



**One To
World**

Audited Financial Statements

June 30, 2022

Independent Auditors' 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, 2022, 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, 2022, 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 the One To World's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

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, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users on the basis of these financial statements.

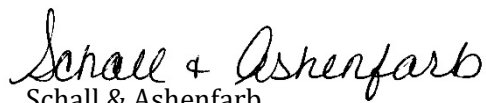
In performing an audit in accordance with generally accepted auditing standards, we:

- 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 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, 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 One To World'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.

Report on Summarized Comparative Information

We have previously audited the One To World's 2021 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated January 11, 2022. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2021, 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, 2023

ONE TO WORLD, INC.
STATEMENT OF FINANCIAL POSITION
AT JUNE 30, 2022
(With comparative totals at June 30, 2021)

	<u>6/30/22</u>	<u>6/30/21</u>
Assets		
Current assets:		
Cash and cash equivalents	\$517,706	\$428,318
Pledges receivable	108,903	51,644
Employee Retention Tax Credit receivable (Note 3)	122,988	0
Prepaid expenses	34,346	150,654
Total current assets	<u>783,943</u>	<u>630,616</u>
Non-current assets:		
Property and equipment (net of accumulated depreciation) (Note 4)	16,740	29,970
Security deposit	8,240	8,240
Total non-current assets	<u>24,980</u>	<u>38,210</u>
 Total assets	 <u><u>\$808,923</u></u>	 <u><u>\$668,826</u></u>
Liabilities and Net Assets		
Current liabilities:		
Accounts payable and accrued expenses	\$127,169	\$137,327
Deferred revenue	1,500	1,500
Conditional contribution	25,000	0
Paycheck Protection Program loan (Note 5)	0	144,925
Deferred rent	3,100	500
Total current liabilities	<u>156,769</u>	<u>284,252</u>
Net assets:		
Without donor restrictions	632,154	384,574
With donor restrictions (Note 6)	20,000	0
Total net assets	<u>652,154</u>	<u>384,574</u>
 Total liabilities and net assets	 <u><u>\$808,923</u></u>	 <u><u>\$668,826</u></u>

The attached notes and auditors' report are an integral part of these financial statements.

ONE TO WORLD, INC.
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2022
(With comparative totals for the year ended June 30, 2021)

	Without Donor Restrictions	With Donor Restrictions	Total 6/30/22	Total 6/30/21
Without donor restrictions:				
Public support:				
Government grant - Paycheck Protection Program (Note 5)	\$144,925		\$144,925	\$148,035
Government grant - Employee Retention Tax Credit (Note 3)	122,988		122,988	0
Other government grants	82,400		82,400	86,200
Foundation contributions	122,800	\$10,000	132,800	82,500
Individual contributions	118,335	10,000	128,335	106,436
Donated goods and services (Note 7)	33,329		33,329	35,275
Benefit income, net (Note 8)	547,497		547,497	449,205
Revenue:				
Membership fees	59,595		59,595	61,255
Program income	63,003		63,003	58,074
Publication and sponsorship income	59,998		59,998	20,098
Other income	1,378		1,378	37,382
Total public support and revenue	1,356,248	20,000	1,376,248	1,084,460
Expenses:				
Program services:				
Enrichment programs	304,502		304,502	252,356
Fulbright programs	215,135		215,135	172,328
Global Classroom program	199,024		199,024	253,678
Total program services	718,661	0	718,661	678,362
Supporting services:				
Management and general	120,908		120,908	135,415
Fundraising	269,099		269,099	253,905
Total supporting services	390,007	0	390,007	389,320
Total expenses	1,108,668	0	1,108,668	1,067,682
Change in net assets	247,580	20,000	267,580	16,778
Net assets - beginning of year	384,574	0	384,574	367,796
Net assets - end of year	\$632,154	\$20,000	\$652,154	\$384,574

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ONE TO WORLD, INC.
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2022
(With comparative totals for the year ended June 30, 2021)

	Program Services				Supporting Services		Total Expenses 6/30/22	Total Expenses 6/30/21
	Enrichment Programs	Fulbright Programs	Global Classroom Program	Total Program Services	Management and General	Fundraising		
Salaries, payroll taxes and benefits	\$197,036	\$125,416	\$149,785	\$472,237	\$72,966	\$144,084	\$217,050	\$626,886
Outside professional services	32,188	9,737	25,996	67,921	29,419	12,661	42,080	103,526
Program activities (including in-kind)(Note 7)	30,223	62,297		92,520			0	48,088
Occupancy costs	16,064	10,225	12,212	38,501	5,950	11,747	17,697	102,083
Postage				0	6	1,313	1,319	1,226
Printing and publications	5,072	1,141	1,363	7,576	664	868	1,532	2,506
Supplies and office expenses	7,298	283	338	7,919	1,959	1,215	3,174	22,606
Telephone	1,032	657	784	2,473	382	754	1,136	4,295
Insurance	4,669	2,972	3,549	11,190	1,729	3,414	5,143	10,639
Conference and meetings	5,235		821	6,056	6,172	1,600	7,772	4,521
Event expenses (Note 8)				0		231,237	231,237	108,846
Fees, dues and subscriptions	1,903		1,301	3,204	261	334	595	1,990
Depreciation	3,782	2,407	2,875	9,064	1,400	2,766	4,166	30,470
Total expenses	304,502	215,135	199,024	718,661	120,908	411,993	532,901	1,067,682
Less: direct special event expenses netted with revenue				0		(142,894)	(142,894)	0
Total expenses by function for statement of activities	\$304,502	\$215,135	\$199,024	\$718,661	\$120,908	\$269,099	\$390,007	\$1,067,682

The attached notes and auditors' report are an integral part of these financial statements.

ONE TO WORLD, INC.
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2022
(With comparative totals for the year ended June 30, 2021)

	<u>6/30/22</u>	<u>6/30/21</u>
Cash flows from operating activities:		
Change in net assets	\$267,580	\$16,778
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	13,230	30,470
Changes in assets and liabilities:		
Pledges receivable	(57,259)	13,307
Employee Retention Tax Credit receivable	(122,988)	0
Prepaid expenses	116,308	3,306
Security deposit	0	7,882
Accounts payable and accrued expenses	(10,158)	90,867
Conditional contribution	25,000	0
Paycheck Protection Program loan	(144,925)	(3,110)
Deferred rent	2,600	(32,500)
Total adjustments	<u>(178,192)</u>	<u>110,222</u>
Net cash flows provided by operating activities	<u>89,388</u>	<u>127,000</u>
Cash flows from investing activities:		
Purchases of property and equipment	<u>0</u>	<u>(43,260)</u>
Net cash flows used for investing activities	<u>0</u>	<u>(43,260)</u>
Net increase in cash and cash equivalents	89,388	83,740
Cash and cash equivalents - beginning of year	<u>428,318</u>	<u>344,578</u>
Cash and cash equivalents - end of year	<u><u>\$517,706</u></u>	<u><u>\$428,318</u></u>
Supplemental information:		
Interest and taxes paid	<u><u>\$0</u></u>	<u><u>\$0</u></u>

The attached notes and auditors' report are an integral part of these financial statements.

ONE TO WORLD, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

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 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 exchange.

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.

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 that do not contain donor restrictions are recorded in the class of net assets without donor restrictions. Contributions that do contain donor restrictions are recorded in the class of net assets with 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.

One To World evaluates whether contributions are conditional or unconditional. Contributions are considered to be conditional when both a barrier must be overcome for One To World to be entitled to the revenue and a right of return of the asset or right of release from the obligation exists. One To World's conditional contribution at June 30, 2022 will be recognized when qualifying expenditures are incurred.

Contributions are recognized at net realizable value if expected to be received within one year, or at fair value using risk-adjusted present value techniques if expected to be received in more than one year.

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.

One To World follows FASB ASC 958-606 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 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 been collected at year end are reflected as accounts receivable. Amounts collected in advance are treated as deferred revenue.

Management assesses the collectability of all outstanding receivables based upon past experience, historical trends, and specific knowledge of each donor. Based on knowledge of specific donors and factoring in historical experience, no allowance for doubtful accounts exists, as of June 30, 2022. 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

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 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.

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. 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, 2021, 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, 2019 and later are subject to examination by applicable taxing authorities.

m. New Accounting Pronouncement

FASB issued Accounting Standards Update ("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.

Management is in the process of evaluating the impact this standard will have on future financial statements.

Note 3 - 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 incur payroll costs to retain employees and be 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 accounts for the ERTC as a conditional contribution in accordance with FASB ASC 958-605. The conditions for eligibility outlined above were met for the quarters claimed during the year ended June 30, 2022, and the full amount was recognized as revenue during the year then ended.

Note 4 - Property and Equipment

Property and equipment consist of the following:

	<u>6/30/22</u>	<u>6/30/21</u>
Furniture and equipment – 3 - 5 year useful life	\$78,625	\$78,625
Website development – 3 year useful life	34,560	34,560
Leasehold improvements – life of lease	<u>131,222</u>	<u>131,222</u>
	244,407	244,407
Less: accumulated depreciation	<u>(227,667)</u>	<u>(214,437)</u>
Net property and equipment	<u>\$16,740</u>	<u>\$29,970</u>

Note 5 - 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 indicated that if certain conditions were met, which included maintaining average work forces during periods subsequent to receipt of the loan funds that were 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.

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. During the year ended June 30, 2022, One To World met all conditions for forgiveness and recognized this loan as revenue. In addition, One To World was notified that full forgiveness of both loans were approved by the SBA.

Note 6 - Net Assets With Donor Restrictions

Net assets with donor restrictions at June 30, 2022 consist of contributions that are time restricted for the year ending June 30, 2023.

Note 7 - Donated Goods and Services

One To World recognized donated goods and services for program activities in the amounts of \$33,329 and \$35,275 for June 30, 2022 and 2021, 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 8 - Fundraising Event

One To World holds an annual fundraising event. One To World's 2021 event was held virtually and the 2022 event was in-person. Special event proceeds are summarized as follows:

	<u>6/30/22</u>	<u>6/30/21</u>
Gross revenue	\$690,391	\$449,205
Less: expenses with a direct benefit to donors	<u>(142,894)</u>	<u>0</u>
Net special event income	547,497	449,205
Less: other event expenses	<u>(88,343)</u>	<u>(108,846)</u>
Total	<u>\$459,154</u>	<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, 2022.

Note 9 - 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, 2023	\$51,032
	June 30, 2024	52,436
	June 20, 2025	53,878
	June 20, 2026	<u>45,922</u>
Total		<u>\$203,268</u>

Total rent expense was \$52,000 and \$98,000 for the years ended June 30, 2022 and 2021, respectively.

One To World has an unused revolving line of credit of \$50,000 as of June 30, 2022.

Note 10 - 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 \$5,917 and \$2,291 to the plan during the years ended June 30, 2022 and 2021, respectively.

Note 11 - Availability and Liquidity

At June 30, 2022, One To World's financial assets available to meet cash needs for general expenditures within one year are \$749,597, which consist of cash and cash equivalents of \$517,706, pledges receivables of \$108,903, and ERTC receivable of \$122,988. 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, 2022, 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 12 - Subsequent Events

Subsequent events have been evaluated through January 11, 2023, 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 13 - 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.