



**GT REILLY**  
**& COMPANY**  
CPAs and Advisors

Audited Financial Statements

**One Family, Inc.**

June 30, 2017

# One Family, Inc.

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## Audited Financial Statements

June 30, 2017

INDEPENDENT AUDITORS' REPORT	1
AUDITED FINANCIAL STATEMENTS	
STATEMENTS OF FINANCIAL POSITION	2
STATEMENTS OF ACTIVITIES AND CHANGES IN NET ASSETS	3
STATEMENTS OF FUNCTIONAL EXPENSES	4-5
STATEMENTS OF CASH FLOWS	6
NOTES TO FINANCIAL STATEMENTS	7



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# GT REILLY & COMPANY

CPAs and Advisors

## Independent Auditors' Report

To the Board of Directors  
One Family, Inc.

We have audited the accompanying financial statements of One Family, Inc., which comprise the statements of financial position as of June 30, 2017 and 2016, and the related statements of activities and changes in net assets, statements of 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.

### **Auditors' 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 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 auditors' judgment, including the assessment of the risk 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 One Family, Inc. as of June 30, 2017 and 2016, and the changes in its net assets and its cash flows for the years then ended, in conformity with accounting principles generally accepted in the United States of America.

G.T. Reilly & Company

Milton, Massachusetts  
September 13, 2017

An independent firm associated with  
Moore Stephens International Limited

**MOORE STEPHENS**

# One Family, Inc.

## Statements of Financial Position

June 30

<u>Assets</u>	<u>2017</u>	<u>2016</u>
CURRENT ASSETS		
Cash and cash equivalents	\$1,473,584	\$1,429,681
Pledges receivable	19,557	57,928
Prepaid expenses and other assets	-	142
TOTAL CURRENT ASSETS	<u>1,493,141</u>	<u>1,487,751</u>
INVESTMENTS	484,842	424,325
PROPERTY AND EQUIPMENT, net	<u>87,479</u>	<u>105,508</u>
TOTAL ASSETS	<u>\$2,065,462</u>	<u>\$2,017,584</u>
<u>Liabilities and Net Assets</u>		
CURRENT LIABILITIES		
Accounts payable	\$ 4,707	\$ 5,981
Accrued expenses	<u>6,847</u>	<u>5,899</u>
TOTAL CURRENT LIABILITIES	<u>11,554</u>	<u>11,880</u>
DEFERRED RENT	<u>25,935</u>	<u>25,583</u>
TOTAL LIABILITIES	<u>37,489</u>	<u>37,463</u>
NET ASSETS		
Unrestricted	1,647,342	1,562,797
Temporarily restricted	<u>380,631</u>	<u>417,324</u>
TOTAL LIABILITIES AND NET ASSETS	<u>2,027,973</u>	<u>1,980,121</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$2,065,462</u>	<u>\$2,017,584</u>

# One Family, Inc.

## Statements of Activities and Changes in Net Assets

### Years Ended June 30

	2017			2016		
	Unrestricted	Temporarily Restricted	Total	Unrestricted	Temporarily Restricted	Total
<b>OPERATING SUPPORT AND REVENUES</b>						
Private grants and contributions	\$ 779,214	\$ -	\$ 779,214	\$ 843,184	\$ 22,000	\$ 865,184
Government grants and contracts	28,229	400,000	428,229	107,789	400,000	507,789
Special events, net	119,387	-	119,387	171,242	-	171,242
Investment income, gains (losses) and other	58,151	-	58,151	(11,870)	-	(11,870)
Net assets released from restrictions	436,693	(436,693)	-	327,009	(327,009)	-
<b>TOTAL OPERATING SUPPORT &amp; REVENUES</b>	<b>1,421,674</b>	<b>(36,693)</b>	<b>1,384,981</b>	<b>1,437,354</b>	<b>94,991</b>	<b>1,532,345</b>
<b>OPERATING EXPENSES</b>						
Program services						
One Family Scholars	933,834	-	933,834	847,782	-	847,782
Systems Change	103,427	-	103,427	62,414	-	62,414
Credential to Career	27,605	-	27,605	147,885	-	147,885
<b>TOTAL PROGRAM SERVICES</b>	<b>1,064,866</b>	<b>-</b>	<b>1,064,866</b>	<b>1,058,081</b>	<b>-</b>	<b>1,058,081</b>
Support services:						
General and administrative	119,746	-	119,746	105,839	-	105,839
Fundraising	152,517	-	152,517	153,202	-	153,202
<b>TOTAL SUPPORT SERVICES</b>	<b>272,263</b>	<b>-</b>	<b>272,263</b>	<b>259,041</b>	<b>-</b>	<b>259,041</b>
<b>TOTAL OPERATING EXPENSES</b>	<b>1,337,129</b>	<b>-</b>	<b>1,337,129</b>	<b>1,317,122</b>	<b>-</b>	<b>1,317,122</b>
<b>CHANGES IN NET ASSETS</b>	<b>84,545</b>	<b>(36,693)</b>	<b>47,852</b>	<b>120,232</b>	<b>94,991</b>	<b>215,223</b>
<b>NET ASSETS AT BEGINNING OF YEAR</b>	<b>1,562,797</b>	<b>417,324</b>	<b>1,980,121</b>	<b>1,442,565</b>	<b>322,333</b>	<b>1,764,898</b>
<b>NET ASSETS AT END OF YEAR</b>	<b>\$ 1,647,342</b>	<b>\$ 380,631</b>	<b>\$ 2,027,973</b>	<b>\$ 1,562,797</b>	<b>\$ 417,324</b>	<b>\$ 1,980,121</b>

## One Family, Inc.

### Statement of Functional Expenses

For the Year Ended June 30, 2017 (With Comparative Totals for 2016)

	Program Services			Total Program Services	Support Services		Total Support Services	2017 Total Expenses	2016 Total Expenses
	One Family Scholars	Systems Change	Credential to Career		General & Administrative	Fundraising			
<b>PERSONNEL AND RELATED</b>									
Salaries	\$ 190,964	\$ 60,496	\$ 17,709	\$ 269,169	\$ 33,574	\$ 100,694	\$ 134,268	\$ 403,437	\$ 359,903
Payroll taxes and fringe benefits	26,052	10,410	2,315	38,777	9,197	15,610	24,807	63,584	79,167
Contracted services	34,945	6,993	2,310	44,248	21,648	11,761	33,409	77,657	116,974
<b>TOTAL PERSONNEL AND RELATED</b>	<b>251,961</b>	<b>77,899</b>	<b>22,334</b>	<b>352,194</b>	<b>64,419</b>	<b>128,065</b>	<b>192,484</b>	<b>544,678</b>	<b>556,044</b>
<b>OCCUPANCY</b>									
Rent	19,333	6,161	1,664	27,158	10,729	9,813	20,542	47,700	49,260
Repairs and maintenance	116	37	10	163	39	60	99	262	172
Utilities & phone	2,344	745	206	3,295	644	1,178	1,822	5,117	6,139
Depreciation	9,532	3,025	851	13,408	(205)	4,825	4,620	18,028	18,028
<b>TOTAL OCCUPANCY</b>	<b>31,325</b>	<b>9,968</b>	<b>2,731</b>	<b>44,024</b>	<b>11,207</b>	<b>15,876</b>	<b>27,083</b>	<b>71,107</b>	<b>73,599</b>
<b>OTHER</b>									
Events, meetings & conferences	11,075	366	-	11,441	1,516	592	2,108	13,549	6,807
Program expenses	39,355	10,000	-	49,355	-	-	-	49,355	34,416
Professional fees	1,953	1,495	1,647	5,095	28,197	1,606	29,803	34,898	80,612
Travel and meals	3,046	1,150	160	4,356	2,691	388	3,079	7,435	9,715
Recruitment/outplacement	-	-	-	-	-	-	-	-	250
Office equipment & supplies	3,088	958	270	4,316	2,195	1,491	3,686	8,002	7,740
Technology	6,956	834	223	8,013	1,618	1,943	3,561	11,574	16,081
Liability insurance	2,411	739	240	3,390	1,036	1,282	2,318	5,708	5,279
Staff development	160	-	-	160	2,789	149	2,938	3,098	5,627
Other	-	18	-	18	4,078	1,125	5,203	5,221	5,122
<b>TOTAL OTHER</b>	<b>68,044</b>	<b>15,560</b>	<b>2,540</b>	<b>86,144</b>	<b>44,120</b>	<b>8,576</b>	<b>52,696</b>	<b>138,840</b>	<b>171,649</b>
<b>TOTAL EXPENSES BEFORE PARTICIPANT COSTS</b>	<b>351,330</b>	<b>103,427</b>	<b>27,605</b>	<b>482,362</b>	<b>119,746</b>	<b>152,517</b>	<b>272,263</b>	<b>754,625</b>	<b>801,292</b>
<b>ONE FAMILY SCHOLAR AWARDS</b>	<b>582,504</b>	<b>-</b>	<b>-</b>	<b>582,504</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>582,504</b>	<b>515,830</b>
<b>TOTAL EXPENSES</b>	<b>\$ 933,834</b>	<b>\$ 103,427</b>	<b>\$ 27,605</b>	<b>\$ 1,064,866</b>	<b>\$ 119,746</b>	<b>\$ 152,517</b>	<b>\$ 272,263</b>	<b>\$ 1,337,129</b>	<b>\$ 1,317,122</b>

# One Family, Inc.

## Statement of Functional Expenses For the Year Ended June 30, 2016

	Program Services			Total Program Services	Support Services		Total Support Services	Total Expenses
	One Family Scholars	Systems Change	Credential to Career		General & Administrative	Fundraising		
<b>PERSONNEL AND RELATED</b>								
Salaries	\$ 155,960	\$ 28,409	\$ 88,946	\$ 273,315	\$ 31,714	\$ 54,874	\$ 86,588	\$ 359,903
Payroll taxes and fringe benefits	38,803	11,595	18,687	69,085	9,782	300	10,082	79,167
Contracted services	40,169	2,678	3,958	46,805	6,213	63,956	70,169	116,974
<b>TOTAL PERSONNEL AND RELATED</b>	<b>234,932</b>	<b>42,682</b>	<b>111,591</b>	<b>389,205</b>	<b>47,709</b>	<b>119,130</b>	<b>166,839</b>	<b>556,044</b>
<b>OCCUPANCY</b>								
Rent	21,094	3,953	12,353	37,400	3,954	7,906	11,860	49,260
Repairs and maintenance	74	14	43	131	13	28	41	172
Utilities & phone	2,640	491	1,535	4,666	491	982	1,473	6,139
Depreciation	7,752	1,442	4,527	13,721	1,422	2,885	4,307	18,028
<b>TOTAL OCCUPANCY</b>	<b>31,560</b>	<b>5,900</b>	<b>18,458</b>	<b>55,918</b>	<b>5,880</b>	<b>11,801</b>	<b>17,681</b>	<b>73,599</b>
<b>OTHER</b>								
Events, meetings & conferences	1,375	-	31	1,406	4,469	932	5,401	6,807
Program expenses	34,316	-	-	34,316	100	-	100	34,416
Professional fees	12,094	12,094	12,094	36,282	32,236	12,094	44,330	80,612
Travel and meals	1,815	7	303	2,125	7,052	538	7,590	9,715
Recruitment/outplacement	160	-	-	160	-	90	90	250
Office equipment & supplies	3,100	575	1,795	5,470	575	1,695	2,270	7,740
Technology	8,969	734	2,293	11,996	734	3,351	4,085	16,081
Liability insurance	2,270	422	1,320	4,012	422	845	1,267	5,279
Staff development	1,361	-	-	1,361	3,517	749	4,266	5,627
Other	-	-	-	-	3,145	1,977	5,122	5,122
<b>TOTAL OTHER</b>	<b>65,460</b>	<b>13,832</b>	<b>17,836</b>	<b>97,128</b>	<b>52,250</b>	<b>22,271</b>	<b>74,521</b>	<b>171,649</b>
<b>TOTAL EXPENSES BEFORE PARTICIPANT COSTS</b>	<b>331,952</b>	<b>62,414</b>	<b>147,885</b>	<b>542,251</b>	<b>105,839</b>	<b>153,202</b>	<b>259,041</b>	<b>801,292</b>
<b>ONE FAMILY SCHOLAR AWARDS</b>	<b>515,830</b>	<b>-</b>	<b>-</b>	<b>515,830</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>515,830</b>
<b>TOTAL EXPENSES</b>	<b>\$ 847,782</b>	<b>\$ 62,414</b>	<b>\$ 147,885</b>	<b>\$1,058,081</b>	<b>\$ 105,839</b>	<b>\$ 153,202</b>	<b>\$ 259,041</b>	<b>\$1,317,122</b>

# One Family, Inc.

## Statements of Cash Flows

For the Years Ended June 30

	<u>2017</u>	<u>2016</u>
CASH FLOWS FROM OPERATING ACTIVITIES:		
Changes in net assets	\$ 47,852	\$ 215,223
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:		
Depreciation	18,028	18,028
Donated investments	(3,373)	(25,359)
Net realized and unrealized (gains) losses on investments	(49,489)	16,643
Changes in operating assets and liabilities:		
Pledges receivable	38,371	(28,228)
Prepaid expenses and other assets	142	6,337
Accounts payable	(1,274)	(30,846)
Accrued expenses	948	(5,861)
Deferred rent	352	1,404
	<u>51,557</u>	<u>167,341</u>
NET CASH PROVIDED BY OPERATING ACTIVITIES		
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of property and equipment	-	(45,850)
Purchases of investments	(7,654)	(3,524)
	<u>(7,654)</u>	<u>(49,374)</u>
NET CASH USED IN INVESTING ACTIVITIES		
NET INCREASE IN CASH AND CASH EQUIVALENTS	43,903	117,967
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	<u>1,429,681</u>	<u>1,311,714</u>
CASH AND CASH EQUIVALENTS AT END OF YEAR	<u>\$1,473,584</u>	<u>\$1,429,681</u>
<b><u>SUPPLEMENTAL DISCLOSURES OF NON-CASH TRANSACTIONS</u></b>		
Donated investments	<u>\$ 3,373</u>	<u>\$ 25,359</u>



## Notes to Financial Statements

June 30, 2017

### Note 1 – Operations, Nonprofit Status and Significant Accounting Policies

One Family aims to prevent homelessness and break the cycle of family poverty in Massachusetts by promoting pathways to economic independence through advocacy, education and innovation. We envision a Commonwealth where all families have secure housing, access to education leading to employment, and the ability to build assets to create a brighter future. One Family believes that if policies are focused on prevention and programs are designed to promote opportunities, then we can end family homelessness in Massachusetts.

As an organization dedicated to preventing family homelessness, One Family's ultimate aims are supporting housing stability and asset development for those we serve. In addition to advocating for programs and policies, our direct service programs position families to achieve these goals. Both our One Family Scholars (OFS) program and our new Credential to Career Coaching (C2C) program are targeted to providing parents who are homeless or at-risk with the information and coaching they need to enter careers through which they can support themselves and their children, and giving them the ability to build assets for the future.

Nonprofit Status – One Family is exempt from federal income taxes as an organization (not a private foundation) formed for charitable purposes under Section 501(c)(3) of the Internal Revenue Code (IRC). One Family is also exempt from state income taxes. Donors may deduct contributions made to One Family within IRC regulations.

Significant Accounting Policies – One Family prepares its financial statements in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP).

Cash and Cash Equivalents – For the purpose of the statements of cash flows, cash includes balances on hand at banks as well as repurchase agreements representing collateralized overnight investments with United States banks and are carried at their principal amounts given their overnight maturity (see Note 7).

	<u>2017</u>	<u>2016</u>
Cash on hand at banks	\$ 400,578	\$ 1,429,681
Overnight investment program	<u>1,073,006</u>	-
	<u>\$ 1,473,584</u>	<u>\$ 1,429,681</u>

Pledges Receivable – Pledges receivable consist of amounts unconditionally committed to One Family. No pledge discount was deemed necessary at June 30, 2017, as all pledges are due in fiscal year 2018.

Allowance for Doubtful Accounts – An allowance for doubtful accounts, if any, is recorded based on management's analysis of specific accounts and their estimate of amounts that may be uncollectible. As of June 30, 2017 and 2016, no allowance for doubtful accounts was deemed necessary by management.

Fair Value Measurements – One Family follows the Accounting Standards Codification (ASC) Topic 820, "Fair Value Measurements and Disclosures", for assets and liabilities that are measured at fair value on a recurring basis, and to determine fair value disclosures. This standard defines fair value and it establishes a three-tier fair value hierarchy, which prioritizes the inputs used in measuring fair value. This standard applies to certain other existing accounting pronouncements that require or permit fair value measurements. The applicability of this standard is limited to One Family's investments.

## Note 1 – Operations, Nonprofit Status and Significant Accounting Policies (Cont.)

Investments – Investments are reported at fair market value using Level 1 inputs (see below). Investment income is recorded as earned. Investment gains or losses are recorded as incurred upon sales or based on changes in market values during the period (see Note 2). Investments are classified as noncurrent assets in the accompanying statements of financial position as it is One Family’s intent to hold these investments for long-term purposes. Investments are not insured and are subject to ongoing market fluctuations.

Valuation techniques used to measure fair value must maximize the use of observable inputs and minimize the use of unobservable inputs. The fair value accounting standard established a three-tier fair value hierarchy, which prioritizes the inputs used in measuring fair value. The three tiers are defined as:

Level 1 – Observable inputs such as quoted prices in active markets.

Level 2 – Inputs other than Level 1 inputs that are observable, either directly or indirectly, 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.

Level 3 – Unobservable inputs in which little or no market data exists, therefore requiring an entity to develop its own assumptions and are significant to the fair measurement.

One Family’s investments are valued based on Level 1 inputs within the fair value hierarchy (see Note 2).

Property, Equipment and Depreciation – Purchased property and equipment are recorded at cost (see Note 3). Donated property and equipment are recorded at fair market value at the time of donation. Ordinary repairs and maintenance are expensed when incurred, while renewals and betterments are capitalized. Depreciation of capitalized property and equipment is computed using the straight-line method over the following estimated useful lives:

Furniture and fixtures	7 years
Office equipment	5 years
Computers and software	5 years
Leasehold improvements	3 years or life of lease

Unrestricted Net Assets – Unrestricted net assets are those net resources that bear no external restrictions and are generally available for use by One Family.

Temporarily Restricted Net Assets – Temporarily restricted net assets are donor restricted contributions which have not yet been expended for their designated purpose or have been restricted for a period of time. Temporarily restricted net assets consist of the following at June 30:

	<u>2017</u>	<u>2016</u>
Purpose restricted - One Family Scholars Program	\$ 380,631	\$ 385,244
Purpose restricted - Speakers Bureau	-	7,080
Time restricted	-	25,000
	<u>\$ 380,631</u>	<u>\$ 417,324</u>

## Note 1 – Operations, Nonprofit Status and Significant Accounting Policies (Cont.)

Temporarily restricted net assets were released for the following purposes for the year ended June 30:

	<u>2017</u>	<u>2016</u>
Purpose restricted - One Family Scholars Program	\$ 404,613	\$ 296,709
Purpose restricted - Speakers Bureau	7,080	600
Time restricted	<u>25,000</u>	<u>29,700</u>
	<u>\$ 436,693</u>	<u>\$ 327,009</u>

Recognition of Support and Revenue – Unrestricted contributions and gifts are recorded as support when received or unconditionally pledged. Restricted contributions and gifts are recorded as temporarily restricted support and net assets when received or unconditionally pledged. Transfers are made to unrestricted net assets as costs are incurred or time and/or program restrictions have lapsed. Contributions are recorded as unrestricted net assets if the restrictions are met in the year that the contribution is made. Additionally, contributions of donated non-cash assets are recorded at their fair values in the period received.

Special events income is recorded when earned or when contributions are unconditionally committed. Contract revenue is recorded when earned.

Special Events – Special events revenue is shown in the accompanying statements of activities and changes in net assets for the years ended June 30, as follows:

	<u>2017</u>	<u>2016</u>
Individual contributions and foundation grants	\$ 108,740	\$ 129,944
Corporate contributions	<u>34,000</u>	<u>73,425</u>
	142,740	203,369
Less: direct expenses	<u>23,353</u>	<u>32,127</u>
Total special events revenue	<u>\$ 119,387</u>	<u>\$ 171,242</u>

Donated Goods and Services – One Family receives services from volunteers in conjunction with their programs. The value of these services is not reflected in the accompanying financial statements since these services do not meet the criteria for recognition under U.S. GAAP.

Expense Allocation – Expenses related directly to a program are allocated directly to that program, while other expenses are allocated based upon management's estimate of the percentage attributable to each program.

Advertising Costs – One Family expenses advertising costs as they are incurred. Advertising expense for the years ended June 30, 2017 and 2016 were \$1,223 and \$15,825 respectively.

One Family Scholar Awards – In the course of operating the OFS Program, One Family granted the following scholar awards for the years ended June 30:

	<u>2017</u>	<u>2016</u>
Education expenses	\$ 402,587	\$ 323,692
Stipends	<u>179,917</u>	<u>192,138</u>
	<u>\$ 582,504</u>	<u>\$ 515,830</u>

Subsequent Events – In accordance with generally accepted accounting principles, management has evaluated subsequent events involving One Family for potential recognition or disclosure in the accompanying financial statements. Subsequent events are events or transactions that occurred after June 30, 2017 up through September 13, 2017, the date the accompanying financial statements were available to be issued.

## Note 1 – Operations, Nonprofit Status and Significant Accounting Policies (Cont.)

Estimates – The preparation of financial statements in accordance with U.S. GAAP 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 revenues and expenses during the reporting period. Actual results could differ from those estimates.

Income Taxes – One Family follows the *Accounting for Uncertainty in Income Taxes* standard, which requires One Family to report uncertain tax positions, related interest and penalties, and to adjust its unrecognized tax benefits and accrued interest and penalties accordingly. As of June 30, 2017, One Family determined that there are no material unrecognized tax benefits to report. One Family does not expect that the amounts of unrecognized tax benefits will change significantly within the next twelve months.

One Family files income tax and information returns in the United States Federal and Massachusetts state jurisdictions.

Recognition of Grant Expense – Grant expense is recognized at the time that grants are awarded by One Family.

## Note 2 – Investments

Investments are presented in the accompanying financial statements at fair value. The following table presents the fair value measurements of One Family's investments within the Level 1 valuation framework as of June 30:

	<u>2017</u>	<u>2016</u>
Investments:		
Daily money market	<u>\$ 107,628</u>	<u>\$ 181,442</u>
Mutual Funds:		
Global mutual funds	<u>116,053</u>	93,020
Exchange traded funds	<u>243,443</u>	<u>133,970</u>
	<u>359,496</u>	<u>226,990</u>
Equities	<u>17,718</u>	<u>15,893</u>
Total investments	<u><u>\$ 484,842</u></u>	<u><u>\$ 424,325</u></u>

Realized and unrealized losses on investments were \$49,489 for the year ended June 30, 2017. (Realized and unrealized gains of \$16,643 for the year ended June 30, 2016.) These losses and gains are included in investment income in the accompanying statements of activities and changes in net assets.

## Note 3 – Property and Equipment

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

	<u>2017</u>	<u>2016</u>
Computers and software	<u>\$ 45,851</u>	<u>\$ 45,851</u>
Leasehold improvements	<u>88,587</u>	<u>88,587</u>
	<u>134,438</u>	<u>134,438</u>
Less accumulated depreciation	<u>46,959</u>	<u>28,930</u>
	<u><u>\$ 87,479</u></u>	<u><u>\$ 105,508</u></u>

#### Note 4 – Lease Agreement

One Family has a 10-year sublease agreement for office space from the Paul and Phyllis Fireman Charitable Foundation (see note 5) through March of 2024, with the option to extend for 5 years. Additionally, One Family has the option of terminating the lease agreement at any point during the term by giving 60 days written notice of its intention to terminate.

Rent expense under this agreement was \$45,756 and \$48,095 for the years ended June 30, 2017 and 2016, respectively.

Under the assumption that One Family will remain in the lease agreement for the full 10-year term, the future minimum payments under the lease agreement are as follows:

Fiscal Year Ending June 30	
2018	\$ 49,062
2019	50,156
2020	51,251
2021	52,345
2022	53,439
Thereafter	95,843
	<u>\$ 352,096</u>

#### Note 5 – Related Party Transactions

Donations that One Family receives are generally dispersed among various corporate and individual contributors and foundations, which may include members of the Board of Directors as well as employees, and organizations that these individuals may be affiliated with.

Two of One Family's Board members are related to the Trustees of the Paul and Phyllis Fireman Charitable Foundation, which donated \$650,000 of unrestricted support to One Family for both of the years ended June 30, 2017 and 2016. One of these related Board members resigned in April, 2017. One Family subleases office space from the Paul and Phyllis Fireman Charitable Foundation (see Note 4).

Effective April 2014, One Family contracted to sublease office space from the Paul and Phyllis Fireman Charitable Foundation (See Note 4).

#### Note 6 – Retirement Plan

One Family maintains an IRC Section 403(b) retirement plan for eligible employees. Eligible employees may elect to defer the maximum amount of compensation allowed by law each year. After one year of service, One Family contributes 3% of the employee's salary up to \$3,000.

During the years ended June 30, 2017 and 2016, One Family contributed approximately \$6,200 and \$5,800, respectively, to the plan, which is included in payroll taxes and fringe benefits in the accompanying statements of functional expenses.

## **Note 7 – Concentrations**

One Family maintains its cash balances in various banks in Massachusetts. The Federal Deposit Insurance Corporation (FDIC) insures balances at each bank up to certain limits. At times during the year, cash balances may exceed the insured amounts; however, the Organization's management attempts to minimize the exposure during the year. During 2017, One Family added an Insured Cash Sweep (ICS) with its primary bank, which provides full FDIC insurance coverage for the total account balance. Based on bank balances, at June 30, 2017, there were no funds in excess of federally insured limits.

One donor represents approximately 47% and 42% of total support for the years ended June 30, 2017 and 2016, respectively (see Note 5). Two donors represent 100% of pledges receivable as of June 30, 2017, and two separate donors represented 96% of pledges receivable at June 30, 2016.

One Family received approximately 29% and 26% of its total support from the Commonwealth of Massachusetts during the years ended June 30, 2017 and 2016, respectively.