

ONEGENERATION
AUDITED FINANCIAL STATEMENTS
JUNE 30, 2016
(WITH SUMMARIZED COMPARATIVE TOTALS FOR 2015)

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of
ONEgeneration
Van Nuys, California

Report on the Financial Statements

We have audited the accompanying financial statements of ONEgeneration, which comprise the statement of financial position as of June 30, 2016, 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 and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. 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 ONEgeneration as of June 30, 2016, 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.

Other Matters

Other Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by the audit requirements of Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance), and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Schedule of Expenditures of Federal Awards is fairly stated in all material respects in relation to the financial statements as a whole.

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The Supplementary Schedule # 1 – Statement of Functional Expenses – Department of Aging is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Report on Summarized Comparative Information

Another auditor previously audited ONEgeneration's June 30, 2015 financial statements, and their report dated March 16, 2017, expressed an unmodified opinion on those audited financial statements. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2015, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated March 27, 2017 on our consideration of ONEgeneration's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering ONEgeneration's internal control over financial reporting and compliance.

The Ozurovich Group, Inc.

Los Angeles, California
March 27, 2017

ONEGENERATION
STATEMENT OF FINANCIAL POSITION
JUNE 30, 2016
(WITH SUMMARIZED COMPARATIVE TOTALS FOR 2015)

	2016			2015
	UNRESTRICTED	TEMPORARILY RESTRICTED	TOTAL	TOTAL
ASSETS				
<i>Current assets</i>				
Cash and cash equivalents - general	\$ 16,546	\$ 246,220	\$ 262,766	\$ 198,993
Cash and cash equivalents - board designated	10,375	-	10,375	10,375
Investments - board designated	200,000	-	200,000	100,000
Grants and fees receivable - net	346,629	-	346,629	500,793
Pledges receivable - net	-	15,500	15,500	-
Prepaid expenses	144,095	-	144,095	15,701
<i>Total current assets</i>	<u>717,645</u>	<u>261,720</u>	<u>979,365</u>	<u>825,862</u>
Property and equipment - net	<u>1,690,540</u>	<u>-</u>	<u>1,690,540</u>	<u>1,640,941</u>
TOTAL ASSETS	<u><u>\$ 2,408,185</u></u>	<u><u>\$ 261,720</u></u>	<u><u>\$ 2,669,905</u></u>	<u><u>\$ 2,466,803</u></u>
LIABILITIES				
<i>Current liabilities</i>				
Accounts payable	\$ 169,041	\$ -	\$ 169,041	\$ 175,815
Accrued expenses	248,689	-	248,689	231,919
Notes payable - current	21,157	-	21,157	58,657
<i>Total current liabilities</i>	<u>438,887</u>	<u>-</u>	<u>438,887</u>	<u>466,391</u>
<i>Long-term liabilities</i>				
Notes payable	135,307	-	135,307	156,464
Line of credit	90,000	-	90,000	-
<i>Total long-term liabilities</i>	<u>225,307</u>	<u>-</u>	<u>225,307</u>	<u>156,464</u>
TOTAL LIABILITIES	664,194	-	664,194	622,855
NET ASSETS				
<i>Unrestricted net assets</i>				
General fund	1,533,616	-	1,533,616	1,542,728
Board designated fund	210,375	-	210,375	110,375
<i>Total unrestricted net assets</i>	<u>1,743,991</u>	<u>-</u>	<u>1,743,991</u>	<u>1,653,103</u>
<i>Temporarily restricted net assets</i>	<u>-</u>	<u>261,720</u>	<u>261,720</u>	<u>190,845</u>
TOTAL NET ASSETS	<u>1,743,991</u>	<u>261,720</u>	<u>2,005,711</u>	<u>1,843,948</u>
TOTAL LIABILITIES AND NET ASSETS	<u><u>\$ 2,408,185</u></u>	<u><u>\$ 261,720</u></u>	<u><u>\$ 2,669,905</u></u>	<u><u>\$ 2,466,803</u></u>

See independent auditor's report and accompanying notes

ONEGENERATION
STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS
FOR THE YEAR ENDED JUNE 30, 2016
(WITH SUMMARIZED COMPARATIVE TOTALS FOR 2015)

	2016			2015
	UNRESTRICTED	TEMPORARILY RESTRICTED	TOTAL	TOTAL
REVENUE AND SUPPORT				
<i>Support</i>				
Contributions	\$ 356,848	\$ 261,720	\$ 618,568	\$ 402,141
Government contracts	1,406,491	-	1,406,491	1,395,710
Special events	220,405	-	220,405	234,045
Program service donations	100,262	-	100,262	106,316
Total support	2,084,006	261,720	2,345,726	2,138,212
<i>Revenue</i>				
Daycare fees	2,270,764	-	2,270,764	1,888,077
Farmers market income	154,285	-	154,285	170,787
Other income	227,158	-	227,158	198,297
Travel income - senior program	46,451	-	46,451	47,754
Rental income	122,122	-	122,122	96,623
Interest income	314	-	314	89
Total revenue	2,821,094	-	2,821,094	2,401,627
Net assets released from restrictions	190,845	(190,845)	-	-
TOTAL REVENUE, SUPPORT AND RECLASSIFICATIONS	5,095,945	70,875	5,166,820	4,539,839
EXPENSES				
<i>Program services</i>				
Department of aging	1,634,364	-	1,634,364	1,532,079
Childcare	1,356,231	-	1,356,231	805,168
Care management	12,307	-	12,307	10,900
Adult day health care	366,633	-	366,633	322,301
Adult day social care	543,078	-	543,078	445,435
Senior services	232,127	-	232,127	182,051
Farmers market	69,582	-	69,582	58,601
Total program services	4,214,322	-	4,214,322	3,356,535
<i>Supporting services</i>				
Administrative and fund development	790,735	-	790,735	754,455
Total supporting services	790,735	-	790,735	754,455
TOTAL EXPENSES	5,005,057	-	5,005,057	4,110,990
CHANGE IN NET ASSETS	90,888	70,875	161,763	428,849
NET ASSETS, Beginning of year	1,653,103	190,845	1,843,948	1,415,099
NET ASSETS, End of year	\$ 1,743,991	\$ 261,720	\$ 2,005,711	\$ 1,843,948

See independent auditor's report and accompanying notes

**ONEGENERATION
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2016
(WITH SUMMARIZED COMPARATIVE TOTALS FOR 2015)**

	2016								2015		
	Program Services						Supporting Services				
	Department of Aging	Childcare	Care Management	Adult Day Health Care	Adult Day Social Care	Senior Services	Farmers Market	PROGRAM TOTAL	Admin/Fund Development	TOTAL	TOTAL
Salaries	\$ 580,533	\$ 1,019,120	\$ 6,907	\$ 130,157	\$ 396,388	\$ 143,987	\$ 49,243	\$ 2,326,335	\$ 430,924	\$ 2,757,259	\$ 2,098,432
Payroll taxes and employee benefits	156,679	161,021	1,091	20,565	62,629	22,750	7,780	432,515	68,619	501,134	450,278
Total salaries, payroll taxes, and employee benefits	737,212	1,180,141	7,998	150,722	459,017	166,737	57,023	2,758,850	499,543	3,258,393	2,548,710
Advertising and recruitment	2,810	2,161	-	1,050	1,686	-	-	7,707	2,715	10,422	6,187
Audit	19,018	-	-	-	-	-	-	19,018	4,566	23,584	38,132
Bad debt	-	-	-	-	-	-	-	-	2,034	2,034	30,720
Board expenses	-	-	-	-	-	-	-	-	542	542	866
Computer expenses	340	108	490	7,701	1,781	-	-	10,420	8,288	18,708	13,924
Consulting	-	688	-	1,859	11,120	1,050	-	14,717	6,957	21,674	19,788
Depreciation	22,111	-	-	-	-	-	-	22,111	113,525	135,636	125,812
DOA - Indirect costs	141,961	-	-	-	-	-	-	141,961	-	141,961	109,386
Dues and subscriptions	-	-	-	2,791	-	-	-	2,791	3,082	5,873	1,601
Equipment	-	1,977	-	-	-	-	-	1,977	5,758	7,735	10,764
Fund development	-	-	-	-	-	-	-	-	42,354	42,354	41,806
Insurance	30,993	-	-	-	-	-	-	30,993	10,258	41,251	42,463
Interest expenses	-	346	-	-	-	-	-	346	7,033	7,379	8,613
Legal and accounting	-	30	-	5,160	2,056	109	15	7,370	7,712	15,082	15,857
Maintenance and repair	620	32,044	-	40,062	30,101	9,891	-	112,718	16,426	129,144	69,687
Marketing and promotion	-	-	-	-	-	108	-	108	4,836	4,944	9,419
Meals	482,841	40,125	2,563	18,284	6,793	72	-	550,678	-	550,678	494,607
Mileage	22,836	-	-	257	39	201	-	23,333	689	24,022	23,336
Miscellaneous	-	20,260	-	4,750	3,061	12,632	4,986	45,689	5,670	51,359	23,221
Newsletter	-	-	-	-	-	-	-	-	-	-	3,997
Office supplies	17,135	8,553	435	4,407	10,395	1,511	615	43,051	3,471	46,522	28,838
Outside services/Professional fees	39,012	7,776	-	76,867	4,104	12,063	221	140,043	12,052	152,095	188,723
Postage	-	60	-	27	-	47	-	134	5,407	5,541	4,347
Printing	-	-	-	-	-	131	-	131	260	391	1,155
Seminars and training	385	5,851	-	4,601	814	1,277	427	13,355	627	13,982	6,207
Supplies	-	39,329	410	3,861	5,547	684	3,548	53,379	4,926	58,305	14,356
Taxes, license and permits	1,834	1,601	411	5,023	454	420	2,747	12,490	1,995	14,485	18,363
Telephone	-	-	-	-	-	25,048	-	25,048	-	25,048	27,224
Travel expenses	16,480	81	-	-	-	-	-	16,561	7,639	24,200	33,722
Transportation	-	-	-	30,711	-	-	-	30,711	-	30,711	19,272
Utilities	78,275	15,100	-	8,500	6,110	-	-	107,985	10,283	118,268	101,759
Vehicle fuel and maintenance	20,501	-	-	-	-	-	-	20,501	1,682	22,183	27,926
Volunteers recognition	-	-	-	-	-	146	-	146	405	551	202
TOTAL EXPENSES	\$ 1,634,364	\$ 1,356,231	\$ 12,307	\$ 366,633	\$ 543,078	\$ 232,127	\$ 69,582	\$ 4,214,322	\$ 790,735	\$ 5,005,057	\$ 4,110,990

**ONEGENERATION
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED JUNE 30, 2016 AND 2015**

	<u>2016</u>	<u>2015</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ 161,763	\$ 428,849
Adjustments to reconcile change in net assets to net provided by operating activities		
Depreciation	135,636	125,812
Change in allowance for doubtful accounts	(13,343)	30,720
Change in present value discount	3,343	3,343
(Increase) decrease in assets		
Grants and fees receivable	167,507	(41,812)
Pledges receivable	(15,500)	-
Prepaid expenses	(128,394)	(11,090)
Increase (decrease) in liabilities		
Accounts payable	(6,774)	(33,717)
Accrued expenses	16,770	(33,591)
Net cash provided by operating activities	<u>321,008</u>	<u>468,514</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of investments	(100,000)	(100,000)
Capital expenditures	(185,235)	(57,465)
Net cash (used) by investing activities	<u>(285,235)</u>	<u>(157,465)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Principal payments on notes payable	(62,000)	(144,337)
Proceeds from notes payable	-	75,000
Repayments on line of credit	(438,000)	(95,000)
Borrowings from line of credit	528,000	-
Net cash provided/(used) by financing activities	<u>28,000</u>	<u>(164,337)</u>
NET INCREASE IN CASH	63,773	146,712
CASH AND CASH EQUIVALENTS, beginning of year	<u>209,368</u>	<u>62,656</u>
CASH AND CASH EQUIVALENTS, end of year	<u>\$ 273,141</u>	<u>\$ 209,368</u>
SUPPLEMENTAL CASH FLOW DISCLOSURES:		
Interest paid	<u>\$ 7,379</u>	<u>\$ 8,613</u>

See independent auditor's report and accompanying notes

**ONEGENERATION
NOTES TO FINANCIAL STATEMENTS**

NOTE 1 – ORGANIZATION

ONEgeneration (the “Organization”) has as its mission the provision of exceptional senior services, childcare and caregiver services. ONEgeneration's staff and volunteers serve many thousands of families in the community. Throughout its history, ONEgeneration has continued to develop innovative programming and has expanded to meet growing needs. At the heart of this organizational growth is a dedication to a singular vision- providing intergenerational services that both allow older adults to remain independent and productive and encourage successful early childhood development.

ONEgeneration's programs include a multi-faceted Senior Enrichment Center, a social hot-lunch program, a myriad of services provided to seniors who are homebound, and ONEgeneration Daycare, the first dually accredited intergenerational program in the nation. As ONEgeneration prepares to enter its second quarter-century of community service, ONEgeneration has been recognized with a Model of Excellence designation by the United States Congress.

ONEgeneration daycare, adult daycare, and adult day health care components require scholarship support to ensure that all program participants in need of rehabilitative services are able to receive them and to enable economically disadvantaged seniors to have the same opportunity for care as those with sufficient resources. ONEgeneration daycare enables very frail older persons to remain in the community and to do so in an environment of love and vitality that improves the quality of their lives. The program also serves as an Alzheimer's daycare resource center.

The ONEgeneration daycare childcare component provides exceptional infant and toddler care, as well as enriching preschool education. Children experience the positive benefits of intergenerational love and support while developing age-appropriate skills that will prepare them to enter elementary school.

ONEgeneration Senior Enrichment Center is a multi-service center dedicated to meeting the needs of the active elderly. It addresses needs for social interaction, productive activity, legal assistance, advocacy assistance, and the many services required by older adults who are seeking to maximize their independence and quality of life. Nutrition counseling and the provision of a hot, nutritious meal every weekday helps to ensure that seniors avoid problems of malnutrition.

ONEgeneration's services to homebound elderly include home-delivered meals, grocery shopping, transportation, daily check-in calls and other services that allow seniors to continue to live in their own homes and to do so in an atmosphere of safety and health. A notable example of ONEgeneration's commitment to enhanced service to homebound seniors is the expansion of its home-delivered meals program to include weekends as well.

The ONEgeneration Encino Farmers Market provides active seniors with an important volunteer "job" that contributes to their quality of life while at the same time providing affordable healthy produce to the entire community. In addition, this program makes the public aware of the vital services offered by ONEgeneration.

(Note 1 continued on the following page)

**ONEGENERATION
NOTES TO FINANCIAL STATEMENTS**

NOTE 1 – ORGANIZATION (Continued)

ONEgeneration is a non-sectarian organization partially funded by the City of Los Angeles Department of Aging, the Community Development Block Grant (CDBG), private donations, bequests and membership fundraising events.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

This summary of significant accounting policies of the Organization is presented to assist in understanding the Organization's financial statements. The financial statements and notes are representations of the Organization's management who is responsible for their integrity and objectivity. These accounting policies conform to generally accepted accounting principles and have been consistently applied in the preparation of the financial statements.

Basis of Accounting

The financial statements of the Organization have been prepared on the accrual basis of accounting and accordingly reflect all significant receivables, payables, and other liabilities.

Basis of Presentation

The Organization is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets.

Unrestricted General Net Assets – Includes contributions, fundraising, fees and other forms of unrestricted revenue and expenditures related to the general operations and fundraising efforts of the Organization.

Board Designated Fund – Includes contributions, fundraising, fees and other forms of unrestricted revenue and expenditures related to unforeseen financial hardships that may befall the Organization.

Temporarily Restricted Net Assets – Include gifts and grants received that are temporarily restricted with respect to time or use by the donor or grantor. When the restrictions expire, the net assets of this fund are reclassified to unrestricted net assets. Restricted gifts and grants received are reported as unrestricted revenue if the restriction is met in the same reporting period.

Permanently Restricted Net Assets – Included assets that have been restricted by the donor in perpetuity while permitting the Organization to use or expend part or all of the income derived from the assets. The Organization has no permanently restricted net assets at June 30, 2016.

(Note 2 continued on the following page)

**ONEGENERATION
NOTES TO FINANCIAL STATEMENTS**

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Tax Status

ONEgeneration is a nonprofit benefit corporation organized under the laws of California and, as such, is exempt from federal and state income taxes under Section 501(c)(3) of the Internal Revenue Code, and corresponding state provisions. However, the Organization is subject to income taxes on any net income that is derived from a trade or business, regularly carried on, and not in furtherance of the purposes for which it was granted exemption.

The Organization's federal income tax and informational returns for tax years ending June 30, 2012 and subsequent remain subject to examination by the Internal Revenue Service. The returns for California, the Organization's most significant jurisdiction, remain subject to examination by the California Franchise Tax Board for tax years ending June 30, 2012 and subsequent.

The Organization has adopted the provisions of Accounting Standards Codification ("ASC") 740-10-05 relating to accounting and reporting for uncertainty in income taxes. For the Organization, these provisions could be applicable to the incurrence of any unrelated business income attributable to the Organization. Because of the Organization's general tax-exempt status, the provisions of ASC 740-10-05 are not anticipated to have a material impact on the Organization's financial statements.

Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Restricted and Unrestricted Revenue and Support

Contributions that are restricted by the donor are reported as increases in unrestricted net assets if the restrictions expire (that is, when a stipulated time restriction ends or purpose restriction is accomplished) in the reported period in which the revenue is recognized. All other donor-restricted contributions are reported as increases in temporarily or permanently restricted net assets, depending on the nature of the restrictions. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the Statement of Activities as net assets released from restrictions.

Cash and Cash Equivalents

For the purpose of the financial statements, the Organization considers all investments purchased with a maturity date of three months or less to be cash equivalents. Commercial banks have FDIC coverage up to \$250,000 per depositor per bank. At June 30, 2016 and 2015 the uninsured amounts was none.

(Note 2 continued on the following page)

**ONEGENERATION
NOTES TO FINANCIAL STATEMENTS**

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Impairment of Long-Lived Assets and Long-Lived Assets to be Disposed of

Long-lived assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Recoverability of assets to be held and used is measured by a comparison of the carrying amount of an asset to future net cash flows (undiscounted and without interest) expected to be generated by the asset. If such assets are considered to be impaired, the impairment amount that will be recognized is measured as the amount by which the carrying amount of the assets exceeds the fair value of the assets. Assets to be disposed of are reported at the lower of the carrying amount or fair value less costs to sell.

Grants and Fees Receivable

Grants receivable include receivables from governmental agencies based on specific contract awards for providing meals and services to seniors. At June 30, 2016 and 2015 government grants receivable were \$233,742 and \$432,866, respectively.

Fees receivable are amounts based on services billed for adult and child daycare programs. A majority of fees receivable are open billings to Medi-Cal that take several months to process while the client is getting required paperwork and testing. The Medi-Cal client will attend the daycare program during this interim waiting period to obtain necessary approvals to bill Medi-Cal. Total Medi-Cal receivables for the years ended June 30, 2016 and 2015 were \$40,503 and \$24,441, respectively.

At June 30, 2016 and 2015 other receivables are composed of childcare fees receivable of \$4,769 and \$14,924, respectively, and of adult care fees receivable of \$81,473 and \$55,764, respectively.

The allowance for doubtful accounts includes any grants and fees receivable balances that are determined to be uncollectible, along with a general reserve. The balance in the allowance for doubtful accounts as of June 30, 2016 and 2015 was \$13,858 and \$27,201, respectively.

Property and Equipment

Property and equipment are recorded at cost if purchased and at fair value at the date of donation if donated. Repairs and maintenance are expensed as incurred and improvements of property and equipment items in excess of \$1,000 are capitalized. Depreciation and amortization are provided by use of the straight-line method over the estimated useful lives of the assets.

Grant Revenue

The Organization receives funding through federal grants. Grant revenue includes exchange transactions under which revenue is recognized when earned and expenses are recognized when incurred. Grant receipts from exchange transactions not earned are reported as deferred income.

(Note 2 continued on the following page)

**ONEGENERATION
NOTES TO FINANCIAL STATEMENTS**

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Advertising

Advertising costs are expensed as incurred. During the years ended June 30, 2016 and 2015, advertising costs totaled 10,422 and \$6,187, respectively.

Vacation and Sick Leave Benefits

Employees are credited during the current year for future vacation benefits. The expense and corresponding liability are accrued when vacations are earned rather than when vacations are paid.

Risks and Uncertainties

ONEgeneration's grants and contracts are subject to inspection and audit by the appropriate governmental funding agencies. The purpose is to determine whether program funds were used in accordance with their respective guidelines and regulations. The potential exists for disallowance of previously funded program costs. The ultimate liability, if any, which may result from these governmental audits cannot be reasonably estimated and, accordingly, ONEgeneration has no provision for the possible disallowance of program costs on its financial statements.

Several factors could contribute to short-term financial problems that adversely affect the Organization's cash flows. These problems include budgetary issues at the state level, which could result in a reduction in operating grants, as well as potential reductions in private donations. The Organization's Board of Directors has discussed these risks and uncertainties and has formulated alternative strategic plans to mitigate the effects of these concerns.

Comparative Financial Information

The financial statements include certain prior-year summarized comparative information in total but not by net assets 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 the Organization's financial statement for the year ended June 30, 2015, from which the summarized information was derived.

Expense Allocation

The costs of providing the program and the supporting services have been summarized on a functional basis in the Statement of Activities and Changes in Net Assets and the Statement of Functional Expenses. Accordingly, certain costs have been allocated among the program and the supporting services in reasonable ratios determined by management.

(Note 2 continued on the following page)

**ONEGENERATION
NOTES TO FINANCIAL STATEMENTS**

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Reclassifications

Certain reclassifications were made to prior year amounts in order to conform to current year presentation. None of these reclassifications had an effect on the total change in net assets or total net asset balances.

NOTE 3 – FAIR VALUE MEASUREMENTS

The Organization has adopted the provisions of ASC 820-10, for fair value measurements of financial assets and financial liabilities, and for fair value measurements of non-financial items that are recognized and disclosed at fair value in the financial statements on a recurring basis. ASC 820-10 defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

The assets that are recorded at fair value on a recurring basis are investments in mutual funds. The Organization has no financial liabilities or non-financial items that are recorded at fair value on a recurring basis.

ASC 820-10 establishes a three-level fair value hierarchy that describes the inputs that are used to measure the fair values of respective assets and liabilities:

- Level 1: fair values are based on quoted prices in active markets for identical assets and liabilities. The Organization's Level 1 assets consist of certificates of deposit with maturities greater than 3 months.
- Level 2: fair values are based on observable inputs that include: quoted market prices for similar assets or liabilities; quoted market prices that are not in an active market; or other inputs that are observable in the market and can be corroborated by observable market data for substantially the full term of the asset. The Organization does not hold any Level 2 assets.
- Level 3: fair values are calculated by the use of pricing models and/or discounted cash flow methodologies, and may require significant management judgment or estimation. These methodologies may result in a significant portion of the fair value being derived from unobservable data. The Organization's Level 3 assets consist of pledges receivable.

(Note 3 continued on the following page)

**ONEGENERATION
NOTES TO FINANCIAL STATEMENTS**

NOTE 3 – FAIR VALUE MEASUREMENTS (Continued)

Fair value estimates are made at a specific point in time, based on available market information and judgments about the financial asset, including estimates of timing, amount of expected future cash flows, and the credit standing of the issuer. In some cases, the fair value estimates cannot be substantiated by comparison to independent markets. In addition, the disclosed fair values may not be realized in the immediate settlement of the financial asset. In addition, the disclosed fair values do not reflect any premium or discount that could result from offering from sale at one time an entire holding of a particular financial asset. Potential taxes and other expenses that would be incurred in an actual sale or settlement are not reflected in amounts disclosed.

The following tables set forth by level, within the fair value hierarchy, the Organization's assets at fair value as of June 30:

<i>Assets at Fair Value as of June 30, 2016</i>				
	<i>Level 1</i>	<i>Level 2</i>	<i>Level 3</i>	<i>Total</i>
Pledges receivable	\$ -	\$ -	\$ 15,500	\$ 15,500
Certificates of deposit	200,000	-	-	200,000
	\$ 200,000	\$ -	\$ 15,500	\$ 215,500
<i>Assets at Fair Value as of June 30, 2015</i>				
	<i>Level 1</i>	<i>Level 2</i>	<i>Level 3</i>	<i>Total</i>
Pledges receivable	\$ -	\$ -	\$ -	\$ -
Certificates of deposit	100,000	-	-	100,000
	\$ 100,000	\$ -	\$ -	\$ 100,000

Level 3 Gains and Losses

The following table sets forth a summary of changes in the fair value of the Organization's Level 3 assets for the years ended June 30:

	<i>Pledges Receivable</i>	
	2016	2015
Balance, beginning of year	\$ -	\$ -
New pledges	15,500	-
Payments received	-	-
Change in allowance for uncollectible accounts	-	-
Change in present value discount	-	-
Balance, end of year	\$ 15,500	\$ -

**ONEGENERATION
NOTES TO FINANCIAL STATEMENTS**

NOTE 4 - PLEDGES RECEIVABLE

Unconditional promises to give that are expected to be collected within one year are recorded at their estimated net realizable value. Unconditional promises to give that are expected to be collected in future years are recorded at the present value of the estimated future cash flows. The discounts on those amounts are computed using a discount rate equivalent to the Organization's borrowing rate. Management believes that all contributions receivable are fully collectible.

Included in pledges receivable at June 30, 2016 are the following unconditional promises to give:

Amounts due in		
Less than one year	\$	15,500
One to five years		<u>-</u>
Total promises to give		15,500
Less: allowance for uncollectible pledges		-
Less: unamortized discount		<u>-</u>
Net pledges receivable	\$	<u><u>15,500</u></u>

NOTE 5 - PROPERTY AND EQUIPMENT

Property and equipment consisted of the following at June 30:

	<u>Method</u>	<u>Estimated Useful Lives (Years)</u>	<u>2016</u>	<u>2015</u>
Furniture and fixtures	Straight-line	5 - 24	\$ 874,721	\$ 759,105
Vehicles	Straight-line	7	174,966	174,966
Leasehold improvements	Straight-line	5 - 40	<u>2,831,512</u>	<u>2,761,894</u>
			3,881,199	3,695,965
Less: accumulated depreciation			<u>(2,190,659)</u>	<u>(2,055,024)</u>
			<u>\$ 1,690,540</u>	<u>\$ 1,640,941</u>

Depreciation expense for the years ended June 30, 2016 and 2015 was \$135,636 and \$125,812, respectively.

**ONEGENERATION
NOTES TO FINANCIAL STATEMENTS**

NOTE 6 – ACCRUED EXPENSES

The Organization’s accrued expense balance consists of the following categories at June 30:

	<u>2016</u>	<u>2015</u>
Payroll and payroll taxes	\$ 133,241	\$ 92,905
Vacation	91,541	74,175
Unemployment claims reserve	21,388	62,320
Other	2,519	2,520
	<u>\$ 248,689</u>	<u>\$ 231,920</u>

NOTE 7 – NOTES PAYABLE

During the fiscal year ended June 30, 2015 ONEgeneration received unsecured short term loans totaling none and \$75,000 from three board members. The notes were due on demand and did not accrue interest. The balance of the loans was paid in full during the year ended June 30, 2015.

On February 7, 2013 ONEgeneration entered into a loan agreement with a financial institution. The loan is interest only from February 7, 2013 to September 30, 2013, at a rate of prime plus 1%. Beginning on October 1, 2013 the loan is fully amortizable over a three year period at 4.25% interest rate. Borrowings are personally guaranteed by certain board members, and are secured by substantially all assets of the company. The loan balance as of June 30, 2016 and 2015 was \$12,500 and \$62,500, respectively.

On May 1, 2013, ONEgeneration entered into a promissory note and loan agreement with a third party whereby its proceeds were used for the purchase of two prefabricated structured modular units. The note was for \$204,000 which includes payments of \$1,000 per month for 10 years and an \$84,000 balloon payment due on May 1, 2023. There was no stated interest for the note. Therefore, the note was accounted for using an imputed interest rate of 2.57%. The present value of the note as of June 30, 2016 and 2015 was \$143,964 and \$152,621, respectively.

The present value of the note is as follows as of June 30:

	<u>2016</u>	<u>2015</u>
Face amount of the note	\$ 167,000	\$ 179,000
Present value discount	(23,036)	(26,379)
Present value of future payments	<u>\$ 143,964</u>	<u>\$ 152,621</u>

(Note 7 continued on the following page)

**ONEGENERATION
NOTES TO FINANCIAL STATEMENTS**

NOTE 7 – NOTES PAYABLE (Continued)

The following is a schedule of the future minimum principal for the Organization's notes payable as of June 30, 2016:

Years ending June 30:		
2017	\$	21,157
2018		8,657
2019		8,657
2020		8,657
2021		8,657
Thereafter		<u>100,679</u>
	\$	<u><u>156,464</u></u>

NOTE 8 – LINE OF CREDIT

ONEgeneration has two revolving line of credit agreements with a bank. Under the terms of the agreement for the first line of credit, the cap amount is \$100,000. The line of credit bears interest at a variable rate determined as the Prime Rate plus 150 basis points per annum (5.00% as of June 30, 2016). The line of credit expires on November 20, 2017 with an option to renew the agreement in order to extend the maturity date. Borrowings are secured by substantially all of the assets of ONEgeneration, and personally guaranteed by a private donor. The line of credit is due on demand of the lender, or if no demand is made by November 20, 2017. At June 30, 2016 and 2015, the Organization has \$90,000 and none outstanding under this line of credit, respectively.

The second revolving line of credit also has a maximum borrowing limit of \$100,000. The line of credit bears interest at a fixed rate of 2.20%. The line of credit expires on June 29, 2017 with an option to renew the agreement in order to extend the maturity date. Borrowings are collateralized by a security interest in a Certificate of Deposit of \$100,000 that is under deposit with the same bank. The line of credit is due on demand of the lender, or if no demand is made by June 29, 2017. At June 30, 2016 and 2015, ONEgeneration has no outstanding balances under this second line of credit.

**ONEGENERATION
NOTES TO FINANCIAL STATEMENTS**

NOTE 9 – LEASE COMMITMENTS

The Organization leases equipment for use in its day-to-day operations under noncancelable agreements which are accounted for as operating leases. The leases are currently scheduled to expire on dates ranging from June 30, 2016 to June 30, 2020. The monthly lease payments range from \$897 to \$900. The following is a schedule of minimum future lease payments as of June 30, 2016.

Years ending June 30:		
2017	\$	10,800
2018		10,800
2019		10,800
2020		<u>10,800</u>
	\$	<u><u>43,200</u></u>

Rent expense for the years ended June 30, 2016 and 2015 was \$18,708 and \$13,924, respectively.

NOTE 10 – RETIREMENT PLAN

ONEgeneration contributes to a 403(b) retirement plan (“the Plan”) for the benefit of all eligible employees, as defined. The ONEgeneration makes matching contributions to the Plan as determined by the Organization. Retirement plan expense for the years ended June 30, 2016 and 2015 was \$19,182 and \$16,431, respectively.

NOTE 11 – TEMPORARILY RESTRICTED NET ASSETS

The temporarily restricted net assets of the Organization are restricted as follows, as of June 30:

	<u>2016</u>	<u>2015</u>
Meals program	\$ 35,820	\$ 37,320
Information technology	66,400	-
Direct services	144,000	153,525
Pledges receivable	<u>15,500</u>	<u>-</u>
	<u><u>261,720</u></u>	<u><u>190,845</u></u>

**ONEGENERATION
NOTES TO FINANCIAL STATEMENTS**

NOTE 12 – CONTRIBUTIONS IN-KIND

Contributed services are recognized if the services (a) create or enhance long-lived assets or (b) require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation. A substantial number of volunteers have donated significant amounts of their time and services in the Organization's core activities. Only those amounts that meet the criteria above are recorded in the accompanying financial statements. The Organization recognized no in-kind donations as income during the years ended June 30, 2016 and 2015.

The fair value of in-kind services provided to ONEgeneration that do not meet the criteria for recognition in the Statements of Activities and Statements of Functional Expenses for the years ended June 30, 2016 and 2015 are as follows:

	<u>2016</u>	<u>2015</u>
In-kind services, calculated at a range of \$12.70 to \$16.51 per hour for volunteers contributing services as care managers, house cleaners, shoppers, and clerical support and others	\$ <u>292,623</u>	\$ <u>221,739</u>

NOTE 13 – SUBSEQUENT EVENTS

Events subsequent to June 30, 2016 have been evaluated through March 27, 2017, the date at which the Organization's audited financial statements were available to be issued. No events requiring disclosures have occurred through this date.

**ONEGENERATION
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
(WITH EXPENDITURES OF CERTAIN NON-FEDERAL AWARDS)
FOR THE YEAR ENDED JUNE 30, 2016**

Federal Grantor/ Pass-through Grantor Program Title	Federal CFDA Number	Contract Number	Total Expenditures
Federal award expenditures			
<u>U.S. Department of Health and Human Services:</u>			
Special programs for the aging			
Pass-through, City of Los Angeles Department of Aging:			
Title III B, Social Services	93.044	119601	\$ 225,605
Title III C-1, Congregate Meals	93.045	119601	469,871
Title III C-2, Home Delivered Meals	93.045	119601	516,892
Title III C-1, NSIP - Nutrition Services Incentives Program	93.053	119601	50,713
Title III C-2, NSIP - Nutrition Services Incentives Program	93.053	119601	51,979
			<u>1,315,060</u>
<u>U.S. Department of Agriculture</u>			
Pass-through, California Department of Education			
Child and Adult Care Food Program	10.558	05026	29,816
Pass-through, Food and Nutrition Services, California Department of Food and Agriculture, and the City of Los Angeles Department of Aging:			
Senior Farmer's Market Nutrition Program (SFMNP)	10.576	119601	5,000
			<u>34,816</u>
<u>U.S. Department of Housing and Urban Development</u>			
Pass-through, City of Los Angeles Department of Aging:			
Evidence Based Program (07/01/2015-03/31/2016)	14.218	123964	65,599
Evidence Based Program (04/01/2016-06/30/2016)	14.218	125688	18,750
			<u>84,349</u>
Total federal award expenditures			<u>1,434,225</u>
Non-federal award expenditures			
City of Los Angeles Department of Aging:			
Proposition A, Transportation Assistance Program	N/A	119601	234,955
Total non-federal award expenditures			<u>234,955</u>
Total federal and non-federal award expenditures			<u>\$ 1,669,180</u>

**ONEGENERATION
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2016**

Note 1 - Basis of Presentation

The accompanying schedule of expenditures of federal awards (the "Schedule") includes the federal grant activity of ONEgeneration (the Organization) under programs of the federal government for the year ended June 30, 2016. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the Organization, it is not intended to and does not present the financial position, changes in net assets or cash flows of the Organization.

Note 2 - Summary of Significant Accounting Policies

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or limited or are limited as to reimbursement. Pass-through entity identifying numbers are presented where available.

**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL
REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON
AN AUDIT OF FINANCIAL STATEMENTS PERFORMED
IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS***

To the Board of Directors of
ONEgeneration
Van Nuys, California

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States, the financial statements of ONEgeneration as of and for the year ended June 30, 2016, and the related notes to the financial statements, which collectively comprise ONEgeneration's basic financial statements, and have issued our report thereon dated March 27, 2017.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered ONEgeneration's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of ONEgeneration's internal control. Accordingly, we do not express an opinion on the effectiveness of ONEgeneration's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether ONEgeneration's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under Government Auditing Standards.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

The Ozurovich Group, Inc.

Los Angeles, California
March 27, 2017

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM
AND ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH THE UNIFORM
GUIDANCE**

To the Board of Directors of
ONEgeneration
Van Nuys, California

Report on Compliance for Each Major Federal Program

We have audited ONEgeneration's compliance with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Compliance Supplement that could have a direct and material effect on each of ONEgeneration's major federal programs for the year ended June 30, 2016. ONEgeneration's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditors' Responsibility

Our responsibility is to express an opinion on compliance for each of ONEgeneration's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about ONEgeneration's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of ONEgeneration's compliance.

Opinion on Each Major Federal Program

In our opinion, ONEgeneration complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2016.

Report on Internal Control over Compliance

Management of ONEgeneration is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered ONEgeneration's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program as a basis for designing auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of ONEgeneration's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct noncompliance with a type of compliance requirement of a federal program on a timely basis. A material weakness in internal control over compliance is a deficiency, or combination of deficiencies in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected on a timely basis. A significant deficiency in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

The Ozurovich Group, Inc.

Los Angeles, California
March 27, 2017

**ONEGENERATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS**

PART I - SUMMARY OF AUDIT RESULTS

1. The auditor's report expresses an unmodified opinion on the financial statements of ONEgeneration.
2. No significant deficiencies relating to the audit of the financial statements are reported in the Independent Auditors' Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*.
3. No instances of noncompliance material to the financial statements of the ONEgeneration were disclosed during the audit.
4. No significant deficiencies relating to the audit of the major federal award programs are reported in the Independent Auditor's Report on Compliance with Requirements Applicable to each Major Program and Internal Control over Compliance In Accordance With the Uniform Guidance.
5. The auditor's report on compliance for the U.S. Department of Health and Human Services Special Programs for the Aging – Title III Part B, Grants for Supportive Services and Senior Centers, Title III Part C Nutrition Services, and, the Nutrition Services Incentive Program, passed-through the City of Los Angeles Department of Aging expresses an unmodified opinion.
6. There are no audit findings relative to the major federal awards program for the ONEgeneration.
7. The programs tested as a major program were the U.S. Department of Health and Human Services Special Programs for the Aging – Title III Part B, Grants for Supportive Services and Senior Centers, Title III Part C Nutrition Services, and, the Nutrition Services Incentive Program passed-through the City of Los Angeles Department of Aging, CFDA #'s 93.044, 93.045, and 93.053.
8. The threshold for distinguishing Types A and B programs was \$750,000.
9. ONEgeneration did qualify as a low-risk auditee.

PART II - FINANCIAL STATEMENT FINDINGS

None

PART III - FEDERAL AWARDS FINDINGS AND QUESTIONED COSTS

None

PART IV - PRIOR YEAR AUDIT FINDINGS-MAJOR FEDERAL AWARD PROGRAMS AUDIT

None

ONEGENERATION
SCHEDULE OF FUNCTIONAL EXPENSES - DEPARTMENT OF AGING
FOR THE YEAR ENDED JUNE 30, 2016
(WITH SUMMARIZED COMPARATIVE TOTALS FOR 2015)

	<u>2016</u>					<u>2015</u>	
	<u>Title III B</u>	<u>Title III C1</u>	<u>Title III C2</u>	<u>Prop A</u>	<u>Evidence Based Program</u>	<u>TOTAL</u>	<u>TOTAL</u>
Salaries	\$ 118,822	\$ 111,595	\$ 166,443	\$ 124,051	\$ 59,622	\$ 580,533	\$ 549,610
Payroll taxes and employee benefits	32,084	30,129	44,936	33,437	16,093	156,679	148,393
Total salaries, payroll taxes, and employee benefits	150,906	141,724	211,379	157,488	75,715	737,212	698,003
Advertising and recruitment	2,707	-	95	8	-	2,810	-
Audit	4,147	6,003	5,995	2,511	362	19,018	40,201
Computer expenses	340	-	-	-	-	340	-
DOA - Indirect costs	20,232	42,173	50,866	21,383	7,307	141,961	109,386
Insurance	6,157	9,671	9,756	5,044	365	30,993	30,468
Maintenance and repair	-	593	-	27	-	620	14,815
Meals	-	263,764	219,077	-	-	482,841	427,401
Mileage	2,147	31	20,555	103	-	22,836	15,822
Office supplies	882	5,217	6,871	4,165	-	17,135	19,676
Outside services/Professional fees	21,398	7,170	6,139	4,055	250	39,012	22,617
Seminars and training	35	-	-	-	350	385	-
Taxes, license and permits	-	1	-	1,833	-	1,834	2,823
Telephone	2,130	4,896	5,349	4,105	-	16,480	19,445
Utilities	11,459	26,340	26,744	13,732	-	78,275	84,327
Vehicle fuel and maintenance	-	-	-	20,501	-	20,501	28,134
Subtotal functional expenses	222,540	507,583	562,826	234,955	84,349	1,612,253	1,513,118
Depreciation						22,111	18,961
TOTAL EXPENSES	<u>\$ 222,540</u>	<u>\$ 507,583</u>	<u>\$ 562,826</u>	<u>\$ 234,955</u>	<u>\$ 84,349</u>	<u>\$ 1,634,364</u>	<u>\$ 1,532,079</u>

See independent auditor's report and accompanying notes