



**THE SAFE CENTER LI, INC.**

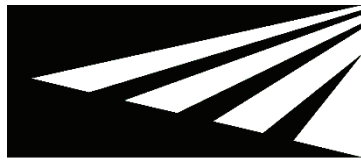
**FINANCIAL STATEMENTS AND SUPPLEMENTARY INFORMATION  
TOGETHER WITH AUDITOR'S REPORT**

**AS OF AND FOR THE YEARS ENDED  
DECEMBER 31, 2023 AND 2022**

**THE SAFE CENTER LI, INC.**  
**INDEX TO FINANCIAL STATEMENTS AND SUPPLEMENTARY INFORMATION**  
**AS OF AND FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022**

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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, 2023 and 2022, 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 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, 2023 and 2022, 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.

***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 Organization 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 Organization'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 Organization's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Organization'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.

# NawrockiSmith

## ***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.

## ***Other Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated May 22, 2024 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 the 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 22, 2024

*Nawrocki Smith LLP*

**THE SAFE CENTER LI, INC.**  
**STATEMENTS OF FINANCIAL POSITION**  
**AS OF DECEMBER 31, 2023 AND 2022**

<u>ASSETS</u>	2023	2022
Current assets:		
Cash and cash equivalents	\$ 360,493	\$ 707,753
Contracts and grants receivable	1,750,330	1,605,880
Contributions receivable	129,240	224,478
Other receivables	-	4,233
Prepaid expenses and other assets	53,127	47,459
Current portion of right-of-use assets - operating	464,930	460,077
Total current assets	2,758,120	3,049,880
Noncurrent assets:		
Property and equipment, net	417,371	420,480
Security deposit	169,000	169,000
Right-of-use assets, net - operating	2,674,131	3,128,177
Total noncurrent assets	3,260,502	3,717,657
Total assets	\$ 6,018,622	\$ 6,767,537
<u>LIABILITIES AND NET ASSETS</u>		
Current liabilities:		
Loan payable to bank	\$ 920,000	\$ 900,000
Accounts payable and accrued expenses	437,715	368,752
Program advances	696,443	877,864
Current portion of lease liabilities - operating	431,506	410,634
Deferred income	26,356	10,075
Other current liabilities	32,654	28,054
Total current liabilities	2,544,674	2,595,379
Noncurrent liabilities:		
Lease liabilities, net of current portion - operating	2,774,157	3,194,781
Total liabilities	5,318,831	5,790,160
Net assets:		
With donor restrictions	979,377	930,059
Without donor restrictions	(279,586)	47,318
Total net assets	699,791	977,377
Total liabilities and net assets	\$ 6,018,622	\$ 6,767,537

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, 2023 AND 2022**

	2023		2022	
	Without Donor Restrictions	With Donor Restrictions	Without Donor Restrictions	With Donor Restrictions
<b>REVENUES:</b>				
Government contracts	\$ 6,648,722	\$ -	\$ 6,648,722	\$ -
Public support and fundraising, net of direct expenses of \$104,780 and \$107,053	762,509	261,070	1,023,579	99,532
Other revenues	27,696	-	27,696	-
Net assets released from restrictions	211,752	(211,752)	-	(298,401)
<b>Total revenues</b>	<b>7,650,679</b>	<b>49,318</b>	<b>7,699,997</b>	<b>(198,869)</b>
<b>EXPENSES:</b>				
<b>Program services:</b>				
Non-Residential and Domestic Violence	1,819,845	-	1,819,845	-
Community Education	663,515	-	663,515	-
Rape and Sexual Assault	660,695	-	660,695	-
Legal	874,405	-	874,405	-
Safe Home	730,985	-	730,985	-
Transitional Housing	846,293	-	846,293	-
Children's Programs and Project Kids Talk	1,352,048	-	1,352,048	-
<b>Total program services</b>	<b>6,947,786</b>	<b>-</b>	<b>6,947,786</b>	<b>-</b>
<b>Supporting services:</b>				
Administration	762,326	-	762,326	-
Fundraising	267,471	-	267,471	-
<b>Total supporting services</b>	<b>1,029,797</b>	<b>-</b>	<b>1,029,797</b>	<b>-</b>
<b>Total expenses</b>	<b>7,977,583</b>	<b>-</b>	<b>7,977,583</b>	<b>-</b>
Change in net assets	(326,904)	49,318	(277,586)	(198,869)
<b>NET ASSETS, BEGINNING OF YEAR</b>	<b>47,318</b>	<b>930,059</b>	<b>977,377</b>	<b>1,128,928</b>
<b>NET ASSETS, END OF YEAR</b>	<b>\$ (279,586)</b>	<b>\$ 979,377</b>	<b>\$ 699,791</b>	<b>\$ 930,059</b>
				<b>\$ 977,377</b>

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, 2023**

	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	\$ 1,164,842	\$ 440,105	\$ 437,181	\$ 561,951	\$ 402,090	\$ 300,227	\$ 885,572	\$ 4,191,968	\$ 502,002	\$ 179,844	\$ 4,873,814
Employee benefits	101,912	38,505	38,249	49,165	35,179	26,267	77,478	366,755	43,919	15,734	426,408
Payroll taxes	95,710	36,162	35,921	46,173	33,038	24,668	72,764	344,436	41,247	14,777	400,460
Total personnel costs	1,362,464	514,772	511,351	657,289	470,307	351,162	1,035,814	4,903,159	587,168	210,355	5,700,682
Leases	147,509	55,732	55,362	71,162	50,918	38,019	112,144	530,846	63,572	22,774	617,192
Transitional housing rents	-	-	-	-	-	329,877	-	329,877	-	-	329,877
Consultants	88,493	14,532	14,443	18,558	13,277	9,911	29,252	188,466	16,573	5,933	210,972
Food and client needs	39,294	-	10,703	16,930	9,841	63,122	21,684	161,574	-	-	161,574
Safe home direct costs	-	-	-	-	123,934	-	-	123,934	-	-	123,934
Insurance	25,874	9,773	9,713	18,467.00	8,929	6,666	19,672	99,094	11,145	3,989	114,228
Office	26,166	9,886	9,821	12,623	9,032	6,744	19,893	94,165	11,277	4,041	109,483
Conference, dues and subscriptions	15,602	7,637	5,623	14,128	6,698	4,256	22,939	76,883	23,171	502	100,556
Utilities	20,638	7,797	7,746	9,956	7,124	5,319	15,890	74,270	8,894	3,185	86,349
Interest	19,563	7,391	7,342	9,438	6,753	5,042	14,873	70,402	8,431	3,019	81,852
Office equipment maintenance and repairs	19,016	7,185	7,137	9,174	6,564	4,901	14,457	68,434	8,195	2,936	79,565
Postage and printing	8,213	3,103	3,082	3,962	2,835	2,117	6,244	28,556	3,451	1,355	34,362
Telephone and communications	8,010	3,026	3,006	3,864	2,765	2,064	6,089	28,824	3,452	1,235	33,511
Program supplies	151	3,426	-	11,381	-	4,574	6,131	25,663	-	2,630	28,293
Accounting and auditing fees	6,634	2,506	2,489	3,200	2,289	1,709	5,042	23,869	2,858	1,023	27,750
Payroll fees	5,863	2,215	2,200	2,828	2,023	1,511	4,457	21,097	2,526	904	24,527
Travel and speaking engagements	4,057	6,110	2,309	689	-	3,563	717	17,435	2,005	150	19,590
Bank and other service charges	3,475	1,313	1,304	1,676	1,199	895	2,641	12,503	1,497	535	14,535
Total expenses before depreciation	1,801,022	656,404	653,631	865,325	724,488	841,442	1,337,739	6,880,051	754,215	264,566	7,898,832
Depreciation	18,823	7,111	7,064	9,080	6,497	4,851	14,309	67,735	8,111	2,905	78,751
Total expenses	\$ 1,819,845	\$ 663,515	\$ 660,695	\$ 874,405	\$ 730,985	\$ 846,293	\$ 1,352,048	\$ 6,947,786	\$ 762,326	\$ 267,471	\$ 7,977,583

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, 2022**

	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	\$ 1,229,289	\$ 443,628	\$ 432,327	\$ 432,007	\$ 379,986	\$ 270,344	\$ 988,500	\$ 4,176,081	\$ 476,984	\$ 154,255	\$ 4,807,320
Employee benefits	132,040	47,651	46,437	46,403	40,815	29,038	106,177	448,561	51,234	16,568	516,363
Payroll taxes	101,754	36,721	35,786	35,759	31,453	22,378	81,823	345,674	39,482	12,768	397,924
<b>Total personnel costs</b>	<b>1,463,083</b>	<b>528,000</b>	<b>514,550</b>	<b>514,169</b>	<b>452,254</b>	<b>321,760</b>	<b>1,176,500</b>	<b>4,970,316</b>	<b>567,700</b>	<b>183,591</b>	<b>5,721,607</b>
Leases	158,497	57,199	55,742	55,700	48,993	34,857	127,452	538,440	61,500	19,888	619,828
Transitional housing rents	-	-	-	-	-	277,418	-	277,418	-	-	277,418
Food and client needs	47,997	-	12,404	15,792	10,906	112,830	28,391	228,320	-	-	228,320
Consultants	65,175	12,734	12,409	12,400	10,907	7,760	60,368	181,753	13,691	4,428	199,872
Insurance	27,690	9,993	9,738	15,415	8,559	6,090	22,266	99,751	10,744	3,475	113,970
Safe home direct costs	-	-	-	-	113,027	-	-	113,027	-	-	113,027
Conference, dues and subscriptions	11,289	6,975	4,673	4,030	3,664	2,269	23,441	56,341	50,279	164	106,784
Office	26,774	9,662	9,416	9,409	8,276	5,888	21,530	90,955	10,389	3,361	104,705
Utilities	22,080	7,968	7,766	7,760	6,825	4,856	17,755	75,010	8,568	2,771	86,349
Office equipment maintenance and repairs	18,973	6,847	6,673	6,668	5,865	4,173	15,257	64,456	7,362	2,380	74,198
Interest	13,514	4,868	4,740	4,680	4,158	2,952	10,890	45,802	5,221	1,680	52,703
Postage and printing	8,455	3,052	2,974	2,972	2,614	1,860	6,799	28,726	3,281	1,144	33,151
Telephone and communications	7,890	2,847	2,775	2,773	2,439	1,735	6,345	26,804	3,062	990	30,856
Accounting and auditing fees	7,096	2,561	2,496	2,494	2,193	1,561	5,706	24,107	2,753	890	27,750
Payroll fees	6,294	2,271	2,213	2,212	1,945	1,384	5,061	21,380	2,442	791	24,613
Program supplies	10	4,791	-	9,191	204	3,625	4,875	22,696	-	782	23,478
Bank and other service charges	4,952	1,796	1,754	1,809	1,550	1,109	3,959	16,929	1,944	635	19,508
Travel and speaking engagements	4,749	4,161	701	538	-	2,040	1,668	13,857	198	307	14,362
<b>Total expenses before depreciation</b>	<b>1,894,518</b>	<b>665,725</b>	<b>651,024</b>	<b>668,012</b>	<b>684,379</b>	<b>794,167</b>	<b>1,538,263</b>	<b>6,896,088</b>	<b>749,134</b>	<b>227,277</b>	<b>7,872,499</b>
Depreciation	21,211	7,655	7,460	7,454	6,556	4,665	17,056	72,057	8,230	2,660	82,947
<b>Total expenses</b>	<b>\$ 1,915,729</b>	<b>\$ 673,380</b>	<b>\$ 658,484</b>	<b>\$ 675,466</b>	<b>\$ 690,935</b>	<b>\$ 798,832</b>	<b>\$ 1,555,319</b>	<b>\$ 6,968,145</b>	<b>\$ 757,364</b>	<b>\$ 229,937</b>	<b>\$ 7,955,446</b>

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, 2023 AND 2022**

	2023	2022
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Change in net assets	\$ (277,586)	\$ (596,882)
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities:		
Depreciation	78,751	82,947
Net change in operating lease liabilities	49,441	17,161
Increase in contracts and grants receivable	(144,450)	(63,473)
(Increase) decrease in contributions receivable	95,238	(12,955)
(Increase) decrease in other receivables	4,233	(945)
(Increase) decrease in prepaid expenses and other assets	(5,668)	5,331
Decrease in deferred rent receivable	-	25,968
Increase (decrease) in accounts payable and accrued expenses	68,963	(76,052)
Increase (decrease) in program advances	(181,421)	877,864
Increase (decrease) in deferred income	16,281	(6,365)
Increase (decrease) in other current liabilities	4,600	(2,181)
	(291,618)	250,418
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>		
Purchase of property and equipment	(75,642)	(49,581)
	(75,642)	(49,581)
<b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>		
Proceeds from loan payable to bank	120,000	525,000
Payments on loan payable to bank	(100,000)	(415,000)
	20,000	110,000
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	(347,260)	310,837
<b>CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR</b>	707,753	396,916
<b>CASH AND CASH EQUIVALENTS, END OF YEAR</b>	\$ 360,493	\$ 707,753
<b>SUPPLEMENTAL CASH FLOW INFORMATION:</b>		
Cash paid during the year for interest	\$ 83,812	\$ 54,908
Initial recognition of right-of-use-assets obtained via operating lease liabilities	\$ 13,396	\$ 3,968,424

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

**THE SAFE CENTER LI, INC.**  
**NOTES TO FINANCIAL STATEMENTS**

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**(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, 2023 and 2022.

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)**

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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, 2023 and 2022. 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, 2023 and 2022.

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, 2023 and 2022, the Organization has met the provisions of and is in compliance with these requirements.

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

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Right of use assets and lease liabilities -

The Organization complies with provisions of FASB Accounting Standards Update (“ASU”) No. 2016-02, *Leases* (“Topic 842”). All leases entered into during the year were also required to be recognized and measured. In applying Topic 842, the Organization made an accounting policy election not to recognize the right-of-use (“ROU”) assets and lease liabilities relating to short term leases.

The Organization determines if an arrangement is or contains a lease at inception. The Organization’s operating lease arrangements are comprised of building leases and equipment leases. ROU assets represent the Organization’s right to use the underlying assets for the lease terms and lease liabilities represent the Organization’s obligation to make lease payments arising from the leases. ROU assets and lease liabilities are recognized at the commencement date based on the present value of the lease payments over the lease terms. As the Organization’s leases do not provide an implicit rate and the implicit rate is not readily determinable, the Organization estimates its incremental borrowing rate based on the information available at the commencement date in determining the present value of the lease payments. ROU assets also exclude lease incentives.

The Organization reconciles the operating lease expenses with the operating lease payments by presenting the amortization of the ROU assets and the change in the lease liabilities in a single line item within the adjustments to reconcile change in net assets to net cash provided by operating activities in the accompanying Statements of Cash Flows.

Revenue recognition -

The Organization complies with and accounts for its revenues in accordance with FASB ASC 958, *Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made* and ASC 606, *Revenue from Contracts with Customers*.

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.

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

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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 employee 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.

Liquidity considerations -

Quantitative

As of December 31, 2023, the Organization has \$1,260,686, 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, 2023, the Organization has a goal to maintain financial assets, which consist of cash and cash equivalents, on hand to meet 30 days of normal operating expenses, which are, on average, approximately \$650,000.

As more fully described in Note 6, the Organization also has a committed line of credit in the amount of \$1,000,000, of which it has drawn down \$920,000.

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

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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 2020.

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.

**(3) Contracts and grants receivable**

Contracts and grants receivable as of December 31, 2023 and 2022 consisted of the following:

	<u>2023</u>	<u>2022</u>
Nassau County Department of Social Services	\$ 1,031,080	\$ 786,456
New York State Office of Victims Services	356,605	362,017
New York State Office of Court Administration	104,123	104,883
New York State Office of Children and Family Services	52,733	93,791
New York State Office for the Prevention of Domestic Violence	42,381	21,056
Nassau County Office of Housing and Homeless Services	42,325	34,623
New York State Division of Criminal Justice	41,199	60,113
U.S. Department of Housing and Urban Development	32,711	20,486
Other	18,749	5,179
Nassau County Youth Board	12,786	22,974
New York State Legislative Grant	10,638	41,711
New York State Department of Health and Human Services	5,000	-
Nassau County Police Department	-	52,591
	<u>\$ 1,750,330</u>	<u>\$ 1,605,880</u>

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

**(4) Property and equipment**

Property and equipment, net as of December 31, 2023 and 2022 consisted of the following:

	<u>2023</u>	<u>2022</u>
Land	\$ 65,000	\$ 65,000
Building and building improvements	1,045,784	1,043,312
Furniture and fixtures	<u>1,066,902</u>	<u>993,732</u>
	2,177,686	2,102,044
Less: accumulated depreciation	<u>(1,760,315)</u>	<u>(1,681,564)</u>
	<u>\$ 417,371</u>	<u>\$ 420,480</u>

Depreciation expense for the years ended December 31, 2023 and 2022 was \$78,751 and \$82,947, respectively.

**(5) Leases:**

The Organization evaluated current contracts to determine which met the criteria of a lease. The ROU assets represent the Organization's right to use underlying assets for the lease term, and the lease liabilities represent the Organization's obligation to make lease payments arising from these leases. The ROU assets and lease liabilities, which arise from operating leases, were calculated based on the present value of future lease payments over the lease terms. The Organization has made an accounting policy election to use its incremental borrowing rate to discount future lease payments. The incremental borrowing rate applied to calculate lease liabilities was 4.50%.

The Organization's operating leases consist primarily of facilities and equipment. As of December 31, 2023, the weighted-average remaining lease terms for the Organization's operating leases was approximately 7 years.

Cash paid for operating leases for the year ended December 31, 2023 and 2022 was \$617,192 and \$619,828, respectively.

Future maturities of lease liabilities are presented in the following table, for the fiscal years ending December 31:

Year ending December 31,	
<u>2024</u>	\$ 567,750
2025	567,106
2026	569,747
2027	586,741
2028	618,979
2029 & thereafter	<u>744,325</u>
Total	3,654,648
Discount to present value	<u>(448,985)</u>
	<u>\$ 3,205,663</u>



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

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**(6) 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 \$920,000. The line is available through January 5, 2024. Borrowings on the line bear interest at 9.25% and are secured by the Organization's assets.

**(7) Net assets with donor restrictions**

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

	<u>2023</u>	<u>2022</u>
Children's programs and PKT	\$ 339,564	\$ 291,185
New shelter capital campaign	318,427	326,917
Sandy Oliva Special Needs	98,776	99,814
Ilene Barshay Impact Fund and Project Hope	92,065	100,291
Community Education	77,250	77,090
Language line	38,354	15,854
Staff and Board development	8,450	6,950
Legal Services	5,000	-
C Scott Legacy	1,491	1,891
Client needs	-	6,751
Safe Home	-	3,316
	<u>\$ 979,377</u>	<u>\$ 930,059</u>

**(8) Commitments and contingencies**

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.

**(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.

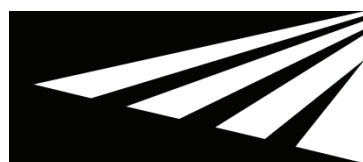
**(10) Subsequent events**

The Organization has evaluated subsequent events through May 22, 2024, 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, 2023 AND 2022**

	2023	2022
<b>GOVERNMENT CONTRACTS:</b>		
Nassau County grants -		
Department of Social Services	\$ 2,504,644	\$ 2,122,500
Police Department	244,493	217,178
Office of Housing and Homeless Services	120,066	164,413
Youth Board	54,347	56,563
New York State grants -		
Office of Victim Services	1,545,542	1,615,877
Office of Court Administration	542,571	461,576
Office of Children and Family Services	529,802	345,401
Division of Criminal Justice Services	217,944	340,052
Office for the Prevention of Domestic Violence	149,953	231,188
Legislative	105,676	137,421
Other government grants -		
U.S. Department of Housing and Urban Development	614,492	490,771
Other	19,192	103,548
Total government contracts	6,648,722	6,286,488
<b>PUBLIC SUPPORT AND FUNDRAISING:</b>		
Grants and contributions	745,362	720,344
Fundraising events, net	268,281	301,802
United Way of Long Island	9,936	12,033
Total public support and fundraising	1,023,579	1,034,179
<b>OTHER REVENUES:</b>		
Miscellaneous fees and other income	27,696	37,897
Total other revenues	27,696	37,897
Total revenues	\$ 7,699,997	\$ 7,358,564

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, 2023 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 22, 2024.

***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 22, 2024

*Nawrocki Smith LLP*