

SAKHI FOR SOUTH ASIAN WOMEN, INC.

**FINANCIAL STATEMENTS AND
SUPPLEMENTARY INFORMATION**

YEARS ENDED JUNE 30, 2023 AND 2022



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INDEPENDENT AUDITORS' REPORT

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

Opinion

We have audited the accompanying financial statements of Sakhi for South Asian Women, Inc., a New York nonprofit organization, which comprise the statement of financial position as of June 30, 2023, 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.

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, 2023, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our 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. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Sakhi for South Asian Women, Inc., and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Change in Accounting Principle

As discussed in Note 2 to the financial statements, in 2023, Sakhi for South Asian Women, Inc. adopted new accounting guidance for leases. The guidance requires lessees to recognize a right-of-use asset and corresponding liability for all operating leases with lease terms greater than one year. Our opinion is not modified with respect to this matter.

Other Matter

The financial statements of the Organization as of June 30, 2022 were audited by Sobel & Co., LLC, whose shareholders and professional staff joined CliftonLarsonAllen LLP as of February 1, 2023, and has subsequently ceased operations. Sobel & Co., LLC's report dated October 26, 2022, expressed an unmodified opinion on those statements.

Responsibilities of Management for the Financial Statements

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

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

Auditors' Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

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

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

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of federal awards (page 21), 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 purposes of 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 schedule of expenditures of federal awards 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 13, 2023 on our consideration of the Organization's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Organization's 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 the Organization's internal control over financial reporting and compliance.



CliftonLarsonAllen LLP

Livingston, New Jersey
November 13, 2023

SAKHI FOR SOUTH ASIAN WOMEN, INC.
STATEMENTS OF FINANCIAL POSITION
JUNE 30, 2023 AND 2022

	<u>2023</u>	<u>2022</u>
ASSETS		
CURRENT ASSETS:		
Cash and Cash Equivalents	\$ 738,389	\$ 808,311
Contributions Receivable	60,420	463,488
Pledges Receivable, net	300,000	-
Government Grants Receivable	833,789	793,662
Prepaid Expenses	<u>136,359</u>	<u>17,082</u>
Total Current Assets	2,068,957	2,082,543
PROPERTY AND EQUIPMENT, Net	-	359
OTHER ASSETS:		
Security Deposits	127,584	89,715
Pledges Receivable, long term	<u>2,057,357</u>	<u>-</u>
Total Other Assets	2,184,941	89,715
Operating Right-of-Use Asset	<u>114,003</u>	<u>-</u>
Total Assets	<u><u>\$ 4,367,901</u></u>	<u><u>\$ 2,172,617</u></u>
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES:		
Accounts Payable and Accrued Expenses	\$ 82,170	\$ 59,234
Refundable Advance	41	-
Current Lease Liability - Operating	<u>67,996</u>	<u>-</u>
Total Current Liabilities	150,207	59,234
OTHER LIABILITIES:		
Deferred Rent	-	8,640
LONG-TERM LIABILITIES:		
Long-Term Lease Liability - Operating	<u>47,108</u>	<u>-</u>
Total Liabilities	197,315	67,874
NET ASSETS		
Without Donor Restrictions	1,154,827	1,555,143
With Donor Restrictions	<u>3,015,759</u>	<u>549,600</u>
Total Net Assets	<u>4,170,586</u>	<u>2,104,743</u>
Total Liabilities and Net Assets	<u><u>\$ 4,367,901</u></u>	<u><u>\$ 2,172,617</u></u>

See accompanying Notes to Financial Statements.

SAKHI FOR SOUTH ASIAN WOMEN, INC.
STATEMENTS OF ACTIVITIES AND CHANGES IN NET ASSETS
YEARS ENDED JUNE 30, 2023 AND 2022

	2023			2022		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
REVENUE AND SUPPORT:						
Foundation Grants	\$ 55,108	\$ 3,078,710	\$ 3,133,818	\$ 20,000	\$ 656,000	\$ 676,000
Government Grants	2,738,814	-	2,738,814	2,131,276	-	2,131,276
Public Contributions	414,591	1,000	415,591	189,462	10,762	200,224
Special Event Income	-	-	-	755,988	-	755,988
Less: Direct Benefit to Donors	-	-	-	(389,307)	-	(389,307)
In-Kind Contributions	-	-	-	9,800	-	9,800
Other Revenue	17,197	-	17,197	17,204	-	17,204
Net Assets Released from Restriction	613,551	(613,551)	-	1,022,228	(1,022,228)	-
Total Revenue and Support	3,839,261	2,466,159	6,305,420	3,756,651	(355,466)	3,401,185
EXPENSES						
Program Services:						
Community Outreach	225,203	-	225,203	150,613	-	150,613
Anti-Violence	538,268	-	538,268	493,707	-	493,707
Economic Empowerment	334,201	-	334,201	331,527	-	331,527
Youth Empowerment	262,254	-	262,254	148,795	-	148,795
Mental Health	361,655	-	361,655	133,445	-	133,445
Sexual Assault	96,734	-	96,734	302,916	-	302,916
Food Justice	111,712	-	111,712	100,445	-	100,445
Housing	1,278,779	-	1,278,779	731,550	-	731,550
Total Program Services	3,208,806	-	3,208,806	2,392,998	-	2,392,998
Support Services:						
Management and General	553,771	-	553,771	408,853	-	408,853
Marketing and Communications	199,760	-	199,760	126,933	-	126,933
Fundraising	277,240	-	277,240	216,127	-	216,127
Total Expenses	4,239,577	-	4,239,577	3,144,911	-	3,144,911
CHANGES IN NET ASSETS	(400,316)	2,466,159	2,065,843	611,740	(355,466)	256,274
Net Assets - Beginning of Year	1,555,143	549,600	2,104,743	943,403	905,066	1,848,469
NET ASSETS - END OF YEAR	<u>\$ 1,154,827</u>	<u>\$ 3,015,759</u>	<u>\$ 4,170,586</u>	<u>\$ 1,555,143</u>	<u>\$ 549,600</u>	<u>\$ 2,104,743</u>

See accompanying Notes to Financial Statements.

SAKHI FOR SOUTH ASIAN WOMEN, INC.
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED JUNE 30, 2023

	Program Services								Supporting Services				
	Community Outreach	Anti-Violence	Economic Empowerment	Youth Empowerment	Mental	Sexual Assault	Food Justice	Housing	Total	Management and General	Marketing and Communications	Fundraising	Total
					Health Awareness				Program Expenses				
Salaries and Wages	\$ 161,031	\$ 390,082	\$ 238,500	\$ 189,139	\$ 269,332	\$ 74,885	\$ 62,086	\$ 255,546	\$ 1,640,601	\$ 300,618	\$ 138,550	\$ 173,637	\$ 2,253,406
Payroll Taxes and Fringe Benefits	22,523	54,561	33,359	26,455	37,671	10,474	8,684	35,743	229,470	42,048	19,379	24,286	\$ 315,183
Total Salaries and Related Expenses	183,554	444,643	271,859	215,594	307,003	85,359	70,770	291,289	1,870,071	342,666	157,929	197,923	2,568,589
Professional Fees	17,318	22,089	15,977	15,889	16,347	4,333	3,261	18,983	114,197	127,548	15,238	11,738	268,721
Insurance	562	1,361	832	660	940	261	217	892	5,725	1,048	483	606	7,862
Communications	4,577	5,032	3,077	2,440	3,475	966	801	3,297	23,665	948	11,017	668	36,298
Travel	410	670	13	50	15	444	3	14	1,619	493	87	2,561	4,760
Occupancy	13,117	35,959	19,428	15,407	21,939	1,917	5,057	20,816	133,640	24,945	11,269	14,122	183,976
Office Expenses	4,482	13,453	10,680	7,985	9,630	2,977	1,497	5,939	56,643	49,645	3,077	43,972	153,337
Client Assistance	631	13,282	11,044	3,262	1,134	254	29,920	936,812	996,339	603	277	461	997,680
Depreciation	26	61	37	30	42	12	10	40	258	47	22	27	354
Bad Debt	526	1,718	1,254	937	1,130	211	176	697	6,649	5,828	361	5,162	18,000
Total Expenses	\$ 225,203	\$ 538,268	\$ 334,201	\$ 262,254	\$ 361,655	\$ 96,734	\$ 111,712	\$ 1,278,779	\$ 3,208,806	\$ 553,771	\$ 199,760	\$ 277,240	\$ 4,239,577

See accompanying Notes to Financial Statements.

SAKHI FOR SOUTH ASIAN WOMEN, INC.
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED JUNE 30, 2022

	Program Services									Supporting Services			
	Community Outreach	Anti-Violence	Economic Empowerment	Youth Empowerment	Mental Health	Sexual Assault	Food Justice	Housing	Total Program Expenses	Management and General	Marketing and Communications		Total
					Awareness						Fundraising		
Salaries and Wages	\$ 94,841	\$ 321,937	\$ 214,553	\$ 75,020	\$ 101,429	\$ 225,593	\$ 58,827	\$ 117,015	\$ 1,209,215	\$ 232,520	\$ 92,548	\$ 157,581	\$ 1,691,864
Payroll Taxes and Fringe Benefits	13,937	48,033	32,381	11,111	14,853	33,355	9,305	17,405	180,380	34,293	13,447	22,897	251,017
Total Salaries and Related Expenses	108,778	369,970	246,934	86,131	116,282	258,948	68,132	134,420	1,389,595	266,813	105,995	180,478	1,942,881
Professional Fees	13,778	17,087	31,221	29,651	3,919	10,133	4,678	8,184	118,651	102,887	1,340	2,283	225,161
Insurance	354	1,433	1,074	308	362	907	432	504	5,374	907	296	505	7,082
Communications	14,077	4,358	3,266	1,675	1,099	2,758	1,312	1,531	30,076	926	2,673	4,550	38,225
Travel	175	1,126	165	533	56	140	623	78	2,896	112	151	257	3,416
Occupancy	8,260	33,443	25,057	7,181	8,436	21,165	10,068	11,750	125,360	22,365	6,912	11,768	166,405
Office Expenses	3,813	9,977	8,158	6,832	1,885	5,276	2,092	4,775	42,808	14,621	9,494	16,162	83,085
Client Assistance	1,291	55,962	15,389	16,409	1,318	3,367	13,002	570,185	676,923	-	-	-	676,923
Depreciation	87	351	263	75	88	222	106	123	1,315	222	72	124	1,733
Special Event Costs	-	-	-	-	-	-	-	-	-	-	-	379,307	379,307
In-Kind Donations	-	-	-	-	-	-	-	-	-	-	-	9,800	9,800
Subtotal	150,613	493,707	331,527	148,795	133,445	302,916	100,445	731,550	2,392,998	408,853	126,933	605,234	3,534,018
Less: Cost of Direct Benefit to Donors	-	-	-	-	-	-	-	-	-	-	-	(389,107)	(389,107)
Total Expenses	\$ 150,613	\$ 493,707	\$ 331,527	\$ 148,795	\$ 133,445	\$ 302,916	\$ 100,445	\$ 731,550	\$ 2,392,998	\$ 408,853	\$ 126,933	\$ 216,127	\$ 3,144,911

See accompanying Notes to Financial Statements.

SAKHI FOR SOUTH ASIAN WOMEN, INC.
STATEMENTS OF CASH FLOWS
YEARS ENDED JUNE 30, 2023 AND 2022

	<u>2023</u>	<u>2022</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Changes in Net Assets	\$ 2,065,843	\$ 256,274
Adjustments to Reconcile Changes In Net Assets to Net Cash Provided by Operating Activities:		
Depreciation	359	1,733
Amortization of Right-of-Use Asset	1,101	-
Deferred Rent	(8,640)	(15,850)
Changes in Certain Assets and Liabilities:		
Contributions Receivable	103,068	130,053
Government Grants Receivable	(40,127)	(359,232)
Pledges Receivable	(2,057,357)	-
Prepaid Expenses	(119,277)	1,706
Security Deposits	(37,869)	(21,325)
Accounts Payable and Accrued Expenses	22,936	23,410
Refundable Advance	41	(10,313)
Net Cash Provided (Used) by Operating Activities	<u>(69,922)</u>	<u>6,456</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(69,922)	6,456
Cash and Cash Equivalents - Beginning of Year	<u>808,311</u>	<u>801,855</u>
CASH AND CASH EQUIVALENTS - END OF YEAR	<u>\$ 738,389</u>	<u>\$ 808,311</u>

See accompanying Notes to Financial Statements.

SAKHI FOR SOUTH ASIAN WOMEN, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023 AND 2022

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 and has worked with over 15,000 survivors over the last thirty-four years.

Today, Sakhi is the only direct-service organization explicitly addressing gender-based violence within New York City’s South Asian community. Sakhi supports survivors through culturally sensitive, linguistically appropriate services across eight major program areas: Anti-Violence, Sexual Assault, Community Engagement, Economic Empowerment, Food Justice, Housing, Youth Empowerment, and Counseling. Assistance 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.

South Asian immigrants and survivors of violence are present throughout Sakhi’s staff and board. Being of the community, Sakhi can monitor and challenge practices that oppress survivors and applaud those which promote safe and resilient relationships. 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. The largest and most vulnerable group that Sakhi works with consists of low-income, recently-immigrated survivors of gender-based violence who have limited proficiency in English and limited access to resources or support.

Some noteworthy accomplishments in this fiscal year were that: 1) The Ramesh and Kalpana Bhatia Family Foundation awarded Sakhi a three million-dollar grant to support South Asian families holistically through a culturally rooted approach, 2) several major government agencies renewed grants with Sakhi including HUD, the Department of Justice, and the NYS Office of Victim Services 3) New York State awarded Sakhi new funds to combat anti-Asian violence and bias and 4) Sakhi co-wrote editorials published in “City & State New York” and “Inside Philanthropy” about the importance of culturally specific gender justice organizations.

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.

SAKHI FOR SOUTH ASIAN WOMEN, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023 AND 2022

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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, 2023 and 2022.

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

SAKHI FOR SOUTH ASIAN WOMEN, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023 AND 2022

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Property and Equipment (Continued)

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.

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.

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 year ended June 30, 2023, the Organization did not receive any in-kind revenue. During the year ended June 30, 2022, the Organization recognized approximately \$9,800 of in-kind revenue for special events. These contributions are recorded as revenue and related expenses in the statements of activities and changes in net assets.

SAKHI FOR SOUTH ASIAN WOMEN, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023 AND 2022

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

In-Kind Revenue (Continued)

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, 2023 and 2022. At June 30, 2023 and 2022, 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.

Adoptions of New Accounting Standards—Leases

In July 2020, the Financial Accounting Standards Board (FASB) issued an accounting standard update (ASU), *Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets*, intended to increase the transparency of contributed nonfinancial assets for not-for-profit entities through enhancements to presentation and disclosure. This ASU requires organizations to present contributed nonfinancial assets as a separate line item in the statements of activities and changes in net assets apart from contributions of cash or other financial assets. Additional disclosure is required regarding the valuation techniques used, as well as any donor restrictions for the contributed nonfinancial assets.

In February 2016, the Financial Accounting Standards Board issued accounting Standards Update 2016-02, *Leases* (ASC 842). The new standard increases transparency and comparability among organizations requiring the recognition of right-of-use (ROU) assets and lease liabilities on the statements of financial position. Most prominent of the changes is the recognition of ROU asset and lease liabilities by lessees for those leases classified as operating leases. Under the standard, disclosures are required to meet the objective of enabling users of the financial statements to assess the amount, timing, and uncertainty of cash flows arising from leases.

SAKHI FOR SOUTH ASIAN WOMEN, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023 AND 2022

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Adoptions of New Accounting Standards—Leases (Continued)

The Organization adopted the requirements of the guidance effective July 1, 2022, and has elected to apply the provision of this standard to the beginning of the period of adoption, through a cumulative effect adjustment, with certain practical expedients available. Lease disclosures for the year ended June 30, 2022, are made under prior lease guidance in FASB ASC 840.

The Organization has elected to adopt the package of practical expedients available in the year of adoption. The Organization has not elected to adopt the available practical expedient to use hindsight in determining the lease term and in assessing impairment of the Organization's ROU assets.

The Organization elected the available practical expedients to account for existing operating leases as operating leases, respectively, under the new guidance without reassessing (a) whether the contracts contain leases under the new standard, (b) whether classification of operating leases would be different in accordance with the new guidance, or (c) whether the unamortized initial direct costs before transition adjustments would have met the definition of initial direct costs in the new guidance at lease commencement.

As a result of the adoption of the new lease accounting guidance, the Organization recognized on July 1, 2022, a lease liability of \$115,104, which represents the present value of the remaining operating lease payments of \$118,164, discounted using the Organization's risk-free discount rate comparable to the corresponding lease terms, and a right of use-asset of \$179,728.

The standard had a material impact on the statements of financial position but did not have an impact on the statements of activities and changes in net assets, nor the statements of cash flows. The most significant impact was the recognition of ROU assets and lease liabilities for operating leases.

Leases

The Organization leases office space. The Organization determines if an arrangement is a lease at inception. Operating leases are included in the operating lease right-of-use assets, other current liabilities, and operating leases on the statements of financial position.

SAKHI FOR SOUTH ASIAN WOMEN, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023 AND 2022

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Leases (Continued)

ROU assets represent the Organization's right to use an underlying asset for the lease term and the lease liabilities present the Organization's obligation to make lease payments arising from the lease. ROU assets and liabilities are recognized at the lease commencement date based on the present value of lease payments over the lease term. As most leases do not provide an implicit rate, the Organization uses a risk-free rate based on the information available at commencement date in determining the present value of lease payments. The operating lease ROU asset also includes any lease payments made and excludes lease incentives. The lease terms may include options to extend or terminate the lease when it is reasonably certain that the Organization will exercise that option. The lease expense for lease payments is recognized on a straight-line basis over the lease term. The Organization has elected to recognize payments for short-term leases with a lease term of 12 months or less as expense as incurred and the leases are not included as lease liabilities or right of use assets on the statements of financial position.

The Organization's lease agreements do not contain any material residual value guarantees or material restrictive covenants.

In evaluating contracts to determine if they qualify as a lease, the Organization considers factors such as if the Organization obtained substantially all of the rights to the underlying asset through exclusivity, if the Organization can direct the use of the asset by making decisions about how and for what purpose the asset will be used and if the lessor has substantive substitution rights. This evaluation may require significant judgment.

Reclassifications

Certain reclassifications have been made to prior year amounts to conform to the current year presentation.

Subsequent Events

The Organization has evaluated events and transactions subsequent to June 30, 2023 through November 13, 2023, the date the financial statements were available to be issued.

NOTE 3 CONTRIBUTIONS RECEIVABLE

Contributions receivable consist of the following:

	2023	2022
Foundation Grants	\$ 37,750	\$ 256,120
Public Contributions	22,670	207,368
Contributions Receivable	<u>\$ 60,420</u>	<u>\$ 463,488</u>

All amounts are due within one year.

SAKHI FOR SOUTH ASIAN WOMEN, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023 AND 2022

NOTE 4 PLEDGES RECEIVABLE

Pledges receivable are summarized as follows:

	2023	2022
Pledges Receivable Due in One Year	\$ 300,000	\$ -
Pledges Receivable in One to Five Years	1,200,000	-
Pledges Receivable in Greater Than Five Years	1,200,000	-
Total Pledges Receivable	2,700,000	-
Less: Present Value Discount	(342,643)	-
Pledges Receivable, Net	<u>\$ 2,357,357</u>	<u>\$ -</u>

Pledges receivable due in more than one year were discounted using the applicable long-term Treasury rate in the year the pledge was given, which was 2.88%.

As of June 30, 2023, total pledges receivable were pledged by one foundation.

NOTE 5 GOVERNMENT GRANTS RECEIVABLE

Government grants receivable consist of the following:

	2023	2022
Department of Justice	\$ 356,964	\$ 218,409
New York City - City Hall	346,157	308,990
New York State	11,916	235,008
Other	118,752	31,255
Government Grants Receivable	<u>\$ 833,789</u>	<u>\$ 793,662</u>

NOTE 6 PROPERTY AND EQUIPMENT

Property and equipment consist of the following:

	2023	2022
Leasehold Improvements	\$ 10,360	\$ 10,360
Equipment	3,542	3,542
Total	13,902	13,902
Less: Accumulated Depreciation	(13,902)	(13,543)
Property and Equipment, Net	<u>\$ -</u>	<u>\$ 359</u>

SAKHI FOR SOUTH ASIAN WOMEN, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023 AND 2022

NOTE 7 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, 2023). At June 30, 2023 and 2022, there were no outstanding borrowings under the revolving line of credit.

NOTE 8 GOVERNMENT GRANTS

Government grants are comprised of the following:

	2023	2022
Federal Grants	\$ 2,140,708	\$ 1,459,660
State Funds	251,949	308,990
City Funds	346,157	362,626
Total Government Grants	<u>\$ 2,738,814</u>	<u>\$ 2,131,276</u>

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.

<u>Expense Item</u>	<u>Allocation Method</u>
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, 2023 AND 2022

NOTE 10 NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions consist of the following:

	2023	2022
Time Restrictions	\$ 2,862,952	\$ 190,304
Purpose Restrictions:		
COVID-19	-	548
Education	13,650	13,650
Capacity Building	-	1,500
Mental Health	-	8,000
Relocation of Gender-Based Violence Survivors	61,274	241,977
Domestic Violence Survivors	71,465	83,748
Office Equipment	6,418	9,873
Net Assets with Donor Restrictions	<u>\$ 3,015,759</u>	<u>\$ 549,600</u>

Net assets with donor restrictions released consisted of the following:

	2023	2022
Time Restrictions	\$ 306,062	\$ 590,326
Purpose Restrictions:		
COVID-19	548	5,513
Office Equipment	3,455	1,127
Youth Empowerment	-	104,228
Education	-	6,000
Food Justice	1,000	20,000
Housing	-	109,309
Mental Health	8,000	12,000
Love is Healing	-	35,000
Hurricane Ida Relief	-	15,000
Website Redesign	-	15,000
HMIS Database	-	1,000
Domestic Violence Survivors	112,283	16,252
Relocation of Gender-Based Violence Survivors	180,703	88,023
Capacity Building	1,500	3,450
Total	<u>\$ 613,551</u>	<u>\$ 1,022,228</u>

SAKHI FOR SOUTH ASIAN WOMEN, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023 AND 2022

NOTE 11 CONCENTRATIONS OF CREDIT RISK AND UNCERTAINTIES

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.

NOTE 12 CONCENTRATIONS

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 53% of the Organization's total revenue and other support were provided by three government sources for the years ended June 30, 2023. Approximately 31% of the Organization's total revenue and other support were provided by two government sources for the years ended June 30, 2023.

The Organization also received approximately 10% of its contributions from one donor for the year ended June 30, 2022.

NOTE 13 LEASES –ASC 842

The Organization leases office space for various terms under long-term, non-cancelable lease agreements. The leases expire at various dates through 2025. In the normal course of business, it is expected that the leases will be renewed or replaced by similar leases. Certain facility leases provide for increases in future minimum annual rental payments based on defined increases in the Consumer Price Index, subject to certain minimum increases. Additionally, the agreements usually require the Organization to pay real estate taxes, insurance, and repairs.

SAKHI FOR SOUTH ASIAN WOMEN, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023 AND 2022

NOTE 13 LEASES –ASC 842 (CONTINUED)

The following table provides quantitative information concerning the Organization's leases:

Lease Costs:

Operating Lease Costs	<u><u>\$ 70,238</u></u>
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Other information:

Operating cash flows from operating leases	69,136
Right-of-use assets obtained in exchange for new operating lease liabilities	180,547
Weighted-average remaining lease term - operating leases	1.6 years
Weighted-average discount rate - operating leases	3%

The Organization classifies the total undiscounted lease payments that are due in the next 12 months as current. A maturity analysis of annual undiscounted cash flows for lease liabilities as of June 30, 2023, is as follows:

<u>Year Ending June 30,</u>	<u>Amount</u>
2024	\$ 70,524
2025	47,640
Undiscounted Cash Flows	118,164
(Less) Imputed Interest	(3,060)
Total Present Value	<u><u>\$ 115,104</u></u>
Short-Term Lease Liabilities	\$ 67,996
Long-Term Lease Liabilities	47,108
Total	<u><u>\$ 115,104</u></u>

SAKHI FOR SOUTH ASIAN WOMEN, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023 AND 2022

NOTE 14 OPERATING LEASE AGREEMENTS—ASC 840

The Organization elected to apply the provisions off FASB ASC 842 at the beginning of the period of adoption through a cumulative effect adjustment, with certain practical expedients available. The disclosures for the year ended June 30, 2022, are made under the prior lease guidance in FASB ASC 840.

The Organization leases office space under one operating lease with an expiration date 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, 2023 and 2022, totaled \$161,343 and \$148,764, respectively, and is included in occupancy on the statements of functional expenses.

Future minimum lease payments due under existing lease agreements for office space were as follows:

<u>Year Ending June 30,</u>	<u>Amount</u>
2023	\$ 118,272
2024	70,524
2025	47,640
Total	<u>\$ 236,436</u>

As of June 30, 2023, the Organization has an additional operating lease, for a facility rental, that has not yet commenced of \$1,206,285. The operating lease will commence in August 2024 with a lease term of seven years.

NOTE 15 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.

	<u>2023</u>	<u>2022</u>
Cash and Cash Equivalents	\$ 738,389	\$ 808,311
Contributions Receivable	360,420	463,488
Pledges Receivable	2,057,357	-
Government Grants Receivable	833,789	793,662
Total Financial Assets	3,989,955	2,065,461
Less: Amounts not Available to be Used Within One Year:		
Net Assets with Donor Restrictions	(3,015,759)	(549,600)
Amounts Expected to be Released Within One Year	462,952	175,304
Financial Assets Available to Meet General Expenditures Over the Next 12 Months	<u>\$ 1,437,148</u>	<u>\$ 1,691,165</u>

SAKHI FOR SOUTH ASIAN WOMEN, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023 AND 2022

NOTE 15 LIQUIDITY AND AVAILABILITY (CONTINUED)

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 16 CONTRIBUTED NONFINANCIAL ASSETS

Contributed nonfinancial assets received during the year ended June 30, 2023 and 2022 consisted of the following:

	2023	2022
In-Kind Services	\$ -	\$ 5,300
Donated Equipment	-	4,500
Total	<u>\$ -</u>	<u>\$ 9,800</u>

Valuation techniques and inputs utilized in valuing these contributed nonfinancial assets are as follows:

Contributed Nonfinancial Asset	Valuation Techniques and Inputs
Vehicles, computers, household furnishings, and other supplies distributed to clients	Estimated based on estimates of retail values for similar products
Professional services	Estimated based on current rates paid by the Organization for similar services

All gifts-in-kind received by the Organization for the years ended June 30, 2022 were without donor restrictions and were available to be used by the Organization as determined by management. The Organization received the donated services and equipment for a special Gala event hosted by Sakhi in 2022.

SAKHI FOR SOUTH ASIAN WOMEN, INC.
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2023

Federal Grantor Pass-through Grantor Program Title	Federal ALN 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	07/01/2022 - 06/30/2023	NY1276D2T002102	\$ 939,224	\$ 710,473
Continuum of Care Program	14.267	01/01/2023 - 12/31/2023	NY1386D2T002100	360,679	23,150
Total U.S. Department of Housing and Urban Development				<u>1,299,903</u>	<u>733,623</u>
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, Dating Violence, and Stalking Program Solicitation	16.016	01/01/2021 - 12/31/2022	2018-UW-AX-0010	299,954	90,590
Grant to Enhance Culturally Specific Services for Victims of Sexual Assault, Domestic Violence, Dating Violence, and Stalking Program Solicitation	16.016	10/01/2022 - 09/30/2024	15JOVW-22-GG-02976-CSSP	<u>300,000</u>	<u>67,176</u>
				599,954	157,766
Transitional Housing Assistance Grants for Victims of Domestic Violence, Dating Violence, Stalking, or Sexual Assault	16.736	10/01/2021 - 09/30/2025	15JOVW-21-GG-02073-TRAN	675,000	348,976
<u>Direct Award</u>					
Sexual Assault Services Culturally Specific Program Solicitation	16.023	10/01/2021 - 09/30/2023	2017-KS-AX-0011	288,300	63,332
Passed through Queens Legal Services Legal Assistance for Victims Grant Program	16.524	10/01/2020 - 09/30/2023	2017-WL-AX-0018	45,000	12,195
Passed through Legal Aid Society VAWA Legal Aid Society	16.524	10/01/2021 - 09/30/2023	15JOVW-21-GG-00383-LEGA	<u>14,000</u>	<u>6,121</u>
				<u>59,000</u>	<u>18,316</u>
Total U.S. Department of Justice: Office on Violence Against Women				1,622,254	588,390
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 - 09/30/2022	OVS01-C11061GG-1080200	1,581,945	174,053
Federal VOCA Victim and Witness Assistance Grant Program	16.575	10/01/2022 - 09/30/2025	OVS01-C11364GG-1080200	<u>2,955,131</u>	<u>622,161</u>
Total U.S. Department of Justice: Office of Justice Programs				<u>4,537,076</u>	<u>796,214</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 39	97.024	11/01/2021 - 12/30/2023	631400858	25,000	12,500
Emergency Food and Shelter Program ARPAP	97.024	11/01/2021 - 12/30/2023	631400858	<u>25,000</u>	<u>9,981</u>
Total U.S. Department of Homeland Security, Federal Emergency Management Agency				<u>50,000</u>	<u>22,481</u>
Total Federal Awards				<u>\$ 7,509,233</u>	<u>\$ 2,140,708</u>

SAKHI FOR SOUTH ASIAN WOMEN, INC.
NOTES TO SCHEDULES OF EXPENDITURES OF FEDERAL AWARDS
JUNE 30, 2023

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. (the Organization) under programs of federal government for the year ended June 30, 2023. 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, 2023, the Organization did not provide any funds relating to their federal 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, 2023, 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**

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. (the Organization), which comprise the statement of financial position as of June 30, 2023, 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 13, 2023.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Organization's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control. Accordingly, we do not express an opinion on the effectiveness of the Organization's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the 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 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 or significant deficiencies may exist that were not identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Organization's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

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.

A handwritten signature in black ink that reads "CliftonLarsonAllen LLP". The signature is written in a cursive, flowing style.

CliftonLarsonAllen LLP

Livingston, New Jersey
November 13, 2023



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

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

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Sakhi for South Asian Women, Inc.'s ("Organization") compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of the Organization's major federal programs for the year ended June 30, 2023. The Organization's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

In our opinion, the Organization complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2023.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditors' Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the Organization and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of the Organization's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to the Organization's federal programs.

Auditors' Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on Sakhi for South Asian Women, Inc.'s compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about Sakhi for South Asian Women, Inc.'s compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding Sakhi for South Asian Women, Inc.'s compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of Sakhi for South Asian Women, Inc.'s internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances 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 Sakhi for South Asian Women, Inc.'s internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control Over Compliance

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or a 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 Auditors' Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

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.



CliftonLarsonAllen LLP

Livingston, New Jersey
November 13, 2023

**SAKHI FOR SOUTH ASIAN WOMEN, INC.
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2023**

Section I – Summary of Auditors' Results

Financial Statements

1. Type of auditors' report issued: Unmodified
2. Internal control over financial reporting:
- Material weakness(es) identified? _____ yes X no
 - Significant deficiency(ies) identified? _____ yes X none reported
3. Noncompliance material to financial statements noted? _____ yes X no

Federal Awards

1. Internal control over major federal programs:
- Material weakness(es) identified? _____ yes X no
 - Significant deficiency(ies) identified? _____ yes X none reported
2. Type of auditors' report issued on compliance for major federal programs: Unmodified
3. Any audit findings disclosed that are required to be reported in accordance with the Uniform Guidance _____ yes X no

Identification of Major Federal Programs

Assistance Listing Number(s)

16.575

Name of Federal Program or Cluster

Federal VOCA Victim and Witness Assistance Grant Program

Dollar threshold used to distinguish between Type A and Type B programs:

\$ 750,000

Auditee qualified as low-risk auditee?

 X yes _____ no

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Section II – Financial Statement Findings

None

Section III – Compliance Findings

None

Section IV – Follow-up of Prior Year Audit Findings

None