

**SARGENT SHRIVER NATIONAL
CENTER ON POVERTY LAW**

FINANCIAL STATEMENTS

For the Years Ended December 31, 2015 and 2014

**SARGENT SHRIVER NATIONAL
CENTER ON POVERTY LAW**

Annual Financial Report

Table of Contents

Independent Auditor's Report	1 - 2
Financial Statements	
Statements of Financial Position	3
Statements of Activities	4 - 5
Statements of Functional Expenses	6 - 7
Statements of Cash Flows	8 - 9
Notes to Financial Statements	10 - 25



Desmond & Ahern, Ltd.

CERTIFIED PUBLIC ACCOUNTANTS & CONSULTANTS

Independent Auditor's Report

To the Board of Directors
Sargent Shriver National Center on Poverty Law
Chicago, IL

We have audited the accompanying financial statements of the Sargent Shriver National Center on Poverty Law (a nonprofit organization), which comprise the statements of financial position as of December 31, 2015 and 2014, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. 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 of 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 Sargent Shriver National Center on Poverty Law as of December 31, 2015 and 2014, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Desmond & Ahern, Ltd

April 15, 2016
Chicago, IL

SARGENT SHRIVER NATIONAL CENTER ON POVERTY LAW
STATEMENTS OF FINANCIAL POSITION
As of December 31, 2015 and 2014

	<u>2015</u>	<u>2014</u>
<u>Assets</u>		
Current Assets		
Cash and cash equivalents	\$ 977,745	\$ 775,214
Investments		
Unrestricted	292,140	293,810
Donor restricted endowment fund, accumulated earnings (Note 14)	85,108	140,566
Grants receivable	2,601,000	662,975
Pledges receivable	109,950	105,000
Other receivables	57,248	46,367
Prepaid expenses	34,240	19,390
Inventory	12,800	4,000
Funds held on behalf of others	734	782
Total current assets	<u>4,170,965</u>	<u>2,048,104</u>
Net property and equipment (Note 6)	83,868	79,357
Pledges receivable, long-term, temporarily restricted	162,059	169,538
Grants receivable, long-term, temporarily restricted	1,617,051	-
Lease deposit	21,242	21,242
Intangible assets, net	24,534	40,008
Cash - permanently restricted	42,767	-
Pledges receivable - permanently restricted	22,919	-
Investments - permanently restricted	800,000	800,000
Total Assets	<u>\$ 6,945,405</u>	<u>\$ 3,158,249</u>
<u>Liabilities and Net Assets</u>		
Current Liabilities		
Accounts payable	\$ 107,273	\$ 367,986
Accrued compensation (Note 1)	120,592	163,936
Advances	782	-
Deferred rent	42,687	35,219
Deferred revenue (Note 7)	4,125	4,825
Funds held on behalf of others	734	782
Total current liabilities	<u>276,193</u>	<u>572,748</u>
Deferred rent, less current portion	27,461	70,148
Total liabilities	<u>303,654</u>	<u>642,896</u>
Net Assets		
Unrestricted	176,482	248,453
Temporarily restricted (Note 12)	5,599,583	1,466,900
Permanently restricted (Note 13)	865,686	800,000
Total net assets	<u>6,641,751</u>	<u>2,515,353</u>
Total Liabilities and Net Assets	<u>\$ 6,945,405</u>	<u>\$ 3,158,249</u>

See independent auditor's report and notes to financial statements.

SARGENT SHRIVER NATIONAL CENTER ON POVERTY LAW
STATEMENT OF ACTIVITIES
For the Year Ended December 31, 2015

	Unrestricted	Temporarily Restricted	Permanently Restricted	2015 Total
<u>Public Support and Revenue</u>				
Contributions - foundation and corporate	\$ 245,800	\$ 7,151,551	\$ -	\$ 7,397,351
Contributions - individuals	242,402	153,493	50,928	446,823
Fellowship contributions	-	5,000	-	5,000
Special events	388,959	-	-	388,959
Cy Pres awards	26,773	-	-	26,773
Service contracts	105,060	-	-	105,060
Earned training revenue	214,569	-	-	214,569
Earned royalties revenue	4,532	-	-	4,532
In-kind donations	66,656	-	-	66,656
Donated services	10,260	-	-	10,260
Attorney and court fees	2,350	-	-	2,350
Investment loss - net	(1,257)	(27,997)	-	(29,254)
Net assets released from restrictions -				
Satisfaction of program restrictions	3,079,606	(3,079,606)	-	-
Satisfaction of time restrictions	55,000	(55,000)	-	-
Total Public Support and Revenue	4,440,710	4,147,441	50,928	8,639,079
<u>Expenses</u>				
Program Services				
Advocacy	2,986,139	-	-	2,986,139
Advocate resources and training	420,253	-	-	420,253
Total program services	<u>3,406,392</u>	<u>-</u>	<u>-</u>	<u>3,406,392</u>
Costs of direct benefits to donors (Note 9)	<u>129,408</u>	<u>-</u>	<u>-</u>	<u>129,408</u>
Supporting Services				
Management and General	410,594	-	-	410,594
Fundraising	566,287	-	-	566,287
Total supporting services	<u>976,881</u>	<u>-</u>	<u>-</u>	<u>976,881</u>
Total Expenses	4,512,681	-	-	4,512,681
Change in net assets	(71,971)	4,147,441	50,928	4,126,398
Net assets, beginning of year	248,453	1,466,900	800,000	2,515,353
Reclassification (Note 1)		(14,758)	14,758	-
Net assets, beginning of year, restated	248,453	1,452,142	814,758	2,515,353
Net assets, end of year	\$ 176,482	\$ 5,599,583	\$ 865,686	\$ 6,641,751

See independent auditor's report and notes to financial statements.

SARGENT SHRIVER NATIONAL CENTER ON POVERTY LAW
STATEMENT OF ACTIVITIES
For the Year Ended December 31, 2014

	Unrestricted	Temporarily Restricted	Permanently Restricted	2014 Total
<u>Public Support and Revenue</u>				
Contributions - foundation and corporate	\$ 365,000	\$ 2,496,994	\$ -	\$ 2,861,994
Contributions - individuals	310,732	110,000	-	420,732
Fellowship contributions	-	50,000	-	50,000
Special events	278,097	-	-	278,097
Cy Pres awards	17,960	-	-	17,960
Service contracts	170,149	-	-	170,149
Earned training revenue	259,924	-	-	259,924
Earned subscription revenue	117,871	-	-	117,871
In-kind donations	76,800	-	-	76,800
Attorney and court fees	12,000	-	-	12,000
Investment income - net	19,410	38,313	-	57,723
Net assets released from restrictions -				
Satisfaction of program restrictions	2,276,700	(2,276,700)	-	-
Satisfaction of time restrictions	847,936	(847,936)	-	-
Total Public Support and Revenue	4,752,579	(429,329)	-	4,323,250
<u>Expenses</u>				
Program Services				
Advocacy	2,454,881	-	-	2,454,881
Communication	481,970	-	-	481,970
Advocate resources and training	689,241	-	-	689,241
Total program services	3,626,092	-	-	3,626,092
Costs of direct benefits to donors (Note 9)	69,674	-	-	69,674
Supporting Services				
Management and General	485,331	-	-	485,331
Fundraising	602,534	-	-	602,534
Total supporting services	1,087,865	-	-	1,087,865
Total expenses	4,783,631	-	-	4,783,631
Change in net assets	(31,052)	(429,329)	-	(460,381)
Net assets, beginning of year	279,505	1,896,229	800,000	2,975,734
Net assets, end of year	\$ 248,453	\$ 1,466,900	\$ 800,000	\$ 2,515,353

See independent auditor's report and notes to financial statements.

SARGENT SHRIVER NATIONAL CENTER ON POVERTY LAW
STATEMENT OF FUNCTIONAL EXPENSES
For the Year Ended December 31, 2015

	Program Services		Note 9 Costs of Direct Benefits to Donors	Supporting Services		2015 Total
	Advocacy	Advocate Resources and Training		Management and General	Fundraising	
Functional Expenses						
Salaries	\$ 1,501,545	\$ 149,041	\$ -	\$ 238,639	\$ 313,963	\$ 2,203,188
Fellowships	43,500	-	-	-	-	43,500
Health, disability and life insurance	258,892	25,395	-	38,463	52,943	375,693
Payroll taxes	127,491	12,723	-	19,270	26,525	186,009
Retirement plan contributions	36,698	3,662	-	5,547	7,635	53,542
Total personnel expenses	1,968,126	190,821	-	301,919	401,066	2,861,932
Client costs	3,862	-	-	-	-	3,862
Delivery of training events	4,785	119,481	-	-	996	125,262
Contracted services	-	-	-	11,925	-	11,925
Consultants	209,919	-	-	-	14,971	224,890
Sub-grantees	188,225	-	-	-	-	188,225
VISTA program	77,165	1,225	-	1,225	1,225	80,840
Auditing	-	-	-	21,535	-	21,535
Payroll and benefits administration	15	-	-	17,625	15	17,655
Technology	47,116	7,471	-	1,544	3,773	59,904
Occupancy	214,688	30,668	-	29,840	39,302	314,498
Liability insurance	20,515	2,136	-	2,356	4,100	29,107
Telephone and communications	13,160	8,878	-	1,511	2,630	26,179
Staff travel	60,126	36,521	-	933	17,470	115,050
Equipment and network maintenance	7,359	2,876	-	844	1,471	12,550
Supplies	8,908	958	-	653	6,512	17,031
Postage	2,929	357	-	210	2,616	6,112
Printing and copying	3,081	2,289	-	40	2,905	8,315
Conference and fees	27,699	3,751	-	479	1,513	33,442
Convenings	23,761	-	-	-	-	23,761
Meetings and special events	10,667	2,429	129,408	242	45,275	188,021
Coalition expense	5,113	40	-	45	77	5,275
Board costs	-	-	-	10,832	-	10,832
Dues and fees	15,165	1,659	-	220	1,422	18,466
Subscriptions and fees	40,027	3,253	-	66	7,393	50,739
Bank charges and interest	2,566	2,195	-	279	5,327	10,367
Depreciation and amortization	31,162	3,245	-	6,271	6,228	46,906
Total Expenses	\$ 2,986,139	\$ 420,253	\$ 129,408	\$ 410,594	\$ 566,287	\$ 4,512,681

See independent auditor's report and notes to financial statements.

SARGENT SHRIVER NATIONAL CENTER ON POVERTY LAW
STATEMENT OF FUNCTIONAL EXPENSES
For the Year Ended December 31, 2014

	Program Services			Note 9	Supporting Services		2014 Total
	Advocacy	Communication	Training	Costs of Direct Benefits to Donors	Management and General	Fundraising	
Functional Expenses							
Salaries	\$ 1,096,770	\$ 305,060	\$ 330,182	\$ -	\$ 212,505	\$ 348,359	\$ 2,292,876
Fellowships	95,743	-	-	-	-	-	95,743
Health, disability and life insurance	194,148	54,001	58,448	-	37,617	61,645	405,859
Payroll taxes	94,406	26,259	28,421	-	18,291	29,986	197,363
Retirement plan contributions	26,663	7,416	8,027	-	5,165	8,469	55,740
Total personnel expenses	1,507,730	392,736	425,078	-	273,578	448,459	3,047,581
Client costs	2,793	-	-	-	-	-	2,793
Delivery of training events	7,313	-	92,461	-	801	2,400	102,975
Contracted services	-	-	-	-	76,905	-	76,905
Consultants	114,959	15,763	50,953	-	86	8,021	189,782
Sub-grantees	365,401	-	-	-	-	-	365,401
VISTA program	41,563	1,200	8,351	-	-	1,600	52,714
Auditing	-	-	-	-	24,512	-	24,512
Payroll and benefits administration	320	-	190	-	17,846	80	18,436
Technology	23,513	1,892	13,446	-	636	2,186	41,673
Occupancy	148,931	34,856	34,856	-	60,206	38,025	316,874
Liability insurance	16,352	3,889	4,082	-	2,700	4,227	31,250
Telephone and communications	12,197	3,734	10,766	-	1,950	3,054	31,701
Staff travel	71,114	7,685	11,996	-	6,763	31,019	128,577
Equipment and network maintenance	9,136	2,173	2,353	-	1,508	2,361	17,531
Supplies	9,719	4,788	5,693	-	1,485	3,785	25,470
Postage and shipping	2,843	582	1,184	-	1,634	1,558	7,801
Printing and copying	4,961	363	35	-	23	3,144	8,526
Conference and fees	35,426	6,509	7,140	-	107	2,724	51,906
Meetings and special events	8,406	1,253	643	69,674	1,593	37,299	118,868
Coalition expense	4,021	56	59	-	39	61	4,236
Board costs	-	-	-	-	5,194	-	5,194
Dues and fees	17,295	331	219	-	112	385	18,342
Subscriptions and fees	37,387	658	619	-	-	4,475	43,139
Bank charges and interest	2,498	885	1,228	-	427	4,827	9,865
Depreciation and amortization	11,003	2,617	17,889	-	7,226	2,844	41,579
Total Expenses	\$ 2,454,881	\$ 481,970	\$ 689,241	\$ 69,674	\$ 485,331	\$ 602,534	\$ 4,783,631

See independent auditor's report and notes to financial statements.

SARGENT SHRIVER NATIONAL CENTER ON POVERTY LAW
STATEMENTS OF CASH FLOWS
For the Years Ended December 31, 2015 and 2014

	<u>2015</u>	<u>2014</u>
<u>Operating Activities</u>		
Cash received - contributions	\$ 4,182,752	\$ 3,826,879
Cash received - special events	388,959	278,097
Cash received - Cy Pres awards	26,773	17,960
Cash received - service contracts	105,060	195,281
Cash received - training	207,520	230,020
Cash received - subscriptions	-	31,960
Cash received - attorney and court fees	2,350	12,000
Cash received - sale of donated stock	48,189	1,597
Cash received - interest and dividend income	26,559	45,026
Payments for wages and other operating activities	<u>(4,751,003)</u>	<u>(4,437,050)</u>
Net cash provided by operating activities	<u>237,159</u>	<u>201,770</u>
<u>Cash Flows from Investing Activities</u>		
Purchase of investments	(1,013,402)	(90,077)
Proceeds from sale of investments	1,039,353	102,319
Transfer of cash from investments	(27,473)	(29,519)
Purchase of property and equipment	<u>(33,106)</u>	<u>(46,270)</u>
Net cash used by investing activities	<u>(34,628)</u>	<u>(63,547)</u>
<u>Cash Flows from Financing Activities</u>		
Cash received - endowment	17,000	-
Cash received - sale of donated stock - endowment	<u>25,767</u>	<u>-</u>
Net cash provided by financing activities	<u>42,767</u>	<u>-</u>
Net change in cash and cash equivalents	245,298	138,223
Cash and cash equivalents, beginning of year	<u>775,214</u>	<u>636,991</u>
Cash and cash equivalents, end of year	<u><u>\$ 1,020,512</u></u>	<u><u>\$ 775,214</u></u>

See independent auditor's report and notes to financial statements.

SARGENT SHRIVER NATIONAL CENTER ON POVERTY LAW
STATEMENTS OF CASH FLOWS
For the Years Ended December 31, 2015 and 2014

	<u>2015</u>	<u>2014</u>
<u>Reconciliation of Change in Net Assets to Net Cash Provided by Operating Activities</u>		
Change in net assets	\$ 4,126,398	\$ (460,381)
Adjustments to reconcile change in net assets to net cash provided by operating activities		
Depreciation and amortization	46,906	41,579
Unrealized/realized gain (loss) on investments	55,813	(12,697)
Endowment contributions	(50,928)	-
Reclassification of net assets to permanently restricted	(14,758)	-
Change in assets - (increase) decrease		
Grants receivable	(3,555,076)	536,538
Pledges receivable	2,529	(40,788)
Other receivables	(10,881)	3,769
Prepays	(14,850)	(7,783)
Inventory - Southwest Airline vouchers	(8,800)	-
Change in liabilities - increase (decrease)		
Accounts payable	(260,713)	254,958
Accrued compensation and pre-tax benefits	(43,344)	8,944
Advances	782	-
Deferred revenue	(700)	(94,452)
Deferred rent	(35,219)	(27,917)
Net cash provided by operating activities	<u>\$ 237,159</u>	<u>\$ 201,770</u>

See independent auditor's report and notes to financial statements.

**SARGENT SHRIVER NATIONAL CENTER ON POVERTY LAW
NOTES TO FINANCIAL STATEMENTS
December 31, 2015 and 2014**

Note 1 – Nature of Operations and Summary of Significant Accounting Policies

Organization

The Sargent Shriver National Center on Poverty Law (the Shriver Center) is an Illinois not-for-profit corporation that provides national leadership in advancing laws and policies that secure justice to improve the lives and opportunities of people living in poverty. The Shriver Center accomplishes this mission through 2 interconnected programs:

Advocacy Programs work to address the range of issues impacting people living in poverty through direct advocacy and policy development. This niche is the nexus between federal policy and state implementation, a key position in the era of increasing devolution of power to the states in many areas of social policy and law. The Shriver Center uses Illinois as a policy lab, developing models that inform policy development and advocacy initiatives undertaken in other states, and when asked, playing an advisory role to fellow advocates across the country. On occasion, the attorney-advocates work directly on federal policies and laws. The driving motivation is to give a voice and representation to people living in poverty in decisions that affect their lives. In 2014, the Shriver Center launched the Legal Impact Network, a coordinated effort by executive directors and advocates from 30 (and growing) statewide law and policy advocacy organizations that engage in multi-issue advocacy to advance systems change on behalf of people living in poverty. The states represented include more than three-fourths of all people living in poverty in the U.S. The Shriver Center coordinates the work of the Legal Impact Network and supports network members' work through training, information-sharing, and online community-building tools and forums. The Shriver Center's advocates, who have a wide range of expertise in anti-poverty advocacy at the state level, are active participants in the Legal Impact Network's strategic working groups.

Advocacy Resources and Training Programs inform, engage and connect the nation's legal aid attorneys and provide training on the full-range of advocacy, management and leadership skills that legal aid attorneys and staff need to successfully represent their clients. The Shriver Center's training curriculum builds upon a progression of courses through which legal aid attorneys and staff develop mastery as advocates for justice. In 2015, the Shriver Center continued to offer its flagship Leadership academies and Racial Justice Training Institute. By placing the most up-to-date racial justice tools in the hands of front line advocates, the Racial Justice Training Institute provides real opportunities to address the impact of structural racialization in housing, education, employment, and health care, among others, and ensure that race is front and center in our efforts to eradicate poverty. In 2015, the Shriver Center launched a new Clearinghouse Community website, an online community for legal service and equal justice advocates that offers a range of educational programs that supplement the training programs and support the national advocacy networks.

Beginning in 2015, the Communication Programs and Training Programs were merged into the Advocate Resources & Training Programs to improve efficiencies and better coordinate programs that support the national legal aid community.

SARGENT SHRIVER NATIONAL CENTER ON POVERTY LAW
NOTES TO FINANCIAL STATEMENTS
December 31, 2015 and 2014

Note 1 – Nature of Operations and Summary of Significant Accounting Policies (cont.)

Income Tax Status

The Shriver Center was granted an exemption from federal income tax by the Internal Revenue Service pursuant to the provisions of Internal Revenue Code Section 501(c)(3). The Shriver Center qualifies for the charitable contribution deduction under Section 170(b)(1)(A)(vi) and has been classified as an organization that is not a private foundation under Section 509(a)(1). The tax exempt purpose of the Shriver Center and the nature in which it operates is described above. The Shriver Center continues to operate in compliance with its tax exempt purpose.

The Shriver Center's annual information and income tax returns filed with the federal and state governments are subject to examination for the past three years filed.

Basis of Accounting

The accounts and financial statements are maintained on the accrual basis of accounting and accordingly, reflect all significant receivables, payables, and other liabilities.

Basis of Presentation

The Shriver Center reports information regarding its financial position and activities according to three classes of net assets: unrestricted, temporarily restricted, and permanently restricted net assets, as required by Generally Accepted Accounting Principles (GAAP).

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of the revenues, expenses, gains, losses and other changes in net assets during the reporting period. Actual results could differ from those estimates.

Cash and Cash Equivalents

Cash and cash equivalents consist of bank deposits in federally insured accounts. At December 31, 2015 and 2014, the Shriver Center's bank deposits exceeded federally insured limits by approximately \$805,000 and \$683,000, respectively. The Shriver Center has not experienced any losses in such accounts and management believes the Shriver Center is not exposed to any significant credit risk related to cash and cash equivalents.

For purposes of the statement of cash flows, the Shriver Center considers all liquid investments with an original maturity of three months or less to be cash equivalents.

Investments

Investments are carried at fair value at each fiscal year-end. Realized and unrealized gains and losses are reflected in the Statement of Activities. Fair value is based on quoted market prices. Donated stock is sold upon receipt and recorded at fair market value at the date of donation.

SARGENT SHRIVER NATIONAL CENTER ON POVERTY LAW
NOTES TO FINANCIAL STATEMENTS
December 31, 2015 and 2014

Note 1 – Nature of Operations and Summary of Significant Accounting Policies (cont.)

Funds Held for Others

The Shriver Center holds funds in a separate account for the administration of its SEED program, which in prior years offered eligible participants seed funding for college savings accounts. At December 31, 2015 and 2014, funds held on behalf of others amounted to \$734 and \$782, respectively, and have also been reflected as a liability in the accompanying statements of financial position.

Grants and Pledges Receivable

Contributions receivable represent amounts promised by donors (unconditional promises to give), some of which are due in installments. Amounts due by more than a year in the future are recorded net of a present value discount, which is based on a risk-free rate of return. An allowance for doubtful accounts was not deemed necessary at December 31, 2015 and 2014 based on the Shriver Center's historical collection experience.

Other Receivables

The Shriver Center's other receivables are primarily related to an outstanding payment from a 2015 event benefactor and earned revenue for contracted training programs that occurred during 2015. The Shriver Center does not accrue interest on past due accounts. Receivables are written off only after all collection attempts have failed and are based on individual credit evaluation and the specific circumstances. An allowance for doubtful accounts was not deemed necessary at December 31, 2015 and 2014 based on the Shriver Center's historical collection experience.

Inventory

Inventory consists of unused airline vouchers which are recorded at the fair value of the donation based on information provided by the donor. Tickets are expected to be used during 2016.

Property and Equipment

Expenditures for property and equipment and items which substantially increase the useful lives of existing assets are capitalized at cost. The Shriver Center provides for depreciation on the straight-line method at rates designed to depreciate the costs of assets over estimated useful lives of three to ten years.

Intangible Assets

Amortizable intangible assets consist of intellectual property related to the comprehensive training curriculum. These assets are amortized on a straight-line basis over the assets' estimated useful lives. The Shriver Center reviews the intangible assets for impairment on or about December 31 of each year. Recoverability for these assets is measured by comparing their carrying amounts to their fair values. If the assets are considered impaired, the impairment to be recognized would equal the amount by which the carrying value of the assets exceed their fair values. The Shriver Center did not record any impairment charges during 2015 or 2014.

SARGENT SHRIVER NATIONAL CENTER ON POVERTY LAW
NOTES TO FINANCIAL STATEMENTS
December 31, 2015 and 2014

Note 1 – Nature of Operations and Summary of Significant Accounting Policies (cont.)

Accrued Compensation

The Shriver Center accrues for vacation time benefits that would be payable upon an employee's separation from employment with the Shriver Center. No employee shall accumulate more than thirty (30) days (210 hours) vacation leave.

Deferred Revenue

Training registration fees collected in advance of training events are included in deferred revenue. Deferred revenue for training events is recognized upon completion of the training event. The Shriver Center ceased offering paid subscriptions to its law journal at the end of 2014 and all deferred revenue remaining as of December 31, 2014 was reclassified to accounts payable and refunded to subscribers in February 2015. Accordingly, the 2015 financial statements no longer include deferred subscription revenue.

Deferred Rent

Rent expense is being recognized on a straight-line basis over the life of the lease. The difference between rent expense recognized and rental payments, as stipulated in the lease, is reflected as deferred rent in the Statement of Financial Position.

Support and Revenue

The Shriver Center reports gifts of cash and other assets as restricted support if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions.

The Shriver Center reports gifts of land, buildings, and equipment as unrestricted support unless explicit donor stipulations specify how the donated assets must be used. Gifts of long-lived assets with explicit restrictions that specify how the assets are to be used and gifts of cash or other assets that must be used to acquire long-lived assets are reported as restricted support. Absent explicit donor stipulations regarding how long those long-lived assets must be maintained, the Shriver Center reports expirations of donor restrictions when the donated or acquired long-lived assets are placed in service. No such donations were received during the years ended December 31, 2015 and 2014.

During 2014, subscription revenue was recognized as it was earned during the year. Paid subscriptions were discontinued in 2015. Training fees are recognized as revenue when the related training event is conducted.

Donated Services

Contributions of services are required to be recognized if the services received (a) create or enhance non-financial assets or (b) require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation. The Shriver Center did not receive donated services meeting this criteria during 2014. In 2015 the Shriver Center received donated legal services valued at \$10,260 for an Equal Justice Works AmeriCorps VISTA attorney.

**SARGENT SHRIVER NATIONAL CENTER ON POVERTY LAW
NOTES TO FINANCIAL STATEMENTS
December 31, 2015 and 2014**

Note 1 – Nature of Operations and Summary of Significant Accounting Policies (cont.)

During 2015 and 2014 the Shriver Center received donated work from various volunteers, fellows and non-attorney AmeriCorps VISTAs which did not meet the above requirements to be recorded as donated services.

Some of the Shriver Center's eight non-attorney AmeriCorps VISTAs were provided at no cost to the Shriver Center through the federally funded AmeriCorps VISTA program and the remainder were provided on a cost-share basis. Expenses including monthly transportation subsidies, professional development and travel related to the AmeriCorps VISTA program were also incurred by the Shriver Center during 2015 and 2014.

In-Kind Contributions

In addition to receiving cash contributions, the Shriver Center receives in-kind contributions from various donors. It is the policy of the Shriver Center to record the estimated fair value of certain in-kind donations as an expense in its financial statements, and similarly increase donation revenue by a like amount. Fair value is assigned based on information provided by the donor. For the years ended December 31, 2015 and 2014, the Shriver Center received donated airline vouchers valued at \$24,000 and \$40,800, respectively, donated use of the Lexus Nexus legal research site valued at \$36,000 for 2015 and 2014, and in 2015 received donated catering services of \$6,656. As such, total in-kind contributions for 2015 and 2014 were \$66,656 and \$76,800, respectively.

Certain Vulnerabilities and Concentrations

During the year ended December 31, 2015, the Shriver Center received approximately 45% of its funding from three major donors. At December 31, 2015, 58% of grants receivable is from these major donors.

During the year ended December 31, 2015, the Shriver Center received approximately 45% of its funding from eight major donors. At December 31, 2014, 83% of grants receivable is from five of these major donors.

Functional Allocation of Expenses

The costs of providing various programs and other activities have been summarized on a functional basis in the Statement of Activities and the Statement of Functional Expenses. Accordingly, the staff has allocated certain costs among the programs and supporting services benefited based on direct costs and allocation of indirect costs by FTE or other measure as appropriate.

Sub-Grantee Expense

From time to time, the Shriver Center may provide funding to a third party to collaborate with the Shriver Center in carrying out a portion of the scope of work or objective of the Shriver Center's award agreement with a foundation donor or other awarding agency. These funding arrangements are listed as sub-grantee expense in the Statement of Functional Expenses.

SARGENT SHRIVER NATIONAL CENTER ON POVERTY LAW
NOTES TO FINANCIAL STATEMENTS
December 31, 2015 and 2014

Note 1 – Nature of Operations and Summary of Significant Accounting Policies (cont.)

Reclassifications

A \$14,758 reclassification adjustment was posted between temporarily restricted and permanently restricted net assets to reflect donor intent in 2015.

Note 2 – Investments

A summary of investments at fair value as of December 31 is as follows:

	2015		2014	
	Cost	Fair Value	Cost	Fair Value
Common stocks	\$ -	\$ -	\$ 128,258	\$ 158,722
Preferred stocks	-	-	23,645	24,997
Mutual funds	-	-	692,922	744,183
Domestic large cap blend fund	261,054	292,140	225,235	293,810
Cash equivalents	885,108	885,108	12,664	12,664
Total Investments	<u>\$ 1,146,162</u>	<u>\$ 1,177,248</u>	<u>\$ 1,082,724</u>	<u>\$ 1,234,376</u>

A summary of investments by net asset classification as of December 31 is as follows:

	2015	2014
Unrestricted	\$ 292,140	\$ 293,810
Temporarily restricted	85,108	140,566
Permanently restricted	800,000	800,000
	<u>\$ 1,177,248</u>	<u>\$ 1,234,376</u>

Investment income recorded in the Statement of Activities is as follows for the year ended December 31:

	2015		
	Unrestricted	Temporarily Restricted	Total
Interest and dividends	\$ 11,436	\$ 19,654	\$ 31,090
Investment fees	-	(4,531)	(4,531)
Realized gain (loss)	-	40,260	40,260
Unrealized gain (loss)	(12,693)	(83,380)	(96,073)
	<u>\$ (1,257)</u>	<u>\$ (27,997)</u>	<u>\$ (29,254)</u>

SARGENT SHRIVER NATIONAL CENTER ON POVERTY LAW
NOTES TO FINANCIAL STATEMENTS
December 31, 2015 and 2014

Note 2 – Investments (cont.)

	2014		
	Unrestricted	Temporarily Restricted	Total
Interest and dividends	\$ 6,037	\$ 43,664	\$ 49,701
Investment fees	-	(4,675)	(4,675)
Realized gain (loss)	1,895	(116)	1,779
Realized gain (loss)	11,478	(560)	10,918
	<u>\$ 19,410</u>	<u>\$ 38,313</u>	<u>\$ 57,723</u>

Note 3 – Fair Value Measurements

Generally Accepted Accounting Principles define fair value as the price that would be received for an asset or paid to transfer a liability (an exit price) in the most advantageous market in an orderly transaction between market participants on the measurement date.

Generally Accepted Accounting Principles establishes a fair value hierarchy which requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value.

The standard describes three levels of inputs that may be used to measure fair value:

Level 1: Quoted prices (unadjusted) for identical assets or liabilities in active markets that the entity has the ability to access as of the measurement date.

Level 2: Significant other observable inputs other than Level 1 prices such as quoted prices for similar assets or liabilities; quoted prices in markets that are not active; or other inputs that are observable or can be corroborated by observable market data.

Level 3: Significant unobservable inputs that reflect a reporting entity's own assumptions about the assumptions that market participants would use in pricing an asset or liability.

In many cases, a valuation technique used to measure fair value includes inputs from multiple levels of the fair value hierarchy. The lowest level of significant input determines the placement of the entire fair value measurement in the hierarchy.

The fair value of debt and equity investments that are readily marketable are determined by obtaining quoted prices on nationally recognized securities exchanges (Level 1 inputs) or by quoted market prices of similar securities with similar due dates or matrix pricing, which is a mathematical technique widely used in the industry to value debt securities without relying exclusively on quoted prices for the specific securities but rather by relying on securities' relationship to other benchmark quoted securities (Level 2 inputs).

SARGENT SHRIVER NATIONAL CENTER ON POVERTY LAW
NOTES TO FINANCIAL STATEMENTS
December 31, 2015 and 2014

Note 3 – Fair Value Measurements (cont.)

Assets and Liabilities Measured on a Recurring Basis

Assets and liabilities measured at fair value at December 31 are classified as Level 1 and are summarized as follows:

	<u>2015</u>	<u>2014</u>
Assets - Investments	<u>\$ 1,177,248</u>	<u>\$ 1,234,376</u>

Note 4 – Grants and Pledges Receivable

Contributions receivable at December 31 are due as follows:

	<u>2015</u>	<u>2014</u>
Within one year	\$ 2,728,950	\$ 767,975
One to five years, net of present value discount of \$37,671 and 5,462, respectively	<u>1,784,029</u>	<u>169,538</u>
	<u>\$ 4,512,979</u>	<u>\$ 937,513</u>

Contributions receivable at December 31, 2015 are designated by the donor for the following:

General advocacy	\$ 1,260,212
Legal impact network	1,438,434
Healthcare advocacy	275,848
Advocate resources and training	296,709
Community justice advocacy	218,348
Housing advocacy	200,000
Education advocacy	91,000
Women's law and policy project	40,000
Asset opportunity advocacy	25,000
Endowment pledges, permanently restricted	22,919
Grants and pledges, Legacy Initiative	264,259
Grants and pledges, unrestricted	<u>380,250</u>
	<u>\$ 4,512,979</u>

Contributions receivable at December 31, 2014 are designated by the donor for the following:

Healthcare advocacy	\$ 372,975
General advocacy	180,000
Women's law and policy project	30,000
Asset opportunity advocacy	25,000
Grants and pledges, unrestricted	<u>329,538</u>
	<u>\$ 937,513</u>

SARGENT SHRIVER NATIONAL CENTER ON POVERTY LAW
NOTES TO FINANCIAL STATEMENTS
December 31, 2015 and 2014

Note 4 – Grants and Pledges Receivable (cont.)

As of December 31, 2015 and 2014, contributions receivable over one year were discounted based upon payment terms using a discount factor of 1.68 and 1.72 percent, respectively, which reflects the mid-term applicable federal rate (AFR) as recorded on the IRS website.

Note 5 – Intangible Assets

At December 31, 2015 and 2014, intangible assets were as follows:

	Estimated Useful Life	Gross Carrying Amount	2014 Accumulated Amortization	2014 Net Intangible Value	2015 Accumulated Amortization	2015 Net Intangible Value
Training programs	6 years	\$ 84,120	\$ (45,565)	\$ 38,555	\$ (59,586)	\$ 24,534
Trade name	4 years	7,757	(6,304)	1,453	(7,757)	-
		<u>\$ 91,877</u>	<u>\$ (51,869)</u>	<u>\$ 40,008</u>	<u>\$ (67,343)</u>	<u>\$ 24,534</u>

Estimated future amortization expense for the years ending December 31:

2016	\$ 14,020
2017	10,514
	<u>\$ 24,534</u>

For the years ended December 31, 2015 and 2014, amortization expense was \$15,474 and \$15,959, respectively. The trade name has been fully amortized as of December 2015.

Note 6 – Property and Equipment

The Shriver Center's property and equipment at December 31 are as follows:

	2015	2014
Computer equipment	\$ 151,770	\$ 239,703
Furniture	15,443	24,706
Office equipment	5,247	6,645
	<u>172,460</u>	<u>271,054</u>
Accumulated depreciation	(88,592)	(191,697)
Net property and equipment	<u>\$ 83,868</u>	<u>\$ 79,357</u>

For the years ending December 31, 2015 and 2014, depreciation expense was \$31,432 and \$25,620, respectively. In December 2015 the Shriver Center disposed of old or broken office furniture and equipment and wrote off disposals.

SARGENT SHRIVER NATIONAL CENTER ON POVERTY LAW
NOTES TO FINANCIAL STATEMENTS
December 31, 2015 and 2014

Note 7 – Deferred Revenue

Deferred revenue at December 31, 2015 and 2014 consists of funds received for training and conferences of \$4,125 and \$4,825, respectively.

Note 8 – Lines of Credit

The Shriver Center has a \$250,000 revolving line of credit expiring August 1, 2016. At December 31, 2015 and 2014, there was nothing borrowed against this line. The line is secured by the Shriver Center's equipment and receivables, with interest payable monthly. The Shriver Center anticipates it will renew the line of credit in July 2016 and knows of no reason why the line of credit would not be renewed.

The Shriver Center is also obligated for credit cards issued in its name. At December 31, 2015 and 2014 the Shriver Center's maximum credit limit related to these credit cards is \$25,000, of which \$10,194 and \$7,470, respectively, was outstanding and included in accounts payable.

Note 9 – Net Revenues from Special Events

Net revenues from special events consist of the following:

	<u>2015</u>	<u>2014</u>
Contributions, including sponsorship	\$ 160,084	\$ 118,852
Raffles	-	2,435
Special events revenue, ticket portion	228,875	156,810
Revenue from special events	<u>388,959</u>	<u>278,097</u>
Less costs of direct benefits to donors	<u>(129,408)</u>	<u>(69,674)</u>
Net revenues from special events	<u>\$ 259,551</u>	<u>\$ 208,423</u>

Costs of direct benefits to donors include the cost of the food, drinks, entertainment or other benefits received by the donor at the special event. The difference between the amount paid by the donor and the fair value of the benefit received by the donor is recorded as a contribution.

Note 10 – Employee Benefit Plan

The Shriver Center maintains a retirement plan under section 401(k) of the Internal Revenue Code. In 2014, the plan allowed for all employees who reach the age of 21 and have completed six months of service to contribute a portion of their pre-tax earnings. The plan was changed in 2015 to eliminate the six month waiting period. Employer matching contributions may be made to the plan based on the Board of Director's discretion. Participants become fully vested in the employer contributions with two years of service at the Shriver Center. For the years ended December 31, 2015 and 2014, the Shriver Center contributed and expensed \$53,542 and \$55,740, respectively, to the plan.

SARGENT SHRIVER NATIONAL CENTER ON POVERTY LAW
NOTES TO FINANCIAL STATEMENTS
December 31, 2015 and 2014

Note 11 – Leases

The Shriver Center leases office space in Chicago, Illinois under a fifteen year agreement that expires July 31, 2017. Under the provisions of the lease, the Shriver Center pays a base rent plus a proportionate share of basic operating costs (e.g. for taxes, insurance, utilities, etc.). The lease terms provide for rental increases each year. Rent expense for this lease is recorded based upon the total cost of the lease allocated over the lease term with any difference between the allocated amount and the actual payment reflected as a lease obligation in the financial statements.

The Shriver Center also leased office space in Boston, Massachusetts under a five year agreement that expired October 31, 2014 and entered into a new five-year lease agreement on November 1, 2014 that expires October 31, 2019. This lease was terminated in 2016. Under provisions of the lease, the Shriver Center pays a base rent of plus a proportionate share of the common area maintenance. The lease terms provide for rental increases each year.

The Shriver Center is obligated under two operating leases for equipment where the first specifies monthly payments of \$258 until March 2016, and the other specifies monthly payments of \$752 until November 2019.

Rent expense for these leases for the years ended December 31, 2015 and 2014 was \$260,887 and \$263,918, respectively.

Future minimum lease payments under these operating leases are as follows for the year ending December 31:

2016	\$ 283,707
2017	161,507
2018	9,026
2019	8,274
	<hr/>
	\$ 462,514
	<hr/>

**SARGENT SHRIVER NATIONAL CENTER ON POVERTY LAW
NOTES TO FINANCIAL STATEMENTS
December 31, 2015 and 2014**

Note 12 – Temporarily Restricted Net Assets

Temporarily restricted net assets as of December 31, 2015 are restricted to the following purposes and time periods:

General advocacy, \$1,260,212 included in receivables	\$ 1,753,213
Legal impact network, \$1,438,434 included in receivables	1,600,931
Healthcare advocacy, \$275,848 included in receivables	433,848
Advocate resources and training, \$296,709 included in receivables	321,709
Community justice advocacy, \$218,348 included in receivables	300,348
Housing advocacy, \$200,000 included in receivables	217,417
Education advocacy, \$91,000 included in receivables	135,000
Women's law and policy project, \$40,000 in receivables	55,000
Asset opportunity advocacy, \$25,000 included in receivables	40,000
Economic justice advocacy: budget and tax	12,500
Donor restricted endowment earnings for legal service projects	85,108
Grants and pledges, legacy initiative	264,259
Grants and pledges, unrestricted	380,250
Total	<u><u>\$ 5,599,583</u></u>

Temporarily restricted net assets as of December 31, 2014 are restricted to the following purposes and time periods:

General advocacy, \$180,000 included in receivables	\$ 360,000
Healthcare advocacy, \$372,975 included in receivables	427,975
Advocate resources and training	25,000
Housing advocacy	10,417
Education advocacy	68,404
Women's law and policy project, \$30,000 in receivables	50,000
Asset opportunity advocacy, included in receivables	25,000
Fellowships	30,000
Donor restricted endowment earnings for legal service projects	140,566
Grants and pledges, legacy initiative	274,538
Grants and pledges, unrestricted	55,000
Total	<u><u>\$ 1,466,900</u></u>

Note 13 – Permanently Restricted Net Assets

As of December 31, 2015 and 2014, permanently restricted net assets of \$865,686 and \$800,000, respectively, are restricted to investment in perpetuity, the income from which is expendable to support legal service projects limited to organizations that are tax-exempt under Section 501(c)(3).

**SARGENT SHRIVER NATIONAL CENTER ON POVERTY LAW
NOTES TO FINANCIAL STATEMENTS
December 31, 2015 and 2014**

Note 13 – Permanently Restricted Net Assets (cont.)

Permanently restricted activity for 2015 consists of the following:

Funds received in 2015 held in cash, to be transferred to investments in early 2016	\$ 42,767
Permanently restricted pledge receivables	22,919
2014 reclassification due to change in donor intent (Note 1)	<u>(14,758)</u>
Total 2015 contributions to endowment as shown in Statement of Activities	<u>\$ 50,928</u>

Note 14 – Donor-Restricted Endowment (Permanently Restricted Net Assets)

At this time, the Shriver Center's endowment consists of one fund separate and apart from any other endowment fund that may be created. The income from it may be expended for legal service projects of the Shriver Center that embody the values and goals of Sargent Shriver. As required by accounting principles for non profits, net assets associated with endowment funds are classified and reported based on the existence or absence of donor-imposed restrictions. The gift instrument for the endowment fund specifically makes generally inapplicable to such endowment the accounting and expenditure rules of the Illinois Uniform Prudent Management of Institutional Funds and Uniform Principal and Income Acts and any successors thereto. Principal and unrealized appreciation may not be expended without prior written approval of the donor.

Realized appreciation may be credited to principal or expended or both in accordance with the Shriver Center's endowment spending policy.

Interpretation of Relevant Law

Except as described above with respect to the separate fund, in general, as a result of the Board of Director's interpretation of the Uniform Prudent Management of Institutional Funds Act (UPMIFA) the Shriver Center classifies as permanently restricted net assets (a) the original value of gifts donated for endowment, (b) the original value of subsequent gifts for endowment, and (c) accumulations to the endowment made in accordance with the direction of the applicable donor gift instrument.

Any portion of the donor-restricted endowment fund that is not classified in permanently restricted net assets is classified as temporarily restricted net assets until those amounts are appropriated for expenditure by the Shriver Center in a manner consistent with the standard of prudence prescribed by UPMIFA. In accordance with UPMIFA, the Shriver Center considers the following factors in making a determination to appropriate or accumulate income or gain on donor-restricted endowment funds, except as noted with regards to the donor-restricted endowment fund which is classified as a permanently restricted net asset:

- (1) The duration and preservation of the fund,
- (2) The mission of the Shriver Center and the purpose of the donor-restricted endowment fund,
- (3) General economic conditions,

SARGENT SHRIVER NATIONAL CENTER ON POVERTY LAW
NOTES TO FINANCIAL STATEMENTS
December 31, 2015 and 2014

Note 14 – Donor-Restricted Endowment (Permanently Restricted Net Assets) (cont.)

- (4) The possible effect of inflation and deflation,
- (5) The expected total return from income and the appreciation of investments,
- (6) Other resources of the Shriver Center, and
- (7) The investment policies of the Shriver Center.

The changes in endowment net assets for the Shriver Center were as follows for the year ended December 31, 2015:

	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
Endowment net assets, beginning of year	\$ 140,566	\$ 800,000	\$ 940,566
Reclassification (Note 1)		14,758	14,758
Contributions	-	50,928	50,928
Investment return			
Investment income	19,559	-	19,559
Investment fees	(4,531)	-	(4,531)
Net realized gain	40,260	-	40,260
Net unrealized loss	<u>(83,285)</u>	<u>-</u>	<u>(83,285)</u>
Total investment return	(27,997)	-	(27,997)
Appropriation of endowment assets for expenditure in 2015	<u>(27,461)</u>	<u>-</u>	<u>(27,461)</u>
Endowment net assets, end of year	<u>\$ 85,108</u>	<u>\$ 865,686</u>	<u>\$ 950,794</u>

The Shriver Center's donor-restricted endowment net assets composition by type of fund is as follows for the year ended December 31, 2015:

	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
Donor-restricted endowment funds	<u>\$ 85,108</u>	<u>\$ 865,686</u>	<u>\$ 950,794</u>

The Shriver Center's donor-restricted endowment net assets composition by type of fund is as follows for the year ended December 31, 2014:

	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
Donor-restricted endowment funds	<u>\$ 140,566</u>	<u>\$ 800,000</u>	<u>\$ 940,566</u>

SARGENT SHRIVER NATIONAL CENTER ON POVERTY LAW
NOTES TO FINANCIAL STATEMENTS
December 31, 2015 and 2014

Note 14 – Donor-Restricted Endowment (Permanently Restricted Net Assets) (cont.)

The changes in endowment net assets for the Shriver Center were as follows for the year ended December 31, 2014:

	Temporarily Restricted	Permanently Restricted	Total
Endowment net assets, beginning of year	\$ 131,771	\$ 800,000	\$ 931,771
Investment return			
Investment income	43,664	-	43,664
Investment fees	(4,675)	-	(4,675)
Net realized gain (loss)	(116)	-	(116)
Net unrealized gain (loss)	(560)	-	(560)
Total investment return	38,313	-	38,313
Appropriation of endowment assets for expenditure in 2013	(29,518)	-	(29,518)
Endowment net assets, end of year	<u>\$ 140,566</u>	<u>\$ 800,000</u>	<u>\$ 940,566</u>

Return Objectives and Risk Parameters

The Shriver Center has adopted endowment investment and spending policies that attempt to provide a predictable stream of funding to programs supported by endowment while protecting purchasing power of the endowment assets over time. Under this policy, as approved by the Board of Directors, the endowment assets are invested in a manner that is intended to produce results that exceed the return of a hypothetical portfolio composed of indices representing the Board approved asset allocation while assuming a moderate level of investment risk.

Strategies Employed for Achieving Objectives

To satisfy its long-term rate-of-return objectives, in general, the Shriver Center relies on a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends). The Shriver Center targets a diversified asset allocation that places an emphasis on equity-based and fixed income investments to achieve its long-term return objectives within prudent risk constraints.

Spending Policy and How the Investment Objectives Relate to Spending Policy

Subject to the terms of each endowment gift instrument, the Shriver Center has a general policy of appropriating for distribution each year a portion (limited to five percent) of its endowment fund's average market value over a trailing three year period. This is consistent with the Shriver Center's objective to maintain the purchasing power of the endowment assets held in perpetuity.

**SARGENT SHRIVER NATIONAL CENTER ON POVERTY LAW
NOTES TO FINANCIAL STATEMENTS
December 31, 2015 and 2014**

Note 15 – Subsequent Events

For the fiscal year ended December 31, 2015, the Organization's management has evaluated subsequent events through April 15, 2016, which is the date the financial statements were available to be issued. The lease for the Boston office was terminated effective January 1, 2016. No other subsequent events have been identified that are required to be disclosed through that date.