

**NEW YORK CITY GAY AND LESBIAN
ANTI-VIOLENCE PROJECT, INC.
FINANCIAL STATEMENTS
FOR THE YEARS ENDED JUNE 30, 2017 AND 2016**

**NEW YORK CITY GAY AND LESBIAN ANTI-VIOLENCE PROJECT, INC.
FINANCIAL STATEMENTS
FOR THE YEARS ENDED JUNE 30, 2017 AND 2016**

TABLE OF CONTENTS

	<u>Page Number</u>
Independent Auditor's Report	1
Statements of Financial Position	2
Statements of Activities	3
Statements of Functional Expenses	4 - 5
Statements of Cash Flows	6
Notes to Financial Statements	7 - 10

LEDERER, LEVINE & ASSOCIATES, LLC
CERTIFIED PUBLIC ACCOUNTANTS

KENNETH J. LEDERER, CPA
STEVEN J. LEVINE, CPA
DEREK A. FLANAGAN, CPA

1099 WALL STREET WEST - SUITE 280
LYNDHURST, NEW JERSEY 07071
(201) 933-3780
(201) 933-3575 FAX

20 EAST 35th STREET - SUITE 3M
NEW YORK, NEW YORK 10016
(800) 269-3457 (NYC)

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, 2017 and 2016, 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, 2017 and 2016, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.


Lederer, Levine & Associates, LLC

Lyndhurst, NJ
February 5, 2018

NEW YORK CITY GAY AND LESBIAN ANTI-VIOLENCE PROJECT, INC.
STATEMENTS OF FINANCIAL POSITION
AS OF JUNE 30, 2017 AND 2016

	<u>2017</u>	<u>2016</u>
ASSETS		
Cash and cash equivalents (Notes B and G)	\$ 80,002	\$ 103,408
Contributions receivable (Notes B and C)	582,000	233,930
Government grants and other receivables (Notes B and H)	921,037	438,653
Prepaid expenses and other assets	22,260	13,176
Property and equipment, net (Notes B and D)	116,246	118,710
Security deposits	<u>121,231</u>	<u>121,831</u>
TOTAL ASSETS	<u>\$ 1,842,776</u>	<u>\$ 1,029,708</u>
 LIABILITIES		
Accrued expenses and other payables	\$ 292,129	\$ 344,972
Refundable advances	60,738	72,897
Loan payable (Note E)		40,000
Deferred rent payable (Note H)	<u>113,941</u>	<u>61,779</u>
TOTAL LIABILITIES	<u>466,808</u>	<u>519,648</u>
 COMMITMENTS AND CONTINGENCIES (Note H)		
 NET ASSETS		
Unrestricted	567,237	145,681
Temporarily restricted (Note I)	<u>808,731</u>	<u>364,379</u>
TOTAL NET ASSETS	<u>1,375,968</u>	<u>510,060</u>
 TOTAL LIABILITIES AND NET ASSETS	<u>\$ 1,842,776</u>	<u>\$ 1,029,708</u>

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, 2017 AND 2016

	2017		2016	
	Unrestricted	Temporarily Restricted	Unrestricted	Temporarily Restricted
SUPPORT AND REVENUE:				
Special events - revenue	\$ 229,161	\$	\$ 274,993	\$
Less: cost of direct benefits to donors	(37,973)	(37,973)	(49,558)	(49,558)
Net revenue from special events	191,188	191,188	225,435	225,435
Government grants (Note H)				
Contributions	2,287,818	2,287,818	2,074,150	2,074,150
Donated goods and services (Notes B and F)	780,260	1,687,260	350,183	354,791
Trainings and other revenue	185,897	185,897	237,927	237,927
Net assets released from restrictions	63,278	63,278	40,574	40,574
	462,648	(462,648)	560,873	(560,873)
TOTAL SUPPORT AND REVENUE	3,971,089	4,415,441	3,489,142	(206,082)
EXPENSES:				
Program services	2,674,552	2,674,552	2,395,049	2,395,049
Management and general	620,039	620,039	626,003	626,003
Fundraising and development	254,942	254,942	333,336	333,336
TOTAL EXPENSES	3,549,533	3,549,533	3,354,388	3,354,388
Change in Net Assets	421,556	865,908	134,754	(71,328)
Net Assets - Beginning of Year	145,681	510,060	10,927	570,461
Net Assets - End of Year	\$ 567,237	\$ 1,375,968	\$ 145,681	\$ 364,379

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

NEW YORK CITY GAY AND LESBIAN ANTI-VIOLENCE PROJECT, INC.
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2017

2017

	Program Services	Management and General	Fundraising and Development	Total
Salaries	\$ 1,612,938	\$ 269,578	\$ 150,134	\$ 2,032,650
Payroll taxes and employee benefits	316,489	53,131	29,459	399,079
Total salaries and related costs	1,929,427	322,709	179,593	2,431,729
Professional fees and consultants (Note F)	10,299	185,234	20,563	216,096
Hotline volunteers (Note F)	165,110			165,110
Occupancy (Note H)	318,595	53,248	29,655	401,498
Special events (Note F)	2,900		42,291	45,191
Program activities	18,244			18,244
Travel and transportation	81,564	4,662		86,226
Printing and design	6,908	1,223	5,700	13,831
Equipment rentals (Note H)	16,930	3,170	1,576	21,676
Software, office and equipment maintenance	45,807	3,502	1,951	51,260
Telephone and communication	31,635	3,582	1,995	37,212
Office and program supplies	7,526	1,177	655	9,358
Postage and mailing	2,084	319	3,266	5,669
Interest expense		58		58
Insurance	12,142	1,621	902	14,665
Staff expenses and dues	14,037	792	3,727	18,556
Fees and assessments	162	34,845		35,007
Depreciation and amortization	11,182	1,869	1,041	14,092
Bad debts expense		2,028		2,028
Sub-total	2,674,552	620,039	292,915	3,587,506
Less: expenses deducted directly from revenues on the statements of activities			37,973	37,973
Total Expenses	\$ 2,674,552	\$ 620,039	\$ 254,942	\$ 3,549,533

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

NEW YORK CITY GAY AND LESBIAN ANTI-VIOLENCE PROJECT, INC.
STATEMENT 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	<u>266,252</u>	<u>49,825</u>	<u>36,315</u>	<u>352,392</u>
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		174	2,100	3,971
Insurance		699		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
		<u>37,831</u>		<u>37,831</u>
Sub-total	2,395,049	626,003	382,894	3,403,946
Less: expenses deducted directly from revenues on the statements of activities			<u>49,558</u>	<u>49,558</u>
Total Expenses	<u>\$ 2,395,049</u>	<u>\$ 626,003</u>	<u>\$ 333,336</u>	<u>\$ 3,354,388</u>

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, 2017 AND 2016

	<u>2017</u>	<u>2016</u>
CASH FLOWS FROM OPERATING ACTIVITIES:		
Change in net assets	\$ 865,908	\$ (71,328)
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities:		
Depreciation and amortization	14,092	17,661
Deferred rent	52,162	61,779
Bad debts expense	2,028	37,831
Changes in operating assets and liabilities:		
(Increase) Decrease in assets:		
Contributions receivable	(350,098)	60,497
Government grants and other receivable	(482,384)	(4,448)
Prepaid expenses and other assets	(9,084)	43,557
Security deposits	600	(4,435)
(Decrease) Increase in liabilities:		
Accrued expenses and other payables	(46,343)	(113,845)
Refundable advances	(12,159)	(70,137)
Net Cash Provided (Used) by Operating Activities	<u>34,722</u>	<u>(42,868)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Property and equipment acquisitions	(18,128)	(3,704)
Net Cash Used by Investing Activities	<u>(18,128)</u>	<u>(3,704)</u>
CASH FLOWS FROM FINANCING ACTIVITIES:		
Proceeds from loans payable		89,154
Principal repayments of loans payable	(40,000)	(49,154)
Net Cash (Used) Provided by Financing Activities	<u>(40,000)</u>	<u>40,000</u>
NET DECREASE IN CASH AND CASH EQUIVALENTS	(23,406)	(6,572)
Cash and cash equivalents - beginning of year	<u>103,408</u>	<u>109,980</u>
CASH AND CASH EQUIVALENTS - END OF YEAR	<u>\$ 80,002</u>	<u>\$ 103,408</u>
Supplementary Disclosure of Cash Flow Information:		
Cash paid during the year for interest	<u>\$ 58</u>	<u>\$ 699</u>

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, 2017 AND 2016

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 support and 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 and is located in New York, NY.

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 by 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 February 5, 2018.

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 an original maturity of three months or less 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 have not been discounted to net present value of their estimated future cash flows, unless management deems the discount amount to be immaterial to the financial statements.

Government Grants and Other Receivables

Federal, State, and City government grants and contract revenue is recognized when the corresponding program expenditures are made, or when milestones are reached, in accordance with the terms of the related contracts.

NEW YORK CITY GAY AND LESBIAN ANTI-VIOLENCE PROJECT, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017 AND 2016
(Continued)

Note B – Summary of Significant Accounting Policies (continued)

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. 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. Depreciation and amortization are provided, using the straight-line method, over the estimated useful lives of the assets.

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, 2016 financial statements have been reclassified to conform to the June 30, 2017 presentation.

Note C – Contributions Receivable

Contributions receivable consist of the following as of June 30, 2017 and 2016:

Unconditional promises to be collected in:

	<u>2017</u>	<u>2016</u>
Less than one year	\$ 482,000	\$ 233,930
One to five years	<u>100,000</u>	<u> </u>
	<u>\$ 582,000</u>	<u>\$ 233,930</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, 2017 AND 2016
(Continued)

Note D – Property and Equipment

Property and equipment consist of the following as at June 30, 2017 and 2016:

	Estimated Useful Lives	2017	2016
Computers	3 years	\$ 194,867	\$ 194,867
Computer software	3 years	3,485	3,485
Furniture and equipment	5-10 years	264,523	252,895
Leasehold improvements	10 years	305,782	305,782
Website	3 years	<u>12,500</u>	<u>12,500</u>
		781,157	769,529
Less: accumulated depreciation and amortization		<u>(664,911)</u>	<u>(650,819)</u>
		<u>\$ 116,246</u>	<u>\$ 118,710</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 supporting of various HIV/AIDS initiatives. The loan bears no interest but is subject to a one and one half percent service charge of \$600. 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, 2017 and 2016:

	2017	2016
Hotline volunteers	\$ 165,110	\$ 161,298
Lobbying consultants	14,000	36,000
Special event expenses	6,787	10,831
Leasehold improvements	<u>29,798</u>	<u>29,798</u>
	<u>\$ 185,897</u>	<u>\$ 237,927</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, 2017 and 2016 there were no uninsured cash balances.

NEW YORK CITY GAY AND LESBIAN ANTI-VIOLENCE PROJECT, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017 AND 2016
(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 \$376,800 for June 30, 2017 and \$323,500 for June 30, 2016, 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:

	Office Rent	Equipment Rent	Totals
For the years ended June 30, 2018	\$ 340,000	\$ 17,600	\$ 357,600
2019	360,000	16,100	376,100
2020	370,000	16,100	386,100
2021	381,000	16,100	397,100
2022	393,000	14,300	407,300
Thereafter	1,392,000	11,200	1,403,200
	\$ 3,236,000	\$ 91,400	\$ 3,327,400

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 \$113,941 and \$61,779 at June 30, 2017 and 2016, respectively.

- 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:

	2017	2016
Purpose restrictions:		
NCAVP (a)	\$ 200,000	\$ 225,000
Executive Discretionary funds (b)	123,809	
Intimate Partner Violence program support	61,217	60,049
Sexual Violence program support	10,166	45,167
TGNC Program	60,839	
Hate Violence program support (c)	77,700	25,048
Legal work		9,115
Time restricted	275,000	
	\$ 808,731	\$ 364,379

- (a) Also time restricted
(b) includes \$60,000 of time restricted
(c) includes \$25,000 of time restricted