these receipts, which are received when the expenses are incurred. The Organization also has a line of credit that can be utilized.

Note 3 - Investments and Fair Value Measurements

Fair value of marketable debt and equity securities at the year ended June 30, consist of:

	Fair Value 2023	Fair Value 2022
Available for sale		
Money market funds	$ 401	$ 5,189
Mutual funds	-	87,319
Equity securities	-	6,551
Total available for sale	$ 401	$ 99,059

Investment income is composed of the following at June 30:

	2023	2022
Dividends and interest	$ 152	$ 1,259
Unrealized loss	-	(5,930)
Total investment income	$ 152	$ (4,671)

The following tables represent information about the Organization's assets and liabilities measured at fair value on a recurring basis at June 30, 2023 and 2022, and the valuation techniques used by the Organization to determine those fair values.

In general, fair values determined by Level 1 inputs use quoted prices in active markets for identical assets or liabilities that the Organization has the ability to access.

Fair values determined by Level 2 inputs use other inputs that are observable, either directly or indirectly. These Level 2 inputs include quoted prices for similar assets and liabilities in active markets, and other inputs such as interest rates and yield curves that are observable at commonly quoted intervals.

Level 3 inputs are unobservable inputs, including inputs that are available in situations where there is little, if any, market activity for the related asset or liability.

In instances where inputs used to measure fair value fall into different levels in the above fair value hierarchy, fair value measurements in the entirety are categorized based on the lowest level input that is significant to the valuation. The Organization's assessment of the significance of particular inputs to these fair value measurements requires judgment and considers factors specific to each asset or liability.

Disclosures concerning assets and liabilities measured at fair value on a recurring basis are as follows as of June 30, 2023:

	Balance at June 30, 2023	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Unobservable Inputs (Level 3)
Mutual funds	$ -	$ -	$ -	$ -
Equity securities	-	-	-	-
	-	$ -	$ -	$ -
Money market at cost	401			
Total investments	$ 401			

Disclosures concerning assets and liabilities measured at fair value on a recurring basis are as follows as of June 30, 2022:

	Balance at June 30, 2022	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Unobservable Inputs (Level 3)
Mutual funds	$ 87,319	$ 87,319	$ -	$ -
Equity securities	6,551	6,551	-	-
	93,870	$ 93,870	$ -	$ -
Money market at cost	5,189			
Total investments	$ 99,059			

Note 4 - Conditional Promises to Give

During the fiscal year, the Organization received conditional promises to give related to local, state and federal grants. Payment of the grants is contingent upon spending the funds for the designated allowable purpose and various compliance requirements which may include 2 CFR 200. The conditional contributions consisted of the following as of June 30, 2023:

	2023			2022
Condition/ Grant Purpose	Total Contract/Grant Amount	Spent to Date	Conditional Contribution	Conditional Contribution
Funds need to be spent to be reimbursed for Salvation Army program	$ 562,429	$ 383,869	$ 178,560	$ 178,560
Funds need to be spent to be reimbursed for Life Recovery Programs	206,755	177,318	29,437	25,602
Money is paid per bed filled for VA program	505,890	294,417	211,473	207,675
Money is paid monthly for HMIS work	8,744	6,335	2,409	3,750
Outreach services	30,200	26,423	3,777	15,084
	$ 1,314,018	$ 888,362	$ 425,656	$ 430,671

Note 5 - Land Contracts Receivable

The Organization had one piece of property in the current year and six pieces of property in the prior year that were in land contract. These properties were donated to the Organization in prior years and the contracts are non-interest bearing. Future payments consist of the following:

For the year ended June 30,	
2023	$ 500

Total land contract payments received in the year ending June 30, 2023 and 2022 were $5,000 and $30,160, respectively.

Note 6 - Property and Equipment

Major classes of assets and related accumulated depreciation thereon are summarized as follows:

	2023	2022
Property and equipment not being depreciated		
Land	$ 54,000	$ 54,000
Construction in process	30,514	30,514
Total non depreciable assets	84,514	84,514
Property and equipment being depreciated		
Land improvements	1,656	1,656
Buildings	4,286,415	4,191,076
Equipment	420,955	416,309
Vehicles	30,954	28,655
Total property and equipment being depreciated	4,739,980	4,637,696
Less: accumulated depreciation		
Land improvements	(1,656)	(1,538)
Buildings	(2,402,905)	(2,245,064)
Equipment	(401,085)	(388,269)
Vehicles	(22,811)	(20,108)
Net property and equipment being depreciated	(2,828,457)	(2,654,979)
Net property and equipment	$ 1,996,037	$ 2,067,231

At year end, the Organization had approximately $193,500 of construction commitments not yet incurred. These commitments will be funded by various grants and contributions received by the Organization.

Note 7 - Retirement Plan

The Organization has a defined contribution salary deferral plan qualified under Internal Revenue Code Section 403(b). Under the plan, the Organization does not match employee contributions.

Note 8 - Line of Credit

The Organization has an unsecured line of credit arrangement totaling $200,000. This arrangement provides for borrowing amounts for short-term use at prime plus 1.45%. As of June 30, 2023, the line of credit had an interest rate of 9.95% with the balance maturing May 19, 2024. The Organization maintained an outstanding balance of $0 and $30,000 on the line of credit as of June 30, 2023 and 2022, respectively.

Note 9 - Net Assets With Donor Restrictions

Net assets with donor restrictions are restricted for the following purposes and periods at June 30:

	2023	2022
Subject to expenditure for specified purpose:		
Shelter Programs	$ 150,648	$ 10,875
Gain Access Program	30,000	43,500
Inasmuch Program	40,832	11,919
WLRP	135,000	-
LRP	15,000	-
Kitchen Program	58,520	13,650
Post Foods	10,000	-
Dining hall project	700,000	500,000
Total net assets with donor restrictions	$ 1,140,000	$ 579,944

Net assets were released for donor restrictions as follows for the years ended June 30:

	2023	2022
Expiration of time restrictions	$ -	$ 100,000
Satisfaction of purpose restrictions		
Shelter Programs	10,875	10,875
Gain Access Program	43,500	43,500
Inasmuch Program	11,919	11,919
WLRP	-	195,000
Kitchen Program	13,650	-
	$ 79,944	$ 361,294

Note 10 - Revenue from Contracts with Customers

The following summarizes revenue by type for the year ended June 30, 2023 and 2022:

	2023	2022
Revenue from contracts with customers	$ 104,917	$ 93,773
Contribution revenue	3,039,320	2,933,078
Miscellaneous income	192,665	81,726
Total revenue	$ 3,336,902	$ 3,108,577

The revenue from contracts with customers for the year ended June 30, 2023 and 2022 consists of:

	2023	2022
Revenue earned over time	$ 24,112	$ 27,640
Revenue earned at a point in time	80,805	66,133
	$ 104,917	$ 93,773

Revenue earned over time consists of membership dues from the Men's and Women's Life Recovery Programs. The twelve-month programs are designed to help participants overcome their addictions while identifying self-defeating behaviors and maximizing their potential to live and work in the community. Membership fees are calculated based on 10% of the individual's gross income after taking out legally mandated costs such as court fees and child support. Individuals pay on a month-to-month basis and therefore the performance obligations are typically satisfied over that period of time. Membership services include counseling, educational trainings, shelter, daily meals, and basic living necessities. Most of the performance obligations are considered "stand-ready" performance obligations and are therefore recognized as revenue over the length of the membership. The transaction price is allocated to the performance obligations based on the stand-alone selling price. Membership revenue is recognized based on the months completed in a membership year. Membership can be cancelled at any time.

Beginning or ending balances of contract assets were not significant for the years ended June 30, 2023 and 2022. There were no contract liabilities for the years ended June 30, 2023 and 2022.

There were no changes in judgements related to revenue recognition for the years ended June 30, 2023 and 2022.

Note 11 - Contributed Nonfinancial Assets

Contributed nonfinancial assets for the year ended June 30, 2023 were:

Category	Revenue Recognized	Utilization in Programs / Activities	Donor Restrictions	Valuation Techniques and Inputs
Goods / Supplies	$ 114,038	Shelter activities	No donor restrictions	Valued at estimated fair value of goods at the date of receipt
Equipment	21,166	Shelter activities	No donor restrictions	Valued at estimated fair value of goods at the date of receipt
Volunteer Services	-	Shelter activities	No donor restrictions	Criteria for recording revenue are not met; approximately 640 man hours were donated
	$ 135,204			

Contributed nonfinancial assets for the year ended June 30, 2022 were:

Category	Revenue Recognized	Utilization in Programs / Activities	Donor Restrictions	Valuation Techniques and Inputs
Goods / Supplies	$ 115,091	Shelter activities	No donor restrictions	Valued at estimated fair value of goods at the date of receipt
Volunteer Services	-	Shelter activities	No donor restrictions	Criteria for recording revenue are not met; approximately 640 man hours were donated
	$ 115,091			

Note 12 - Risks and Uncertainty

The Organization participates in several state funded contracts and grant programs, which are subject to financial and compliance audits by the contractor/grantor or its representatives to ensure recipient compliance with the terms of the programs. Management maintains that any liability for reimbursement of contract/grant funding resulting from an audit would not be material to the financial statements.