

CENTER FOR SAFETY & CHANGE, INC.

Financial Statements

December 31, 2022

CENTER FOR SAFETY & CHANGE, INC.

Financial Statements
December 31, 2022

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INDEPENDENT AUDITOR'S REPORT

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

Opinion

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, 2022, and the related statements of activities, expenses, and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Center for Safety & Change, Inc. as of December 31, 2022, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Center for Safety & Change, Inc. and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Emphasis of Matter

We draw attention to Note 2 "Adoption of ASC 842" in the notes to the financial statements which disclose the effects of Center for Safety & Change, Inc.'s Adoption of ASC (Topic 842) "Leases". Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Center for Safety & Change, Inc.'s ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements, including omissions, are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Center for Safety & Change, Inc.'s internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Center for Safety & Change, Inc.'s ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Berard & Associates CPA's P.C.

Berard & Associates, CPA's P.C.
Suffern, New York 10901
April 20th, 2023

CENTER FOR SAFETY & CHANGE, INC.

Statement of Financial Position

December 31, 2022

ASSETS

Cash	\$ 75,611
Grants and accounts receivable, net	1,092,262
Contributions receivable, net	186,236
Prepaid expenses	23,971
Security deposit	8,333
Other receivable	1,950
Operating lease right-of-use assets	344,736
Property and equipment, net	<u>2,485,741</u>
 Total Assets	 <u><u>\$ 4,218,840</u></u>

LIABILITIES AND NET ASSETS

Liabilities

Accounts payable and accrued expenses	\$ 432,826
Accrued vacation	41,203
Line of credit	304,865
Note payable	89,117
Operating lease liability	344,736
Promissory note payable	<u>272,000</u>
 Total Liabilities	 <u>1,484,747</u>

Net Assets

Without donor restrictions	
Undesignated	537,469
Investment in property and equipment, net	<u>2,124,624</u>
 Total without donor restrictions	 2,662,093
 With donor restrictions	 72,000
 Total Net Assets	 <u>2,734,093</u>
 Total Net Assets and Liabilities	 <u><u>\$ 4,218,840</u></u>

See notes to financial statements.

CENTER FOR SAFETY & CHANGE, INC.

Statement of Activities

Year Ended December 31, 2022

	Without Donor Restrictions	With Donor Restrictions	Total
REVENUE, SUPPORT AND RECLASSIFICATIONS			
Grants from governmental agencies	\$ 5,405,798	\$ -	\$ 5,405,798
Governmental shelter services	566,867	-	566,867
Corporate, foundation and individual contributions	280,426	50,000	330,426
Special events	710,908	-	710,908
Direct cost of donor benefits	(142,925)	-	(142,925)
In-kind revenue	431,026	-	431,026
Paycheck protection program revenue	747,431	-	747,431
Net assets released from restrictions	95,000	(95,000)	-
Total Revenue, Support and Reclassifications	8,094,531	- (45,000)	8,049,531
EXPENSES			
Program Services			
Residential programs	659,364	-	659,364
Non-residential programs	6,095,502	-	6,095,502
Total Program Services	6,754,866	-	6,754,866
Supporting Services			
General and administrative	672,280	-	672,280
Fundraising	306,703	-	306,703
Total Supporting Services	978,983	-	978,983
Total Expenses	7,733,849	-	7,733,849
Change in Net Assets	360,682	(45,000)	315,682
NET ASSETS			
Beginning of year	2,301,411	117,000	2,418,411
End of year	\$ 2,662,093	\$ 72,000	\$ 2,734,093

See notes to financial statements.

CENTER FOR SAFETY & CHANGE, INC.

Statement of Expenses

Year Ended December 31, 2022

	Program Services			Supporting Services				
	Residential Programs	Non-Residential Programs	Total Programs	General and Administrative	Fundraising	Total	Direct Cost of Donor Benefits	Total Expenses
PERSONNEL COSTS								
Salaries and wages	\$ 278,435	\$ 3,641,122	\$ 3,919,557	\$ 299,208	\$ 185,817	\$ 485,025	\$ -	\$ 4,404,582
Payroll taxes and employee benefits	49,943	653,103	703,046	53,669	33,330	86,999	-	790,045
Total Personnel Costs	328,378	4,294,225	4,622,603	352,877	219,147	572,024	-	5,194,627
OTHER EXPENSES								
Bad debts	-	-	-	7,500	-	7,500		7,500
Consultants and professional fees	-	300,854	300,854	127,589	-	127,589	-	428,443
Data processing	-	122,696	122,696	43,127	-	43,127	-	165,823
Depreciation	19,184	49,963	69,147	3,587	10,676	14,263	-	83,410
Equipment and maintenance	-	21,119	21,119	-	-	-	-	21,119
Food	1,930	18,235	20,165	1,062	-	1,062	-	21,227
Advertising	-	3,176	3,176	-	-	-	-	3,176
Insurance	7,768	23,052	30,820	8,736	-	8,736	-	39,556
Interest	11,445	29,807	41,252	2,140	6,369	8,509	-	49,761
Legal services	-	17,227	17,227	-	-	-	-	17,227
Lodging and housing assistance	-	266,670	266,670	-	-	-	-	266,670
Meals and entertainment	-	-	-	-	-	-	142,925	142,925
Occupancy	118,057	272,487	390,544	17,673	52,607	70,280	-	460,824
Office supplies and printing	1,947	115,459	117,406	25,706	755	26,461	-	143,867
Postage	-	545	545	-	1,652	1,652	-	2,197
Program supplies	679	61,100	61,779	-	-	-	-	61,779
Telephone	7,712	59,583	67,295	3,491	10,391	13,882	-	81,177
Travel, conferences and meetings	1,736	176,132	177,868	22,068	-	22,068	-	199,936
Other	729	18,003	18,732	30,666	5,106	35,772	-	54,504
Total expenses	499,565	5,850,333	6,349,898	646,222	306,703	952,925	142,925	7,445,748
Less expenses included with revenues on the statement of activities	-	-	-	-	-	-	(142,925)	(142,925)
Total Expenses Before In-Kind	499,565	5,850,333	6,349,898	646,222	306,703	952,925	-	7,302,823
IN-KIND								
In-kind professional services	20,013	175,853	195,866	2,058	-	2,058	-	197,924
In-kind legal services	-	63,983	63,983	-	-	-	-	63,983
In-kind goods	139,786	-	139,786	-	-	-	-	139,786
In-kind space	-	5,333	5,333	24,000	-	24,000	-	29,333
Total In-Kind	159,799	245,169	404,968	26,058	-	26,058	-	431,026
Total Expenses	\$ 659,364	\$ 6,095,502	\$ 6,754,866	\$ 672,280	\$ 306,703	\$ 978,983	\$ -	\$ 7,733,849

See notes to financial statements.

CENTER FOR SAFETY & CHANGE, INC.Statement of Cash Flows
Year Ended December 31, 2022**CASH FLOWS FROM OPERATING ACTIVITIES**

Change in net assets	\$ 315,682
Adjustments to reconcile change in net assets to net cash from operating activities	
Depreciation	83,410
Reduction of promissory note payable - Rockland County	(25,000)
Changes in operating assets and liabilities	
Grants and accounts receivable	349,397
Contributions receivable	41,693
Other receivable	(1,950)
Prepaid expenses	(19,673)
Security deposit	(833)
Accounts payable and accrued expenses	157,296
Accrued vacation	(13,297)
Refundable advance	(18,500)
Paycheck Protection Program funding advance	(747,251)
Net Cash provided by Operating Activities	<u>120,974</u>

CASH FLOWS FROM INVESTING ACTIVITIES

Purchases of leasehold improvements	(22,180)
Purchases of building improvements	(488,292)
Net Cash used by Investing Activities	<u>(510,472)</u>

CASH FLOWS FROM FINANCING ACTIVITIES

Proceeds from loans, note and promissory note payable	304,865
Repayments of loans, note and promissory note payable	(67,621)
Net Cash provided by Financing Activities	<u>237,244</u>

Net Change in Cash (152,254)

CASH

Beginning of year	<u>227,865</u>
End of year	<u><u>\$ 75,611</u></u>

SUPPLEMENTAL CASH FLOW INFORMATION

Cash paid during the year for interest	\$ 49,761
Non-Cash Contributions	\$ 431,026

See notes to financial statements.

Center for Safety & Change, Inc.

Notes to Financial Statements
December 31, 2022

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

Center for Safety & Change: Who We Are

For forty years, 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.

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 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, 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 Center for Safety & Change services due to lack of English language proficiency.

Center for Safety & Change, Inc.

Notes to Financial Statements
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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 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 – in New City, Nyack, Pomona, Spring Valley, Haverstraw, Suffern, Blauvelt and 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 victims/survivors as they tell their stories in their own words. As victims of crime, clients receive help in completing restitution forms from the NYS 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 and allows for victims/survivors to speak with trained staff and volunteers in three different ways, by phone by text and by webchat. Should they need someone to speak with in a language other than one of the multi-languages our staff and volunteers speak we have access to the language line which provides over 200 additional languages, as well as access to individual that are able to use sign language.

Providing Emergency Residential Shelter

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 also receive a variety of services including counseling, in addition to working with the children and youth advocates who arrange creative activities for them.

Moving Forward

Center for Safety & Change has staff, board members and volunteers that include members of our Resource Council, solicit, pick up, and store furniture and household items to provide the victims/survivors of domestic violence, sexual assault and human trafficking with many of the things they need as they are 'moving forward' from the Shelter and/or moving into a new home of their own.

Center for Safety & Change, Inc.

Notes to Financial Statements
December 31, 2022

1. Organization and Taxation (*continued*)

Programs (continued)

After Care and Transitional Housing Services

The target population served by Center for Safety & Change's Aftercare and Transitional Housing Services are victims/survivors of domestic violence and their children who fled their former homes due to an ongoing danger of domestic violence, resided in the Center's Emergency Residential Shelter, and are now transitioning into permanent housing.

Helping Children and Youth Impacted by Abuse

Often the most vulnerable witnesses and victims of domestic violence are children. The Center's brand new Children and Youth Suite allows for a space dedicated to children and youth to heal and play. The Center's "Children and Youth Services Program" provides a safe, child/youth-friendly environment for children and youth, helping them to process the abuse, and to help them see that what happened is not their fault. The Center offers the Safe Parent/Safe Kids program, a collaboration with the Department of Social Services (DSS) Child Protective Services (CPS), which enables the Center to gain feedback from victims and service providers about the issues victims are facing and/or barriers they are encountering in the CPS system, and offers specially tailored trainings to CPS caseworkers on issues related to DV and how to identify risks to both adults and children; while providing services to victims/survivors who are the non-offending parent and their children working with CPS.

Non-Residential Domestic Violence Advocacy & Supportive Services

At 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. Center for Safety & Change also provides weekly in person and virtual support and empowerment groups which are free and confidential, and are conducted in multiple languages.

Providing Safety for Pets

Center for Safety & Change's "Paws for Safety" program is available to all victims and survivors. It was created as a response to calls from victims who were shared that their intimate partner was harming and/or threatening to harm their pets. Victims/survivors shared that they were afraid that their abuser were going to harm their pets, or who had already threatened to kill their pets if they left. Pets are confidentially placed for a foster period. Our staff assess for pet safety and help the victim/survivor decided whether or not to include the pets in Family Court Order of Protection.

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, domestic violence, and criminal court can be overwhelming. The Center's Legal team employs five full time and one part time attorneys, multiple para-legal and legal advocates who provide a myriad of services, including writing petitions and obtaining orders of protection, court accompaniment, process service and translation. All victims/survivors are entitled to a free legal consultation with one of the Center's staff attorneys to determine what, if any, legal protections and/or orders they are entitled to. Should clients require temporary or permanent orders of protection, violation orders, and/or other petitions (support, custody/visitation) they are assisted by the Center's legal department. Pending the level of safety of the victim/survivor, family court appearances can either be in-person or remote. The Center's legal department is also available

Center for Safety & Change, Inc.

Notes to Financial Statements
December 31, 2022

1. Organization and Taxation (*continued*)

Programs (continued)

to provide legal assistance with other civil and/or federal matters, such as immigration, name changes, and divorce proceedings, as well as participating on multidisciplinary stakeholder's task force such as Family Treatment Court, anti-human trafficking task force and the coordinated community response team Stop FEAR Criminal Justice Committee.

Providing Services for all other Crime Victims

The Center's Crime Victims Program works collaboratively with the District Attorney's (DA) office that assists victims of all crimes in Rockland. The Center participates on various multidisciplinary teams such as the Elder Abuse Task Force, the Intellectual and Developmental Disabilities Response Team, the Alternatives to Incarceration Task Force, the Re-Entry Task Force and is also an on-site partner at the DA's Office and the "Spirit of Rockland" Special Victims Center, where the agency has reserved office space and assists victims with victim impact statements on cases involving domestic violence, rape, human trafficking, elder abuse, child abuse, crimes against individuals with disabilities, hate crimes, sex offender registration violations, etc. As victims of crime, clients receive help in completing restitution forms from the NYS Office of Victims' Services in order to receive compensation for medical bills, property and other losses incurred.

Providing Services for Survivors of Sexual Violence and 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 and volunteer rape crisis counselors provide crisis intervention, support counseling and therapy.

Providing Services for Victims of Human Trafficking

The Center's human trafficking program serves human trafficking victims of all ages through a wide variety of direct services including, but not limited to, crisis intervention, supportive counseling, advocacy, information and referrals, accompaniment to various appointments (court, hospital, police, district attorney's office, etc.), assist victims and their families in completing Office of Temporary Disability Assistance (OTDA) Human Trafficking Confirmation forms as well as the Office of Victims Services Claim Applications, and assist victims complete victim impact statements. Youth that are identified as can be paired up with a mentor through our voluntary youth mentoring program.

Developing Violence Prevention Strategies through Community Education and Awareness

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 40 years of serving the community. The Center's education and social change team works 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. In addition, the Center provides an array of trainings and technical assistance to medical professionals, hospitals and businesses on topics such as,

Center for Safety & Change, Inc.

Notes to Financial Statements

December 31, 2022

1. Organization and Taxation (*continued*)

Programs (continued)

but not limited to Domestic Violence in the Workplace, Sexual Harassment, Human Trafficking and Bystander Intervention.

Media Literacy Program

The Center's Media Literacy program is a program offered to middle schools. In this training, middle school students learn how to critically analyze various forms of media, understand how complex media messages influence gender roles and relationships, and recognize the role the media plays in normalizing gender-based violence.

Teen Dating Violence Prevention Program (TDVPP)

The Center works closely with all of Rockland's high schools, allowing for the Teen Dating Violence Prevention Program (TDVPP) to be facilitated multiple times per year to every high school in Rockland. TDVPP not only educates students, but also faculty on warning signs of abuse and how they can assist and provide resources to students they suspect are enduring abuse.

SAEDA (Student Activists Ending Dating Abuse)

SAEDA is a youth-led education and prevention program dedicated to celebrating diversity, challenging oppressive social norms, promoting leadership, and inspiring youth to ultimately ending gender-based violence. SAEDA begins with a four-day, 28-hour voluntary training in which the Center's staff and past SAEDA graduates co-facilitate workshops that address issues such as: dating abuse, bullying, racism, adultism, heterosexism, sexism, sexual assault and consent, the intersectionality of oppressions, and how to be an ally. SAEDA graduates often choose to return to develop their leadership skills; they attend weekly sub-committee meetings, discuss current events, and plan monthly action events around social justice issues. Students can become Bridge Students, in which they have the opportunity to mentor new students, or to become student faculty members, in which they can assist in developing curricula and co-facilitate workshops.

Services on College Campuses

The Center has formal contracts with Dominican College, St. Thomas Aquinas College, and Rockland Community College, three of Rockland's major college institutions, which enables the Center to host events, facilitate trainings to all in-coming freshman, student athletes, security guards and school administrators, and have designated office hours on campus for students in need of services.

Engaging Boys and Men

The Center identified the need for support from male identified allies and under the Engaging Boys and Men program, the Center partnered with A CALL TO MEN. This partnership is a prevention initiative, which specifically reaches men and boys and educate them on healthy, respectful manhood, male socialization and its intersection with violence, and how male-identified persons can be allies in the movement to end gender-based violence.

Getting to the Root (2-day intensive training on racial justice) and Working Together Rockland: Continuing Conversations on Racial and Gender Justice, are facilitated by Center for Safety & Change. The trainings and meetings are designed to deepen understanding of materials taught

Center for Safety & Change, Inc.

Notes to Financial Statements
December 31, 2022

1. Organization and Taxation (*continued*)

Programs (continued)

in the Getting to the Root and Undoing Racism workshops. All are welcome to join the conversations – Getting to the root graduates, those who have not yet attended, educators, health and human service providers, criminal justice and law enforcement professionals, and all interested individuals from Rockland County and beyond. It is fine to drop in as your schedule allows. Consistent attendance is neither required nor expected. Systemic racism exists, advantaging white people while disadvantaging those who are Black, Indigenous and People of Color (BIPOC). To get real and do something about it, we must be willing to talk.

Staff Development

The Center's commitment to ensuring competency starts with every staff person having to attend a series of trainings and workshops, such as but not limited to Undoing Racism by the People's Institute for Survival and Beyond, the NY Model for Batterer's Program and the Direct Service and Rape Crisis Counselor training. We require every undergraduate/graduate student interns and volunteers to attend trainings and supervision as well. In addition, everyone participates in weekly in services staff development trainings which are provided by both internal as well as external community leaders, agency directors, prevention, workers, DSS, Mental Health personnel and others to strengthen linkages and collaboration.

Community Collaborations

By having relationships and coordinating with outside organizations, Center for Safety & Change is able to best serve victims and survivors with unduplicated opportunities, resources and positive interactions with other entities within the community.

The Center collaborates with the Rockland County Pride Center, the only organization in Rockland that is 100% dedicated to offering comprehensive programs and services to the LGBTQ community, on various projects, which enables the Center to have insight to the gaps in services and needs for the LGBTQ community

The Center collaborates with BRIDGES, Rockland County's disability resource, services and advocacy center, to address building both agencies' capacity to better meet the needs of disabled victims of crime. Both agencies have cross-trained each other in the past year and are currently awaiting news of a pending federal grant application which would allow both agencies to work together to develop policies and practices for disabled victims of domestic violence.

Other collaborations include but are not limited to Legal Services of the Hudson Valley, Big Brother Big Sister, Martin Luther King Multipurpose Center, Mental Health Association of Rockland (MHA), Community Awareness Network For A Drug-Free Life And Environment (CANDLE).

Center for Safety & Change, Inc.

Notes to Financial Statements
December 31, 2022

2. 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, 2022.

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.

Revenue Recognition

The Center recognizes 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. The Center applies a five-step framework to determine the timing and amount of revenue to recognize related to contracts with customers. 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.

Center for Safety & Change, Inc.

Notes to Financial Statements
December 31, 2022

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

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.

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.

Center for Safety & Change, Inc.

Notes to Financial Statements
December 31, 2022

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

Special Events Revenue

The Center records revenue from special events net of cost of direct benefit to donors. Revenues received in excess of the price of the event is recorded as contributions from special events. There was a cost of \$142,925 related to direct benefit to donors for the year ended December 31, 2022.

There were no related sponsorships for future events as of December 31, 2022.

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, 2022 totaled \$431,026. Included in this amount are donated goods totaling \$139,786, donated legal services totaling \$63,983, donated space totaling \$29,333 and donated volunteer hours totaling \$197,924.

Board members have donated a significant amount of time to the Center's accomplishment of program objectives for the year ended December 31, 2022. No amounts have been reflected in the financial statements for Board member time since no objective basis is available to measure the value of such services.

Expense Recognition

Expenses are reported as decreases to 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 an allowance for doubtful debts account 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 allowance for doubtful debts account and a reduction in accounts receivable. As of December 31, 2022, the allowance for accounts receivable was \$14,380. As of December 31, 2022, no allowance for grants receivable and contributions receivable has been deemed necessary.

Center for Safety & Change, Inc.

Notes to Financial Statements
December 31, 2022

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

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.

Accounting Change: Adoption of ASC 842

On January 1, 2022, the Center adopted FASB Accounting Standards Codification, or ASC, (Topic 842), Leases, which requires the recognition of the right-of-use, or ROU, assets and related operating and finance lease liabilities on the statement of financial position.

As permitted by ASC 842, the organization elected the adoption date of January 1, 2022, which is the date of initial application.

All leases are classified as either operating leases or finance leases. The lease classification affects the expense recognition in the statement of activities. Operating lease charges are recorded entirely in operating expenses. The expense recognition for operating leases under ASC 842 is substantially consistent with ASC 840. As a result, there is no significant difference in the results of operations presented in the statement of activities.

The Center adopted ASC 842 using a modified retrospective approach for all leases existing at January 1, 2022. The adoption had a substantial impact on our statement of financial position. The most significant impact was the recognition of the operating lease ROU assets and the operating lease liability. Accordingly, upon adoption an operating lease right-of-use asset and corresponding lease liability of \$398,393 was recognized. The Center elected the package of practical expedients, which allowed, among other things, for not reassessing the lease classification or initial direct costs for existing leases. The application of the practical expedients did not have a significant impact on the measurement of the operating lease liability.

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, 2022 totaled \$3,176.

Center for Safety & Change, Inc.

Notes to Financial Statements
December 31, 2022

2. 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, 2019.

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 April 20th, 2023.

3. 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, 2022 are as follows:

Cash	\$ 75,611
Grants and accounts receivable, net	1,092,262
Contributions receivable - current	156,236
Less:	
Donations restricted	<u>72,000</u>
Financial assets available within one year	<u>\$ 1,252,109</u>

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 \$195,135 remains available at December 31, 2022 to meet cash flow needs. Additionally, the Center may borrow from current board members.

4. Contributions Receivable

Contributions receivable, net, consists of the following at December 31, 2022

Due in less than one year	\$ 77,000
Due in one to five years	<u>30,000</u>
	107,000
Less:	
Discount, at 1.89%	<u>-556</u>
Pledges receivable, net	106,444
Contributions	<u>79,792</u>
Contributions receivable, net	<u>\$ 186,236</u>

At December 31, 2022, board members accounted for \$55,700 of total contributions receivable.

Center for Safety & Change, Inc.

Notes to Financial Statements December 31, 2022

5. Property and Equipment

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

Land	\$	320,044
Building		1,280,174
Building improvements		2,025,947
Leasehold improvements – Shelter		22,180
Furniture and office equipment		125,143
Vehicle		25,408
		<hr/> 3,798,896
Accumulated depreciation		(1,313,155)
Property and Equipment, net	\$	<hr/> <u>2,485,741</u>

6. 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% through its maturity on January 1, 2023. Interest expense on this loan totaled \$21,077 for the year ended December 31, 2022. Advances on the line are collateralized by the Center's land, building and building improvements. As of December 31, 2022, there was an outstanding balance of \$304,865 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.

7. 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 expenses on this note totaled \$4,804 for the year ended December 31, 2022. The principal balance outstanding as of December 31, 2022, was \$89,117. 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, 2021; however, a waiver was received from the bank.

Center for Safety & Change, Inc.

Notes to Financial Statements
December 31, 2022

7. Note Payable (*continued*)

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

2023	30,351
2024	22,918
2025	24,115
2026	<u>11,733</u>
Total	<u>\$89,117</u>

8. Leases

Center for Safety leases property at various terms under long-term operating lease agreements. Additionally, it leases equipment through operating lease agreements. The leases expire at various dates through 2026. There are no renewal options included in its property lease agreements that are reasonably certain to be exercised.

The agreement provides for monthly minimum lease payments. Variable payments that are not determinable at the lease commencement date are not included in the measurement of the lease asset and liability. The lease agreement does not include any material residual value guarantees or restrictive covenants.

The weighted-average discount rate is based on the discount rate implicit in the lease. The Organization has elected the option to use the risk-free rate determined using a period comparable to the lease terms as the discount rate for leases where the implicit rate is not readily determinable. The Organization has applied the risk-free rate option to all classes of assets.

The Organization elected the practical expedient to not separate lease and non-lease components for real estate and office equipment leases.

Total right-of-use assets and lease liabilities at December 31, 2022, are as follows:

Lease assets – classification in statement of financial position

Operating right-of-use asset	\$ 344,736
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Total lease right-of-use asset	<u>\$ 344,736</u>
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Lease liabilities – Classification in statement of financial position

Operating lease liabilities	\$ 344,736
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Total lease liabilities	<u>\$ 344,736</u>
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Center for Safety & Change, Inc.

Notes to Financial Statements
December 31, 2022

8. Leases (continued)

The components of operating lease expenses that are included the statement of activities for the year ended December 31, 2022 were as follows:

Operating lease cost	\$ 57,634
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The following table summarizes the supplemental cash flow information for the year ended December 31, 2022

Cash paid for amounts included in the measurement of lease liabilities

Operating cash flows from operating leases	\$ 58,656
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Weighted average lease term and discount rate as of December 31, 2022 were as follows:

Weighted-average remaining lease term in years

Operating right-of-use asset	2.47
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Lease liabilities – Classification in statement of financial position

Operating lease liabilities	2.95%
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The future minimum lease payments under noncancelable operating leases are listed below as of December 31:

December 31,	Operating
2023	\$ 141,564
2024	124,764
2025	90,998
2026	639
2027	-
Total lease payment	357,965
Less: interest portion	(13,229)
Present value of lease liabilities	\$ 344,736

Center for Safety & Change, Inc.

Notes to Financial Statements December 31, 2022

9. 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 year subsequent year based on a housing Urban development (HUD) Public Offering Public Offering and an annual fee at the rate of 1% of the outstanding principal balance. As of December 31, 2022, 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, 2022, semi-annual payments of principal totaled \$43,000 and interest expense on this promissory note was \$22,773. The principal balance outstanding at December 31, 2022 was \$272,000.

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

	<u>Principal</u>	<u>County Payment</u>	<u>Total</u>
2023	68,000	(25,000)	43,000
2024	68,000	(25,000)	43,000
2025	68,000	(25,000)	43,000
2026	<u>68,000</u>	<u>(25,000)</u>	<u>43,000</u>
	<u>\$ 272,000</u>	<u>\$ (100,000)</u>	<u>\$172,000</u>

10. Net Assets

Net assets with donor restrictions are restricted for the following purposes at December 31, 2022:

Subject to expenditures for specified purpose	Balance December 31, 2021	Additions	Releases	Balance December 31, 2022
General operating support for future years	\$ 117,000	-	\$(45,000)	\$ 72,000
Outreach and education	-	50,000	(50,000)	-
	<u>\$ 117,000</u>	<u>\$ 50,000</u>	<u>\$ (95,000)</u>	<u>\$ 72,000</u>

Center for Safety & Change, Inc.

Notes to Financial Statements
December 31, 2022

11. 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, 2022.

12. 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, 2022, no balance 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.

13. 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.

14. Legal Contingencies

The Center has been named in a lawsuit for alleged vicarious liability for the actions of two attorneys who worked for the Center's clients and were it's employees. The matter involved allegations of malicious prosecution and negligent reporting by both attorneys. The allegations revolved around representation of a client. The Plaintiffs served an amended complaint in response to which Center for Safety's attorney filed a Motion to Dismiss. All parties await a hearing set for May 23rd, 2023. The Center's attorney believes that not only have the Plaintiffs failed to state viable causes of action, but also that the Miami Court does not have personal jurisdiction over the defendants (the Plaintiff resides in Miami and brought the lawsuit there). Pursuant to this, the Center's attorney could not evaluate the outcome of the lawsuit at this time, but believes that the Center has good grounds to have the case dismissed.

Center for Safety & Change, Inc.

Notes to Financial Statements
December 31, 2022

15. Subsequent Notes

Due to the antiquated reimbursement process, the state of New York did not process 2023 contracts for nonprofits providing services to victims of crime until late March. The Center chose to continue services despite the inability to request expenses reimbursement until after contracts were signed. The Center experienced significant cash flow difficulties as they continued to perform services and incur costs. As of the date of this report, the State vouchers were still outstanding and owed to the Center.