

**NEW YORK CITY GAY AND LESBIAN
ANTI-VIOLENCE PROJECT, INC.
FINANCIAL STATEMENTS
FOR THE YEARS ENDED JUNE 30, 2016 AND 2015**

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INDEPENDENT AUDITOR'S REPORT

The Board of Directors
New York City Gay and Lesbian Anti-Violence Project, Inc.

We have audited the accompanying financial statements of New York City Gay and Lesbian Anti-Violence Project, Inc. (the "Agency") which comprise the statements of financial position as of June 30, 2016 and 2015, and the related statements of activities, functional expenses and cash flows for the years 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 audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the 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.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of New York City Gay and Lesbian Anti-Violence Project, Inc. as of June 30, 2016 and 2015 and the results of its operations and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.


Lederer, Levine & Associates, LLC

December 20, 2016

NEW YORK CITY GAY AND LESBIAN ANTI-VIOLENCE PROJECT, INC.
STATEMENTS OF FINANCIAL POSITION
AS OF JUNE 30, 2016 AND 2015

	2016	2015
ASSETS		
Cash and cash equivalents (Notes B and G)	\$ 103,408	\$ 109,980
Contributions receivable (Notes B and C)	233,930	332,258
Accounts receivable	7,826	37,481
Government grants receivable (Notes B and H)	430,827	396,724
Prepaid expenses and other assets	13,176	56,733
Property and equipment, net (Notes B and D)	118,710	132,667
Security deposits	121,831	117,396
TOTAL ASSETS	\$ 1,029,708	\$ 1,183,239
LIABILITIES		
Accrued expenses and other payables	\$ 344,972	\$ 458,817
Refundable advances	72,897	143,034
Loan payable (Note E)	40,000	
Deferred rent payable (Note H)	61,779	
TOTAL LIABILITIES	519,648	601,851
COMMITMENTS AND CONTINGENCIES (Note H)		
NET ASSETS		
Unrestricted	145,681	10,927
Temporarily restricted (Note I)	364,379	570,461
TOTAL NET ASSETS	510,060	581,388
TOTAL LIABILITIES AND NET ASSETS	\$ 1,029,708	\$ 1,183,239

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

NEW YORK CITY GAY AND LESBIAN ANTI-VIOLENCE PROJECT, INC.
STATEMENTS OF ACTIVITIES
FOR THE YEARS ENDED JUNE 30, 2016 AND 2015

	2016			2015		
	Unrestricted	Temporarily Restricted	Total	Unrestricted	Temporarily Restricted	Total
SUPPORT AND REVENUE:						
Special events - revenue	\$ 274,993	\$	\$ 274,993	\$ 269,533	\$	\$ 269,533
Less: cost of direct benefits to donors	(49,558)		(49,558)	(88,083)		(88,083)
Net revenue from special events	225,435		225,435	181,450		181,450
Government grants (Note H)	2,074,150		2,074,150	1,834,464		1,834,464
Contributions	350,183	354,791	704,974	297,651	766,377	1,064,028
Rental income	320		320	5,828		5,828
Donated goods and services (Notes B and F)	237,927		237,927	253,885		253,885
Training and other revenue	40,254		40,254	41,307		41,307
Net assets released from restrictions	560,873	(560,873)		798,281	(798,281)	
TOTAL SUPPORT AND REVENUE	3,489,142	(206,082)	3,283,060	3,412,866	(31,904)	3,380,962
EXPENSES:						
Program services	2,395,049		2,395,049	2,332,266		2,332,266
Management and general	626,003		626,003	513,599		513,599
Fundraising and development	333,336		333,336	274,256		274,256
TOTAL EXPENSES	3,354,388		3,354,388	3,120,121		3,120,121
Change in Net Assets	134,754	(206,082)	(71,328)	292,745	(31,904)	260,841
Net Assets - Beginning of Year	10,927	570,461	581,388	(281,818)	602,365	320,547
Net Assets - End of Year	\$ 145,681	\$ 364,379	\$ 510,060	\$ 10,927	\$ 570,461	\$ 581,388

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

NEW YORK CITY GAY AND LESBIAN ANTI-VIOLENCE PROJECT, INC.
STATEMENTS OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2016

2016

	Program Services	Management and General	Fundraising and Development	Total
Salaries	\$ 1,359,947	\$ 253,981	\$ 185,458	\$ 1,799,386
Payroll taxes and employee benefits	266,252	49,825	36,315	352,392
Total salaries and related costs	1,626,199	303,806	221,773	2,151,778
Professional fees and consultants (Note F)				
Hotline volunteers (Note F)	72,584	116,931	36,581	226,096
Occupancy (Note H)	161,298			161,298
Special events (Note F)	272,293	75,352	37,133	384,778
Program activities	38,057		60,562	60,562
Travel and transportation	79,106			38,057
Printing and design	7,822		623	80,279
Equipment rentals (Note H)	15,735		8,168	16,709
Equipment repairs and maintenance	39,371		2,010	22,599
Telephone and communication	31,211		2,851	46,126
Office and program supplies	8,398		2,986	38,286
Postage and mailing	1,697		827	10,588
Interest expense			2,100	3,971
Insurance				699
Staff expenses and dues	10,843		1,167	13,608
Fees and assessments	15,999		4,062	59,494
Depreciation and amortization	1,088		231	33,526
Bad debts expense	13,348		1,820	17,661
	37,831			37,831
Sub-total	2,395,049	626,003	382,894	3,403,946
Less: expenses deducted directly from revenues on the statements of activities			49,558	49,558
Total Expenses	\$ 2,395,049	\$ 626,003	\$ 333,336	\$ 3,354,388

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

NEW YORK CITY GAY AND LESBIAN ANTI-VIOLENCE PROJECT, INC.
STATEMENTS OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2015

2015

	Program Services	Management and General	Fundraising and Development	Total
Salaries	\$ 1,272,126	\$ 249,025	\$ 145,837	\$ 1,666,988
Payroll taxes and employee benefits	215,020	42,130	24,651	281,801
Total salaries and related costs	1,487,146	291,155	170,488	1,948,789
Professional fees and consultants (Note F)				
Hotline volunteers (Note F)	154,063	67,945	53,851	275,859
Occupancy (Note H)	177,704			177,704
Special events (Note F)	219,220	42,914	25,132	287,266
Program activities	49,315		88,183	88,183
Travel and transportation	64,767	659	30	65,456
Printing and design	54,974		8,707	63,681
Equipment rentals (Note H)	10,482	3,418	2,111	16,011
Equipment repairs and maintenance	46,073	5,943	2,785	54,801
Telephone and communication	22,853	2,849	1,668	27,370
Office and program supplies	8,961	1,504	791	11,256
Postage and mailing	2,370	736	3,401	6,507
Interest expense		1,078		1,078
Insurance	7,687	3,285		10,972
Staff expenses and dues	9,501	16,688	3,311	29,500
Fees and assessments	2,764	54,558	231	57,553
Depreciation and amortization	14,386	2,816	1,650	18,852
Bad debts expense		18,051		18,051
Sub-total	2,332,266	513,599	362,339	3,208,204
Less: expenses deducted directly from revenues on the statements of activities			88,083	88,083
Total Expenses	\$ 2,332,266	\$ 513,599	\$ 274,256	\$ 3,120,121

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

NEW YORK CITY GAY AND LESBIAN ANTI-VIOLENCE PROJECT, INC.
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED JUNE 30, 2016 AND 2015

	2016	2015
CASH FLOWS FROM OPERATING ACTIVITIES:		
Change in net assets	\$ (71,328)	\$ 260,841
Adjustments to reconcile change in net assets to net cash (used) provided by operating activities:		
Depreciation and amortization	17,661	18,852
Deferred rent	61,779	(37,713)
Bad debts expense	37,831	18,051
Changes in operating assets and liabilities:		
Decrease (Increase) in assets:		
Contributions receivable	60,497	129,970
Accounts receivable	29,655	(21,936)
Government grants receivable	(34,103)	(94,327)
Prepaid expenses and other assets	43,557	(42,743)
Security deposits	(4,435)	(99,685)
(Decrease) Increase in liabilities:		
Accrued expenses and other payables	(113,845)	8,359
Refundable advances	(70,137)	90,448
Net Cash (Used) Provided by Operating Activities	(42,868)	230,117
CASH FLOWS FROM INVESTING ACTIVITIES:		
Property and equipment acquisitions	(3,704)	(120,340)
Net Cash Used by Investing Activities	(3,704)	(120,340)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Proceeds from loans payable	89,154	
Principal repayments of loans payable	(49,154)	(32,999)
Net Cash Provided (Used) by Financing Activities	40,000	(32,999)
NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS	(6,572)	76,778
Cash and cash equivalents - beginning of year	109,980	33,202
CASH AND CASH EQUIVALENTS - END OF YEAR	\$ 103,408	\$ 109,980
Supplementary Disclosure of Cash Flow Information:		
Cash paid during the year for interest	\$ 699	\$ 3,190

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

NEW YORK CITY GAY AND LESBIAN ANTI-VIOLENCE PROJECT, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2016 AND 2015

Note A – Organization and Nature of Activities

The New York City Gay and Lesbian Anti-Violence Project, Inc (“AVP”) (the “Agency”) empowers lesbian, gay, bisexual, transgender, queer (“LGBTQ”) and HIV-affected communities and allies to end all forms of violence through organizing and education, and supports survivors through counseling and advocacy. AVP operates a free and confidential 24-hour bilingual hotline staffed by AVP staff and trained volunteers, provides crisis intervention, safety planning, counseling and advocacy to individual survivors of violence and engages in community outreach and education to prevent and end violence within and against LGBTQ and HIV-affected communities in New York City. AVP coordinates the NYS Domestic Violence Network which addresses LGBTQ and HIV-affected domestic violence throughout the state. AVP also trains and educates “mainstream service providers”, including law enforcement agencies, in NYS about violence within and against the LGBTQ and HIV-affected communities. In 2014, AVP launched a Legal Services Program, which provides free holistic, direct legal services to underserved LGBTQ and HIV-affected survivors of intimate partner violence and sexual violence in all five boroughs. AVP also coordinates the National Coalition of Anti-Violence Programs (“NCAVP”) which is a national coalition of programs that addresses the pervasive problem of violence committed against and within the LGBTQ and HIV-affected communities throughout the United States.

AVP receives its principal revenue from governmental sources, private individuals and corporate foundations.

AVP is a not-for-profit corporation exempt from income taxes under Section 501 (c)(3) of the Internal Revenue Code.

Note B – Summary of Significant Accounting Policies

Basis of Accounting

The Agency follows accounting principles generally accepted in the United States of America (“U.S. GAAP”) which include certain specialized requirements set forth in publications of the Financial Accounting Standards Board.

Subsequent Events Evaluation by Management

Management has evaluated subsequent events for disclosure and/or recognition in the financial statements through the date that the financial statements were available to be issued, which is December 20, 2016.

Accounting for Uncertainty in Income Taxes

The Agency’s accounting policy is to record liabilities for uncertain tax positions when a liability is probable and estimable. Management is not aware of any violation of its tax status as an organization exempt from income taxes, nor of any exposure to unrelated business income tax.

Cash and Cash Equivalents

The Agency considers all highly liquid investments with a maturity of less than three months to be cash equivalents.

Contributions Receivable

Contributions receivable, which consist of unconditional promises to give, are recognized as revenue in the year received. Unconditional promises to give that are expected to be collected within one year are recorded at net realizable value. Unconditional promises to give that are expected to be collected in future years are recorded at the present value of their estimated future cash flows, unless management deems the discount amount to be immaterial to the financial statements.

NEW YORK CITY GAY AND LESBIAN ANTI-VIOLENCE PROJECT, INC.
 NOTES TO FINANCIAL STATEMENTS
 JUNE 30, 2016 AND 2015
 (Continued)

Note B – Summary of Significant Accounting Policies (continued)

Restricted Contributions

Contributions that are restricted by the donor are reported as increases in temporarily or permanently restricted net assets depending on the nature of the restrictions. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets.

Donated Goods and Services

Donated goods and services are recorded at the estimated fair value.

Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Property and Equipment

Property and equipment are stated at cost, less accumulated depreciation and amortization. Depreciation and amortization are provided for in amounts sufficient to relate the cost of depreciable assets to operations over their estimated useful lives. The Agency capitalizes property and equipment with a useful life of two years or more and a cost of \$1,000 or more, unless the acquisition is reimbursed by a government grant, and the grantor retains title to the property or equipment. In those instances, the purchase is expensed in the year incurred.

Fair Value Measurements

Fair value measurements are based on the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

Reclassification

Certain line items in the June 30, 2015 financial statements have been reclassified to conform to the June 30, 2016 presentation.

Note C – Contributions Receivable

Contributions receivable consist of the following as of June 30, 2016 and 2015:

Unconditional promises to be collected in:

	<u>2016</u>	<u>2015</u>
Less than one year	\$ <u>233,930</u>	\$ <u>332,258</u>

The Agency has not recorded an allowance for doubtful accounts based on management's estimate of the credit worthiness of contributors and grantors.

NEW YORK CITY GAY AND LESBIAN ANTI-VIOLENCE PROJECT, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2016 AND 2015
(Continued)

Note D – Property and Equipment

Property and equipment consist of the following as at June 30, 2016 and 2015:

	Estimated Useful Lives	2016	2015
Computers	3 years	\$ 194,867	\$ 194,867
Computer software	3 years	3,485	3,485
Furniture and equipment	5 years	252,895	249,191
Leasehold improvements	10 years	305,782	305,782
Website	3 years	<u>12,500</u>	<u>12,500</u>
		769,529	765,825
Less: accumulated depreciation and amortization		<u>(650,819)</u>	<u>(633,158)</u>
		<u>\$ 118,710</u>	<u>\$ 132,667</u>

Note E – Loan Payable

In November 2015, the Organization entered into two (2) loan agreements with the Fund for the City of New York (the "Fund"). A loan for \$49,153.90 covered the Organization's operating expenses pending the receipt of funds from the NYC Human Resources Administration (the "HRA"). The loan was at no interest or service charges. The loan was repaid in full on February 24, 2016 by a direct recoupment from a HRA grant payment. The second loan was for \$40,000 for the operation of supporting various HIV/AIDS initiatives. The loan bears no interest but is subject to a one and one half percent service charge of \$600 that was withheld by the Fund when the loan was made. The loan was originally due by January 30, 2016, but was subsequently paid in full on July 25, 2016 with the approval of the Fund.

\$ 40,000

Note F – Donated Goods and Services

Donated goods and services consisted of the following for the years ended June 30, 2016 and 2015:

	2016	2015
Hotline volunteers	\$ 161,298	\$ 177,704
Lobbying consultants	36,000	36,000
Special event expenses	10,831	40,181
Leasehold improvements	<u>29,798</u>	<u> </u>
	<u>\$ 237,927</u>	<u>\$ 253,885</u>

Note G – Concentration of Credit Risk

The Agency maintains several bank accounts at a bank which is an institution insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000. As of June 30, 2016 and 2015 there were no uninsured cash balances.

NEW YORK CITY GAY AND LESBIAN ANTI-VIOLENCE PROJECT, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2016 AND 2015
(Continued)

Note H – Commitments and Contingencies

The Agency entered into a real property lease in February, 2015. The lease term began July, 2015 and is scheduled to expire on August 31, 2026. Rental expense amounted to approximately \$323,500 for June 30, 2016 and \$247,600 for June 30, 2015, respectively. The Agency has also entered into various equipment lease agreements.

- 1) Approximate future minimum annual rental commitments under noncancelable lease obligations are as follows:

	<u>Office Rent</u>	<u>Equipment Rent</u>	<u>Totals</u>
For the years ended June 30, 2017	\$ 330,000	\$ 16,000	\$ 346,000
2018	340,000	8,500	348,500
2019	360,000	2,100	362,100
2020	370,000	700	370,700
2021	381,000	700	381,700
Thereafter	<u>1,785,000</u>	<u>2,800</u>	<u>1,787,800</u>
	<u>\$ 3,566,000</u>	<u>\$ 30,800</u>	<u>\$ 3,596,800</u>

AVP records rent expense on the straight line basis as required under accounting principles generally accepted in the United States of America. Deferred rent payable amounted to \$61,779 at June 30, 2016.

- 2) A substantial amount of the Agency's revenues are government reimbursements. Revenues and related expenses are subject to audit verification by the funding agencies. The accompanying financial statements make no provision for possible disallowances. Although such disallowances could be substantial in amount, in the opinion of management, any actual disallowances would be immaterial.

Note I – Temporarily Restricted Net Assets

Temporarily restricted net assets are subject to the following restrictions at June 30:

	<u>2016</u>	<u>2015</u>
Purpose restrictions:		
NCAVP (a)	\$ 225,000	\$ 210,000
Intimate Partner Violence program support	60,049	79,697
Sexual Violence program support	45,167	40,167
Enhancing financial viability		154,138
Hate Violence program support	25,048	18,746
Time restricted		22,313
Legal work	<u>9,115</u>	<u>45,400</u>
	<u>\$ 364,379</u>	<u>\$ 570,461</u>

- (a) Also time restricted