



one1love

**YEARDLEY REYNOLDS LOVE FOUNDATION, INC.  
D/B/A THE ONE LOVE FOUNDATION  
IN HONOR OF YEARDLEY REYNOLDS LOVE**

Audited Financial Statements

June 30, 2017

## **Independent Auditor's Report**

To the Board of Directors of  
The One Love Foundation in Honor of Yeardeley Love, Inc.

### ***Report on the Financial Statements***

We have audited the accompanying financial statements of The One Love Foundation in Honor of Yeardeley Love, Inc. (the "Foundation"), which comprise the statement of financial position as of June 30, 2017 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 from 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 organization'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 organization'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.

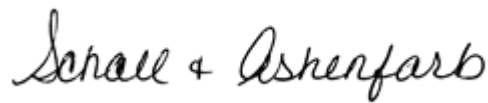
We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

***Opinion***

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of The One Love Foundation in Honor of Yeadley Love, Inc. as of June 30, 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 the Foundation's 2016 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated January 3, 2017. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2016 is consistent, in all material respects, with the audited financial statements from which it has been derived.



Schall & Ashenfarb  
Certified Public Accountants, LLC

April 17, 2018

**THE ONE LOVE FOUNDATION  
IN HONOR OF YEARDLEY LOVE, INC.  
STATEMENT OF FINANCIAL POSITION  
AT JUNE 30, 2017**

(With comparative totals at June 30, 2016)

	<u>6/30/17</u>	<u>6/30/16</u>
<b>Assets</b>		
Cash and cash equivalents	\$2,840,305	\$1,936,399
Contributions receivable (Note 3)	2,743,403	697,845
Prepaid expenses and other assets	67,645	85,754
Fixed assets (net of accumulated depreciation) (Note 4)	<u>50,401</u>	<u>143,365</u>
 Total assets	 <u><u>\$5,701,754</u></u>	 <u><u>\$2,863,363</u></u>
 <b>Liabilities and Net Assets</b>		
Liabilities:		
Accounts payable and accrued expenses	<u>\$588,303</u>	<u>\$254,957</u>
Total liabilities	<u>588,303</u>	<u>254,957</u>
Net assets:		
Unrestricted	2,370,750	1,499,964
Temporarily restricted (Note 5)	<u>2,742,701</u>	<u>1,108,442</u>
Total net assets	<u>5,113,451</u>	<u>2,608,406</u>
 Total liabilities and net assets	 <u><u>\$5,701,754</u></u>	 <u><u>\$2,863,363</u></u>

*The attached notes and auditor's report are an integral part of these financial statements.*

**THE ONE LOVE FOUNDATION  
IN HONOR OF YEARDLEY LOVE, INC.  
STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2017**

(With comparative totals for the year ended June 30, 2016)

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total 6/30/17</u>	<u>Total 6/30/16</u>
Public support:				
Contributions	\$2,434,855	\$2,925,000	\$5,359,855	\$2,942,361
Special events (expenses with a direct benefit to donors) (Note 7)	695,482		695,482	432,818
In-kind services (Note 6)	6,367,130		6,367,130	2,296,120
Other income	19,914		19,914	4,475
Net assets released from restrictions (Note 5)	<u>1,290,741</u>	<u>(1,290,741)</u>	<u>0</u>	<u>0</u>
Total public support	<u>10,808,122</u>	<u>1,634,259</u>	<u>12,442,381</u>	<u>5,675,774</u>
Expenses:				
Program services	<u>9,050,516</u>		<u>9,050,516</u>	<u>4,258,412</u>
Supporting services:				
Management and general	339,268		339,268	317,390
Fundraising	<u>547,552</u>		<u>547,552</u>	<u>615,679</u>
Total supporting services	<u>886,820</u>	<u>0</u>	<u>886,820</u>	<u>933,069</u>
Total expenses	<u>9,937,336</u>	<u>0</u>	<u>9,937,336</u>	<u>5,191,481</u>
Change in net assets from operations	870,786	1,634,259	2,505,045	484,293
Non-operating activity:				
Loss on disposal of assets			0	(22,000)
Total non-operating activity	<u>0</u>	<u>0</u>	<u>0</u>	<u>(22,000)</u>
Total change in net assets	870,786	1,634,259	2,505,045	462,293
Net assets - beginning	<u>1,499,964</u>	<u>1,108,442</u>	<u>2,608,406</u>	<u>2,146,113</u>
Net assets - ending	<u><u>\$2,370,750</u></u>	<u><u>\$2,742,701</u></u>	<u><u>\$5,113,451</u></u>	<u><u>\$2,608,406</u></u>

*The attached notes and auditor's report are an integral part of these financial statements.*

**THE ONE LOVE FOUNDATION**  
**IN HONOR OF YEARDLEY LOVE, INC.**  
**STATEMENT OF FUNCTIONAL EXPENSES**  
**FOR THE YEAR ENDED JUNE 30, 2017**  
(With comparative totals for the year ended June 30, 2016)

	Supporting Services			Total Expenses 6/30/17	Total Expenses 6/30/16
	Program Services	Management and General	Fundraising		
Salaries	\$1,227,768	\$165,625	\$270,911	\$436,536	\$1,177,510
Payroll taxes and benefits	167,630	28,563	37,003	65,566	145,270
Grant expenses	2,668			0	2,668
Professional fees (including in-kind) (Note 6)	779	114,570	280	114,850	115,629
Media and product development	971,787		11,750	11,750	983,537
Marketing and advertising (including in-kind) (Note 6)	83,547			0	83,547
Content distribution (including in-kind) (Note 6)	6,007,606			0	6,007,606
Office expenses	16,377	2,275	4,095	6,370	22,747
Moving and office renovation	5,142	715	1,285	2,000	7,142
Technology infrastructure and maintenance	85,526	12,521	31,879	44,400	129,926
Rent and utilities	49,464	6,869	12,366	19,235	68,699
Printing and mailing	21,758	1,665	2,967	4,632	26,390
Travel and entertainment	252,377		60,054	60,054	312,431
Insurance	7,898	1,097	1,974	3,071	10,969
Special event expenses	4,714		57,757	57,757	62,471
Bank charges			31,813	31,813	31,813
Miscellaneous	21,785	1,420	23,418	24,838	46,623
Depreciation	123,690	3,948		3,948	127,638
<b>Total expenses</b>	<b>\$9,050,516</b>	<b>\$339,268</b>	<b>\$547,552</b>	<b>\$886,820</b>	<b>\$9,937,336</b>

*The attached notes and auditor's report are an integral part of these financial statements.*

**THE ONE LOVE FOUNDATION  
IN HONOR OF YEARDLEY LOVE, INC.  
STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED JUNE 30, 2017**  
(With comparative totals for the year ended June 30, 2016)

	<u>6/30/17</u>	<u>6/30/16</u>
Cash flows from operating activities:		
Change in net assets	\$2,505,045	\$462,293
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	127,638	239,511
Loss on disposal of fixed assets	0	22,000
Changes in assets and liabilities:		
Contribution receivable	(2,045,558)	(109,705)
Prepaid expenses and other assets	18,109	(63,873)
Accounts payable and accrued expenses	333,346	113,207
Total adjustments	<u>(1,566,465)</u>	<u>201,140</u>
Net cash flows provided by operating activities	<u>938,580</u>	<u>663,433</u>
Cash flows from investing activities:		
Purchase of fixed assets	<u>(34,674)</u>	<u>(5,016)</u>
Net cash flows used for investing activities	<u>(34,674)</u>	<u>(5,016)</u>
Net increase in cash and cash equivalents	903,906	658,417
Cash and cash equivalents - beginning of year	<u>1,936,399</u>	<u>1,277,982</u>
Cash and cash equivalents - end of year	<u><u>\$2,840,305</u></u>	<u><u>\$1,936,399</u></u>
Supplemental disclosures:		
Interest and taxes paid	<u><u>\$0</u></u>	<u><u>\$0</u></u>

*The attached notes and auditor's report are an integral part of these financial statements.*

**THE ONE LOVE FOUNDATION IN HONOR OF YEARDLEY LOVE, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2017**

**Note 1 - Organization**

The One Love Foundation in Honor of Yeardeley Love, Inc. (the "Foundation") was founded in June 2010 and incorporated as a not-for-profit organization under the laws of the State of Maryland. Its mission is to educate, empower and activate young people in a movement to end relationship violence. The Foundation develops compelling educational content that sparks new and novel discussions among workshop participants, inspiring them to work together to affect change in their communities. The Foundation's programs are designed to empower young people as the critical leaders of this movement for change, mobilizing a generation toward a brighter future where relationship violence is far less prevalent.

The Foundation has been notified by the Internal Revenue Service that it is a 501(c)(3) organization that it is tax exempt under Section 509(a)(1) of the Internal Revenue Code and a similar provision of the New York State income tax laws.

**Note 2 - Significant Accounting Policies**

a. Basis of Accounting

The financial statements of the Foundation have been prepared on the accrual basis of accounting, which is the process of recording revenue and expenses when earned or incurred, rather than received or paid.

b. Basis of Presentation

The Foundation reports information regarding their financial position and activities in the following classes of net assets:

- *Unrestricted* – represents all activity without donor-imposed restrictions as well as activity with donor-imposed restrictions, which expire within the same period.
- *Temporarily restricted* – relates to contributions of cash and other assets with donor stipulations that make clear the assets' restriction, either due to a program nature or by the passage of time.

c. Revenue Recognition

Contributions are recorded as unrestricted or temporarily restricted, depending on the existence and/or nature of any donor restriction. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restriction. Contributions whose restrictions expire in the same year they are received are recorded as unrestricted.



d. Cash and Cash Equivalents

The Foundation considers all liquid investments with an initial maturity of three months or less to be cash and cash equivalents.

e. Concentration of Credit Risk

Financial instruments that potentially subject the Foundation to concentration of credit risk consist of cash and money market accounts which are placed with financial institutions that management deems to be creditworthy. At year end and at various times throughout the year, balances were in excess of insured amounts. However, the Foundation has not suffered any losses due to bank failure.

f. Contributions Receivable

The Foundation records pledges as revenue when they are considered unconditional in nature. Contributions are recognized at net realizable value, if expected to be received within one year, or at fair value using risk-adjusted present value techniques, if expected to be received after one year. Management performs a review of all outstanding receivables based on historical experience and other relevant factors. Based on this review, no reserve has been established.

g. Fixed Assets

Fixed assets that the Foundation retains title to and which benefit future periods are capitalized at cost, or if donated, at the estimated fair value at the time of donation.

Fixed assets consist of the technology platform, the Foundation's website, leasehold improvements, furniture, equipment and computers, all of which are depreciated over their estimated useful lives and lease terms using the straight-line method.

h. In-kind Services

The Foundation recognizes contributions of services that create or enhance non-financial assets, or require specialized skills, are performed by those who possess those skills, and would typically be purchased, if not donated.

Many volunteers, including board members, provide service in support of the Foundation's mission. Those services have not been recognized on the financial statements because they do not meet the criteria outlined above.

i. Marketing and Promotion

Marketing and promotion costs are expensed as incurred.

j. Expense Allocation

The costs of providing various programs and other activities have been summarized on a functional basis in the financial statements. Accordingly, certain costs have been allocated among the programs and supporting services benefited. Management and general expenses include those expenses that are not directly identifiable with any other specific function but provide for the overall support and direction of the Foundation.

k. Management Estimates

The preparation of financial statements in accordance with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Actual results could differ from those estimates.

l. Accounting for Uncertainty of Income Taxes

The Foundation does not believe its financial statements include any material, uncertain tax positions. Tax filings for periods ending June 30, 2014 and later are subject to examination by applicable taxing authorities.

m. Summarized Comparative Information

The financial statements include certain prior-year summarized comparative information in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with accounting principles generally accepted in the United States of America. Accordingly, such information should be read in conjunction with the Foundation's financial statements for the year ended June 30, 2016, from which the summarized information was derived.

n. Subsequent Events

Management has evaluated for potential recognition and disclosure events subsequent to the date of the statement of financial position through April 17, 2018, the date the financial statements were available to be issued. No events have occurred subsequent to the statement of financial position date through our evaluation date that would require adjustment to or disclosure in the financial statements.

o. New Accounting Pronouncement

On August 18, 2016, the Financial Accounting Standards Board (FASB) issued an Accounting Standards Update (ASU) No. 2016-14, *Presentation of Financial Statements of Not-for-Profit Entities*. The ASU, which becomes effective for the June 30, 2019 year, with early implementation permitted, focuses on improving the current net asset classification requirements and information presented in the financial statements and notes that is useful in assessing a not-for-profit's liquidity, financial performance and cash flows.

In addition, FASB issued ASU No. 2016-02, *Leases*. The ASU which becomes effective for the June 30, 2021 year, requires the full obligation of long term leases to be recorded as a liability with a corresponding "right to use asset" on the statement of financial position.

The Foundation has not yet evaluated the impact that these standards will have on future financial statements.

**Note 3 - Contributions Receivable**

Contributions receivable are due in the following periods:

Year ending:	June 30, 2018	\$2,106,903
	June 30, 2019	618,500
	June 30, 2020	<u>25,000</u>
Subtotal		2,750,403
Less: discount at 1%		<u>(7,000)</u>
Total		<u>\$2,743,403</u>

**Note 4 - Fixed Assets**

Fixed assets consist of:

	<u>6/30/17</u>	<u>6/30/16</u>
Computers and equipment (3 years)	\$52,803	\$18,128
Leasehold improvements (3 years)	41,430	41,430
Public service announcements (3 years)	120,750	120,750
Escalation and curriculum (3 years)	<u>609,756</u>	<u>609,757</u>
	824,739	790,065
Less: accumulated depreciation	<u>(774,338)</u>	<u>(646,700)</u>
Fixed assets – net	<u>\$50,401</u>	<u>\$143,365</u>

**Note 5 - Temporarily Restricted Net Assets**

Activity in temporarily restricted net assets can summarized as follows:

	<u>June 30, 2017</u>			
	<u>Balance</u>	<u>Additions/</u>	<u>Released</u>	<u>Balance</u>
	<u>7/1/16</u>	<u>Contributions</u>	<u>from</u>	<u>6/30/17</u>
			<u>Restrictions</u>	
Program restrictions:				
Scholarship Fund	\$4,701	\$0	(\$3,500)	\$1,201
Escalation Workshop	0	50,000	0	50,000
#ThatsNotLove Campaign	367,265	0	(367,265)	0
Midwest Expansion	87,185	0	(87,185)	0
Rollout of Escalation	176,291	0	(176,291)	0
Capacity Building	0	1,000,000	(406,500)	593,500
Total program restriction	635,442	1,050,000	(1,040,741)	644,701
Time restrictions	<u>473,000</u>	<u>1,875,000</u>	<u>(250,000)</u>	<u>2,098,000</u>
Total	<u>\$1,108,442</u>	<u>\$2,925,000</u>	<u>(\$1,290,741)</u>	<u>\$2,742,701</u>

June 30, 2016				
	Balance 7/1/15	Additions/ Contributions	Released Released from Restrictions	Balance 6/30/16
Program restrictions:				
Scholarship Fund	\$5,283	\$0	(\$582)	\$4,701
Escalation Workshop	240,799	0	(240,799)	0
#ThatsNotLove Campaign	0	750,000	(382,735)	367,265
Midwest Expansion	0	100,000	(12,815)	87,185
Rollout of Escalation	<u>354,615</u>	<u>100,000</u>	<u>(278,324)</u>	<u>176,291</u>
Be 1 for Change Program	161,049	0	(161,049)	0
Total program restrictions	761,746	950,000	(1,076,304)	635,442
Time restrictions	<u>258,000</u>	<u>400,000</u>	<u>(185,000)</u>	<u>473,000</u>
Total	<u>\$1,019,746</u>	<u>\$1,350,000</u>	<u>(\$1,261,304)</u>	<u>\$1,108,442</u>

**Note 6 - In-Kind Services**

In-kind services were allocated as follows:

June 30, 2017				
	Program Services	Management and General	Fundraising	Total
Content Distribution	\$5,890,590	\$0	\$0	\$5,890,590
Professional Fees	0	52,368	0	52,368
Marketing and Advertising	<u>424,172</u>	<u>0</u>	<u>0</u>	<u>424,172</u>
Total	<u>\$6,314,762</u>	<u>\$52,368</u>	<u>\$0</u>	<u>\$6,367,130</u>

June 30, 2016				
	Program Services	Management and General	Fundraising	Total
Content Distribution	\$1,348,943	\$0	\$0	\$1,348,943
Professional Fees	0	93,266	0	93,266
Marketing and Advertising	<u>853,911</u>	<u>0</u>	<u>0</u>	<u>853,911</u>
Total	<u>\$2,202,854</u>	<u>\$93,266</u>	<u>\$0</u>	<u>\$2,296,120</u>

In-kind content distribution consists of contributed airtime for the Foundation's public service announcement on relationship violence. The Foundation was involved in determining and managing the message of the public service announcement, therefore the donated airtime is considered a contribution to the Foundation.

**Note 7 - Special Events**

The special event proceeds are summarized as follows:

	<u>June 30, 2017</u>			
	<u>Church Party</u>	<u>NYC Event</u>	<u>Other</u>	<u>Total</u>
Gross revenue	\$312,012	\$520,112	\$227,898	\$1,060,022
Less: expenses with a direct benefit to donors	<u>(212,518)</u>	<u>(78,320)</u>	<u>(73,702)</u>	<u>(364,540)</u>
	99,494	441,792	154,196	695,482
Less: other event expenses	<u>(5,000)</u>	<u>(298)</u>	<u>(32,324)</u>	<u>(37,622)</u>
Total	<u>\$94,494</u>	<u>\$441,494</u>	<u>\$121,872</u>	<u>\$657,860</u>

	<u>June 30, 2016</u>			
	<u>Church Party</u>	<u>NYC Event</u>	<u>Other</u>	<u>Total</u>
Gross revenue	\$119,449	\$398,690	\$66,308	\$584,447
Less: expenses with a direct benefit to donors	<u>(83,882)</u>	<u>(62,215)</u>	<u>(5,532)</u>	<u>(151,629)</u>
	35,567	336,475	60,776	432,818
Less: other event expenses	<u>(750)</u>	<u>(18,615)</u>	<u>(28)</u>	<u>(19,393)</u>
Total	<u>\$34,817</u>	<u>\$317,860</u>	<u>\$60,748</u>	<u>\$413,425</u>

**Note 8 - Commitments**

The Foundation has two non-cancelable leases for office and retail space that expire on September 30, 2018. The minimum annual commitment is \$72,000 for the year ending June 30, 2018 and \$19,000 for the year ending June 30, 2019.