

SAFE PASSAGE PROJECT CORPORATION

**FINANCIAL STATEMENTS
AND
ACCOUNTANTS' REPORT**

DECEMBER 31, 2015

SAFE PASSAGE PROJECT CORPORATION

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INDEPENDENT ACCOUNTANTS' REVIEW REPORT

To: The Board of Directors of
Safe Passage Project Corporation

We have reviewed the accompanying financial statements of Safe Passage Project Corporation (a nonprofit organization), which comprise the statement of financial position as of December 31, 2015, and the related statements of activities, cash flows, and functional expenses for the year then ended, and the related notes to the financial statements. A review includes primarily applying analytical procedures to management's financial data and making inquiries of management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, we do not express such an opinion.

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.

Accountant's Responsibility

Our responsibility is to conduct the review engagements in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. Those standards require us to perform procedures to obtain limited assurance as a basis for reporting whether we are aware of any material modifications that should be made to the financial statements for them to be in accordance with accounting principles generally accepted in the United States of America. We believe that the results of our procedures provide a reasonable basis for our conclusion.

Accountant's Conclusion

Based on our review, we are not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in accordance with accounting principles generally accepted in the United States of America.

Skody Scot & Company, CPAs, PC

New York, NY
May 12, 2016

SAFE PASSAGE PROJECT CORPORATION
STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2015

ASSETS

Cash	\$ 85,619
Contributions receivable	14,605
Investments	<u>103,724</u>
Total assets	<u><u>\$ 203,948</u></u>

LIABILITIES AND NET ASSETS

Liabilities:	
Accounts payable and accrued expenses	\$ 3,999
Deferred income	<u>58,692</u>
Total liabilities	62,691
Commitments and contingencies (see notes)	
Net Assets:	
Unrestricted	141,257
Temporarily restricted	-
Permanently restricted	-
Total net assets	<u>141,257</u>
Total liabilities and net assets	<u><u>\$ 203,948</u></u>

**See independent accountants' review report
and accompanying notes.**

**SAFE PASSAGE PROJECT CORPORATION
STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2015**

Support and Revenues:	
Unrestricted:	
Contributions	\$ 457,653
Contributions in-kind	107,000
Investment return	(7,836)
Total support and revenues	<u>556,817</u>
Expenses:	
Program Expenses:	
Immigration assistance	531,669
Total program expenses	<u>531,669</u>
Management and general	73,575
Fundraising	22,517
Total expenses	<u>627,761</u>
Increase In Net Assets:	
Unrestricted	(70,944)
Temporarily restricted	-
Permanently restricted	-
Increase in net assets	<u>(70,944)</u>
Net assets, beginning of year - restated	<u>212,201</u>
Net assets, end of year	<u><u>\$ 141,257</u></u>

**See independent accountants' review report
and accompanying notes.**

**SAFE PASSAGE PROJECT CORPORATION
STATEMENTS OF CASH FLOWS
YEAR ENDED DECEMBER 31, 2015**

Cash flows from operating activities:	
Increase/(decrease) in net assets	\$ (70,944)
Adjustments for non-cash items included in operating activities:	
(Gains)/losses on sales of investments	9,923
Donation of investments	(60,820)
Changes in assets and liabilities:	
Accounts payable and accrued expenses	3,999
Deferred income	58,692
Contributions receivable	(14,605)
Net cash provided by operating activities	<u>(73,755)</u>
Cash flows from investing activities:	
Sale of investments	<u>48,088</u>
Net cash provided/(used) by investing activities	<u>48,088</u>
Cash flows from financing activities	
	<u>-</u>
Net increase/(decrease) in cash	(25,667)
Cash, at beginning of year	<u>111,286</u>
Cash, at end of year	<u>\$ 85,619</u>

**See independent accountants' review report
and accompanying notes.**

**SAFE PASSAGE PROJECT CORPORATION
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED DECEMBER 31, 2015**

	Program Expenses	Supporting Services		Total Expenses
	Immigration Assistance	Management & General	Fundraising	
Staff salaries	\$ 390,668	\$ 45,000	\$ 18,807	\$ 454,475
Payroll taxes	38,523	4,532	2,266	45,321
Client welfare expenses	606	-	-	606
Consultants & contractors	22,796	-	-	22,796
Contributions & scholarships	1,500	-	-	1,500
Cost of living allowances	34,044	-	-	34,044
Insurance	-	5,392	-	5,392
Office supplies & expenses	897	10,016	1,444	12,357
Professional fees	-	4,000	-	4,000
Rent	40,000	2,000	-	42,000
Travel and meetings	2,635	2,635	-	5,270
Total expenses	<u>\$ 531,669</u>	<u>\$ 73,575</u>	<u>\$ 22,517</u>	<u>\$ 627,761</u>

**See independent accountants' review report
and accompanying notes.**

SAFE PASSAGE PROJECT CORPORATION NOTES TO FINANCIAL STATEMENTS

Note 1 - Summary of Significant Accounting Policies

The Organization

Safe Passage Project Corporation (Organization), a not-for-profit organization, was incorporated in the State of New York on May 13, 2013. The Organization is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code. Accordingly, no provision for federal, state or local income taxes has been recorded. The Organization does not believe its financial statements contain any uncertain tax positions. The Organization primarily receives its support from contributions.

The Organization's mission is to address unmet needs of immigrant youth living in the State of New York. The Organization seeks to accomplish this mission by providing its Immigration Assistance program. The Immigration Assistance program provides assistance, in the form of education, training, mentoring, to immigrant youth, their families, and caretakers. The program also advises individuals and representatives about the types of legal rights available to them.

Basis of Accounting

The financial statements of the Organization have been prepared on the accrual basis of accounting and accordingly reflect all significant receivables, payables, and other liabilities.

Basis of Presentation

In accordance with GAAP 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. In addition, the Organization is required to present a statement of cash flows.

Use of Estimates

Management uses estimates and assumptions in preparing financial statements. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported revenues and expenses. Actual results could differ from those estimates.

Expense Allocation

The costs of providing various programs and other activities have been summarized on a functional basis in the statements of activities and functional expenses. Accordingly, certain costs have been allocated among the programs and supporting services benefited. The Organization allocates expenses based on estimated usage. The Organization classifies expenses, which are not directly related to a specific program, as Management and General expenses.

SAFE PASSAGE PROJECT CORPORATION
NOTES TO FINANCIAL STATEMENTS

Note 1 - Summary of Significant Accounting Policies (Continued)

Revenue Recognition

Contributions are considered available for the Organization's general programs unless specifically restricted by the donor. Amounts received that are designated for future periods or restricted by the donor are reported as temporarily or permanently restricted support and increases in the respective class of net assets. Contributions received with temporary restrictions that are met in the same reporting period are reported as unrestricted support and increase unrestricted net assets. Investment income and gains restricted by donors are reported as increases in unrestricted net assets if the restrictions are met (either a stipulated time period ends or a purpose restriction is accomplished) in the reporting period in which the income and gains are recognized. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets.

Investments

All marketable debt and equity securities and mutual funds are measured at fair value on a recurring basis and are reported at their fair values as of December 31, 2015 in the statement of financial position.

The Organization initially records investments it receives as donations at the fair value as of the dates the investments are donated to the Organization and thereafter carries such investments at current fair values.

Investment income (interest and dividends) is recognized as revenue in the period earned, and gains and losses (realized and unrealized) are recognized in the period they occur.

Cash Equivalents

For the purposes of the statement of financial position and the statement of cash flows, the Organization considers as cash equivalents money market funds and all highly liquid resources, such as investments in certificates of deposit, with an original maturity of three months or less. As of December 31, 2015, the Organization did not have any resources that were considered cash equivalents.

Receivables

Receivables that are expected to be collected within one year are recorded at their net realizable value. Receivables that are expected to be collected in future years are recorded at the present value of estimated future cash flows. All receivables are expected to be received within one year and as such have been stated at their net realizable value with no allowance for uncollectable receivables.

**SAFE PASSAGE PROJECT CORPORATION
NOTES TO FINANCIAL STATEMENTS**

Note 2 - Fair Value Measurement of Investments

The Financial Accounting Standards Board (FASB) requires enhanced disclosures about investments that are measured and reported at fair value. FASB establishes a hierarchal disclosure framework which prioritizes and ranks the level of market price observability used in measuring investments at fair value. Market price observability is impacted by a number of factors, including the type of investment and the characteristics specific to the investment. Investments with readily available active quoted prices, or for which fair value can be measured from actively quoted prices, generally will have a higher degree of market price observability and a lesser degree of judgment used in measuring fair value.

Investments measured and reported at fair value are classified and disclosed in one of the following categories:

Level 1: Investments falling within Level 1 of the fair value hierarchy are valued using inputs based upon quoted prices in active markets for identical investments. Investments that are typically included in Level 1 are listed equity securities, publicly traded mutual funds, and exchange traded funds.

Level 2: Investments falling within Level 2 of the fair value hierarchy are valued using significant observable inputs other than prices quoted in active markets. Examples of Level 2 inputs are model-driven prices, quoted prices for similar investments in active markets, and quoted prices for identical or similar investments in inactive markets. Investments that are typically included in Level 2 are municipal bonds, corporate bonds, and government debt securities.

Level 3: Investments falling within Level 3 of the fair value hierarchy are valued using methodology that is unobservable and significant to the fair value measurement. Level 3 inputs require significant management judgment or estimation. Investments that are typically included in this category are investments in limited partnerships, and investments in private companies or unregistered securities.

The investment's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

The following summarizes the valuation of the Organization's investments by the above fair value hierarchy levels as of December 31, 2015:

Level 1	\$ 103,724
Level 2	-
Level 3	-
Total	<u>\$ 103,724</u>

SAFE PASSAGE PROJECT CORPORATION
NOTES TO FINANCIAL STATEMENTS

Note 3 - Investments and Investment Income

Investments consisted of the following at December 31, 2015:

	<u>Cost</u>	<u>Fair Value</u>	<u>Unrealized Gain/(Loss)</u>
Equities	\$ 10,577	\$ 12,683	\$ 2,106
Mutual funds	<u>96,630</u>	<u>91,041</u>	<u>(5,589)</u>
Total investments	<u>\$ 107,207</u>	<u>\$ 103,724</u>	<u>\$ (3,483)</u>

The components of investment income for the year ended December 31, 2015 are as follows:

Interest and dividends	\$ 2,087
Net realized and unrealized gains/(losses)	<u>(9,923)</u>
Net investment income	<u>\$ (7,836)</u>

Note 4 – In-Kind Services

Contributions in-kind reported on the accompanying statement of activities for the year ended December 31, 2015, comprised of \$42,000 in free space from a law school and \$65,000 (1,300 hours) from an Executive Director (a law professor for immigration.)

Various individuals volunteered their time to perform a variety of tasks that assist the Organization. The majority of volunteers provide pro bono legal assistance to immigrants. An average case requires 30 hours of legal work to complete and 609 cases were completed during the year ended December 31, 2015. The value of the contributed time is not being disclosed due to a lack of an objective valuation.

Note 5 - Concentrations

The Organization maintains its checking and investment accounts with a financial institutions. No balances exceed the Federal Deposit Insurance Corporation and Securities Investor Protection Corporation insurance coverage at December 31, 2015.

Note 6 - Restatement

Due to an error in prior years, donated investments were not recorded when they were received. The error resulted in previously reported net assets and previously reported investments to be understated by \$100,915. As such, the beginning net assets was adjusted increase by \$100,915.

Note 7 - Subsequent Events

Subsequent events were evaluated for potential additional disclosures and corrections through May 12, 2016, which is the date the financial statements were available to be issued.