

**SAKHI FOR SOUTH ASIAN WOMEN, INC.
FINANCIAL STATEMENTS
WITH INDEPENDENT AUDITORS' REPORT
JUNE 30, 2019**



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INDEPENDENT AUDITOR'S REPORT

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

Report on the Financial Statements

We have audited the accompanying statements of financial position of Sakhi for South Asian Women, Inc. (a nonprofit organization) as of June 30, 2019 and 2018 and the related statements of activities, cash flows, and functional expenses 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.

Auditor's 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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

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, 2019 and 2018 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.

ADEPTUS PARTNERS, LLC

New York, NY
October 7, 2019

Offices in New York City • Long Island • New Jersey

SAKHI FOR SOUTH ASIAN WOMEN, INC.
STATEMENTS OF FINANCIAL POSITION
JUNE 30, 2019 AND 2018

| Assets | 2019 | 2018 |
|---|---------------------|-------------------|
| Cash and cash equivalents | \$ 355,585 | \$ 305,687 |
| Promises to give receivable | 382,461 | 175,304 |
| Government grants receivable | 207,061 | 159,396 |
| Prepaid expenses and other assets | 17,941 | 26,072 |
| Security deposit | 41,640 | 39,840 |
| Property and equipment, net | 2,479 | 3,481 |
| Total Assets | \$ 1,007,167 | \$ 709,780 |
| Liabilities and Net Assets | | |
| Liabilities | | |
| Accounts payable and accrued expenses | \$ 40,033 | \$ 25,953 |
| Deferred rent | 47,809 | 55,440 |
| Total Liabilities | 87,842 | 81,393 |
| Net Assets | | |
| Without donor restrictions | 658,685 | 476,497 |
| With donor restrictions | 260,640 | 151,890 |
| Total Net Assets | 919,325 | 628,387 |
| Total Liabilities and Net Assets | \$ 1,007,167 | \$ 709,780 |

The accompanying notes are an integral part of these financial statements

SAKHI FOR SOUTH ASIAN WOMEN, INC.
STATEMENTS OF ACTIVITIES
FOR THE YEARS ENDED JUNE 30, 2019 AND 2018

| | Without Donor Restrictions | With Donor Restrictions | 2019 Total | 2018 Total |
|--|----------------------------------|----------------------------|-------------------|-------------------|
| Revenues and support | | | | |
| Foundation grants | \$ 192,500 | \$ 200,000 | \$ 392,500 | \$ 329,300 |
| Government grants | 387,581 | - | 387,581 | 347,999 |
| Corporate contributions | 5,000 | - | 5,000 | 10,000 |
| Individual contributions | 94,984 | - | 94,984 | 87,453 |
| Other revenue | 15,487 | - | 15,487 | 88 |
| Special event income, net of expenses (See note 9) | 456,510 | - | 456,510 | 291,200 |
| In-Kind donations | - | - | - | 5,940 |
| Net assets released from restrictions | 91,250 | (91,250) | - | - |
| Total revenues and support | 1,243,312 | 108,750 | 1,352,062 | 1,071,980 |
| Expenses: | | | | |
| Program services: | | | | |
| Program services | 700,010 | - | 700,010 | 548,365 |
| Supporting services: | | | | |
| Management and general | 145,669 | - | 145,669 | 108,460 |
| Fundraising | 215,445 | - | 215,445 | 196,484 |
| Total expenses | 1,061,124 | - | 1,061,124 | 853,309 |
| Change in net assets | 182,188 | 108,750 | 290,938 | 218,671 |
| Net assets - beginning of year | 476,497 | 151,890 | 628,387 | 467,661 |
| Prior period adjustment: Recognition of deferred rent | - | - | - | (57,945) |
| Net assets - end of year | \$ 658,685 | \$ 260,640 | \$ 919,325 | \$ 628,387 |

The accompanying notes are an integral part of these financial statements

SAKHI FOR SOUTH ASIAN WOMEN, INC.
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED JUNE 30, 2019 AND 2018

| | <u>2019</u> | <u>2018</u> |
|---|--------------------------|--------------------------|
| Cash flows from operating activities: | | |
| Change in net assets | \$ 290,938 | \$ 218,671 |
| Adjustments to reconcile change in net assets to net cash provided by operating activities: | | |
| Depreciation | 1,002 | 1,576 |
| Changes in: | | |
| Promises to give receivable | (207,157) | (111,311) |
| Government grants receivable | (47,665) | 52,756 |
| Prepaid expenses and other assets | 8,131 | 135 |
| Security deposits | (1,800) | - |
| Accounts payable and accrued expenses | 14,080 | (2,686) |
| Deferred rent, net of prior period adjustment | (7,631) | (2,505) |
| Net cash provided (used) by operating activities | 49,898 | 156,636 |
| Cash flows from investing activities: | | |
| Purchase of fixed assets | - | (3,543) |
| Net increase in cash and cash equivalents | 49,898 | 153,093 |
| Cash and cash equivalents, beginning of year | 305,687 | 152,594 |
| Cash and cash equivalents, end of year | <u>\$ 355,585</u> | <u>\$ 305,687</u> |
| Supplemental disclosure of cash flow information: | | |
| In-kind donations | <u>\$ -</u> | <u>\$ 5,940</u> |

The accompanying notes are an integral part of these financial statements

SAKHI FOR SOUTH ASIAN WOMEN, INC.
STATEMENTS OF FUNCTIONAL EXPENSES
FOR THE YEARS ENDED JUNE 30, 2019 AND 2018

| | Program Services | | | | | Supporting Services | | | 2019 Total | 2018 Total | |
|-------------------------------------|--------------------|-------------------|----------------------|-----------|-------------------------|---------------------|------------------------|------------------------|------------|--------------|--------------|
| | Community Outreach | Domestic Violence | Economic Empowerment | Youth | Women Health Initiative | Sexual Assault | Total Program Services | Management and General | | | Fund-Raising |
| | | | | | | | | | | | |
| Personnel expenses: | | | | | | | | | | | |
| Salaries | \$ 27,297 | \$ 149,775 | \$ 120,929 | \$ 45,977 | \$ 27,369 | \$ 54,821 | \$ 426,168 | \$ 11,055 | \$ 130,944 | \$ 568,167 | |
| Benefits and payroll taxes | 5,520 | 30,286 | 24,453 | 9,297 | 5,534 | 11,085 | 86,175 | 2,235 | 26,478 | 114,888 | |
| Total salaries and related expenses | 32,817 | 180,061 | 145,382 | 55,274 | 32,903 | 65,906 | 512,343 | 13,290 | 157,422 | 683,055 | |
| Grants | | | | | | | | | | | |
| Professional fees | 13,782 | 33,014 | 5,563 | 1,651 | 852 | 3,156 | 58,018 | 500 | - | 500 | |
| Insurance | 227 | 1,243 | 1,004 | 382 | 227 | 455 | 3,538 | 73,477 | 25,080 | 127,213 | |
| Communications | 163 | 896 | 723 | 275 | 164 | 328 | 2,549 | 840 | 1,087 | 5,947 | |
| Travel | 2,674 | 14,118 | 2,617 | 157 | 70 | 3,824 | 23,460 | 4,720 | 981 | 8,250 | |
| Occupancy | 3,718 | 18,089 | 13,925 | 5,294 | 3,152 | 6,313 | 50,491 | 6,745 | 333 | 30,538 | |
| Office expenses | 1,888 | 9,344 | 4,908 | 2,764 | 956 | 2,183 | 22,043 | 32,810 | 15,078 | 98,379 | |
| Client assistance | - | 6,909 | 17,505 | 402 | - | - | 24,816 | 13,268 | 15,233 | 50,544 | |
| Bad debts | - | - | - | 2,000 | - | - | 2,000 | - | - | 24,816 | |
| Depreciation | 48 | 265 | 213 | 81 | 48 | 97 | 752 | 19 | 231 | 2,000 | |
| In-kind donations | - | - | - | - | - | - | - | - | - | 1,002 | |
| Total expenses | \$ 55,317 | \$ 263,939 | \$ 191,840 | \$ 68,280 | \$ 38,372 | \$ 82,262 | \$ 700,010 | \$ 145,669 | \$ 215,445 | \$ 1,061,124 | |
| | | | | | | | | | | \$ 853,309 | |

The accompanying notes are an integral part of these financial statements

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

1. Organization

Sakhi for South Asian Women 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.

Founded in 1989, Sakhi, meaning “woman friend,” was created to fill a critical need. In spite of an abundance of religious and cultural centers, professional associations, and ethnic-specific groups within New York’s large South Asian immigrant population, there was no place for survivors to address the oft-silenced subject of gender-based violence. Through Sakhi’s efforts to serve survivors and mobilize community members to condemn abuse, Sakhi has changed the conversation on gender-based violence in our community.

Sakhi has supported South Asian survivors of gender-based violence for the past three decades by creating a space for healing and hope. One in three women and one in four men experience some form of physical violence by an intimate partner. For South Asian women, that number is even higher. Two out of five South Asian women have been physically or sexually abused by their partner in their lifetime. These numbers don’t encompass survivors who identify as queer or transgender and gender non-conforming (for whom these statistics are alarmingly higher) or youth survivors.

2. Summary of Significant Accounting Policies

• ***Basis of Presentation***

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

• ***Net Asset Classification***

The financial statements report net assets and changes in net assets in two classes that are based upon the existence or absence of restrictions on use that are placed by its donors, as follows:

Net assets without donor restrictions are resources available to support operations. The only limits on the use of these net assets are the broad limits resulting from the nature of the organization, the environment in which it operates, the purposes specified in its corporate documents and its application for tax-exempt status, and any limits resulting from contractual agreements with creditors and others that are entered into in the course of its operations.

SAKHI FOR SOUTH ASIAN WOMEN, INC.
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2019

Net assets with donor restrictions are resources that are restricted by a donor for use for a particular purpose or in a particular future period. Some donor-imposed restrictions are temporary in nature, and the restriction will expire when the resources are used in accordance with the donor's instructions or when the stipulated time has passed. Other donor-imposed restrictions are perpetual in nature; they stipulate the resources be maintained permanently, but permit the Organization to use all or part of the income earned on these assets for either specified or unspecified purposes.

When a donor's restriction is satisfied, either by using the resources in a manner specified by the donor or by the passage of time, the expiration of the restriction is reported in the financial statements by reclassifying the net assets from net assets with donor restrictions to net assets without donor restrictions. Net assets restricted for acquisition of buildings or equipment are reported as net assets with donor restrictions until the specified asset is placed in service by the organization, unless the donor provides more specific directions about the period of use.

All revenues and net gains are reported as increases in net assets without donor restrictions in the statement of activities unless the donor specified the use of the related resources for a particular purpose or in a future period. All expenses and net losses are reported as decreases in net assets without donor restrictions.

- ***Tax-exempt status***

The Organization is a non-profit organization that is generally exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code, although it is taxed on any business income that is not substantially related to the Organization's exempt purpose. The Organization did not have any unrelated business income for the years ended June 30, 2019 and 2018.

Federal tax law requires that the Organization be operated in a manner consistent with its initial exemption application in order to maintain exempt status. Management has analyzed its operations and concluded that they remain in compliance with the requirements for exemption.

Accounting principles generally accepted in the United States of America require management to evaluate tax positions taken by the Organization and recognize a tax liability (or asset) for any uncertain tax position that more likely than not would not be sustained upon examination by the Internal Revenue Service.

The Organization's management has analyzed its tax positions, and has concluded that as of June 30, 2019 and 2018, there are no uncertain tax positions taken or expected to be taken that would require recognition or disclosure in the financial statements.

SAKHI FOR SOUTH ASIAN WOMEN, INC.
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2019

- ***Use of Estimates***

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of revenues and expenses during the reporting period and the reported amounts of assets and liabilities at the date of the financial statements. The organization's management believes that the estimates and assumptions are reasonable in the circumstances; however the actual results could differ from those estimates.

- ***Cash and Cash Equivalents***

The Organization considers all highly liquid investments with a maturity of three months or less when purchased to be cash equivalents.

- ***Concentration of Credit Risk***

The Organization maintains its cash balances with one highly respected financial institution. However, these deposits at times may exceed the Federal Deposit Insurance Corporation (FDIC) insurance limit of \$250,000, however, no losses have ever been experienced by the Organization on its cash equivalents.

- ***Accounting for Pledges and Contributions***

Contributions, including unconditional promises to give, are recognized when received. All contributions are reported as increases in net assets without donor restrictions unless use of the contributed assets is specifically restricted by the donor. Amounts received that are restricted by the donor to use in future periods or for specific purposes are reported as increases in net assets with donor restrictions. Unconditional promises with payments due in future years have implied restriction to be used in the year the payment is due, and therefore are reported as restricted until the payment is due, unless the contribution is clearly intended to support activities of the current fiscal year. Conditional promises are not recognized until they become unconditional, that is, until all conditions on which they depend are substantially met.

- ***Property and Equipment***

Leasehold improvements and equipment are stated at cost, or at the fair value at date of contribution if acquired by gift. Depreciation expense has been computed using the straight-line method

SAKHI FOR SOUTH ASIAN WOMEN, INC.
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2019

• **Subsequent Events**

For the fiscal year ended June 30, 2019, the Organization has evaluated subsequent events for potential recognition or disclosure through October 7, 2019, the date the financial statements were available for issuance.

• **Expense Allocation**

The costs of providing various programs and activities have been summarized on a functional basis in the statement of activities and in the schedule of functional expenses. Expenses that can be identified with a specific program or support service are charged directly to that program or support service. Costs common to multiple functions have been allocated among the various functions benefited using a reasonable allocation method that is consistently applied.

General and administrative expenses include those costs that are not directly identifiable with any specific program, but which provide for the overall support and direction of the organization.

Fundraising costs are expensed as incurred, even though they may result in contributions received in future years. The organization generally does not conduct its fundraising activities in conjunction with its other activities.

3. Premises and Equipment

An analysis of property and equipment at June 30th is as follows:

| | 2019 | 2018 |
|--------------------------------|-----------------|-----------------|
| Leasehold improvements | \$ 5,581 | \$ 5,581 |
| Equipment | 21,940 | 21,940 |
| | <u>27,521</u> | <u>27,521</u> |
| Less: accumulated depreciation | <u>(25,042)</u> | <u>(24,040)</u> |
| | <u>\$ 2,479</u> | <u>\$ 3,481</u> |

SAKHI FOR SOUTH ASIAN WOMEN, INC.
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2019

4. Change in Accounting Principles

The Organization implemented FASB ASU No. 2016-14 in the current year, applying the changes retrospectively. The new standards change the following aspects of the financial statements:

The temporarily restricted and permanently restricted net asset classes have been combined into a single net asset class called net assets with donor restrictions.

The unrestricted net asset class has been renamed net assets without donor restrictions.

The financial statements include a disclosure about liquidity and availability of resources.

The changes have the following effect on net assets at July 1, 2018:

| Net Asset Class | As Originally Presented | After Adoption of ASU 2016-14 |
|---------------------------------------|----------------------------|----------------------------------|
| Unrestricted net assets | \$ 476,497 | |
| Temporarily restricted net assets | 151,890 | |
| Net assets without donor restrictions | | \$ 476,497 |
| Net assets with donor restrictions | | 151,890 |
| Total net assets | <u>\$ 628,387</u> | <u>\$ 628,387</u> |

SAKHI FOR SOUTH ASIAN WOMEN, INC.
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2019

5. Liquidity and Availability

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the statement of financial position date are:

| | | |
|---|----|------------------|
| Financial assets: | | |
| Cash and cash equivalents | \$ | 355,585 |
| Promises to give receivable | | 382,461 |
| Government grants receivable | | 207,061 |
| Total financial assets | | <u>945,107</u> |
| Less financial assets held to meet donor-imposed restrictions | | <u>(260,640)</u> |
| Amount available for general expenditures within one year | \$ | <u>684,467</u> |

As part of the organization's liquidity management, it has a policy to structure its financial assets to be available as its general expenditures, liabilities and other obligations come due.

6. Net Assets With Donor Restrictions

At June 30, net assets with donor restrictions consist of the following:

| | <u>2019</u> | <u>2018</u> |
|---------------------------------|-------------------|-------------------|
| Swarna Fund | \$ 10,640 | \$ 10,640 |
| Time restricted general support | <u>250,000</u> | <u>141,250</u> |
| | <u>\$ 260,640</u> | <u>\$ 151,890</u> |

SAKHI FOR SOUTH ASIAN WOMEN, INC.
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2019

7. Net Assets Released from Restrictions

For the year ended June 30, amounts released from donor restrictions were as follows:

| | <u>2019</u> | <u>2018</u> |
|---------------------------------|------------------|-------------------|
| Swarna Fund | \$ - | \$ - |
| Youth | - | 61,651 |
| Economic Empowerment | - | 55,003 |
| Time restricted general support | 91,250 | 98,750 |
| | <u>\$ 91,250</u> | <u>\$ 215,404</u> |

8. Lease Commitment

In May, 2012 the Organization entered into a non-cancelable lease agreement that expires in May, 2023. The Organization moved into the space in December, 2012 after the landlord made agreed upon improvements.

Future minimum payments for the years ended June 30 are as follows:

| | |
|------------|-------------------|
| 2020 | \$ 91,282 |
| 2021 | 94,020 |
| 2022 | 96,841 |
| Thereafter | 49,136 |
| | <u>\$ 331,279</u> |

9. Special Event Revenue

Special event revenue has been netted with special event expenses directly related to the events. The expenses include professional fees, space rental, food and beverage costs and miscellaneous office related expenses. The total special event expenses were \$231,566 and \$171,657 in 2019 and 2018, respectively.

SAKHI FOR SOUTH ASIAN WOMEN, INC.
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2019

10. In-Kind Donations

For the year ended June 30, 2018 the organization received \$5,940 in donated supplies.

11. Contingencies

Government supported projects are subject to audit by the applicable granting agency. Management does not feel that questioned costs that arise out of any potential audit would be material, and no reserve has been established.