



GT REILLY
& COMPANY
CPAs and Advisors

Reviewed Financial Statements

Understanding Our Differences, Inc.

June 30, 2017

Understanding Our Differences, Inc.

Reviewed Financial Statements

June 30, 2017

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GT REILLY & COMPANY

CPAs and Advisors

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Independent Accountants' Review Report

Board of Directors
Understanding Our Differences, Inc.

We have reviewed the accompanying statements financial position of Understanding Our Differences, Inc. as of June 30, 2017 and 2016, and the related statements of activities and changes in net assets, functional expenses, and cash flows for the years then ended. A review includes primarily applying analytical procedures to management's financial data and making inquiries of Program management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, we do not express such an opinion.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America and for designing, implementing, and maintaining internal control relevant to the preparation and fair presentation of the financial statements.

Accountants' Responsibility

Our responsibility is to conduct the reviews in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. Those standards require us to perform procedures to obtain limited assurance that there are no material modifications that should be made to the financial statements. We believe that the results of our procedures provide a reasonable basis for our report.

Accountants' Conclusion

Based on our reviews, we are not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in conformity with accounting principles generally accepted in the United States of America.

G.T. Reilly & Company

Milton, Massachusetts
February 1, 2018

Understanding Our Differences, Inc.

Statements of Financial Position

For the Years Ended June 30

(See Independent Accountants' Review Report)

| | <u>2017</u> | <u>2016</u> |
|---------------------------------|-------------------|-------------------|
| <u>Assets</u> | | |
| Cash | <u>\$ 185,462</u> | <u>\$ 203,057</u> |
| <u>Net Assets</u> | | |
| NET ASSETS (Note 1) | | |
| Unrestricted | \$ 178,462 | \$ 168,557 |
| Temporarily restricted (Note 2) | <u>7,000</u> | <u>34,500</u> |
| | <u>\$ 185,462</u> | <u>\$ 203,057</u> |

Understanding Our Differences, Inc.

Statement of Activities and Changes in Net Assets Year Ended June 30, 2017

(See Independent Accountants' Review Report)

| | <u>Unrestricted</u> | <u>Temporarily Restricted</u> | <u>Total</u> |
|--|---------------------|-----------------------------------|-------------------|
| SUPPORT AND REVENUE | | | |
| Grants and donations | \$ 216,680 | \$ - | \$ 216,680 |
| Program sales and fees | 24,550 | - | 24,550 |
| Interest and other income | 253 | - | 253 |
| Net assets released from restrictions through satisfaction of program and time restrictions | <u>27,500</u> | <u>(27,500)</u> | <u>-</u> |
| TOTAL SUPPORT AND REVENUE | <u>268,983</u> | <u>(27,500)</u> | <u>241,483</u> |
| EXPENSES | | | |
| Program services | 162,838 | - | 162,838 |
| General & administrative | 40,425 | - | 40,425 |
| Fundraising & development | <u>55,815</u> | <u>-</u> | <u>55,815</u> |
| TOTAL EXPENSES | <u>259,078</u> | <u>-</u> | <u>259,078</u> |
| CHANGE IN NET ASSETS | 9,905 | (27,500) | (17,595) |
| NET ASSETS AT BEGINNING OF YEAR | <u>168,557</u> | <u>34,500</u> | <u>203,057</u> |
| NET ASSETS AT END OF YEAR | <u>\$ 178,462</u> | <u>\$ 7,000</u> | <u>\$ 185,462</u> |

Understanding Our Differences, Inc.

Statement of Activities and Changes in Net Assets

Year Ended June 30, 2016

(See Independent Accountants' Review Report)

| | <u>Unrestricted</u> | <u>Temporarily Restricted</u> | <u>Total</u> |
|--|---------------------|-----------------------------------|-------------------|
| SUPPORT AND REVENUE | | | |
| Grants and donations | \$ 197,797 | \$ 5,000 | \$ 202,797 |
| Program sales and fees | 24,575 | - | 24,575 |
| Interest and other income | 1,437 | - | 1,437 |
| Net assets released from restrictions through satisfaction of program and time restrictions | <u>20,500</u> | <u>(20,500)</u> | |
| TOTAL SUPPORT AND REVENUE | <u>244,309</u> | <u>(15,500)</u> | <u>228,809</u> |
| EXPENSES | | | |
| Program services | 157,449 | - | 157,449 |
| General & administrative | 35,408 | - | 35,408 |
| Fundraising & development | <u>25,262</u> | <u>-</u> | <u>25,262</u> |
| TOTAL EXPENSES | <u>218,119</u> | <u>-</u> | <u>218,119</u> |
| CHANGE IN NET ASSETS | 26,190 | (15,500) | 10,690 |
| NET ASSETS AT BEGINNING OF YEAR | <u>142,367</u> | <u>50,000</u> | <u>192,367</u> |
| NET ASSETS AT END OF YEAR | <u>\$ 168,557</u> | <u>\$ 34,500</u> | <u>\$ 203,057</u> |

Understanding Our Differences, Inc.

Statement of Functional Expenses

Year Ended June 30, 2017

(See Independent Accountants' Review Report)

| | <u>Program Services</u> | <u>General & Administrative</u> | <u>Fundraising & Development</u> | <u>Total</u> |
|----------------------------------|-----------------------------|---|--|-------------------|
| Salaries and wages | \$ 78,874 | \$ 29,145 | \$ 27,801 | \$ 135,820 |
| Payroll taxes | 6,059 | 2,231 | 2,125 | 10,415 |
| Professional fees | 3,590 | 6,784 | 3,180 | 13,554 |
| Program evaluation | 18,982 | - | - | 18,982 |
| Strategic initiative | 45,000 | - | - | 45,000 |
| Honorarium | - | - | 5,836 | 5,836 |
| Fundraising | - | - | 16,873 | 16,873 |
| Supplies | 3,377 | - | - | 3,377 |
| Printing and postage | 1,311 | - | - | 1,311 |
| Insurance | 3,229 | - | - | 3,229 |
| Payroll and bank service charges | 1,091 | - | - | 1,091 |
| Miscellaneous | 1,325 | 2,265 | - | 3,590 |
| | <u>\$ 162,838</u> | <u>\$ 40,425</u> | <u>\$ 55,815</u> | <u>\$ 259,078</u> |

Understanding Our Differences, Inc.

Statement of Functional Expenses

Year Ended June 30, 2016

(See Independent Accountants' Review Report)

| | <u>Program Services</u> | <u>General & Administrative</u> | <u>Fundraising & Development</u> | <u>Total</u> |
|----------------------------------|-----------------------------|---|--|-------------------|
| Salaries and wages | \$ 117,442 | \$ 12,748 | \$ 4,618 | \$ 134,808 |
| Payroll taxes | 8,985 | 975 | 353 | 10,313 |
| Professional fees | 13,364 | 19,762 | 11,219 | 44,345 |
| Honorarium | 5,100 | - | - | 5,100 |
| Fundraising | - | - | 9,072 | 9,072 |
| Supplies | 4,325 | - | - | 4,325 |
| Printing and postage | 1,369 | - | - | 1,369 |
| Insurance | 3,085 | - | - | 3,085 |
| Payroll and bank service charges | 865 | - | - | 865 |
| Miscellaneous | 2,914 | 1,923 | - | 4,837 |
| | <u>\$ 157,449</u> | <u>\$ 35,408</u> | <u>\$ 25,262</u> | <u>\$ 218,119</u> |

Understanding Our Differences, Inc.

Statement of Cash Flows

For the Years Ended June 30

(See Independent Accountants' Review Report)

| | <u>2017</u> | <u>2016</u> |
|---|-------------------|-------------------|
| CASH FLOWS PROVIDED BY OPERATING ACTIVITIES | | |
| Change in net assets | \$ (17,595) | \$ 10,690 |
| CASH AT BEGINNING OF YEAR | <u>203,057</u> | <u>192,367</u> |
| CASH AT END OF YEAR | <u>\$ 185,462</u> | <u>\$ 203,057</u> |

Understanding Our Differences, Inc.

Notes to Financial Statements

June 30, 2017

(See Accountants' Review Report)

Note 1 – Nature of Activities and Significant Accounting Policies

Nature of Activities – Understanding Our Differences, Inc. (the “Program”) was founded in 1978 by a group of parents of children with disabilities in Newton, Massachusetts. The Program’s mission is to increase information, understanding and acceptance of people with disabilities and individual differences.

The Program is a nationally recognized, award winning program that uses a hands-on, participatory curriculum to foster respect, acceptance and compassion for people of all abilities in elementary schools and communities at large. The Program’s approach is grounded in the belief that children are naturally curious about differences and accurate information can be the difference between acceptance and discrimination. The Program consists of seven different units covering a range of physical, sensory, and developmental disabilities and is designed to seamlessly fit into a typical 3rd to 5th grade curriculum. The Program is usually taught by trained, volunteer instructors.

Tax Status – The Program is a non-profit agency, exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code.

Basis of Accounting – The financial statements have been prepared on the accrual basis of accounting.

Financial Statement Presentation – Under generally accepted accounting principles, the Program reports information regarding its financial position and activities according to three classes of net assets determined by donor-imposed restrictions as follows: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets (see Note 3 regarding restrictions on net assets).

Accounting Estimates – The preparation of the financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts of assets, liabilities, revenues and expenses and the disclosure of contingent assets and liabilities. Actual results could differ from these estimates.

Statement of Cash Flows – For the purpose of the statement of cash flows, the Program considers bank deposits with original maturities of three months or less to be cash and cash equivalents.

Contributions – Under generally accepted accounting principles, contributions receivable that are, in effect, "unconditional promises to give", are required to be recorded at the present value of future cash flows. In addition, use-restricted contributions are required to be reported as temporarily restricted support when received, rather than as deferred support, and subsequently reclassified to unrestricted net assets upon satisfaction of the use-restriction.

Contributed Services – A substantial number of unpaid volunteers and members of the Board of Directors have made significant contributions of their time to develop and maintain the Program’s services, including general and administrative support and fundraising and development activities. The value of this contributed time is not reflected in these statements.

Contributed Facilities – The Program operates free of rent in a space provided by the Newton Public Schools. Management has not been able to determine an estimated rental value for the space and, therefore, has not recorded in-kind revenue with a corresponding amount as expense. However, even if the Program recorded the estimated value of the contributed facilities, it would have no effect on the change in net assets as reported.

Note 1 – Nature of Activities and Significant Accounting Policies (Cont.)

Evaluation of Subsequent Events – Management has evaluated subsequent events involving the Program for potential recognition or disclosure in the accompanying financial statements. Subsequent events are events or transactions that occurred after June 30, 2017 up through February 1, 2018, the date the accompanying financial statements were available to be issued.

Note 2 – Net Assets

At June 30, 2017, temporarily restricted net assets of \$7,000 are restricted to be used for program activities (\$34,500 at June 30, 2016).

Note 3 – Financial Instruments, Credit Risk and Concentrations

The Program's financial instruments that may be subject to concentrations of credit risk consist of cash.

The Program maintains its cash deposits with high-quality financial institutions. Based on bank balances at June 30, 2017, there were no amounts in excess of federally insured limits.

For the year ended June 30, 2017, approximately 29% (\$63,635) of the Program's total grants and donations was derived from one donor, the Newton Public Schools.

The Program performs all of its work in the Greater Boston geographic area.

Note 4 – Unemployment Compensation Insurance

The Program elected to finance the benefit cost of unemployment compensation insurance by reimbursing the Commonwealth of Massachusetts Department of Workforce Development for unemployment compensation paid. There were no payments to the Commonwealth for the years ended June 30, 2017 or 2016.