

OF HOME FAMILY AND FUTURE INC.

Financial Statements
Years Ended
December 31, 2020 and 2019

OF HOME, FAMILY AND FUTURE, INC.

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Years Ended
December 31, 2020 and 2019

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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 statements of financial position as of December 31, 2020 and 2019, and the related statements of activities, functional expenses, and cash flows for the years 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.

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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, 2020 and 2019, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Berard & Associates CPA's P.C.

Berard & Associates, CPA's P.C.
Suffern, New York 10901
April 8, 2021

OF HOME, FAMILY AND FUTURE, INC.

Statements of Financial Position

December 31, 2020 and 2019

ASSETS	<u>2020</u>	<u>2019</u>
Cash	\$ 157,134	\$ 159,569
Investments	1,039,268	1,120,194
Prepaid expenses	<u>2,796</u>	<u>1,957</u>
Total assets	<u>\$ 1,199,198</u>	<u>\$ 1,281,720</u>
LIABILITIES AND NET ASSETS		
Accrued expenses	<u>\$ 5,555</u>	<u>\$ 4,664</u>
Total current liabilities	<u>5,555</u>	<u>4,664</u>
Net assets:		
Without donor restrictions	1,183,643	1,267,056
With donor restrictions	<u>10,000</u>	<u>10,000</u>
Total net assets	<u>1,193,643</u>	<u>1,277,056</u>
Total liabilities and net assets	<u>\$ 1,199,198</u>	<u>\$ 1,281,720</u>

See notes to financial statements.

OF HOME, FAMILY AND FUTURE, INC.
 Statements of Activities
 Years Ended December 31, 2020 and 2019

	2020			2019		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
OPERATING REVENUES						
Contribution income	\$ 159,765	\$ 11,250	\$ 171,015	\$ 128,132	\$ 11,250	\$ 139,382
In-Kind Revenue	-	-	-	10,000	-	10,000
Net assets released from restrictions	11,250	(11,250)	-	11,500	(11,500)	-
 Total operating revenues	 <u>171,015</u>	 <u>-</u>	 <u>171,015</u>	 <u>149,632</u>	 <u>(250)</u>	 <u>149,382</u>
EXPENSES						
Program Services	228,045	-	228,045	275,843	-	275,843
Management and General	32,342	-	32,342	34,747	-	34,747
Fundraising	13,283	-	13,283	13,550	-	13,550
 Total expenses	 <u>273,670</u>	 <u>-</u>	 <u>273,670</u>	 <u>324,140</u>	 <u>-</u>	 <u>324,140</u>
 Change in operating activities	 (102,655)	 -	 (102,655)	 (174,508)	 (250)	 (174,758)
NONOPERATING REVENUES						
Net investment return	19,078	-	19,078	55,243	-	55,243
Miscellaneous	164	-	164	246	-	246
Total revenue	<u>19,242</u>	<u>-</u>	<u>19,242</u>	<u>55,489</u>	<u>-</u>	<u>55,489</u>
 Change in net assets	 (83,413)	 -	 (83,413)	 (119,019)	 (250)	 (119,269)
 Net assets, beginning	 <u>1,267,056</u>	 <u>10,000</u>	 <u>1,277,056</u>	 <u>1,386,075</u>	 <u>10,250</u>	 <u>1,396,325</u>
 Net assets, ending	 <u><u>1,183,643</u></u>	 <u><u>10,000</u></u>	 <u><u>1,193,643</u></u>	 <u><u>\$ 1,267,056</u></u>	 <u><u>\$ 10,000</u></u>	 <u><u>\$ 1,277,056</u></u>

See notes to financial statements.

OF HOME, FAMILY AND FUTURE, INC.
 Statements of Functional Expenses
 Years Ended December 31, 2020 and 2019

	2020				2019			
	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	\$ 86,250	\$ 17,250	\$11,500	\$ 115,000
Consultants	42,500	-	-	42,500	35,116	-	-	35,116
Payroll taxes and benefits	7,433	1,486	990	9,909	7,557	1,511	1,007	10,075
Grant expense	43,906	-	-	43,906	84,772	-	-	84,772
Tuition	46,645	-	-	46,645	51,184	-	-	51,184
Printing	0	-	-	-	25	-	-	25
Office expenses	1,311	-	-	1,311	939	-	-	939
Accounting	-	8,400	-	8,400	-	8,150	-	8,150
Fundraising	-	-	793	793	-	-	1,043	1,043
In Kind Services	-	-	-	-	10,000	-	-	10,000
Bank charges	-	658	-	658	-	743	-	743
Payroll service fees	-	1,080	-	1,080	-	900	-	900
Insurance	-	2,976	-	2,976	-	2,859	-	2,859
Board expenses	-	217	-	217	-	3,059	-	3,059
Filing fees	-	275	-	275	-	275	-	275
Total	\$ 228,045	\$ 32,342	\$ 13,283	\$ 273,670	\$ 275,843	\$ 34,747	\$13,550	\$ 324,140

See notes to financial statements.

OF HOME, FAMILY AND FUTURE, INC.
 Statements of Cash Flows
 Years Ended December 31, 2020 and 2019

CASH FLOWS FROM OPERATING ACTIVITIES:	<u>2020</u>	<u>2019</u>
(Decrease) in net assets	\$ (83,413)	\$ (119,269)
Adjustments to reconcile change in net assets to net assets to net cash provided (used) for operating activities:		
Unrealized gain on investments	19,078	55,243
Changes in operating assets and liabilities:		
(Increase) decrease in prepaid expenses	(839)	1
Increase in accrued expenses	<u>891</u>	<u>229</u>
Net cash (used) by operating activities	<u>(64,283)</u>	<u>(63,796)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Sale of investments	<u>61,848</u>	<u>89,520</u>
Net cash provided by investing activities	<u>61,848</u>	<u>89,520</u>
CASH FLOWS FROM FINANCING ACTIVITIES:	<u>-</u>	<u>-</u>
(Decrease) increase in cash	(2,435)	25,724
Cash- beginning of year	<u>159,569</u>	<u>133,845</u>
Cash- end of year	<u>\$ 157,134</u>	<u>\$ 159,569</u>
Supplemental Information:		
Interest paid	<u>\$ -</u>	<u>\$ -</u>
Non-Cash transactions In-Kind Activity	<u>\$ -</u>	<u>\$ 10,000</u>

See notes to financial statements.

OF HOME, FAMILY AND FUTURE, INC.

Notes to Financial Statements

December 31, 2020 and 2019

NOTE 1 – ORGANIZATION AND PURPOSE

Of Home Family and Future, Inc. (OHFF), 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. One hundred 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

Net assets with donor restrictions consist of assets whose use is limited by donor-imposed, time and/or purpose restrictions. OHFF 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 ends or a 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. Some net assets with donor restrictions include a stipulation that assets provided be maintained permanently (perpetual in nature) while permitting the OHFF to expend the income generated by the assets in accordance with the provisions of additional donor-imposed stipulations or OHFF's approved spending policy. It is the policy of The Organization to account for donor restricted funds, which are received and expended in the same year to be recorded as net assets without donor restrictions.

Net assets without donor restrictions are available for use at the discretion of OHFF for general operating purposes.

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. Conditional promises to give are not recognized until the conditions on which they depend have been substantially met or the donor has explicitly released the restriction. Costs incurred prior to the close of the fiscal year for such programs are classified as prepaid expenses.

OF HOME, FAMILY AND FUTURE, INC.

Notes to Financial Statements

December 31, 2020 and 2019

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES -Continued

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.

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

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amount and disclosures. Actual results could differ from those estimates.

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).

The Organization 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. The Organization does not believe they have taken any material uncertain tax positions and, accordingly they have not recorded any liability for unrecognized tax benefits.

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, 2020 and 2019

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:

	<u>2020</u>	<u>2019</u>
Financial Assets:		
Cash and cash equivalents	\$ 157,934	\$ 159,569
Investments	<u>1,039,268</u>	<u>1,120,194</u>
Financial assets, at year-end	1,197,202	1,279,763
Less:		
Donor-imposed restrictions:		
Restricted for 2020-2021 programs	(10,000)	-
Restricted for 2019-2020 programs	<u>-</u>	<u>(10,000)</u>
Financial assets available to meet cash needs for general expenditure within one year	<u>\$ 1,187,202</u>	<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 Home, Family & Future, Inc. 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, 2020 and 2019, 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>2020</u>	<u>2019</u>
Cash	\$ 686,703	\$ 9,842
Certificates of Deposit	<u>352,565</u>	<u>1,110,352</u>
Total investments	<u>\$ 1,039,268</u>	<u>\$ 1,120,194</u>

Net investment return for the years ended December 31, 2020 and 2019 consist of the following:

	<u>2020</u>	<u>2019</u>
Interest Income	\$ 16,864	\$ 26,903
Unrealized Gain (Loss)	<u>2,214</u>	<u>28,340</u>
Net investment return	<u>\$ 19,078</u>	<u>\$ 55,243</u>

OF HOME, FAMILY AND FUTURE, INC.
Notes to Financial Statements
December 31, 2020 and 2019

NOTE 6 DONOR RESTRICTED CONTRIBUTION

Donor restricted net assets consist of the following at December 31, 2020:

	<u>12/31/19</u>	<u>Sources</u>	<u>Uses</u>	<u>12/31/20</u>
Montieth Illingworth	<u>\$10,000</u>	<u>\$ 10,000</u>	<u>(\$10,000)</u>	<u>\$10,000</u>
Total	<u>\$10,000</u>	<u>\$10,000</u>	<u>(\$10,000)</u>	<u>\$10,000</u>

Donor restricted net assets consist of the following at December 31, 2019:

	<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
Tracey Newman	-	250	(250)	-
Michael Policastra	<u>250</u>	<u>-</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, 2020 and 2019, respectively represents monies restricted for the Transformation Squared program.

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 2020, the Organization's cash balances did not exceed the FDIC limit.

NOTE 8 - CORONAVIRUS, AID, RELIEF AND ECONOMIC SECURITY ACT (CARES Act)

In March 2020, the World Health Organization declared the outbreak of a novel coronavirus (COVID-19) as a pandemic. The Governor of New York State subsequently closed all non-essential businesses and instituted rules for social distancing. Of Home, Family and Future, Inc. remained fully operational throughout the pandemic, but Of Home, Family and Future, Inc.'s operations had to be restructured to address social distancing, sanitation and other safety measures. Of Home, Family and Future, Inc. continues to comply with CDC and state guidelines relating to its operations. The impact of COVID on its 2021 financials is as yet unknown. The financial statements do not include any adjustments that might result from the outcome of this uncertainty.

NOTE 9- SUBSEQUENT EVENTS

Management has evaluated subsequent events after the balance sheet date through April 8, 2021, the date the financial statements are available to be issued.