

**Relief After Violent Encounter, Inc.
(dba SafeCenter)
St. Johns, Michigan**

FINANCIAL STATEMENTS

September 30, 2017

Relief After Violent Encounter, Inc.
(dba SafeCenter)

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Relief After Violent Encounter, Inc. (dba SafeCenter)
St. Johns, Michigan

Report on the Financial Statements

We have audited the accompanying financial statements of Relief After Violent Encounter, Inc. (dba SafeCenter) (the Agency) (a nonprofit organization), which comprise the statement of financial position as of September 30, 2017, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. 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 Relief After Violent Encounter, Inc. (dba SafeCenter) as of September 30, 2017, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matter

Other Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The schedules of revenue and expenses 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 as a whole.

Stevens Kirinovic & Tucker, P.C.

STEVENS, KIRINOVIC & TUCKER, P.C.
Certified Public Accountants

March 20, 2018

Relief After Violent Encounter, Inc.
(dba SafeCenter)

STATEMENT OF FINANCIAL POSITION

September 30, 2017

ASSETS

Current assets

Cash	\$ 184,267
Cash - USDA reserve	9,475
Pledges receivable	2,400
Due from State of Michigan	54,141
Due from others	23,915

Total current assets 274,198

Fixed assets

Land	33,614
Buildings	376,002
Equipment	136,802
Less: accumulated depreciation	(175,071)

Total fixed assets, net 371,347

TOTAL ASSETS \$ 645,545

LIABILITIES AND NET ASSETS

LIABILITIES

Current liabilities

Accounts payable	\$ 5,374
Accrued wages	19,586
Other accrued liabilities	4,953
Accrued vacation	9,137
Current portion of long-term liabilities	5,221
Security deposits payable	3,137
Deferred revenue	63,560

Total current liabilities 110,968

Noncurrent liabilities

Noncurrent portion of long-term liabilities	340,729
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TOTAL LIABILITIES 451,697

NET ASSETS

Unrestricted	193,848
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TOTAL LIABILITIES AND NET ASSETS \$ 645,545

See accompanying notes to financial statements.

Relief After Violent Encounter, Inc.
(dba SafeCenter)

STATEMENT OF ACTIVITIES

Year Ended September 30, 2017

	Unrestricted	Temporarily Restricted	Total
SUPPORT AND REVENUE			
Grants			
Department of Health and Human Services	\$ 656,733	\$ -	\$ 656,733
Department of Education	10,434	-	10,434
Other grants	20,498	-	20,498
Local			
United Way	-	27,731	27,731
Other	20,912	-	20,912
Other			
Donations	32,508	-	32,508
In-kind support	19,436	-	19,436
Interest	56	-	56
Miscellaneous	7,395	-	7,395
Net assets released from restrictions	27,731	(27,731)	-0-
TOTAL SUPPORT AND REVENUE	795,703	-0-	795,703
EXPENSES			
Program services	730,609	-	730,609
Supporting services			
Management and general	86,901	-	86,901
Fundraising	10,818	-	10,818
TOTAL EXPENSES	828,328	-0-	828,328
CHANGE IN NET ASSETS	(32,625)	-0-	(32,625)
Net assets, beginning of year	226,473	-	226,473
Net assets, end of year	\$ 193,848	\$ -0-	\$ 193,848

See accompanying notes to financial statements.

Relief After Violent Encounter, Inc.
(dba SafeCenter)

STATEMENT OF FUNCTIONAL EXPENSES

Year Ended September 30, 2017

	Program Services	Supporting Services		Total
		Management and General	Fundraising	
Salaries and wages	\$ 370,458	\$ 51,703	\$ 5,394	\$ 427,555
Payroll taxes and other fringe benefits	77,617	9,104	687	87,408
Total salaries and related expenses	448,075	60,807	6,081	514,963
Rent	4,600	920	-	5,520
Mortgage interest	12,962	1,178	-	14,140
Utilities	11,864	1,448	-	13,312
Telephone	3,953	696	-	4,649
Maintenance	10,359	2,199	-	12,558
Postage	427	846	-	1,273
Printing and publishing	2,128	1,565	887	4,580
Supplies	11,446	3,539	10	14,995
Mileage reimbursement	7,325	556	52	7,933
Specific assistance	183,317	-	-	183,317
Conferences and training	410	-	-	410
Food	1,937	-	3,239	5,176
Insurance	6,451	4,597	-	11,048
Professional fees	9,850	4,531	-	14,381
Miscellaneous	1,816	1,667	549	4,032
Total expenses before depreciation	716,920	84,549	10,818	812,287
Depreciation	13,689	2,352	-	16,041
TOTAL EXPENSES	\$ 730,609	\$ 86,901	\$ 10,818	\$ 828,328

See accompanying notes to financial statements.

Relief After Violent Encounter, Inc.
(dba SafeCenter)

STATEMENT OF CASH FLOWS

Year Ended September 30, 2017

CASH FLOWS FROM OPERATING ACTIVITIES	
Change in net assets	\$ (32,625)
Adjustments to reconcile change in net assets to net cash provided by operating activities	
Depreciation	16,041
Decrease in:	
Due from State of Michigan	9,860
Due from others	3,565
Increase (decrease) in:	
Accounts payable	(785)
Accrued wages	4,269
Accrued vacation	2,330
Deferred revenue	63,560
Other accrued liabilities	514
Security deposits payable	1,423
	<hr/>
NET CASH PROVIDED BY OPERATING ACTIVITIES	68,152
CASH FLOWS FROM INVESTING ACTIVITIES	
Purchase of fixed assets	(1,615)
CASH FLOWS FROM FINANCING ACTIVITIES	
Principal payments on mortgage	<hr/> (5,016)
NET INCREASE IN CASH DURING YEAR	61,521
Cash, beginning of year	<hr/> 132,221
Cash, end of year	<hr/> <hr/> \$ 193,742
Supplemental disclosure of cash flow information	
Cash paid during the year for interest	<hr/> <hr/> \$ 13,942

See accompanying notes to financial statements.

Relief After Violent Encounter, Inc.
(dba SafeCenter)

NOTES TO FINANCIAL STATEMENTS

September 30, 2017

NOTE A: DESCRIPTION OF ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Relief After Violent Encounter, Inc. (dba SafeCenter) (the Agency) was organized in 1984 as a private, nonprofit corporation to provide emergency shelter, support, programs, advocacy, counseling, and crisis intervention for women, men and children experiencing domestic violence and sexual assault in Clinton and Shiawassee Counties. Relief After Violent Encounter, Inc. provides education on the extent and nature of domestic violence and sexual assault to community groups, agencies, and concerned citizens.

Relief After Violent Encounter, Inc. operates under an appointed Board of Directors and an Executive Director. The majority of the Agency's revenue is from Federal and State grants and from several local funding sources. The Agency also receives other revenue from public contributions and fundraising.

The accounting policies of the Agency conform to U.S. generally accepted accounting principles (GAAP) as applicable to nonprofit entities. The Financial Accounting Standards Board (FASB) is the accepted standard-setting body for establishing nonprofit accounting and financial reporting principles.

The following is a summary of the significant accounting policies of the Agency:

Basis of Presentation - In accordance with GAAP, the Agency is required to report information regarding its financial position and activities according to three (3) classes of net assets (unrestricted, temporarily restricted, and permanently restricted) based upon the existence or absence of donor-imposed restrictions.

GAAP also require contributions received to be recorded as unrestricted, temporarily restricted, or permanently restricted support, depending on the existence and/or nature of any donor restrictions. The Agency has not received any contributions with donor-imposed restrictions that would result in permanently restricted net assets.

Basis of Accounting - Basis of accounting refers to when revenues and expenses are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied.

The financial statements of the Agency are accounted for using the accrual basis of accounting in accordance with GAAP.

Cash - Cash includes checking accounts, a savings account, and currency on hand.

As a recipient of Emergency Food and Shelter National Board Program Funds, the Agency has deposited cash received from this funding source in a bank account that is held separately from the other funds. The balance of that account as of September 30, 2017, was \$1,500.

The Agency has established a reserved cash balance of \$9,475 as required by the mortgage note issued by the United States Department of Agriculture.

Due from State of Michigan - Due from State of Michigan consists of amounts due for reimbursement of grant expenses.

Due from Others - Due from others consists mainly of amounts due from local organizations which represent reimbursement for grant expenses that had not been received as of year-end.

Fixed Assets - Equipment acquired by the Agency is stated at cost, if purchased, or at fair value, if donated, with items capitalized at a unit cost of \$500 or greater and a life expectancy of one year or more. Depreciation is provided using the straight-line method over the useful lives of the respective assets, which range from 2 to 40 years. The costs of normal maintenance that do not add to the value of assets or materially extend the asset lives are not capitalized.

Relief After Violent Encounter, Inc.
(dba SafeCenter)

NOTES TO FINANCIAL STATEMENTS

September 30, 2017

NOTE A: DESCRIPTION OF ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

Fixed Assets - continued - Equipment purchased with grant funds are recorded as an expense to meet grant reporting requirements. These fixed assets are considered to be owned by the grant funding source and, accordingly, are not reported as fixed assets in the financial statements.

Accrued Vacation - In accordance with the personnel policies of the Agency, individual employees have vested rights upon termination of employment to receive payment for unused vacation under formulas and conditions specified in the policies. This liability, including the related payroll taxes, is recorded in the financial statements as of September 30, 2017.

Deferred Revenue – Deferred revenue consists of amounts advanced by the Michigan Department of Health and Human Services related to 2018 grant funding.

Income Taxes - Relief After Violent Encounter, Inc. is a nonprofit corporation and has been granted exemption from income taxes under Section 501(c)(3) of the Internal Revenue Code. The Agency is not classified as a private foundation.

Contributed Materials, Equipment, and Services - The Agency will record various types of in-kind contributions that have a fair value of \$500 or more in accordance with GAAP. GAAP require recognition of professional services received if those services (a) create or enhance long-lived assets or (b) require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation. Contributions of tangible assets are recognized at fair value when received. The value of donated services is recorded as contributions in the period the services are rendered. The amounts reflected in the financial statements as in-kind contributions will be offset by like amounts included in expenses. The Agency received \$19,436 in contributed materials, equipment, or services during the fiscal year ended September 30, 2017, meeting the recognition criteria.

Contributions - All contributions are considered to be available for unrestricted use unless specifically restricted by the donor. Amounts received that are designated for future periods or restricted by the donor for specific purposes are reported as temporarily restricted support that increases those net asset classes. When a temporary restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions.

Governmental Grants - Governmental grants which are for particular operating purposes are not considered to be contributions and are recognized as revenue when expenses are incurred under the appropriate activity type (i.e., unrestricted).

Allocated Costs - Certain costs of the Agency have been allocated to program service and supporting service activities. Salaries and related expenses have been allocated to program service activities based upon actual time percentages for each employee. Most other costs are either charged directly or are allocated to program service and supporting service activities based on management's estimation of actual activity.

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

Comparative Data - Comparative data for the prior year has not been presented in the accompanying financial statements since their inclusion would make the statements unduly complex and difficult to read.

Subsequent Events - In preparing these financial statements, the Agency has evaluated events and transactions for potential recognition or disclosure through March 20, 2018, the date the financial statements were available to be issued.

Relief After Violent Encounter, Inc.
(dba SafeCenter)

NOTES TO FINANCIAL STATEMENTS

September 30, 2017

NOTE B: CONCENTRATION OF CREDIT RISK

The Agency is required to disclose significant concentrations of credit risk regardless of the degree of such risk. Financial instruments, which potentially subject the Agency to concentration of credit risk, consist principally of cash in the bank. The Agency places its cash with high-credit-quality financial institutions. Although such cash balances may exceed the federally insured limits at certain times during the year, they are, in the opinion of management, subject to minimal risk.

NOTE C: DUE FROM STATE OF MICHIGAN

The following is a summary of the amounts due from the State of Michigan at September 30, 2017:

Department of Health and Human Services	\$	50,806
Michigan Department of Education		<u>3,335</u>
		<u>\$ 54,141</u>

NOTE D: PLEDGES RECEIVABLE

The following is a summary of unconditional pledges to give at September 30, 2017:

Amounts due in:		
Less than one year		<u>\$ 2,400</u>

NOTE E: FIXED ASSETS

The cost of equipment utilized by the Agency's operations, which is owned by grant funding sources, at September 30, 2017, totals \$58,286. As discussed in Note A, these fixed assets are not recorded in the financial statements.

	Balance <u>Oct. 1, 2016</u>	Additions	Deletions	Balance <u>Sept. 30, 2017</u>
Land	\$ 33,614	\$ -	\$ -	\$ 33,614
Fixed assets being depreciated				
Building	374,387	1,615	-	376,002
Equipment	<u>136,802</u>	<u>-</u>	<u>-</u>	<u>136,802</u>
Subtotal	511,189	1,615	-0-	512,804
Less accumulated depreciation for:				
Buildings	(55,085)	(10,382)	-	(65,467)
Equipment	<u>(103,945)</u>	<u>(5,659)</u>	<u>-</u>	<u>(109,604)</u>
Subtotal	<u>(159,030)</u>	<u>(16,041)</u>	<u>-0-</u>	<u>(175,071)</u>
Net fixed assets being depreciated	<u>352,159</u>	<u>(14,426)</u>	<u>-0-</u>	<u>337,733</u>
Net fixed assets	<u>\$ 385,773</u>	<u>\$ (14,426)</u>	<u>\$ -0-</u>	<u>\$ 371,347</u>

Relief After Violent Encounter, Inc.
(dba SafeCenter)

NOTES TO FINANCIAL STATEMENTS

September 30, 2017

NOTE F: LONG-TERM DEBT

The following is a summary of changes in long-term debt (including current portion) for the year ended September 30, 2017.

	Balance Oct. 1, 2016	Additions	Deletions	Balance Sept. 30, 2017	Amounts Due Within One Year
Mortgage Note	\$ 350,966	\$ -	\$ (5,016)	\$ 345,950	\$ 5,221

On April 14, 2012, Relief After Violent Encounter, Inc. entered into a \$375,000 mortgage note. The acquired property is pledged as collateral. The terms of the note provide for monthly installments of approximately \$1,580 including interest of 4.00% through July 2050.

Remaining payments for the note are as follows:

Year Ending September 30,	Mortgage Note	
	Principal	Interest
2018	\$ 5,221	\$ 13,739
2019	5,433	13,527
2020	5,655	13,305
2021	5,885	13,075
2022	6,125	12,835
2023-2027	34,578	60,222
2028-2032	42,219	52,581
2033-2037	51,549	43,251
2038-2042	62,942	31,858
2043-2047	76,852	17,948
2048-2050	49,491	2,855
	<u>\$ 345,950</u>	<u>\$ 275,196</u>

NOTE G: RELIANCE ON FUNDING SOURCES

Relief After Violent Encounter, Inc. receives a substantial amount of its support from Federal and State grant revenues. A significant reduction in the level of this support, if it were to occur, would have an effect on the Agency's programs and activities.

NOTE H: CONTINGENT LIABILITIES

Relief After Violent Encounter, Inc. participates in Federal and State assisted grant programs that are subject to compliance audits. The programs and the periodic program compliance audits of many of the programs have not yet been conducted, completed, or resolved. Accordingly, the Agency's compliance with applicable grant requirements will be established at some future date. The amount, if any, of expenditures which may be disallowed by the granting agencies cannot be determined at this time although the Agency expects such amounts, if any, to be immaterial.

Relief After Violent Encounter, Inc.
(dba SafeCenter)

NOTES TO FINANCIAL STATEMENTS

September 30, 2017

NOTE I: LINE OF CREDIT

Relief After Violent Encounter, Inc. has a line of credit agreement with Mercantile Bank to cover potential cash flow shortages. The line of credit limit is \$50,000. During the year, the Agency did not borrow against the line of credit. As of September 30, 2017, no liability existed. Interest on this line of credit is based on prime rate.

SUPPLEMENTARY INFORMATION

Relief After Violent Encounter, Inc.
(dba SafeCenter)

SCHEDULE OF REVENUE AND EXPENSES

VICTIMS OF CRIME ACT

Year Ended September 30, 2017

	Grant No. <u>E20172287-00</u>
REVENUE	
Grant revenue	\$ 176,236
Local match	<u>44,059</u>
 TOTAL REVENUE	 <u><u>\$ 220,295</u></u>
 EXPENSES	
Salaries and wages	\$ 125,282
Payroll taxes and other fringe benefits	30,647
Volunteer	44,059
Travel	2,820
Supplies and materials	965
Other expenses	500
Indirect costs	<u>16,022</u>
 TOTAL EXPENSES	 <u><u>\$ 220,295</u></u>

Relief After Violent Encounter, Inc.
(dba SafeCenter)

SCHEDULE OF REVENUE AND EXPENSES
EMERGENCY FOOD AND SHELTER PROGRAM

Year Ended September 30, 2017

Clinton County

REVENUE	<u>\$ 18,022</u>
EXPENSES	
Mass shelter	<u>\$ 18,022</u>

Shiawassee County

REVENUE	<u>\$ 2,476</u>
EXPENSES	
Mass shelter	<u>\$ 2,476</u>

Relief After Violent Encounter, Inc.
(dba SafeCenter)

SCHEDULE OF REVENUE AND EXPENSES

DEPARTMENT OF HEALTH AND HUMAN SERVICES

Year Ended September 30, 2017

	Grant No. DV-16- 19001 DV	Grant No. TSH-15- 19001 TSH	Grant No. SA-15- 19001 SA	Grant No. STOP-16- 19001 STOP	Total
REVENUE	\$ 185,651	\$ 195,128	\$ 49,582	\$ 50,136	\$ 480,497
EXPENSES					
Salaries and wages	\$ 145,053	\$ 25,358	\$ 35,327	\$ 37,534	\$ 243,272
Fringe benefits	26,739	4,370	8,226	9,260	48,595
Occupancy	6,123	3,081	2,365	1,289	12,858
Communication	2,784	632	1,081	689	5,186
Supplies	905	834	1,356	578	3,673
Local transportation	878	865	672	721	3,136
Assistance to individuals	194	158,440	230	40	158,904
Miscellaneous	2,975	1,548	325	25	4,873
TOTAL EXPENSES	\$ 185,651	\$ 195,128	\$ 49,582	\$ 50,136	\$ 480,497