



Audited Financial Statements

One Family, Inc.

June 30, 2024

One Family, Inc.

Audited Financial Statements

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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, 2024 and 2023, 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, 2024 and 2023, 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.

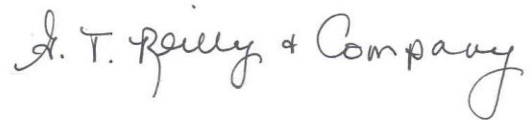
Auditors' Responsibilities for the Audit of the Financial Statements

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, misrepresentations, 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.

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".

G.T. Reilly & Company

Milton, Massachusetts
October 21, 2024

One Family, Inc.

Statements of Financial Position

June 30

| <u>Assets</u> | <u>2024</u> | <u>2023</u> |
|---------------------------------------|----------------------------|----------------------------|
| CURRENT ASSETS | | |
| Cash and cash equivalents | \$ 258,658 | \$ 244,310 |
| Promises to give | 76,426 | 258,807 |
| Accounts receivable - state contracts | 200,330 | 109,575 |
| Prepaid expenses and other assets | <u>3,577</u> | <u>6,485</u> |
| TOTAL CURRENT ASSETS | 538,991 | 619,177 |
| INVESTMENTS | 2,043,603 | 1,851,075 |
| PROPERTY AND EQUIPMENT, net | <u>-</u> | <u>-</u> |
| TOTAL ASSETS | <u>\$ 2,582,594</u> | <u>\$ 2,470,252</u> |
| | | |
| <u>Liabilities and Net Assets</u> | | |
| CURRENT LIABILITIES | | |
| Accounts payable | \$ 20,026 | \$ 9,486 |
| Accrued expenses | <u>45,160</u> | <u>36,008</u> |
| TOTAL CURRENT LIABILITIES | <u>65,186</u> | <u>45,494</u> |
| NET ASSETS | | |
| Without donor restrictions | 2,268,237 | 2,205,587 |
| With donor restrictions | <u>249,171</u> | <u>219,171</u> |
| | <u>2,517,408</u> | <u>2,424,758</u> |
| TOTAL LIABILITIES AND NET ASSETS | <u>\$ 2,582,594</u> | <u>\$ 2,470,252</u> |

One Family, Inc.

Statements of Activities and Changes in Net Assets

Years Ended June 30

| | 2024 | | | 2023 | | |
|---|-------------------------------|----------------------------|---------------------|-------------------------------|----------------------------|---------------------|
| | Without Donor Restrictions | With Donor Restrictions | Total | Without Donor Restrictions | With Donor Restrictions | Total |
| OPERATING SUPPORT AND REVENUES | | | | | | |
| Private grants and contributions | \$ 1,102,780 | \$ 170,000 | \$ 1,272,780 | \$ 922,887 | \$ 180,000 | \$ 1,102,887 |
| Government grants and contracts | 961,592 | - | 961,592 | 1,370,731 | - | 1,370,731 |
| Special events, net | 179,612 | - | 179,612 | 164,870 | - | 164,870 |
| Investment income | 81,088 | - | 81,088 | 47,914 | - | 47,914 |
| Net assets released from restrictions | 140,000 | (140,000) | - | 188,000 | (188,000) | - |
| TOTAL OPERATING SUPPORT & REVENUES | 2,465,072 | 30,000 | 2,495,072 | 2,694,402 | (8,000) | 2,686,402 |
| OPERATING EXPENSES | | | | | | |
| Program services: | | | | | | |
| One Family Scholars | 841,517 | - | 841,517 | 926,415 | - | 926,415 |
| Credential to Career Coaching | 392,076 | - | 392,076 | 686,507 | - | 686,507 |
| Public Policy | 279,359 | - | 279,359 | 276,062 | - | 276,062 |
| Family Self-Sufficiency | 551,170 | - | 551,170 | 512,791 | - | 512,791 |
| TOTAL PROGRAM SERVICES EXPENSE | 2,064,122 | - | 2,064,122 | 2,401,775 | - | 2,401,775 |
| Support services: | | | | | | |
| General and administrative | 125,990 | - | 125,990 | 110,171 | - | 110,171 |
| Fundraising | 288,950 | - | 288,950 | 210,121 | - | 210,121 |
| TOTAL SUPPORT SERVICES EXPENSE | 414,940 | - | 414,940 | 320,292 | - | 320,292 |
| TOTAL OPERATING EXPENSES | 2,479,062 | - | 2,479,062 | 2,722,067 | - | 2,722,067 |
| CHANGE IN NET ASSETS FROM OPERATING ACTIVITIES | (13,990) | 30,000 | 16,010 | (27,665) | (8,000) | (35,665) |
| NON-OPERATING ACTIVITIES | | | | | | |
| Unrealized gain (loss) on investments, net | (176,036) | - | (176,036) | 62,109 | - | 62,109 |
| Realized gain on sale of investments | 252,676 | - | 252,676 | - | - | - |
| | 76,640 | - | 76,640 | 62,109 | - | 62,109 |
| CHANGE IN NET ASSETS | 62,650 | 30,000 | 92,650 | 34,444 | (8,000) | 26,444 |
| NET ASSETS AT BEGINNING OF YEAR | 2,205,587 | 219,171 | 2,424,758 | 2,171,143 | 227,171 | 2,398,314 |
| NET ASSETS AT END OF YEAR | \$ 2,268,237 | \$ 249,171 | \$ 2,517,408 | \$ 2,205,587 | \$ 219,171 | \$ 2,424,758 |

One Family, Inc.

Statement of Functional Expenses

For the Year Ended June 30, 2024 (With Comparative Totals for 2023)

| | Program Services | | | | Support Services | | | 2024 Total Expenses | 2023 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 | \$ 311,690 | \$ 285,558 | \$ 217,498 | \$ 413,429 | \$ 1,228,175 | \$ 45,657 | \$ 214,076 | \$ 259,733 | \$ 1,487,908 | \$ 1,409,686 |
| Payroll taxes and fringe benefits | 72,484 | 60,782 | 28,234 | 74,142 | 235,642 | 6,717 | 41,705 | 48,422 | 284,064 | 279,918 |
| Contracted services | 4,703 | 4,202 | 7,299 | 6,285 | 22,489 | 27,009 | 3,429 | 30,438 | 52,927 | 28,779 |
| TOTAL PERSONNEL AND RELATED | 388,877 | 350,542 | 253,031 | 493,856 | 1,486,306 | 79,383 | 259,210 | 338,593 | 1,824,899 | 1,718,383 |
| OCCUPANCY | | | | | | | | | | |
| Rent | 15,943 | 17,405 | 5,872 | 24,836 | 64,056 | 1,989 | 11,538 | 13,527 | 77,583 | 90,806 |
| Repairs and maintenance | 1,266 | 1,382 | 466 | 1,972 | 5,086 | 2,170 | 916 | 3,086 | 8,172 | 3,809 |
| Utilities and phone | 883 | 964 | 325 | 1,376 | 3,548 | 110 | 639 | 749 | 4,297 | 6,968 |
| Depreciation | - | - | - | - | - | - | - | - | - | 36,289 |
| TOTAL OCCUPANCY | 18,092 | 19,751 | 6,663 | 28,184 | 72,690 | 4,269 | 13,093 | 17,362 | 90,052 | 137,872 |
| OTHER | | | | | | | | | | |
| Events, meetings and conferences | 461 | 259 | 1,296 | 372 | 2,388 | 2,928 | 419 | 3,347 | 5,735 | 8,293 |
| Professional fees | 1,797 | 1,605 | 1,260 | 3,076 | 7,738 | 21,614 | 1,310 | 22,924 | 30,662 | 30,125 |
| Travel and meals | 1,356 | 640 | 1,096 | 1,958 | 5,050 | 7,662 | 678 | 8,340 | 13,390 | 7,616 |
| Recruitment/outplacement | 3,201 | 2,861 | 2,246 | 4,278 | 12,586 | 470 | 2,334 | 2,804 | 15,390 | 75,400 |
| Equipment, printing and supplies | 772 | 402 | 262 | 512 | 1,948 | 1,432 | 244 | 1,676 | 3,624 | 9,804 |
| Technology | 8,671 | 6,750 | 7,215 | 10,032 | 32,668 | 3,336 | 9,976 | 13,312 | 45,980 | 49,622 |
| Liability insurance | 1,566 | 1,399 | 1,098 | 2,092 | 6,155 | 230 | 1,141 | 1,371 | 7,526 | 8,255 |
| Staff development | 148 | 133 | 204 | 1,084 | 1,569 | 1,571 | 507 | 2,078 | 3,647 | 6,761 |
| Other | 46 | 42 | 233 | 63 | 384 | 3,095 | 38 | 3,133 | 3,517 | 3,458 |
| TOTAL OTHER | 18,018 | 14,091 | 14,910 | 23,467 | 70,486 | 42,338 | 16,647 | 58,985 | 129,471 | 199,334 |
| TOTAL EXPENSES BEFORE PARTICIPANT COSTS | 424,987 | 384,384 | 274,604 | 545,507 | 1,629,482 | 125,990 | 288,950 | 414,940 | 2,044,422 | 2,055,589 |
| ONE FAMILY SCHOLAR AND C2C AWARDS | 416,530 | 7,692 | 4,755 | 5,663 | 434,640 | | | - | 434,640 | 666,478 |
| TOTAL EXPENSES | \$ 841,517 | \$ 392,076 | \$ 279,359 | \$ 551,170 | \$ 2,064,122 | \$ 125,990 | \$ 288,950 | \$ 414,940 | \$ 2,479,062 | \$ 2,722,067 |

One Family, Inc.

Statement of Functional Expenses For the Year Ended June 30, 2023

| | Program Services | | | | Support Services | | | 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 |
| Payroll taxes and fringe benefits | 42,671 | 87,031 | 40,338 | 71,167 | 241,207 | 11,804 | 26,907 | 38,711 | 279,918 |
| Contracted services | - | - | 4,000 | - | 4,000 | 18,029 | 6,750 | 24,779 | 28,779 |
| TOTAL PERSONNEL AND RELATED | 262,884 | 523,448 | 250,723 | 440,720 | 1,477,775 | 69,481 | 171,127 | 240,608 | 1,718,383 |
| OCCUPANCY | | | | | | | | | |
| Rent | 14,881 | 42,413 | 6,675 | 21,933 | 85,902 | 1,587 | 3,317 | 4,904 | 90,806 |
| Repairs and maintenance | 624 | 1,779 | 280 | 920 | 3,603 | 67 | 139 | 206 | 3,809 |
| Utilities and phone | 1,142 | 3,254 | 512 | 1,683 | 6,591 | 122 | 255 | 377 | 6,968 |
| Depreciation | 5,947 | 16,951 | 2,667 | 8,765 | 34,330 | 634 | 1,325 | 1,959 | 36,289 |
| TOTAL OCCUPANCY | 22,594 | 64,397 | 10,134 | 33,301 | 130,426 | 2,410 | 5,036 | 7,446 | 137,872 |
| OTHER | | | | | | | | | |
| Events, meetings and conferences | 875 | 871 | 840 | 383 | 2,969 | 4,760 | 564 | 5,324 | 8,293 |
| Program expenses | - | - | - | - | - | - | - | - | - |
| Professional fees | 1,577 | 4,267 | 802 | 2,355 | 9,001 | 20,684 | 440 | 21,124 | 30,125 |
| Travel and meals | 1,176 | 1,181 | 155 | 1,165 | 3,677 | 3,627 | 312 | 3,939 | 7,616 |
| Recruitment/outplacement | 10,657 | 23,779 | 2,709 | 6,595 | 43,740 | 2,500 | 29,160 | 31,660 | 75,400 |
| Equipment, printing and supplies | 593 | 4,295 | 157 | 1,334 | 6,379 | 3,040 | 385 | 3,425 | 9,804 |
| Technology | 7,160 | 15,961 | 7,559 | 16,253 | 46,933 | 1,577 | 1,112 | 2,689 | 49,622 |
| Liability insurance | 1,353 | 3,856 | 607 | 1,994 | 7,810 | 144 | 301 | 445 | 8,255 |
| Staff development | 465 | 906 | 377 | 4,327 | 6,075 | 352 | 334 | 686 | 6,761 |
| Bad debt expense | - | - | - | - | - | - | - | - | - |
| Other | 250 | - | 210 | 52 | 512 | 1,596 | 1,350 | 2,946 | 3,458 |
| TOTAL OTHER | 24,106 | 55,116 | 13,416 | 34,458 | 127,096 | 38,280 | 33,958 | 72,238 | 199,334 |
| 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 |
| ONE FAMILY SCHOLAR AND C2C AWARDS | 616,831 | 43,546 | 1,789 | 4,312 | 666,478 | | | | 666,478 |
| TOTAL EXPENSES | \$ 926,415 | \$ 686,507 | \$ 276,062 | \$ 512,791 | \$ 2,401,775 | \$ 110,171 | \$ 210,121 | \$ 320,292 | \$ 2,722,067 |

One Family, Inc.

Statements of Cash Flows

For the Years Ended June 30

| | <u>2024</u> | <u>2023</u> |
|--|-------------------|-------------------|
| CASH FLOWS FROM OPERATING ACTIVITIES: | | |
| Change in net assets | \$ 92,650 | \$ 26,444 |
| Adjustments to reconcile change in net assets to net cash from operating activities: | | |
| Depreciation | - | 36,289 |
| Net unrealized losses (gains) on investments | 176,036 | (69,285) |
| Net realized gains on sale of investments | (252,676) | - |
| Changes in operating assets and liabilities: | | |
| Promises to give, net | 182,381 | (106,757) |
| Accounts receivable - state contracts | (90,755) | 117,173 |
| Prepaid expenses and other assets | 2,908 | (1,315) |
| Accounts payable | 10,540 | 9,486 |
| Accrued expenses | 9,152 | 21,959 |
| NET CASH PROVIDED BY OPERATING ACTIVITIES | <u>130,236</u> | <u>33,994</u> |
| CASH FLOWS USED IN INVESTING ACTIVITIES | | |
| Proceeds from sale of investments | 667,273 | - |
| Investment purchases and dividends reinvested | (783,161) | (22,392) |
| NET CASH USED IN INVESTING ACTIVITIES | <u>(115,888)</u> | <u>(22,392)</u> |
| NET INCREASE IN CASH AND CASH EQUIVALENTS | 14,348 | 11,602 |
| CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR | <u>244,310</u> | <u>232,708</u> |
| CASH AND CASH EQUIVALENTS AT END OF YEAR | <u>\$ 258,658</u> | <u>\$ 244,310</u> |

Notes to Financial Statements

June 30, 2024

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 5 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 2024 and 2023, 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 8)

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. Unless otherwise stated by the donor, promises to give to be paid over a period of years are considered “time restricted” to the period in which the payments are pledged to be made. 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, 2024 and 2023.

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 2024 and 2023 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 when sold as well as 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 its then-current lease terms and plans for relocation and disposal (see Note 4). 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. During the year ended June 30, 2024 the fully depreciated property and equipment was disposed of at the time of the relocation.

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>2024</u> | <u>2023</u> |
|--|--------------------------|--------------------------|
| Individual contributions | \$ 73,495 | \$ 65,881 |
| Corporate and foundation contributions | <u>121,032</u> | <u>118,739</u> |
| | 194,527 | 184,620 |
| Less: direct expenses | <u>14,915</u> | <u>19,750</u> |
| Net special events revenue | <u>\$ 179,612</u> | <u>\$ 164,870</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 functions and fundraising functions. 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, 2024 and 2023 were \$4,600 and \$8,383, 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>2024</u> | <u>2023</u> |
|--------------------|--------------------------|--------------------------|
| Education expenses | \$ 328,584 | \$ 494,986 |
| Stipends | <u>106,056</u> | <u>171,492</u> |
| | <u>\$ 434,640</u> | <u>\$ 666,478</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.

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, 2024 up through October 21, 2024, 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>2024</u> | <u>2023</u> |
|---------------------|------------------|-------------------|
| Scholarships | \$ - | \$ 120,000 |
| Time restricted | 40,000 | 60,000 |
| Without restriction | 36,426 | 78,807 |
| | <u>\$ 76,426</u> | <u>\$ 258,807</u> |
| Amounts due in: | | |
| Less than one year | \$ 56,426 | \$ 218,807 |
| One to five years | 20,000 | 40,000 |
| | <u>\$ 76,426</u> | <u>\$ 258,807</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>2024</u> | <u>2023</u> |
|------------------------------------|---------------------|---------------------|
| Investments: | | |
| Daily money market | <u>\$ 77,926</u> | <u>\$ 79,327</u> |
| Mutual funds: | | |
| U.S. Treasury and government funds | 1,188,206 | 1,096,682 |
| Balanced Index fund | 777,471 | - |
| Global mutual funds | - | 167,218 |
| Exchange traded funds | - | 502,573 |
| | <u>1,965,677</u> | <u>1,766,473</u> |
| Equity securities | - | 5,275 |
| Total investments | <u>\$ 2,043,603</u> | <u>\$ 1,851,075</u> |

During the year ended June 30, 2024, One Family realized gains of \$252,676 on the sales of investments in the amount of \$667,273. Unrealized gains and losses on investments netted to a loss of \$176,036 for the year ended June 30, 2024 (a net unrealized gain of \$62,109 for the year ended June 30, 2023). These gains and losses are included as non-operating activities in the accompanying statements of activities and changes in net assets.

Note 4 – Lease Agreement

One Family leased office space in Boston under a short-term extension of a lease agreement that called for monthly base payments of \$7,440 and expired in February of 2024, at which time One Family entered into a lease agreement for a new location under a tenant at will arrangement. The new agreement calls for monthly payments of \$3,600.

Lease expense under these agreements totaled \$77,584 and \$90,806 for the years ended June 30, 2024 and 2023, respectively, under the operating method of accounting for short-term leases.

Note 5 – 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>2024</u> | <u>2023</u> |
|--|-------------------|-------------------|
| Purpose restricted - Scholarships | \$ 120,000 | \$ 120,000 |
| Purpose restricted - One Family Scholars Program | 89,171 | 39,171 |
| Time restricted | <u>40,000</u> | <u>60,000</u> |
| | <u>\$ 249,171</u> | <u>\$ 219,171</u> |

As of June 30, 2024 and 2023, 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>2024</u> | <u>2023</u> |
|--|-------------------|-------------------|
| Purpose restricted - Scholarships | \$ 120,000 | \$ 120,000 |
| Purpose restricted - One Family Scholars Program | - | 43,000 |
| Time restricted | <u>20,000</u> | <u>25,000</u> |
| | <u>\$ 140,000</u> | <u>\$ 188,000</u> |

Note 6 – 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 \$730,000 and \$650,000 of unrestricted support to One Family during the years ended June 30, 2024 and 2023, respectively (see Note 8).

Note 7 – 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, 2024 and 2023, One Family contributed approximately \$28,000 and \$23,000, respectively, to the plan, which is included in payroll taxes and fringe benefits in the accompanying statements of functional expenses.

Note 8 – 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.

Note 8 – Financial Instruments, Credit Risk and Other Concentrations (Cont.)

Investments - The Organization's investments consist principally of mutual funds as disclosed in Note 3. At June 30, 2024, investments consists of two mutual funds approximating \$1,188,000 and \$777,000, respectively.

Promises to Give - At June 30, 2024, one promise to give to One Family made by a charitable foundation in the amount of \$40,000 represents approximately 52% of total promises to give at June 30, 2024.

Accounts Receivable, State Contracts - At June 30, 2024, accounts receivable – state contracts consists of amounts due under two Massachusetts contracts in the total amount of \$200,330.

Major Support – One donor, a charitable foundation, donated \$730,000 and \$650,000 in 2024 and 2023, respectively, approximately 29% and 24% of One Family's total operating support and revenues for the years ended June 30, 2024 and 2023, respectively (see Note 6).

In addition, approximately 38% and 49% of One Family's total operating support represents contracts and support from the Commonwealth of Massachusetts during the years ended June 30, 2024 and 2023, respectively.

At June 30, 2024, One Family has approximately \$750,000 of future funding remaining under two cost-reimbursement contracts with the Commonwealth of Massachusetts that are reported as a conditional contributions and expected to be subsequently recognized as support in fiscal year 2025.

Note 9 – 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>2024</u> | <u>2023</u> |
|--|----------------------------|----------------------------|
| Financial assets: | | |
| Cash and cash equivalents | \$ 258,658 | \$ 244,310 |
| Promises to give, net | 76,426 | 258,807 |
| Accounts receivable - contracts | 200,330 | 109,575 |
| Investments | <u>2,043,603</u> | <u>1,851,075</u> |
| Total financial assets | 2,579,017 | 2,463,767 |
| Amounts not available for general expenditure within one year: | | |
| Donor restricted net assets for specific purposes (Note 5) | <u>(229,171)</u> | <u>(199,171)</u> |
| Financial assets available within one year for general expenditure | <u>\$ 2,349,846</u> | <u>\$ 2,264,596</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.