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

FINANCIAL STATEMENTS
JUNE 30, 2015 AND 2014

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

Contents
June 30, 2015 and 2014

AAFCPAs
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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, 2015 and 2014, 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, 2015 and 2014, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

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

Boston, Massachusetts
September 21, 2015

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

Statements of Financial Position
June 30, 2015 and 2014

	2015				2014			
Assets	**Unrestricted**	**Temporarily Restricted**	**Permanently Restricted**	**Total**	**Unrestricted**	**Temporarily Restricted**	**Permanently Restricted**	**Total**
Current Assets:								
Cash	$ 560,111	$ 75,793	$ -	$ 635,904	$ 545,158	$ 70,103	$ -	$ 615,261
Contract and other receivables	53,794	-	-	53,794	6,339	-	-	6,339
Current portion of pledges receivable	366	225,000	-	225,366	52,141	-	-	52,141
Prepaid expenses and other	25,900	-	-	25,900	13,425	-	-	13,425
Total current assets	640,171	300,793	-	940,964	617,063	70,103	-	687,166
Investments	58,818	-	415,000	473,818	51,659	-	415,000	466,659
Pledges Receivable, net of current portion	-	200,000	-	200,000	-	-	-	-
Property and Equipment, net	3,238,420	-	-	3,238,420	3,326,338	-	-	3,326,338
Total assets	$ 3,937,409	$ 500,793	$ 415,000	$ 4,853,202	$ 3,995,060	$ 70,103	$ 415,000	$ 4,480,163
Liabilities and Net Assets								
Current Liabilities:								
Current portion of long-term debt	$ 29,310	$ -	$ -	$ 29,310	$ 28,212	$ -	$ -	$ 28,212
Accounts payable and accrued expenses	161,614	-	-	161,614	107,191	-	-	107,191
Total current liabilities	190,924	-	-	190,924	135,403	-	-	135,403
Long-Term Debt, net of current portion	462,857	-	-	462,857	492,140	-	-	492,140
Total liabilities	653,781	-	-	653,781	627,543	-	-	627,543
Net Assets:								
Unrestricted:								
Operating	537,375	-	-	537,375	540,908	-	-	540,908
Board designated	-	-	-	-	23,623	-	-	23,623
Property and equipment	2,746,253	-	-	2,746,253	2,802,986	-	-	2,802,986
Total unrestricted	3,283,628	-	-	3,283,628	3,367,517	-	-	3,367,517
Temporarily restricted	-	500,793	-	500,793	-	70,103	-	70,103
Permanently restricted	-	-	415,000	415,000	-	-	415,000	415,000
Total net assets	3,283,628	500,793	415,000	4,199,421	3,367,517	70,103	415,000	3,852,620
Total liabilities and net assets	$ 3,937,409	$ 500,793	$ 415,000	$ 4,853,202	$ 3,995,060	$ 70,103	$ 415,000	$ 4,480,163

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, 2015 and 2014

	2015						2014					
	Unrestricted						Unrestricted					
	Operating and Property and Equipment	Board Designated	Total Unrestricted	Temporarily Restricted	Permanently Restricted	Total	Operating and Property and Equipment	Board Designated	Total Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Operating Support and Revenues:												
Contributions	$ 1,201,445	$ -	$ 1,201,445	$ 675,000	$ -	$ 1,876,445	$ 1,410,051	$ -	$ 1,410,051	$ 125,000	$ -	$ 1,535,051
Consulting and training services	216,510	-	216,510	-	-	216,510	137,461	-	137,461	-	-	137,461
Investment and other income	53,443	-	53,443	-	-	53,443	47,349	-	47,349	-	-	47,349
Rental income	43,065	-	43,065	-	-	43,065	32,825	-	32,825	-	-	32,825
Contract service revenue	36,667	-	36,667	-	-	36,667	19,146	-	19,146	-	-	19,146
Donated services	19,360	-	19,360	-	-	19,360	7,475	-	7,475	-	-	7,475
Net assets released from restrictions:												
Satisfaction of program restrictions	118,310	-	118,310	(118,310)	-	-	134,040	-	134,040	(134,040)	-	-
Satisfaction of time restrictions	150,000	-	150,000	(150,000)	-	-	351,000	-	351,000	(351,000)	-	-
Total operating support and revenues	1,838,800	-	1,838,800	406,690	-	2,245,490	2,139,347	-	2,139,347	(360,040)	-	1,779,307
Operating Expenses:												
Program services	1,221,038	-	1,221,038	-	-	1,221,038	1,208,429	-	1,208,429	-	-	1,208,429
General and administrative	450,435	-	450,435	-	-	450,435	327,538	-	327,538	-	-	327,538
Fundraising and development	237,762	-	237,762	-	-	237,762	132,996	-	132,996	-	-	132,996
Total operating expenses	1,909,235	-	1,909,235	-	-	1,909,235	1,668,963	-	1,668,963	-	-	1,668,963
Changes in net assets from operations	(70,435)	-	(70,435)	406,690	-	336,255	470,384	-	470,384	(360,040)	-	110,344
Other Income (Expense):												
Capital grant	-	-	-	24,000	-	24,000	-	-	-	-	-	-
Unrealized gain (loss) on investments	(13,454)	-	(13,454)	-	-	(13,454)	21,702	-	21,702	-	-	21,702
Total other income (expense)	(13,454)	-	(13,454)	24,000	-	10,546	21,702	-	21,702	-	-	21,702
Changes in net assets	(83,889)	-	(83,889)	430,690	-	346,801	492,086	-	492,086	(360,040)	-	132,046
Net Assets, beginning of year	3,343,894	23,623	3,367,517	70,103	415,000	3,852,620	2,851,808	23,623	2,875,431	430,143	415,000	3,720,574
Net asset transfer	23,623	(23,623)	-	-	-	-	-	-	-	-	-	-
Net Assets, end of year	$ 3,283,628	$ -	$ 3,283,628	$ 500,793	$ 415,000	$ 4,199,421	$ 3,343,894	$ 23,623	$ 3,367,517	$ 70,103	$ 415,000	$ 3,852,620

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, 2015 and 2014

	2015	2014
Cash Flows from Operating Activities:		
Changes in net assets	$ 346,801	$ 132,046
Adjustments to reconcile changes in net assets to net cash provided by operating activities:		
Depreciation	93,874	94,018
Unrealized (gain) loss on investments	13,454	(21,702)
Capital grant	(24,000)	-
Changes in operating assets and liabilities:		
Contract and other receivables	(47,455)	(2,855)
Pledges receivable	(373,225)	438,308
Prepaid expenses and other	(12,475)	7,404
Accounts payable and accrued expenses	57,423	(4,007)
Net cash provided by operating activities	54,397	643,212
Cash Flows from Investing Activities:		
Reinvested investment income	(20,613)	(25,007)
Acquisition of property and equipment	(8,956)	(3,000)
Net cash used in investing activities	(29,569)	(28,007)
Cash Flows from Financing Activities:		
Principal payments on line of credit	-	(150,000)
Proceeds from capital grant	24,000	-
Principal payments of long-term debt	(28,185)	(27,074)
Net cash used in financing activities	(4,185)	(177,074)
Net Change in Cash	20,643	438,131
Cash:		
Beginning of year	615,261	177,130
End of year	$ 635,904	$ 615,261
Supplemental Disclosure of Cash Flow Information:		
Cash paid for interest	$ 20,329	$ 24,397
Cash paid for income taxes	$ 4,260	$ -
Supplemental Disclosure of Non-Cash Activity:		
Unrealized gain (loss) on investments	$ (13,454)	$ 21,702
Acquisition of property and equipment included in accounts payable	$ -	$ 3,000

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, 2015
(With Summarized Comparative Totals for the Year Ended June 30, 2014)

	2015					2014
		Supporting Services				
	Program Services	General and Adminis-trative	Fundraising and Development	Total Supporting Services	Total	Total
Personnel and Related:						
Salaries	$ 623,470	$ 186,292	$ 91,361	$ 277,653	$ 901,123	$ 956,102
Payroll taxes and fringe benefits	85,738	82,001	8,897	90,898	176,636	150,647
Total personnel and related	709,208	268,293	100,258	368,551	1,077,759	1,106,749
Occupancy:						
Utilities	99,379	6,481	2,160	8,641	108,020	75,578
Rent	44,603	-	-	-	44,603	43,796
Depreciation	86,365	5,632	1,877	7,509	93,874	94,018
Interest	14,065	4,203	2,061	6,264	20,329	24,397
Total occupancy	244,412	16,316	6,098	22,414	266,826	237,789
Other:						
Professional services	78,404	90,854	92,973	183,827	262,231	78,857
Program support	76,894	-	-	-	76,894	63,217
Legal and accounting, including donated	-	52,764	119	52,883	52,883	38,967
Travel	40,839	1,444	3,826	5,270	46,109	30,372
Small equipment	22,856	6,829	3,349	10,178	33,034	35,119
Postage and printing	18,572	322	5,892	6,214	24,786	8,014
Other	6,446	9,469	3,407	12,876	19,322	24,571
Telephone	10,652	2,432	1,193	3,625	14,277	14,759
Advertising	455	-	13,473	13,473	13,928	5,429
Conference services	4,381	195	4,075	4,270	8,651	9,732
Office supplies	3,692	602	1,470	2,072	5,764	7,038
Insurance	3,027	905	444	1,349	4,376	6,948
Professional development	1,200	10	1,185	1,195	2,395	1,402
Total other	267,418	165,826	131,406	297,232	564,650	324,425
Total operating expenses	$ 1,221,038	$ 450,435	$ 237,762	$ 688,197	$ 1,909,235	$ 1,668,963

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

	Program Services	Supporting Services: General and Adminis-trative	Supporting Services: Fundraising and Development	Supporting Services: Total Supporting Services	Total
Personnel and Related:					
Salaries	$ 697,146	$ 183,683	$ 75,273	$ 258,956	$ 956,102
Payroll taxes and fringe benefits	106,281	28,626	15,740	44,366	150,647
Total personnel and related	803,427	212,309	91,013	303,322	1,106,749
Occupancy:					
Utilities	69,531	4,535	1,512	6,047	75,578
Rent	43,796	-	-	-	43,796
Depreciation	68,554	18,062	7,402	25,464	94,018
Interest	17,789	4,687	1,921	6,608	24,397
Total occupancy	199,670	27,284	10,835	38,119	237,789
Other:					
Professional services	38,105	24,715	16,037	40,752	78,857
Program support	63,217	-	-	-	63,217
Legal and accounting, including donated	-	38,967	-	38,967	38,967
Travel	29,063	180	1,129	1,309	30,372
Small equipment	25,607	6,747	2,765	9,512	35,119
Postage and printing	5,790	273	1,951	2,224	8,014
Other	7,884	12,213	4,474	16,687	24,571
Telephone	11,134	2,571	1,054	3,625	14,759
Advertising	3,899	-	1,530	1,530	5,429
Conference services	9,457	-	275	275	9,732
Office supplies	5,218	814	1,006	1,820	7,038
Insurance	5,066	1,335	547	1,882	6,948
Professional development	892	130	380	510	1,402
Total other	205,332	87,945	31,148	119,093	324,425
Total operating expenses	$ 1,208,429	$ 327,538	$ 132,996	$ 460,534	$ 1,668,963

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.

Consulting and training services revenue are recognized as services are provided. Consulting and training service fees received in advance of the services being provided are reflected as deferred revenue, which are included in accounts payable and accrued expenses in the accompanying statements of financial position at June 30, 2015 and 2014. Contract service revenue is 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 on investments are recognized as incurred or based on market value changes during the period (see Note 5).

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

Organizations contribute services to the Organization in support of various aspects of its operations. These services are reflected in the accompanying financial statements based upon the estimated value assigned to them by the donating organization. The value of these donated legal services was $19,360 and $7,475 for fiscal years 2015 and 2014, 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 (see Note 3). Pledges receivable are recorded at the net present value when committed. No discount was recorded at June 30, 2015 as it was immaterial to the accompanying financial statements.

Allowance for Doubtful Accounts and Pledges Receivable

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, 2015 and 2014, the Organization has determined that no allowance for doubtful accounts and pledges receivable was deemed necessary.

Investments

The Organization has adopted an investment policy, which includes its endowment assets of $415,000 (see Note 2). 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 (see Note 4) 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 Measurements

The Organization follows the accounting and disclosure standards pertaining to ASC Topic, *Fair Value Measurements,* for qualifying assets and liabilities. Fair value is defined as the price that the Organization would receive upon selling an asset or pay to settle a liability in an orderly transaction between market participants.

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

SIGNIFICANT ACCOUNTING POLICIES (Continued)

Fair Value Measurements (Continued)

The Organization uses a framework for measuring fair value that includes a hierarchy that categorizes and prioritizes the sources used to measure and disclose fair value. This hierarchy is broken down into three levels based on inputs that market participants would use in valuing the financial instruments based on market data obtained from sources independent of the Organization. Inputs refer broadly to the assumptions that market participants would use in pricing the financial instrument, including assumptions about risk. Inputs may be observable or unobservable. Observable inputs are inputs that reflect the assumptions market participants would use in pricing the financial instrument developed based on market data obtained from sources independent of the reporting entity. Unobservable inputs are inputs that reflect the reporting entity's own assumptions about the assumptions market participants would use in pricing the asset developed based on the best information available. The three-tier hierarchy of inputs is summarized in the three broad levels as follows:

Level 1 - Inputs that reflect unadjusted quoted prices in active markets for identical assets at the measurement date.

Level 2 - Inputs other than quoted prices 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. All qualifying assets and liabilities are valued using Level 1 inputs.

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, 2015 and 2014. 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.

Although the Organization is organized as a nonprofit corporation, net income from non-program rent is considered unrelated business income subject to taxation by the Internal Revenue Service. There was $4,260 of unrelated business income tax expense for the year ended June 30, 2015 which is included in other expense in the accompanying fiscal year 2015 statement of functional expenses. The Organization's tax returns are subject to examination by the federal and state jurisdictions and remain open for fiscal year 2014, which was the first year of non-program the rental income.

Subsequent Events

Subsequent events have been evaluated through September 21, 2015, 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.
- **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. During 2015, the Board of Directors voted to transfer the remaining board designated net assets to operating 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:

	2015	2014
Time	$ 425,000	$ -
Purpose	51,793	70,103
Capital	24,000	-
	$ 500,793	$ 70,103

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. PLEDGES RECEIVABLE

Pledges receivable are expected to be received as follows at June 30:

	2015	2014
Due within one year	$ 225,366	$ 52,141
Due within two years	200,000	-
	425,366	52,141
Less – current portion	225,366	52,141
Long term pledges receivable, net	$ 200,000	$ -

4. PROPERTY AND EQUIPMENT

Property and equipment consist of the following at June 30:

	2015	2014
Land	$ 726,160	$ 726,160
Building	3,641,142	3,641,142
Office furniture and equipment	251,403	245,447
	4,618,705	4,612,749
Less - accumulated depreciation	1,380,285	1,286,411
Net property and equipment	$ 3,238,420	$ 3,326,338

5. INVESTMENTS

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

	2015	2014
Mutual fund - equity and fixed income blend	$ 421,776	$ 435,228
Money market	52,042	31,431
	$ 473,818	$ 466,659

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 $20,613 and $25,007 of dividend income for fiscal years 2015 and 2014, respectively, which is included in investment and other income in the accompanying statements of activities and changes in net assets.

6. 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 8). There were no amounts outstanding at June 30, 2015 and 2014. 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, 2015 and 2014), minus 0.75%, or the London Interbank Offer Rate (LIBOR) (0.5% at June 30, 2015 and 2014), plus 1%. The interest rate on borrowings as of June 30, 2015 and 2014, 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, 2015 and 2014. The line of credit renews annually.

7. LONG-TERM DEBT

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

	2015	2014
3.95% note payable to a bank, with monthly principal and interest payments of $4,043. 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 8).	$ 492,167	$ 520,352
Less - current portion	29,310	28,212
	$ 462,857	$ 492,140

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

Fiscal Year	
2016	$ 29,310
2017	$ 30,558
2018	$ 31,805
2019	$ 33,139
2020	$ 34,414
Thereafter	$ 332,941

The note payable agreement contains various covenants with which the Organization must comply. The Organization was in compliance with these covenants at June 30, 2015 and 2014.

8. 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, 2015 and 2014, 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 25% and 20% of total support and revenue, net of donated services, for the years ended June 30, 2015 and 2014, 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. This individual has also personally guaranteed both the long-term debt (see Note 7) and line of credit (see Note 6).

9. 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 contributed $4,353 to the plan during fiscal year 2015, which is included in payroll taxes and fringe benefits in the accompanying fiscal year 2015 statement of functional expenses. The Organization did not contribute to the plan during fiscal year 2014.

10. LEASE AGREEMENTS

Operating

The Organization leases program space as a tenant-at-will. Rent expense for the facility was $44,603 and $43,796 for fiscal years 2015 and 2014, respectively. The Organization also leases equipment through October 2016. Total expenses related to the equipment lease was $8,400 for the years ended June 30, 2015 and 2014 and included in small equipment in the accompanying statements of functional expenses. Future minimum lease payments under the equipment lease agreement is as follows:

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

Sub-lease Agreements

The Organization has an agreement to sub-lease a portion of its building that expires in December 2015. Under the terms of the agreement, monthly payments of $1,925 were due through September 2014 at which point rent increased to $2,122 per month. The agreement may be cancelled provided at least thirty days written notice. Rent received under this agreement was $25,065 and $19,700 for the years ended June 30, 2015 and 2014, respectively. Future minimum rental receipts are expected to be $12,732 for fiscal year 2016.

The Organization entered into another agreement to sub-lease a portion of its property beginning July, 2013 which expired in July, 2015 and was automatically renewed through June 30, 2016 under the terms of the agreement. Payments of $1,250 are due monthly and 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 $16,250 and $13,125 for the years ended June 30, 2015 and 2014, respectively. Future minimum rental receipts are expected to be $13,750 for fiscal year 2016.

11. CONCENTRATIONS

Credit Risk

The Organization maintains its cash balances in a bank 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.

11. CONCENTRATIONS (Continued)

Funding

In addition to funding from a member of the Organization's Board of Directors (see Note 8), the Organization has the following funding concentrations:

> Approximately 51% and 42% of total support and revenue, net of donated services, for fiscal years 2015 and 2014, respectively, are from two donors.
>
> Approximately 99% and 96% of gross pledges receivable as of June 30, 2015 and 2014, respectively, are due from one donor.

12. RECLASSIFICATION

Certain amounts in the fiscal year 2014 financial statements have been reclassified to conform with the fiscal year 2015 presentation.