



Audited Financial Statements

One Family, Inc.

June 30, 2019

# One Family, Inc.

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# GT REILLY & COMPANY

CPAs and Advisors

## Independent Auditors' Report

To the Board of Directors  
One Family, Inc.

We have audited the accompanying financial statements of One Family, Inc., which comprise the statements of financial position as of June 30, 2019 and 2018, and the related statements of activities and changes in net assets, 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.

### **Auditors' Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits 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 auditors' judgment, including the assessment of the risk 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 One Family, Inc. as of June 30, 2019 and 2018, and the changes in its net assets and its cash flows for the years then ended, in conformity with accounting principles generally accepted in the United States of America.

G.T. Reilly & Company

Milton, Massachusetts  
October 2, 2019

An independent firm associated with  
Moore Stephens International Limited

**MOORE STEPHENS**

# One Family, Inc.

## Statements of Financial Position

June 30

<u>Assets</u>	<u>2019</u>	<u>2018</u>
CURRENT ASSETS		
Cash and cash equivalents	\$1,041,068	\$1,242,463
Promises to give, net	262,615	10,116
Prepaid expenses and other assets	6,236	-
TOTAL CURRENT ASSETS	<u>1,309,919</u>	<u>1,252,579</u>
INVESTMENTS	566,309	544,520
PROPERTY AND EQUIPMENT, net	<u>91,586</u>	<u>94,259</u>
TOTAL ASSETS	<u>\$1,967,814</u>	<u>\$1,891,358</u>
<u>Liabilities and Net Assets</u>		
CURRENT LIABILITIES		
Accounts payable	\$ -	\$ 7,153
Accrued expenses	11,287	14,858
TOTAL CURRENT LIABILITIES	<u>11,287</u>	<u>22,011</u>
DEFERRED LEASE OBLIGATIONS	<u>-</u>	<u>25,194</u>
TOTAL LIABILITIES	<u>11,287</u>	<u>47,205</u>
NET ASSETS		
Without donor restrictions	1,512,051	1,691,120
With donor restrictions	444,476	153,033
TOTAL LIABILITIES AND NET ASSETS	<u>1,956,527</u>	<u>1,844,153</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$1,967,814</u>	<u>\$1,891,358</u>

# One Family, Inc.

## Statements of Activities and Changes in Net Assets

### Years Ended June 30

	2019			2018		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
<b>OPERATING SUPPORT AND REVENUES</b>						
Private grants and contributions	\$ 917,338	\$ 292,254	\$ 1,209,592	\$ 831,158	\$ -	\$ 831,158
Government grants and contracts	359,455	-	359,455	281,849	-	281,849
Special events, net	135,556	-	135,556	137,455	-	137,455
Investment income, gains and other	22,487	-	22,487	59,373	-	59,373
Net assets released from restrictions	811	(811)	-	227,598	(227,598)	-
<b>TOTAL OPERATING SUPPORT &amp; REVENUES</b>	<b>1,435,647</b>	<b>291,443</b>	<b>1,727,090</b>	<b>1,537,433</b>	<b>(227,598)</b>	<b>1,309,835</b>
<b>OPERATING EXPENSES</b>						
Program services:						
One Family Scholars	892,256	-	892,256	902,564	-	902,564
Systems Change	130,277	-	130,277	80,873	-	80,873
Credential to Career Coaching	313,415	-	313,415	268,929	-	268,929
Technical Assistance	62,687	-	62,687	-	-	-
<b>TOTAL PROGRAM SERVICES</b>	<b>1,398,635</b>	<b>-</b>	<b>1,398,635</b>	<b>1,252,366</b>	<b>-</b>	<b>1,252,366</b>
Support services:						
General and administrative	98,972	-	98,972	136,424	-	136,424
Fundraising	115,790	-	115,790	104,865	-	104,865
<b>TOTAL SUPPORT SERVICES</b>	<b>214,762</b>	<b>-</b>	<b>214,762</b>	<b>241,289</b>	<b>-</b>	<b>241,289</b>
<b>TOTAL OPERATING EXPENSES</b>	<b>1,613,397</b>	<b>-</b>	<b>1,613,397</b>	<b>1,493,655</b>	<b>-</b>	<b>1,493,655</b>
<b>CHANGE IN NET ASSETS FROM OPERATIONS</b>	<b>(177,750)</b>	<b>291,443</b>	<b>113,693</b>	<b>43,778</b>	<b>(227,598)</b>	<b>(183,820)</b>
<b>NON-OPERATING LOSSES</b>						
Net loss on relocation (Note 5)	(1,319)	-	(1,319)	-	-	-
<b>CHANGE IN NET ASSETS</b>	<b>(179,069)</b>	<b>291,443</b>	<b>112,374</b>	<b>43,778</b>	<b>(227,598)</b>	<b>(183,820)</b>
<b>NET ASSETS AT BEGINNING OF YEAR</b>	<b>1,691,120</b>	<b>153,033</b>	<b>1,844,153</b>	<b>1,647,342</b>	<b>380,631</b>	<b>2,027,973</b>
<b>NET ASSETS AT END OF YEAR</b>	<b>\$ 1,512,051</b>	<b>\$ 444,476</b>	<b>\$ 1,956,527</b>	<b>\$ 1,691,120</b>	<b>\$ 153,033</b>	<b>\$ 1,844,153</b>

## One Family, Inc.

### Statement of Functional Expenses

For the Year Ended June 30, 2019 (With Comparative Totals for 2018)

	Program Services				Total Program Services	Support Services			2019 Total Expenses	2018 Total Expenses
	One Family Scholars	Systems Change	Credential to Career Coaching	Technical Assistance		General & Administrative	Fundraising	Total Support Services		
<b>PERSONNEL AND RELATED</b>										
Salaries	\$ 225,487	\$ 90,195	\$ 223,326	\$ 52,614	\$ 591,622	\$ 27,646	\$ 71,879	\$ 99,525	\$ 691,147	\$ 544,456
Payroll taxes and fringe benefits	35,304	14,122	34,966	8,237	92,629	4,328	11,254	15,582	108,211	82,348
Contracted services	-	750	-	-	750	16,718	-	16,718	17,468	42,762
<b>TOTAL PERSONNEL AND RELATED</b>	<b>260,791</b>	<b>105,067</b>	<b>258,292</b>	<b>60,851</b>	<b>685,001</b>	<b>48,692</b>	<b>83,133</b>	<b>131,825</b>	<b>816,826</b>	<b>669,566</b>
<b>OCCUPANCY</b>										
Rent	15,776	9,466	19,562	-	44,804	5,048	13,252	18,300	63,104	48,349
Repairs and maintenance	590	354	731	-	1,675	189	495	684	2,359	18
Utilities and phone	2,517	1,511	3,122	-	7,150	985	2,114	3,099	10,249	9,777
Depreciation	6,137	3,682	7,609	-	17,428	1,964	5,154	7,118	24,546	24,230
<b>TOTAL OCCUPANCY</b>	<b>25,020</b>	<b>15,013</b>	<b>31,024</b>	<b>-</b>	<b>71,057</b>	<b>8,186</b>	<b>21,015</b>	<b>29,201</b>	<b>100,258</b>	<b>82,374</b>
<b>OTHER</b>										
Events, meetings and conferences	8,749	491	1,328	1,369	11,937	1,218	1,145	2,363	14,300	7,072
Program expenses	56,545	-	-	-	56,545	-	-	-	56,545	50,295
Professional fees	1,147	688	1,422	-	3,257	22,860	964	23,824	27,081	34,254
Travel and meals	2,012	1,669	2,108	207	5,996	1,740	264	2,004	8,000	6,650
Recruitment/outplacement	32	32	127	-	191	-	645	645	836	645
Equipment, printing and supplies	1,388	1,041	2,166	97	4,692	10,001	1,572	11,573	16,265	7,252
Technology	5,121	2,148	7,394	154	14,817	1,166	3,212	4,378	19,195	16,922
Liability insurance	1,842	1,105	2,284	-	5,231	176	1,547	1,723	6,954	5,948
Staff development	515	2,572	519	-	3,606	1,288	729	2,017	5,623	2,869
Other	56	451	71	9	587	3,645	1,564	5,209	5,796	5,885
<b>TOTAL OTHER</b>	<b>77,407</b>	<b>10,197</b>	<b>17,419</b>	<b>1,836</b>	<b>106,859</b>	<b>42,094</b>	<b>11,642</b>	<b>53,736</b>	<b>160,595</b>	<b>137,792</b>
<b>TOTAL EXPENSES BEFORE PARTICIPANT COSTS</b>	<b>363,218</b>	<b>130,277</b>	<b>306,735</b>	<b>62,687</b>	<b>862,917</b>	<b>98,972</b>	<b>115,790</b>	<b>214,762</b>	<b>1,077,679</b>	<b>889,732</b>
<b>ONE FAMILY SCHOLAR AND C2C AWARDS</b>	<b>529,038</b>	<b>-</b>	<b>6,680</b>	<b>-</b>	<b>535,718</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>535,718</b>	<b>603,923</b>
<b>TOTAL EXPENSES</b>	<b>\$ 892,256</b>	<b>\$ 130,277</b>	<b>\$ 313,415</b>	<b>\$ 62,687</b>	<b>\$ 1,398,635</b>	<b>\$ 98,972</b>	<b>\$ 115,790</b>	<b>\$ 214,762</b>	<b>\$ 1,613,397</b>	<b>\$ 1,493,655</b>

# One Family, Inc.

## Statement of Functional Expenses For the Year Ended June 30, 2018

	Program Services			Support Services				Total Expenses
	One Family Scholars	Systems Change	Credential to Career Coaching	Total Program Services	General & Administrative	Fundraising	Total Support Services	
<b>PERSONNEL AND RELATED</b>								
Salaries	\$ 191,515	\$ 33,277	\$ 198,344	\$ 423,136	\$ 53,762	\$ 67,558	\$ 121,320	\$ 544,456
Payroll taxes and fringe benefits	22,990	8,930	26,975	58,895	13,886	9,567	23,453	82,348
Contracted services	-	24,670	-	24,670	15,591	2,501	18,092	42,762
<b>TOTAL PERSONNEL AND RELATED</b>	<b>214,505</b>	<b>66,877</b>	<b>225,319</b>	<b>506,701</b>	<b>83,239</b>	<b>79,626</b>	<b>162,865</b>	<b>669,566</b>
<b>OCCUPANCY</b>								
Rent	15,470	2,568	16,968	35,006	4,818	8,525	13,343	48,349
Repairs and maintenance	6	1	6	13	2	3	5	18
Utilities and phone	2,414	398	2,648	5,460	2,985	1,332	4,317	9,777
Depreciation	7,753	1,287	8,503	17,543	2,415	4,272	6,687	24,230
<b>TOTAL OCCUPANCY</b>	<b>25,643</b>	<b>4,254</b>	<b>28,125</b>	<b>58,022</b>	<b>10,220</b>	<b>14,132</b>	<b>24,352</b>	<b>82,374</b>
<b>OTHER</b>								
Events, meetings and conferences	5,436	25	618	6,079	376	617	993	7,072
Program expenses	46,795	3,500	-	50,295	-	-	-	50,295
Professional fees	398	1,940	1,661	3,999	28,947	1,308	30,255	34,254
Travel and meals	2,084	2,055	1,708	5,847	607	196	803	6,650
Recruitment/outplacement	180	90	-	270	-	375	375	645
Equipment, printing and supplies	2,031	388	2,364	4,783	1,314	1,155	2,469	7,252
Technology	7,006	1,093	2,661	10,760	1,753	4,409	6,162	16,922
Liability insurance	433	433	433	1,299	3,783	866	4,649	5,948
Staff development	170	-	-	170	1,959	740	2,699	2,869
Other	-	218	-	218	4,226	1,441	5,667	5,885
<b>TOTAL OTHER</b>	<b>64,533</b>	<b>9,742</b>	<b>9,445</b>	<b>83,720</b>	<b>42,965</b>	<b>11,107</b>	<b>54,072</b>	<b>137,792</b>
<b>TOTAL EXPENSES BEFORE PARTICIPANT COSTS</b>								
	304,681	80,873	262,889	648,443	136,424	104,865	241,289	889,732
<b>ONE FAMILY SCHOLAR AND C2C AWARDS</b>	<b>597,883</b>	<b>-</b>	<b>6,040</b>	<b>603,923</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>603,923</b>
<b>TOTAL EXPENSES</b>	<b>\$ 902,564</b>	<b>\$ 80,873</b>	<b>\$ 268,929</b>	<b>\$1,252,366</b>	<b>\$ 136,424</b>	<b>\$ 104,865</b>	<b>\$ 241,289</b>	<b>\$1,493,655</b>

# One Family, Inc.

## Statements of Cash Flows

For the Years Ended June 30

	<u>2019</u>	<u>2018</u>
CASH FLOWS FROM OPERATING ACTIVITIES:		
Change in net assets	\$ 112,374	\$ (183,820)
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:		
Depreciation	24,546	24,230
Donated investments	(760)	-
Net loss related to relocation and disposal of leasehold improvements	1,319	-
Net realized and unrealized gains on investments	(5,271)	(49,532)
Changes in operating assets and liabilities:		
Promises to give, net	(252,499)	9,441
Prepaid expenses and other assets	(6,236)	-
Accounts payable	(7,153)	2,446
Accrued expenses	(3,571)	8,011
Deferred lease obligations	-	(741)
NET CASH USED IN OPERATING ACTIVITIES	<u>(137,251)</u>	<u>(189,965)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of property and equipment	(48,500)	(31,010)
Proceeds from sale of investments	-	24,423
Purchases of investments	(15,644)	(34,569)
NET CASH USED IN INVESTING ACTIVITIES	<u>(64,144)</u>	<u>(41,156)</u>
NET DECREASE IN CASH AND CASH EQUIVALENTS	(201,395)	(231,121)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	<u>1,242,463</u>	<u>1,473,584</u>
CASH AND CASH EQUIVALENTS AT END OF YEAR	<u>\$ 1,041,068</u>	<u>\$1,242,463</u>

### SUPPLEMENTAL DISCLOSURES OF NON-CASH TRANSACTIONS

Donated investments	<u>\$ 760</u>	<u>\$ -</u>
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## Notes to Financial Statements

June 30, 2019

### Note 1 – Operations, Nonprofit Status and Significant Accounting Policies

One Family aims to prevent homelessness and break the cycle of family poverty in Massachusetts by promoting pathways to economic independence through advocacy, education and innovation. We envision a Commonwealth where all families have secure housing, access to education leading to employment, and the ability to build assets to create a brighter future. One Family believes that if policies are focused on prevention and programs are designed to promote opportunities, then we can end family homelessness in Massachusetts.

As an organization dedicated to preventing family homelessness, One Family's ultimate aims are supporting housing stability and asset development for those we serve. In addition to advocating for programs and policies, our direct service programs position families to achieve these goals. Both our One Family Scholars (OFS) and our Credential to Career Coaching (C2C) programs are targeted to providing parents who are experiencing or at risk for homelessness with the information and coaching they need to enter careers through which they can support themselves and their children, and giving them the ability to build assets for the future.

Tax Status and Uncertain Tax Positions – One Family is exempt from federal income taxes as an organization (not a private foundation) formed for charitable purposes under Section 501(c)(3) of the Internal Revenue Code (IRC). One Family is also exempt from state income taxes. Donors may deduct contributions made to One Family within IRC regulations.

One Family files income tax and information returns in the United States Federal and Massachusetts state jurisdictions. Management annually reviews its tax positions and has determined that there are no material uncertain tax positions that require recognition in the financial statements.

Significant Accounting Policies – One Family prepares its financial statements in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP).

Change in Financial Statement Presentation – In August of 2016, the Financial Accounting Standards Board issued Accounting Standard Update (ASU) 2016-14, "*Presentation of Financial Statements of Not-for-Profit Entities*" (Topic 958). The ASU is intended to improve net asset classification requirements as well as information presented in financial statements and notes about a not-for-profit entity's liquidity and availability of resources, and its expenses. One Family has adopted ASU 2016-14 in fiscal 2019 and it has implemented its provisions retrospectively to the fiscal 2018 financial statements as previously presented. The adoption and retrospective application of the ASU had no effect on the total amount of net assets as previously reported at June 30, 2018 or on the change in net assets for the year then ended.

One Family now presents in its statement of financial position and changes in net assets two classes of net assets based on the existence or absence of donor-imposed restrictions as stated below.

Net Assets Without Donor Restrictions – These are net assets available for use in general operations and not subject to donor restrictions. At its discretion, the Board of Directors may designate net assets without restrictions for specific purposes.

Net Assets With Donor Restrictions – These net assets are subject to donor-imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met with the passage of time, the occurrence of events, or by the use of the funds as specified by the donor. Other donor-imposed restrictions may be perpetual in nature where the donor stipulates that the funds be maintained in perpetuity.

## Note 1 – Operations, Nonprofit Status and Significant Accounting Policies (Cont.)

Donor-restricted revenues, support and gains are recorded as "net assets with donor restrictions" when received or pledged. When a temporary donor-imposed restriction expires, either by use of the funds for the specified purpose or by the expiration of a time restriction, related amounts of "net assets with donor restrictions" are reclassified to "net assets without donor restrictions" and reported in the statement of activities as "net assets released from restrictions". Contributions are recorded as without restriction if the restrictions are met in the same year that the contribution is made.

Contributions made with donor-imposed restrictions to maintain the principal in perpetuity, while allowing the use of income generated therefrom, are also classified as "net assets with donor restrictions". Income derived from the investment of these perpetual net assets is reported as an increase in "net assets without donor restrictions" or "net assets with donor restrictions" depending on the terms of the donor instrument. Unrealized gains or losses on perpetual net assets are reported as increases or decreases in "net assets with donor restrictions", unless the donor explicitly states otherwise.

Net assets with donor restrictions include amounts that are restricted for the following purposes and programs at June 30:

	<u>2019</u>	<u>2018</u>
Purpose restricted - One Family Scholars Program	\$ 152,223	\$ 153,033
Purpose restricted - scholarships (tuition & supplies)	272,253	-
Time restricted	20,000	-
	<u>\$ 444,476</u>	<u>\$ 153,033</u>

As of June 30, 2019 and 2018, One Family does not have any net assets with donor restrictions to maintain the principal in perpetuity.

During the years ended June 30, 2019 and 2018, net assets with donor restrictions of \$811 and \$227,598, respectively, were released for the One Family Scholars program.

Cash and Cash Equivalents – For the purpose of the statements of cash flows, cash includes balances on hand at banks as well as repurchase agreements representing collateralized overnight investments with United States banks, which are carried at their principal amounts given their overnight maturity. Cash and cash equivalents include the following at June 30:

	<u>2019</u>	<u>2018</u>
Cash on hand at banks	\$ 240,086	\$ 415,306
Overnight investment program	800,982	827,157
	<u>\$ 1,041,068</u>	<u>\$ 1,242,463</u>

Promises to Give – Promises to give to the Organization that are, in effect, "unconditional" are recorded at the present value of future cash flows. Contributions to be received after one year are discounted at an appropriate discount rate commensurate with the risks involved. Amortization of the discount is recorded as additional contribution revenue in accordance with donor-imposed restrictions, if any, on the contributions. Promises to give are stated net of an allowance for doubtful accounts, when considered necessary, which would be reported on the face of the Organization's statement of financial position. The allowance is established via a provision for bad debts charged to operations. On a periodic basis, management evaluates its promises to give and establishes or adjusts its allowance to an amount that it believes will be adequate to absorb possible losses on receivables that may become uncollectible, based on evaluations of collectability, the history of prior loss experience and on current economic conditions. The accompanying statements of financial position do not include an allowance for doubtful accounts as one was not considered necessary by management.

## Note 1 – Operations, Nonprofit Status and Significant Accounting Policies (Cont.)

Fair Value Measurements – One Family follows the Accounting Standards Codification (ASC) Topic 820, “Fair Value Measurements and Disclosures”, for assets and liabilities that are measured at fair value on a recurring basis, and to determine fair value disclosures. This standard defines fair value and it establishes a three-tier fair value hierarchy, which prioritizes the inputs used in measuring fair value. This standard applies to certain other existing accounting pronouncements that require or permit fair value measurements. The applicability of this standard is limited to One Family’s investments. See “Investments” below.

Investments – Investments are reported at fair value using Level 1 inputs (see below). Investment income is recorded as earned. Investment gains or losses are recorded as incurred upon sales or based on changes in market values during the period (see Note 3). Investments are classified as noncurrent assets in the accompanying statements of financial position, as it is One Family’s intent to hold these investments for long-term purposes. Investments are not insured and are subject to ongoing market fluctuations.

Valuation techniques used to measure fair value must maximize the use of observable inputs and minimize the use of unobservable inputs. The fair value accounting standard established a three-tier fair value hierarchy, which prioritizes the inputs used in measuring fair value. The three tiers are defined as:

Level 1 – Observable inputs such as quoted prices in active markets.

Level 2 – Inputs other than Level 1 inputs that are observable, either directly or indirectly, such as quoted prices for similar assets or liabilities; quoted prices in markets that are not active; or other inputs that are observable or can be corroborated by observable markets.

Level 3 – Unobservable inputs in which little or no market data exists, therefore requiring an entity to develop its own assumptions which are significant to the fair value measurement.

One Family’s investments are valued based on Level 1 inputs within the fair value hierarchy (see Note 3).

Property, Equipment and Depreciation – Purchased property and equipment are recorded at cost (see Note 4). Donated property and equipment are recorded at fair value at the time of donation. Ordinary repairs and maintenance are expensed when incurred, while renewals and betterments are capitalized. Depreciation of capitalized property and equipment is computed using the straight-line method over the following estimated useful lives:

Furniture and fixtures	10 years
Office equipment	5 years
Computers and software	5 years
Leasehold improvements	3 years or life of lease

Special Events – Special events revenue is presented net of direct expenses in the accompanying statements of activities and changes in net assets and consists of the following for the years ended June 30:

	<u>2019</u>	<u>2018</u>
Individual contributions and foundation grants	\$ 119,213	\$ 120,661
Corporate contributions	<u>40,175</u>	<u>39,500</u>
	159,388	160,161
Less: direct expenses	<u>23,832</u>	<u>22,706</u>
Net special events revenue	<u>\$ 135,556</u>	<u>\$ 137,455</u>

Donated Goods and Services – One Family receives services from volunteers in connection with its programs. The value of these services is not reflected in the accompanying financial statements since these services do not meet the criteria for recognition under U.S. GAAP.

## Note 1 – Operations, Nonprofit Status and Significant Accounting Policies (Cont.)

Functional Allocation of Expenses – The statement of activities and changes in net assets reports expenses by program and supporting functions. The statement of functional expenses presents the natural classification of expenses by function. Expenses are generally reported according to their purpose. Certain costs have been allocated among program and supporting services benefited based upon a reasonable basis that is consistently applied. The expenses that are allocated include salaries and wages, including payroll taxes and benefits, and occupancy costs that are allocated based on estimate of effort and use.

Advertising Costs – One Family expenses advertising costs as they are incurred. Advertising expense for the years ended June 30, 2019 and 2018 were \$4,461 and \$3,983 respectively.

One Family Scholar and C2C Awards – In the course of operating the OFS and C2C programs, One Family granted the following awards for the years ended June 30:

	<u>2019</u>	<u>2018</u>
Education expenses	\$ 367,540	\$ 417,066
Stipends	<u>168,178</u>	<u>186,857</u>
	<u>\$ 535,718</u>	<u>\$ 603,923</u>

Recognition of Grant Expense – Grant expense is recognized at the time that One Family grants the awards for the OFS and C2C programs.

Accounting Estimates – The preparation of financial statements in accordance with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates. Estimates are involved in the process of allocating certain expenses to programs or supporting functions.

Subsequent Events – In accordance with generally accepted accounting principles, management has evaluated subsequent events involving One Family for potential recognition or disclosure in the accompanying financial statements. Subsequent events are events or transactions that occurred after June 30, 2019 up through October 2, 2019, the date the accompanying financial statements were available to be issued.

## Note 2 – Promises to Give

Promises to give to the Organization, summarized by use restriction, are as follows as of June 30:

	<u>2019</u>	<u>2018</u>
Scholarships	\$ 240,000	\$ -
Time restricted	20,000	-
Without restriction	<u>19,734</u>	<u>10,116</u>
	279,734	10,116
Less discount	<u>(17,119)</u>	-
	<u>\$ 262,615</u>	<u>\$ 10,116</u>
Amount due in:		
Less than one year	\$ 159,734	\$ 10,116
One to five years	<u>102,881</u>	-
	<u>\$ 262,615</u>	<u>\$ 10,116</u>

Promises to give are recorded at the present value of estimated cash flows. The present value of estimated future cash flows has been measured utilizing a risk adjusted discount of 8% at June 30, 2019.

### Note 3 – Investments

Investments are presented in the accompanying financial statements at fair value. The following table presents the fair value measurements of One Family's investments, which are valued using Level 1 inputs, as of June 30:

	<u>2019</u>	<u>2018</u>
Investments:		
Daily money market	<u>\$ 70,075</u>	<u>\$ 68,567</u>
Mutual funds:		
Global mutual funds	155,434	156,273
Exchange traded funds	<u>338,909</u>	<u>319,680</u>
	<u>494,343</u>	<u>475,953</u>
Equity securities	<u>1,891</u>	<u>-</u>
Total investments	<u><u>\$ 566,309</u></u>	<u><u>\$ 544,520</u></u>

Realized and unrealized gains on investments were \$5,270 for the year ended June 30, 2019 (\$49,532 for the year ended June 30, 2018.) These gains are included in investment income in the accompanying statements of activities and changes in net assets.

### Note 4 – Property and Equipment

Property and equipment consist of the following as of June 30:

	<u>2019</u>	<u>2018</u>
Leasehold improvements	\$ 48,500	\$ 45,341
Computers and software	76,860	76,860
Furniture, fixtures and equipment	<u>43,246</u>	<u>43,246</u>
	168,606	165,447
Less accumulated depreciation	<u>77,020</u>	<u>71,188</u>
	<u><u>\$ 91,586</u></u>	<u><u>\$ 94,259</u></u>

### Note 5 – Lease Agreement

In January of 2019, One Family relocated its office and entered into a new lease agreement for space in South Boston. The new lease agreement calls for a current monthly base payment of \$6,240 and a proportionate share of certain operating costs. The agreement runs for 60 months after the commencement date of January, 2019, with two options to extend for five years each. Previously, One Family sub-leased office space from the Paul and Phyllis Fireman Charitable Foundation (see note 6). Under the terms of that agreement One Family was able to terminate the lease during the 2019 fiscal year.

Rent expense under both of these agreements was \$63,104 and \$48,349 for the years ended June 30, 2019 and 2018, respectively.

## Note 5 – Lease Agreement (Cont.)

Future minimum payments under the new lease agreement are as follows:

Fiscal Year Ending June 30	
2020	\$ 76,560
2021	79,440
2022	82,320
2023	85,200
2024	<u>36,000</u>
	<u>\$ 359,520</u>

As a result of the office relocation, the Organization abandoned approximately \$26,000 of unamortized leasehold improvements by a charge to operations. Since the previous lease agreement required escalating lease payments over its term, the related rent expense was recognized evenly on a straight-line basis over the term of the lease by accruing a liability (“deferred lease obligations”) on the Organization’s statement of financial position. When the lease was terminated in January of 2019 the remaining balance of the deferred lease obligations was waived and eliminated via a credit to operations of approximately \$25,000, substantially offsetting the charge for unamortized leasehold improvements.

## Note 6 – Related Party Transactions

Donations that One Family receives are generally dispersed among various corporate and individual contributors and foundations, which may include members of the Board of Directors as well as employees, and organizations that these individuals may be affiliated with.

One of One Family’s Board members is related to the Trustees of the Paul and Phyllis Fireman Charitable Foundation, which donated \$650,000 of unrestricted support to One Family in each of the years ended June 30, 2019 and 2018 (see Note 8).

As mentioned in Note 4, effective April of 2014 through January 15, 2019, One Family contracted to sublease office space from the Paul and Phyllis Fireman Charitable Foundation.

## Note 7 – Retirement Plan

One Family maintains an IRC Section 403(b) retirement plan for eligible employees. Eligible employees may elect to defer the maximum amount of compensation allowed by law each year. After one year of service, One Family contributes 3% of the employee’s salary up to \$3,000, annually.

During the years ended June 30, 2019 and 2018, One Family contributed approximately \$15,000 and \$10,500, respectively, to the plan, which is included in payroll taxes and fringe benefits in the accompanying statements of functional expenses.

## Note 8 – Financial Instruments, Credit Risk and Other Concentrations

Financial Instruments – The financial instruments that may subject One Family to credit risk consist of cash, cash equivalents, promises to give and investments.

## Note 8 – Financial Instruments, Credit Risk and Other Concentrations (Cont.)

One Family maintains its cash balances in various banks in Massachusetts. The Federal Deposit Insurance Corporation (FDIC) insures balances at each bank up to certain limits. At times during the year, cash balances may exceed the insured amounts; however, the Organization's management attempts to minimize the exposure during the year. During a prior year, One Family added an Insured Cash Sweep (ICS) with its primary bank, which provides full FDIC insurance coverage for the total account balance. Based on bank balances at June 30, 2019, there were no funds in excess of federally insured limits.

The Organization's investments consist principally of mutual funds as disclosed in Note 3.

Major Support – One donor, a charitable foundation, donated \$650,000 in each year, approximately 38% and 50% of One Family's total support for the years ended June 30, 2019 and 2018, respectively (see Note 6). Another donor, a charitable foundation, pledged \$360,000, approximately 21% of total support during the year ended June 30, 2019. The receivable for promises to give at June 30, 2019 includes \$240,000 of this donor pledge, which represents 85% of the total.

In addition, One Family received approximately 17% and 19% of its total support from the Commonwealth of Massachusetts during the years ended June 30, 2019 and 2018, respectively.

## Note 9 – Liquidity and Availability of Resources

One Family's financial assets and liquidity resources available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the statement of financial position date, are comprised of the following at June 30, 2019:

Financial assets:	
Cash and cash equivalents	\$ 1,041,068
Promises to give, net	262,615
Investments	<u>566,309</u>
Total financial assets	<u>1,869,992</u>
Less amounts not available to be used within one year:	
Donor restricted net assets (Note 1)	(444,476)
Adjusted for releases during the next fiscal year:	
For satisfaction of use and time restrictions	<u>140,000</u>
	<u>(304,476)</u>
Total financial assets available within one year	<u>\$ 1,565,516</u>

One Family is substantially supported by contributions and grants. In conjunction with any donor restrictions, there are requirements for the resources to be used in a particular manner or in a future period. One Family has a policy to structure its financial assets to be available and liquid as its obligations become due.