



## Audited Financial Statements

June 30, 2021

## **Independent Auditor's Report**

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

### ***Report on the Financial Statements***

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, 2021, and the related statements of activities, functional expenses, and cash flows for the year 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.

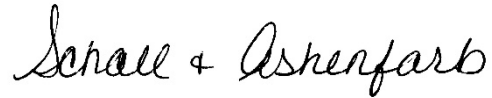
We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

***Opinion***

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of One To World, Inc. as of June 30, 2021, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

***Report on Summarized Comparative Information***

We have previously audited One To World's 2020 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated December 16, 2020. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2020 is consistent, in all material respects, with the audited financial statements from which it has been derived.



Schall & Ashenfarb  
Certified Public Accountants, LLC

January 11, 2022

**ONE TO WORLD, INC.**  
**STATEMENT OF FINANCIAL POSITION**  
**AT JUNE 30, 2021**  
(With comparative totals at June 30, 2020)

	<u>6/30/21</u>	<u>6/30/20</u>
<b>Assets</b>		
Current assets:		
Cash and cash equivalents	\$428,318	\$344,578
Pledges and other receivables	51,644	64,951
Prepaid expenses	150,654	153,960
Total current assets	<u>630,616</u>	<u>563,489</u>
Non-current assets:		
Property and equipment (net of accumulated depreciation) (Note 3)	29,970	17,180
Security deposit	8,240	16,122
Total non-current assets	<u>38,210</u>	<u>33,302</u>
Total assets	<u><u>\$668,826</u></u>	<u><u>\$596,791</u></u>
<b>Liabilities and Net Assets</b>		
Current liabilities:		
Accounts payable and accrued expenses	\$137,327	\$46,460
Deferred revenue	1,500	1,500
Paycheck Protection Program loan (Note 4)	144,925	148,035
Deferred rent	500	33,000
Total current liabilities	<u>284,252</u>	<u>228,995</u>
Net assets:		
Without donor restrictions	<u>384,574</u>	<u>367,796</u>
Total liabilities and net assets	<u><u>\$668,826</u></u>	<u><u>\$596,791</u></u>

*The attached notes and auditor's report are an integral part of these financial statements.*

**ONE TO WORLD, INC.**  
**STATEMENT OF ACTIVITIES**  
**FOR THE YEAR ENDED JUNE 30, 2021**  
(With comparative totals for the year ended June 30, 2020)

	<u>6/30/21</u>	<u>6/30/20</u>
<b>Without donor restrictions:</b>		
Public support:		
Government grant - Paycheck Protection Program (Note 4)	\$148,035	\$0
Other government grants	86,200	90,000
Foundation contributions	82,500	376,000
Individual contributions	106,436	365,026
Donated goods and services (Note 5)	35,275	114,219
Benefit income (Note 6)	449,205	0
Revenue:		
Membership fees	61,255	74,640
Program income	58,074	116,240
Publication and sponsorship income	20,098	18,355
Other income	37,382	2,043
Total public support and revenue	<u>1,084,460</u>	<u>1,156,523</u>
Expenses:		
Program services:		
Enrichment programs	252,356	271,709
Fulbright programs	172,328	221,534
Global Classroom program	253,678	248,294
Total program services	<u>678,362</u>	<u>741,537</u>
Supporting services:		
Management and general	135,415	179,034
Fundraising	253,905	233,157
Total supporting services	<u>389,320</u>	<u>412,191</u>
Total expenses	<u>1,067,682</u>	<u>1,153,728</u>
Change in net assets	16,778	2,795
Net assets - beginning of year	<u>367,796</u>	<u>365,001</u>
Net assets - ending of year	<u><u>\$384,574</u></u>	<u><u>\$367,796</u></u>

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**ONE TO WORLD, INC.**  
**STATEMENT OF FUNCTIONAL EXPENSES**  
**FOR THE YEAR ENDED JUNE 30, 2021**  
(With comparative totals for the year ended June 30, 2020)

	Program Services				Supporting Services		Total Expenses 6/30/21	Total Expenses 6/30/20
	Enrichment Programs	Fulbright Programs	Global Classroom Program	Total Program Services	Management and General	Fundraising		
Salaries, payroll taxes and benefits	\$166,819	\$110,170	\$180,042	\$457,031	\$88,458	\$81,397	\$169,855	\$658,880
Outside professional services	16,109	8,826	24,351	49,286	21,651	32,589	54,240	145,427
Program activities (including in-kind)(Note 5)	23,176	24,597	315	48,088			0	153,870
Occupancy costs	26,007	18,218	29,771	73,996	14,627	13,460	28,087	115,059
Postage	123	92	144	359	90	777	867	12,648
Printing and publications	1,047	316	494	1,857	308	341	649	3,260
Supplies and office expenses	6,348	1,258	3,454	11,060	1,933	9,613	11,546	20,680
Telephone	1,094	766	1,254	3,114	615	566	1,181	12,852
Insurance	2,710	1,899	3,103	7,712	1,524	1,403	2,927	9,340
Conference and meetings	1,065	748	1,170	2,983	730	808	1,538	11,322
Special event expenses				0		108,846	108,846	0
Fees, dues and subscriptions	95		694	789	1,113	88	1,201	1,322
Depreciation	7,763	5,438	8,886	22,087	4,366	4,017	8,383	9,068
<b>Total expenses</b>	<b>\$252,356</b>	<b>\$172,328</b>	<b>\$253,678</b>	<b>\$678,362</b>	<b>\$135,415</b>	<b>\$253,905</b>	<b>\$389,320</b>	<b>\$1,153,728</b>

*The attached notes and auditor's report are an integral part of these financial statements.*

**ONE TO WORLD, INC.**  
**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED JUNE 30, 2021**  
(With comparative totals for the year ended June 30, 2020)

	<u>6/30/21</u>	<u>6/30/20</u>
Cash flows from operating activities:		
Change in net assets	\$16,778	\$2,795
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	30,470	9,068
Changes in assets and liabilities:		
Pledges and other receivables	13,307	76,913
Prepaid expenses	3,306	(142,882)
Security deposit	7,882	15,675
Accounts payable and accrued expenses	90,867	17,043
Deferred revenue	0	1,500
Paycheck Protection Program loan	(3,110)	148,035
Deferred rent	(32,500)	6,000
Total adjustments	<u>110,222</u>	<u>131,352</u>
Net cash flows provided by operating activities	<u>127,000</u>	<u>134,147</u>
Cash flows from investing activities:		
Purchases of property and equipment	<u>(43,260)</u>	<u>0</u>
Net cash flows used for investing activities	<u>(43,260)</u>	<u>0</u>
Net increase in cash and cash equivalents	83,740	134,147
Cash and cash equivalents - beginning of year	<u>344,578</u>	<u>210,431</u>
Cash and cash equivalents - end of year	<u><u>\$428,318</u></u>	<u><u>\$344,578</u></u>
Supplemental information:		
Interest and taxes paid	<u><u>\$0</u></u>	<u><u>\$0</u></u>

*The attached notes and auditor's report are an integral part of these financial statements.*

**ONE TO WORLD, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2021**

**Note 1 - Nature of the 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 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.

b. Basis of Presentation

Information is reported regarding its financial position and activities according to the following classes of net assets:

- *New 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. There were no net assets with donor restrictions at June 30, 2021 or June 30, 2020.

c. Revenue Recognition

One To World follows the requirements of the Financial Accounting Standards Board’s (“FASB”) Accounting Standards Codification (“ASC”) 958-605 for recording contributions, which are recognized at the earlier of when cash is received or at the time a pledge becomes unconditional in nature. Contributions are recorded in the net asset classes referred to above depending on the existence and/or nature of any donor-imposed restriction. 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 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. Cash received in advance of the conditions being met is treated as a liability.

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 the requirements of FASB's 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 ASC 606 and are included in the statement of activities. Revenue from workshops is recognized when at the point in time that 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.

Receivables are reviewed for collectability. Based on knowledge of specific donors and factoring in historical experience, no allowance for doubtful accounts exists as of June 30, 2021. Write-offs will be made in the period the receivable is deemed to be uncollectable.

d. Cash and Cash Equivalents

All liquid investments purchased with a 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 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 and at certain times throughout the year, there were uninsured balances; however, no losses were suffered due to the failure of any of these institutions.

f. Property and Equipment

Property and equipment that exceed certain dollar thresholds 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 useful life of the asset.

g. Deferred Rent

Rent expense is recognized evenly over the life of the lease using the straight-line method. In the earlier years of the lease, as rent expense exceeds amounts paid, a deferred rent liability is created. In later years of the lease, as payments exceed the amount of expense recognized, deferred rent will be reduced until it is zero at the end of the lease.

h. Donated Goods and Services

Contributions of services that create or enhance non-financial assets or require specialized skills, are provided by individuals possessing those skills and would typically need to be purchased if not contributed, are recorded as income and as a related expense.

Board members and other individuals volunteer their time and perform a variety of tasks that assist One To World. In addition, services of volunteers 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.

Donated goods and services are recorded at fair value, which refers to the price that would be received to sell an asset in an orderly transaction between market participants at the measurement date. (See Note 5.)

i. 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.

The following expenses were allocated using time and effort as the basis:

- Salaries

The following costs were allocated using salary as the basis:

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

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

j. 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.

k. 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, 2020, from which the summarized information was derived.

l. 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, 2018 and later are subject to examination by applicable taxing authorities.

m. New Accounting Pronouncements

FASB issued Accounting Standards Update (“ASU”) No. 2020-07, *Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets*, which becomes effective for the June 30, 2022 year with early adoption permitted. This ASU focuses on improving transparency in the reporting of contributed nonfinancial assets and requires a separate line-item presentation on the statement of activities and additional disclosures.

FASB issued ASU No. 2016-02, *Leases*. The ASU which becomes effective for the June 30, 2023 year, requires the full obligation of long-term leases to be recorded as a liability with a corresponding “right to use asset” on the statement of financial position.

One To World is in the process of evaluating the impact these standards will have on future financial statements.

**Note 3 - Property and Equipment**

Property and equipment consist of the following:

	<u>6/30/21</u>	<u>6/30/20</u>
Furniture and equipment – 3 - 5 year useful life	\$78,625	\$78,625
Website development – 3 year useful life	34,560	0
Leasehold improvements – life of lease	<u>131,222</u>	<u>122,522</u>
	244,407	201,147
Less: accumulated depreciation	<u>(214,437)</u>	<u>(183,967)</u>
Net property and equipment	<u>\$29,970</u>	<u>\$17,180</u>

**Note 4 - Paycheck Protection Program Loan**

During the year ended June 30, 2020, One To World obtained a loan of \$148,035 from the Small Business Administration (“SBA”) through the Paycheck Protection Program (“PPP”). Terms of the loan indicate that if certain conditions are met, which include maintaining average work forces during periods subsequent to receipt of the loan funds that are not less than pre-determined historical periods, that the loan, or a portion thereof, would be forgiven.

One To World accounts for the PPP loan in accordance with ASC 958-605 as a conditional contribution. During the year ended June 30, 2021, One To World met all conditions for forgiveness and recognized the loan as revenue. In addition, One To World was notified that full forgiveness was approved by the SBA.

During the year ended June 30, 2021, One To World obtained a second loan from the SBA in the amount of \$144,925 through the Paycheck Protection Program that had similar terms as the first loan. One To World met the conditions for full forgiveness subsequent to year-end and will recognize the revenue in fiscal year 2022.

**Note 5 - Donated Goods and Services**

One To World recognized donated goods and services for program activities in the amounts of \$35,275 and \$114,219 for June 30, 2021 and 2020, respectively. This has been charged to program service expenses.

**Note 6 - Fundraising Event**

One To World's 2020 annual fundraising event was cancelled due to the COVID-19 pandemic. Donors who contributed to this event agreed to convert their payments to unconditional contributions to One To World for the 2020 fiscal year.

One To World's 2021 annual fundraising event was held virtually on May 25, 2021. A financial summary of this event is as follows:

	<u>6/30/21</u>
Benefit income	\$449,205
Less: other event expenses	<u>(108,846)</u>
Total proceeds	<u>\$340,359</u>

Approximately 40% of One To World's total public support and revenue was derived from benefit income during the year ended June 30, 2021.

**Note 7 - Commitments**

One To World occupied space under a lease that was originally scheduled to expire on October 27, 2026. During the year ended June 30, 2021, One To World terminated this lease and entered into a new lease for a smaller space with the same landlord. This new lease started on May 1 2021 and expires on April 30, 2026.

Future minimum lease payments are as follows:

Year ending:	June 30, 2022	\$49,667
	June 30, 2023	51,032
	June 30, 2024	52,436
	June 20, 2025	53,878
	June 20, 2026	<u>45,922</u>
Total		<u>\$252,935</u>

Total rent expense was \$98,000 and \$109,000 for the years ended June 30, 2021 and 2020, respectively.

One To World has an unused revolving line of credit of \$50,000 as of June 30, 2021.

**Note 8 - Employee Benefit 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. The company 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 \$2,291 and \$5,157 to the plan during the years ended June 30, 2021 and 2020, respectively.

**Note 9 - Availability and Liquidity**

At June 30, 2021, One To World's financial assets available to meet cash needs for general expenditures within one year are \$479,962, which consist of cash and cash equivalents of \$428,318 and pledges and other receivables due within one year of \$51,644. There are no external or internal limits imposed on these balances. In addition, One To World has a revolving line of credit of \$50,000 which it could draw upon to help manage unanticipated liquidity needs. At June 30, 2021, the full \$50,000 was available to draw upon as needed.

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 January 11, 2022, 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.

**Note 11 - Other Matters**

On January 30, 2020, the World Health Organization declared the coronavirus outbreak a "Public Health Emergency of International Concern" and on March 10, 2020, declared it to be a pandemic. Actions taken around the world to help mitigate the spread of the coronavirus include restrictions on travel, quarantines in certain areas, and forced closures for certain types of public places and businesses. The coronavirus and actions taken to mitigate it have had and are expected to continue to have an impact on the economies and financial markets of many countries, including the geographical area in which One To World operates. As of the date of these financial statements, many of the travel restrictions and stay at home orders have been lifted, however, supply chains remain impacted. Management continues to monitor the outbreak, however, as of the date of these financial statements, the potential impact cannot be quantified.