



Audited Financial Statements

One Family, Inc.

June 30, 2022

# One Family, Inc.

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## Audited Financial Statements

June 30, 2022

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## **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, 2022 and 2021, 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, 2022 and 2021, 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.

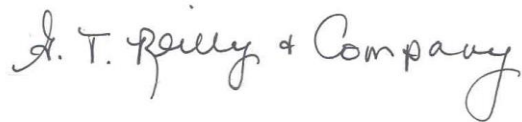


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In performing an audit in accordance with generally accepted auditing standards, we:

- 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 dark ink and is positioned above the printed name of the firm.

G.T. Reilly & Company

Milton, Massachusetts  
September 21, 2022

# One Family, Inc.

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## Statements of Financial Position

June 30

<u>Assets</u>	<u>2022</u>	<u>2021</u>
CURRENT ASSETS		
Cash and cash equivalents	\$1,323,131	\$1,325,452
Promises to give, net	152,050	82,642
Accounts receivable - contracts	226,748	67,541
Prepaid expenses and other assets	5,170	6,388
TOTAL CURRENT ASSETS	1,707,099	1,482,023
INVESTMENTS	668,976	813,063
PROPERTY AND EQUIPMENT, net	36,288	51,664
TOTAL ASSETS	<u>\$2,412,363</u>	<u>\$2,346,750</u>
 <u>Liabilities and Net Assets</u>		
CURRENT LIABILITIES		
Accounts payable	\$ -	\$ 5,071
Accrued expenses	14,049	16,924
SBA PPP Loan, forgiven in 2022	-	135,321
TOTAL CURRENT LIABILITIES	14,049	157,316
NET ASSETS		
Without donor restrictions	2,171,143	1,943,820
With donor restrictions	227,171	245,614
TOTAL LIABILITIES AND NET ASSETS	<u>\$2,412,363</u>	<u>\$2,346,750</u>

# One Family, Inc.

## Statements of Activities and Changes in Net Assets

### Years Ended June 30

	2022			2021		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
<b>OPERATING SUPPORT AND REVENUES</b>						
Private grants and contributions	\$ 1,249,462	\$ 120,000	\$ 1,369,462	\$ 954,106	\$ 50,000	\$ 1,004,106
Government grants and contracts	622,872	-	622,872	454,420	-	454,420
Special events, net	161,365	-	161,365	161,465	-	161,465
Investment income, gains (losses) and other, net	27,143	-	27,143	12,199	-	12,199
Net assets released from restrictions	138,443	(138,443)	-	466,165	(466,165)	-
<b>TOTAL OPERATING SUPPORT &amp; REVENUES</b>	<b>2,199,285</b>	<b>(18,443)</b>	<b>2,180,842</b>	<b>2,048,355</b>	<b>(416,165)</b>	<b>1,632,190</b>
<b>OPERATING EXPENSES</b>						
Program services:						
One Family Scholars	917,378	-	917,378	900,689	-	900,689
Credential to Career Coaching	506,096	-	506,096	355,427	-	355,427
Public Policy	289,634	-	289,634	231,210	-	231,210
Technical Assistance	96,185	-	96,185	115,708	-	115,708
<b>TOTAL PROGRAM SERVICES EXPENSE</b>	<b>1,809,293</b>	<b>-</b>	<b>1,809,293</b>	<b>1,603,034</b>	<b>-</b>	<b>1,603,034</b>
Support services:						
General and administrative	102,791	-	102,791	125,089	-	125,089
Fundraising	185,258	-	185,258	131,477	-	131,477
<b>TOTAL SUPPORT SERVICES EXPENSE</b>	<b>288,049</b>	<b>-</b>	<b>288,049</b>	<b>256,566</b>	<b>-</b>	<b>256,566</b>
<b>TOTAL OPERATING EXPENSES</b>	<b>2,097,342</b>	<b>-</b>	<b>2,097,342</b>	<b>1,859,600</b>	<b>-</b>	<b>1,859,600</b>
<b>CHANGE IN NET ASSETS FROM OPERATIONS</b>	<b>101,943</b>	<b>(18,443)</b>	<b>83,500</b>	<b>188,755</b>	<b>(416,165)</b>	<b>(227,410)</b>
<b>NON-OPERATING SUPPORT</b>						
Unrealized (loss) gain on investments, net	(170,753)	-	(170,753)	211,272	-	211,272
Payroll protection program loan forgiveness	135,321	-	135,321	157,723	-	157,723
Employee retention credits	160,812	-	160,812	-	-	-
	125,380	-	125,380	368,995	-	368,995
<b>CHANGE IN NET ASSETS</b>	<b>227,323</b>	<b>(18,443)</b>	<b>208,880</b>	<b>557,750</b>	<b>(416,165)</b>	<b>141,585</b>
<b>NET ASSETS AT BEGINNING OF YEAR</b>	<b>1,943,820</b>	<b>245,614</b>	<b>2,189,434</b>	<b>1,386,070</b>	<b>661,779</b>	<b>2,047,849</b>
<b>NET ASSETS AT END OF YEAR</b>	<b>\$ 2,171,143</b>	<b>\$ 227,171</b>	<b>\$ 2,398,314</b>	<b>\$ 1,943,820</b>	<b>\$ 245,614</b>	<b>\$ 2,189,434</b>

# One Family, Inc.

## Statement of Functional Expenses

For the Year Ended June 30, 2022 (With Comparative Totals for 2021)

	Program Services				Support Services			2022 Total Expenses	2021 Total Expenses	
	One Family Scholars	Credential to Career Coaching	Public Policy	Technical Assistance	Total Program Services	General & Administrative	Fundraising			Total Support Services
<b>PERSONNEL AND RELATED</b>										
Salaries	\$ 227,472	\$ 336,143	\$ 211,654	\$ 70,711	\$ 845,980	\$ 38,295	\$ 134,361	\$ 172,656	\$ 1,018,636	\$ 886,578
Payroll taxes and fringe benefits	51,999	67,800	37,357	14,761	171,917	12,764	28,112	40,876	212,793	185,861
Contracted services	-	-	-	-	-	18,425	-	18,425	18,425	20,200
<b>TOTAL PERSONNEL AND RELATED</b>	<b>279,471</b>	<b>403,943</b>	<b>249,011</b>	<b>85,472</b>	<b>1,017,897</b>	<b>69,484</b>	<b>162,473</b>	<b>231,957</b>	<b>1,249,854</b>	<b>1,092,639</b>
<b>OCCUPANCY</b>										
Rent	20,787	30,449	15,797	5,552	72,585	2,592	11,233	13,825	86,410	81,767
Repairs and maintenance	-	-	-	-	-	329	-	329	329	556
Utilities and phone	741	1,085	563	198	2,587	192	400	592	3,179	6,603
Depreciation	3,699	5,418	2,811	988	12,916	461	1,999	2,460	15,376	15,377
<b>TOTAL OCCUPANCY</b>	<b>25,227</b>	<b>36,952</b>	<b>19,171</b>	<b>6,738</b>	<b>88,088</b>	<b>3,574</b>	<b>13,632</b>	<b>17,206</b>	<b>105,294</b>	<b>104,303</b>
<b>OTHER</b>										
Events, meetings and conferences	939	576	447	29	1,991	1,331	1,308	2,639	4,630	2,940
Program expenses	-	-	-	-	-	-	-	-	-	9
Professional fees	1,621	2,025	4,728	253	8,627	19,857	407	20,264	28,891	32,646
Travel and meals	518	257	158	8	941	680	35	715	1,656	1,799
Recruitment/outplacement	8,634	12,636	6,556	2,304	30,130	1,075	4,659	5,734	35,864	10,052
Equipment, printing and supplies	1,513	2,530	657	225	4,925	1,418	307	1,725	6,650	8,746
Technology	5,259	5,070	3,744	623	14,696	1,259	908	2,167	16,863	21,779
Liability insurance	1,767	2,588	1,342	472	6,169	220	954	1,174	7,343	6,793
Staff development	696	694	1,550	61	3,001	506	477	983	3,984	5,629
Bad debt expense	-	-	-	-	-	-	-	-	-	-
Other	-	-	220	-	220	3,367	4	3,371	3,591	4,432
<b>TOTAL OTHER</b>	<b>20,947</b>	<b>26,376</b>	<b>19,402</b>	<b>3,975</b>	<b>70,700</b>	<b>29,713</b>	<b>9,059</b>	<b>38,772</b>	<b>109,472</b>	<b>94,825</b>
<b>TOTAL EXPENSES BEFORE PARTICIPANT COSTS</b>	<b>325,645</b>	<b>467,271</b>	<b>287,584</b>	<b>96,185</b>	<b>1,176,685</b>	<b>102,771</b>	<b>185,164</b>	<b>287,935</b>	<b>1,464,620</b>	<b>1,291,767</b>
<b>ONE FAMILY SCHOLAR AND C2C AWARDS</b>	<b>591,733</b>	<b>38,825</b>	<b>2,050</b>	<b>-</b>	<b>632,608</b>	<b>20</b>	<b>94</b>	<b>114</b>	<b>632,722</b>	<b>567,833</b>
<b>TOTAL EXPENSES</b>	<b>\$ 917,378</b>	<b>\$ 506,096</b>	<b>\$ 289,634</b>	<b>\$ 96,185</b>	<b>\$ 1,809,293</b>	<b>\$ 102,791</b>	<b>\$ 185,258</b>	<b>\$ 288,049</b>	<b>\$ 2,097,342</b>	<b>\$ 1,859,600</b>

# One Family, Inc.

## Statement of Functional Expenses For the Year Ended June 30, 2021

	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
<b>PERSONNEL AND RELATED</b>									
Salaries	\$ 255,567	\$ 236,342	\$ 163,999	\$ 83,862	\$ 739,770	\$ 53,085	\$ 93,723	\$ 146,808	\$ 886,578
Payroll taxes and fringe benefits	52,985	47,405	34,161	17,429	151,980	14,490	19,391	33,881	185,861
Contracted services	-	-	-	-	-	20,200	-	20,200	20,200
<b>TOTAL PERSONNEL AND RELATED</b>	<b>308,552</b>	<b>283,747</b>	<b>198,160</b>	<b>101,291</b>	<b>891,750</b>	<b>87,775</b>	<b>113,114</b>	<b>200,889</b>	<b>1,092,639</b>
<b>OCCUPANCY</b>									
Rent	23,783	21,252	15,263	7,805	68,103	4,941	8,723	13,664	81,767
Repairs and maintenance	-	-	-	-	-	556	-	556	556
Utilities and phone	1,633	1,458	1,047	535	4,673	1,332	598	1,930	6,603
Depreciation	4,473	3,997	2,870	1,468	12,808	929	1,640	2,569	15,377
<b>TOTAL OCCUPANCY</b>	<b>29,889</b>	<b>26,707</b>	<b>19,180</b>	<b>9,808</b>	<b>85,584</b>	<b>7,758</b>	<b>10,961</b>	<b>18,719</b>	<b>104,303</b>
<b>OTHER</b>									
Events, meetings and conferences	887	639	168	58	1,752	812	376	1,188	2,940
Program expenses	9	-	-	-	9	-	-	-	9
Professional fees	3,610	3,227	2,317	1,185	10,339	20,983	1,324	22,307	32,646
Travel and meals	651	271	112	25	1,059	684	56	740	1,799
Recruitment/outplacement	2,909	2,650	1,867	955	8,381	604	1,067	1,671	10,052
Equipment, printing and supplies	1,886	4,045	932	364	7,227	1,202	317	1,519	8,746
Technology	10,728	4,095	2,718	1,317	18,858	1,576	1,345	2,921	21,779
Liability insurance	1,976	1,765	1,268	649	5,658	410	725	1,135	6,793
Staff development	529	511	3,273	56	4,369	803	457	1,260	5,629
Bad debt expense	-	-	-	-	-	-	-	-	-
Other	-	-	215	-	215	2,482	1,735	4,217	4,432
<b>TOTAL OTHER</b>	<b>23,185</b>	<b>17,203</b>	<b>12,870</b>	<b>4,609</b>	<b>57,867</b>	<b>29,556</b>	<b>7,402</b>	<b>36,958</b>	<b>94,825</b>
<b>TOTAL EXPENSES BEFORE PARTICIPANT COSTS</b>									
	361,626	327,657	230,210	115,708	1,035,201	125,089	131,477	256,566	1,291,767
<b>ONE FAMILY SCHOLAR AND C2C AWARDS</b>	<b>539,063</b>	<b>27,770</b>	<b>1,000</b>	<b>-</b>	<b>567,833</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>567,833</b>
<b>TOTAL EXPENSES</b>	<b>\$ 900,689</b>	<b>\$ 355,427</b>	<b>\$ 231,210</b>	<b>\$ 115,708</b>	<b>\$1,603,034</b>	<b>\$ 125,089</b>	<b>\$ 131,477</b>	<b>\$ 256,566</b>	<b>\$1,859,600</b>



# One Family, Inc.

## Statements of Cash Flows

For the Years Ended June 30

	<u>2022</u>	<u>2021</u>
CASH FLOWS FROM OPERATING ACTIVITIES:		
Change in net assets	\$ 208,880	\$ 141,585
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:		
Depreciation	15,376	15,377
Donated investments	-	(2,665)
Net unrealized losses (gains) on investments	170,753	(211,272)
SBA Paycheck Protection Program loan forgiveness	(135,321)	(157,723)
Changes in operating assets and liabilities:		
Promises to give, net	(69,408)	105,528
Accounts receivable - contracts	(159,207)	(67,541)
Prepaid expenses and other assets	1,218	4,759
Accounts payable	(5,071)	(1,606)
Accrued expenses	(2,875)	(961)
NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES	<u>24,345</u>	<u>(174,519)</u>
CASH FLOWS USED IN INVESTING ACTIVITIES		
Dividends reinvested	<u>(26,666)</u>	<u>(11,038)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
SBA Paycheck Protection Program loan, forgivable	<u>-</u>	<u>135,321</u>
NET DECREASE IN CASH AND CASH EQUIVALENTS	(2,321)	(50,236)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	<u>1,325,452</u>	<u>1,375,688</u>
CASH AND CASH EQUIVALENTS AT END OF YEAR	<u>\$ 1,323,131</u>	<u>\$ 1,325,452</u>
<b><u>NON-CASH INVESTING ACTIVITIES</u></b>		
Donated investments	<u>\$ -</u>	<u>\$ 2,665</u>

## Notes to Financial Statements

June 30, 2022

### 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 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 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 revenue and support for both 2022 and 2021, with the exception of investment related activity, has been determined to be contributions 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 contribution revenue 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 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 year ended June 30, 2022. During the year ended June 30, 2021, contributed laptops with an estimated fair value of approximately \$13,000 were recorded by One Family and are being used in providing both program and support functions.

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

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

Cash and Cash Equivalents – For the purpose of the statements of cash flows, cash includes balances on hand and in 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>2022</u>	<u>2021</u>
Cash on hand at banks	\$ 232,708	\$ 379,806
Cambridge Trust Investment Acct	<u>1,090,423</u>	<u>945,646</u>
	<u>\$ 1,323,131</u>	<u>\$ 1,325,452</u>

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

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>2022</u>	<u>2021</u>
Individual contributions and foundation grants	\$ 75,136	\$ 71,291
Corporate contributions	<u>107,000</u>	<u>105,000</u>
	<b>182,136</b>	176,291
Less: direct expenses	<u>20,771</u>	<u>14,826</u>
Net special events revenue	<u><b>161,365</b></u>	<u><b>\$ 161,465</b></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 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, 2022 and 2021 were \$13,611 and \$1,844, 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>2022</u>	<u>2021</u>
Education expenses	\$ 524,738	\$ 391,660
Stipends	<u>107,984</u>	<u>176,173</u>
	<u><b>\$ 632,722</b></u>	<u><b>\$ 567,833</b></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.

New Lease Accounting Standard Effective in 2023 – In 2016, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) 2016-02, “Leases”. ASU 2016-02 and subsequent amendments, together known as Accounting Standards Codification (ASC) 842, replace existing accounting standards on leases. ASU 2020-05 deferred the effective date of ASC 842, which makes it effective for One Family’s 2023 fiscal year.

Under ASC 842, lessees are required to recognize lease “right of use” assets and future lease obligations on their balance sheets or statements of financial position, substantially for all leases with original terms longer than twelve months. Leases will be classified as either finance or operating leases, with classification affecting the pattern of expense recognition in the lessee’s statement of income.

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

Management is currently evaluating the impact of ASC 842 on One Family's annual financial statements for 2023 and it expects that an operating lease "right of use" asset and lease obligation will be recorded on the Organization's statement of financial position in 2023 with regard to its existing lease commitment disclosed in Note 6. Management has not yet determined the dollar amounts of the asset and liability to be recorded or its method of transitioning to this new accounting standard among the alternatives permitted.

Change in Presentation in Statement of Activities and Measure of Operations – Effective with the year ended June 30, 2022, management changed the presentation within One Family's statement of activities by segregating changes in net assets from operating activities from changes in net assets from non-operating activities. Management adopted a policy whereby revenues and support related to or made available for the operation of One Family, as well as expenses related to its operations, are considered to be "operating activities". One Family's non-operating activities presented in the statement include unrealized investment gains and losses, and any non-recurring or infrequent activities not directly related One Family's operating activities. The change in presentation has been adopted retrospectively whereby the presentation in the statement of activities for the previous year ended June 30, 2021 has been changed to conform with the new policy. The change had no effect on the "change in net assets" as previously reported for the year ended June 30, 2021.

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, 2022 up through September 21, 2022, 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>2022</u>	<u>2021</u>
Scholarships	\$ 120,000	\$ -
Technical Assistance	-	3,855
Without restriction	<u>32,050</u>	<u>78,787</u>
	<u>\$ 152,050</u>	<u>\$ 82,642</u>
Amounts due in:		
Less than one year	\$ 152,050	\$ 57,642
One to five years	-	25,000
	<u>\$ 152,050</u>	<u>\$ 82,642</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>2022</u>	<u>2021</u>
Investments:		
Daily money market	<u>\$ 71,197</u>	<u>\$ 71,077</u>
Mutual funds:		
Global mutual funds	<u>171,391</u>	217,658
Exchange traded funds	<u>421,646</u>	519,220
	<u>593,037</u>	<u>736,878</u>
Equity securities	<u>4,742</u>	<u>5,108</u>
Total investments	<u>\$ 668,976</u>	<u>\$ 813,063</u>

Unrealized gains and losses on investments netted to a loss of \$170,753 for the year ended June 30, 2022 (a net unrealized gain of \$211,272 for the year ended June 30, 2021.) 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>2022</u>	<u>2021</u>
Leasehold improvements	<u>\$ 48,500</u>	\$ 48,500
Computers and software	<u>76,860</u>	76,860
Furniture, fixtures and equipment	<u>43,246</u>	43,246
	<u>168,606</u>	168,606
Less accumulated depreciation	<u>132,318</u>	116,942
	<u>\$ 36,288</u>	<u>\$ 51,664</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. 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 amounts of the loan forgiveness, \$135,321 in fiscal year 2022 and \$157,723 in 2021, are reflected as non-operating support in the accompanying statements of activities and changes in net assets for 2022 and 2021, respectively.

## Note 5 – CARES Act Funding (Cont.)

Employee Retention Credits – Management believes that One Family has met the criteria to receive Employee Retention Credits 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.

## Note 6 – Lease Agreement

One Family is currently in the original term of a lease agreement for office space in Boston. The lease agreement calls for a current monthly base payment of \$6,480 and the payment of a proportionate share of certain of the lessor's operating costs. The agreement is for a period of five years ending in November of 2023, with two options to extend the lease for five years each.

Lease expense under this agreement totaled \$86,410 and \$81,767 for the years ended June 30, 2022 and 2021, respectively, under the operating method of accounting for leases whereby the payments are charged to expense when due.

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

Fiscal Year <u>Ending June 30</u>	
2023	\$ 85,200
2024	<u>36,000</u>
	<u>\$ 121,200</u>

## 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>2022</u>	<u>2021</u>
Purpose restricted - One Family Scholars Program	\$ 82,171	\$ 152,221
Purpose restricted - Scholarships (tuition & supplies)	120,000	43,393
Time restricted	<u>25,000</u>	<u>50,000</u>
	<u>\$ 227,171</u>	<u>\$ 245,614</u>

As of June 30, 2022 and 2021, 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>2022</u>	<u>2021</u>
Purpose restricted - Scholarships (tuition & supplies)	\$ 43,393	\$ 120,000
Purpose restricted - One Family Scholars Program	70,050	276,165
Purpose restricted - Credential to Career Coaching Program	-	70,000
Time restricted	<u>25,000</u>	<u>-</u>
	<u>\$ 138,443</u>	<u>\$ 466,165</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, 2022 and 2021 (see Note 10). Additionally, the Foundation contributed an additional \$152,000 and \$11,599 in 2022 and 2021, respectively.

## **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, 2022 and 2021, One Family contributed approximately \$24,000 and \$18,000, 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. At times during the year, cash balances may exceed the insured amounts; however, the management attempts to minimize the exposure during the year. Additionally, One Family has an Insured Cash Sweep (ICS) arrangement with its bank, which provides full FDIC insurance coverage for the total account balance.

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, 2022, the investment in one major ETF approximates \$299,000, which represents 45% of the investment portfolio.

Promises to Give - At June 30, 2022, one promise to give to One Family made by a charitable foundation in the amount of \$120,000, represents approximately 79% of total promises to give at June 30, 2022.

Accounts Receivable, Contracts - At June 30, 2022, accounts receivable – contracts is made up of amounts due under two Massachusetts contracts in the amounts of \$188,719 and \$38,029.

Major Support – One donor, a charitable foundation, donated \$802,000 and \$661,599 in 2022 and 2021, respectively, approximately 37% and 41% of One Family's total operating support and revenues for the years ended June 30, 2022 and 2021, respectively (see Note 8).

In addition, approximately 28% and 25% of One Family's total operating support represents contracts with the Commonwealth of Massachusetts, during the years ended June 30, 2022 and 2021, respectively.

At June 30, 2022, One Family has approximately \$321,000 future funding remaining under a cost-reimbursement contract with the Commonwealth of Massachusetts that expires on June 30, 2023 and is accounted for as a conditional contribution.

## 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>2022</u>	<u>2021</u>
Financial assets:		
Cash and cash equivalents	\$ 1,323,131	\$ 1,325,452
Promises to give, net	152,050	82,642
Accounts receivable - contracts	226,748	67,541
Investments	<u>668,976</u>	<u>813,063</u>
Total financial assets	2,370,905	2,288,698
Less amounts not available to be used within one year:		
Donor restricted net assets (Note 7)	<u>(227,171)</u>	<u>(245,614)</u>
 Total financial assets available within one year	 <u>\$ 2,143,734</u>	 <u>\$ 2,043,084</u>

One Family is substantially supported by contributions and grants, including contracts with the Commonwealth of Massachusetts which are accounted for as conditional contributions. 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.