Center for Safety & Change, Inc.

Financial Statements and
Uniform Guidance Schedules
Together with Independent Auditors' Reports

December 31, 2020

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Together With Independent Auditors' Reports

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Appendix A

Corrective Action Plan

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Independent Auditors' Report

Board of Directors
Center for Safety & Change, Inc.

Report on the Financial Statements

We have audited the accompanying financial statements of Center for Safety & Change, Inc., which comprise the statement of financial position as of December 31, 2020, 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.

Auditors' 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 from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' 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 auditors consider 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.

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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, 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.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards,* we have also issued our report dated June 29, 2022 on our consideration of Center for Safety & Change, Inc. 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 Center for Safety & Change, Inc. internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Center for Safety & Change, Inc. internal control over financial reporting and compliance.

PKF O'Connor Davies, LLP

Newburgh, New York
June 29, 2022

Center for Safety & Change, Inc.

Statement of Financial Position
December 31, 2020

ASSETS	
Cash	$ 487,247
Grants and accounts receivable, net	968,249
Contributions receivable, net	197,786
Prepaid expenses	6,035
Security deposit	7,500
Property and equipment, net	2,136,432
Total Assets	$ 3,803,249
LIABILITIES AND NET ASSETS	
Liabilities	
Accounts payable and accrued expenses	$ 203,012
Accrued vacation	83,662
Deferred revenue	68,500
Paycheck Protection Program funding advance	668,047
Loan payable	7,542
Note payable	128,940
Promissory note payable	408,000
Total Liabilities	1,567,703
Net Assets	
Without Donor Restrictions	
Undesignated	305,754
Investment in property and equipment, net	1,728,432
Total Without Donor Restrictions	2,034,186
With donor restrictions	201,360
Total Net Assets	2,235,546
Total Net Assets and Liabilities	$ 3,803,249

See notes to financial statements.

Center for Safety & Change, Inc.

Statement of Activities
Year Ended December 31, 2020

	Without Donor Restrictions	With Donor Restrictions	Total
REVENUE, SUPPORT AND RECLASSIFICATIONS			
Grants from governmental agencies	$ 4,096,378	$ 50,000	$ 4,146,378
Governmental shelter services	355,631	-	355,631
Corporate, foundation and individual contributions	953,286	-	953,286
Special events	196,379	-	196,379
In-kind revenue	577,536	-	577,536
Net assets released from restrictions	239,000	(239,000)	-
Total Revenue, Support and Reclassifications	6,418,210	(189,000)	6,229,210
EXPENSES			
Program Services			
Residential programs	567,803	-	567,803
Non-residential programs	4,920,683	-	4,920,683
Total Program Services	5,488,486	-	5,488,486
Supporting Services			
General and administrative	619,897	-	619,897
Fundraising	304,144	-	304,144
Total Supporting Services	924,041	-	924,041
Total Expenses	6,412,527	-	6,412,527
Change in Net Assets	5,683	(189,000)	(183,317)
NET ASSETS			
Beginning of year	2,028,503	390,360	2,418,863
End of year	$ 2,034,186	$ 201,360	$ 2,235,546

See notes to financial statements.

Center for Safety & Change, Inc.

Statement of Expenses
Year Ended December 31, 2020

	Program Services			Supporting Services			
	Residential Programs	Non-Residential Programs	Total	General and Administrative	Fundraising	Total	Total Expenses
PERSONNEL COSTS							
Salaries and wages	$ 310,048	$ 2,887,100	$ 3,197,148	$ 118,907	$ 166,442	$ 285,349	$ 3,482,497
Payroll taxes and employee benefits	39,744	370,091	409,835	14,206	21,336	35,542	445,377
Total Personnel Costs	349,792	3,257,191	3,606,983	133,113	187,778	320,891	3,927,874
OTHER EXPENSES							
Consultants and professional fees	-	369,300	369,300	38,853	-	38,853	408,153
Legal services	-	13,467	13,467	-	-	-	13,467
Insurance	7,017	26,228	33,245	1,906	-	1,906	35,151
Data processing	-	70,478	70,478	41,800	-	41,800	112,278
Equipment and maintenance	6,625	135,369	141,994	-	-	-	141,994
Food	17,194	627	17,821	582	-	582	18,403
Fundraising	-	-	-	-	80,049	80,049	80,049
Lodging and housing assistance	-	98,162	98,162	-	-	-	98,162
Occupancy	69,406	141,410	210,816	10,151	15,109	25,260	236,076
Office supplies and printing	5,825	60,252	66,077	1,900	352	2,252	68,329
Program supplies	11,566	91,277	102,843	-	-	-	102,843
Postage	-	5,024	5,024	-	-	-	5,024
Telephone	10,340	29,530	39,870	2,068	6,156	8,224	48,094
Travel, conferences and meetings	3,443	47,523	50,966	1,236	-	1,236	52,202
Interest	7,576	19,731	27,307	1,416	4,216	5,632	32,939
Bad debt expense	-	-	-	262,359	-	262,359	262,359
Depreciation	18,839	49,064	67,903	3,522	10,484	14,006	81,909
Other	850	11,844	12,694	96,991	-	96,991	109,685
Total Expenses Before In-Kind Services	508,473	4,426,477	4,934,950	595,897	304,144	900,041	5,834,991
IN-KIND GOODS AND SERVICES							
In-kind goods	48,991	43,621	92,612	-	-	-	92,612
In-kind legal services	-	176,236	176,236	-	-	-	176,236
In-kind space	-	-	-	24,000	-	24,000	24,000
In-kind professional services	10,339	274,349	284,688	-	-	-	284,688
Total In-Kind Goods and Services	59,330	494,206	553,536	24,000	-	24,000	577,536
Total Expenses	$ 567,803	$ 4,920,683	$ 5,488,486	$ 619,897	$ 304,144	$ 924,041	$ 6,412,527

See notes to financial statements.

Center for Safety & Change, Inc.

Statement of Cash Flows
Year Ended December 31, 2020

CASH FLOWS FROM OPERATING ACTIVITIES	
Change in net assets	$ (183,317)
Adjustments to reconcile change in net assets to net cash from operating activities	
Depreciation	81,909
Bad debt expense	262,359
Reduction of promissory note payable - Rockland County	(25,000)
Changes in operating assets and liabilities	
Grants and accounts receivable	222,666
Contributions receivable	24,627
Prepaid expenses	1,906
Accounts payable and accrued expenses	(13,770)
Accrued vacation	23,199
Deferred revenue	68,500
Net Cash from Operating Activities	463,079
CASH FLOWS FROM FINANCING ACTIVITIES	
Net decrease in line of credit	(377,000)
Proceeds from Paycheck Protection Program funding advance	668,047
Payments on loans, note, and promissory note payable	(349,071)
Net Cash from Financing Activities	(58,024)
Net Change in Cash	405,055
CASH	
Beginning of year	82,192
End of year	$ 487,247
SUPPLEMENTAL CASH FLOW INFORMATION	
Cash paid during the year for interest	$ 51,580

See notes to financial statements.

1. Organization and Taxation

Center for Safety & Change, Inc. (the “Center”) is a not-for-profit organization incorporated in New York State in 1979. The Center 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. The majority of the Center’s revenue comes from government grants and contributions.

The Center has been granted tax-exempt status under Internal Revenue Code Section 501(c)(3). Accordingly, no provision for federal and state income taxes has been recognized in the accompanying financial statements. The Center has been classified as an organization that is not a private foundation under Section 509(a) and has been designated as a publicly supported organization under Section 170(b)(1)(A)(vi). Contributions to the Center are tax-deductible within the limitations prescribed by the Internal Revenue Code.

Programs

For more than forty years, 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’s 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 New York, Rockland is home to a wide range of individuals who speak no English or for whom English is a second language, and the Center strives to reflect and respect this diversity in all of its programs and services. Non-English-speaking victims are accommodated by the Center’s 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 Center’s unique 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, Haitian, Latin, 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 the Center’s services due to lack of English language proficiency.

1. Organization and Taxation *(continued)*

Programs (continued)

The Emergency Residential Shelter is staffed 24-hrs/7-days a week and all residential victims/survivors' services are provided at the Center's 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 the Center maintains throughout Rockland 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.

Other programs include: Helping Survivors of Domestic Violence, 24-Hour Hotline, Providing Emergency Residential Shelter, Moving Forward, After Care Transitional Services, Helping Children and Youth Impacted by Abuse, Non-Residential Domestic Violence Advocacy & Supportive Services, Providing Safety for Pets, Helping Victims and Their Families in the Courts, Providing Services for Comprehensive Crime Victims, Providing Survivors of Sexual Trauma, Providing Services for Victims of Human Trafficking, Developing Violence Prevention Strategies Through Community Education and Awareness, Media Literacy Program, Teen Dating Violence Prevention Program, Student Activists Ending Dating Abuse, Services on College Campuses, Engaging Boys and Men, Staff Development and Community Collaborations.

2. Reclassification

The January 1, 2020 beginning balances have been reclassified as follows:

	Without Donor Restrictions	With Donor Restrictions	Total
Total Net Assets at December 31, 2019	$ 2,367,503	$ 51,360	$ 2,418,863
Reclassification of net assets	(339,000)	339,000	-
Total Net Assets at January 1, 2020	$ 2,028,503	$ 390,360	$ 2,418,863

During the preparation of the financial statements for the year ended December 31, 2020, management identified contributions which are due over multiple years and should have been classified as net assets with donor restrictions due to time restrictions, rather than net assets without donor restrictions. The effect of the adjustment decreased net assets without donor restrictions and increased net assets with donor restrictions by $339,000 at January 1, 2020. The adjustment did not effect the reported change in total net assets for the year ended December 31, 2019.

3. Summary of Significant Accounting Policies

Basis of Presentation and Use of Estimates

The accompanying financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America ("U.S. GAAP"), which requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Accordingly, actual results could differ from those estimates.

Net Asset Presentation

Net assets are classified based on the presence or absence of donor imposed restrictions. Resources for various purposes are classified for accounting and reporting purposes into net asset categories established according to nature and purpose as follows:

Without donor restrictions – consist of resources available for the general support of the Center's operations. Net assets without donor restrictions may be used at the discretion of the Center's management and Board of Directors (the "Board").

With donor restrictions – represent amounts restricted by donors for specific activities of the Center or to be used at some future date. The Center records contributions as with donor restrictions if they are received with donor stipulations that limit their use either through purpose or time restrictions. Other donor imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. The Center had no such perpetual donor restrictions at December 31, 2020.

When a donor restriction expires, that is, when a time restriction ends or a purpose restriction is fulfilled, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions.

Recently Adopted Accounting Pronouncement

Effective January 1, 2020, the Center adopted new U.S. GAAP revenue recognition guidance Accounting Standards Update ("ASU") 2014-09, *Revenue from Contracts with Customers (Topic 606)* ("ASU 2014-09") which provides a single comprehensive model for entities to use in accounting for revenue arising from contracts with customers and supersedes most current revenue recognition guidance. The new revenue recognition guidance does not apply to how contributions and pledges are recognized, as they are specifically scoped out of the new guidance.

The core principle of the new guidance is that an entity should recognize revenue from the transfer of promised goods or services to customers in an amount that reflects the consideration the entity expects to receive for those promised goods or services to customers.

3. Summary of Significant Accounting Policies *(continued)*

Recently Adopted Accounting Pronouncement (continued)

The guidance includes a five-step framework to determine the timing and amount of revenue to recognize related to contracts with customers. In addition, this guidance requires new or expanded disclosures related to judgments made by entities when following this framework. The Center adopted ASU 2014-09 on a full retrospective basis. Analysis of various provisions of this standard resulted in no significant changes in the way the Center recognizes revenue. Accordingly, there is no effect on net assets in connection with the implementation. The presentation and disclosures of revenue have been enhanced in accordance with the standard.

Revenue Recognition

The Center’s revenue which is accounted for as exchange transactions includes special events revenue. Because the Center’s performance obligations relate to contracts with a duration not exceeding one year, the Center has elected to apply the optional exemption provided by the guidance and, therefore, is not required to disclose the aggregate amount of the transaction price allocated to performance obligations that are unsatisfied or partially unsatisfied at the end of the reporting period.

The Center uses a portfolio approach as a practical expedient to account for categories of client contracts as collective groups, rather than recognizing revenue on an individual contract basis. The financial statement effects of using this practical expedient are not materially different from an individual contract approach.

Grants from Governmental Agencies

Grants from governmental agencies represent third-party reimbursement grants and contracts for specific programs, received from various federal, state and local sources. Revenue is recognized when grant and contract conditions are fulfilled, such as when program expenses for the grant or contract are incurred. Payments under cost-reimbursable grants and contracts received in advance are deferred to the applicable period in which the related services are performed, or expenses are incurred.

The Center receives a substantial portion of its revenue from government grants and contracts, all of which may be audited by the granting agency several years after the expiration of the contract. The ultimate determination of amounts received under these contracts is based upon allowable costs reported to the grantor agency. Until the periods for auditing these contracts have expired, there exists a contingency to refund any amounts received in excess of allowable costs. The Center’s management is of the opinion that no material liability exists in the event of an audit. Any significant reduction in the level of this and other support as a result of an audit could have an adverse effect of the future financial condition of the programs supported by the grants and contracts.

3. Summary of Significant Accounting Policies *(continued)*

Governmental Shelter Services

Governmental shelter services are provided primarily through a contract with Rockland County Department of Social Services covering qualified residents. Revenue is recognized at a rate of $119 per bed night at the point in time the service is provided. Funding for non-qualified residents is provided in-part by the New York State Office of Victims Services.

Contributions and Foundation Grants

Unconditional contributions, including cash and other assets, are reported at fair value at the date the contribution is received. Conditional contributions, that is those with a measurable performance or other barrier and a right of return, are not recognized until the conditions on which they depend have been met.

Contributions that are expected to be collected in future years are recorded at the present value of the estimated future cash flows, net of a discount using a risk-adjusted rate of interest. The discount is amortized using an effective yield over the expected collection period of the receivables.

Special Events Revenue

The Center records revenue from special events net of cost of direct benefit to donors. Revenue received in excess of the price of the event is recorded as contributions from special events. There was no cost related to direct benefit to donors for the year ended December 31, 2020.

Related sponsorships for future events as of December 31, 2020 totaled $18,500 and is included in deferred revenue.

In-Kind Goods and Services

Donated services that require specialized skills, provided by individuals possessing those skills, that would typically need to be purchased if not provided by donation, and donated goods, are recorded at their fair values in the period received. The value of donated in-kind goods and services recognized in the statement of activities for the year ended December 31, 2020 totaled $577,536. Included in this amount are donated goods totaling $92,612, donated legal services totaling $176,236, donated space totaling $24,000 and other donated services totaling $284,688.

In addition, volunteers and Board members have donated approximately 1,500 hours of time to the Center’s accomplishment of program objectives for the year ended December 31, 2020. No amounts have been reflected in the financial statements for volunteer and Board member time since no objective basis is available to measure the value of such services.

3. Summary of Significant Accounting Policies *(continued)*

Expense Recognition

Expenses are reported as decreases in net assets without donor restrictions. Gains and losses on assets or liabilities are reported as increases or decreases in net assets without donor restrictions unless their use is restricted by explicit donor stipulation or by law.

Grants and Accounts Receivable, and Contributions Receivable

Grants, accounts receivable, and contributions receivable are stated at the amount management expects to collect from outstanding balances. Management provides for probable uncollectible amounts through a provision for bad debt expense and an adjustment to a valuation allowance based on its assessment of the current status of individual accounts. Balances that remain outstanding after management has used reasonable collection efforts are written off through a charge to the valuation allowance and a reduction in accounts receivable. As of December 31, 2020, the allowance for grants receivable was $31,276. As of December 31, 2020, no allowance for accounts receivable and contributions receivable has been deemed necessary.

Property and Equipment

Property and equipment are stated at cost, or if contributed, at their estimated fair values on the date received. Depreciation for property and equipment is computed using the straight-line method over the estimated useful lives of the assets ranging from 3 to 39 years. Maintenance, routine repairs and minor replacements are expensed as incurred, while those improvements which materially extend the lives of existing assets are capitalized. The Center capitalizes all expenditures for property and equipment in excess of $5,000.

Deferred Revenue

Deferred revenue represents grant and sponsorship payments received in advance of services being provided or obligations being met. All amounts received in advance are deferred until services are rendered or obligations are met.

Functional Allocation of Expenses

The costs of providing the Center's programs and other activities have been summarized on a functional basis in the statements of activities and expenses. Accordingly, certain costs have been allocated among the programs and supporting services benefited. The expenses are allocated based on the basis of estimates of time and effort, purpose and function, and square footage. Such allocations are determined by management.

Advertising

The Center uses advertising to promote its programs among the population it serves. Advertising expenses are charged to expense as incurred. Advertising costs for the year ended December 31, 2020 totaled $6,960.

3. Summary of Significant Accounting Policies *(continued)*

Accounting for Uncertainty in Income Taxes

The Center recognizes the effects of income tax positions only when they are more likely than not to be sustained. Management has determined that the Center had no uncertain tax positions that would require financial statement recognition and/or disclosure. The Center is no longer subject to examination by applicable taxing jurisdictions for periods prior to December 31, 2018.

Subsequent Events Evaluation by Management

Management has evaluated subsequent events for disclosure and/or recognition in the financial statements through the date these financial statements were available to be issued, which date is June 29, 2022.

4. Liquidity and Availability

Financial assets available for general expenditures, that is, without donor or other restrictions limiting their use, within one year of December 31, 2020 are as follows:

Total assets	$ 3,803,249
Less:	
Prepaid expenses	6,035
Security deposit	7,500
Property and equipment, net	2,136,432
Net assets with donor restrictions*	201,360
Financial assets available within one year	$ 1,451,922

*Includes contributions collectible of $122,000 beyond one year.

The Center's goal is to maintain financial assets to meet a minimum of sixty days of general expenditures, liabilities and other obligations as they come due. To manage cash flow and liquidity, the Center maintains a line of credit with a financial institution in the amount of $500,000 of which the full amount remains available at December 31, 2020 to meet cash flow needs. Additionally, the Center may borrow from current board members. Furthermore, additional cash resources of $747,251 were received subsequent to December 31, 2020, in connection with the PPP Loan (see Note 19).

5. Contributions Receivable

Contributions receivable, net, consists of the following at December 31, 2020:

Due in less than one year	$ 84,276
Due in one to five years	122,000
	206,276
Less:	
Discount, at 2%	(8,490)
Contributions Receivable, net	$ 197,786

At December 31, 2020, two board members accounted for 30% of total contributions receivable.

6. Property and Equipment

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

Land	$ 320,044
Building	1,280,174
Building improvements	1,481,657
Leasehold improvements	55,998
Furniture and office equipment	255,907
Vehicle	25,408
	3,419,188
Accumulated depreciation	(1,282,756)
Property and Equipment, net	$2,136,432

7. Line of Credit

The Center has a $500,000 revolving line of credit (the “line”) agreement with Orange Bank & Trust Company. Advances on the line are payable monthly and bear interest at the Wall Street Journal’s prime rate plus 1.50% (4.75% at December 31, 2020) through its maturity on July 1, 2022. Interest expense on this loan totaled $9,558 for the year ended December 31, 2020. The Center shall reduce annually the principal balance to the sum of $100,000 or less for a period of thirty consecutive days on a twelve-month rolling basis. Advances on the line are collateralized by the Center's land, building and building improvements. As of December 31, 2020, there was no outstanding balance on this line. The line of credit agreement is subject to various covenants and requires the Center to deliver its audited financial statements within 120 days after year-end. The Center was not in compliance with this requirement for the year ended December 31, 2020; however, a waiver was received from the bank.

8. Paycheck Protection Program Funding Advance

On April 15, 2020, the Center received loan proceeds in the amount of $668,047 under the Paycheck Protection Program (the "PPP"). The PPP, established as part of the Coronavirus Aid, Relief and Economic Security Act (the "CARES Act"), provides for loans to qualifying entities for amounts up to 2.5 times the 2019 average monthly payroll expenses of the qualifying entity. The PPP loan bears an interest rate of 1% per annum. All or a portion of the PPP loan principal and accrued interest is forgivable as long as the borrower uses the loan proceeds for eligible purposes, as described in the CARES Act, over a period of either eight or twenty-four weeks (the "Covered Period"). The amount of loan forgiveness could be reduced if the borrower terminates employees or reduces salaries below a certain threshold during the Covered Period and does not qualify for certain safe harbors. Although, the Center believes this loan will be substantially or fully forgiven, there can be no guarantee that the United States Small Business Administration ("SBA") will approve the loan forgiveness. The unforgiven portion of the PPP loan, if any, is payable within two years from the date of the PPP loan with a deferral of payments of principal and interest until the amount of loan forgiveness is determined by the SBA. If the Center does not apply for forgiveness, payments begin approximately 16 months after the loan date. The Center has elected to report the PPP loan proceeds as a conditional grant under requirements contained in ASU 2018-08, "Clarifying the Scope and Accounting Guidance for Contributions Received and Contributions Made." Accordingly, the Center will recognize income as the conditions of the PPP are met once forgiveness is received. At December 31, 2020, the total amount of the PPP loan proceeds received, $668,047, is reported as paycheck protection program funding advance in the statement of financial position. The Center received notification from the SBA that the full amount of the PPP loan was formally forgiven on August 25, 2021.

9. Loan Payable

During 2019, the Center financed the purchase of office equipment in the amount of $15,084. The financing arrangement provides for monthly payments of principal and interest in the amount of $419 through its maturity in May 2022. The principal balance outstanding as of December 31, 2020 was $7,542.

Future principal payments on the loan are payable as follows for the years ending December 31:

2021	$ 5,028
2022	2,514
	$ 7,542

10. Note Payable

On June 26, 2019, the Center obtained a note payable in the amount of $150,000. The note provides for monthly payments of principal and interest in the amount of $2,127 through its maturity on July 1, 2026. Interest is charged at 5% per annum. Interest expense on this note totaled $6,830 for the year ended December 31, 2020. The principal balance outstanding as of December 31, 2020 was $128,940. The note is collateralized by the Center's mortgaged land, building and building improvements. The note payable agreement is subject to various covenants and requires the Center to deliver its audited financial statements within 120 days after year-end. The Center was not in compliance with this requirement for the year ended December 31,2020; however, a waiver was received from the bank.

Future principal payments on the note payable are as follows for the years ending December 31:

2021	$ 19,783
2022	20,809
2023	21,889
2024	23,017
2025	24,219
Thereafter	19,223
	$ 128,940

11. Promissory Note Payable

On July 1, 2007, the Center obtained a promissory note payable in the amount of $1,360,000. The promissory note is under the provisions of Section 108 of the Housing and Community Development Act of 1974 and is secured by the County Mortgage of Rockland. The promissory note payable bears interest at a variable rate and fee calculated as the sum of an interest rate fixed on August 1st of each year and adjusted on August 1st of each subsequent year based on a Housing Urban Development ("HUD") Public Offering and an annual fee at the rate of 1% of the outstanding principal balance. As of December 31, 2020, the effective interest rate was 6.51%. The County of Rockland is responsible for an annual subsidy payment of $25,000 which is included in grants from governmental agencies in the statement of activities. The promissory note provides for semi-annual payments of principal and one annual payment of interest through its maturity on July 1, 2027. During the year ended December 31, 2020, semi-annual payments of principal totaled $43,000 and interest expense on this promissory note was $17,374. The principal balance outstanding at December 31, 2020 was $408,000.

11. Promissory Note Payable *(continued)*

Future principal payments on the promissory note payable are as follows for the years ending December 31:

	Principal	County Payment	Total
2021	$ 68,000	$ (25,000)	$ 43,000
2022	68,000	(25,000)	43,000
2023	68,000	(25,000)	43,000
2024	68,000	(25,000)	43,000
2025	68,000	(25,000)	43,000
2026	68,000	(25,000)	43,000
	$ 408,000	$ (150,000)	$ 258,000

12. Payments on Loans, Note, and Promissory Note Payable

Payments on loans, note, and promissory note payable reported for statement of cash flow purposes consists of the following for the year ended December 31, 2020:

Loans payable	$ 293,928
Note payable	12,143
Promissory note payable	43,000
	$ 349,071

13. Net Assets

Net assets with donor restrictions are restricted for the following purposes at December 31, 2020:

	Balance December 31, 2019	Additions	Releases	Balance December 31, 2020
Subject to expenditure for specified purpose:				
Shelter renovations	$ 51,360	$ -	$ (15,000)	$ 36,360
Subject to time restriction:				
Education	-	50,000	(50,000)	-
General operating support for future years	339,000	-	(174,000)	165,000
	$ 390,360	$ 50,000	$ (239,000)	$ 201,360

14. Retirement Plan

The Center maintains a defined contribution retirement plan ("the Plan"). Under the terms of the Plan, employees may contribute any percentage of their salary up to the maximum allowed by IRS guidelines. The Plan allows for employer matching and nonelective contributions which are determined annually by the Center's Board. The Center did not contribute to the Plan for the year ended December 31, 2020.

15. Commitments and Contingencies

Operating Lease – Residential Facility

The Center entered into a five-year lease agreement for a residential facility commencing July 1, 2019. The lease requires monthly payments of $2,700, escalating annually to $2,850 in year five, plus utilities and services, and various other expenses as applicable.

Operating Leases – Office Equipment

The Center has lease commitments for office equipment, expiring at various times through September 2025. Monthly aggregate lease payments during the year ended December 31, 2020 totaled $10,669.

Lease expense for the residential facility and all office equipment for the year ended December 31, 2020 totaled $42,769.

Future minimum lease payments are as follows at December 31, 2020:

2021	$ 50,689
2022	50,476
2023	47,821
2024	29,322
2025	8,541
Thereafter	639
	$ 187,488

16. Concentration of Credit Risk

Financial instruments which potentially subject the Center to significant concentrations of credit risk consist principally of cash and receivables. At times, cash balances held at financial institutions may be in excess the Federal Deposit Insurance Corporation ("FDIC") limits. The Center has not experienced any losses on its cash deposits and believes that no significant concentration of credit risk exists with respect to its cash or receivables. At December 31, 2020, $363,859 was maintained with an institution in excess of FDIC limits. The Center receives a substantial amount of its support from governmental agencies. A significant reduction in the level of this support, if this were to occur, may have an effect on the programs and activities.

17. Related Party Transactions (Not Disclosed Elsewhere)

At times the Center will utilize the services of the Board in their respective businesses. These services are conducted as part of the normal course of business.

The Center received in-kind space from a Board member, valued at $24,000 for the year ended December 31, 2020. The in-kind space is included in in-kind revenue in the statement of activities and in occupancy in the statement of expenses for the year ended December 31, 2020.

18. Coronavirus

The Center's operations and financial performance have been affected by the recent and ongoing outbreak of the coronavirus disease (COVID-19), which was declared a pandemic by the World Health Organization in March 2020. The full impact of the COVID-19 outbreak continues to evolve as of the date that these financial statements were available for issuance. COVID-19 remains a rapidly evolving situation. The full duration and extent of the impact of COVID-19 on the Center and financial results will depend on future developments, including the duration and spread of the outbreak within the markets in which the Center operates, which is highly uncertain. Therefore, the full extent of any adverse impact on the future changes in net assets, financial position and cash flows cannot be reasonably estimated at this time.

19. Subsequent Event

On February 12, 2021, the Center received loan proceeds in the amount of $747,251, under second draw provisions of the PPP as authorized by the Economic Aid to Hard-Hit Small Businesses, Nonprofits, and Venues Act (the "Economic Aid Act"). The second draw provisions of the Economic Aid Act provides for loans to qualifying entities for amounts up to 2.5 times their 2019 or 2020 average monthly payroll expenses. The second draw PPP loan bears an interest rate of 1% per annum. All or a portion of the second draw PPP loan principal and accrued interest is forgivable as long as the borrower uses the loan proceeds for eligible purposes, as described in the CARES Act as amended by the Economic Aid Act, over a period between eight to twenty-four weeks from the date the second draw PPP loan proceeds are received (the "Second Draw Covered Period"). The amount of loan forgiveness could be reduced if the borrower terminates employees or reduces salaries below a certain threshold during the Second Draw Covered Period and does not qualify for certain safe harbors. The unforgiven portion of the second draw PPP loan, if any, is payable within five years from the date of the PPP loan with a deferral of payments of principal and interest until the amount of loan forgiveness is approved by the SBA. The Center received notification from the SBA that the full amount of the second draw PPP loan was formally forgiven on January 31, 2022.

* * * * *

Center for Safety & Change, Inc.

Uniform Guidance Reports and Schedules
December 31, 2020

Center for Safety and Change

Schedule of Expenditures of Federal Awards
Year Ended December 31, 2020

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Federal Assistance Listing Number	Pass - Through Entity Identifying Number	Provided to Subrecipients	Total Federal Expenditures
U.S. Department of Housing and Urban Development				
Assistant Secretary for Community Planning and Development				
Continuum of Care Program	14.267		$ -	$ 133,020
			-	133,020
Community Development Block Grants/Entitlement Grants Cluster				
Passed through Rockland County Community Development				
Cluster - Community Development Block Grants/Entitlement Grants	14.218	Not available	-	20,000
			-	20,000
Total U.S. Department of Housing and Urban Development			-	153,020
U.S. Department of Justice				
Office of Violence Against Women				
Justice Systems Response to Families	16.021		93,293	195,869
Legal Assistance for Victims	16.524		-	104,884
Passed through New York State Coalition Against Sexual Assault				
Sexual Assault Services Formula Program	16.017	Not available	-	9,529
Passed through New York State Division of Criminal Justice Services				
Violence Against Women Formula Grants	16.588	C652120	-	35,000
Violence Against Women Formula Grants	16.588	C652120	-	25,000
Violence Against Women Formula Grants	16.588	C652120	-	35,600
Total Office of Violence Against Women			93,293	405,882
U.S. Department of Justice				
Office of Justice Programs				
Passed through New York State Office of Victims Services				
Crime Victim Assistance	16.575	Unit,C10792GG,#C100296	-	1,563,029
Crime Victims Assistance - Attorney	16.575	C10817GG	-	748,976
Crime Victims Assistance - Case Manager	16.575	C10725GG-708020	-	73,799
Crime Victims Assistance - Case Manager	16.575	C10792GG-108020	-	76,341
Services for Trafficking Victims	16.320	Not available	-	154,336
Juvenile Mentoring Program/Missing Children's Assistance	16.726 / 16.543		44,307	137,780
Total Office of Justice Programs			44,307	2,754,261
Total U.S Department of Justice			137,600	3,160,143
U.S. Department of Homeland Security				
Federal Emergency Management Agency				
Passed through United Way of Rockland County				
Emergency Food and Shelter National Board Program	97.024	Not available	-	10,000
Total United States Department of Homeland Security			-	10,000
U.S. Department Health and Human Services				
Health Resources and Services Administration				
Passed through New York State Department of Health				
Maternal and Child Health Services Block Grant to the States	93.994	DOHO1-C30993GG-3450000	-	58,387
Administration for Children and Families				
Passed through New York State Office of Children and Family Services				
Family Violence Prevention and Services/Domestic Violence Shelter and Supportive Services	93.671	C028800	-	34,690
Total U.S. Department Health and Human Services			-	93,077
Total Expenditures of Federal Awards			$ 137,600	$ 3,416,240

See independent auditors' report and notes to schedule of expenditures of federal awards.

Center for Safety & Change, Inc.

Notes to Schedule of Expenditures of Federal Awards
Year Ended December 31, 2020

1. *Basis of Presentation*

The schedule of expenditures of federal awards (the “Schedule”) includes the federal award activity of Center for Safety & Change, Inc. (the “Organization”) under programs of the federal government for the year ended December 31, 2020. The information in this Schedule is presented in accordance with the requirements of the Title 2 *U.S. Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards* (“Uniform Guidance”). Because the Schedule presents only a selected portion of the operations of the Organization, it is not intended to and does not present the financial position, changes in net assets or cash flows of the Organization.

2. *Summary of Significant Accounting Policies*

Expenditures reported in the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

3. *Indirect Cost Rate*

The Organization has elected to use the 10-percent de minimis indirect cost rate allowed under the Uniform Guidance for some contracts, other contracts range from 10-15 percent.

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ACCOUNTANTS AND ADVISORS
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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*

Independent Auditors' Report

Board of Directors
Center for Safety & Change, 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 Center for Safety & Change, Inc. (a nonprofit organization) (the "Organization"), which comprise the statement of financial position as of December 31, 2020, and the related statements of activities, expenses and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated June 29, 2022.

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 and therefore, material weaknesses or significant deficiencies may exist that have not been identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We did identify certain deficiencies in internal control, described in the accompanying schedule of findings and questioned costs as item 2020-001 that we consider to be a significant deficiency.

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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*.

The Organization's Response to Findings

The Organization's response to the finding identified in our audit is described in the accompanying schedule of findings and questioned costs. The Organization's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly we express no opinion on it.

Purpose of this Report

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

PKF O'Connor Davies, LLP

Newburgh, New York
June 29, 2022

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Report on Compliance for Each Major Federal Program and on Internal Control Over Compliance Required by the Uniform Guidance

Independent Auditors' Report

Board of Directors
Center for Safety & Change, Inc.

Report on Compliance for Each Major Federal Program

We have audited Center for Safety & Change, Inc.'s (the "Organization") compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on the Organization's major federal programs for the year ended December 31, 2020. The Organization's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditors' Responsibility

Our responsibility is to express an opinion on compliance for each of the Organization's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards* ("Uniform Guidance"). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Organization's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the Organization's compliance.

Opinion on Each Major Federal Program

In our opinion, the Organization complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2020.

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Other Matters

The results of our auditing procedures disclosed instances of noncompliance which are required to be reported in accordance with the Uniform Guidance and which are described in the accompanying schedule of findings and questioned costs as item 2020-002. Our opinion on each major federal program is not modified with respect to this matter.

The Organization's response to the noncompliance findings identified in our audit is described in the accompanying schedule of findings and questioned costs. The Organization's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

Report on Internal Control Over Compliance

Management of the Organization is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Organization's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Organization's internal control over compliance.

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

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. We did not identify deficiencies in internal control over compliance to be material weaknesses. However, we did identify certain deficiencies in internal control over compliance, described in the accompanying schedule of findings and questioned costs as item 2020-002, that we consider to be a significant deficiency.

The Organization's response to the internal control over compliance findings identified in our audit is described in the accompanying schedule of findings and questioned costs. The Organization's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance

We have audited the financial statements of Center for Safety & Change, Inc. as of and for the year ended December 31, 2020, and have issued our report thereon dated June 29, 2022, which contained an unmodified opinion on those financial statements. Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the Uniform Guidance and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated in all material respects in relation to the financial statements as a whole.

PKF O'Connor Davies, LLP

Newburgh, New York

October 7, 2022

Center for Safety & Change, Inc.

Schedule of Findings and Questioned Costs
Year Ended December 31, 2020

Section I - Summary of Auditors' Results

Financial Statements

Type of report the auditor issued on whether the financial statements audited were prepared in accordance with GAAP:	Unmodified
Internal control over financial reporting:	
Material weakness(ies) identified?	____ yes _X_ no
Significant deficiency(ies) identified?	_X_ yes ____ none reported
Noncompliance material to financial statements noted?	____ yes _X_ no

Federal Awards

Internal control over major federal programs:	
Material weakness(es) identified?	____ yes _X_ no
Significant deficiency(ies) identified?	_X_ yes ____ none reported
Type of auditors' report issued on compliance for major federal programs:	Unmodified
Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?	_X_ yes ____ no

Identification of major federal programs:

CFDA Number(s)	Name of Federal Program or Cluster
16.575	Crime Victims Assistance

Dollar threshold used to distinguish between Type A and Type B programs:	$750,000
Auditee qualified as low-risk auditee?	_X_ yes ____ no

Section II - Financial Statement Findings

Finding: 2020-001 Financial Statement Close Process (Significant Deficiency)

The general ledger activity for statement of financial position as well as statement of activities accounts were not routinely analyzed and reconciled. Accounting tasks such as monthly reconciliations, cross-checks, and reviews play a key role in ensuring the accuracy of accounting data and financial information that comprise interim and year-end financial statements.

Criteria

Effective internal control over financial reporting requires management oversight and monitoring to establish reasonable assurance that financial reporting, including the year-end closing and preparation of financial statements, is being reliably and accurately completed timely.

Cause

Management did not ensure that timely and accurate reconciliations and adjustment were being performed during the year or at year end for the financial reporting process.

Section II - Financial Statement Findings *(continued)*

Finding: 2020-001 ***(continued)***

Effect

Certain key account reconciliations required an extended amount of time to complete during the year-end closing process and delayed completion of the audit. Lack of preparing accurate and timely account reconciliations resulted in material adjustments necessary to correct the financial statements. The result was a net decrease in the change in net assets of $402,079.

Recommendation

We recommend that all significant general ledger accounts be analyzed and reconciled each month and then reviewed by someone other than the preparer.

Management's Corrective Action Plan

Management has indicted that they have put certain procedures into place as detailed in the Correction Action Plan located in Appendix A.

Section III - Federal Award Findings and Questioned Costs

Finding: 2020-002 – Untimely Submission of Data Collection Form (Significant Deficiency and Compliance Finding)

Agency:	U.S. Department of Housing and Urban Development; U.S Department of Justice U.S. Department of Homeland Security U.S. Department of Health and Human Services;
ALN # and Title:	ALN # 14.218 Community Development Block Grants/Entitlement Grants ALN # 14.267 Continuum of Care Program ALN # 16.017 Sexual Assault Services Formula Program ALN #16.021 Justice Systems Response to Families ALN # 16.524 Legal Assistance for Victims ALN # 16.588 Violence Against Women Formula Grants ALN # 16.575 Crime Victim Assistance ALN # 16.726 / 16.543 Juvenile Mentoring Program/Missing Children's Assistance

ALN # and Title (continued): ALN # 16.320 Services for Trafficking Victims
ALN # 97.024 Emergency Food and Shelter National Board Program
ALN # 93.994 Maternal and Child Health Services Block Grant to the States
ALN # 93.671 Family Violence Prevention and Services/Domestic Violence Shelter and Supportive Services

Federal Award Identification # and Year: All Federal Awards identified in the SEFA for the Year Ended December 31, 2020

Criteria: Per 2 CFR 200.512 Report Submission. (a) (1) the audit must be completed and the Data Collection Form and reporting package must be submitted within the earlier of 30 calendar days after receipt of the auditor's report, or nine months after the end of the audit period. If the due date falls on a Saturday, Sunday, or federal holiday, the reporting package is due on the next business day.

Condition: During the process of performing our audit, we noted that the Organization's Data Collection Form ("DCF") was not filed timely for the year ended December 31, 2020. The Organization's established controls for financial reporting, including preparation of a complete and accurate schedule of expenditures of federal awards ("SEFA") and filing of the DCF were not adhered to, resulting in the late completion of their financial audit and the untimely filing of the DCF.

Questioned costs: None noted

Effect: Per CFR 200.512, the auditor must report the following as an audit finding in a schedule of findings and questioned costs. The Organization is not in compliance with the Data Collection Form reporting deadline.

Cause: Lack of submission was due to the inability of the Organization's staff to provide accurate account reconciliations and supporting documentation including preparation of a complete and accurate SEFA on a timely basis to complete the audit.

Recommendation: We recommend that the Organization monitor compliance by following their established controls and processes to prepare a complete and accurate SEFA in order to complete the timely filing of the DCF and the reporting package by its due date.

Management's Corrective Action Plan:

Management has indicated that they have put certain procedures in place as detailed in the Corrective Action Plan located in Appendix A.

Section IV - Prior Year's Audit Findings

There were no prior year audit findings.

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info@centersc.org | centerforsafetyandchange.org

10/7/2022

Re: 2020 Audit Findings

To Whom It May Concern:

The Center for Safety & Change has been notified by our auditing firm of the following findings related to our 2020 Audit:

Finding: 2020-001 Financial Statement Close Process

Cause: Management did not ensure that timely and accurate reconciliations and adjustment were being performed during the year or at year end for the financial reporting process.

Effect: Certain key account reconciliations required an extended amount of time to complete during the year-end closing process and delayed completion of the audit. Lack of preparing accurate and timely account reconciliations resulted in material adjustments necessary to correct the financial statements. The result was a net decrease in the change in net assets of $402,079.

Management's Response/Corrective Action Plan:
The Center for Safety & Change ended year 2020 without a Finance Director/CFO in place but have since retained the accounting firm of Maier, Markey & Justic LLP to oversee our internal financial controls and processes, including supervising and timely review of account reconciliations.

Continued on next page

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Finding: 2020-002 – Untimely Submission of Data Collection Form

Cause: Lack of submission was due to the inability of the Organization's staff to provide accurate account reconciliations and supporting documentation including preparation of a complete and accurate SEFA on a timely basis to complete the audit.

Effect: Per CFR 200.512, the auditor must report the following as audit findings in a schedule of findings and questioned costs. The Organization is not in compliance with the Data Collection Form reporting deadline.

Management's Response/Corrective Action Plan:
The Center for Safety & Change ended year 2020 without a Finance Director/CFO in place but have since retained the accounting firm of Maier, Markey & Justic LLP to oversee our internal financial controls and processes, including supervising and timely review of account reconciliations as well as the preparation of a timely data collection form (DCF) and annual SEFA reporting.

Respectfully Submitted,

Elizabeth Santiago

Elizabeth Santiago, CEO