THE SAFE CENTER LI, INC.
FINANCIAL STATEMENTS
AS OF DECEMBER 31, 2014
TOGETHER WITH AUDITOR'S REPORT

NawrockiSmith
CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of
The Safe Center LI, Inc.:

Report on Financial Statements

We have audited the accompanying financial statements of The Safe Center LI, Inc. (the "Organization"), which comprise the statement of financial position as of December 31, 2014, and the related statements of activities and changes in net assets and cash flows for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

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

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of The Safe Center LI, Inc. as of December 31, 2014 and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of a Matter

As discussed in note 1 to the financial statements, on January 3, 2014, the Coalition Against Child Abuse and Neglect, Inc. merged into the Nassau County Coalition Against Domestic Violence, Inc., which then changed its name to The Safe Center LI, Inc.

Other Matters

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying supplementary schedules on pages 11 and 12, are presented for purposes of additional analysis and are not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects, in relation to the financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued a report dated April 14, 2015 on our consideration of the Organization's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements for the year ended December 31, 2014. 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 Organization's internal control over financial reporting and compliance.

Nawrocki Smith LLP

Melville, New York
April 14, 2015

THE SAFE CENTER LI, INC.
STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2014

ASSETS

CURRENT ASSETS:	
Cash and cash equivalents	$ 122,981
Contracts and grants receivable, net	959,759
Other accounts receivable	264,259
Prepaid expenses and other assets	51,903
Total current assets	1,398,902
PROPERTY AND EQUIPMENT, net	586,401
SECURITY DEPOSITS	169,000
Total assets	$ 2,154,303

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES:	
Line of credit	$ 50,000
Accounts payable and accrued expenses	208,965
Program advances	24,958
Other current liabilities	33,997
Total current liabilities	317,920
DEFERRED RENT PAYABLE	128,083
Total liabilities	446,003
NET ASSETS:	
Unrestricted:	
Designated for property and equipment and deposits	755,401
Undesignated	721,261
	1,476,662
Temporarily restricted	231,638
Total net assets	1,708,300
Total liabilities and net assets	$ 2,154,303

The accompanying notes to financial statements
are an integral part of this statement.

THE SAFE CENTER LI, INC.
STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS
FOR THE YEAR ENDED DECEMBER 31, 2014

	Unrestricted	Temporarily Restricted	Total
REVENUES:			
Government contracts	$ 4,211,746	$ -	$ 4,211,746
Public support and fundraising	1,041,095	315,439	1,356,534
Other revenues	88,773	-	88,773
Net assets released from restrictions	294,700	(294,700)	-
Total revenues	5,636,314	20,739	5,657,053
EXPENSES:			
Program services:			
Non-Residential and Domestic Violence	1,108,616	-	1,108,616
Community Education	391,867	-	391,867
Rape & Sexual Assault	335,910	-	335,910
Legal	718,273	-	718,273
Safe Home	732,257	-	732,257
Transitional Housing	561,212	-	561,212
Project Kids Talk	80,903	-	80,903
Children's Programs	1,061,900	-	1,061,900
Total program services	4,990,938	-	4,990,938
Supporting services:			
Management and general	448,308	-	448,308
Fundraising	312,060	-	312,060
Total expenses	5,751,306	-	5,751,306
Change in net assets	(114,992)	20,739	(94,253)
NET ASSETS, BEGINNING OF YEAR (See Note 10)	1,591,654	210,899	1,802,553
NET ASSETS, END OF YEAR	$ 1,476,662	$ 231,638	$ 1,708,300

The accompanying notes to financial statements are an integral part of this statement.

THE SAFE CENTER LI, INC.
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2014

CASH FLOWS FROM OPERATING ACTIVITIES:	
Change in net assets	$ (94,253)
Adjustments to reconcile change in net assets	
to net cash used by operating activities:	
Depreciation	110,107
Increase in contracts and grants receivable, net	(16,803)
Increase in other accounts receivable	(68,509)
Decrease in prepaid expenses and other assets	50,859
Decrease in accounts payable and accrued expenses	(5,654)
Decrease in program advances	(148,373)
Increase in other current liabilities	28,395
Increase in deferred rent payable	30,847
Net cash used by operating activities	(113,384)
CASH FLOWS FROM FINANCING ACTIVITIES:	
Purchase of fixed assets	(65,018)
Decrease in line of credit	(41,320)
Net cash used by financing activities	(106,338)
NET DECREASE IN CASH AND CASH EQUIVALENTS	(219,722)
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	342,703
CASH AND CASH EQUIVALENTS, END OF YEAR	$ 122,981
SUPPLEMENTAL CASH FLOW INFORMATION:	
Cash paid during the year for interest	$ 2,468

The accompanying notes to financial statements are an integral part of this statement.

THE SAFE CENTER LI, INC.
NOTES TO FINANCIAL STATEMENTS

(1) Background and organization

The Safe Center LI (the "Organization") is a not-for-profit corporation in the State of New York which is the result of a January 3, 2014 merger whereby the Coalition Against Child Abuse and Neglect, Inc. merged into the Nassau County Coalition Against Domestic Violence, Inc. ("NCCADV"). NCCADV was the surviving organization, whose name was changed to The Safe Center LI, Inc. The Organization is exempt from income taxes under section 501(c)(3) of the Internal Revenue Code. The Safe Center LI, Inc. provides services to victims of domestic violence, rape/sexual assault, child abuse and sex trafficking.

(2) Summary of significant accounting policies

Basis of accounting and financial statement presentation -

The accompanying financial statements are presented under the accrual basis of accounting in accordance with U.S. generally accepted accounting principles which require the financial statements to distinguish between unrestricted, temporarily restricted and permanently restricted net assets and changes in net assets. The Organization's net assets consist of the following:

Unrestricted - net assets of the Organization 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 Organization.

Temporarily restricted - net assets of the Organization which have been restricted by donors to a specific time period or purpose.

As of December 31, 2014, the Organization did not possess any permanently restricted net assets.

The accompanying financial statements are prepared on a functional basis whereby expenses are allocated to program and supporting services as follows:

- Direct purpose, or
- Based on estimates of the percentages of expenses related to each program or service.

As required by U.S. generally accepted accounting principles, the Organization has also presented a Statement of Cash Flows for the year ended December 31, 2014.

Cash and cash equivalents -

The Organization considers all highly liquid instruments purchased with an original maturity of three months or less, and any certificates of deposit that do not contain material early withdrawal penalties to be cash equivalents.

Property and equipment -

Property and equipment are capitalized at cost or, if donated, at fair market value as of the date of receipt. Depreciation is computed using the straight-line method over the estimated useful lives of the assets (generally periods of three to twenty-five years).

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

The Organization follows the provisions of the Financial Accounting Standards Board ("FASB") Accounting Standards Codification ("ASC") 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 Organization's financial position, results of activities or liquidity during the year ended December 31, 2014.

Conditional asset retirement obligations -

The FASB ASC on asset retirement and environmental obligations requires the Organization to recognize a liability for 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, 2014, the Organization has met the provisions of and is in compliance with these requirements.

Revenue and expense recognition -

Contributions are generally recognized when received and are considered to be available for unrestricted use unless specifically restricted by the donor. Revenues under contracts for service are generally recognized as earned. Program advances arise from payments received prior to services being rendered. Expenses are generally recognized as incurred under the accrual basis of accounting.

Donated services -

A number of volunteers have donated significant amounts of their time in the Organization's program services, administration and fundraising. However, since these services do not meet the criteria for recognition under U.S. generally accepted accounting principles, they are not reflected in the accompanying financial statements.

Uncertainty in income taxes -

The Organization has determined that there are no material uncertain tax positions that require recognition or disclosure in the financial statements. Periods ending December 31, 2011 and subsequent remain subject to examination by the applicable taxing authorities.

The use of estimates in the preparation of financial statements -

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

(3) 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 Organization has adopted the standard for its financial assets and liabilities measured on a recurring and nonrecurring basis.

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

Cash and cash equivalents -

The carrying amounts reported in the Statement of Financial Position for cash and cash equivalents approximate those assets' fair values.

Accounts payable and accrued expenses -

The carrying amounts of accounts payable and accrued expenses approximate their fair value due to their short-term nature.

(4) Contracts and grant receivable, net

Contracts and grants receivable, net as of December 31, 2014 consisted of the following:

Nassau County Department of Social Services	$ 266,300
Nassau County Office of Housing and Homeless Services	156,155
Nassau County Police Department	121,016
New York State Office of Children and Family Services	96,936
New York State Office of Court Administration	108,760
New York State Legislative Grant	74,559
U.S. Department of Justice	52,105
New York State Department of Health and Human Services	27,157
Nassau County Youth Board	14,378
U.S. Department of Housing and Urban Development	13,828
Local municipality	11,667
Nassau County Department of Mental Health	11,490
Nassau County District Attorney	5,408
	$ 959,759

(5) Property and equipment

Property and equipment as of December 31, 2014 consisted of the following:

Land	$ 65,000
Building and building improvements	937,954
Furniture and fixtures	715,634
	1,718,588
Less: accumulated depreciation	(1,132,187)
	$ 586,401

Depreciation expense for the year ended December 31, 2014 was $110,107.

(6) Line of credit

As of December 31, 2014, the Organization has a revolving line of credit with a bank, which provides for maximum borrowings of $350,000. Borrowings under this line are secured by the Organization's assets and bear interest at the prime rate (3.25% as of December 31, 2014) plus 1.0%. As of December 31, 2014, funds were drawn on the line of credit in the amount of $50,000.

(7) Temporarily restricted net assets

Temporarily restricted net assets are available for or relate to the following purposes:

Children's programs	$ 144,889
Shelter and transitional housing	36,939
Merger and facility renovation	32,912
Communications and technology	11,268
Outreach materials	3,500
Human trafficking	1,250
Holiday drive	880
	$ 231,638

(8) Commitments and contingencies

Lease -

In February 2009, the Organization entered into a noncancellable office lease which was extended in July 2014 and expires in January 2027. Annual rent expense is determined by dividing the total lease payments by the number of periods in the lease term.

Rental expense for this lease was $470,549 for the year ended December 31, 2014. Deferred rent of $128,083 at December 31, 2014 represents the cumulative difference between rental expense and the cash payments required under the lease.

The Organization also has various noncancellable operating leases for equipment which expire on various dates through 2019.

Future minimum payments under these operating leases are as follows:

Year ending December 31,	
2015	$ 505,658
2016	518,198
2017	533,175
2018	547,122
2019	553,883
2020 & thereafter	3,661,171
	$ 6,319,207

Government contracts -

The Organization receives a substantial portion of its funding from contracts and grants which are subject to audit by government agencies. Such audits may result in disallowances and a request for a return of funds. No significant disallowances have occurred or are expected to occur in the future.

(9) Concentrations of credit risk

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

(10) Net assets, beginning of year

Net assets, beginning of year, reflect the respective net assets of the Nassau County Coalition Against Domestic Violence, Inc. and the Coalition Against Child Abuse and Neglect, Inc., which merged on January 3, 2014, as follows:

	Unrestricted	Temporarily Restricted	Total
Nassau County Coalition Against Domestic Violence, Inc.	$ 1,507,924	$ 55,880	$ 1,563,804
Coalition Against Child Abuse and Neglect, Inc.	83,730	155,019	238,749
Net assets, beginning of year	$ 1,591,654	$ 210,899	$ 1,802,553

(11) Subsequent events

The Organization has evaluated subsequent events through April 14, 2015, which is the date these financial statements were available to be issued, noting no matters requiring further consideration.

THE SAFE CENTER LI, INC.
SUPPLEMENTARY SCHEDULE OF REVENUES
FOR THE YEAR ENDED DECEMBER 31, 2014

GOVERNMENT CONTRACTS:	
Nassau County grants -	
Department of Social Services	$ 1,592,649
Police Department	250,997
Office of Housing and Homeless Services	144,915
Department of Mental Health	62,729
Youth Board	57,535
Other	12,015
New York State grants -	
Office of Victim Services	530,055
Office of Children and Family Services	346,573
Office of Court Administration	190,422
Legislative	173,647
Department of Health and Human Services	63,269
Other government grants -	
U.S. Department of Housing and Urban Development	453,418
Department of Justice	222,709
Other	110,813
Total government contracts	4,211,746
PUBLIC SUPPORT AND FUNDRAISING:	
Grants and contributions	783,222
Fundraising events, net	542,570
United Way of Long Island	30,742
Total public support and fundraising	1,356,534
OTHER REVENUES:	
Miscellaneous fees and other income	88,773
Total other revenues	88,773
Total revenues	$ 5,657,053

The accompanying notes to financial statements should be read in conjunction with this schedule.

THE SAFE CENTER LI, INC.
SUPPLEMENTARY SCHEDULE OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2014

	Non-Residential and Domestic Violence	Community Education	Rape & Sexual Assault	Legal	Safe Home	Transitional Housing	Project Kids Talk	Children's Programs	Total Program	Management and General	Fundraising	Total
Salaries	$ 708,999	$ 248,445	$ 216,014	$ 447,282	$ 358,520	$ 150,518	$ 48,477	$ 672,397	$ 2,850,652	$ 246,985	$ 97,619	$ 3,195,256
Employee benefits	74,079	25,958	22,570	46,734	37,460	15,727	5,065	70,255	297,848	25,806	10,200	333,854
Payroll taxes	63,761	22,343	19,426	40,225	32,242	13,536	4,360	60,469	256,362	22,212	8,779	287,353
Total personnel costs	846,839	296,746	258,010	534,241	428,222	179,781	57,902	803,121	3,404,862	295,003	116,598	3,816,463
Building rent	133,094	46,638	40,551	83,965	67,302	28,256	9,100	126,223	535,129	46,364	18,325	599,818
Transitional housing rents	-	-	-	-	-	319,704	-	-	319,704	-	-	319,704
Safe house	-	-	-	-	162,849	-	-	-	162,849	-	-	162,849
Fundraising/special events	-	-	-	-	-	-	-	-	-	-	133,308	133,308
Consultants	16,418	5,002	4,349	12,221	7,218	3,130	976	14,286	63,600	4,972	16,952	85,524
Insurance	13,748	4,817	4,188	13,807	6,952	2,919	940	13,038	60,409	4,789	1,893	67,091
Office equipment maintenance and repairs	14,187	4,971	4,322	8,950	7,174	3,012	970	13,455	57,041	4,942	1,953	63,936
Postage and printing	10,553	4,488	3,286	8,009	5,378	2,325	712	9,987	44,738	7,793	6,977	59,508
Merger expenses	-	-	-	-	-	-	-	-	-	55,983	-	55,983
Food and client needs	12,869	1,716	3,219	5,057	19,214	4,724	720	5,734	53,253	1,706	675	55,634
Accounting and auditing fees	10,118	3,546	3,083	6,383	5,117	2,148	692	9,596	40,683	3,525	1,393	45,601
Telephone and communications	7,089	2,484	2,160	4,472	3,585	1,505	485	6,723	28,503	2,469	976	31,948
Conference, dues, and subscriptions	1,402	2,075	135	7,682	263	425	158	13,638	25,778	2,228	-	28,006
Office	5,607	1,965	1,709	3,538	2,836	1,190	383	5,318	22,546	1,953	772	25,271
Travel and speaking engagements	2,662	4,852	479	3,862	-	5,107	-	4,878	21,840	1,762	351	23,953
Bank and other service charges	3,252	1,140	991	2,052	1,645	690	222	3,085	13,077	1,133	7,240	21,450
Miscellaneous	4,135	1,048	1,575	2,353	1,453	825	185	3,664	15,238	4,020	899	20,157
Program supplies	984	1,388	35	5,494	75	24	5,703	4,821	18,524	727	216	19,467
Development	679	238	207	428	343	144	47	644	2,730	237	93	3,060
Interest	548	192	167	346	277	116	37	519	2,202	191	75	2,468
Total expenses before depreciation	1,084,184	383,306	328,466	702,860	719,903	556,025	79,232	1,038,730	4,892,706	439,797	308,696	5,641,199
Depreciation	24,432	8,561	7,444	15,413	12,354	5,187	1,671	23,170	98,232	8,511	3,364	110,107
Total expenses	$ 1,108,616	$ 391,867	$ 335,910	$ 718,273	$ 732,257	$ 561,212	$ 80,903	$ 1,061,900	$ 4,990,938	$ 448,308	$ 312,060	$ 5,751,306

The accompanying notes to financial statements should be read in conjunction with this schedule.