

SANCTUARY FOR FAMILIES, INC. AND AFFILIATE



**Consolidated Financial Statements
and Supplementary Information
(Together with Independent Auditors' Report)**

Years Ended June 30, 2020 and 2019

M A R K S P A N E T H

ACCOUNTANTS & ADVISORS

SANCTUARY FOR FAMILIES, INC. AND AFFILIATE

**CONSOLIDATED FINANCIAL STATEMENTS
AND SUPPLEMENTARY INFORMATION
(Together with Independent Auditors' Report)**

YEARS ENDED JUNE 30, 2020 AND 2019

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors of
Sanctuary for Families, Inc. and Affiliate

We have audited the accompanying consolidated financial statements of Sanctuary for Families, Inc. ("Sanctuary") and Sanctuary for Families Housing Development Fund Corporation ("Housing") (collectively known as the "Organization"), which comprise the consolidated statements of financial position as of June 30, 2020 and 2019, and the related consolidated statements of activities, functional expenses and cash flows for the years then ended, and the related notes to the consolidated financial statements.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated 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 consolidated 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 consolidated 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 consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated 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 consolidated 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 consolidated 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 consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of the Organization as of June 30, 2020 and 2019 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.

Report on Consolidating Information

Our audits were conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The consolidating information (shown on pages 17-19) is presented for the purpose of additional analysis of the consolidated financial statements rather than to present the financial position, the changes in net assets, and cash flows of the individual organizations, and it is not a required part of the consolidated 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 consolidated financial statements. The consolidating information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the consolidating information is fairly stated in all material respects in relation to the consolidated financial statements as a whole.

Marks Paneth LLP

New York, NY
December 29, 2020

SANCTUARY FOR FAMILIES, INC. AND AFFILIATE
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
AS OF JUNE 30, 2020 AND 2019

	<u>2020</u>	<u>2019</u>
ASSETS		
Cash and cash equivalents (Notes 2D and 7A)	\$ 8,108,540	\$ 1,553,969
Government contracts receivable (Notes 2E, 2H and 7B)	8,336,215	6,959,343
Contributions receivable, net (Notes 2G, 2H and 4)	4,686,320	5,371,746
Investments (Notes 2I and 5)	751,511	1,824,892
Prepaid expenses and other assets	559,424	465,987
Property and equipment, net (Notes 2J and 6)	<u>981,867</u>	<u>1,045,639</u>
TOTAL ASSETS	<u>\$ 23,423,877</u>	<u>\$ 17,221,576</u>
LIABILITIES		
Accounts payable and accrued expenses	\$ 476,392	\$ 430,098
Accrued salaries and related benefits	743,073	585,374
Accrued vacation	507,435	439,020
Deferred rent (Note 2K)	923,657	758,433
Deferred revenue	49,333	25,000
Grants payable	121,880	161,001
Loans payable (Note 11)	<u>5,323,350</u>	<u>-</u>
TOTAL LIABILITIES	<u>8,145,120</u>	<u>2,398,926</u>
COMMITMENTS AND CONTINGENCIES (Note 10)		
NET ASSETS		
Without Donor Restrictions (Note 2C)		
Available for operations	9,972,247	8,686,070
Board designated	<u>125,167</u>	<u>153,778</u>
	10,097,414	8,839,848
With Donor Restrictions (Notes 2C, 12 and 13)	<u>5,181,343</u>	<u>5,982,802</u>
TOTAL NET ASSETS	<u>15,278,757</u>	<u>14,822,650</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 23,423,877</u>	<u>\$ 17,221,576</u>

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

**SANCTUARY FOR FAMILIES, INC. AND AFFILIATE
CONSOLIDATED STATEMENTS OF ACTIVITIES
FOR THE YEARS ENDED JUNE 30, 2020 AND 2019**

	Year Ended June 30, 2020			Year Ended June 30, 2019		
	Without Donor Restrictions	With Donor Restrictions	Total 2020	Without Donor Restrictions	With Donor Restrictions	Total 2019
OPERATING REVENUE AND SUPPORT:						
Government grants (Notes 2E and 7B)	\$ 12,519,386	\$ -	\$ 12,519,386	\$ 11,635,411	\$ -	\$ 11,635,411
Program service revenue (Note 2F)	5,151,708	-	5,151,708	4,179,496	-	4,179,496
Contributions (Note 2G)	3,089,453	3,479,419	6,568,872	2,009,840	3,338,991	5,348,831
Special events (net of direct expenses of \$24,400 and \$246,920 in 2020 and 2019, respectively)	2,138,684	-	2,138,684	2,363,871	-	2,363,871
Pro bono legal services (Note 2L)	42,132,370	-	42,132,370	38,806,936	-	38,806,936
Donated goods (Note 2L)	379,814	-	379,814	93,540	-	93,540
Investment income (Note 5)	27,806	-	27,806	35,247	-	35,247
Other revenues	90,438	-	90,438	143,631	-	143,631
Net assets released from restrictions	4,280,878	(4,280,878)	-	4,326,455	(4,326,455)	-
TOTAL OPERATING REVENUE AND SUPPORT	69,810,537	(801,459)	69,009,078	63,594,427	(987,464)	62,606,963
OPERATING EXPENSES:						
Program Services:						
Sarah Burke House - transitional shelter	3,166,351	-	3,166,351	3,159,694	-	3,159,694
Clinical services	6,574,846	-	6,574,846	5,866,524	-	5,866,524
Legal services	52,098,927	-	52,098,927	47,595,298	-	47,595,298
Economic empowerment program	2,316,936	-	2,316,936	2,262,866	-	2,262,866
Total Program Services	64,157,060	-	64,157,060	58,884,382	-	58,884,382
Supporting Services:						
Management and general	2,350,588	-	2,350,588	2,534,085	-	2,534,085
Fundraising	2,045,323	-	2,045,323	1,918,584	-	1,918,584
Total Supporting Services	4,395,911	-	4,395,911	4,452,669	-	4,452,669
TOTAL OPERATING EXPENSES	68,552,971	-	68,552,971	63,337,051	-	63,337,051
CHANGE IN TOTAL NET ASSETS	1,257,566	(801,459)	456,107	257,376	(987,464)	(730,088)
Net Assets - Beginning of Year	8,839,848	5,982,802	14,822,650	8,582,472	6,970,266	15,552,738
NET ASSETS - END OF YEAR	\$ 10,097,414	\$ 5,181,343	\$ 15,278,757	\$ 8,839,848	\$ 5,982,802	\$ 14,822,650

SANCTUARY FOR FAMILIES, INC. AND AFFILIATE
CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2020
(WITH COMPARATIVE TOTALS FOR JUNE 30, 2019)

	For the Year Ended June 30, 2020									
	Program Services					Supporting Services				
	Sarah Burke House Transitional Shelter	Clinical Services	Legal Services	Economic Empowerment Program	Total Program Services	Management and General	Fundraising	Total Supporting Services	Total 2020	Total 2019
Salaries and wages	\$ 1,960,781	\$ 3,850,431	\$ 6,136,519	\$ 853,752	\$ 12,801,483	\$ 1,151,052	\$ 1,255,439	\$ 2,406,491	\$ 15,207,974	\$ 13,534,588
Payroll taxes and employee benefits (Note 8)	617,674	1,069,112	1,621,040	233,712	3,541,538	288,327	347,800	636,127	4,177,665	3,928,563
Total Personnel Costs	2,578,455	4,919,543	7,757,559	1,087,464	16,343,021	1,439,379	1,603,239	3,042,618	19,385,639	17,463,151
Professional fees	39,751	104,279	71,402	153,323	368,755	263,417	145,077	408,494	777,249	720,804
Occupancy (Note 10)	-	630,902	974,176	270,161	1,875,239	247,913	213,375	461,288	2,336,527	2,298,823
Food	10,117	7,988	6,040	5,234	29,379	-	-	-	29,379	36,995
Household supplies	1,395	8,767	-	-	10,162	-	-	-	10,162	12,597
Office supplies	10,282	9,521	22,943	8,826	51,572	8,576	5,774	14,350	65,922	64,851
Telephone	20,623	44,395	39,727	21,661	126,406	11,550	6,720	18,270	144,676	136,802
Staff transportation and activities	11,137	8,322	14,866	3,167	37,492	18,621	2,845	21,466	58,958	88,454
Printing and publication	-	2,688	3,473	291	6,452	1,104	1,615	2,719	9,171	20,498
Library resources	409	191	25,307	190	26,097	1,401	2,417	3,818	29,915	30,508
Equipment and maintenance	61,517	23,407	8,937	11,729	105,590	7,316	628	7,944	113,534	140,732
Equipment rental	7,382	7,283	11,371	2,342	28,378	6,568	2,652	9,220	37,598	33,923
Utilities	186,686	46,478	30,257	7,041	270,462	8,918	6,620	15,538	286,000	283,681
Postage and shipping	4,357	8,877	36,806	897	50,937	1,741	1,351	3,092	54,029	58,466
Facility maintenance	80,611	58,203	28,963	4,504	172,281	15,945	6,334	22,279	194,560	152,819
Insurance	24,719	46,291	82,026	8,495	161,531	15,731	9,371	25,102	186,633	152,336
Recruitment	5,732	14,794	32,959	1,665	55,150	1,989	2,072	4,061	59,211	60,362
Client financial assistance	46,160	278,804	406,695	659,239	1,390,898	-	-	-	1,390,898	1,402,012
Training and development	9,251	45,370	85,228	6,533	146,382	33,498	2,856	36,354	182,736	203,982
Catering and entertainment	-	-	-	-	-	-	24,400	24,400	24,400	246,920
Events and public relations	-	-	-	-	-	-	29,946	29,946	29,946	123,289
Depreciation and amortization (Note 6)	62,905	6,592	-	-	69,497	63,631	-	63,631	133,128	349,120
Grants to clients	-	3,212	97,029	62,936	163,177	-	-	-	163,177	162,612
Grants to subrecipients	-	105,839	33,824	-	139,663	-	-	-	139,663	194,126
Lobbying	-	-	-	-	-	135,244	-	135,244	135,244	133,655
Bad debt expense	-	-	-	-	-	50,000	-	50,000	50,000	-
Other expenses (Note 6)	4,862	3,193	7,062	1,226	16,343	8,952	2,431	11,383	27,726	103,111
Bank charges	-	-	-	12	12	9,094	-	9,094	9,106	8,866
	<u>3,166,351</u>	<u>6,384,939</u>	<u>9,776,650</u>	<u>2,316,936</u>	<u>21,644,876</u>	<u>2,350,588</u>	<u>2,069,723</u>	<u>4,420,311</u>	<u>26,065,187</u>	<u>24,683,495</u>
Less: Cost of direct benefits to donors	-	-	-	-	-	-	(24,400)	(24,400)	(24,400)	(246,920)
Add: Donated legal services	-	-	42,132,370	-	42,132,370	-	-	-	42,132,370	38,806,936
Add: Donated goods expense	-	189,907	189,907	-	379,814	-	-	-	379,814	93,540
Total Expenses	<u>\$ 3,166,351</u>	<u>\$ 6,574,846</u>	<u>\$ 52,098,927</u>	<u>\$ 2,316,936</u>	<u>\$ 64,157,060</u>	<u>\$ 2,350,588</u>	<u>\$ 2,045,323</u>	<u>\$ 4,395,911</u>	<u>\$ 68,552,971</u>	<u>\$ 63,337,051</u>

SANCTUARY FOR FAMILIES, INC. AND AFFILIATE
CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2019

	For the Year Ended June 30, 2019								
	Program Services					Supporting Services			
	Sarah Burke House Transitional Shelter	Clinical Services	Legal Services	Economic Empowerment Program	Total Program Services	Management and General	Fundraising	Total Supporting Services	Total 2019
Salaries and wages	\$ 1,712,656	\$ 3,411,492	\$ 5,321,011	\$ 805,653	\$ 11,250,812	\$ 1,222,843	\$ 1,060,933	\$ 2,283,776	\$ 13,534,588
Payroll taxes and employee benefits (Note 8)	617,284	1,038,536	1,483,110	220,225	3,359,155	265,375	304,033	569,408	3,928,563
Total Personnel Costs	2,329,940	4,450,028	6,804,121	1,025,878	14,609,967	1,488,218	1,364,966	2,853,184	17,463,151
Professional fees	50,042	99,067	64,482	171,808	385,399	179,276	156,129	335,405	720,804
Occupancy (Note 10)	13	615,919	882,528	267,955	1,766,415	315,702	216,706	532,408	2,298,823
Food	10,878	11,298	7,930	6,889	36,995	-	-	-	36,995
Household supplies	2,196	10,401	-	-	12,597	-	-	-	12,597
Office supplies	11,615	8,261	19,067	10,364	49,307	6,330	9,214	15,544	64,851
Telephone	23,332	43,234	41,286	6,721	114,573	15,154	7,075	22,229	136,802
Staff transportation and activities	12,907	19,669	32,061	2,155	66,792	19,475	2,187	21,662	88,454
Printing and publication	1,897	4,931	9,226	1,464	17,518	2,060	920	2,980	20,498
Library resources	-	369	25,230	268	25,867	1,507	3,134	4,641	30,508
Equipment and maintenance	87,836	16,609	12,937	9,782	127,164	8,803	4,765	13,568	140,732
Equipment rental	5,939	7,068	11,083	2,719	26,809	4,200	2,914	7,114	33,923
Utilities	189,423	45,058	26,423	6,834	267,738	9,866	6,077	15,943	283,681
Postage and shipping	4,159	11,623	38,946	953	55,681	1,764	1,021	2,785	58,466
Facility maintenance	83,375	35,269	10,267	3,361	132,272	18,324	2,223	20,547	152,819
Insurance	-	-	20,479	-	20,479	131,857	-	131,857	152,336
Recruitment	6,477	15,399	31,015	1,674	54,565	2,866	2,931	5,797	60,362
Client financial assistance	56,375	204,486	478,092	663,059	1,402,012	-	-	-	1,402,012
Training and development	16,358	50,660	93,413	5,591	166,022	31,432	6,528	37,960	203,982
Catering and entertainment	-	-	-	-	-	-	246,920	246,920	246,920
Events and public relations	-	-	-	-	-	-	123,289	123,289	123,289
Depreciation and amortization (Note 6)	254,361	5,779	-	-	260,140	88,980	-	88,980	349,120
Grants to clients	-	2,050	87,371	73,191	162,612	-	-	-	162,612
Grants to subrecipients	-	155,829	38,297	-	194,126	-	-	-	194,126
Lobbying	-	-	-	-	-	133,655	-	133,655	133,655
Other expenses (Note 6)	12,571	6,692	7,338	2,200	28,801	65,805	8,505	74,310	103,111
Bank charges	-	55	-	-	55	8,811	-	8,811	8,866
	3,159,694	5,819,754	8,741,592	2,262,866	19,983,906	2,534,085	2,165,504	4,699,589	24,683,495
Less: Cost of direct benefits to donors	-	-	-	-	-	-	(246,920)	(246,920)	(246,920)
Add: Donated legal services	-	-	38,806,936	-	38,806,936	-	-	-	38,806,936
Add: Donated goods expense	-	46,770	46,770	-	93,540	-	-	-	93,540
Total Expenses	\$ 3,159,694	\$ 5,866,524	\$ 47,595,298	\$ 2,262,866	\$ 58,884,382	\$ 2,534,085	\$ 1,918,584	\$ 4,452,669	\$ 63,337,051

**SANCTUARY FOR FAMILIES, INC. AND AFFILIATE
CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED JUNE 30, 2020 AND 2019**

	<u>2020</u>	<u>2019</u>
CASH FLOWS FROM OPERATING ACTIVITIES:		
Change in net assets	\$ 456,107	\$ (730,088)
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:		
Depreciation and amortization	133,128	349,120
Loss on disposal of fixed assets	827	56,772
Unrealized (gain) loss on investments	(8,537)	8,010
Bad debt	50,000	-
Change in discount on contributions receivable	<u>35,879</u>	<u>6,539</u>
Subtotal	667,404	(309,647)
Changes in assets and liabilities:		
Decrease (increase) in assets:		
Government contracts receivable	(1,376,872)	(1,726,247)
Contributions receivable	599,547	1,693,129
Prepaid expenses and other assets	(93,437)	(23,866)
Increase (decrease) in liabilities:		
Accounts payable and accrued expenses	46,294	13,890
Accrued salaries and related benefits	157,699	77,803
Accrued vacation	68,415	47,468
Deferred rent	165,224	165,225
Deferred revenue	24,333	25,000
Grants payable	<u>(39,121)</u>	<u>267</u>
Net Cash Provided by (Used in) Operating Activities	<u>219,486</u>	<u>(36,978)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of property and equipment	(70,183)	(12,147)
Purchases of investments	(650,000)	(1,420,125)
Proceeds from sale of investments	<u>1,731,918</u>	<u>1,625,000</u>
Net Cash Provided by Investing Activities	<u>1,011,735</u>	<u>192,728</u>
CASH FLOWS FROM FINANCING ACTIVITIES:		
Loans payable	<u>5,323,350</u>	<u>-</u>
Net Cash Provided by Financing Activities	<u>5,323,350</u>	<u>-</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS	6,554,571	155,750
Cash and cash equivalents - beginning of year	<u>1,553,969</u>	<u>1,398,219</u>
CASH AND CASH EQUIVALENTS - END OF YEAR	<u>\$ 8,108,540</u>	<u>\$ 1,553,969</u>

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

SANCTUARY FOR FAMILIES, INC. AND AFFILIATE
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2020 AND 2019

NOTE 1 – ORGANIZATION AND NATURE OF ACTIVITIES

Sanctuary for Families, Inc. ("Sanctuary") is a 501(c)(3) corporation located in New York City. Sanctuary was founded in 1983 as a small network of safe homes and has since grown to be a leading provider of integrated services for domestic violence and sex trafficking survivors and their children. Operating out of twelve sites, Sanctuary provides a continuum of care including hotline and crisis intervention, shelter, counseling, legal advice and representation, economic empowerment programming and assistance with housing and educational needs. Sanctuary also provides outreach, training, and technical assistance to a wide range of government officials and other service providers on a host of domestic violence and sex trafficking issues and advocates at local, state, and national levels for improved policies and practices for its clients. Sanctuary serves a widely varied population, paying particular attention to the most underserved populations in New York City including immigrants, undocumented individuals, the working poor, and indigent families. In fiscal year 2020, Sanctuary provided direct services to over 9,000 adults and children, and training and outreach to approximately 10,000 other individuals.

Sanctuary employs more than 200 full and part-time staff and utilizes the services of hundreds of pro bono lawyers, law students, social work interns, and other volunteers. Sanctuary's programs are funded by government contracts, foundation and corporate grants, and individual contributions.

Sanctuary is governed by a 33-member Board of Directors who also serve as the members of an affiliated not-for-profit corporation, Sanctuary for Families Housing Development Fund Corporation ("Housing Development Fund Corporation" or "Housing"). Housing is directly controlled by Sanctuary. Housing owns a building in the Bronx which serves as a transitional shelter for survivors of domestic violence and is a 501(c)(3) corporation located in New York City.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

- A. **Consolidation** – The consolidated financial statements include the activities of Sanctuary and Housing. All significant intercompany balances and transactions have been eliminated in consolidation, herein referred to as the Organization.
- B. **Basis of Accounting** – The Organization's consolidated financial statements have been prepared on the accrual basis of accounting. The Organization adheres to accounting principles generally accepted in the United States of America (U.S. GAAP).
- C. **Basis of Presentation** – The Organization maintain their net assets under the following two classes:
- Net assets without donor restrictions – Net assets that are not subject to donor-imposed stipulations. Board designated net assets consists of net assets whose use has been designated by the Board for future capital improvements at the Sarah Burke House facility.
 - Net assets with donor restrictions – Net assets subject to donor-imposed stipulations that will be met either by actions of the Organization or the passage of time, stipulations that they be maintained permanently by the Organization, and unappropriated endowment earnings.
- D. **Cash and Cash Equivalents** – The Organization considers all highly liquid investments with maturities of three months or less when acquired, to be cash equivalents, except for cash, short-term investments and money market funds contained in Sanctuary's investment portfolio. As of June 30, 2020 and 2019, cash equivalents include money market funds which amounted to approximately \$4,200,000 and \$386,000, respectively.
- E. **Government Grants** – Sanctuary derives its revenue from, among other sources, cost reimbursement contracts with government agencies which are recognized as revenue as those costs are incurred and the revenue is earned. Advances received on government grants are recorded as a liability until the expenses are incurred, at which time revenue is recognized. Cost reimbursement type government grants are accounted for under Accounting Standards Update ("ASU") 2018-08, *Clarifying the Scope and Accounting Guidance for Contributions Received and Contributions Made* (Topic 958).

SANCTUARY FOR FAMILIES, INC. AND AFFILIATE
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2020 AND 2019

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, 2020 and 2019, Sanctuary received conditional grants and contracts from government agencies in the aggregate amounts of \$20,394,920 and \$12,674,116, respectively, that have not been recorded in the accompanying consolidated financial statements, as they have not been earned. These grants and contracts require Sanctuary to provide qualifying expenses to conduct certain services as specified in the contracts. If such services are not provided, the governmental entities are not obligated to expend the funds allotted under the grants and contracts and Sanctuary may be required to return the funds already remitted.

- F. **Program Service Revenue** – Program service revenue is recognized and recorded at the time a service is performed. Such services include emergency shelters and transitional shelter services. 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 Sanctuary 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. Sanctuary 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, 2020. The performance obligations for these contracts are completed when the service is completed and upon submission of required documentation. Sanctuary determines the transaction price based on established rates and contracts for services provided. Program service revenue consists of revenues for the following programs:

	2020	2019
Sarah Burke House Transitional Shelter	\$ 3,610,703	\$ 2,779,199
Clinical Services	1,541,005	1,400,297
	<u>\$ 5,151,708</u>	<u>\$ 4,179,496</u>

Program service revenue is accounted for under ASU 2014-09, *“Revenue from Contracts with Customers”* (Topic 606).

- G. **Contributions** – Unconditional promises to give that are expected to be collected within one year are recorded at net realizable value. 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 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.

Contributions are accounted for under ASU 2018-08, *Clarifying the Scope and Accounting Guidance for Contributions Received and Contributions Made* (Topic 958). See Note 2O for further details.

- H. **Allowance for Doubtful Accounts** – Sanctuary determines whether an allowance for uncollectible receivables should be provided for government contracts receivable and contributions receivable. Such estimates are based on management's assessment of the aged basis of its receivable, creditworthiness of its donors and borrowers, current economic conditions and historical information. As of June 30, 2020 and 2019, Sanctuary determined an allowance of \$103,939 and \$111,778, respectively, was necessary for contributions receivable and no allowance was necessary for government contracts receivable.

- I. **Investments and Fair Value Measurements** – Investments are recorded at fair value. 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 5.

SANCTUARY FOR FAMILIES, INC. AND AFFILIATE
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2020 AND 2019

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

J. **Property and Equipment** – Property and equipment is stated at cost less accumulated depreciation or amortization. These amounts do not purport to represent replacement or realizable values. Depreciation is provided on a straight-line basis over the estimated useful lives of the assets. Leasehold improvements are amortized over the lesser of the useful lives of the improvements or the term of the lease. The Organization capitalizes all property and equipment having a cost of \$1,000 or more and a useful life of at least one year.

Contributed property and equipment is recorded at fair value on the date of donation. When donors stipulate restrictions on the use of the assets, such contributions are recorded as restricted support. In the absence of such stipulations, contributions of property and equipment are recorded as support without donor restrictions.

K. **Deferred Rent** – Rent expense is recorded on the straight-line basis. The portion of rent expense accrued due to straight-lining of the lease is reflected as deferred rent on the accompanying consolidated statements of financial position.

L. **In-Kind Contributions** – In-kind contributions are recorded at their fair value on the date of receipt. Donated services are reported as contributions when the services create or enhance nonfinancial assets, would be purchased if they had not been provided by contribution, require specialized skills and are provided by individuals possessing those skills. For the years ended June 30, 2020 and 2019, Sanctuary recorded income and expense for contributed goods and services of \$42,512,184 and \$38,900,476, respectively. Such contributed goods and services are reflected in the consolidated financial statements as follows:

	<u>2020</u>	<u>2019</u>
Pro bono legal services	\$ 42,132,370	\$ 38,806,936
Donated goods	<u>379,814</u>	<u>93,540</u>
	<u>\$ 42,512,184</u>	<u>\$ 38,900,476</u>

M. **Functional Expense Allocation** – The costs of program and supporting services activities have been summarized on a functional basis in the consolidated statements of activities. The consolidated statements of functional expenses present the natural classification detail of expenses by function. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

The consolidated financial statements report certain categories of expenses that are attributed to more than one program or supporting function. Therefore, expenses require allocation on a reasonable basis that is consistently applied. The expenses that are allocated include occupancy, depreciation, amortization and insurance, which are allocated on a square footage basis, as well as salaries and wages, benefits, payroll taxes, professional services, office expenses, information technology and other, which are allocated on the basis of estimates of time and effort.

N. **Use of Estimates** – The preparation of consolidated financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures at the date of the consolidated financial statements. Actual results could differ from those estimates.

O. **Recent Accounting Pronouncements** – *Financial Accounting Standards Board (“FASB”) Accounting Standards Update (“ASU”) FASB ASU 2014-09, “Revenue from Contracts with Customers” (Topic 606)* was adopted by the Organization for the year ended June 30, 2020. The core guidance in ASU 2014-09 is to recognize revenue to depict the transfer of services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those services as further described in Note 2F.

FASB ASU 2019-08, *“Clarifying the Scope and Accounting Guidance for Contributions Received and Contributions Made” (Topic 958)* was also adopted by the Organization for the year ended June 30, 2020. The core guidance is to assist entities in evaluating whether transactions should be accounted for as contributions (nonreciprocal transactions) or as exchange (reciprocal) transactions and determining whether a contribution or government grant is conditional as further described in Note 2E & 2G.

SANCTUARY FOR FAMILIES, INC. AND AFFILIATE
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2020 AND 2019

NOTE 3 – LIQUIDITY AND AVAILABILITY

Financial assets available for general expenditures, within one year of the consolidated statement of financial position balance sheet date, comprise the following:

	<u>2020</u>	<u>2019</u>
Cash and cash equivalents	\$ 8,108,540	\$ 1,553,969
Contributions receivable	4,686,320	5,371,746
Government contracts receivable	8,336,215	6,959,343
Investments	<u>751,511</u>	<u>1,824,892</u>
 Total financial assets	 21,882,586	 15,709,950
 Less: Net assets designated by the Board	 125,167	 153,778
Less: Contributions receivable due in more than one year	1,443,160	2,377,213
Less: Investments held for endowments	<u>334,475</u>	<u>334,475</u>
	<u>\$ 19,979,784</u>	<u>\$ 12,844,484</u>

As part of the Organization's liquidity management plan, the Organization invests cash in excess of daily requirements in short-term investments and money market funds. In addition, Sanctuary has a maximum line of credit totaling \$1,200,000 with a financial institution (Note 10D), which can be drawn upon if needed.

For purposes of analyzing resources available to meet general expenditures over a 12-month period, Sanctuary 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. Donor restricted funds for various programs are considered available for the general expenditures to conduct those programs. Sanctuary's endowment funds consist of donor-restricted endowments. Income from donor-restricted endowments is used to fund the legal services program, and other programs run by Sanctuary. The endowment is subject to an annual spending rate of up to 7% as described in Note 13.

NOTE 4 – CONTRIBUTIONS RECEIVABLE

Contributions receivable consisted of the following as of June 30:

	<u>2020</u>	<u>2019</u>
Receivable in less than one year	\$ 3,403,165	\$ 3,198,196
Receivable in one to five years	<u>1,443,160</u>	<u>2,377,213</u>
 Less: Allowance for doubtful accounts	 (103,939)	 (111,778)
Discount to present value	<u>(56,066)</u>	<u>(91,885)</u>
	<u>\$ 4,686,320</u>	<u>\$ 5,371,746</u>

NOTE 5 – INVESTMENTS AND FAIR VALUE MEASUREMENTS

In determining fair value, the Organization 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.

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.

SANCTUARY FOR FAMILIES, INC. AND AFFILIATE
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2020 AND 2019

NOTE 5 – INVESTMENTS AND FAIR VALUE MEASUREMENTS (Continued)

- 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.

Investments in treasury money market funds and mutual funds are valued using market prices in active markets (Level 1). Level 1 instrument valuations are obtained from real-time quotes for transactions in active exchange markets involving identical assets.

The availability of observable market data is monitored to assess the appropriate classification of financial instruments within the fair value hierarchy. Changes in economic conditions or model-based valuation techniques may require the transfer of financial instruments from one fair value level to another. In such instances, the transfer is reported at the end of the reporting period. For the years ended June 30, 2020 and 2019 there were no transfers between levels.

Investments measured at fair value on a recurring basis are classified as Level 1 and consisted of the following at June 30:

	<u>Level 1</u>	
	<u>2020</u>	<u>2019</u>
Investments:		
Treasury money market funds	\$ 343,761	\$ 339,016
Mutual funds – intermediate government	<u>407,750</u>	<u>1,485,876</u>
Total	<u>\$ 751,511</u>	<u>\$ 1,824,892</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>2020</u>	<u>2019</u>
Interest and dividends	\$ 19,269	\$ 43,257
Unrealized gain (loss) on investments	<u>8,537</u>	<u>(8,010)</u>
Net investment income	<u>\$ 27,806</u>	<u>\$ 35,247</u>

NOTE 6 – PROPERTY AND EQUIPMENT, NET

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

	<u>2020</u>	<u>2019</u>	<u>Estimated Useful Lives</u>
Building	\$ 5,065,779	\$ 5,065,779	27.5 years
Furniture and fixtures	225,946	194,344	5-15 years
Vehicles	33,150	33,150	3 years
Equipment	225,5112	259,635	5-10 years
Leasehold improvements	<u>1,487,216</u>	<u>1,460,016</u>	Lease term
	7,037,603	7,012,924	
Less: Accumulated depreciation and amortization	<u>(6,055,736)</u>	<u>(5,967,285)</u>	
	<u>\$ 981,867</u>	<u>\$ 1,045,639</u>	

SANCTUARY FOR FAMILIES, INC. AND AFFILIATE
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2020 AND 2019

NOTE 6 – PROPERTY AND EQUIPMENT, NET (Continued)

Depreciation and amortization expense amounted to \$133,128 and \$349,120 for the years ended June 30, 2020 and 2019, respectively. During the year ended June 30, 2020, Sanctuary disposed of fixed assets with original costs of \$45,504 and accumulated depreciation of \$44,677. The disposal resulted in a loss of \$827 and was included in other expenses in the accompanying consolidated statements of functional expenses. For the year ended June 30, 2019, Sanctuary disposed of fixed assets with a net book value of \$56,772 and recognized such loss from fixed assets disposal included in other expenses in the accompanying consolidated statements of functional expenses.

NOTE 7 – CONCENTRATION

- A. Cash and cash equivalents that potentially subject Sanctuary to a concentration of credit risk include cash accounts with banks that exceed the Federal Deposit Insurance Corporation (“FDIC”) insurance limits. Cash accounts are insured up to \$250,000 per depositor. As of June 30, 2020 and 2019, there was approximately \$3,692,000 and \$1,194,000, respectively, of cash and cash equivalents that exceeded FDIC limits.
- B. Sanctuary received grants from various government agencies totaling \$17,671,094 and \$15,814,907, which represent 26% and 25% of total operating revenue and support, during the years ended June 30, 2020 and 2019, respectively. Government contracts receivable from two funders represented 40% and 51% of total government contracts receivable as of June 30, 2020 and 2019, respectively. Contributions receivable from one donor represented had 10% of total contributions receivable as of June 30, 2020 and 2019.

NOTE 8 – PENSION PLAN

Sanctuary maintains a 403(b) defined contribution pension plan covering all employees who satisfy certain eligibility requirements. Under the terms of the plan, Sanctuary makes annual discretionary contributions based upon a percentage of eligible employee wages, three percent for both years ended June 30, 2020 and 2019. Pension expense for the years ended June 30, 2020 and 2019 was approximately \$352,000 and \$235,000, respectively.

NOTE 9 – DEFERRED COMPENSATION

A deferred compensation agreement was entered into with senior executives of Sanctuary and funded in accordance with the requirements of Section 457(b) of the Internal Revenue Code. Under the current agreement, Sanctuary maintains the investment. The 457(b) expenses for the years ended June 30, 2020 and 2019 amounted to \$90,000 and \$81,000, respectively. Discretionary contributions are made in accordance with the plan document. Benefits earned under the plan are fully vested.

NOTE 10 – COMMITMENTS AND CONTINGENCIES

- A. Sanctuary rents space for administrative and programmatic uses. Rental expense under these non-cancelable operating leases amounted to \$2,031,633 and \$2,031,254 for the years ended June 30, 2020 and 2019, respectively. Annual future minimum rental payments for real property under long-term non-cancelable operating leases are as follows:

2021	\$	1,674,222
2022		1,674,222
2023		1,708,045
2024		1,877,158
2025		1,877,158
Thereafter		<u>15,719,084</u>
	\$	<u>24,529,889</u>

SANCTUARY FOR FAMILIES, INC. AND AFFILIATE
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2020 AND 2019

NOTE 10 – COMMITMENTS AND CONTINGENCIES (Continued)

- B.** The Organization believes it had no uncertain tax positions as of June 30, 2020 and 2019 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.** During 2007, Sanctuary extended the deed restriction on a building Housing owns in the Bronx with the New York City Human Resources Administration and agreed to continue operating the property as a transitional shelter for victims of domestic violence through March 31, 2023.
- D.** Sanctuary has a revolving line of credit with TD Bank for \$1.2 million. Borrowings are secured by all assets of Sanctuary. The interest rate on the line as of June 30, 2020 was 4.24%. As of June 30, 2020 and December 29, 2020, there were no borrowings under this line of credit. The expiration date of the agreement is February 28, 2021.
- E.** The COVID-19 pandemic remains a rapidly evolving situation. The extent of the impact of COVID-19 on the Organization's operations and financial results will depend on future developments, including the duration and spread of the outbreak. Due to the rapidly changing business environment, unprecedented market volatility, and other circumstances resulting from the COVID-19 pandemic, the Organization is currently unable to fully determine the extent of COVID-19's impact on its operations in future periods. The Organization continues to monitor evolving economic and general business conditions and the actual and potential impacts on its financial position and results of operation.

NOTE 11 – LOANS PAYABLE

On March 27, 2020, in response to COVID-19, the federal government passed the Coronavirus Aid, Relief, and Economic Stability Act (“CARES Act”). Among many other provisions, to help businesses retain employees, the CARES Act provides relief to qualifying businesses through a program called the Paycheck Protection Program (“PPP”). Participating in the PPP enables the business to obtain a loan from the Small Business Administration (“SBA”). If the proceeds from the loan are used for specified purposes, some or all of the loan can be forgiven.

Sanctuary applied for and received a loan under this program through an SBA authorized lender amounting to \$3,323,350 on April 21, 2020. Management has opted to account for the proceeds as a loan under FASB ASC 470 until the loan is, in part or wholly, forgiven and Sanctuary has been legally released.

On June 18, 2020, Sanctuary secured a working capital loan of \$2,000,000 from a nonprofit corporation. The loan bears no interest (except in the event of default as defined by the agreement) and is unsecured, as a general obligation of Sanctuary. The loan matures June 18, 2022 with payments commencing December 18, 2021.

NOTE 12 – NET ASSETS WITH DONOR RESTRICTIONS

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

	<u>2020</u>	<u>2019</u>
Subject to expenditures for specified purpose and (or) passage of time:		
Legal Services	\$ 385,225	\$ 1,138,000
Invest in our Future Campaign	2,220,000	3,029,500
Economic Empowerment Program	249,323	380,000
Clinical Services	751,743	240,000
Sarah Burke House	435,863	510,827
Time Restrictions	<u>804,714</u>	<u>350,000</u>
Subtotal	<u>4,846,868</u>	<u>5,648,327</u>

SANCTUARY FOR FAMILIES, INC. AND AFFILIATE
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2020 AND 2019

NOTE 12 – NET ASSETS WITH DONOR RESTRICTIONS (Continued)

	<u>2020</u>	<u>2019</u>
Endowment principal held in perpetuity:		
Operating endowment funds	\$ 225,475	\$ 225,475
Legal endowment funds	<u>109,000</u>	<u>109,000</u>
	<u>334,475</u>	<u>334,475</u>
	<u>\$ 5,181,343</u>	<u>\$ 5,982,802</u>

Net assets with donor restrictions from grants were released for the following purposes as of June 30:

	<u>2020</u>	<u>2019</u>
Legal Services	\$ 1,438,444	\$ 1,464,500
Invest in our Future Campaign	709,500	900,500
Economic Empowerment Program	614,991	814,491
Clinical Services	758,193	526,000
Sarah Burke House	97,964	85,964
Time Restrictions	<u>661,786</u>	<u>535,000</u>
	<u>\$ 4,280,878</u>	<u>\$ 4,326,455</u>

NOTE 13 – ENDOWMENT FUNDS

Sanctuary has two endowment funds – Operating and legal. These funds have distinct investment and expenditure policies adopted by Sanctuary. The principal is held in two separate Vanguard Admiral Treasury Money Market Accounts – one for the Operating fund, another is for the Legal fund. All income derived from these investments is used to fund the legal services program, and other programs run by Sanctuary.

The resolution prescribes that (i) income from the funds, net of expenses, would be added to the operating revenues of Sanctuary for general support purposes, (ii) the principal would be held, invested, and reinvested in perpetuity in accordance with such policies and in such manner as the Board, or duly authorized Board agents, would from time to time determine.

The Board of Directors of Sanctuary has adopted the New York Prudent Management of Institutional Funds Act (“NYPMIFA”). NYPMIFA moved away from the “historical dollar value” standard and permits charities to apply a spending policy to endowments based on certain specified standards of prudence. In accordance with NYPMIFA, Sanctuary classifies as net assets with permanent restrictions, (a) the original value of gifts donated to the permanent endowment, (b) the original value of subsequent gifts to the permanent endowment, and (c) accumulations to the permanent endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund. 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 by the Board of Directors in a manner consistent with the standard of prudence prescribed by NYPMIFA. Sanctuary recognizes that NYPMIFA creates a rebuttable presumption of imprudence if it 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.

In accordance with U.S. GAAP, organizations are required to disclose any deterioration of the fair value of assets associated with donor restricted funds that fall below the level the donor requires Sanctuary to retain in perpetuity. The deficiencies may result from unfavorable market fluctuations that occurred in the economy as a whole that may have affected the donor restricted fund where the fair value of the donor restricted fund fell below the amount that is required to be retained permanently. As of June 30, 2020 and 2019, Sanctuary had not incurred a deficiency in its donor-restricted endowment funds.

SANCTUARY FOR FAMILIES, INC. AND AFFILIATE
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2020 AND 2019

NOTE 13 – ENDOWMENT FUNDS (Continued)

Changes in endowment funds for year ended June 30, 2020:

	<u>Endowment Earnings</u>	<u>Endowment Corpus</u>	<u>Total</u>
Investment activity gain	\$ 4,745	\$ -	\$ 4,745
Amount appropriated by the Board of Directors	<u>(4,745)</u>	<u>-</u>	<u>(4,745)</u>
Net change	-	-	-
Balance, beginning of year	<u>-</u>	<u>334,475</u>	<u>334,475</u>
Balance, end of year	<u><u>\$ -</u></u>	<u><u>\$ 334,475</u></u>	<u><u>\$ 334,475</u></u>

Changes in endowment funds for year ended June 30, 2019:

	<u>Endowment Earnings</u>	<u>Endowment Corpus</u>	<u>Total</u>
Investment activity loss	\$ (1,263)	\$ -	\$ (1,263)
Amount appropriated by the Board of Directors	<u>1,263</u>	<u>-</u>	<u>1,263</u>
Net change	-	-	-
Balance, beginning of year	<u>-</u>	<u>334,475</u>	<u>334,475</u>
Balance, end of year	<u><u>\$ -</u></u>	<u><u>\$ 334,475</u></u>	<u><u>\$ 334,475</u></u>

Endowment net assets of \$334,475 are included with investments on the consolidated statements of financial position as of both June 30, 2020 and 2019.

NOTE 14 – SUBSEQUENT EVENTS

Management has evaluated events subsequent to the date of the consolidated statement of financial position through December 29, 2020, the date the consolidated financial statements were available to be issued. Management has determined that no subsequent events have occurred which require disclosure in or adjustments to the consolidated financial statements.

SANCTUARY FOR FAMILIES, INC.
CONSOLIDATING SCHEDULES OF FINANCIAL POSITION
AS OF DECEMBER 31, 2018 AND 2017

	As of June 30, 2020			As of June 30, 2019		
	Sanctuary for Families, Inc.	Housing Development Fund Corporation	Consolidated Total 2020	Sanctuary for Families, Inc.	Housing Development Fund Corporation	Consolidated Total 2019
ASSETS						
Cash and cash equivalents	\$ 8,108,540	\$ -	\$ 8,108,540	\$ 1,553,969	\$ -	\$ 1,553,969
Government contracts receivable	8,336,215	-	8,336,215	6,959,343	-	6,959,343
Contributions receivable, net	4,686,320	-	4,686,320	5,371,746	-	5,371,746
Investments	751,511	-	751,511	1,824,892	-	1,824,892
Prepaid expenses and other assets	559,424	-	559,424	465,987	-	465,987
Property and equipment, net	981,867	-	981,867	1,045,639	-	1,045,639
TOTAL ASSETS	\$ 23,423,877	\$ -	\$ 23,423,877	\$ 17,221,576	\$ -	\$ 17,221,576
LIABILITIES						
Accounts payable and accrued expenses	\$ 476,392	\$ -	\$ 476,392	\$ 430,098	\$ -	\$ 430,098
Accrued salaries and related benefits	743,073	-	743,073	585,374	-	585,374
Accrued vacation	507,435	-	507,435	439,020	-	439,020
Deferred rent	923,657	-	923,657	758,433	-	758,433
Deferred revenue	49,333	-	49,333	25,000	-	25,000
Grants payable	121,880	-	121,880	161,001	-	161,001
Loans payable	5,323,350	-	5,323,350	-	-	-
TOTAL LIABILITIES	8,145,120	-	8,145,120	2,398,926	-	2,398,926
NET ASSETS						
Without Donor Restrictions						
Available for operations	9,972,247	-	9,972,247	8,686,070	-	8,686,070
Board designated	125,167	-	125,167	153,778	-	153,778
	10,097,414	-	10,097,414	8,839,848	-	8,839,848
With Donor Restrictions	5,181,343	-	5,181,343	5,982,802	-	5,982,802
TOTAL NET ASSETS	15,278,757	-	15,278,757	14,822,650	-	14,822,650
TOTAL LIABILITIES AND NET ASSETS	\$ 23,423,877	\$ -	\$ 23,423,877	\$ 17,221,576	\$ -	\$ 17,221,576

See independent auditors' report.

**SANCTUARY FOR FAMILIES, INC. AND AFFILIATE
CONSOLIDATING STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2020**

	Sanctuary for Families, Inc.			Housing Development Fund Corporation	Consolidated Total 2020
	Without Donor Restrictions	With Donor Restrictions	Total		
OPERATING REVENUE AND SUPPORT:					
Government grants	\$ 12,519,386	\$ -	\$ 12,519,386	\$ -	\$ 12,519,386
Program service revenue	5,151,708	-	5,151,708	-	5,151,708
Contributions	3,089,453	3,479,419	6,568,872	-	6,568,872
Special events (net of direct expenses of \$24,400)	2,138,684	-	2,138,684	-	2,138,684
Pro bono legal services	42,132,370	-	42,132,370	-	42,132,370
Donated goods	379,814	-	379,814	-	379,814
Investment income	27,806	-	27,806	-	27,806
Other revenues	90,438	-	90,438	-	90,438
Net assets released from restrictions	4,280,878	(4,280,878)	-	-	-
TOTAL OPERATING REVENUE AND SUPPORT	69,810,537	(801,459)	69,009,078	-	69,009,078
OPERATING EXPENSES:					
Program Services:					
Sarah Burke House - transitional shelter	3,166,351	-	3,166,351	-	3,166,351
Clinical services	6,574,846	-	6,574,846	-	6,574,846
Legal services	52,098,927	-	52,098,927	-	52,098,927
Economic empowerment program	2,316,936	-	2,316,936	-	2,316,936
Total Program Services	64,157,060	-	64,157,060	-	64,157,060
Supporting Services:					
Management and general	2,350,588	-	2,350,588	-	2,350,588
Fundraising	2,045,323	-	2,045,323	-	2,045,323
Total Supporting Services	4,395,911	-	4,395,911	-	4,395,911
TOTAL OPERATING EXPENSES	68,552,971	-	68,552,971	-	68,552,971
CHANGE IN TOTAL NET ASSETS	1,257,566	(801,459)	456,107	-	456,107
Net Assets - Beginning of Year	8,839,848	5,982,802	14,822,650	-	14,822,650
NET ASSETS - END OF YEAR	\$ 10,097,414	\$ 5,181,343	\$ 15,278,757	\$ -	\$ 15,278,757

See independent auditors' report.

SANCTUARY FOR FAMILIES, INC. AND AFFILIATE
CONSOLIDATING STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2019

	Sanctuary for Families, Inc.			Housing	
	Without Donor Restrictions	With Donor Restrictions	Total	Development Fund Corporation	Consolidated Total 2019
OPERATING REVENUE AND SUPPORT:					
Government contracts	\$ 11,635,411	\$ -	\$ 11,635,411	\$ -	\$ 11,635,411
Program service revenue	4,179,496	-	4,179,496	-	4,179,496
Contributions	2,009,840	3,338,991	5,348,831	-	5,348,831
Special events (net of direct expenses of \$246,920)	2,363,871	-	2,363,871	-	2,363,871
Pro bono legal services	38,806,936	-	38,806,936	-	38,806,936
Donated goods	93,540	-	93,540	-	93,540
Investment income	35,247	-	35,247	-	35,247
Other revenues	143,631	-	143,631	-	143,631
Net assets released from restrictions	4,326,455	(4,326,455)	-	-	-
TOTAL OPERATING REVENUE AND SUPPORT	63,594,427	(987,464)	62,606,963	-	62,606,963
OPERATING EXPENSES:					
Program Services:					
Sarah Burke House - transitional shelter	2,975,484	-	2,975,484	184,210	3,159,694
Clinical services	5,866,524	-	5,866,524	-	5,866,524
Legal services	47,595,298	-	47,595,298	-	47,595,298
Economic empowerment program	2,262,866	-	2,262,866	-	2,262,866
Total Program Services	58,700,172	-	58,700,172	184,210	58,884,382
Supporting Services:					
Management and general	2,534,085	-	2,534,085	-	2,534,085
Fundraising	1,918,584	-	1,918,584	-	1,918,584
Total Supporting Services	4,452,669	-	4,452,669	-	4,452,669
TOTAL OPERATING EXPENSES	63,152,841	-	63,152,841	184,210	63,337,051
CHANGE IN TOTAL NET ASSETS	441,586	(987,464)	(545,878)	(184,210)	(730,088)
Net Assets - Beginning of Year	8,398,262	6,970,266	15,368,528	184,210	15,552,738
NET ASSETS - END OF YEAR	\$ 8,839,848	\$ 5,982,802	\$ 14,822,650	\$ -	\$ 14,822,650

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