

**L.I. AGAINST DOMESTIC VIOLENCE INC.**  
**FINANCIAL STATEMENTS**  
**AS OF AND FOR THE YEARS ENDED**  
**DECEMBER 31, 2017 AND 2016**  
**TOGETHER WITH AUDITOR'S REPORT**

**L.I. AGAINST DOMESTIC VIOLENCE INC.**  
**FINANCIAL STATEMENTS AND AUDITOR'S REPORT**  
**AS OF AND FOR THE YEARS ENDED**  
**DECEMBER 31, 2017 AND 2016**

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## **INDEPENDENT AUDITOR'S REPORT**

To the Board of Directors of  
L.I. Against Domestic Violence Inc.:

### ***Report on Financial Statements***

We have audited the accompanying financial statements of L.I. Against Domestic Violence Inc. (the "Organization"), which comprise the statement of financial position as of December 31, 2017, 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 from material misstatement.

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

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

# NawrockiSmith

## ***Opinion***

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of L.I. Against Domestic Violence Inc. as of December 31, 2017, 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.

## ***Report on Summarized Comparative Information***

We have previously audited L.I. Against Domestic Violence Inc.'s 2016 financial statements, and we expressed an unmodified audit opinion on those audited financial statements. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2016, is consistent, in all material respects, with the audited financial statements from which it has been derived.

## ***Other Matters***

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying supplementary schedules 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 taken as a whole.

## ***Other Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated June 28, 2018, on our consideration of L.I. Against Domestic Violence Inc.'s internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants for the year ended December 31, 2017. 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* and should be considered in assessing the results of our audit.

June 28, 2018  
Melville, New York



**L.I. AGAINST DOMESTIC VIOLENCE INC.**  
**STATEMENTS OF FINANCIAL POSITION**  
**AS OF DECEMBER 31, 2017 AND 2016**

<u>ASSETS</u>	<u>2017</u>	<u>2016</u>
CURRENT ASSETS:		
Cash and cash equivalents	\$ 316,201	\$ 428,177
Accounts receivable	652,279	558,532
Prepaid expenses	676	676
	<hr/>	<hr/>
Total current assets	969,156	987,385
	<hr/>	<hr/>
PROPERTY AND EQUIPMENT, net	105,940	120,758
	<hr/>	<hr/>
SECURITY DEPOSITS	31,409	31,409
	<hr/>	<hr/>
Total assets	<u>\$ 1,106,505</u>	<u>\$ 1,139,552</u>
	<hr/>	<hr/>
<u>LIABILITIES AND NET ASSETS</u>		
CURRENT LIABILITIES:		
Accounts payable and accrued expenses	\$ 101,475	\$ 98,069
Deferred revenue	40,125	13,133
	<hr/>	<hr/>
Total liabilities	141,600	111,202
	<hr/>	<hr/>
NET ASSETS:		
Unrestricted	929,475	999,018
Temporarily restricted	35,430	29,332
	<hr/>	<hr/>
Total net assets	964,905	1,028,350
	<hr/>	<hr/>
Total liabilities and net assets	<u>\$ 1,106,505</u>	<u>\$ 1,139,552</u>
	<hr/>	<hr/>

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

**L.I. AGAINST DOMESTIC VIOLENCE INC.**  
**STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS**  
**FOR THE YEAR ENDED DECEMBER 31, 2017**  
**(With Comparative Totals For 2016)**

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>2017</u>	<u>2016</u>
REVENUES:				
Government contracts	\$ 1,174,289	\$ -	\$ 1,174,289	\$ 1,152,973
Fees for service	600,068	-	600,068	569,262
Public support and fundraising	162,756	41,000	203,756	318,162
Other income	1,586	-	1,586	1,728
	<u>1,938,699</u>	<u>41,000</u>	<u>1,979,699</u>	<u>2,042,125</u>
Total revenues				
EXPENSES:				
Program services	1,826,644	-	1,826,644	1,763,275
Supporting services:				
Administration	148,551	-	148,551	142,277
Fundraising	67,949	-	67,949	61,788
	<u>2,043,144</u>	<u>-</u>	<u>2,043,144</u>	<u>1,967,340</u>
Total expenses				
Excess (deficiency) of revenues over (under) expenses	<u>(104,445)</u>	<u>41,000</u>	<u>(63,445)</u>	<u>74,785</u>
NET ASSETS RELEASED FROM RESTRICTIONS	<u>34,902</u>	<u>(34,902)</u>	<u>-</u>	<u>-</u>
Change in net assets	(69,543)	6,098	(63,445)	74,785
NET ASSETS, BEGINNING OF YEAR	<u>999,018</u>	<u>29,332</u>	<u>1,028,350</u>	<u>953,565</u>
NET ASSETS, END OF YEAR	<u>\$ 929,475</u>	<u>\$ 35,430</u>	<u>\$ 964,905</u>	<u>\$ 1,028,350</u>

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

**L.I. AGAINST DOMESTIC VIOLENCE INC.**  
**STATEMENTS OF CASH FLOWS**  
**FOR THE YEARS ENDED DECEMBER 31, 2017 AND 2016**

	<u>2017</u>	<u>2016</u>
CASH FLOWS FROM OPERATING ACTIVITIES:		
Change in net assets	\$ (63,445)	\$ 74,785
Adjustments to reconcile change in net assets to net cash used by operating activities:		
Depreciation	22,516	20,733
Increase in accounts receivable, net	(93,747)	(192,689)
Decrease in prepaid expenses	-	838
Increase in accounts payable and accrued expenses	3,406	12,012
Increase (decrease) in deferred revenue	<u>26,992</u>	<u>(42,047)</u>
Net cash used by operating activities	<u>(104,278)</u>	<u>(126,368)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of fixed assets	<u>(7,698)</u>	<u>(24,876)</u>
Net cash used by investing activities	<u>(7,698)</u>	<u>(24,876)</u>
NET DECREASE IN CASH AND CASH EQUIVALENTS	(111,976)	(151,244)
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	<u>428,177</u>	<u>579,421</u>
CASH AND CASH EQUIVALENTS, END OF YEAR	<u><u>\$ 316,201</u></u>	<u><u>\$ 428,177</u></u>

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

**L.I. AGAINST DOMESTIC VIOLENCE INC.**  
**NOTES TO FINANCIAL STATEMENTS**

**(1) Organization and operation**

L.I. Against Domestic Violence Inc. (the "Organization") is a not-for-profit corporation which was formed and incorporated in 1976 in accordance with the laws of the State of New York. The Organization's mission is to assist and empower victims of domestic violence through the provision of a wide range of services and to work towards the prevention of domestic violence. As a not-for-profit organization, the Organization is exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code. A similar exemption is provided under New York State income tax law.

**(2) Summary of significant accounting policies**

The accompanying financial statements include the assets, liabilities, revenues and expenses of the Organization's programs and administration for the years ended December 31, 2017 and 2016. The following is a summary of significant accounting policies followed by the Organization:

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 limited by donor-imposed stipulations or by law that either expire with the passage of time or can be fulfilled and removed by the actions of the Organization pursuant to those stipulations.

As of December 31, 2017 and 2016, 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 Statements of Cash Flows for the years ended December 31, 2017 and 2016.

Cash and cash equivalents -

All highly liquid instruments purchased with a maturity of three months or less are considered to be cash equivalents, principally money market funds.



#### Fixed assets -

Fixed assets 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).

#### Conditional asset retirement obligations -

The Financial Accounting Standards Board ("FASB") Accounting Standards Codification 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, 2017 and 2016, 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 and expenses are recognized when incurred. Deferred revenue arises from payments received under contracts for service in advance of revenue recognition.

#### 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.

#### Income taxes -

The Organization 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 Organization has determined that there are no material uncertain tax positions that require recognition or disclosure in the financial statements. Periods ending December 31, 2014 and subsequent remain subject to examination by the applicable taxing authorities.

#### Summarized comparative information -

The financial statements include certain prior-year summarized comparative information in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with U.S. generally accepted accounting principles. Accordingly, such information should be read in conjunction with the Organization's financial statements for the year ended December 31, 2016, from which the summarized information was derived.

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 amounts of revenues and expenses during the period. Actual results may differ from those estimates.

**(3) Property and equipment**

Property and equipment as of December 31, 2017 and 2016 consisted of the following:

	<u>2017</u>	<u>2016</u>
Land	\$ 25,400	\$ 25,400
Building and building improvements	396,957	396,957
Furniture and fixtures	51,392	51,392
Office equipment	131,983	124,285
Autos	45,706	45,706
	<u>651,438</u>	<u>643,740</u>
Less: accumulated depreciation	<u>(545,498)</u>	<u>(522,982)</u>
	<u>\$ 105,940</u>	<u>\$ 120,758</u>

Depreciation expense for the years ended December 31, 2017 and 2016 was \$22,516 and \$20,733, respectively.

**(4) Line of credit**

The Organization has a line of credit with a bank through July 31, 2018 which provides for a maximum borrowing of \$150,000. Borrowings under this line bear interest at the bank's prime rate (4.5% at December 31, 2017) plus 1.0%, but a minimum floor rate of 5.0%. The line of credit is secured by all the Organization's assets, and was fully available as of December 31, 2017.

**(5) Temporarily restricted net assets**

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

	<u>2017</u>	<u>2016</u>
Vocational advocacy project	\$ 10,312	\$ 10,312
Client services	8,930	7,252
Counseling	7,500	1,000
Youth education	5,000	-
Victims of trafficking	3,294	3,294
Client medical petty cash	394	474
Legal services	-	7,000
	<u>\$ 35,430</u>	<u>\$ 29,332</u>

**(6) Employee benefit plan**

The Organization has a 403(b) tax deferred annuity plan (the "Plan") for all eligible employees. The Plan states that the employer will contribute 2.5% of the salary for union employees and 4% of the salary for nonunion employees. The amount contributed to this Plan was \$24,993 and \$19,636 for the years ended December 31, 2017 and 2016, respectively.

**(7) Commitments and contingencies**

Leases -

In March 2012, the Organization entered into an office lease which expires in August 2020. The Organization also has various noncancellable operating leases for equipment which expire on various dates through April 2018. Rent expense related to these leases was \$181,288 and \$164,677 for the years ended December 31, 2017 and 2016, respectively.

Future minimum payments under these operating leases are as follows:

<u>Year ending December 31,</u>	<u>2017</u>
2018	\$ 180,337
2019	184,338
2020	47,114
	<u>\$ 411,789</u>

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. In addition, numerous contracts are funded on a cost reimbursement basis. Delays in receiving related funding may result in increased borrowings and related interest costs on the part of the Organization.

**(8) Subsequent events**

The Organization evaluated subsequent events through June 28, 2018, which is the date these financial statements were available to be issued, noting no matters requiring further consideration.

**L.I. AGAINST DOMESTIC VIOLENCE INC.**  
**SUPPLEMENTARY SCHEDULES OF REVENUES**  
**FOR THE YEARS ENDED DECEMBER 31, 2017 AND 2016**

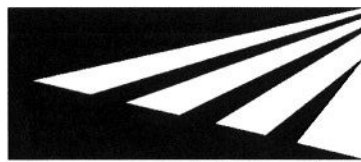
	<u>2017</u>	<u>2016</u>
GOVERNMENT CONTRACTS:		
Suffolk County Program to Aid Victims of Domestic Violence	\$ 544,707	\$ 553,312
Suffolk County Police Department - SCOPE	163,568	165,896
New York State Domestic Violence Program	122,500	114,867
United States Department of Justice Disability Grant	90,529	96,068
Suffolk County Police Department - STOP	66,094	73,337
Suffolk County Vocational Advocacy Project	72,055	70,219
Suffolk County Domestic Violence Liaison Services	43,754	43,532
Suffolk County Department of Probation Formula Grant	31,196	35,742
New York State Miscellaneous Grants	35,620	-
New York State Justice Assistance Grant	4,266	-
	<u>1,174,289</u>	<u>1,152,973</u>
FEES FOR SERVICE:		
Residential Services for Victims of Domestic Violence-		
Per Diem Reimbursements	<u>600,068</u>	<u>569,262</u>
PUBLIC SUPPORT		
AND FUNDRAISING:		
Grants	84,610	110,575
Fundraising	79,197	118,418
Donations	39,949	77,673
United Way	-	11,496
	<u>203,756</u>	<u>318,162</u>
OTHER INCOME:		
Interest income	<u>1,586</u>	<u>1,728</u>
	<u>\$ 1,979,699</u>	<u>\$ 2,042,125</u>

The accompanying notes to financial statements  
should be read in conjunction with these schedules.

**L.I. AGAINST DOMESTIC VIOLENCE INC.**  
**SUPPLEMENTARY SCHEDULE OF FUNCTIONAL EXPENSES**  
**FOR THE YEAR ENDED DECEMBER 31, 2017**  
**(With Summarized Totals For 2016)**

	Program Services	Supporting Services		Totals	
		Administration	Fundraising	2017	2016
Salaries	\$ 1,116,544	\$ 86,842	\$ 37,218	\$ 1,240,604	\$ 1,210,193
Payroll taxes and fringe benefits	259,337	20,171	8,644	288,152	261,902
Rent	163,160	18,128	-	181,288	164,677
Consultants	52,948	5,883	-	58,831	53,300
Utilities	45,609	5,068	-	50,677	49,228
Bad debt	31,672	2,488	1,068	35,228	25,964
Insurance	34,119	-	-	34,119	34,275
Office supplies	24,154	1,879	805	26,838	24,566
Depreciation	22,516	-	-	22,516	20,733
Special events	-	-	19,350	19,350	15,196
Telephone	15,110	1,175	504	16,789	19,096
Cleaning and maintenance	11,265	1,252	-	12,517	15,305
Professional fees	11,250	1,250	-	12,500	12,500
Travel	8,922	991	-	9,913	6,949
Office equipment maintenance and rental	6,650	2,449	-	9,099	12,930
Miscellaneous	6,666	518	223	7,407	9,338
Food	5,925	-	-	5,925	6,239
Fees and charges	4,153	-	-	4,153	3,172
Shelter transportation	2,417	188	80	2,685	1,443
Advertising	1,769	138	58	1,965	562
Client services	1,166	130	-	1,296	19,664
Employee training	793	-	-	793	-
Program Supplies	499	-	-	499	-
Office	-	-	-	-	108
	<u>\$ 1,826,644</u>	<u>\$ 148,550</u>	<u>\$ 67,950</u>	<u>\$ 2,043,144</u>	<u>\$ 1,967,340</u>

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



**NawrockiSmith**

CERTIFIED PUBLIC ACCOUNTANTS

**INDEPENDENT AUDITOR'S REPORT**  
**ON INTERNAL CONTROL OVER FINANCIAL REPORTING**  
**AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN**  
**AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH**  
**GOVERNMENT AUDITING STANDARDS**

To the Board of Directors of  
L.I. Against Domestic Violence Inc.:

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of L.I. Against Domestic Violence Inc. (the "Organization"), which comprise the statement of financial position as of December 31, 2017, and the related statements of activities and changes in net assets, and cash flows for the year then ended, and the related notes to financial statements, and have issued our report thereon dated June 28, 2018.

**Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the Organization's internal control over financial reporting ("internal control") to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control. Accordingly, we do not express an opinion on the effectiveness of the Organization's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

# NawrockiSmith

## **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the Organization's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

## **Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Organization's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Organization's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Melville, New York  
June 28, 2018

A handwritten signature in black ink that reads "Nawrocki Smith LLP". The signature is written in a cursive, flowing style.