



THE SAFE CENTER LI, INC.

**FINANCIAL STATEMENTS AND SUPPLEMENTARY INFORMATION
TOGETHER WITH AUDITOR'S REPORT**

**AS OF AND FOR THE YEARS ENDED
DECEMBER 31, 2020 AND 2019**

THE SAFE CENTER LI, INC.
FINANCIAL STATEMENTS AND SUPPLEMENTARY INFORMATION
AS OF AND FOR THE YEARS ENDED
DECEMBER 31, 2020 AND 2019

INDEX

	<u>PAGE(S)</u>
Independent Auditor's Report	1-2
Statements of Financial Position	3
Statements of Activities and Changes in Net Assets	4
Statements of Functional Expenses	5-6
Statements of Cash Flows	7
Notes to Financial Statements	8-15
Supplementary Schedules of Revenues	16
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>	17-18



NawrockiSmith

CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of
The Safe Center LI, Inc.:

Report on Financial Statements

We have audited the accompanying financial statements of The Safe Center LI, Inc. (the "Organization", a non-profit organization), which comprise the statements of financial position as of December 31, 2020 and 2019, and the related statements of activities and changes in net assets, functional expenses and cash flows for the years then ended, and the related notes to financial statements.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits 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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

NawrockiSmith

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of The Safe Center LI, Inc. as of December 31, 2020 and 2019 and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying supplementary schedule on page 16, is presented for purposes of additional analysis and is not a required part of the 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 financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the 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 financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued a report dated March 24, 2021, on our consideration of the Organization's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is 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 internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Organization's internal control over financial reporting and compliance.

Melville, New York
March 24, 2021



THE SAFE CENTER LI, INC.
STATEMENTS OF FINANCIAL POSITION
AS OF DECEMBER 31, 2020 AND 2019

	2020	2019
<u>ASSETS</u>		
CURRENT ASSETS:		
Cash and cash equivalents	\$ 652,153	\$ 568,099
Contracts and grants receivable	1,679,573	1,667,799
Contributions receivable	254,400	116,191
Other receivables	400	22,598
Prepaid expenses and other assets	49,558	39,813
Total current assets	2,636,084	2,414,500
PROPERTY AND EQUIPMENT, net	486,778	473,077
SECURITY DEPOSITS	169,000	169,000
Total assets	\$ 3,291,862	\$ 3,056,577
<u>LIABILITIES AND NET ASSETS</u>		
CURRENT LIABILITIES:		
Loan payable to bank	\$ 880,000	\$ 590,000
Accounts payable and accrued expenses	424,528	293,260
Program advances	-	171,048
Deferred income	16,510	10,001
Other current liabilities	22,565	13,537
Total current liabilities	1,343,603	1,077,846
DEFERRED RENT PAYABLE	38,466	81,648
Total liabilities	1,382,069	1,159,494
NET ASSETS:		
With donor restrictions	986,731	727,729
Without donor restrictions	923,062	1,169,354
Total net assets	1,909,793	1,897,083
Total liabilities and net assets	\$ 3,291,862	\$ 3,056,577

The accompanying notes to financial statements
are an integral part of these statements.

THE SAFE CENTER LI, INC.
STATEMENTS OF ACTIVITIES AND CHANGES IN NET ASSETS
FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019

	2020			2019		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
REVENUES:						
Government contracts	\$ 6,533,824	\$ -	\$ 6,533,824	\$ 5,731,877	\$ -	\$ 5,731,877
Public support and fundraising, net of direct expenses of \$71,036 and \$97,656	436,049	639,364	1,075,413	619,224	581,372	1,200,596
Other revenues	25,740	-	25,740	39,753	-	39,753
Net assets released from restrictions	380,362	(380,362)	-	267,569	(267,569)	-
Total revenues	<u>7,375,975</u>	<u>259,002</u>	<u>7,634,977</u>	<u>6,658,423</u>	<u>313,803</u>	<u>6,972,226</u>
EXPENSES:						
Program services:						
Non-Residential and Domestic Violence	1,764,419	-	1,764,419	1,552,470	-	1,552,470
Community Education	553,017	-	553,017	666,726	-	666,726
Rape and Sexual Assault	570,975	-	570,975	590,524	-	590,524
Legal	968,744	-	968,744	903,896	-	903,896
Safe Home	726,054	-	726,054	667,554	-	667,554
Transitional Housing	843,316	-	843,316	452,564	-	452,564
Children's Programs and Project Kids Talk	1,341,054	-	1,341,054	1,158,115	-	1,158,115
Total program services	<u>6,767,579</u>	<u>-</u>	<u>6,767,579</u>	<u>5,991,849</u>	<u>-</u>	<u>5,991,849</u>
Supporting services:						
Administration	682,824	-	682,824	618,330	-	618,330
Fundraising	171,864	-	171,864	156,281	-	156,281
Total supporting services	<u>854,688</u>	<u>-</u>	<u>854,688</u>	<u>774,611</u>	<u>-</u>	<u>774,611</u>
Total expenses	<u>7,622,267</u>	<u>-</u>	<u>7,622,267</u>	<u>6,766,460</u>	<u>-</u>	<u>6,766,460</u>
Change in net assets	(246,292)	259,002	12,710	(108,037)	313,803	205,766
NET ASSETS, BEGINNING OF YEAR	<u>1,169,354</u>	<u>727,729</u>	<u>1,897,083</u>	<u>1,277,391</u>	<u>413,926</u>	<u>1,691,317</u>
NET ASSETS, END OF YEAR	<u>\$ 923,062</u>	<u>\$ 986,731</u>	<u>\$ 1,909,793</u>	<u>\$ 1,169,354</u>	<u>\$ 727,729</u>	<u>\$ 1,897,083</u>

The accompanying notes to financial statements
are an integral part of these statements.

THE SAFE CENTER LI, INC.
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2020

	Program Services							Supporting Services			
	Non-Residential and Domestic Violence	Community Education	Rape and Sexual Assault	Legal	Safe Home	Transitional Housing	Children's Programs and PKT	Total Program	Administration	Fundraising	Total
Salaries	\$ 1,179,995	\$ 384,704	\$ 393,253	\$ 656,251	\$ 414,288	\$ 322,206	\$ 912,632	\$ 4,263,329	\$ 477,117	\$ 120,148	\$ 4,860,594
Employee benefits	103,174	33,637	34,384	57,380	36,224	28,172	79,797	372,768	41,717	10,505	424,990
Payroll taxes	95,929	31,275	31,970	53,351	33,680	26,194	74,193	346,592	38,788	9,768	395,148
Total personnel costs	1,379,098	449,616	459,607	766,982	484,192	376,572	1,066,622	4,982,689	557,622	140,421	5,680,732
Building rent	159,976	52,156	53,315	88,971	56,167	43,683	123,729	577,997	64,685	16,289	658,971
Transitional housing rents	-	-	-	-	-	305,516	-	305,516	-	-	305,516
Consultants	70,727	7,510	7,676	12,810	8,087	6,290	17,815	130,915	9,313	2,345	142,573
Food and client needs	27,420	-	6,713	14,157	7,077	70,081	15,587	141,035	-	-	141,035
Safe home direct costs	-	-	-	-	126,244	-	-	126,244	-	-	126,244
Insurance	23,404	7,630	7,800	19,369	8,217	6,391	18,101	90,912	9,463	2,383	102,758
Office equipment maintenance and repairs	19,975	6,512	6,657	11,487	7,013	5,454	15,449	72,547	8,077	2,034	82,658
Office	17,279	4,620	5,758	9,609	6,066	4,718	13,364	61,414	6,986	1,759	70,159
Postage and printing	14,074	4,589	4,691	7,827	4,941	3,843	10,885	50,850	5,691	1,433	57,974
Conference, dues and subscriptions	8,067	-	3,462	4,393	2,774	2,158	17,507	38,361	3,248	314	41,923
Telephone and communications	7,089	2,311	2,363	3,943	2,489	1,936	5,483	25,614	2,866	722	29,202
Payroll fees	6,425	2,095	2,141	3,573	2,256	1,754	4,969	23,213	2,598	654	26,465
Accounting and auditing fees	6,312	2,058	2,104	3,510	2,216	1,724	4,882	22,806	2,552	643	26,001
Program supplies	72	4,301	-	8,683	-	2,259	6,465	21,780	-	230	22,010
Interest	4,222	1,377	1,407	2,348	1,482	1,153	3,266	15,255	1,707	430	17,392
Travel and speaking engagements	816	1,897	795	258	-	4,469	1,877	10,112	146	226	10,484
Bank and other service charges	1,644	536	548	914	577	449	1,271	5,939	665	167	6,771
Total expenses before depreciation	1,746,600	547,208	565,037	958,834	719,798	838,450	1,327,272	6,703,199	675,619	170,050	7,548,868
Depreciation	17,819	5,809	5,938	9,910	6,256	4,866	13,782	64,380	7,205	1,814	73,399
Total expenses	<u>\$ 1,764,419</u>	<u>\$ 553,017</u>	<u>\$ 570,975</u>	<u>\$ 968,744</u>	<u>\$ 726,054</u>	<u>\$ 843,316</u>	<u>\$ 1,341,054</u>	<u>\$ 6,767,579</u>	<u>\$ 682,824</u>	<u>\$ 171,864</u>	<u>\$ 7,622,267</u>

The accompanying notes to financial statements
are an integral part of this statement.

**THE SAFE CENTER LI, INC.
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2019**

	Program Services							Supporting Services			
	Non-Residential and Domestic Violence	Community Education	Rape and Sexual Assault	Legal	Safe Home	Transitional Housing	Children's Programs and PKT	Total Program	Administration	Fundraising	Total
Salaries	\$ 1,042,307	\$ 437,591	\$ 399,622	\$ 601,547	\$ 368,343	\$ 178,903	\$ 777,368	\$ 3,805,681	\$ 431,294	\$ 105,106	\$ 4,342,081
Employee benefits	90,522	38,003	34,706	52,242	31,989	15,537	67,512	330,511	37,456	9,128	377,095
Payroll taxes	86,343	36,249	33,104	49,831	30,513	14,820	64,396	315,256	35,728	8,707	359,691
Total personnel costs	1,219,172	511,843	467,432	703,620	430,845	209,260	909,276	4,451,448	504,478	122,941	5,078,867
Building rent	139,514	58,572	53,490	80,518	49,303	23,946	104,052	509,395	57,729	14,069	581,193
Transitional housing rents	-	-	-	-	-	150,687	-	150,687	-	-	150,687
Safe home direct costs	-	-	-	-	128,256	-	-	128,256	-	-	128,256
Food and client needs	34,950	-	9,534	16,996	8,783	35,263	18,521	124,047	-	-	124,047
Conference, dues and subscriptions	15,992	22,235	9,504	9,799	7,239	5,856	17,080	87,705	4,603	4,632	96,940
Insurance	19,911	8,359	7,634	19,286	7,036	3,418	14,850	80,494	8,239	2,008	90,741
Consultants	31,817	7,353	6,715	10,109	6,190	3,006	13,063	78,253	7,248	1,766	87,267
Office equipment maintenance and repairs	15,940	6,692	6,112	9,200	5,633	2,736	11,888	58,201	6,596	1,607	66,404
Postage and printing	14,540	6,350	6,070	8,971	5,138	2,496	10,844	54,409	6,016	1,466	61,891
Office	14,506	6,090	5,562	8,372	5,126	2,490	10,819	52,965	6,002	1,463	60,430
Travel and speaking engagements	6,501	8,342	3,276	737	-	6,604	10,463	35,923	1,021	688	37,632
Program supplies	-	14,253	-	13,418	-	-	7,704	35,375	-	1,645	37,020
Telephone and communications	6,540	2,746	2,507	3,774	2,311	1,122	4,877	23,877	2,706	659	27,242
Accounting and auditing fees	6,241	2,620	2,393	3,602	2,206	1,071	4,655	22,788	2,583	629	26,000
Interest	4,759	1,998	1,825	2,747	1,682	817	3,549	17,377	1,969	480	19,826
Payroll fees	4,055	1,702	1,555	2,340	1,433	696	3,024	14,805	1,678	409	16,892
Bank and other service charges	2,077	872	797	1,199	734	357	1,550	7,586	860	210	8,656
Recruitment, dues and miscellaneous	135	57	52	78	48	23	101	494	56	14	564
Total expenses before depreciation	1,536,650	660,084	584,458	894,766	661,963	449,848	1,146,316	5,934,085	611,784	154,686	6,700,555
Depreciation	15,820	6,642	6,066	9,130	5,591	2,716	11,799	57,764	6,546	1,595	65,905
Total expenses	\$ 1,552,470	\$ 666,726	\$ 590,524	\$ 903,896	\$ 667,554	\$ 452,564	\$ 1,158,115	\$ 5,991,849	\$ 618,330	\$ 156,281	\$ 6,766,460

The accompanying notes to financial statements
are an integral part of this statement.

THE SAFE CENTER LI, INC.
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019

	2020	2019
CASH FLOWS FROM OPERATING ACTIVITIES:		
Change in net assets	\$ 12,710	\$ 205,766
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities:		
Depreciation	73,399	65,905
Increase in contracts and grants receivable	(11,774)	(204,970)
Increase in contributions receivable	(138,209)	(23,523)
Decrease in other receivables	22,198	9,791
(Increase) decrease in prepaid expenses and other assets	(9,745)	19,853
Increase in accounts payable and accrued expenses	131,268	11,355
Increase (decrease) in program advances	(171,048)	157,032
Increase (decrease) in deferred income	6,509	(6,299)
Increase in other current liabilities	9,028	5,052
Decrease in deferred rent payable	(43,182)	(40,151)
Net cash provided (used) by operating activities	(118,846)	199,811
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of property and equipment	(87,100)	(4,875)
Net cash used by investing activities	(87,100)	(4,875)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Proceeds from loan payable to bank	290,000	240,000
Net cash provided by financing activities	290,000	240,000
NET INCREASE IN CASH AND CASH EQUIVALENTS	84,054	434,936
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	568,099	133,163
CASH AND CASH EQUIVALENTS, END OF YEAR	\$ 652,153	\$ 568,099
SUPPLEMENTAL CASH FLOW INFORMATION:		
Cash paid during the year for interest	\$ 17,392	\$ 19,826

The accompanying notes to financial statements
are an integral part of these statements.

THE SAFE CENTER LI, INC.
NOTES TO FINANCIAL STATEMENTS

(1) Background and organization

The Safe Center LI, Inc. (the "Organization") is a not-for-profit corporation in the State of New York. The Organization is exempt from income taxes under section 501(c)(3) of the Internal Revenue Code. The Organization provides services to victims of domestic violence, rape/sexual assault, child abuse and sex trafficking.

(2) Summary of significant accounting policies

The accompanying financial statements include the assets, liabilities, revenues and expenses of the Organization which are reflected under the accrual basis of accounting. The following is a summary of significant accounting policies followed by the Organization:

Basis of accounting and financial statement presentation -

The accompanying financial statements include the accounts of the Organization's programs, administration and fundraising. The Organization presents its financial statements in accordance with U.S. generally accepted accounting principles which require that the Organization's financial statements distinguish between those with and without donor restricted net assets and changes in net assets. The Organization's net assets consist of the following:

Without donor restrictions - net assets of the Organization which have not been restricted by an outside donor or by law and are therefore available for use in carrying out the operations of the Organization.

With donor restrictions - net assets subject to donor-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. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity.

As required by U.S. generally accepted accounting principles, the Organization has also presented Statements of Cash Flows for the years ended December 31, 2020 and 2019.

Fair value measurements -

The Financial Accounting Standards Board ("FASB") *Fair Value Measurement* standard clarifies the definition of fair value for financial reporting, establishes framework for measuring fair value, and requires additional disclosure about the use of fair value measurements in an effort to make the measurement of fair value more consistent and comparable. The Organization has adopted the standard for its financial assets and liabilities measured on a recurring and nonrecurring basis.

U.S. generally accepted accounting principles require disclosure of an estimate of fair value of certain financial instruments. The Organization's significant financial instruments are cash, contracts and grants receivable, contributions receivable, other short-term assets and liabilities. For these financial instruments, carrying values approximate fair value.

THE SAFE CENTER LI, INC.
NOTES TO FINANCIAL STATEMENTS (CONTINUED)

Cash and cash equivalents -

Cash and cash equivalents include all short-term highly liquid instruments with an original maturity of three months or less at the time of purchase, which are not intended for investment.

Contracts and grants receivable -

Contracts and grants receivable represent service revenues that have been billed but not collected as of December 31, 2020 and 2019. Management believes that all accounts will be fully collectible. Therefore, an allowance for doubtful accounts has not been recorded.

Contributions receivable -

Unconditional contributions receivable are recognized as support in the period pledged. Conditional contributions receivable are recognized when the conditions on which they depend are substantially met. The Organization considers contributions receivable past due or delinquent when payments have not been received in a timely manner. Management believes that all accounts will be fully collectible. Therefore, an allowance for doubtful accounts has not been recorded.

Property and equipment -

Property and equipment are capitalized at cost or, if donated, at fair market value as of the date of receipt. Depreciation is computed using the straight-line method over the estimated useful lives of the assets (generally periods of three to twenty-five years). Additions with a cost or value greater than or equal to \$2,000 with an expected useful life of more than one year shall be capitalized.

Impairment of long-lived assets and long-lived assets to be disposed of -

The Organization follows the provisions of the FASB Accounting Standards Codification ("ASC") on accounting for the impairment and disposal of long-lived assets. It requires that long-lived assets and certain identifiable intangibles be reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Recoverability of assets to be held and used is measured by a comparison of the carrying amount of an asset to future net cash flows expected to be generated by the asset. If such assets are considered to be impaired, the impairment to be recognized is measured by the amount by which the carrying amount of the assets exceeds the fair value of the assets. Assets to be disposed of are reported at the lower of the carrying amount or fair value less costs to sell. These principles did not have any impact on the Organization's financial position, results of activities or liquidity during the years ended December 31, 2020 and 2019.

Conditional asset retirement obligations -

The FASB ASC on asset retirement and environmental obligations requires the Organization to recognize a liability for the fair value of its legal obligation to perform an asset retirement activity, even though uncertainty exists about the timing and/or method of settlement, when the fair value of the liability can be reasonably estimated. As of December 31, 2020, and 2019, the Organization has met the provisions of and is in compliance with these requirements.

THE SAFE CENTER LI, INC.
NOTES TO FINANCIAL STATEMENTS (CONTINUED)

Revenue recognition -

The following are the significant revenue recognition accounting policies of the Organization:

Contracts - Revenue under contracts are recognized when earned. Revenue is earned when performance obligations, as defined in each contract, are fulfilled. Funds received but not yet earned are shown as deferred revenue. Expenditures under contracts are subject to review by the granting authority. To the extent, if any, that such a review reduces expenditures allowable under these contracts, the Organization will record such disallowance at the time the final assessment is made.

Grants and contributions - Grants and contributions are recognized as income when received and are considered to be available for unrestricted use unless specifically restricted by the donor. When a donor 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 and Changes in Net Assets as net assets released from restriction. Contributions restricted by donors 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. Conditional contributions are accounted for as a liability or are not recognized as revenue initially, until the barriers to entitlement are overcome, at which point a transaction is recognized as unconditional and classified as either net assets with donor restrictions, or net assets without donor restrictions.

Safe home services - Safe home services revenue is reported at an amount that reflects the consideration to which the Organization expects to be entitled in exchange for providing housing to eligible families. These amounts are due from third party payors, as applicable, and include variable consideration and price concessions due to coverage. Revenue is recognized as performance obligations are satisfied based on actual charges incurred in relation to total expected collections.

Fundraising revenue - The portion of fundraising revenue that relates to the commensurate value the attendee receives in return is recognized when the related events are held, and performance obligations are met.

Donated services -

A number of volunteers have donated significant amounts of their time in the Organization's programs and administration. However, since these services do not meet the criteria for recognition under U.S. generally accepted accounting principles, they are not reflected in the accompanying financial statements.

Functional expenses -

Expenses are recognized when incurred. The Statements of Functional Expenses report certain categories of expenses that are attributable to one or more program or supporting functions of the Organization. Therefore, these expenses are allocated on a reasonable basis that is consistently applied. Direct program expenses are reported in their respective functional categories. The significant expenses that are allocated include: salaries, payroll taxes and fringe benefits which are allocated on the basis of estimates of time and effort. All other expenses are allocated based on a systematic and rational basis.

THE SAFE CENTER LI, INC.
NOTES TO FINANCIAL STATEMENTS (CONTINUED)

Liquidity considerations -

Quantitative

As of December 31, 2020, the Organization has \$2,636,084, of financial assets available to meet cash needs for program and supporting services expenditures within one year of the Statement of Financial Position date, as noted in the current assets section of the Statement. None of the financial assets are subject to donor or other contractual restrictions that make them unavailable for expenditures within the ensuing fiscal year. The current contributions receivable are subject to time restrictions, but will be collected within one year.

Qualitative

As of December 31, 2020, the Organization has a goal to maintain financial assets, which consist of cash and cash equivalents, on hand to meet 15 days of normal operating expenses, which are, on average, approximately \$318,000.

As more fully described in Note 5, the Organization also has a committed line of credit in the amount of \$1,000,000, of which it has drawn down \$880,000.

Uncertainty in income taxes -

The Organization recognizes the effect of income tax positions only if those positions are more likely than not of being sustained. Management has determined that the Organization had no uncertain tax positions that would require financial statement recognition or disclosure. The Organization is no longer subject to examination by the applicable taxing jurisdictions for tax years prior to 2017.

The use of estimates in the preparation of financial statements -

The preparation of financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect the amounts of assets and liabilities at the date of the financial statements and the amounts of revenues and expenses during the reported period. Estimates primarily include useful lives for the purpose of depreciation. Actual results may differ from those estimates.

THE SAFE CENTER LI, INC.
NOTES TO FINANCIAL STATEMENTS (CONTINUED)

(3) Contracts and grants receivable

Contracts and grants receivable as of December 31, 2020 and 2019 consisted of the following:

	<u>2020</u>	<u>2019</u>
Nassau County Department of Social Services	\$ 932,786	\$ 991,987
New York State Division of Criminal Justice	198,452	64,686
New York State Office of Children and Family Services	190,669	217,088
New York State Legislative Grant	101,921	27,847
Safehouse	83,490	86,137
Nassau County Office of Housing and Homeless Services	43,243	160,298
U.S. Department of Housing and Urban Development	42,911	21,518
New York State Department of Health and Human Services	32,596	-
Nassau County Police Department	26,070	34,185
Other	13,767	33,055
Nassau County Youth Board	13,668	14,202
Nassau County District Attorney	-	16,796
	<u>\$ 1,679,573</u>	<u>\$ 1,667,799</u>

(4) Property and equipment

Property and equipment, net as of December 31, 2020 and 2019 consisted of the following:

	<u>2020</u>	<u>2019</u>
Land	\$ 65,000	\$ 65,000
Building and building improvements	1,040,662	1,032,672
Furniture and fixtures	902,900	823,790
	2,008,562	1,921,462
Less: accumulated depreciation	<u>(1,521,784)</u>	<u>(1,448,385)</u>
	<u>\$ 486,778</u>	<u>\$ 473,077</u>

Depreciation expense for the years ended December 31, 2020 and 2019 was \$73,399 and \$65,905 respectively.

THE SAFE CENTER LI, INC.
NOTES TO FINANCIAL STATEMENTS (CONTINUED)

(5) Loan payable to bank

The Organization has a line of credit with a bank in the amount of \$1,000,000, of which it has drawn down \$880,000. The line is available through September 5, 2021. Borrowings on the line bear interest at 5.50% and are secured by the Organization's assets.

(6) Program advances

Program advances as of December 31, 2020 were applied prior to year-end. Program advances as of December 31, 2020 and 2019 consisted of the following:

	<u>2020</u>	<u>2019</u>
New York State Office of Court Administration	\$ -	\$ 98,292
New York State Children's Advocacy Center	-	68,830
New York State Office of Victim Services - Children of Substance Abuse	-	2,120
Victim Assistance Program	-	1,806
	<u>\$ -</u>	<u>\$ 171,048</u>

(7) Net assets with donor restrictions

Net assets with donor restrictions are available for, or relate to the following purposes:

	<u>2020</u>	<u>2019</u>
New shelter capital campaign	\$ 365,522	\$ 204,500
Children's programs and PKT	230,825	234,143
Ilene Barshay Impact Fund and Project Hope	176,120	110,888
Sandy Oliva Special Needs	69,687	19,978
Community Education	47,090	32,090
Client needs	31,151	-
Safe Home	23,255	8,255
Legal services	16,618	32,050
Child Abuse Protection Services	11,394	-
Language line	8,160	-
Staff and Board development	5,450	9,825
COVID-19	1,459	-
Facility renovation	-	76,000
	<u>\$ 986,731</u>	<u>\$ 727,729</u>

THE SAFE CENTER LI, INC.
NOTES TO FINANCIAL STATEMENTS (CONTINUED)

(8) Commitments and contingencies

Operating lease -

The Organization has a noncancelable office lease that expires in February 2030. Annual rent expense is determined by dividing the total lease payments by the number of periods in the lease term.

Rent expense for this lease was \$623,122 and \$545,495 for the years ended December 31, 2020 and 2019, respectively. Deferred rent of \$38,466 and \$81,648 at December 31, 2020 and 2019, represents the cumulative difference between rent expense and the cash payments required under the lease.

The Organization also has various noncancelable operating leases for equipment which expire on various dates through 2030.

Future minimum payments under all operating leases are as follows:

Year ending December 31,	
2021	\$ 671,778
2022	553,278
2023	552,754
2024	559,684
2025	567,835
2026 & thereafter	<u>2,500,266</u>
	<u><u>\$ 5,405,595</u></u>

Government contracts -

The Organization receives a substantial portion of its funding from contracts and grants which are subject to audit by government agencies. Such audits may result in disallowances and a request for a return of funds. No significant disallowances have occurred or are expected to occur in the future.

THE SAFE CENTER LI, INC.
NOTES TO FINANCIAL STATEMENTS (CONTINUED)

(9) Paycheck Protection Program

On May 1, 2020, the Organization was granted a loan from a bank in the amount of \$1,020,500, pursuant to the Paycheck Protection Program (the “PPP”) under the Coronavirus Aid, Relief and Economic Security Act (“CARES Act”), which was enacted on March 27, 2020. In accordance with U.S. generally accepted accounting principles, the Organization has opted to account for its PPP loan as an in-substance conditional government grant, which should be recognized in income when all conditions or measurable barriers have been substantially met. The Organization believes all conditions and measurable barriers have been met during the fiscal year ended December 31, 2020. Accordingly, the Organization has recorded the proceeds as revenue, which is reflected in government contracts and grants in the accompanying Statements of Activities and Changes in Net Assets.

(10) Concentrations of credit risk

The Organization maintains its cash and cash equivalents in bank deposit accounts which, at times, may exceed federally insured limits. The Organization has not experienced any losses in such accounts and believes it is not exposed to any significant credit risk on cash and cash equivalents.

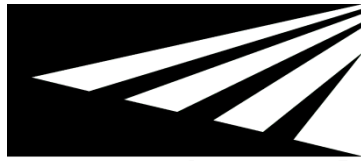
(11) Subsequent events

The Organization has evaluated subsequent events through March 24, 2021, which is the date the financial statements were available to be issued, noting no matters require further consideration.

THE SAFE CENTER LI, INC.
SUPPLEMENTARY SCHEDULES OF REVENUES
FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019

	2020	2019
GOVERNMENT CONTRACTS:		
Nassau County grants -		
Department of Social Services	\$ 1,984,540	\$ 2,245,480
Police Department	193,331	286,939
Office of Housing and Homeless Services	91,769	145,561
Youth Board	49,305	52,918
Department of Mental Health	-	61,203
New York State grants -		
Office of Victim Services	1,231,576	1,112,016
Office of Court Administration	326,385	362,557
Office of Children and Family Services	307,740	270,543
Division of Criminal Justice Services	285,034	249,755
Department of Health and Human Services	165,039	151,507
Legislative	39,222	122,748
Other government grants -		
U.S. Small Business Administration	1,020,500	-
U.S. Department of Housing and Urban Development	605,209	310,405
Other	234,174	360,245
Total government contracts	6,533,824	5,731,877
PUBLIC SUPPORT AND FUNDRAISING:		
Grants and contributions	880,712	850,598
Fundraising events, net	181,998	329,692
United Way of Long Island	12,703	20,306
Total public support and fundraising	1,075,413	1,200,596
OTHER REVENUES:		
Miscellaneous fees and other income	25,740	39,753
Total other revenues	25,740	39,753
Total revenues	\$ 7,634,977	\$ 6,972,226

See auditor's report on supplementary information.



NawrockiSmith

CERTIFIED PUBLIC ACCOUNTANTS

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 of
The Safe Center LI, Inc.:

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 financial statements of The Safe Center LI, Inc. (the "Organization"), which comprise the statement of financial position as of December 31, 2020 and the related statements of activities and changes in net assets, functional expenses and cash flows for the year then ended, and the related notes to financial statements, and have issued our report thereon dated March 24, 2021.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Organization's internal control over financial reporting ("internal control") to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control. Accordingly, we do not express an opinion on the effectiveness of the Organization's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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 may exist that have not been identified.

NawrockiSmith

Compliance and Other Matters

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

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Organization's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Organization's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Melville, New York
March 24, 2021

