

MAKEHAVEN, INC.
FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023

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FOR THE YEAR ENDED DECEMBER 31, 2023

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INDEPENDENT ACCOUNTANT'S REVIEW REPORT

To the Board of Directors of
MakeHaven, Inc
New Haven, Connecticut

We have reviewed the accompanying financial statements of the MakeHaven, Inc (a nonprofit organization) which comprise the statement of assets, liabilities, and net assets – cash basis as of December 31, 2023, and the related statements of revenues, expenses, and other changes in net assets, functional expenses, and cash flows – cash basis for the year then ended, and the related notes to the financial statements. A review includes primarily applying analytical procedures to management's financial data and making inquiries of management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, we do not express such an opinion.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the cash basis of accounting; this includes determining that the cash basis of accounting is an acceptable basis for the preparation of financial statements in the circumstances. Management is also responsible 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.

Accountant's Responsibility

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

We are required to be independent MakeHaven, Inc and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our review.

Accountant's Conclusion

Based on our review, we are not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in accordance with cash basis of accounting.

To the Board of Directors of
MakeHaven, Inc

Basis of Accounting

We draw attention to Note 2a of the financial statements, which describes the basis of accounting. The financial statements are prepared in accordance with the cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America. Our conclusion is not modified with respect to this matter.

A handwritten signature in black ink, reading "Zackin Zimyeski Sullivan". The signature is written in a cursive, flowing style.

ZACKIN ZIMYESKI SULLIVAN
Certified Public Accountants, LLC
Naugatuck, Connecticut

August 8, 2024

MAKEHAVEN, INC.
STATEMENT OF ASSETS, LIABILITIES, AND NET ASSETS
DECEMBER 31, 2023

ASSETS

CURRENT ASSETS	
Cash & Cash Equivalents	\$ 130,252
Lease Deposit	5,755
Right-of-Use Asset - Operating Lease	102,601
Total Current Assets	<u>238,608</u>
PROPERTY AND EQUIPMENT, Net	<u>63,787</u>
TOTAL ASSETS	<u><u>\$ 302,395</u></u>

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES	
Credit Cards	2,232
Sales & Payroll Tax Liability	2,607
SBA Loan - Current	1,363
Operating Lease Liability - Current	104,213
Total Current Liabilities	<u>110,415</u>
LONG-TERM LIABILITIES	
SBA Loan	<u>58,637</u>
Total Liabilities	<u>169,052</u>
NET ASSETS	
Unrestricted Net Assets	129,052
Restricted Net Assets	4,291
Total Net Assets	<u>133,343</u>
TOTAL LIABILITIES AND NET ASSETS	<u><u>\$ 302,395</u></u>

See accompanying notes to the financial statement and independent accountants review report

MAKEHAVEN, INC.
STATEMENT OF REVENUES, EXPENSES, AND OTHER CHANGES IN NET ASSETS
FOR THE YEAR ENDED DECEMBER 31, 2023

	<u>Without</u> <u>Donor Restrictions</u>	<u>With</u> <u>Donor Restrictions</u>	<u>Total</u>
SUPPORT AND REVENUE			
Memberships	\$ 316,342	\$ -	\$ 316,342
Education	103,023	-	103,023
Donations	20,535	-	20,535
Government Grants	14,200	-	14,200
Other Grants	52,250	-	52,250
Sponsorships	2,500	-	2,500
Sales and Commissions	37,763	-	37,763
Rental Income	17,713	-	17,713
Fundraising, Net of Expenses \$3,298	1,159	-	1,159
Miscellaneous	6,379	-	6,379
Total Support and Revenue	<u>571,864</u>	<u>-</u>	<u>571,864</u>
EXPENSES			
Program Services	429,582	-	429,582
Management and General	138,506	-	138,506
Fundraising	38,735	-	38,735
Total Expenses	<u>606,823</u>	<u>-</u>	<u>606,823</u>
DECREASE IN NET ASSETS	(34,959)	-	(34,959)
NET ASSETS, BEGINNING OF YEAR	<u>164,011</u>	<u>4,291</u>	<u>168,302</u>
NET ASSETS, END OF YEAR	\$ <u><u>129,052</u></u>	\$ <u><u>4,291</u></u>	\$ <u><u>133,343</u></u>

See accompanying notes to the financial statement and independent accountants review report

MAKEHAVEN, INC.
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2023

	Program	Management and General	Fundraising	Total Expenses
Salaries and Wages	\$ 155,145	\$ 77,573	\$ 25,858	\$ 258,576
Rent Expense	90,655	16,998	5,666	113,319
Supplies & Equipment	43,987	-	-	43,987
Contractual Instructors	37,531	-	-	37,531
Repairs & Maintenance	21,574	4,045	1,348	26,967
Fees	-	20,278	-	20,278
Fundraising	-	-	2,709	2,709
Taxes	11,509	5,755	1,918	19,182
Utilities	13,548	2,540	847	16,935
Insurance	16,929	-	-	16,929
Depreciation Expense	14,394	-	-	14,394
Education	11,582	-	-	11,582
General Expenses	3,041	3,041	-	6,082
Dues and Subscriptions	6,022	-	-	6,022
Professional Fees	-	4,885	-	4,885
Office Expense	-	3,127	347	3,474
Lease Expense	1,612	-	-	1,612
Travel	415	138	-	553
Interest	1,385	-	-	1,385
Advertising	253	126	42	421
	<u>\$ 429,582</u>	<u>\$ 138,506</u>	<u>\$ 38,735</u>	<u>\$ 606,823</u>

See accompanying notes to the financial statement and independent accountants review report

MAKEHAVEN, INC.
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2023

CASH FLOWS FROM OPERATING ACTIVITIES	
Decrease in Net Assets	\$ (34,959)
Adjustments to Reconcile Total Change in Net Assets to	
Net Cash Provided by Operating Activities:	
Depreciation and Amortization	14,394
Non-Cash Lease Adjustment	1,612
Changes in Operating Assets and Liabilities:	
(Decrease) in Credit Cards	(2,247)
Increase in Other Liabilities	1,261
Net Cash & Cash Equivalents (Used) by Operating Activities	<u>(19,939)</u>
CASH FLOWS FROM INVESTING ACTIVITIES	
(Purchase) of Property and Equipment	(4,079)
CASH FLOWS FROM FINANCING ACTIVITIES	
Increase of SBA Loan	<u>100</u>
Net Cash & Cash Equivalents (Used) by Financing Activities	<u>100</u>
NET (DECREASE) IN CASH & CASH EQUIVALENTS	<u>(23,918)</u>
CASH & CASH EQUIVALENTS, BEGINNING OF YEAR	<u>154,169</u>
CASH & CASH EQUIVALENTS, END OF YEAR	<u><u>\$ 130,252</u></u>

See accompanying notes to the financial statement and independent accountants review report

MAKEHAVEN, INC.
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023

1. NATURE OF ORGANIZATION

MakeHaven, Inc. (the Organization) is a nonprofit organization established in 2012 to equip people with tools to design, invent, and create in the New Haven area. The Organization provides services that protect and promote community, inclusion, optimism, creativity and discovery, as well as provide an environment that promotes cultural diversity and serves to strengthen in individuals the desire and commitment to be self-sufficient and morally upstanding contributors to society.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The summary of significant accounting policies of MakeHaven, Inc. is presented to assist in understanding the Organization's financial statements. The financial statements and notes are representations of the Organization's management, who is responsible for their integrity and objectivity. These accounting policies are in accordance with accounting principles generally accepted in the United States of America and have been consistently applied in the preparation of the financial statements.

a. Basis of Accounting and Presentation

The financial statements of the Organization have been prepared on the cash-basis of accounting, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America (GAAP). The cash-basis of accounting differs from GAAP primarily because revenues are recognized when received rather than when earned and expenses are recorded when paid rather than when incurred. The financial statements therefore present only cash and cash equivalents and changes therein in the form of cash receipts and disbursements. The Organization is required to report information regarding its financial position and activities according to the following net asset classifications:

Net assets without donor restrictions: Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the Organization. These net assets may be used at the discretion of the Organization's management and the board of directors.

Net assets with donor restrictions: Net assets subject to stipulations imposed by donors, and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of the Organization or by the passage of time. Other donor restrictions are perpetual in nature, whereby the donor has stipulated the funds be maintained in perpetuity.

Donor restricted contributions are reported as increases in net assets with donor restrictions. When a restriction expires, net assets are reclassified from net assets with donor restrictions to net assets without donor restrictions in the statements of activities.

MAKEHAVEN, INC.
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

b. Cash and Cash Equivalents

The Organization's cash consists of cash on deposit with banks. Cash equivalents represent money market funds or short-term investments with original maturities of three months or less from the date of purchase, unless subject to donor-imposed stipulations that requires the investment to be used to purchase property and equipment or to be maintained as an endowment.

c. 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 the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Accordingly, actual results could differ from those estimates.

d. Recognition of Support and Revenue

Support and revenue consist of federal, state and local governmental grants and contracts; individual, corporate and foundation contributions; and participant fees received in the operation of certain programs.

Program and Service Fees are recognized in the period when performance obligations of providing the service are met. Amounts received in advance are deferred to the applicable period. Federal, state and local governmental grants are recognized over the applicable period. Amounts received in advance are deferred to the applicable period. Contributions are recognized when cash securities, other assets, or beneficial interest is received.

The Organization recognizes donated services if they create or enhance nonfinancial assets or require specialized skills and would typically be purchased if not provided by donation. General volunteer services do not meet this criterion for recognition in the financial statements. No donated services have been recognized in the accompanying financial statements. There were no in-kind contributions for the years ended December 31, 2023.

The Organization records special events revenue equal to the fair value of direct benefits to donors, and contribution income for the excess received when the event takes place. The Organization recognizes contributions when cash, securities or other assets; an unconditional promise to give; or a notification of a beneficial interest is received. Conditional promises to give, that is, those with a measurable performance or other barrier and a right of return, are not recognized until the conditions on which they depend have been met.

Entitlement to cost reimbursement grants and contracts is based on the expenditure of funds in accordance with grant restrictions and, therefore, revenue is recognized to the extent of grant expenditures. Entitlement to performance-based grants and contracts are based on the attainment of specific performance goals and, therefore, revenue is recognized to the extent of performance achieved.

MAKEHAVEN, INC.
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

e. Contributions

Contributions received are recorded as net assets without donor restrictions or net assets with donor restrictions, depending on the existence and/or nature of any donor-imposed restrictions. 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 recognized. All other donor restricted contributions are reported as an increase in net assets with donor restrictions, depending on the nature of restriction. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statements of activities as net assets released from restrictions.

Unconditional promises to give are recognized as revenues in the period in which the Organization is notified by the donor of their commitment to make a contribution.

f. Compensated Absences

It is the Organization's policy to not accrue for compensated absences which are expensed when incurred.

g. Property and Equipment

Property and equipment acquisitions and improvements purchased thereon individually exceeding \$1,000 are capitalized at cost and depreciated on the straight-line basis over their estimated service lives. Contributed property and equipment is capitalized at fair value and depreciated on the straight-line basis over their estimated service lives. Leasehold improvements are amortized on a straight-line basis over the estimated life of the asset. Amortization of leasehold improvements is included in depreciation expense. Minor replacements, maintenance and repairs are charged to expense as incurred. When items of property and equipment are sold or retired, the related cost and accumulated depreciation are removed from the accounts and any gain or loss is included in the results of operations. Depreciation expense totaled \$14,394 for the year ended December 31, 2023.

h. Federal and State Income Taxes

The Organization is incorporated in the State of Connecticut and is a tax-exempt organization as defined by Section 501(c)(3) of the Internal Revenue Code, though it is subject to tax on income unrelated to its exempt purpose, unless that income is otherwise included by the code. The Organization has processes presently in place to ensure the maintenance of its tax-exempt status; to identify and report unrelated income; to determine its filing and tax obligations in jurisdictions for which it has nexus; and to identify and evaluate other matters that may be considered tax positions. The Organization has determined that there are no material uncertain tax positions that require recognition or disclosure in the financial statements

j. Fair Value of Financial Instruments

The carrying value of cash, receivables, accounts payable and accrued liabilities approximated their fair values due to the short maturity of these instruments.

MAKEHAVEN, INC.
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

k. Functional Expense Allocations

The majority of expenses can generally be directly identified with the program or supporting service to which they relate and are charged accordingly. Other expenses are allocated by function to components of these services based on allocation factors determined by management and may change from year to year. Management and general expenses are allocated to programs in accordance with funding requirements.

The expenses that are allocated include the following:

<u>Expense</u>	<u>Method of Allocation</u>
Salaries and Benefits	Time and Effort
Transportation	Usage
Occupancy	Square Footage
Depreciation and Amortization	Usage
Insurance	Square Footage and Full Time Equivalent
Other Expenses	Square Footage and Full Time Equivalent

3. DATE OF MANAGEMENT'S REVIEW

Management has evaluated subsequent events for potential recognition or disclosure in the financial statements through August 8, 2024, the date upon which the financial statements were available to be issued.

4. AVAILABILITY AND LIQUIDITY

The following represents the Nonprofit Organization's financial assets at June 30:

Financial assets at year end:	<u>2023</u>
Cash and cash equivalents	<u>\$ 130,252</u>
Total financial assets	130,252
Financial assets available to meet general expenditures over the next twelve months	<u><u>\$ 130,252</u></u>

The Organization's goal is generally to maintain an operating reserve equal to two months of operating expenses.

MAKEHAVEN, INC.
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023

5. PROPERTY AND EQUIPMENT

A summary of property and equipment is as follows as of December 31, 2023:

Computers and Equipment	\$ 104,320
Leasehold Improvements	<u>58,127</u>
Total Property and Equipment	162,447
Less: Accumulated Depreciation	<u>(98,660)</u>
Property and Equipment, Net	<u><u>\$ 63,787</u></u>

6. CONCENTRATIONS OF CREDIT RISK

The Organization's financial instruments that are exposed to concentrations of credit risk consist primarily of cash and cash equivalents and grants and contracts receivable.

- Cash and cash equivalents – The Organization places its cash deposits with high credit quality institutions and at various times during the year the balances were not in excess of federal deposit insurance coverage amounts. There was \$0 of uninsured balances at December 31, 2023.

7. OPERATING LEASES – ASC 842

The Organization leases a building space in New Haven Connecticut. The lease term is through December 2024. The monthly rental payment ranges from \$9,474 to \$9,766 throughout the term of the lease.

FASB ASC 842 Footnote

Lease Cost:	2023
Operating lease expense	\$ <u>111,929</u>
Other Information	
Operating cash flows from operating leases	113,687
Weighted-average remaining lease term in years for operating leases	1

The following table provides quantitative information concerning the Organization's leases.

The Organization classifies the total undiscounted lease payments that are during the next 12 months as current. A maturity analysis of annual undiscounted cash flows for lease liability as of December 31, 2023, is as follows:

Maturity Analysis	Operating
2024	\$ 117,192
Total undiscounted cash flows	<u>117,192</u>
Total lease liabilities	<u><u>117,192</u></u>

MAKEHAVEN, INC.
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023

8. ECONOMIC INJURY DISASTER LOAN

In July 2020, the Organization received an Economic Injury Disaster Loans (EIDL) from the U.S Small Business Administration (SBA) in the amount of \$60,000 in response to the COVID-19 Pandemic. The loan is payable at a fixed interest rate of 2.75% over a period of 30 years. The loan balance totaled \$60,000 for the year ended December 31, 2023.

2024	\$	1,363
2025		1,401
2026		1,440
2027		1,480
2028		1,522
Thereafter		<u>52,794</u>
	\$	<u><u>60,000</u></u>