

**SURVIVORS AND ADVOCATES  
FOR EMPOWERMENT, INC.**

**FINANCIAL REPORT**

**September 30, 2016**

**SURVIVORS AND ADVOCATES FOR EMPOWERMENT, INC.**

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## Independent Auditors' Report

Board of Directors  
Survivors and Advocates for Empowerment, Inc.  
Washington, DC

We have audited the accompanying financial statements of Survivors and Advocates for Empowerment, Inc. (a non-profit organization), which comprise the statements of financial position as of September 30, 2016 and 2015, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

### Management's Responsibility for the Financial Statements

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

### Auditors' Responsibility

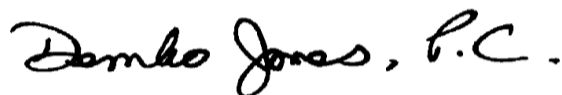
Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about 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 auditors' 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 Survivors and Advocates for Empowerment, Inc. as of September 30, 2016 and 2015, 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.



Rockville, Maryland  
October 19, 2017

**SURVIVORS AND ADVOCATES FOR EMPOWERMENT, INC.**  
**STATEMENTS OF FINANCIAL POSITION**  
**September 30, 2016 and 2015**

	<u>2016</u>	<u>2015</u>
<b>Assets</b>		
<b>Current Assets</b>		
Cash	\$ 828	\$ 700
Contracts and grants receivable	237,025	219,641
Prepaid expenses	<u>55,163</u>	<u>10,837</u>
Total current assets	<u>293,016</u>	<u>231,178</u>
<b>Property and Equipment</b> , net of accumulated depreciation of \$ 53,390 in 2016 and \$ 51,849 in 2015	<u>1,822</u>	<u>3,363</u>
	<u><u>\$ 294,838</u></u>	<u><u>\$ 234,541</u></u>
<b>Liabilities and Net Assets</b>		
<b>Current Liabilities</b>		
Current maturities of note payable	\$ 49,529	\$ 49,036
Bank overdraft	34,589	82,477
Accounts payable and accrued expenses	48,404	70,099
Deferred revenue	<u>28,208</u>	<u>27,749</u>
Total current liabilities	<u>160,730</u>	<u>229,361</u>
<b>Long-Term Liabilities</b>		
Note payable, less current maturities	<u>35,733</u>	<u>85,245</u>
Total liabilities	<u>196,463</u>	<u>314,606</u>
<b>Net Assets</b>		
Unrestricted net assets (deficit)	<u>98,375</u>	<u>(80,065)</u>
	<u><u>\$ 294,838</u></u>	<u><u>\$ 234,541</u></u>

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

**SURVIVORS AND ADVOCATES FOR EMPOWERMENT, INC.**  
**STATEMENTS OF ACTIVITIES**  
**Years Ended September 30, 2016 and 2015**

	<u>2016</u>	<u>2015</u>
<b>Support and Revenues</b>		
Grants	\$ 1,501,295	\$ 1,493,654
Crime victims compensation program fees	722,387	793,280
Contributions	<u>48,280</u>	<u>61,687</u>
Total revenue	<u>2,271,962</u>	<u>2,348,621</u>
<b>Program and Support Services Expenses</b>		
Program services:		
Crisis housing program	546,982	637,709
Crisis intervention program	734,201	760,073
Supportive advocacy program	<u>734,201</u>	<u>760,073</u>
Total program services	<u>2,015,384</u>	<u>2,157,855</u>
Support services:		
Management and general	69,334	78,022
Fundraising	<u>8,804</u>	<u>1,046</u>
Total support services	<u>78,138</u>	<u>79,068</u>
Total expenses	<u>2,093,522</u>	<u>2,236,923</u>
<b>Change in net assets</b>	178,440	111,698
<b>Net assets (deficit), beginning of year</b>	<u>(80,065)</u>	<u>(191,763)</u>
<b>Net assets (deficit), end of year</b>	<u><u>\$ 98,375</u></u>	<u><u>\$ (80,065)</u></u>

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

**SURVIVORS AND ADVOCATES FOR EMPOWERMENT, INC.**  
**STATEMENT OF FUNCTIONAL EXPENSES**  
**Year Ended September 30, 2016**

	Program services			Total Program Services	Management and General	Fundraising	Total Expenses
	Crisis Housing Program	Crisis Intervention Program	Supportive Advocacy Program				
Salaries	\$ 77,255	\$ 528,427	\$ 528,427	\$ 1,134,109	\$ 33,967	\$ -	\$ 1,168,076
Occupancy	405,097	19,600	19,600	444,297	-	-	444,297
Employee benefits	14,514	85,104	85,104	184,722	8,014	-	192,736
Auditing and accounting	-	48,092	48,092	96,184	4,765	-	100,949
Consultants	-	17,977	17,977	35,954	20	-	35,974
Utilities	5,250	9,565	9,565	24,380	-	-	24,380
Emergency shelter	22,240	-	-	22,240	1,102	-	23,342
Security	400	8,750	8,750	17,900	-	-	17,900
Emergency transportation	9,221	86	86	9,393	5,778	-	15,171
Maintenance	9,968	135	135	10,238	-	-	10,238
Internet and telephone	-	4,503	4,503	9,006	-	-	9,006
Fundraising fees	-	-	-	-	-	8,804	8,804
Supplies	-	3,292	3,292	6,584	-	-	6,584
Printing	-	3,136	3,136	6,272	-	-	6,272
Business insurance	-	1,610	1,610	3,220	2,886	-	6,106
Other business expenses	-	1,691	1,691	3,382	2,246	-	5,628
Interest	78	-	-	78	5,026	-	5,104
Equipment purchases	-	1,935	1,935	3,870	-	-	3,870
Emergency financial assistance	2,831	-	-	2,831	332	-	3,163
Travel	-	153	153	306	1,731	-	2,037
Depreciation	-	-	-	-	1,541	-	1,541
Emergency food assistance	128	-	-	128	879	-	1,007
Training	-	140	140	280	280	-	560
Fines and penalties	-	-	-	-	462	-	462
Bank charges	-	-	-	-	256	-	256
Postage	-	5	5	10	49	-	59
Total expenses	<u>\$ 546,982</u>	<u>\$ 734,201</u>	<u>\$ 734,201</u>	<u>\$ 2,015,384</u>	<u>\$ 69,334</u>	<u>\$ 8,804</u>	<u>\$ 2,093,522</u>

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

**SURVIVORS AND ADVOCATES FOR EMPOWERMENT, INC.**  
**STATEMENT OF FUNCTIONAL EXPENSES**  
**Year Ended September 30, 2015**

	Program services			Total Program Services	Management and General	Fundraising	Total Expenses
	Crisis Housing Program	Crisis Intervention Program	Supportive Advocacy Program				
Salaries	\$ 113,586	\$ 518,156	\$ 518,156	\$ 1,149,898	\$ 3,748	\$ -	\$ 1,153,646
Occupancy	438,971	20,205	20,205	479,381	39,434	-	518,815
Employee benefits	20,445	92,034	92,034	204,513	858	-	205,371
Maintenance	6,588	45,810	45,810	98,208	6,708	-	104,916
Auditing and accounting	11,744	33,489	33,489	78,722	4,378	-	83,100
Internet and telephone	3,194	8,967	8,967	21,128	4,360	-	25,488
Utilities	19,320	1,150	1,150	21,620	2,415	-	24,035
Consultants	660	9,013	9,013	18,686	-	-	18,686
Training	-	7,782	7,782	15,564	638	-	16,202
Other business expenses	891	6,325	6,325	13,541	2,303	-	15,844
Emergency transportation	8,227	1,419	1,419	11,065	-	-	11,065
Supplies	358	5,188	5,188	10,734	-	-	10,734
Emergency shelter	9,449	276	276	10,001	565	-	10,566
Business insurance	-	1,357	1,357	2,714	6,449	-	9,163
Travel	-	3,932	3,932	7,864	729	-	8,593
Printing	-	2,421	2,421	4,842	90	-	4,932
Emergency financial assistance	1,330	1,387	1,387	4,104	-	-	4,104
Miscellaneous	3	931	931	1,865	1,383	-	3,248
Interest	1,352	-	-	1,352	1,646	-	2,998
Depreciation	-	-	-	-	2,025	-	2,025
Furniture	1,055	-	-	1,055	-	-	1,055
Fundraising fees	-	-	-	-	-	1,046	1,046
Emergency food assistance	536	178	178	892	53	-	945
Bank charges	-	-	-	-	190	-	190
Postage	-	53	53	106	-	-	106
Fines and penalties	-	-	-	-	50	-	50
Total expenses	<u>\$ 637,709</u>	<u>\$ 760,073</u>	<u>\$ 760,073</u>	<u>\$ 2,157,855</u>	<u>\$ 78,022</u>	<u>\$ 1,046</u>	<u>\$ 2,236,923</u>

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

**SURVIVORS AND ADVOCATES FOR EMPOWERMENT, INC.**  
**STATEMENTS OF CASH FLOWS**  
**Years Ended September 30, 2016 and 2015**

	<u>2016</u>	<u>2015</u>
<b>Cash flows from operating activities:</b>		
Change in net assets	\$ 178,440	\$ 111,698
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation and amortization	1,541	2,025
(Increase) decrease in assets:		
Contracts and grants receivable	(17,384)	(64,083)
Prepaid expenses	(44,326)	14,957
Increase (decrease) in liabilities:		
Bank overdraft	(47,888)	72,115
Accounts payable and accrued expenses	(21,695)	(99,157)
Deferred revenue	459	15,150
Net cash provided by operating activities	<u>49,147</u>	<u>52,705</u>
<b>Cash flows from financing activities</b>		
Payments on note payable	<u>(49,019)</u>	<u>(52,553)</u>
Net cash used in financing activities	<u>(49,019)</u>	<u>(52,553)</u>
<b>Net increase in cash</b>	128	152
<b>Cash at beginning of year</b>	<u>700</u>	<u>548</u>
<b>Cash at end of year</b>	<u><u>\$ 828</u></u>	<u><u>\$ 700</u></u>

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



**SURVIVORS AND ADVOCATES FOR EMPOWERMENT, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**September 30, 2016 and 2015**

**Note 1.     **Organization****

Survivors and Advocates for Empowerment, Inc. (SAFE) was incorporated under the laws of the District of Columbia in May 2006 as a non-profit organization. SAFE's mission is to empower survivors of intimate partner violence in the District of Columbia by supporting them as they navigate the civil justice systems and to advocate for systemic reforms that ensure survivor safety and self-determination. SAFE's program areas are:

Crisis Housing Program - SAFE works with the District of Columbia Metropolitan Police Department to assist domestic violence victims. SAFE offers 20 days of immediate crisis shelter for families who are at the highest risk of being killed or seriously injured by the abuser.

Crisis Intervention Program - SAFE provides a crisis intervention services response line that provides immediate crisis intervention services for domestic violence victims 24 hours a day, 7 days a week.

Supportive Advocacy Program - SAFE provides court-based advocacy services to over 4,000 clients annually. Specific assistance includes information about how to petition for a Civil Protection Order, safety planning assistance, pro bono attorney referrals and public benefits and social services referrals.

**Note 2.     **Summary of Significant Accounting Policies****

The following is a summary of SAFE's significant accounting and reporting policies.

***Basis of Accounting***

The financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America, whereby income and expenses are recognized in the period in which they are earned or incurred.

***Financial Statement Presentation***

SAFE reports information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets. Accordingly, SAFE's net assets and changes therein are classified and reported as follows:

Unrestricted net assets - Contributions without a donor imposed time and/or program restriction. The funds are available to SAFE to maintain its operations.

**SURVIVORS AND ADVOCATES FOR EMPOWERMENT, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**September 30, 2016 and 2015**

**Note 2. Summary of Significant Accounting Policies (continued)**

***Financial Statement Presentation (continued)***

Temporarily restricted net assets - Net assets with donor-imposed time and/or program restrictions. These temporary restrictions require that resources be used for specific purposes and/or in a later period or after a specified date. Temporarily restricted net assets become unrestricted when the time restrictions expire or the funds are used for their restricted purposes and are reported in the accompanying statements of activities as net assets released from restrictions. There were no temporarily restricted net assets at September 30, 2016 and 2015.

Permanently restricted net assets – Net assets that must be maintained by SAFE in perpetuity. Generally, the donors of these assets permit SAFE to use all or part of the income earned on any related assets for general or specific purposes. There were no permanently restricted net assets as of September 30, 2016 and 2015.

***Accounts Receivable***

SAFE considers accounts receivable to be fully collectible; accordingly, no allowance for doubtful accounts is made. If accounts become uncollectible they will be charged to operations when the determination is made. If the allowance method was used instead the results would not be materially different.

***Property and Equipment***

Property and equipment are carried at cost. SAFE capitalizes property and equipment purchases of \$ 5,000 or more. Depreciation is calculated on a straight-line basis over a three year or five year estimated useful life.

***Revenue and Support***

SAFE recognizes contribution revenue when an unconditional pledge is made or when cash is received if a pledge was not made. Contributions received are reported as unrestricted, temporarily restricted, or permanently restricted, based on donor intent.

***Functional Allocation of Expenses***

The allocation of the costs of providing various programs has been summarized on a functional basis in the accompanying statement of functional expenses. Accordingly, certain indirect costs have been allocated to program and supporting activities based on management's estimate of effort devoted to these activities.

**SURVIVORS AND ADVOCATES FOR EMPOWERMENT, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**September 30, 2016 and 2015**

**Note 2. Summary of Significant Accounting Policies (continued)**

*Use of 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 the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

*Subsequent Events*

In preparing its financial statements, SAFE has evaluated subsequent events through October 19, 2017, which is the date the financial statements were available to be issued.

On May 8, 2017, SAFE formed a wholly-owned LLC that purchased a building in Washington, DC. The office space in this building is rented to SAFE and a small number of other tenants.

*Reclassifications*

Certain reclassifications to prior year balances have been made in the accompanying financial statements to make disclosures consistent with those of the current year.

**Note 3. Contracts and Grants Receivable**

Contracts and grants receivable consists of amounts owed from the District of Columbia Office of Victim Services and funds owed from private grants. At September 30, 2016 and 2015, all contracts and grants receivable are due in one year or less. The balance of contracts and grants receivable at September 30, 2016 and 2015 was \$ 237,025 and \$ 219,641, respectively.

**Note 4. Notes Payable**

Notes payable at September 30, 2016 and 2015, consist of the following:

	<u>2016</u>	<u>2015</u>
Installment note payable due May 2018. Monthly payments of \$ 4,183 include interest at 1%.	\$ 85,262	\$ 134,281
Less current maturities	<u>49,529</u>	<u>49,036</u>
	<u>\$ 35,733</u>	<u>\$ 85,245</u>

**SURVIVORS AND ADVOCATES FOR EMPOWERMENT, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**September 30, 2016 and 2015**

**Note 4. Notes Payable (continued)**

The aggregate annual maturities of long-term debt over the next two years are as follows:

Year Ending September 30,

2017	\$ 49,529
2018	<u>35,733</u>
	<u>\$ 85,262</u>

**Note 5. Leases**

SAFE entered into a lease agreement for office space that expired in April 2017. The lease called for monthly rent payments to be made in the amount of \$ 3,000. Future lease payments under this lease are as follows:

2017	\$ 21,000
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SAFE's court advocacy program requires SAFE to have a month to month lease for residential housing units. As of September 30, 2016 SAFE pays a monthly licensee fee of approximately \$ 1,800 based on the number of residential housing units occupied during the month.

Total office rent and lease expense for the years ended September 30, 2016 and 2015, was \$ 444,297 and \$ 518,815, respectively.

**Note 6. Income Taxes**

SAFE is exempt from federal income taxes under the provisions of Section 501(c)(3) of the Internal Revenue Code. However, entities that are classified under this section of the Code are taxed on "unrelated business income" as defined by IRS regulations. There was no unrelated business income for the years ended September 30, 2016 and 2015.

Accounting principles generally accepted in the United States of America require SAFE to evaluate tax positions taken and recognize a tax liability if it is more likely than not that uncertain tax positions taken would not be sustained upon examination by taxing authorities. SAFE has analyzed tax positions taken and has concluded that, as of September 30, 2016 and 2015, there are no uncertain tax positions taken or expected to be taken that would require recognition of a liability or disclosure in the financial statements. SAFE had no interest and penalties related to income taxes for the year ended September 30, 2016 and 2015. SAFE is subject to routine audits by taxing jurisdictions; however, there are currently no audits for any tax periods in progress. SAFE's returns are subject to examination by taxing authorities, generally for a period of three years after the returns are filed.

**SURVIVORS AND ADVOCATES FOR EMPOWERMENT, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**September 30, 2016 and 2015**

**Note 7.     Donated Services**

SAFE receives a significant amount of donated services from unpaid volunteers. No amounts have been recognized in the statement of activities because the criteria for recognition under FASB ASC 958-605-25-16, *Contribution Revenue*, has not been satisfied.

**Note 8.     Major Customers**

Approximately 93% of SAFE's total earned revenue was earned from agreements with agencies of the Government of the District of Columbia for the year ended September 30, 2016. Outstanding accounts receivable at September 30, 2016 from the Government of the District of Columbia was \$ 237,025.

Approximately 95% of SAFE's total earned revenue was earned from agreements with agencies of the Government of the District of Columbia for the year ended September 30, 2015. Outstanding accounts receivable at September 30, 2015 from the Government of the District of Columbia was \$ 208,647.

**Note 9.     Related Party Transactions**

As described in Note 5, SAFE leases residential housing units on a month-to-month basis from a company owned by an immediate family member of SAFE's Board of Directors. Rent expense under this lease for the years ended September 30, 2016 and 2015, amounted to approximately \$ 407,000 and \$ 478,000, respectively.