

ONE TO WORLD, INC.

Audited Financial Statements

June 30, 2024

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of One To World, Inc.

Opinion

We have audited the accompanying financial statements of One To World, Inc. ("One To World"), which comprise the statement of financial position as of June 30, 2024 and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of One To World as of June 30, 2024, and the changes in net assets 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 (GAAS). 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 To World 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 One To World's ability to continue as a going concern for the year ended June 30, 2024.

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 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.

Auditors' Responsibilities for the Audit of the Financial Statements (continued)

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 To World'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 and 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 One To World's ability to continue as a going concern for a reasonable period.

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.

Report on Summarized Comparative Information

The financial statements of One To World as of and for the year ended June 30, 2023, were audited by other auditors whose report dated March 22, 2024, expressed an unmodified opinion on those statements. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2023 is consistent, in all material respects with the audited financial statements from which it was derived.

RLN US LLP

New York, New York

December 6, 2024

ONE TO WORLD, INC.
STATEMENT OF FINANCIAL POSITION
AS OF JUNE 30, 2024
(With comparative totals as of June 30, 2023)

	June 30,	
	2024	2023
Assets		
Cash and cash equivalents	\$ 125,638	\$ 286,237
Pledges and other receivable	32,593	23,465
Tax credit receivable, net of allowance	34,791	81,575
Program income receivable	28,809	28,150
Prepaid expenses	4,744	20,351
Property and equipment, net	9,471	15,135
Security deposit	8,240	8,240
Operating lease right-of-use asset	93,162	141,795
Total assets	\$ 337,448	\$ 604,948
Liabilities and Net Assets		
Liabilities		
Accounts payable and accrued expenses	\$ 27,299	\$ 42,414
Deferred revenue	4,600	3,500
Conditional contribution	-	7,500
Operating lease liability	97,198	146,032
Total liabilities	\$ 129,097	\$ 199,446
Net assets		
Without donor restrictions	\$ 208,351	\$ 405,502
Total net assets	208,351	405,502
Total liabilities and net assets	\$ 337,448	\$ 604,948

ONE TO WORLD, INC.
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2024
(With comparative totals for the year ended June 30, 2023)

	June 30,	
	2024	2023
Without Donor Restrictions		
PUBLIC SUPPORT AND REVENUE		
Other government grants	\$ 90,000	\$ 86,446
Foundation contributions	117,500	156,000
Individual contributions	101,645	91,002
In-kind contributions	108,707	103,782
Fundraising event income, net	349,540	366,523
Membership income	69,270	65,320
Program income	140,895	132,229
Publication and sponsorship income	6,726	45,112
Other income	285	17,082
Total public support and revenue	\$ 984,568	\$ 1,063,496
 EXPENSES		
Program services:		
Enrichment programs	\$ 328,635	\$ 418,983
Fulbright programs	185,338	203,872
Global Classroom program	280,452	265,286
Supporting services:		
Management and general	118,819	151,477
Fundraising	268,475	270,530
Total expenses	\$ 1,181,719	\$ 1,310,148
 Change in net assets	\$(197,151)	\$ (246,652)
Net assets - beginning of year	405,502	652,154
Net assets - end of year	\$208,351	\$ 405,502

ONE TO WORLD, INC.
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2024
(With comparative totals for the year ended June 30, 2023)

	Program Services			Supporting Services			Total Expenses June 30, 2024	Total Expenses June 30, 2023	
	Enrichment Programs	Fulbright Programs	Global Classroom Program	Total Program Services	Management and General	Fundraising			Total Supporting Services
Salaries, payroll taxes and employee benefits	\$ 165,671	\$ 90,990	\$ 214,922	\$ 471,583	\$ 74,017	\$ 81,354	\$ 155,371	\$ 626,954	\$ 829,112
Outside professional services	23,352	8,128	21,567	53,047	25,745	27,061	52,806	105,853	111,172
Program activities (including in-kind)	100,952	68,204	839	169,995	-	-	-	169,995	176,082
Advertising & Marketing	799	-	-	799	-	-	-	799	4,202
Occupancy costs	15,584	8,559	20,218	44,361	6,963	7,653	14,616	58,977	60,083
Postage	25	-	-	25	21	2,138	2,159	2,184	2,522
Printing and publications	369	203	479	1,051	165	1,031	1,196	2,247	2,548
Supplies and office expenses	3,407	-	-	3,407	841	7,962	8,803	12,210	10,469
Telephone	838	461	1,087	2,386	374	412	786	3,172	3,211
Insurance	2,151	1,182	2,791	6,124	961	1,057	2,018	8,142	3,974
Conferences and Meetings	628	-	-	628	2,363	5,270	7,633	8,261	12,382
Fees, dues and subscriptions	-	-	570	570	1,177	-	1,177	1,747	3,695
Charge allowance in uncollectible receivables	13,082	6,648	15,703	35,433	5,407	5,944	11,351	46,784	-
Miscellaneous	280	142	335	757	116	127	243	1,000	-
Depreciation	1,497	822	1,942	4,261	669	735	1,404	5,665	17,183
Fundraising Event Exp	-	-	-	-	-	233,199	233,199	233,199	173,903
Total expenses	328,635	185,339	280,453	794,427	118,819	373,943	492,762	1,287,189	1,410,538
Less: direct special event expenses netted with revenue	-	-	-	-	-	(105,466)	(105,466)	(105,466)	(100,390)
Total expenses by function for statement of activities	\$ 328,635	\$ 185,339	\$ 280,453	\$ 794,427	\$ 118,819	\$ 268,475	\$ 387,294	\$1,181,720	\$ 1,310,148

ONE TO WORLD, INC.
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2024
(With comparative totals for the year ended June 30, 2023)

	6/30/24	6/30/23
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ (197,152)	\$ (246,652)
Adjustments to reconcile changes in net assets to net cash (used for) operating activities:		
Depreciation	5,664	17,183
Change in operating lease right-of-use asset and liability	(201)	4,237
Charge Allowance in Uncollectible Receivable	46,784	-
Changes in assets and liabilities:		
Pledges receivable	(9,128)	62,054
Employee Retention Tax Credit receivable	-	41,413
Program income receivable	(659)	(4,766)
Prepaid expenses	15,607	13,995
Accounts payable and accrued expenses	(15,115)	(84,755)
Deferred revenue	1,100	2,000
Conditional contribution	(7,500)	(17,500)
Deferred rent	-	(3,100)
Total adjustments	(36,552)	30,761
Net cash flows (used for) operating activities	(160,600)	(215,891)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of property and equipment	-	(15,578)
Net cash flows used for investing activities	-	(15,578)
Net (decrease) in cash and cash equivalents	(160,600)	(231,469)
CASH AND CASH EQUIVALENTS, <i>beginning of year</i>	286,237	517,706
CASH AND CASH EQUIVALENTS, <i>end of year</i>	\$ 125,637	\$ 286,237
SUPPLEMENTAL CASH FLOW INFORMATION		
Cash paid during the year for taxes	\$ -	\$ -
Cash paid during the year for interest	\$ -	\$ -

ONE TO WORLD, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024

Note 1 – Organization

One To World, Inc. (“One To World”) provides programs and services to make the culture and people of metropolitan New York City and the tri-state area more accessible to the international students living and studying in the tri-state area.

One To World fulfills its mission through the following programs:

Enrichment Programs - Each year, One To World works with international students and Fulbright grantees from over 140 countries through programs that enrich their experience in the New York area and broaden their understanding of contemporary life in the United States.

Fulbright Programs - One To World serves as the officially designated coordinator of enrichment programs for visiting Fulbright grantees in the greater New York metropolitan area and is an internationally recognized leader in providing substantive, innovative, and successful educational programming. One To World creates opportunities for Fulbright grantees to meet New Yorkers, explore “behind the scenes” in American institutions and local neighborhoods, and learn about aspects of U.S culture and society they might not otherwise encounter.

Global Classroom Program - Annually, this program works with over 500 K-12 students throughout the New York area to create global citizens through interactive workshops that engage students through meaningful intercultural exchanges.

One To World’s primary sources of income are fundraising event income, contributions, and program income.

One To World has been notified by the Internal Revenue Service that it is a not-for-profit organization exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code and has not been designated as a private foundation.

Note 2 - Summary of Significant Accounting Policies

a. Basis of Accounting

The financial statements have been prepared using the accrual basis of accounting, which is the process of recording revenue and expenses when earned or incurred, rather than received or paid.

ONE TO WORLD, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024

b. Basis of Presentation

The financial statements are presented in accordance with the provisions of FASB ASC 958: *Presentation of Financial Statements of Not-For Profit Entities*. FASB ASC 958 requires the organization to report information regarding its financial position and activities according to two classes of net assets:

- *Net Assets without Donor Restrictions* - represents all activity without donor-imposed restrictions.
- *Net Assets with Donor Restrictions* - represents those resources, the uses of which have been restricted by donors for a specific purpose or the passage of time.

c. Revenue Recognition

One To World follows the requirements of FASB ASC 958-605 for recording contributions, which are recognized when they are considered unconditional in nature. Contributions that do not contain donor restrictions are recorded in the class of net assets without donor restrictions. When a restriction expires, that is, when a stipulated time restriction ends, or purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions. If donor restricted contributions are satisfied in the same period they were received, they are classified as without donor restrictions.

Contributions may be subject to conditions which are defined as both a barrier to entitlement and a right of return of payments, or release from obligations, and are recognized as income once the conditions have been substantially met.

Government grants have been evaluated and are considered to be non-reciprocal; therefore, they are also treated as contributions under FASB ASC 958-605. In addition, government grants meet the criteria of being conditional. Revenue from these transactions is recognized when qualifying expenditures are incurred, performance-related outcomes are achieved, and other conditions under the agreements are met. Payments received in advance of the conditions being met are treated as deferred revenue.

Contributions and grants expected to be received within one year are recorded at net realizable value. Long-term pledges are recorded at fair value, using risk-adjusted present value techniques.

One To World follows FASB ASC 606 for recognizing revenue from contracts with customers. One To World receives program income for providing workshops, membership fees, and publication income for its student guide which fall under FASB ASC 606 and are included in the statement of activities. Revenue from workshops is recognized at the point in time that

ONE TO WORLD, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024

c. Revenue Recognition - Continued

the service is provided, and the performance obligation is complete. Publication income is recognized at the point in time that the student guide is provided. Membership fees are recorded as revenue over the period that the services are provided. Fees that have not been collected at year end are reflected as accounts receivable. Amounts collected in advance are treated as deferred revenue.

On July 1, 2023, One To World adopted FASB Accounting Standards Update (“ASU”) 2016-13, Financial Instruments – Credit Losses (“Topic 326”) Financial assets, which potentially subject One To World to credit losses, consist of pledges and other receivables, tax credit receivable, and program income receivable, on the statement of financial position. Expected losses are recorded to an allowance for credit losses valuation account that is net against the corresponding asset to present the net amount expected to be collected on the financial asset.

The credit loss allowance is determined through analysis of the financial assets and assessments of risk that are based on historical trends and evaluation of the impact of current and projected economic conditions. Based on the analysis performed on the open accounts receivable aging and detail analysis of the customers, One To World recorded an allowance for tax credit receivable in the amount of \$46,784 as of June 30, 2024.

d. Cash and Cash Equivalents

All liquid investments purchased with an initial maturity of three months or less are considered to be cash and cash equivalents.

e. Concentration of Credit Risk

Financial instruments that potentially subject One To World to a concentration of credit risk consist of cash accounts with financial institutions that management deems to be creditworthy. At times, balances may exceed federally insured limits. At year end, there were no uninsured balances; however, at certain times throughout the year, the balances exceeded federally insured limits. Despite this, the financial institutions where these funds were held remained stable, and no losses were incurred.

f. Property and Equipment

Property and equipment that exceed \$1,000 and have a useful life of greater than one year are capitalized at cost and are depreciated using the straight-line method over the estimated life of the asset, as follows:

Furniture and equipment	<i>3 - 5 years</i>
Website development	<i>3 years</i>
Leasehold improvements	<i>Life of lease</i>

ONE TO WORLD, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024

g. Donated Goods and Services

Donated services are recognized in circumstances where the service creates or enhances a non-financial asset or where those services require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided in-kind.

Board members and other individuals volunteer their time and perform a variety of services that assist One To World. In addition, volunteer services were used to provide a wide range of services that include coordinating student activities and providing clerical and administrative support. These services have not been recognized because they do not meet the criteria outlined above.

h. Functional Allocation of Expenses

The costs of providing various programs and other activities have been summarized on a functional basis in the financial statements. Accordingly, certain costs have been allocated among the programs and supporting services benefited. Management and general expenses include those expenses that are not directly identifiable with any other specific function but provide for the overall support and direction of One To World.

Salaries were allocated using time and effort as the basis. The following costs were allocated using salary as the basis:

- Payroll taxes and employee benefits
- Occupancy costs
- Telephone
- Insurance
- Depreciation

All other expenses have been charged directly to the applicable program or supporting services.

i. Leases

One To World determines if an arrangement is or contains a lease at inception. Leases are included in right-of-use (ROU) assets and lease liabilities in the statement of financial position. ROU assets and lease liabilities reflect the present value of the future minimum lease payments over the lease term, and ROU assets also include prepaid or accrued rent. The change in operating lease ROU asset and liability on the statement of cash flows includes the amortization of the ROU asset and cash payments for leases offset by the accretion of the discounted lease liability. Operating lease expense is recognized on a straight-line basis over the lease term.

ONE TO WORLD, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024

i. Leases (continued)

One To World does not report ROU assets and lease liabilities for its short-term leases (leases with a term of 12 months or less). Instead, the lease payments of those leases are reported as lease expense on a straight-line basis over the lease term. Lease agreements may include options that allow to either extend or terminate the lease, and these options are included in the lease accounting only if it is almost certain that One To World will choose to use any of the options.

j. Advertising Costs

Advertising costs are expensed as incurred.

k. Management Estimates

The preparation of financial statements in accordance 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 those estimates.

l. Summarized Comparative Financial Information

The financial statements include certain prior year summarized comparative information in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with accounting principles generally accepted in the United States of America. Such information should be read in conjunction with One To World's financial statements for the year ended June 30, 2023, from which the summarized information was derived.

m. Accounting for Uncertainty of Income Taxes

Management does not believe its financial statements include any material, uncertain tax positions. Tax filings for periods ending June 30, 2020 and later are subject to examination by applicable taxing authorities.

Note 3 - Property and Equipment

Property and equipment consist of the following:

	June 30,	
	2024	2023
Furniture and equipment	\$ 94,203	\$ 94,203
Website development	34,560	34,560
Leasehold improvements	131,222	131,222
	259,985	259,985
Less: accumulated depreciation	(250,514)	(244,850)
Net property and equipment	\$ 9,471	\$ 15,135

ONE TO WORLD, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024

Note 4 - Operating Lease Right-of-Use Asset and Operating Lease Liability

One To World leases office space in New York, NY under a non-cancelable lease, which expires on April 30, 2026 and has been determined to be an operating lease. The lease term does not include any extension options.

The ROU asset represents One To World’s right to use the underlying asset for the lease term, and the lease liabilities represent One To World’s obligation to make lease payments arising from this lease. The ROU asset and lease liability were calculated based on the present value of future lease payments over the lease terms. As of June 30, 2024, the weighted-average remaining lease term for One To World’s operating leases was 1.83 years. One To World has made an accounting policy election to use a risk-free rate in lieu of its incremental borrowing rate to discount future lease payments. The weighted-average discount rate applied to calculate lease liabilities as of June 30, 2024 was 2.88%.

For the year ended June 30, 2024, total operating lease cost was \$52,235. Cash paid for operating leases for the year ended June 30, 2024 was \$52,436. There were no noncash investing and financing transactions related to leasing other than the ROU asset obtained in exchange for the lease liability recorded at the date of commencement.

Future minimum lease payments are as follows:

	\$ 53,878
June 30, 2025	45,922
June 30, 2026	99,800
Total lease payments	(2,602)
Less: present value discount	\$ 97,198
Total present value of lease liabilities	

Note 5 - Employee Retention Tax Credit

During the year ended June 30, 2022, One To World claimed the Employee Retention Credit (“ERTC”) in the amount of \$122,988. The ERTC was established by the Coronavirus Relief Act issued by Congress during 2020 and allows an employer to obtain fully refundable tax credits through their payroll tax filing for qualified wages paid after March 13, 2020 through September 30, 2021. To be eligible, an employer must have incurred payroll costs to retain

ONE TO WORLD, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024

Note 5 - Employee Retention Tax Credit (continued)

employees and had been adversely affected by the COVID-19 pandemic due to having operations suspended by a government order or demonstrating that they had a significant decline in gross receipts.

One To World accounted for the ERTC as a conditional contribution in accordance with FASB ASC 958-605. The conditions for eligibility outlined above were met during the year ended June 30, 2022, and the full amount was recognized as revenue in 2022.

As of June 30, 2024, an allowance of \$46,784 has been recorded against the ERTC receivable. This adjustment reflects management's evaluation of the IRS's determination to disallow a portion of the claimed credit. Management is assessing its options for appeal and will adjust the financial statements in future periods based on the resolution of this matter.

Note 6 - In-Kind Contributions

One To World recognized donated goods and services for program activities in the amounts of \$108,707 and \$103,782 for June 30, 2024 and 2023, respectively. This valuation is based on fair market value on the basis of recent comparable prices for retaining similar services or purchasing similar goods in the New York City Metropolitan area. In-kind services have been charged to program service expenses. There are no associated donor restrictions.

Note 7 - Fundraising Event

One To World holds an annual, in-person fundraising event. Special event proceeds are summarized as follows:

	June 30,	
	2024	2023
Gross revenue	\$ 455,006	\$ 466,913
Less: expenses with a direct benefit to donors	(105,466)	(100,390)
Net special event income	349,540	366,523
Less: other event expenses	(127,733)	(73,513)
Total	\$ 221,807	\$ 293,010

For the years ended June 30, 2024 and 2023, approximately 36% and 34% of One To World's public support and revenue, respectively, was derived from benefit income.

ONE TO WORLD, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024

Note 8 - Employee Contribution Plan

One To World has a tax deferred annuity plan in accordance with the Internal Revenue Service Code Section 403(b). The plan allows employees to voluntarily contribute a portion of their salary (limited by statutory rates) to the plan to be used for retirement. One To World provides a match of 1.5% to employees who have 2 years of service and 3% to those with 5 years of service. One To World contributed \$4,539 and \$5,390 to the plan during the years ended June 30, 2024, and 2023, respectively.

Note 9 - Liquidity and Availability of Financial Resources

Financial assets available for general expenditures within one year of the statement of financial position date are as follows:

Cash and cash equivalents	\$ 125,638
Pledges receivable	32,593
Employee Retention Tax Credit receivable	34,791
Program income receivable	<u>28,809</u>
Financial assets available to meet cash needs for general expenditures within one year	<u><u>\$ 221,831</u></u>

As part of its liquidity management, One To World operates its programs within a board approved budget and relies on contributions, grants, and earned income to fund its operations and program activities.

Note 10 - Subsequent Events

Subsequent events have been evaluated through December 6, 2024, the date the financial statements were available to be issued. There were no material events that have occurred that require adjustment to or disclosure to the financial statements.