



RETREAT INC. AND SUBSIDIARY

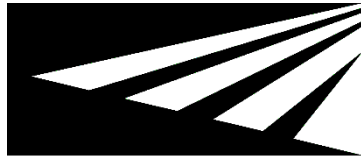
**CONSOLIDATED FINANCIAL STATEMENTS
TOGETHER WITH AUDITOR'S REPORT**

**AS OF AND FOR THE YEARS ENDED
DECEMBER 31, 2023 AND 2022**

**RETREAT INC. AND SUBSIDIARY
INDEX TO CONSOLIDATED FINANCIAL STATEMENTS
AS OF AND FOR THE YEARS ENDED
DECEMBER 31, 2023 AND 2022**

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NawrockiSmith

CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of
Retreat Inc. and Subsidiary:

Opinion

We have audited the accompanying consolidated financial statements of Retreat Inc. and Subsidiary (collectively, the "Retreat", both nonprofit organizations), which comprise the consolidated statements of financial position as of December 31, 2023 and 2022, and the related consolidated statements of activities and changes in net assets, functional expenses and cash flows for the years then ended, and the related notes to consolidated financial statements.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Retreat Inc. and Subsidiary as of December 31, 2023 and 2022, and the changes in their net assets and their cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are required to be independent of Retreat Inc. and Subsidiary and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated 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 consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

NawrockiSmith

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued a report dated July 18, 2024 on our consideration of the Retreat's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is 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 internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Retreat's internal control over financial reporting and compliance.

Hauppauge, New York
July 18, 2024



RETREAT INC. AND SUBSIDIARY
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
AS OF DECEMBER 31, 2023 AND 2022

<u>ASSETS</u>	<u>2023</u>	<u>2022</u>
CURRENT ASSETS:		
Cash and cash equivalents	\$ 750,801	\$ 286,358
Investments, at fair value	1,428,797	1,793,567
Per diems receivable, net	165,315	116,871
Grants receivable	819,207	657,809
Other receivables	-	6,722
Inventory	55,323	35,525
Prepaid expenses	126,497	40,656
Right-of-use assets - operating, net	<u>239,918</u>	<u>100,290</u>
Total current assets	3,585,858	3,037,798
PROPERTY AND EQUIPMENT, net	1,204,550	1,260,236
RIGHT-OF-USE ASSETS - operating, net	171,984	178,771
SECURITY DEPOSITS	<u>20,797</u>	<u>36,205</u>
Total assets	<u><u>\$ 4,983,189</u></u>	<u><u>\$ 4,513,010</u></u>
 <u>LIABILITIES AND NET ASSETS</u> 		
CURRENT LIABILITIES:		
Accounts payable and accrued expenses	\$ 277,221	\$ 217,882
Leases payable - operating	239,918	100,290
Mortgage payable	27,612	26,531
Advances	<u>58,559</u>	<u>49,858</u>
Total current liabilities	603,310	394,561
MORTGAGE PAYABLE	385,351	412,963
LEASES PAYABLE - operating, net of current portion	<u>171,984</u>	<u>178,771</u>
Total liabilities	1,160,645	986,295
NET ASSETS:		
Without donor restrictions	<u>3,822,544</u>	<u>3,526,715</u>
Total liabilities and net assets	<u><u>\$ 4,983,189</u></u>	<u><u>\$ 4,513,010</u></u>

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

RETREAT INC. AND SUBSIDIARY
CONSOLIDATED STATEMENTS OF ACTIVITIES AND CHANGES IN NET ASSETS
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022

	2023	2022
OPERATING SUPPORT AND REVENUES:		
Support:		
Contributions	\$ 759,187	\$ 819,249
Net proceeds from special events	802,635	735,815
Total support	1,561,822	1,555,064
Revenues:		
Grants and contracts	4,020,508	3,673,117
Thrift store sales and contributions	732,842	445,786
Other revenue	11,384	695
Total revenues	4,764,734	4,119,598
Total operating support and revenues	6,326,556	5,674,662
OPERATING EXPENSES:		
Program services:		
Domestic violence shelter	887,462	897,521
Legal advocacy	542,459	643,036
Education	615,244	569,439
Counseling	1,165,689	1,184,520
Hotline	85,007	89,854
Fatherhood	1,066,988	934,733
Housing	83,540	108,848
Thrift store	641,752	481,900
Total program services	5,088,141	4,909,851
Support services:		
Management and general	804,280	738,160
Fundraising	276,977	239,901
Total support services	1,081,257	978,061
Total operating expenses	6,169,398	5,887,912
Change in net assets from operating activities	157,158	(213,250)
NONOPERATING INCOME (LOSS):		
Investment income (loss), net	138,671	(245,138)
Total nonoperating income (loss)	138,671	(245,138)
CHANGE IN NET ASSETS	295,829	(458,388)
NET ASSETS, BEGINNING OF YEAR	3,526,715	3,985,103
NET ASSETS, END OF YEAR	\$ 3,822,544	\$ 3,526,715

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

RETREAT INC. AND SUBSIDIARY
CONSOLIDATED STATEMENTS OF FUNCTIONAL EXPENSES
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022

	2023									Support Services			
	Program Services									Management and General			
	Domestic Violence Shelter	Legal Advocacy	Education	Counseling	Hotline	Fatherhood	Housing	Thrift Store	Total	General	Fundraising	Total	Total
Salaries	\$ 521,679	\$ 336,190	\$ 391,498	\$ 844,544	\$ 56,208	\$ 641,650	\$ 24,305	\$ 148,867	\$ 2,964,941	\$ 418,907	\$ 194,877	\$ 613,784	\$ 3,578,725
Payroll taxes and fringe benefits	136,454	48,292	48,969	151,716	20,828	111,064	6,161	25,734	549,218	123,755	44,627	168,382	717,600
Professional fees	20,345	73,391	77,845	42,605	1,079	123,405	291	2,310	341,271	151,847	12,729	164,576	505,847
Cost of goods sold	-	-	-	-	-	-	-	356,523	356,523	-	-	-	356,523
Operating lease expense	-	23,163	18,083	35,065	-	38,940	-	54,713	169,964	20,892	-	20,892	190,856
Supplies	20,778	2,354	25,474	7,735	181	75,699	268	2,221	134,710	17,394	1,963	19,357	154,067
Insurance	13,384	12,137	8,218	12,778	1,533	9,629	411	3,530	61,620	16,521	3,704	20,225	81,845
Repairs and maintenance	21,725	14,667	1,949	13,587	353	5,550	95	7,289	65,215	5,365	841	6,206	71,421
Rent	-	7,628	5,955	11,546	-	12,823	-	18,016	55,968	6,879	-	6,879	62,847
Communications	12,456	7,305	4,294	13,899	3,460	9,145	95	3,378	54,032	6,839	843	7,682	61,714
Travel	15,464	3,288	14,840	3,018	36	19,343	-	166	56,155	3,049	869	3,918	60,073
Depreciation	36,127	2,257	3,104	5,925	564	3,386	-	282	53,056	4,797	1,693	6,490	59,546
Client leasing stipends	6,000	-	-	-	-	-	51,288	-	57,288	-	-	-	57,288
Utilities	30,677	4,365	1,395	4,883	252	2,341	67	6,806	50,786	4,579	572	5,151	55,937
Miscellaneous	17,913	3,480	864	3,991	156	2,484	41	8,986	37,915	11,142	2,828	13,970	51,885
Food	27,878	241	170	332	32	344	8	132	29,137	3,295	461	3,756	32,893
Equipment	342	2,391	2,185	4,119	107	5,607	30	1,212	15,993	3,030	777	3,807	19,800
Dues	1,484	643	7,460	1,138	128	814	38	255	11,960	1,773	426	2,199	14,159
Printing	2,089	667	1,034	1,269	90	2,029	25	132	7,335	981	4,148	5,129	12,464
Training	208	-	906	7,513	-	2,496	-	-	11,123	40	245	285	11,408
Postage	671	-	44	26	-	13	135	71	960	1,697	4,531	6,228	7,188
Advertising	-	-	957	-	-	-	-	-	957	1,498	843	2,341	3,298
Client emergency	1,788	-	-	-	-	226	-	-	2,014	-	-	-	2,014
Total expenses	\$ 887,462	\$ 542,459	\$ 615,244	\$ 1,165,689	\$ 85,007	\$ 1,066,988	\$ 83,540	\$ 641,752	\$ 5,088,141	\$ 804,280	\$ 276,977	\$ 1,081,257	\$ 6,169,398

	2022									Support Services			
	Program Services									Management and General			
	Domestic Violence Shelter	Legal Advocacy	Education	Counseling	Hotline	Fatherhood	Housing	Thrift Store	Total	General	Fundraising	Total	Total
Salaries	\$ 508,482	\$ 284,231	\$ 335,707	\$ 771,551	\$ 57,027	\$ 581,505	\$ 27,376	\$ 107,141	\$ 2,673,020	\$ 462,979	\$ 162,300	\$ 625,279	\$ 3,298,299
Payroll taxes and fringe benefits	141,441	53,555	57,193	166,633	20,018	88,495	7,639	35,525	570,499	98,593	36,859	135,452	705,951
Professional fees	13,055	76,323	73,546	48,380	3,824	102,075	325	1,983	319,511	97,121	27,124	124,245	443,756
Cost of goods sold	-	-	-	-	-	-	-	225,873	225,873	-	-	-	225,873
Supplies	11,567	11,246	25,049	69,530	2,288	56,855	704	2,542	179,781	8,405	937	9,342	189,123
Rent	1,795	27,847	22,625	35,863	-	34,866	-	44,520	167,516	8,199	-	8,199	175,715
Client emergency	21,934	138,892	1,395	3,231	-	-	2,398	-	167,850	-	-	-	167,850
Operating lease expense	1,005	15,583	12,660	20,068	-	19,510	-	24,912	93,738	4,587	-	4,587	98,325
Insurance	15,277	10,914	8,402	13,971	1,622	9,038	441	3,217	62,882	16,445	2,649	19,094	81,976
Client leasing stipends	2,000	-	-	-	-	-	68,397	-	70,397	-	-	-	70,397
Repairs and maintenance	26,768	5,984	5,237	7,648	375	5,005	122	11,062	62,201	4,432	745	5,177	67,378
Depreciation	40,739	1,690	3,099	5,635	564	3,663	282	1,127	56,799	5,072	1,691	6,763	63,562
Utilities	34,680	5,113	2,542	5,871	285	2,678	85	9,380	60,634	2,017	497	2,514	63,148
Communications	12,416	7,449	5,156	14,503	3,441	9,095	107	3,420	55,587	3,454	583	4,037	59,624
Miscellaneous	19,721	596	888	5,257	148	1,267	684	9,264	37,825	13,349	341	13,690	51,515
Food	29,373	14	74	82	4	332	1	-	29,880	3,418	7	3,425	33,305
Equipment	2,562	1,707	8,121	8,286	89	3,276	27	1,911	25,979	2,059	158	2,217	28,196
Travel	12,102	388	4,334	1,516	-	5,613	213	-	24,166	2,275	165	2,440	26,606
Printing	2,090	897	870	1,492	67	1,266	20	-	6,702	645	3,721	4,366	11,068
Advertising	-	-	782	-	-	7,480	-	-	8,262	1,631	-	1,631	9,893
Training	-	129	684	4,032	-	1,991	-	-	6,836	831	99	930	7,766
Dues	-	303	755	680	76	457	19	-	2,290	1,562	1,408	2,970	5,260
Postage	514	175	320	291	26	266	8	23	1,623	1,086	617	1,703	3,326
Total expenses	\$ 897,521	\$ 643,036	\$ 569,439	\$ 1,184,520	\$ 89,854	\$ 934,733	\$ 108,848	\$ 481,900	\$ 4,909,851	\$ 738,160	\$ 239,901	\$ 978,061	\$ 5,887,912

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

RETREAT INC. AND SUBSIDIARY
CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022

	2023	2022
CASH FLOWS FROM OPERATING ACTIVITIES:		
Change in net assets	\$ 295,829	\$ (458,388)
Adjustments to reconcile change in net assets to net cash used in operating activities:		
Depreciation	59,546	63,562
Unrealized (gain) loss on investments	(195,304)	263,195
Increase in per diems receivable	(48,444)	(68,868)
(Increase) decrease in grants receivable	(161,398)	168,402
(Increase) decrease in other receivables	6,722	(5,979)
(Increase) decrease in inventory	(19,798)	5,960
(Increase) decrease in prepaid expenses	(85,841)	40,083
Decrease in security deposits	15,408	-
Increase (decrease) in accounts payable and accrued expenses	59,339	(52,695)
Increase (decrease) in advances	8,701	(91,556)
Net cash used in operating activities	(65,240)	(136,284)
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of fixed assets	(3,860)	-
Purchase of investments	(21,185)	(57,122)
Sale of investments	581,259	34,714
Net cash provided by (used in) investing activities	556,214	(22,408)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Principal payments on mortgage payable	(26,531)	(25,557)
Net cash used in financing activities	(26,531)	(25,557)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	464,443	(184,249)
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	286,358	470,607
CASH AND CASH EQUIVALENTS, END OF YEAR	\$ 750,801	\$ 286,358
SUPPLEMENTAL INFORMATION:		
Cash paid for interest	\$ 17,829	\$ 18,073
Initial recognition of right-of-use asset via lease liability	\$ 299,412	\$ 376,189

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

RETREAT INC. AND SUBSIDIARY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(1) Background and organization:

The accompanying consolidated financial statements reflect activities of Retreat Inc. and its subsidiary, a 100% owned LLC, which is managed by the Retreat and serves as their title holding company (together referred to as the "Retreat"). Retreat Inc. is a community-based, not-for-profit agency. It remains the only organization serving eastern Long Island whose founding purpose and core mission is to provide safety, shelter, and support for victims of domestic abuse and to break the cycle of family violence. The Retreat's services are accessible to English and Spanish speaking individuals.

The Retreat provides the following services:

Hotline - Telephone crisis intervention is available 24 hours per day. Staff and trained volunteers link callers to the shelter, police, and emergency health services, while providing supportive listening, basic information, and referrals. During 2023, the Retreat responded to 3,344 hotline calls.

Shelter - An 18-bed shelter, staffed around the clock for access at all times, providing housing for adults and their children for up to 90 days. 5,062 persons served; 2,294 adults and 2,768 children in 2023 with a total of 5,062 safe nights provided.

Advocacy/Legal Advocacy - Trained legal advocates accompany victims to court and assist in the important processes of obtaining orders of protection, child custody orders, legal separation/divorce, spousal and child support, immigration matters, benefits compensation, housing and unemployment compensation. 474 persons served in 2023.

Counseling - Individual and group counseling is provided for adults and children. Short-term goals help families take control of their lives and make positive changes without guilt. Long-term counseling provides a setting for healing, and group counseling combines education about abuse with mutual support. 306 persons served in 2023.

Education - The Retreat reaches community members with key messages about preventing domestic violence and develops awareness among students of all ages through violence prevention education. In 2023, education services were provided to 369 individuals.

Long Island Fatherhood Initiative - Offers fathers (ages 18 and older) the information, skills, and practice they need relating to parenting successfully, maintaining healthy relationships and obtaining and maintaining employment, self-sufficiency, and economic stability. This program helps prevent violence by supporting at-risk dads in developing new awareness, skills, and behaviors. In 2023, LIFI served 1,340 fathers.

(2) Summary of significant accounting policies:

The accompanying consolidated financial statements include the assets, liabilities, revenues and expenses of the Retreat which are presented under the accrual basis of accounting. The following is a summary of significant accounting policies followed by the Retreat:

RETREAT INC. AND SUBSIDIARY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

Financial statement presentation -

The accompanying consolidated financial statements include the accounts of the Retreat's programs, administration and fundraising. The Retreat presents its consolidated financial statements in accordance with U.S. generally accepted accounting principles, which require the Retreat's consolidated financial statements to distinguish between those with and without donor restricted net assets and changes in net assets. The Retreat's net assets consist of the following:

Without donor restrictions - net assets of the Retreat which have not been restricted by an outside donor or by law and are therefore available for use in carrying out the operations of the Retreat.

With donor restrictions - net assets subject to donor-imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity.

As of December 31, 2023 and 2022, the Retreat did not possess any net assets with donor restrictions.

As required by U.S. generally accepted accounting principles, the Retreat has also presented Consolidated Statements of Cash Flows for the years ended December 31, 2023 and 2022.

Functional expenses -

Expenses are recognized when incurred. The Consolidated Statements of Functional Expenses report certain categories of expenses that are attributable to one or more program or supporting functions of the Retreat. Therefore, these expenses require allocation on a reasonable basis that is consistently applied. The significant expenses that are allocated include: salaries, fringe benefits and payroll taxes which are allocated on the basis of estimates of time and effort. The major program services provided by the Retreat are summarized as follows:

Shelter: An emergency shelter, staffed around the clock for access at all times, that provides safe housing, food, clothing, and case management for up to 18 victims of domestic violence and their children. The shelter residents have access to counseling, advocacy, life skill classes, computers and other supportive services during their stay. Security cameras monitor the gated shelter. We have bi-lingual staff and the shelter is accessible to individuals with disabilities.

Advocacy/Legal Advocacy: Trained legal advocates accompany victims to court and assist in the important processes of obtaining orders of protection, child custody orders, legal separation/divorce, spousal and child support, immigration matters, benefits compensation, housing and unemployment compensation. Services are provided at the shelter, in East Hampton and the Riverhead office which is conveniently located near the family court complex. Advocacy services are available in both English and Spanish. An on-staff attorney is available to clients in need of court representation or information on complicated court matters. Our Attorney can also assist Legal Advocates in determining the best course of action for clients in need of protections and restitution. Services are primarily provided at our Riverhead office but are made available to our Shelter clients and in our East Hampton office.

RETREAT INC. AND SUBSIDIARY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

Education:

- In-School and Community Violence Prevention - The Retreat provides educational programs and services for schools, community groups and workplaces on abuse related topics, including domestic violence, dating violence, healthy relationships, and bullying.
- Teen Leadership Council - The mission of the Retreat Teen Leadership Council is to prevent abuse and promote respect in all relationships and to help support the Retreat and expand its focus to include the prevention not just of domestic violence, but also of all forms of relationship abuse, including bullying and harassment, sexual assault, and teen dating violence. The council is an opportunity for teens from East End schools to work together while learning about violence prevention and promoting awareness and safety in the community.
- Take Charge! - Provides career guidance and financial education to survivors of domestic abuse. Through a series of guided group workshops and individual sessions, clients receive training in personal finance, guidance in professional development, and ultimately a lift in their own personal perspective.
- Rape Prevention Education - A collaborative effort funded through Health Research Inc. between the Retreat and Long Island Against Domestic Violence, this initiative focuses on the prevention of sexual assault of youth and young adults. We work with a sub-population of youth in foster care through Partners in Prevention, but provide ongoing education and training to many different youth communities and the adults who work with them. Through our SHAPE program, we have established a local library as a point of resources for the surrounding community and staff at the library have been trained in educational programs they can provide to community members and through the local school districts. Our Long Island Safer Bars initiative is addressing sexual violence in areas with a rich nightlife. We continue strong relationships in the Village of Patchogue in order to provide education to bar staff to recognize, respond and provide resources for situations that could lead to sexual violence.
- Enough is Enough - This program is a collaborative effort funded through the NYS Department of Health. Through this initiative, Retreat staff have collaborated with Farmingdale State College to provide education and resources for both staff and students around sexual violence prevention, and to ensure understanding of the rights of any victim. Programs provided through this program are geared for college-age students and college staff.
- Coordinated Community Response - This program is a collaborated partnership funded through the Office on Violence against Woman. Through this partnership, Retreat staff intend to have an informed, supportive and multi-cultural East Hampton community that understands the prevalence and negative impact of teen dating violence/assault on your youth and is committed to provide local educators, youth-serving professionals, public safety personnel parents, caregivers and teens 14-18 the necessary awareness, confidence, knowledge, and skills to effect change and reduce harm in our community.

RETREAT INC. AND SUBSIDIARY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

Counseling: Counseling services are offered at our shelter and non-shelter locations in East Hampton, Riverhead and Southampton. All counselors are licensed professionals. Individual and group counseling is provided for adults and children. Short-term goals help clients take control of their lives and make positive changes without guilt. Long-term counseling provides a setting for healing, and group counseling combines education about abuse with mutual support. Clients receive information on safety planning, healthy relationships, parenting, the effect of violence on children, planning a healthy future and empowerment. Counseling services are available in both English and Spanish. A Case Manager specific to working with our non-residential clients. Case management services provide clients with continuous assistance regarding community resources, beyond their scheduled counseling appointments so that clients can address emergency needs as they arise without waiting for their next counseling session. Case management services are provided primarily in our Riverhead office, but the case manager is also accessible to clients receiving services in our East Hampton office. Our new case manager is fluent in four languages, English, Spanish, French and Creole.

- Project SPARK (Supportive Parents and Resilient Kids) - Works to identify children exposed to abuse, reaching these children and their non-abusing parent connecting needed services and offering an array of client centered trauma informed evidence-based practices.

Hotline: The 24-hour crisis hotline provides: education, crisis intervention, and instant linkages to agency, local and statewide resources. Our hotline services are available in both English and Spanish, with translation services available through a “language line” for all other languages, including American Sign Language.

Long Island Fatherhood Initiative: The Long Island Fatherhood Initiative is geared toward low-income fathers / father-figures who are at risk of committing domestic violence. All clients participating in the program receive case management services, domestic violence and child abuse prevention education, employment/education counseling and referrals to help identify employment-opportunities and promote financial self-sufficiency by coaching to enable them to conduct effective job searches, resume and interviewing skills. Clients attend workshops on parenting and relationship development.

Housing:

- Transitional Housing Program - Provides assistance for clients with accessing and maintaining safe housing and support services. The program assists with economic and housing goals, financial assistance, emotional support, referrals for resources (such as furnishings) and economic stability through education. This funding is through U.S. Department of Justice, Office of Violence against Woman.

Thrift Store: For over a decade, our thrift store has been a significant source of support of revenue for the Retreat. The store, located in Bridgehampton, carries high quality clothing, housewares and furniture that are donated by members of the community and sold to the public. In addition, store items are available free of charge to shelter clients as they often need items to begin their new life.

RETREAT INC. AND SUBSIDIARY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

Fundraising expenses -

The gross proceeds from the Retreat's special events have been reflected in the Consolidated Statements of Activities and Changes in Net Assets. Exchange transactions are reciprocal transfers in which each party receives and sacrifices something of approximately equal value. Accordingly, the costs of the direct benefits to the donors attending these special events have been deducted from the gross revenues from these events. Indirect costs, including labor and other overhead expenses, associated with the Retreat's fundraising activities are included as fundraising expenses in both the Consolidated Statements of Activities and Changes in Net Assets and the Consolidated Statements of Functional Expenses.

Revenue recognition -

The following are the significant revenue recognition accounting policies of the Retreat:

Contracts - Revenue under contracts are recognized when earned. Revenue is earned when performance obligations, as defined in each contract, are fulfilled. Funds received but not yet earned are shown as deferred revenue. Expenditures under contracts are subject to review by the granting authority. To the extent, if any, that such a review reduces expenditures allowable under these contracts, the Retreat will record such disallowance at the time the final assessment is made.

Grants and contributions - Grants and contributions are recognized as income when received and are considered to be available for unrestricted use unless specifically restricted by the donor. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the Consolidated Statements of Activities and Changes in Net Assets as net assets released from restriction. Contributions restricted by donors are reported as increases in net assets without donor restrictions if the restrictions expire (that is, when a stipulated time restriction ends, or purpose restriction is accomplished) in the reporting period in which the revenue is recognized. Conditional contributions are accounted for as a liability or are not recognized as revenue initially, until the barriers to entitlement are overcome, at which point a transaction is recognized as unconditional and classified as either net assets with donor restrictions, or net assets without donor restrictions.

Third party reimbursements - Third party reimbursements are reported at an amount that reflects the consideration to which the Retreat expects to be entitled in exchange for providing housing to eligible families. These amounts are due from third party payors, as applicable, and include variable consideration and price concessions due to coverage. Revenue is recognized as performance obligations are satisfied based on actual charges incurred in relation to total expected collections.

Fundraising revenue - The portion of fundraising revenue that relates to the commensurate value the attendee receives in return is recognized when the related events are held, and performance obligations are met.

RETREAT INC. AND SUBSIDIARY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

Cash and cash equivalents -

All highly liquid investments purchased with an original maturity of three months or less are considered to be cash equivalents for financial statement purposes.

Contributed services -

A substantial number of volunteers have donated their time performing a variety of tasks for the Retreat. Volunteers assist in program activities, development initiatives, and participate in various committee assignments. Even though these donated services are valuable to the Retreat, and help to advance the Retreat's mission, no amounts have been reflected in the consolidated financial statements for such contributed services inasmuch as such services do not meet the criteria for recognition in the consolidated financial statements, nor do they create or enhance nonfinancial assets.

Per diems and grants receivable -

As of December 31, 2023 and 2022, respectively, the Retreat's per diems receivable was comprised of monies due from Suffolk County, Nassau County and New York City. Grants receivable consists of monies due from Suffolk County and New York State.

The Retreat considers receivables past due when payments have not been received within a reasonable amount of time. The Retreat monitors outstanding balances for all per diems receivable and does not charge interest on overdue receivables. Management has noted that historically an immaterial amount of per diems receivable have been deemed uncollectible and management has established an allowance for potential per diem uncollectible accounts for \$2,000 as of December 31, 2023 and 2022, respectively.

Inventory -

Inventory consists of donated goods held for resale that are carried at their estimated resale values at the time of donation.

Investments -

Investments are recorded at fair value. Fair value is defined as the exchange price that would be received for an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date. The Retreat follows U.S. generally accepted accounting principles regarding fair value measurements which establish a fair value hierarchy requiring an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to measurements involving significant unobservable inputs (Level 3 measurements).

Investment income is recorded when earned and considered available for unrestricted use unless otherwise restricted by the donor. Realized and unrealized gains and losses are determined on the basis of specific identification.

RETREAT INC. AND SUBSIDIARY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

Liquidity considerations -

Quantitative

As of December 31, 2023, the Retreat has \$3,164,120 of financial assets available to meet cash needs for program and supporting services expenditures within one year of the Consolidated Statement of Financial Position date. None of these financial assets are subject to donor or other contractual restrictions that make them unavailable for expenditures in the ensuing year.

Qualitative

As of December 31, 2023, the Retreat has a goal to maintain financial assets, which consist of cash and short-term investments, on hand to meet one month of normal operating expenses, which are, on average, approximately \$500,000.

As more fully described in Note 7, the Retreat also has a committed line of credit in the amount of \$500,000, which it could draw upon in the event of an unanticipated liquidity need.

Fixed assets -

Fixed assets are capitalized at cost or, if donated, at fair market value as of the date of receipt. Maintenance and repairs are expensed as incurred. Depreciation is computed using the straight-line method over the estimated useful lives of the assets (generally periods of three to thirty-nine years).

Right-of-use assets and lease liabilities -

The Retreat complies with the provisions of Financial Accounting Standards Board ("FASB") Accounting Standards Update ("ASU") No. 2016-02, *Leases* ("Topic 842"). All leases entered into by the Retreat are required to be recognized and measured. In applying Topic 842, the Retreat made an accounting policy election not to recognize the right-of-use assets and lease liabilities relating to short-term leases.

The Retreat determines if an arrangement is or contains a lease at inception. The Retreats' operating lease arrangements are comprised of office space and equipment. Right-of-use assets represent the Retreats' right to use the underlying assets for the lease term and lease liabilities represent the Retreats' obligation to make lease payments arising from the leases. Right of-use assets and lease liabilities are recognized at the commencement date based on the present value of the lease payments over the lease terms. As the Retreat leases do not provide an implicit rate and the implicit rate is not readily determinable, the Retreat estimates its incremental borrowing rate based on the information available at the commencement date in determining the present value of the lease payments. Right-of-use assets also exclude lease incentives.

RETREAT INC. AND SUBSIDIARY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

Impairment of long-lived assets and long-lived assets to be disposed of -

The Retreat follows the provision of the FASB Accounting Standards Codification on accounting for the impairment and disposal of long-lived assets. It requires that long-lived assets and certain identifiable intangibles be reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Recoverability of assets to be held and used is measured by a comparison of the carrying amount of an asset to future net cash flows expected to be generated by the asset. If such assets are considered to be impaired, the impairment to be recognized is measured by the amount by which the carrying amount of the assets exceeds the fair value of the assets. Assets to be disposed of are reported at the lower of the carrying amount or fair value less costs to sell. These principles did not have any impact on the Retreat's financial position, results of activities or liquidity during the years ended December 31, 2023 and 2022.

Conditional asset retirement obligations -

The FASB Accounting Standards Codification on asset retirement and environmental obligations requires the Retreat to recognize the fair value of its legal obligation to perform an asset retirement activity, even though uncertainty exists about the timing and/or method of settlement, if and when the fair value of the liability can be reasonably estimated. As of December 31, 2023, the Retreat has met the provisions of and is in compliance with these requirements.

Income taxes -

The Retreat qualifies as a tax-exempt, not-for-profit organization under Section 501(c)(3) of the Internal Revenue Code and applicable New York State tax laws. Accordingly, no provision for Federal or State income taxes is required.

Uncertainty in income taxes -

The Retreat has determined that there are no material uncertain tax positions that require recognition or disclosure in the consolidated financial statements. Periods ending December 31, 2020 and subsequent remain subject to examination by the applicable taxing authorities.

The use of estimates in the preparation of consolidated financial statements -

The preparation of consolidated financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the reported period. Actual results may differ from those estimates.

Reclassifications -

Certain reclassifications of prior year balances have been made to conform to the current year presentation. These reclassifications had no effect on the change in net assets for the year ended December 31, 2022.

RETREAT INC. AND SUBSIDIARY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

(3) Inventory:

The Retreat operates a thrift store in Bridgehampton, New York to sell clothing, furniture and other goods donated by the general public. The Retreat records all such donated items at point-of-sale. During 2023 and 2022, the Retreat received \$376,320 and \$219,913, respectively, in donated items, which have been included both with thrift store sales and contributions in the accompanying Consolidated Statements of Activities and also as Cost of Goods Sold in the Consolidated Statements of Functional Expenses. Any unsold items are maintained within inventory at estimated resale value which is \$55,323 and \$35,525 as of December 31, 2023 and 2022, respectively. The Retreat collects sales taxes from customers of this thrift store and remits these amounts to applicable taxing authorities. The Retreat excludes these taxes from related sales and cost of sales.

(4) Fair value measurements:

The FASB *Fair Value Measurement* standard clarifies the definition of fair value for financial reporting, establishes framework for measuring fair value, and requires additional disclosure about the use of fair value measurements in an effort to make the measurement of fair value more consistent and comparable. The Retreat has adopted the standard for its financial assets and liabilities measured on a recurring and nonrecurring basis (ASC 820-10).

Fair Value Measurement defines fair value as the amount that would be received from the sale of an asset or paid for the transfer of a liability in an orderly transaction between market participants, i.e. an exit price. The three levels of fair value hierarchy are as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the reported entity has the ability to access at the measurement date.
- Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.
- Level 3 inputs are unobservable inputs for the asset or liability.

The following methods and assumptions were used by the Retreat in addressing the fair value of financial instruments.

Mutual funds -

Mutual funds consist primarily of equities and fixed income.

Fixed income -

A type of investing for which real return rates or periodic income are received at regular intervals at reasonably predictable levels.

Money markets funds -

Money market funds consist primarily of cash and cash equivalents, U.S. government stock, foreign stock and bonds. The fund seeks to maintain a stable net asset value ("NAV") of \$1.

RETREAT INC. AND SUBSIDIARY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

(5) Investments:

Investments as of December 31, 2023 and 2022 are as follows:

	<u>2023</u>		<u>2022</u>	
	<u>Cost</u>	<u>Market Value</u>	<u>Cost</u>	<u>Market Value</u>
Mutual Funds	\$ 1,189,897	\$ 1,128,263	\$ 1,993,983	\$ 1,751,720
Fixed Income	277,000	277,084	-	-
Money Market Funds	23,450	23,450	41,847	41,847
	<u>\$ 1,490,347</u>	<u>\$ 1,428,797</u>	<u>\$ 2,035,830</u>	<u>\$ 1,793,567</u>

The following table represents the Retreat's fair value hierarchy for investments as of December 31, 2023:

	<u>Fair Value</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
Mutual Funds	\$ 1,128,263	\$ 1,128,263	\$ -	\$ -
Fixed Income	277,084	277,084	-	-
Money Market Funds	23,450	23,450	-	-
	<u>\$ 1,428,797</u>	<u>\$ 1,428,797</u>	<u>\$ -</u>	<u>\$ -</u>

The following table represents the Retreat's fair value hierarchy for investments as of December 31, 2022:

	<u>Fair Value</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
Mutual Funds	\$ 1,751,720	\$ 1,751,720	\$ -	\$ -
Money Market Funds	41,847	41,847	-	-
	<u>\$ 1,793,567</u>	<u>\$ 1,793,567</u>	<u>\$ -</u>	<u>\$ -</u>

As of December 31, 2023 and 2022, the Retreat did not possess any level 2 or 3 type of investments.

Investment income, which is included in the Consolidated Statements of Activities and Changes in Net Assets for the years ended December 31, 2023 and 2022, consisted of the following:

	<u>2023</u>	<u>2022</u>
Interest and dividends	\$ 36,944	\$ 39,285
Unrealized gains (losses)	195,304	(263,195)
Realized gains (losses)	(93,577)	(21,228)
	<u>\$ 138,671</u>	<u>\$ (245,138)</u>

RETREAT INC. AND SUBSIDIARY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

(6) Fixed assets:

Fixed assets as of December 31, 2023 and 2022 are comprised of the following:

	2023	2022
Land	\$ 385,924	\$ 385,924
Building	747,172	747,172
Building improvements	697,693	697,693
Furniture and fixtures	31,674	31,674
Service vehicles	146,240	146,240
Office equipment	93,516	89,656
	2,102,219	2,098,359
Less: accumulated depreciation	(897,669)	(838,123)
	<u>\$ 1,204,550</u>	<u>\$ 1,260,236</u>

Some of the Retreat's funders have the right to reclaim equipment purchased with grant funds if the program in conjunction with which the equipment is used is terminated. The depreciated value of equipment subject to this right of reversion was \$0 for both the years ending December 31, 2023 and 2022.

(7) Commercial line of credit:

On November 21, 2012, the Retreat entered into a commercial line of credit with a bank for borrowings up to \$500,000, which would be secured by certain assets of the Retreat. All advances under this agreement have to be approved by the bank. Any outstanding balance is payable in full immediately upon demand by the bank. The interest rate is subject to change from time to time based on changes in an independent index. The interest rate cannot be less than 4.5% per annum or more than 25% per annum or the maximum rate allowed by applicable laws.

As of December 31, 2023 and 2022, no funds were drawn from the line of credit.

(8) Mortgage payable:

On August 5, 2015, the Retreat entered into a mortgage agreement with a bank for \$600,000 in order to be able to purchase the shelter building from the Town of East Hampton. The mortgage is payable over 20 years with a final maturity date of November 2035. The current interest rate is 4.00%, per annum through November 2025, and subsequently, the interest rate will be 1.65% basis points in excess of U.S. treasury rate through November 2035. At no time can the interest rate be less than 4.00% per annum. The current monthly payment of principal and interest until November 2025 is \$3,636. The mortgage is secured by the shelter property and certain other assets of the Retreat. As of December 31, 2023, the balance of the mortgage payable was \$412,963.

RETREAT INC. AND SUBSIDIARY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

The following is a summary of principal payments on long-term debt as of December 31, 2023:

For the Year Ended December 31,	
2024	\$ 27,612
2025	28,737
2026	29,908
2027	31,126
2028	32,394
2029 and thereafter	<u>263,186</u>
	<u>\$ 412,963</u>

(9) Leases:

The Retreat evaluated current contracts to determine which met the criteria of a lease. The right-of-use (“ROU”) asset represents the Retreats’ right to use the underlying assets for the lease term, and the lease liability represents the Retreats’ obligation to make lease payments arising from these leases. The ROU asset and lease liability, which arise from operating leases, were calculated based on the present value of future lease payments over the lease terms. The Retreat has made an accounting policy election to use a risk-free rate in lieu of its incremental borrowing rate to discount future lease payments. The weighted-average discount rate applied to calculate lease liability was 2.66%.

The Retreats’ operating leases are for office space and equipment. As of December 31, 2023, the remaining lease term for the Retreats’ operating leases was approximately 1.76 years.

Cash paid for operating leases for the years ended December 31, 2023 and 2022 was \$190,856 and \$98,325, respectively. There were no noncash investing and financing transactions related to leasing.

Future maturities of lease liabilities are presented in the following table, for the fiscal years ending December 31:

Year Ending December 31:	
2024	\$ 239,918
2025	<u>181,210</u>
Total	421,128
Less: present value discount	<u>(9,226)</u>
Present value of lease liabilities	<u>\$ 411,902</u>

RETREAT INC. AND SUBSIDIARY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

(10) Pension plan:

The Retreat sponsors a deferred compensation plan qualified under Section 403(b) of the Internal Revenue Code, which covers substantially all employees of the Retreat. If they so elect, employees may make contributions to the plan up to the maximum amount allowed by the Internal Revenue Code. Employee contributions can be invested in any number of available options offered by the plan, which offers a broad level of diversification to its members. The Retreat may provide employer contributions at the discretion of the Board of Directors.

(11) Compensated absences:

Pursuant to the policies and procedures manual implemented by the Retreat, vacation and sick time is accumulated annually; however, employees are not paid for unused sick time at termination of employment. As a result, no provision has been made for accrued sick time within the consolidated financial statements. The accumulated sick time for the years ended December 31, 2023 and 2022 amounted to \$130,561 and \$134,835, respectively. Accumulated vacation time in the amounts of \$45,849 and \$40,618 for the years ended December 31, 2023 and 2022, respectively, have been included in the accompanying Consolidated Statements of Financial Position within accounts payable and accrued expenses.

(12) Commitments and contingencies:

Contractual obligations -

Financial awards from Federal, State and local governmental entities in the form of grants are subject to special audit. Such audits could result in claims against the Retreat for disallowed costs or noncompliance with grantor restrictions. No provision has been made for any liabilities that may arise from such audits since the amounts, if any, cannot be determined at this date.

(13) Concentrations of credit risk:

The Retreat maintains its cash in bank deposit accounts which, at times, may exceed federally insured limits. The Retreat has not experienced any losses in such accounts and believes it is not exposed to any significant credit risk on cash and cash equivalents.

(14) Subsequent events:

The Retreat has evaluated subsequent events through July 18, 2024, which is the date the consolidated financial statements were available to be issued. Based on this evaluation, the Retreat has determined there are no matters which require disclosure in the financial statements.