MitchellWiggins

CERTIFIED PUBLIC ACCOUNTANTS

# Safe Harbor

## Financial Statements

June 30, 2017

# *Safe Harbor*

## *Board of Directors*

# *Safe Harbor*

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## *Independent Auditor's Report*

Board of Directors
Safe Harbor
Richmond, Virginia

### *Report on the Financial Statements*

We have audited the accompanying financial statements of Safe Harbor (the Organization), which comprise the statement of financial position as of June 30, 2017, the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

### *Management's Responsibility for the Financial Statements*

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

### *Auditor's Responsibility*

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

***Opinion***

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Safe Harbor as of June 30, 2017, and the changes in its net assets and its cash flows for the year then ended, in accordance with accounting principles generally accepted in the United States of America.

***Other Matter***

The financial statements of the Organization, as of and for the year ended June 30, 2016, were audited by other auditors, whose report, dated May 9, 2017, expressed an unmodified opinion on those statements.

Mitchell Wiggins

Petersburg, Virginia
January 4, 2018

*Safe Harbor*

***Statement of Financial Position***
***June 30, 2017***

| | |
|---|---|
| **Assets** | |
| Cash and cash equivalents | **$ 256,947** |
| Contributions and grants receivable | **60,183** |
| Investments | **1,032,595** |
| Prepaid expenses | **4,294** |
| Property and equipment, net | **53,164** |
| Other assets | **3,162** |
| **Total assets** | **1,410,345** |
| | |
| **Liabilities** | |
| Accounts payable | **$ 15,384** |
| Accrued expenses | **61,800** |
| Accrued payroll taxes and deductions | **7,935** |
| Deferred revenue | **11,982** |
| **Total liabilities** | **97,101** |
| | |
| **Net Assets** | |
| Unrestricted | |
| Undesignated | **485,417** |
| Board designated | **797,827** |
| Temporarily restricted | **30,000** |
| **Total net assets** | **1,313,244** |
| | |
| **Total liabilities and net assets** | **$ 1,410,345** |

*See Notes to Financial Statements*

*Safe Harbor*

***Statement of Activities***
***Year Ended June 30, 2017***

| | Unrestricted | Temporarily Restricted | Total |
|---|---|---|---|
| **Revenues and Other Support** | | | |
| Direct public support | $ 349,227 | $ 30,000 | $ 379,227 |
| Contract revenue from government agencies | 911,734 | - | 911,734 |
| In-kind support | 89,470 | - | 89,470 |
| Investment return | 112,101 | - | 112,101 |
| Program service fees | 10,312 | - | 10,312 |
| Special events, net of expenses $8,372 | 33,172 | - | 33,172 |
| **Total revenues and other support** | 1,506,016 | 30,000 | 1,536,016 |
| **Expenses** | | | |
| **Program Services** | | | |
| Court | 86,165 | - | 86,165 |
| Counseling | 340,922 | - | 340,922 |
| Education & outreach | 148,946 | - | 148,946 |
| Shelter | 579,080 | - | 579,080 |
| **Total program services** | 1,155,113 | - | 1,155,113 |
| **Supporting Services** | | | |
| Fundraising | 76,550 | - | 76,550 |
| Management & general | 128,801 | - | 128,801 |
| **Total supporting services** | 205,351 | - | 205,351 |
| **Total expenses** | 1,360,464 | - | 1,360,464 |
| **Changes in net assets** | 145,552 | 30,000 | 175,552 |
| Net assets, beginning | 1,137,692 | - | 1,137,692 |
| Net assets, ending | $ 1,283,244 | $ 30,000 | $ 1,313,244 |

*See Notes to Financial Statements*

*Safe Harbor*

***Statement of Functional Expenses***
***Year Ended June 30, 2017***

| | Program Services | | | | | Supporting Services | | | |
|---|---|---|---|---|---|---|---|---|---|
| | Court | Counseling | Education & Outreach | Shelter | Total Program Services | Fundraising | Management & General | Total Supporting Services | Total |
| Salaries | **$68,060** | **$227,027** | **$114,325** | **$297,472** | **$ 706,884** | **$ 54,292** | **$ 46,812** | **$101,104** | **$ 807,988** |
| Employee benefits | **6,869** | **15,895** | **6,951** | **29,943** | **59,658** | **1,187** | **6,734** | **7,921** | **67,579** |
| Other payroll costs | **1,162** | **3,876** | **1,952** | **5,153** | **12,143** | **937** | **1,321** | **2,258** | **14,401** |
| Payroll taxes | **5,025** | **16,945** | **8,603** | **22,259** | **52,832** | **4,115** | **3,537** | **7,652** | **60,484** |
| **Total salaries and benefits** | **81,116** | **263,743** | **131,831** | **354,827** | **831,517** | **60,531** | **58,404** | **118,935** | **950,452** |
| Bank and credit card fees | **-** | **-** | **-** | **-** | **-** | **1,535** | **987** | **2,522** | **2,522** |
| Depreciation | **631** | **2,160** | **1,036** | **3,376** | **7,203** | **478** | **461** | **939** | **8,142** |
| Donor cultivation | **-** | **-** | **-** | **-** | **-** | **754** | **-** | **754** | **754** |
| Dues and subscriptions | **21** | **71** | **34** | **192** | **318** | **141** | **15** | **156** | **474** |
| Equipment and maintenance | **457** | **3,381** | **498** | **796** | **5,132** | **949** | **10,901** | **11,850** | **16,982** |
| In-kind assistance - occupancy | **-** | **-** | **-** | **89,470** | **89,470** | **-** | **-** | **-** | **89,470** |
| Insurance | **653** | **2,233** | **1,071** | **2,903** | **6,860** | **494** | **3,266** | **3,760** | **10,620** |
| Investment fees | **-** | **-** | **-** | **-** | **-** | **-** | **5,978** | **5,978** | **5,978** |
| Occupancy | **534** | **36,016** | **6,745** | **44,525** | **87,820** | **4,452** | **10,177** | **14,629** | **102,449** |
| Postage | **59** | **203** | **98** | **371** | **731** | **630** | **43** | **673** | **1,404** |
| Printing and publication | **24** | **138** | **39** | **106** | **307** | **424** | **17** | **441** | **748** |
| Professional fees | **200** | **260** | **-** | **15,900** | **16,360** | **3,165** | **36,195** | **39,360** | **55,720** |
| Program | **392** | **13,155** | **4,084** | **51,564** | **69,195** | **-** | **-** | **-** | **69,195** |
| Public relations | **-** | **-** | **-** | **-** | **-** | **1,305** | **-** | **1,305** | **1,305** |
| Supplies | **407** | **2,443** | **689** | **2,826** | **6,365** | **205** | **145** | **350** | **6,715** |
| Telecommunications | **1,332** | **2,217** | **983** | **4,343** | **8,875** | **400** | **386** | **786** | **9,661** |
| Training and meetings | **-** | **7,829** | **927** | **3,843** | **12,599** | **1,087** | **923** | **2,010** | **14,609** |
| Travel | **339** | **7,073** | **911** | **4,038** | **12,361** | **-** | **903** | **903** | **13,264** |
| **Total other** | **5,049** | **77,179** | **17,115** | **224,253** | **323,596** | **16,019** | **70,397** | **86,416** | **410,012** |
| **Total functional expenses** | **$86,165** | **$340,922** | **$148,946** | **$579,080** | **$ 1,155,113** | **$ 76,550** | **$ 128,801** | **$205,351** | **1,360,464** |

*See Notes to Financial Statements*

*Safe Harbor*

***Statement of Cash Flows***
***June 30, 2017***

| | |
|---|---|
| **Cash Flow from Operating Activities** | |
| Change in net assets | **$ 175,552** |
| ***Adjustments to reconcile change in net assets to net cash provided by operating activities*** | |
| Depreciation | **8,142** |
| Net unrealized gain on investments | **(67,837)** |
| Net realized gain on sale of investments | **(27,485)** |
| ***Changes in operating assets*** | |
| Contributions and grants receivable | **(28,554)** |
| Prepaid expenses | **(1,376)** |
| Other assets | **604** |
| ***Changes in operating liabilities*** | |
| Accounts payable | **11,603** |
| Accrued expenses | **29,998** |
| Accrued payroll taxes and deductions | **3,727** |
| Deferred revenue | **11,982** |
| **Net cash provided by operating activities** | **116,356** |
| **Cash Flow from Investing Activities** | |
| Proceeds from sale of investments | **306,607** |
| Purchase of investments | **(241,753)** |
| Purchase of property and equipment | **(46,982)** |
| **Net cash provided by investing activities** | **17,872** |
| **Net change in cash and cash equivalents** | **134,228** |
| Cash and cash equivalents, beginning | **122,719** |
| Cash and cash equivalents, ending | **$ 256,947** |

*See Notes to Financial Statements*

## *Note 1. Summary of Significant Accounting Policies*

Safe Harbor (the Organization) is a Virginia non-profit corporation formed as a shelter service for domestic violence victims in the Richmond metropolitan area. The shelters are open to adults and children. Residents are offered a variety of services, including counseling, safety planning, parenting and individual and group counseling for adults and children. The Organization's mission is primarily funded through contributions and grants.

A summary of the Organization's significant accounting policies follows:

***Method of accounting***
The financial statements of the Organization have been prepared utilizing the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP).

***Basis of presentation***
The financial statement presentation follows the requirements of the Financial Accounting Standards Board in its Accounting Standards Codification Topic (ASC) 958 Not-for-Profit Entities. Under ASC 958, the Organization is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets and permanently restricted net assets.

***Unrestricted net assets***
Unrestricted net assets are those which are not restricted by donors and are available for unrestricted use unless specifically restricted by the donor. In general, the unrestricted net assets of the Organization may be used at the discretion of the Organization's management and Board of Directors to support the Organization's purpose and operations.

***Temporarily restricted net assets***
Temporarily restricted net assets are those which are subject to donor imposed stipulations that may or will be met, either by actions of the Organization and/or the passage of time. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions. When the restriction is met in the same period as the contribution is received, the contribution is recorded as unrestricted for financial statement purposes.

***Permanently restricted net assets***
Permanently restricted net assets are those which are subject to donor imposed stipulations that are maintained permanently by the Organization to use all or part of the income earned on any related investments for general or specific purposes. The Organization had no permanently restricted net assets as of June 30, 2017.

***Note 1. Summary of Significant Accounting Policies (Continued)***

***Cash and cash equivalents***
For purposes of the statements of cash flows, the Organization includes all cash accounts, which are not subject to withdrawal restrictions or penalties, and all highly liquid debt instruments purchased with a maturity of three months as cash and cash equivalents. As of June 30, 2017, the Organization had balances in excess of amounts insured by the Federal Deposit Insurance Corporation (FDIC).

***Contributions and grants receivable***
The Organization is routinely involved in programs that result in unsecured receivables, similar to those associated with commercial businesses. Uncollectible receivables resulting from this type of transaction are charged to expense in the year an account is determined to be uncollectible. Grants and pledges receivable normally represent funds that the Organization will receive during the next fiscal year. Pledges and grants receivable due in subsequent years are recorded at the present value of their net realizable value, using risk-free interest rates applicable to the years in which the grants and pledges are received to discount the amounts. No allowance for uncollectible accounts has been provided because management has evaluated the receivables and believes they are fully collectible.

***Property and equipment***
Property and equipment are stated at cost, or fair market value at the date of donation. Property and equipment costing $2,500 or more and that benefits a future period is capitalized. Depreciation is computed when assets are placed in service using the straight-line method over the estimated useful lives of the assets ranging from 5-7 years.

***Investments***
Investments in brokered certificates of deposit, certificates of deposit, equity common stocks, money market funds and mutual funds with readily determinable fair values are valued at their fair values in the statements of financial position. Unrealized gains and losses are included in the change in net assets.

Investments maintained in brokered certificates of deposit, equity common stocks, and mutual funds are subject to market fluctuations and are at risk to loss of principal.

***Use of estimates***
The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

### *Note 1. Summary of Significant Accounting Policies (Continued)*

***Revenue recognition***
Contributions which include unconditional promises to give are recognized as revenues in the period received or promised. Conditional contributions are recorded when the conditions have been substantially met. Contributions are considered to be unrestricted unless specifically restricted by the donor. Program support grants are recognized as revenue at the time of the award if they are unconditional.

The Organization reports grants and contributions in the temporarily restricted net asset class if they are received with donor stipulations as to their use. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, temporarily restricted net assets are released and reclassified to unrestricted net assets in the statement of activities. However, if restrictions on grants and contributions are met in the same reporting period as the grant or contribution is received, the revenues are reported as increases in unrestricted net assets.

Revenues from exchange contracts and cost reimbursement grants are recognized to the extent allowable expenses are incurred under the respective agreements. Amounts reported as accounts and grants receivable include exchange contract and grant program expenses incurred in advance of the receipt of funds, as well as amounts billed for subscriber fees and program support grants that have been awarded but not received. Funds received in advance of exchange contract and grant program expenses are reported as deferred revenue.

***Income taxes***
The Organization is exempt from Federal income taxes as an organization other than a private foundation under Section 501(c)(3) of the Internal Revenue Code. However, income from certain activities not directly related to the Organization's tax-exempt purpose may be subject to taxation as unrelated business income. The Organization had no unrelated business income during the year ended June 30, 2017. In addition, the Organization qualifies for the charitable contribution deduction under Section 170(b)(1)(A)(vi) and has been classified as an organization other than a private foundation under Section 509(a)(1).

The Organization follows generally accepted accounting principles regarding "Accounting for Uncertain Tax Positions". This standard provides detailed guidance for financial statement recognition, measurement, and disclosure of uncertain tax positions recognized in the Organization's financial statements. It requires an entity to recognize the financial statement impact of a tax position when it is more likely than not that the position will not be sustained upon examination. The Organization has determined that it does not have any material unrecognized tax benefits or obligations at June 30, 2017. The tax years of 2014 to 2016 remain subject to examination by the taxing authorities.

## *Note 1. Summary of Significant Accounting Policies (Continued)*

The Organization includes penalties and interest assessed by income taxing authorities in operating expenses. The Organization did not have penalties and interest expenses for the year ended June 30, 2017.

### *In-kind contributions/expenses*

Donated goods and services are recorded at fair market value at the date of the donation. Donated services are recognized in the financial statements at their fair value if the following criteria are met:

- The services require specialized skills and are provided by individuals possessing those skills, and the services would typically need to be purchased if not donated; or
- The services enhance or create an asset.

Although the Organization utilizes the services of many outside volunteers, the fair value of these services is not recognized in the accompanying financial statements since they do not meet the criteria for recognition under generally accepted accounting principles.

### *Functional expenses*

The costs of providing the various programs and other activities have been summarized on a functional basis in the statement of activities. Accordingly, certain costs have been allocated among the program and supporting services benefited.

The financial statements report certain categories of expenses that are attributable to one or more programs or supporting functions of the Organization. These expenses include salaries, occupancy, and other costs that are shared between functions. Salaries are allocated based on estimates of time and effort. Occupancy and other costs are allocated based on usage. The statements of functional expenses show the costs based on these allocations.

### *Reclassifications*

Certain accounts relating to the prior year have been reclassified to conform to the current year's presentation.

## *Note 2. Property and Equipment*

Property and equipment at cost, less accumulated depreciation, as of June 30, 2017 on the statement of financial position include the following major classifications:

| | |
|---|---|
| Leasehold improvements | **$ 3,600** |
| Furniture and fixtures | **74,265** |
| | **77,865** |
| Less: accumulated depreciation | **(24,701)** |
| | **$53,164** |

### *Note 3. Related Parties*

For the year ended June 30, 2017, the Organization received $80,000 from Bon Secours Richmond Health System, which is included in public support and revenue as part of grants and others. In addition, Bon Secours Richmond Health System provided shelter facilities to the Organization on a pro bono basis, which is valued at approximately $35,470 for the year ended June 30, 2017. These funds are included in public support and revenue as part of in-kind contributions. The use of shelter facilities is governed by a Co-Operative Agreement dated March 9, 2000 and renewed annually.

### *Note 4. Investments*

Investments at June 30, 2017 consist of the following:

| | Cost | Fair Value | Unrealized Appreciation (Depreciation) |
|---|---|---|---|
| Brokered Certificates of Deposit | **$ 100,000** | **$ 99,713** | **$ (287)** |
| Cash - Money Market | **117,218** | **117,218** | **-** |
| Certificates of Deposit | **100,276** | **100,276** | **-** |
| Equities | **444,076** | **585,098** | **141,022** |
| Mutual Funds | **106,767** | **130,290** | **23,523** |
| | **$ 868,337** | **$ 1,032,595** | **$ 164,258** |

The following schedule summarizes the investment return and its classification in the statements of activities for the year ended:

| | Unrestricted | Temporarily Restricted | Total |
|---|---|---|---|
| Dividend income | **$ 15,322** | **$ -** | **$ 15,322** |
| Interest income | **1,457** | **-** | **1,457** |
| Net realized gains | **27,485** | **-** | **27,485** |
| Net unrealized gains | **67,837** | **-** | **67,837** |
| Total investment return | **$ 112,101** | **$ -** | **$ 112,101** |

### *Note 5. Fair Value Measurements*

U.S. GAAP has established a framework to measure fair value and defined the required disclosures about fair value measurements. Fair value is defined as the price 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. The guidance also established a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy are as follows:

Level 1 – Quoted prices are available in active markets for identical investments as of the reporting date.

Level 2 – Pricing inputs, including broker quotes, are generally those other than exchange quoted prices in active markets, which are either directly or indirectly observable as of the reporting date, and fair value is determined through the use of models or other valuation methodologies.

Level 3 – Pricing inputs are unobservable for the investment and include situations where there is little, if any, market activity for the investment. The inputs into the determination of fair value require significant management judgment or estimation.

### *Note 5. Fair Value Measurements (Continued)*

The classification of investments by level within the valuation hierarchy as of June 30, 2017 is as follows:

| | June 30, 2017 | Level 1 | Level 2 | Level 3 |
|---|---|---|---|---|
| **Assets** | | | | |
| Brokered Certficates of Deposit | $ 99,713 | $ - | $ 99,713 | $ - |
| Cash - Money Market | 117,218 | 117,218 | - | - |
| Certificates of Deposit | 100,276 | - | 100,276 | - |
| Equities | | | | |
| Automotive | 19,652 | 19,652 | - | - |
| Consumer goods | 33,217 | 33,217 | - | - |
| Consumer services | 81,689 | 81,689 | - | - |
| Energy | 22,918 | 22,918 | - | - |
| Financials | 79,800 | 79,800 | - | - |
| Health Care | 120,435 | 120,435 | - | - |
| Leisure | 15,202 | 15,202 | - | - |
| Media entertainment | 33,478 | 33,478 | - | - |
| Real estate | 43,652 | 43,652 | - | - |
| Retail | 21,468 | 21,468 | - | - |
| Technology | 89,653 | 89,653 | - | - |
| Telecommunications | 11,880 | 11,880 | - | - |
| Transportation | 12,054 | 12,054 | - | - |
| Total Equities | 585,098 | 585,098 | - | - |
| Mutual Funds | | | | |
| Aggressive | 11,386 | 11,386 | - | - |
| Fixed income - short | 24,701 | 24,701 | - | - |
| Growth | 13,772 | 13,772 | - | - |
| Growth & Income | 80,431 | 80,431 | - | - |
| | 130,290 | 130,290 | - | - |
| | $ 1,032,595 | $ 832,606 | $ 199,989 | $ - |

### *Note 6. Temporarily Restricted Net Assets*

Temporarily restricted net assets are available for the following purposes or periods as of June 30, 2017:

| | |
|---|---|
| Counseling and Shelter | **$ 30,000** |

### *Note 7. Employee Retirement Plan*

The Organization provides individual SIMPLE-IRA retirement accounts for eligible employees and contributes to them on a discretionary basis as a percentage of the employee's salary. The Organization contributed $13,807 for the year ended June 30, 2017.

### *Note 8. Leases*

The Organization leases its office space under a long-term lease, dated March 2016 through October 2024. Total rental expense for all operating leases for the year ended June 30, 2017 totaled $74,414 and is included in occupancy expenses. Total outstanding commitments related to the office lease for the subsequent fiscal years are as follows:

| | |
|---|---|
| 2018 | $ 53,138 |
| 2019 | 54,467 |
| 2020 | 55,828 |
| 2021 | 57,224 |
| 2022 | 58,655 |
| Thereafter | 142,626 |
| Total | $421,938 |

The Organization also leases space for use as a shelter. The lease dated January 2000 is for a term of twelve months, for an annual payment of $1. The lease may be renewed annually under the same conditions and may be terminated by either party given three months' notice. The in-kind value of the lease is reflected in the Statement of Activities for a value of $24,000 for the year ended June 30, 2017. In addition to the lease, the Organization received in-kind occupancy expenses for a value of $17,100 for the year ended June 30, 2017.

A second shelter was leased beginning in January 2013 for a term of one year and for an annual payment of $1. The lease was renewed on October 1, 2016 for a term of two years with monthly rent of $1,750. The in-kind value of the lease is reflected in the Statement of Activities for a value of $6,000 for the year ended June 30, 2017 for the lease that ended on September 30, 2016. Total rental expense for the lease that was renewed on October 1, 2016 was $15,750 for the year ended June 30, 2017. The total outstanding commitment related to this lease is $5,250 through September 30, 2018.

### *Note 8. Leases (Continued)*

A third shelter was leased beginning in January 2015 for a term of one year and for an annual payment of $1. The lease may be renewed annually under the same conditions and may be terminated by either party given thirty days' written notice. The in-kind value of the lease is reflected in the Statement of Activities for a value of $24,000 for the year ended June 30, 2017.

In addition, the in-kind value of supplies and materials used at the shelters that is reflected in the Statement of Activities was $18,370 for the year ended June 30, 2017.

### *Note 9. Concentrations of Risk*

For the year ended June 30, 2017, approximately 58% of total revenues and other support came from two funding sources. A significant reduction in the level of this support, if this were to occur, may have a significant effect on the Organization's programs and activities.

For the year ended June 30, 2017, approximately 98% of contributions and grants receivables, or $59,000 respectively, represent amounts due from two funding sources.

### *Note 10. Board Designated – Endowment*

During 2012, the Board designated a gift received in the amount of $500,000 as an endowment. The primary objective of the endowment is to invest for the long-term growth of capital through capital appreciation and investment earnings. The Board does not anticipate that there will be a need to withdraw funds in the next five years. As of June 30, 2017, the endowment fund was invested within a portfolio of equities, mutual funds, and other types of investments in accordance with the investment policy. As of June 30, 2017, the total balance within the endowment fund amounted to $797,827, which included investment income, net of investment expenses of $9,184 and net appreciation realized and unrealized of $95,694 reflected in the Statements of Activities as investment income for the year ended June 30, 2017. The endowment is included within unrestricted net assets.

### *Note 11. Subsequent Events*

Management has evaluated subsequent events through January 4, 2018, the date which the financial statements were available to be issued.