



Audited Financial Statements

One Family, Inc.

June 30, 2023

One Family, Inc.

Audited Financial Statements

June 30, 2023

INDEPENDENT AUDITORS' REPORT	1
AUDITED FINANCIAL STATEMENTS	
STATEMENTS OF FINANCIAL POSITION	3
STATEMENTS OF ACTIVITIES AND CHANGES IN NET ASSETS	4
STATEMENTS OF FUNCTIONAL EXPENSES	5-6
STATEMENTS OF CASH FLOWS	7
NOTES TO FINANCIAL STATEMENTS	8



GT REILLY
& COMPANY
CPAs and Advisors

424 Adams Street, Milton, MA 02186-4358

T. 617.696.8900 / F. 617.698.1803

www.gtreilly.com

Independent Auditors' Report

To the Board of Directors
One Family, Inc.

Opinion

We have audited the accompanying financial statements of One Family, Inc., which comprise the statements of financial position as of June 30, 2023 and 2022, 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.

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, 2023 and 2022, 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.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of One Family, Inc., and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management 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 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about One Family, Inc.'s ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not absolute assurance and, therefore, is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, mis-representations, or the override of internal control. Misstatements, including omissions, are considered material if there is a substantial likelihood that, individually, or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

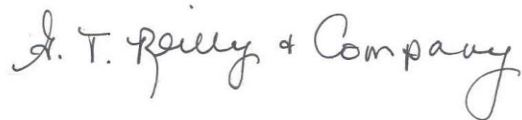


An independent member
of Moore North America, Inc.,
which is associated with the
Moore Global Network Limited

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 One Family, Inc.'s internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the ability of One Family, Inc. to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

A handwritten signature in cursive script that reads "G.T. Reilly & Company". The signature is written in black ink and is positioned above the printed name of the firm.

G.T. Reilly & Company

Milton, Massachusetts
September 21, 2023

One Family, Inc.

Statements of Financial Position

June 30

<u>Assets</u>	<u>2023</u>	<u>2022</u>
CURRENT ASSETS		
Cash and cash equivalents (as reclassified in 2022 - Note 1)	\$ 244,310	\$ 232,708
Promises to give, net	258,807	152,050
Accounts receivable - contracts	109,575	226,748
Prepaid expenses and other assets	6,485	5,170
TOTAL CURRENT ASSETS	619,177	616,676
INVESTMENTS (as reclassified in 2022 - Note 1)	1,851,075	1,759,399
PROPERTY AND EQUIPMENT, net	-	36,288
TOTAL ASSETS	<u>\$2,470,252</u>	<u>\$2,412,363</u>
<u>Liabilities and Net Assets</u>		
CURRENT LIABILITIES		
Accounts payable	\$ 9,486	\$ -
Accrued expenses	36,008	14,049
TOTAL CURRENT LIABILITIES	45,494	14,049
NET ASSETS		
Without donor restrictions	2,205,587	2,171,143
With donor restrictions	219,171	227,171
TOTAL NET ASSETS	2,424,758	2,398,314
TOTAL LIABILITIES AND NET ASSETS	<u>\$2,470,252</u>	<u>\$2,412,363</u>

One Family, Inc.

Statements of Activities and Changes in Net Assets

Years Ended June 30

	2023			2022		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
OPERATING SUPPORT AND REVENUES						
Private grants and contributions	\$ 922,887	\$ 180,000	\$ 1,102,887	\$ 1,249,462	\$ 120,000	\$ 1,369,462
Government grants and contracts	1,370,731	-	1,370,731	622,872	-	622,872
Special events, net	164,870	-	164,870	161,365	-	161,365
Investment income, gains and other, net	47,914	-	47,914	27,143	-	27,143
Net assets released from restrictions	188,000	(188,000)	-	138,443	(138,443)	-
TOTAL OPERATING SUPPORT & REVENUES	<u>2,694,402</u>	<u>(8,000)</u>	<u>2,686,402</u>	<u>2,199,285</u>	<u>(18,443)</u>	<u>2,180,842</u>
OPERATING EXPENSES						
Program services:						
One Family Scholars	926,415	-	926,415	917,378	-	917,378
Credential to Career Coaching	686,507	-	686,507	506,096	-	506,096
Public Policy	276,062	-	276,062	289,634	-	289,634
Family Self-Sufficiency	512,791	-	512,791	96,185	-	96,185
TOTAL PROGRAM SERVICES EXPENSE	<u>2,401,775</u>	<u>-</u>	<u>2,401,775</u>	<u>1,809,293</u>	<u>-</u>	<u>1,809,293</u>
Support services:						
General and administrative	110,171	-	110,171	102,791	-	102,791
Fundraising	210,121	-	210,121	185,258	-	185,258
TOTAL SUPPORT SERVICES EXPENSE	<u>320,292</u>	<u>-</u>	<u>320,292</u>	<u>288,049</u>	<u>-</u>	<u>288,049</u>
TOTAL OPERATING EXPENSES	<u>2,722,067</u>	<u>-</u>	<u>2,722,067</u>	<u>2,097,342</u>	<u>-</u>	<u>2,097,342</u>
CHANGE IN NET ASSETS FROM OPERATING ACTIVITIES	(27,665)	(8,000)	(35,665)	101,943	(18,443)	83,500
NON-OPERATING SUPPORT						
Unrealized gain (loss) on investments, net	62,109	-	62,109	(170,753)	-	(170,753)
Payroll protection program loan forgiveness	-	-	-	135,321	-	135,321
Employee retention credits	-	-	-	160,812	-	160,812
	<u>62,109</u>	<u>-</u>	<u>62,109</u>	<u>125,380</u>	<u>-</u>	<u>125,380</u>
CHANGE IN NET ASSETS	34,444	(8,000)	26,444	227,323	(18,443)	208,880
NET ASSETS AT BEGINNING OF YEAR	<u>2,171,143</u>	<u>227,171</u>	<u>2,398,314</u>	<u>1,943,820</u>	<u>245,614</u>	<u>2,189,434</u>
NET ASSETS AT END OF YEAR	<u>\$ 2,205,587</u>	<u>\$ 219,171</u>	<u>\$ 2,424,758</u>	<u>\$ 2,171,143</u>	<u>\$ 227,171</u>	<u>\$ 2,398,314</u>

One Family, Inc.

Statement of Functional Expenses

For the Year Ended June 30, 2023 (With Comparative Totals for 2022)

	Program Services				Support Services			2023 Total Expenses	2022 Total Expenses	
	One Family Scholars	Credential to Career Coaching	Public Policy	Family Self- Sufficiency	Total Program Services	General & Administrative	Fundraising			Total Support Services
PERSONNEL AND RELATED										
Salaries	\$ 220,213	\$ 436,417	\$ 206,385	\$ 369,553	\$ 1,232,568	\$ 39,648	\$ 137,470	\$ 177,118	\$ 1,409,686	\$ 1,018,636
Payroll taxes and fringe benefits	42,671	87,031	40,338	71,167	241,207	11,804	26,907	38,711	279,918	212,793
Contracted services	-	-	4,000	-	4,000	18,029	6,750	24,779	28,779	18,425
TOTAL PERSONNEL AND RELATED	262,884	523,448	250,723	440,720	1,477,775	69,481	171,127	240,608	1,718,383	1,249,854
OCCUPANCY										
Rent	14,881	42,413	6,675	21,933	85,902	1,587	3,317	4,904	90,806	86,410
Repairs and maintenance	624	1,779	280	920	3,603	67	139	206	3,809	329
Utilities and phone	1,142	3,254	512	1,683	6,591	122	255	377	6,968	3,179
Depreciation	5,947	16,951	2,667	8,765	34,330	634	1,325	1,959	36,289	15,376
TOTAL OCCUPANCY	22,594	64,397	10,134	33,301	130,426	2,410	5,036	7,446	137,872	105,294
OTHER										
Events, meetings and conferences	875	871	840	383	2,969	4,760	564	5,324	8,293	4,630
Professional fees	1,577	4,267	802	2,355	9,001	20,684	440	21,124	30,125	28,891
Travel and meals	1,176	1,181	155	1,165	3,677	3,627	312	3,939	7,616	1,656
Recruitment/outplacement	10,657	23,779	2,709	6,595	43,740	2,500	29,160	31,660	75,400	35,864
Equipment, printing and supplies	593	4,295	157	1,334	6,379	3,040	385	3,425	9,804	6,650
Technology	7,160	15,961	7,559	16,253	46,933	1,577	1,112	2,689	49,622	16,863
Liability insurance	1,353	3,856	607	1,994	7,810	144	301	445	8,255	7,343
Staff development	465	906	377	4,327	6,075	352	334	686	6,761	3,984
Other	250	-	210	52	512	1,596	1,350	2,946	3,458	3,591
TOTAL OTHER	24,106	55,116	13,416	34,458	127,096	38,280	33,958	72,238	199,334	109,472
TOTAL EXPENSES BEFORE PARTICIPANT COSTS	309,584	642,961	274,273	508,479	1,735,297	110,171	210,121	320,292	2,055,589	1,464,620
ONE FAMILY SCHOLAR AND C2C AWARDS	616,831	43,546	1,789	4,312	666,478			-	666,478	632,722
TOTAL EXPENSES	\$ 926,415	\$ 686,507	\$ 276,062	\$ 512,791	\$ 2,401,775	\$ 110,171	\$ 210,121	\$ 320,292	\$ 2,722,067	\$ 2,097,342

One Family, Inc.

Statement of Functional Expenses For the Year Ended June 30, 2022

	Program Services				Support Services				Total Expenses
	One Family Scholars	Credential to Career Coaching	Public Policy	Technical Assistance	Total Program Services	General & Administrative	Fundraising	Total Support Services	
PERSONNEL AND RELATED									
Salaries	\$ 227,472	\$ 336,143	\$ 211,654	\$ 70,711	\$ 845,980	\$ 38,295	\$ 134,361	\$ 172,656	\$1,018,636
Payroll taxes and fringe benefits	51,999	67,800	37,357	14,761	171,917	12,764	28,112	40,876	212,793
Contracted services	-	-	-	-	-	18,425	-	18,425	18,425
TOTAL PERSONNEL AND RELATED	279,471	403,943	249,011	85,472	1,017,897	69,484	162,473	231,957	1,249,854
OCCUPANCY									
Rent	20,787	30,449	15,797	5,552	72,585	2,592	11,233	13,825	86,410
Repairs and maintenance	-	-	-	-	-	329	-	329	329
Utilities and phone	741	1,085	563	198	2,587	192	400	592	3,179
Depreciation	3,699	5,418	2,811	988	12,916	461	1,999	2,460	15,376
TOTAL OCCUPANCY	25,227	36,952	19,171	6,738	88,088	3,574	13,632	17,206	105,294
OTHER									
Events, meetings and conferences	939	576	447	29	1,991	1,331	1,308	2,639	4,630
Program expenses	-	-	-	-	-	-	-	-	-
Professional fees	1,621	2,025	4,728	253	8,627	19,857	407	20,264	28,891
Travel and meals	518	257	158	8	941	680	35	715	1,656
Recruitment/outplacement	8,634	12,636	6,556	2,304	30,130	1,075	4,659	5,734	35,864
Equipment, printing and supplies	1,513	2,530	657	225	4,925	1,418	307	1,725	6,650
Technology	5,259	5,070	3,744	623	14,696	1,259	908	2,167	16,863
Liability insurance	1,767	2,588	1,342	472	6,169	220	954	1,174	7,343
Staff development	696	694	1,550	61	3,001	506	477	983	3,984
Other	-	-	220	-	220	3,367	4	3,371	3,591
TOTAL OTHER	20,947	26,376	19,402	3,975	70,700	29,713	9,059	38,772	109,472
TOTAL EXPENSES BEFORE PARTICIPANT COSTS	325,645	467,271	287,584	96,185	1,176,685	102,771	185,164	287,935	1,464,620
ONE FAMILY SCHOLAR AND C2C AWARDS	591,733	38,825	2,050	-	632,608	20	94	114	632,722
TOTAL EXPENSES	\$ 917,378	\$ 506,096	\$ 289,634	\$ 96,185	\$1,809,293	\$ 102,791	\$ 185,258	\$ 288,049	\$2,097,342

One Family, Inc.

Statements of Cash Flows

For the Years Ended June 30

	<u>2023</u>	<u>2022</u>
CASH FLOWS FROM OPERATING ACTIVITIES:		
Change in net assets	\$ 26,444	\$ 208,880
Adjustments to reconcile change in net assets to net cash from operating activities:		
Depreciation	36,289	15,376
Net unrealized (gains) losses on investments	(69,285)	170,753
SBA Paycheck Protection Program loan forgiveness	-	(135,321)
Changes in operating assets and liabilities:		
Promises to give, net	(106,757)	(69,408)
Accounts receivable - contracts	117,173	(159,207)
Prepaid expenses and other assets	(1,315)	1,218
Accounts payable	9,486	(5,071)
Accrued expenses	21,959	(2,875)
	<u>33,994</u>	<u>24,345</u>
NET CASH PROVIDED BY OPERATING ACTIVITIES		
	<u>33,994</u>	<u>24,345</u>
CASH FLOWS USED IN INVESTING ACTIVITIES		
Investment purchases and dividends reinvested	<u>(22,392)</u>	<u>(171,443)</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	11,602	(147,098)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	<u>232,708</u>	<u>379,806</u>
CASH AND CASH EQUIVALENTS AT END OF YEAR	<u>\$ 244,310</u>	<u>\$ 232,708</u>

Notes to Financial Statements

June 30, 2023

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 takes a multi-pronged approach to our work. We advocate for public policies that will increase affordable housing and provide services to families experiencing or at risk of homelessness. At the same time, we offer direct-service programs that bridge the silos which traditionally exist between housing, education, and career supports to help families achieve long-term economic and housing security.

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.

Basis of Accounting and Financial Statement Presentation – One Family prepares its financial statements in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP). As a not-for-profit corporation, One Family presents in its statement of financial position and its statement of activities 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.

Donor-restricted support is 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 in the accompanying financial statements 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. See Note 7 regarding restrictions on net assets.

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

Contributions – One Family follows guidance under Accounting Standards Update (ASU) 2018-08, “Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made”. The ASU provides guidance in evaluating whether transactions should be accounted for and reported as contributions or as exchange transactions, and in determining whether a contribution is conditional or unconditional. The ASU clarified that a contribution represents a nonreciprocal transaction where the grantor or donor does not receive a benefit of commensurate value in return for the assets or resources provided to the recipient. In an exchange transaction, the resource provider receives some thing or benefit of commensurate value in return for the resources provided. Exchange transactions include instances where a transfer of assets represents a payment from a third-party payer on behalf of an existing exchange transaction between the recipient and an identified customer receiving the benefit. However, where the benefit or potential benefit is received by the public or segments thereof, and the resource provider (such as a foundation, government agency, corporation or other entity) only receives indirect or incidental benefit that is not of commensurate value, the transaction is treated as a contribution for accounting purposes.

Distinguishing between contributions and exchange transactions determines the appropriate accounting and reporting for a transaction. Transactions determined to be contributions are reported as support with or without donor restrictions as described above, Basis of Accounting and Financial Statement Presentation. All of One Family’s support and revenue for both 2023 and 2022, with the exception of investment related activity, has been determined to be contributions for accounting purposes and are reported as support with or without donor restrictions.

Conditional Grants and Contributions – Conditional grants and contributions are not recognized as support until they become unconditional, that is, at the time when the conditions on which they depend are substantially met. Generally, as expenses are incurred under the terms of government cost-reimbursement contracts or grants, One Family records accounts receivable for the reimbursable amounts requested. Any contract or grant funds received before eligible expenses are incurred or before the conditions of the contract or grant are met are reported in the statement of financial position as liabilities. (See Note 10)

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 contributions in accordance with donor-imposed restrictions, if any, on the contributions. Promises to give are stated net of an allowance for doubtful collection, 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 recorded promises to give to the Organization and establishes or adjusts its allowance to an amount that it believes will be adequate to absorb possible promises 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 collection as one was not considered necessary by management. (See Note 2)

Contributed Services and Other Nonfinancial Assets – Under U.S. GAAP, contributed services are recognized as both support and expense at their estimated fair values if they create or enhance nonfinancial assets or if they require specialized skills that would need to be purchased if they were not donated. One Family receives services from volunteers in connection with certain programs. The value of these services has not been estimated or reflected in the accompanying financial statements since the services do not meet the criteria for recognition under U.S. GAAP.

Other contributed nonfinancial assets such as property and equipment, commonly referred to as “gifts-in-kind”, are also recorded and reported as contributed support. One Family did not receive any contributed nonfinancial assets during the years ended June 30, 2023 and 2022.

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

Additionally, One Family received certain items to be sold at auction in connection with its 2023 and 2022 annual events. Contributed auction items are valued at the gross selling price received.

Cash and Cash Equivalents – For the purpose of the statements of cash flows, cash includes balances on hand and in banks. Mutual funds that are held with banks have been included with investments.

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 as discussed 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. 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 – Property and equipment acquisitions are reported at cost less accumulated provisions for depreciation. 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

During 2023, management determined that the remaining useful lives of leasehold improvements and certain equipment was excessive based on current lease terms and plans for relocation (see Note 6). This change in accounting estimate was prospectively recognized by reducing the remaining useful lives of the assets in the year ending June 30, 2023. The change resulted in an increase in depreciation expense of approximately \$27,000 for the year. See Note 4 for a summary of property and equipment.

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

Special Events – Special events revenue is presented net of direct expenses in the accompanying statements of activities and changes in net assets. Net special event revenue consists of the following:

	<u>2023</u>	<u>2022</u>
Individual contributions	\$ 65,881	\$ 75,136
Corporate and foundation contributions	<u>118,739</u>	<u>107,000</u>
	184,620	182,136
Less: direct expenses	<u>19,750</u>	<u>20,771</u>
Net special events revenue	<u>164,870</u>	<u>\$ 161,365</u>

Functional Allocation of Expenses – The statement of activities and changes in net assets reports summary totals of expenses by program and by supporting functions, general and administrative function and fundraising function. The statement of functional expenses presents the natural classification of expenses by program or function. Expenses are generally reported according to their purpose. Certain costs have been allocated among program and/or supporting functions benefited on a reasonable basis that is consistently applied. The expenses that are allocated include salaries and wages, including payroll taxes and benefits, which are allocated based on employee function or estimated efforts, and occupancy costs that are allocated based on estimated usage.

Advertising Costs – One Family expenses advertising costs as they are incurred. Advertising expense for the years ended June 30, 2023 and 2022 were \$8,383 and \$13,611, respectively.

Recognition of Grant Expense – In the course of operating the One Family Scholars and Credential to Career Coaching programs, One Family granted the following awards, included in program services expense, for the years ended June 30:

	<u>2023</u>	<u>2022</u>
Education expenses	\$ 494,986	\$ 524,738
Stipends	<u>171,492</u>	<u>107,984</u>
	<u>\$ 666,478</u>	<u>\$ 632,722</u>

Grant expense is recognized at the time that One Family grants the awards for the One Family Scholars and Credential to Career Coaching 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, support 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.

Reclassification of Investments in 2022 Financial Statements – Approximately \$1,090,000 of certain mutual fund investments which were previously classified as cash equivalents in One Family's statements of financial position and cash flows as of and for the year ended June 30, 2022 have been retrospectively reclassified as investments in order to conform to the 2023 classification. This reclassification had the effect of increasing the amount of investments and decreasing the amount of cash as previously reported at June 30, 2022 by \$1,090,000, and it had no effect on the amounts of total assets or the change in net assets as previously reported as of and for the year ended June 30, 2022.

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

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, 2023 up through September 21, 2023, 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>2023</u>	<u>2022</u>
Scholarships	\$ 120,000	\$ 120,000
Time restricted	60,000	-
Without restriction	78,807	32,050
	<u>\$ 258,807</u>	<u>\$ 152,050</u>
Amounts due in:		
Less than one year	\$ 218,807	\$ 152,050
One to five years	40,000	-
	<u>\$ 258,807</u>	<u>\$ 152,050</u>

Note 3 – Investments

Investments are presented in the accompanying statements of financial position 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>2023</u>	<u>2022</u>
Investments:		
Daily money market	\$ 79,327	\$ 71,197
Mutual funds:		
U.S. Treasury and government funds	1,096,682	1,090,423
Global mutual funds	167,218	171,391
Exchange traded funds	502,573	421,646
	<u>1,766,473</u>	<u>1,683,460</u>
Equity securities	5,275	4,742
Total investments	<u>\$ 1,851,075</u>	<u>\$ 1,759,399</u>

Unrealized gains and losses on investments netted to a gain of \$62,109 for the year ended June 30, 2023 (a net unrealized loss of \$170,753 for the year ended June 30, 2022). These gains and losses are included as non-operating support 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>2023</u>	<u>2022</u>
Leasehold improvements	\$ 48,500	\$ 48,500
Computers and software	76,860	76,860
Furniture, fixtures and equipment	<u>43,246</u>	<u>43,246</u>
	168,606	168,606
Less accumulated depreciation	<u>168,606</u>	<u>132,318</u>
	<u>\$ -</u>	<u>\$ 36,288</u>

Note 5 – CARES Act Funding

SBA Paycheck Protection Program Loans - In April of 2020, One Family applied for and received a loan from a financial institution in the amount of \$157,723 under the Paycheck Protection Program (PPP) established by the Coronavirus Aid, Relief, and Economic Security (CARES) Act. Under the note agreement, the loan's repayment was guaranteed by the Small Business Administration ("SBA"), it accrued interest at 1%, and it was forgivable and payable by the SBA if One Family incurred and paid eligible expenses such as payroll and other specified costs as defined in the CARES Act. Based on management's determination that the criteria had been met, One Family applied for the loan's forgiveness under the terms of the agreement and in fiscal 2021 it was notified by the SBA that the loan and accrued interest has been forgiven in full and One Family was released from obligation under the debt instrument.

Additionally, in February of 2021, One Family applied for and received a second PPP loan in the amount of \$135,321 under terms similar to the first loan. In August of 2021, One Family was notified by the SBA that the loan and accrued interest has been forgiven in full and One Family was released from obligation under the debt instrument. The amount of the loan forgiveness of \$135,321 is reflected as non-operating support in the accompanying statement of activities and changes in net assets for fiscal year 2022.

Eligibility for PPP loan forgiveness is self-determined. In 2021 management made a determination that the Organization met the established criteria and that its PPP loans were eligible for forgiveness by the SBA. SBA audits of loan forgiveness applications can take place after a PPP loan is forgiven and the statute of limitations for an audit is generally 6 years. The IRS has also announced that it believes it has the right to audit the use of PPP loan funds and the loan forgiveness from an income tax perspective. The statute of limitations for IRS audits is generally 3 years.

Employee Retention Credits – Management believes that One Family has met the criteria to receive Employee Retention Credits (ERC) from the IRS under provisions of the CARES Act and, during fiscal year 2022, One Family filed an application and received total credits in the amount of \$160,812 for the period from January, 2021 to September, 2021. The amount received for the Employee Retention Credits is reflected as non-operating support in the accompanying statement of activities and changes in net assets for 2022.

In the American Rescue Plan of 2021, Congress extended the time by which the IRS could audit ERC claims from three years to five years.

Note 6 – Lease Agreement

One Family is currently leasing office space in Boston under a short-term extension of a lease agreement that expires in February of 2024. The agreement calls for a current monthly base payment of \$7,200 and the payment of a proportionate share of certain of the lessor's operating costs. The agreement has two options to extend the lease for five years each.

Note 6 – Lease Agreement (Cont.)

Lease expense under this agreement totaled \$90,806 and \$86,410 for the years ended June 30, 2023 and 2022, respectively, under the operating method of accounting for leases.

Future minimum payments of \$58,320 under the existing lease agreement are due in fiscal year 2024.

Note 7– Net Assets with Donor Restrictions

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

	<u>2023</u>	<u>2022</u>
Purpose restricted - Scholarships	\$ 120,000	\$ 82,171
Purpose restricted - One Family Scholars Program	39,171	120,000
Time restricted	<u>60,000</u>	<u>25,000</u>
	<u>\$ 219,171</u>	<u>\$ 227,171</u>

As of June 30, 2023 and 2022, One Family does not have any net assets with donor restrictions to maintain the principal in perpetuity.

Net assets with donor restrictions were released for the following purposes and programs during the year ended June 30:

	<u>2023</u>	<u>2022</u>
Purpose restricted - Scholarships	\$ 120,000	\$ 43,393
Purpose restricted - One Family Scholars Program	43,000	70,050
Time restricted	<u>25,000</u>	<u>25,000</u>
	<u>\$ 188,000</u>	<u>\$ 138,443</u>

Note 8 – Related Party Transactions

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

One of One Family's Board members is related to the Trustees of the Paul and Phyllis Fireman Charitable Foundation, which contributed \$650,000 of unrestricted support to One Family in each of the years ended June 30, 2023 and 2022 (see Note 10). Additionally, the Foundation contributed an additional \$152,000 in 2022.

Note 9 – 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, 2023 and 2022, One Family contributed approximately \$23,000 and \$24,000, respectively, to the plan, which is included in payroll taxes and fringe benefits in the accompanying statements of functional expenses.

Note 10 – 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. A summary of financial instrument and other concentrations follows.

Cash and Equivalents - One Family maintains its cash balances in a Massachusetts bank. The Federal Deposit Insurance Corporation (FDIC) insures balances at each bank up to certain limits. There were no deposits excess of FDIC insured limits based on bank balances.

Investments - The Organization's investments consist principally of a variety of mutual funds and exchange-traded funds (ETF) as disclosed in Note 3. At June 30, 2023, the investment in one mutual fund approximates \$1,097,000, which represents 59% of the investment portfolio.

Promises to Give - At June 30, 2023, one promise to give to One Family made by a charitable foundation in the amount of \$120,000, represents approximately 46% of total promises to give at June 30, 2023.

Accounts Receivable, Contracts - At June 30, 2023, accounts receivable – contracts consists of amounts due under one Massachusetts contract in the amount of \$109,570.

Major Support – One donor, a charitable foundation, donated \$650,000 and \$802,000 in 2023 and 2022, respectively, approximately 24% and 37% of One Family's total operating support and revenues for the years ended June 30, 2023 and 2022, respectively (see Note 8).

In addition, approximately 49% and 28% of One Family's total operating support represents contracts with the Commonwealth of Massachusetts during the years ended June 30, 2023 and 2022, respectively.

At June 30, 2022, One Family had approximately \$321,000 future funding remaining under a cost-reimbursement contract with the Commonwealth of Massachusetts that was reported as a conditional contribution at the time and subsequently recognized as support in fiscal year 2023.

Note 11 – 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:

	<u>2023</u>	<u>2022</u>
Financial assets:		
Cash and cash equivalents	\$ 244,310	\$ 232,708
Promises to give, net	258,807	152,050
Accounts receivable - contracts	109,575	226,748
Investments	<u>1,851,075</u>	<u>1,759,399</u>
Total financial assets	2,463,767	2,370,905
Amounts not available for general expenditure within one year:		
Donor restricted net assets for specific purposes (Note 7)	<u>(159,171)</u>	<u>(202,171)</u>
Financial assets available within one year for general expenditure	<u>\$ 2,304,596</u>	<u>\$ 2,168,734</u>

One Family is substantially supported by contributions and grants. In conjunction with certain 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.