



GT REILLY
& COMPANY
CPAs and Advisors

Audited Financial Statements

One Family, Inc.

June 30, 2015

One Family, Inc.

Audited Financial Statements

June 30, 2015

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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, 2015 and 2014, 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

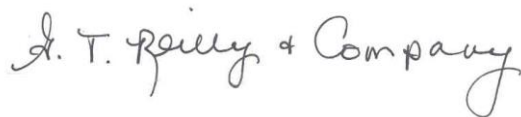
Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about 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, 2015 and 2014, 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 3, 2015

One Family, Inc.

Statements of Financial Position

June 30

| <u>ASSETS</u> | <u>2015</u> | <u>2014</u> |
|--|---------------------|---------------------|
| CURRENT ASSETS | | |
| Cash and cash equivalents | \$ 1,311,714 | \$ 1,194,136 |
| Pledges receivable | 29,700 | 66,500 |
| Prepaid expenses and other assets | 6,479 | 12,848 |
| | <u>1,347,893</u> | <u>1,273,484</u> |
| TOTAL CURRENT ASSETS | 1,347,893 | 1,273,484 |
| INVESTMENTS | 412,085 | 382,440 |
| PROPERTY AND EQUIPMENT, net | <u>77,686</u> | <u>18,378</u> |
| TOTAL ASSETS | <u>\$ 1,837,664</u> | <u>\$ 1,674,302</u> |
| <u>LIABILITIES AND NET ASSETS</u> | | |
| CURRENT LIABILITIES | | |
| Accounts payable | \$ 36,827 | \$ 61,657 |
| Accrued expenses | 11,760 | 14,666 |
| | <u>48,587</u> | <u>76,323</u> |
| TOTAL CURRENT LIABILITIES | 48,587 | 76,323 |
| DEFERRED RENT | <u>24,179</u> | <u>-</u> |
| TOTAL LIABILITIES | <u>72,766</u> | <u>76,323</u> |
| NET ASSETS | | |
| Unrestricted | 1,442,565 | 1,242,983 |
| Temporarily restricted | 322,333 | 354,996 |
| | <u>1,764,898</u> | <u>1,597,979</u> |
| TOTAL LIABILITIES AND NET ASSETS | <u>\$ 1,837,664</u> | <u>\$ 1,674,302</u> |

One Family, Inc.

Statements of Activities and Changes in Net Assets

Years Ended June 30

| | 2015 | | | 2014 | | |
|---|---------------------|------------------------|---------------------|---------------------|------------------------|---------------------|
| | Unrestricted | Temporarily Restricted | Total | Unrestricted | Temporarily Restricted | Total |
| OPERATING SUPPORT AND REVENUES | | | | | | |
| Private grants and contributions | \$ 803,898 | \$ 29,700 | \$ 833,598 | \$ 1,013,227 | \$ - | \$ 1,013,227 |
| Government grants and contracts | - | 450,000 | 450,000 | - | 300,000 | 300,000 |
| Special events, net | 346,155 | - | 346,155 | 106,062 | - | 106,062 |
| Investment income, gains and other | 8,100 | - | 8,100 | 42,980 | - | 42,980 |
| Net assets released from restrictions | 512,363 | (512,363) | - | 463,419 | (463,419) | - |
| TOTAL OPERATING SUPPORT & REVENUES | 1,670,516 | (32,663) | 1,637,853 | 1,625,688 | (163,419) | 1,462,269 |
| OPERATING EXPENSES | | | | | | |
| Program services | | | | | | |
| One Family Scholars | 1,087,909 | - | 1,087,909 | 1,156,167 | - | 1,156,167 |
| Systems Change | 146,675 | - | 146,675 | 138,820 | - | 138,820 |
| Credential to Career | 17,265 | - | 17,265 | - | - | - |
| TOTAL PROGRAM SERVICES | 1,251,849 | - | 1,251,849 | 1,294,987 | - | 1,294,987 |
| Support services: | | | | | | |
| General and administrative | 93,789 | - | 93,789 | 99,100 | - | 99,100 |
| Fundraising | 125,296 | - | 125,296 | 205,720 | - | 205,720 |
| TOTAL SUPPORT SERVICES | 219,085 | - | 219,085 | 304,820 | - | 304,820 |
| TOTAL OPERATING EXPENSES | 1,470,934 | - | 1,470,934 | 1,599,807 | - | 1,599,807 |
| CHANGE IN NET ASSETS | 199,582 | (32,663) | 166,919 | 25,881 | (163,419) | (137,538) |
| NET ASSETS AT BEGINNING OF YEAR | 1,242,983 | 354,996 | 1,597,979 | 1,217,102 | 518,415 | 1,735,517 |
| NET ASSETS AT END OF YEAR | \$ 1,442,565 | \$ 322,333 | \$ 1,764,898 | \$ 1,242,983 | \$ 354,996 | \$ 1,597,979 |

One Family, Inc.

Statement of Functional Expenses For the Year Ended June 30, 2015

| | Program Services | | | Support Services | | | Total Expenses | |
|--|---------------------|-------------------|----------------------|------------------------|--------------------------|-------------------|-------------------|------------------------|
| | One Family Scholars | Systems Change | Credential to Career | Total Program Services | General & Administrative | Fundraising | | Total Support Services |
| PERSONNEL AND RELATED | | | | | | | | |
| Salaries | \$ 184,485 | \$ 97,181 | \$ 11,671 | \$ 293,337 | \$ 20,492 | \$ 49,250 | \$ 69,742 | \$ 363,079 |
| Payroll taxes and fringe benefits | 34,478 | 16,506 | 675 | 51,659 | 4,617 | 9,212 | 13,829 | 65,488 |
| Contracted services | 42,970 | 22 | 4,896 | 47,888 | 5,398 | 53,519 | 58,917 | 106,805 |
| TOTAL PERSONNEL AND RELATED | 261,933 | 113,709 | 17,242 | 392,884 | 30,507 | 111,981 | 142,488 | 535,372 |
| OCCUPANCY | | | | | | | | |
| Rent | 29,951 | 14,619 | - | 44,570 | 4,558 | 6,854 | 11,412 | 55,982 |
| Repairs and maintenance | 1,259 | 602 | - | 1,861 | 575 | 301 | 876 | 2,737 |
| Utilities | 837 | 400 | - | 1,237 | 382 | 200 | 582 | 1,819 |
| TOTAL OCCUPANCY | 32,047 | 15,621 | - | 47,668 | 5,515 | 7,355 | 12,870 | 60,538 |
| OTHER | | | | | | | | |
| Events, meetings & travel | 6,942 | 181 | 23 | 7,146 | 8,257 | 932 | 9,189 | 16,335 |
| Program expenses | 6,389 | 8,908 | - | 15,297 | 14,663 | 449 | 15,112 | 30,409 |
| Professional fees and consultants | 42,246 | - | - | 42,246 | 21,685 | - | 21,685 | 63,931 |
| Recruiting | - | - | - | - | 803 | - | 803 | 803 |
| Office supplies and support | 8,295 | 1,774 | - | 10,069 | (937) | 1,752 | 815 | 10,884 |
| Information technology support | 4,488 | 2,742 | - | 7,230 | 1,002 | 810 | 1,812 | 9,042 |
| Insurance | 2,368 | 1,132 | - | 3,500 | 1,081 | 566 | 1,647 | 5,147 |
| Staff training and education | 125 | 550 | - | 675 | 2,862 | 381 | 3,243 | 3,918 |
| Depreciation | 4,075 | 1,949 | - | 6,024 | 1,860 | 974 | 2,834 | 8,858 |
| Other | 4,382 | 109 | - | 4,491 | 6,491 | 96 | 6,587 | 11,078 |
| TOTAL OTHER | 79,310 | 17,345 | 23 | 96,678 | 57,767 | 5,960 | 63,727 | 160,405 |
| TOTAL EXPENSES BEFORE PARTICIPANT COSTS | 373,290 | 146,675 | 17,265 | 537,230 | 93,789 | 125,296 | 219,085 | 756,315 |
| ONE FAMILY SCHOLAR AWARDS | 714,619 | - | - | 714,619 | - | - | - | 714,619 |
| TOTAL EXPENSES | \$1,087,909 | \$ 146,675 | \$ 17,265 | \$1,251,849 | \$ 93,789 | \$ 125,296 | \$ 219,085 | \$ 1,470,934 |

One Family, Inc.

Statement of Functional Expenses For the Year Ended June 30, 2014

| | Program Services | | | Support Services | | Total Support Services | Total Expenses |
|---|---------------------|----------------|------------------------|--------------------------|-------------|------------------------|----------------|
| | One Family Scholars | Systems Change | Total Program Services | General & Administrative | Fundraising | | |
| PERSONNEL AND RELATED | | | | | | | |
| Salaries | \$ 248,286 | \$ 81,586 | \$ 329,872 | \$ 8,788 | \$ 111,877 | \$ 120,665 | \$ 450,537 |
| Payroll taxes and fringe benefits | 46,294 | 15,125 | 61,419 | 10,616 | 23,156 | 33,772 | 95,191 |
| Contracted services | 41,181 | 24,552 | 65,733 | 21,348 | 50,585 | 71,933 | 137,666 |
| TOTAL PERSONNEL AND RELATED | 335,761 | 121,263 | 457,024 | 40,752 | 185,618 | 226,370 | 683,394 |
| OCCUPANCY | | | | | | | |
| Rent | 31,163 | 8,353 | 39,516 | 7,531 | 8,353 | 15,884 | 55,400 |
| Repairs and maintenance | 1,119 | 2,802 | 3,921 | 1,768 | 1,424 | 3,192 | 7,113 |
| Utilities | 391 | 135 | 526 | 232 | 135 | 367 | 893 |
| TOTAL OCCUPANCY | 32,673 | 11,290 | 43,963 | 9,531 | 9,912 | 19,443 | 63,406 |
| OTHER | | | | | | | |
| Events, meetings & travel | 4,431 | (4,545) | (114) | 5,554 | 3,046 | 8,600 | 8,486 |
| Program expenses | 17,209 | - | 17,209 | 8,846 | 1,616 | 10,462 | 27,671 |
| Professional fees and consultants | 53,223 | 333 | 53,556 | 25,831 | - | 25,831 | 79,387 |
| Recruiting | - | - | - | 390 | - | 390 | 390 |
| Office supplies and support | 12,425 | 2,596 | 15,021 | 236 | 4,501 | 4,737 | 19,758 |
| Information technology support | 4,122 | 1,354 | 5,476 | 118 | 295 | 413 | 5,889 |
| Insurance | 1,335 | 471 | 1,806 | 522 | - | 522 | 2,328 |
| Staff training and education | 1,074 | 1,863 | 2,937 | 2,536 | 435 | 2,971 | 5,908 |
| Depreciation | 2,945 | 967 | 3,912 | 84 | 210 | 294 | 4,206 |
| Other | 5,009 | 3,228 | 8,237 | 4,700 | 87 | 4,787 | 13,024 |
| TOTAL OTHER | 101,773 | 6,267 | 108,040 | 48,817 | 10,190 | 59,007 | 167,047 |
| TOTAL EXPENSES BEFORE PARTICIPANT COSTS | 470,207 | 138,820 | 609,027 | 99,100 | 205,720 | 304,820 | 913,847 |
| ONE FAMILY SCHOLAR AWARDS | 685,960 | - | 685,960 | - | - | - | 685,960 |
| TOTAL EXPENSES | \$ 1,156,167 | \$ 138,820 | \$ 1,294,987 | \$ 99,100 | \$ 205,720 | \$ 304,820 | \$ 1,599,807 |

One Family, Inc.

Statements of Cash Flows

For the Years Ended June 30

| | <u>2015</u> | <u>2014</u> |
|---|---------------------|---------------------|
| CASH FLOWS FROM OPERATING ACTIVITIES: | | |
| Change in net assets | \$ 166,919 | \$ (137,538) |
| Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities: | | |
| Depreciation | 8,859 | 4,206 |
| Donated investments | (22,619) | (29,877) |
| Net realized and unrealized gains on investments | (6,874) | (41,879) |
| Changes in operating assets and liabilities: | | |
| Pledges receivable | 36,800 | (13,500) |
| Prepaid expenses and other assets | 6,369 | 4,466 |
| Accounts payable | (24,830) | 37,115 |
| Accrued expenses | (2,906) | 5,381 |
| Deferred rent | 24,179 | - |
| NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES | <u>185,897</u> | <u>(171,626)</u> |
| CASH FLOWS FROM INVESTING ACTIVITIES | | |
| Purchases of property and equipment | (68,167) | (20,421) |
| Purchases of investments | (152) | (546) |
| NET CASH USED IN INVESTING ACTIVITIES | <u>(68,319)</u> | <u>(20,967)</u> |
| NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS | 117,578 | (192,593) |
| CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR | <u>1,194,136</u> | <u>1,386,729</u> |
| CASH AND CASH EQUIVALENTS AT END OF YEAR | <u>\$ 1,311,714</u> | <u>\$ 1,194,136</u> |
| <u>SUPPLEMENTAL DISCLOSURES OF NON-CASH TRANSACTIONS</u> | | |
| Donated investments | <u>\$ 22,619</u> | <u>\$ 29,877</u> |

One Family, Inc.

Notes to Financial Statements

June 30, 2015

Note 1 – Operations, Nonprofit Status and Significant Accounting Policies

One Family, Inc. (One Family) was founded in 1999 by Paul and Phyllis Fireman and their family and was incorporated in Massachusetts in 2002 as an independent 501(c)(3) nonprofit organization with a mission to end family homelessness in Massachusetts. One Family collaborates with others to develop and implement innovative programs that reverse the widespread, chronic effects of poverty and strengthen lower-income and homeless families. One Family employs a dual approach:

Direct Service Programs: Help individual families move from poverty and homelessness to economic security by supporting their success in post-secondary education and the workforce and providing the resources they need to begin building family assets for the future.

One Family Scholars (OFS): Supports approximately 100 homeless and at-risk single parents on their journey through college and into a family-sustaining career. Through One Family Scholars we have shown that homeless and at-risk single parents, with the combination of individualized coaching and flexible financial support, can succeed academically in numbers above students enrolling directly from high school. The OFS program supported 103 and 115 Scholars during the years ending June 30, 2015 and 2014, respectively.

Credential to Career Coaching: Launched in 2014, provides individualized coaching to help very low-income adults identify the skills and credentials they need to enter family-sustaining careers, and to develop action plans to reach their economic goals.

Systems Change: One Family works to change the response of government and private agencies from *providing* shelter to *preventing* homelessness and *creating* pathways for families to afford stable housing.

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 a United States bank and are carried at their principal amounts given their overnight maturity.

| | <u>2015</u> | <u>2014</u> |
|-----------------------|--------------------|--------------------|
| Cash on hand at banks | \$ 320,165 | \$ 181,137 |
| Repurchase agreement | 991,549 | 1,012,999 |
| | <u>\$1,311,714</u> | <u>\$1,194,136</u> |

Pledges Receivable - Pledges receivable consist of amounts unconditionally committed to One Family. No pledge discount was deemed necessary at June 30, 2015, as all pledges are due in fiscal year 2016.

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, 2015 and 2014, no allowance for doubtful accounts was deemed necessary by management.

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

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.

Investments - Investments are reported at fair market value using Level 1 inputs (see above). 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 | 3 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>2015</u> | <u>2014</u> |
|--|-------------------|-------------------|
| Purpose restricted - One Family Scholars Program | \$ 284,953 | \$ 283,206 |
| Purpose restricted - Speakers Bureau | 7,680 | 7,790 |
| Time restricted | 29,700 | 64,000 |
| | <u>\$ 322,333</u> | <u>\$ 354,996</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>2015</u> | <u>2014</u> |
|--|-------------------|-------------------|
| Purpose restricted - One Family Scholars Program | \$ 448,253 | \$ 435,019 |
| Purpose restricted - Speakers Bureau | 110 | 400 |
| Time restricted | <u>64,000</u> | <u>28,000</u> |
| | <u>\$ 512,363</u> | <u>\$ 463,419</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>2015</u> | <u>2014</u> |
|--|-------------------|-------------------|
| Individual contributions and foundation grants | \$ 365,893 | \$ 157,547 |
| Corporate contributions | 149,768 | 72,975 |
| Other contributions | <u>950</u> | <u>-</u> |
| | 516,611 | 230,522 |
| Less: direct expenses | <u>170,456</u> | <u>124,460</u> |
| Total special events revenue | <u>\$ 346,155</u> | <u>\$ 106,062</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 expenses for years ended June 30, 2015 and 2014 were \$24,333 and \$35,675, respectively, and are included in program expenses on the accompanying schedules of functional expenses.

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

| | <u>2015</u> | <u>2014</u> |
|--------------------|-------------------|-------------------|
| Education expenses | \$ 442,159 | \$ 463,755 |
| Stipends | <u>272,460</u> | <u>222,205</u> |
| | <u>\$ 714,619</u> | <u>\$ 685,960</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, 2015 up through September 3, 2015, 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, 2015, 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. These returns are generally subject to examination by tax authorities for the last three years.

Tax filings for 2011 and beyond remain open to examination.

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>2015</u> | <u>2014</u> |
|-----------------------|-------------------|-------------------|
| Investments: | | |
| Daily money market | <u>\$ 179,476</u> | <u>\$ 171,972</u> |
| Equities: | | |
| Domestic markets | - | 93,599 |
| Global mutual funds | <u>96,290</u> | 84,202 |
| Domestic mutual funds | <u>136,319</u> | <u>32,667</u> |
| | <u>232,609</u> | <u>210,468</u> |
| | | |
| Total investments | <u>\$ 412,085</u> | <u>\$ 382,440</u> |

Realized and unrealized gains on investments were \$6,874 and \$41,879 for the years ended June 30, 2015 and 2014, respectively. These gains are included in investment income and other 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>2015</u> | <u>2014</u> |
|-------------------------------|------------------|------------------|
| Furniture and fixtures | \$ - | \$ 42,374 |
| Office equipment | - | 22,503 |
| Computers | - | 5,537 |
| Leasehold improvements | <u>88,587</u> | <u>25,325</u> |
| | <u>88,587</u> | <u>95,739</u> |
| | | |
| Less accumulated depreciation | <u>10,901</u> | <u>77,361</u> |
| | <u>\$ 77,686</u> | <u>\$ 18,378</u> |

Note 4 – Lease Agreements

In March, 2013, One Family entered into a lease agreement for office space through February 28, 2018. Effective March 1, 2013, the base monthly rent was \$4,010 for years one through three, and \$4,325 for years four and five.

In April 2014, One Family signed an agreement to move to a new location and sublease office space from the Paul and Phyllis Fireman Charitable Foundation (See note 5) for 10 years through March of 2024, with the option to extend for five 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. One Family did not have to pay for cancellation of the lease in the initial location, however, it had to pay rent for two locations for the months of April through June 2014.

Rent expense under both agreements was \$55,982 and \$55,400 for the years ended June 30, 2015 and 2014, 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 | |
|-------------------------------|-------------------|
| 2016 | \$ 46,957 |
| 2017 | 48,053 |
| 2018 | 49,149 |
| 2019 | 50,246 |
| 2020 | 51,341 |
| Thereafter | <u>201,987</u> |
| | <u>\$ 447,733</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, 2015 and 2014.

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, 2015 and 2014, One Family contributed approximately \$8,900 and \$7,700, 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. As of June 30, 2015, the Organization's cash balances did not exceed FDIC coverage.

One Family's investments in overnight repurchase agreements are not bank deposits subject to FDIC insurance. However, they are collateralized by U.S. government backed securities.

One donor represents approximately 40% and 44% of total support for the years ended June 30, 2015 and 2014, respectively (see Note 5). Two donors represent 68% of pledges receivable as of June 30, 2015, and three donors represented 93% of pledges receivable at June 30, 2014.

One Family received approximately 27% and 21% of its total support directly from the Commonwealth of Massachusetts during the years ended June 30, 2015 and 2014, respectively.