

BUILDING ONE COMMUNITY

FINANCIAL STATEMENTS

FOR THE YEARS ENDED DECEMBER 31, 2019 AND 2018

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HAIMS, BUZZEO & COMPANY, P.C.

CERTIFIED PUBLIC ACCOUNTANTS
STAMFORD, CONNECTICUT

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Building One Community
75 Selleck Street
Stamford, CT 06902

We have audited the accompanying financial statements of Building One Community, (a nonprofit organization incorporated under the laws of the State of New York), which comprise the statement of financial position as of December 31, 2019 and 2018 and the related statements of activities, 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.

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the 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 statements of financial position of Building One Community as of December 31, 2019 and 2018, related statements of activities, changes in net assets, functional expenses and cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Haims, Buzzeeo & Company, P.C.

Certified Public Accountants

September 1, 2020

BUILDING ONE COMMUNITYSTATEMENT OF FINANCIAL POSITION

	<u>December 31,</u>	
	<u>2019</u>	<u>2018</u>
<u>ASSETS:</u>		
Cash and Cash Equivalents	\$ 973,324	\$ 861,968
Investments	449,391	299,221
Grants Receivable	14,500	19,550
Other Receivables	-	538
Prepaid Expenses	-	10,160
Other Assets	8,850	8,850
Property, Plant and Equipment, Net of Accumulated Depreciation of \$27,018 and \$25,768	\$ 2,684	\$ 3,934
<u>TOTAL ASSETS</u>	<u>\$ 1,448,749</u>	<u>\$ 1,204,221</u>
<u>LIABILITIES AND NET ASSETS</u>		
<u>LIABILITIES:</u>		
Accounts Payable	\$ 38,014	\$ 8,424
<u>Total Liabilities</u>	<u>\$ 38,014</u>	<u>\$ 8,424</u>
<u>NET ASSETS:</u>		
Without Donor Restrictions	\$ 1,061,135	\$ 849,138
Designated by the Board for Operating Reserve	300,000	300,000
<u>Total Net Assets Without Donor Restrictions</u>	<u>1,361,135</u>	<u>1,149,138</u>
With Donor Restrictions - Note 2	\$ 49,600	\$ 46,659
<u>Total Net Assets</u>	<u>\$ 1,410,735</u>	<u>\$ 1,195,797</u>
<u>TOTAL LIABILITIES AND NET ASSETS</u>	<u>\$ 1,448,749</u>	<u>\$ 1,204,221</u>

See accompanying notes and
independent auditors' report.

BUILDING ONE COMMUNITYSTATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETSFOR YEARS ENDED DECEMBER 31, 2019 AND 2018

	Without Donor Restrictions	With Donor Restrictions	Years Ended December 31, 2019	2018
			Total	Total
<u>REVENUE AND SUPPORT:</u>				
Event Income	\$ 312,557	\$ -	\$ 312,557	\$ 304,626
Program & Other Income	99,538	-	99,538	72,837
Foundation Grants	682,250	295,150	977,400	922,550
Contributions - Community Organizations	9,317	17,010	26,327	45,020
Contributions - Individuals	473,567	12,904	486,471	321,880
Interest	9,549	-	9,549	1,474
	<u>1,586,778</u>	<u>325,064</u>	<u>\$ 1,911,842</u>	<u>\$ 1,668,387</u>
Donated Goods and Services	<u>18,163</u>	<u>-</u>	<u>18,163</u>	<u>12,998</u>
	<u>\$ 1,604,941</u>	<u>\$ 325,064</u>	<u>\$ 1,930,005</u>	<u>\$ 1,681,385</u>
Net Assets Released From Restrictions; Satisfaction of Program Restrictions	<u>\$ 322,123</u>	<u>\$ (322,123)</u>	<u>\$ -</u>	<u>\$ -</u>
<u>TOTAL REVENUE AND SUPPORT</u>	<u>\$ 1,927,064</u>	<u>\$ 2,941</u>	<u>\$ 1,930,005</u>	<u>\$ 1,681,385</u>
<u>EXPENSES:</u>				
Program Services	\$ 1,388,291	\$ -	\$ 1,388,291	\$ 1,221,003
Management and General	88,348	-	88,348	78,699
Fundraising Expenses	<u>238,428</u>	<u>-</u>	<u>238,428</u>	<u>247,031</u>
<u>TOTAL EXPENSES</u>	<u>\$ 1,715,067</u>	<u>\$ -</u>	<u>\$ 1,715,067</u>	<u>\$ 1,546,733</u>
<u>CHANGE IN NET ASSETS</u>	<u>\$ 211,997</u>	<u>\$ 2,941</u>	<u>\$ 214,938</u>	<u>\$ 134,652</u>
<u>NET ASSETS - BEGINNING OF YEAR</u>	<u>1,149,138</u>	<u>46,659</u>	<u>1,195,797</u>	<u>1,061,145</u>
<u>NET ASSETS - END OF YEAR</u>	<u>\$ 1,361,135</u>	<u>\$ 49,600</u>	<u>\$ 1,410,735</u>	<u>\$ 1,195,797</u>

See accompanying notes and
independent auditors' report.

BUILDING ONE COMMUNITYSTATEMENT OF CASH FLOWSFOR YEARS ENDED DECEMBER 31, 2019 AND 2018

	<u>Years Ended December 31,</u>	
	<u>2019</u>	<u>2018</u>
<u>CASH FLOWS FROM OPERATING ACTIVITIES:</u>		
Change in Net Assets	\$ 214,938	\$ 134,652
Adjustments to Reconcile Change in Net Assets to Net Change in Cash From by Operating Activities:		
Depreciation	1,250	1,250
Grants Receivable	5,050	(5,000)
Other Receivables	538	(538)
Prepaid Expenses	10,160	(4,252)
Accounts Payable	29,590	(7,442)
<u>Total Adjustments</u>	<u>\$ 46,588</u>	<u>\$ (15,982)</u>
<u>Net Change in Cash From Operating Activities</u>	<u>\$ 261,526</u>	<u>\$ 118,670</u>
<u>CASH FLOWS FROM INVESTING ACTIVITIES:</u>		
Capital Expenditures	-	(5,184)
Investments	\$ (150,170)	\$ 2,854
<u>Net Change in Cash From Investing Activities</u>	<u>(150,170)</u>	<u>(2,330)</u>
<u>Net Change in Cash and Cash Equivalents</u>	<u>\$ 111,356</u>	<u>\$ 116,340</u>
<u>CASH AND CASH EQUIVALENTS - BEGINNING OF YEAR</u>	<u>\$ 861,968</u>	<u>\$ 745,628</u>
<u>CASH AND CASH EQUIVALENTS - END OF YEAR</u>	<u>\$ 973,324</u>	<u>\$ 861,968</u>

SUPPLEMENTAL DISCLOSURES OF CASH FLOWS:

Cash Paid During the Year for:
Interest

-

See accompanying notes and
independent auditors' report.

BUILDING ONE COMMUNITYSTATEMENT OF FUNCTIONAL EXPENSESFOR YEARS ENDED DECEMBER 31, 2019 AND 2018

	Program Services	Management and General	Fundraising	2019 Total	2018 Total
Salaries	\$ 933,107	\$ 37,362	\$ 127,187	\$ 1,097,656	\$ 1,012,149
Payroll Taxes	79,203	3,171	10,796	93,170	95,594
Payroll Service and Recruiting	6,840	274	932	8,046	6,684
Employee Health Benefits	36,562	1,464	4,984	43,010	35,188
Professional Development	9,360	375	1,276	11,011	20,015
Program	116,868	40	140	117,048	115,184
Lease Obligation	86,980	4,832	4,832	96,644	73,091
Custodial & Maintenance	6,856	381	381	7,618	6,767
Utilities	18,170	1,009	1,009	20,188	15,194
Insurance	22,383	930	2,449	25,762	30,123
Office & Technology Expenses	43,259	3,656	2,468	49,383	14,024
Professional Fees	-	26,813	18,164	44,977	38,261
Advertising & Promotion	13,472	3,593	898	17,963	6,985
Volunteers	4,721	-	-	4,721	3,051
Fundraising: Events	-	-	46,910	46,910	50,050
Fundraising: Other	-	-	11,546	11,546	10,124
Depreciation	1,125	63	63	1,251	1,251
	<u>1,378,906</u>	<u>83,963</u>	<u>234,035</u>	<u>1,696,904</u>	<u>1,533,735</u>
Donated Goods & Services	<u>9,385</u>	<u>4,385</u>	<u>4,393</u>	<u>18,163</u>	<u>12,998</u>
Total	<u>\$ 1,388,291</u>	<u>\$ 88,348</u>	<u>\$ 238,428</u>	<u>\$ 1,715,067</u>	<u>\$ 1,546,733</u>

See accompanying notes and
independent auditors' report.

BUILDING ONE COMMUNITY
NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2019

NOTE 1 – NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Activities

Building One Community brings passionate people together to help immigrants and their families succeed in the community. Together with our network of partners and supporters, we strive to build one community in which all immigrants are active, contributing members. We do this by providing English language instruction, job skills training, personal support services, and more.

Method of Accounting

The financial statements of the Organization have been prepared on the accrual basis and accordingly reflect all significant receivables, prepaid expenses, payable and other accrued expenses. The significant accounting policies followed are described below to enhance the usefulness of the financial statements to the reader.

Basis of Presentation

The financial statements of Building One Community comply with the Financial Statements of Not-for-Profit Organizations topic of the FASB Codification. Under this topic, Building One Community reports information regarding its financial position and activities according to the following net asset classifications:

Net assets without donor restrictions - Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the Organization. These net assets may be used at the discretion of Building One Community's management and the Board of Directors.

Net assets with donor restrictions – Net assets subject to stipulations imposed by donors, and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of Building One Community, or by the passage of time. Other donor restrictions are perpetual in nature, whereby the donor has stipulated the funds be maintained in perpetuity.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

BUILDING ONE COMMUNITY

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2019

NOTE 1 – NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(Continued)

Cash and Cash Equivalents

For purpose of the statement of cash flows, the Organization considers all temporary cash investments with an original maturity of three months or less to be cash equivalents.

The Organization maintains its cash in various bank accounts, and is aware of federally insured limits. The Organization has not experienced any losses in such accounts. The Organization believes it is not exposed to any significant credit risk on cash and cash equivalents.

Contributions

Contributions and gifts, including unconditional promises to give, are recognized as revenues in the period made. Promises to give that are restricted by the donor to a specific purpose that has not been met as of the statement of financial position date are shown as increases in net assets with donor restrictions. When a donor restriction expires, 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.

New Accounting Pronouncement

For the year ended December 31, 2019, Building One Community adopted the Financial Accounting Standard Board's Accounting Standards Update ("ASU") No. 2016-14 – Not-for-Profit Entities (Topic 958): Presentation of Financial Statements of Not-for-Profit Entities. This update addresses the complexity and understandability of net asset classification, deficiencies in information about liquidity and availability of resources, and the lack of consistency in the type of information provided about expenses and investment return among not-for-profit entities. The changes required by the update have been applied retrospectively to all periods presented. Key changes required by ASU 2016-14 are the net asset classes used in these financial statements and recognition of capital gifts for construction as a net asset without donor restrictions when the associated long-lived asset is placed in service.

A summary of the net asset classification driven by the adoption of ASU 2016-14 as of January 1, 2019 is presented below:

BUILDING ONE COMMUNITY
NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2019

NOTE 1 – NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(Continued)

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total Net Assets</u>
As previously presented:			
Undesignated	\$ 849,138	\$ -	\$ 849,138
Designated By the Board For			
Operating Reserve	300,000	-	300,000
Temporarily Restricted	<u>-</u>	<u>46,659</u>	<u>46,659</u>
	1,149,138	46,659	1,195,797
Reclassifications to implement ASU 2016-			
14			
Capital Gifts	<u>-</u>	<u>-</u>	<u>-</u>
Net Assets, as reclassified			
January 1, 2019	<u>\$ 1,149,138</u>	<u>\$ 46,659</u>	<u>\$ 1,195,797</u>

Property and Equipment

The Organization records purchases of property and equipment at cost. Major additions and improvements are capitalized, while maintenance and repairs, which do not improve or extend the life of the respective assets, are expensed currently. Depreciation is provided by using the straight-line method over the estimated useful lives of the assets.

Amortization of Leasehold Improvements

Amortization of leasehold improvements is computed using the straight-line method over the shorter of the remaining lease term or the estimated useful lives of the improvements.

Income Taxes

Building One Community is a not-for-profit organization that is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code. The Organization's Income Tax Return (Form 990) has not been examined for the past three years.

BUILDING ONE COMMUNITY
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2019

NOTE 2 – NET ASSETS

Net Assets with Donor Restrictions consist of the following:

Restricted By Purpose:	<u>2019</u>	<u>2018</u>
Occupancy Expansion	\$ 22,131	\$ -
IT Purchases	25,437	20,538
Garden Program	2,032	2,121
Database Upgrade	-	6,000
Family Night	-	1,000
	<u>\$ 49,600</u>	<u>\$ 29,659</u>

Restricted By Time:

	<u>2019</u>	<u>2018</u>
Grant – Work Force Development	\$ -	14,000
Grant – Legal Services	-	3,000
	<u>-</u>	<u>17,000</u>
<u>Total</u>	<u>\$ 49,600</u>	<u>\$ 46,659</u>

NOTE 3 – DONATED SERVICES

Donated services are recognized as contributions in accordance with SFAS No. 116, Accounting for Contributions Received and Contributions Made, if the services (a) create or enhance nonfinancial assets or (b) require specialized skills, are performed by people with those skills, and would otherwise be purchased by the organization. Volunteers also provided various services throughout the year that are not recognized as contributions in the financial statements since the recognition criteria under SFAS No. 116 were not met.

NOTE 4 – LEASE COMMITMENTS

Building One Community leases the premises at 75 Selleck Street, Stamford, CT under an amendment dated July 19, 2019 extending the term of the lease for three (3) years, commencing June 1, 2019 and terminating May 31, 2022. The lease may be extended for three additional years. Minimum rent is \$65,462 and \$64,921 for the years ended December 31, 2019 and 2018 respectively with annual rent increases of 2%.

On August 13, 2019, Building One Community entered into a lease amendment with Selleck Street Properties, LLC for the premises known as 75A, located at 75-77 Selleck Street, Stamford, CT. Effective September 1, 2019, the premises shall include all of the second floor office space for one (1) year, terminating August 31, 2020. Tenant shall be responsible for its proportionate share of real estate taxes and insurance. The lease may be extended for two (2) one (1) year options. Minimum rent is \$8,146 for the year ended December 31, 2019.

BUILDING ONE COMMUNITY
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2019

NOTE 5 – FAIR VALUE MEASUREMENTS

FASB ASC 820, Fair Value Measurements and Disclosures, defines fair value as the price that would be received upon sale of an asset or paid upon transfer of a liability in an orderly transaction between market participants at the measurement date and in the principal or most advantageous market for that asset or liability. The fair value should be calculated based on assumptions that market participants would use in pricing the asset or liability, not on assumptions specific to the entity.

FASB ASC 820 specifies a hierarchy of valuation techniques based upon whether the inputs to those valuation techniques reflect assumptions other market participants would use based upon market data obtained from independent sources (observable inputs). In accordance with FASB ASC 820, the following summarizes the fair value hierarchy.

Level 1 Inputs – Unadjusted quoted market prices for identical assets and liabilities in an active market that the Company has the ability to access.

Level 2 Inputs – Inputs other than the quoted prices in active markets that are observable either directly or indirectly.

Level 3 Inputs – Inputs based on prices or valuation techniques that are both unobservable and significant to the overall fair value measurements.

FASB ASC 820 requires the use of observable market data, when available, in making fair value measurements. When inputs used to measure fair value fall within different levels of the hierarchy, the level within which the fair value measurement is categorized is based on the lowest level input that is significant to the fair value measurements.

As of December 31, 2019, none of the assets and liabilities was required to be reported at fair value on a recurring basis. Carrying values of non-derivative financial instruments, including cash and cash equivalents, accounts receivable, accounts payable, and accrued expenses, approximate fair values due to the short term nature of these financial instruments. There are no changes in methods or assumptions during the year ended December 31, 2018.

NOTE 6 – FUNCTIONAL ALLOCATION OF EXPENSES

The costs of providing the various program and supporting services has been summarized on a functional basis in the statement of activities and change in net assets. Accordingly, certain costs have been allocated among the program and supporting services benefited. Overhead expenses including occupancy, telephone and insurance are allocated to functional areas based upon space used or actual usage if specifically identifiable. The allocations of salary and related expenses for management and supervision of program service functions are made by management based on the estimated time spent on the various program service functions.

NOTE 7 – SUBSEQUENT EVENTS

The Organization's management evaluated subsequent events through report letter date.