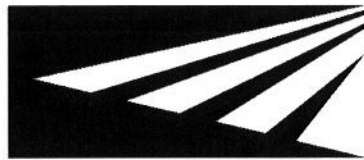


THE SAFE CENTER LI, INC.
FINANCIAL STATEMENTS AND
SUPPLEMENTARY INFORMATION
AS OF AND FOR THE YEARS ENDED
DECEMBER 31, 2017 AND 2016
TOGETHER WITH AUDITOR'S REPORT

THE SAFE CENTER LI, INC.
FINANCIAL STATEMENTS AND SUPPLEMENTARY INFORMATION
AS OF AND FOR THE YEARS ENDED
DECEMBER 31, 2017 AND 2016

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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", a non-profit organization), which comprise the statements of financial position as of December 31, 2017 and 2016, and the related statements of activities and changes in net assets, and cash flows for the years then ended, and the related notes to 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 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 The Safe Center LI, Inc. as of December 31, 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.

Supplementary Information

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 audits 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 17, 2018, 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 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 Organization's internal control over financial reporting and compliance.

Melville, New York
April 17, 2018

Nawrocki Smith LLP

THE SAFE CENTER LI, 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	\$ 227,961	\$ 353,080
Contracts and grants receivable	1,354,193	1,203,969
Contributions receivable	84,570	72,277
Prepaid expenses and other assets	<u>33,499</u>	<u>51,886</u>
Total current assets	1,700,223	1,681,212
PROPERTY AND EQUIPMENT, net	554,457	511,436
SECURITY DEPOSITS	<u>169,000</u>	<u>169,000</u>
Total assets	<u>\$ 2,423,680</u>	<u>\$ 2,361,648</u>
<u>LIABILITIES AND NET ASSETS</u>		
CURRENT LIABILITIES:		
Loan payable to bank	\$ 130,000	\$ 244,130
Accounts payable and accrued expenses	293,939	247,972
Program advances	247,464	196,258
Deferred income	18,400	1,342
Other current liabilities	<u>7,411</u>	<u>43,184</u>
Total current liabilities	697,214	732,886
DEFERRED RENT PAYABLE	<u>146,062</u>	<u>154,899</u>
Total liabilities	<u>843,276</u>	<u>887,785</u>
NET ASSETS:		
Unrestricted, designated for:		
Property and equipment	554,457	511,436
Deposits	169,000	169,000
Unrestricted, undesignated	<u>480,255</u>	<u>471,708</u>
Total unrestricted net assets	1,203,712	1,152,144
Temporarily restricted	<u>376,692</u>	<u>321,719</u>
Total net assets	<u>1,580,404</u>	<u>1,473,863</u>
Total liabilities and net assets	<u>\$ 2,423,680</u>	<u>\$ 2,361,648</u>

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

THE SAFE CENTER LI, INC.
STATEMENTS OF ACTIVITIES AND CHANGES IN NET ASSETS
FOR THE YEARS ENDED DECEMBER 31, 2017 AND 2016

	2017			2016		
	Unrestricted	Temporarily Restricted	Total	Unrestricted	Temporarily Restricted	Total
REVENUES:						
Government contracts	\$ 5,298,013	\$ -	\$ 5,298,013	\$ 5,279,562	\$ -	\$ 5,279,562
Public support and fundraising, net of direct expenses of \$101,887 and \$112,636	637,179	370,789	1,007,968	652,230	297,343	949,573
Other revenues	23,428	-	23,428	16,813	-	16,813
Net assets released from restrictions	315,816	(315,816)	-	284,527	(284,527)	-
Total revenues	<u>6,274,436</u>	<u>54,973</u>	<u>6,329,409</u>	<u>6,233,132</u>	<u>12,816</u>	<u>6,245,948</u>
EXPENSES:						
Program services:						
Non-Residential and Domestic Violence	1,400,332	-	1,400,332	1,414,167	-	1,414,167
Community Education	508,151	-	508,151	428,078	-	428,078
Rape and Sexual Assault	531,546	-	531,546	507,245	-	507,245
Legal	835,057	-	835,057	823,611	-	823,611
Safe Home	707,067	-	707,067	734,834	-	734,834
Transitional Housing	313,158	-	313,158	528,456	-	528,456
Children's Programs and Project Kids Talk	1,284,435	-	1,284,435	1,302,189	-	1,302,189
Total program services	<u>5,579,746</u>	<u>-</u>	<u>5,579,746</u>	<u>5,738,580</u>	<u>-</u>	<u>5,738,580</u>
Supporting services:						
Management and general	468,684	-	468,684	436,470	-	436,470
Fundraising	174,438	-	174,438	140,459	-	140,459
Total expenses	<u>6,222,868</u>	<u>-</u>	<u>6,222,868</u>	<u>6,315,509</u>	<u>-</u>	<u>6,315,509</u>
Change in net assets	<u>51,568</u>	<u>54,973</u>	<u>106,541</u>	<u>(82,377)</u>	<u>12,816</u>	<u>(69,561)</u>
NET ASSETS, BEGINNING OF YEAR	<u>1,152,144</u>	<u>321,719</u>	<u>1,473,863</u>	<u>1,234,521</u>	<u>308,903</u>	<u>1,543,424</u>
NET ASSETS, END OF YEAR	<u>\$ 1,203,712</u>	<u>\$ 376,692</u>	<u>\$ 1,580,404</u>	<u>\$ 1,152,144</u>	<u>\$ 321,719</u>	<u>\$ 1,473,863</u>

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

THE SAFE CENTER LI, 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	\$ 106,541	\$ (69,561)
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities:		
Depreciation	59,464	57,168
Increase in contracts and grants receivable	(150,224)	(38,166)
Increase in contributions receivable	(12,293)	(98,680)
(Increase) decrease in prepaid expenses and other assets	18,387	(8,340)
Increase in accounts payable and accrued expenses	45,967	29,883
Increase in program advances	51,206	56,283
Increase (decrease) in deferred income	17,058	(29,400)
Increase (decrease) in other current liabilities	(35,773)	35,549
Increase (decrease) in deferred rent payable	<u>(8,837)</u>	<u>6,139</u>
Net cash provided (used) by operating activities	<u>91,496</u>	<u>(59,125)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of property and equipment	<u>(102,485)</u>	<u>(41,056)</u>
Net cash used by investing activities	<u>(102,485)</u>	<u>(41,056)</u>
CASH FLOWS FROM FINANCING ACTIVITIES:		
Proceeds from loan payable to bank	130,000	251,256
Payments on loan payable to bank	<u>(244,130)</u>	<u>(7,126)</u>
Net cash provided (used) by financing activities	<u>(114,130)</u>	<u>244,130</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(125,119)	143,949
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	<u>353,080</u>	<u>209,131</u>
CASH AND CASH EQUIVALENTS, END OF YEAR	<u>\$ 227,961</u>	<u>\$ 353,080</u>
SUPPLEMENTAL CASH FLOW INFORMATION:		
Cash paid during the year for interest	<u>\$ 12,026</u>	<u>\$ 15,383</u>

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

THE SAFE CENTER LI, INC.
NOTES TO FINANCIAL STATEMENTS

(1) Background and organization

The Safe Center LI, Inc. (the "Organization") is a not-for-profit corporation in the State of New York. The Organization is exempt from income taxes under section 501(c)(3) of the Internal Revenue Code. The Organization 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 among 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, 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 -

The Organization considers all highly liquid instruments purchased with an original maturity of three months or less to be cash equivalents.

Contracts and grants receivable -

Contracts and grants receivable represent service revenues that have been billed but not collected as of December 31, 2017 and 2016. Management believes that all accounts will be fully collectible. Therefore, an allowance for doubtful accounts has not been recorded.

Contributions receivable -

Unconditional contributions receivable are recognized as support in the period pledged. Conditional contributions receivable are recognized when the conditions on which they depend are substantially met. The Organization considers contributions receivable past due or delinquent when payments have not been received in a timely manner. Management believes that all accounts will be fully collectible. Therefore, an allowance for doubtful accounts has not been recorded.

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). Additions with a cost or value greater than or equal to \$2,000 with an expected useful life of more than one year shall be capitalized.

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 years ended December 31, 2017 and 2016.

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, 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. 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.

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) **Contracts and grants receivable**

Contracts and grants receivable as of December 31, 2017 and 2016 consisted of the following:

	<u>2017</u>	<u>2016</u>
Nassau County Department of Social Services	\$ 790,772	\$ 789,329
Nassau County Police Department	142,329	13,541
New York State Office of Children and Family Services	120,890	63,387
New York State Legislative Grant	77,077	87,418
New York State Division of Criminal Justice	72,260	48,157
Nassau County Office of Housing and Homeless Services	43,513	118,315
U.S. Department of Housing and Urban Development	27,657	9,779
Nassau County District Attorney	23,288	16,954
Nassau County Youth Board	7,048	9,124
New York State Department of Health and Human Services	2,845	24,979
Other	46,514	22,986
	<u>\$ 1,354,193</u>	<u>\$ 1,203,969</u>

(4) **Property and equipment**

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

	<u>2017</u>	<u>2016</u>
Land	\$ 65,000	\$ 65,000
Building and building improvements	1,006,186	973,425
Furniture and fixtures	796,183	726,459
	1,867,369	1,764,884
Less: accumulated depreciation	<u>(1,312,912)</u>	<u>(1,253,448)</u>
	<u>\$ 554,457</u>	<u>\$ 511,436</u>

Depreciation expense for the years ended December 31, 2017 and 2016 was \$59,464 and \$57,168 respectively.

(5) **Loan payable to bank**

The Organization has a line of credit with a bank in the amount of \$350,000. The line is available through September 5, 2018. Borrowings on the line bear interest at 5.0% and are secured by the Organization's assets.

(6) **Program advances**

Program advances as of December 31, 2017 and 2016 consisted of the following:

	<u>2017</u>	<u>2016</u>
New York State Office of Court Administration	\$ 94,988	\$ -
New York State Office of Victim Services -		
Domestic Violence	74,511	-
Victim Assistance Program	31,589	-
Forensic Interviewer	19,025	-
Rape/Sexual Assault	7,751	-
Philips Domestic Violence (Legislative Grant)	19,600	-
Family Violence Prevent and Services Program	-	196,258
	<u>\$ 247,464</u>	<u>\$ 196,258</u>

(7) **Temporarily restricted net assets**

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

	<u>2017</u>	<u>2016</u>
Children's programs and PKT	\$ 283,572	\$ 210,829
Safe Home and transitional housing	35,100	5,000
Legal services	21,826	34,390
Outstanding pledges	20,000	-
Community Education	10,000	5,000
Staff and Board development	5,194	66,500
Outreach materials	1,000	-
	<u>\$ 376,692</u>	<u>\$ 321,719</u>

(8) **Commitments and contingencies**

Operating lease -

The Organization has a noncancellable office lease that expires in January 2027. Annual rent expense is determined by dividing the total lease payments by the number of periods in the lease term.

Rent expense for this lease was \$514,182 and \$499,204 for the years ended December 31, 2017 and 2016, respectively. Deferred rent of \$146,062 and \$154,899 at December 31, 2017 and 2016, represents the cumulative difference between rent 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 all operating leases are as follows:

<u>Year ending</u> <u>December 31,</u>	
2018	\$ 547,122
2019	553,883
2020	561,860
2021	578,716
2022	475,199
2023 & thereafter	<u>2,045,396</u>
	<u>\$ 4,762,176</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. 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) Subsequent events

The Organization has evaluated subsequent events through April 17, 2018, which is the date these financial statements were available to be issued, noting no matters requiring further consideration.

THE SAFE CENTER LI, INC.
SUPPLEMENTARY SCHEDULES OF REVENUES
FOR THE YEARS ENDED DECEMBER 31, 2017 AND 2016

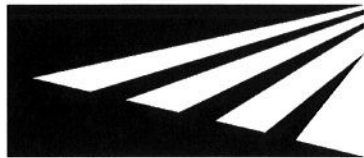
	2017	2016
GOVERNMENT CONTRACTS:		
Nassau County grants -		
Department of Social Services	\$ 2,598,614	\$ 2,424,928
Police Department	201,908	315,558
Office of Housing and Homeless Services	86,417	204,734
Department of Mental Health	73,179	63,467
Youth Board	52,008	54,979
New York State grants -		
Office of Victim Services	403,861	377,733
Office of Children and Family Services	364,588	384,073
Office of Court Administration	377,914	269,824
Division of Criminal Justice Services	151,192	48,157
Legislative	156,307	292,457
Department of Health and Human Services	171,432	94,180
Other government grants -		
U.S. Department of Housing and Urban Development	265,227	482,802
Department of Justice	115,318	167,343
Other	280,048	99,327
Total government contracts	5,298,013	5,279,562
PUBLIC SUPPORT AND FUNDRAISING:		
Grants and contributions	616,977	538,202
Fundraising events, net	370,136	390,269
United Way of Long Island	20,855	21,102
Total public support and fundraising	1,007,968	949,573
OTHER REVENUES:		
Miscellaneous fees and other income	23,428	16,813
Total other revenues	23,428	16,813
Total revenues	\$ 6,329,409	\$ 6,245,948

See auditor's report on supplementary information.

THE SAFE CENTER LI, INC.
SUPPLEMENTARY SCHEDULE OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2017
(WITH COMPARATIVE TOTALS FOR 2016)

	Program Services							Supporting Services			Total	
	Non-Residential and Domestic Violence	Community Education	Rape and Sexual Assault	Legal	Safe Home	Transitional Housing	Children's Programs and PKT	Total Program	Management and General	Fundraising	2017	2016
Salaries	\$ 918,034	\$ 323,737	\$ 346,650	\$ 537,536	\$ 388,263	\$ 108,956	\$ 829,581	\$ 3,452,757	\$ 320,686	\$ 93,836	\$ 3,867,279	\$ 3,832,169
Employee benefits	86,544	30,519	32,679	50,675	36,602	10,271	78,205	325,495	30,231	8,846	364,572	384,569
Payroll taxes	77,079	27,182	29,105	45,132	32,599	9,148	69,653	289,898	26,925	7,879	324,702	340,858
Total personnel costs	1,081,657	381,438	408,434	633,343	457,464	128,375	977,439	4,068,150	377,842	110,561	4,556,553	4,557,596
Building rent	137,967	48,653	52,096	80,784	58,350	16,374	124,673	518,897	48,194	14,102	581,193	589,380
Transitional housing rents	-	-	-	-	-	142,197	-	142,197	-	-	142,197	324,384
Food and client needs	33,642	11,864	12,703	23,103	11,798	4,542	30,390	128,042	-	-	128,042	95,138
Conference, dues and subscriptions	30,853	10,880	11,650	18,066	11,133	3,661	27,873	114,116	1,514	443	116,073	70,248
Safe Home	-	-	-	-	98,592	-	-	98,592	-	-	98,592	112,686
Insurance	20,768	7,323	7,842	18,941	8,783	2,465	18,766	84,888	7,254	2,123	94,265	73,518
Consultants	20,783	7,329	7,847	12,169	8,790	2,466	18,780	78,164	7,260	2,124	87,548	104,847
Bad debt	-	-	-	-	21,252	-	-	21,252	-	36,620	57,872	-
Postage and printing	13,280	4,683	5,015	7,776	5,616	1,576	12,000	49,946	4,639	1,357	55,942	52,484
Office equipment maintenance and repairs	13,066	4,607	4,934	7,650	5,526	1,551	11,807	49,141	4,564	1,336	55,041	60,248
Office	9,247	3,261	3,492	5,415	3,911	1,098	8,356	34,780	3,230	945	38,955	23,632
Accounting and auditing fees	7,579	2,673	2,862	4,437	3,205	899	6,848	28,503	2,647	775	31,925	74,683
Telephone and communications	7,001	2,469	2,644	4,099	2,961	831	6,327	26,332	2,445	716	29,493	32,240
Travel and speaking engagements	1,585	5,460	3,379	4,022	-	4,405	8,531	27,382	1,095	515	28,992	27,192
Program supplies	-	9,435	-	1,841	-	-	11,949	23,225	-	480	23,705	16,489
Payroll fees	3,696	1,303	1,395	2,164	1,563	439	3,339	13,899	1,291	378	15,568	-
Interest	2,944	1,038	1,112	1,724	1,245	349	2,660	11,072	1,028	300	12,400	15,383
Bank and other service charges	2,148	757	811	1,258	908	255	1,941	8,078	750	220	9,048	28,193
Total expenses before depreciation	1,386,216	503,173	526,216	826,792	701,097	311,483	1,271,679	5,526,656	463,753	172,995	6,163,404	6,258,341
Depreciation	14,116	4,978	5,330	8,265	5,970	1,675	12,756	53,090	4,931	1,443	59,464	57,168
Total expenses	\$ 1,400,332	\$ 508,151	\$ 531,546	\$ 835,057	\$ 707,067	\$ 313,158	\$ 1,284,435	\$ 5,579,746	\$ 468,684	\$ 174,438	\$ 6,222,868	\$ 6,315,509

See auditor's report on supplementary information.



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
The Safe Center LI, 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 The Safe Center LI, Inc. (the "Organization"), which comprise the statements of financial position as of December 31, 2017 and 2016, and the related statements of activities and changes in net assets, and cash flows for the years then ended, and the related notes to financial statements, and have issued our report thereon dated April 17, 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.

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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
April 17, 2018

Nawrocki Smith LLP