



one1love

**YEARLEY REYNOLDS LOVE FOUNDATION, INC.
D/B/A THE ONE LOVE FOUNDATION
IN HONOR OF YEARLEY REYNOLDS LOVE**

Audited Financial Statements

June 30, 2015



INDEPENDENT AUDITORS' REPORT

To the Board of Directors of
Yearley Reynolds Love Foundation, Inc.
d/b/a The One Love Foundation in Honor of Yearley Reynolds Love

Report on the Financial Statements

We have audited the accompanying financial statements of Yearley Reynolds Love Foundation, Inc. d/b/a The One Love Foundation in Honor of Yearley Reynolds Love (the "Foundation"), which comprise the statement of financial position as of June 30, 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.

Auditors' Responsibility

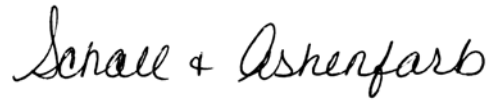
Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about 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 auditors' 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 organization'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 organization'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 Yeardeley Reynolds Love Foundation, Inc. d/b/a The One Love Foundation in Honor of Yeardeley Reynolds Love as of June 30, 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.



Schall & Ashenfarb
Certified Public Accountants, LLC

January 11, 2016

**YEARDLEY REYNOLDS LOVE FOUNDATION, INC.
D/B/A THE ONE LOVE FOUNDATION
IN HONOR OF YEARDLEY REYNOLDS LOVE
STATEMENT OF FINANCIAL POSITION
AT JUNE 30, 2015**

Assets

Cash and cash equivalents	\$1,277,982
Contributions receivable (Note 3)	588,140
Prepaid expenses and other assets	21,881
Fixed assets (net of accumulated depreciation) (Note 4)	<u>399,860</u>
 Total assets	 <u><u>\$2,287,863</u></u>

Liabilities and Net Assets

Liabilities:	
Accounts payable and accrued expenses	<u>\$141,750</u>
 Total liabilities	 <u>141,750</u>
Net assets:	
Unrestricted	1,126,367
Temporarily restricted (Note 5)	<u>1,019,746</u>
Total net assets	<u>2,146,113</u>
 Total liabilities and net assets	 <u><u>\$2,287,863</u></u>

The attached notes and auditors' report are an integral part of these financial statements.

**YEARDLEY REYNOLDS LOVE FOUNDATION, INC.
D/B/A THE ONE LOVE FOUNDATION
IN HONOR OF YEARDLEY REYNOLDS LOVE
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2015**

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
Public support:			
Contributions	\$1,174,407	\$1,118,000	\$2,292,407
Special events (net of direct benefit to donors) (Note 7)	100,919		100,919
In-kind services (Note 6)	2,429,450		2,429,450
Other income	18,017		18,017
Net assets released from restrictions (Note 5)	979,923	(979,923)	0
Total public support	<u>4,702,716</u>	<u>138,077</u>	<u>4,840,793</u>
Expenses:			
Program services (Note 6)	3,130,640		3,130,640
Supporting services:			
Management and general (Note 6)	256,073		256,073
Fundraising (Note 6)	239,813		239,813
Total supporting services	<u>495,886</u>	<u>0</u>	<u>495,886</u>
Total expenses	<u>3,626,526</u>	<u>0</u>	<u>3,626,526</u>
Change in net assets	1,076,190	138,077	1,214,267
Net assets - beginning	<u>50,177</u>	<u>881,669</u>	<u>931,846</u>
Net assets - ending	<u><u>\$1,126,367</u></u>	<u><u>\$1,019,746</u></u>	<u><u>\$2,146,113</u></u>

The attached notes and auditors' report are an integral part of these financial statements.

YEARLEY REYNOLDS LOVE FOUNDATION, INC.
D/B/A THE ONE LOVE FOUNDATION IN HONOR OF YEARLEY REYNOLDS LOVE
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2015

	Supporting Services				Total Expenses
	Program Services	Management and General	Fundraising	Total Supporting Services	
Salaries	\$226,813	\$54,413	\$145,865	\$200,278	\$427,091
Payroll taxes and benefits	27,142	6,511	17,455	23,966	51,108
Grant expenses	46,567			0	46,567
Professional fees (including in-kind) (Note 6)	63,443	180,637	9,287	189,924	253,367
Media and product development	1,260			0	1,260
Marketing and advertising (including in-kind) (Note 6)	461,397	2,527		2,527	463,924
Content distribution (including in-kind) (Note 6)	1,879,077			0	1,879,077
Office expenses	11,605	1,785	2,678	4,463	16,068
Moving and office renovation	4,712	725	1,088	1,813	6,525
Technology infrastructure and maintenance	31,014	1,545	9,326	10,871	41,885
Rent and utilities	22,135	3,405	5,108	8,513	30,648
Printing and mailing	8,652	2,076	5,564	7,640	16,292
Travel and entertainment	80,694	802	15,798	16,600	97,294
Insurance	5,945	915	1,371	2,286	8,231
Special event expenses			9,871	9,871	9,871
Bank charges			15,075	15,075	15,075
Miscellaneous	30,679	539	810	1,349	32,028
Depreciation	229,505	193	517	710	230,215
Total expenses	\$3,130,640	\$256,073	\$239,813	\$495,886	\$3,626,526

The attached notes and auditors' report are an integral part of these financial statements.

**YEARDLEY REYNOLDS LOVE FOUNDATION, INC.
D/B/A THE ONE LOVE FOUNDATION
IN HONOR OF YEARDLEY REYNOLDS LOVE
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2015**

Cash flows from operating activities:	
Change in net assets	\$1,214,267
Adjustments to reconcile change in net assets to net cash provided by operating activities:	
Depreciation	230,215
Changes in assets and liabilities:	
Contribution receivable	(588,140)
Prepaid expenses and other assets	17,064
Accounts payable and accrued expenses	21,762
Total adjustments	<u>(319,099)</u>
Net cash flows provided by operating activities	<u>895,168</u>
 Cash flows from investing activities:	
Purchase of fixed assets	<u>(103,095)</u>
Net cash flows used for investing activities	<u>(103,095)</u>
 Net increase in cash and cash equivalents	792,073
 Cash and cash equivalents - beginning of year	<u>485,909</u>
 Cash and cash equivalents - end of year	<u><u>\$1,277,982</u></u>
 Supplemental disclosures:	
Interest and taxes paid	<u><u>\$0</u></u>

The attached notes and auditors' report are an integral part of these financial statements.

YEARDLEY REYNOLDS LOVE FOUNDATION, INC.
D/B/A THE ONE LOVE FOUNDATION IN HONOR OF YEARDLEY REYNOLDS LOVE
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015

Note 1 - Organization

The Yeardley Reynolds Love Foundation, Inc. d/b/a The One Love Foundation in Honor of Yeardley Reynolds Love (the "Foundation") was founded in June 2010 and incorporated as a not-for-profit organization under the laws of the State of Maryland. Its mission is to educate, empower and activate young people in a movement to end relationship violence. The Foundation develops compelling educational content that sparks new and novel discussions among workshop participants, inspiring them to work together to affect change in their communities. The Foundation's programs are designed to empower young people as the critical leaders of this movement for change, mobilizing a generation toward a brighter future where relationship violence is far less prevalent.

The Foundation has been granted exemption from federal income tax pursuant to Section 501(c)(3) of the Internal Revenue Code.

Note 2 - Significant Accounting Policies

a. Basis of Accounting

The financial statements of the Foundation have been prepared on the accrual basis of accounting which is the process of recording revenue and expenses when earned or incurred, rather than when received or paid.

b. Basis of Presentation

The Foundation reports information regarding their financial position and activities in the following classes of net assets:

- *Unrestricted* – represents all activity without donor imposed restrictions as well as activity with donor imposed restrictions, which expire within the same period.
- *Temporarily restricted* – relates to contributions of cash and other assets with donor stipulations that make clear the assets restriction, either due to a program nature or by passage of time.

c. Revenue Recognition

Contributions are recorded as unrestricted or temporarily restricted, depending on the existence and/or nature of any donor restriction. When a 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 statement of activities as net assets released from restriction. Contributions whose restrictions expire in the same year they are received are recorded as unrestricted.

d. Cash and Cash Equivalents

The Foundation considers all liquid investments with an initial maturity of three months or less to be cash and cash equivalents.

e. Concentration of Credit Risk

Financial instruments that potentially subject the Foundation to concentration of credit risk consist of cash and money market accounts which are placed with financial institutions that management deems to be creditworthy. At year-end and at various times throughout the year, balances were in excess of insured amounts. However, the Foundation has not suffered any losses due to bank failure.

f. Contributions Receivable

The Foundation records pledges as revenue when they are considered unconditional in nature. Contributions are recognized at net realizable value if expected to be received within one year or at fair value using risk adjusted present value techniques if expected to be received after one year. Management performs a review of all outstanding receivables based on historical experience. Based on this review, no reserve has been established.

g. Fixed Assets

Fixed assets that the Foundation retains title to and which benefit future periods are capitalized at cost, or if donated, at the estimated fair value at the time of donation.

Fixed assets consist of the technology platform, the Foundation's website, leasehold improvements, furniture, equipment and computers, which are being depreciated over their estimated useful lives and lease terms using the straight-line method.

h. Donated Services

The Foundation recognizes contributions of services that create or enhance non-financial assets, or require specialized skills, are performed by those who possess those skills and would typically be purchased if not donated.

Many volunteers, including board members, provide service in support of the Foundation's mission. Those services have not been recognized on the financial statements because they do not meet the criteria outlined above.

i. Marketing and Promotion

Marketing and promotion costs are expensed as incurred.

j. Expense Allocation

The costs of providing various programs and other activities have been summarized on a functional basis in the financial statements. Accordingly, certain costs have been allocated among the programs and supporting services benefited. Management and general expenses include those expenses that are not directly identifiable with any other specific function but provide for the overall support and direction of the Foundation.

k. Management Estimates

The preparation of financial statements in accordance with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Actual results could differ from those estimates.

l. Accounting for Uncertainty of Income Taxes

The Foundation does not believe its financial statements include any material, uncertain tax positions. Tax filings for periods ending June 30, 2012 and later are subject to examination by applicable taxing authorities.

m. Subsequent Events

Management has evaluated for potential recognition and disclosure events subsequent to the date of the statement of financial position through January 11, 2016, the date the financial statements were available to be issued. No events have occurred subsequent to the statement of financial position date through our evaluation date that would require adjustment to or disclosure in the financial statements.

Note 3 - Contributions Receivable

Contributions receivable are due in the following periods:

For the year ended:	June 30, 2016	\$410,140
	June 30, 2017	150,000
	June 30, 2018	25,000
	June 30, 2019	<u>5,000</u>
		590,140
Less: discount		<u>(2,000)</u>
Total		<u>\$588,140</u>

Note 4 - Fixed Assets

Fixed assets consist of the following:

		<u>Estimated Useful Life</u>
Computers and equipment	\$13,112	3 years
Leasehold improvements	41,430	3 years
Website - in progress	16,250	
Public service announcements	120,750	3 years
Escalation & curriculum	<u>615,507</u>	3 years
	807,049	
Accumulated depreciation	<u>(407,189)</u>	
Net book value	<u>\$399,860</u>	

Note 5 - Temporarily Restricted Net Assets

Activity in temporarily restricted net assets can summarized as follows:

	Balance <u>7/1/14</u>	Additions/ <u>Contributions</u>	Released from <u>Restrictions</u>	Balance <u>6/30/15</u>
Program restrictions:				
Be 1 for Change Program	\$379,745	\$0	(\$218,696)	\$161,049
Escalation Programming	496,222	0	(255,423)	240,799
Scholarships	5,702	0	(419)	5,283
Rollout of Escalation	<u>0</u>	<u>510,000</u>	<u>(155,385)</u>	<u>354,615</u>
Total program restrictions	881,669	510,000	(629,923)	761,746
Time	<u>0</u>	<u>608,000</u>	<u>(350,000)</u>	<u>258,000</u>
Total restrictions	<u>\$881,669</u>	<u>\$1,118,000</u>	<u>(\$979,923)</u>	<u>\$1,019,746</u>

Note 6 - Donated Services

The following schedule reflects the allocation of donated services:

	Program <u>Services</u>	Management and <u>General</u>	<u>Fundraising</u>	<u>Total</u>
Content Distribution	\$1,879,077	\$0	\$0	\$1,879,077
Legal Services	0	114,047	0	114,047
Marketing and Advertising	<u>436,326</u>	<u>0</u>	<u>0</u>	<u>436,326</u>
Total	<u>\$2,315,403</u>	<u>\$114,047</u>	<u>\$0</u>	<u>\$2,429,450</u>

Donated content distribution consists of contributed airtime for the Foundation's public service announcement on relationship violence. The Foundation was involved in determining and managing the message of the public service announcement, therefore the donated airtime is considered a contribution to the foundation.

Note 7 - Special Events

The Foundation hosts multiple fundraising events throughout the year. The special event proceeds are summarized as follows:

	<u>Church Party</u>	<u>Brown Event</u>	<u>Other</u>	<u>Total</u>
Gross revenue	\$162,175	\$53,943	\$53,973	\$270,091
Less: direct benefits to donors	<u>(117,203)</u>	<u>(33,229)</u>	<u>(18,740)</u>	<u>(169,172)</u>
	44,972	20,714	35,233	100,919
Less: other expenses	<u>(8,510)</u>	<u>(1,361)</u>	<u>0</u>	<u>(9,871)</u>
Total	<u>\$36,462</u>	<u>\$19,353</u>	<u>\$35,233</u>	<u>\$91,048</u>

Note 8 – Commitments

The Foundation has one non-cancelable lease for office spaces that expires on April 30, 2018. The minimum annual commitments for lease payments are as follows:

For the year ended:	June 30, 2016	\$40,000
	June 30, 2017	40,000
	June 30, 2018	<u>33,333</u>
Total		<u>\$113,333</u>