

ONE FAMILY FUND
FINANCIAL STATEMENTS
AND AUDITOR'S REPORT
DECEMBER 31, 2015

ONE FAMILY FUND

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Board of Directors One Family Fund

Report on the Financial Statements

We have audited the accompanying financial statements of One Family Fund, which comprise the balance sheet as of December 31, 2015, and the related statements of activities, functional expenses, and cash flows for the year 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

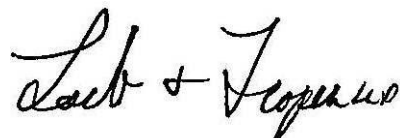
Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of One Family Fund as of December 31, 2015, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

A handwritten signature in cursive script that reads "Loeb & Troper".

September 29, 2016

EXHIBIT A**ONE FAMILY FUND****BALANCE SHEET****DECEMBER 31, 2015****ASSETS**

Cash	\$	254,582
Investments (Note 2)		36,474
Accounts receivable		2,159
Contributions receivables - current		168,988
Employee advance		7,500
Prepaid expenses		5,712
Security deposit		<u>4,140</u>
Total assets	\$	<u><u>479,555</u></u>

LIABILITIES AND NET ASSETS

Liabilities		
Accounts payable and accrued expenses	\$	36,801
Net assets (Exhibit B)		
Unrestricted		<u>442,754</u>
Total liabilities and net assets	\$	<u><u>479,555</u></u>

See independent auditor's report.

The accompanying notes are an integral part of these statements.

ONE FAMILY FUND

STATEMENT OF ACTIVITIES

YEAR ENDED DECEMBER 31, 2015

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
Revenues			
Contributions (including donated stock of \$1,898)	\$ 1,768,705	\$ 415,915	\$ 2,184,620
Special events	453,498		453,498
Direct costs of special events	(138,223)		(138,223)
Interest and dividend income	1,434		1,434
Loss on investments	(2,715)		(2,715)
Rental income	6,900		6,900
Other revenue	12,504		12,504
Net assets released from restriction (Note 5)	<u>415,915</u>	<u>(415,915)</u>	
Total revenues	<u>2,518,018</u>	<u>-</u>	<u>2,518,018</u>
Expenses (Exhibit C)			
Program services			
Israel projects and programs	2,006,038		2,006,038
Education	<u>179,884</u>		<u>179,884</u>
Total program services	<u>2,185,922</u>		<u>2,185,922</u>
Supporting services			
Management and general	158,434		158,434
Fundraising	<u>104,829</u>		<u>104,829</u>
Total supporting services	<u>263,263</u>		<u>263,263</u>
Total expenses	<u>2,449,185</u>		<u>2,449,185</u>
Change in net assets (Exhibit D)	68,833		68,833
Net assets - beginning of year	<u>373,921</u>		<u>373,921</u>
Net assets - end of year (Exhibit A)	<u>\$ 442,754</u>	<u>\$ -</u>	<u>\$ 442,754</u>

See independent auditor's report.

The accompanying notes are an integral part of these statements.

ONE FAMILY FUND

EXHIBIT C

STATEMENT OF FUNCTIONAL EXPENSES

YEAR ENDED DECEMBER 31, 2015

	Program Services			Supporting Services				
	Israel Projects and Programs	Education	Total	Management and General	Fund- Raising	Direct Costs of Special Events	Total	Total
Salaries and wages		\$ 52,500	\$ 52,500	\$ 46,115	\$ 22,741		\$ 68,856	\$ 121,356
Payroll taxes		5,881	5,881	5,149	2,520		7,669	13,550
Grants to Israel - One Family	\$ 1,956,989		1,956,989					1,956,989
Grants - other		1,709	1,709					1,709
Accounting				22,365			22,365	22,365
Advertising	27,139		27,139	8,141	9,951		18,092	45,231
Bank charges				36,494			36,494	36,494
Consulting		77,587	77,587		3,851		3,851	81,438
Office expenses				16,883			16,883	16,883
Telephone		2,189	2,189	1,460			1,460	3,649
Postage and shipping		16,213	16,213		53,856		53,856	70,069
Printing					4,100		4,100	4,100
Victim visit		11,424	11,424					11,424
Rent (Note 4)	8,016	4,008	12,024	3,607	4,409		8,016	20,040
Catering and entertainment						\$ 138,223	138,223	138,223
Travel		7,604	7,604					7,604
Insurance	1,539	769	2,308	693	846		1,539	3,847
Miscellaneous	12,355		12,355	17,527	2,555		20,082	32,437
Total expenses	2,006,038	179,884	2,185,922	158,434	104,829	138,223	401,486	2,587,408
Less expenses deducted directly from revenue on the statement of activities						(138,223)	(138,223)	(138,223)
Total expenses reported by function (Exhibit B)	\$ 2,006,038	\$ 179,884	\$ 2,185,922	\$ 158,434	\$ 104,829	\$ -	\$ 263,263	\$ 2,449,185

See independent auditor's report.

The accompanying notes are an integral part of these statements.

ONE FAMILY FUND
STATEMENT OF CASH FLOWS
YEAR ENDED DECEMBER 31, 2015

Cash flows from operating activities	
Change in net assets (Exhibit B)	\$ 68,833
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities	
Donated stock	(1,898)
Loss on investments	2,715
Decrease (increase) in assets	
Prepaid expenses	12,277
Accounts receivable	(85)
Contributions receivable	(168,988)
Decrease in liabilities	
Accounts payable and accrued expenses	<u>(40,890)</u>
Net cash used by operating activities	<u>(128,036)</u>
Cash flows from investing activities	
Purchase of securities	(933)
Loan to employee	<u>(7,500)</u>
Net cash used by investing activities	<u>(8,433)</u>
Net change in cash	(136,469)
Cash - beginning of year	<u>391,051</u>
Cash - end of year	<u>\$ 254,582</u>

See independent auditor's report.

The accompanying notes are an integral part of these statements.

ONE FAMILY FUND
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2015

NOTE 1 - ORGANIZATION

One Family Fund (the “Organization”) was incorporated on November 6, 2000 in the State of New York. The Organization was formed to raise funds to meet the needs of the people in Israel in emergency situations by providing medical, economic and humanitarian aid to victims of terror. The Organization provides education and awareness to those in the United States about the plight of the victims of terror in Israel. The Organization is supported primarily through donor contributions.

The Organization is exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of accounting - The financial statements are prepared on the accrual basis of accounting.

Use of estimates - The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect 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.

Investments - Investments are recorded at fair value. The Organization invests in various investment securities. Investment securities, in general, are exposed to various risks such as interest rate, credit, and overall market volatility risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term, based on the markets’ fluctuations, and that such changes could materially affect the Organization’s financial statements.

Contributions receivable - Unconditional promises to give that are expected to be collected within one year are recorded at net realizable value. Unconditional promises to give that are expected to be collected in future years are recorded at the present value of their estimated future cash flows. The discounts on those amounts are computed using risk-adjusted interest rates applicable to the years in which the promises are received. Amortization of the discounts is included in contribution revenue. Conditional promises to give are not included as support until the conditions are substantially met.

Employee advances - One Family Fund provided an unsecured, interest-free advance to an employee in 2015. The balance at December 31, 2015 is \$7,500.

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ONE FAMILY FUND**NOTES TO FINANCIAL STATEMENTS****DECEMBER 31, 2015****NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

Allowance for doubtful accounts - The allowance for doubtful accounts is based on the age of the receivable, a review of payments subsequent to year end, and management's evaluation of the collectibility of the related receivable. Interest is not accrued or recorded on outstanding receivables. Management has determined that as of December 31, 2015 no allowance is deemed necessary.

Fixed assets - Fixed assets are stated at cost. It is the Organization's policy to capitalize assets of \$1,000 or greater with estimated useful lives of more than one year. Depreciation is computed on the straight-line method over the estimated useful lives of the fixed assets. Half-year depreciation is utilized in the year of acquisition. Items purchased at the end of the fiscal year are not depreciated in their first year.

Unrestricted net assets - Unrestricted net assets include funds having no restriction as to use or purpose imposed by donors.

Temporarily restricted net assets - Temporarily restricted net assets are those whose use has been limited by donors to a specific time period or purpose.

Contributions - Unconditional contributions, including promises to give cash and other assets, are reported at fair value at the date the contribution is received. The gifts are reported as either temporarily or permanently restricted support 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 as unrestricted net assets and reported in the statement of activities as net assets released from restrictions.

Rental income - Rental income is recognized based on signed rental agreements, which is on a month-to-month basis.

Grants to Israel - One Family - All transmissions to One Family Fund - Israel, or other charitable institutions in Israel and the United States, are made pursuant to authorization by the Board of Directors of the Organization.

Rent expense - The Organization has an operating lease which is reflected on the straight-line basis. Deferred rent is recorded when there are material differences between the fixed payment and the rent expense.

Advertising - Advertising costs are expensed as incurred.

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ONE FAMILY FUND**NOTES TO FINANCIAL STATEMENTS****DECEMBER 31, 2015****NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

Functional expenses - The costs of providing the Organization's programs and other activities have been summarized on a functional basis. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

Fair Value Measurements

Fair Value Measurements establishes a framework for measuring fair value. The framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy are described below. Level 1 inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Organization has the ability to access. Level 2 inputs to the valuation methodology include:

- Quoted prices for similar assets or liabilities in active markets;
- Quoted prices for identical or similar assets or liabilities in inactive markets;
- Inputs other than quoted prices that are observable for the asset or liability;
- Inputs that are derived principally from or corroborated by observable market data by correlation or other means.

If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability. Level 3 inputs to the valuation methodology are unobservable and significant to the fair value measurement. The asset or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

The following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in the methodologies used at December 31, 2015 as compared to December 31, 2014.

Common stocks - Valued at the closing price reported on the active market on which the individual securities are traded.

State of Israel bonds - Valued at their face amounts, which approximate fair value.

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ONE FAMILY FUND

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2015

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Fair Value Measurements (continued)

The methods described above may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, while the Organization believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

The following table sets forth by level, within the fair value hierarchy, the assets at fair value as of December 31, 2015:

	<u>Level 1</u>	<u>Level 2</u>	<u>Total</u>
Common stocks			
Financial	\$ 2,640		\$ 2,640
Healthcare	1,434		1,434
Services	2,267		2,267
Technology	15,142		15,142
Industrial goods	668		668
Entertainment	1,177		1,177
State of Israel bonds		<u>\$ 10,282</u>	<u>10,282</u>
Total investments reported on the fair value hierarchy	<u>\$ 23,328</u>	<u>\$ 10,282</u>	33,610
Cash and cash equivalents			<u>2,864</u>
Total investments			<u>\$ 36,474</u>

Uncertainty in income taxes - The Organization has determined that there are no material uncertain tax positions that require recognition or disclosure in the financial statements. Periods ending December 31, 2012 and subsequent remain subject to examination by applicable taxing authorities.

Subsequent events - Subsequent events after December 31, 2015 have been evaluated through September 29, 2016, which is the date the financial statements were available to be issued.

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ONE FAMILY FUND
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2015

NOTE 3 - FIXED ASSETS

		<u>Estimated Useful Lives</u>
Equipment	\$ 83,687	5 - 7 years
Furniture and fixtures	<u>52,002</u>	3 - 7 years
	135,689	
Accumulated depreciation	<u>(135,689)</u>	
Net fixed assets	<u>\$ -</u>	

NOTE 4 - RENT

The Organization has a month-to-month lease agreement for its office space. Rent expense for the year ended December 31, 2015 was \$20,040.

NOTE 5 - TEMPORARILY RESTRICTED NET ASSETS

Temporarily restricted net assets were released from donor restrictions by incurring expenses satisfying the restricted purposes of:

AAF Azrak	\$ 6,000
Recent Orphans	25,000
Bennett	2,100
Benett & Levi Family	19,681
Benett Apt Julie	676
Heisler Family	10,836
Henkin Family	202,934
Kalangel Family	19,910
Kupinsky Family	36,312
Lavi Family	4,058
Levine Family	34,457
Modlin-Twinning & Pesach Youth Camp	11,836
Oren Levy	8,444
Palm Springs Bereaved Mothers Retreat	22,660
Rothman Family	3,619
Sayif Family	4,732
Shmueli Goldstein	860
Twin Tamar Biliah	<u>1,800</u>
	<u>\$ 415,915</u>

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ONE FAMILY FUND**NOTES TO FINANCIAL STATEMENTS****DECEMBER 31, 2015****NOTE 6 - CONCENTRATIONS**

Financial instruments which potentially subject the Organization to a concentration of credit risk are cash accounts with financial institutions in excess of FDIC insurance limits.