

SAKHI FOR SOUTH ASIAN WOMEN, INC.

FINANCIAL STATEMENTS
AND SUPPLEMENTARY INFORMATION

JUNE 30, 2021 AND 2020



SOBEL & CO. LLC

CERTIFIED PUBLIC ACCOUNTANTS & ADVISORS

SAKHI FOR SOUTH ASIAN WOMEN, INC.

JUNE 30, 2021 AND 2020

CONTENTS

	<u>Page</u>
Independent Auditors' Report.....	1-2
Financial Statements:	
Statements of Financial Position.....	3
Statements of Activities and Changes in Net Assets	4
Statements of Functional Expenses	5-6
Statements of Cash Flows.....	7
Notes to Financial Statements.....	8-17
Supplementary Information:	
Schedule of Expenditures of Federal Awards.....	18
Notes to the Schedule of Expenditures of Federal Awards	19
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>	20-21
Independent Auditors' Report on Compliance for the Major Program and on Internal Control over Compliance Required by the Uniform Guidance.....	22-23
Schedule of Findings and Questioned Costs.....	24-25

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 statements of financial position as of June 30, 2021 and 2020, and the related statements of activities and changes in net assets, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

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 audits. We conducted our audits 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 audits 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, 2021 and 2020, and the changes in its net assets and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

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 18, 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 8, 2021, 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 8, 2021



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

	June 30,	
	2021	2020
ASSETS		
CURRENT ASSETS:		
Cash and cash equivalents	\$ 801,855	\$ 713,682
Contributions receivable	593,541	482,995
Government grants receivable	434,430	357,117
Prepaid expenses	18,788	22,744
Total Current Assets	<u>1,848,614</u>	<u>1,576,538</u>
PROPERTY AND EQUIPMENT, Net	2,092	7,461
OTHER ASSETS:		
Security deposits	68,390	63,490
Total Assets	<u>\$ 1,919,096</u>	<u>\$ 1,647,489</u>
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES:		
Accounts payable and accrued expenses	\$ 35,824	\$ 90,561
Refundable advance	10,313	241,727
Total Current Liabilities	<u>46,137</u>	<u>332,288</u>
OTHER LIABILITIES:		
Deferred rent	24,490	37,518
COMMITMENTS AND CONTINGENCIES		
NET ASSETS:		
Without donor restrictions	943,403	612,487
With donor restrictions	905,066	665,196
Total Net Assets	<u>1,848,469</u>	<u>1,277,683</u>
Total Liabilities and Net Assets	<u>\$ 1,919,096</u>	<u>\$ 1,647,489</u>

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

	Year Ended June 30, 2021			Year Ended June 30, 2020		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
REVENUE AND SUPPORT:						
Foundation grants	\$ 130,000	\$ 957,380	\$ 1,087,380	\$ 100,043	\$ 694,900	\$ 794,943
Government grants	1,565,818	-	1,565,818	723,459	-	723,459
Public contributions	410,127	-	410,127	502,576	25,000	527,576
Special event income	13,624	-	13,624	17,734	-	17,734
In-kind contributions	21,799	-	21,799	7,742	-	7,742
Other revenue	5,039	-	5,039	13,915	-	13,915
Net assets released from restriction	717,510	(717,510)	-	315,344	(315,344)	-
Total Revenue and Support	2,863,917	239,870	3,103,787	1,680,813	404,556	2,085,369
EXPENSES:						
Program services:						
Community outreach	121,005	-	121,005	154,414	-	154,414
Anti-violence	326,540	-	326,540	227,574	-	227,574
Economic empowerment	259,687	-	259,687	239,262	-	239,262
Youth empowerment	240,243	-	240,243	89,433	-	89,433
Mental health	224,280	-	224,280	101,714	-	101,714
Sexual assault	162,496	-	162,496	141,685	-	141,685
Food justice	200,253	-	200,253	98,557	-	98,557
Housing	336,093	-	336,093	195,908	-	195,908
Total program services	1,870,597	-	1,870,597	1,248,547	-	954,082
Support services:						
Management and general	338,486	-	338,486	184,287	-	184,287
Fundraising	323,918	-	323,918	294,177	-	294,177
Total Expenses	2,533,001	-	2,533,001	1,727,011	-	1,727,011
CHANGES IN NET ASSETS	330,916	239,870	570,786	(46,198)	404,556	358,358
NET ASSETS:						
Beginning of the year	612,487	665,196	1,277,683	658,685	260,640	919,325
End of the year	\$ 943,403	\$ 905,066	\$ 1,848,469	\$ 612,487	\$ 665,196	\$ 1,277,683

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, 2021

	Program Services								Supporting Services			
	Community Outreach	Anti-Violence	Economic Empowerment	Youth Empowerment	Mental Health Awareness	Sexual Assault	Food Justice	Housing	Total Program Expenses	Management and General	Fundraising	Total
Salaries and wages	\$ 83,135	\$ 213,184	\$ 164,555	\$ 148,370	\$ 147,716	\$ 110,246	\$ 69,259	\$ 52,635	\$ 989,100	\$ 165,044	\$ 229,294	\$ 1,383,438
Payroll taxes and fringe benefits	13,188	38,061	30,535	26,279	25,380	18,053	13,326	8,415	173,237	23,489	35,456	232,182
Total salaries and related expenses	96,323	251,245	195,090	174,649	173,096	128,299	82,585	61,050	1,162,337	188,533	264,750	1,615,620
Professional fees	4,311	12,838	10,693	18,548	8,522	5,961	32,827	3,082	96,782	129,009	11,120	236,911
Insurance	349	1,099	904	761	724	492	412	230	4,971	877	917	6,765
Communications	1,086	3,424	2,833	2,401	2,355	1,531	1,284	716	15,630	382	646	16,658
Travel	60	190	156	132	125	85	(529)	40	259	2	3	264
Occupancy	8,014	25,257	20,764	17,486	16,636	11,293	9,471	5,282	114,203	12,347	20,697	147,247
Office expenses	3,752	12,226	9,942	10,417	9,835	5,288	4,665	2,473	58,598	5,026	21,914	85,538
Client assistance	5,637	15,620	15,489	12,636	9,930	7,472	67,797	262,249	396,830	-	-	396,830
Depreciation	291	917	754	635	604	410	344	192	4,147	457	765	5,369
In-kind donations	1,182	3,724	3,062	2,578	2,453	1,665	1,397	779	16,840	1,853	3,106	21,799
Total Expenses	\$ 121,005	\$ 326,540	\$ 259,687	\$ 240,243	\$ 224,280	\$ 162,496	\$ 200,253	\$ 336,093	\$ 1,870,597	\$ 338,486	\$ 323,918	\$ 2,533,001

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

	Program Services								Supporting Services		Total	
	Community Outreach	Anti-Violence	Economic Empowerment	Youth Empowerment	Mental Health Awareness	Sexual Assault	Food Justice	Housing	Total Program expenses	Management and General		Fundraising
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.
STATEMENTS OF CASH FLOWS

	Year Ended June 30,	
	2021	2020
CASH FLOWS PROVIDED BY:		
<u>OPERATING ACTIVITIES:</u>		
Changes in net assets	\$ 570,786	\$ 358,358
Adjustments to reconcile changes in net assets to net cash provided by operating activities:		
Bad debt expense	-	650
Depreciation	5,369	2,548
Deferred rent	(13,028)	(10,291)
Changes in certain assets and liabilities:		
Contributions receivable	(110,546)	(101,184)
Government grants receivable	(77,313)	(150,056)
Prepaid expenses	3,956	(4,803)
Security deposits	(4,900)	(21,850)
Accounts payable and accrued expenses	(54,737)	50,528
Refundable advance	(231,414)	241,727
Net Cash Provided by Operating Activities	<u>88,173</u>	<u>365,627</u>
<u>INVESTING ACTIVITIES:</u>		
Purchase of property and equipment	-	(7,530)
NET INCREASE IN CASH AND CASH EQUIVALENTS	88,173	358,097
CASH AND CASH EQUIVALENTS:		
Beginning of the year	<u>713,682</u>	<u>355,585</u>
End of the year	<u>\$ 801,855</u>	<u>\$ 713,682</u>

SAKHI FOR SOUTH ASIAN WOMEN, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021 AND 2020

NOTE 1 - NATURE OF ORGANIZATION:

Founded in 1989, Sakhi for South Asian Women, Inc. (“Sakhi” or “Organization”) 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-two years.

Today, Sakhi is the only direct service organization explicitly addressing gender-based violence within New York City's South Asian community. Being of the community, Sakhi monitors and challenges practices that oppress survivors and applauds those which promote safe and resilient relationships. South Asian immigrants and survivors of violence are present throughout our staff and board. All direct service staff are bilingual, and many are fluent in multiple South Asian languages. Sakhi provides services and referrals in more than eight South Asian languages: Bengali, Hindi, Malayalam, Marathi, Punjabi, Gujarati, Sylheti, 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, and 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: Anti-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 has been put on hold temporarily in response to the pandemic’s ever-changing conditions. We hope to open our office in Brooklyn sometime in 2022.

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. We have supported payments for essential services and items such as phone bills, sanitary products, medication, and diapers to relieve survivors of some pressure. Additionally, given the uncertainty regarding rent payments and Sakhi’s experience with landlords threatening eviction regardless of client rights, our emergency funding aims to help clients remain safely housed and out of NYC’s shelter system.

SAKHI FOR SOUTH ASIAN WOMEN, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021 AND 2020

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

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.

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, 2021 and 2020.

SAKHI FOR SOUTH ASIAN WOMEN, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021 AND 2020

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

Property and Equipment:

Property and equipment purchases greater than \$3,500 that extend the useful lives of the assets are capitalized and recognized on the statements of financial position at cost. Donated 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.

Revenue Recognition – Contributions and Grants from Governmental Agencies:

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.

SAKHI FOR SOUTH ASIAN WOMEN, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021 AND 2020

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

Revenue Recognition – Contributions and Grants from Governmental Agencies: (Continued)

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.

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. During the years ended June 30, 2021 and 2020, the Organization recognized approximately \$21,800 and \$7,700 of in-kind revenue for various professional services, respectively. 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, 2021 and 2020. At June 30, 2021 and 2020, 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.

SAKHI FOR SOUTH ASIAN WOMEN, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021 AND 2020

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

Reclassifications:

Certain amounts from the fiscal year 2020 financial statement presentation have been reclassified to conform to the fiscal year 2021 financial statement presentation.

Recent Accounting Pronouncements:

In February 2015, the Financial Accounting Standards Board 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. An organization may choose to use either (1) its effective date, or (2) the beginning of the earliest comparative period presented in the financial statements as its date of initial application. The standard is effective for annual reporting periods beginning after December 15, 2021. Earlier adoption is permitted subject to certain limitations. The Organization is currently evaluating the effect of the provisions this standard will have on the financial statements.

Subsequent Events:

The Organization has evaluated events and transactions subsequent to June 30, 2021 through November 8, 2021, the date the financial statements were available to be issued.

NOTE 3 - CONTRIBUTIONS RECEIVABLE:

Contributions receivable consist of the following:

	June 30,	
	2021	2020
Foundation grants	\$ 467,240	\$ 360,500
Public contributions	126,301	122,495
Contributions Receivable	<u>\$ 593,541</u>	<u>\$ 482,995</u>

SAKHI FOR SOUTH ASIAN WOMEN, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021 AND 2020

NOTE 4 - GOVERNMENT GRANTS RECEIVABLE:

Government grants receivable consist of the following:

	June 30,	
	2021	2020
Department of Justice	\$ 176,125	\$ 32,692
New York City—City Hall	245,705	324,425
Other government contracts	12,600	-
Government Grants Receivable	\$ 434,430	\$ 357,117

NOTE 5 - PROPERTY AND EQUIPMENT:

Property and equipment consists of the following:

	June 30,	
	2021	2020
Leasehold improvements	\$ 10,360	\$ 10,360
Equipment	3,542	24,690
	13,902	35,050
Less: Accumulated depreciation	(11,810)	(27,589)
	\$ 2,092	\$ 7,461

NOTE 6 - PAYCHECK PROTECTION PROGRAM LOAN:

The Organization obtained a Paycheck Protection Program (“PPP”) loan under the CARES Act in April 2020 for \$167,600. The loan was 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 recorded the PPP funds received as a conditional government grant and recognized the revenue when the Organization received formal forgiveness from the Small Business Administration. As of June 30, 2021, all amounts received under the PPP were expended and recognized as a government grant on the statements of activities and changes in net assets. The Organization received formal forgiveness of the PPP loan for its full amount from the Small Business Administration in April 2021.

SAKHI FOR SOUTH ASIAN WOMEN, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021 AND 2020

NOTE 7 - REFUNDABLE ADVANCE:

Refundable advance consisted of the following:

	June 30,	
	2021	2020
Small Business Administration	\$ -	\$ 167,600
New York Office of Victim Services	-	74,127
Federal Emergency Management Agency	10,313	-
	<u>\$ 10,313</u>	<u>\$ 241,727</u>

NOTE 8 - LINE OF CREDIT:

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, 2021). At June 30, 2021 and 2020, there were no outstanding borrowings under the revolving line of credit.

NOTE 9 - FUNCTIONAL EXPENSES:

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.

Expense Item	Allocation method
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

SAKHI FOR SOUTH ASIAN WOMEN, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021 AND 2020

NOTE 10 - NET ASSETS WITH DONOR RESTRICTIONS:

Net assets with donor restrictions consist of the following:

	June 30,	
	2021	2020
Time restrictions	\$ 595,630	\$ 150,000
Purpose restrictions:		
COVID-19	6,061	135,858
Finance	-	55,000
Scholarships	-	2,100
Office equipment	-	10,000
Youth empowerment	179,228	300,000
Undocumented workers program	-	3,400
Education	7,338	8,838
Food justice	10,000	-
Housing	99,309	-
Capacity building	7,500	-
	<u>\$ 905,066</u>	<u>\$ 665,196</u>

Net assets with donor restrictions released consisted of the following:

	Year Ended June 30,	
	2021	2020
Time restrictions	\$ 290,230	\$ 170,000
Purpose restrictions:		
COVID-19	149,797	106,142
Finance	55,000	30,000
Scholarship	5,400	7,400
Office equipment	10,000	-
Youth empowerment	140,772	-
Undocumented workers program	3,400	-
Education	1,500	1,802
Food justice	5,000	-
Housing	56,411	-
	<u>\$ 717,510</u>	<u>\$ 315,344</u>

SAKHI FOR SOUTH ASIAN WOMEN, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021 AND 2020

NOTE 11 - CONCENTRATIONS OF CREDIT RISK:

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.

The Organization considers any support and revenue received from one entity in excess of 10% of the Organization's total revenue to be a concentration. Approximately 44% and 33% of the Organization's total revenue and other support were provided by three and two government sources for the years ended June 30, 2021 and 2020, respectively.

The Organization also received approximately 15% of its contributions from one donor for the year ended June 30, 2020.

NOTE 12 - OPERATING LEASE AGREEMENTS:

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, 2021 and 2020, totaled \$125,663 and \$102,992, 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, 2021, are as follows:

Year Ending June 30,

2022	\$ 164,613
2023	118,272
2024	70,524
2025	47,640
	<u>\$ 401,049</u>

SAKHI FOR SOUTH ASIAN WOMEN, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021 AND 2020

NOTE 13 - LIQUIDITY AND AVAILABILITY:

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.

	June 30,	
	2021	2020
Cash and cash equivalents	\$ 801,855	\$ 713,682
Contributions receivable	593,541	482,995
Government grants receivable	434,430	357,117
Total financial assets	1,829,826	1,553,794
Less amounts not available to be used within one year:		
Net assets with donor restrictions	(905,066)	(665,196)
Amounts expected to be released within one year	595,630	399,258
Financial assets available to meet general expenditures over the next 12 months	<u>\$ 1,520,390</u>	<u>\$ 1,287,856</u>

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 also has a \$50,000 line of credit which is fully available.

NOTE 14 - RISKS AND UNCERTAINTIES:

The Organization is continuing to monitor 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, 2021

Federal Grantor Pass-through Grantor Program Title	Federal CFDA Number	Contract Period	Pass-through Grantor's Number	Contract Amount	Disbursements/ Expenditures
U.S. Department of Housing and Urban Development					
<u>Direct Award</u>					
Continuum of Care Program	14.267	04/01/2021 - 03/31/2022	N/A	\$ 479,112	\$ 12,600
U.S. Department of Justice: Office on Violence Against Women					
<u>Direct Award</u>					
Grant to Enhance Culturally Specific Services for Victims of Sexual Assault, Domestic Violence, and Stalking Program Solicitation	16.016	10/01/2018 - 12/30/2020	N/A	298,276	64,257
Grant to Enhance Culturally Specific Services for Victims of Sexual Assault, Domestic Violence, and Stalking Program Solicitation	16.016	01/01/2021 - 09/30/2022	N/A	299,954	71,915
				<u>598,230</u>	<u>136,172</u>
Transitional Housing Assistance Grants for Victims of Sexual Assault, Domestic Violence, Dating Violence and Stalking	16.736	10/01/2018 - 09/30/2021	N/A	465,243	209,227
Direct Award:					
Sexual Assault Services Culturally Specific Program Solicitation	16.023	10/01/2017 - 09/30/2021	N/A	300,000	116,843
Passed through Queens Legal Services					
Legal Assistance for Victims Grant Program	16.524	10/01/2016 - 09/30/2020	2017-WL-AX-0018	45,000	10,600
Passed through Queens Legal Services					
Legal Assistance for Victims Grant Program	16.524	10/01/2016 - 09/30/2020	2017-WL-AX-0018	75,000	10,752
				<u>120,000</u>	<u>21,352</u>
Total U.S. Department of Justice: Office on Violence Against Women				<u>1,483,473</u>	<u>483,594</u>
U.S Department of Justice: Office of Justice Programs					
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	586,621
Total U.S Department of Justice: Office of Justice Programs				<u>1,581,945</u>	<u>586,621</u>
U.S. Department of Homeland Security, Federal Emergency Management Agency					
Passed through United Way of New York City					
Emergency Food and Shelter Program Phase 38	97.024	01/01/2020 - 10/31/2021	631400858	25,000	2,187
			Total Federal Awards	<u>\$ 3,569,530</u>	<u>\$ 1,085,002</u>

SAKHI FOR SOUTH ASIAN WOMEN, INC.
NOTES TO SCHEDULES OF EXPENDITURES OF FEDERAL AWARDS
JUNE 30, 2021

NOTE 1 - BASIS OF PRESENTATION:

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, 2021. 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.

NOTE 2 - SUBRECIPIENTS:

During the year ended June 30, 2021, the Organization did not provide any funds relating to their federal and state programs to subrecipients.

NOTE 3 - INDIRECT COSTS:

The Organization used the 10 percent de minimis indirect cost rate as allowed under the Uniform Guidance.

NOTE 4 - LOAN AND LOAN GUARANTEE PROGRAMS:

As of June 30, 2021, 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*

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, 2021, 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 8, 2021.

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.

Livingston, New Jersey
November 8, 2021

Sobel & Co, LLC

Certified Public Accountants

INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR THE MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

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

Report on Compliance for the Major Program

We have audited Sakhi for South Asian Women, Inc.'s ("Organization") compliance with the types of compliance requirements described in the U.S. Office of Management and Budget's *Compliance Supplement* that could have a direct and material effect on the Organization's major program for the year ended June 30, 2021. The Organization's major program is identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

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

Auditors' Responsibility

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

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

Opinion on the Major Program

In our opinion, the Organization complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on the major program for the year ended June 30, 2021.

Report on Internal Control Over Compliance

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

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

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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

Sobel & Co, LLC

Certified Public Accountants

Livingston, New Jersey
November 8, 2021

SAKHI FOR SOUTH ASIAN WOMEN, INC.
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2021

I. Summary of Auditors' Results

Financial Statements

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

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

Federal Awards

Internal control over the major program:

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

The auditors' report issued on compliance for each major program was an unmodified opinion.

Any audit findings disclosed that are required to be reported in accordance with the Uniform Guidance? _____ Yes X No

The following federal program was designated as a major program:

<u>CFDA /Grant Number</u>	<u>Name of Program</u>
16.575	U.S. Department of Justice

Dollar threshold used to distinguish between Type A and Type B programs: \$ 750,000

Auditee qualified as a low-risk auditee? _____ Yes X No

The Organization is not considered a low-risk auditee as the Organization has not been required to undergo a Uniform Grant Guidance audit until the year ended June 30, 2021.

SAKHI FOR SOUTH ASIAN WOMEN, INC.
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2021

II. Financial Statement Findings

NONE

III. Compliance Findings

NONE

IV. Follow-up of Prior-year Audit Findings

NONE