



safe space

***FINANCIAL STATEMENTS  
AND SUPPLEMENTARY INFORMATION  
WITH INDEPENDENT AUDITORS' REPORT  
YEARS ENDED JUNE 30, 2014 AND 2013***

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## INDEPENDENT AUDITORS' REPORT

To The Board of Directors  
Safe Space NYC, Inc.  
New York, New York

### **Report on the Financial Statements**

We have audited the accompanying financial statements of Safe Space NYC, Inc. which comprise the statements of financial position as of June 30, 2014 and 2013, and the related statements of activities, cash flows, and functional expenses 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 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 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 Safe Space NYC, Inc. as of June 30, 2014 and 2013, 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 audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying Schedule of Expenditures of Federal Awards (SEFA) is presented for purposes of additional analysis as required by the U.S. Office of Management and Budget Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations, and is not a required part of the financial statements. The supplementary information on pages 25 through 42, required by The City of New York Administration for Children's Services, is also presented for purposes of additional analysis and is not a required part of the financial statements. The SEFA and supplementary 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 SEFA and supplementary information has been subjected to the auditing procedures applied in the audit of the financial statements and certain other 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 SEFA and supplementary 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 our report dated January 29, 2015 on our consideration of Safe Space NYC, Inc.'s internal control over financial reporting and on 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 of Safe Space NYC, Inc.'s internal control over financial reporting and compliance.

*Dorfman Abrams Music, LLC*

Saddle Brook, New Jersey  
January 29, 2015



Member of JHI International

## SAFE SPACE NYC, INC.

## STATEMENTS OF FINANCIAL POSITION

ASSETS

	June 30,	
	2014	2013
Cash	\$ 312,499	\$ 49,192
Governmental agency receivables, net of allowance for uncollectible accounts of \$25,000 in 2014 and 2013	2,215,022	1,849,680
Pledges receivable	171,473	109,186
Prepaid expenses	69,942	46,372
Property and equipment, net	1,061,620	1,168,832
Other assets	150,838	150,838
Total assets	<u>\$ 3,981,394</u>	<u>\$ 3,374,100</u>

LIABILITIES AND NET ASSETS

Liabilities:		
Notes and mortgages payable	\$ 120,000	\$ 745,000
Accounts payable	867,827	889,751
Accrued pension expense	81,973	82,061
Accrued expenses	989,736	986,331
Due to governmental agencies	909,899	3,347,230
Other liabilities	350,619	357,531
Due to affiliate	3,260,798	
Total liabilities	<u>6,580,852</u>	<u>6,407,904</u>
Commitments and contingencies		
Net assets (deficiency):		
Unrestricted	(3,242,025)	(3,934,852)
Temporarily restricted	642,567	901,048
	<u>(2,599,458)</u>	<u>(3,033,804)</u>
Total liabilities and net assets	<u>\$ 3,981,394</u>	<u>\$ 3,374,100</u>

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



## SAFE SPACE NYC, INC.

## STATEMENTS OF ACTIVITIES

	Year ended June 30, 2014			Year ended June 30, 2013		
	Unrestricted	Temporarily restricted	Total	Unrestricted	Temporarily restricted	Total
Support:						
Private support:						
Individual contributions	\$ 37,816	\$ 625,000	\$ 37,816	\$ 106,178	\$ 626,355	\$ 106,178
Foundation contributions	383,744		1,008,744	79,444		705,799
Corporate contributions	7,899		7,899	63,278		63,278
In-kind donations	34,889		34,889	35,586		35,586
Total private support	464,348	625,000	1,089,348	284,486	626,355	910,841
Program fees:						
Program fees	557,259		557,259	685,134		685,134
Governmental support:						
Contracts and grants	10,650,914		10,650,914	10,405,183		10,405,183
Medicaid	472,489		472,489	673,348		673,348
Total governmental support	11,123,403		11,123,403	11,078,531		11,078,531
Other revenue:						
Interest income	731		731	1,849		1,849
Forgiveness of debt	1,000,083		1,000,083			
Miscellaneous income	22,513		22,513	21,137		21,137
Total other revenue	1,023,327		1,023,327	22,986		22,986
Net assets released from restriction	883,481	(883,481)		465,554	(465,554)	
Total support	14,051,818	(258,481)	13,793,337	12,536,691	160,801	12,697,492
Expenses:						
Program services:						
Mental health services	1,834,154		1,834,154	2,218,896		2,218,896
Community health services	1,701,118		1,701,118	1,812,184		1,812,184
Education services	1,278,640		1,278,640	1,093,057		1,093,057
Preventive services	5,302,841		5,302,841	5,198,360		5,198,360
Young adult services	1,702,101		1,702,101	1,661,350		1,661,350
Total program services	11,818,854		11,818,854	11,983,847		11,983,847
Supporting services:						
Management and general	1,154,136		1,154,136	1,545,245		1,545,245
Fundraising and public relations	386,001		386,001	296,386		296,386
Total supporting services	1,540,137		1,540,137	1,841,631		1,841,631
Total expenses	13,358,991		13,358,991	13,825,478		13,825,478
Change in net assets	692,827	(258,481)	434,346	(1,288,787)	160,801	(1,127,986)
Net assets (deficiency), beginning of year	(3,934,852)	901,048	(3,033,804)	(2,646,065)	740,247	(1,905,818)
Net assets (deficiency), end of year	\$ (3,242,025)	\$ 642,567	\$ (2,599,458)	\$ (3,934,852)	\$ 901,048	\$ (3,033,804)

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

## SAFE SPACE NYC, INC.

## STATEMENTS OF CASH FLOWS

	Year ended June 30,	
	2014	2013
Cash flows from operating activities:		
Change in net assets	\$ 434,346	\$ (1,127,986)
Adjustments to reconcile change in net assets to net cash used by operating activities:		
Depreciation	194,166	199,389
Bad debt expense		324,293
Forgiveness of debt	(1,000,083)	
Changes in operating assets and liabilities:		
(Increase) decrease in:		
Governmental agency receivables	(365,342)	(592,259)
Pledges receivable	(62,287)	237,440
Prepaid expenses	(23,570)	3,389
Increase (decrease) in:		
Accounts payable	(21,924)	321,980
Accrued pension expense	(88)	82,061
Accrued expenses	3,405	(305,918)
Due to governmental agencies	(1,437,248)	694,590
Other liabilities	(6,912)	(6,912)
Net cash used by operating activities	<u>(2,285,537)</u>	<u>(169,933)</u>
Cash flows from investing activities:		
Purchases of property and equipment	<u>(86,954)</u>	<u>(21,675)</u>
Net cash used by investing activities	<u>(86,954)</u>	<u>(21,675)</u>
Cash flows from financing activities:		
Loans provided by affiliate	3,260,798	
Repayments of principal	<u>(625,000)</u>	<u>(135,000)</u>
Net cash provided (used) by financing activities	<u>2,635,798</u>	<u>(135,000)</u>
Net increase (decrease) in cash	263,307	(326,608)
Cash, beginning of year	<u>49,192</u>	<u>375,800</u>
Cash, end of year	<u>\$ 312,499</u>	<u>\$ 49,192</u>
Supplemental Cash Flow Information		
Cash paid for:		
Interest	<u>\$ 2,578</u>	<u>\$ 58,010</u>

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

## SAFE SPACE NYC, INC.

## STATEMENTS OF FUNCTIONAL EXPENSES

Years Ended June 30, 2014 and 2013

	Program services																
	Mental health services				Community health services				Education services		Preventive services		Young adult services		Total program services expenses		
	2014		2013		2014	2013	2014	2013	2014	2013	2014	2013	2014	2013	2014	2013	
Salaries	\$ 791,854	\$	859,217		\$ 844,987	\$	977,642	\$	803,684	\$	3,179,172	\$	3,200,246	\$	935,917	\$	6,776,706
Employee fringe benefits	186,642		192,517		190,470		219,786		127,398		757,148		723,544		191,792		1,455,037
Total salaries and related expenses	978,496		1,051,734		1,035,457		1,197,428		931,082		3,936,320		3,923,790		1,127,709		8,231,743
Transportation	21,897		21,605		21,852		25,348		24,634		27,301		30,410		18,215		134,267
Activities, children	8,782		2,634		17,758		20,587		50,326		10,519		10,579		15,631		181,978
Purchase of services	492,326		480,439		270,687		231,889		9,080		151,188		188,988		46,154		969,435
Professional fees	37,835		36,012		46,498		60,353		2,414		125,927		139,073		18,066		230,740
Food	1,845		380		42,288		40,717		7,310		2,729		2,828		65,005		119,177
Program and office supplies	14,807		20,559		71,234		46,055		17,243		72,588		41,937		89,742		123,594
Rent and space costs	133,560		124,791		109,819		97,160		500		549,230		530,954		126,277		265,614
Equipment rental	899		462		4,151		722		146		17,769		2,900		959		919,386
Utilities	10,483		12,783		21,003		20,905				54,884		46,344		35,869		23,778
Repairs and maintenance	20,704		15,490		5,879		12,435		2,677		126,686		42,118		36,645		283
Telephone	29,988		25,255		19,304		19,078		61		92,931		85,254		14,763		23,778
Insurance	15,517		13,709		14,207		13,093		9,180		92,931		85,254		14,763		322,266
Interest and bank charges	34,524		58,010		20,981		26,216		6,645		46,023		44,068		27,880		186,063
Depreciation	27,427		324,293						13,145		83,567		88,151		14,044		166,647
Bad debt expense	28,894							12,953							97,031		91,559
Miscellaneous	3,597		3,313				198		203		5,179		10,966		28,092		58,010
									50						24,492		34,524
															170,887		183,031
															9,390		324,293
															1,945		16,472

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



## SAFE SPACE NYC, INC.

## STATEMENTS OF FUNCTIONAL EXPENSES

Years Ended June 30, 2014 and 2013

	Supporting services				Total supporting services expenses		Total program and supporting services expenses	
	Management and general		Fundraising and public relations		2014	2013	2014	2013
	2014	2013	2014	2013				
Salaries	\$ 509,698	\$ 958,448	\$ 195,757	\$ 195,040	\$ 705,455	\$ 1,153,488	\$ 7,302,171	\$ 7,930,194
Employee fringe benefits	171,916	221,822	46,196	45,463	218,112	267,285	1,653,475	1,722,322
Total salaries and related expenses	681,614	1,180,270	241,953	240,503	923,567	1,420,773	8,955,646	9,652,516
Transportation	1,627	1,934	6,821	335	8,448	2,269	142,715	124,260
Activities, children			4,438	2,970	4,438	2,970	186,416	102,957
Purchase of services	34,473	103,150	44,985	14,714	79,458	117,864	1,048,893	1,147,308
Professional fees	130,355	49,968	5,821	2,169	136,176	52,137	366,916	316,147
Food	3	136	1,439	5,837	1,442	5,973	120,619	129,567
Program and office supplies	12,626	23,916	27,776	8,888	40,402	32,804	306,016	224,984
Rent and space costs	68,496	89,293	15,612	13,388	84,108	102,681	1,003,494	974,894
Equipment rental	6,117	632	978	122	7,095	754	30,873	5,267
Utilities	11,394	5,768	1,042	2,788	12,436	8,556	134,675	125,233
Repairs and maintenance	83,887	9,349	22,993	1,011	106,880	10,360	429,146	97,843
Telephone	21,811	30,792	5,409	2,661	27,220	33,453	213,283	200,100
Insurance	8,186	8,188	2,961		11,147	8,188	108,178	99,747
Interest and bank charges	59,807	7,500			59,807	7,500	94,331	65,510
Depreciation	20,154	16,358	3,125		23,279	16,358	194,166	199,389
Bad debt expense								324,293
Miscellaneous	13,586	17,991	648	1,000	14,234	18,991	23,624	35,463
	\$ 1,154,136	\$ 1,545,245	\$ 386,001	\$ 296,386	\$ 1,540,137	\$ 1,841,631	\$ 13,358,991	\$ 13,825,478

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

SAFE SPACE NYC, INC.

NOTES TO FINANCIAL STATEMENTS

June 30, 2014 and 2013

1. Summary of significant accounting policies

This summary of significant accounting policies of Safe Space NYC, Inc. (Safe Space) is presented to assist in understanding the financial statements. The financial statements and notes are representations of management, which is responsible for their integrity and objectivity. These accounting policies conform to accounting principles generally accepted in the United States of America as promulgated in *FASB Accounting Standards Codification* (the Codification) and have been consistently applied in the preparation of the financial statements.

History and objectives of Safe Space

Safe Space, headquartered in Jamaica, New York, was originally established in 1919 as a child protective agency known as the Queensboro Society for the Prevention of Cruelty to Children. Today, it focuses not only on protecting children and youth threatened by child abuse, neglect and potential foster care placements but also on preventing these issues, serving over 14,000 children, youth and families annually. Safe Space provides a continuum of interrelated direct services, including Family Support, Mental Health, Community Health and a broad scope of Child/Youth Development programming (including two 12-bed transitional living residences for homeless youth) at its three community-based locations in severely underserved neighborhoods throughout Southeast Queens: Jamaica, Far Rockaway and Richmond Hill (including the surrounding areas of Ozone Park and Howard Beach). Through its clinical and supportive programs, Safe Space helps families to become stronger and healthier, gain critical life skills and helps children to thrive and grow into successful adults.

Safe Space is funded primarily by government contracts with various New York City and New York State agencies as well as service fees paid by Medicaid for its clinic programs.

During the year ended June 30, 2014, Safe Space entered into affiliation and management agreements with Episcopal Social Services of New York, Inc. (ESS) with the intent to merge the organizations.

Basis of presentation

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with generally accepted accounting principles. Net assets, revenues, gains and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets of Safe Space and changes therein are classified and reported as follows:

Unrestricted net assets - Net assets that are not subject to donor-imposed stipulations.

Temporarily restricted net assets - Net assets subject to donor-imposed stipulations that may or will be met, either by actions of Safe Space and/or the passage of time.

Permanently restricted net assets - Net assets subject to donor-imposed stipulations that they be maintained permanently by the Organization. Safe Space had no permanently restricted net assets at June 30, 2014 or 2013.

Income taxes

Safe Space is a tax-exempt organization as defined by Section 501(c)(3) of the Internal Revenue Code. Accordingly, no provision for Federal corporation income tax has been made. Safe Space is also exempt from State corporation income tax.



SAFE SPACE NYC, INC.

NOTES TO FINANCIAL STATEMENTS

June 30, 2014 and 2013

1. Summary of significant accounting policies (continued)

Support and revenue

Contributions, including unconditional pledges, are recorded at fair value as made. All contributions are available for unrestricted use unless specifically restricted by the donor. Conditional pledges are recognized when the conditions on which they depend are substantially met. Donor-restricted contributions are reported as increases in temporarily or permanently restricted net assets depending on the nature of the restrictions. When a restriction is satisfied, temporarily restricted net assets are reclassified to unrestricted net assets. However, if a restriction is fulfilled in the same accounting period the contribution is received, Safe Space reports the support as unrestricted.

Governmental support is reported in the year earned at net realizable amounts for services rendered under reimbursement agreements. Rates under reimbursement agreements are subject to change based on subsequent review by funding agencies. Accordingly, contract support and grants are reported net of estimated retroactive adjustment of rates and may be adjusted in future periods as final settlements are determined. Rate appeals may also be initiated by Safe Space; revenues from such appeals are recorded in the period such appeals are determined to be probable of collection. Funds received in periods prior to the cost being incurred are deferred until future periods and reported as refundable advances on the statement of financial position.

Allowance for uncollectible accounts

Safe Space uses the allowance method to account for uncollectible receivables. The allowance for doubtful accounts is based on prior years' experience and management's analysis of possible bad debts.

Property and equipment

Property and equipment are stated at cost, if purchased, or if donated, at fair value at the date of gift, less accumulated depreciation. Property and equipment are depreciated on the straight-line basis over the following estimated useful lives:

Buildings	40 years
Furniture and equipment	5 – 10 years
Leasehold improvements	10 years or term of the lease

The cost of assets sold or otherwise disposed of and the accumulated depreciation thereon are eliminated from the accounts and the resulting gain or loss is reflected in income. Expenditures for maintenance and repairs are charged to expense as incurred; replacements and betterments that extend the useful lives are capitalized.

Deferred rent

Rent expense is recognized on the straight-line basis over the life of the lease. Deferred rent is recorded for the difference between the fixed payment and the rent expense. Deferred rent amounted to \$229,349 and \$197,452 at June 30, 2014 and 2013, respectively and is included in accrued expenses on the statement of financial position.

Use of estimates

The preparation of financial statements 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.



SAFE SPACE NYC, INC.

NOTES TO FINANCIAL STATEMENTS

June 30, 2014 and 2013

1. Summary of significant accounting policies (continued)

Functional allocation of expenses

The costs of providing various programs and support services have been summarized on a functional basis in the statement of activities and in the statement of functional expenses. Accordingly, certain expenses have been allocated among the programs and supporting services based on management's best estimates.

Uncertain tax positions

As of June 30, 2014, management believes that based on evaluation of Safe Space's tax positions that any liability as a result of uncertain tax positions would not be material. Management continually evaluates expiring statutes of limitations, changes in tax law, and new authoritative rulings to assist in evaluating the Safe Space's tax positions. Accrued interest and penalties associated with uncertain tax positions, if any, would be recognized as part of an income tax provision. Income tax returns are filed only with the U.S. federal jurisdiction as state and local tax returns are not applicable. U.S. federal income tax returns prior to fiscal year 2010 are closed.

Reclassifications

Certain 2013 amounts have been reclassified to conform to the 2014 presentation.

2. Risks and uncertainties

Financial instruments that potentially subject Safe Space to concentrations of credit risk consist principally of cash and pledges and governmental agency receivables. Safe Space maintains its cash with financial institutions, the balances of which, at times, may exceed federally insured limits. Exposure to credit risk is reduced by placing such deposits in high quality financial institutions. Concentration of credit risk with respect to receivables is limited due to the fact that they are mainly derived from governmental agencies and that pledges are received from established foundations and have short payment periods.

3. Pledges receivable

Pledges receivable are due for the following purposes at June 30:

	<u>2014</u>	<u>2013</u>
General use	\$ 15,000	\$ 15,000
Preventive services	46,473	94,186
Young adult services	<u>110,000</u>	<u>          </u>
	<u>\$ 171,473</u>	<u>\$ 109,186</u>

The difference between the amounts pledged and collected has historically been insignificant and accordingly, no provision has been made for uncollectible amounts. As of June 30, 2014, all pledges were due within one year.

SAFE SPACE NYC, INC.  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2014 and 2013

4. Property and equipment

Property and equipment consists of the following at June 30:

	<u>2014</u>	<u>2013</u>
Land	\$ 64,500	\$ 64,500
Buildings	580,500	580,500
Furniture and equipment	1,751,950	1,751,950
Leasehold improvements	<u>2,475,545</u>	<u>2,388,591</u>
	4,872,495	4,785,541
Less accumulated depreciation	<u>3,810,875</u>	<u>3,616,709</u>
	<u>\$ 1,061,620</u>	<u>\$ 1,168,832</u>

Depreciation expense was \$194,166 and \$199,389 for the years ended June 30, 2014 and 2013, respectively.

5. Due to governmental agencies

Due to governmental agencies consists of the following at June 30:

	<u>2014</u>	<u>2013</u>
New York State Office of Mental Health	\$ 194,525	\$ 2,320,610
NYC Administration for Children's Services	341,166	790,819
NYC Department of Youth & Community Development	253,559	161,396
NYS Department of Health	72,917	
Other Agencies	<u>47,732</u>	<u>74,405</u>
	<u>\$ 909,899</u>	<u>\$ 3,347,230</u>

Prior to the fiscal year ended June 30, 2012, Safe Space was notified by the New York State Office of Mental Health (OMH) that they were overpaid for years up to and including fiscal year 2001. Safe Space and OMH entered into a long-term payment plan for the amount due back to OMH for clinical services. Recoupment of the funds was to occur against ongoing claims submitted for reimbursement.

During the year ended June 30, 2014, OMH offered an amnesty agreement which consisted of the abatement of the majority of the interest component of the liability if the principal amount was paid. In August of 2013, Safe Space paid the principal balance and OMH abated \$1,000,083 of the \$1,237,740 interest owed. The remaining balance is currently being recouped by OMH withholding 10% of future Medicaid payments until the debt is satisfied.

SAFE SPACE NYC, INC.  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2014 and 2013

6. Loans payable

Loans payable consist of the following at June 30:

	<u>2014</u>	<u>2013</u>
Amounts due to Fund for the City of New York (FCNY) for various loans provided to cover moving expenses and other operating needs. The original due dates expired between April 2011 and January 2012.	\$	\$ 475,000
\$500,000 line of credit dated January 2012 with FCNY to cover operating expenditures until receipt of funds from certain state and city agencies. Based upon need, Safe Space drew down \$250,000 against the loan. The original due date of the loan was January 13, 2013.	100,000	250,000
Due to other private sources	<u>20,000</u>	<u>20,000</u>
	<u>\$ 120,000</u>	<u>\$ 745,000</u>

Safe Space came to an agreement with FCNY to extend the due dates of the above loans. Safe Space paid \$625,000 of the FCNY loan balances during the fiscal year ended June 30, 2014. The remaining \$100,000 will be paid upon receipt of funds from the governmental agency.

7. Other liabilities

In 1997, Safe Space joined the Community Residence Insurance Saving Plan (CRISP), a self-insurance trust established to provide workers' compensation coverage and services for providers of social services throughout the state of New York. In December 2010, CRISP was declared bankrupt and the administration and final distribution of its assets and liabilities were assumed by the Workers' Compensation Board (WCB). WCB determined that CRISP was insolvent and levied an assessment on all of its members. Amounts due from Safe Space at June 30, 2014 and 2013 were \$350,619 and \$357,531, respectively. Safe Space's annual payment under the assessment agreement is \$6,912 per year.

Safe Space has engaged legal counsel to determine further options and potential settlements that may significantly reduce the WCB's assessment.



## SAFE SPACE NYC, INC.

## NOTES TO FINANCIAL STATEMENTS

June 30, 2014 and 2013

8. Temporarily restricted net assets and net assets released from restrictions

Temporarily restricted net assets are available for the following purposes at June 30:

	2014	2013
Preventive services	\$ 49,599	\$ 59,740
Young adult services	451,344	293,545
Community health services		73,315
Mental health services	141,624	474,448
	<u>\$ 642,567</u>	<u>\$ 901,048</u>

Temporarily restricted net assets were released from donor restrictions by incurring expenses satisfying the restricted purposes or by the passage of time. The net assets released from restriction for the years ended June 30, 2014 and 2013 were as follows:

	2014	2013
Preventive services	\$ 60,141	\$ 154,507
Young adult services	392,201	144,455
Community health services	73,315	57,685
Mental health services	357,824	108,907
	<u>\$ 883,481</u>	<u>\$ 465,554</u>

Restricted contributions in the amount of \$47,673 and \$45,906 for the years ended June 30, 2014 and 2013, respectively, were received and related restrictions were met within the year. It is Safe Space's policy to include such contributions as unrestricted on its statement of activities.

9. Commitments and contingencies

Safe Space leases various property and equipment under operating leases that have various expiration dates through 2021. Certain leases require additional payments based upon property tax and maintenance expense escalations. Aggregate rental expenses on such leases for the years ended June 30, 2014 and 2013 amounted to \$976,252 and \$927,337, respectively.

Minimum annual rental commitments for the remaining term of the noncancelable operating leases are as follows:

Year ending June 30:	
2015	\$ 771,163
2016	800,229
2017	817,795
2018	637,871
2019	656,486
Thereafter	702,192
	<u>\$ 4,385,736</u>

SAFE SPACE NYC, INC.

NOTES TO FINANCIAL STATEMENTS

June 30, 2014 and 2013

10. In-kind contributions

During the years ended June 30, 2014 and 2013, Safe Space recognized \$34,889 and \$35,586 respectively, of in-kind contributions relating to the estimated fair value of contributed tangible donations.

11. Retirement plan

Safe Space maintains a 401(k) retirement plan covering substantially all full-time employees who have attained the age of 21 and completed one year of service. Safe Space provides a matching contribution of up to 3% of participants' eligible compensation and up to 50% of the next 2% of the eligible compensation. Pension expense was \$89,534 and \$128,956 for the years ended June 30, 2014 and 2013, respectively.

12. Litigation

In addition to litigation previously disclosed, (note 7), Safe Space is involved in other litigation arising in the normal course of its operations. Management believes that the amount of losses that might be sustained beyond existing insurance coverage, if any, would not have a material effect on the accompanying financial statements.

13. Government grants and contracts

Safe Space operates under various contracts with government agencies which generally cover a one-year period, subject to annual renewals. The terms of these contracts allow the grantors the right to audit the costs incurred thereunder and adjust contract funding based upon the amount of program income received. Any costs disallowed by the grantor would be absorbed by Safe Space and any adjustments by grantors would be recorded when amounts are known, however, it is the opinion of management that disallowances, if any, would be immaterial and adjustments, if any, would not have a material adverse effect on the financial position of Safe Space.

14. Related party transactions

During the year ended June 30, 2014, Safe Space entered into an affiliation agreement with ESS. Under the terms of the agreement, Safe Space agreed to restructure its Board of Directors to include ESS board members. ESS also loaned Safe Space \$800,000 to satisfy current debt obligations and provided Safe Space an additional \$1,000,000 revolving line of credit. Both loans accrue interest at a rate of 5% per annum and payments are expected through June 30, 2018. ESS also provided Safe Space with short term working capital advances as necessary throughout the year.

In addition, ESS and Safe Space entered into a management agreement. Under the terms of the agreement, certain ESS management will act in the same capacity for Safe Space. Safe Space also agreed to implement ESS's systems and procedures and agrees to pay \$8,000 monthly for these and other services.

Amounts due ESS amounted to \$3,260,798 at June 30, 2014.

SAFE SPACE NYC, INC.

NOTES TO FINANCIAL STATEMENTS

June 30, 2014 and 2013

15. Significant source of support

Safe Space received approximately 41% and 44% of its total support for the years ended June 30, 2014 and 2013, respectively, from the New York City Administration for Children's Services. Contracts with the funding agency were renewed at comparable amounts for the upcoming fiscal year.

16. Subsequent events

Subsequent events have been evaluated through January 29, 2015, which is the date the financial statements were available to be issued.



SINGLE AUDIT SECTION

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

INDEPENDENT AUDITORS' REPORT

To The Board of Directors  
Safe Space NYC, Inc.  
New York, New York

We have audited the basic financial statements of Safe Space NYC, Inc. as of and for the year ended June 30, 2014, and have issued our report thereon dated January 29, 2015. We conducted our audit 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.

***Internal Control Over Financial Reporting***

Management of Safe Space NYC, Inc. is responsible for establishing and maintaining effective internal control over financial reporting. In planning and performing our audit, we considered Safe Space NYC, Inc.'s internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the Safe Space NYC Inc.'s internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of Safe Space NYC, Inc.'s internal control over financial reporting.

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.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we considered to be material weaknesses, as previously defined. However, we did identify certain deficiencies in internal control over financial reporting, described in the accompanying Schedule of Financial Statement Findings (Part 2) that we considered to be significant deficiencies in internal control over financial reporting (2014-001 and 2014-002). A significant deficiency is a deficiency or combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention of those charged with governance.

### ***Compliance and Other Matters***

As part of obtaining reasonable assurance about whether Safe Space NYC, Inc.'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*.

We noted certain other matters that we reported to management of Safe Space NYC, Inc. in a separate letter dated January 29, 2015.

### ***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 result of that testing, and not to provide an opinion on the effectiveness of the entity'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 entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*Dayman Abrams Music, LLC*

Saddle Brook, New Jersey

January 29, 2015



REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM AND REPORT ON  
INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133

INDEPENDENT AUDITORS' REPORT

To The Board of Directors  
Safe Space NYC, Inc.  
New York, New York

***Report on Compliance for Each Major Federal Program***

We have audited Safe Space NYC, Inc.'s compliance with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Circular A-133 *Compliance Supplement* that could have a direct and material effect on each of Safe Space NYC, Inc.'s major federal programs for the year ended June 30, 2014. Safe Space NYC, Inc.'s major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

***Management's Responsibility***

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

***Auditors' Responsibility***

Our responsibility is to express an opinion on compliance for each of Safe Space NYC, Inc.'s major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards, OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Safe Space NYC, Inc.'s compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of Safe Space NYC, Inc.'s compliance.

***Opinion on Each Major Federal Program***

In our opinion, Safe Space NYC, Inc. complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2014.

## ***Report on Internal Control over Compliance***

Management of Safe Space NYC, Inc. is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered Safe Space NYC, Inc.'s internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program as a basis for designing auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness Safe Space NYC, Inc.'s internal control over compliance.

*A deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

*Dorfman Abrams Music, LLC*

Saddle Brook, New Jersey

January 29, 2015



## SAFE SPACE NYC, INC.

## SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Year Ended June 30, 2014

Federal grantor/pass through grantor/program title	Federal CFDA number	Original contract period	Pass-through grantor number	Contract number	Program or award amount	Total expenditures	Federal expenditures
U.S. Department of Health and Human Services: Passed through the City of New York Administration for Children's Services: Social Services Block Grant	93.667 93.667 93.667	July 1, 2013 - June 30, 2016 July 1, 2011 - June 30, 2015 July 1, 2011 - June 30, 2015	* * *	2014000170 20120000367 20120000458	\$ 2,780,025 15,482,784 3,922,080	\$ 842,918 3,767,877 1,079,378	\$ 370,884 1,657,866 474,926
Passed through the New York State Department of Health: Children's Health Insurance Program Medical Assistance Program Federal Exchange Grant	93.767 93.778 93.525	January 1, 2013 - October 31, 2013 July 1, 2012 - September 30, 2013 Aug 1, 2013 - September 30, 2014	* * *	C027820 C021378 C028886	500,000 257,899 583,333	180,398 62,913 428,018	1,759 8,965 299,613
Passed through the NYC Dept. of Youth and Community Development: Federal Emergency Management Agency - Sandy NYC	97.036	July 1, 2013 - June 30, 2014	*	124411	1,720	1,575	1,575
Passed through NY State Office of Mental Health Super Storm Sandy Social Services Block Grant	93.667	May 1, 2014 - September 30, 2015	*	C020010	643,807	19,706	19,706
U.S. Department of Housing and Urban Development: Supportive Housing Program	14.235	July 1, 2013 - June 30, 2014	N/A	NY0370B2T001104	229,908	228,246	228,246
					<u>\$ 24,401,556</u>	<u>\$ 6,611,029</u>	<u>\$ 3,063,540</u>

\* Pass-through grantor number not provided by grantor

Note 1: The schedule of expenditures of federal awards is prepared on the accrual basis of accounting.

Note 2: Safe Space provided federal awards to subrecipients as follows:

<u>Social Services Block Grant CFDA #93.667</u>	\$ 69,311
South Asian Council for Services	
<u>Children's Health Insurance Program CFDA #93.767</u>	
Charles B. Wang Community Health Center	40,000
Korean Community Services	12,853
Queens-Jewish Community Council	11,800
<u>Federal Exchange Grant CFDA #93.525</u>	
Charles B. Wang Community Health Center	161,905
Queens-Jewish Community Council	26,725
	<u>\$ 322,594</u>



SAFE SPACE NYC, INC.

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Year Ended June 30, 2014

Part 1 - Summary of Auditors' Results

**Financial Statement Section**

- A) Type of auditors' report issued: Unmodified
- B) Internal control over financial reporting:
- 1) Material weakness(es) identified?            yes       x       no
- 2) Significant deficiencies identified?       x       yes            no
- C) Noncompliance material to general-purpose financial statements noted?            yes       x       no

**Federal Awards Section**

- D) Dollar threshold used to determine Type A programs: \$300,000
- E) Auditee qualified as low-risk auditee?            yes       x       no        n/a
- F) Type of auditors' report on compliance for major programs: Unmodified
- G) Internal control over compliance:
- 1) Material weakness(es) identified?            yes       x       no
- 2) Significant deficiencies identified?            yes       x       no
- H) Any audit findings disclosed that are required to be reported in accordance with U.S. OMB Circular A-133?       x       yes            no
- I) Identification of major programs:

<u>CFDA number(s)</u>	<u>Name of Federal program(s)</u>
93.667	Social Services Block Grant

SAFE SPACE NYC, INC.  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
Year Ended June 30, 2014

Part 2 - Schedule of Financial Statement Findings

This section identifies the significant deficiencies, material weaknesses, fraud, illegal acts, violations of provisions of contracts and grant agreements and abuse related to the financial statements for which *Government Auditing Standards* require reporting in a Circular A-133.

Significant Deficiencies

2014-001 Transactional approvals (uncorrected prior year comment 2013-02)

Criteria: Procedures should be in place to ensure that the transactions are approved in accordance with organization policy.

Condition: During our audit procedures during both the years ended June 30, 2014 and 2013, it became evident that personnel turnover caused certain control activities to not be carried out. For instance, organizational policy was for the dual signature of checks as well as payroll authorizations but vacant positions at times caused these controls to be bypassed.

Effect: While no improprieties were observed, it is important these controls are fully adhered to.

Cause: Turnover in management positions throughout the fiscal year.

Recommendation: To lessen the likelihood of errors and misappropriation, Safe Space should remain diligent in requiring transactions follow the approval processes that are in place.

Views of Responsible Officials and Planned Corrective Actions: The affiliation and administrative agreement with ESS has provided a more stable organization structure and will alleviate this issue in the upcoming fiscal year.

SAFE SPACE NYC, INC.  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
Year Ended June 30, 2014

Part 2 - Schedule of Financial Statement Findings (continued)

2014-002 Utilization of General Ledger Cost Codes (uncorrected prior year comment 2013-03)

Criteria: Procedures should be in place to allocate costs to the cost codes assigned to the various contracts.

Condition: Management uses a general ledger system that has the ability to generate reports by both function and by program. Throughout the audit procedures performed for both the years ended June 30, 2014 and 2013, it became evident that the general ledger was not being utilized to its fullest extent because internal reports requested for specific programs, for specific periods, were not easily reconciled to the financial reports submitted to the governmental agencies.

Effect: While no improprieties or instances of noncompliance were observed, internal reports generated from the general ledger were not easily reconciled to the financial reports submitted to the governmental agencies.

Cause: The cause of the issue was the delayed monthly closing of the books (see prior year finding 2013-01), which was done after the expense reports were submitted to the various funders.

Recommendation: We recommend that management make the necessary reclassifications so that general ledger reports can be printed that agree to financial reports submitted to the various governmental agencies.

Views of Responsible Officials and Planned Corrective Actions: As the organization structure is stabilized, the monthly closings and financial reporting will be done at the same time. This will allow for easy reconciliations between costs per the general ledger and that on claim reports.



SAFE SPACE NYC, INC.

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Year Ended June 30, 2014

Part 3 - Schedule of Federal Award Findings and Questioned Costs

This section identifies the audit findings required to be reported by Section 510(a) of Circular A-133 (significant deficiencies, material weaknesses, and material instances of noncompliance, including questioned costs) as well as any abuse findings involving federal awards that are material to a major federal program.

**None**

SAFE SPACE NYC, INC.

SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS AND  
QUESTIONED COSTS AS PREPARED BY MANAGEMENT

Year Ended June 30, 2014

This section identifies the status of prior year findings related to the financial statements and federal awards that are required to be reported in accordance with *Government Auditing Standards*, U.S. OMB Circular A-133.

2013-01 Accounting Records and Audit Timing (material weakness)

Finding: The audit of Safe Space was delayed and the late filing will cause the Organization to be a high risk auditee, at a minimum, for the upcoming two fiscal years.

Status of Prior Finding: Procedures were developed by management to allow for the annual audit in a timely manner.

2013-02 Transactional approvals (significant deficiency)

Finding: During our audit procedures, it became evident that personnel turnover caused certain control activities to not be carried out. For instance, organizational policy was for the dual signature of checks as well as payroll authorizations but vacant positions at times caused these controls to be bypassed.

Status of Prior Finding: The affiliation and administrative agreement with ESS has provided a more stable organization structure and while this finding was not corrected in the current year, management anticipates it will resolve this issue in the upcoming fiscal year.

2013-03 Utilization of General Ledger Cost Codes (significant deficiency)

Finding: Management uses a general ledger system that has the ability to generate reports by both function and by program. Throughout the audit procedures, it became evident that the general ledger was not being utilized to its fullest extent because internal reports requested for specific programs, for specific periods, were not easily reconciled to the financial reports submitted to the governmental agencies.

Status of Prior Finding: The affiliation and administrative agreement with ESS has provided a more stable organization structure and while this finding was not corrected in the current year, management anticipates it will resolve this issue in the upcoming fiscal year.

**SUPPLEMENTARY INFORMATION**  
**PREVENTIVE SERVICES - FAMILY TREATMENT AND REHABILITATION**



## SAFE SPACE NYC, INC.

**SCHEDULE OF REVENUES AND EXPENDITURES -  
PREVENTIVE SERVICES - FAMILY TREATMENT AND REHABILITATION**

BUDGET ID: 14-FTR-CENTER Q

YEAR ENDED JUNE 30, 2014

	<u>Approved Budget</u>	<u>Actual Amounts</u>	<u>Variance Favorable (Unfavorable)</u>	<u>Questioned Costs</u>
Revenues				
ACS	\$ 1,146,620	\$ 1,079,378	\$ 67,242	\$
Total revenue	<u>1,146,620</u>	<u>1,079,378</u>	<u>67,242</u>	
Expenditures				
Personnel costs				
Salaries	725,275	670,075	55,200	
Fringe benefits	<u>166,813</u>	<u>159,299</u>	<u>7,514</u>	
Total personnel costs	<u>892,088</u>	<u>829,374</u>	<u>62,714</u>	
Other than personnel costs				
Consultants	17,134	17,459	(325)	
Rent and utilities	84,968	85,534	(566)	
Other	<u>48,192</u>	<u>48,885</u>	<u>(693)</u>	
Total other than personnel costs	<u>150,294</u>	<u>151,879</u>	<u>(1,585)</u>	
Total expenditures before overhead	1,042,382	981,253	61,129	
Administrative overhead	<u>104,238</u>	<u>98,125</u>	<u>6,113</u>	
Total expenditures	<u>1,146,620</u>	<u>1,079,378</u>	<u>67,242</u>	<u>\$ -</u>
Excess of revenues over expenditures	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ (0)</u>	

See independent auditors' report.

SAFE SPACE NYC, INC.

SCHEDULE OF SALARIES -  
PREVENTIVE SERVICES - FAMILY TREATMENT AND REHABILITATION

BUDGET ID: 14-FTR-CENTER Q

YEAR ENDED JUNE 30, 2014

Employee Identification Code	Title	Budgeted Salary	Salary Paid	Variance
244889/245132	Division Director	\$ 15,500	\$ 18,401	\$ (2,901)
143	Deputy Director	60,000	61,733	(1,733)
244803/244988	FTC Facilitators	21,000	21,425	(425)
152	FTC Facilitators	21,000	21,526	(526)
244895	CASAC	45,000	43,239	1,761
245016/244794	Clinical Supervisor	60,000	56,458	3,542
245995	CASAC	45,000	19,739	25,261
244990/245100	MSW Case Planner	40,000	37,944	2,056
244960/245006	MSW Case Planner	38,500	32,532	5,968
244906	BA Case Planner	39,500	39,855	(355)
115	MSW Case Planner	41,000	42,230	(1,230)
244832/244992	MSW Case Planner	10,000	8,445	1,555
244802	BA Case Planner	40,200	41,259	(1,059)
244867	BA Case Planner	40,200	40,685	(485)
244868	Case Aide	35,000	33,989	1,011
244773	Director Special Projects	4,000	4,000	(0)
244751	Prg. Planning & Evaluation Assoc.	12,000	10,051	1,949
245006/245110	Case Aide	30,000	25,624	4,376
244501	Administrative	3,000	1,125	1,875
244989	Facilities Manager	5,000	5,180	(180)
244930	VP Clinical Operations	5,750	5,896	(146)
24357	Case Aide	30,000	16,615	13,385
244830/244951	Contract Manager	3,625	3,625	0
157/245033	Quality Assurance Analyst	20,000	19,289	711
24354/244831	Clinical Supervisor	60,000	59,212	788
		<u>\$ 725,275</u>	<u>\$ 670,075</u>	<u>\$ 55,200</u>

SAFE SPACE NYC, INC.

SCHEDULE OF FRINGE BENEFITS -  
PREVENTIVE SERVICES - FAMILY TREATMENT AND REHABILITATION

BUDGET ID: 14-FTR-CENTER Q

YEAR ENDED JUNE 30, 2014

<u>Description</u>	<u>Budgeted</u>	<u>Actual</u>	<u>Actual Fringe % of Salaries</u>	<u>Variance</u>
FICA	\$ 55,484	\$ 50,910	7.65%	\$ 4,573
Health insurance	75,138	73,351	11.20%	1,788
Workers' compensation	7,615	7,466	1.14%	149
Unemployment	17,769	16,897	2.58%	872
Disability	4,714	4,650	0.71%	64
Other	6,092	6,025	0.92%	67
Total	<u>\$ 166,813</u>	<u>\$ 159,299</u>	<u>24.20%</u>	<u>\$ 7,514</u>



SAFE SPACE NYC, INC.

SCHEDULE OF FIXED ASSETS INVENTORY -  
PREVENTIVE SERVICES - FAMILY TREATMENT AND REHABILITATION

BUDGET ID: 14-FTR-CENTER Q

YEAR ENDED JUNE 30, 2014

<u>Description</u>	<u>Serial Number</u>	<u>Date Purchased</u>	<u>Cost</u>
NONE			

SAFE SPACE NYC, INC.

SCHEDULE OF QUESTIONED COSTS -  
PREVENTIVE SERVICES - FAMILY TREATMENT AND REHABILITATION

BUDGET ID: 14-FTR-CENTER Q

YEAR ENDED JUNE 30, 2014

<u>Detailed Explanation of Questioned Costs</u>	<u>Questioned Costs</u>
NONE	

SAFE SPACE NYC, INC.

SCHEDULE OF QUANTITATIVE PROGRAM RESULTS -  
PREVENTIVE SERVICES - FAMILY TREATMENT AND REHABILITATION

BUDGET ID: 14-FTR-CENTER Q

YEAR ENDED JUNE 30, 2014

**Quantifiable Indicators**

Number of open cases at July 1, 2013	28
Number of new cases during the year	<u>43</u>
Number of cases serviced during audit period	71
Cases terminated during the year	<u>(52)</u>
Number of open cases at June 30, 2014	<u><u>19</u></u>
Cost per case	<u><u>\$ 15,203</u></u>



SUPPLEMENTARY INFORMATION  
PREVENTIVE SERVICES - GENERAL PREVENTIVE PROGRAM

## SAFE SPACE NYC, INC.

SCHEDULE OF REVENUES AND EXPENDITURES -  
PREVENTIVE SERVICES - GENERAL PREVENTIVE PROGRAM

BUDGET ID: 14-GP-CENTER Q

YEAR ENDED JUNE 30, 2014

	Approved Budget	Actual Amounts	Variance Favorable (Unfavorable)	Questioned Costs
Revenues				
ACS	\$ 3,870,696	\$ 3,767,877	\$ 102,819	\$
Total Revenues	3,870,696	3,767,877	102,819	
Expenditures				
Personnel costs				
Salaries	2,118,635	2,041,076	77,559	
Fringe benefits	503,386	486,852	16,534	
Total personnel costs	2,622,021	2,527,928	94,093	
Other than personnel costs				
Consultants	125,235	124,525	710	
Rent and utilities	531,583	530,976	607	
Other	239,975	241,915	(1,940)	
Total other than personnel costs	896,793	897,415	(622)	
Total expenditures before overhead	3,518,814	3,425,343	93,471	
Administrative overhead	351,882	342,534	9,348	
Total expenditures	3,870,696	3,767,877	102,819	\$ -
Excess of revenues over expenditures	\$ 0	\$ (0)	\$ 0	

See independent auditors' report.

## SAFE SPACE NYC, INC.

SCHEDULE OF SALARIES -  
PREVENTIVE SERVICES - GENERAL PREVENTIVE PROGRAM

BUDGET ID: 14-GP-CENTER Q

YEAR ENDED JUNE 30, 2014

Employee Identification Code	Title	Budgeted Salary	Salary Paid	Variance
244889/245132	Division Director	\$ 55,000	\$ 55,156	\$ (156)
143	Deputy Director	26,500	23,243	3,257
245090	Division Coordinator	12,285	2,484	9,801
244456	Administrative Asst.	30,500	31,414	(914)
23462	Office Manager	35,200	35,593	(393)
244803	FTC Facilitators	20,000	17,692	2,308
152	FTC Facilitators	19,400	18,952	448
244830/244951	Contract Manager	7,250	5,708	1,542
245033	Quality Assurance Analyst	15,000	15,000	0
244773	Director Special Projects	4,000	4,000	(0)
244751	Prg. Plan. & Eval. Assoc.	12,000	12,467	(467)
244930	VP of Program Operations	16,500	16,960	(460)
244989	Facilities Manager	17,000	17,721	(721)
24177	Administrative Asst.	18,000	7,500	10,500
244815/1209	Administrative Asst.	31,000	34,902	(3,902)
244501	Administrative Asst.	9,000	3,000	6,000
244768/269	Supervisor	60,000	59,488	512
245027	Supervisor	60,000	59,539	461
244804	Case Planner	39,000	39,140	(140)
103	Case Planner	39,500	39,651	(151)
244962	Case Planner	39,500	39,655	(155)
244863	Case Planner	39,500	39,655	(155)
283	Case Planner	46,000	46,350	(350)
104	Case Planner	42,000	42,230	(230)
57	Case Planner	43,000	43,259	(259)
244961/245100	Case Planner	22,250	9,746	12,504
245019	Case Planner	42,000	42,230	(230)
244909	Case Planner	13,500	8,194	5,306
24353	Case Aide	31,000	30,900	100
24111	Supervisor	46,000	46,120	(120)
24401	Supervisor	48,500	44,769	3,731
244480	Case Planner	17,000	15,572	1,428
244994	Case Planner	21,000	12,725	8,275
244801	Case Planner	39,500	39,655	(155)
250	Case Planner	38,500	38,500	0
244864	Case Planner	39,500	39,654	(154)
244988/245238	Case Planner	39,000	41,237	(2,237)
244647	Case Planner	34,750	29,715	5,035
244866	Case Planner	42,000	42,230	(230)
245015	Case Planner	39,000	39,000	0
244845	Case Planner	38,500	38,500	0
244677	Case Aide	31,000	30,900	100
23828	Supervisor	58,500	58,888	(388)
250	Supervisor	49,500	49,955	(455)
245087	Supervisor	55,000	46,819	8,181
24361	Supervisor	55,000	55,112	(112)
245106	Supervisor	48,500	43,750	4,750
244641	Case Planner	38,500	36,841	1,659
245034	Case Planner	25,000	16,693	8,308
124	Case Planner	41,000	41,200	(200)
24309	Case Planner	40,000	40,170	(170)
244969	Case Planner	40,000	40,170	(170)
244835	Case Planner	41,000	41,200	(200)
244999/245140	Case Planner	40,000	42,519	(2,519)
244789	Case Planner	39,500	39,655	(155)
55	Case Planner	39,500	39,655	(155)
113	Case Planner	39,500	39,507	(7)
244645	Case Planner	39,500	39,655	(155)
1733	Case Planner	42,000	42,230	(230)
244910	Case Planner	39,500	39,655	(155)
244859	Case Aide	27,000	27,000	0
		<u>\$ 2,118,635</u>	<u>\$ 2,041,076</u>	<u>\$ 77,559</u>

See independent auditors' report.



## SAFE SPACE NYC, INC.

**SCHEDULE OF FRINGE BENEFITS -  
PREVENTIVE SERVICES - GENERAL PREVENTIVE PROGRAM**

BUDGET ID: 14-GP-CENTER Q

YEAR ENDED JUNE 30, 2014

<u>Description</u>	<u>Budgeted</u>	<u>Actual</u>	<u>Actual Fringe % of Salaries</u>	<u>Variance</u>
FICA	\$ 167,431	\$ 156,144	7.65%	\$ 11,286
Health insurance	226,743	223,803	11.20%	2,940
Workers' compensation	22,981	22,780	1.14%	201
Unemployment	53,622	51,555	2.58%	2,067
Disability	14,226	14,187	0.71%	39
Other	18,385	18,384	0.92%	1
Total	<u>\$ 503,386</u>	<u>\$ 486,852</u>	<u>24.20%</u>	<u>\$ 16,534</u>

SAFE SPACE NYC, INC.

SCHEDULE OF FIXED ASSETS INVENTORY -  
PREVENTIVE SERVICES - GENERAL PREVENTIVE PROGRAM

BUDGET ID: 14-GP-CENTER Q

YEAR ENDED JUNE 30, 2014

Description	Serial Number	Date Purchased	Cost
Optiplex desktop base	XD4M6C9T3	01/07/09	\$ 4,871
New hard drive	XD35423D7	12/01/08	206
Memory module	101961	12/01/08	346
Equipment and wiring in for new building	1045	06/11/10	17,440
Hon 314 Series 4 Draxer Vertical Filing Cabinet	102328	06/30/10	1,220
Beds for clients	8944	10/30/09	425
11,000 BTU Portable A/C	51008 - 9/09	09/23/09	402
Singole Pedestal Desk and High Black Lusura Mgr	3127459452/3	11/13/09	384
Singole Pedestal Desk and High Black Lusura Mgr	3127459453	11/13/09	384
Total			<u>\$ 25,678</u>

**SAFE SPACE NYC, INC.**

**SCHEDULE OF QUESTIONED COSTS -  
PREVENTIVE SERVICES - GENERAL PREVENTIVE PROGRAM**

**BUDGET ID: 14-GP-CENTER Q**

**YEAR ENDED JUNE 30, 2014**

<b>Detailed Explanation of Questioned Costs</b>	<b>Questioned Costs</b>
<b>NONE</b>	



SAFE SPACE NYC, INC.

SCHEDULE OF QUANTITATIVE PROGRAM RESULTS -  
PREVENTIVE SERVICES - GENERAL PREVENTIVE PROGRAM

BUDGET ID: 14-GP-CENTER Q

YEAR ENDED JUNE 30, 2014

**Quantifiable Indicators**

Number of open cases at July 1, 2013	612
Number of new cases during the year	<u>208</u>
Number of cases serviced during audit period	820
Cases terminated during the year	<u>(282)</u>
Number of open cases at June 30, 2014	<u>538</u>
Cost per case	<u>\$ 4,595</u>

SUPPLEMENTARY INFORMATION  
PREVENTIVE SERVICES - MULTI-SYSTEMIC THERAPY

## SAFE SPACE NYC, INC.

**SCHEDULE OF REVENUES AND EXPENDITURES -  
PREVENTIVE SERVICES - MULTI-SYSTEMIC THERAPY**

**BUDGET ID: 14 MST-CENTER Q**

**YEAR ENDED JUNE 30, 2014**

	<u>Approved Budget</u>	<u>Actual Amounts</u>	<u>Variance Favorable (Unfavorable)</u>	<u>Questioned Costs</u>
Revenues				
ACS	<u>\$ 906,841</u>	<u>\$ 842,917</u>	<u>\$ 63,924</u>	<u>\$</u>
Expenditures				
Personnel costs				
Salaries	465,560	434,355	31,205	
Fringe benefits	<u>107,079</u>	<u>104,374</u>	<u>2,705</u>	
Total personnel costs	<u>572,639</u>	<u>538,730</u>	<u>33,909</u>	
Other than personnel costs				
Rent and utilities	80,908	80,535	373	
Other	<u>170,854</u>	<u>147,024</u>	<u>23,830</u>	
Total other than personnel costs	<u>251,762</u>	<u>227,559</u>	<u>24,203</u>	
Total expenditures before overhead	824,401	766,288	58,113	
Administrative overhead	<u>82,440</u>	<u>76,629</u>	<u>5,811</u>	
Total expenditures	<u>906,841</u>	<u>842,917</u>	<u>63,924</u>	<u>\$ -</u>
Excess of revenues over expenditures	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	

SAFE SPACE NYC, INC.

SCHEDULE OF SALARIES -  
PREVENTIVE SERVICES - MULTI-SYSTEMIC THERAPY

BUDGET ID: 14 MST-CENTER Q

YEAR ENDED JUNE 30, 2014

Employee Identification Code	Title	Budgeted Salary	Salary Paid	Variance
244755	Clinician Supervisor @ LCSW	\$ 63,860	\$ 66,260	\$ (2,400)
244902/245101	MST Therapist	45,000	36,547	8,453
244925/244647/245115	MST Therapist	45,000	41,148	3,852
244756	MST Therapist	45,000	39,700	5,300
244882	Supervisor, LMSW	53,000	54,950	(1,950)
244794	MST Therapist	45,000	29,421	15,579
244949	MST Therapist	45,000	45,000	0
244907/245120	MST Therapist	40,000	38,934	1,066
244989	Facilities Manager	5,000	4,362	638
244889/245132	Division Director	23,250	27,857	(4,607)
244930	VP of Clinical Operations	5,750	5,896	(146)
244773	Director of Special Projects	4,000	4,000	(0)
244751	Prg. Planning & Evaluation Assoc.	11,000	9,843	1,157
157	Quality Assurance Analyst	15,000	12,115	2,885
244803	Translator	10,000	8,846	1,154
152	Translator	9,700	9,476	224
		<u>\$ 465,560</u>	<u>\$ 434,355</u>	<u>\$ 31,205</u>



SAFE SPACE NYC, INC.

SCHEDULE OF FRINGE BENEFITS -  
PREVENTIVE SERVICES - MULTI-SYSTEMIC THERAPY

BUDGET ID: 14 MST-CENTER Q

YEAR ENDED JUNE 30, 2014

<u>Description</u>	<u>Budgeted</u>	<u>Actual</u>	<u>Actual Fringe % of Salaries</u>	<u>Variance</u>
FICA	\$ 35,615	\$ 33,208	7.65%	\$ 2,407
Health insurance	48,232	48,160	11.20%	72
Workers' compensation	4,888	4,902	1.14%	(14)
Unemployment	11,406	11,094	2.58%	312
Disability	3,026	3,053	0.71%	(27)
Other	3,911	3,956	0.92%	(45)
Total	<u>\$ 107,079</u>	<u>\$ 104,374</u>	<u>24.20%</u>	<u>\$ 2,705</u>

**SAFE SPACE NYC, INC.**

**SCHEDULE OF FIXED ASSETS INVENTORY -  
PREVENTIVE SERVICES - MULTI-SYSTEMIC THERAPY**

**BUDGET ID: 14 MST-CENTER Q**

**YEAR ENDED JUNE 30, 2014**

<u>Description</u>	<u>Serial Number</u>	<u>Date Purchased</u>	<u>Cost</u>
NONE			

SAFE SPACE NYC, INC.

SCHEDULE OF QUESTIONED COSTS -  
PREVENTIVE SERVICES - MULTI-SYSTEMIC THERAPY

BUDGET ID: 14 MST-CENTER Q

YEAR ENDED JUNE 30, 2014

<u>Detailed Explanation of Questioned Costs</u>	<u>Questioned Costs</u>
NONE	

SAFE SPACE NYC, INC.

SCHEDULE OF QUANTITATIVE PROGRAM RESULTS -  
PREVENTIVE SERVICES - MULTI-SYSTEMIC THERAPY

BUDGET ID: 14 MST-CENTER Q

YEAR ENDED JUNE 30, 2014

Quantifiable Indicators

Number of open cases at July 1, 2013	11
Number of new cases during the year	<u>72</u>
Number of cases serviced during audit period	83
Cases terminated during the year	<u>(73)</u>
Number of open cases at June 30, 2014	<u>10</u>
Cost per case	<u>\$ 10,156</u>