
**CENTER FOR SAFETY & CHANGE, INC.
FINANCIAL STATEMENTS
FOR THE YEARS ENDED
DECEMBER 31, 2018 AND 2017**

CENTER FOR SAFETY & CHANGE, INC.

TABLE OF CONTENTS

FINANCIAL STATEMENTS

FOR THE YEARS ENDED

DECEMBER 31, 2018 AND 2017

	<u>Page #</u>
Independent Auditor's Report	1-2
Statement of Financial Position	3
Statement of Activities	4
Statement of Expenses	5
Statement of Cash Flows	6
Notes to Financial Statements	7-15



INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of
Center for Safety & Change, Inc.

We have audited the accompanying financial statements of Center for Safety & Change, Inc. (a nonprofit organization) which comprise the statement of financial position as of December 31, 2018, and the related statements of activities, expenses, and cash flows for the year then ended, and the related notes to the 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 audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of 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.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Center for Safety & Change, Inc. as of December 31, 2018, 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.

Emphasis of Matter

As discussed in Note 2 to the financial statements, in 2018, Center for Safety & Change, Inc. adopted Accounting Standards Update (ASU) No. 2016-14, *Not-for-Profit Entities (Topic 958): Presentation of Financial Statements of Not-for-Profit Entities*. Our opinion is not modified with respect to this matter.

Other Matter

We have previously audited Center for Safety & Change, Inc.'s December 31, 2017 financial statements and in our report dated May 15, 2018, we expressed an unmodified opinion on those audited financial statements. In our opinion, the summarized comparative information presented herein as of for the year ended December 31, 2017, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Berard & Associates CPA's P.C.

Berard & Associates, CPA's P.C.
Suffern, New York 10901
May 31, 2019

CENTER FOR SAFETY & CHANGE, INC.
STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2018 AND 2017

	2018	2017
ASSETS		
Cash	\$ 42,248	\$ 25,981
Grants and Accounts Receivable	746,358	519,110
Pledges Receivable	52,640	19,675
Other Receivable	7,650	2,884
Prepaid Expenses	27,436	4,544
TOTAL CURRENT ASSETS	876,332	572,194
Property and Equipment, less Accumulated Depreciation of \$1,117,141 and \$1,030,667	2,286,963	2,373,437
TOTAL ASSETS	\$ 3,163,295	\$ 2,945,631
LIABILITIES		
CURRENT LIABILITIES		
Accounts Payable and Accrued Expenses	\$ 526,338	\$ 279,712
Accrued Compensated Absences	79,794	52,801
Deferred Governmental Support	14,785	17,187
Loans Payable	364,420	471,420
Mortgage Payable - Current Portion	43,000	43,000
TOTAL CURRENT LIABILITIES	1,028,337	864,120
LONG-TERM LIABILITIES		
Mortgage Payable	501,000	569,000
TOTAL LIABILITIES	1,529,337	1,433,120
NET ASSETS		
<u>Without Donor Restrictions</u>		
Operating Fund	(215,855)	(356,044)
Property & Equipment (net)	1,742,963	1,761,437
	1,527,108	1,405,393
<u>With Donor Restrictions</u>		
SAEDA program	50,000	50,000
Shelter Renovations	56,850	57,118
	106,850	107,118
TOTAL NET ASSETS	1,633,958	1,512,511
TOTAL LIABILITIES AND NET ASSETS	\$ 3,163,295	\$ 2,945,631

See Independent Auditor's Report and accompanying Notes to Financial Statements

CENTER FOR SAFETY & CHANGE, INC.
STATEMENT OF ACTIVITIES
FOR THE YEARS ENDED DECEMBER 31, 2018 AND 2017

	Without Donor Restrictions	With Donor Restrictions	2018 Total	2017 Total
REVENUES				
Grants from Governmental Agencies	\$ 2,914,014	\$ -	\$ 2,914,014	\$ 2,263,445
Governmental Shelter Services	493,640	-	493,640	483,543
Contributions and Foundation Grants	281,201	50,000	331,201	301,384
Special Events Revenue	657,275	-	657,275	553,832
Direct Cost of Donor Benefits	(83,419)	-	(83,419)	(113,983)
In-Kind Revenue	629,279	-	629,279	272,509
Other Revenues	-	-	-	7,550
Net Assets Released from Restrictions	50,000	(50,000)	-	-
Prior Period Adjustment	268	(268)	-	-
TOTAL REVENUES	4,942,258	(268)	4,941,990	3,768,280
EXPENSES				
Residential Programs	589,819	-	589,819	715,141
Non-Residential Programs	3,590,779	-	3,590,779	2,488,789
Total Programs	4,180,598	-	4,180,598	3,203,930
General and Administrative	436,021	-	436,021	314,920
Fundraising	203,924	-	203,924	298,009
Total Expenses	4,820,543	-	4,820,543	3,816,859
Change in Net Assets	121,715	(268)	121,447	(48,579)
Net Assets, Beginning	1,405,393	107,118	1,512,511	1,561,090
Net Assets, Ending	\$ 1,527,108	\$ 106,850	\$ 1,633,958	\$ 1,512,511

See Independent Auditor's Report and accompanying Notes to Financial Statements

CENTER FOR SAFETY & CHANGE, INC.
STATEMENT OF EXPENSES
FOR THE YEARS ENDED DECEMBER 31, 2018 AND 2017

	Non-		2018		2017	
	Residential Programs	Residential Programs	Total Programs	General and Administrative	Fund Raising	Total Expenses
Salaries	\$ 286,210	\$ 2,157,699	\$ 2,443,909	\$ 94,858	\$ 120,506	\$ 2,299,743
Payroll Taxes & Employee Benefits	37,939	286,019	323,958	12,574	15,975	331,729
Total Salaries and Related Costs	<u>324,149</u>	<u>2,443,718</u>	<u>2,767,867</u>	<u>107,432</u>	<u>136,481</u>	<u>2,631,472</u>
Occupancy	110,643	117,448	228,091	7,617	22,675	258,383
Legal Services	-	22,032	22,032	-	-	9,280
Consultants & Professional Fees	-	102,168	102,168	71,437	-	173,605
Office Supplies & Printing	103	23,290	23,393	400	800	24,593
Equipment and Maintenance	1,189	9,126	10,315	-	-	10,315
Telephone	12,116	38,101	50,217	2,605	7,754	60,576
Insurance	9,430	16,264	25,694	5,901	-	31,595
Travel, Conferences & Meetings	17,827	92,264	110,091	479	10,778	121,348
Data & Payroll Processing	-	-	-	89,555	-	89,555
Food	20,379	1,548	21,927	2,433	-	24,360
Postage	-	4,209	4,209	-	-	4,209
Advertising	-	1,424	1,424	-	350	1,774
Interest	15,488	40,337	55,825	2,896	8,620	67,341
Program Supplies	18,479	22,822	41,301	-	-	41,301
Lodging and Housing Assistance	-	64,625	64,625	-	-	64,625
In-Kind Other Services	2,000	295,242	297,242	-	-	297,242
In-Kind Legal Services	-	232,584	232,584	3,653	-	236,237
In-Kind Goods	37,500	-	37,500	27,500	-	65,000
In-Kind Space	-	-	-	30,800	-	30,800
Bad Debts	-	-	-	70,870	-	70,870
Depreciation	19,889	51,798	71,687	3,718	11,069	86,474
Other	627	11,779	12,406	8,725	5,397	26,528
Total	<u>\$ 589,819</u>	<u>\$ 3,590,779</u>	<u>\$ 4,180,598</u>	<u>\$ 436,021</u>	<u>\$ 203,924</u>	<u>\$ 4,820,543</u>
						<u>\$ 3,816,859</u>

See Independent Auditor's Report and accompanying Notes to Financial Statements

CENTER FOR SAFETY & CHANGE, INC.
STATEMENT OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2018 AND 2017

CASH FLOWS FROM OPERATING ACTIVITIES	2018	2017
Change in Net Assets	\$ 121,447	\$ (48,579)
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	86,474	88,900
County Portion of Mortgage Payment	(25,000)	(25,000)
(Increase)Decrease in Operating Assets:		
Grants and Accounts Receivables	(227,248)	(175,663)
Pledges Receivable	(32,965)	4,825
Other Receivables	(4,766)	(2,602)
Prepaid Expenses	(22,892)	6,415
Increase (Decrease) in Operating Liabilities:		
Accounts Payable and Accrued Expenses	273,619	176,142
Deferred Governmental Support	(2,402)	(172,970)
Net Cash (Used)/Provided by Operating Activities	166,267	(148,532)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of Equipment	-	(48,550)
Net Cash (Used)/Provided by Investing Activities	-	(48,550)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from Loans Payable	364,420	471,420
Principal Payments on Loans Payable	(471,420)	(352,573)
Principal Mortgage Payable	(43,000)	(43,000)
Net Cash (Used)/Provided by Financing Activities	(150,000)	75,847
Net (Decrease)/Increase in Cash	16,267	(121,235)
Cash - Beginning	25,981	147,216
Cash - Ending	\$ 42,248	\$ 25,981
<u>Supplemental Information:</u>		
Interest Paid	\$ 67,341	\$ 67,020

See Independent Auditor's Report and accompanying Notes to Financial Statements

CENTER FOR SAFETY & CHANGE, INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2018 AND 2017

NOTE 1 - ORGANIZATION AND PURPOSE

Center for Safety & Change, Inc. ("CSC") is organized under the Not-for-Profit Corporation Law of the State of New York. CSC is dedicated to ending violence in the lives of women and children and serves survivors of domestic violence, survivors of sexual assault and homeless women and children. Services include: twenty-four hour hotlines, a walk-in center, individual and group counseling, court assistance, legal assistance, community education, emergency shelter and transitional housing for women and children. 71% of CSC's revenue comes from government grants.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

The financial statements have been prepared on the accrual basis. Revenue is recorded when earned. Expenses are recorded when goods or services are received. Contributions (other than government grants) are recorded when received or pledged. Government grants are recorded when contractual obligations are met. Contributions are deemed to be available for general use unless specifically restricted by the donor.

Basis of Presentation

The financial statements of CSC have been prepared on the accrual basis of accounting and accordingly reflect all significant receivables, payables and other liabilities. Net assets with donor restrictions consist of assets whose use is limited by donor-imposed, time and/or purpose restrictions. The Organization reports gifts of cash and other assets as revenue with donor restrictions if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, that is, when a stipulated time restriction ends or a purpose restriction is accomplished, the net assets are reclassified as net assets without donor restriction and reported in the statements of activities as net assets released from restrictions.

Recently Issued Accounting Standards

The Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) No. 2016-14, Presentation of Financial Statements of Not-for-Profit Entities. CSC adopted the provisions of this new standard during the year ended December 31, 2018. In addition to changes in terminology used to describe categories of net assets throughout the financial statements, new disclosures were added regarding liquidity and the availability of resources, and disclosures related to functional allocation of expenses were expanded.

Pledges Receivable

Pledges receivable are recorded when a donor makes an unconditional promise to pay. Pledges made for use in subsequent years are reported as donor restricted until the passage of time qualifies the amounts for release from restriction. Pledges as of 2018 and 2017 were current and do not reflect any discounts or bad debts.

Donors' expressions of intention to give in the future, not constituting unconditional promises to give, are not reflected in the accompanying financial statements.

CENTER FOR SAFETY & CHANGE, INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2018 AND 2017

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – (CONT'D)

Allocation of Expenses

Expenses are charged to programs and supporting services on the basis of periodic time and expense studies. Management and general expenses include those expenses that are not directly identifiable with any other specific function, but provide for the overall support and direction of the Organization.

Property and Equipment

Property and equipment are capitalized by CSC provided their cost is \$2,500 or more and their useful life is greater than one year. The property and equipment is stated on the balance sheet at cost less accumulated depreciation. These amounts do not purport to represent replacement or realizable values. Management has determined that the net book value of these assets is not material. Note 6 presents additional information.

Fair Values of Financial Instruments

The carrying amounts reflected in the Statement of Financial Position for accounts receivable and short-term investments approximate the respective fair values due to the short-term nature of those instruments and/or the market interest rates associated with them.

Accounts Receivable

Accounts receivable are stated at unpaid balances, less an allowance for doubtful accounts. Management determines when receivables are past due based on their contractual terms and evaluates collectability based on the individual payment history. Management provides for probable uncollectable amounts through a provision for bad debts. Balances that are still outstanding after management has used reasonable collection efforts are written off through a charge to the allowance and a credit to accounts receivable.

Government Grants

Principal support for the programs operated by CSC is derived from various Federal and New York State governmental sources. CSC recognizes revenue from these sources when the contractual obligations are met. There are occasions when funding source reimbursements for prior years are adjusted in the current year. Such adjustments may be due to funding source audit findings, additional monies available over and above original contractual amounts, etc. The amount of such adjustments was not material in 2018 and 2017.

Residential Shelter Services

Governmental shelter services are provided primarily under a contract with Rockland County Department of Social Services covering qualified residents. These services were recorded at a rate of \$112.22 per bed-night. Funding for non-qualified residents is provided in part, by the New York State Office of Victims Services and donations. Non-governmental shelter services represent shelter services to residents not government funded, with an equal amount charged to expense as unreimbursed bed-nights.

CENTER FOR SAFETY & CHANGE, INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2018 AND 2017

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – (CONT'D)

Deferred Government Support

CSC recognizes grants from Governmental agencies up to the amount expended during the year. Revenues received in excess of amounts expended are reported as deferred revenue.

Donated Services

The Organization pays for most services requiring specific expertise. However, many individuals volunteer their time and perform a variety of tasks that assist the Organization with specific program services and fundraising campaigns.

The use of space for offices in Haverstraw and Spring Valley as well as a storage facility has been valued at \$30,800 for 2018 and \$23,600 for 2017. These amounts are recorded in the Statement of Activities. The method used to determine the value is based on fair market rental value.

The Moving Forward Program requires the setup of new apartments including small appliances, furniture, bedding, bathroom items, and household supplies, and relies heavily on a significant amount of volunteer hours. It has been estimated that each apartment setup is valued at approximately \$2,500. The value for the year amounts to \$65,000 for 2018 and \$62,500 for 2017.

Total qualified volunteer hours for all residential and non-residential programs totaled \$215,075 in 2018 and \$186,409 in 2017. The Organization received outside volunteer legal services of \$236,237 in 2018 and \$- in 2017. Other donated assets totaled \$82,167 for 2018 and \$ - for 2017.

Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported amount of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Comparative Figures

The 2018 financial statements include certain 2017 comparative totals as additional information. As a result, the 2017 comparative information does not include sufficient detail to constitute a presentation in conformity with accounting principles generally accepted in the United States of America. Accordingly, such information should be read in conjunction with CSC's 2017 financial statements.

Income Taxes

The Organization is exempt from federal income tax under Section 501(c) (3) of the Internal Revenue Code. However, income from certain activities not directly related to the Organization's tax-exempt purpose is subject to taxation as unrelated business income. In addition, the Organization qualifies for the charitable contribution deductions under Section 170(b)(1)(A)(vi) and has been classified as an organization other than a private foundation under Section 509(a)(1).

CENTER FOR SAFETY & CHANGE, INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2018 AND 2017

NOTE 3 - PROGRAMS

Center for Safety & Change: Who We Are

For nearly forty years, the Center for Safety & Change (the Center) has been serving victims/survivors of domestic violence, sexual assault, human trafficking and all crimes in Rockland County, while developing strategies to end gender-based violence by addressing societal oppressions which allow such violence to occur.

The Center for Safety & Change services are provided in a manner that addresses special needs that victims/survivors may have including, but not limited to, victims who are physically handicapped, hearing impaired, or non-English-speaking. Most non-residential services are provided at one of eleven locations in Rockland County, all of which are accessible to individuals who are physically challenged.

As one of the most ethnically and culturally diverse counties in NYS state, Rockland is home to a wide range of individuals who speak no English or for whom English is a second language, and the Center for Safety & Change strives to reflect and respect this diversity in all of our programs and services. Non-English-speaking victims are accommodated by Center for Safety & Change staff who collectively are fluent in several languages including, but not limited to Spanish, French/Creole, Hebrew, Yiddish, Urdu and Hindi, and by access to a 24-hrs/7-days a week Language Line service, which enable conversations to be translated to over 200 languages and dialects. The unique Center for Safety & Change staffing pattern also reflects the diversity of the Rockland community by including bi-lingual and bi-cultural coordinators from and for the Asian, African-American, Latin@, Haitian, Orthodox Jewish, and LGBTQ (Lesbian/Gay/Bi-Sexual/Transgender/Queer) communities on staff. Non-English-speaking victims/survivors are accommodated at all eleven locations and as needed, at other locations where services may be provided.

At no time are victims/survivors denied services or provided with less than the full complement of Center for Safety & Change services due to lack of English language proficiency.

The Emergency Residential Shelter is staffed 24-hrs/7-days a week and all residential victims/survivors are provided at the Center for Safety & Change Emergency Residential Shelter which is located at an undisclosed location (for security purposes). Most non-residential services are provided at one of eleven locations that Center for Safety & Change maintains throughout the county for convenient access by victims/survivors – two in New City, two in Nyack, two in Pomona, one in Spring Valley, one in Haverstraw, one in Suffern, one in Blauvelt and one in Sparkill.

Helping Survivors of Domestic Violence

Our advocates work closely with victims/survivors to help them navigate the court system, obtain orders of protection, get food and clothes, as well as accompany them to court, hospitals and other appointments. Mostly, they listen to clients as they tell their stories in their own words. As victims of crime, clients receive help in completing restitution forms from Office of Victims' Services in order to receive compensation for medical bills, property and other losses incurred.

24- Hour Hotline

The Center for Safety & Change's 24-hour hotline is confidential, multi-lingual and is handled by trained, caring staff and volunteers.

CENTER FOR SAFETY & CHANGE, INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2018 AND 2017

NOTE 3 - PROGRAMS (CONT'D)

Providing Emergency Residential Shelter

The Center for Safety & Change provides victims/survivors of domestic violence, sexual assault, human trafficking and their children a safe space at its emergency residential shelter which is staffed 24 hours, 365 days a year. Residential staff work with victims/survivors on a myriad of issues in a safe, respectful environment. Children in the shelter can receive counseling, while the children's advocates also arrange creative activities for them.

Moving Forward

The members of the Center's Resource Council, staff and volunteers solicit, pick up, and store furniture and household items to provide the survivors of domestic violence or sexual assault with many of the things they need as they are 'moving forward' from the Shelter to a home of their own.

Helping Children and Youth Impacted by Abuse

Often the most vulnerable witnesses and victims of domestic violence are children. The Center's "Children and Youth Services Program" provides a safe, child-friendly environment for children and youth, helping them to process the abuse, and to help them see that what happened is not their fault.

Non-Residential Domestic Violence Services

At the Center for Safety & Change's walk-in office, clients can receive all the services they need in a multi-disciplinary setting. Advocates, attorneys, and counselors work with clients to address various needs including safety planning, counseling, housing and child services. The Center for Safety & Change also provides weekly support and empowerment groups which are free and confidential, and are conducted in English and in Spanish.

Helping Victims and Their Families in the Courts

Going to court can be daunting for anyone, but for a family in crisis, navigating through family, IDV and criminal court can be overwhelming. The Center's Law Project employs four full time attorneys, para-legal and legal advocates who provide a myriad of services, including obtaining orders of protection, court accompaniment, process service and translation.

Providing Services for Survivors of Sexual Trauma

The Center's sexual trauma advocates serve victims of sexual assault through a multitude of services including advocacy, accompaniment to hospitals and police, and through the 24-hour hotline. The Center's Sexual Assault Forensic Examiner team (SAFE) is on call 24 hours a day, 365 days a year to provide direct service to clients. Additionally, Sexual Trauma advocates provide crisis intervention, support counseling and therapy.

Providing Services for Special Victims and Other Crimes

Center for Safety & Change, in collaboration with the Rockland County District Attorney's office provides services to victims of crimes at the District Attorney's office and the "Spirit of Rockland Special Victims Unit". The Center's team works as part of a multidisciplinary team on human trafficking, child abuse, elder abuse and hate crime case amongst others.

CENTER FOR SAFETY & CHANGE, INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2018 AND 2017

NOTE 3 - PROGRAMS (CONT'D)

Developing Violence Prevention Strategies

The "Lynn Sheinkin Department for Education & Social Change" at the Center raises awareness of violence and abuse in our society through programs and services created by the Center throughout its 39 years of serving the community. The Center's education team work within the Rockland County school district to address issues of dating abuse, bullying, and social media in working towards creating scenarios of what healthy relationships look like. Through its Teen Dating Violence Prevention and SAEDA (Student Activists Ending Dating Abuse) programs, young adults become leaders, activists who are imparted with a sense of social justice as they plan for their future.

NOTE 4 - PROMISES TO GIVE

Unconditional promises to give that are expected to be collected within one year are recorded at net realizable value. Promises that remain uncollected more than one year after their due dates are written off unless the donors indicate that payment is merely postponed. Conditional promises to give are not recognized in the financial statements until the conditions are substantially met.

Unconditional promises to give at December 31, 2018 are as follows:

	<u>2018</u>	<u>2017</u>
Receivable in less than one year	\$ 52,640	\$ 19,675
Receivable in one to five years	-	-
Receivable in more than five years	-	-
Total Unconditional promises to give	<u>\$ 52,640</u>	<u>\$ 19,675</u>

NOTE 5 - PENSION PLAN

CSC sponsors a 403(b) retirement plan covering all qualifying employees. Employees can contribute up to IRS regulations from their salary tax deferred. Employer contribution amounts are determined by the board of directors on an annual basis. There were no employer contributions for the year ended December 31, 2018 and 2017.

NOTE 6 - PROPERTY AND EQUIPMENT

Depreciation is provided on a straight-line basis over the estimated useful lives of the assets. At December 31, 2018, the relevant detailed information was as follows:

<u>Description</u>	<u>Cost</u>	<u>Accumulated Depreciation</u>	<u>Net Book Value</u>	<u>Estimated Useful Life</u>
Land	\$ 320,044	\$ -	\$ 320,044	N/A
Building	1,280,174	437,667	842,507	39 years
Building Improvements	1,481,657	418,775	1,062,882	39 years
Leasehold Improvements	55,998	23,642	32,356	39 years
Furniture & Equipment	240,823	215,035	25,788	3-10 years
Vehicle	<u>25,408</u>	<u>22,022</u>	<u>3,386</u>	5 years
Total	<u>\$3,404,104</u>	<u>\$1,117,141</u>	<u>\$2,286,963</u>	

CENTER FOR SAFETY & CHANGE, INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2018 AND 2017

NOTE 6 - PROPERTY AND EQUIPMENT (CONT'D)

At December 31, 2017, the relevant detailed information was as follows:

<u>Description</u>	<u>Cost</u>	<u>Accumulated Depreciation</u>	<u>Net Book Value</u>	<u>Estimated Useful Life</u>
Land	\$ 320,044	\$ -	\$ 320,044	N/A
Building	1,280,174	404,842	875,332	39 years
Building Improvements	1,481,657	380,784	1,100,873	39 years
Leasehold Improvements	55,998	22,206	33,792	39 years
Furniture & Equipment	240,823	205,895	34,928	3-10 years
Vehicle	<u>25,408</u>	<u>16,940</u>	<u>8,468</u>	5 years
Total	<u>\$3,404,104</u>	<u>\$1,030,667</u>	<u>\$2,373,437</u>	

The depreciation expense for December 31, 2018 and 2017 was \$86,474 and \$88,900 respectively.

Assets purchased using federal funds are subject to a reversionary interest to the federal government.

NOTE 7 - CONCENTRATION OF CREDIT RISK

CSC maintains cash in bank accounts and money market accounts. The bank accounts are insured by the Federal Deposit Insurance Corporation (FDIC) on balances up to \$250,000 at each bank. There were no bank account balances in excess of the FDIC insured limits as of December 31, 2018. Management has placed the funds of CSC in financial institutions they deem to be of high quality in order to minimize risk.

NOTE 8 - NOTES AND LOANS PAYABLE

Bank Loan

CSC had a \$500,000 line of credit from a local bank that expired December 31, 2017. The outstanding balance at December 31, 2017 was \$ -.

Unsecured Loans Payable

The Agency has several short-term, interest bearing loans from board members to be used for cash flow purposes. At December 31, 2018 and 2017, outstanding board member payable was \$364,420 and \$471,420, respectively, with an interest rate of prime rate plus 1%. The full balance of the loan is due in 2019.

Mortgage Payable

CSC obtained a loan in 2006 with a \$1,360,000 HUD financed mortgage payable to The County of Rockland pursuant to the Housing and Community Development Act of 1974 and secured by the office building which was acquired August 31, 2005. The mortgage's interest is at a variable rate to be adjusted annually by HUD in accordance with applicable Federal laws, plus an annual fee payable to Rockland County equal to one percent (1%) of the outstanding principal balance. The final payment is due July 1, 2026. The effective rate was 6.3% at December 31, 2018 and 6.3% at December 31, 2017. Rockland County pays a mortgage payment subsidy of \$25,000 annually toward the commitment of CSC. This amount is reported each year in grants from governmental agencies in the statement of activities.

CENTER FOR SAFETY & CHANGE, INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2018 AND 2017

NOTE 8 – NOTES AND LOANS PAYABLE (CONT'D)

Minimum future loan payment commitments, on an annual basis, are as follows:

	<u>Interest and fees</u>	<u>Principal</u>	<u>Rockland County Payment</u>	<u>Total</u>
2019	\$ 36,054	\$ 68,000	\$ (25,000)	\$ 79,054
2020	31,668	68,000	(25,000)	74,668
2021	27,241	68,000	(25,000)	70,241
2022	22,774	68,000	(25,000)	65,774
2023	18,272	68,000	(25,000)	61,272
2024-2026	<u>27,533</u>	<u>204,000</u>	<u>(75,000)</u>	<u>156,533</u>
	<u>\$ 163,542</u>	<u>\$ 544,000</u>	<u>\$(225,000)</u>	<u>\$ 507,542</u>

CSC is currently under review for approval of a \$150,000 commercial mortgage and a \$500,000 secured revolving line of credit from Orange Bank & Trust Co. during the month of June 2019.

NOTE 9 - COMMITMENTS AND CONTINGENCIES

Lease Commitments

CSC entered into an operating lease agreement for residential facilities expiring June 30, 2019. Beginning July 2017 and in accordance with the lease agreement, lease payments were adjusted annually based on the year-over-year CPI-U ratio for New York/Northern New Jersey. Minimum future lease payment commitments on an annual basis are \$31,320, adjusted by changes in the CPI-U for New York/Northern Jersey.

CSC is responsible for all utilities and services including gas, water, electric, fuel, telephone, sewer, exterminating, trash removal and snow removal.

CSC is responsible for all repairs or remodeling necessitated by its programs or clients; and for all other repairs under the cost of \$500. Landlord is responsible for the furnace, exterior painting and roof.

NOTE 10 – DONOR RESTRICTED NET ASSETS

Donor restricted net assets were released and expended for the following purposes in 2018:

<u>Purpose</u>	<u>Beginning Balance</u>	<u>Revenues</u>	<u>Net Assets Released</u>	<u>Prior Period Adjustment</u>	<u>Ending Balance</u>
Shelter Improvements	\$ 45,451	\$ -	\$ -	\$ 11,399	\$ 56,850
Renovation of Office Building	11,667	-	-	(11,667)	-
SAEDA	<u>50,000</u>	<u>50,000</u>	<u>(50,000)</u>	<u>-</u>	<u>50,000</u>
	<u>\$ 107,118</u>	<u>\$ 50,000</u>	<u>\$(50,000)</u>	<u>\$ (268)</u>	<u>\$ 106,850</u>

CENTER FOR SAFETY & CHANGE, INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2018 AND 2017

NOTE 11 – LIQUIDITY AND FUNDS AVAILABLE

CSC receives significant government grant revenues, contributions, and promises to give from donors, and considers contributions restricted or unrestricted for programs and services which are ongoing, major, and central to annual operations to be available to meet cash needs for general purposes. CSC strives to maintain liquid financial assets sufficient to cover beyond 60 days of general expenditures. In evaluating the adequacy of financial assets available to sustain commitments and obligations, CSC may borrow from current board members or lending institutions. In early 2018, CSC began the process of securing a \$500,000 line of credit with a financial institution

The following table reflects the CSC's financial assets as of December 31, 2018, reduced by amounts not available for general expenditure within one year. Financial assets are considered unavailable when illiquid or not convertible to cash within one year, or because the Board has set aside the funds for specific reserve or long-term investments as Board designated. Board designations could be drawn upon if the Board approves that action.

Financial Assets:	
Cash	\$ 42,248
Grants & Accounts Receivable	746,358
Pledges Receivable	52,640
Other Receivables	<u>7,650</u>
Financial assets available to meet cash needs for general expenditure within one year	<u>\$ 848,896</u>

NOTE 12 – SUBSEQUENT EVENTS

Subsequent events were evaluated by management through May 31, 2019, which is the date the financial statements were available to be issued.