

OF HOME, FAMILY AND FUTURE, INC.  
FINANCIAL STATEMENTS  
FOR THE YEARS ENDED  
DECEMBER 31, 2018 AND 2017

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OF HOME FAMILY AND FUTURE, INC.  
FOR THE YEARS ENDED DECEMBER 31, 2018 AND 2017

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of  
Of Home, Family and Future, Inc.

We have audited the accompanying financial statements of Of Home, Family and Future, Inc. (a nonprofit organization) which comprise the statement of financial position as of December 31, 2018, and the related statements of activities 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.

**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 of 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 Of Home, Family and Future, Inc as of December 31, 2018 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.

**Report on Summarized Comparative Information**

We have previously audited Of Home, Family and Future, Inc.'s 2017 financial statements and in our report dated February 20, 2018, 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 December 31, 2017 is consistent, in all material respects, with the audited financial statements from which it has been derived.

**Emphasis of Matters**

In 2018, Of Home, Family and Future, Inc. adopted Accounting Standards Update (ASU) No. 2016-14, Not-for-Profit Entities (Topic 958): Presentation of Financial Statements of Not-for-Profit Entities. Our opinion is not modified with respect to these matters.

*Berard & Associates CPA's PC*  
Berard and Associates CPA's PC  
Suffern, New York  
February 22, 2019

OF HOME FAMILY AND FUTURE, INC.  
STATEMENTS OF FINANCIAL POSITION  
DECEMBER 31, 2018 AND 2017

<u>ASSETS:</u>	<u>2018</u>	<u>2017</u>
Current assets:		
Cash	\$ 133,845	\$ 101,439
Investments	1,264,957	1,403,676
Prepaid expenses	<u>1,958</u>	<u>1,958</u>
TOTAL ASSETS	<u>\$ 1,400,760</u>	<u>\$ 1,507,073</u>
<u>LIABILITIES AND NET ASSETS:</u>		
Liabilities:		
Accrued expenses	<u>\$ 4,435</u>	<u>\$ 3,900</u>
Net assets:		
Without donor restrictions	1,386,075	1,476,892
With donor restrictions	<u>10,250</u>	<u>26,281</u>
Total net assets	<u>1,396,325</u>	<u>1,503,173</u>
TOTAL LIABILITIES & NET ASSETS	<u>\$ 1,400,760</u>	<u>\$ 1,507,073</u>

See accompanying notes and independent auditor's report.

OF HOME, FAMILY AND FUTURE, INC.  
STATEMENTS OF ACTIVITIES  
FOR THE YEARS ENDED DECEMBER 31, 2018 AND 2017

	2018			2017
	Without Donor Restrictions	With Donor Restrictions	Total	Total
Public support:				
Contribution income	164,494	\$ 10,250	\$ 174,744	\$ 117,622
Fundraising Revenue	230	-	230	5,241
Fundraising Expenses	(502)	-	(502)	(5,192)
Total public support	<u>164,222</u>	<u>10,250</u>	<u>174,472</u>	<u>117,671</u>
Revenue:				
Net investment return	11,295	-	11,295	14,147
Miscellaneous	341	-	341	37
Total revenue	<u>11,636</u>	<u>-</u>	<u>11,636</u>	<u>14,184</u>
	175,858	10,250	186,108	131,855
Net assets released from restrictions	<u>26,281</u>	<u>(26,281)</u>	<u>-</u>	<u>-</u>
TOTAL PUBLIC SUPPORT AND REVENUE	<u>202,139</u>	<u>(16,031)</u>	<u>186,108</u>	<u>131,855</u>
<b>EXPENSES</b>				
Program Services	247,309	-	247,309	118,089
Supporting Services				
Management and General	33,597	-	33,597	17,064
Fundraising	12,050	-	12,050	917
TOTAL SUPPORTING SERVICES	<u>45,647</u>	<u>-</u>	<u>45,647</u>	<u>17,981</u>
TOTAL EXPENSES	<u>292,956</u>	<u>-</u>	<u>292,956</u>	<u>136,070</u>
(Decrease) in Net Assets	(90,817)	(16,031)	(106,848)	(4,215)
Net Assets-Beginning	<u>1,476,892</u>	<u>26,281</u>	<u>1,503,173</u>	<u>1,507,388</u>
Net Assets-Ending	<u>\$ 1,386,075</u>	<u>\$ 10,250</u>	<u>\$ 1,396,325</u>	<u>\$ 1,503,173</u>

See accompanying notes and independent auditor's report.

OF HOME FAMILY AND FUTURE, INC.  
 STATEMENTS OF CASH FLOWS  
 FOR THE YEARS ENDED DECEMBER 31, 2018 AND 2017

<u>CASH FLOWS FROM OPERATING ACTIVITIES:</u>	<u>2018</u>	<u>2017</u>
(Decrease) in net assets	\$ (106,848)	\$ (4,215)
Adjustments to reconcile increase (decrease) in net assets to net cash provided by (used for) operating activities:		
Net decrease in fair market value of investments	138,719	35,875
Changes in operating assets and liabilities:		
Decrease in loans receivable	-	2,918
Increase in accrued expenses	535	3,900
	<u>32,406</u>	<u>38,478</u>
Net cash provided by operating activities		
	<u>32,406</u>	<u>38,478</u>
<u>CASH FLOWS FROM INVESTING ACTIVITIES:</u>	<u>-</u>	<u>-</u>
<u>CASH FLOWS FROM FINANCING ACTIVITIES:</u>		
NONE	<u>-</u>	<u>-</u>
NET INCREASE IN CASH	32,406	38,478
Cash- beginning of year	101,439	62,961
Cash- end of year	<u>\$ 133,845</u>	<u>\$ 101,439</u>
Supplemental disclosure:		
Taxes paid	<u>\$ -</u>	<u>\$ -</u>
Interest paid	<u>\$ -</u>	<u>\$ -</u>
Supplimental Information of Non-Cash Items:		
Donated Revenue/Expenses	<u>\$ -</u>	<u>\$ -</u>

See accompanying notes and independent auditor's report.

**OF HOME, FAMILY AND FUTURE, INC.**  
**STATEMENTS OF FUNCTIONAL EXPENSES**  
**FOR THE YEARS ENDED DECEMBER 31, 2018 AND 2017**

	<u>SUPPORT SERVICES</u>			<u>Total Support Services</u>	<u>2018</u>	<u>2017</u>
	<u>Program Services</u>	<u>Management and General</u>	<u>Fund Raising</u>		<u>Total Expenses</u>	<u>Total Expenses</u>
Salaries	82,500	16,500	11,000	27,500	\$ 110,000	\$ -
Payroll taxes and benefits	7,883	1,577	1,050	2,627	10,510	-
Grant expense	85,371	-	-	-	85,371	54,456
Tuition	70,454	-	-	-	70,454	61,965
Printing	236	-	-	-	236	455
Office expenses	865	-	-	-	865	1,213
Accounting	-	7,800	-	7,800	7,800	11,100
Information technology	-	822	-	822	822	99
Bank charges	-	241	-	241	241	358
Payroll service fees	-	720	-	720	720	-
Insurance	-	2,956	-	2,956	2,956	2,763
Board expenses	-	2,706	-	2,706	2,706	2,469
Filing fees	-	275	-	275	275	275
Fundraising expense	-	-	-	-	-	917
<b><u>TOTAL EXPENSES</u></b>	<b><u>\$ 247,309</u></b>	<b><u>\$ 33,597</u></b>	<b><u>\$ 12,050</u></b>	<b><u>\$ 45,647</u></b>	<b><u>\$ 292,956</u></b>	<b><u>\$ 136,070</u></b>

See accompanying notes and independent auditor's report.

OF HOME, FAMILY AND FUTURE, INC.  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEARS ENDED DECEMBER 31, 2018 AND 2017

**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:**

**Nature of Activities**

Of Home Family and Future, Inc., is a non-profit corporation organized in November 2004, for the purpose of providing funds for individuals who have shown the potential to become successful members of society, but lack the resources to overcome poverty or abuse. Eighty-one percent of its revenue is from public support.

**Recently Issued Accounting Standards**

In 2017, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) No. 2016-14, Presentation of Financial Statements of Not-for-Profit Entities. Of Home, Family, and Future, Inc. adopted the provisions of this new standard during the year ended December 31, 2018. In addition to changes in terminology used to describe categories of net assets throughout the financial statements, new disclosures were added regarding liquidity and the availability of resources, and disclosures related to functional allocation of expenses.

**Net Assets Without Donor Restrictions:**

Net assets without donor restrictions are available for use at the discretion of the board of trustees (the Board) and / or management for general operating purposes. From time to time the Board designates a portion of these net assets for specific purposes which makes them unavailable for use at management's discretion.

**Net Assets With Donor Restrictions:**

Net assets with donor restrictions consist of assets whose use is limited by donor-imposed, time and / or purpose restrictions. Of Home, Family and Future, Inc. reports gifts of cash and other assets as revenue with donor restrictions if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, that is, when a stipulated time restriction end or purpose restriction ends or purpose restriction is accomplished, the net assets are reclassified as net assets without donor restriction and reported in the statements of activities as net assets released from restrictions

**Property and Equipment**

The Organization follows the practice of capitalizing all expenditures for property and equipment in excess of \$1,000. The fair value of donated property and equipment is similarly capitalized. Depreciation is provided on the straight-line method over the estimated useful lives of the assets.

**Accounting Method**

The accompanying financial statements are prepared on the accrual basis of accounting.

**Income Taxes**

The Organization is exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code. However, income from certain activities not directly related to the Organization's tax-exempt purpose is subject to taxation as unrelated business income. In addition, the Organization qualifies for the charitable contribution deduction under Section 170 (b)(1)(A) and has been classified as an organization other than a private foundation under Section 509(a)(2). There was no unrelated business income for the year ended December 31, 2018.



OF HOME, FAMILY AND FUTURE, INC.  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEARS ENDED DECEMBER 31, 2018 AND 2017

**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued):**

Of Home Family and Future, Inc. recognizes the tax benefit associated with tax positions taken for tax return purposes when it is more likely than not the position will be sustained upon examination by a taxing authority. Of Home Family and Future, Inc. does not believe they have taken any material uncertain tax positions and, accordingly they have not recorded any liability for unrecognized tax benefits. Of Home Family and Future, Inc. has filed for and received income tax exemptions in the jurisdictions where required to do so.

**Use of Estimates**

Management uses estimates as assumptions in preparing financial statements. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities and the reported revenues and expenses. Actual results could differ from those estimates.

**Expense Allocation:**

The financial statements report certain categories of expenses that are attributed to more than one program or supporting function. Therefore, expenses require allocation on a reasonable basis that is consistently applied. The expenses that are allocated include occupancy costs which are allocated on a square footage basis, as well as salaries and related expenses, office expenses, insurance and other costs, which are allocated on the basis of estimates of time and effort.

**Revenue Recognition**

Grants, fees, and tuition related to programs which began after the fiscal year-end are included as advanced tuition and reflected in income in the year the service is performed. Costs incurred prior to the close of the fiscal year for such programs are classified as prepaid expenses.

**Cash and Cash Equivalents**

For purposes of the Statements of Cash Flows, the Organization considers all highly liquid investments with an initial maturity of three months or less to be cash equivalents.

**Investments**

The Organization carries investments in marketable securities with readily determinable fair values and all investments in debt securities at their fair values in the Statement of Financial Position, Unrealized gains and losses are included in the change in net assets in the accompanying Statement of Activities.

**Comparative Financial Information**

The financial information shown for 2017 in the accompanying financial statements is included to provide a basis for comparison with 2018 and presents summarized totals only.

**Donated Services and Materials**

No amounts have been reflected in the statements for donated services. The Organization generally pays for services requiring specific expertise. However, many individuals volunteer their time and perform a variety of tasks that assist the Organization with specific assistance programs, grant requests, and various committee assignments.

OF HOME, FAMILY AND FUTURE, INC.  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEARS ENDED DECEMBER 31, 2018 AND 2017

**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued):**

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OF HOME, FAMILY AND FUTURE, INC.  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEARS ENDED DECEMBER 31, 2018 AND 2017

**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued):**

**Contributions**

Contributions received are recorded as with donor restrictions or without donor restrictions depending on the existence and/or nature of any donor restrictions. Net assets with donor restrictions are reclassified to net assets without donor restrictions upon satisfaction of the time or purpose unless specifically restricted by the donor.

**Subsequent Events**

Management has evaluated subsequent events after the balance sheet date through February 22, 2019, the date the financial statements are available to be issued.

**NOTE 2. SUMMARY OF PROGRAMS**

Of Home Family and Future, Inc.'s mission is to make a profound difference in the lives of highly motivated and qualified people who possess the desire and drive to succeed but lack the opportunity and resources. Of Home Family and Future, Inc. seeks to accomplish this goal by awarding grants to help women and children, affected by domestic violence, to create strong and economically independent families in affordable housing. Grants are also awarded for other services such as, childcare, job training, career and financial counseling. In addition, there is an educational mentoring program which awards grants and provides mentors to students from the foster care systems who are attending post-secondary education.

**NOTE 3. LIQUIDITY AND AVAILABILITY OF RESOURCES**

Of Home, Family and Future, Inc.'s financial assets available within one year of the statements of financial position date for general expenditure are as follows:

Cash and cash equivalents-total financial assets	\$133,845
Less:	
Donor-imposed restrictions:	
Time restricted for 2018-2019 programs	(10,250)
Net financial assets after donor-imposed restrictions available to meet cash needs for general expenditures within one year	<u>\$123,595</u>

As part of our liquidity management plan, we invest cash in excess of daily requirements in CD's.

OF HOME, FAMILY AND FUTURE, INC.  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEARS ENDED DECEMBER 31, 2018 AND 2017

**NOTE 4. FAIR VALUE MEASUREMENT**

At December 31, 2018 investments consisted of the following:

	Fair Value	Quoted Prices In Active Markets For Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Cash	\$ 12,972	\$ 12,972	\$ -	\$ -
Certificates of Deposit	1,251,985	1,251,985	-	-
Total	<u>\$ 1,264,957</u>	<u>\$ 1,264,957</u>	<u>\$ -</u>	<u>\$ -</u>

At December 31, 2017 investments consisted of the following:

	Fair Value	Quoted Prices In Active Markets For Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Cash	\$ 57,497	\$ 57,497	\$ -	\$ -
Certificates of Deposit	1,346,179	1,346,179	-	-
Total	<u>\$ 1,403,676</u>	<u>\$ 1,403,676</u>	<u>\$ -</u>	<u>\$ -</u>

The Organization follows Financial Accounting Standards Board (FASB) guidance on *Fair Value Measurements* which defines fair value and establishes a fair value hierarchy organized into three levels based upon the input assumptions used in pricing assets. Level 1 inputs have the highest reliability and are related to assets with unadjusted quoted prices in active markets. Level 2 inputs relate to assets with other than quoted prices in active markets which may include quoted prices for similar assets or liabilities or other inputs which can be corroborated by observable market data. Level 3 inputs are unobservable inputs and are used to the extent that observable inputs do not exist

**NOTE 5 – INVESTMENTS**

At December 31, 2018 and 2017 investments consisted of the following:

	<u>2018</u>		<u>2017</u>	
	<u>Cost</u>	<u>Fair Value</u>	<u>Cost</u>	<u>Fair Value</u>
Cash	\$ 12,972	\$ 12,972	\$ 57,497	\$ 57,497
Certificates of Deposit	<u>1,270,000</u>	<u>1,251,985</u>	<u>1,350,000</u>	<u>1,346,179</u>
	<u>\$ 1,282,972</u>	<u>\$ 1,264,957</u>	<u>\$ 1,407,497</u>	<u>\$ 1,403,676</u>

OF HOME, FAMILY AND FUTURE, INC.  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEARS ENDED DECEMBER 31, 2018 AND 2017

**NOTE 5 – INVESTMENTS (continued):**

Net investment return for the years ended December 31, 2018 and 2017 consist of the following:

	<u>12/31/2018</u>	<u>12/31/2017</u>
Interest Income	\$ 25,490	\$ 24,050
Unrealized (Loss)	<u>(14,195)</u>	<u>(9,903)</u>
Net Investment Return	<u>\$ 11,295</u>	<u>\$ 14,147</u>

**NOTE 6 DONOR RESTRICTED CONTRIBUTION**

Donor restricted net assets consist of the following at December 31:

	<u>12/31/2017</u>	<u>Sources</u>	<u>Uses</u>	<u>12/31/2018</u>
Virginia Toulmin Foundation	\$ 16,281	\$ -	\$ (16,281)	\$ -
Montieth Illingworth	<u>10,000</u>	<u>10,250</u>	<u>(10,000)</u>	<u>10,250</u>
Total	<u>\$ 26,281</u>	<u>\$ 10,250</u>	<u>\$ (26,281)</u>	<u>\$ 10,250</u>

The balance of \$10,250 for the year ended December 31, 2018 represents monies restricted for the Educational Mentoring program. For the year ended December 31, 2017 the balance of \$26,281 represents monies restricted for the Educational Mentoring and Transformation Squared programs.

**NOTE 7 CONCENTRATIONS OF CREDIT RISK**

Of Home, Family and Future, Inc. maintains its cash balances in a financial institution located in New York, New York. The balances are insured by the Federal Deposit Insurance Corporation up to \$250,000. At December 31, 2018, the Organization's cash balances did not exceed the FDIC limit.

OF HOME, FAMILY AND FUTURE, INC.  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEARS ENDED DECEMBER 31, 2018 AND 2017

**NOTE 5 – INVESTMENTS (continued):**

Net investment return for the years ended December 31, 2018 and 2017 consist of the following:

	<u>12/31/2018</u>	<u>12/31/2017</u>
Interest Income	\$ 25,490	\$ 24,050
Unrealized (Loss)	<u>(14,195)</u>	<u>(9,903)</u>
Net Investment Return	<u>\$ 11,295</u>	<u>\$ 14,147</u>

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Donor restricted net assets consist of the following at December 31:

	<u>12/31/2017</u>	<u>Sources</u>	<u>Uses</u>	<u>12/31/2018</u>
Virginia Toulmin Foundation	\$ 16,281	\$ -	\$ (16,281)	\$ -
Montieth Illingworth	<u>10,000</u>	<u>10,250</u>	<u>(10,000)</u>	<u>10,250</u>
Total	<u>\$ 26,281</u>	<u>\$ 10,250</u>	<u>\$ (26,281)</u>	<u>\$ 10,250</u>

The balance of \$10,250 for the year ended December 31, 2018 represents monies restricted for the Educational Mentoring program. For the year ended December 31, 2017 the balance of \$26,281 represents monies restricted for the Educational Mentoring and Transformation Squared programs.

**NOTE 7 CONCENTRATIONS OF CREDIT RISK**

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