CONSOLIDATED FINANCIAL STATEMENTS

DOORWAYS
for women and families

FOR THE YEAR ENDED JUNE 30, 2014
WITH SUMMARIZED FINANCIAL
INFORMATION FOR 2013

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, 2014, 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, 2014, 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.

Report on Summarized Comparative Information

We have previously audited Doorways' 2013 consolidated financial statements, and we expressed an unmodified audit opinion on those audited consolidated financial statements in our report dated October 11, 2013. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2013, is consistent, in all material respects, with the audited consolidated financial statements from which it has been derived.

Gelman Rozenberg & Freedman

October 5, 2014

DOORWAYS FOR WOMEN AND FAMILIES, INC.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS OF JUNE 30, 2014
WITH SUMMARIZED FINANCIAL INFORMATION FOR 2013

ASSETS

	2014	2013
CURRENT ASSETS		
Cash and cash equivalents:		
Unrestricted	$ 1,566,479	$ 1,212,410
Restricted for client escrow (Note 5)	10,253	40,607
Total cash and cash equivalents	1,576,732	1,253,017
Grants receivable	140,724	166,122
Pledges receivable, current portion (Note 4)	169,940	187,380
Inventory	16,042	14,639
Prepaid expenses	27,152	21,634
Total current assets	1,930,590	1,642,792
FIXED ASSETS		
Land	154,800	154,800
Building - Family Home (Note 6)	2,243,450	2,243,304
Building - Safehouse	525,108	522,381
Furniture and fixtures	127,568	127,568
Computer equipment	102,496	85,424
Software	45,286	45,286
Leasehold improvements	10,246	10,246
	3,208,954	3,189,009
Less: Accumulated depreciation and amortization	(808,510)	(673,867)
Net fixed assets	2,400,444	2,515,142
NONCURRENT ASSETS		
Investments (Notes 2 and 13)	463,540	477,814
Investment in Cameron Commons, LLC (Note 3)	1,106,956	1,136,554
Pledges receivable, net of current portion, discount, and allowance for uncollectible accounts of $74,898 and $50,050 in 2014 and 2013, respectively (Note 4)	463,345	316,253
Deposits	12,545	12,545
Total noncurrent assets	2,046,386	1,943,166
TOTAL ASSETS	**$ 6,377,420**	**$ 6,101,100**

LIABILITIES AND NET ASSETS

	2014	2013
CURRENT LIABILITIES		
Accounts payable and accrued liabilities	$ 195,106	$ 178,989
Deposits held in escrow (Note 5)	10,253	40,607
Current portion of deferred rent liability (Note 11)	5,608	-
Total current liabilities	210,967	219,596
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)	45,062	51,464
Total long-term liabilities	1,402,557	1,408,959
Total liabilities	1,613,524	1,628,555
NET ASSETS		
Unrestricted:		
Undesignated	731,064	629,172
Invested in unrestricted fixed assets	2,162,943	2,246,630
Board designated (Note 7)	811,549	535,479
Total unrestricted	3,705,556	3,411,281
Temporarily restricted (Note 8)	1,058,340	1,061,264
Total net assets	4,763,896	4,472,545
TOTAL LIABILITIES AND NET ASSETS	**$ 6,377,420**	**$ 6,101,100**

See accompanying notes to consolidated financial statements.

DOORWAYS FOR WOMEN AND FAMILIES, INC.

CONSOLIDATED STATEMENT OF ACTIVITIES AND CHANGE IN NET ASSETS
FOR THE YEAR ENDED JUNE 30, 2014
WITH SUMMARIZED FINANCIAL INFORMATION FOR 2013

	2014			2013
	Unrestricted	**Temporarily Restricted**	**Total**	**Total**
SUPPORT AND REVENUE				
Contributions	$ 801,748	$ 434,753	$ 1,236,501	$ 990,225
Foundation grants	774,158	91,000	865,158	671,850
Government grants and contracts	1,413,159	-	1,413,159	1,412,964
Investment income (Note 2)	68,420	-	68,420	49,190
Investment loss in Cameron Commons, LLC (Note 3)	(29,598)	-	(29,598)	(20,439)
In-kind contributions (Note 10)	127,916	-	127,916	337,116
Special event revenue	73,143	-	73,143	71,086
Other revenue	2,744	-	2,744	5,435
Net assets released from donor restrictions (Note 9)	528,677	(528,677)	-	-
Total support and revenue	3,760,367	(2,924)	3,757,443	3,517,427
EXPENSES				
Program Services:				
Domestic Violence	693,836	-	693,836	639,663
HomeStart	687,782	-	687,782	634,081
Family Home	784,267	-	784,267	723,033
Community Education	127,823	-	127,823	170,691
Services	588,694	-	588,694	542,730
Total program services	2,882,402	-	2,882,402	2,710,198
Supporting Services:				
Management and General	262,840	-	262,840	246,280
Fundraising	320,850	-	320,850	306,626
Total supporting services	583,690	-	583,690	552,906
Total expenses	3,466,092	-	3,466,092	3,263,104
Change in net assets	294,275	(2,924)	291,351	254,323
Net assets at beginning of year	3,411,281	1,061,264	4,472,545	4,218,222
NET ASSETS AT END OF YEAR	**$ 3,705,556**	**$ 1,058,340**	**$ 4,763,896**	**$ 4,472,545**

See accompanying notes to consolidated financial statements.

DOORWAYS FOR WOMEN AND FAMILIES, INC.

CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2014
WITH SUMMARIZED FINANCIAL INFORMATION FOR 2013

	2014			
	Program Services			
	Domestic Violence	**HomeStart**	**Family Home**	**Community Education**
Salaries, taxes and benefits (Note 12)	$ 451,529	$ 288,492	$ 449,001	$ 82,166
Professional fees	3,112	1,632	2,762	5,352
Advertising/publicity	192	-	-	6,108
Credit card processing	-	-	-	-
Depreciation and amortization	47,960	6,299	75,829	1,381
Donor relations	-	-	500	-
Event venue and donor relations expenses	-	-	-	4,651
Meetings, food and miscellaneous	1,219	574	932	154
Membership dues and fees	836	1,175	415	46
Office occupancy expenses (Note 11)	51,883	30,578	52,900	7,380
Insurance	4,838	2,925	4,838	675
Office supplies	3,598	1,641	5,863	564
Postage and shipping	-	-	-	1,873
Printing and graphics	-	58	-	6,638
Publications/subscriptions	235	-	235	100
Small equipment costs	-	-	-	-
Staff travel expenses	179	865	55	-
Volunteer recruitment/retention	439	55	439	2,428
Facilities management	30,601	2,359	53,050	84
Client assistance	52,252	321,952	59,087	-
Investment expense	-	-	-	-
Performance evaluation	1,662	1,662	1,662	-
Emergency contingency	-	-	-	-
Loss on disposal of fixed assets	-	-	33,244	-
Bad debt expense	-	-	-	-
Sub-total	650,535	660,267	740,812	119,600
Allocation of management and general	43,302	27,515	43,455	8,223
TOTAL	**$ 693,837**	**$ 687,782**	**$ 784,267**	**$ 127,823**

		Supporting Services				2013
Services	Total Program Services	Management and General	Fundraising	Total Supporting Services	Total Expenses	Total Expenses
$ 469,790	$ 1,740,978	$ 297,448	$ 208,162	$ 505,610	$ 2,246,588	$ 2,148,032
2,888	15,746	28,525	18,329	46,854	62,600	68,811
-	6,300	-	6,108	6,108	12,408	11,416
-	-	14,250	1	14,251	14,251	8,631
378	131,847	5,169	2,883	8,052	139,899	110,511
-	500	-	1,440	1,440	1,940	1,400
-	4,651	-	18,603	18,603	23,254	28,824
985	3,864	1,629	600	2,229	6,093	3,795
351	2,823	10,548	487	11,035	13,858	3,279
55,321	198,062	24,533	17,389	41,922	239,984	240,844
5,175	18,451	2,249	1,800	4,049	22,500	19,081
3,124	14,790	2,247	2,444	4,691	19,481	13,457
-	1,873	1,943	5,173	7,116	8,989	8,867
-	6,696	2,950	16,407	19,357	26,053	30,021
180	750	254	770	1,024	1,774	1,552
-	-	-	-	-	-	630
664	1,763	704	182	886	2,649	6,704
110	3,471	-	-	-	3,471	3,483
3,574	89,668	63	63	126	89,794	102,113
-	433,291	-	-	-	433,291	417,571
-	-	5,386	-	5,386	5,386	5,213
798	5,784	-	-	-	5,784	22,167
-	-	-	-	-	-	209
-	33,244	-	-	-	33,244	6,493
-	-	52,801	-	52,801	52,801	-
543,338	2,714,552	450,699	300,841	751,540	3,466,092	3,263,104
45,355	167,850	(187,859)	20,009	(167,850)	-	-
$ 588,693	**$ 2,882,402**	**$ 262,840**	**$ 320,850**	**$ 583,690**	**$ 3,466,092**	**$ 3,263,104**

See accompanying notes to consolidated financial statements.

DOORWAYS FOR WOMEN AND FAMILIES, INC.

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2014
WITH SUMMARIZED FINANCIAL INFORMATION FOR 2013

	2014	2013
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	$ 291,351	$ 254,323
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation and amortization	139,899	110,510
Realized gain on sales of investments	(5,414)	(7,211)
Unrealized gain on investments	(53,009)	(27,312)
Share of loss on investment in Cameron Commons	29,598	20,439
Loss on disposal of fixed assets	33,244	6,493
Change in reserve for uncollectible pledges	24,848	(19,500)
Change in discount on pledges receivable	15,448	(7,225)
Donation of fixed assets	-	(193,119)
(Increase) decrease in:		
Grants receivable	25,398	53,047
Pledges receivable	(169,948)	116,470
Inventory	(1,403)	(4,369)
Prepaid expenses	(5,518)	15,854
Increase (decrease) in:		
Accounts payable and accrued liabilities	16,117	27,365
Deposits held in escrow	(30,354)	(15,099)
Deferred rent liability	(794)	3,881
Net cash provided by operating activities	309,463	334,547
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of fixed assets	(58,445)	(104,108)
Purchase of investments	(79,517)	(233,719)
Proceeds from sale of investments	152,214	273,982
Net cash provided (used) by investing activities	14,252	(63,845)
Net increase in cash and cash equivalents	323,715	270,702
Cash and cash equivalents at beginning of year	1,253,017	982,315
CASH AND CASH EQUIVALENTS AT END OF YEAR	$ 1,576,732	$ 1,253,017

SCHEDULE OF NONCASH INVESTING TRANSACTIONS

	2014	2013
Donated Securities	$ 48,561	$ 28,354
Donation of Fixed Assets	$ -	$ 193,119

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND GENERAL INFORMATION

Organization -

For over 30 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 domestic violence and homelessness toward safe and stable 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 Violence Program operates an 11-bed Safehouse Shelter, a 24/7 Domestic Violence 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 40 families (42 adults and 29 children) and the hotline provided crisis and supportive counseling for 1,401 adults and children in fiscal year 2014.
- The HomeStart Supportive Housing Program offers homeless prevention, 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 and community based programs assisted 71 families (252 parents and children) in fiscal year 2014.
- The Freddie Mac Foundation Family Home provides housing (21 beds), food, skill building opportunities, referrals, and supportive counseling and goal planning services to women, children and families experiencing homelessness. The home served 30 families (36 adults and 40 children) in fiscal year 2014.
- 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 4,336 hours of client-centered services during fiscal year 2014. 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 33 full-time employees and 4 part-time employees and utilizes the expertise of 151 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, 2014. 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, 2013, 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 collectable 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, 2014, 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, 2014:

	Fair Value
Stocks	$ 445,797
Mutual funds	17,743
TOTAL INVESTMENTS	**$ 463,540**

Included in investment income are the following at June 30, 2014:

Interest and dividends	$ 9,997
Realized gain on sales of investments	5,414
Unrealized gain on investments	53,009
TOTAL INVESTMENT INCOME	**$ 68,420**

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. INTEREST IN CAMERON COMMONS, LLC (Continued)

For the calendar year ended December 31, 2013, Cameron Commons, LLC's audited net operating loss totaled $59,323, of which $18,390 was allocated to Doorways Cameron, LLC; additionally, an operating loss for the period January 1, 2014 through June 30, 2014 has been estimated at $10,040 and is included in the accompanying Consolidated Statement of Activities and Change in Net Assets. Furthermore, the estimated operating gain of $1,167 for the period January 1, 2013 through June 30, 2013 has been reversed out of the calculated loss, as it was previously recorded in the Consolidated Financial Statements ended June 30, 2013. Doorways' investment in Cameron Commons, LLC at June 30, 2014 aggregated $1,106,956.

4. PLEDGES RECEIVABLE

As of June 30, 2014, contributors to Doorways have made written promises to give totaling $748,976. 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, 2014:

Less than one year	$ 169,940
One to five years	566,378
Beyond five years	12,658
Total	748,976
Less: Discount to present value at 3.25%	(40,793)
Less: Reserve for uncollectible pledges	(74,898)
TOTAL PLEDGES RECEIVABLE	**$ 633,285**

5. ESCROW

The escrow liability 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. Cash in the amount of $10,253 is restricted for client funds in escrow as of June 30, 2014.

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, 2014, net assets have been designated by the Board of Directors for the following purposes:

Operating reserve	$ 468,614
Reserve for future operating deficits	218,514
Capacity building, excess for future operating deficits	72,838
Building improvements	51,583
TOTAL BOARD DESIGNATED NET ASSETS	**$ 811,549**

8. TEMPORARILY RESTRICTED NET ASSETS

Temporarily restricted net assets consisted of the following at June 30, 2014:

Program Restricted:	
Domestic Violence (including $237,501 of unamortized Safehouse improvements)	$ 286,489
HomeStart	48,335
Family Home	13,333
Children's Program	2,000
Total program restricted	350,157
Time Restricted	708,183
TOTAL TEMPORARILY RESTRICTED NET ASSETS	**$1,058,340**

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	$ 121,797
HomeStart	57,333
Family Home	32,333
Administrative	36,960
Total program restricted	248,423
Passage of Time	280,254
TOTAL NET ASSETS RELEASED FROM RESTRICTIONS	**$ 528,677**

10. IN-KIND CONTRIBUTIONS

Contributed services from IT professionals and goods donated for distribution in Doorways' programs are recognized as in-kind revenues at their estimated fair market value.

Donated goods and services consisted of the following during the year ended June 30, 2014:

Professional fees	$ 32,320
Gift cards	33,311
Goods and supplies	62,285
TOTAL IN-KIND CONTRIBUTIONS	**$ 127,916**

10. IN-KIND CONTRIBUTIONS (Continued)

The aforementioned goods and services received by Doorways benefited the following programs during the year ended June 30, 2014:

Domestic Violence	$ 32,162
HomeStart	31,183
Family Home	36,644
Services	1,632
Community Education	5,188
Management and General	3,160
Fundraising	17,947
TOTAL IN-KIND CONTRIBUTIONS	**$ 127,916**

Additionally, volunteers have donated time to Doorways in various capacities. These services have not been recognized, in as much as such services do not require specialized skills. The value of these services is not readily determinable.

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.

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, 2014, the total deferred rent liability aggregated $50,670.

Future minimum lease payments are as follows:

Year Ending June 30	
2015	$ 165,316
2016	170,276
2017	175,384
2018	165,217
	$ 676,193

Rent expense, including utilities and taxes for the year ended June 30, 2014, was $165,254. 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, 2014 totaled $34,415.

13. 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.

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, 2014.

- 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, 2014:

	Level 1	Level 2	Level 3	Total
Asset Class:				
Stocks	$ 445,797	$ -	$ -	$ 445,797
Mutual funds	17,743	-	-	17,743
TOTAL INVESTMENTS	**$ 463,540**	**$ -**	**$ -**	**$ 463,540**

14. SUBSEQUENT EVENTS

In preparing these consolidated financial statements, Doorways has evaluated events and transactions for potential recognition or disclosure through October 5, 2014, the date the consolidated financial statements were issued.