

SANCTUARY FOR FAMILIES, INC. AND AFFILIATE



**Sanctuary
for Families**

**Consolidated Financial Statements
and Supplementary Information
(Together with Independent Auditors' Report)**

Years Ended June 30, 2019 and 2018

M A R K S P A N E T H

ACCOUNTANTS & ADVISORS

SANCTUARY FOR FAMILIES, INC. AND AFFILIATE

**CONSOLIDATED FINANCIAL STATEMENTS
AND SUPPLEMENTARY INFORMATION
(Together with Independent Auditors' Report)**

YEARS ENDED JUNE 30, 2019 AND 2018

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors of
Sanctuary for Families, Inc. and Affiliate

We have audited the accompanying consolidated financial statements of Sanctuary for Families, Inc. and Affiliate ("Sanctuary"), which comprise the consolidated statements of financial position as of June 30, 2019 and 2018, and the related consolidated statements of activities, functional expenses and cash flows for the years then ended, and the related notes to the consolidated financial statements.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated 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 consolidated 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 consolidated 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 consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated 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 consolidated 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 consolidated 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 consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of Sanctuary as of June 30, 2019 and 2018 and the changes in their net assets and their cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note 2 to the consolidated financial statements, during the year ended June 30, 2019, Sanctuary adopted Accounting Standards Update 2016-14, *Not-for-Profit Entities* (Topic 958) – *Presentation of Financial Statements of Not-for-Profit Entities*. Our opinion is not modified with respect to this matter.

Report on Consolidating Information

Our audits were conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The consolidating information (shown on pages 16-18) is presented for the purpose of additional analysis of the consolidated financial statements rather than to present the financial position, the changes in net assets, and cash flows of the individual organizations, and it is not a required part of the consolidated financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. The consolidating information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the consolidating information is fairly stated in all material respects in relation to the consolidated financial statements as a whole.

Marks Paneth LLP

New York, NY
December 20, 2019

SANCTUARY FOR FAMILIES, INC. AND AFFILIATE
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
AS OF JUNE 30, 2019 AND 2018

	2019	2018
ASSETS		
Cash and cash equivalents (Notes 2D and 7A)	\$ 1,553,969	\$ 1,398,219
Government contracts receivable (Notes 2E, 2G and 7B)	6,959,343	5,233,096
Contributions receivable (Notes 2F, 2G and 4)	5,371,746	7,071,414
Investments (Notes 2H and 5)	1,824,892	2,037,777
Prepaid expenses and other assets	465,987	442,121
Property and equipment, net (Notes 2I and 6)	1,045,639	1,439,384
TOTAL ASSETS	\$ 17,221,576	\$ 17,622,011
LIABILITIES		
Accounts payable and accrued expenses	\$ 430,098	\$ 416,208
Accrued salaries and related benefits	585,374	507,571
Accrued vacation	439,020	391,552
Deferred rent (Note 2J)	758,433	593,208
Deferred revenue	25,000	-
Grants payable	161,001	160,734
TOTAL LIABILITIES	2,398,926	2,069,273
COMMITMENTS AND CONTINGENCIES (Note 10)		
NET ASSETS		
Without Donor Restrictions (Note 2C)		
Available for operations	8,686,070	8,553,694
Board designated	153,778	28,778
	8,839,848	8,582,472
With Donor Restrictions (Notes 2C, 11 and 12)	5,982,802	6,970,266
TOTAL NET ASSETS	14,822,650	15,552,738
TOTAL LIABILITIES AND NET ASSETS	\$ 17,221,576	\$ 17,622,011

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

**SANCTUARY FOR FAMILIES, INC. AND AFFILIATE
CONSOLIDATED STATEMENTS OF ACTIVITIES
FOR THE YEARS ENDED JUNE 30, 2019 AND 2018**

	Year Ended June 30, 2019			Year Ended June 30, 2018		
	Without Donor Restrictions	With Donor Restrictions	Total 2019	Without Donor Restrictions	With Donor Restrictions	Total 2018
OPERATING REVENUE AND SUPPORT:						
Government contracts (Notes 2E and 7B)	\$ 15,814,907	\$ -	\$ 15,814,907	\$ 14,671,708	\$ -	\$ 14,671,708
Contributions (Note 2F)	2,009,840	3,338,991	5,348,831	3,245,337	7,809,000	11,054,337
Special events (net of direct expenses of \$246,920 and \$269,568 in 2019 and 2018, respectively)	2,363,871	-	2,363,871	2,052,392	-	2,052,392
Pro bono legal services (Note 2K)	38,806,936	-	38,806,936	38,134,410	-	38,134,410
Donated goods (Note 2K)	93,540	-	93,540	125,082	-	125,082
Investment income (Note 5)	35,247	-	35,247	16,467	-	16,467
Other revenues	143,631	-	143,631	115,088	-	115,088
Net assets released from restrictions	<u>4,326,455</u>	<u>(4,326,455)</u>	<u>-</u>	<u>3,663,125</u>	<u>(3,663,125)</u>	<u>-</u>
TOTAL OPERATING REVENUE AND SUPPORT	<u>63,594,427</u>	<u>(987,464)</u>	<u>62,606,963</u>	<u>62,023,609</u>	<u>4,145,875</u>	<u>66,169,484</u>
OPERATING EXPENSES:						
Program Services:						
Sarah Burke House - transitional shelter	3,159,694	-	3,159,694	3,175,840	-	3,175,840
Clinical services	5,866,524	-	5,866,524	5,925,885	-	5,925,885
Legal services	47,595,298	-	47,595,298	46,231,274	-	46,231,274
Economic empowerment program	<u>2,262,866</u>	<u>-</u>	<u>2,262,866</u>	<u>1,815,662</u>	<u>-</u>	<u>1,815,662</u>
Total Program Services	<u>58,884,382</u>	<u>-</u>	<u>58,884,382</u>	<u>57,148,661</u>	<u>-</u>	<u>57,148,661</u>
Supporting Services:						
Management and general	2,534,085	-	2,534,085	2,117,935	-	2,117,935
Fundraising	<u>1,918,584</u>	<u>-</u>	<u>1,918,584</u>	<u>1,969,230</u>	<u>-</u>	<u>1,969,230</u>
Total Supporting Services	<u>4,452,669</u>	<u>-</u>	<u>4,452,669</u>	<u>4,087,165</u>	<u>-</u>	<u>4,087,165</u>
TOTAL OPERATING EXPENSES	<u>63,337,051</u>	<u>-</u>	<u>63,337,051</u>	<u>61,235,826</u>	<u>-</u>	<u>61,235,826</u>
CHANGE IN TOTAL NET ASSETS	257,376	(987,464)	(730,088)	787,783	4,145,875	4,933,658
Net Assets - Beginning of Year	<u>8,582,472</u>	<u>6,970,266</u>	<u>15,552,738</u>	<u>7,794,689</u>	<u>2,824,391</u>	<u>10,619,080</u>
NET ASSETS - END OF YEAR	<u>\$ 8,839,848</u>	<u>\$ 5,982,802</u>	<u>\$ 14,822,650</u>	<u>\$ 8,582,472</u>	<u>\$ 6,970,266</u>	<u>\$ 15,552,738</u>

SANCTUARY FOR FAMILIES, INC. AND AFFILIATE
CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2019
(WITH COMPARATIVE TOTALS FOR JUNE 30, 2018)

For the Year Ended June 30, 2019

	Program Services				Supporting Services				Total 2019	Total 2018
	Sarah Burke House Transitional Shelter	Clinical Services	Legal Services	Economic Empowerment Program	Total Program Services	Management and General	Fundraising	Total Supporting Services		
Salaries and wages	\$ 1,712,656	\$ 3,411,492	\$ 5,321,011	\$ 805,653	\$ 11,250,812	\$ 1,222,843	\$ 1,060,933	\$ 2,283,776	\$ 13,534,588	\$ 12,277,981
Payroll taxes and employee benefits (Note 8)	617,284	1,038,536	1,483,110	220,225	3,359,155	265,375	304,033	569,408	3,928,563	3,780,182
Total Personnel Costs	2,329,940	4,450,028	6,804,121	1,025,878	14,609,967	1,488,218	1,364,966	2,853,184	17,463,151	16,058,163
Professional fees	50,042	99,067	64,482	171,808	385,399	179,276	156,129	335,405	720,804	1,043,788
Occupancy (Note 10)	13	615,919	882,528	267,955	1,766,415	315,702	216,706	532,408	2,298,823	2,218,552
Food	10,878	11,298	7,930	6,889	36,995	-	-	-	36,995	40,812
Household supplies	2,196	10,401	-	-	12,597	-	-	-	12,597	17,091
Office supplies	11,615	8,261	19,067	10,364	49,307	6,330	9,214	15,544	64,851	67,382
Telephone	23,332	43,234	41,286	6,721	114,573	15,154	7,075	22,229	136,802	141,936
Staff transportation and activities	12,907	19,669	32,061	2,155	66,792	19,475	2,187	21,662	88,454	57,584
Printing and publication	1,897	4,931	9,226	1,464	17,518	2,060	920	2,980	20,498	16,263
Library resources	-	369	25,230	268	25,867	1,507	3,134	4,641	30,508	31,069
Equipment and maintenance	87,836	16,609	12,937	9,782	127,164	8,803	4,765	13,568	140,732	172,032
Equipment rental	5,939	7,068	11,083	2,719	26,809	4,200	2,914	7,114	33,923	35,629
Utilities	189,423	45,058	26,423	6,834	267,738	9,866	6,077	15,943	283,681	292,647
Postage and shipping	4,159	11,623	38,946	953	55,681	1,764	1,021	2,785	58,466	50,115
Facility maintenance	83,375	35,269	10,267	3,361	132,272	18,324	2,223	20,547	152,819	164,781
Insurance	-	-	20,479	-	20,479	131,857	-	131,857	152,336	162,756
Recruitment	6,477	15,399	31,015	1,674	54,565	2,866	2,931	5,797	60,362	76,828
Client financial assistance	56,375	204,486	478,092	663,059	1,402,012	-	-	-	1,402,012	1,064,221
Training and development	16,358	50,660	93,413	5,591	166,022	31,432	6,528	37,960	203,982	180,896
Catering and entertainment	-	-	-	-	-	-	246,920	246,920	246,920	269,568
Events and public relations	-	-	-	-	-	-	123,289	123,289	123,289	99,682
Depreciation and amortization (Note 6)	254,361	5,779	-	-	260,140	88,980	-	88,980	349,120	380,381
Grants to clients	-	2,050	87,371	73,191	162,612	-	-	-	162,612	161,045
Grants to subrecipients	-	155,829	38,297	-	194,126	-	-	-	194,126	167,900
Lobbying	-	-	-	-	-	133,655	-	133,655	133,655	130,223
Bad debt expense	-	-	-	-	-	-	-	-	-	100,000
Other expenses (Note 6)	12,571	6,692	7,338	2,200	28,801	65,805	8,505	74,310	103,111	35,742
Bank charges	-	55	-	-	55	8,811	-	8,811	8,866	8,816
	3,159,694	5,819,754	8,741,592	2,262,866	19,983,906	2,534,085	2,165,504	4,699,589	24,683,495	23,245,902
Less: Cost of direct benefits to donors	-	-	-	-	-	-	246,920	246,920	246,920	269,568
Add: Donated legal services	-	-	38,806,936	-	38,806,936	-	-	-	38,806,936	38,134,410
Add: Donated goods expense	-	46,770	46,770	-	93,540	-	-	-	93,540	125,082
Total Expenses	\$ 3,159,694	\$ 5,866,524	\$ 47,595,298	\$ 2,262,866	\$ 58,884,382	\$ 2,534,085	\$ 1,918,584	\$ 4,452,669	\$ 63,337,051	\$ 61,235,826

SANCTUARY FOR FAMILIES, INC. AND AFFILIATE
CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2018

For the Year Ended June 30, 2018

	Program Services				Supporting Services				Total 2018
	Sarah Burke House Transitional Shelter	Clinical Services	Legal Services	Economic Empowerment Program	Total Program Services	Management and General	Fundraising	Total Supporting Services	
Salaries and wages	\$ 1,634,154	\$ 3,281,554	\$ 4,673,333	\$ 719,115	\$ 10,308,156	\$ 1,090,075	\$ 879,750	\$ 1,969,825	\$ 12,277,981
Payroll taxes and employee benefits (Note 8)	597,128	1,102,023	1,404,118	181,627	3,284,896	226,537	268,749	495,286	3,780,182
Total Personnel Costs	2,231,282	4,383,577	6,077,451	900,742	13,593,052	1,316,612	1,148,499	2,465,111	16,058,163
Professional fees	137,472	166,826	105,760	159,288	569,346	157,867	316,575	474,442	1,043,788
Occupancy (Note 10)	-	604,257	905,367	151,597	1,661,221	322,078	235,253	557,331	2,218,552
Food	11,402	13,106	8,953	7,351	40,812	-	-	-	40,812
Household supplies	7,218	9,873	-	-	17,091	-	-	-	17,091
Office supplies	13,267	8,711	19,477	10,133	51,588	6,751	9,043	15,794	67,382
Telephone	5,729	54,373	46,437	6,457	112,996	20,069	8,871	28,940	141,936
Staff transportation and activities	7,691	15,578	17,714	1,888	42,871	11,699	3,014	14,713	57,584
Printing and publication	221	3,147	6,281	945	10,594	2,245	3,424	5,669	16,263
Library resources	39	146	27,737	17	27,939	2,598	532	3,130	31,069
Equipment and maintenance	76,865	26,606	17,967	19,743	141,181	22,230	8,621	30,851	172,032
Equipment rental	5,660	5,668	12,174	4,606	28,108	4,768	2,753	7,521	35,629
Utilities	181,191	45,512	35,173	9,091	270,967	12,529	9,151	21,680	292,647
Postage and shipping	3,730	10,012	33,630	428	47,800	1,304	1,011	2,315	50,115
Facility maintenance	72,641	45,118	18,744	3,974	140,477	19,587	4,717	24,304	164,781
Insurance	23,946	43,619	68,902	5,612	142,079	11,962	8,715	20,677	162,756
Recruitment	5,624	16,148	29,901	1,761	53,434	21,621	1,773	23,394	76,828
Client financial assistance	60,890	145,827	335,732	521,772	1,064,221	-	-	-	1,064,221
Training and development	3,564	68,401	80,609	5,242	157,816	20,228	2,852	23,080	180,896
Catering and entertainment	-	-	-	-	-	-	269,568	269,568	269,568
Events and public relations	-	-	-	-	-	-	99,682	99,682	99,682
Depreciation and amortization (Note 6)	306,818	58,521	-	-	365,339	15,042	-	15,042	380,381
Grants to clients	16,883	2,812	138,153	3,197	161,045	-	-	-	161,045
Grants to subrecipients	-	129,470	38,430	-	167,900	-	-	-	167,900
Lobbying	-	-	-	-	-	130,223	-	130,223	130,223
Bad debt expense	-	-	-	-	-	-	100,000	100,000	100,000
Other expenses	3,707	6,036	9,731	1,818	21,292	9,706	4,744	14,450	35,742
Bank charges	-	-	-	-	-	8,816	-	8,816	8,816
	3,175,840	5,863,344	8,034,323	1,815,662	18,889,169	2,117,935	2,238,798	4,356,733	23,245,902
Less: Cost of direct benefits to donors	-	-	-	-	-	-	269,568	269,568	269,568
Add: Donated legal services	-	-	38,134,410	-	38,134,410	-	-	-	38,134,410
Add: Donated goods expense	-	62,541	62,541	-	125,082	-	-	-	125,082
Total Expenses	\$ 3,175,840	\$ 5,925,885	\$ 46,231,274	\$ 1,815,662	\$ 57,148,661	\$ 2,117,935	\$ 1,969,230	\$ 4,087,165	\$ 61,235,826

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

**SANCTUARY FOR FAMILIES, INC. AND AFFILIATE
CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED JUNE 30, 2019 AND 2018**

	2019	2018
CASH FLOWS FROM OPERATING ACTIVITIES:		
Change in net assets	\$ (730,088)	\$ 4,933,658
Adjustments to reconcile change in net assets to net cash (used in) provided by operating activities:		
Depreciation and amortization	349,120	380,381
Loss on disposal of fixed assets	56,772	-
Unrealized loss on investments	8,010	33,790
Bad debt expense	-	100,000
Discount on contributions receivable	6,539	85,346
Subtotal	(309,647)	5,533,175
Changes in assets and liabilities:		
Decrease (increase) in assets:		
Government contracts receivable	(1,726,247)	(497,593)
Contributions receivable	1,693,129	(5,357,980)
Prepaid expenses and other assets	(23,866)	(285,967)
Increase (decrease) in liabilities:		
Accounts payable and accrued expenses	13,890	141,157
Accrued salaries and related benefits	77,803	(1,215)
Accrued vacation	47,468	(17,194)
Deferred rent	165,225	537,875
Deferred revenue	25,000	-
Grants payable	267	92,922
Net Cash (Used in) Provided by Operating Activities	(36,978)	145,180
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of property and equipment	(12,147)	(377,720)
Purchases of investments	(1,420,125)	(1,848,105)
Proceeds from sale of investments	1,625,000	2,149,660
Net Cash Provided by (Used in) Investing Activities	192,728	(76,165)
NET INCREASE IN CASH AND CASH EQUIVALENTS	155,750	69,015
Cash and cash equivalents - beginning of year	1,398,219	1,329,204
CASH AND CASH EQUIVALENTS - END OF YEAR	\$ 1,553,969	\$ 1,398,219

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

**SANCTUARY FOR FAMILIES, INC. AND AFFILIATE
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2019 AND 2018**

NOTE 1 – ORGANIZATION AND NATURE OF ACTIVITIES

Sanctuary for Families, Inc. ("Sanctuary") is a 501(c)(3) corporation located in New York City. Sanctuary was founded in 1983 as a small network of safe homes and has since grown to be a leading provider of integrated services for domestic violence and sex trafficking survivors and their children. Operating out of eleven sites, Sanctuary provides a continuum of care including hotline and crisis intervention, shelter, counseling, legal advice and representation, economic empowerment programming and assistance with housing and educational needs. Sanctuary also provides outreach, training, and technical assistance to a wide range of government officials and other service providers on a host of domestic violence and sex trafficking issues and advocates at local, state, and national levels for improved policies and practices for its clients. Sanctuary serves a widely varied population, paying particular attention to the most underserved populations in New York City including immigrants, undocumented individuals, the working poor, and indigent families. In fiscal year 2019, Sanctuary provided direct services to over 10,400 adults and children and training and outreach to approximately 20,000 other individuals.

Sanctuary employs more than 200 full and part-time staff and utilizes the services of hundreds of pro bono lawyers, law students, social work interns, and other volunteers. Sanctuary's programs are funded by government contracts, foundation and corporate grants, and individual contributions.

Sanctuary is governed by a 35-member Board of Directors who also serve as the members of an affiliated not-for-profit corporation, Sanctuary for Families Housing Development Fund Corporation ("Housing Development Fund Corporation" or "Housing"). Housing is directly controlled by Sanctuary. Housing owns a building in the Bronx which serves as a transitional shelter for survivors of domestic violence and is a 501(c)(3) corporation located in New York City.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

- A. **Consolidation** – The consolidated financial statements include the activities of Sanctuary and Housing. All significant intercompany balances and transactions have been eliminated in consolidation.
- B. **Basis of Accounting** – Sanctuary's consolidated financial statements have been prepared on the accrual basis of accounting. Sanctuary adheres to accounting principles generally accepted in the United States of America (U.S. GAAP).
- C. **Basis of Presentation** – Sanctuary and Housing maintain their net assets under the following two classes:
- Net assets without donor restrictions – Net assets that are not subject to donor-imposed stipulations. Board designated net assets consists of net assets whose use has been designated by the Board for future capital improvements at the Sarah Burke House facility.
 - Net assets with donor restrictions – Net assets subject to donor-imposed stipulations that will be met either by actions of Sanctuary or the passage of time, stipulations that they be maintained permanently by Sanctuary, and unappropriated endowment earnings.
- D. **Cash and Cash Equivalents** – Sanctuary 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 Sanctuary's investment portfolio.
- E. **Government Contracts** – Sanctuary derives its revenue from, among other sources, cost reimbursement contracts and fees for service programs with government agencies which are recognized as revenue as those costs are incurred and the revenue is earned. Advances received on government grants are recorded as a liability until the expenses are incurred, at which time revenue is recognized.

**SANCTUARY FOR FAMILIES, INC. AND AFFILIATE
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2019 AND 2018**

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

F. **Contributions** – Unconditional promises to give that are expected to be collected within one year are recorded at net realizable value. 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-adjusted 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.

G. **Allowance for Doubtful Accounts** – Sanctuary determines whether an allowance for uncollectible receivables should be provided for government contracts receivable and contributions receivable. Such estimates are based on management’s assessment of the aged basis of its receivable, creditworthiness of its donors and borrowers, current economic conditions and historical information. As of June 30, 2019 and 2018, Sanctuary determined an allowance of \$111,778 and \$128,328, respectively, was necessary for contributions receivable and no allowance was necessary for government contracts receivable.

H. **Investments and Fair Value Measurements** – Investments are recorded at fair value. 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.

I. **Property and Equipment** – Property and equipment is stated at cost less accumulated depreciation or amortization. These amounts do not purport to represent replacement or realizable values. Depreciation is provided on a straight-line basis over the estimated useful lives of the assets. Leasehold improvements are amortized over the lesser of the useful lives of the improvements or the term of the lease. Sanctuary capitalizes all property and equipment having a cost of \$1,000 or more and a useful life of at least one year.

Contributed property and equipment is recorded at fair value on the date of donation. When donors stipulate restrictions on the use of the assets, such contributions are recorded as restricted support. In the absence of such stipulations, contributions of property and equipment are recorded as unrestricted support.

J. **Deferred Rent** – Rent expense is recorded on the straight-line basis. The portion of rent expense accrued due to straight-lining of the lease is reflected as deferred rent on the accompanying consolidated statements of financial position.

K. **In-Kind Contributions** – In-kind contributions are recorded at their fair value on the date of receipt. Donated services are reported as contributions when the services create or enhance nonfinancial assets, would be purchased if they had not been provided by contribution, require specialized skills and are provided by individuals possessing those skills. For the years ended June 30, 2019 and 2018, Sanctuary recorded income and expense for contributed goods and services of \$38,900,476 and \$38,259,492, respectively. Such contributed goods and services are reflected in the consolidated financial statements as follows:

	2019	2018
Pro bono legal services	\$ 38,806,936	\$ 38,134,410
Donated goods	93,540	125,082
	\$ 38,900,476	\$ 38,259,492

L. **Functional Expense Allocation** – The costs of program and supporting services activities have been summarized on a functional basis in the consolidated statements of activities. The consolidated statements of functional expenses present the natural classification detail of expenses by function. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

**SANCTUARY FOR FAMILIES, INC. AND AFFILIATE
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2019 AND 2018**

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

The consolidated financial statements report certain categories of expenses that are attributed to more than one program or supporting function. Therefore, expenses require allocation on a reasonable basis that is consistently applied. The expenses that are allocated include occupancy, depreciation, amortization and insurance, which are allocated on a square footage basis, as well as salaries and wages, benefits, payroll taxes, professional services, office expenses, information technology and other, which are allocated on the basis of estimates of time and effort.

M. **Use of Estimates** – The preparation of consolidated 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 consolidated financial statements. Actual results could differ from those estimates.

N. **Recent Accounting Pronouncements** – Financial Accounting Standards Board (“FASB”) Accounting Standards Update (“ASU”) 2016-14, *Not-for-Profit Entities* (Topic 958) – *Presentation of Financial Statements of Not-for-Profit Entities* was adopted for the year ended June 30, 2019. ASU 2016-14 provides for a number of changes, including the presentation of two classes of net assets and enhanced disclosure on liquid resources and expense allocation. These changes had no impact on the change in net assets for the year ended June 30, 2018. Due to these changes, Sanctuary has reclassified prior periods and fully comparative financial statements are presented. Net assets as of June 30, 2018 were renamed to conform to the new presentation.

O. **Reclassification** – Certain items in the June 30, 2018 consolidated financial statements have been reclassified to conform with the June 30, 2019 presentation. These reclassifications had no impact on the changes in net assets for the year ended June 30, 2018.

NOTE 3 – LIQUIDITY AND AVAILABILITY

Financial assets available for general expenditures, within one year of the balance sheet date, comprise the following:

Cash and cash equivalents	\$	1,553,969
Contributions receivable		5,371,746
Government contracts receivable		6,959,343
Investments		<u>1,824,892</u>
Total financial assets		15,709,950
Less: Net assets designated by the Board		153,778
Less: Contributions receivable due in more than one year		381,000
Less: Investments held for endowments		<u>334,475</u>
		<u>\$ 14,840,697</u>

As part of Sanctuary’s liquidity management plan, Sanctuary invests cash in excess of daily requirements in short-term investments and money market funds. In addition, Sanctuary has a maximum line of credit totaling \$1,200,000 with a financial institution (Note 10D), which can be drawn upon if needed.

For purposes of analyzing resources available to meet general expenditures over a 12-month period, Sanctuary considers all expenditures related to its ongoing activities of Sanctuary’s programs as well as the conduct of services undertaken to support those activities to be general expenditures. Donor restricted funds for various programs are considered available for the general expenditures to conduct those programs. Sanctuary’s endowment funds consist of donor-restricted endowments. Income from donor-restricted endowments is used to fund the legal services program, and other programs run by Sanctuary. The endowment is subject to an annual spending rate of up to 7% as described in Note 12.

SANCTUARY FOR FAMILIES, INC. AND AFFILIATE
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2019 AND 2018

NOTE 4 – CONTRIBUTIONS RECEIVABLE

Contributions receivable consisted of the following as of June 30:

	<u>2019</u>	<u>2018</u>
Receivable in less than one year	\$ 5,194,409	\$ 3,933,088
Receivable in one to five years	<u>381,000</u>	<u>3,352,000</u>
Less: Allowance for doubtful accounts	(111,778)	(128,328)
Discount to present value	<u>(91,885)</u>	<u>(85,346)</u>
	<u>\$ 5,371,746</u>	<u>\$ 7,071,414</u>

NOTE 5 – INVESTMENTS AND FAIR VALUE MEASUREMENTS

In determining fair value, Sanctuary 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.

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 in equity securities and mutual funds are valued using market prices in active markets (Level 1). Level 1 instrument valuations are obtained from real-time quotes for transactions in active exchange markets involving identical assets.

The availability of observable market data is monitored to assess the appropriate classification of financial instruments within the fair value hierarchy. Changes in economic conditions or model-based valuation techniques may require the transfer of financial instruments from one fair value level to another. In such instances, the transfer is reported at the end of the reporting period. For the years ended June 30, 2019 and 2018 there were no transfers between levels.

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

	<u>Level 1</u>	
	<u>2019</u>	<u>2018</u>
Investments:		
Money market funds	\$ 339,016	\$ 340,279
Mutual funds – intermediate government	<u>1,485,876</u>	<u>1,697,498</u>
Total	<u>\$ 1,824,892</u>	<u>\$ 2,037,777</u>

**SANCTUARY FOR FAMILIES, INC. AND AFFILIATE
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2019 AND 2018**

NOTE 5 – INVESTMENTS AND FAIR VALUE MEASUREMENTS (Continued)

Investments are subject to market volatility that could substantially change their carrying values in the near term. Investment income consisted of the following for the years ended June 30:

	<u>2019</u>	<u>2018</u>
Interest and dividends	\$ 43,257	\$ 50,257
Unrealized loss on investments	<u>(8,010)</u>	<u>(33,790)</u>
Net investment income	<u>\$ 35,247</u>	<u>\$ 16,467</u>

NOTE 6 – PROPERTY AND EQUIPMENT, NET

Property and equipment consisted of the following as of June 30:

	<u>2019</u>	<u>2018</u>	Estimated Useful Lives
Building	\$ 5,065,779	\$ 5,065,779	27.5 years
Furniture and fixtures	194,344	231,822	5-15 years
Vehicles	33,150	33,150	3 years
Equipment	259,635	269,113	5-10 years
Leasehold improvements	<u>1,460,016</u>	<u>1,895,694</u>	Lease term
	7,012,924	7,495,558	
Less: Accumulated depreciation and amortization	<u>(5,967,285)</u>	<u>(6,056,174)</u>	
	<u>\$ 1,045,639</u>	<u>\$ 1,439,384</u>	

Depreciation and amortization expense amounted to \$349,120 and \$380,381 for the years ended June 30, 2019 and 2018, respectively. During the year ended June 30, 2019, Sanctuary disposed of fixed assets with a net book value of \$56,772 and recognized such loss from fixed assets disposal included in other expenses in the accompanying consolidated statements of functional expenses. During the year ended June 30, 2018, \$1,758,916 of fully depreciated fixed assets were written off, primarily related to the relocation of Sanctuary's office space during that year.

NOTE 7 – CONCENTRATION

- A. Cash and cash equivalents that potentially subject Sanctuary to a concentration of credit risk include cash accounts with banks that exceed the Federal Deposit Insurance Corporation ("FDIC") insurance limits. Cash accounts are insured up to \$250,000 per depositor. As of June 30, 2019 and 2018, there was approximately \$1,194,000 and \$787,000, respectively, of cash and cash equivalents held by one bank that exceeded FDIC limits.
- B. Sanctuary received grants from various government agencies totaling \$15,814,907 and \$14,671,708, which represent 25% and 22% of total revenues, during the years ended June 30, 2019 and 2018, respectively. Government contracts receivable from two funders represented 51% and 61% of total government contracts receivable as of June 30, 2019 and 2018, respectively.

NOTE 8 – PENSION PLAN

Sanctuary maintains a 403(b) defined contribution pension plan covering all employees who satisfy certain eligibility requirements. Under the terms of the plan, Sanctuary makes annual discretionary contributions based upon a percentage of eligible employee wages, three percent for both years ended June 30, 2019 and 2018. Pension expense for the years ended June 30, 2019 and 2018, was approximately \$235,000 and \$293,000, respectively.

**SANCTUARY FOR FAMILIES, INC. AND AFFILIATE
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2019 AND 2018**

NOTE 9 – DEFERRED COMPENSATION

A deferred compensation agreement was entered into with senior executives of Sanctuary and funded in accordance with the requirements of Section 457(b) of the Internal Revenue Code. Under the current agreement, Sanctuary maintains the investment. The 457(b) expenses for the years ended June 30, 2019 and 2018 amounted to \$81,000. Discretionary contributions are based on a percentage of compensation of the officer in accordance with the plan document. Benefits earned under the plan are fully vested.

NOTE 10 – COMMITMENTS AND CONTINGENCIES

A. Sanctuary rents space for administrative and programmatic uses. Rental expense under these non-cancelable operating leases amounted to \$2,031,254 and \$2,054,111 for the years ended June 30, 2019 and 2018, respectively. Annual future minimum rental payments for real property under long-term non-cancelable operating leases are as follows:

2020	\$	1,674,222
2021		1,674,222
2022		1,674,222
2023		1,708,045
2024		1,877,158
Thereafter		<u>17,596,242</u>
	\$	<u>26,204,111</u>

B. Sanctuary believes it had no uncertain tax positions as of June 30, 2019 and 2018 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.

C. During 2007, Sanctuary extended the deed restriction on a building Housing owns in the Bronx with the New York City Human Resources Administration and agreed to continue operating the property as a transitional shelter for victims of domestic violence through March 31, 2023.

D. Sanctuary has a revolving line of credit with TD Bank for \$1.2 million. Borrowings are secured by all assets of Sanctuary. The interest rate on the line as of June 30, 2019 was 4.24%. As of June 30, 2019 and December 20, 2019, there were no borrowings under this line of credit. The expiration date of the agreement is February 28, 2020.

NOTE 11 – NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions were available for the following purposes as of June 30:

	2019	2018
Subject to expenditures for specified purpose or passage of time:		
Legal Services	\$ 1,138,000	\$ 1,572,500
Invest in our Future Campaign	3,029,500	3,412,500
Economic Empowerment Program	380,000	200,000
Clinical Services	240,000	280,000
Sarah Burke House	510,827	535,791
Time Restrictions	<u>350,000</u>	<u>635,000</u>
Subtotal	<u>5,648,327</u>	<u>6,635,791</u>
Endowment principal held in perpetuity:		
Operating endowment funds	\$ 225,475	\$ 225,475
Legal endowment funds	<u>109,000</u>	<u>109,000</u>
	<u>334,475</u>	<u>334,475</u>
	<u>\$ 5,982,802</u>	<u>\$ 6,970,266</u>

**SANCTUARY FOR FAMILIES, INC. AND AFFILIATE
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2019 AND 2018**

NOTE 11 – NET ASSETS WITH DONOR RESTRICTIONS (Continued)

Net assets with donor restrictions from grants were released for the following purposes as of June 30:

	<u>2019</u>	<u>2018</u>
Legal Services	\$ 1,464,500	\$ 1,348,614
Invest in our Future Campaign	900,500	297,500
Economic Empowerment Program	814,491	1,063,131
Clinical Services	526,000	472,916
Sarah Burke House	85,964	85,964
Time Restrictions	<u>535,000</u>	<u>395,000</u>
	<u>\$ 4,326,455</u>	<u>\$ 3,663,125</u>

NOTE 12 – ENDOWMENT FUNDS

Sanctuary has two endowment funds – Operating and legal. These funds have distinct investment and expenditure policies adopted by Sanctuary. The principal is held in two separate Vanguard Admiral Treasury Money Market Accounts – one for the Operating fund, another is for the Legal fund. All income derived from these investments is used to fund the legal services program, and other programs run by Sanctuary.

The resolution prescribes that (i) income from the funds, net of expenses, would be added to the operating revenues of Sanctuary for general support purposes, (ii) the principal would be held, invested, and reinvested in perpetuity in accord with such policies and in such manner as the Board, or duly authorized Board agents, would from time to time determine.

The Board of Directors of Sanctuary has adopted the New York Prudent Management of Institutional Funds Act (“NYPMIFA”). NYPMIFA moved away from the “historical dollar value” standard and permits charities to apply a spending policy to endowments based on certain specified standards of prudence. In accordance with NYPMIFA, Sanctuary classifies as net assets with permanent restrictions, (a) the original value of gifts donated to the permanent endowment, (b) the original value of subsequent gifts to the permanent endowment, and (c) accumulations to the permanent endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund. The remaining portion of the donor-restricted endowment fund that is not classified as restricted in perpetuity is classified as net assets with donor restrictions (purpose and time-restricted for future periods) until those amounts are appropriated for expenditure by the Board of Directors in a manner consistent with the standard of prudence prescribed by NYPMIFA. Sanctuary recognizes that NYPMIFA creates a rebuttable presumption of imprudence if it 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.

In accordance with U.S. GAAP, organizations are required to disclose any deterioration of the fair value of assets associated with donor restricted funds that fall below the level the donor requires Sanctuary to retain in perpetuity. The deficiencies may result from unfavorable market fluctuations that occurred in the economy as a whole that may have affected the donor restricted fund where the fair value of the donor restricted fund fell below the amount that is required to be retained permanently. As of June 30, 2019 and 2018, Sanctuary had not incurred a deficiency in its donor-restricted endowment funds.

**SANCTUARY FOR FAMILIES, INC. AND AFFILIATE
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2019 AND 2018**

NOTE 12 – ENDOWMENT FUNDS (Continued)

Changes in endowment funds for year ended June 30, 2019:

	<u>Endowment Earnings</u>	<u>Endowment Corpus</u>	<u>Total</u>
Investment activity loss	\$ (1,263)	\$ -	\$ (1,263)
Amount appropriated by the Board of Directors	<u>1,263</u>	<u>-</u>	<u>1,263</u>
Net change	-	-	-
Balance, beginning of year	<u>-</u>	<u>334,475</u>	<u>334,475</u>
Balance, end of year	<u>\$ -</u>	<u>\$ 334,475</u>	<u>\$ 334,475</u>

Changes in endowment funds for year ended June 30, 2018:

	<u>Endowment Earnings</u>	<u>Endowment Corpus</u>	<u>Total</u>
Investment activity gain	\$ 4,237	\$ -	\$ 4,237
Amount appropriated by the Board of Directors	<u>(4,237)</u>	<u>-</u>	<u>(4,237)</u>
Net change	-	-	-
Balance, beginning of year	<u>-</u>	<u>334,475</u>	<u>334,475</u>
Balance, end of year	<u>\$ -</u>	<u>\$ 334,475</u>	<u>\$ 334,475</u>

Endowment net assets of \$334,475 are included with investments on the consolidated statements of financial position as of June 30, 2019 and 2018.

NOTE 13 – SUBSEQUENT EVENTS

Management has evaluated events subsequent to the date of the consolidated statement of financial position through December 20, 2019, the date the consolidated financial statements were available to be issued. Management has determined that no subsequent events have occurred which require disclosure in or adjustments to the consolidated financial statements.

**SANCTUARY FOR FAMILIES, INC. AND AFFILIATE
CONSOLIDATING STATEMENTS OF FINANCIAL POSITION
AS OF JUNE 30, 2019 AND 2018**

	As of June 30, 2019			As of June 30, 2018		
	Sanctuary for Families, Inc.	Housing Development Fund Corporation	Consolidated Total 2019	Sanctuary for Families, Inc.	Housing Development Fund Corporation	Consolidated Total 2018
ASSETS						
Cash and cash equivalents	\$ 1,553,969	\$ -	\$ 1,553,969	\$ 1,398,219	\$ -	\$ 1,398,219
Government contracts receivable	6,959,343	-	6,959,343	5,233,096	-	5,233,096
Contributions receivable	5,371,746	-	5,371,746	7,071,414	-	7,071,414
Investments	1,824,892	-	1,824,892	2,037,777	-	2,037,777
Prepaid expenses and other assets	465,987	-	465,987	442,121	-	442,121
Property and equipment, net	1,045,639	-	1,045,639	1,255,174	184,210	1,439,384
TOTAL ASSETS	\$ 17,221,576	\$ -	\$ 17,221,576	\$ 17,437,801	\$ 184,210	\$ 17,622,011
LIABILITIES						
Accounts payable and accrued expenses	\$ 430,098	\$ -	\$ 430,098	\$ 416,208	\$ -	\$ 416,208
Accrued salaries and related benefits	585,374	-	585,374	507,571	-	507,571
Accrued vacation	439,020	-	439,020	391,552	-	391,552
Deferred rent	758,433	-	758,433	593,208	-	593,208
Deferred revenue	25,000	-	25,000	-	-	-
Grants payable	161,001	-	161,001	160,734	-	160,734
TOTAL LIABILITIES	2,398,926	-	2,398,926	2,069,273	-	2,069,273
COMMITMENTS AND CONTINGENCIES						
NET ASSETS						
Without Donor Restrictions						
Available for operations	8,686,070	-	8,686,070	8,369,484	184,210	8,553,694
Board designated	153,778	-	153,778	28,778	-	28,778
	8,839,848	-	8,839,848	8,398,262	184,210	8,582,472
With Donor Restrictions	5,982,802	-	5,982,802	6,970,266	-	6,970,266
TOTAL NET ASSETS	14,822,650	-	14,822,650	15,368,528	184,210	15,552,738
TOTAL LIABILITIES AND NET ASSETS	\$ 17,221,576	\$ -	\$ 17,221,576	\$ 17,437,801	\$ 184,210	\$ 17,622,011

See independent auditors' report.

**SANCTUARY FOR FAMILIES, INC. AND AFFILIATE
CONSOLIDATING STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2019**

	Sanctuary for Families, Inc.			Housing Development Fund Corporation	Consolidated Total 2019
	Without Donor Restrictions	With Donor Restrictions	Total		
OPERATING REVENUE AND SUPPORT:					
Government contracts	\$ 15,814,907	\$ -	\$ 15,814,907	\$ -	\$ 15,814,907
Contributions	2,009,840	3,338,991	5,348,831	-	5,348,831
Special events (net of direct expenses of \$246,920)	2,363,871	-	2,363,871	-	2,363,871
Pro bono legal services	38,806,936	-	38,806,936	-	38,806,936
Donated goods	93,540	-	93,540	-	93,540
Investment income	35,247	-	35,247	-	35,247
Other revenues	143,631	-	143,631	-	143,631
Net assets released from restrictions	<u>4,326,455</u>	<u>(4,326,455)</u>	<u>-</u>	<u>-</u>	<u>-</u>
TOTAL OPERATING REVENUE AND SUPPORT	<u>63,594,427</u>	<u>(987,464)</u>	<u>62,606,963</u>	<u>-</u>	<u>62,606,963</u>
OPERATING EXPENSES:					
Program Services:					
Sarah Burke House - transitional shelter	2,975,484	-	2,975,484	184,210	3,159,694
Clinical services	5,866,524	-	5,866,524	-	5,866,524
Legal services	47,595,298	-	47,595,298	-	47,595,298
Economic empowerment program	<u>2,262,866</u>	<u>-</u>	<u>2,262,866</u>	<u>-</u>	<u>2,262,866</u>
Total Program Services	<u>58,700,172</u>	<u>-</u>	<u>58,700,172</u>	<u>184,210</u>	<u>58,884,382</u>
Supporting Services:					
Management and general	2,534,085	-	2,534,085	-	2,534,085
Fundraising	<u>1,918,584</u>	<u>-</u>	<u>1,918,584</u>	<u>-</u>	<u>1,918,584</u>
Total Supporting Services	<u>4,452,669</u>	<u>-</u>	<u>4,452,669</u>	<u>-</u>	<u>4,452,669</u>
TOTAL OPERATING EXPENSES	<u>63,152,841</u>	<u>-</u>	<u>63,152,841</u>	<u>184,210</u>	<u>63,337,051</u>
CHANGE IN TOTAL NET ASSETS	441,586	(987,464)	(545,878)	(184,210)	(730,088)
Net Assets - Beginning of Year	<u>8,398,262</u>	<u>6,970,266</u>	<u>15,368,528</u>	<u>184,210</u>	<u>15,552,738</u>
NET ASSETS - END OF YEAR	<u>\$ 8,839,848</u>	<u>\$ 5,982,802</u>	<u>\$ 14,822,650</u>	<u>\$ -</u>	<u>\$ 14,822,650</u>

See independent auditors' report.

**SANCTUARY FOR FAMILIES, INC. AND AFFILIATE
CONSOLIDATING STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2018**

	Sanctuary for Families, Inc.			Housing	Consolidated Total 2018
	Without Donor Restrictions	With Donor Restrictions	Total	Development Fund Corporation	
OPERATING REVENUE AND SUPPORT:					
Government contracts	\$ 14,671,708	\$ -	\$ 14,671,708	\$ -	\$ 14,671,708
Contributions	3,245,337	7,809,000	11,054,337	-	11,054,337
Special events (net of direct expenses of \$269,568)	2,052,392	-	2,052,392	-	2,052,392
Pro bono legal services	38,134,410	-	38,134,410	-	38,134,410
Donated goods	125,082	-	125,082	-	125,082
Investment income	16,467	-	16,467	-	16,467
Other revenues	115,088	-	115,088	-	115,088
Net assets released from restrictions	3,663,125	(3,663,125)	-	-	-
TOTAL OPERATING REVENUE AND SUPPORT	62,023,609	4,145,875	66,169,484	-	66,169,484
OPERATING EXPENSES:					
Program Services:					
Sarah Burke House - transitional shelter	2,991,630	-	2,991,630	184,210	3,175,840
Clinical services	5,925,885	-	5,925,885	-	5,925,885
Legal services	46,231,274	-	46,231,274	-	46,231,274
Economic empowerment program	1,815,662	-	1,815,662	-	1,815,662
Total Program Services	56,964,451	-	56,964,451	184,210	57,148,661
Supporting Services:					
Management and general	2,117,935	-	2,117,935	-	2,117,935
Fundraising	1,969,230	-	1,969,230	-	1,969,230
Total Supporting Services	4,087,165	-	4,087,165	-	4,087,165
TOTAL OPERATING EXPENSES	61,051,616	-	61,051,616	184,210	61,235,826
CHANGE IN TOTAL NET ASSETS	971,993	4,145,875	5,117,868	(184,210)	4,933,658
Net Assets - Beginning of Year	7,426,269	2,824,391	10,250,660	368,420	10,619,080
NET ASSETS - END OF YEAR	\$ 8,398,262	\$ 6,970,266	\$ 15,368,528	\$ 184,210	\$ 15,552,738

See independent auditors' report.