

**OF HOME FAMILY AND FUTURE INC.**

Financial Statements  
Years Ended  
December 31, 2019 and 2018

**OF HOME, FAMILY AND FUTURE, INC.**

**Table of Contents  
Years Ended  
December 31, 2019 and 2018**

	<u>Page #</u>
Independent Auditor's Report	1-2
Financial Statements:	
Statements of Financial Position	3
Statements of Activities	4
Statements of Functional Expenses	5
Statements of Cash Flows	6
Notes to Financial Statements	7-10



## INDEPENDENT AUDITOR'S REPORT

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

We have audited the accompanying financial statements of Of Home, Family & Future, Inc. (a nonprofit organization) which comprise the statement of financial position as of December 31, 2019, 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.

### **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 & Future, Inc. as of December 31, 2019, 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 Matter**

We have previously audited Of Home, Family & Future, Inc.'s December 31, 2018 financial statements and in our report dated February 22, 2019, we expressed an unmodified opinion on those audited financial statements.

*Berard & Associates CPA's P.C.*

Berard & Associates, CPA's P.C.  
Suffern, New York 10901  
February 26, 2020

**OF HOME, FAMILY AND FUTURE, INC.**  
**Statements of Financial Position**  
**December 31, 2019 and 2018**

<b>ASSETS</b>	<u>2019</u>	<u>2018</u>
Cash	\$ 159,569	\$ 133,845
Investments	1,120,194	1,264,957
Prepaid expenses	<u>1,957</u>	<u>1,958</u>
 Total assets	 <u><u>\$ 1,281,720</u></u>	 <u><u>\$ 1,400,760</u></u>
 <b>LIABILITIES AND NET ASSETS</b>		
Accrued expenses	<u>\$ 4,664</u>	<u>\$ 4,435</u>
Net assets:		
Without donor restrictions	1,268,099	1,386,075
With donor restrictions	<u>10,000</u>	<u>10,250</u>
Total net assets	<u>1,277,056</u>	<u>1,396,325</u>
Total liabilities and net assets	<u><u>\$ 1,281,720</u></u>	<u><u>\$ 1,400,760</u></u>

See notes to financial statements.

**OF HOME, FAMILY AND FUTURE, INC.**  
Statement of Activities  
Years Ended December 31, 2019 and 2018

	2019		2018	
	Without Donor Restrictions	With Donor Restrictions	Without Donor Restrictions	With Donor Restrictions
<b>OPERATING REVENUES</b>				
Contribution income	\$ 128,132	\$ 11,250	\$ 139,382	\$ 10,250
In-Kind Revenue	10,000	-	10,000	-
Fundraising Revenue	-	-	230	230
Fundraising Expenses	-	-	(502)	(502)
Net assets released from restrictions	11,500	(11,500)	26,281	(26,281)
Total operating revenues	149,632	(250)	149,382	(16,031)
<b>EXPENSES</b>				
Program Services	275,843	-	275,843	-
Management and General Fundraising	34,747	-	34,747	-
	13,550	-	13,550	-
Total expenses	324,140	-	324,140	292,956
Change in operating activities	(174,508)	(250)	(174,758)	(16,031)
<b>NONOPERATING REVENUES</b>				
Net investment return	55,243	-	55,243	11,295
Miscellaneous	246	-	246	341
Total revenue	55,489	-	55,489	11,636
Change in net assets	(119,019)	(250)	(119,269)	(16,031)
Net assets, beginning	1,386,075	10,250	1,396,325	26,281
Net assets, ending	1,267,056	10,000	1,277,056	\$ 1,396,325

See notes to financial statements.

**OF HOME, FAMILY AND FUTURE, INC.**  
**Statements of Functional Expenses**  
**Years Ended December 31, 2019 and 2018**

	2019			2018				
	Program Services	Management and General	Fund Raising	Total Expenses	Program Services	Management and General	Fund Raising	Total Expenses
Salaries	\$ 86,250	\$ 17,250	\$ 11,500	\$ 115,000	\$ 82,500	\$ 16,500	\$ 111,000	\$ 110,000
Consultants	35,116	-	-	35,116	7,883	1,577	1,050	10,510
Payroll taxes and benefits	7,557	1,511	1,007	10,075	85,371	-	-	85,371
Grant expense	84,772	-	-	84,772	70,454	-	-	70,454
Tuition	51,184	-	-	51,184	236	-	-	236
Printing	25	-	-	25	865	-	-	865
Office expenses	939	-	-	939	-	7,800	-	7,800
Accounting	-	8,150	-	8,150	-	822	-	822
Fundraising	-	-	1,043	1,043	-	-	-	-
In Kind Services	10,000	-	-	10,000	-	-	-	-
Bank charges	-	743	-	743	-	241	-	241
Payroll service fees	-	900	-	900	-	720	-	720
Insurance	-	2,859	-	2,859	-	2,956	-	2,956
Board expenses	-	3,059	-	3,059	-	2,706	-	2,706
Filing fees	-	275	-	275	-	275	-	275
<b>Total</b>	<b>\$ 275,843</b>	<b>\$ 34,747</b>	<b>\$ 13,550</b>	<b>\$ 324,140</b>	<b>\$ 247,309</b>	<b>\$ 33,597</b>	<b>\$ 12,050</b>	<b>\$ 292,956</b>

See notes to financial statements.

**OF HOME, FAMILY AND FUTURE, INC.**  
**Statements of Cash Flows**  
**Years Ended December 31, 2019 and 2018**

<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>	<u>2019</u>	<u>2018</u>
(Decrease) in net assets	\$ (119,269)	\$ (106,848)
Adjustments to reconcile change in net assets to net assets to net cash provided (used) for operating activities:		
Net decrease in fair market value of investments	144,763	138,719
Changes in operating assets and liabilities:		
Decrease in prepaid expenses	1	-
Increase in accrued expenses	<u>229</u>	<u>535</u>
Net cash provided by operating activities	<u>25,724</u>	<u>32,406</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>	<u>-</u>	<u>-</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>	<u>-</u>	<u>-</u>
Increase in cash	25,724	32,406
Cash- beginning of year	<u>133,845</u>	<u>101,439</u>
Cash- end of year	<u>\$ 159,569</u>	<u>\$ 133,845</u>
 Supplemental Information:		
Interest paid	<u>\$ -</u>	<u>\$ -</u>
Non-Cash transactions In-Kind Activity	<u>\$ 10,000</u>	<u>\$ -</u>

See notes to financial statements.



**OF HOME, FAMILY AND FUTURE, INC.**

Notes to Financial Statements

December 31, 2019 and 2018

**NOTE 1 – ORGANIZATION AND PURPOSE**

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.

**NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Basis of Accounting

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

Basis of Presentation

The Organization reports information regarding its financial position and activities according to two classes of net assets that are based up on the existence or absence of restrictions on use that are placed by its donors: net assets without donor restrictions and net assets with donor restrictions. Net assets with donor restrictions are subject to donor-imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, such as those that the donor stipulates that resources be maintained in perpetuity.

When a donor's restriction is satisfied, either by using the resources in the manner specified by the donor or by the passage of time, the expiration of the restriction is reported in the financial statements by reclassifying the net assets from net assets with donor restrictions to net assets without donor restrictions.

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

Property and Equipment

The Organization follows the practice of capitalizing all expenditures for property and equipment in excess of \$1,000. Purchase of property and equipment are carried at cost or, if donated, at the approximate fair value at the date of donation. Depreciation is provided on the straight-line method over the estimated useful lives of the assets.

Revenue Recognition

Revenue is recognized when earned. Contributions are recognized when cash, or other assets, an unconditional promise to give or notification of a beneficial interest is received. Costs incurred prior to the close of the fiscal year for such programs are classified as prepaid expenses.

Donated Services

Donated services are recognized as contributions if the services create or enhance nonfinancial assets or require specialized skills, are performed by people with those skills, and would otherwise be purchased by the Organization. The Organization received a donation from individuals to have their website updated at a cost of \$10,000 for the year ended December 31, 2019.

**OF HOME, FAMILY AND FUTURE, INC.**

Notes to Financial Statements

December 31, 2019 and 2018

**NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES -Continued**

Allocation of Expenses

The costs of providing various programs and other activities have been summarized on a functional basis in the Statement of Activities. The Statement of Functional Expenses presents the natural classification of expenses by function. Accordingly, certain costs have been allocated among the programs and supporting services benefited. The expenses that are allocated include personnel costs, professional services, office expenses, insurance, and other, which are allocated on the basis of estimates of time and effort.

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. On an ongoing basis, management evaluates the estimates and assumptions based on new information. Management believes that the estimates and assumptions are reasonable in the circumstances; however, actual results could differ from those estimates.

Reclassifications

Certain accounts in the prior year financial statements have been reclassified for comparative purposes to conform with the presentation in the current year financial statements.

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).

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.

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.

**NOTE 3-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.

**OF HOME, FAMILY AND FUTURE, INC.**  
Notes to Financial Statements  
December 31, 2019 and 2018

**NOTE 4- 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	\$159,569
Investments	<u>1,120,194</u>
Financial assets at year end	\$1,279,763
Less:	
Donor-imposed restrictions:	
Time restricted for 2019-2020 programs	(10,000)
Net financial assets after donor-imposed restrictions available to meet cash needs for general expenditures within one year	<u>\$1,269,763</u>

Of Home, Family and Future, Inc. regularly monitor its cash flow and liquidity needs through budgets and monthly financial reporting and analysis. In the event of unanticipated liquidity needs the Of Home, Family and Future, Inc tries to maintain three months of expenses in cash. In addition, as stated in Note 5 Of Home, Family & Future, Inc. they invest cash in excess of daily requirements in CD's.

**NOTE 5- INVESTMENTS AND FAIR VALUE MEASUREMENTS**

Generally accepted accounting principles provide a framework for measuring fair value. The framework establishes 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).

At December 31, 2019 and 2018, the Organization's investments consisted of publicly traded securities totaling \$1,120,194 and \$1,264,957. Investments are reported at fair value using a Level 1 measure as summarized below:

	<u>2019</u>	<u>2018</u>
Cash	\$ 9,842	\$ 12,972
Certificates of Deposit	<u>1,110,352</u>	<u>1,251,985</u>
Total investments	<u>\$ 1,110,194</u>	<u>\$ 1,264,957</u>

Net investment return for the years ended December 31, 2019 and 2018 consist of the following:

	<u>2019</u>	<u>2018</u>
Interest Income	\$ 26,903	\$ 25,490
Unrealized Gain (Loss)	<u>28,340</u>	<u>(14,195)</u>
Net investment return	<u>\$ 55,243</u>	<u>\$ 11,295</u>

**OF HOME, FAMILY AND FUTURE, INC.**

Notes to Financial Statements

December 31, 2019 and 2018

**NOTE 6 DONOR RESTRICTED CONTRIBUTION**

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

	<u>12/31/18</u>	<u>Sources</u>	<u>Uses</u>	<u>12/31/19</u>
Montieth Illingworth	\$10,000	\$ 11,000	(\$11,000)	\$10,000
Michael Policastra	250	-	( 250)	-
Tracey Newman	<u>-</u>	<u>250</u>	<u>( 250)</u>	<u>-</u>
Total	<u>\$10,250</u>	<u>\$11,250</u>	<u>(\$11,500)</u>	<u>\$10,000</u>

The balance of \$10,000 for the years ended December 31, 2019 represents monies restricted for the Educational Mentoring program. For the year ended December 31, 2018 the balance of \$10,250 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 #AFVALUE, the Organization's cash balances did not exceed the FDIC limit.

**NOTE 8- SUBSEQUENT EVENTS**

Management has evaluated subsequent events after the balance sheet date through February 26, 2020, the date the financial statements are available to be issued.