

OF HOME, FAMILY AND FUTURE, INC.

FINANCIAL STATEMENTS

FOR THE YEARS ENDED

DECEMBER 31, 2017 AND 2016

OF HOME FAMILY AND FUTURE, INC.
FOR THE YEARS ENDED DECEMBER 31, 2017 AND 2016

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Berard & Associates CPA'S P.C.
Certified Public Accountants

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, 2017, 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, 2017, 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 2016 financial statements and in our report dated February 24, 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 December 31, 2016, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Berard and Associates CPA's PC
Suffern, New York
February 20, 2018

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OF HOME FAMILY AND FUTURE, INC.
 STATEMENTS OF FINANCIAL POSITION
 DECEMBER 31, 2017 AND 2016

<u>ASSETS:</u>	<u>2017</u>	<u>2016</u>
Current assets:		
Cash	\$ 101,439	\$ 62,961
Investments	1,403,676	1,439,551
Prepaid expenses	1,958	1,958
Loan receivable	-	2,918
	<u> </u>	<u> </u>
TOTAL ASSETS	<u>\$ 1,507,073</u>	<u>\$ 1,507,388</u>
<u>LIABILITIES AND NET ASSETS:</u>		
Liabilities:		
Accrued expenses	<u>\$ 3,900</u>	<u>\$ -</u>
Net assets:		
Unrestricted	1,476,892	1,484,371
Temporarily restricted	26,281	23,017
Permanently restricted	<u> -</u>	<u> -</u>
Total net assets	<u>1,503,173</u>	<u>1,507,388</u>
	<u> </u>	<u> </u>
TOTAL LIABILITIES & NET ASSETS	<u>\$ 1,507,073</u>	<u>\$ 1,507,388</u>

See accompanying notes and independent auditor's report.

OF HOME, FAMILY AND FUTURE, INC.
STATEMENTS OF ACTIVITIES
FOR THE YEARS ENDED DECEMBER 31, 2017 AND 2016

	2017			2016
	Unrestricted	Temporarily Restricted	Total	Total
Public support:				
Contribution income	\$ 107,622	\$ 10,000	\$ 117,622	\$ 109,012
Fundraising Revenue	5,241	-	5,241	-
Fundraising Expenses	(5,192)	-	(5,192)	-
Total public support	<u>107,671</u>	<u>10,000</u>	<u>117,671</u>	<u>109,012</u>
Revenue:				
Interest income	24,050	-	24,050	21,836
Miscellaneous	37	-	37	45
Unrealized gain (loss) on sales of investments	(9,903)	-	(9,903)	4,057
Realized (loss) on sales of investments	-	-	-	(266)
Total revenue	<u>14,184</u>	<u>-</u>	<u>14,184</u>	<u>25,672</u>
	121,855	10,000	131,855	134,684
Net assets released from restrictions	<u>6,736</u>	<u>(6,736)</u>	<u>-</u>	<u>-</u>
TOTAL PUBLIC SUPPORT AND REVENUE	<u>128,591</u>	<u>3,264</u>	<u>131,855</u>	<u>134,684</u>
Program services:				
Grant expense	54,456	-	54,456	77,300
Tuition	61,965	-	61,965	54,188
Printing	455	-	455	98
Loan Forgiveness	-	-	-	2,360
Other	1,213	-	1,213	1,858
Total program services	<u>118,089</u>	<u>-</u>	<u>118,089</u>	<u>135,804</u>
Management and general:				
Accounting	11,100	-	11,100	7,100
Information Technology	98	-	98	302
Bank charges	359	-	359	446
Insurance	2,763	-	2,763	2,617
Board Expenses	2,469	-	2,469	1,958
Filing fees	275	-	275	275
Total management and general	<u>17,064</u>	<u>-</u>	<u>17,064</u>	<u>12,698</u>
Fund raising:				
Fundraising expense	<u>917</u>	<u>-</u>	<u>917</u>	<u>1,204</u>
TOTAL EXPENSES	<u>136,070</u>	<u>-</u>	<u>136,070</u>	<u>149,706</u>
Change in Net Assets	(7,479)	3,264	(4,215)	(15,022)
Net Assets-Beginning	<u>1,484,371</u>	<u>23,017</u>	<u>1,507,388</u>	<u>1,522,410</u>
Net Assets-Ending	<u>\$ 1,476,892</u>	<u>\$ 26,281</u>	<u>\$ 1,503,173</u>	<u>\$ 1,507,388</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, 2017 AND 2016

<u>CASH FLOWS FROM OPERATING ACTIVITIES:</u>	<u>2017</u>	<u>2016</u>
Increase (decrease) in net assets	\$ (4,215)	\$ (15,022)
Adjustments to reconcile increase (decrease) in net assets to net cash provided by (used for) operating activities:		
Unrealized (loss) gain on investments	(9,903)	4,057
Changes in operating assets and liabilities:		
(Increase) in prepaid expenses	-	(147)
(Increase) decrease in loans receivable	2,918	2
Increase(decrease) in accrued expenses	<u>3,900</u>	<u>-</u>
Net cash (used for) operating activities	(7,300)	(11,110)
 <u>CASH FLOWS FROM INVESTING ACTIVITIES:</u>		
Sale of investments	<u>45,778</u>	<u>18,683</u>
Net cash (used for) provided by investing activities	45,778	18,683
 <u>CASH FLOWS FROM FINANCING ACTIVITIES:</u>		
NONE	<u>-</u>	<u>-</u>
NET INCREASE (DECREASE) IN CASH	38,478	7,573
Cash- beginning of year	<u>62,961</u>	<u>55,388</u>
Cash- end of year	<u>\$ 101,439</u>	<u>\$ 62,961</u>
Supplemental disclosure:		
Taxes paid	<u>\$ -</u>	<u>\$ -</u>
Interest paid	<u>\$ -</u>	<u>\$ -</u>
Supplemental 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.
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2017 AND 2016

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.

Basis of Presentation

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

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, 2017.

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.

Additionally, Of Home Family and Future, Inc. has filed Internal Revenue Service Form 990 informational returns, as required, and all other applicable returns in jurisdictions where so required. For the years ended December 31, 2017 and 2016, there were no interest or penalties recorded or included in the statement of activities.

OF HOME, FAMILY AND FUTURE, INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2017 AND 2016

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

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.

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 2016 in the accompanying financial statements is included to provide a basis for comparison with 2017 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.

Contributions

Contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support depending on the existence and/or nature of any donor restrictions. Restricted net assets are reclassified to unrestricted net assets upon satisfaction of the time or purpose to be available for unrestricted net asset use unless specifically restricted by the donor.

Subsequent Events

Management has evaluated subsequent events after the balance sheet date through February 20, 2018, the date the financial statements are available to be issued.

OF HOME, FAMILY AND FUTURE, INC.
 NOTES TO FINANCIAL STATEMENTS
 FOR THE YEARS ENDED DECEMBER 31, 2017 AND 2016

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 and career, financial and psychological 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. FAIR VALUE MEASUREMENT

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 4 – INVESTMENTS

At December 31, 2017 and 2016 investments consisted of the following:

	<u>2017</u>		<u>2016</u>	
	<u>Cost</u>	<u>Fair Value</u>	<u>Cost</u>	<u>Fair Value</u>
Cash	\$ 57,497	\$ 57,497	\$ 3,302	\$ 3,302
Certificates of Deposit	1,350,000	1,346,179	1,430,000	1,436,249
	<u>\$ 1,407,497</u>	<u>\$ 1,403,676</u>	<u>\$ 1,436,302</u>	<u>\$ 1,439,551</u>

For fiscal 2017 and 2016, investment income was \$24,050 and \$21,836, realized gains were \$0 and \$266, and unrealized gains and (losses) were \$9,903 and (\$4,057), respectively. Their fair value is determined by quoted prices in a readily available market.

OF HOME FAMILY AND FUTURE, INC.
 NOTES TO FINANCIAL STATEMENTS
 FOR THE YEARS ENDED DECEMBER 31, 2017 AND 2016

NOTE 5. LOAN RECEIVABLE

The loan balance of \$2,918 at December 31, 2017 respectively represents monies for security deposits for two clients of the program. The balance was reclassified to expense at December 31, 2017 as the monies do not have to be repaid.

NOTE 6. TEMPORARILY RESTRICTED CONTRIBUTION

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

	<u>12/31/2016</u>	<u>Sources</u>	<u>Uses</u>	<u>12/31/2017</u>
Virginia Toulmin Foundation	\$ 23,017	\$ -	\$ (6,736)	\$ 16,281
Montieth Illingworth	<u>-</u>	<u>10,000</u>	<u>-</u>	<u>10,000</u>
Total	<u>\$ 23,017</u>	<u>\$ 10,000</u>	<u>\$ (6,736)</u>	<u>\$ 26,281</u>

The balance of \$26,281 for the year ended December 31, 2017 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, 2017, the Organization's cash balances did not exceed the FDIC limit.