

CULTURE FOR ONE, INC.
FINANCIAL STATEMENTS
AND
ACCOUNTANTS' REPORT
JUNE 30, 2021 AND 2020

CULTURE FOR ONE, INC.

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Skody Scot & Company, CPAs, P.C.

520 Eighth Avenue, Suite 2200, New York, NY 10018 • (T) 212-967-1100 • (F) 212-967-2002
www.skodyscot.com

INDEPENDENT ACCOUNTANTS' REVIEW REPORT

To: The Board of Directors of
Culture for One, Inc.

We have reviewed the accompanying financial statements of Culture for One, Inc. (a nonprofit organization), which comprise the statements of financial position as of June 30, 2021 and 2020, and the related statements of activities, expenses, and cash flows for the years then ended, and the related notes to the financial statements. A review includes primarily applying analytical procedures to management's financial data and making inquiries of Organization management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, we do not express such an opinion.

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.

Accountant's Responsibility

Our responsibility is to conduct the review engagements in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. Those standards require us to perform procedures to obtain limited assurance as a basis for reporting whether we are aware of any material modifications that should be made to the financial statements for them to be in accordance with accounting principles generally accepted in the United States of America. We believe that the results of our procedures provide a reasonable basis for our conclusion.

Accountant's Conclusion

Based on our reviews, we are not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in accordance with accounting principles generally accepted in the United States of America.

Skody Scot & Company, CPAs, P.C.

New York, NY
March 3, 2022

**CULTURE FOR ONE, INC.
STATEMENTS OF FINANCIAL POSITION
JUNE 30, 2021 AND 2020**

	2021	2020
ASSETS		
Cash	\$ 245,863	\$ 150,148
Total assets	\$ 245,863	\$ 150,148
LIABILITIES AND NET ASSETS		
Liabilities:		
Accounts payable and accrued expenses	\$ 4,932	\$ 9,399
Total liabilities	4,932	9,399
Commitments and contingencies (see notes)		
Net Assets:		
Without donor restrictions	240,931	140,749
With donor restrictions	-	-
Total net assets	240,931	140,749
Total liabilities and net assets	\$ 245,863	\$ 150,148

**See independent accountants' review report
and accompanying notes.**

CULTURE FOR ONE, INC.
STATEMENTS OF ACTIVITIES
YEARS ENDED JUNE 30, 2021 AND 2020

	2021	2020
Support and Revenues:		
Without donor restrictions:		
Contributions	\$ 214,565	\$ 324,699
Government grants	36,120	11,167
In-kind contributions	55,600	86,699
Special events:		
Income	108,413	32,055
Less: related direct benefits to donors	(12,931)	(11,045)
Net special event income	95,482	21,010
Interest income	8	-
Total support and revenues	401,775	443,575
Expenses:		
Program services	161,800	208,887
Management and general	105,068	170,236
Fundraising	34,725	96,963
Total expenses	301,593	476,086
Increase/(Decrease) In Net Assets:		
Without donor restrictions	100,182	(32,511)
With donor restrictions	-	-
Increase/(decrease) in net assets	100,182	(32,511)
Net assets, beginning of year	140,749	173,260
Net assets, end of year	\$ 240,931	\$ 140,749

**See independent accountants' review report
and accompanying notes.**

**CULTURE FOR ONE, INC.
STATEMENT OF EXPENSES
YEAR ENDED JUNE 30, 2021**

	<u>Supporting Services</u>			Total Expenses
	Program Services	Management and General	Fundraising	
Salaries	\$ 66,616	\$ 21,400	\$ 21,400	\$ 109,416
Payroll taxes and benefits	6,116	1,965	1,965	10,046
Consultants & contractors	1,575	54,150	3,500	59,225
Event costs	-	-	1,545	1,545
Insurance	-	3,797	-	3,797
Office supplies and expenses	-	5,090	3,797	8,887
Printing	-	-	1,480	1,480
Professional fees	-	9,325	1,038	10,363
Program expenses - other	2,986	-	-	2,986
Rent	46,750	8,250	-	55,000
Scholarships	5,609	-	-	5,609
Telephone and communications	-	515	-	515
Travel and meetings	-	576	-	576
Workshops and excursions	32,148	-	-	32,148
Total expenses	<u>\$ 161,800</u>	<u>\$ 105,068</u>	<u>\$ 34,725</u>	<u>\$ 301,593</u>

**See independent accountants' review report
and accompanying notes.**

**CULTURE FOR ONE, INC.
STATEMENT OF EXPENSES
YEAR ENDED JUNE 30, 2020**

	<u>Supporting Services</u>			Total Expenses
	Program Services	Management and General	Fundraising	
Salaries	\$ 60,042	\$ 23,866	\$ 23,865	\$ 107,773
Payroll taxes and benefits	4,724	1,877	1,878	8,479
Consultants & contractors	900	99,922	-	100,822
Event costs	-	-	32,464	32,464
Insurance	-	5,281	-	5,281
Office supplies and expenses	-	14,106	4,483	18,589
Printing	-	-	1,106	1,106
Professional fees	-	16,017	32,150	48,167
Program expenses - other	4,154	-	-	4,154
Rent	46,750	8,250	-	55,000
Scholarships	33,485	-	-	33,485
Telephone and communications	-	703	-	703
Travel and meetings	1,533	214	1,017	2,764
Workshops and excursions	57,299	-	-	57,299
Total expenses	<u>\$ 208,887</u>	<u>\$ 170,236</u>	<u>\$ 96,963</u>	<u>\$ 476,086</u>

**See independent accountants' review report
and accompanying notes.**

CULTURE FOR ONE, INC.
STATEMENTS OF CASH FLOWS
YEARS ENDED JUNE 30, 2021 AND 2020

	2021	2020
Cash flows from operating activities:		
Increase/(decrease) in net assets	\$ 100,182	\$ (32,511)
Adjustments for non-cash items included in operating activities	-	-
Changes in assets and liabilities:		
Accounts payable and accrued expenses	(4,467)	(477)
Net cash provided/(used) by operating activities	95,715	(32,988)
Cash flows from investing activities	-	-
Cash flows from financing activities	-	-
Net increase/(decrease) in cash	95,715	(32,988)
Cash at beginning of year	150,148	183,136
Cash at end of year	\$ 245,863	\$ 150,148

**See independent accountants' review report
and accompanying notes.**

CULTURE FOR ONE, INC.
NOTES TO FINANCIAL STATEMENTS

Note 1 - Summary of Significant Accounting Policies

The Organization

Culture for One, Inc. (Organization), a not-for-profit organization, was incorporated in the State of New York on February 26, 2013. The Organization is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code. Accordingly, no provision for federal, state or local income taxes has been recorded. The Organization does not believe its financial statements contain any uncertain tax positions. The Organization primarily receives its support from contributions and special events.

The Organization transforms the lives of New York City children in foster care through the power of the arts. The Organization provides free, high-quality opportunities to inspire their creativity, stimulate their intellect and introduce them to broader possibilities for their futures. The Organization uses cultural excursions, creative workshops, art scholarships, take-home art projects and one-to-one mentoring to nurture big dreams and encourage higher education and career planning. Through exposure to the arts and positive role models, the Organization helps these vulnerable youth build confidence, acquire life skills, identify new interests, and improve their academic performance.

Basis of Accounting

The financial statements of the Organization have been prepared on the accrual basis of accounting and accordingly reflect all significant receivables, payables, and other liabilities.

Use of Estimates

Management uses estimates and assumptions in preparing financial statements. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported revenues and expenses. Actual results could differ from those estimates.

Net Assets

Net assets, revenue, gains and losses are classified based on the existence or absence of donor or grantor-imposed restrictions. Accordingly, net assets and changes therein are classified and reported as follows:

Net Assets Without Donor Restrictions – Net assets available for use in general operations and not subject to donor (or certain grantor) restrictions. This classification includes net assets designated by the board or management for a specified purpose.

Net Assets With Donor Restrictions – Net assets subject to donor (or certain grantor) imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature (endowment), where the donor stipulates that resources be maintained in perpetuity.

CULTURE FOR ONE, INC.
NOTES TO FINANCIAL STATEMENTS

Note 1 - Summary of Significant Accounting Policies (Continued)

Revenue Recognition

The Organization recognizes contributions when cash, noncash assets or unconditional promises to give are received. Conditional promises to give, which have a measurable performance or other barrier and a right of return, are not recognized until the conditions on which they depend have been met. Amounts received prior to meeting these conditions, if any, are reported as refundable advances in the statements of financial position. At June 30, 2021 and 2020, the Organization did not have any conditional pledges that were not recognized.

All contributions are considered available for the Organization's general programs unless specifically restricted by the donor. Amounts received that are designated for future periods or restricted for a purpose by the donor are reported as revenue with donor restrictions and increases in net assets with donor restrictions. Contributions received with restrictions that are met in the same reporting period are reported as revenue without donor restrictions and increases in net assets without donor restrictions. When a restriction expires (either a stipulated time period ends or a purpose restriction is accomplished), net assets with donor restrictions are reclassified to net assets without donor restrictions.

The Organization receives grants from governmental agencies. Depending upon the terms of the grant, it can be either an exchange transaction or a contribution. In accordance with grant provisions, the grant can be an expense reimbursement grant which requires that approved expenses be incurred prior to reimbursement by the grantor. Other grants permit advances of grant funds or full payment of grant funds at the start of the grant. If the grant is an exchange type grant, all unreimbursed expenses, for approved purposes, as of year-end are recorded as receivables and any unexpended advances are recorded as refundable advances. If the grant is a contribution, it is recognized in accordance with the contribution recognition policy described above.

The Organization receives special events revenue which contains both an exchange component and a conditional contribution component. Both components are recognized when the event takes place. Any event revenue received in advance of the event is recorded as deferred revenue.

During the year ended June 30, 2021, the Organization received \$35,200 of Paycheck Protection Program funds from the U.S. Small Business Administration. Management has determined that the correct model to follow is the grant model and that the purpose-related conditions imposed on the grant were met by year-end. Therefore, the full amount has been recognized as revenue. The amount is included with government grants in the statement of activities for the year ended June 30, 2021.

CULTURE FOR ONE, INC.
NOTES TO FINANCIAL STATEMENTS

Note 1 - Summary of Significant Accounting Policies (Continued)

Expense Allocation

The costs of providing various programs and other activities have been summarized on a functional basis in the statements of activities and expenses. Accordingly, certain costs have been allocated among the programs and supporting services benefited. The Organization allocates salaries and related expenses based on estimated time and effort. Other expenses, such as rent, office supplies and expenses, and travel and meetings, are allocated based on usage. The Organization classifies expenses, which are not directly related to a specific program, as Management and General expenses.

Note 2 - Donated Services and Facilities

Significant services and facilities were donated to the Organization by various organizations and meet the criteria for being recognized as contributions in accordance with GAAP. Amounts are recorded at their estimated fair market values at the date of donation using published rates and prices.

Total contributions in-kind reported on the accompanying statements of activities for the years ended June 30, 2021 and 2020 amounted to \$55,600 and \$86,699, respectively. Contributions in-kind consisted of donated office space and professional/skilled labor.

Volunteer time which did not meet the criteria for being recognized as contributions in accordance with GAAP was donated to the Organization. The value of the volunteer time cannot be objectively determined and was not recognized in the financial statements.

Note 3 - Related Party Transactions

During the year ended June 30, 2020, two members of the Organization's board of directors were paid \$23,987 for services performed for the Organization.

Note 4 - Government Grants

During the years ended June 30, 2021 and 2020, the Organization received grants from governmental entities. Total revenue recognized from the grants amounted to:

	<u>2021</u>	<u>2020</u>
US Small Business Administration	\$ 35,200	\$ -
NYC Administration for Childrens' Services	920	11,167
	<u>\$ 36,120</u>	<u>\$ 11,167</u>

CULTURE FOR ONE, INC.
NOTES TO FINANCIAL STATEMENTS

Note 5 - Revenue from Contracts with Customers

Detail of revenue from contracts with customers during the years ended June 30, 2021 and 2020, is as follows:

	2021	2020
Special event revenue – exchange component	\$ 12,931	\$ 11,045

As of June 30, 2021 and 2020, there was no deferred revenue relating to contracts with customers.

Note 6 - Concentrations

The Organization maintains its cash in various accounts. The Federal Deposit Insurance Corporation (FDIC) insures bank deposits up to \$250,000 per financial institution. At times, the balances of the accounts may have exceeded the insured limits during the years ended June 30, 2021 and 2020.

Note 7 - Liquidity and Availability of Financial Assets

The Organization regularly monitors liquidity required to meet its operating needs and other obligations as they come due. For purposes of analyzing resources available to meet general expenditures over a 12-month period, the Organization considers all expenditures related to its ongoing activities to be general expenditures. Amounts available for general expenditures over a 12-month period include donor-restricted amounts that are available for ongoing programmatic and support expenditures.

The following reflects the Organization's financial assets, as of June 30, 2021 and 2020, reduced by amounts not available for general use within one year because of contractual, donor-imposed, or internal restrictions and designations:

	2021	2020
Financial assets:		
Cash	\$ 245,863	\$ 150,148
Total financial assets	245,863	150,148
Less those unavailable for general expenditures within one year	-	-
Financial assets available to meet cash needs for general expenditures within one year	\$ 245,863	\$ 150,148

Note 8 - Subsequent Events

Subsequent events were evaluated for potential additional disclosures and corrections through March 3, 2022, which is the date the financial statements were available to be issued.