

BUILDING ONE COMMUNITY, CORP.

**Financial Statements
for the year ended
December 31, 2021**

Independent Auditor's Report

To the Board of Directors of
Building One Community, Corp.

Opinion

We have audited the accompanying financial statements of Building One Community, Corp. (the "Organization"), which comprise the statements of financial position as of December 31, 2021, and the related statements of activities and cash flows for the year 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 the Organization as of December 31, 2021, and the results of its activities and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Organization and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. 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 the Organization's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditor's 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 auditor's 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.

Auditor's Responsibilities for the Audit of the Financial Statements (continued)

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 the Organization'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 Organization's ability 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.

Prior Year Financial Statements

The Organization's 2020 financial statements were audited by other auditors, whose report, dated February 29, 2021, expressed an unmodified opinion on those financial statements.

Condon O'Meara McGinty + Donnelly LLP

March 8, 2022

BUILDING ONE COMMUNITY, CORP.**Statement of Financial Position****Assets**

	December 31	
	2021	2020
Cash and cash equivalents	\$ 1,801,915	\$ 1,308,589
Investments, at fair value	742,314	797,429
Contributions and grants receivable	21,025	74,000
Leasehold improvements, net of accumulated depreciation of \$28,986 in 2021 and \$28,269 in 2020	716	1,433
Security and other deposits	<u>8,850</u>	<u>8,850</u>
Total assets	<u>\$ 2,574,820</u>	<u>\$ 2,190,301</u>

Liabilities and Net Assets

Accounts payable	<u>\$ 46,941</u>	<u>\$ 43,413</u>
Net assets		
Without donor restrictions		
Operating fund	1,426,440	1,108,552
Board designated operating reserve	<u>900,000</u>	<u>900,000</u>
Total net assets without donor restrictions	2,326,440	2,008,552
With donor restrictions	<u>201,439</u>	<u>138,336</u>
Total net assets	<u>2,527,879</u>	<u>2,146,888</u>
Total liabilities and net assets	<u>\$ 2,574,820</u>	<u>\$ 2,190,301</u>

See notes to financial statements.

BUILDING ONE COMMUNITY, CORP.

Statement of Activities

For the Year Ended December 31, 2021

(with summarized comparative information for the year ended December 31, 2020)

	Year Ended December 31	
	2021	2020
	Without Donor Restrictions	With Donor Restrictions
	Total	Total
Public support and revenue		
Contributions and grants	\$ 1,248,148	\$ 1,030,977
Events, net of direct expenses of \$29,992 in 2021 and \$2,557 in 2020	308,693	50,000
Programs and other	177,829	-
Donated goods and services	79,097	-
Net investment return (loss)	(1,885)	(1,885)
Net assets released from restrictions	1,017,874	(1,017,874)
Total public support and revenue	<u>2,829,756</u>	<u>2,892,859</u>
Expenses		
Program services	2,052,245	2,052,245
Management and general	181,789	181,789
Fundraising	277,834	277,834
Total expenses	<u>2,511,868</u>	<u>2,511,868</u>
Increase in net assets	317,888	63,103
Net assets, beginning of year	2,008,552	138,336
Net assets, end of year	\$ 2,326,440	\$ 201,439
		<u>\$2,527,879</u>
		<u>\$2,146,888</u>

See notes to financial statements

BUILDING ONE COMMUNITY, CORP.

Statement of Activities

For the Year Ended December 31, 2020

	Year Ended December 31		
	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Public support and revenue			
Contributions and grants	\$ 1,869,094	\$ 901,960	\$2,771,054
Events, net of direct expenses of \$2,557	101,441	-	101,441
Programs and other	448,769	-	448,769
Donated goods and services	53,159	-	53,159
Net investment return	14,814	-	14,814
Net assets released from restrictions	813,224	(813,224)	-
Total public support and revenue	<u>3,300,501</u>	<u>88,736</u>	<u>3,389,237</u>
Expenses			
Program services	2,298,069	-	2,298,069
Management and general	106,512	-	106,512
Fundraising	248,503	-	248,503
Total expenses	<u>2,653,084</u>	<u>-</u>	<u>2,653,084</u>
Increase in net assets	647,417	88,736	736,153
Net assets, beginning of year	<u>1,361,135</u>	<u>49,600</u>	<u>1,410,735</u>
Net assets, end of year	<u>\$ 2,008,552</u>	<u>\$ 138,336</u>	<u>\$2,146,888</u>

See notes to financial statements

BUILDING ONE COMMUNITY, CORP.

**Statement of Functional Expenses
For the Year Ended December 31, 2021**

(with summarized comparative information for the year ended December 31, 2020)

	2021				2020
	Program Services	Management and General	Direct Cost of Special Event	Fundraising	Total
Salaries and wages	\$1,193,355	\$ 38,402	\$ -	\$ 189,176	\$1,357,384
Payroll taxes	97,135	3,126	-	15,398	109,917
Employee benefits	73,765	2,374	-	11,694	56,710
Professional development	26,617	857	-	4,219	36,528
Professional fees	78,570	128,590	-	29,171	157,852
Program supplies	72,402	-	-	-	68,682
COVID assistance	204,208	-	-	-	548,319
Lease obligation	112,071	2,949	-	2,949	121,723
Custodial and maintenance	10,556	278	-	278	8,565
Utilities	40,868	872	-	872	23,094
Insurance	30,740	1,802	-	2,949	28,630
Office and technology	93,172	2,045	-	4,676	88,500
Advertising and promotion	18,105	476	-	476	22,530
Events	-	-	29,992	-	2,557
Development	-	-	-	15,958	23,399
Depreciation	681	18	-	18	1,251
Total expenses	2,052,245	181,789	29,992	277,834	2,655,641
Less: expenses deducted directly on the statement of activities	-	-	(29,992)	-	(2,557)
Total expenses reported by function on the statement of activities	\$2,052,245	\$ 181,789	\$ -	\$ 277,834	\$2,653,084

See notes to financial statements.

BUILDING ONE COMMUNITY, CORP.

**Statement of Functional Expenses
For the Year Ended December 31, 2020**

	2020			
	Program Services	Management and General	Direct Cost of Special Event	Fundraising Total
Salaries and wages	\$1,169,636	\$ 29,823	\$ -	\$ 157,925
Payroll taxes	94,714	2,415	-	12,788
Employee benefits	48,866	1,246	-	6,598
Professional development	31,475	803	-	4,250
Professional fees	59,081	64,798	-	33,973
Program supplies	68,353	69	-	260
COVID assistance	548,319	-	-	-
Lease obligation	115,637	3,043	-	3,043
Custodial and maintenance	8,137	214	-	214
Utilities	21,940	577	-	577
Insurance	24,545	1,524	-	2,561
Office and technology	84,773	1,406	-	2,321
Advertising and promotion	21,404	563	-	563
Events	-	-	2,557	-
Development	-	-	-	23,399
Depreciation	1,189	31	-	31
Total expenses	2,298,069	106,512	2,557	248,503
Less: expenses deducted directly on the statement of activities	-	-	(2,557)	-
Total expenses reported by function on the statement of activities	\$2,298,069	\$ 106,512	\$ -	\$ 248,503
				\$2,653,084

See notes to financial statements.

BUILDING ONE COMMUNITY, CORP.

Statements of Cash Flows

	Year Ended December 31	
	2021	2020
Cash flows from operating activities		
Increase in net assets	\$ 380,991	\$ 736,153
Adjustments to reconcile increase in net assets to net cash provided by operating activities		
Depreciation and amortization	717	1,251
Net realized and unrealized loss on investments	11,323	-
Donated securities	28,575	25,676
Proceeds from sale of donated securities	(28,575)	(25,676)
(Increase) decrease in contributions and grants receivable	52,975	(59,500)
Increase in accounts payable	3,528	5,399
Net cash provided by operating activities	449,534	683,303
Cash flows from investing activities		
(Proceeds) from sales/purchases of investments, net	43,792	(348,038)
Net increase in cash and cash equivalents	493,326	335,265
Cash and cash equivalents, beginning of year	1,308,589	973,324
Cash and cash equivalents, end of year	\$ 1,801,915	\$ 1,308,589

See notes to financial statements.

BUILDING ONE COMMUNITY, CORP.**Notes to Financial Statements
December 31, 2021****Note 1 – Nature of organization**

Building One Community (the “Organization”) is a non-profit organization located in Stamford, Connecticut. The Organization provides free services that educate, employ, empower and engage immigrants and the broader community. Their mission is to advance the successful integration of immigrants and their families. The Organization does this by providing English language instruction, job skills training, personal and family support services, and more.

Note 2 – Summary of significant accounting policies**Net assets**

The Organization maintains two classes of net assets as follows:

Without donor restrictions

Net assets without donor restrictions are not subject to donor-imposed restrictions and are available for operations and board-designated purposes.

The Board of Directors adopted a policy to establish and maintain a funded Board Designated Operating Reserve (the “Operating Reserve”) at a level relative to annual program funding and the costs of operating and maintaining the Organization. The goal of the Operating Reserve is to achieve and maintain between three and six months of operating expenses. At December 31, 2021 and December 31, 2020, the Operating Reserve totaled \$900,000.

With donor restrictions

Net assets that are subject to donor-imposed restrictions that may or will be met either by actions of the Organization and/or the passage of time. As the restrictions are satisfied, net assets with temporary donor restrictions are reclassified to net assets without donor restrictions and reported in the accompanying statement of activities as net assets released from restrictions. During 2021 and 2020 the net assets released from restrictions were used to fund the programs described in note 1 to the financial statements.

Revenue recognition

Contributions, grants and gifts are recognized as revenue when the pledged gift or cash is received. Contributions or grants restricted by the donor or relating to future events or periods are reflected as net assets with donor restrictions until the restriction is satisfied, the event occurs or time lapses.

Donated services and materials

The Organization recognizes donated services, which require specialized skills and are provided by individuals possessing those skills that would typically need to be purchased if they had not been donated. The Organization also receives donated materials. The estimated fair value of these services and materials has been reported in the statement of activities.

BUILDING ONE COMMUNITY, CORP.**Notes to Financial Statements (continued)****December 31, 2021****Note 2 – Summary of significant accounting policies (continued)**Cash equivalents

Cash equivalents consist of highly liquid investments with an initial maturity of three months or less.

Investments

Investments are recorded, at fair value, based on publicly quoted prices. Interest, dividends, realized and unrealized gains and losses are included in the statement of activities.

Allowance for doubtful accounts

As of December 31, 2021 and December 31, 2020, the Organization deems its receivables to be collectable and, accordingly, does not have an allowance for doubtful accounts for any potential uncollectable receivables. This is based on management's experience, the aged basis of the receivables, subsequent receipts and current economic conditions.

Property and equipment

Property and equipment are recorded at cost. The Organization capitalizes property and equipment in excess of a nominal amount and with a useful life greater than one year. Depreciation is computed using the straight-line method over the estimated useful lives of the assets,

Functional allocation of expenses

The costs of providing the various programs and other activities have been summarized on a functional basis. Accordingly, certain costs have been allocated among the program services and supporting activities benefited. Expenses attributable to more than one functional expense category are allocated based on an estimate of time and effort spent.

Concentrations of risk

The Organization's financial instruments that are potentially exposed to concentrations of credit risk consist primarily of cash, cash equivalents, investments and receivables. The Organization places its cash and cash equivalents with what it believes to be quality financial institutions and to date, the Organization has not experienced any losses in these accounts. Investments are exposed to various risks such as interest rate, market volatility, liquidity and credit. Due to the level of uncertainty related to the foregoing risks, it is reasonably possible that changes in these risks could materially affect the fair value of the investments reported in the statement of financial position as of December 31, 2021. However, the Organization routinely assesses the financial strength of its cash, cash equivalents and investment portfolio. The Organization monitors the collection of its receivables and deems them collectible. As a consequence, the Organization believes no significant concentrations of credit risk exist with respect to its cash, cash equivalents, investments, and receivables.

BUILDING ONE COMMUNITY, CORP.

Notes to Financial Statements (continued)

December 31, 2021

Note 2 – Summary of significant accounting policies (continued)

Use of estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Actual results could differ from these estimates.

Risks and uncertainties

The economic impact of the ongoing coronavirus pandemic on the Organization's future financial operations is not readily determinable.

Subsequent events

The Organization has evaluated events and transactions for potential recognition or disclosure through March 8, 2022, which is the date the financial statements were available to be issued.

Note 3 – Liquidity and availability of financial assets

As of December 31, 2021 and December 31, 2020, financial assets available within one year for general expenditures, such as operating expenses, were as follows:

	<u>2021</u>	<u>2020</u>
Cash and cash equivalents	\$ 1,801,915	\$ 1,308,589
Investments, at fair value	742,314	797,429
Receivables	<u>21,025</u>	<u>74,000</u>
Total financial assets	<u>\$ 2,565,254</u>	<u>\$ 2,180,018</u>

The table above reflects assets of the Board Designated Operating Reserve of \$900,000 at December 31, 2021 and December 31, 2020.

Note 4 – Investments, at fair value

At December 31, 2021 and December 31, 2020, the following is a summary of the investments at fair value:

	<u>2021</u>	<u>2020</u>
U.S. Treasury securities	\$ -	\$ 299,539
Common stock	1,963	-
Fixed income – ETFs	<u>740,351</u>	<u>497,890</u>
Total	<u>\$ 742,314</u>	<u>\$ 797,429</u>

BUILDING ONE COMMUNITY, CORP.

Notes to Financial Statements (continued)

December 31, 2021

Note 4 – Investments, at fair value (continued)

Fair value measurements

For assets measured at fair value on a recurring basis as of December 31, 2021, accounting standards require quantitative disclosures about the fair value measurements separately for each major class of assets. The Organization's investments have all been classified in the highest level of hierarchy (Level 1) in which quoted prices are in active markets for identical assets.

Note 5 – Net assets with donor restrictions

At December 31, 2021 and December 31, 2020, the following is a summary of the Organization's net assets with donor restrictions

	<u>2021</u>	<u>2020</u>
Community Engagement	\$ 1,299	\$ 2,217
English Language Learning	17,325	-
2022 Spring Breakfast	50,000	-
Immigration Legal Services	67,973	-
IT and Data Systems	43,558	101,488
Occupancy Expansion	-	13,659
Staff Development	<u>21,284</u>	<u>20,972</u>
Total	<u>\$ 201,439</u>	<u>\$ 138,336</u>

Note 6 – Government grant

On April 21 2020, the Organization received \$250,000 under the Paycheck Protection Program, which is a business loan program established under the Coronavirus Aid, Relief, and Economic Security Act. During November 2020, the Organization filed an application for forgiveness and qualified for full forgiveness on the loan. As a result, the Organization recorded \$250,000 as a grant on the 2020 statement of activities.

Note 7 – Commitment

The Organization has a three-year lease office space expiring in May 2022. The lease requires annual payments of \$66,219 in the first year of the agreement increasing to \$69,741 in the final year. Thereafter, the lease may be extended for an additional three years with annual increases of 2%. In connection with the lease, the Organization paid a \$8,000 security deposit to the landlord.

The Organization also had a lease with the landlord for additional office space, which expired August 2021, at an annual cost of \$24,439.

The foregoing costs are part of lease obligation expense on the statement of functional expenses.

BUILDING ONE COMMUNITY, CORP.**Notes to Financial Statements (continued)
December 31, 2021****Note 8 – Retirement plan**

During 2021, the Organization established a 401(k) retirement plan for all eligible employees. Eligible employees may defer a portion of their compensation, not to exceed the limitations established by the Internal Revenue Code. In addition, the Organization may elect to make matching contributions of up to 1% of an employee's compensation. For the year ended December 31, 2021 plan expense totaled \$4,043.

Note 9 – Tax status

The Organization is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code (the "Code"). In addition, the Organization is a Section 509(a)(1) organization as defined in the Code and is, therefore, not a private foundation and qualifies for the maximum charitable deduction for donors.