

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

FINANCIAL STATEMENTS

September 30, 2013

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) (a nonprofit organization), which comprise the statement of financial position as of September 30, 2013, 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, 2013, 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

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying supplementary information, as identified in the table of contents, is presented for purposes of additional analysis and is 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.

Abraham & Gaffney, P.C.

ABRAHAM & GAFFNEY, P.C.
Certified Public Accountants

February 26, 2014

Relief After Violent Encounter, Inc.
(dba SafeCenter)

STATEMENT OF FINANCIAL POSITION

September 30, 2013

ASSETS

Current assets

Cash	\$	76,257
Current portion of pledges receivable		5,475
Due from State of Michigan		81,783
Due from others		27,792
		27,792

Total current assets 191,307

Fixed assets

Land		33,614
Buildings		371,631
Equipment		114,695
Less: accumulated depreciation		(107,434)
		(107,434)

Total fixed assets, net 412,506

Other assets

Noncurrent portion of pledges receivable		2,175
		2,175

TOTAL ASSETS \$ 605,988

LIABILITIES AND NET ASSETS

LIABILITIES

Current liabilities

Accounts payable	\$	2,211
Accrued wages		21,408
Accrued vacation		6,140
Current portion of long-term liabilities		4,450
Security deposits payable		1,404
Other accrued liabilities		6,923
		6,923

Total current liabilities 42,536

Noncurrent liabilities

Noncurrent portion of long-term liabilities		360,418
		360,418

TOTAL LIABILITIES 402,954

NET ASSETS

Unrestricted		203,034
		203,034

TOTAL LIABILITIES AND NET ASSETS \$ 605,988

Relief After Violent Encounter, Inc.
(dba SafeCenter)

STATEMENT OF ACTIVITIES

Year Ended September 30, 2013

	Unrestricted	Temporarily Restricted	Total
SUPPORT AND REVENUE			
Grants			
Department of Human Services	\$ 374,680	\$ -	\$ 374,680
Department of Community Health - VOCA	122,985	-	122,985
MSHDA	71,920	-	71,920
Department of Homeland Security	17,615	-	17,615
Other grants	7,266	-	7,266
Local			
United Way	-	36,673	36,673
Salvation Army	43,944	-	43,944
Other	11,945	-	11,945
Other			
Donations	39,182	-	39,182
In-kind support	21,860	-	21,860
Interest	80	-	80
Miscellaneous	17,702	-	17,702
Net assets released from restrictions	36,673	(36,673)	-0-
TOTAL SUPPORT AND REVENUE	765,852	-0-	765,852
EXPENSES			
Program services	683,207	-	683,207
Supporting services			
Management and general	56,566	-	56,566
Fundraising	23,439	-	23,439
TOTAL EXPENSES	763,212	-0-	763,212
CHANGE IN NET ASSETS	2,640	-0-	2,640
Net assets, beginning of year	200,394	-	200,394
Net assets, end of year	\$ 203,034	\$ -0-	\$ 203,034

See accompanying notes to financial statements.

Relief After Violent Encounter, Inc.
(dba SafeCenter)

STATEMENT OF FUNCTIONAL EXPENSES

Year Ended September 30, 2013

	Program Services	Supporting Services		Total
		Management and General	Fundraising	
Salaries and wages	\$ 336,949	\$ 27,361	\$ 15,230	\$ 379,540
Payroll taxes and other fringe benefits	77,811	10,298	1,212	89,321
Total salaries and related expenses	414,760	37,659	16,442	468,861
Rent	4,220	-	-	4,220
Mortgage interest	9,792	4,896	-	14,688
Utilities	13,519	949	-	14,468
Telephone	4,855	225	-	5,080
Maintenance	4,959	1,933	-	6,892
Postage	1,168	186	300	1,654
Printing and publishing	2,773	75	120	2,968
Resource material	-	-	96	96
Supplies	8,564	1,020	3,444	13,028
Mileage reimbursement	5,608	622	-	6,230
Specific assistance	178,009	-	-	178,009
Conferences and training	910	90	-	1,000
Food	2,915	-	2,812	5,727
Insurance	6,297	4,276	-	10,573
Professional fees	7,330	2,240	-	9,570
Miscellaneous	2,304	565	225	3,094
Total expenses before depreciation	667,983	54,736	23,439	746,158
Depreciation	15,224	1,830	-	17,054
TOTAL EXPENSES	\$ 683,207	\$ 56,566	\$ 23,439	\$ 763,212

See accompanying notes to financial statements.

Relief After Violent Encounter, Inc.
(dba SafeCenter)

STATEMENT OF CASH FLOWS

Year Ended September 30, 2013

CASH FLOWS FROM OPERATING ACTIVITIES	
Change in net assets	\$ 2,640
Adjustments to reconcile change in net assets to net cash provided by operating activities	
Depreciation	17,054
(Increase) decrease in:	
Pledges receivable	400
Due from State of Michigan	(23,452)
Due from others	9,095
Prepaid expenses	536
Increase (decrease) in:	
Accounts payable	(1,505)
Accrued wages	3,106
Accrued vacation	(274)
Deferred revenue	(840)
Other accrued liabilities	2,828
Security deposits payable	(887)
NET CASH PROVIDED BY OPERATING ACTIVITIES	8,701
CASH FLOWS FROM INVESTING ACTIVITIES	
Purchase of fixed assets	(13,276)
CASH FLOWS FROM FINANCING ACTIVITIES	
Payments on mortgage	(4,272)
NET DECREASE IN CASH DURING YEAR	(8,847)
Cash, beginning of year	85,104
Cash, end of year	\$ 76,257
Supplemental disclosure of cash flow information	
Cash paid during the year for interest	\$ 14,688

See accompanying notes to financial statements.

Relief After Violent Encounter, Inc.
(dba SafeCenter)

NOTES TO FINANCIAL STATEMENTS

September 30, 2013

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 and their 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, 2013, was \$1,500.

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 3 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.

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.

Relief After Violent Encounter, Inc.
(dba SafeCenter)

NOTES TO FINANCIAL STATEMENTS

September 30, 2013

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

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, 2013.

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 \$21,860 in contributed materials, equipment, or services during the fiscal year ended September 30, 2013, 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 February 26, 2014, the date the financial statements were available to be issued.

Relief After Violent Encounter, Inc.
(dba SafeCenter)

NOTES TO FINANCIAL STATEMENTS

September 30, 2013

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, 2013:

Department of Human Services	\$ 47,350
Michigan State Housing Development Authority (MSHDA)	9,493
Department of Community Health - VOCA	<u>24,940</u>
	<u>\$ 81,783</u>

NOTE D: PLEDGES RECEIVABLE

The following is a summary of unconditional pledges to give at September 30, 2013:

Amounts due in:	
Less than one year	\$ 5,475
One to three years	<u>2,175</u>
	<u>\$ 7,650</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, 2013, totals \$53,901. As discussed in Note A, these fixed assets are not recorded in the financial statements.

The following is a summary of the changes in fixed assets for the year ended September 30, 2013:

	Balance Oct. 1, 2012	Additions	Deletions	Balance Sep. 30, 2013
Land	\$ 33,614	\$ -	\$ -	\$ 33,614
Fixed assets being depreciated				
Building	366,156	5,475	-	371,631
Equipment	<u>106,894</u>	<u>7,801</u>	<u>-</u>	<u>114,695</u>
Subtotal	473,050	13,276	-0-	486,326

Relief After Violent Encounter, Inc.
(dba SafeCenter)

NOTES TO FINANCIAL STATEMENTS

September 30, 2013

NOTE E: FIXED ASSETS - CONTINUED

	Balance Oct. 1, 2012	Additions	Deletions	Balance Sep. 30, 2013
Less accumulated depreciation for:				
Buildings	\$ (13,444)	\$ (10,181)	\$ -	\$ (23,625)
Equipment	(76,936)	(6,873)	-	(83,809)
Subtotal	(90,380)	(17,054)	-0-	(107,434)
Net fixed assets being depreciated	382,670	(3,778)	-0-	378,892
Net fixed assets	<u>\$ 416,284</u>	<u>\$ (3,778)</u>	<u>\$ -0-</u>	<u>\$ 412,506</u>

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, 2013.

	Balance Oct. 1, 2012	Additions	Deletions	Balance Sep. 30, 2013	Amounts Due Within One Year
Mortgage Note	<u>\$ 369,140</u>	<u>\$ -</u>	<u>\$ (4,272)</u>	<u>\$ 364,868</u>	<u>\$ 4,450</u>

On April 14, 2012, Relief After Violent Encounter, Inc. entered into a \$375,000 mortgage note. 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
2014	\$ 4,450	\$ 14,510
2015	4,631	14,329
2016	4,820	14,140
2017	5,016	13,944
2018	5,221	13,739
2019-2023	29,473	65,327
2024-2028	35,986	58,814
2029-2033	43,939	50,861
2034-2038	53,650	41,150
2039-2043	65,506	29,294
2044-2048	79,983	14,817
2049-2050	32,100	1,194
	<u>\$ 364,868</u>	<u>\$ 332,119</u>

Relief After Violent Encounter, Inc.
(dba SafeCenter)

NOTES TO FINANCIAL STATEMENTS

September 30, 2013

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.

NOTE I: UNCERTAINTY IN INCOME TAXES

Federal tax law provides tax benefits to nonprofit organizations recognized as exempt from federal income tax under section 501(c)(3) of the Internal Revenue Code (Code). The Code requires that tax-exempt organizations must comply with federal tax law to maintain tax-exempt status and avoid penalties.

As an exempt organization as described in Section 501(c)(3) of the Code that has been classified as other than a private foundation, Relief After Violent Encounter, Inc. is only subject to tax on unrelated business income as defined by Section 509(a)(1) of the Code. The Agency has no unrelated business income for the year ended September 30, 2013. Accordingly, a provision for income taxes has not been made on the financial statements.

The amount of income tax benefit that may be disallowed by the Internal Revenue Service (IRS), if any, cannot be determined at this time although the Agency expects such amounts, if any, to be immaterial.

Interest and/or penalties on an amount of income taxes deemed underpaid, if any, will be classified as income taxes in the financial statements. The Agency has not recognized any interest or penalties payable in the Statement of Financial Position as of September 30, 2013, or interest or penalties expense in the Statement of Activities for the year then ended.

Relief After Violent Encounter, Inc. is subject to IRS and state examinations for a period of at least three (3) years after the Form 990 has been filed.

SUPPLEMENTARY INFORMATION

Relief After Violent Encounter, Inc.
(dba SafeCenter)

SCHEDULE OF REVENUE AND EXPENSES

VICTIMS OF CRIME ACT

Year Ended September 30, 2013

	Grant No. 20033-16V12
REVENUE	
Grant revenue	\$ 122,985
Local match	<u>30,746</u>
TOTAL REVENUE	<u>\$ 153,731</u>
EXPENSES	
Salaries and wages	\$ 88,902
Payroll taxes and other fringe benefits	21,303
Volunteer	30,746
Travel	3,640
Supplies and materials	4,975
Consultant/Contractual	1,125
Other expenses	<u>3,040</u>
TOTAL EXPENSES	<u>\$ 153,731</u>

Relief After Violent Encounter, Inc.
(dba SafeCenter)

SCHEDULE OF REVENUE AND EXPENSES
EMERGENCY FOOD AND SHELTER PROGRAM
Year Ended September 30, 2013

Clinton County

REVENUE	<u>\$ 15,115</u>
EXPENSES	
Mass shelter	<u>\$ 15,115</u>

Shiawassee County

REVENUE	<u>\$ 2,500</u>
EXPENSES	
Mass shelter	<u>\$ 2,500</u>

Relief After Violent Encounter, Inc.
(dba SafeCenter)

SCHEDULE OF REVENUE AND EXPENSES

MICHIGAN STATE HOUSING DEVELOPMENT AUTHORITY

Year Ended September 30, 2013

Emergency Services - Clinton

	Grant No. HML-2012- 0164-ESM	Grant No. HML-2013- 0164-ESM	Total
REVENUE	\$ 2,364	\$ 35,566	\$ 37,930
EXPENSES			
Essential services	\$ -	\$ 28,412	\$ 28,412
Continuum coordination	-	3,577	3,577
Administrative costs	2,364	3,577	5,941
TOTAL EXPENSES	\$ 2,364	\$ 35,566	\$ 37,930

Emergency Services - Shiawassee

	Grant No. HML-2012- 0164-ESM-02	Grant No. HML-2013- 0164-ESM-02	Total
REVENUE	\$ 3,595	\$ 30,395	\$ 33,990
EXPENSES			
Essential services	\$ -	\$ 24,365	\$ 24,365
Administrative costs	3,595	6,030	9,625
TOTAL EXPENSES	\$ 3,595	\$ 30,395	\$ 33,990

Relief After Violent Encounter, Inc.
(dba SafeCenter)

SCHEDULE OF REVENUE AND EXPENSES

DEPARTMENT OF HUMAN SERVICES

Year Ended September 30, 2013

	Grant No. DV-11- 19001 DV	Grant No. TSH-11- 19001 TSH	Grant No. STOP-11- 19001 STOP	Total
REVENUE	\$ 122,145	\$ 199,756	\$ 52,779	\$ 374,680
EXPENSES				
Salaries and wages	\$ 92,021	\$ 30,126	\$ 38,438	\$ 160,585
Fringe benefits	18,775	10,494	11,552	40,821
Occupancy	5,212	2,596	-	7,808
Communication	3,161	1,336	745	5,242
Supplies	1,295	2,093	508	3,896
Local transportation	747	1,086	1,261	3,094
Assistance to individuals	-	151,275	-	151,275
Miscellaneous	934	750	275	1,959
TOTAL EXPENSES	\$ 122,145	\$ 199,756	\$ 52,779	\$ 374,680