The Family Center

D/B/A PARENTING JOURNEY

FINANCIAL STATEMENTS
JUNE 30, 2014 AND 2013
TOGETHER WITH
INDEPENDENT AUDITOR'S REPORT

Alexander Aronson Finning
CERTIFIED PUBLIC ACCOUNTANTS
& BUSINESS ADVISORS

THE FAMILY CENTER, INC.
D/B/A PARENTING JOURNEY

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JUNE 30, 2014 AND 2013

Alexander
Aronson
Finning
CERTIFIED PUBLIC ACCOUNTANTS
& BUSINESS ADVISORS

Where Every Client Is A Valued Client

Alexander, Aronson, Finning & Co., P. C.

21 East Main Street, Westborough, MA 01581-1461 (508) 366-9100
Boston, MA (617) 205-9100 Wellesley, MA (781) 965-9100
www.aafcpa.com FAX (508) 366-9789 info@aafcpa.com

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of
The Family Center, Inc. d/b/a Parenting Journey:

Report on the Financial Statements

We have audited the accompanying financial statements of The Family Center, Inc. d/b/a Parenting Journey (a Massachusetts corporation, not for profit) which comprise the statements of financial position as of June 30, 2014 and 2013, and the related statements of activities and changes in net assets, cash flows and functional expenses 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 audits 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 The Family Center, Inc. d/b/a Parenting Journey as of June 30, 2014 and 2013, 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.

Alexander, Aronson, Finning & Co., P.C.

Boston, Massachusetts
November 12, 2014

THE FAMILY CENTER, INC.
D/B/A PARENTING JOURNEY

STATEMENTS OF FINANCIAL POSITION
JUNE 30, 2014 AND 2013

	2014				2013			
ASSETS	UNRESTRICTED	TEMPORARILY RESTRICTED	PERMANENTLY RESTRICTED	TOTAL	UNRESTRICTED	TEMPORARILY RESTRICTED	PERMANENTLY RESTRICTED	TOTAL
CURRENT ASSETS:								
Cash	$ 545,158	$ 70,103	$ -	$ 615,261	$ 138,237	$ 38,893	$ -	$ 177,130
Contract and other receivables, net	6,339	-	-	6,339	3,484	-	-	3,484
Pledges receivable	52,141	-	-	52,141	99,199	391,250	-	490,449
Prepaid expenses	13,425	-	-	13,425	20,829	-	-	20,829
Total current assets	617,063	70,103	-	687,166	261,749	430,143	-	691,892
INVESTMENTS	51,659	-	415,000	466,659	4,950	-	415,000	419,950
PROPERTY AND EQUIPMENT, net	3,326,338	-	-	3,326,338	3,414,356	-	-	3,414,356
Total assets	$ 3,995,060	$ 70,103	$ 415,000	$ 4,480,163	$ 3,681,055	$ 430,143	$ 415,000	$ 4,526,198
LIABILITIES AND NET ASSETS								
CURRENT LIABILITIES:								
Line of credit	$ -	$ -	$ -	$ -	$ 150,000	$ -	$ -	$ 150,000
Current portion of long-term debt	28,212	-	-	28,212	27,106	-	-	27,106
Accounts payable	63,690	-	-	63,690	25,203	-	-	25,203
Accrued expenses	43,501	-	-	43,501	82,995	-	-	82,995
Total current liabilities	135,403	-	-	135,403	285,304	-	-	285,304
LONG-TERM DEBT, net of current portion	492,140	-	-	492,140	520,320	-	-	520,320
Total liabilities	627,543	-	-	627,543	805,624	-	-	805,624
NET ASSETS:								
Unrestricted:								
Operating	540,908	-	-	540,908	(15,122)	-	-	(15,122)
Board designated	23,623	-	-	23,623	23,623	-	-	23,623
Property and equipment	2,802,986	-	-	2,802,986	2,866,930	-	-	2,866,930
Total unrestricted	3,367,517	-	-	3,367,517	2,875,431	-	-	2,875,431
Temporarily restricted	-	70,103	-	70,103	-	430,143	-	430,143
Permanently restricted	-	-	415,000	415,000	-	-	415,000	415,000
Total net assets	3,367,517	70,103	415,000	3,852,620	2,875,431	430,143	415,000	3,720,574
Total liabilities and net assets	$ 3,995,060	$ 70,103	$ 415,000	$ 4,480,163	$ 3,681,055	$ 430,143	$ 415,000	$ 4,526,198

The accompanying notes are an integral part of these statements.

THE FAMILY CENTER, INC.
D/B/A PARENTING JOURNEY

STATEMENTS OF ACTIVITIES AND CHANGES IN NET ASSETS
FOR THE YEARS ENDED JUNE 30, 2014 AND 2013

	2014					
	UNRESTRICTED					
	OPERATING AND PROPERTY AND EQUIPMENT	BOARD DESIGNATED	TOTAL UNRESTRICTED	TEMPORARILY RESTRICTED	PERMANENTLY RESTRICTED	TOTAL
SUPPORT AND REVENUES:						
Contributions	$ 1,410,051	$ -	$ 1,410,051	$ 125,000	$ -	$ 1,535,051
Consulting and training services	137,461	-	137,461	-	-	137,461
Investment and other income	47,349	-	47,349	-	-	47,349
Rental income	32,825	-	32,825	-	-	32,825
Contract service revenue	19,146	-	19,146	-	-	19,146
Donated services	7,475	-	7,475	-	-	7,475
Special events	-	-	-	-	-	-
Net assets released from restrictions:						
Satisfaction of program restrictions	134,040	-	134,040	(134,040)	-	-
Satisfaction of time restrictions	351,000	-	351,000	(351,000)	-	-
Total support and revenues	2,139,347	-	2,139,347	(360,040)	-	1,779,307
EXPENSES:						
Program services	1,208,429	-	1,208,429	-	-	1,208,429
General and administrative	327,538	-	327,538	-	-	327,538
Fundraising and development	132,996	-	132,996	-	-	132,996
Total expenses	1,668,963	-	1,668,963	-	-	1,668,963
Changes in net assets from operations	470,384	-	470,384	(360,040)	-	110,344
UNREALIZED GAINS ON INVESTMENTS	21,702	-	21,702	-	-	21,702
Changes in net assets	492,086	-	492,086	(360,040)	-	132,046
NET ASSETS, beginning of year	2,851,808	23,623	2,875,431	430,143	415,000	3,720,574
Transfer - budgeted operating support	-	-	-	-	-	-
NET ASSETS, end of year	$ 3,343,894	$ 23,623	$ 3,367,517	$ 70,103	$ 415,000	$ 3,852,620

	2013					
	UNRESTRICTED					
	OPERATING AND PROPERTY AND EQUIPMENT	BOARD DESIGNATED	TOTAL UNRESTRICTED	TEMPORARILY RESTRICTED	PERMANENTLY RESTRICTED	TOTAL
SUPPORT AND REVENUES:						
Contributions	$ 195,425	$ -	$ 195,425	$ 227,000	$ -	$ 422,425
Consulting and training services	134,878	-	134,878	-	-	134,878
Investment and other income	19,996	-	19,996	-	-	19,996
Rental income	17,030	-	17,030	-	-	17,030
Contract service revenue	20,848	-	20,848	-	-	20,848
Donated services	17,565	-	17,565	-	-	17,565
Special events	278,015	-	278,015	6,845	-	284,860
Net assets released from restrictions:						
Satisfaction of program restrictions	214,330	-	214,330	(214,330)	-	-
Satisfaction of time restrictions	351,000	-	351,000	(351,000)	-	-
Total support and revenues	1,249,087	-	1,249,087	(331,485)	-	917,602
EXPENSES:						
Program services	1,414,835	-	1,414,835	-	-	1,414,835
General and administrative	268,833	-	268,833	-	-	268,833
Fundraising and development	362,389	-	362,389	-	-	362,389
Total expenses	2,046,057	-	2,046,057	-	-	2,046,057
Changes in net assets from operations	(796,970)	-	(796,970)	(331,485)	-	(1,128,455)
UNREALIZED GAINS ON INVESTMENTS	1,525	-	1,525	-	-	1,525
Changes in net assets	(795,445)	-	(795,445)	(331,485)	-	(1,126,930)
NET ASSETS, beginning of year	3,136,202	534,674	3,670,876	761,628	415,000	4,847,504
Transfer - budgeted operating support	511,051	(511,051)	-	-	-	-
NET ASSETS, end of year	$ 2,851,808	$ 23,623	$ 2,875,431	$ 430,143	$ 415,000	$ 3,720,574

The accompanying notes are an integral part of these statements.

THE FAMILY CENTER, INC.
D/B/A PARENTING JOURNEY

STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED JUNE 30, 2014 AND 2013

	2014	2013
CASH FLOWS FROM OPERATING ACTIVITIES:		
Changes in net assets	$ 132,046	$ (1,126,930)
Adjustments to reconcile changes in net assets to net cash provided by (used in) operating activities:		
Depreciation	94,018	101,439
Bad debt	66	-
Net investment gains	(21,702)	(1,525)
Changes in operating assets and liabilities:		
Contract and other receivables	(2,921)	1,658
Client receivables	-	23,536
Pledges receivable	438,308	499,751
Prepaid expenses	7,404	10,391
Accounts payable	35,487	(26,058)
Accrued expenses	(39,494)	12,065
Net cash provided by (used in) operating activities	643,212	(505,673)
CASH FLOWS FROM INVESTING ACTIVITIES:		
Reinvested interest on investments	(25,007)	(3,425)
Acquisition of property and equipment	(3,000)	-
Net cash used in investing activities	(28,007)	(3,425)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Principal payments of line of credit	(150,000)	-
Principal payments of long-term debt	(27,074)	(21,282)
Net cash used in financing activities	(177,074)	(21,282)
NET INCREASE (DECREASE) IN CASH	438,131	(530,380)
CASH, beginning of year	177,130	707,510
CASH, end of year	$ 615,261	$ 177,130
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION:		
Cash paid for interest	$ 24,397	$ 38,909
SUPPLEMENTAL DISCLOSURE OF NON-CASH ACTIVITY:		
Unrealized gains on investments	$ 21,702	$ 1,525
Acquisition of property and equipment included in accounts payable	$ 3,000	$ -
Cost basis of property and equipment disposed of	$ -	$ 84,411

The accompanying notes are an integral part of these statements.

THE FAMILY CENTER, INC.
D/B/A PARENTING JOURNEY

STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2014
(With Summarized Comparative Totals for the Year Ended June 30, 2013)

	2014					2013
		SUPPORTING SERVICES				
	PROGRAM SERVICES	GENERAL AND ADMINIS-TRATIVE	FUNDRAISING AND DEVELOPMENT	TOTAL SUPPORTING SERVICES	TOTAL	TOTAL
PERSONNEL AND RELATED:						
Salaries	$ 697,146	$ 183,683	$ 75,273	$ 258,956	$ 956,102	$ 1,181,484
Payroll taxes and fringe benefits	106,281	28,626	15,740	44,366	150,647	177,474
Total personnel and related	803,427	212,309	91,013	303,322	1,106,749	1,358,958
OCCUPANCY:						
Occupancy	113,327	4,535	1,512	6,047	119,374	131,499
Depreciation	68,554	18,062	7,402	25,464	94,018	101,439
Interest	17,789	4,687	1,921	6,608	24,397	38,909
Total occupancy	199,670	27,284	10,835	38,119	237,789	271,847
OTHER:						
Professional services	37,855	24,375	16,037	40,412	78,267	90,973
Program support	63,217	-	-	-	63,217	55,087
Legal and accounting, including donated	-	38,967	-	38,967	38,967	43,847
Small equipment	25,607	6,747	2,765	9,512	35,119	30,366
Travel	29,063	180	1,129	1,309	30,372	18,034
Other	11,915	12,213	4,474	16,687	28,602	5,609
Telephone	11,134	2,571	1,054	3,625	14,759	15,452
Postage and printing	5,790	273	1,951	2,224	8,014	20,652
Office supplies	5,218	814	1,006	1,820	7,038	10,632
Insurance	5,066	1,335	547	1,882	6,948	10,142
Conference services	5,426	-	275	275	5,701	1,597
Advertising	3,899	-	1,530	1,530	5,429	2,399
Professional development	892	130	380	510	1,402	2,257
Recruiting	250	340	-	340	590	51,342
Special event	-	-	-	-	-	56,863
Total other	205,332	87,945	31,148	119,093	324,425	415,252
Total expenses	$ 1,208,429	$ 327,538	$ 132,996	$ 460,534	$ 1,668,963	$ 2,046,057

The accompanying notes are an integral part of these statements.

THE FAMILY CENTER, INC.
D/B/A PARENTING JOURNEY

STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2013

		SUPPORTING SERVICES			
	PROGRAM SERVICES	GENERAL AND ADMINIS-TRATIVE	FUNDRAISING AND DEVELOPMENT	TOTAL SUPPORTING SERVICES	TOTAL
PERSONNEL AND RELATED:					
Salaries	$ 853,517	$ 148,546	$ 179,421	$ 327,967	$ 1,181,484
Payroll taxes and fringe benefits	127,480	26,770	23,224	49,994	177,474
Total personnel and related	980,997	175,316	202,645	377,961	1,358,958
OCCUPANCY:					
Occupancy	123,888	5,708	1,903	7,611	131,499
Depreciation	73,280	12,754	15,405	28,159	101,439
Interest	28,108	4,892	5,909	10,801	38,909
Total occupancy	225,276	23,354	23,217	46,571	271,847
OTHER:					
Professional services	58,603	8,506	23,864	32,370	90,973
Program support	55,087	-	-	-	55,087
Legal and accounting, including donated	-	43,847	-	43,847	43,847
Small equipment	21,937	3,818	4,611	8,429	30,366
Travel	17,181	183	670	853	18,034
Other	5,609	-	-	-	5,609
Telephone	11,904	1,607	1,941	3,548	15,452
Postage and printing	7,600	232	12,820	13,052	20,652
Office supplies	7,854	997	1,781	2,778	10,632
Insurance	8,561	716	865	1,581	10,142
Conference services	1,022	-	575	575	1,597
Advertising	2,399	-	-	-	2,399
Professional development	1,630	284	343	627	2,257
Recruiting	9,175	9,973	32,194	42,167	51,342
Special event	-	-	56,863	56,863	56,863
Total other	208,562	70,163	136,527	206,690	415,252
Total expenses	$ 1,414,835	$ 268,833	$ 362,389	$ 631,222	$ 2,046,057

The accompanying notes are an integral part of these statements.

(1) OPERATIONS, NONPROFIT STATUS AND SIGNIFICANT ACCOUNTING POLICIES

OPERATIONS AND NONPROFIT STATUS

The Family Center, Inc. d/b/a Parenting Journey (the Organization) is a nonprofit family support and family therapy agency created in 1982. Its mission is to create safer, more resilient families by supporting them in developing the inner strengths, life skills and network of resources they need to succeed. The Organization's services are comprised of two broad categories: family support services (e.g., Parenting in America and Parenting Journey groups) and training programs for human service workers (e.g., Parenting Journey Facilitator training). Since 2000, more than 15,000 parents and caregivers, raising nearly 35,000 children, have benefited from the Organization. In addition, more than 1,200 human service professionals have received training and replicate the program in 500 sites. The Organization opened a training institute in New York City in 2007, and continues to expand its training operations in the New York area and New England.

The Organization 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). The Organization is also exempt from state income taxes. Donors may deduct contributions made to the Organization within the IRC's regulations.

SIGNIFICANT ACCOUNTING POLICIES

The Organization prepares its financial statements in accordance with generally accepted accounting standards and principles (U.S. GAAP) established by the Financial Accounting Standards Board (FASB). References to U.S. GAAP in these footnotes are to the FASB Accounting Standards Codification (ASC).

Revenue Recognition

Revenues from unrestricted contributions are recorded when received or unconditionally committed. The Organization reports gifts of cash and other assets as temporarily restricted revenues 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 accompanying statements of activities and changes in net assets as net assets released from restrictions. Special events revenue is recorded when earned or when contributions are unconditionally committed.

Consulting and training services are recorded when earned. Consulting and training service fees received in advance of the services being provided are reflected as deferred revenue, which are included in accounts payable in the accompanying statements of financial position at June 30, 2014 and 2013. Contract service revenue and reimbursements are recorded over the period covered by the grant or contract as services are provided and costs are incurred.

Rental income is recognized ratably over the applicable lease period. Investment and other income are recorded when earned. Gains and losses are recognized as incurred or based on market value changes during the period (see Note 4).

(1) OPERATIONS, NONPROFIT STATUS AND SIGNIFICANT ACCOUNTING POLICIES (Continued)

SIGNIFICANT ACCOUNTING POLICIES (Continued)

Bequests

The Organization is and may be named principal beneficiary of various trusts and wills. The amounts to be received, if any, cannot be determined and, therefore, are reflected in the Organization's financial statements when the amounts are received.

Donated Services

Volunteers and other organizations contribute services to the Organization in support of various aspects of its programs. These services are reflected in the accompanying financial statements based upon the estimated value assigned to them by the donating volunteers, agencies, or by management. The value of these legal services was $7,475 and $17,565 for the years ended June 30, 2014 and 2013, respectively.

Expense Allocations

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

Advertising

Advertising costs are expensed as incurred.

Pledges Receivable

Pledges receivable consist of amounts unconditionally committed to the Organization. Pledges receivable are recorded at the net present value when committed.

Allowance for Doubtful Accounts

The allowance for doubtful accounts is recorded based on the Organization's analysis of specific receivables and their estimate of amounts that may be uncollectible. As of June 30, 2014, the Organization has determined that no allowance for doubtful accounts was deemed necessary. At June 30, 2013, there was an allowance for doubtful accounts of approximately $3,200.

Investments

The Organization has adopted an investment policy, which includes its endowment assets of $415,000. Under this policy, as approved by the Board of Directors, the primary long-term financial objective is to maintain the purchasing power of the investment portfolio and all future contributions over the long-term. The secondary financial objectives are to provide within the parameters of moderate risk 1) annual income and 2) long-term growth of the assets. These objectives are measured on a rolling three-to-five year basis.

(1) OPERATIONS, NONPROFIT STATUS AND SIGNIFICANT ACCOUNTING POLICIES (Continued)

SIGNIFICANT ACCOUNTING POLICIES (Continued)

Investments (Continued)

To satisfy its objectives, the Organization relies on a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized gains) and current yield (interest and dividends). The Organization targets a diversified asset allocation that includes cash equivalents, equities and fixed income investments within prudent risk constraints.

The Organization occasionally receives gifts of stock or other investments. It is the Organization's policy to sell gifts of stock immediately upon receipt.

Property and Equipment and Depreciation

Property and equipment with useful lives greater than one year are capitalized and recorded at cost. Donated property and equipment are recorded at fair value at the time of donation. Renewals and betterments are capitalized, while repairs and maintenance are expensed as they are incurred. Depreciation is computed using the straight-line method over the following estimated useful lives:

	Estimated Useful Lives
Building	40 years
Office furniture and equipment	3 – 5 years

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 disclosures 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.

Fair Value

ASC Topic, *Fair Value Measurements,* establishes a framework for measuring fair value and expands disclosures about fair value measurements. The standards establish a fair value hierarchy that prioritizes the inputs and assumptions used to measure fair value.

(1) OPERATIONS, NONPROFIT STATUS AND SIGNIFICANT ACCOUNTING POLICIES (Continued)

SIGNIFICANT ACCOUNTING POLICIES (Continued)

Fair Value (Continued)

The three levels of the fair value hierarchy are as follows:

- Level 1 – Inputs that reflect unadjusted quoted prices in active markets for identical assets or liabilities at the measurement date. Instruments which are generally included in this category include equity and debt securities publicly traded on an exchange.
- Level 2 – Inputs other than quoted prices in active markets that are observable for the asset either directly or indirectly, including inputs in markets that are not considered to be active.
- Level 3 – Inputs that are unobservable and which require significant judgment or estimation.

An asset or liability's level within the framework is based upon the lowest level of any input that is significant to the fair value measurement.

Income Taxes

The Organization accounts for uncertainty in income taxes in accordance with ASC Topic, *Income Taxes*. This standard clarifies the accounting for uncertainty in tax positions and prescribes a recognition threshold and measurement attribute for the financial statement regarding a tax position taken or expected to be taken in a tax return. The Organization has determined that there are no uncertain tax positions which qualify for either recognition or disclosure in the financial statements at June 30, 2014 and 2013. The Organization's information returns are subject to examination by the Federal and state jurisdictions and generally remain open for the most recent three years.

Subsequent Events

Subsequent events have been evaluated through November 12, 2014November 12, 2014, which is the date the financial statements were available to be issued. There were no events that met the criteria for recognition or disclosure in the financial statements.

(2) NET ASSETS

Unrestricted Net Assets

Unrestricted net assets are those net resources that bear no external restrictions and are generally available for use by the Organization. The Organization has grouped its unrestricted net assets into the following categories:

- **Operating net assets** represent amounts which bear no external restrictions and are currently available for operations.

(2) **NET ASSETS** (Continued)

Unrestricted Net Assets (Continued)

- **Board designated net assets** represent amounts set aside by the Board of Directors that may only be used with the approval of the Board of Directors. Consistent with a five-year strategic plan, Board designated net assets consist of funds restricted for debt relief, growth, and future operating support. Accordingly, planned expenditures relating to growth are recorded as Board designated expenses. Transfers to support operations are reflected as transfer - budgeted operating support in the accompanying statements of activities and changes in net assets.

- **Property and equipment net assets** represent amounts expended and resources available for property and equipment, net of related debt.

Temporarily Restricted Net Assets

Temporarily restricted net assets are donor restricted contributions which have not yet been expended for their designated purpose or which are time restricted for future periods. Temporarily restricted net assets are restricted for the following as of June 30:

	2014	2013
Purpose	$70,103	$ 79,143
Time	-	351,000
	$70,103	$430,143

Permanently Restricted Net Assets

Permanently restricted net assets consist of funds that are restricted by donors against any expenditures of principal. The accumulated income and any capital appreciation are expendable for the support of the Organization's operations and are recorded in unrestricted net assets, as per donor intent.

(3) **PROPERTY AND EQUIPMENT**

Property and equipment consist of the following at June 30:

	2014	2013
Land	$ 726,160	$ 726,160
Building	3,641,142	3,641,142
Office furniture and equipment	245,447	239,447
	4,612,749	4,606,749
Less - accumulated depreciation	1,286,411	1,192,393
Net property and equipment	$3,326,338	$3,414,356

(4) INVESTMENTS

Investments are recorded at fair value (see Note 1) and are comprised as of the following as of June 30:

	2014	2013
Mutual fund - equity and fixed income blend	$435,228	$413,525
Money market	31,431	6,425
	$466,659	$419,950

Investments are not insured and are subject to ongoing market fluctuations. Investments are considered long-term assets by management, because the intent is to use them for future capital needs. All investments are valued using Level 1 inputs (see Note 1).

The Organization earned $25,003 and $15,570 of dividend income for fiscal years 2014 and 2013, respectively, which is included in investment and other income in the accompanying statements of activities and changes in net assets.

(5) LINE OF CREDIT

The Organization has a $300,000 demand line of credit available with a bank that is guaranteed by a member of the Board of Directors (see Note 7). There were no amounts outstanding at June 30, 2014. There was $150,000 outstanding at June 30, 2013. Advances are due on demand and interest is payable monthly at the greater of the bank's prime rate (3.25% as of June 30, 2014 and 2013), minus 0.75%, or the London Interbank Offer Rate (LIBOR) (0.5% and 0.7% at June 30, 2014 and 2013, respectively), plus 1%. The interest rate on borrowings as of June 30, 2014 and 2013, was 2.5%. The line of credit contains certain financial covenants with which the Organization must comply. The Organization was in compliance with these covenants as of June 30, 2014 and 2013. The line of credit renews annually.

(6) LONG-TERM DEBT

Long-term debt consists of the following at June 30:

	2014	2013
Note payable to a bank, which was due in monthly principal and interest installments of $4,757, with interest accruing at 6.35% per annum through June, 2013, at which point the note was refinanced. Beginning in June, 2013, monthly principal and interest payments of $4,043 are due, with interest accruing at 3.95% per annum. The interest rate will reset in June, 2018, to the greater of the Federal Home Loan Bank of Boston rate, plus 1.9% or 3.95%. The note matures in June, 2023, at which time a balloon payment of $220,323 is due. This note is secured by a mortgage on land and a building and a limited personal guarantee of a member of the Board of Directors (see Note 7).	$520,352	$547,426
Less - current portion	28,212	27,106
	$492,140	$520,320

(6) LONG-TERM DEBT (Continued)

Remaining aggregate maturities of long-term debt are as follows:

Fiscal Year	
2015	$ 28,212
2016	$ 29,310
2017	$ 30,558
2018	$ 31,805
2019	$ 33,139
Thereafter	$367,328

The note payable agreement contains various covenants with which the Organization must comply. The Organization was in compliance with these covenants at June 30, 2014. The Organization received a waiver for these covenants at June 30, 2013.

(7) FUNDING AND RELATED PARTY TRANSACTIONS

The Organization receives a portion of its funding under contracts with the Commonwealth of Massachusetts. All contracts are subject to audit by the appropriate government agencies. In the opinion of management, the results of such audits, if any, will not have a material effect on the financial position of the Organization as of June 30, 2014 and 2013, or on its changes in net assets for the years then ended.

A substantial portion of the Organization's support and revenue consists of contributions from corporations, foundations and individuals. Approximately 20% and 18% of total support and revenue, net of donated services, for the years ended June 30, 2014 and 2013, respectively, are from a member of the Board of Directors (who is also the Founder of the Organization), her family and her family's foundation. Approximately 41% of gross pledges receivable as of June 30, 2013, are also from this individual and her family (see Note 10). This individual has also personally guaranteed both the note payable (see Note 6) and line of credit (see Note 5).

(8) RETIREMENT PLAN

The Organization offers employees a self-administered retirement benefit plan organized under Section 403(b) of the IRC. Any employee who works more than thirty hours per week is eligible to participate in the plan. Employees may make pre-tax contributions up to the IRC's limitations. The Organization may make a discretionary match of up to 25% of the employee contributions. Employer contributions vest immediately. The Organization did not contribute to the plan for the years ended June 30, 2014 and 2013.

(9) LEASE AGREEMENTS

Operating

The Organization leases program space under a lease agreement that expired on December 31, 2013, at which point it was converted to a tenant-at-will agreement. Rent expense under the facility lease was $43,796 and $36,372 for the years ended June 30, 2014 and 2013, respectively, and is included in occupancy in the accompanying statements of functional expenses. The Organization also leases equipment through October, 2016. Future minimum lease payments under the equipment lease agreements are as follows:

Fiscal Year	
2015	$8,400
2016	$8,400
2017	$2,800

Sub-lease Agreements

The Organization has an agreement to sub-lease a portion of its property that expires in February, 2015. Under the terms of the agreement, payments of $1,440 were due monthly through December, 2013, at which time payments increased to $1,500. Beginning in March, 2014, payments increased to $1,925. The agreement may be cancelled provided at least thirty days written notice. Rent received under this agreement was $19,700 and $17,030 for the years ended June 30, 2014 and 2013, respectively. Future minimum rental payments are $15,400 for fiscal year 2015.

The Organization entered into another agreement to sub-lease a portion of its property beginning July, 2013, and expires in July, 2015. Under the terms of the agreement, payments of $1,250 are due monthly. The agreement may be cancelled provided at least sixty days written notice, however, if the Organization cancels the lease, the Organization shall pay a termination fee of $10,000 to the lessee. Rent received under this agreement was $13,125 for the year ended June 30, 2014. Future minimum rental payments are $15,400 for fiscal year 2015.

(10) CONCENTRATIONS

Credit Risk

The Organization maintains its cash balances in two banks in Massachusetts. The Federal Deposit Insurance Corporation (FDIC) insures balances at each bank up to certain limits. At certain times during the year, cash balances exceeded the insured amounts. The Organization has not experienced any losses in such accounts. The Organization believes it is not exposed to any significant credit risk on its cash.

(10) CONCENTRATIONS (Continued)

Funding

In addition to funding from a member of the Organization's Board of Directors (see Note 7), the Organization has the following funding concentrations:

Approximately 42% and 18% of total support and revenue, net of in-kind contributions, for the years ended June 30, 2014 and 2013, respectively, are from two and one individual donors, respectively.

Approximately 96% and 56% of gross pledges receivable as of June 30, 2014 and 2013, respectively, are due from another one and five donors, respectively.

(11) RECLASSIFICATION

Certain amounts in the fiscal year 2013 financial statements have been reclassified to conform with the fiscal year 2014 presentation.