

# SAFE HORIZON, INC.



## Financial Statements (Together with Independent Auditors' Report)

Years Ended June 30, 2015 and 2014

**M A R K S P A N E T H**

ACCOUNTANTS & ADVISORS

**SAFE HORIZON, INC.**  
**FINANCIAL STATEMENTS**  
**(Together with Independent Auditors' Report)**  
**YEARS ENDED JUNE 30, 2015 AND 2014**

**TABLE OF CONTENTS**

	<b><u>Page</u></b>
Independent Auditors' Report.....	1
Statements of Financial Position.....	2
Statements of Activities .....	3
Statements of Functional Expenses.....	4-5
Statements of Cash Flows .....	6
Notes to Financial Statements .....	7-17

## INDEPENDENT AUDITORS' REPORT

The Board of Directors  
Safe Horizon, Inc.

We have audited the accompanying financial statements of Safe Horizon, Inc. ("Safe Horizon"), which comprise the statements of financial position as of June 30, 2015 and 2014, 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 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 Safe Horizon, Inc. as of June 30, 2015 and 2014, 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.

*Marks Paneth LLP*

New York, NY  
December 17, 2015



**SAFE HORIZON, INC.**  
**STATEMENTS OF FINANCIAL POSITION**  
**AS OF JUNE 30, 2015 AND 2014**

	<b>2015</b>	<b>2014</b>
<b>ASSETS</b>		
Cash and cash equivalents (Notes 2B and 14)	\$ 2,708,542	\$ 1,751,913
Grants receivable (Notes 2E, 2J and 3)	13,437,812	12,799,398
Contributions receivable, net (Notes 2D, 2E and 4)	1,399,895	1,313,607
Investments (Notes 2F, 2G and 5)	11,147,383	10,858,400
Prepaid expenses and other assets	1,033,055	930,924
Restricted cash - restitution payable (Notes 2B, 6 and 14)	12,992,714	13,067,770
Property and equipment, net (Notes 2I and 7)	3,976,126	2,911,282
Beneficial interest in perpetual trusts (Notes 2H and 11B)	621,283	647,205
<b>TOTAL ASSETS</b>	<b>\$ 47,316,810</b>	<b>\$ 44,280,499</b>
<b>LIABILITIES</b>		
Accounts payable and accrued expenses (Notes 2E and 2L)	\$ 7,435,434	\$ 7,479,833
Bank lines of credit (Note 8)	1,000,000	1,000,000
Due to grantor (Note 2J)	1,490,355	599,737
Restitution payable (Note 6)	12,992,714	13,067,770
<b>TOTAL LIABILITIES</b>	<b>22,918,503</b>	<b>22,147,340</b>
<b>COMMITMENTS AND CONTINGENCIES</b> (Note 13)		
<b>NET ASSETS</b> (Notes 2C and 11)		
Unrestricted:		
Invested in property and equipment	3,976,126	2,911,282
Available for operations	17,401,137	15,405,580
Total Unrestricted	21,377,263	18,316,862
Temporarily restricted (Notes 11A and 11C)	2,295,791	2,888,584
Permanently restricted (Notes 11B and 11C)	725,253	927,713
<b>TOTAL NET ASSETS</b>	<b>24,398,307</b>	<b>22,133,159</b>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b>\$ 47,316,810</b>	<b>\$ 44,280,499</b>

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

**SAFE HORIZON, INC.**  
**STATEMENTS OF ACTIVITIES**  
**FOR THE YEARS ENDED JUNE 30, 2015 AND 2014**

	Year Ended June 30, 2015				Year Ended June 30, 2014			
	Unrestricted	Temporarily Restricted	Permanently Restricted	Total 2015	Unrestricted	Temporarily Restricted	Permanently Restricted	Total 2014
<b>SUPPORT AND REVENUE:</b>								
Grants income	\$ 47,484,715	\$ -	\$ -	\$ 47,484,715	\$ 44,941,446	\$ -	\$ -	\$ 44,941,446
Contributions	1,405,721	2,733,919	-	4,139,640	799,178	3,569,516	-	4,368,694
In-kind contributions (Notes 2M and 9)	2,589,714	-	-	2,589,714	2,018,244	-	-	2,018,244
Special events (net of direct expenses of \$239,091 and \$401,062 in 2015 and 2014, respectively)	758,022	-	-	758,022	1,078,270	-	-	1,078,270
Investment income (Notes 2F and 5)	163,145	25,822	-	188,967	19,332	64,806	-	84,138
Fee income (Note 2K)	1,859,593	-	-	1,859,593	2,082,915	-	-	2,082,915
(Loss) gain on beneficial interest in perpetual trust (Note 2H)	-	-	(25,922)	(25,922)	-	-	72,318	72,318
Miscellaneous income	236,211	-	-	236,211	249,855	-	-	249,855
Net assets released from restrictions (Note 11A)	3,529,072	(3,352,534)	(176,538)	-	3,700,240	(3,700,240)	-	-
<b>TOTAL SUPPORT AND REVENUE</b>	<b>58,026,193</b>	<b>(592,793)</b>	<b>(202,460)</b>	<b>57,230,940</b>	<b>54,889,480</b>	<b>(65,918)</b>	<b>72,318</b>	<b>54,895,880</b>
<b>EXPENSES: (Note 2N)</b>								
<b>Program Services:</b>								
Domestic violence and hotline	23,112,355	-	-	23,112,355	22,304,693	-	-	22,304,693
Community and criminal justice	11,707,234	-	-	11,707,234	12,041,814	-	-	12,041,814
Child, adolescent and mental health treatment	10,629,146	-	-	10,629,146	9,165,449	-	-	9,165,449
	45,448,735	-	-	45,448,735	43,511,956	-	-	43,511,956
<b>Supporting Services:</b>								
Management and general	8,129,387	-	-	8,129,387	7,951,278	-	-	7,951,278
Fundraising	1,387,670	-	-	1,387,670	1,060,573	-	-	1,060,573
	9,517,057	-	-	9,517,057	9,011,851	-	-	9,011,851
<b>TOTAL EXPENSES</b>	<b>54,965,792</b>	<b>-</b>	<b>-</b>	<b>54,965,792</b>	<b>52,523,807</b>	<b>-</b>	<b>-</b>	<b>52,523,807</b>
<b>CHANGE IN NET ASSETS</b>	<b>3,060,401</b>	<b>(592,793)</b>	<b>(202,460)</b>	<b>2,265,148</b>	<b>2,365,673</b>	<b>(65,918)</b>	<b>72,318</b>	<b>2,372,073</b>
Net assets - Beginning of year	18,316,862	2,888,584	927,713	22,133,159	15,951,189	2,954,502	855,395	19,761,086
<b>NET ASSETS - END OF YEAR</b>	<b>\$ 21,377,263</b>	<b>\$ 2,295,791</b>	<b>\$ 725,253</b>	<b>\$ 24,398,307</b>	<b>\$ 18,316,862</b>	<b>\$ 2,888,584</b>	<b>\$ 927,713</b>	<b>\$ 22,133,159</b>

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

**SAFE HORIZON, INC.**  
**STATEMENT OF FUNCTIONAL EXPENSES**  
**FOR THE YEAR ENDED JUNE 30, 2015**  
(With Comparative Totals for 2014)

	For the Year Ended June 30, 2015								
	Program Services				Supporting Services				
	Domestic Violence and Hotline	Community and Criminal Justice	Child, Adolescent and Mental Health Treatment	Total Program Services	Management and General	Fundraising	Total Supporting Services	Total 2015	Total 2014
Salaries	\$ 8,392,138	\$ 7,144,373	\$ 4,346,484	\$ 19,882,995	\$ 4,364,450	\$ 732,066	\$ 5,096,516	\$ 24,979,511	23,814,801
Payroll taxes and employee benefits (Note 10)	1,512,548	1,990,372	1,218,143	4,721,063	1,400,445	205,115	1,605,560	6,326,623	6,413,731
<b>Total Salaries and Related Costs</b>	9,904,686	9,134,745	5,564,627	24,604,058	5,764,895	937,181	6,702,076	31,306,134	30,228,532
Professional fees (Notes 2M and 9)	719,102	292,352	1,232,823	2,244,277	509,102	29,451	538,553	2,782,830	2,641,326
Client assistance	554,212	306,979	302,575	1,163,766	-	-	-	1,163,766	1,283,312
Contracted Domestic violence Empowerment Services	3,600,000	-	-	3,600,000	-	-	-	3,600,000	2,472,125
Subcontracted services to New York Peace Institute	-	-	-	-	-	10,366	10,366	10,366	596,091
Program materials and other publications	69,208	30,207	146,085	245,500	-	-	-	245,500	254,682
Staff development and meetings	34,921	63,116	131,236	229,273	61,549	12,388	73,937	303,210	310,672
Insurance	154,729	158,114	83,026	395,869	84,625	14,505	99,130	494,999	485,477
Occupancy (Notes 2L, 9, 12 and 13)	6,048,677	894,780	2,415,791	9,359,248	500,799	44,721	545,520	9,904,768	9,437,794
Furniture and equipment	172,275	114,249	103,342	389,866	41,567	8,174	49,741	439,607	248,712
Supplies, photocopying and delivery	54,309	61,886	61,785	177,980	66,048	66,809	132,857	310,837	323,046
Equipment rentals and maintenance	320,281	241,114	133,751	695,146	139,218	21,466	160,684	855,830	772,750
Public outreach	253,921	-	-	253,921	22,889	132,434	155,323	409,244	40,559
Telephone	248,461	213,927	122,054	584,442	117,498	20,139	137,637	722,079	763,026
Temporary help	530,371	52,893	147	583,411	169,170	22,562	191,732	775,143	759,383
Depreciation and amortization	328,591	49,568	263,161	641,320	394,301	1,811	396,112	1,037,432	1,293,424
Interest	6,908	-	-	6,908	1,295	432	1,727	8,635	48,700
Miscellaneous	111,703	93,304	68,743	273,750	256,431	65,231	321,662	595,412	564,196
<b>Total OTPS</b>	13,207,669	2,572,489	5,064,519	20,844,677	2,364,492	450,489	2,814,981	23,659,658	22,295,275
<b>TOTAL EXPENSES</b>	<b>\$ 23,112,355</b>	<b>\$ 11,707,234</b>	<b>\$ 10,629,146</b>	<b>\$ 45,448,735</b>	<b>\$ 8,129,387</b>	<b>\$ 1,387,670</b>	<b>\$ 9,517,057</b>	<b>\$ 54,965,792</b>	<b>\$ 52,523,807</b>

**SAFE HORIZON, INC.**  
**STATEMENTS OF FUNCTIONAL EXPENSES**  
**FOR THE YEAR ENDED JUNE 30, 2014**

	For the Year Ended June 30, 2014							
	Program Services				Supporting Services			
	Domestic Violence and Hotline	Community and Criminal Justice	Child, Adolescent and Mental Health Treatment	Total Program Services	Management and General	Fundraising	Total Supporting Services	Total
Salaries	\$ 8,436,744	\$ 6,754,972	\$ 3,721,265	\$ 18,912,981	\$ 4,453,123	\$ 448,697	\$ 4,901,820	\$ 23,814,801
Payroll taxes and employee benefits (Note 10)	<u>2,175,590</u>	<u>1,879,269</u>	<u>1,010,542</u>	<u>5,065,401</u>	<u>1,224,440</u>	<u>123,890</u>	<u>1,348,330</u>	<u>6,413,731</u>
<b>Total Salaries and Related Costs</b>	10,612,334	8,634,241	4,731,807	23,978,382	5,677,563	572,587	6,250,150	30,228,532
Professional fees (Notes 2M and 9)	493,764	562,174	1,144,845	2,200,783	343,398	97,145	440,543	2,641,326
Client assistance	592,756	431,143	259,413	1,283,312	-	-	-	1,283,312
Contracted Domestic violence Empowerment Services	2,472,125	-	-	2,472,125	-	-	-	2,472,125
Subcontracted services to New York Peace Institute	-	596,091	-	596,091	-	-	-	596,091
Program materials and other publications	58,453	34,406	150,448	243,307	5,827	5,548	11,375	254,682
Staff development and meetings	33,126	65,864	104,580	203,570	102,247	4,855	107,102	310,672
Insurance	178,752	132,531	78,902	390,185	87,319	7,973	95,292	485,477
Occupancy (Notes 2L, 9, 12 and 13)	6,034,099	814,534	1,905,471	8,754,104	509,776	173,914	683,690	9,437,794
Furniture and equipment	101,737	64,525	34,962	201,224	41,403	6,085	47,488	248,712
Supplies, photocopying and delivery	73,036	59,561	47,927	180,524	83,963	58,559	142,522	323,046
Equipment rentals and maintenance	290,698	227,598	119,732	638,028	124,725	9,997	134,722	772,750
Public outreach	-	-	-	-	7,837	32,722	40,559	40,559
Telephone	340,634	214,313	121,394	676,341	78,585	8,100	86,685	763,026
Temporary help	508,979	75,089	-	584,068	151,099	24,216	175,315	759,383
Depreciation and amortization	437,268	57,203	354,755	849,226	440,555	3,643	444,198	1,293,424
Interest	38,993	-	-	38,993	7,311	2,396	9,707	48,700
Miscellaneous	<u>37,939</u>	<u>72,541</u>	<u>111,213</u>	<u>221,693</u>	<u>289,670</u>	<u>52,833</u>	<u>342,503</u>	<u>564,196</u>
<b>Total OTPS</b>	<u>11,692,359</u>	<u>3,407,573</u>	<u>4,433,642</u>	<u>19,533,574</u>	<u>2,273,715</u>	<u>487,986</u>	<u>2,761,701</u>	<u>22,295,275</u>
<b>TOTAL EXPENSES</b>	<u>\$ 22,304,693</u>	<u>\$ 12,041,814</u>	<u>\$ 9,165,449</u>	<u>\$ 43,511,956</u>	<u>\$ 7,951,278</u>	<u>\$ 1,060,573</u>	<u>\$ 9,011,851</u>	<u>\$ 52,523,807</u>

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

**SAFE HORIZON, INC.**  
**STATEMENTS OF CASH FLOWS**  
**FOR THE YEARS ENDED JUNE 30, 2015 AND 2014**

	<b>2015</b>	<b>2014</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Change in net assets	\$ 2,265,148	\$ 2,372,073
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation and amortization	1,037,432	1,293,424
Bad debt expense	39,149	39,324
Loss (gain) on beneficial interest in perpetual trusts	25,922	(72,318)
Realized loss (gain) on sale of investments	1,972	(9,417)
Unrealized gain on investments	(61,320)	(79,297)
<b>Subtotal</b>	3,308,303	3,543,789
Changes in operating assets and liabilities:		
(Increase) decrease in assets:		
Grants receivable	(638,414)	(1,692,675)
Contributions receivable	(125,437)	545,699
Prepaid expenses and other assets	(102,131)	(126,335)
Restricted cash - restitution payable	75,056	4,410,356
(Decrease) Increase in liabilities:		
Accounts payable and accrued expenses	(44,399)	703,931
Due to grantor	890,618	111,614
Restitution payable	(75,056)	(4,410,356)
<b>Net Cash Provided by Operating Activities</b>	3,288,540	3,086,023
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>		
Purchase of investments	(3,981,768)	(40,955,369)
Proceeds from sale of investments	3,752,133	40,865,217
Purchase of property and equipment	(2,102,276)	(1,606,804)
<b>Net Cash Used in Investing Activities</b>	(2,331,911)	(1,696,956)
<b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>		
Proceeds on borrowings from bank line of credit	1,000,000	1,500,000
Repayments on borrowings from bank line of credit	(1,000,000)	(3,900,000)
<b>Net Cash Used in Financing Activities</b>	-	(2,400,000)
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	956,629	(1,010,933)
Cash and cash equivalents - Beginning of the year	1,751,913	2,762,846
<b>CASH AND CASH EQUIVALENTS - END OF YEAR</b>	\$ 2,708,542	\$ 1,751,913
<b>Supplemental Disclosure of Cash Flow Information:</b>		
Cash paid during the year for interest	\$ 8,635	\$ 48,700

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



**SAFE HORIZON, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEARS ENDED JUNE 30, 2015 AND 2014**

**NOTE 1 - ORGANIZATION AND NATURE OF ACTIVITIES**

Safe Horizon, Inc. ("Safe Horizon") was organized under the not-for-profit corporation law of the State of New York and is qualified as a public charity exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code.

Safe Horizon's mission is to provide support, prevent violence, and promote justice for victims of crime and abuse, their families and communities. Safe Horizon receives support from city, state, and federal agencies, and contributions from corporations, foundations, and individuals. Substantially all services are performed in New York City.

Safe Horizon accomplishes their mission through the following major programs:

- **Domestic Violence and Hotline Programs** – Safe Horizon operates three 24-hour hotlines – the New York City Domestic Violence Hotline, the Crime Victims Hotline, and the Rape and Sexual Assault Hotline. For victims of violence and their families, a phone call to one of our hotlines serves as a gateway to a range of services, such as safety planning and Emergency Shelter linking for victims of domestic violence. Safe Horizon is New York City's largest domestic violence shelter provider, with 710 beds available throughout the five boroughs. Safe Horizon operates both emergency shelters for crisis situations and transitional shelters where women or men and their dependent children are transferred in order to continue services and plan for a future free from violence and abuse. The shelters offer safety and comprehensive services such as: case management, child care and support groups, housing assistance, practical assistance (such as food, clothing and metro-cards), and referrals to critical services (such as medical, mental health, schools, and job centers).
- **Community and Criminal Justice Programs** – Safe Horizon offers services to victims of crime and abuse, including victims of domestic violence, sexual assault, stalking, and families of homicide victims. Staff located at community programs, precincts and court programs, including the Family Justice Centers, provides services that include crisis intervention, support, assistance with understanding and navigating the criminal justice system, housing and public systems, and individual and group education about victimization and coping skills. Case management services include advocacy; court accompaniment; practical assistance including food, clothing, and assistance with accessing shelter; and support services through safety assessment and risk management planning and supportive counseling. Staff provides information and linkages to public entitlement programs and community-based organizations.
- **Child, Adolescent, and Mental Health Treatment Programs** – Safe Horizon has developed comprehensive programs for children and adolescents who have experienced crime, abuse and/or trauma, including specific programs for children who have been sexually or severely physically abused. Safe Horizon is the pioneer of the urban Child Advocacy Center ("CAC") model that co-locates a multi-disciplinary team of experts including professionals from the NYPD, District Attorney's Office, Administration for Children's Services, Medical Providers and Safe Horizon. The Child Advocacy Centers provide coordinated services that expedite the investigation and prosecution of child abuse cases while ensuring victims and impacted family members receive an immediate and effective array of support. Streetwork reaches youth through a harm-reduction model drop-in center and emergency shelter program for homeless youth. Serving clients from age 16 to 24, Streetwork provides individual and group counseling, case management, advocacy, emergency and transitional housing, assistance obtaining Medicaid and other benefits, hot meals, showers, clothing, HIV prevention counseling, and parenting groups, in a safe, non-judgmental setting. Streetwork also refers clients for legal, medical and psychiatric services.
- **Safe Horizon Counseling Center** – Safe Horizon operates the only New York State licensed out-patient mental health treatment clinic that specializes in providing services for adult and child victims of crime, abuse and/or trauma. The Counseling Center is the central hub within Safe Horizon for the provision of expert mental health and psychiatric treatment services. A range of evidence-based mental health treatments are provided.

**SAFE HORIZON, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEARS ENDED JUNE 30, 2015 AND 2014**

**NOTE 1 - ORGANIZATION AND NATURE OF ACTIVITIES (Continued)**

- **Legal Services** – Safe Horizon’s Legal Services provide services citywide through advocacy and direct legal representation. The Domestic Violence Law Project provides services to victims of domestic violence in family court, integrated domestic violence courts, and supreme courts in family & divorce related matters. The Immigration Law Project provides legal representation to immigrant crime victims of all types, including domestic violence, crime and abuse, and torture. They also work with those victimized by violence abroad who are seeking safety in this country.
  
- **Safe Horizon’s Anti-Trafficking Program** – Safe Horizon is staffed with experts who can meet the special needs of adult and minors that are survivors of human trafficking. A range of services are provided including case management, legal services, shelter and housing referrals, counseling and support groups, and life-skills, Safe Horizon also is a recognized national leader and provides national training and technical assistance on human trafficking.

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

- A. **Basis of Accounting** – Safe Horizon’s financial statements have been prepared on the accrual basis of accounting. Safe Horizon adheres to accounting principles generally accepted in the United States of America.
- B. **Cash Equivalents** – Safe Horizon considers all highly liquid investments with maturities of three months or less when acquired, to be cash equivalents, except for cash and money market funds contained in Safe Horizon’s investment portfolio.
- C. **Basis of Presentation** – Safe Horizon maintains its net assets under the following three classes:
- Unrestricted – represents resources available for support of Safe Horizon’s operations over which the Board of Directors has discretionary control.
  
  - Temporarily Restricted – represents assets resulting from contributions and other inflows of assets whose use by Safe Horizon is limited by donor-imposed stipulations that either expire by the passage of time or can be fulfilled and removed by actions of Safe Horizon pursuant to those stipulations. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statements of activities as net assets released from restrictions. In addition, contributions of unconditional promises to give with payments due in future periods are reported as temporarily restricted contributions unless the donor expressly stipulates, or circumstances surrounding the receipt of the promise make clear that the donor intended them to be used to support activities of the current period.
  
  - Permanently Restricted – represents those resources subject to donor imposed stipulations that they be maintained intact in perpetuity by Safe Horizon. The donors of these assets permit the use of all the income earned on related investments, and the net capital appreciation thereon, for restricted purposes.
- D. **Contributions Receivables** – Contributions receivables to give (pledges) are recorded as income when Safe Horizon is formally notified of the grants or contributions by the respective donors. Unconditional promises to give that are expected to be collected in future years are recorded at the present value of their estimated future cash flows. The discounts on those amounts are computed using risk-free interest rates applicable to the years in which the promises are received. Amortization of the discounts is included in contribution revenue. Conditional promises to give are not included as support until the conditions are substantially met.

**SAFE HORIZON, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEARS ENDED JUNE 30, 2015 AND 2014**

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

- E. ***Allowance for Uncollectible Receivables*** – Safe Horizon recorded an allowance for doubtful accounts for contributions receivable of \$50,000 as of June 30, 2015 and June 30, 2014. No allowance for doubtful accounts for grants receivable was recorded for June 30, 2015 and June 30, 2014. In addition, a reserve for future disallowances based on grantor audits of \$290,000 is recorded in accounts payable for June 30, 2015 and 2014. Such estimates are based on management's evaluation of the creditworthiness of its donors and grantors, the aged basis of its receivables from government sources, as well as current economic conditions and historical information. Receivables are carried at their estimated fair value.
- F. ***Investments*** – Investments are reported at fair value. Donated securities are recorded at their fair value on the date received using an average of the high and low price on the date received. Investment income is recorded as revenue in the unrestricted net asset class unless restricted by the donor and is included in the accompanying statements of activities.
- G. ***Fair Value Measurements*** – Fair value measurements are the prices that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. In order to increase consistency and comparability in fair value measurements, a fair value hierarchy prioritizes observable and unobservable inputs used to measure fair value into three levels, as described in Note 5.
- H. ***Split-Interest Agreements*** – Safe Horizon has been named as the beneficiary of two perpetual trusts. The investment principal remains part of the trusts and is not the property of Safe Horizon. Therefore, Safe Horizon has no right to the trust principal. Because Safe Horizon will receive a perpetual stream of income from the trusts, the projected contributions are classified as part of permanently restricted net assets at June 30, 2015 and June 30, 2014. Given the nature of the promises as well as the inability to compute the present value of the income stream, the beneficial interests have been recorded on the statements of financial position at the fair value of Safe Horizon's proportionate share of the trusts. The fluctuation in the fair value of the trusts from year to year is included in the statements of activities as changes in permanently restricted net assets.
- I. ***Property and Equipment*** – Property and equipment is stated at cost less accumulated depreciation and amortization. These amounts do not purport to represent replacement or realizable values. Safe Horizon capitalizes all property and equipment having a cost of \$2,500 or more and a useful life of at least two years. Depreciation is provided on a straight-line basis over the estimated useful lives of the assets.

Leasehold improvements are amortized on a straight-line basis over the lesser of their useful lives or the term of the lease.

- J. ***Revenue from Government Sources*** – Principal support for the programs operated by Safe Horizon is derived from various Federal, New York State and New York City governmental sources. Safe Horizon recognizes revenue from these sources when the contractual obligations are met. Cost recovery occurs when the grants awarded provide for reimbursement of budgeted expenditures incurred within the grant period. The funds are received in either predetermined installments or in increments based on expenditures or milestones for the period. Upon termination, unexpended cash funds received and revertible equipment purchased are returnable to the grantor. Accordingly, grant income under these awards is recognized in amounts equal to budgeted expenditures incurred. Funds received under these grants are subject to audit.

Unreimbursed expenditures on programs funded under contractual agreements, when such expenditures are less than contract amounts but more than cash advances, are reflected as grants receivable. Cash advances in excess of unexpended funds are reflected as due to grantor.

**SAFE HORIZON, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEARS ENDED JUNE 30, 2015 AND 2014**

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

K. **Program Fees and Other Revenue** – Fee income is recognized and recorded at the time a service is performed. Such services include counseling, legal services, third-party medical reimbursements and client fees.

L. **Rent Expense and Deferred Rent** – Safe Horizon leases real property under operating leases expiring at various dates in the future. Since the rent payments increase over time, Safe Horizon records an adjustment to rent expense each year to reflect its straight-line policy. During the years ended June 30, 2015 and June 30, 2014, Safe Horizon recorded adjustments to rent expense to reflect the difference between the rent paid and the average rent to be paid over the term of the leases which amounted to \$47,741 and \$112,721, respectively, and recorded such amount as an increase in occupancy expense. Straight-lining of rent gives rise to a timing difference that is reflected as accounts payable and accrued expenses in the accompanying statements of financial position. The estimated annual amortization (accretion) for the five years following June 30, 2015 is as follows:

Year ending June 30:	Amount
2016	\$ (11,000)
2017	42,000
2018	78,000
2019	93,000
2020	149,000

M. **Contributed Services, Rent and Other In-Kind** – Safe Horizon receives noncash contributions consisting primarily of contributed facilities and services (legal and public outreach services). The contributed facilities and services have been valued at the standard market rates that would have been incurred by Safe Horizon and are reported as both revenue and expense in the accompanying financial statements because they meet the criteria as prescribed by accounting principles generally accepted in the United States of America.

N. **Functional Allocation of Expenses** – The costs of providing various programs and other activities of Safe Horizon have been summarized on a functional basis in the statements of functional expenses. Accordingly, certain expenses have been allocated among the programs and supporting services.

O. **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 certain reported amounts and disclosures at the date of the financial statements. Actual results could differ from those estimates.

P. **Reclassification:** Certain line items in the June 30, 2014 financial statements have been reclassified to conform to the June 30, 2015 presentation.

**NOTE 3 – GRANTS RECEIVABLE**

Grants receivable due under governmental contracts, grants and entitlements consisted of the following as of June 30, 2015 and 2014:

	2015	2014
New York City agencies	\$ 11,305,916	\$ 10,322,929
New York State agencies	1,367,364	1,607,947
Federal agencies	156,507	292,927
Other	608,025	575,595
	<u>\$ 13,437,812</u>	<u>\$ 12,799,398</u>

**SAFE HORIZON, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEARS ENDED JUNE 30, 2015 AND 2014**

**NOTE 4 – CONTRIBUTIONS RECEIVABLE**

Contributions receivable consisted of the following as of June 30, 2015 and 2014:

	<u>2015</u>	<u>2014</u>
Amount due in less than one year	\$ 996,245	\$ 895,656
Amount due from one to five years	<u>453,650</u>	<u>467,951</u>
	<u>1,449,895</u>	<u>1,363,607</u>
Less: Allowance for doubtful accounts	<u>(50,000)</u>	<u>(50,000)</u>
	<u>\$ 1,399,895</u>	<u>\$ 1,313,607</u>

**NOTE 5 – INVESTMENTS AND FAIR VALUE MEASUREMENTS**

The fair value hierarchy defines three levels as follows:

- Level 1: Valuations based on quoted prices (unadjusted) in an active market that are accessible at the measurement date for identical assets or liabilities. The fair value hierarchy gives the highest priority to Level 1 inputs. Level 1 valuations are obtained from real-time quotes for transactions in active exchange markets involving identical assets.
- Level 2: Valuations for assets and liabilities traded in less active dealer or broker markets. Valuations are obtained from third-party pricing services for identical or similar assets or liabilities.
- Level 3: Valuations for assets and liabilities that are derived from other valuation methodologies, including option pricing models, discounted cash flow models or similar techniques, and not based on market exchange, dealer, or broker-traded transactions. Level 3 valuations incorporate certain assumptions and projections in determining the fair value assigned to such assets or liabilities.

Investments, measured at fair value on a recurring basis, are classified as Level 1 and consisted of the following at June 30, 2015 and 2014:

	<u>2015</u>	<u>2014</u>
Investments:		
U.S. Government bonds and notes	\$ 4,841,392	\$ 2,572,974
U.S. Treasury bills	2,955,872	7,763,951
Money market funds	2,922,196	416,177
Mutual funds – short term growth	<u>427,923</u>	<u>105,298</u>
Total	<u>\$ 11,147,383</u>	<u>\$ 10,858,400</u>

In determining fair value, Safe Horizon utilizes valuation techniques that maximize the use of observable inputs and minimize the use of unobservable inputs to the extent possible in its assessment of fair value.

**Money market and mutual funds** – Money market and mutual funds (the “funds”) are valued at their daily closing price as reported by the fund. These funds held by Safe Horizon are open-end funds that are registered with the Securities and Exchange Commission. These funds are required to publish their daily NAV and to transact at that price. The funds held by Safe Horizon are deemed to be actively traded.

**U.S. Government Securities** – are valued at the closing price reported in the active market in which the individual securities are traded.

Safe Horizon’s policy is to recognize transfers in and transfers out between fair value levels as of the beginning of the period in which the transfer takes place. During the years ended June 30, 2015 and 2014, no such transfers between fair value levels occurred.

Investments are subject to market volatility that could substantially change their carrying values in the near term.

**SAFE HORIZON, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEARS ENDED JUNE 30, 2015 AND 2014**

**NOTE 5 – INVESTMENTS AND FAIR VALUE MEASUREMENTS (Continued)**

Investment income consisted of the following for the years ended June 30, 2015 and 2014:

	<u>2015</u>	<u>2014</u>
Interest and dividends	\$ 194,085	\$ 70
Unrealized gain on investments	61,320	79,297
Realized (loss)/gain on sale of investments	<u>(1,972)</u>	<u>9,417</u>
	253,433	88,784
Less: Investment management fees	<u>(64,466)</u>	<u>(4,646)</u>
Total	<u>\$ 188,967</u>	<u>\$ 84,138</u>

**NOTE 6 – RESTRICTED CASH**

Restricted cash represents funds that Safe Horizon maintains in its role as a restitution agent for New York City. In this role, Safe Horizon, acting as an agent for the city, collects funds from convicted defendants, who are ordered by court to pay restitution, and disburses those funds to the beneficiary identified by the court. Safe Horizon informs courts and the NYC Department of Probation of the status of defendant payments, including any delays or missed payments. When the defendant has paid in full, Safe Horizon closes the case. If the beneficiary cannot be located or has already been paid, fully or partially, by another source, Safe Horizon maintains the funds in the restricted account and uses those unclaimed funds to pay beneficiaries who have not received full payment. Restricted cash amounted to \$12,992,714 and \$13,067,770 for the years June 30, 2015 and 2014, respectively, and are reported as assets and liabilities in the accompanying statements of financial position.

**NOTE 7 – PROPERTY AND EQUIPMENT**

Property and equipment consisted of the following as of June 30, 2015 and 2014:

	<u>2015</u>	<u>2014</u>	<u>Estimated Useful Lives</u>
Equipment	\$ 3,373,282	\$ 2,773,666	2-3 years
Furniture and fixtures	1,430,726	1,166,498	5 years
Leasehold improvements	7,489,510	5,357,630	5 years or the lesser of the lease term
Construction in progress	<u>-</u>	<u>893,448</u>	
Total cost	12,293,518	10,191,242	
Less: Accumulated depreciation and amortization	<u>(8,317,392)</u>	<u>(7,279,960)</u>	
Net book value	<u>\$ 3,976,126</u>	<u>\$ 2,911,282</u>	

Depreciation and amortization expense amounted to \$1,037,432 and \$1,293,424 for the years ended June 30, 2015 and 2014, respectively.

The construction in progress in fiscal year 2014 was related to the Bronx CAC and was completed as of June 30, 2015.

**NOTE 8 – BANK LINES OF CREDIT**

Safe Horizon has two lines of credit with a bank. The first is for \$8,000,000 with a floating interest rate equal to either the bank's prime rate or 30 day LIBOR rate plus 90 basis points subject to a minimum rate of 2.0% for June 30, 2015 and 2014 for the first \$6,000,000 and 30 day LIBOR rate plus 1% (or the bank's prime rate, at the borrower's discretion) for the amount exceeding \$6,000,000. This credit line will expire on May 1, 2018, and is secured by the fair value of Safe Horizon's investments. There were outstanding borrowings of \$1,000,000 as of June 30, 2015 and 2014.

**SAFE HORIZON, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEARS ENDED JUNE 30, 2015 AND 2014**

**NOTE 8 – BANK LINES OF CREDIT (Continued)**

The second line of credit is an unsecured line for \$7,000,000, which expires on May 1, 2016. Borrowings bear interest at a floating rate equal to prime rate or 30, 60 or 90 day LIBOR rate plus 2%, subject to a minimum rate of 3.0% plus 200 basis points for June 30, 2015 and 2014. There were no outstanding borrowings on this second line as of June 30, 2015 and 2014.

Interest expense on borrowings amounted to \$8,635 and \$48,700 for the years ended June 30, 2015 and 2014, respectively.

**NOTE 9 – IN-KIND CONTRIBUTIONS**

For the years ended June 30, 2015 and 2014, Safe Horizon received \$489,681 and \$169,133, respectively, in contributed legal services that supported the work of the General Counsel's Office of Safe Horizon. In addition, a substantial number of volunteers have donated significant amounts of time in relation to Safe Horizon's program services and other activities. This contributed time does not meet the criteria for recognition and its value; therefore, is not reflected in the statements of activities.

Safe Horizon receives rent-free occupancy for two publicly-owned commercial properties located in New York, New York, and records an in-kind contribution and expense in acknowledgement of this arrangement. For each of the years ended June 30, 2015 and 2014 Safe Horizon recorded approximately \$1,846,000, as in-kind contribution and expense which are reflected in accompanying statements of activities and functional expenses.

Safe Horizon expenses public outreach costs as incurred. For the years ended June 30, 2015 and 2014, Safe Horizon recorded \$253,921 and \$0 respectively, as in-kind contribution and expense which are reflected in accompanying statements of activities and functional expenses. In fiscal year 2015, the in-kind contributions are related to the Public Awareness Campaign – Put the Nail in It.

**NOTE 10 – PENSION PLAN**

Safe Horizon maintains a **defined contribution** 401(a) plan which covers all employees with at least one year of service and 1,000 hours of creditable time, who elect to participate in a **voluntary contribution** 403(b) plan. Contributions amounted to approximately \$525,000 and \$483,000 for the years ended June 30, 2015 and 2014, respectively.

**NOTE 11 – NET ASSETS**

A. Temporarily restricted net assets were available for the following purposes as of June 30, 2015 and 2014:

	2015	2014
Purpose restricted:		
Domestic violence programs	\$ 448,757	\$ 504,758
Streetwork and youth programs	1,216,084	1,584,559
Sexual assault and child advocacy programs	106,654	434,253
Other	524,296	365,014
	\$ 2,295,791	\$ 2,888,584

For the years ended June 30, 2015 and 2014, temporarily restricted net assets were released from donor restrictions by incurring expenses satisfying the restricted purposes or by the occurrence of other events specified by donors as follows:

**SAFE HORIZON, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEARS ENDED JUNE 30, 2015 AND 2014**

**NOTE 11 – NET ASSETS (Continued)**

	2015	2014
Purpose restrictions accomplished:		
Domestic violence programs	\$ 756,333	\$ 1,077,281
Streetwork and youth programs	2,178,873	1,712,996
Sexual assault and child advocacy programs	518,368	672,870
Other	75,498	237,093
	\$ 3,529,072	\$ 3,700,240

- B.** Permanently restricted net assets consist of endowments, the income of which is temporarily restricted for certain program services. The principal balances cannot be used for any purpose without the prior consent of the donor or the advisory board of the donor.

Permanently restricted net assets also include Safe Horizon's share of two perpetual trusts (see Note 2H).

Permanently restricted net assets consist of the following as of June 30, 2015 and 2014:

	2015	2014
Permanently restricted	\$ 103,970	\$ 280,508
Perpetual trusts	621,283	647,205
	\$ 725,253	\$ 927,713

During the year ended June 30, 2015, Safe Horizon reached out to one of the donors in order to get permission to modify a restriction for a gift. Such permission was granted and \$176,538 was reclassified from permanently restricted contributions to temporarily restricted.

- C.** The Board of Safe Horizon recognizes that New York State adopted as law the New York Prudent Management of Institutional Funds Act ("NYPMIFA") on September 17, 2010. NYPMIFA replaces the prior law which was the Uniform Management of Institutional Funds Act ("UMIFA"). In addition, NYPMIFA created a rebuttable presumption of imprudence if an organization appropriates more than 7% of a donor-restricted permanent endowment fund's fair value (averaged over a period of not less than the preceding five years) in any year. Any unappropriated earnings that would otherwise be considered unrestricted by the donor will be reflected as temporarily restricted until appropriated.

The Board explicitly appropriated all earnings as of and prior to September 17, 2010, whether deemed spent or not, as unrestricted. All unappropriated earnings on donor-restricted endowment funds after September 17, 2010, that would otherwise be considered unrestricted by the donor, are reflected as temporarily restricted until appropriated.

The Board of Directors has interpreted NYPMIFA as allowing Safe Horizon to appropriate for expenditure or accumulate so much of an endowment fund as Safe Horizon determines is prudent for the uses, benefits, purposes and duration for which the endowment fund is established, subject to the intent of the donor as expressed in the gift instrument. Unless stated otherwise in the gift instrument, the assets in an endowment fund shall be donor-restricted assets until appropriated for expenditure by the Board of Directors.

As a result of this interpretation, Safe Horizon has not changed the way permanently restricted net assets are classified. The remaining portion of the donor-restricted endowment fund that is not classified as permanently restricted is classified as temporarily restricted net assets until those amounts are appropriated for expenditure in a manner consistent with the standard of prudence prescribed by NYPMIFA. As of June 30, 2015, all earnings on endowment funds are considered appropriated by the Board through its budgetary approval process.



**SAFE HORIZON, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEARS ENDED JUNE 30, 2015 AND 2014**

**NOTE 11- NET ASSETS (Continued)**

The policy for valuing Safe Horizon's investments is described in Note 2F. In accordance with U.S. GAAP, any deterioration of the fair value of assets associated with donor-restricted endowment funds that falls below the level the donor requires Safe Horizon to retain in perpetuity is to be reported in unrestricted net assets. The policy has charged the Investment Committee (the "Committee") with investment decision responsibility.

Changes in endowment net assets consisted of the following for year ended June 30, 2015:

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total Endowment Investments</u>
Endowment net assets, beginning of year	\$ 58,912	\$ -	\$ 280,508	\$ 339,420
Investment activity:				
Unrealized gain on investments	-	25,822	-	25,822
Total investment activity	-	25,822	-	25,822
Net asset reclassification based on modification of donor requirements		-	(176,538)	(176,538)
Endowment net assets after reclassification	58,912	25,822	103,970	188,704
Transfers to cover negative return	25,822	(25,822)	-	-
Endowment net assets, end of year	<u>\$ 84,734</u>	<u>\$ -</u>	<u>\$ 103,970</u>	<u>\$ 188,704</u>

Changes in endowment net assets consisted of the following for year ended June 30, 2014:

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total Endowment Investments</u>
Endowment net assets, beginning of year	\$ (5,894)	\$ -	\$ 280,508	\$ 274,614
Investment activity:				
Unrealized loss on investments	-	64,806	-	64,806
Total investment activity	-	64,806	-	64,806
Transfers to cover negative return	64,806	(64,806)	-	-
Endowment net assets, end of year	<u>\$ 58,912</u>	<u>\$ -</u>	<u>\$ 280,508</u>	<u>\$ 339,420</u>

Endowment net assets of \$188,704 and \$339,420 are included with investments on the statements of financial position for the years ended June 30, 2015 and 2014, respectively.

From time to time, the fair value of assets associated with individual donor-restricted endowment funds may fall below the level that the donor requires Safe Horizon to retain as a fund of perpetual duration. In accordance with GAAP, deficiencies of this nature are reported in unrestricted net assets as of June 30, 2015 and 2014. These deficiencies resulted from unfavorable market fluctuations that occurred in the economy as a whole that affected the donor restricted endowment fund where the fair value of the donor restricted endowment fund was below the amount that is required to be retained permanently by \$0 and \$5,894 as of June 30, 2015 and 2014, respectively.

**SAFE HORIZON, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEARS ENDED JUNE 30, 2015 AND 2014**

**NOTE 12 – RELATED PARTY**

Safe Horizon performs central management and administrative functions for the Houston Housing Development Fund Corporation (the “Corporation”), in the same manner as Safe Horizon provides services for its other projects.

Safe Horizon charged the Corporation a fixed annual management fee of \$48,000 for the fiscal years ended June 30, 2015 and 2014. In addition, Safe Horizon rents from the Corporation all its available units at a fixed price of \$48,000 per annum.

A Board member of Safe Horizon is also the President of a financial institution that provides Safe Horizon with two lines of credit and with operating support.

A Board member of Safe Horizon is also the officer of a telecommunication company that provides Safe Horizon telecommunication services.

Starting July 2011, the program that had been Safe Horizon’s Mediation Program became an independent non-profit corporation exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code called the New York Peace Institute (“NYPI”). NYPI is structured as a membership organization with Safe Horizon as the sole member and is responsible for electing the board of directors. Such board members were elected in June 2011. NYPI board includes a Safe Horizon staff member to help safeguard the agency’s interests. Safe Horizon subcontracted with NYPI to provide mediation services according to the provisions of contracts between Safe Horizon and New York City and State under the terms of this subcontract. Safe Horizon provided administrative support and technical assistance to NYPI in return for a fee of 10% of the contract amount and NYPI performed the mediation services specified by the contracts. As of June 30, 2015, Safe Horizon ended its sub-contracting arrangement with NYPI. As of June 30, 2012, Safe Horizon advanced \$175,000 to NYPI and the amount will be repaid through recoupment over the contract term. As of June 30, 2015, outstanding balance of advances to NYPI amounted to \$100,000 and is included in prepaid expenses and other assets in the accompanying statements of financial position.

**NOTE 13 – COMMITMENTS AND CONTINGENCIES**

A. In most instances, grants are subject to audits by city, state and federal auditors, and costs charged to grantors may be adjusted as a result of an audit. Safe Horizon believes that no material provision is required for cost adjustments.

Safe Horizon is a party to various lawsuits or complaints generally arising in the ordinary course of business. Safe Horizon believes it has adequate insurance to cover any material damages and, accordingly, such litigation will not have a material adverse effect on its financial condition.

Safe Horizon is obligated under operating leases for the rental of premises and certain office equipment.

Leases have escalation clauses related to increases in rent and taxes. Future minimum lease payments are indicated below for each of the five years subsequent to June 30, 2015, and thereafter:

2016	\$	5,540,814
2017		4,793,274
2018		4,665,789
2019		4,272,267
2020		2,990,521
Thereafter		<u>8,313,299</u>
	\$	<u>30,575,964</u>

Rent expense for the years ended June 30, 2015 and 2014 amounted to \$5,983,883 and \$5,836,540, respectively, and is included in occupancy expenses in the accompanying financial statements.

**SAFE HORIZON, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEARS ENDED JUNE 30, 2015 AND 2014**

**NOTE 13 – COMMITMENTS AND CONTINGENCIES (Continued)**

- B.** Safe Horizon believes it had no uncertain tax positions as of June 30, 2015 and 2014 in accordance with Accounting Standards Codification (“ASC”) Topic 740, “Income Taxes,” which provides standards for establishing and classifying any tax provisions for uncertain tax positions. Safe Horizon believes it is no longer subject to federal or state and local income tax examinations by tax authorities for the year ended June 30, 2012, and prior years.

**NOTE 14 – CONCENTRATIONS**

Cash and cash equivalents that potentially subject Safe Horizon to a concentration of credit risk include cash accounts with banks that exceed the Federal Deposit Insurance Corporation (“FDIC”) insurance limits. Interest bearing accounts are insured up to \$250,000 per depositor. Through December 31, 2012, noninterest-bearing accounts were fully insured. Beginning in 2013, noninterest bearing accounts are insured the same as interest bearing accounts. As of June 30, 2015 and 2014, there was approximately \$17,163,000 and \$16,125,000, respectively, of cash and cash equivalents held by banks that exceeded FDIC limits. Such excess includes outstanding checks.

**NOTE 15 – SUBSEQUENT EVENTS**

Safe Horizon has evaluated events subsequent to the date of the statements of financial position through December 17, 2015, the date the financial statements were available to be issued.