

BUILDING ONE COMMUNITY

FINANCIAL STATEMENTS

FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019

INDEX

	<u>Page</u>
<u>INDEPENDENT AUDITORS' REPORT</u>	1
<u>FINANCIAL STATEMENTS:</u>	
"A" STATEMENT OF FINANCIAL POSITION YEARS ENDED DECEMBER 31, 2020 and 2019	2
"B" STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS YEARS ENDED DECEMBER 31, 2020 and 2019	3
"C" STATEMENT OF CASH FLOWS YEARS ENDED DECEMBER 31, 2020 and 2019	4
"D" STATEMENT OF FUNCTIONAL EXPENSES YEARS ENDED DECEMBER 31, 2020 and 2019	5
NOTES TO FINANCIAL STATEMENTS	6-10

# 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, 2020 and 2019 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.

To the Board of Directors  
Building One Community  
PG 2

**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, 2020 and 2019, 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.

*Harms, Burger & Company, P.C.*

Certified Public Accountants

February 29, 2021

BUILDING ONE COMMUNITY  
STATEMENT OF FINANCIAL POSITION

	December 31,	
	2020	2019
<u>ASSETS:</u>		
Cash and Cash Equivalents	\$ 1,308,589	\$ 973,324
Investments	797,429	449,391
Grants Receivable	74,000	14,500
Other Assets	8,850	8,850
Property, Plant and Equipment, Net of Accumulated Depreciation of \$28,269 and \$25,768	\$ 1,433	\$ 2,684
<u>TOTAL ASSETS</u>	<u>\$ 2,190,301</u>	<u>\$ 1,448,749</u>
<u>LIABILITIES AND NET ASSETS</u>		
<u>LIABILITIES:</u>		
Accounts Payable	\$ 43,413	\$ 38,014
<u>Total Liabilities</u>	<u>\$ 43,413</u>	<u>\$ 38,014</u>
<u>NET ASSETS:</u>		
Without Donor Restrictions	\$ 1,108,552	\$ 1,061,135
Designated by the Board for Operating Reserve	900,000	300,000
<u>Total Net Assets Without Donor Restrictions</u>	<u>2,008,552</u>	<u>1,361,135</u>
With Donor Restrictions - Note 2	\$ 138,336	\$ 49,600
<u>Total Net Assets</u>	<u>\$ 2,146,888</u>	<u>\$ 1,410,735</u>
<u>TOTAL LIABILITIES AND NET ASSETS</u>	<u>\$ 2,190,301</u>	<u>\$ 1,448,749</u>

See accompanying notes and  
independent auditors' report.

BUILDING ONE COMMUNITYSTATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETSFOR YEARS ENDED DECEMBER 31, 2020 AND 2019

	Without Donor Restrictions	With Donor Restrictions	Years Ended December 31,	
			2020 Total	2019 Total
<u>REVENUE AND SUPPORT:</u>				
Event Income	\$ 103,998	\$ -	\$ 103,998	\$ 312,557
Program & Other Income	448,769	-	448,769	99,538
Foundation Grants	813,499	870,494	1,683,993	977,400
Contributions - Community Organizations	45,801	-	45,801	26,327
Contributions - Individuals	1,009,794	31,466	1,041,260	486,471
Investment Income	14,814	-	14,814	9,549
	<u>2,436,675</u>	<u>901,960</u>	<u>\$ 3,338,635</u>	<u>\$ 1,911,842</u>
Donated Goods and Services	53,159	-	53,159	18,163
	<u>\$ 2,489,834</u>	<u>\$ 901,960</u>	<u>\$ 3,391,794</u>	<u>\$ 1,930,005</u>
Net Assets Released From Restrictions; Satisfaction of Program Restrictions	<u>\$ 813,224</u>	<u>\$ (813,224)</u>	<u>\$ -</u>	<u>\$ -</u>
<u>TOTAL REVENUE AND SUPPORT</u>	<u>\$ 3,303,058</u>	<u>\$ 88,736</u>	<u>\$ 3,391,794</u>	<u>\$ 1,930,005</u>
<u>EXPENSES:</u>				
Program Services	\$ 2,298,069	\$ -	\$ 2,298,069	\$ 1,388,291
Management and General	106,512	-	106,512	88,348
Fundraising Expenses	251,060	-	251,060	238,428
<u>TOTAL EXPENSES</u>	<u>\$ 2,655,641</u>	<u>\$ -</u>	<u>\$ 2,655,641</u>	<u>\$ 1,715,067</u>
<u>CHANGE IN NET ASSETS</u>	<u>\$ 647,417</u>	<u>\$ 88,736</u>	<u>\$ 736,153</u>	<u>\$ 214,938</u>
<u>NET ASSETS - BEGINNING OF YEAR</u>	<u>1,361,135</u>	<u>49,600</u>	<u>1,410,735</u>	<u>1,195,797</u>
<u>NET ASSETS - END OF YEAR</u>	<u>\$ 2,008,552</u>	<u>\$ 138,336</u>	<u>\$ 2,146,888</u>	<u>\$ 1,410,735</u>

See accompanying notes and independent auditors' report.

BUILDING ONE COMMUNITYSTATEMENT OF CASH FLOWSFOR YEARS ENDED DECEMBER 31, 2020 AND 2019

	Years Ended December 31,	
	<u>2020</u>	<u>2019</u>
<u>CASH FLOWS FROM OPERATING ACTIVITIES:</u>		
Change in Net Assets	\$ 736,153	\$ 214,938
Adjustments to Reconcile Change in Net Assets to Net Change in Cash From by Operating Activities:		
Depreciation	1,251	1,250
Grants Receivable	(59,500)	5,050
Other Receivables	-	538
Prepaid Expenses	-	10,160
Accounts Payable	5,399	29,590
<u>Total Adjustments</u>	<u>\$ (52,850)</u>	<u>\$ 46,588</u>
<u>Net Change in Cash From Operating Activities</u>	<u>\$ 683,303</u>	<u>\$ 261,526</u>
<u>CASH FLOWS FROM INVESTING ACTIVITIES:</u>		
Investments	\$ (348,038)	\$ (150,170)
<u>Net Change in Cash From Investing Activities</u>	<u>(348,038)</u>	<u>(150,170)</u>
<u>Net Change in Cash and Cash Equivalents</u>	<u>\$ 335,265</u>	<u>\$ 111,356</u>
<u>CASH AND CASH EQUIVALENTS - BEGINNING OF YEAR</u>	<u>\$ 973,324</u>	<u>\$ 861,968</u>
<u>CASH AND CASH EQUIVALENTS - END OF YEAR</u>	<u>\$ 1,308,589</u>	<u>\$ 973,324</u>

SUPPLEMENTAL DISCLOSURES OF CASH FLOWS:

Cash Paid During the Year for:

Interest

See accompanying notes and  
independent auditors' report.

BUILDING ONE COMMUNITY

STATEMENT OF FUNCTIONAL EXPENSES

FOR YEARS ENDED DECEMBER 31, 2020 AND 2019

	<u>Program Services</u>	<u>Supporting Services</u>	<u>Fundraising</u>	<u>2020 Total</u>	<u>2019 Total</u>
Salaries	\$ 1,169,636	\$ 29,823	\$ 157,925	\$ 1,357,384	\$ 1,097,656
Payroll taxes	94,714	2,415	12,788	109,917	93,170
Payroll service & recruiting	6,075	155	820	7,050	8,046
Employee health benefits	48,866	1,246	6,598	56,710	43,010
Professional development	31,475	803	4,250	36,528	11,011
Program	576,563	69	260	576,892	121,769
Lease obligation	115,637	3,043	3,043	121,723	96,644
Custodial & maintenance	8,137	214	214	8,565	7,618
Utilities	21,940	577	577	23,094	20,188
Insurance	24,545	1,524	2,561	28,630	25,762
Office & Tecchnology Expense	77,928	1,251	1,251	80,430	49,383
Professional fees	59,081	57,768	28,973	145,822	44,977
Advertising & promotion	21,404	563	563	22,530	17,963
Fundraising: events	-	-	2,557	2,557	46,910
Fundraising: other	-	-	23,399	23,399	11,546
Depreciation	1,189	31	31	1,251	1,251
	<u>2,257,190</u>	<u>99,482</u>	<u>245,810</u>	<u>2,602,482</u>	<u>1,696,904</u>
Donated goods & services	<u>40,879</u>	<u>7,030</u>	<u>5,250</u>	<u>53,159</u>	<u>18,163</u>
<u>Total</u>	<u>\$ 2,298,069</u>	<u>\$ 106,512</u>	<u>\$ 251,060</u>	<u>\$ 2,655,641</u>	<u>\$ 1,715,067</u>

See accompanying notes and independent auditors' report.



BUILDING ONE COMMUNITY

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2020

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

Nature of Activities

Building One Community provides free services that educate, employ, empower and engage immigrants and the broader community. Our mission is to advance the successful integration of immigrants and their families. We do this by providing English language instruction, job skills training, personal and family 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, 2020

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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.

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.

Federal and State Income Taxes

The Internal Revenue Service has determined that Building One Community is exempt from federal and state income taxes as a public charity under Section 501(c)(3) of Internal Revenue Code. Consequently, Building One Community is exempt from federal and state income taxes and no provision for income taxes has been made in the accompanying financial statements.

BUILDING ONE COMMUNITY

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2020

NOTE 2 – NET ASSETS

Net Assets with Donor Restrictions consist of the following:

Restricted By Purpose:	<u>2020</u>	<u>2019</u>
Occupancy Expansion	\$ 13,659	\$ 22,131
IT and Data Systems	101,488	25,437
Community Engagement	2,217	2,032
Staff Development	<u>20,972</u>	<u>-</u>
	<u>\$ 138,336</u>	<u>\$ 49,600</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 \$67,185 and \$65,462 for the years ended December 31, 2020 and 2019 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. On August 17, 2020 the lease was extended for one (1) year effective September 1, 2020 terminating August 31, 2021. Minimum rent is \$24,439 for the year ended December 31, 2020.

BUILDING ONE COMMUNITY

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2020

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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, 2020, 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, 2020.

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.

BUILDING ONE COMMUNITY

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2020

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NOTE 7 – CORONAVIRUS

On January 30, 2020, the World Health Organization declared the coronavirus to be a public health emergency. On March 10, 2020, Connecticut Governor Ned Lamont declared a Public Health and Civil Preparedness Emergency. As a result, starting on March 12, 2020, Building One Community transitioned to a mainly remote work environment. Essential staff continue to provide services at our center, following CDC and state of Connecticut guidelines for a safe working environment during the coronavirus pandemic.

Building One Community has continued to provide services to immigrants and their families during this crisis. In addition, the organization has raised approximately \$330,000 for a Coronavirus Emergency Fund, to provide funds to individuals and families with urgent financial needs.

On April 21, 2020, the Organization received a Paycheck Protection Program (PPP) loan of \$250,000 granted by the Small Business Administration (SBA) under the Coronavirus Aid, Relief, and Economic Security Act (CARES Act) which Building One Community, considers to be a conditional contribution under the governmental grant model. The contribution has a right of return in the form of an obligation to be repaid if barriers to entitlement are not met. These barriers include incurring qualifying expenses and maintaining certain levels of employee headcount and salary ranges during a measurement period. Management considers reviews of the application for forgiveness by the lender and the SBA as well as potential audits to be administrative in nature rather than barriers to entitlement. During the year ended December 31, 2020, the Organization recognized \$250,000 as Program based on the amount of qualifying expenditures incurred and employee headcount and salary levels maintained through December 31, 2020. On November 11, 2020, notice of forgiveness was received from the lender.

The duration of the uncertainties around the coronavirus and the ultimate financial effects cannot be reasonably estimated at this time.

NOTE 8 – SUBSEQUENT EVENTS

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