

**NEW YORK CITY GAY AND LESBIAN  
ANTI-VIOLENCE PROJECT, INC.  
FINANCIAL STATEMENTS  
FOR THE YEARS ENDED JUNE 30, 2014 AND 2013**

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**INDEPENDENT AUDITORS' REPORT**

The Board of Directors  
New York City Gay and Lesbian Anti-Violence Project, Inc.

We have audited the accompanying financial statements of New York City Gay and Lesbian Anti-Violence Project, Inc. (the "Agency") which comprise the statements of financial position as of June 30, 2014 and 2013, 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 audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

***Opinion***

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of New York City Gay and Lesbian Anti-Violence Project, Inc. as of June 30, 2014 and 2013 and the results of its operations and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

  
Lederer, Levine & Associates, LLC

November 1, 2014

**NEW YORK CITY GAY AND LESBIAN ANTI-VIOLENCE PROJECT, INC.**  
**STATEMENTS OF FINANCIAL POSITION**  
**AS OF JUNE 30, 2014 AND 2013**

	<u>2014</u>	<u>2013</u>
<b>ASSETS</b>		
Cash and cash equivalents (Notes B and G)	\$ 33,202	\$ 43,996
Contributions receivable (Note C)	480,279	164,322
Accounts receivable (Note B)	15,545	
Government grants receivable (Note B and H)	302,397	183,106
Prepaid expenses and other assets	13,990	21,975
Property and equipment, net (Notes B and D)	31,179	33,968
Security deposits	<u>17,711</u>	<u>17,787</u>
<b>TOTAL ASSETS</b>	<b>\$ <u>894,303</u></b>	<b>\$ <u>465,154</u></b>
 <b>LIABILITIES</b>		
Accrued expenses and other payables	\$ 450,458	\$ 196,657
Refundable advances	52,586	72,248
Loan payable (Note E)	32,999	68,998
Deferred rent payable (Note H)	<u>37,713</u>	<u>81,806</u>
<b>TOTAL LIABILITIES</b>	<b><u>573,756</u></b>	<b><u>419,709</u></b>
 <b>COMMITMENTS AND CONTINGENCIES (Note H)</b>		
<b>NET ASSETS (DEFICIT)</b>		
Unrestricted (deficit) (Note J)	(281,818)	(404,056)
Temporarily restricted (Note I)	<u>602,365</u>	<u>449,501</u>
<b>TOTAL NET ASSETS (DEFICIT)</b>	<b><u>320,547</u></b>	<b><u>45,445</u></b>
 <b>TOTAL LIABILITIES AND NET ASSETS (DEFICIT)</b>	<b>\$ <u>894,303</u></b>	<b>\$ <u>465,154</u></b>

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

**NEW YORK CITY GAY AND LESBIAN ANTI-VIOLENCE PROJECT, INC.**  
**STATEMENTS OF ACTIVITIES**  
**FOR THE YEARS ENDED JUNE 30, 2014 AND 2013**

	2014		2013	
	Unrestricted	Temporarily Restricted	Unrestricted	Temporarily Restricted
<b>SUPPORT AND REVENUE:</b>				
Special events-revenue	\$ 249,162	\$	\$ 243,540	\$ 5,000
Less: cost of direct benefits to donors	(52,092)		(76,855)	
Net revenue from special events	197,070		166,685	5,000
Government grants (Note H)	1,639,739		1,470,079	
Contributions	343,265	688,639	404,690	412,095
Rental income	33,765		34,146	
Donated goods and services (Note F)	240,944		342,249	
Other income	44,634		22,867	
Net assets released from restrictions	535,775	(535,775)	300,284	(300,284)
<b>TOTAL SUPPORT AND REVENUE</b>	<b>3,035,192</b>	<b>152,864</b>	<b>2,741,000</b>	<b>116,811</b>
<b>EXPENSES:</b>				
Program services	2,134,310		1,905,872	
Management and general	480,556		539,883	
Fundraising and development	298,088		255,949	
<b>TOTAL EXPENSES</b>	<b>2,912,954</b>		<b>2,701,704</b>	
<b>Change in Net Assets</b>	<b>122,238</b>	<b>152,864</b>	<b>39,296</b>	<b>116,811</b>
<b>Net Assets (Deficit) - Beginning of Year</b>	<b>(404,056)</b>	<b>449,501</b>	<b>(443,352)</b>	<b>332,690</b>
<b>Net Assets (Deficit)- End of Year</b>	<b>\$ (281,818)</b>	<b>\$ 602,365</b>	<b>\$ (404,056)</b>	<b>\$ 449,501</b>
			<b>\$ 248,540</b>	<b>\$ (76,855)</b>
			<b>171,685</b>	<b>1,470,079</b>
			<b>816,785</b>	<b>816,785</b>
			<b>34,146</b>	<b>34,146</b>
			<b>342,249</b>	<b>342,249</b>
			<b>22,867</b>	<b>22,867</b>
			<b>2,857,811</b>	<b>2,857,811</b>
			<b>1,905,872</b>	<b>1,905,872</b>
			<b>539,883</b>	<b>539,883</b>
			<b>255,949</b>	<b>255,949</b>
			<b>2,701,704</b>	<b>2,701,704</b>
			<b>156,107</b>	<b>156,107</b>
			<b>(110,662)</b>	<b>(110,662)</b>
			<b>\$ 45,445</b>	<b>\$ 45,445</b>

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

**NEW YORK CITY GAY AND LESBIAN ANTI-VIOLENCE PROJECT, INC.**  
**STATEMENTS OF FUNCTIONAL EXPENSES**  
**FOR THE YEARS ENDED JUNE 30, 2014 AND 2013**

2014

	Program Services	Management and General	Fundraising and Development	Total
Salaries	\$ 1,093,093	\$ 226,974	\$ 129,640	\$ 1,449,707
Payroll taxes and employee benefits	<u>215,986</u>	<u>45,793</u>	<u>25,616</u>	<u>287,395</u>
Total salaries and related costs	1,309,079	272,767	155,256	1,737,102
Professional fees and consultants (Note F)	198,406	77,903	76,266	352,575
Hotline volunteers (Note F)	177,641			177,641
Occupancy (Note H)	207,476	43,146	24,607	275,229
Special events (Note F)		74	60,675	60,749
Program activities	58,588			58,588
Travel and transportation (Note F)	50,657	1,746	820	53,223
Printing and design	23,159		16,168	39,327
Equipment rentals (Note H)	7,790	2,516	813	11,119
Repairs and maintenance (Note F)	39,075	7,594	2,956	49,625
Telephone and communication (Note F)	20,948	4,193	1,623	26,764
Office and program supplies	5,485	1,270	525	7,280
Postage and mailing	1,730	322	2,051	4,103
Interest expense		3,190		3,190
Insurance	7,416	1,256	716	9,388
Staff expenses and dues (Note F)	10,843	1,724	5,829	18,396
Fees and assessments	203	48,668		48,871
Depreciation and amortization	15,814	3,289	1,875	20,978
Bad debt expense		<u>10,898</u>		<u>10,898</u>
Sub-total	<u>2,134,310</u>	<u>480,556</u>	<u>350,180</u>	<u>2,965,046</u>
Less: expenses deducted directly from revenues on the statements of activities			<u>52,092</u>	<u>52,092</u>
Total Expenses	<u>\$ 2,134,310</u>	<u>\$ 480,556</u>	<u>\$ 298,088</u>	<u>\$ 2,912,954</u>

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

**NEW YORK CITY GAY AND LESBIAN ANTI-VIOLENCE PROJECT, INC.**  
**STATEMENTS OF FUNCTIONAL EXPENSES**  
**FOR THE YEARS ENDED JUNE 30, 2014 AND 2013**

2013

	Program Services	Management and General	Fundraising and Development	Total
Salaries	\$ 937,659	\$ 200,309	\$ 125,617	\$ 1,263,585
Payroll taxes and employee benefits	<u>196,512</u>	<u>42,852</u>	<u>26,326</u>	<u>265,690</u>
Total salaries and related costs	1,134,171	243,161	151,943	1,529,275
Professional fees and consultants (Note F)	267,836	179,191	42,260	489,287
Hotline volunteers (Note F)	160,964			160,964
Occupancy (Note H)	196,212	42,408	26,286	264,906
Special events (Note F)			86,386	86,386
Program activities	7,650			7,650
Travel and transportation (Note F)	37,889	5,180	1,000	44,069
Printing and design	3,270		8,198	11,468
Equipment rentals (Note H)	4,689		628	7,259
Repairs and maintenance	19,284		5,480	28,796
Telephone and communication (Note F)	23,459		1,924	30,227
Office and program supplies	12,042		959	15,893
Postage and mailing	1,761	381	1,068	3,210
Interest expense		5,210		5,210
Insurance	5,916	1,278	792	7,986
Staff expenses and dues	14,817		3,748	18,775
Fees and assessments		43,641		43,641
Depreciation and amortization	15,912	3,438	2,132	21,482
Bad debt expense		<u>2,075</u>		<u>2,075</u>
Sub-total	<u>1,905,872</u>	<u>539,883</u>	<u>332,804</u>	<u>2,778,559</u>
Less: expenses deducted directly from revenues on the statements of activities			<u>76,855</u>	<u>76,855</u>
Total Expenses	<u>\$ 1,905,872</u>	<u>\$ 539,883</u>	<u>\$ 255,949</u>	<u>\$ 2,701,704</u>

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

**NEW YORK CITY GAY AND LESBIAN ANTI-VIOLENCE PROJECT, INC.**  
**STATEMENTS OF CASH FLOWS**  
**FOR THE YEARS ENDED JUNE 30, 2014 AND 2013**

	<u>2014</u>	<u>2013</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Change in net assets	\$ 275,102	\$ 156,107
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation and amortization	20,978	21,482
Deferred rent	(44,093)	(36,016)
Bad debt expense	10,898	2,075
Changes in operating assets and liabilities:		
(Increase) decrease in assets:		
Contributions receivable	(326,855)	112,091
Government grants receivable	(119,291)	60,811
Accounts receivable	(15,545)	
Prepaid expenses and other assets	7,985	7,713
Security deposits	76	
Increase (decrease) in liabilities:		
Accrued expenses and other payables	253,801	(180,039)
Refundable advances	(19,662)	55,691
<b>Net Cash Provided by Operating Activities</b>	<u>43,394</u>	<u>199,915</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>		
Property and equipment acquisitions	(18,189)	(5,810)
<b>Net Cash Used by Investing Activities</b>	<u>(18,189)</u>	<u>(5,810)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>		
Principal repayments of loan payable	(35,999)	(151,999)
<b>Net Cash Used by Financing Activities</b>	<u>(35,999)</u>	<u>(151,999)</u>
<b>NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS</b>	(10,794)	42,106
Cash and cash equivalents - beginning of year	43,996	1,890
<b>CASH AND CASH EQUIVALENTS - END OF YEAR</b>	<u>\$ 33,202</u>	<u>\$ 43,996</u>
<b>Supplementary Disclosure of Cash Flow Information:</b>		
Cash paid during the year for interest	<u>\$ 3,190</u>	<u>\$ 5,210</u>

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



**NEW YORK CITY GAY AND LESBIAN ANTI-VIOLENCE PROJECT, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2014 AND 2013**

**Note A – Organization and Nature of Activities**

The New York City Gay and Lesbian Anti-Violence Project, Inc (“AVP”) (the “Agency”) empowers lesbian, gay, bisexual, transgender, queer (“LGBTQ”) and HIV-affected communities and allies to end all forms of violence through organizing and education, and supports survivors through counseling and advocacy. AVP operates a free and confidential 24-hour bilingual hotline staffed by AVP staff and trained volunteers, provides crisis intervention, safety planning, counseling and advocacy to individual survivors of violence and engages in community outreach and education to prevent and end violence within and against LGBTQ and HIV-affected communities in New York City. AVP coordinates the NYS Domestic Violence Network which addresses LGBTQ and HIV-affected domestic violence throughout the state. AVP also trains and educates “mainstream service providers”, including law enforcement agencies, in NYS about violence within and against the LGBTQ and HIV-affected communities. In 2013, AVP launched a Legal Services Program, which provides free holistic, direct legal services to underserved LGBTQ and HIV-affected survivors of intimate partner violence and sexual violence in all five boroughs. AVP also coordinates the National Coalition of Anti-Violence Programs (“NCAVP”) which is a national coalition of programs that addresses the pervasive problem of violence committed against and within the LGBTQ and HIV-affected communities throughout the United States.

AVP receives its principal revenue from governmental sources, private individuals and corporate foundations.

AVP is a not-for-profit corporation exempt from income taxes under Section 501 (c)(3) of the Internal Revenue Code.

**Note B – Summary of Significant Accounting Policies**

**Basis of Accounting**

The Agency follows accounting principles generally accepted in the United States of America (“U.S. GAAP”) which include certain specialized requirements set forth in publications of the Financial Accounting Standards Board.

**Subsequent Events Evaluation by Management**

Management has evaluated subsequent events for disclosure and/or recognition in the financial statements through the date that the financial statements were available to be issued, which is November 1, 2014.

**Accounting for Uncertainty in Income Taxes**

The Agency’s accounting policy is to provide liabilities for uncertain tax positions when a liability is probable and estimable. Management is not aware of any violation of its tax status as an organization exempt from income taxes, nor of any exposure to unrelated business income tax. The Agency is no longer subject to examination by federal or state tax authorities for fiscal years prior to 2011.

**Cash and Cash Equivalents**

The Agency considers all highly liquid investments with a maturity of less than three months to be cash equivalents.

**Restricted Contributions**

Contributions that are restricted by the donor are reported as increases in temporarily or permanently restricted net assets depending on the nature of the restrictions. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets.

**Contributed Services and Materials**

Contributed services and materials are recorded at the estimated fair value.

**NEW YORK CITY GAY AND LESBIAN ANTI-VIOLENCE PROJECT, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2014 AND 2013**  
**(Continued)**

**Note B – Summary of Significant Accounting Policies (continued)**

**Estimates**

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

**Property and Equipment**

Property and equipment are stated at cost, less accumulated depreciation and amortization. Depreciation and amortization are provided for in amounts sufficient to relate the cost of depreciable assets to operations over their estimated useful lives. The Agency capitalizes property and equipment with a useful life of two years or more and a cost of \$1,000 or more, unless the acquisition is reimbursed by a government grant, and the grantor retains title to the property or equipment. In those instances, the purchase is expensed in the year incurred.

**Grants and Contributions Receivable**

Grants and contributions receivable, which consist of unconditional promises to give, are recognized as revenue in the year received. Unconditional promises to give that are expected to be collected within one year are recorded at net realizable value. Unconditional promises to give that are expected to be collected in future years are recorded at the present value of their estimated future cash flows, unless management deems the promises to be immaterial to the financial statements.

**Fair Value Measurements**

Fair value measurements are based on 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.

**Reclassification**

Certain line items in the June 30, 2013 financial statements have been reclassified to conform to the June 30, 2014 presentation.

**Note C – Contributions Receivable**

Contributions receivable consist of the following as of June 30, 2014 and 2013:

Unconditional promises to be collected in:

	<u>2014</u>	<u>2013</u>
Less than one year	\$ 280,279	\$ 164,322
One to five years	<u>200,000</u>	<u>          </u>
	<u>\$ 480,279</u>	<u>\$ 164,322</u>

Unconditional promises to give that are expected to be collected in future years have not been discounted to present value as the discount amount is not material to these financial statements.

**NEW YORK CITY GAY AND LESBIAN ANTI-VIOLENCE PROJECT, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2014 AND 2013**  
**(Continued)**

**Note D – Property and Equipment**

Property and equipment consist of the following as at June 30, 2014 and 2013:

	<u>Estimated Useful Lives</u>	<u>2014</u>	<u>2013</u>
Computers	3 years	\$ 194,867	\$ 190,412
Computer software	3 years	3,485	3,485
Furniture and equipment	5 years	241,385	227,651
Leasehold improvements	7 to 30 years	193,248	193,248
Website	3 years	<u>12,500</u>	<u>12,500</u>
		645,485	627,296
Less: accumulated depreciation and amortization		<u>(614,306)</u>	<u>(593,328)</u>
		<u>\$ 31,179</u>	<u>\$ 33,968</u>

**Note E – Loan Payable**

AVP was a borrower on a demand line of credit with a bank, to a maximum of \$200,000. Interest was at the bank's prime rate plus 1.5 percent. In June, 2010, an amendment (the "Amendment") to the loan documents was executed. Under the Amendment, the payment terms changed, resulting in 60 monthly payments of fixed principal in the amount of approximately \$3,000, plus accrued interest. The maturity date of the loan is May, 2015. The interest rate is a variable rate at the bank's prime rate plus 2.50%. The interest rate at June 30, 2014 was 5.75%. At June 30, 2014, the balance on the loan was \$32,999.

Principal payments for the years subsequent to June 30, 2014 are as follows:

June 30, 2015 \$ 32,999

**Note F – Donated Goods and Services**

Donated goods and services consisted of the following for the years ended June 30, 2014 and 2013:

	<u>2014</u>	<u>2013</u>
Hotline volunteers	\$ 177,641	\$ 160,964
Consultants	9,260	82,337
Lobbying consultants	36,000	39,000
Special event expenses	6,849	54,504
Other event expenses	8,583	3,176
Travel	1,067	1,635
Telephone	300	633
Staff training	1,224	
Repairs and maintenance	<u>20</u>	
	<u>\$ 240,944</u>	<u>\$ 342,249</u>

**NEW YORK CITY GAY AND LESBIAN ANTI-VIOLENCE PROJECT, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2014 AND 2013**  
**(Continued)**

**Note G – Concentration of Credit Risk**

The Agency maintains several bank accounts at a bank which is an institution insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000. As of June 30, 2014 and 2013 there were no uninsured cash balances.

**Note H – Commitments and Contingencies**

The Agency leases real property for program and administrative purposes that is scheduled to expire on March 30, 2015. Rental expense amounted to approximately \$235,000 for the years ended June 30, 2014 and 2013. The Agency has also entered into various equipment lease agreements.

- 1) Approximate future minimum annual rental commitments under noncancelable lease obligations are as follows:

	Office Rent	Equipment Rent	Totals
For the years ended June 30, 2015	\$ 213,000	\$ 7,538	\$ 220,538
2016		7,538	7,538
2017		6,654	6,654
2018		6,360	6,360
2019		1,400	1,400
	\$ 213,000	\$ 29,490	\$ 242,490

AVP records rent expense on the straight line basis as required under accounting principles generally accepted in the United States of America. Deferred rent payable amounted to \$37,713 and \$81,806 at June 30, 2014 and 2013, respectively.

- 2) A substantial amount of the Agency's revenues are government reimbursements. Revenues and related expenses are subject to audit verification by the funding agencies. The accompanying financial statements make no provision for possible disallowances. Although such disallowances could be substantial in amount, in the opinion of management, any actual disallowances would be immaterial.

**Note I – Temporarily Restricted Net Assets**

Temporarily restricted net assets are subject to the following restrictions at June 30:

	2014	2013
Purpose restrictions:		
Bronx program (a) (Hate Violence)	\$ 40,971	\$ 100,281
NCAVP (a)	425,396	151,794
Intimate Partner Violence program support	41,335	134,008
Sexual Violence program support	37,917	30,000
Hate Violence program support	15,246	8,579
Time restricted	41,500	24,839
	\$ 602,365	\$ 449,501

- (a) Also time restricted



**NEW YORK CITY GAY AND LESBIAN ANTI-VIOLENCE PROJECT, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2014 AND 2013**  
**(Continued)**

**Note J – Unrestricted Deficit**

At June 30, 2014, AVP's net assets were in a surplus position of \$320,547. This reflects an ongoing shift from FY12 when net assets were in a deficit position of approximately (\$111,000). This position demonstrates the successful implementation of the organization's business strategy aimed at reducing the deficit, and carry out a private (individual, corporations, foundations) fundraising plan initially implemented at the end of FY 2013. While AVP recognized that FY14's unrestricted fund continues to show a deficit, significant progress has been made to reduce this from (\$404,056) in FY13 to (\$281,818) at the end of FY14.

AVP is working to continue the success demonstrated in the last two years and to increase both government and private revenue in FY15 to cover the full cost of programs, and we are once again projecting an overall surplus for FY15. As of the first quarter of FY15: government funds committed for FY15 are up 29.7% from what was received in FY14; 62.24% of FY15 event revenue has already been raised and 42% of the foundation funding projection for FY15 has already been raised. These achievements are a result of commitment by the Board and staff to continue using a strategy that builds on success of the previous fiscal year and continues to address the unrestricted deficit thereby contributing to organizational sustainability.

Consistent with the previously employed strategies, AVP's decision to continue to budget debt service as a priority item for FY15 resulted in ongoing payments of the organizations loan. These efforts will result in the remaining loan payable to be fully paid before the end of FY15.

Concurrently, in FY15, as part of its business model, AVP continues our commitment to limit new unfunded program growth and budget the full cost of operations (including asset purchases and repairs).