



**GT REILLY**  
**& COMPANY**  
CPAs and Advisors

Audited Financial Statements

One Family, Inc.

June 30, 2021

# One Family, Inc.

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## Audited Financial Statements

June 30, 2021

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## Independent Auditors' Report

To the Board of Directors  
One Family, Inc.

We have audited the accompanying financial statements of One Family, Inc., which comprise the statements of financial position as of June 30, 2021 and 2020, and the related statements of activities and changes in net assets, functional expenses and cash flows for the years then ended, and the related notes to the financial statements.

### **Management's Responsibility for the Financial Statements**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### **Auditors' Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risk of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

### **Opinion**

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of One Family, Inc. as of June 30, 2021 and 2020, and the changes in its net assets and its cash flows for the years then ended, in conformity with accounting principles generally accepted in the United States of America.

G.T. Reilly & Company

Milton, Massachusetts  
September 14, 2021



An independent firm associated  
with Moore Global Network Limited

# One Family, Inc.

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## Statements of Financial Position

June 30

<u>Assets</u>	<u>2021</u>	<u>2020</u>
CURRENT ASSETS		
Cash and cash equivalents	\$1,325,452	\$1,375,688
Promises to give, net	82,642	188,170
Accounts receivable - contracts	67,541	-
Prepaid expenses and other assets	6,388	11,147
TOTAL CURRENT ASSETS	<u>1,482,023</u>	<u>1,575,005</u>
INVESTMENTS	813,063	588,089
PROPERTY AND EQUIPMENT, net	<u>51,664</u>	<u>67,040</u>
TOTAL ASSETS	<u>\$2,346,750</u>	<u>\$2,230,134</u>
<u>Liabilities and Net Assets</u>		
CURRENT LIABILITIES		
Accounts payable	\$ 5,071	\$ 6,677
Accrued expenses	16,924	17,885
SBA Paycheck Protection Program Loan, forgivable	135,321	157,723
TOTAL CURRENT LIABILITIES	<u>157,316</u>	<u>182,285</u>
NET ASSETS		
Without donor restrictions	1,943,820	1,386,070
With donor restrictions	245,614	661,779
	<u>2,189,434</u>	<u>2,047,849</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$2,346,750</u>	<u>\$2,230,134</u>

# One Family, Inc.

## Statements of Activities and Changes in Net Assets

### Years Ended June 30

	2021			2020		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
<b>OPERATING SUPPORT AND REVENUES</b>						
Private grants and contributions	\$ 954,106	\$ 50,000	\$ 1,004,106	\$ 989,768	\$ 87,119	\$ 1,076,887
Government grants and contracts	454,420	-	454,420	701,935	276,165	978,100
Special events, net	161,465	-	161,465			
Investment income, gains and other	223,471	-	223,471	23,250	-	23,250
Net assets released from restrictions	466,165	(466,165)	-	145,981	(145,981)	-
<b>TOTAL OPERATING SUPPORT &amp; REVENUES</b>	<b>2,259,627</b>	<b>(416,165)</b>	<b>1,843,462</b>	<b>1,860,934</b>	<b>217,303</b>	<b>2,078,237</b>
<b>OPERATING EXPENSES</b>						
Program services:						
One Family Scholars	900,689	-	900,689	1,116,054	-	1,116,054
Credential to Career Coaching (C2C)	355,427	-	355,427	346,446	-	346,446
Public Policy	231,210	-	231,210	182,426	-	182,426
Technical Assistance	115,708	-	115,708	80,064	-	80,064
<b>TOTAL PROGRAM SERVICES EXPENSE</b>	<b>1,603,034</b>	<b>-</b>	<b>1,603,034</b>	<b>1,724,990</b>	<b>-</b>	<b>1,724,990</b>
Support services:						
General and administrative	125,089	-	125,089	149,396	-	149,396
Fundraising	131,477	-	131,477	112,529	-	112,529
<b>TOTAL SUPPORT SERVICES EXPENSE</b>	<b>256,566</b>	<b>-</b>	<b>256,566</b>	<b>261,925</b>	<b>-</b>	<b>261,925</b>
<b>TOTAL OPERATING EXPENSES</b>	<b>1,859,600</b>	<b>-</b>	<b>1,859,600</b>	<b>1,986,915</b>	<b>-</b>	<b>1,986,915</b>
<b>CHANGE IN NET ASSETS FROM OPERATIONS</b>	<b>400,027</b>	<b>(416,165)</b>	<b>(16,138)</b>	<b>(125,981)</b>	<b>217,303</b>	<b>91,322</b>
<b>NON-OPERATING SUPPORT</b>						
Payroll protection program loan forgiveness	157,723	-	157,723	-	-	-
<b>CHANGE IN NET ASSETS</b>	<b>557,750</b>	<b>(416,165)</b>	<b>141,585</b>	<b>(125,981)</b>	<b>217,303</b>	<b>91,322</b>
<b>NET ASSETS AT BEGINNING OF YEAR</b>	<b>1,386,070</b>	<b>661,779</b>	<b>2,047,849</b>	<b>1,512,051</b>	<b>444,476</b>	<b>1,956,527</b>
<b>NET ASSETS AT END 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>

# One Family, Inc.

## Statement of Functional Expenses

For the Year Ended June 30, 2021 (With Comparative Totals for 2020)

	Program Services				Support Services			2021 Total Expenses	2020 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	\$ 798,240
Payroll taxes and fringe benefits	52,985	47,405	34,161	17,429	151,980	14,490	19,391	33,881	185,861	156,755
Contracted services	-	-	-	-	-	20,200	-	20,200	20,200	14,625
<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>969,620</b>
<b>OCCUPANCY</b>										
Rent	23,783	21,252	15,263	7,805	68,103	4,941	8,723	13,664	81,767	77,151
Repairs and maintenance	-	-	-	-	-	556	-	556	556	4,963
Utilities and phone	1,633	1,458	1,047	535	4,673	1,332	598	1,930	6,603	8,736
Depreciation	4,473	3,997	2,870	1,468	12,808	929	1,640	2,569	15,377	24,547
<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>115,397</b>
<b>OTHER</b>										
Events, meetings and conferences	887	639	168	58	1,752	812	376	1,188	2,940	9,282
Program expenses	9	-	-	-	9	-	-	-	9	65,532
Professional fees	3,610	3,227	2,317	1,185	10,339	20,983	1,324	22,307	32,646	26,449
Travel and meals	651	271	112	25	1,059	684	56	740	1,799	3,366
Recruitment/outplacement	2,909	2,650	1,867	955	8,381	604	1,067	1,671	10,052	745
Equipment, printing and supplies	1,886	4,045	932	364	7,227	1,202	317	1,519	8,746	10,272
Technology	10,728	4,095	2,718	1,317	18,858	1,576	1,345	2,921	21,779	19,635
Liability insurance	1,976	1,765	1,268	649	5,658	410	725	1,135	6,793	6,555
Staff development	529	511	3,273	56	4,369	803	457	1,260	5,629	5,587
Bad debt expense	-	-	-	-	-	-	-	-	-	2,500
Other	-	-	215	-	215	2,482	1,735	4,217	4,432	4,354
<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>154,277</b>
<b>TOTAL EXPENSES BEFORE PARTICIPANT COSTS</b>	<b>361,626</b>	<b>327,657</b>	<b>230,210</b>	<b>115,708</b>	<b>1,035,201</b>	<b>125,089</b>	<b>131,477</b>	<b>256,566</b>	<b>1,291,767</b>	<b>1,239,294</b>
<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>747,621</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>	<b>\$ 1,986,915</b>

# One Family, Inc.

## Statement of Functional Expenses For the Year Ended June 30, 2020

	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	\$ 236,823	\$ 220,098	\$ 127,524	\$ 57,167	\$ 641,612	\$ 76,123	\$ 80,505	\$ 156,628	\$ 798,240
Payroll taxes and fringe benefits	45,710	42,806	24,827	11,297	124,640	16,829	15,286	32,115	156,755
Contracted services	-	-	-	-	-	14,625	-	14,625	14,625
<b>TOTAL PERSONNEL AND RELATED</b>	<b>282,533</b>	<b>262,904</b>	<b>152,351</b>	<b>68,464</b>	<b>766,252</b>	<b>107,577</b>	<b>95,791</b>	<b>203,368</b>	<b>969,620</b>
<b>OCCUPANCY</b>									
Rent	23,015	21,506	12,460	5,586	62,567	6,718	7,866	14,584	77,151
Repairs and maintenance	1,717	1,254	726	326	4,023	441	499	940	4,963
Utilities and phone	2,607	2,435	1,411	633	7,086	760	890	1,650	8,736
Depreciation	7,323	6,842	3,965	1,778	19,908	2,137	2,502	4,639	24,547
<b>TOTAL OCCUPANCY</b>	<b>34,662</b>	<b>32,037</b>	<b>18,562</b>	<b>8,323</b>	<b>93,584</b>	<b>10,056</b>	<b>11,757</b>	<b>21,813</b>	<b>115,397</b>
<b>OTHER</b>									
Events, meetings and conferences	4,306	1,985	772	839	7,902	972	408	1,380	9,282
Program expenses	65,532	-	-	-	65,532	-	-	-	65,532
Professional fees	2,272	1,898	1,021	458	5,649	20,150	650	20,800	26,449
Travel and meals	1,209	1,256	414	246	3,125	57	184	241	3,366
Recruitment/outplacement	95	550	-	-	645	-	100	100	745
Equipment, printing and supplies	2,762	2,980	823	361	6,926	2,538	808	3,346	10,272
Technology	7,701	5,627	2,905	746	16,979	1,523	1,133	2,656	19,635
Liability insurance	1,955	1,827	1,058	475	5,315	572	668	1,240	6,555
Staff development	842	604	3,122	152	4,720	609	258	867	5,587
Bad debt expense	-	-	-	-	-	2,500	-	2,500	2,500
Other	-	-	740	-	740	2,842	772	3,614	4,354
<b>TOTAL OTHER</b>	<b>86,674</b>	<b>16,727</b>	<b>10,855</b>	<b>3,277</b>	<b>117,533</b>	<b>31,763</b>	<b>4,981</b>	<b>36,744</b>	<b>154,277</b>
<b>TOTAL EXPENSES BEFORE PARTICIPANT COSTS</b>	<b>403,869</b>	<b>311,668</b>	<b>181,768</b>	<b>80,064</b>	<b>977,369</b>	<b>149,396</b>	<b>112,529</b>	<b>261,925</b>	<b>1,239,294</b>
<b>ONE FAMILY SCHOLAR AND C2C AWARDS</b>	<b>712,185</b>	<b>34,778</b>	<b>658</b>	<b>-</b>	<b>747,621</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>747,621</b>
<b>TOTAL EXPENSES</b>	<b>\$1,116,054</b>	<b>\$ 346,446</b>	<b>\$ 182,426</b>	<b>\$ 80,064</b>	<b>\$1,724,990</b>	<b>\$ 149,396</b>	<b>\$ 112,529</b>	<b>\$ 261,925</b>	<b>\$1,986,915</b>

# One Family, Inc.

## Statements of Cash Flows

For the Years Ended June 30

	<u>2021</u>	<u>2020</u>
CASH FLOWS FROM OPERATING ACTIVITIES:		
Change in net assets	\$ 141,585	\$ 91,322
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:		
Depreciation	15,377	24,547
Donated investments	(2,665)	-
Net realized and unrealized gains on investments	(211,272)	(10,579)
SBA Paycheck Protection Program loan forgiveness	(157,723)	-
Changes in operating assets and liabilities:		
Promises to give, net	105,528	74,445
Accounts receivable - contracts	(67,541)	-
Prepaid expenses and other assets	4,759	(4,911)
Accounts payable	(1,606)	6,677
Accrued expenses	(961)	6,598
NET CASH (USED IN) PROVIDED BY OPERATING ACTIVITIES	<u>(174,519)</u>	<u>188,099</u>
CASH FLOWS USED IN INVESTING ACTIVITIES		
Dividends reinvested	<u>(11,038)</u>	<u>(11,202)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
SBA Paycheck Protection Program Loan, forgivable	<u>135,321</u>	<u>157,723</u>
NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS	<u>(50,236)</u>	<u>334,620</u>
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	<u>1,375,688</u>	<u>1,041,068</u>
CASH AND CASH EQUIVALENTS AT END OF YEAR	<u>\$ 1,325,452</u>	<u>\$1,375,688</u>
<b><u>NON-CASH INVESTING ACTIVITIES</u></b>		
Donated investments	<u>\$ 2,665</u>	<u>\$ -</u>



## Notes to Financial Statements

June 30, 2021

### 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 that traditionally exist between housing, education, and career supports to help families achieve 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 is intended to assist entities 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 clarifies 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 revenue or 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 2021 and 2020, 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 revenue or support until they become unconditional, that is, at the time when the conditions on which they depend are substantially met. One Family has no conditional grants or contributions at June 30, 2021 or 2020.

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.

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

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>2021</u>	<u>2020</u>
Cash on hand at banks	\$ 379,806	\$ 402,574
Overnight investment program	945,646	973,114
	<u>\$ 1,325,452</u>	<u>\$ 1,375,688</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.

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

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

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

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

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

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

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

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

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

Special Events – Special events revenue is presented net of direct expenses in the accompanying statements of activities and changes in net assets. During fiscal 2020, One Family did not hold an annual event due to the Covid-19 pandemic. Net special event revenue consists of the following for the year ended June 30, 2021:

Individual contributions and foundation grants	\$ 71,291
Corporate contributions	105,000
	<hr/>
	176,291
Less: direct expenses	14,826
	<hr/>
Net special events revenue	<u>161,465</u>

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

Advertising Costs – One Family expenses advertising costs as they are incurred. Advertising expense for the year ended June 30, 2021 was \$1,844. There was no advertising expense during the year ended June 30, 2020 due to the fact One Family did not hold an annual event during the year.

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

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

	<u>2021</u>	<u>2020</u>
Education expenses	\$ 391,660	\$ 526,281
Stipends	<u>176,173</u>	<u>221,340</u>
	<u>\$ 567,833</u>	<u>\$ 747,621</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 and expenses during the reporting period. Actual results could differ from those estimates. Estimates are involved in the process of allocating certain expenses to programs or supporting functions.

Subsequent Events – In accordance with generally accepted accounting principles, management has evaluated subsequent events involving One Family for potential recognition or disclosure in the accompanying financial statements. Subsequent events are events or transactions that occurred after June 30, 2021 up through September 14, 2021, 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>2021</u>	<u>2020</u>
Scholarships	\$ -	\$ 120,000
Credential to Career Coaching	-	50,000
Technical Assistance	3,855	4,400
Without restriction	<u>78,787</u>	<u>13,770</u>
	<u>\$ 82,642</u>	<u>\$ 188,170</u>
Amounts due in:		
Less than one year	\$ 57,642	\$ 188,170
One to five years	<u>25,000</u>	<u>-</u>
	<u>\$ 82,642</u>	<u>\$ 188,170</u>

Promises to give are recorded at the present value of estimated cash flows.

### Note 3 – Investments

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

	<u>2021</u>	<u>2020</u>
Investments:		
Daily money market	<u>\$ 71,077</u>	<u>\$ 71,053</u>
Mutual funds:		
Global mutual funds	217,658	155,489
Exchange traded funds	<u>519,220</u>	<u>359,432</u>
	<u>736,878</u>	<u>514,921</u>
Equity securities	<u>5,108</u>	<u>2,115</u>
Total investments	<u><u>\$ 813,063</u></u>	<u><u>\$ 588,089</u></u>

Realized and unrealized gains on investments were \$211,272 for the year ended June 30, 2021 (\$10,565 for the year ended June 30, 2020.) These gains are included in investment income in the accompanying statements of activities and changes in net assets.

### Note 4 – Property and Equipment

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

	<u>2021</u>	<u>2020</u>
Leasehold improvements	<u>\$ 48,500</u>	<u>\$ 48,500</u>
Computers and software	76,860	76,860
Furniture, fixtures and equipment	<u>43,246</u>	<u>43,246</u>
	<u>168,606</u>	<u>168,606</u>
Less accumulated depreciation	<u>116,942</u>	<u>101,566</u>
	<u><u>\$ 51,664</u></u>	<u><u>\$ 67,040</u></u>

### Note 5 – 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. The amount of the loan forgiveness is reflected as non-operating support in the accompanying consolidated statement of activities and changes in net assets for 2021.

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. Subsequent to the fiscal year end, 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 second loan has been deferred from recognition as support and presented as debt in the accompanying statement of financial position at June 30, 2021, and it will be removed as a liability via a credit to non-operating support during the next fiscal year ended June 30, 2022.

## Note 6 – Lease Agreement

In January of 2019, One Family relocated its office and entered into a lease agreement for space in Boston. The lease agreement calls for a current monthly base payment of \$6,480 and a proportionate share of certain operating costs. The agreement is for a period of five years with two options to extend for five years each.

Rent expense under this agreement totaled \$81,767 and \$77,151 for the years ended June 30, 2021 and 2020, respectively.

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

Fiscal Year Ending June 30	
2022	\$ 85,128
2023	88,008
2024	<u>37,638</u>
	<u>\$ 210,774</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>2021</u>	<u>2020</u>
Purpose restricted - One Family Scholars Program	\$ 202,221	\$ 428,386
Purpose restricted - Scholarships (tuition & supplies)	43,393	163,393
Credential to Career Coaching Program	-	70,000
	<u>\$ 245,614</u>	<u>\$ 661,779</u>

As of June 30, 2021 and 2020, 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>2021</u>	<u>2020</u>
Purpose restricted - scholarships (tuition & supplies)	\$ 276,165	\$ 125,981
Purpose restricted - One Family Scholars Program	120,000	-
Credential to Career Coaching Program	70,000	20,000
	<u>\$ 466,165</u>	<u>\$ 145,981</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, 2021 and 2020 (see Note 10). Additionally, the Foundation contributed \$11,599 and \$48,401 for the Covid-19 emergency fund in 2021 and 2020, 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, 2021 and 2020, One Family contributed approximately \$18,000 and \$16,000, 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.

One Family maintains its cash balances in a bank in Massachusetts. The Federal Deposit Insurance Corporation (FDIC) insures balances at each bank up to certain limits. At times during the year, cash balances may exceed the insured amounts; however, the Organization's management attempts to minimize the exposure during the year. Additionally, One Family added an Insured Cash Sweep (ICS) with its primary bank, which provides full FDIC insurance coverage for the total account balance. Based on bank balances at June 30, 2021, there was approximately \$135,000 in excess of federally insured limits, which is the result of One Family obtaining a second PPP loan during fiscal 2021 (see Note 5).

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, 2021, the investment in one major ETF approximates \$335,000, which represents 41% of the investment portfolio.

At June 30, 2021, accounts receivable – contracts consists solely of \$67,541 due from the Massachusetts Department of Housing and Community Development.

Major Support – One donor, a charitable foundation, donated \$661,599 and \$698,401 in 2021 and 2020, respectively, approximately 36% and 34% of One Family's total support and revenues (41% and 34% excluding investment related income) for the years ended June 30, 2021 and 2020, respectively (see Note 8).

In addition, One Family received approximately 16% and 40% of its total support in grants from the Commonwealth of Massachusetts during the years ended June 30, 2021 and 2020, respectively.

## 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>2021</u>	<u>2020</u>
Financial assets:		
Cash and cash equivalents	\$ 1,325,452	\$ 1,375,688
Promises to give, net	82,642	188,170
Accounts receivable - contracts	67,541	-
Investments	813,063	588,089
Total financial assets	<u>2,288,698</u>	2,151,947
Less amounts not available to be used within one year:		
Donor restricted net assets (Note 7)	<u>(245,614)</u>	<u>(661,779)</u>
Total financial assets available within one year	<u>\$ 2,043,084</u>	<u>\$ 1,490,168</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.

## **Note 12 – Uncertainties Surrounding Coronavirus Pandemic**

During March of 2020, the novel coronavirus outbreak became a national and worldwide pandemic affecting the global population. State mandates forcing the closure or significant restrictions on “non-essential” businesses, schools and other organizations contributed to record levels of unemployment.

This health crisis and related reactive mandates by governments around the world adversely affected global economies and financial markets, including here in the United States. In addition to the health risks and the livelihood of people in general, the situation posed potentially serious risks to commerce including material supply, product demand, foreign trade and employment, among other things. After shifting to a “remote work” policy during the shutdown, One Family has been able to continue its operations. Management feels that, fortunately, One Family’s financial results and position were not adversely affected by this situation in any significant way.

As of the date of the issuance of these financial statements, Massachusetts and most other states have lifted their significant restrictions and vaccination efforts are underway across the U.S. However, there remain uncertainties relative to the pandemic, including the continued progress of vaccinations, the emergence of variants of the virus, and the potential for future economic disruptions. Therefore, it is uncertain at this time what adverse effects the situation may have, if any, on One Family’s future revenues and support, and its operating results and financial position.