DOORWAYS
for women and families

Management's Discussion and Analysis
Fiscal Year Ended June 30, 2015

The management of Doorways for Women and Families, Inc. ("Doorways") is pleased to provide supplemental information to assist financial statement readers in understanding our financial condition and operating results as of and for the fiscal year ended June 30, 2015 ("FY2015").

During FY2015, Doorways' support and revenue exceeded expectations, resulting in a surplus of $38,075. As compared to the prior fiscal year, FY2015 support and revenue declined consistent with planned temporary and permanent funding support curtailments by private charitable organizations and government agencies. Significantly, the planned wind-down of the Freddie Mac Foundation resulted in an $87,500 reduction in annual support during FY2015, and will be followed by equally significant funding reductions during each of the next three fiscal years, at which time support from the Freddie Mac Foundation will no longer be available.

Contributions from individual donors during FY2015 decreased slightly as compared to the prior fiscal year, which included several very significant non-recurrent donations. In the wake of reduced institutional funding support, Doorways' made significant strides in broadening our individual donor base, and management was pleased to receive additional funding support from both new and long-term individual donors during FY2015. As Doorways' management seeks to reduce reliance on long-term, institutional funding support, we intend to build on FY2015's individual donor fundraising success with continued and intensified efforts to further expand and diversify our donor base. Notably, during the current fiscal year Doorways' management is committed to launching a sustainable funding campaign with a goal of securing $10 million of pledged funding support over a multi-year period.

Management understands acutely that Doorways' donors give to make a profound difference in the lives of those in great need, and is proud and thankful that it has earned the donor community's respect and confidence. During the current fiscal year, Doorways' management will continue to honor this trust by striving to carry on our tradition of meeting our client's needs in the most efficient, cost-effective manner possible while remaining focused on lasting outcomes in their safety and stability. We will continue to safeguard financial resources that have been entrusted to us through an appropriate internal control environment with an emphasis on strong budgetary control and routine periodic governance review.

CONSOLIDATED FINANCIAL STATEMENTS

DOORWAYS
for women and families

FOR THE YEAR ENDED JUNE 30, 2015
WITH SUMMARIZED FINANCIAL
INFORMATION FOR 2014

DOORWAYS FOR WOMEN AND FAMILIES, INC.

CONTENTS

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Doorways for Women and Families, Inc.
Doorways Cameron, LLC
Arlington, Virginia

We have audited the accompanying consolidated financial statements of Doorways for Women and Families, Inc. and Doorways Cameron, LLC (collectively, Doorways), which comprise the consolidated statement of financial position as of June 30, 2015, and the related consolidated statements of activities and change in net assets, functional expenses and cash flows for the year then ended, and the related notes to the consolidated financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated 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 consolidated 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 consolidated 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 consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated 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 consolidated 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 consolidated 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 consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of Doorways as of June 30, 2015, and the consolidated change in its net assets and its consolidated cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

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Report on Summarized Comparative Information

We have previously audited Doorways' 2014 consolidated financial statements, and we expressed an unmodified audit opinion on those audited consolidated financial statements in our report dated October 5, 2014. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2014, is consistent, in all material respects, with the audited consolidated financial statements from which it has been derived.

Gelman Rosenberg & Freedman

October 2, 2015

DOORWAYS FOR WOMEN AND FAMILIES, INC.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS OF JUNE 30, 2015
WITH SUMMARIZED FINANCIAL INFORMATION FOR 2014

ASSETS

	2015	2014
CURRENT ASSETS		
Cash and cash equivalents:		
Unrestricted	$ 1,523,529	$ 1,566,479
Restricted cash (Note 5)	6,429	10,253
Total cash and cash equivalents	1,529,958	1,576,732
Grants receivable	139,071	140,724
Pledges receivable, current portion (Note 4)	152,643	169,940
Inventory	10,271	16,042
Prepaid expenses	32,443	27,152
Total current assets	1,864,386	1,930,590
FIXED ASSETS		
Land	154,800	154,800
Building - Family Home (Note 6)	2,251,241	2,243,450
Building - Safehouse	543,136	525,108
Furniture and fixtures	127,568	127,568
Computer equipment	109,554	102,496
Software	7,659	45,286
Leasehold improvements	15,424	10,246
	3,209,382	3,208,954
Less: Accumulated depreciation and amortization	(907,060)	(808,510)
Net fixed assets	2,302,322	2,400,444
NONCURRENT ASSETS		
Investments (Notes 2 and 14)	723,404	463,540
Investment in Cameron Commons, LLC (Note 3)	1,081,212	1,106,956
Pledges receivable, net of current portion, discount, and allowance for uncollectable accounts of $105,488 and $115,691 in 2015 and 2014, respectively (Note 4)	431,519	463,345
Deposits	12,545	12,545
Total noncurrent assets	2,248,680	2,046,386
TOTAL ASSETS	**$ 6,415,388**	**$ 6,377,420**

LIABILITIES AND NET ASSETS

	2015	2014
CURRENT LIABILITIES		
Accounts payable and accrued liabilities	$ 204,475	$ 195,106
Deposits held in escrow (Note 5)	6,385	10,253
Current portion of deferred rent liability (Note 11)	10,568	5,608
Total current liabilities	221,428	210,967
LONG-TERM LIABILITIES		
Community Development Block Grant Fund conditional debt (Note 6)	600,000	600,000
Arlington County conditional debt (Note 3)	757,495	757,495
Deferred rent liability, net of current portion (Note 11)	34,494	45,062
Total long-term liabilities	1,391,989	1,402,557
Total liabilities	1,613,417	1,613,524
NET ASSETS		
Unrestricted:		
Undesignated	976,096	731,064
Invested in unrestricted fixed assets	2,091,828	2,162,943
Board designated (Note 7)	815,230	811,549
Total unrestricted	3,883,154	3,705,556
Temporarily restricted (Note 8)	918,817	1,058,340
Total net assets	4,801,971	4,763,896
TOTAL LIABILITIES AND NET ASSETS	$ 6,415,388	$ 6,377,420

DOORWAYS FOR WOMEN AND FAMILIES, INC.

CONSOLIDATED STATEMENT OF ACTIVITIES AND CHANGE IN NET ASSETS
FOR THE YEAR ENDED JUNE 30, 2015
WITH SUMMARIZED FINANCIAL INFORMATION FOR 2014

	2015			2014
	Unrestricted	Temporarily Restricted	Total	Total
SUPPORT AND REVENUE				
Contributions	$ 947,448	$ 242,553	$ 1,190,001	$ 1,236,501
Foundation grants	706,102	53,000	759,102	865,158
Government grants and contracts	1,367,811	-	1,367,811	1,413,159
Investment income (Note 2)	21,663	-	21,663	68,420
Investment loss in Cameron Commons, LLC (Note 3)	(25,744)	-	(25,744)	(29,598)
In-kind contributions (Note 10)	221,399	1,573	222,972	127,916
Special event revenue	91,963	-	91,963	73,143
Other revenue	4,845	-	4,845	2,744
Net assets released from donor restrictions (Note 9)	436,649	(436,649)	-	-
Total support and revenue	3,772,136	(139,523)	3,632,613	3,757,443
EXPENSES				
Program Services:				
Domestic Violence	803,233	-	803,233	693,836
HomeStart	649,459	-	649,459	687,782
Family Home	807,105	-	807,105	784,267
Community Education	133,513	-	133,513	127,823
Services	573,386	-	573,386	588,694
Total program services	2,966,696	-	2,966,696	2,882,402
Supporting Services:				
Management and General	217,713	-	217,713	262,840
Fundraising	354,740	-	354,740	320,850
Capacity Building	55,389	-	55,389	-
Total supporting services	627,842	-	627,842	583,690
Total expenses	3,594,538	-	3,594,538	3,466,092
Change in net assets	177,598	(139,523)	38,075	291,351
Net assets at beginning of year	3,705,556	1,058,340	4,763,896	4,472,545
NET ASSETS AT END OF YEAR	**$ 3,883,154**	**$ 918,817**	**$ 4,801,971**	**$ 4,763,896**

DOORWAYS FOR WOMEN AND FAMILIES, INC.

CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2015
WITH SUMMARIZED FINANCIAL INFORMATION FOR 2014

				2015
				Program Services
	Domestic Violence	**HomeStart**	**Family Home**	**Community Education**
Salaries, taxes and benefits (Note 12)	$ 490,101	$ 296,606	$ 448,833	$ 81,412
Professional fees	2,563	1,531	2,563	15,015
Advertising/publicity	1,184	-	-	8,322
Credit card processing	-	-	-	-
Depreciation and amortization	50,101	5,855	74,958	949
Donor relations	-	-	-	-
Event venue and donor relations expenses	-	-	-	2,433
Meetings, food and miscellaneous	2,417	1,129	2,102	279
Membership dues and fees	905	812	105	75
Office occupancy expenses (Note 11)	48,600	29,124	49,750	7,043
Insurance	5,387	3,258	5,387	752
Office supplies	2,051	1,229	2,279	402
Postage and shipping	76	-	9	3,159
Printing and graphics	-	-	-	5,106
Publications/subscriptions	-	-	-	-
Staff cell phone reimbursement	2,056	2,712	2,069	128
Staff travel expenses	1,511	1,210	774	2
Volunteer recruitment/retention	1,720	48	1,422	154
Facilities management	34,459	-	64,307	-
Client assistance (Note 10)	106,823	272,267	83,861	-
Investment expense	-	-	-	-
Performance evaluation	5,389	5,388	5,386	-
Loss on disposal of fixed assets	-	-	20,513	-
Bad debt expense	2,500	-	-	-
Sub-total	757,843	621,169	764,318	125,231
Allocation of management and general	45,390	28,290	42,787	8,282
TOTAL	**$ 803,233**	**$ 649,459**	**$ 807,105**	**$ 133,513**

		Supporting Services					2014
Services	**Total Program Services**	**Management and General**	**Fundraising**	**Capacity Building**	**Total Supporting Services**	**Total Expenses**	**Total Expenses**
$ 456,514	$ 1,773,466	$ 314,085	$ 217,459	$ 41,045	$ 572,589	$ 2,346,055	$ 2,246,588
2,653	24,325	27,300	25,233	2,500	55,033	79,358	62,600
-	9,506	-	8,065	-	8,065	17,571	12,408
-	-	16,049	-	-	16,049	16,049	14,251
550	132,413	5,393	2,858	-	8,251	140,664	139,899
-	-	-	2,101	-	2,101	2,101	1,940
-	2,433	-	11,705	-	11,705	14,138	23,254
2,043	7,970	1,196	836	-	2,032	10,002	6,093
107	2,004	1,019	80	-	1,099	3,103	13,858
	-						
51,162	185,679	23,195	20,590	-	43,785	229,464	239,984
5,763	20,547	5,764	2,005	-	7,769	28,316	22,500
2,066	8,027	1,198	1,558	-	2,756	10,783	19,481
26	3,270	1,857	3,360	-	5,217	8,487	8,989
-	5,106	2,563	17,938	-	20,501	25,607	26,053
-	-	517	137	8,995	9,649	9,649	1,774
4,184	11,149	99	99	-	198	11,347	-
1,244	4,741	567	258	-	825	5,566	2,649
368	3,712	-	-	-	-	3,712	3,471
141	98,907	-	112	-	112	99,019	89,794
-	462,951	-	-	-	-	462,951	433,291
-	-	7,290	-	-	7,290	7,290	5,386
1,740	17,903	254	1,255	2,849	4,358	22,261	5,784
-	20,513	-	-	-	-	20,513	33,244
-	2,500	-	18,032	-	18,032	20,532	52,801
528,561	2,797,122	408,346	333,681	55,389	797,416	3,594,538	3,466,092
44,825	169,574	(190,633)	21,059	-	(169,574)	-	-
$ 573,386	**$ 2,966,696**	**$ 217,713**	**$ 354,740**	**$ 55,389**	**$ 627,842**	**$ 3,594,538**	**$ 3,466,092**

DOORWAYS FOR WOMEN AND FAMILIES, INC.

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2015
WITH SUMMARIZED FINANCIAL INFORMATION FOR 2014

	2015	2014
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	$ 38,075	$ 291,351
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation and amortization	140,664	139,899
Realized gain on sales of investments	(28,854)	(5,414)
Unrealized loss (gain) on investments	19,935	(53,009)
Share of loss on investment in Cameron Commons	25,744	29,598
Loss on disposal of fixed assets	20,513	33,244
Change in reserve for uncollectable pledges	(5,933)	24,848
Change in discount on pledges receivable	(4,270)	15,448
(Increase) decrease in:		
Grants receivable	1,653	25,398
Pledges receivable	59,326	(169,948)
Inventory	5,771	(1,403)
Prepaid expenses	(5,291)	(5,518)
Increase (decrease) in:		
Accounts payable and accrued liabilities	9,369	16,117
Deposits held in escrow	(3,868)	(30,354)
Deferred rent liability	(5,608)	(794)
Net cash provided by operating activities	267,226	309,463
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of fixed assets	(63,055)	(58,445)
Purchase of investments	(639,627)	(79,517)
Proceeds from sale of investments	388,682	152,214
Net cash (used) provided by investing activities	(314,000)	14,252
Net (decrease) increase in cash and cash equivalents	(46,774)	323,715
Cash and cash equivalents at beginning of year	1,576,732	1,253,017
CASH AND CASH EQUIVALENTS AT END OF YEAR	**$ 1,529,958**	**$ 1,576,732**

SCHEDULE OF NONCASH INVESTING TRANSACTIONS

	2015	2014
Donated Securities	**$ 84,450**	**$ 48,561**

See accompanying notes to consolidated financial statements.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND GENERAL INFORMATION

Organization -

For over 35 years, Doorways for Women and Families, Inc. has played a vital role in the Arlington community, providing safe shelter, housing, and life-changing support services to women and families facing the trauma of homelessness and/or domestic violence.

Doorways Cameron, LLC (the LLC) is a limited liability company, organized in the state of Virginia in 2008. The primary purpose of the LLC is to invest in Cameron Commons, LLC (see Note 3).

Doorways for Women and Families, Inc. creates pathways out of homelessness, domestic violence and sexual assault leading to safe, stable and empowered lives. Doorways for Women and Families, Inc. is committed to continuous refinement of programs to provide the most holistic care possible to families in crisis to ultimately put an end to the cycles of violence and homelessness that plague too many in the community. Family safety and stability are facilitated through four core programs:

- The Domestic and Sexual Violence Program operates an 11-bed Safehouse Shelter, a 2 bedroom apartment-based Scattered Site Emergency shelter, a 24/7 Domestic Violence and Sexual Assault Hotline, and a Bilingual Court Advocacy and Companionship program for persons seeking legal protection from domestic violence. Doorways for Women and Families, Inc. is the largest provider of domestic violence services in Arlington and operates the only safehouse in Arlington County. The Safehouse served 44 families (45 adults and 41 children), and the hotline provided crisis and supportive counseling for 2,012 adults and children in fiscal year 2015. Court advocacy served 227 adults and 176 children.

- The HomeStart Supportive Housing Program offers rapid re-housing, and long-term supportive housing for families who need assistance to leave Doorways for Women and Families, Inc. shelters, as well as those who are at risk of homelessness in the community. HomeStart offers residential stability (through rental subsidies) and intensive support focused on skill building to prevent the recurrence of homelessness and domestic violence. HomeStart assisted 46 families (135 parents and children) in fiscal year 2015.

- The Freddie Mac Foundation Family Home provides emergency shelter (21 beds), food, skill building opportunities, referrals, and supportive counseling and goal planning services to women, children and families experiencing homelessness. The home served 26 families (32 adults and 40 children) in fiscal year 2015.

- Wrap-around services assist clients with essential life skills, counseling, children's needs, financial education and planning, and court advocacy.

Doorways for Women and Families, Inc. continues to meet the varied and profound needs of its clients through holistic, client-centered and strength-based services that offer them the greatest chance of success. Doorways for Women and Families, Inc. provides clients with intensive support, which is necessary, given that nearly every aspect of their lives is in crisis.

Through community education efforts, volunteers received training and provided 3,681 hours of client-centered services during fiscal year 2015. Resource drives provide clients with winter coats, school supplies and other in-kind support; and awareness of domestic and intimate partner violence is increased through activities and outreach and year-round community presentations.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND GENERAL INFORMATION (Continued)

Organization (continued) -

Doorways for Women and Families, Inc. employs 35 full-time employees and 4 part-time employees and utilizes the expertise of 164 volunteers (including the Board of Directors).

Basis of consolidation -

The accompanying consolidated financial statements reflect the activity of Doorways for Women and Families, Inc. and Doorways Cameron, LLC (collectively, Doorways) as of June 30, 2015. The financial statements of the two organizations have been consolidated based on common control. All intercompany transactions have been eliminated in consolidation.

Basis of presentation -

The accompanying consolidated financial statements are presented on the accrual basis of accounting, and in accordance with FASB ASC 958-810, *Not-for-Profit Entities*, *Consolidation*.

The consolidated financial statements include certain prior year summarized comparative information in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with generally accepted accounting principles. Accordingly, such information should be read in conjunction with Doorways' consolidated financial statements for the year ended June 30, 2014, from which the summarized information was derived.

Cash and cash equivalents -

Doorways invests cash in excess of immediate requirements in a money market fund. Because of the short-term and high liquidity of the fund, such amount is considered to be a cash equivalent.

Bank deposit accounts are insured by the Federal Deposit Insurance Corporation (“FDIC”) up to a limit of $250,000. At times during the year, Doorways maintains cash balances in excess of the FDIC insurance limits. Management believes the risk in these situations to be minimal.

Grants and pledges receivable -

Grants and pledges receivable are recorded at their net realizable values, which approximates fair value. Grants receivable are considered fully collectible within one year. The allowance for doubtful pledges receivable is determined based upon an annual review of account balances, including the age of the balance and the historical experience with the donor. Pledges receivable that are expected to be collected in future years are recorded at fair value, measured as the present value of their future cash flows. The discounts on these 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 contributions revenue.

Inventory -

Inventory consists of various gift cards, which are recorded at the cards' value using the first-in first-out method.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND GENERAL INFORMATION (Continued)

Fixed assets -

Fixed assets greater than $1,000 are capitalized and stated at cost. Buildings (and related improvements), furniture and fixtures, and computer equipment are depreciated on a straight-line basis over the estimated useful lives of the related assets, generally five to thirty-nine years. Land is recorded as a capital asset based on the value assigned at the time of acquisition; the cost of land is not amortized. Software is amortized on a straight-line basis over the estimated useful lives of the related assets, generally five years. Leasehold improvements are amortized over the life of the lease. The cost of maintenance and repairs is recorded as expenses are incurred.

Investments -

Investments are recorded at their readily determinable fair value. Realized and unrealized gains and losses are included in investment income in the Consolidated Statement of Activities and Change in Net Assets.

Net asset classification -

The net assets are reported in two self-balancing categories as follows:

- **Unrestricted net assets** include unrestricted revenue and contributions received without donor-imposed restrictions. These net assets are available for the operation of Doorways and include both internally designated and undesignated resources.

- **Temporarily restricted net assets** include revenue and contributions subject to donor-imposed stipulations that will be met by the actions of Doorways and/or the passage of time. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the Consolidated Statement of Activities and Change in Net Assets as net assets released from restrictions.

Grants and contributions -

Revenue received from cost reimbursable government grants is recognized when expenses have been incurred.

Unrestricted and temporarily restricted contributions are recorded as revenue in the year notification is received from the donor. Temporarily restricted contributions are recognized as unrestricted support only to the extent of actual expenses incurred in compliance with the donor-imposed restrictions and satisfaction of time restrictions. Such funds in excess of expenses incurred are shown as temporarily restricted net assets in the accompanying consolidated financial statements. Restricted grants and contributions whose restrictions are met in the same reporting period are recorded as unrestricted grants and contributions.

In-kind contributions -

In-kind contributions are recorded at their fair market value as of the date of the gift. In the absence of donor stipulations regarding how long contributed fixed assets must be used, Doorways has adopted a policy of implying a time restriction on contributions of such fixed assets that expires over the assets' useful lives.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND GENERAL INFORMATION (Continued)

In-kind contributions (continued) -

As a result, all contributions of fixed assets, and of assets contributed to acquire fixed assets, are recorded as restricted support.

Income taxes -

Doorways for Women and Families, Inc. is exempt from Federal income taxes under Section 501(c)(3) of the Internal Revenue Code. Accordingly, no provision for income taxes has been made in the accompanying consolidated financial statements. Doorways for Women and Families, Inc. is not a private foundation.

Doorways Cameron, LLC is registered as a limited liability corporation under the laws of the State of Virginia. For tax purposes, because Doorways is the sole member of the LLC, it is considered a disregarded entity and its results are reported on Doorways' tax return.

Uncertain tax positions -

For the year ended June 30, 2015, Doorways has documented its consideration of FASB ASC 740-10, *Income Taxes*, that provides guidance for reporting uncertainty in income taxes and has determined that no material uncertain tax positions qualify for either recognition or disclosure in the consolidated financial statements.

The Federal Form 990, *Return of Organization Exempt from Income Tax*, is subject to examination by the Internal Revenue Service, generally for three years after it is filed.

Use of estimates -

The preparation of the consolidated 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 at the date of the consolidated financial statements and the reported amounts of revenue and expenses during the reporting period. Accordingly, actual results could differ from those estimates.

Functional allocation of expenses -

The costs of providing the various programs and other activities have been summarized on a functional basis in the Consolidated Statement of Activities and Change in Net Assets. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

Risks and uncertainties -

Doorways invests in various investment securities. Investment securities are exposed to various risks such as interest rates, market and credit 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 and that such changes could materially affect the amounts reported in the consolidated financial statements.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND GENERAL INFORMATION (Continued)

Fair value measurement -

Doorways adopted the provisions of FASB ASC 820, *Fair Value Measurement*. FASB ASC 820 defines fair value, establishes a framework for measuring fair value, establishes a fair value hierarchy based on the quality of inputs (assumptions that market participants would use in pricing assets and liabilities, including assumptions about risk) used to measure fair value, and enhances disclosure requirements for fair value measurements. Doorways accounts for a significant portion of its financial instruments at fair value or considers fair value in their measurement.

2. INVESTMENTS

Investments consisted of the following at June 30, 2015:

	Fair Value
Stocks	$ 715,938
Mutual funds	7,466
TOTAL INVESTMENTS	**$ 723,404**

Included in investment income are the following at June 30, 2015:

Interest and dividends	$ 12,744
Realized gain on sales of investments	28,854
Unrealized loss on investments	(19,935)
TOTAL INVESTMENT INCOME	**$ 21,663**

3. INVESTMENT IN CAMERON COMMONS, LLC

During 2009, Doorways formed a single member LLC, Doorways Cameron, LLC, whose sole purpose was to enter into an agreement with Cameron Commons Development Corporation (CCDC) to form Cameron Commons, LLC. Cameron Commons, LLC purchased the Cameron Commons Apartments. Under the agreement, Doorways has an interest in five apartment units. In 2009, $726,287 of initial funding for Doorways' interest in this partnership was provided on behalf of Doorways Cameron, LLC directly to CCDC by the Community Housing Finance Corporation (CHFC), a division of Arlington County, Virginia.

In 2010, an additional $31,208 was provided by Arlington County for total funding of $757,495. The funds were given as a conditional 30-year deferred-payment loan. This no-interest loan is to be repaid only in the event of sale, conveyance, or change in use of the property. After the 30-year period has expired, the debt will be forgiven. During fiscal year 2011, Doorways contributed an additional $272,160, which increased their interest in Cameron Commons, LLC to 31%.

Doorways currently accounts for its investment in Cameron Commons, LLC using the equity method based on its current percentage of ownership interest as well as its ability to exert significant influence over Cameron Commons, LLC.

3. INVESTMENT IN CAMERON COMMONS, LLC (Continued)

For the calendar year ended December 31, 2014, Cameron Commons, LLC's audited net operating loss totaled $84,507, of which $26,197 was allocated to Doorways Cameron, LLC; additionally, an operating loss for the period January 1, 2015 through June 30, 2015 has been estimated at $9,587 and is included in the accompanying Consolidated Statement of Activities and Change in Net Assets. Furthermore, the estimated operating loss of $10,040 for the period January 1, 2014 through June 30, 2014 has been reversed out of the calculated loss, as it was previously recorded in the Consolidated Financial Statements ended June 30, 2014. Doorways' investment in Cameron Commons, LLC at June 30, 2015 aggregated $1,081,212.

4. PLEDGES RECEIVABLE

As of June 30, 2015, contributors to Doorways have made written promises to give totaling $689,650. Pledges receivable are discounted to their net present value using the effective interest rate as of the date of award. Pledges are due as follows at June 30, 2015:

Less than one year	$ 152,643
One to five years	537,007
Total	689,650
Less: Discount to present value at 3.25%	(36,523)
Less: Reserve for uncollectable pledges	(68,965)
TOTAL PLEDGES RECEIVABLE	**$ 584,162**

5. RESTRICTED CASH

Restricted cash consisted of the following at June 30, 2015:

Client Funds Held in Escrow	$ 6,385
Third Party Fundraiser	44
TOTAL RESTRICTED CASH	**$ 6,429**

The client funds in escrow consists of client savings held by Doorways for clients in the Doorways HomeStart Program. A client may request the funds at any time, and all funds are returned to the client when the client leaves the HomeStart Program in good standing; these client funds held in escrow are also presented as a separate liability in the accompanying Consolidated Statement of Financial Position.

6. COMMUNITY DEVELOPMENT BLOCK GRANT FUND CONDITIONAL DEBT

In May 2006, Doorways obtained a $600,000 commitment from Arlington County, Virginia, through a Community Development Block Grant from the United States Department of Housing and Urban Development (HUD). Doorways has drawn the full $600,000 under this commitment. The funds were given as a conditional 60-year deferred-payment loan in order to redevelop the Family Home. This no-interest loan is to be repaid only in the event of sale, conveyance, or change in use of the property. After the 60-year period has expired, the debt will be forgiven.

7. BOARD DESIGNATED NET ASSETS

As of June 30, 2015, net assets have been designated by the Board of Directors for the following purposes:

Operating reserve	$ 472,439
Reserve for future operating deficits	218,514
Capacity building, excess for future operating deficits	72,838
Building improvements	51,439
TOTAL BOARD DESIGNATED NET ASSETS	**$ 815,230**

8. TEMPORARILY RESTRICTED NET ASSETS

Temporarily restricted net assets consisted of the following at June 30, 2015:

Program Restricted:	
Domestic Violence (including $210,494 of unamortized Safehouse improvements)	$ 215,494
Capacity Building	30,000
Children's Program	18,000
Family Home	1,416
Total program restricted	264,910
Time Restricted	653,907
TOTAL TEMPORARILY RESTRICTED NET ASSETS	**$ 918,817**

9. NET ASSETS RELEASED FROM RESTRICTIONS

The following temporarily restricted net assets were released from donor restrictions by incurring expenses, which satisfied the restricted purposes specified by the donors:

Program Restricted:	
Domestic Violence	$ 77,480
HomeStart	48,334
Family Home	13,490
Children's Program	2,000
Total program restricted	141,304
Passage of Time	295,345
TOTAL NET ASSETS RELEASED FROM RESTRICTIONS	**$ 436,649**

10. IN-KIND CONTRIBUTIONS

Contributed services from IT professionals (and goods donated for distribution for Doorways' programs) are recognized as in-kind support based on the estimated fair value of the gift. In-kind expenses are presented as Client Assistance in the accompanying Statement of Functional Expenses.

Donated goods and services consisted of the following during the year ended June 30, 2015:

Professional fees	$ 48,268
Gift cards	32,965
Goods and supplies	140,166
Family Home Renovations	1,573
TOTAL IN-KIND CONTRIBUTIONS	**$ 222,972**

In-kind contributions were classified in the following functional areas (in the accompanying Statement of Functional Expenses) during the year ended June 30, 2015:

Domestic Violence	$ 69,645
HomeStart	40,699
Family Home	67,911
Capacity Building	2,500
Services	1,432
Community Education	14,848
Management and General	1,204
Fundraising	24,733
TOTAL IN-KIND CONTRIBUTIONS	**$ 222,972**

Additionally, volunteers have donated time to Doorways in various capacities to further the mission of the organization. As these services are not deemed to be specialized in nature (and therefore the value of these services is not readily determinable), these contributions have not been recognized in the accompanying financial statements.

11. LEASE COMMITMENT

During 2011, Doorways entered into a lease for office space under a seven-year agreement, expiring May 31, 2018. Base rent is $150,535 per year, plus a proportionate share of expenses, increasing by a factor of 3% per year. The first three months of rent were abated. In May of 2015, Doorways amended its seven-year lease agreement to extend its term to June 30, 2021 and add additional office space. The amended lease is set to commence on July 1, 2015. Base rent under amended lease is $192,132, plus a proportionate share of expenses, increasing by a factor of 2% per year.

Accounting principles generally accepted in the United States of America require that the total rent commitment should be recognized on a straight-line basis over the term of the lease. Accordingly, the difference between the actual monthly payments and the rent expense being recognized for financial statement purposes is recorded as a deferred rent liability in the Consolidated Statement of Financial Position. As of June 30, 2015, the total deferred rent liability aggregated $45,062.

11. LEASE COMMITMENT (Continued)

Future minimum lease payments are as follows:

Year Ending June 30	
2016	$ 192,132
2017	195,975
2018	199,894
2019	203,892
2020	207,970
Thereafter	212,129
	$1,211,992

Rent expense, including utilities and taxes for the year ended June 30, 2015, was $163,961. Rent expense is included in office occupancy expenses in the accompanying Consolidated Statement of Functional Expenses.

12. PENSION PLAN

Doorways has established a 403(b) plan for its employees. Eligible employees must be employed for at least one year and complete 1,040 hours of services during a 12-month period. Employer discretionary contributions are allocated among eligible employees at a rate of 2% of annual compensation for employees with one to four years of services, and 4% of annual compensation for employees with five or more years of service. Plan contributions for the year ended June 30, 2015 totaled $39,582.

13. LINE OF CREDIT

In December 2014, Doorways established a line of credit with a local financial institution to support ongoing working capital needs of the organization, which will expire December 2015. The line of credit, in the amount of $150,000, is unsecured and accrues interest at the Wall Street Journal Prime Rate plus 1% or a minimum of 4.50% (4.50% as of June 30, 2015). There were no borrowings during the year or any outstanding amounts on the line of credit as of June 30, 2015.

14. FAIR VALUE MEASUREMENT

In accordance with FASB ASC 820, *Fair Value Measurement*, Doorways has categorized its financial instruments, based on the priority of the inputs to the valuation technique, into a three-level fair value hierarchy. The fair value hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3). If the inputs used to measure the financial instruments fall within different levels of hierarchy, the categorization is based on the lowest level input that is significant to the fair value measurement of the instrument. Investments recorded in the Consolidated Statement of Financial Position are categorized based on the inputs to valuation techniques as follows:

Level 1. These are investments where values are based on unadjusted quoted prices for identical assets in an active market Doorways has the ability to access.

14. FAIR VALUE MEASUREMENT (Continued)

Level 2. These are investments where values are based on quoted prices for similar instruments in active markets, quoted prices for identical or similar instruments in markets that are not active, or model-based valuation techniques that utilize inputs that are observable either directly or indirectly for substantially the full-term of the investments.

Level 3. These are investments where inputs to the valuation methodology are unobservable and significant to the fair value measurement.
Following is a description of the valuation methodology used for investments measured at fair value. There have been no changes in the methodologies used at June 30, 2015.

- S*tocks* - Valued at the closing price reported on the active market in which the individual securities are traded.
- *Mutual funds* - The fair value is equal to the reported net asset value of the fund, which is the price at which additional shares can be obtained.

The table below summarizes, by level within the fair value hierarchy, Doorways' investments as of June 30, 2015:

	Level 1	Level 2	Level 3	Total
Asset Class:				
Stocks	$ 715,938	$ -	$ -	$ 715,938
Mutual funds	7,466	-	-	7,466
TOTAL INVESTMENTS	**$ 723,404**	**$ -**	**$ -**	**$ 723,404**

15. SUBSEQUENT EVENTS

In preparing these consolidated financial statements, Doorways has evaluated events and transactions for potential recognition or disclosure through October 2, 2015, the date the consolidated financial statements were issued.