AUDITED FINANCIAL STATEMENTS

ROSENBERG FUND FOR CHILDREN, INC.

Easthampton, Massachusetts

DECEMBER 31, 2015

Boisselle, Morton & Wolkowicz, LLP
Certified Public Accountants

BOISSELLE, MORTON & WOLKOWICZ, LLP
CERTIFIED PUBLIC ACCOUNTANTS

Independent Auditors' Report

To the Board of Directors
Rosenberg Fund for Children, Inc.
Easthampton, Massachusetts

Report on the Financial Statements

We have audited the accompanying financial statements of Rosenberg Fund for Children, Inc. (a nonprofit organization), which comprise the statement of financial position as of December 31, 2015, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the accounting principles generally accepted in the United States of America. Management is also responsible for 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 error or fraud.

Auditor's Responsibility

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

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

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

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Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Rosenberg Fund for Children, Inc. as of December 31, 2015, and the results of its operations and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Report on Summarized Comparative Information

We have previously audited Rosenberg Fund for Children, Inc.'s financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated April 16, 2015. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2014, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Boisselle, Morton & Wolkowicz, LLP

Hadley, Massachusetts
April 20, 2016

ROSENBERG FUND FOR CHILDREN, INC.

Statement of Financial Position

December 31, 2015 (with comparative totals for December 31, 2014)

	2015			2014
	Unrestricted	Temporarily Restricted	Total	Total
Assets				
Cash and cash equivalents	$ 302,698		$ 302,698	$ 372,573
Contributions receivable	10,074	$ 51,196	61,270	211,298
Prepaid expenses	7,329		7,329	8,581
Investments	1,988,776	2,306,525	4,295,301	3,689,108
Deposits	1,800		1,800	1,800
Total assets	$ 2,310,677	$ 2,357,721	$ 4,668,398	$ 4,283,360
Liabilities and Net Assets				
Liabilities				
Annuities payable	$ 10,844		$ 10,844	$ 13,874
Accrued expenses	5,661		5,661	2,718
Accrued payroll and benefits	17,057		17,057	11,540
Grants payable	126,904		126,904	103,285
Total liabilities	160,466		160,466	131,417
Net assets	2,150,211	$ 2,357,721	4,507,932	4,151,943
Total liabilities and net assets	$ 2,310,677	$ 2,357,721	$ 4,668,398	$ 4,283,360

The accompanying notes are an integral part of these financial statements.

ROSENBERG FUND FOR CHILDREN, INC.

Statement of Activities

Year Ended December 31, 2015

(with comparative totals for the year ended December 31, 2014)

	2015			2014
	Unrestricted	Temporarily Restricted	Total	Total
Revenues, gains and other support				
Planned giving	$ 538,659		$ 538,659	$ 658,582
Contributions	158,495	$ 338,542	497,037	476,821
Realized gains on sales of investments, net				191,612
Interest and dividends	32,156	52,452	84,608	61,025
Speaker fees and other income	23,315		23,315	4,960
Amounts released from restriction:				
Granting activity	350,496	(350,496)		
Total revenues, gains and other support	1,103,121	40,498	1,143,619	1,393,000
Expenses and losses				
Expenses				
Program	571,251		571,251	565,230
Management and general	76,845		76,845	68,091
Fundraising	64,847		64,847	60,455
Total expenses	712,943		712,943	693,776
Losses				
Realized losses on sales of investments, net	22,138	2,884	25,022	
Unrealized losses on investments, net	7,602	42,063	49,665	239,680
Total expenses and losses	742,683	44,947	787,630	933,456
Change in net assets	360,438	(4,449)	355,989	459,544
Net assets - beginning of year	1,789,773	2,362,170	4,151,943	3,692,399
Net assets - end of year	$ 2,150,211	$ 2,357,721	$ 4,507,932	$ 4,151,943

The accompanying notes are an integral part of these financial statements.

ROSENBERG FUND FOR CHILDREN, INC.

Statement of Functional Expenses
Year Ended December 31, 2015
(with comparative totals for the year ended December 31, 2014)

	2015 Program	2015 Management and General	2015 Fundraising	2015 Total	2014 Total
Salaries and related expenses					
Salaries	$ 140,446	$ 24,742	$ 24,989	$ 190,177	$ 181,265
Payroll taxes	11,049	1,947	1,966	14,962	15,295
Benefits	11,963	2,108	2,129	16,200	14,982
Total salaries and related expenses	163,458	28,797	29,084	221,339	211,542
Advertising	1,736	80	800	2,616	2,380
Bank and investment fees	20,812	13,488		34,300	30,803
Board expenses	192	191		383	451
Consultants	11,969	3,724	10,905	26,598	25,600
Equipment rental and maintenance	250	250		500	139
Fees	262	2,438	1,041	3,741	2,881
Grants	325,618			325,618	342,379
Graphic arts	455		455	910	1,700
Insurance	447	949		1,396	1,404
Interest	1,555			1,555	3,553
Mail processing	4,014		4,013	8,027	7,916
Payroll service		1,734		1,734	1,680
Postage	5,151	5,283	1,121	11,555	12,620
Printing	3,158	2,489	3,207	8,854	8,967
Professional fees		7,823		7,823	7,845
Publications	91	143	167	401	743
Rent	11,061	3,015	3,044	17,120	16,245
Supplies	3,116	3,190	1,113	7,419	8,979
Special event	14,659	2,777	9,121	26,557	75
Telephone	2,693	474	479	3,646	3,314
Travel	554		297	851	2,560
Total expenses	$ 571,251	$ 76,845	$ 64,847	$ 712,943	$ 693,776

ROSENBERG FUND FOR CHILDREN, INC.
Statement of Cash Flows
Year Ended December 31, 2015
(with comparative totals for the year ended December 31, 2014)

	2015	2014
Cash flows from operating activities		
Change in net assets	$ 355,989	$ 459,544
Adjustments to reconcile change in net assets to net cash provided by operating activities		
Unrealized losses on investments, net	49,665	239,680
Realized losses (gains) on investments, net	25,022	(191,612)
(Increase) decrease in:		
Contributions receivable	150,028	(106,743)
Prepaid expenses	1,252	(2,848)
Increase (decrease) in:		
Accrued expenses	2,943	(725)
Accrued payroll and benefits	5,517	(360)
Grants payable	23,619	7,871
Net cash provided by operating activities	614,035	404,807
Cash flows from investing activities		
Purchase of investments	(1,975,710)	(1,801,091)
Proceeds from sale of investments	1,294,830	1,558,967
Net cash used by investing activities	(680,880)	(242,124)
Cash flows from financing activities		
Annuity payments	(3,030)	(4,632)
Net cash used by financing activities	(3,030)	(4,632)
Net (decrease) increase in cash and cash equivalents	(69,875)	158,051
Cash and cash equivalents - beginning of year	372,573	214,522
Cash and cash equivalents - end of year	$ 302,698	$ 372,573
Supplemental Information:		
Interest paid	$ 1,555	$ 3,553

The accompanying notes are an integral part of these financial statements.

1. Summary of Significant Accounting Policies

a. *Nature of Business:* Rosenberg Fund for Children, Inc. was organized in the Commonwealth of Massachusetts as a not-for-profit corporation on September 4, 1990. The Organization works to provide for the educational and emotional needs of targeted activist youth and children in the United States whose parents have suffered because of their progressive beliefs and are, therefore, unable to adequately care for their children.

b. *Tax status:* Rosenberg Fund for Children, Inc. is exempt from federal and state income tax under Section 501(c)(3) of the Internal Revenue Code and, accordingly, no provision for income taxes is included in the financial statements. In addition, the Organization qualifies for the charitable contribution deduction under Section 170(b)(1)(a) and has been classified as an organization that is not a private foundation under Section 509(a)(1).

   In accordance with U.S. accounting standards, the Organization reviews the financial statement recognition, measurement, classification and disclosure of any potential uncertain tax positions. Management has not identified any uncertain tax positions and, therefore, no liability has been recorded in the financial statements.

   The Organization's information filings are subject to audit by the Internal Revenue Service. The Organization's open audit periods are 2013-2015.

c. *Basis of Presentation:* The Organization presents its financial statements according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets. Net assets of the two restricted classes are created only by donor-imposed restrictions on their use. All other net assets are legally unrestricted and are reported as part of the unrestricted class. The Organization had only unrestricted and temporarily restricted net assets at December 31, 2015 and 2014.

d. *Allocation of Expenses:* Expenses are allocated among program and supporting services directly or on the basis of time records and utilization estimates made by the Organization's management. 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 Organization.

e. *Cash and Cash Equivalents:* For the purposes of the statement of cash flows, the Organization considers all highly-liquid debt instruments purchased with a maturity of three months or less to be cash equivalents.

f. *Promises to Give:* Unconditional promises to give are recognized as revenues or gains in the period received and as assets, decreases of liabilities or expenses, depending on the form of the benefits received. Conditional promises to give are recognized when the conditions on which they depend are substantially met.

g. *Property and Equipment:* Property and equipment are recorded at cost, if purchased, or at their estimated fair market value at date of donation, if donated. All acquisitions of property and equipment in excess of $1,000 and all expenditures for repairs, maintenance and betterments, that materially prolong the useful lives of assets, are capitalized.

h. *Depreciation:* Provisions for depreciation are made in the accounts using the straight-line method. Property and equipment are being depreciated over three to five years.

1. Summary of Significant Accounting Policies (Continued)

i. *Investments:* The Organization carries investments in marketable securities with readily determinable fair values and all investments in debt securities at their fair value on the statement of financial position.

j. *Use of Estimates:* The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and revenues and expenses during the reporting period. Actual results could differ from those estimates.

k. *Fair Value Measurements:* Accounting standards have established a framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). Inputs to the valuation methodology for the three levels of the fair value hierarchy are described below:

Level 1	Unadjusted quoted prices for identical assets or liabilities in active markets that the Corporation has the ability to access.
Level 2	Quoted prices for similar assets or liabilities in active markets; Quoted prices for identical or similar assets or liabilities in inactive markets; Inputs other than quoted prices that are observable for the asset or liability; Inputs that are derived principally from or corroborated by observable market data by correlation or other means.
Level 3	Unobservable and significant to the fair value measurement.

If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.

The asset or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

2. Contributions Receivable

In 2015, the Organization had $61,270 in receivables, consisting of contributions and planned giving that were not collected until 2016.

In 2014, the Organization had $211,298 in receivables, consisting of contributions and planned giving that were not collected until 2015.

3. Investments

The Organization maintains its investment accounts at brokerages. The investments are allocated among various cash, equity and debt instruments. Investments were carried at quoted market values, as summarized below, as of December 31, 2015:

	Interest Rate	Due	Original Cost	Market Value
Money funds			$1,200,840	$1,200,840
Mutual funds			210,146	206,197
Equity stocks			2,064,415	2,201,108
Corporate bonds	3.25-9.75%	Various	404,209	395,705
International bonds	Zero coupon	Various	101,253	90,125
U. S. Treasury bonds	Zero coupon	Various	142,072	145,824
Real estate investment trusts (Level 2)			49,489	55,502
			$4,172,424	$4,295,301

Investments were carried at quoted market values, as summarized below, as of December 31, 2014:

	Interest Rate	Due	Original Cost	Market Value
Money funds			$1,009,289	$1,009,289
Mutual funds			63,056	59,487
Equity stocks			1,708,805	1,881,279
Corporate bonds	3.25-9.75%	Various	306,400	304,643
International bonds	Zero coupon	Various	129,539	121,394
U. S. Treasury bonds	Zero coupon	Various	162,487	168,363
Real estate investment trusts (Level 2)			137,176	144,653
			$3,516,752	$3,689,108

Fair values for investments were determined by reference to quoted market prices and other relevant information generated by market transactions.

Investment income was the following for the years ended December 31:

	2015	2014
Interest and dividends	$ 84,352	$ 60,878
Net realized (losses) gains on investments	(25,022)	191,612
Net unrealized losses on investments	(49,665)	(239,680)
	$ 9,665	$ 12,810

4. Property and Equipment

The Organization has $22,206 of leasehold improvements, furniture and equipment that were fully depreciated.

5. Charitable Gift Annuities

The Organization administers various gift annuities. A gift annuity provides for regular annuity payments to the grantor for a specific period of years. The portion of the annuity attributable to the present value of the future benefits to be received by the grantor is recorded as a liability by the Organization. The amount of this liability was $10,844 and $13,874 as of December 31, 2015 and 2014, respectively. Future payments are estimated at $4,585, with the principal amortization estimated at $3,030 for 2016.

6. Temporarily Restricted Contributions and Net Assets

Temporarily restricted contributions and net assets consisted of funds restricted for the distribution of grants. The temporarily restricted column on the statement of activities reflects the Organization's activity related to the distribution of grants. The Organization made grants of $350,496 during 2015 ($358,561 during 2014) that is shown as "amounts released from restriction" on the statement of activities. The balance in temporarily restricted net assets was $2,357,721 and $2,362,170 at December 31, 2015 and 2014, respectively.

7. Planned Giving

The Organization encourages planned giving in various forms to sustain the program to benefit future generations. The Organization received $538,659 and $658,582 during 2015 and 2014, respectively, as the beneficiary of estates.

8. Retirement Plan

The Organization maintains a 403(b) retirement plan that covers all eligible employees. The plan allows eligible employees to defer a portion of their compensation. Such deferrals accumulate on a tax-deferred basis until the employee withdraws the funds. There were no employer contributions to this plan.

9. Operating Lease

The Organization has a 3-year leasing agreement for office space expiring July 31, 2017. The lease requires monthly rent payments of $1,477, adjusted annually by the CPI index and includes fees for heat, electricity, and trash, which are all included in rent expense. Rent expense was $17,120 and $16,245 for 2015 and 2014, respectively. The future estimated rental expense is as follows:

2016	$17,939
2017 (through July 31st)	10,240

10. Related Parties

Four members of the Board of Directors are related to employees of the Organization. A member of the Board was also compensated $10,000 and $14,655 for 2015 and 2014, respectively, as an employee. Another member of the Board was also compensated $63,879 and $63,000 for 2015 and 2014, respectively, as an employee.

11. Concentrations of Credit Risk

The Organization has significant investments in stocks, bonds and mutual funds held by an investment manager who was engaged by the Organization. Those investments are uninsured and, therefore, subject to concentrations of credit risk. Investments are made by the investment manager and the investments are monitored by the Board of Directors. Though the market value of investments is subject to fluctuations on a year-to-year basis, management believes the investment policy is prudent for the long-term welfare of the Organization.

12. Comparative Information

The 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 the Organization's audited financial statements for the year ended December 31, 2014, from which the summarized information was derived.

13. Subsequent Events

The Organization evaluated subsequent events after the statement of financial position date of December 31, 2015, through April 20, 2016, the date on which the financial statements were available to be issued, and concluded that no additional disclosures were required.