

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

LONG ISLAND CRISIS CENTER, INC.
FINANCIAL STATEMENTS
AND SUPPLEMENTARY INFORMATION
AS OF AND FOR THE YEARS ENDED
DECEMBER 31, 2017 AND 2016

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CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of
Long Island Crisis Center, Inc.:

Report on Financial Statements

We have audited the accompanying financial statements of Long Island Crisis Center, Inc. ("LICC", a nonprofit 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 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.

NawrockiSmith

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Long Island Crisis Center, 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.

Other Matters

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

Melville, New York
May 2, 2018

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

LONG ISLAND CRISIS CENTER, INC.
STATEMENTS OF FINANCIAL POSITION
AS OF DECEMBER 31, 2017 AND 2016

| ASSETS | <u>2017</u> | <u>2016</u> |
|--|----------------------------|----------------------------|
| CURRENT ASSETS: | | |
| Cash and cash equivalents | \$ 602,622 | \$ 559,679 |
| Grants receivable | 427,081 | 362,455 |
| Accounts receivable - partnership distribution | - | 13,761 |
| Prepaid expenses | 13,201 | 13,160 |
| Total current assets | <u>1,042,904</u> | <u>949,055</u> |
| FIXED ASSETS, net of accumulated depreciation and amortization of \$65,234 and \$61,711, respectively | 81,784 | 78,306 |
| OTHER ASSETS | <u>3,700</u> | <u>3,700</u> |
| Total assets | <u><u>\$ 1,128,388</u></u> | <u><u>\$ 1,031,061</u></u> |
| LIABILITIES AND NET ASSETS | | |
| LIABILITIES: | | |
| Accounts payable and accrued expenses | \$ 191,945 | \$ 173,114 |
| Deferred revenue | 47,415 | 28,504 |
| Total liabilities | <u>239,360</u> | <u>201,618</u> |
| NET ASSETS: | | |
| Unrestricted | <u>889,028</u> | <u>829,443</u> |
| Total net assets | <u>889,028</u> | <u>829,443</u> |
| Total liabilities and net assets | <u><u>\$ 1,128,388</u></u> | <u><u>\$ 1,031,061</u></u> |

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

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

| | <u>2017</u> | <u>2016</u> |
|--|-------------------|-------------------|
| OPERATING REVENUES: | | |
| Government grants | \$ 1,383,088 | \$ 1,151,017 |
| Foundation grants | 312,042 | 258,771 |
| Special events, net of direct expenses of \$13,919 and \$26,076, respectively | 139,579 | 137,880 |
| Contributions | 100,139 | 82,573 |
| Interest income | 3,467 | 2,353 |
| | <u>1,938,315</u> | <u>1,632,594</u> |
| OPERATING EXPENSES: | | |
| Program services | 1,663,359 | 1,430,311 |
| General and administrative | 94,990 | 87,963 |
| Fundraising | 120,381 | 102,156 |
| | <u>1,878,730</u> | <u>1,620,430</u> |
| Total operating expenses | | |
| | <u>59,585</u> | <u>12,164</u> |
| Increase in net assets from operating activities | | |
| NONOPERATING EXPENSES: | | |
| Loss on partnership investment | - | (4,265) |
| | <u>59,585</u> | <u>7,899</u> |
| Change in net assets | | |
| NET ASSETS, BEGINNING OF YEAR | <u>829,443</u> | <u>821,544</u> |
| NET ASSETS, END OF YEAR | <u>\$ 889,028</u> | <u>\$ 829,443</u> |

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

LONG ISLAND CRISIS CENTER, INC.
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2017 AND 2016

| | 2017 | 2016 |
|---|------------|------------|
| CASH FLOWS FROM OPERATING ACTIVITIES: | | |
| Change in net assets | \$ 59,585 | \$ 7,899 |
| Adjustments to reconcile change in net assets to net cash provided (used) by operating activities: | | |
| Depreciation and amortization | 21,123 | 14,896 |
| Increase in grants receivable | (64,626) | (117,426) |
| Increase in prepaid expenses | (41) | (2,086) |
| Increase in accounts payable and accrued expenses | 18,831 | 65,749 |
| Increase (decrease) in deferred revenue | 18,911 | (52,416) |
| Net cash provided (used) by operating activities | 53,783 | (83,384) |
| CASH FLOWS FROM INVESTING ACTIVITIES: | | |
| Purchase of fixed assets | (24,601) | (30,488) |
| Decrease in partnership receivable | 13,761 | - |
| Loss on partnership investment | - | 4,265 |
| Net cash used by investing activities | (10,840) | (26,223) |
| NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS | 42,943 | (109,607) |
| CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR | 559,679 | 669,286 |
| CASH AND CASH EQUIVALENTS, END OF YEAR | \$ 602,622 | \$ 559,679 |
| SUPPLEMENTAL CASH FLOW INFORMATION: | | |
| Retirement of full depreciated fixed assets | \$ 17,600 | \$ 1,175 |

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

LONG ISLAND CRISIS CENTER, INC.
NOTES TO FINANCIAL STATEMENTS

(1) Organization and operation:

Long Island Crisis Center, Inc. ("LICC") is a not-for-profit multi-service, community-based organization whose mission is to provide youth, families, seniors and adults throughout Long Island with free, high quality, confidential services to address a wide range of concerns. LICC believes that everyone has the right to free and anonymous help at any time, no matter who they are or what their needs may be. This belief underlies its mission, which is carried out in its three programs:

Community Education - A Community Education Program reaches approximately 16,000 people each year with workshops on suicide prevention, anger management, homophobia, transphobia, cyber bullying and self-injury.

Hotline - LICC houses eight free, confidential and anonymous hotline projects which are accessible via phone, walk-in, internet or text. A central hotline, *Middle Earth*, is available to all Long Islanders and specialized services include a Drug and Alcohol Hotline and Children of Hope to prevent infant abandonment.

Pride for Youth - In 1993, LICC started Pride for Youth ("PFY") in order to address the lack of services and advocacy for lesbian, gay, bisexual and transgender ("LGBT") youth on Long Island. With a mission to enhance the health and wellness of LGBT youth, PFY serves around 8,000 teens annually. PFY operates a Friday night coffeehouse, peer education, school-based support groups, HIV education, employment mentoring, anti-bias education and many other programs.

In fulfilling its mission, LICC provides non-judgmental services that help clients to break through isolation, stabilize their situations, and obtain the services they need. Supporting healthier living and greater personal empowerment guides the work at LICC.

(2) Summary of significant accounting policies:

The accompanying financial statements include the assets, liabilities, revenues and expenses of LICC which are presented under the accrual basis of accounting. The following is a summary of significant accounting policies followed by LICC:

Financial statement presentation -

The accompanying financial statements include the accounts of LICC's programs, administration and fundraising. U.S. generally accepted accounting principles require that LICC's financial statements distinguish among unrestricted, temporarily restricted and permanently restricted net assets and changes in net assets. LICC's' net assets consist of the following:

Unrestricted - net assets of LICC which have not been restricted by an outside donor or by law and are therefore available for use in carrying out the operations of LICC.

As of December 31, 2017 and 2016, LICC did not possess any temporarily or permanently restricted net assets.

The accompanying financial statements are prepared on a functional basis whereby expenses are allocated to program and support 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, LICC has also presented Statements of Cash Flows for the years ended December 31, 2017 and 2016.

Revenue and expense recognition -

Contributions are recognized as income 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 LICC'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.

Cash and cash equivalents -

All highly liquid investments purchased with an original 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. Maintenance and repairs are charged to expense and betterments, in excess of \$2,500, are capitalized. Depreciation and amortization are computed using the straight-line method over the estimated useful lives of the assets (generally periods of four to seven years).

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

LICC follows the provisions of the Financial Accounting Standards Board ("FASB") Accounting Standards Codification ("ASC") on accounting for the impairment or 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 LICC'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 LICC to recognize 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, LICC has met the provisions of and is in compliance with these requirements.

Compensated absences -

LICC's practice is to allow employees to accrue unused vacation time based upon current salary rates. The vacation accrual is reflected in accounts payable and accrued expenses in the Statements of Financial Position and salaries expense in the accompanying Schedules of Functional Expenses.

Income taxes -

LICC 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.

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 reported period. Actual results may differ from those estimates.

(3) Grants receivable:

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

| | <u>2017</u> | <u>2016</u> |
|---|-------------------|-------------------|
| PFY Program (HIV Prevention/Testing) | \$ 111,758 | \$ 71,136 |
| Preventative Services for MSM | 67,199 | 45,279 |
| Middle Earth Hotline | 63,247 | 57,151 |
| HIV/STD/HCV Prevention for YMSM | 58,384 | 63,398 |
| HIV/STD/HCV Prevention for Young People | 32,154 | 53,259 |
| Runaway/Homeless Hotline | 25,932 | 19,878 |
| LGBT Health and Human Services | 16,642 | 11,532 |
| Community Mobilization Program | 15,182 | - |
| Other | 10,525 | 19,288 |
| Technology Upgrades | 9,390 | - |
| Community Education, Cyber Bullying Awareness | 6,284 | 9,452 |
| Senior Helpline | 5,718 | 3,618 |
| Social Media Y Get It | 3,020 | 4,351 |
| Huntington Hotline | 1,646 | 1,683 |
| Community Education, Cyber Bullying Awareness | - | 2,430 |
| | <u>\$ 427,081</u> | <u>\$ 362,455</u> |

(4) **Accounts receivable - partnership distribution:**

LICC held an investment in a limited liability partnership but as of June 30, 2015, the partnership had terminated. It had been determined that LICC would receive a distribution of \$13,761 as of December 31, 2016, which was reflected as accounts receivable on the Statements of Financial Position. As of December 31, 2017, LICC has received its final distribution from the partnership of \$13,761.

(5) **Fixed assets:**

Fixed assets as of December 31, 2017 and 2016, consist of the following:

| | <u>2017</u> | <u>2016</u> |
|--|------------------|------------------|
| Equipment | \$ 103,045 | \$ 96,044 |
| Leasehold improvements | 38,850 | 38,850 |
| Furniture and fixtures | 5,123 | 5,123 |
| | <u>147,018</u> | <u>140,017</u> |
| Less: Accumulated depreciation and amortization | <u>(65,234)</u> | <u>(61,711)</u> |
| | <u>\$ 81,784</u> | <u>\$ 78,306</u> |

During the year ended December 31, 2017, LICC wrote-off fully-depreciated assets having an original cost of \$17,600, which were no longer in service.

Depreciation and amortization expense for the years ended December 31, 2017 and 2016 was \$21,123 and \$14,896, respectively.

(6) **Commitments and contingencies:**

Lease commitments -

LICC holds two separate leases for office space in order to accommodate its programs. The first lease was originally entered into on March 8, 1984 and then extended on January 1, 2004 for an annual base rent of \$21,840 (\$1,820 per month), plus annual escalations of 3%. The lease was renewed on January 1, 2014 and will expire on December 31, 2018.

The second lease was originally entered into on July 1, 2004 for an annual base rent of \$42,468 (\$3,539 per month), plus annual escalations of 3%. The lease was renewed on July 1, 2010 and expired on June 30, 2015. The lease was renewed on July 1, 2016 for an annual base rent of \$83,707 (\$6,976 per month), plus annual escalations of 3%. The lease will expire on June 30, 2021, with an option to renew for another five years.

LICC is obligated under various operating leases for equipment which expire on various dates through 2020.

Future minimum payments under these leases are as follows:

| <u>Year Ending December 31,</u> | |
|---------------------------------|-------------------|
| 2018 | \$ 120,186 |
| 2019 | 92,045 |
| 2020 | 93,318 |
| 2021 | <u>47,813</u> |
| | <u>\$ 353,362</u> |

Rent expense for the years ended December 31, 2017 and 2016 was \$112,833 and \$102,689, respectively.

Government contracts -

LICC 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 LICC.

(7) Concentrations of credit risk:

LICC maintains its cash and cash equivalents in bank deposit accounts which, at times, may exceed federally insured limits. LICC has not experienced any losses in such accounts. The primary difference between the book and bank account balances is outstanding checks. LICC believes it is not exposed to any significant credit risk on cash and cash equivalents.

LICC does not have a material concentration of credit risk, with respect to government contracts and grants receivable, due to the large number of government agencies and grantors comprising LICC's contract and contributor base and their dispersion across different geographic areas.

(8) Subsequent events:

LICC has evaluated subsequent events through May 2, 2018 which is the date the financial statements were available to be issued, noting no matters requiring further consideration.

LONG ISLAND CRISIS CENTER, INC.
SCHEDULE OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2017

| | <u>Program Services</u> | | | | <u>Support Services</u> | | |
|------------------------------------|--------------------------------|-------------------|----------------------------|---------------------|---------------------------------------|--------------------|---------------------|
| | <u>Community Education</u> | <u>Hotline</u> | <u>Pride For Youth</u> | <u>Total</u> | <u>General And Administrative</u> | <u>Fundraising</u> | <u>Total</u> |
| Salaries | \$ 61,633 | \$ 278,700 | \$ 681,210 | \$ 1,021,543 | \$ 50,448 | \$ 100,130 | \$ 1,172,121 |
| Payroll taxes and fringes | 6,238 | 49,357 | 114,800 | 170,395 | 4,630 | 11,316 | 186,341 |
| Occupancy | 3,960 | 23,984 | 82,289 | 110,233 | 1,600 | 1,000 | 112,833 |
| Professional fees | 6,154 | 18,410 | 62,024 | 86,588 | 8,935 | 550 | 96,073 |
| Supplies | 82 | 12,248 | 65,066 | 77,396 | 305 | 670 | 78,371 |
| Printing and production | 12,221 | 7,164 | 17,133 | 36,518 | - | 1,650 | 38,168 |
| Media outreach | 1,181 | 11,094 | 22,800 | 35,075 | - | - | 35,075 |
| Transportation | 4,377 | 1,653 | 28,810 | 34,840 | - | - | 34,840 |
| Insurance | - | 5,485 | 16,160 | 21,645 | 950 | - | 22,595 |
| Depreciation | - | - | - | - | 21,123 | - | 21,123 |
| Repairs, maintenance and equipment | - | 2,086 | 16,431 | 18,517 | 500 | - | 19,017 |
| Food | - | - | 16,517 | 16,517 | 45 | - | 16,562 |
| Telephone | - | 4,575 | 7,156 | 11,731 | 700 | 300 | 12,731 |
| Miscellaneous | 40 | 1,566 | 3,263 | 4,869 | 3,117 | 4,365 | 12,351 |
| Volunteer appreciation | - | 4,735 | - | 4,735 | - | - | 4,735 |
| Postage and delivery | 207 | 1,989 | 2,250 | 4,446 | - | 200 | 4,646 |
| Utilities | - | 3,420 | - | 3,420 | 500 | 200 | 4,120 |
| Staff appreciation | - | - | 1,597 | 1,597 | 2,069 | - | 3,666 |
| Staff development | - | 68 | 3,226 | 3,294 | 68 | - | 3,362 |
| Total | \$ 96,093 | \$ 426,534 | \$ 1,140,732 | \$ 1,663,359 | \$ 94,990 | \$ 120,381 | \$ 1,878,730 |

See auditor's report on supplementary information.

LONG ISLAND CRISIS CENTER, INC.
SCHEDULE OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2016

| | Program Services | | | | Support Services | | |
|------------------------------------|--------------------------------|-------------------|----------------------------|---------------------|---------------------------------------|--------------------|---------------------|
| | Community Education | Hotline | Pride For Youth | Total | General and Administrative | Fundraising | Total |
| Salaries | \$ 70,079 | \$ 277,450 | \$ 569,615 | \$ 917,144 | \$ 24,855 | \$ 86,089 | \$ 1,028,088 |
| Payroll taxes and fringes | 6,714 | 45,643 | 96,909 | 149,266 | 6,424 | 14,568 | 170,258 |
| Occupancy | 3,720 | 25,260 | 73,709 | 102,689 | - | - | 102,689 |
| Professional fees | 434 | 10,296 | 48,510 | 59,240 | 17,400 | - | 76,640 |
| Supplies | 89 | 6,221 | 45,802 | 52,112 | 42 | - | 52,154 |
| Printing and production | 14,117 | 6,274 | 13,546 | 33,937 | 1,608 | - | 35,545 |
| Media outreach | - | 5,815 | 12,904 | 18,719 | 2,162 | - | 20,881 |
| Transportation | 3,766 | 715 | 22,088 | 26,569 | 557 | 501 | 27,627 |
| Insurance | - | 4,944 | 14,464 | 19,408 | 1,056 | - | 20,464 |
| Depreciation | - | - | - | - | 14,896 | - | 14,896 |
| Repairs, maintenance and equipment | - | 2,050 | 14,212 | 16,262 | 2,390 | - | 18,652 |
| Food | - | - | 12,212 | 12,212 | 21 | - | 12,233 |
| Telephone | - | 5,220 | 5,654 | 10,874 | 2,345 | - | 13,219 |
| Miscellaneous | - | - | 1,701 | 1,701 | 5,244 | 956 | 7,901 |
| Volunteer appreciation | - | - | - | - | 5,368 | - | 5,368 |
| Postage and delivery | 319 | 1,177 | 3,247 | 4,743 | - | 42 | 4,785 |
| Utilities | - | 2,880 | - | 2,880 | 1,231 | - | 4,111 |
| Staff appreciation | - | - | 389 | 389 | 1,945 | - | 2,334 |
| Staff development | - | - | 2,166 | 2,166 | 419 | - | 2,585 |
| Total | \$ 99,238 | \$ 393,945 | \$ 937,128 | \$ 1,430,311 | \$ 87,963 | \$ 102,156 | \$ 1,620,430 |

See auditor's report on supplementary information.