

CENTER FOR HOPE AND SAFETY, INC.

Financial Statements

June 30, 2023

(with summarized comparative financial information  
as of and for the year ended June 30, 2022)



CENTER FOR HOPE AND SAFETY, INC.

FINANCIAL STATEMENTS  
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**INDEPENDENT AUDITORS' REPORT**

To the Board of Trustees of

Center for Hope and Safety, Inc.

**Report on the Audit of the Financial Statements**

**Opinion**

We have audited the accompanying financial statements of Center for Hope and Safety, Inc. (a Not-for-Profit Organization), which are comprised of the statement of financial position as of June 30, 2023, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the financial statements present fairly, in all material respects, the financial position of Center for Hope and Safety, 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 Center for Hope and Safety, Inc. and to meet our other ethical responsibilities, in accordance with the 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 audit opinions.

**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 Center for Hope and Safety, 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 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 Center for Hope and Safety, 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 Center for Hope and Safety, 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.

## **Report on Summarized Comparative Information**

We have previously audited Center for Hope and Safety, Inc.'s 2022 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated March 22, 2023. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2022, is consistent, in all material respects, with the audited financial statements from which it has been derived.

## **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 county awards is presented for purposes of additional analysis and is not a required part of the financial statements. The accompanying schedule of expenditures of federal and state awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (the "Uniform Guidance") and New Jersey OMB Circular Letter 15-08, 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 schedules are 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 February 16, 2024 on our consideration of Center for Hope and Safety, Inc.'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 Center for Hope and Safety, Inc.'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 Center for Hope and Safety, Inc.'s internal control over financial reporting and compliance.

Malesardi, Quackenbush, Swift & Co LLC

Englewood, New Jersey  
February 16, 2024

CENTER FOR HOPE AND SAFETY, INC.

STATEMENT OF FINANCIAL POSITION

June 30, 2023

(with comparative financial information as of June 30, 2022)

ASSETS

	<u>2023</u>	<u>2022</u>
ASSETS:		
Cash and equivalents	\$ 1,639,808	\$ 1,117,391
Marketable securities	398,181	365,831
Grants receivable	415,172	491,350
Welfare receivable	59,612	57,793
Client fees receivable, net	129,080	55,621
Other receivables	48,859	-
Prepaid expenses	40,884	16,438
Security deposits	3,107	3,108
Right-of-use assets, net	92,882	-
Unrecognized forgiveness of mortgage payable	34,842	46,456
Property and equipment, net	<u>2,902,643</u>	<u>2,980,947</u>
Total Assets	<u>\$ 5,765,070</u>	<u>\$ 5,134,935</u>

LIABILITIES AND NET ASSETS

LIABILITIES:		
Accounts payable	\$ 51,683	\$ 53,231
Accrued expenses	58,251	50,906
Refundable advances	296,486	74,561
Operating lease obligations	93,432	-
Mortgages payable	<u>34,842</u>	<u>46,456</u>
Total Liabilities	<u>534,694</u>	<u>225,154</u>
NET ASSETS:		
Without donor restrictions:		
General operating	4,530,238	4,236,084
Board designated	238,987	238,987
With donor restrictions	<u>461,151</u>	<u>434,710</u>
Total Net Assets	<u>5,230,376</u>	<u>4,909,781</u>
Total Liabilities and Net Assets	<u>\$ 5,765,070</u>	<u>\$ 5,134,935</u>

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

CENTER FOR HOPE AND SAFETY, INC.

STATEMENT OF ACTIVITIES

For the Year Ended June 30, 2023

(with summarized comparative financial information for the year ended June 30, 2022)

	2023			2022
	Without Donor Restrictions	With Donor Restrictions	Total	Total
<b>SUPPORT AND REVENUE:</b>				
Grants	\$ 2,503,798	\$ -	\$ 2,503,798	\$ 2,518,252
Welfare	454,851	-	454,851	348,962
Client housing	77,672	-	77,672	84,480
Fundraising:				
Individual	152,848	42,911	195,759	176,732
Private grants	10,000	262,341	272,341	191,144
Goods and services	43,359	-	43,359	23,344
Events	591,976	2,000	593,976	455,275
Investment return, net	22,518	-	22,518	38,571
Miscellaneous income	15,624	-	15,624	14,092
<b>Total Support and Revenue</b>	<b>3,872,646</b>	<b>307,252</b>	<b>4,179,898</b>	<b>3,850,852</b>
<b>EXPENSES:</b>				
Program services:				
Shelter	2,141,616	-	2,141,616	2,159,304
Transitional housing	505,761	-	505,761	374,976
Children's programs	503,780	-	503,780	521,694
<b>Total Program Services</b>	<b>3,151,157</b>	<b>-</b>	<b>3,151,157</b>	<b>3,055,974</b>
Management and general	367,667	-	367,667	280,634
Fundraising	350,466	-	350,466	235,876
<b>Total Expenses</b>	<b>3,869,290</b>	<b>-</b>	<b>3,869,290</b>	<b>3,572,484</b>
<b>CHANGE IN NET ASSETS FROM OPERATING ACTIVITIES</b>	<b>3,356</b>	<b>307,252</b>	<b>310,608</b>	<b>278,368</b>
<b>NON-OPERATING ACTIVITIES:</b>				
Investment return, net - other	9,987	-	9,987	(114,637)
Net assets released from restrictions	280,811	(280,811)	-	-
<b>Total Non-Operating Activities</b>	<b>290,798</b>	<b>(280,811)</b>	<b>9,987</b>	<b>(114,637)</b>
<b>CHANGE IN NET ASSETS</b>	<b>294,154</b>	<b>26,441</b>	<b>320,595</b>	<b>163,731</b>
<b>NET ASSETS, Beginning of Year</b>	<b>4,475,071</b>	<b>434,710</b>	<b>4,909,781</b>	<b>4,746,050</b>
<b>NET ASSETS, End of Year</b>	<b>\$ 4,769,225</b>	<b>\$ 461,151</b>	<b>\$ 5,230,376</b>	<b>\$ 4,909,781</b>

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



CENTER FOR HOPE AND SAFETY, INC.

STATEMENT OF FUNCTIONAL EXPENSES

For the Year Ended June 30, 2023

(with summarized comparative financial information for the year ended June 30, 2022)

	2023						2022
	Program Services						Total
	Shelter	Transitional Housing	Children's Programs	Management and General	Fundraising	Total	Total
Salaries	\$ 1,204,634	\$ 222,340	\$ 356,379	\$ 151,574	\$ 185,409	\$ 2,120,336	\$ 2,047,202
Health and life insurance	103,865	34,092	23,254	6,250	18,231	185,692	235,518
Workers' compensation	21,884	4,400	7,104	2,802	3,635	39,825	38,483
Pension plan	20,247	4,796	8,774	3,744	2,767	40,328	34,184
Payroll taxes	109,772	20,493	32,498	13,036	16,660	192,459	191,513
Accounting and audit	9,653	3,784	2,324	2,171	-	17,932	21,475
Consulting	7,390	772	943	105,183	24,022	138,310	86,232
Office supplies and postage	6,441	512	2,157	2,544	1,446	13,100	27,210
Computer expense	44,680	15,898	19,375	21,699	3,188	104,840	67,318
Supplies - food and kitchen	161,112	862	4,875	1,868	231	168,948	132,494
Supplies - education and children	3,311	119	3,930	140	-	7,500	6,072
Rent	-	54,036	-	-	-	54,036	50,920
Utilities	28,309	30,893	4,301	16,355	471	80,329	57,468
Small furniture, equipment, and household	14,739	637	-	79	-	15,455	18,359
Equipment rental	2,287	1,694	3,003	1,654	381	9,019	8,125
Equipment repairs and maintenance	580	230	-	-	-	810	991
Maintenance	84,151	17,878	5,941	2,239	1,537	111,746	76,250
Telephone	25,706	20,090	3,929	4,804	1,058	55,587	56,256
Insurance	39,219	5,945	20,814	7,896	855	74,729	73,368
Client assistance	67,072	24,229	1,535	-	-	92,836	51,341
Legal fund assistance	4,800	8,299	-	1,823	-	14,922	4,800
Travel	9,310	904	543	-	101	10,858	7,094
Training and education	510	-	304	1,447	-	2,261	7,378
Community education and awareness	-	-	104	2,655	9,219	11,978	4,545
Donated goods and services	43,054	-	305	-	-	43,359	23,344
Special events	-	-	-	10	79,898	79,908	46,493
Various other expenses	14,650	1,108	1,388	17,694	1,357	36,197	36,204
Bad debt expense	-	-	-	-	-	-	28,168
Subtotal	2,027,376	474,011	503,780	367,667	350,466	3,723,300	3,438,805
Depreciation	114,240	31,750	-	-	-	145,990	133,679
Total Expenses	<u>\$ 2,141,616</u>	<u>\$ 505,761</u>	<u>\$ 503,780</u>	<u>\$ 367,667</u>	<u>\$ 350,466</u>	<u>\$ 3,869,290</u>	<u>\$ 3,572,484</u>

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

CENTER FOR HOPE AND SAFETY, INC.

STATEMENT OF CASH FLOWS

For the Year Ended June 30, 2023

(with comparative financial information for the year ended June 30, 2022)

	<u>2023</u>	<u>2022</u>
CASH FLOWS FROM OPERATING ACTIVITIES:		
Change in net assets	\$ 320,595	\$ 163,731
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	145,990	133,679
Amortization of operating lease right-of-use assets	23,515	-
Realized (gain) loss on investments	84	(24,660)
Unrealized (gain) loss on investments	(9,987)	114,637
Change in grants receivable	76,178	15,060
Change in welfare receivable	(1,819)	182,637
Change in client fees receivable, net	(73,459)	(50,542)
Change in other receivables	(48,859)	43,532
Change in prepaid expenses	(24,446)	(3,521)
Change in security deposits	1	(332)
Change in accounts payable	(1,548)	13,749
Change in accrued expenses	7,345	(77,363)
Change in operating lease obligations	(22,965)	-
Change in refundable advances	221,925	(14,469)
Net Cash Provided by Operating Activities	<u>612,550</u>	<u>496,138</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchases of property and equipment	(67,686)	(37,500)
Purchases of investments	(22,447)	(95,460)
Proceeds from sale of investments	<u>-</u>	<u>81,677</u>
Net Cash Used in Investing Activities	<u>(90,133)</u>	<u>(51,283)</u>
NET CHANGE IN CASH, EQUIVALENTS AND RESTRICTED CASH	522,417	444,855
CASH, EQUIVALENTS AND RESTRICTED CASH, Beginning of Year	<u>1,117,391</u>	<u>672,536</u>
CASH, EQUIVALENTS AND RESTRICTED CASH, End of Year	<u><u>\$ 1,639,808</u></u>	<u><u>\$ 1,117,391</u></u>
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION:		
Non-cash transactions:		
Right-of-use assets acquired from incurring lease obligations	\$ 116,397	\$ -
Forgiven community affairs mortgage	\$ 11,614	\$ 29,564
Donated material and services	\$ 43,359	\$ 23,344

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

CENTER FOR HOPE AND SAFETY, INC.

NOTES TO FINANCIAL STATEMENTS

June 30, 2023

(with comparative financial information as of June 30, 2022)

NOTE 1 - NATURE OF ORGANIZATION AND OPERATIONS:

Center for Hope and Safety, Inc. (the "Organization"), formerly known as Shelter Our Sisters, Inc., assists victims of domestic violence, and their children, provides emergency and transitional housing, and numerous services focusing on safety, empowerment, and self-sufficiency.

The Organization's programs include a 24-hour Hotline, Emergency Shelter, counseling, legal advocacy, Project Self-Sufficiency (work readiness training), bilingual services, follow-up services, volunteer programs, and community education. The Organization also has an Outreach and Multicultural Services program in addition to Domestic Violence Liaisons who consult in the state protective services offices.

Transitional Housing includes the management of five homes and case management of clients.

Children's programs include residential emergency shelter program for children including preschool activities, counseling, school transfers, and social-recreational activities. Project CHILD is the community-based creative arts therapy program for children, which builds Confidence, Hope, Independence, Love, and Direction. Transportation is available for the children, and counseling and education programs are available for the non-offending parent.

The Organization is supported through donor contributions, government and private grants, and client housing fees.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

Basis of Accounting

The financial statements of the Organization have been prepared on the accrual basis of accounting and accordingly reflect all significant receivables, payables, and other liabilities.

Basis of Presentation

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

*Net Assets - Without Donor Restrictions*

Net assets without donor restrictions are available for use at the discretion of the Board of Trustees (the "Board") and/or management for general operating purposes. From time to time the Board designates a portion of these net assets for specific purposes which makes them unavailable for use at management's discretion.

*Net Assets - With Donor Restrictions*

Net assets with donor restrictions represent those amounts which are donor restricted for specific purposes. When a donor restriction expires, that is, when a stipulated time restriction ends or a purpose restriction is accomplished, net assets with donor restrictions are reclassified as net assets without donor restrictions and reported on the statement of activities as net assets released from restrictions.

CENTER FOR HOPE AND SAFETY, INC.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

June 30, 2023

(with comparative financial information as of June 30, 2022)

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

In the absence of donor restriction, contributions and bequests are considered to be available for unrestricted use. All income is recognized in the period when the contribution, pledge, or unconditional promise to give is received.

Cash and Equivalents

For purposes of the statement of cash flows, the Organization considers all highly liquid investments with an initial maturity of three months or less to be cash equivalents. In addition, the Organization considers all certificates of deposit with a maturity of one year or less to be cash.

Investments

The Organization carries investments at their fair values in the statement of financial position. Realized gains and losses are included in earnings; unrealized gains and losses are reported as a separate component of net assets in the statement of activities. On the statement of activities, the Organization presents as separate line-items both investment return, net that is comprised of ordinary interest, dividend income, and realized gains (losses) under operating activities and investment return, net - other that is comprised of unrealized gains (losses) on investments under non-operating activities.

Receivables

The Organization records its receivables at the amount management expects to collect from outstanding balances. Management provides for probable uncollectible amounts through a provision for bad debt expense and an adjustment to a valuation allowance based on its assessment of the current status of individual accounts. Balances that are still outstanding after management has used reasonable collection efforts are written off through a charge to the valuation allowance and a credit to accounts receivable. Changes in the valuation allowance have not been material to the financial statements.

Fair Market Value Measurements

The Organization follows Financial Accounting Standards Board guidance on Fair Value Measurements which defines fair value and establishes a fair value hierarchy organized into three levels based upon the input assumptions used in pricing assets. Level 1 inputs have the highest reliability and are related to assets with unadjusted quoted prices in active markets. Level 2 inputs relate to assets with other than quoted prices in active markets which may include quoted prices for similar assets or liabilities or other inputs which can be corroborated by observable market data. Level 3 inputs are unobservable inputs and are used to the extent that observable inputs do not exist.

CENTER FOR HOPE AND SAFETY, INC.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

June 30, 2023

(with comparative financial information as of June 30, 2022)

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

Property and Equipment

Property and equipment are stated at cost or fair value at the date of donation. Depreciation is provided using the straight-line method over the estimated useful lives of the assets as follows:

Buildings	30 - 31.5 years
Improvements	7 - 39 years
Furniture and fixtures	5 - 7 years
Equipment	5 - 10 years
Transportation equipment	5 years

Additions and betterments of \$2,500 or more are capitalized, while maintenance and repairs that do not improve or extend the useful lives of the respective assets are expensed currently.

The Organization owns four properties: the shelter, two transitional homes, and the Community Program Center, where the administrative and program offices are located.

Revenue and Revenue Recognition

Revenue is recognized when earned. Contributions are recognized when cash, securities, or other assets; an unconditional promise to give; or notification of a beneficial interest is received. Conditional promises to give, that is, those with measurable performance or other barrier and a right of return, are not recognized until the conditions on which they depend have been met or the donor has explicitly released the restriction. Grant revenue is recognized as certain performance requirements and/or the occurrence of allowable qualifying expenses occur, as stipulated in the grant agreements. Revenue from program services is recognized when the service is performed.

Estimates

Management uses estimates and assumptions in preparing financial statements. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported revenue and expenses. On an ongoing basis, management evaluates the estimates and assumptions based on new information. Management believes that the estimates and assumptions are reasonable in the circumstances; however, actual results could differ from those estimates.

Income Taxes

The Organization is a Not-for-Profit organization under Section 501(c)(3) of the Internal Revenue Code and is exempt from income taxes.

Refundable Advances

The Organization records grant revenue as refundable advances until it is expended for the purpose of the grant, at which time it is recognized as revenue.

CENTER FOR HOPE AND SAFETY, INC.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

June 30, 2023

(with comparative financial information as of June 30, 2022)

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

Non-Cash Contributions

Non-cash contributions are recorded as donation revenue at their estimated fair value at the date of donation if these amounts are material to the financial statements.

Open Tax Years

The Organization's Forms 990, *U.S. Return of Organization Exempt from Income Tax*, for the years ending June 30, 2020, 2021, 2022, and 2023 are subject to examination by the Internal Revenue Service, generally for three years after they were filed.

Expense Allocation

Directly identifiable expenses are charged to program and supporting services. Expenses related to more than one function are charged to program and supporting services on the basis of periodic time and expense studies. Management and general expenses include those expenses that are not directly identifiable with any other specific function but provide for the overall support and direction of the Organization. The Organization maintains different charts of accounts to fulfill the process of tracking all transactions within the general ledger by allocation codes. The source document control ensures that all documents have an audit trail.

Comparative Financial Information

The financial statements include certain prior year summarized comparative information in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with generally accepted accounting principles. Accordingly, such information should be read in conjunction with the Organization's financial statements for the year ended June 30, 2022, from which the summarized information was derived.

New Accounting Pronouncement

In 2022, the Organization adopted Accounting Standards Update ("ASU") No. 2016-02, Leases, which requires lessees to recognize leases on the statement of financial position and disclose key information about leasing arrangements. The Organization elected not to restate the comparative period (2022). It also elected not to reassess at adoption (i) expired or existing contracts to determine whether they contain a lease, (ii) the lease classification of any existing leases, or (iii) initial direct costs for existing leases. As a result of implementing ASU No. 2016-02, the Organization recognized right-of-use ("ROU") asset of \$116,397 and lease obligations totaling \$116,397 in its statement of financial position as of July 1, 2022.

The Organization determines if an arrangement is or contains a lease at inception. Leases are included in ROU assets and lease obligations reflect the present value of future minimum lease payments over the lease term, and ROU assets also include prepaid or accrued rent. Operating lease expense is recognized on a straight-line basis over the lease term. The Organization does not report ROU assets and lease obligations for its short-term leases (leases with a term of 12 months or less). Instead, the lease payments of those leases are reported as lease expense on a straight-line basis over the term of the lease.

CENTER FOR HOPE AND SAFETY, INC.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

June 30, 2023

(with comparative financial information as of June 30, 2022)

NOTE 3 - FAIR VALUE MEASUREMENTS:

Assets measured at fair value on a recurring basis are as follows:

<u>June 30, 2023</u>		
<u>Description</u>	<u>Fair Value</u>	<u>Quoted Prices (Level 1)</u>
Money market funds	\$ 5,823	\$ 5,823
Mutual funds	<u>392,358</u>	<u>392,358</u>
Total	<u>\$ 398,181</u>	<u>\$ 398,181</u>

  

<u>June 30, 2022</u>		
<u>Description</u>	<u>Fair Value</u>	<u>Quoted Prices (Level 1)</u>
Money market funds	\$ 9,029	\$ 9,029
Mutual funds	<u>356,802</u>	<u>356,802</u>
Total	<u>\$ 365,831</u>	<u>\$ 365,831</u>

Fair values for investments and money-markets are determined by references to quoted market prices and other relevant information generated by market transactions.

NOTE 4 - INVESTMENT RETURN:

Investment return is summarized as follows:

	<u>2023</u>	<u>2022</u>
Dividends and interest	\$ 26,327	\$ 18,312
Realized gain (loss)	(84)	24,660
Unrealized gain (loss)	9,987	(114,637)
Investment fees	<u>(3,725)</u>	<u>(4,401)</u>
Total Investment Return, net	<u>\$ 32,505</u>	<u>\$ (76,066)</u>

CENTER FOR HOPE AND SAFETY, INC.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

June 30, 2023

(with comparative financial information as of June 30, 2022)

NOTE 5 - PROPERTY AND EQUIPMENT:

Property and equipment consisted of the following:

	<u>2023</u>	<u>2022</u>
Land	\$ 456,463	\$ 456,463
Buildings	2,185,715	2,185,715
Improvements	2,695,605	2,627,919
Furniture and fixtures	120,962	120,962
Equipment	348,984	348,984
Transportation equipment	<u>111,737</u>	<u>111,737</u>
Total Property and Equipment	5,919,466	5,851,780
Less: accumulated depreciation	<u>3,016,823</u>	<u>2,870,833</u>
Property and Equipment, net	<u>\$ 2,902,643</u>	<u>\$ 2,980,947</u>

Depreciation expense for the years ended June 30, 2023 and 2022 was \$145,990 and \$133,679, respectively.

NOTE 6 - LINE OF CREDIT:

The Organization had a line of credit in the amount of \$100,000 with Malvern Federal Savings Bank. The outstanding principal of all advances bore interest at the rate of the bank's prime rate per annum. The line of credit was collateralized by the transitional house located in Emerson, New Jersey. The line of credit matured on January 1, 2023 and was not renewed.

NOTE 7 - MORTGAGES PAYABLE:

On January 25, 2012, and March 23, 2016, the Organization borrowed \$179,500 and \$116,140, respectively, from the New Jersey Department of Community Affairs, Division of Housing. The promissory notes have a provision whereby 10% of the original principal balance is forgiven on the anniversary date of the note.

The January 25, 2012 loan matured on January 25, 2022, while the March 23, 2016 loan matures on March 23, 2026. The outstanding balance of the loans will be due and payable upon default, termination or sale of the interest owned in the property. The Organization must submit documentation to the New Jersey Department of Community Affairs, Division of Housing to effectuate the discharge of the mortgage.

Future principal payments to be forgiven are as follows:

2024	\$ 11,614
2025	11,614
2026	<u>11,614</u>
Total	<u>\$ 34,842</u>



CENTER FOR HOPE AND SAFETY, INC.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

June 30, 2023

(with comparative financial information as of June 30, 2022)

NOTE 8 - NET ASSETS WITH DONOR RESTRICTIONS:

Net assets with donor restrictions are available for the following purposes:

	<u>2023</u>	<u>2022</u>
Subject to expenditure for specified purpose or period:		
Emergency Shelter	\$ 98,043	\$ 89,166
Community Services	13,025	12,970
Economic Empowerment	23,368	24,370
Children	127,472	139,885
Transitional Housing and Rapid Rehousing	36,024	31,730
Client assistance, including legal	32,172	30,172
Legal	300	300
Other programs	<u>130,747</u>	<u>106,117</u>
Total Net Assets with Donor Restrictions	<u>\$ 461,151</u>	<u>\$ 434,710</u>

Net assets released from donor restrictions, by incurring expenses satisfying the restricted purposes are as follows:

	<u>2023</u>	<u>2022</u>
Emergency Shelter	\$ 49,323	\$ -
Community Services	22,441	22,744
Economic Empowerment	1,158	-
Children	37,413	32,135
Transitional Housing and Rapid Rehousing	27,606	-
Client assistance, including legal	-	20
Other programs	<u>142,870</u>	<u>-</u>
Total Net Assets with Donor Restrictions	<u>\$ 280,811</u>	<u>\$ 54,899</u>

The various purposes of the above donor restricted amounts are as follows:

Emergency Shelter

Funds for confidential shelter, which provides a refuge for approximately 160-200 victims and survivors a year.

Community Services

Funds to provide follow-up counseling/case management to victims and survivors who have moved on from the Organization's residential services. Counselors provide guidance to reintegrate victims and survivors into their communities. Primary focus is on safety, job training, housing, court issues, food and immigration.

CENTER FOR HOPE AND SAFETY, INC.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

June 30, 2023

(with comparative financial information as of June 30, 2022)

NOTE 8 - NET ASSETS WITH DONOR RESTRICTIONS (CONTINUED):

Economic Empowerment

Funds to provide job readiness training including: English as a second language, high school equivalency test, resume writing, computer basics, and interview techniques. Case workers assist victims and survivors in exploring their vocational interests and capabilities, and seeks education and vocational trainings and employment opportunities with them.

Children

Funds for 90+ sheltered children to receive services annually and more than 400 community children receive referrals/assistance, holiday gifts and/or attend agency activities. Preschool program for children of residential clients. Individual counseling, including art therapy, with an emphasis on building self-esteem, self-confidence, and appropriate behaviors. Afternoon programming for school-aged children, includes tutoring, small group discussions, recreational activities, and community trips.

Transitional Housing and Rapid Rehousing

Funds for approximately 15-20 households a year to house in five transitional homes, and funds to provide rent subsidies to 2 households with new Rapid-Rehousing Program. Average length of stay is 19 months (max stay is 24 mos.). For clients in need of affordable housing and support services after their shelter stay. Victims and survivors work with counselors to continue gaining strength and building skills. Program provides support services for vocational counseling, training for reentry into the workforce and to secure employment etc., and provide services that help integration into a community, including transportation, child care, case management and finding permanent housing.

Client assistance, including legal

Funds to provide client assistance which includes rent, utilities, child care, transporting clients and help with medications. Legal assistance is provided by the Organization's staff attorneys providing legal representation to survivors of domestic violence in Bergen County.

Legal

Funds for the Organization's staff attorneys provides legal representation to survivors of domestic violence in Bergen County. Priority legal issues include: Temporary Restraining Orders (TROs), Final Restraining Orders (FROs) and appeals, emergent custody, visitation, child support, spousal support and other related domestic violence family law matters. The attorneys also provide advice and counsel to survivors of domestic violence in lieu of representation when appropriate, to empower such survivors to represent themselves or to make appropriate decisions regarding their legal cases.

CENTER FOR HOPE AND SAFETY, INC.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

June 30, 2023

(with comparative financial information as of June 30, 2022)

NOTE 8 - NET ASSETS WITH DONOR RESTRICTIONS (CONTINUED):

Other Programs

Various funds that provide 24 Hour Hotline-Services are for victims of domestic violence, who may be abused by their husband, partner, relative or adult child. Callers receive crisis intervention, counseling and referrals. Also, Community Education programs focusing on domestic violence. Volunteer Program Opportunities include: answer hotline, working with children, tutoring, organizing, transportation and education fairs.

NOTE 9 - PENSION PLAN:

The Organization sponsors a Simplified Employee Pension ("SEP") Plan covering all eligible full-time employees. The Organization contributes a percentage of compensation (not to exceed 15%) to the plan. For the years ending June 30, 2023 and 2022, the pension plan expense was \$40,328 and \$34,184, respectively.

NOTE 10 - REVENUE FROM CONTRACTS WITH CUSTOMERS:

Contract Balances

Contract balances from contracts with customers were as follows:

	<u>Client Fees Receivable</u>	
	<u>2023</u>	<u>2022</u>
Beginning of year	\$ 55,621	\$ 5,844
End of year	\$ 129,080	\$ 55,621

Disaggregation of Revenue

The Organization has one source of revenue from contracts with customers, which is client housing fees from the transitional housing program. The Organization recognizes revenue from contracts with customers over time for financial reporting purposes. Revenue recognized over time for the years ended June 30, 2023 and 2022 was \$77,672 and \$84,480, respectively.

Performance Obligations

Revenue derived from client housing fees are recognized during the year in which the obligation under the rental agreements specific to each client are met. The performance obligation is providing housing to clients in five transitional homes; therefore, the revenue is recognized over the year or period of the rental agreements that are specific to each client. Fees are due by the first of the month. Fees paid in advance is deferred to the period to which they relate.

CENTER FOR HOPE AND SAFETY, INC.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

June 30, 2023

(with comparative financial information as of June 30, 2022)

NOTE 11 - CONCENTRATIONS:

Credit Risk

The Organization maintains its cash balances at several financial institutions. Accounts at each institution are insured by the Federal Deposit Insurance Corporation up to \$250,000. The balances, at times, may exceed federally insured limits.

Support

The Organization receives a substantial amount of its revenue from Federal and state grants. A significant reduction in the level of this revenue, if this was to occur, may have an effect on the Organization's programs and activities.

NOTE 12 - COMMITMENTS AND CONTINGENCIES:

Operating Leases

The Organization's operating leases consisted of a lease for its copier machine and a real estate lease for one of its transitional homes. Center for Hope and Safety evaluated current contracts to determine which met the criteria of a lease. The ROU asset represents the Organization's right to use underlying assets for the lease terms, and the lease obligations represents the Organization's obligation to make lease payments arising from these leases. The ROU asset and lease obligations, all of which arise from operating leases, were calculated based on the present value of future lease payments over the lease terms, including renewal periods that are considered reasonably certain. The Organization has made an accounting policy election to use a risk-free rate in lieu of its incremental borrowing rate to discount future lease payments.

For the year ended June 30, 2023 and 2022, total operating lease cost for the copier and transitional home was \$26,505 and \$2,600, respectively. Operating lease cost is included in the rent and equipment rent line items on the statement of functional expenses.

The following summarizes the line items in the statements of financial position which include amounts for the operating lease as of June 30, 2023:

Operating lease right-of-use assets, net	<u>\$ 92,882</u>
Operating lease obligations	<u>\$ 93,432</u>

The components of operating lease expenses are included in the statements of activities for the year ended June 30, 2023 are as follows:

Operating lease cost	<u>\$ 26,505</u>
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The following summarizes the cash flow information related to the operating leases for the year ended June 30, 2023:

Cash paid for amounts included in the measurement of lease obligations:

Operating cash flows for operating leases	<u>\$ 25,954</u>
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CENTER FOR HOPE AND SAFETY, INC.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

June 30, 2023

(with comparative financial information as of June 30, 2022)

NOTE 12 - COMMITMENTS AND CONTINGENCIES (CONTINUED):

The weighted-average lease term and discount rate applied to calculate the lease obligations as of June 30, 2023 are as follows:

Weighted average remaining lease term	44 months
Weighted average discount rate	2.88%

There were no noncash investing and financing transactions related to leasing other than the transition entry described in Note 2.

Future maturities of the operating lease obligations are presented in the following table for the fiscal years ending June 30:

2024	\$ 26,266
2025	26,590
2026	26,920
2027	<u>18,640</u>
Total lease payments	98,416
Less present value discount	<u>(4,984)</u>
Total	<u>\$ 93,432</u>

The Organization also has two leases for rental units which runs for a year.

Mortgages

The Organization has the following contingent notes payable to the New Jersey Department of Human Services:

<u>Original Amount</u>	<u>Date of Note</u>	<u>Date of Maturity</u>	<u>Annual Reduction</u>	<u>Balance as of 06/30/23</u>
\$ 12,420	05/14/03	05/14/23	\$ 621	\$ -
\$ 3,555	10/31/04	10/31/24	\$ 178	\$ 351
\$ 5,819	02/28/05	02/28/25	\$ 291	\$ 578

These notes specify that the money be used for renovations or other improvements; the Organization has satisfied these obligations. In return, no repayment of these notes is required as long as the Organization continues to operate in the same manner until the date of maturity as shown. Instead, the amount of these notes is being reduced annually.

The U.S. Department of Housing and Urban Development ("HUD") Supportive Housing grant, awarded in conjunction with the purchase of a transitional home, requires a 20-year commitment (until September 2024) to operate that facility in accordance with grant requirements. No repayment is required as long as the facility remains in operation as a transitional home until that date.

CENTER FOR HOPE AND SAFETY, INC.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

June 30, 2023

(with comparative financial information as of June 30, 2022)

NOTE 13 - ENDOWMENT FUNDS:

Board Designated Endowment

As of June 30, 2023 and 2022, the Board of Trustees has designated \$238,987 and \$238,987, respectively, of net assets without donor restrictions as a general endowment fund to support the Organization's operations and capital improvements. Since that amount resulted from an internal designation and is not donor restricted, it is classified and reported as net assets without donor restrictions.

*Investment Return Objective, Risk Parameters, and Strategies.* The Organization maintains an Endowment Program for the explicit purpose of assuring the continuity and viability of the Organization. To achieve this objective, endowment assets are invested in a well-diversified asset mix, which includes cash and money-market, equities and fixed income securities that are intended to result in a consistent rate of return.

*Spending Policy.* The long-term objective of the Organization's endowment is that annual spending should remain at a prudent level with the objective to balance current and future requirements of the agency. Spending should not exceed 5% of a three-year average of market value, calculated on the latest twelve-quarter ending market values. The income may be used at the discretion of the board.

NOTE 14 - LIQUIDITY AND AVAILABILITY OF RESOURCES:

The following reflects the Organization's financial assets as of June 30, 2023 and 2022 that could readily be made available within one year of the statement of financial position to fund expenses without limitation:

	<u>2023</u>	<u>2022</u>
Cash and equivalents	\$ 1,639,808	\$ 1,117,391
Marketable securities	398,181	365,831
Grants receivable	415,172	491,350
Welfare receivable	59,612	57,793
Client fees receivable, net	129,080	55,621
Other receivables	<u>48,859</u>	<u>-</u>
Total financial assets at year-end	<u>2,690,712</u>	<u>2,087,986</u>
Less those unavailable for general expenditures within one year due to:		
Restricted by donors with purpose restrictions	(461,151)	(434,710)
Board designated quasi-endowment	<u>(238,987)</u>	<u>(238,987)</u>
Total unavailable for general use	<u>(700,138)</u>	<u>(673,697)</u>
Total financial assets available to management for general expenditure within one year	<u>\$ 1,990,574</u>	<u>\$ 1,414,289</u>

CENTER FOR HOPE AND SAFETY, INC.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

June 30, 2023

(with comparative financial information as of June 30, 2022)

NOTE 14 - LIQUIDITY AND AVAILABILITY OF RESOURCES (CONTINUED):

Liquidity Management

The Organization maintains a policy of structuring its financial assets to be available as its general expenditures, liabilities, and other obligations come due.

NOTE 15 - SUBSEQUENT EVENTS:

Subsequent events have been evaluated through February 16, 2024 the date the financial statements were available to be issued. On January 16, 2024, the Organization was approved for a line of credit for \$100,000 with PNC Bank.

## CENTER FOR HOPE AND SAFETY, INC.

SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS  
For the Year Ended June 30, 2023

Federal/State Agency/Pass-Through Entity	AL Number	Grant Number	Fiscal Year Expenditures	Total Grant Expenditures	Grant Period
<b>Federal:</b>					
U.S. Department of Housing and Urban Development:					
Continuum of Care Program	14.267	NJ0022L2F012114	\$ 15,801	\$ 15,801	07/01/22-06/30/23
Continuum of Care Program	14.267	NJ0021L2F012114	23,020	23,020	07/01/22-06/30/23
Continuum of Care Program	14.267	NJ0645D2F012100	128,453	128,453	11/01/22-10/31/23
Total Continuum of Care Program			167,274	167,274	
Emergency Solutions Grant - Shelter Options	14.231	ESG-CFHS-03-22	50,000	50,000	07/01/22-06/30/23
Emergency Solutions Grant - HMIS Operations	14.231	ESG-CFHS-03A-22	4,750	4,750	07/01/22-06/30/23
Total Emergency Solutions Grants			54,750	54,750	
U.S. Department of Justice:					
Supportive Services for Victims of Domestic Violence	16.575	VAG 30-20	124,879	225,514	09/01/21-08/31/23
Supportive Services for Victims of Domestic Violence	16.575	VAG 11-19	72,437	72,437	09/01/22-08/31/23
Total Supportive Services for Victims of Domestic Violence			197,316	297,951	
U.S. Department of Justice:					
Office of Violence Against Women - Legal Assistance	16.524	2017-WL-AX-003	172,254	958,523	10/01/17-09/30/23
Office of Violence Against Women - Transitional Housing	16.736	2020-WH-AX-0039	179,114	392,725	10/01/20-09/30/23
OJP Byrne Discretionary Grants Program	16.753	15POVC22GG00672BRND	38,200	38,200	07/01/22-02/28/25
U.S. Department of Education:					
County of Bergen, Special Services					
Education for Homeless Children and Youth	84.196	N/A	1,957	1,957	09/15/22-06/15/23
U.S. Department of Education					
County of Bergen					
Home Investment Partnerships Program	14.239	19-00017	500	500	07/01/17-07/01/18
U.S. Department of Housing and Urban Development					
State of New Jersey, County of Bergen, Department of					
Administration and Finance, Division of Community Development:					
COVID-19 - Emergency Solutions Grant	14.231	ESG-CV1-CFHS-02-20	16,263	100,000	12/01/20-07/31/22
U.S. Department of Health and Human Services:					
State of New Jersey, Department of Children and Families,					
Division of Prevention and Community Partnerships:					
Family Violence Prevention and Services (FVPS)	93.671	23ADBW	22,727	22,727	07/01/22-06/30/23
Family Violence Prevention and Services (FVPS) - Round 2	93.671	23ADBW	75,576	75,576	07/01/22-09/30/25
Family Violence Prevention and Services (FVPSA2)	93.671	23ADBW	69,588	69,588	07/01/22-06/30/23
Total Family Violence Prevention and Services			167,891	167,891	
U.S. Department of Homeland Security:					
Emergency Food and Shelter National Board Program	97.024	N/A	13,229	13,229	07/01/22-06/30/23
Total Expenditures of Federal Awards			1,008,748	2,193,000	
<b>State of New Jersey:</b>					
Department of Children and Families, Division on Women:					
Sheltering	N/A	23ADBW	405,654	405,654	07/01/22-06/30/23
Sheltering Additional	N/A	23ADBW	79,304	79,304	07/01/22-06/30/23
Project CHILD	N/A	23ADBW	475,158	475,158	07/01/22-06/30/23
DV Liaison	N/A	23ADBW	168,000	168,000	07/01/22-06/30/23
VOCA Loss	N/A	23ADBW	22,917	22,917	07/01/22-06/30/23
DV Victims Fund	N/A	23ADBW	15,197	15,197	07/01/22-06/30/23
DV Direct Svc	N/A	23ADBW	105,588	105,588	07/01/22-06/30/23
DV Direct Svc	N/A	23ADBW	32,056	32,056	07/01/22-06/30/23
DV Direct Svc	N/A	23ADBW	35,000	35,000	07/01/22-06/30/23
Total Expenditures of State Awards			1,338,874	1,338,874	
Total Expenditures of Federal and State Awards			\$ 2,347,622	\$ 3,531,874	

See accompanying notes to the schedule of expenditures  
of federal and state awards.



CENTER FOR HOPE AND SAFETY, INC.

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS  
For the Year Ended June 30, 2023

NOTE 1 - BASIS OF PRESENTATION:

The accompanying schedule of expenditures of federal and state awards (the "Schedule") includes the federal and state award activity of Center for Hope and Safety, Inc. under programs of the federal and state government for the year ended June 30, 2023. The information in the Schedule 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* (the "Uniform Guidance") and New Jersey OMB Circular Letter 15-08. Because the Schedule presents only a selected portion of operations of Center for Hope and Safety, Inc., it is not intended to and does not present the financial position, changes in net assets, or cash flows of Center for Hope and Safety, Inc.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance and New Jersey OMB Circular 15-08, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

NOTE 3 - SUBRECIPIENTS:

During the year ended June 30, 2023, the Organization did not provide funds relating to their programs to subrecipients.

NOTE 4 - INDIRECT COST RATE:

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

NOTE 5 - LOAN AND LOAN GUARANTEE PROGRAMS:

As of June 30, 2023, the Organization did not have any federal or state loan or loan guarantee programs.

CENTER FOR HOPE AND SAFETY, INC.

SCHEDULE OF EXPENDITURES OF COUNTY AWARDS  
For the Year Ended June 30, 2023

<u>Department</u>	<u>Grant Name</u>	<u>Grant</u>	<u>Grant Period From</u>	<u>Grant Period To</u>	<u>Total Grant Amount</u>	<u>Expenditures</u>
Department of Human Services:	Domestic Violence Prevention	CHS-C22	01/01/22	12/31/22	\$ 94,449	\$ 49,608
	Domestic Violence Prevention	CHS-C23	01/01/22	12/31/22	94,449	38,351
					<u>188,898</u>	<u>87,959</u>
	Protective Services, County Match	23ADBW	07/01/22	06/30/23	<u>33,760</u>	<u>33,760</u>
				Total	<u>\$ 222,658</u>	<u>\$ 121,719</u>

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

**MALESARDI, QUACKENBUSH, SWIFT & COMPANY LLC**

Certified Public Accountants  
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Englewood, New Jersey 07631  
201-567-4100  
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**INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND  
ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS  
PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

To the Board of Trustees of

Center for Hope and Safety, Inc.

We have audited, 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, the financial statements of Center for Hope and Safety, Inc. (a Not-for-Profit Organization), which are comprised of the statement of financial position as of June 30, 2023, and the related statements of activities, 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 February 16, 2024.

**Report on Internal Control over Financial Reporting**

In planning and performing our audit of the financial statements, we considered Center for Hope and Safety, Inc.'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 Center for Hope and Safety, Inc.'s internal control. Accordingly, we do not express an opinion on the effectiveness of Center for Hope and Safety, Inc.'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 Entity'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 may exist that were not identified.

## Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether Center for Hope and Safety, Inc.'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 Entity'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 Entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

malesardi, quackenbush, swift & co llc

Englewood, New Jersey  
February 16, 2024

MALESARDI, QUACKENBUSH, SWIFT & COMPANY LLC

Certified Public Accountants

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INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON  
INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE AND  
NEW JERSEY OMB CIRCULAR LETTER 15-08

To the Board of Trustees of

Center for Hope and Safety, Inc.

**Report on Compliance for Each Major Program**

**Opinion on Each Major Program**

We have audited Center for Hope and Safety, Inc.'s compliance with the types of compliance requirements identified as subject to audit in the *OMB Compliance Supplement* and the New Jersey Office of Management and Budget *Compliance Supplement* that could have a direct and material effect on each of Center for Hope and Safety, Inc.'s major programs for the year ended June 30, 2023. Center for Hope and Safety, Inc.'s major programs are identified in the summary of auditors' results section on the accompanying schedule of findings and questioned costs.

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

**Basis for Opinion on Each Major Program**

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, 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* (the "Uniform Guidance"), and New Jersey OMB Circular Letter 15-08. Our responsibilities under those standards, the Uniform guidance and New Jersey OMB Circular Letter 15-08 are further described in the Auditors' Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of Center for Hope and Safety, Inc. 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 program. Our audit does not provide a legal determination of Center for Hope and Safety, Inc.'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 laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to Center for Hope and Safety, Inc.'s federal and state 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 Center for Hope and Safety, 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 generally accepted auditing standards, *Government Auditing Standards*, the Uniform Guidance, and New Jersey OMB Circular Letter 15-08 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 Center for Hope and Safety, Inc.'s compliance with the requirements of each major program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, the Uniform Guidance, and New Jersey OMB Circular Letter 15-08, 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 Center for Hope and Safety, 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 Center for Hope and Safety, 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 and New Jersey OMB Circular Letter 15-08, but not for the purpose of expressing an opinion on the effectiveness of Center for Hope and Safety, 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 or state 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 or state 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 or state 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 and New Jersey OMB Circular Letter 15-08. Accordingly, this report is not suitable for any other purpose.

*malesardi, quackenbush, swift & co llc*

Englewood, New Jersey  
February 16, 2024

CENTER FOR HOPE AND SAFETY, INC.

SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
For the Year Ended June 30, 2023

I. Summary of Auditors' Results:

*Financial Statements*

Type of auditors' report issued:

Unmodified

Internal control over financial reporting:

1. Material weakness(es) identified?

\_\_\_\_\_ yes

  X   no

2. Significant deficiencies identified?

\_\_\_\_\_ yes

  X   none reported

Noncompliance material to financial statements noted?

\_\_\_\_\_ yes

  X   no

*Federal and State Awards*

Internal control over major programs:

1. Material weakness(es) identified?

\_\_\_\_\_ yes

  X   no

2. Significant deficiencies identified?

\_\_\_\_\_ yes

  X   none reported

Type of auditors' report issued on compliance for major programs:

Unmodified

Any audit findings disclosed that are required to be reported in accordance with 2 CFR section 200.516(a) and New Jersey OMBC Circular Letter 15-08?

\_\_\_\_\_ yes

  X   no

*Major Programs*

Assistance Listing/Contract Number

Name of Federal or State Program or Cluster

23ADBW

State of New Jersey  
Department of Children and Families,  
Sheltering, Sheltering Additional, Project CHILD,  
DV Liasion, VOCA Loss, DV Victims Fund, DV Direct Svc.

14.267

Continuum of Care Program

93.671

Family Violence Prevention and Services

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

\$ 750,000

Auditee qualified as low-risk auditee?

  X   yes

\_\_\_\_\_ no

II. Financial Statement Findings: None

III. Federal and State Award Findings and Questioned Costs: None