



SAFE HORIZON, INC.

**Financial Statements
(Together with Independent Auditors' Report)**

Years Ended June 30, 2021 and 2020

M A R K S P A N E T H

ACCOUNTANTS & ADVISORS

SAFE HORIZON, INC.

**FINANCIAL STATEMENTS
(Together with Independent Auditors' Report)**

YEARS ENDED JUNE 30, 2021 AND 2020

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INDEPENDENT AUDITORS' REPORT

The Board of Directors
Safe Horizon, Inc.

We have audited the accompanying financial statements of Safe Horizon, Inc. ("Safe Horizon"), which comprise the statements of financial position as of June 30, 2021 and 2020, and the related statements of activities, 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. 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 Safe Horizon as of June 30, 2021 and 2020, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.



New York, NY
December 17, 2021

SAFE HORIZON, INC.
STATEMENTS OF FINANCIAL POSITION
AS OF JUNE 30, 2021 AND 2020

	2021	2020
ASSETS		
Cash and cash equivalents (Notes 2B and 16)	\$ 3,220,898	\$ 4,694,171
Grants receivable (Notes 2E, 2J and 4)	26,102,244	19,342,688
Grants receivable - DoVE (Notes 2E, 2J and 4)	9,457,000	8,729,791
Contributions receivable, net (Notes 2D, 2E and 5)	4,010,639	2,483,203
Investments (Notes 2F, 2G and 6)	15,852,132	14,479,785
Prepaid expenses and other assets	1,317,938	1,282,178
Cash held for restitution payable (Notes 7 and 16)	6,030,629	6,179,045
Property and equipment, net (Notes 2I and 8)	3,599,471	4,155,057
Beneficial interest in perpetual trusts (Notes 2H, 6 and 11)	873,962	670,835
TOTAL ASSETS	\$ 70,464,913	\$ 62,016,753
LIABILITIES		
Accounts payable and accrued expenses (Note 2L)	\$ 7,021,535	\$ 7,016,629
Accounts payable and accrued expenses - DoVE	9,457,000	8,725,000
Bank line of credit (Note 9)	4,000,000	-
Due to grantor (Notes 2J and 15A)	563,137	1,024,786
Restitution payable (Note 7)	6,030,629	6,179,045
TOTAL LIABILITIES	27,072,301	22,945,460
COMMITMENTS AND CONTINGENCIES (Note 15)		
NET ASSETS (Notes 2C, 11 and 12)		
Without donor restrictions	37,073,232	33,292,904
With donor restrictions (Notes 11 and 12)	6,319,380	5,778,389
TOTAL NET ASSETS	43,392,612	39,071,293
TOTAL LIABILITIES AND NET ASSETS	\$ 70,464,913	\$ 62,016,753

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

SAFE HORIZON, INC.
STATEMENTS OF ACTIVITIES
FOR THE YEARS ENDED JUNE 30, 2021 AND 2020

	Year Ended June 30, 2021			Year Ended June 30, 2020		
	Without Donor Restrictions	With Donor Restrictions	Total 2021	Without Donor Restrictions	With Donor Restrictions	Total 2020
SUPPORT AND REVENUE:						
Grants revenue (Note 2J)	\$ 81,049,117	\$ -	\$ 81,049,117	\$ 82,767,586	\$ -	\$ 82,767,586
Contributions (Note 2D)	3,678,455	5,725,752	9,404,207	2,433,305	5,759,759	8,193,064
In-kind contributions (Notes 2M and 10)	2,476,869	-	2,476,869	2,582,852	-	2,582,852
Investment income, net (Notes 2F and 6)	1,366,403	5,945	1,372,348	848,950	6,993	855,943
Program fee revenue (Note 2K)	1,410,141	-	1,410,141	1,520,660	-	1,520,660
Gain (loss) on beneficial interest in perpetual trust (Note 2H)	-	203,127	203,127	-	(16,343)	(16,343)
Miscellaneous income (Note 14)	617,815	-	617,815	331,973	-	331,973
Net assets released from restrictions (Note 11)	5,393,833	(5,393,833)	-	4,979,026	(4,979,026)	-
TOTAL SUPPORT AND REVENUE	95,992,633	540,991	96,533,624	95,464,352	771,383	96,235,735
EXPENSES: (Note 2N)						
Program Services:						
Domestic violence and hotline	37,864,390	-	37,864,390	37,259,297	-	37,259,297
Community and criminal justice	25,025,530	-	25,025,530	26,878,092	-	26,878,092
Child, adolescent and mental health treatment	17,810,198	-	17,810,198	16,181,712	-	16,181,712
	<u>80,700,118</u>	<u>-</u>	<u>80,700,118</u>	<u>80,319,101</u>	<u>-</u>	<u>80,319,101</u>
Supporting Services:						
Management and general	9,843,943	-	9,843,943	10,431,082	-	10,431,082
Fundraising	1,668,244	-	1,668,244	1,792,800	-	1,792,800
	<u>11,512,187</u>	<u>-</u>	<u>11,512,187</u>	<u>12,223,882</u>	<u>-</u>	<u>12,223,882</u>
TOTAL EXPENSES	92,212,305	-	92,212,305	92,542,983	-	92,542,983
CHANGE IN NET ASSETS	3,780,328	540,991	4,321,319	2,921,369	771,383	3,692,752
Net assets - Beginning of year	33,292,904	5,778,389	39,071,293	30,371,535	5,007,006	35,378,541
NET ASSETS - END OF YEAR	\$ 37,073,232	\$ 6,319,380	\$ 43,392,612	\$ 33,292,904	\$ 5,778,389	\$ 39,071,293

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

SAFE HORIZON, INC.
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2021
(With Comparative Totals for 2020)

	Program Services				Supporting Services				Total 2021	Total 2020
	Domestic Violence and Hotline	Community and Criminal Justice	Child, Adolescent and Mental Health Treatment	Total Program Services	Management and General	Fundraising	Total Supporting Services			
Salaries	\$ 14,447,302	\$ 16,447,162	\$ 8,711,120	\$ 39,605,584	\$ 6,229,735	\$ 801,753	\$ 7,031,488	\$ 46,637,072	\$ 45,708,379	
Payroll taxes and employee benefits (Note 13)	3,505,014	4,455,409	2,351,335	10,311,758	1,684,066	222,509	1,906,575	12,218,333	12,352,723	
Total Salaries and Related Costs	17,952,316	20,902,571	11,062,455	49,917,342	7,913,801	1,024,262	8,938,063	58,855,405	58,061,102	
Professional fees (Notes 2M and 10)	712,633	683,449	1,400,056	2,796,138	289,360	186,735	476,095	3,272,233	2,689,616	
Client assistance	677,295	238,267	274,603	1,190,165	-	-	-	1,190,165	1,268,517	
Contracted Domestic Violence Empowerment Services	8,694,500	-	-	8,694,500	-	-	-	8,694,500	9,101,250	
Program materials and other publications	63,974	5,302	165,676	234,952	-	-	-	234,952	235,878	
Staff development and meetings	59,690	25,688	70,545	155,923	16,151	112,739	128,890	284,813	340,389	
Insurance	210,439	247,676	127,108	585,223	93,735	12,126	105,861	691,084	555,816	
Occupancy (Notes 2L, 2M, 10, 14 and 15)	7,326,221	1,340,419	3,554,201	12,220,841	442,381	65,882	508,263	12,729,104	12,697,846	
Furniture and equipment	112,201	80,429	50,114	242,744	16,510	543	17,053	259,797	837,104	
Supplies, photocopying and delivery	53,408	60,020	39,280	152,708	89,700	22,601	112,301	265,009	501,058	
Equipment rentals and maintenance	531,267	600,166	299,307	1,430,740	283,209	19,309	302,518	1,733,258	1,694,954	
Public outreach	-	12,761	-	12,761	11,991	137,674	149,665	162,426	201,661	
Telephone	280,707	317,099	169,693	767,499	120,255	15,511	135,766	903,265	901,621	
Temporary help	764,728	-	162,266	926,994	206,305	-	206,305	1,133,299	1,179,454	
Depreciation and amortization (Note 8)	267,434	341,656	341,880	950,970	95,427	18,090	113,517	1,064,487	1,117,696	
Interest	5,467	-	-	5,467	1,025	342	1,367	6,834	-	
Miscellaneous	152,110	170,027	93,014	415,151	264,093	52,430	316,523	731,674	1,159,021	
Total Other Than Salaries and Related Costs	19,912,074	4,122,959	6,747,743	30,782,776	1,930,142	643,982	2,574,124	33,356,900	34,481,881	
TOTAL EXPENSES	\$ 37,864,390	\$ 25,025,530	\$ 17,810,198	\$ 80,700,118	\$ 9,843,943	\$ 1,668,244	\$ 11,512,187	\$ 92,212,305	\$ 92,542,983	

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

SAFE HORIZON, INC.
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2020

	<u>Program Services</u>				<u>Supporting Services</u>			
	<u>Domestic Violence and Hotline</u>	<u>Community and Criminal Justice</u>	<u>Child, Adolescent and Mental Health Treatment</u>	<u>Total Program Services</u>	<u>Management and General</u>	<u>Fundraising</u>	<u>Total Supporting Services</u>	<u>Total 2020</u>
Salaries	\$ 13,439,227	\$ 17,567,347	\$ 7,584,870	\$ 38,591,444	\$ 6,242,180	\$ 874,755	\$ 7,116,935	\$ 45,708,379
Payroll taxes and employee benefits (Note 13)	3,559,093	4,765,831	2,079,603	10,404,527	1,706,089	242,107	1,948,196	12,352,723
Total Salaries and Related Costs	<u>16,998,320</u>	<u>22,333,178</u>	<u>9,664,473</u>	<u>48,995,971</u>	<u>7,948,269</u>	<u>1,116,862</u>	<u>9,065,131</u>	<u>58,061,102</u>
Professional fees (Notes 2M and 10)	633,941	476,372	946,273	2,056,586	473,173	159,857	633,030	2,689,616
Client assistance	736,737	243,907	287,873	1,268,517	-	-	-	1,268,517
Contracted Domestic Violence Empowerment Services	9,101,250	-	-	9,101,250	-	-	-	9,101,250
Program materials and other publications	61,327	59,430	115,121	235,878	-	-	-	235,878
Staff development and meetings	42,765	62,582	78,551	183,898	69,523	86,968	156,491	340,389
Insurance	160,719	216,653	91,397	468,769	76,129	10,918	87,047	555,816
Occupancy (Notes 2L, 2M, 10, 14 and 15)	7,334,522	1,451,051	3,347,195	12,132,768	498,859	66,219	565,078	12,697,846
Furniture and equipment	293,779	312,406	100,312	706,497	122,476	8,131	130,607	837,104
Supplies, photocopying and delivery	110,448	157,949	79,742	348,139	124,405	28,514	152,919	501,058
Equipment rentals and maintenance	486,866	654,940	252,534	1,394,340	264,692	35,922	300,614	1,694,954
Public outreach	-	-	-	-	17,128	184,533	201,661	201,661
Telephone	277,707	334,297	151,072	763,076	122,065	16,480	138,545	901,621
Temporary help	587,655	18,704	248,410	854,769	310,885	13,800	324,685	1,179,454
Depreciation and amortization (Note 8)	252,217	353,471	406,109	1,011,797	102,592	3,307	105,899	1,117,696
Miscellaneous	181,044	203,152	412,650	796,846	300,886	61,289	362,175	1,159,021
Total Other Than Salaries and Related Costs	<u>20,260,977</u>	<u>4,544,914</u>	<u>6,517,239</u>	<u>31,323,130</u>	<u>2,482,813</u>	<u>675,938</u>	<u>3,158,751</u>	<u>34,481,881</u>
TOTAL EXPENSES	<u>\$ 37,259,297</u>	<u>\$ 26,878,092</u>	<u>\$ 16,181,712</u>	<u>\$ 80,319,101</u>	<u>\$ 10,431,082</u>	<u>\$ 1,792,800</u>	<u>\$ 12,223,882</u>	<u>\$ 92,542,983</u>

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

SAFE HORIZON, INC.
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED JUNE 30, 2021 AND 2020

	2021	2020
CASH FLOWS FROM OPERATING ACTIVITIES:		
Change in net assets	\$ 4,321,319	\$ 3,692,752
Adjustments to reconcile change in net assets to net cash (used in) provided by operating activities:		
Depreciation and amortization	1,064,487	1,117,696
Provision for doubtful accounts	48,900	485,167
(Gain) loss on beneficial interest in perpetual trust	(203,127)	16,343
Realized gain on sale of investments	(57,608)	(461,724)
Unrealized gain on investments	(1,079,001)	(131,665)
Subtotal	4,094,970	4,718,569
Changes in operating assets and liabilities:		
Decrease (increase) in assets:		
Grants receivable	(6,759,556)	(4,469,461)
Grants receivable - DoVE	(727,209)	675
Contributions receivable	(1,576,336)	104,661
Prepaid expenses and other assets	(35,760)	(174,529)
Cash held for restitution payable	148,416	482,215
Increase (decrease) in liabilities:		
Accounts payable and accrued expenses	4,906	478,504
Accounts payable and accrued expenses - DoVE	732,000	216,530
Due to grantor	(461,649)	445,892
Restitution payable	(148,416)	(482,215)
Net Cash (Used in) Provided by Operating Activities	(4,728,634)	1,320,841
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchases of investments	(4,300,497)	(3,161,470)
Proceeds from sales of investments	4,064,759	2,897,543
Purchases of property and equipment	(508,901)	(770,439)
Net Cash Used in Investing Activities	(744,639)	(1,034,366)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Proceeds from bank line of credit	4,000,000	-
Net Cash Provided by Financing Activities	4,000,000	-
NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS	(1,473,273)	286,475
Cash and cash equivalents - Beginning of year	4,694,171	4,407,696
CASH AND CASH EQUIVALENTS - END OF YEAR	\$ 3,220,898	\$ 4,694,171
Supplemental Disclosure of Cash Flow Information:		
Cash paid during the year for interest	\$ 6,833	\$ -

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

SAFE HORIZON, INC.
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2021 AND 2020

NOTE 1 – ORGANIZATION AND NATURE OF ACTIVITIES

Safe Horizon, Inc. ("Safe Horizon") was organized under the not-for-profit corporation law of the State of New York and is qualified as a public charity exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code.

Safe Horizon's mission is to provide support, prevent violence, and promote justice for victims of crime and abuse, their families and communities. Safe Horizon receives support from city, state and federal agencies, and contributions from corporations, foundations and individuals. Substantially all services are performed in New York City.

Safe Horizon accomplishes their mission through the following major programs:

- **Domestic Violence and Hotline Programs** – Safe Horizon operates three 24-hour hotlines – the New York City Domestic Violence Hotline, the Crime Victims Hotline and the Rape and Sexual Assault Hotline. For victims of violence and their families, a phone call to one of its hotlines serves as a gateway to a range of services, such as safety planning and linkage to emergency shelter for victims of domestic violence. Safe Horizon is New York City's most comprehensive domestic violence shelter provider, with 744 beds available throughout the five boroughs. Safe Horizon operates both emergency shelters for crisis situations and transitional shelters where survivors and their dependent children are transferred in order to continue services and plan for a future free from violence and abuse. The shelters offer safety and comprehensive services such as: case management, childcare and support groups, housing assistance, practical assistance (such as food, clothing and MetroCards) and referrals to critical services (such as medical, mental health, schools and job centers). The SafeWay Forward program works with families in a specific borough who have open child welfare cases and have experienced domestic violence in the home. This program provides concrete services and therapeutic interventions to the entire family, in partnership with the Administration for Children's Services. Safe Horizon's legal services programs provide legal advice and representation citywide. The Domestic Violence Law Project provides legal advice and representation in family courts, integrated domestic violence courts, and supreme courts on a wide range of family law matters to low-income victims of domestic violence. The Immigration Law Project provides legal advice and representation to undocumented victims of domestic violence, assault and other crimes. The program also works with those victimized by violence abroad seeking safety in this country.

The Domestic Violence Empowerment ("DoVE") Initiative is the New York City Council's investment in bolstering the response to domestic violence in communities across New York City. Since 2006, the City Council has designated Safe Horizon as the Program Administrator for the DoVE Initiative to ensure that grantees receive funding and support to provide case management, crisis intervention, legal services, outreach and education and training. Services are provided in a variety of languages and settings to meet the needs of survivors from diverse backgrounds, and grantees are evaluated annually to help ensure the efficacy of the initiative.

- **Community and Criminal Justice Programs** – Safe Horizon offers services to victims of crime and abuse, including victims of domestic violence, sexual assault, stalking, families of homicide victims and all types of crime. Staff located at community programs, precincts and court programs, including the Family Justice Centers, provide services that include crisis intervention, support, assistance with understanding and navigating the criminal justice system, supervised visitation, court-ordered restitution, housing and public systems, and individual and group psycho-education about trauma and coping skills. Safe Horizon also operates a Helpline as well as SafeChat, a new chat service, for individuals seeking crime-victim and survivor-related information, referrals and support. Case management services include advocacy; court accompaniment; practical assistance, including food, clothing, lock changes and assistance with accessing shelter; support services through safety assessment and risk management planning and supportive counseling. Staff provides information and linkages to public entitlement programs and other community-based organizations. The Anti-Trafficking Program provides legal and case management services to survivors of labor and sex trafficking.

SAFE HORIZON, INC.
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2021 AND 2020

NOTE 1 – ORGANIZATION AND NATURE OF ACTIVITIES (Continued)

- **Child, Adolescent and Mental Health Treatment Programs** – Safe Horizon has developed comprehensive programs for children and adolescents who have experienced crime, abuse and/or trauma, including specific programs for children who have been sexually or severely physically abused. Safe Horizon is the pioneer of the urban Child Advocacy Center (“CAC”) model that co-locates a multi-disciplinary team of experts, including professionals from the NYPD, District Attorney’s Office, Administration for Children’s Services, medical providers and Safe Horizon.

The Child Advocacy Centers provide coordinated services that expedite the investigation and prosecution of child abuse cases while ensuring victims and impacted family members receive an immediate and effective array of support. The Child Trauma Response Team (“CTRT”), works collaboratively with Safe Horizon’s Community Programs, Shelters as well as Domestic Violence Police Officers to identify children exposed to domestic violence and provide timely response to help reduce the harmful impact of traumatic events on children. Streetwork reaches youth through a harm-reduction model drop-in center, street outreach, and emergency shelter program for homeless youth. Serving clients from ages 16 to 24, Streetwork provides individual and group counseling, case management, advocacy, mental health intervention, emergency and transitional housing, assistance obtaining Medicaid and other benefits, hot meals, showers, clothing, as well as HIV prevention counseling and parenting groups, in a safe, non-judgmental setting. Streetwork also refers clients for legal, medical and psychiatric services.

Safe Horizon operates the only New York State licensed outpatient mental health treatment clinic that specializes in providing services for adult and child victims of crime, abuse and/or trauma. The Counseling Center is the central hub within Safe Horizon for the provision of expert mental health treatment services, offering a range of evidence-based mental health treatments at its primary site as well as satellite locations in some of the domestic violence shelters, community programs and Streetwork drop-in centers.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

- A. **Basis of Accounting** – Safe Horizon’s financial statements have been prepared on the accrual basis of accounting. Safe Horizon adheres to accounting principles generally accepted in the United States of America (“U.S. GAAP”).
- B. **Cash Equivalents** – Safe Horizon considers all highly liquid investments with maturities of three months or less when acquired to be cash equivalents, except for cash and money market funds contained in Safe Horizon’s investment portfolio.
- C. **Net Assets** – Safe Horizon maintains its net assets under the following two classes:
- Without Donor Restrictions – represents resources available for support of Safe Horizon’s operations over which the Board of Directors has discretionary control.
 - With Donor Restrictions – represents assets resulting from contributions whose use by Safe Horizon is limited by donor-imposed stipulations that either expire by the passage of time or can be fulfilled and removed by actions of Safe Horizon pursuant to those stipulations. When a 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 as net assets released from restrictions. In addition, contributions of unconditional promises to give with payments due in future periods are reported as with donor restrictions unless the donor expressly stipulates, or circumstances surrounding the receipt of the promise make clear that the donor intended them to be used to support activities of the current period. Also included in net assets with donor restrictions are those resources, based on donor-imposed stipulations, to be maintained intact in perpetuity by Safe Horizon. The donors of these assets permit the use of all the income earned on related investments, and the net capital appreciation thereon, for general purposes.

SAFE HORIZON, INC.
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2021 AND 2020

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

- D. **Contributions Receivable** – Contributions receivable (pledges) are recorded as income when Safe Horizon is formally notified of the grants or contributions by the respective donors. Unconditional promises to give that are expected to be collected in future years are recorded at the present value of their estimated future cash flows. The discounts on those amounts, if material, are computed using risk-adjusted interest rates applicable to the years in which the promises are received. Amortization of the discounts is included in contribution revenue. Conditional promises to give are not included as support until the conditions are substantially met.
- E. **Allowance for Uncollectible Receivables** – Safe Horizon recorded an allowance for doubtful contributions receivable of \$50,000 as of both June 30, 2021 and 2020. No allowance for doubtful grants receivable was recorded as of June 30, 2021 and 2020. Such estimates are based on management's evaluation of the creditworthiness of its donors and grantors, the aged basis of its receivables from government sources, as well as current economic conditions and historical information.
- F. **Investments** – Investments are reported at fair value. Donated securities are recorded at their fair value on the date received using an average of the high and low price on the date received. Investment income is recorded as an increase or decrease in net assets without donor restrictions unless restricted by the donor, and is included in the accompanying statements of activities.
- G. **Fair Value Measurements** – Fair value measurements are the prices that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. In order to increase consistency and comparability in fair value measurements, a fair value hierarchy prioritizes observable and unobservable inputs used to measure fair value into three levels, as described in Note 6.
- H. **Split-Interest Agreements** – Safe Horizon has been named as the beneficiary of two perpetual trusts. The investment principal remains part of the trusts and is not the property of Safe Horizon. Therefore, Safe Horizon has no right to the trust principal. Because Safe Horizon will receive a perpetual stream of income from the trusts, the projected contributions are classified as part of net assets with donor restrictions at June 30, 2021 and 2020. Given the nature of the promises, as well as the inability to compute the present value of the income stream, the beneficial interests have been recorded on the statements of financial position at the fair value of Safe Horizon's proportionate share of the trusts. The fluctuation in the fair value of the trusts from year to year is included in the statements of activities as changes in net assets with donor restrictions.
- I. **Property and Equipment** – Property and equipment is stated at cost less accumulated depreciation and amortization. These amounts do not purport to represent replacement or realizable values. Safe Horizon capitalizes all property and equipment having a cost of \$2,500 or more and a useful life of more than one year. Depreciation is provided on a straight-line basis over the estimated useful lives of the assets. Leasehold improvements are amortized on a straight-line basis over the lesser of their useful lives or the term of the lease.
- J. **Revenue from Government Sources** – Principal support for the programs operated by Safe Horizon is derived from various Federal, New York State and New York City governmental sources. Safe Horizon recognizes revenue from these sources when the contractual obligations are met. Cost recovery occurs when the grants awarded provide for reimbursement of budgeted expenditures incurred within the grant period. The funds are received in either predetermined installments or in increments based on expenditures or milestones for the period. Upon termination, unexpended cash funds received, and revertible equipment purchased are returnable to the grantor. Accordingly, grant income under these awards is recognized in amounts equal to budgeted expenditures incurred. Funds received under these grants are subject to audit.

Unreimbursed expenditures on programs funded under contractual agreements, when such expenditures are less than contract amounts, but more than cash advances, are reflected as grants receivable. Cash advances in excess of unexpended funds are reflected as due to grantor.

SAFE HORIZON, INC.
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2021 AND 2020

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Multi-year governmental contracts included under government grants are cancellable by the funder upon its sole discretion. As of June 30, 2021 and 2020, Safe Horizon was awarded conditional grants and contracts from government agencies in the aggregate amounts of \$5,833,769 and \$6,907,508, respectively, that have not been recorded in the accompanying financial statements, as they have not been earned. These grants and contracts require Safe Horizon to provide certain services as specified in the contracts. If such services are not provided, the foundations and governmental entities are not obligated to expend the funds allotted under the grants and contracts and Safe Horizon may be required to return the funds already remitted.

- K. ***Program Fees and Other Revenue*** – Fee income is recognized and recorded at the time a service is performed. Such services include counseling, legal services, third-party medical reimbursements, and client fees. Receivables are due in full when billed and revenue is recognized as performance obligations are satisfied. Performance obligations are determined based on the nature of the services provided by the Organization in accordance with the contract. Revenue for performance obligations satisfied over time is recognized as the services are provided. This method depicts the transfer of services over the term of the performance obligation based on the inputs needed to satisfy the obligation. Safe Horizon measures the performance obligation from the beginning of the next month or day to the point when it is no longer required to provide services under the contract or has met the requirements to bill for the services provided, which is generally at the end of each month or period of time allowed based on the government agencies' stipulations.

All performance obligations relate to contracts with a duration of less than one year, therefore, there are no performance obligations or contract balances that are unsatisfied as of June 30, 2021 and 2020. The performance obligations for these contracts are completed when the service is completed and upon submission of required documentation. Safe Horizon determines the transaction price based on established rates and contracts for services provided. Program service fees consist of revenues for the following programs for the years ended June 30:

	2021	2020
Child, Adolescent and Mental Health Treatment	\$ 1,204,556	\$ 1,256,594
Criminal & Criminal Justice	129,941	212,849
Domestic Violence & Hotlines	75,644	51,217
	\$ 1,410,141	\$ 1,520,660

- L. ***Rent Expense and Deferred Rent*** – Safe Horizon leases real property under operating leases expiring at various dates in the future. Since the rent payments increase over time, Safe Horizon records an adjustment to rent expense each year to reflect its straight-line policy. Straight-lining of rent gives rise to a timing difference that is reported within accounts payable and accrued expenses in the accompanying statements of financial position.
- M. ***Contributed Services, Rent and Other In-Kind*** – Safe Horizon receives noncash contributions consisting primarily of contributed facilities and services (legal and public outreach services). The contributed facilities and services have been valued at the standard market rates that would have been incurred by Safe Horizon and are reported as both revenue and expense in the accompanying financial statements because they meet the criteria as prescribed by U.S. GAAP.
- N. ***Functional Allocation of Expenses*** – The costs of providing various programs and other activities of Safe Horizon have been summarized on a functional basis in the statements of functional expenses. Accordingly, certain expenses have been allocated among the programs and supporting services. Most of the expenses are directly allocated when payments are made except for shared costs, which are automatically allocated at the end of the month by a formula based on a calculated percentage of actual salaries for the period. The shared cost categories include, but are not limited to, computer, software, other equipment, equipment lease and rental, equipment repairs and maintenance, telecommunication, supplies, general and property insurance, audit fees, payroll and related processing fees. In addition, expenses for fringe benefits and indirect costs are allocated on a monthly basis based on the federally approved rate which is annually approved by the Federal Department of Health and Human Services.

SAFE HORIZON, INC.
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2021 AND 2020

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

O. **Use of Estimates** – The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect certain reported amounts and disclosures at the date of the financial statements. Actual results could differ from those estimates.

NOTE 3 – LIQUIDITY AND AVAILABILITY

Safe Horizon regularly monitors liquidity required to meet its operating needs and other contractual commitments, while also striving to maximize the investment of its available funds. Safe Horizon has various sources of liquidity at its disposal, including cash and cash equivalents, receivables and lines of credit that provide funding for operations as needed. For purposes of analyzing resources available to meet general expenditures over a 12-month period, Safe Horizon considers all expenditures related to its ongoing activities of programs, as well as the conduct of services undertaken to support those activities, to be general expenditures. In addition to financial assets available to meet general expenditures over the next 12 months, Safe Horizon expects and anticipates collecting sufficient revenue to cover general expenditures.

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the statements of financial position date, included the following as of June 30:

	<u>2021</u>	<u>2020</u>
Cash and cash equivalents	\$ 3,220,898	\$ 4,694,171
Investments	15,852,132	14,479,785
Grants receivable	26,102,244	19,342,688
Contributions receivable, net	<u>4,010,639</u>	<u>2,483,203</u>
Total	49,185,913	40,999,847
Less:		
Contributions receivable in more than 12 months	(1,600,000)	(1,100,000)
Investments held for endowments	<u>(145,720)</u>	<u>(139,775)</u>
Total financial assets available	<u>\$ 47,440,193</u>	<u>\$ 39,760,072</u>

In addition, Safe Horizon has two lines of credit totaling \$16,000,000 with a financial institution which can be drawn upon if needed (see Note 9).

NOTE 4 – GRANTS RECEIVABLE

Grants receivable due under governmental contracts, grants and entitlements consisted of the following as of June 30:

	<u>2021</u>	<u>2020</u>
New York City agencies	\$ 21,754,134	\$ 16,033,613
New York State agencies	4,009,328	2,829,197
Federal agencies	276,332	300,873
Other	<u>62,450</u>	<u>179,005</u>
Subtotal grants receivable	26,102,244	19,342,688
Grants receivable – DoVE (NYC agency)	<u>9,457,000</u>	<u>8,729,791</u>
Total grants receivable	<u>\$ 35,559,244</u>	<u>\$ 28,072,479</u>

SAFE HORIZON, INC.
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2021 AND 2020

NOTE 5 – CONTRIBUTIONS RECEIVABLE, NET

Contributions receivable, net, consisted of the following as of June 30:

	<u>2021</u>	<u>2020</u>
Amount due in less than one year	\$ 2,460,639	\$ 1,433,203
Amount due in one to five years	<u>1,600,000</u>	<u>1,100,000</u>
	4,060,639	2,533,203
Less: Allowance for doubtful accounts	<u>(50,000)</u>	<u>(50,000)</u>
	<u>\$ 4,010,639</u>	<u>\$ 2,483,203</u>

NOTE 6 – INVESTMENTS AND FAIR VALUE MEASUREMENTS

The fair value hierarchy defines three levels as follows:

- Level 1: Valuations based on quoted prices (unadjusted) in an active market that are accessible at the measurement date for identical assets or liabilities. The fair value hierarchy gives the highest priority to Level 1 inputs. Level 1 valuations are obtained from real-time quotes for transactions in active exchange markets involving identical assets.
- Level 2: Valuations for assets and liabilities traded in less active dealer or broker markets. Valuations are obtained from third-party pricing services for identical or similar assets or liabilities.
- Level 3: Valuations for assets and liabilities that are derived from other valuation methodologies, including option pricing models, discounted cash flow models or similar techniques, and not based on market exchange, dealer, or broker-traded transactions. Level 3 valuations incorporate certain assumptions and projections in determining the fair value assigned to such assets or liabilities.

Financial assets, measured at fair value on a recurring basis, consisted of the following at June 30:

	<u>Level 1</u>	<u>Level 3</u>	<u>Total 2021</u>
U.S. Government Securities	\$ 7,846,428	\$ -	\$ 7,846,428
Money market funds	340,940	-	340,940
Mutual funds – short-term growth	7,664,764	-	7,664,764
Beneficial interest in trusts	<u>-</u>	<u>873,962</u>	<u>873,962</u>
Total	<u>\$ 15,852,132</u>	<u>\$ 873,962</u>	<u>\$ 16,726,094</u>

	<u>Level 1</u>	<u>Level 3</u>	<u>Total 2020</u>
U.S. Government Securities	\$ 6,682,493	\$ -	\$ 6,682,493
Money market funds	215,673	-	215,673
Mutual funds – short-term growth	7,581,619	-	7,581,619
Beneficial interest in trusts	<u>-</u>	<u>670,835</u>	<u>670,835</u>
Total	<u>\$ 14,479,785</u>	<u>\$ 670,835</u>	<u>\$ 15,150,620</u>

In determining fair value, Safe Horizon utilizes valuation techniques that maximize the use of observable inputs and minimize the use of unobservable inputs to the extent possible in its assessment of fair value.

U.S. Government Securities – are valued at the closing price reported in the active market in which the individual securities are traded.

Money Market Funds – are valued at NAV at a constant \$1.00 per share, of which, only the yield goes up and down.

SAFE HORIZON, INC.
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2021 AND 2020

NOTE 6 – INVESTMENTS AND FAIR VALUE MEASUREMENTS (Continued)

Mutual Funds - Short-Term Growth – are valued at their daily closing price as reported by the fund. These funds held by Safe Horizon are open-end funds that are registered with the Securities and Exchange Commission. These funds are required to publish their daily net asset value (“NAV”) and to transact at that price. The funds held by Safe Horizon are deemed to be actively traded.

Fair value for the beneficial interest in trusts is measured using the fair value of the assets held in trusts as reported by the trustee as of June 30, 2021 and 2020. Safe Horizon considers the measurement of its beneficial interest in trusts to be a Level 3 measurement within the fair value hierarchy because even though that measurement is based on the unadjusted fair values of the trust assets reported by the trustee, Safe Horizon will not have the ability to direct the trustee to redeem them.

The table below presents information about fair value measurements that use significant unobservable inputs (level 3):

Balance – July 1, 2019	\$ 687,178
Total losses recognized in the change in net assets with donor restrictions – change in value of perpetual trusts	<u>(16,343)</u>
Balance – June 30, 2020	670,835
Total gains recognized in the change in net assets with donor restrictions – change in value of perpetual trusts	<u>203,127</u>
Balance – June 30, 2021	<u>\$ 873,962</u>

Investments are subject to market volatility that could substantially change their carrying values in the near term. Investment income consisted of the following for the years ended June 30:

	<u>2021</u>	<u>2020</u>
Interest and dividends	\$ 259,305	\$ 283,573
Unrealized gain on investments	1,079,001	131,665
Realized gain on sale of investments	57,608	461,724
Investment fees	<u>(23,566)</u>	<u>(21,019)</u>
Net investment income	<u>\$ 1,372,348</u>	<u>\$ 855,943</u>

NOTE 7 – CASH HELD FOR RESTITUTION PAYABLE

Cash held for restitution payable represents funds that Safe Horizon maintains in its role as a restitution agent for New York City. In this role, Safe Horizon, acting as an agent for the city, collects funds from convicted defendants, who are ordered by court to pay restitution and disburses those funds to the beneficiary identified by the court. Safe Horizon informs courts and the NYC Department of Probation of the status of defendant payments, including any delays or missed payments. When the defendant has paid-in full, Safe Horizon closes the case. If the beneficiary cannot be located or has already been paid, fully or partially, by another source, Safe Horizon maintains the funds in the restricted account and uses those unclaimed funds to pay beneficiaries who have not received full payment. Cash held for restitution payable amounted to \$6,030,629 and \$6,179,045 as of June 30, 2021 and 2020, respectively, and is reported as an asset and liability in the accompanying statements of financial position.

SAFE HORIZON, INC.
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2021 AND 2020

NOTE 8 – PROPERTY AND EQUIPMENT

Property and equipment consisted of the following as of June 30:

	<u>2021</u>	<u>2020</u>	<u>Estimated Useful Lives</u>
Equipment	\$ 6,095,457	\$ 5,621,705	2-3 years
Furniture and fixtures	1,920,062	1,799,005	5 years
			5 years or lease term
Leasehold improvements	10,165,356	10,028,909	
Construction in progress	<u>195,836</u>	<u>418,191</u>	
Total cost	18,376,711	17,867,810	
Less: Accumulated depreciation and amortization	<u>(14,777,240)</u>	<u>(13,712,753)</u>	
Net book value	<u>\$ 3,599,471</u>	<u>\$ 4,155,057</u>	

Depreciation and amortization expense amounted to \$1,064,487 and \$1,117,696 for the years ended June 30, 2021 and 2020, respectively.

Construction in progress consists of renovations at Safeway Forward site as of June 30, 2021. The project is expected to be completed in the upcoming fiscal year.

NOTE 9 – BANK LINES OF CREDIT

Safe Horizon has two lines of credit with a bank. The first is for \$9,000,000 with a floating interest rate equal to either the bank's prime rate or the 30 day London Interbank Offered Rate ("LIBOR") rate plus 90 basis points subject to a minimum rate of 2% for June 30, 2021 and 2020 for the first \$6,000,000 and the 30 day LIBOR rate plus 1% (or the bank's prime rate, at the borrower's discretion) for the amount exceeding \$6,000,000. This credit line will expire on May 1, 2024 and is secured by Safe Horizon's investments. There were \$4,000,000 borrowings as of June 30, 2021, and \$6,000,000 as of December 17, 2021. Subsequent to year-end, the line was increased to \$12,000,000.

The second line of credit is an unsecured line for \$7,000,000, which expired on May 1, 2020, and was renewed through May 2024. Borrowings bear interest at a floating rate equal to the prime rate or 30, 60 or 90 day LIBOR rate plus 2%, subject to a minimum rate of 3% plus 200 basis points for June 30, 2021 and 2020. There were no outstanding borrowings on this second line as of June 30, 2021 and December 17, 2021.

Interest expense on borrowings amounted to \$6,833 and \$0 for the years ended June 30, 2021 and 2020, respectively.

NOTE 10 – IN-KIND CONTRIBUTIONS

For the years ended June 30, 2021 and 2020, Safe Horizon received \$156,869 and \$262,852 respectively, in contributed legal services that supported the work of the General Counsel's Office of Safe Horizon. In addition, a substantial number of volunteers have donated significant amounts of time in relation to Safe Horizon's program services and other activities. The contributed time by volunteers does not meet the criteria for recognition and its value; therefore, is not reflected in the statements of activities.

Safe Horizon receives rent-free occupancy for two publicly owned commercial properties located in New York, New York, and records an in-kind contribution and expense in acknowledgment of this arrangement. For each of the years ended June 30, 2021 and 2020, Safe Horizon recorded \$2,320,000 as an in-kind contribution and expense which are included in the accompanying statements of activities and functional expenses. Basis of valuation is similar commercial and residential properties in Manhattan.

SAFE HORIZON, INC.
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2021 AND 2020

NOTE 11 – NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions are available for the following purposes as of June 30:

	<u>2021</u>	<u>2020</u>
Subject to expenditures for specific purposes or the passage of time		
Domestic violence programs	\$ 1,103,261	\$ 1,040,630
Streetwork and youth programs	2,962,717	1,967,949
Sexual assault and child advocacy programs	598,489	687,125
Other	<u>724,031</u>	<u>1,354,930</u>
Subtotal	<u>5,388,498</u>	<u>5,050,634</u>
Net Assets Restricted in Perpetuity:		
Corpus of endowment	56,920	56,920
Perpetual trusts	<u>873,962</u>	<u>670,835</u>
Subtotal	<u>930,882</u>	<u>727,755</u>
Total Net Assets with Donor Restrictions	<u>\$ 6,319,380</u>	<u>\$ 5,778,389</u>

Net assets released from donor restrictions by either incurring expenses satisfying the restricted purposes or by the occurrence of other events specified by donors are as follows for the years ended June 30:

	<u>2021</u>	<u>2020</u>
Domestic violence programs	\$ 1,624,368	\$ 1,427,694
Streetwork and youth programs	1,911,878	1,781,972
Sexual assault and child advocacy programs	1,194,187	1,217,611
Other	<u>663,400</u>	<u>551,749</u>
	<u>\$ 5,393,833</u>	<u>\$ 4,979,026</u>

NOTE 12 – ENDOWMENTS

The Board of Safe Horizon recognizes that New York State adopted the New York Prudent Management of Institutional Funds Act ("NYPMIFA") on September 17, 2010. NYPMIFA replaced the prior law which was the Uniform Management of Institutional Funds Act ("UMIFA"). NYPMIFA created a rebuttable presumption of imprudence if an organization appropriates more than 7% of a donor-restricted permanent endowment fund's fair value (averaged over a period of not less than the preceding five years) in any year. Any unappropriated earnings that would otherwise be considered without donor restrictions will be reflected as net assets with donor restrictions until appropriated.

The Board explicitly appropriated all earnings as of and prior to September 17, 2010, whether deemed spent or not, as without restrictions. All unappropriated earnings on donor-restricted endowment funds after September 17, 2010, that would otherwise be considered without donor restrictions, are reflected as donor-restricted assets until appropriated.

The Board of Directors has interpreted NYPMIFA as allowing Safe Horizon to appropriate for expenditure or accumulate so much of an endowment fund as Safe Horizon determines is prudent for the uses, benefits, purposes and duration for which the endowment fund is established, subject to the intent of the donor as expressed in the gift instrument. Unless stated otherwise in the gift instrument, the assets in a donor-restricted endowment fund shall be donor-restricted assets until appropriated for expenditure by the Board of Directors.

SAFE HORIZON, INC.
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2021 AND 2020

NOTE 12 – ENDOWMENTS (Continued)

As a result of this interpretation, Safe Horizon has not changed the way net assets restricted in perpetuity are classified. The remaining portion of the donor-restricted endowment fund that is not classified as restricted in perpetuity is classified as net assets with donor restrictions (purpose and time-restricted for future periods), until those amounts are appropriated for expenditure in a manner consistent with the standard of prudence prescribed by NYPMIFA.

The policy for valuing Safe Horizon’s investments is described in Note 2F. In accordance with U.S. GAAP, any deterioration of the fair value of assets associated with donor-restricted endowment funds that falls below the level the donor requires Safe Horizon to retain in perpetuity is to be reported in net assets with donor restrictions. The policy has charged the Investment Committee (the “Committee”) with investment decision responsibility.

Changes in endowment net assets consisted of the following for the year ended June 30, 2021:

	<u>Endowment Earnings</u>	<u>Endowment Corpus</u>	<u>Total</u>
Endowment net assets, beginning of year	\$ 82,855	\$ 56,920	\$ 139,775
Investment earnings	<u>5,945</u>	<u>-</u>	<u>5,945</u>
Endowment net assets, end of year	<u>\$ 88,800</u>	<u>\$ 56,920</u>	<u>\$ 145,720</u>

Changes in endowment net assets consisted of the following for the year ended June 30, 2020:

	<u>Endowment Earnings</u>	<u>Endowment Corpus</u>	<u>Total</u>
Endowment net assets, beginning of year	\$ 79,025	\$ 56,920	\$ 135,945
Investment earnings	<u>3,830</u>	<u>-</u>	<u>3,830</u>
Endowment net assets, end of year	<u>\$ 82,855</u>	<u>\$ 56,920</u>	<u>\$ 139,775</u>

NOTE 13 – PENSION PLAN

Safe Horizon maintains a defined contribution 401(a) plan which covers all employees with at least one year of service, who elect to participate in a voluntary contribution 403(b) plan. Contributions amounted to approximately \$1,410,000 and \$1,251,000 for the years ended June 30, 2021 and 2020, respectively.

NOTE 14 – RELATED-PARTY TRANSACTIONS

Safe Horizon performs central management and administrative functions for the Houston Housing Development Fund Corporation (the “Corporation”), in the same manner as Safe Horizon provides services for its other projects. Safe Horizon charged the Corporation a fixed annual management fee of \$48,000 for each of the fiscal years ended June 30, 2021 and 2020. In addition, Safe Horizon rents from the Corporation all its available units at a fixed price of \$48,000 per annum. The Corporation shares a common Board of Directors with Safe Horizon.

NOTE 15 – COMMITMENTS AND CONTINGENCIES

- A. In most instances, grants are subject to audits by city, state and federal auditors, and costs charged to grantors may be adjusted as a result of an audit. Safe Horizon believes that no material provision is required for cost adjustments. In addition, a reserve for future disallowances based on grantor audits of \$290,000 was included in due to grantor as of both June 30, 2021 and 2020.

SAFE HORIZON, INC.
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2021 AND 2020

NOTE 15 – COMMITMENTS AND CONTINGENCIES (Continued)

Safe Horizon is a party to various lawsuits or complaints generally arising in the ordinary course of business. Safe Horizon believes it has adequate insurance to cover any material damages and, accordingly, such litigation will not have a material adverse effect on its financial condition.

Safe Horizon is obligated under operating leases for the rental of premises. Leases have escalation clauses related to increases in rent and taxes. Future minimum lease payments are indicated below for each of the five fiscal years subsequent to June 30, 2021 and thereafter:

2022	\$	7,304,590
2023		4,737,873
2024		3,667,638
2025		2,263,441
2026		1,885,487
Thereafter		<u>7,807,239</u>
	\$	<u>27,666,268</u>

Rent expense for the years ended June 30, 2021 and 2020 amounted to \$7,639,471 and \$7,406,680, respectively, and is included in occupancy expenses in the accompanying financial statements.

- B. Safe Horizon believes it had no uncertain tax positions as of June 30, 2021 and 2020 in accordance with Accounting Standards Codification (“ASC”) Topic 740, “Income Taxes,” which provides standards for establishing and classifying any tax provisions for uncertain tax positions.
- C. The COVID-19 pandemic remains a rapidly evolving situation. The extent of the impact of COVID-19 on Safe Horizon’s operations and financial results will depend on future developments, including the duration and spread of the outbreak. Management is monitoring and complying with Federal and local mandates. Due to the rapidly changing business environment, unprecedented market volatility, and other circumstances resulting from the COVID-19 pandemic, Safe Horizon is currently unable to fully determine the extent of COVID-19’s impact on its operations in future periods.

NOTE 16 – CONCENTRATIONS

Cash and cash equivalents and restricted cash that potentially subject Safe Horizon to a concentration of credit risk include cash accounts with banks that exceed the Federal Deposit Insurance Corporation (“FDIC”) insurance limits. Accounts are insured up to \$250,000 per depositor. As of June 30, 2021 and 2020, there was approximately \$9,608,000 and \$11,340,000 at various banks, respectively, of cash and cash equivalents and cash held for restitution payable that exceeded FDIC limits. Such excess includes outstanding checks.

NOTE 17 – SUBSEQUENT EVENTS

Management has evaluated events subsequent to the date of the statement of financial position through December 17, 2021, the date the financial statements were available to be issued.