

**SAKHI FOR SOUTH ASIAN WOMEN, INC.**

FINANCIAL STATEMENTS AND  
SUPPLEMENTARY INFORMATION

JUNE 30, 2020 AND 2019



**SOBEL & CO. LLC**

CERTIFIED PUBLIC ACCOUNTANTS & ADVISORS

# **SAKHI FOR SOUTH ASIAN WOMEN, INC.**

JUNE 30, 2020 AND 2019

## CONTENTS

	<b><u>Page</u></b>
Independent Auditors' Report.....	1-3
Financial Statements:	
Statements of Financial Position.....	4
Statements of Activities and Changes in Net Assets .....	5
Statements of Functional Expenses .....	6-7
Statements of Cash Flows.....	8
Notes to Financial Statements.....	9-19
Supplementary Information:	
Schedule of Expenditures of Federal Awards.....	20
Notes to the Schedule of Expenditures of Federal Awards .....	21
Independent Auditors' Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i> .....	22-23
Schedule of Findings and Questioned Costs.....	24

## **INDEPENDENT AUDITORS' REPORT**

To the Board of Directors  
Sakhi for South Asian Women, Inc.  
New York, New York

### **Report on the Financial Statements**

We have audited the accompanying financial statements of Sakhi for South Asian Women, Inc. ("Organization"), a New York nonprofit organization, which comprise the statement of financial position as of June 30, 2020, and the related statements of activities and changes in net assets, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

### ***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 and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those assessments, the auditors consider internal control relevant to the Organization'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 Organization'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 opinion.

## ***Opinion***

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Sakhi for South Asian Women, Inc. as of June 30, 2020, and the changes in its net assets and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

## ***Prior Period Financial Statements***

The financial statements of Sakhi for South Asian Women, Inc. were audited by other auditors, whose report, dated October 7, 2019, expressed an unmodified opinion on those statements.

## ***Emphasis of Matter***

The Organization adopted Financial Accounting Standards Board, *Revenue from Contracts with Customers*, and *Not-for-Profit Entities: Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made*, as described in Note 2, on July 1, 2019. Our opinion is not modified with respect to this matter.

## ***Other Matters***

### ***Other Information***

Our audit was conducted for the purpose of forming an opinion on the financial statements of Sakhi for South Asian Women, Inc. as a whole. The accompanying schedule of expenditures of federal awards on page 20, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, is presented for additional analysis 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 information is fairly stated in all material respects in relation to the financial statements as a whole.

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

In accordance with *Government Auditing Standards*, we have also issued our report, dated November 9, 2020, on our consideration of Sakhi for South Asian Women, Inc.'s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements and other matters. The purpose of that report is 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 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 Sakhi for South Asian Women, Inc.'s internal control over financial reporting and compliance.

*Sobel & Co., LLC*

Certified Public Accountants

Livingston, New Jersey  
November 9, 2020

**SAKHI FOR SOUTH ASIAN WOMEN, INC.**  
**STATEMENTS OF FINANCIAL POSITION**

	<b>June 30,</b>	
	<b>2020</b>	<b>2019</b>
<b>ASSETS</b>		
CURRENT ASSETS:		
Cash and cash equivalents	\$ 713,682	\$ 355,585
Contributions receivable	482,995	382,461
Government grants receivable	357,117	207,061
Prepaid expenses	22,744	17,941
Total Current Assets	<u>1,576,538</u>	<u>963,048</u>
PROPERTY AND EQUIPMENT, Net	7,461	2,479
OTHER ASSETS:		
Security deposits	63,490	41,640
Total Assets	<u>\$ 1,647,489</u>	<u>\$ 1,007,167</u>
<b>LIABILITIES AND NET ASSETS</b>		
CURRENT LIABILITIES:		
Accounts payable and accrued expenses	\$ 90,561	\$ 40,033
Refundable advance	241,727	-
Total Current Liabilities	<u>332,288</u>	<u>40,033</u>
OTHER LIABILITIES:		
Deferred rent	37,518	47,809
COMMITMENTS AND CONTINGENCIES		
NET ASSETS:		
Without donor restrictions	612,487	658,685
With donor restrictions	665,196	260,640
Total Net Assets	<u>1,277,683</u>	<u>919,325</u>
Total Liabilities and Net Assets	<u>\$ 1,647,489</u>	<u>\$ 1,007,167</u>

**SAKHI FOR SOUTH ASIAN WOMEN, INC.**  
**STATEMENTS OF ACTIVITIES AND CHANGES IN NET ASSETS**

	Year Ended June 30, 2020			Year Ended June 30, 2019		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
<b>REVENUE AND SUPPORT:</b>						
Foundation grants	\$ 100,043	\$ 694,900	\$ 794,943	\$ 192,500	\$ 200,000	\$ 392,500
Government grants	723,459	-	723,459	387,581	-	387,581
Corporate contributions	14,320	25,000	39,320	5,000	-	5,000
Individual contributions	488,256	-	488,256	95,484	-	95,484
Special event income	17,734	-	17,734	688,077	-	688,077
Other revenue	13,915	-	13,915	14,986	-	14,986
In-kind contributions	7,742	-	7,742	-	-	-
Net assets released from restriction	315,344	(315,344)	-	91,250	(91,250)	-
Total Revenue and Support	1,680,813	404,556	2,085,369	1,474,878	108,750	1,583,628
<b>EXPENSES:</b>						
Program services:						
Community outreach	154,414	-	154,414	55,317	-	55,317
Domestic violence	227,574	-	227,574	263,939	-	263,939
Economic empowerment	239,262	-	239,262	191,840	-	191,840
Youth empowerment	89,433	-	89,433	68,280	-	68,280
Mental health	101,714	-	101,714	38,372	-	38,372
Sexual assault	141,685	-	141,685	82,262	-	82,262
Food justice	98,557	-	98,557	-	-	-
Housing	195,908	-	195,908	-	-	-
Total program services	1,248,547	-	1,248,547	700,010	-	700,010
Support services:						
Management and general	184,287	-	184,287	145,669	-	145,669
Fundraising	294,177	-	294,177	447,011	-	447,011
Total Expenses	1,727,011	-	1,727,011	1,292,690	-	1,292,690
CHANGES IN NET ASSETS	(46,198)	404,556	358,358	182,188	108,750	290,938
<b>NET ASSETS:</b>						
Beginning of the year	658,685	260,640	919,325	476,497	151,890	628,387
End of the year	\$ 612,487	\$ 665,196	\$ 1,277,683	\$ 658,685	\$ 260,640	\$ 919,325

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

**SAKHI FOR SOUTH ASIAN WOMEN, INC.**  
**STATEMENT OF FUNCTIONAL EXPENSES**  
**YEAR ENDED JUNE 30, 2020**

	Program Services								Supporting Services			
	Community Outreach	Domestic Violence	Economic Empowerment	Youth Empowerment	Mental Health	Sexual Assault	Food Justice	Housing	Total Program Expenses	Management and General	Fundraising	Total
Salaries and wages	\$ 95,240	\$ 138,291	\$ 142,137	\$ 50,415	\$ 65,005	\$ 84,671	\$ 35,520	\$ 13,358	\$ 624,637	\$ 40,939	\$ 191,402	\$ 856,978
Payroll taxes and fringe benefits	18,257	26,510	27,247	9,664	12,461	16,231	6,809	2,561	119,740	7,848	36,691	164,279
Total salaries and related expenses	113,497	164,801	169,384	60,079	77,466	100,902	42,329	15,919	744,377	48,787	228,093	1,021,257
Grants	-	-	-	-	-	-	-	-	-	2,800	950	3,750
Professional fees	10,361	15,045	15,464	5,485	7,072	12,012	20,514	1,453	87,406	110,101	9,724	207,231
Insurance	568	787	1,040	437	291	498	122	73	3,816	1,414	758	5,988
Communications	1,634	2,326	3,080	1,263	800	1,446	342	198	11,089	902	4,222	16,213
Travel	1,792	5,969	2,551	591	1,160	1,731	923	415	15,132	35	360	15,527
Occupancy	14,261	19,746	26,108	10,970	7,313	12,506	3,072	1,828	95,804	9,507	19,014	124,325
Office expenses	3,407	5,575	6,932	5,758	1,591	2,744	1,874	398	28,279	9,526	15,117	52,922
Client assistance	7,742	11,671	12,884	4,170	5,284	8,825	28,997	175,467	255,040	-	-	255,040
Bad debt	-	-	-	-	-	-	-	-	-	650	-	650
Depreciation	292	405	535	225	150	256	63	37	1,963	195	390	2,548
Special event costs	-	-	-	-	-	-	-	-	-	-	13,820	13,820
In-kind donations	860	1,249	1,284	455	587	765	321	120	5,641	370	1,729	7,740
Total Expenses	\$ 154,414	\$ 227,574	\$ 239,262	\$ 89,433	\$ 101,714	\$ 141,685	\$ 98,557	\$ 195,908	\$ 1,248,547	\$ 184,287	\$ 294,177	\$ 1,727,011



**SAKHI FOR SOUTH ASIAN WOMEN, INC**  
**STATEMENT OF FUNCTIONAL EXPENSES**  
**YEAR ENDED JUNE 30, 2019**

	Program Services						Supporting Services		Total	
	Community Outreach	Domestic Violence	Economic Empowerment	Youth Empowerment	Mental Health Awareness	Sexual Assault	Total Program expenses	Management and General		Fundraising
Salaries and wages	\$ 27,297	\$ 149,775	\$ 120,929	\$ 45,977	\$ 27,369	\$ 54,821	\$ 426,168	\$ 11,055	\$ 130,944	\$ 568,167
Payroll taxes and fringe benefits	5,520	30,286	24,453	9,297	5,534	11,085	86,175	2,235	26,478	114,888
Total salaries and related expenses	32,817	180,061	145,382	55,274	32,903	65,906	512,343	13,290	157,422	683,055
Grants	-	-	-	-	-	-	-	500	-	500
Professional fees	13,782	33,014	5,563	1,651	852	3,156	58,018	73,477	25,080	156,575
Insurance	227	1,243	1,004	382	227	455	3,538	840	1,087	5,465
Communications	163	896	723	275	164	328	2,549	4,720	981	8,250
Travel	2,674	14,118	2,617	157	70	3,824	23,460	6,745	333	30,538
Occupancy	3,718	18,089	13,925	5,294	3,152	6,313	50,491	32,810	15,078	98,379
Office expenses	1,888	9,344	4,908	2,764	956	2,183	22,043	13,268	15,233	50,544
Client assistance	-	6,909	17,505	402	-	-	24,816	-	-	24,816
Bad debt	-	-	-	2,000	-	-	2,000	-	-	2,000
Depreciation	48	265	213	81	48	97	752	19	231	1,002
Special event costs	-	-	-	-	-	-	-	-	231,566	231,566
Total Expenses	\$ 55,317	\$ 263,939	\$ 191,840	\$ 68,280	\$ 38,372	\$ 82,262	\$ 700,010	\$ 145,669	\$ 447,011	\$ 1,292,690

**SAKHI FOR SOUTH ASIAN WOMEN, INC.**  
**STATEMENTS OF CASH FLOWS**

	<b>Year Ended June 30,</b>	
	<b>2020</b>	<b>2019</b>
<b>CASH FLOWS PROVIDED BY:</b>		
<u>OPERATING ACTIVITIES:</u>		
Changes in net assets	\$ 358,358	\$ 290,938
Adjustments to reconcile changes in net assets to net cash provided by operating activities:		
Bad debt expense	650	2,000
Depreciation	2,548	1,002
Changes in certain assets and liabilities:		
Contributions receivable	(101,184)	(209,157)
Government grants receivable	(150,056)	(47,665)
Prepaid expenses	(4,803)	8,131
Security deposits	(21,850)	(1,800)
Accounts payable and accrued expenses	50,528	14,080
Deferred revenue	241,727	-
Refundable advance	(10,291)	(7,631)
Net Cash Provided by Operating Activities	<u>365,627</u>	<u>49,898</u>
<u>INVESTING ACTIVITIES:</u>		
Purchase of property and equipment	<u>(7,530)</u>	-
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>	<b>358,097</b>	<b>49,898</b>
<b>CASH AND CASH EQUIVALENTS:</b>		
Beginning of the year	<u>355,585</u>	<u>305,687</u>
End of the year	<u>\$ 713,682</u>	<u>\$ 355,585</u>

**SAKHI FOR SOUTH ASIAN WOMEN, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2020 AND 2019**

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**NOTE 1 - NATURE OF ORGANIZATION:**

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Founded in 1989, Sakhi for South Asian Women (“Organization” or “Sakhi”) exists to represent the South Asian diaspora in a survivor-led movement for gender-justice and to honor the collective and inherent power of all survivors of violence. Sakhi is committed to serving survivors through a combination of efforts including—but not limited to—direct services, advocacy and organizing, technical assistance, and community outreach. We have served over 10,000 survivors over the last thirty-one years.

Today, Sakhi is the only organization explicitly addressing gender-based violence in NYC’s South Asian community. Sakhi was created by South Asian women for South Asian survivors of gender-based violence. Sakhi is of the community, and the culture, and so can challenge practices that oppress survivors, as well as applaud that which keeps our families strong. South Asian survivors of violence and immigrants are present on both our staff and board. All Direct Service staff are bilingual, and many are fluent in multiple South Asian languages. Sakhi is able to provide services and referrals in more than 8 South Asian languages including Bengali, Hindi, Malayalam, Marathi, Punjabi, Gujarati, and Urdu.

The largest and most vulnerable group that we work with consists of low-income, recently immigrated survivors of gender-based violence who have limited proficiency in English and thereby have limited ability to access resources or support.

Sakhi supports survivors through an array of culturally- sensitive, linguistically-appropriate services. This includes crisis intervention, safety-planning, and ongoing emotional support; accompaniments, translation assistance, and advocacy in court, during healthcare visits, and at public benefits and welfare agencies; low-cost or free health consultations and exams, public benefits, shelter and/or housing. Sakhi also supports survivors who have experienced forced marriage, as well as students with Title IX Sexual Assault cases. We have 8 major programs: Domestic Violence, Sexual Violence, Community Engagement, Economic Empowerment, Food Justice, Transitional Housing, Youth Empowerment, and Mental Health.

In 2019, we received nearly \$1.6M from New York State’s Office of Victim Services to launch two satellite sites and expand our presence in New York City. The first launched in Queens in January 2020 and the second will launch in Brooklyn.

**SAKHI FOR SOUTH ASIAN WOMEN, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2020 AND 2019**

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**NOTE 1 - NATURE OF ORGANIZATION: (Continued)**

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In direct response to the pandemic, Sakhi rapidly adapted to meet survivors' critical needs. We worked as a team to modify our core services, expand our Food Justice Program, and increase our Client Emergency Assistance Program. Expanding our direct emergency assistance has aimed to help ease the stressful financial burdens suffered throughout this crisis. Supporting payments for essential services and items such as phone bills, sanitary products, medication, and diapers can relieve survivors of some pressure. Additionally, given the uncertainty regarding rent payments and Sakhi's experience with landlords threatening eviction regardless of client rights, this emergency funding helps clients remain safely housed and out of NYC's shelter system.

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:**

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***Basis of Accounting:***

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America.

***Financial Statement Presentation:***

Net assets and revenues, expenses, gains, and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets of the Organization and changes therein are classified and reported as follows:

Net Assets without Donor Restrictions - Net assets not subject to donor-imposed stipulations.

Net Assets with Donor Restrictions - Net assets subject to donor-imposed stipulations that may or will be met, either by actions of the Organization and/or the passage of time, and other net assets subject to donor-imposed stipulations that they be maintained permanently by the Organization. Generally, the donors of these assets permit the Organization to use all or part of the income earned on any related investments for general or specific purposes. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statements of activities and changes in net assets as net assets released from restrictions.

***Cash and Cash Equivalents:***

Cash and cash equivalents include short-term, highly liquid investments with original maturities of three months or less on the date of acquisition.

**SAKHI FOR SOUTH ASIAN WOMEN, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2020 AND 2019**

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**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (Continued)**

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***Contributions and Government Grants Receivable:***

Contributions and government grants receivable are stated at the amount management expects to collect from outstanding balances. The Organization provides for doubtful amounts through a charge to operations and a credit to an allowance for doubtful accounts, which is based on historical bad debts and an assessment of specific donors' and grantors' ability to pay. Balances that remain outstanding after reasonable collection efforts are written off through a charge to the allowance and a credit to contributions or government grants receivable. Management has determined that no allowance is necessary at June 30, 2020 and 2019.

***Property and Equipment:***

Property and equipment are recorded at cost on the date of acquisition, or at the fair value of the asset, based on values of comparable assets, at the date of gift for donated assets. Depreciation is computed on a straight-line basis over the estimated useful life as follows:

Equipment	5 years
Leasehold improvements	5 years

In the absence of donor-imposed restrictions on the use of the asset, gifts of long-lived assets are reported as support without donor restrictions. When an asset is sold or retired, the cost and accumulated depreciation are removed from the respective accounts. Maintenance, repairs, and minor renewals are charged to operations as incurred. Significant renewals and betterments that extend the useful life of the assets are capitalized.

State funding sources may maintain an equitable interest in property purchased with grant monies, as well as the right to determine the use of proceeds from the sale of those assets.

***Refundable advance:***

Refundable advance represents funds received in advance from governmental agencies and not yet earned.

***Deferred Rent:***

The Organization's operating space lease agreements include lease incentives and lease escalations throughout their respective terms. The Organization recognizes rent expense on a straight-line basis over the term of the lease. The differences between amounts paid and amounts charged to expense are reflected as deferred rent.

**SAKHI FOR SOUTH ASIAN WOMEN, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2020 AND 2019**

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**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (Continued)**

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***Revenue Recognition – Contributions and Grants from Governmental Agencies:***

On July 1, 2019, the Organization adopted the Financial Accounting Standards Board (“FASB”), Accounting Standards Update, *Not-for-Profit Entities: Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made*. This guidance is intended to clarify and improve the scope of accounting guidance for contributions received and contributions made. Key provisions in this guidance include clarification regarding the accounting for grants and contracts as exchange transactions or contributions, and improving guidance to better distinguish between conditional and unconditional contributions. The Organization also adopted the FASB, *Revenue from Contracts with Customers*. This guidance provides the framework for recognizing revenue and is intended to improve the comparability of revenue recognition practices across for-profit and not-for-profit entities. Analysis of the various provisions of this standard resulted in no significant changes the way in which the Organization recognized revenue; however, the presentation and disclosures of revenue have been enhanced.

Funds received from various federal governmental agencies represent grants awarded to the Organization to provide program services. Revenue with respect to these awards is recognized to the extent of expenses incurred under the award terms. Funds received in advance are accounted for as refundable advances in the statements of financial position. Amounts that are spent in accordance with contract requirements, but not yet received, are accounted for as government grants receivable in the statements of financial position.

Contributions are recognized as revenue when they are received or unconditionally pledged. Conditional contributions are not recognized until conditions are substantially met or explicitly waived by the donor or grantor. Unconditional promises to give due in subsequent years are reported at the present value of their net realizable value, using risk-free interest rates applicable to the years in which the monies from the promises are to be received.

All contributions are available for use unless specifically restricted by the donor. When a donor restriction expires, that is, when a stipulated time restriction ends, or purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statements of activities and changes in net assets as net assets released from restrictions.

**SAKHI FOR SOUTH ASIAN WOMEN, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2020 AND 2019**

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**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (Continued)**

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***In-kind Revenue:***

In-kind revenues are reflected as contributions at their estimated fair values on the date of receipt. Voluntary donations of services are recorded when those services create or enhance nonfinancial assets or require specialized skills provided by individuals possessing those skills and which would typically be purchased if not provided by donation. The Organization also receives a significant amount of donated materials for fundraising events. During the year ended June 30, 2020, the Organization recognized approximately \$7,700 of in-kind revenue for various professional services. There were no in-kind revenues for the year ended June 30, 2019. These contributions are recorded as revenue and related expenses in the statements of activities and changes in net assets.

The Organization also regularly receives services from volunteers who are not acting in a professional capacity. These services do not meet the criteria for financial statement recognition and are not included in the financial statements.

***Income Taxes:***

The Organization is exempt from federal and state income taxes under Section 501(c)(3) of the Internal Revenue Code.

The Organization follows standards that provide clarification on accounting for uncertainty in income taxes recognized in the Organization's financial statements. The guidance prescribes a recognition threshold and measurement attribute for the recognition and measurement of a tax position taken, or expected to be taken, in a tax return, and also provides guidance on derecognition, classification, interest and penalties, disclosure and transition. The Organization's policy is to recognize interest and penalties on unrecognized tax benefits in income tax expense. No interest and penalties were recorded during the fiscal years ended June 30, 2020 and 2019. At June 30, 2020 and 2019, there were no significant income tax uncertainties.

***Use of Estimates:***

In preparing financial statements in conformity with accounting principles generally accepted in the United States of America, management is required to make estimates and assumptions that affect the reported amounts of assets and liabilities, the 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. Actual results could differ from those estimates.

***Reclassifications:***

Certain amounts from the fiscal year 2019 financial statement presentation have been reclassified to conform to the fiscal year 2020 financial statement presentation.

**SAKHI FOR SOUTH ASIAN WOMEN, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2020 AND 2019**

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**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (Continued)**

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***Recent Accounting Pronouncements:***

The FASB issued an accounting pronouncement, *Leases*, which requires lessees to recognize a right-of-use asset and lease liability on the statement of financial position for all leases with a term longer than 12 months. Under this new pronouncement, a modified retrospective transition approach is required, and the new standard is applied to all leases existing at the date of initial application. The pronouncement is effective for annual periods beginning after December 15, 2021. It will be effective for the Organization for the year ending June 30, 2023. The Organization is currently evaluating the effect the new pronouncement will have on its financial statements.

***Subsequent Events:***

The Organization has evaluated events and transactions subsequent to June 30, 2020 through November 9, 2020, the date the financial statements were available to be issued.

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**NOTE 3 - CONTRIBUTIONS RECEIVABLE:**

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Contributions receivable consist of the following:

	<b>June 30,</b>	
	<b>2020</b>	<b>2019</b>
Foundation grants	\$ 360,500	\$ 271,000
Corporate contributions	57,500	685
Individual contributions	64,995	110,776
Contributions Receivable	<u>\$ 482,995</u>	<u>\$ 382,461</u>

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**NOTE 4 - GOVERNMENT GRANTS RECEIVABLE:**

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Government grants receivable consist of the following:

	<b>June 30,</b>	
	<b>2020</b>	<b>2019</b>
Department of Justice	\$ 32,691	\$ 67,564
New York City—City Hall	324,425	139,497
Government Grants Receivable	<u>\$ 357,117</u>	<u>\$ 207,061</u>



**SAKHI FOR SOUTH ASIAN WOMEN, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2020 AND 2019**

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**NOTE 5 - PROPERTY AND EQUIPMENT:**

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Property and equipment consists of the following:

	<b>June 30,</b>	
	<b>2020</b>	<b>2019</b>
Leasehold improvements	\$ 10,360	\$ 5,581
Equipment	24,690	21,940
	35,050	27,521
Less: Accumulated depreciation	(27,589)	(25,042)
	<u>\$ 7,461</u>	<u>\$ 2,479</u>

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**NOTE 6 - REFUNDABLE ADVANCE:**

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The Organization obtained a Paycheck Protection Program (“PPP”) loan under the CARES Act in April 2020 for \$167,600. The loan is to provide the Organization with working capital for the purpose of maintaining employment levels and paying occupancy costs during a stay-at-home period ordered by the governor of New York. Paycheck Protection Program loans may be forgiven in part or in whole if the borrower maintains its employee count, as well as salary levels, during a specified period. The Organization expects to receive full forgiveness of the loan based on the criteria for forgiveness.

The Organization’s policy is to record the proceeds from the PPP loan as a conditional government grant through refundable advances. Once the conditions of release have been substantially met or explicitly waived, the conditions of this grant will have been satisfied and the Organization will recognize the grant revenue.

Any portion of the loan that is not forgiven must be repaid. Loan payments, if any, are deferred under the PPP Flexibility Act, which extends the deferral period until the date the lender receives the applicable forgiven amount from the Small Business Administration, which is not to exceed 10 months after the covered period, and are payable with interest at 1%, through 2025. The loan is uncollateralized and guaranteed by the Small Business Administration.

During the year ended June 30, 2020, the Organization received an advance from the New York Office of Victim Services for \$74,127. There was no refundable advance during the year ended June 30, 2019.

**SAKHI FOR SOUTH ASIAN WOMEN, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2020 AND 2019**

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**NOTE 7 - LINE OF CREDIT:**

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The Organization has a revolving line of credit with a bank in the amount of \$50,000. The line of credit is secured by a security interest in substantially all of the assets of the Organization. Borrowings under the revolving line of credit bear interest at the Wall Street Journal Prime Rate plus 3.00% (3.25% at June 30, 2020). At June 30, 2020 and 2019, there were no outstanding borrowings under the revolving line of credit.

**NOTE 8 - NET ASSETS WITH DONOR RESTRICTIONS:**

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Net assets with donor restrictions consist of the following:

	<b>June 30,</b>	
	<b>2020</b>	<b>2019</b>
Time restrictions	\$ 150,000	\$ 250,000
Purpose restrictions:		
COVID-19	135,858	-
Finance	55,000	-
Scholarships	2,100	-
Office equipment	10,000	-
Mental Health Counselor	300,000	-
Undocumented workers program	3,400	-
Education	8,838	10,640
	<u>\$ 665,196</u>	<u>\$ 260,640</u>

Net assets with donor restrictions released consisted of the following:

	<b>Year Ended June 30,</b>	
	<b>2020</b>	<b>2019</b>
Time restrictions	\$ 170,000	\$ 91,250
Purpose restrictions:		
COVID-19	106,142	-
Scholarship	7,400	-
Finance	30,000	-
Education	1,802	-
	<u>\$ 315,344</u>	<u>\$ 91,250</u>

**SAKHI FOR SOUTH ASIAN WOMEN, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2020 AND 2019**

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**NOTE 9 - FUNCTIONAL EXPENSES:**

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The financial statements report certain categories of expenses that are attributed to more than one program or supporting function. Therefore, expenses require allocation on a reasonable basis that is consistently applied. The expenses that are allocated are summarized below. All other expenses are direct costs.

<b>Expense Item</b>	<b>Allocation method</b>
Salaries and wages	Time and effort studies
Payroll taxes and fringe benefits	Time and effort studies
Professional fees	Direct cost and full time equivalent allocation
Insurance	Full time equivalent allocation
Communications	Direct cost and time and effort studies
Travel	Direct cost and time and effort studies
Occupancy	Direct cost and full time equivalent allocation
Office expenses	Direct cost and full time equivalent allocation
Depreciation	Direct cost and time and effort studies
In-kind donations	Direct cost and full time equivalent allocation

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**NOTE 10 - CONCENTRATIONS OF CREDIT RISK:**

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The Organization receives a large portion of its funding from various federal and local governmental agencies. The operations of the Organization are subject to the administrative directives, rules and regulations of federal, state, and local regulatory agencies. Such administrative directives, rules and regulations are subject to changes that may occur because of inadequate funding with little notice to pay for the related costs, including the additional administrative burden, to comply with a change.

The Organization is subject to audits by certain federal and local awarding agencies which may result in findings based on various issues. Anticipation of potential audit results is currently not determinable. Accordingly, no accruals have been recorded in the financial statements for any adjustments that might be required based on such audits.

The Organization maintains cash in deposit accounts with various financial institutions. At times, the balances in these accounts may be in excess of federally insured limits. The Organization has not experienced any losses in such accounts because of uninsured deposits.

Approximately 16% and 12% of the Organization's total revenue and other support were provided by the Department of Justice for the years ended June 30, 2020 and 2019, respectively.

The Organization also received approximately 15% and 19% of its contributions from one donor for the each of the years ended June 30, 2020 and 2019, respectively.

**SAKHI FOR SOUTH ASIAN WOMEN, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2020 AND 2019**

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**NOTE 11 - OPERATING LEASE AGREEMENTS:**

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The Organization leases office space under several operating leases with various expiration dates through 2025 and escalating payments. Rent expense includes real estate taxes and certain utilities and other charges allocated to the Organization by the lessors. Rent expense for office space for the years ended June 30, 2020 and 2019, totaled \$102,992 and \$80,992, respectively, and is included in occupancy on the statements of functional expenses.

Future minimum lease payments due under existing lease agreements for office space as of June 30, 2020, are as follows:

<b><u>Year Ending June 30,</u></b>	
2021	\$ 160,461
2022	164,613
2023	118,272
2024	70,524
2025	47,640
	<u>\$ 561,510</u>

**NOTE 12 - LIQUIDITY AND AVAILABILITY:**

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The following represents the Organization's financial assets reduced by amounts not available for general use within one year of the statement of financial position date because of contractual or donor-imposed restrictions or internal designations.

	<b>June 30,</b>	
	<b>2020</b>	<b>2019</b>
Cash and cash equivalents	\$ 713,682	\$ 355,585
Contributions receivable	482,995	382,461
Government grants receivable	357,117	207,061
Total financial assets	1,553,794	945,107
Less amounts not available to be used within one year:		
Net assets with donor restrictions	(665,196)	(260,640)
Amounts expected to be released within one year	399,258	91,250
Financial assets available to meet general expenditures over the next 12 months	<u>\$ 1,287,856</u>	<u>\$ 775,717</u>

**SAKHI FOR SOUTH ASIAN WOMEN, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2020 AND 2019**

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**NOTE 12 - LIQUIDITY AND AVAILABILITY: (Continued)**

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The Organization has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due. As part of its liquidity plan, excess cash is invested in short-term investments, such as money market accounts. The Organization has a \$50,000 line of credit which is fully available.

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**NOTE 13 - RISKS AND UNCERTAINTIES:**

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The Organization is actively monitoring the COVID-19 outbreak and its potential impact on its employees, volunteers, donors, and operations. It is not known at this time how much effect the virus will have on operations and/or financial results. The potential impact of COVID-19 is not foreseeable due to various uncertainties, including the severity of the disease, the duration of the outbreak, and actions that may be taken by governmental authorities.

**SAKHI FOR SOUTH ASIAN WOMEN, INC.**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**FOR YEAR ENDED JUNE 30, 2020**

<b>Federal Grantor Pass-through Grantor Program Title</b>	<b>Federal CFDA Number</b>	<b>Budget Period</b>	<b>Pass-through Grantor's Number</b>	<b>Contract Amount</b>	<b>Disbursements/ Expenditures</b>
<b>U.S. Department of Justice: Office on Violence Against Women</b>					
<u>Direct Award</u>					
Grant to Enhance Culturally Specific Services for Victims of Sexual Assault, Domestic Violence, and Stalking Program Solicitation	16.061	10/01/2018 - 09/30/2020	2018-UW-AX-0010	\$ 298,276	\$ 130,247
Transitional Housing Assistance Grants for Victims of Sexual Assault, Domestic Violence, Dating Violence and Stalking	16.736	10/01/2018 - 09/30/2021	2018-WH-AX-0057	465,243	159,683
Direct Award:					
Sexual Assault Services Culturally Specific Program Solicitation	16.023	10/01/2017 - 09/30/2020	2017-KS-AX-0011	300,000	77,101
Passed through New York Legal Assistance Group Legal Assistance for Victims Grant Program	16.524	10/01/2016 - 09/30/2020	2016-WL-AX-0021	30,000	3,627
Passed through Queens Legal Services Legal Assistance for Victims Grants Program for Queens Asian Domestic Violence Law Collaborative	16.524	10/01/2016 - 09/30/2020	2017-WL-AX-0018	75,000	21,203
				105,000	24,830
<b>Total U.S. Department of Justice: Office on Violence Against Women</b>				<b>1,168,519</b>	<b>391,861</b>
<b>U.S Department of Justice: Office of Justice Programs</b>					
Passed through the New York Office of Victim Services					
Federal VOCA Victim and Witness Assistance Grant Program	16.575	10/01/2019 - 09/30/22	OVS01-C11061GG-1080200	1,581,945	1,359
<b>Total U.S Department of Justice: Office of Justice Programs</b>				<b>1,581,945</b>	<b>1,359</b>
			<b>Total Federal Awards</b>	<b>\$ 2,750,464</b>	<b>\$ 393,220</b>

**SAKHI FOR SOUTH ASIAN WOMEN, INC.**  
**NOTES TO SCHEDULES OF EXPENDITURES OF FEDERAL AWARDS**  
**JUNE 30, 2020**

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**NOTE 1 - BASIS OF PRESENTATION:**

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The accompanying schedule of expenditures of federal awards include the federal grant activity of Sakhi for South Asian Women, Inc. (“Organization”) under programs of federal government for the year ended June 30, 2020. The information in the schedule of expenditures of federal awards is presented in accordance with the 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”). Therefore, some amounts presented in this schedule may differ in amounts presented in, or used in the preparation of, the financial statements.

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**NOTE 2 - SUBRECIPIENTS:**

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During the year ended June 30, 2020, the Organization did not provide any funds relating to their federal and state programs to subrecipients.

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**NOTE 3 - INDIRECT COSTS:**

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The Organization did not elect to use the 10 percent de minimis indirect cost rate as allowed under the Uniform Guidance.

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**NOTE 4 - LOAN AND LOAN GUARANTEE PROGRAMS:**

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As of June 30, 2020, the Organization did not have any loan or loan guarantee programs.

**INDEPENDENT AUDITORS' 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***

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To the Board of Directors  
Sakhi for South Asian Women, Inc.  
New York, New York

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 of America, the financial statements of Sakhi for South Asian Women, Inc. (“Organization”), which comprise the statement of financial position as of June 30, 2020, and the related statements of activities and changes in net assets, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated November 9, 2020.

**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”) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing an 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 Organization’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 the Organization’s internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.



### **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 determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

### **Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the 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.

*Sobel & Co, LLC*

Certified Public Accountants

Livingston, New Jersey  
November 9, 2020

**SAKHI FOR SOUTH ASIAN WOMEN, INC.**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**YEAR ENDED JUNE 30, 2020**

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**I. Summary of Auditors' Results**

**Financial Statements**

The auditors' report issued on the financial statements of Sakhi for South Asian Women, Inc. was unmodified.

Internal control over financial reporting:

- Material weaknesses identified?                    \_\_\_\_\_ Yes                      X   No
- Significant deficiencies identified that  
are not considered to be material  
weaknesses?                    \_\_\_\_\_ Yes                      X   No

Noncompliance material to financial  
statements noted?                    \_\_\_\_\_ Yes                      X   No