



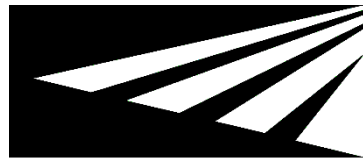
THE SAFE CENTER LI, INC.

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

**AS OF AND FOR THE YEARS ENDED
DECEMBER 31, 2021 AND 2020**

THE SAFE CENTER LI, INC.
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AS OF AND FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020

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NawrockiSmith

CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT

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

Opinion

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, 2021 and 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 the financial statements.

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, 2021 and 2020, 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 Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of The Safe Center LI, Inc. 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 The Safe Center LI, Inc.'s ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

NawrockiSmith

Auditor's 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 auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with 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 The Safe Center LI, Inc.'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 vents, considered in the aggregate, that raise substantial doubt about The Safe Center LI, Inc'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.

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying supplementary schedules on page 16, are presented for purposes of additional analysis and are 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.

NawrockiSmith

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated May 13, 2022 on our consideration of the Organization's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and that results of that testing, and not to provide an opinion on the effectiveness of the Organization's internal control over financial reporting or on compliance. That report is an integral part of the audit performed in accordance with *Government Auditing Standards* in considering the Organization's internal control over financial reporting and compliance.

Hauppauge, New York
May 13, 2022



THE SAFE CENTER LI, INC.
STATEMENTS OF FINANCIAL POSITION
AS OF DECEMBER 31, 2021 AND 2020

	2021	2020
<u>ASSETS</u>		
CURRENT ASSETS:		
Cash and cash equivalents	\$ 396,916	\$ 652,153
Contracts and grants receivable	1,542,407	1,679,573
Contributions receivable	211,523	254,400
Other receivables	3,288	400
Prepaid expenses and other assets	52,790	49,558
Total current assets	2,206,924	2,636,084
PROPERTY AND EQUIPMENT, net	453,846	486,778
SECURITY DEPOSITS	169,000	169,000
DEFERRED RENT RECEIVABLE	25,968	-
Total assets	\$ 2,855,738	\$ 3,291,862
<u>LIABILITIES AND NET ASSETS</u>		
CURRENT LIABILITIES:		
Loan payable to bank	\$ 790,000	\$ 880,000
Accounts payable and accrued expenses	444,804	424,528
Deferred income	16,440	16,510
Other current liabilities	30,235	22,565
Total current liabilities	1,281,479	1,343,603
DEFERRED RENT PAYABLE	-	38,466
Total liabilities	1,281,479	1,382,069
NET ASSETS:		
With donor restrictions	1,128,928	986,731
Without donor restrictions	445,331	923,062
Total net assets	1,574,259	1,909,793
Total liabilities and net assets	\$ 2,855,738	\$ 3,291,862

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, 2021 AND 2020

	2021			2020		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
REVENUES:						
Government contracts	\$ 6,290,460	\$ -	\$ 6,290,460	\$ 6,533,824	\$ -	\$ 6,533,824
Public support and fundraising, net of direct expenses of \$85,508 and \$71,036	541,359	428,497	969,856	436,049	639,364	1,075,413
Other revenues	45,686	-	45,686	25,740	-	25,740
Net assets released from restrictions	286,300	(286,300)	-	380,362	(380,362)	-
Total revenues	<u>7,163,805</u>	<u>142,197</u>	<u>7,306,002</u>	<u>7,375,975</u>	<u>259,002</u>	<u>7,634,977</u>
EXPENSES:						
Program services:						
Non-Residential and Domestic Violence	1,904,731	-	1,904,731	1,764,419	-	1,764,419
Community Education	680,472	-	680,472	553,017	-	553,017
Rape and Sexual Assault	536,913	-	536,913	570,975	-	570,975
Legal	779,980	-	779,980	968,744	-	968,744
Safe Home	691,597	-	691,597	726,054	-	726,054
Transitional Housing	714,751	-	714,751	843,316	-	843,316
Children's Programs and Project Kids Talk	1,497,786	-	1,497,786	1,341,054	-	1,341,054
Total program services	<u>6,806,230</u>	<u>-</u>	<u>6,806,230</u>	<u>6,767,579</u>	<u>-</u>	<u>6,767,579</u>
Supporting services:						
Administration	676,491	-	676,491	682,824	-	682,824
Fundraising	158,815	-	158,815	171,864	-	171,864
Total supporting services	<u>835,306</u>	<u>-</u>	<u>835,306</u>	<u>854,688</u>	<u>-</u>	<u>854,688</u>
Total expenses	<u>7,641,536</u>	<u>-</u>	<u>7,641,536</u>	<u>7,622,267</u>	<u>-</u>	<u>7,622,267</u>
Change in net assets	(477,731)	142,197	(335,534)	(246,292)	259,002	12,710
NET ASSETS, BEGINNING 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>
NET ASSETS, END OF YEAR	<u>\$ 445,331</u>	<u>\$ 1,128,928</u>	<u>\$ 1,574,259</u>	<u>\$ 923,062</u>	<u>\$ 986,731</u>	<u>\$ 1,909,793</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, 2021

	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	\$ 1,230,885	\$ 460,175	\$ 358,819	\$ 511,884	\$ 378,777	\$ 315,498	\$ 994,815	\$ 4,250,853	\$ 462,743	\$ 107,980	\$ 4,821,576
Employee benefits	121,816	45,542	35,511	50,659	37,486	31,224	98,453	420,691	45,796	10,686	477,173
Payroll taxes	103,291	38,616	30,111	42,955	31,786	26,475	83,481	356,715	38,832	9,061	404,608
Total personnel costs	1,455,992	544,333	424,441	605,498	448,049	373,197	1,176,749	5,028,259	547,371	127,727	5,703,357
Building rent	170,461	63,728	49,692	70,889	52,456	43,692	137,769	588,687	64,084	14,954	667,725
Transitional housing rents	-	-	-	-	-	196,660	-	196,660	-	-	196,660
Consultants	87,815	10,210	7,962	11,358	8,404	7,000	22,073	154,822	10,267	2,396	167,485
Food and client needs	34,370	-	7,290	12,047	7,696	46,979	20,212	128,594	-	-	128,594
Safe home direct costs	-	-	-	-	127,123	-	-	127,123	-	-	127,123
Insurance	26,308	9,835	7,669	16,971	8,096	6,743	21,262	96,884	9,890	2,308	109,082
Office	24,947	9,327	7,272	10,374	7,677	6,394	20,162	86,153	9,379	2,188	97,720
Conference, dues and subscriptions	20,427	7,056	7,959	8,798	6,536	5,230	22,723	78,729	4,143	1,023	83,895
Office equipment maintenance and repairs	16,111	6,023	4,696	6,700	4,958	4,129	13,021	55,638	6,057	1,413	63,108
Postage and printing	15,186	5,678	4,427	6,315	4,673	3,893	12,274	52,446	5,689	1,328	59,463
Interest	10,160	3,798	2,962	4,226	3,126	2,604	8,211	35,087	3,819	891	39,797
Accounting and auditing fees	6,765	2,529	1,972	2,813	2,082	1,734	5,468	23,363	2,543	594	26,500
Program supplies	161	3,286	-	9,502	-	3,819	8,829	25,597	-	727	26,324
Telephone and communications	6,639	2,482	1,935	2,761	2,043	1,702	5,366	22,928	2,496	582	26,006
Payroll fees	6,091	2,277	1,776	2,533	1,874	1,561	4,923	21,035	2,290	534	23,859
Bank and other service charges	2,498	933	728	1,038	768	640	2,018	8,623	939	219	9,781
Travel and speaking engagements	1,186	1,644	414	-	-	3,747	873	7,864	150	210	8,224
Total expenses before depreciation	1,885,117	673,139	531,195	771,823	685,561	709,724	1,481,933	6,738,492	669,117	157,094	7,564,703
Depreciation	19,614	7,333	5,718	8,157	6,036	5,027	15,853	67,738	7,374	1,721	76,833
Total expenses	\$ 1,904,731	\$ 680,472	\$ 536,913	\$ 779,980	\$ 691,597	\$ 714,751	\$ 1,497,786	\$ 6,806,230	\$ 676,491	\$ 158,815	\$ 7,641,536

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, 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	\$ 1,764,419	\$ 553,017	\$ 570,975	\$ 968,744	\$ 726,054	\$ 843,316	\$ 1,341,054	\$ 6,767,579	\$ 682,824	\$ 171,864	\$ 7,622,267

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, 2021 AND 2020

	2021	2020
CASH FLOWS FROM OPERATING ACTIVITIES:		
Change in net assets	\$ (335,534)	\$ 12,710
Adjustments to reconcile change in net assets to net cash used by operating activities:		
Depreciation	76,833	73,399
Decrease (increase) in contracts and grants receivable	137,166	(11,774)
Decrease (increase) in contributions receivable	42,877	(138,209)
(Increase) decrease in other receivables	(2,888)	22,198
Increase in prepaid expenses and other assets	(3,232)	(9,745)
Increase in deferred rent receivable	(25,968)	-
Increase in accounts payable and accrued expenses	20,276	131,268
Decrease in program advances	-	(171,048)
(Decrease) increase in deferred income	(70)	6,509
Increase in other current liabilities	7,670	9,028
Decrease in deferred rent payable	(38,466)	(43,182)
	(121,336)	(118,846)
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of property and equipment	(43,901)	(87,100)
	(43,901)	(87,100)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Proceeds from loan payable to bank	65,000	290,000
Payments on loan payable to bank	(155,000)	-
	(90,000)	290,000
NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS	(255,237)	84,054
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	652,153	568,099
CASH AND CASH EQUIVALENTS, END OF YEAR	\$ 396,916	\$ 652,153
SUPPLEMENTAL CASH FLOW INFORMATION:		
Cash paid during the year for interest	\$ 39,797	\$ 17,392

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, 2021 and 2020.

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, 2021 and 2020. 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, 2021 and 2020.

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, 2021 and 2020, 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, 2021, the Organization has \$1,077,996, 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, 2021, 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 \$314,000.

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 \$790,000.

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 2018.

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, 2021 and 2020 consisted of the following:

	<u>2021</u>	<u>2020</u>
Nassau County Department of Social Services	\$ 633,669	\$ 510,078
New York State Office of Victims Services	389,616	453,208
Nassau County Police Department	121,278	67,737
New York State Office for the Prevention of Domestic Violence	73,786	-
New York State Division of Criminal Justice	72,921	198,452
New York State Office of Children and Family Services	61,110	152,211
Other	56,916	61,441
New York State Legislative Grant	39,450	28,504
New York State Office of Court Administration	38,747	67,024
Nassau County Office of Housing and Homeless Services	27,731	65,787
U.S. Department of Housing and Urban Development	18,089	28,867
Nassau County Youth Board	9,094	13,668
New York State Department of Health and Human Services	-	32,596
	<u>\$ 1,542,407</u>	<u>\$ 1,679,573</u>

(4) Property and equipment

Property and equipment, net as of December 31, 2021 and 2020 consisted of the following:

	<u>2021</u>	<u>2020</u>
Land	\$ 65,000	\$ 65,000
Building and building improvements	1,040,662	1,040,662
Furniture and fixtures	946,801	902,900
	2,052,463	2,008,562
Less: accumulated depreciation	<u>(1,598,617)</u>	<u>(1,521,784)</u>
	<u>\$ 453,846</u>	<u>\$ 486,778</u>

Depreciation expense for the years ended December 31, 2021 and 2020 was \$76,833 and \$73,399 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 \$790,000. The line is available through September 5, 2022. Borrowings on the line bear interest at 5.50% and are secured by the Organization's assets.

(6) Net assets with donor restrictions

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

	<u>2021</u>	<u>2020</u>
Children's programs and PKT	\$ 374,488	\$ 230,825
New shelter capital campaign	359,668	365,522
Ilene Barshay Impact Fund and Project Hope	151,181	176,120
Sandy Oliva Special Needs	101,483	69,687
Community Education	77,090	47,090
Safe Home	33,655	23,255
Client needs	20,151	31,151
Staff and Board development	10,450	5,450
Language line	762	8,160
Legal services	-	16,618
Child Abuse Protection Services	-	11,394
COVID-19	-	1,459
	<u>\$ 1,128,928</u>	<u>\$ 986,731</u>

(7) 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 \$647,385 and \$623,122 for the years ended December 31, 2021 and 2020, respectively. Deferred rent of (\$25,968) and \$38,466 at December 31, 2021 and 2020, 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.

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

Future minimum payments under all operating leases are as follows:

Year ending December 31,	
2022	\$ 560,089
2023	560,082
2024	565,154
2025	567,835
2026	584,870
2027 & thereafter	<u>1,915,396</u>
	<u>\$ 4,753,426</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.

(8) 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.

(9) 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.

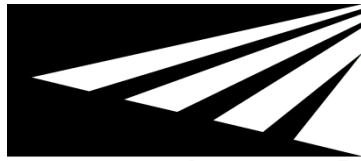
(10) Subsequent events

The Organization has evaluated subsequent events through May 13, 2022, 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, 2021 AND 2020

	2021	2020
GOVERNMENT CONTRACTS:		
Department of Social Services	\$ 1,939,326	\$ 1,752,142
Police Department	326,615	272,808
Office of Housing and Homeless Services	155,686	77,563
Youth Board	47,251	49,305
New York State grants -		
Office of Victim Services	1,776,322	1,421,339
Office of Children and Family Services	374,574	296,518
Office of Court Administration	464,274	431,719
Division of Criminal Justice Services	214,883	285,034
Office for the Prevention of Domestic Violence	172,641	-
Department of Health and Human Services	67,717	138,511
Legislative	40,336	39,222
Other government grants -		
U.S. Department of Housing and Urban Development	507,063	591,165
Other	203,772	157,998
U.S. Small Business Administration	-	1,020,500
Total government contracts	6,290,460	6,533,824
PUBLIC SUPPORT AND FUNDRAISING:		
Grants and contributions	709,588	880,712
Fundraising events, net	247,518	181,998
United Way of Long Island	12,750	12,703
Total public support and fundraising	969,856	1,075,413
OTHER REVENUES:		
Miscellaneous fees and other income	45,686	25,740
Total other revenues	45,686	25,740
Total revenues	\$ 7,306,002	\$ 7,634,977

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, 2021 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 May 13, 2022.

Report on 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) as a basis for designing 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 or significant deficiencies may exist that were not identified.

NawrockiSmith

Report on Compliance and Other Matters

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

Purpose of This Report

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

Hauppauge, New York
May 13, 2022

