

OneVillage Partners
Minneapolis, Minnesota

Financial Statements
Auditor's Report
For the Year Ended
December 31, 2021



CERTIFIED PUBLIC ACCOUNTANTS

CONTENTS

	<u>PAGE</u>
INDEPENDENT AUDITOR'S REPORT	1-2
EXHIBIT A: Statement of Activities – For the Year Ended December 31, 2021.....	3
EXHIBIT B: Statement of Functional Expense – For the Year Ended December 31, 2021	4
EXHIBIT C: Statement of Financial Position – December 31, 2021	5
EXHIBIT E: Statement of Cash Flows – For the Year Ended December 31, 2021.....	6
NOTES TO FINANCIAL STATEMENTS	7-13



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INDEPENDENT AUDITOR'S REPORT

Board of Directors
OneVillage Partners
Minneapolis, Minnesota

Opinion

We have audited the accompanying financial statements of OneVillage Partners (a nonprofit organization), which comprise the statement of financial position as of December 31, 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.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of OneVillage Partners as of December 31, 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.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of OneVillage Partners and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. 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 OneVillage Partners' ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditor's 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 auditor's 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, including omissions, 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.

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 OneVillage Partners' 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 OneVillage Partners' 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.

Carpenter Ernst and Associates, LTD.
Certified Public Accountants

Minneapolis, Minnesota
May 9, 2022

ONEVILLAGE PARTNERS
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2021

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Support and Revenue:			
Grants and Contributions	\$ 861,575	\$ 198,272	\$ 1,059,847
Investment Income	67	-	67
Other Income	3,223	-	3,223
Net Assets Released from Restrictions			
Satisfaction of Purpose Restrictions	144,226	(144,226)	-
Total Support and Revenue	<u>1,009,091</u>	<u>54,046</u>	<u>1,063,137</u>
Expense:			
Program Services	581,186	-	581,186
Support Services:			
Management and General	70,422	-	70,422
Fundraising	89,698	-	89,698
Total Support Services	<u>160,120</u>	<u>-</u>	<u>160,120</u>
Total Expense	<u>741,306</u>	<u>-</u>	<u>741,306</u>
Change in Net Assets	267,785	54,046	321,831
Net Assets - Beginning of Year	<u>733,104</u>	<u>198,281</u>	<u>931,385</u>
Net Assets - End of Year	<u>\$ 1,000,889</u>	<u>\$ 252,327</u>	<u>\$ 1,253,216</u>

The accompanying Notes to Financial Statements
are an integral part of this statement.

ONEVILLAGE PARTNERS
STATEMENT OF FUNCTIONAL EXPENSE
FOR THE YEAR ENDED DECEMBER 31, 2021

	Support Services				Total All Services
	Total Program Services	Management & General	Fund- raising	Total Support Services	
Salaries	\$ 305,248	\$ 36,987	\$ 22,066	\$ 59,053	\$ 364,301
Payroll Taxes	19,289	2,337	2,977	5,314	24,603
Employee Benefits	54,265	6,576	8,375	14,951	69,216
Total Personnel Costs	<u>378,802</u>	<u>45,900</u>	<u>33,418</u>	<u>79,318</u>	<u>458,120</u>
Office Supplies and Expenses	87,201	10,567	13,458	24,025	111,226
Professional Fees and Contract Services	48,965	5,932	7,557	13,489	62,454
Travel	38,058	4,611	5,874	10,485	48,543
Event expense	-	-	25,045	25,045	25,045
Miscellaneous	9,234	1,119	1,425	2,544	11,778
Occupancy	6,782	821	1,047	1,868	8,650
Facility and Equipment	3,432	416	530	946	4,378
Insurance expense	3,028	367	467	834	3,862
Depreciation	5,684	689	877	1,566	7,250
Total Expense	<u>\$ 581,186</u>	<u>\$ 70,422</u>	<u>\$ 89,698</u>	<u>\$ 160,120</u>	<u>\$ 741,306</u>

The accompanying Notes to Financial Statements are an integral part of this statement.

ONEVILLAGE PARTNERS
STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2021

ASSETS

Current Assets:	
Cash	\$ 890,586
Contributions Receivable - Net	156,081
Other Receivables	7,075
Investments	60,895
Prepaid Expense	15,761
Total Current Assets	<u>1,130,398</u>
Noncurrent Assets:	
Contributions Receivable - Net	115,243
Property and Equipment - Net	<u>50,402</u>
TOTAL ASSETS	<u>\$ 1,296,043</u>

LIABILITIES AND NET ASSETS

Current Liabilities:	
Accounts Payable	\$ 3,576
Accrued Salaries and Vacation	<u>39,251</u>
Total Current Liabilities	42,827
Net Assets:	
Without Donor Restrictions:	
Undesignated	973,520
Board Designated	<u>27,369</u>
Total Without Donor Restrictions	1,000,889
With Donor Restrictions	<u>252,327</u>
Total Net Assets	<u>1,253,216</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 1,296,043</u>

The accompanying Notes to Financial Statements
are an integral part of this statement.

ONEVILLAGE PARTNERS
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2021

Increase in Cash

Cash Flows from Operating Activities:	
Change in Net Assets	\$ 321,831
Total Adjustments	<u>(55,461)</u>
Net Cash Provided by Operating Activities	266,370
Cash Flows from Investing Activities:	
Purchase of Property and Equipment	(35,971)
Purchase of Securities	(26,075)
Proceeds from Sale of Securities	<u>31,762</u>
Net Cash (Used) by Investing Activities	(30,284)
Cash Flows from Financing Activities:	
None	<u>-</u>
Net Increase in Cash	236,086
Cash - Beginning of Year	<u>654,500</u>
Cash - End of Year	<u>\$ 890,586</u>

The accompanying Notes to Financial Statements
are an integral part of this statement.

ONEVILLAGE PARTNERS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021

1. Summary of Significant Accounting Policies

Organizational Purpose

OneVillage Partners' (the Organization) mission is to catalyze community-led transformation. We partner with rural communities to develop sustainable solutions to their most pressing self-identified challenges. Our programs empower volunteer-leaders to effectively address these challenges and create new opportunities for women's economic empowerment. Using a participatory model and picture-based tools, we train volunteer-leaders to act as change agents, mobilizing their communities to collectively identify long-term goals and collaborate to achieve them. We accomplish this work through programs that build capacity, with a particular focus on inclusive leadership, women and gender equity, social cohesion, and long-term resiliency.

Fund Accounting

In order to observe the limitation and restrictions placed on resources available to the Organization, the accounts are maintained in accordance with the principles of fund accounting. This is the procedure whereby resources are classified for accounting and reporting purposes into net asset groupings established according to their nature and restrictions. A description of the groupings is as follows:

Net Assets without Donor Restrictions – Net assets available for use in general operations and not subject to donor-imposed restrictions.

Net Assets with Donor Restrictions – Net assets subject to donor-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. All other donor-restricted contributions are reported as increases in net assets with donor restrictions, depending on the nature of the restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statements of activities as net assets released from restrictions.

Cash and Cash Equivalents

For purposes of the statement of cash flows, the Organization considers all highly liquid debt instruments purchased with an original maturity of three months or less to be cash equivalents.

Accounts Receivable and Doubtful Accounts

The Organization extends credit to its customers on terms it establishes for individual customers. Receivables are recorded at amounts billed and are generally due when billed. Amounts outstanding for more than 30 days are considered delinquent. Accounts receivable are generally uncollateralized and the Organization does not charge interest on accounts receivable balances. The Organization reviews accounts receivable balances on a periodic basis and writes off delinquent receivables when they are considered uncollectible. No allowance for doubtful accounts has been provided as accounts receivable are considered collectable.

ONEVILLAGE PARTNERS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021

1. Summary of Significant Accounting Policies (continued)

Property and Equipment

All major expenditures for property and equipment over \$500 are capitalized at cost. Depreciation is provided through the use of the straight-line method.

Revenue and Revenue Recognition

The Organization recognizes contributions when cash, securities or other assets, an unconditional promise to give, or a notification of a beneficial interest is received. Conditional promises to give, that is, those with a measurable performance or other barrier, and a right of return, are not recognized until the conditions on which they depend have been substantially met.

Special event income is equal to the fair value of the direct benefit to the donors and the contributions received related to the events.

Promises-To-Give (Contributions Receivable)

Unconditional promises-to-give are recognized in the period the promises are made. Conditional promises-to-give are recognized when the conditions on which they depend are substantially met, that is, when the conditional promise becomes unconditional. Organization has a pledge allowance of \$10,580 as of December 31, 2021.

Functional Allocation of Expense

Salaries and related expenses are allocated on job descriptions and the best estimates of management. Expenses, other than salaries and related expenses, which are not directly identifiable by program or supporting service, are allocated based on the best estimates of management.

Income Tax

The Organization has a tax-exempt status under Section 501(c)(3) of the Internal Revenue Code and has adopted *Accounting for Uncertainty in Income Taxes*, ASC 740-10. The Organization's policy is to evaluate uncertain tax positions, at least annually, for the potential for income tax exposure from unrelated business income or from loss of nonprofit status. The Organization continues to operate consistent with its original exemption application and each year takes the necessary actions to maintain its exempt status. It has been classified as an organization that is not a private foundation under the Internal Revenue Code and charitable contributions by donors are tax deductible. In compliance with its exempt status, the Organization annually files a Return of Organization Exempt From Income Tax (Form 990).

ONEVILLAGE PARTNERS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021

1. Summary of Significant Accounting Policies (continued)

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Subsequent Events

The Organization has evaluated the effect that subsequent events would have on the financial statements through May 9, 2022, which is the date financial statements were available to be issued.

2. Uncertainties and Contingencies

The COVID-19 outbreak in the United States has caused business disruption through both mandated and voluntary suspension of operations. While many of the closings have re-opened, there are still uncertainties if there will be future disruptions due to additional outbreaks. Therefore, the Organization expects this matter may impact its future operating results, but reasonable estimates cannot be made at this time.

3. Significant Concentrations of Credit Risk

The Organization provides services in Sierra Leone. Grants and contracts receivable are from both local and national institutions.

Concentrations of Credit Risk Arising from Cash Deposits in Excess of Insured Limits

At December 31, 2021 the Organization held funds at a local financial institution in excess of federally insured limits.

4. Contributions Receivable

Contributions are expected to be received in the following periods:

In one year or less	\$ 162,854
Between one year and five years	119,050
More than five years	<u>-</u>
	281,904
Less:	
Allowance for uncollectible pledges (4%)	<u>10,580</u>
	<u>\$ 271,324</u>

ONEVILLAGE PARTNERS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021

5. Property and Equipment

The Organization owned the following as of December 31, 2021:

		<u>Estimated Useful Lives</u>
Property and Equipment	\$ 92,263	3-5 years
Less Accumulated Depreciation	<u>41,861</u>	
	<u>\$ 50,402</u>	

Depreciation expense of \$7,250 was recorded for the year ended December 31, 2021.

6. Net Assets with Donor Restrictions

Donor restricted net assets subject to expenditure for specified purpose as of December 31, 2021:

Future Operations	<u>\$ 252,327</u>
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7. Board Designated Net Assets

The Organization's Board of Directors has designated funds for the following as of December 31, 2021:

Endowment	<u>\$ 27,369</u>
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8. Cash Flow Operating Adjustments

Adjustments to reconcile Change in Net Assets to Net Cash (Used) by Operating Activities were as follows as of December 31, 2021:

Depreciation	\$ 7,250
Realized/Unrealized Loss	332
Donated Stock	(47,127)
Contributions Receivable	7,885
Increases in Current Liabilities:	
Accounts Payable	(5,107)
Accrued Salaries and Vacation	4,804
(Increases) in Current Assets:	
Other Receivables	(7,075)
Contributions Receivable	(9,919)
Prepaid Expense	<u>(6,504)</u>
Total Adjustments	<u>\$ (55,461)</u>

ONEVILLAGE PARTNERS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021

9. Liquidity and Availability

The following represents the Organization's financial assets as of December 31, 2021:

Financial Assets:	
Cash	\$ 890,586
Other Receivables	7,075
Contributions Receivable	<u>271,324</u>
Total Financial Assets	<u>1,168,985</u>
Less assets not available to be used for general expenditures within one year:	
Net Assets With Donor Restrictions	252,327
Board Designated Net Assets	27,369
Net Assets With Restrictions to be met within a year	<u>(156,081)</u>
Total assets not available for general expenditures within one year:	<u>123,615</u>
Financial assets available for general expenditures within one year:	<u>\$ 1,045,370</u>

The Organization has certain net assets with donor restrictions limited to use which are available for general expenditure within one year in the normal course of operations. Accordingly, these assets have been included in the qualitative information above for financial assets to meet general expenditures within one year. As part of the Organization's liquidity plan, the Organization has a policy to structure its financial assets to be available as its general expenditures, liabilities and other obligations come due.

10. Leases

Rental commitments under noncancelable leases for Space in effect at December 31, 2021, total \$6,705. The future annual rental commitments are as follows:

<u>Due in the Year Ending December 31,</u>	
2022	\$ 6,228
2023	<u>477</u>
	<u>\$ 6,705</u>

The rental expense was \$8,650 for the year ended December 31, 2021.

ONEVILLAGE PARTNERS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021

11. Investments

Investments were comprised of the following at December 31, 2021:

	<u>Cost</u>	<u>Market</u>
Exchange-Traded Funds	\$ 26,074	\$ 26,070
Stocks	<u>35,092</u>	<u>34,825</u>
	<u>\$ 61,166</u>	<u>\$ 60,895</u>

Investment income included the following as of December 31, 2021:

Interest	\$ 413
Unrealized Loss	<u>(346)</u>
	<u>\$ 67</u>

12. Fair Value

The Organization adopted Financial Accounting Standards Board Statement of Financial Accounting Standards Codification Topic 820 Fair Value Measurements and Disclosures (ASC 820). In accordance with ASC 820, "fair value" is defined as the price that an organization would receive upon selling an investment in an orderly transaction to an independent buyer in the principal or most advantageous market for the investment. Various inputs are used in determining the value of investments. ASC 820 established a three-tier hierarchy of inputs to establish a classification of fair value measurements for disclosure purposes. The three-tier hierarchy of inputs is summarized in the three broad levels listed as follows:

- Level 1 – Quoted prices in active markets for identical investments.
- Level 2 – Other significant observable inputs (including quoted prices for similar investments, interest rates, prepayment speeds, credit risk, etc.)
- Level 3 – Significant unobservable inputs.

The following is a summary of the inputs used to determine the fair value of the investments at December 31, 2021:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Exchange-Traded Funds	\$ 26,070	\$ -	\$ -	\$ 26,070
Stocks	<u>34,825</u>	<u>-</u>	<u>-</u>	<u>34,825</u>
	<u>\$ 60,895</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 60,895</u>

ONEVILLAGE PARTNERS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021

13. Endowment Fund

Description

The Endowment consists of funds with donor restrictions and without donor restrictions established for the following purposes:

Funds with donor restrictions (in perpetuity) are donor restricted to be held in perpetuity, with the income and related investment gains to be used for any mission related program.

Funds with donor restrictions (by purpose) are the accumulation of earnings from the donor imposed endowment that have not been appropriated for expenditure, with the income and related investment gains to be used for any mission related program.

Funds without donor restrictions are designated by the Board of Directors to function as endowments, and are held at the discretion of the Board of Directors, with the income and related investment gains to be used for any mission related purpose.

Endowment Net Asset Composition by Type of Fund:

As of December 31, 2021:	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>		<u>Total</u>
		<u>By Purpose</u>	<u>In Perpetuity</u>	
Board-Designated	\$ 27,369	\$ -	\$ -	\$ 27,369

Changes in Endowment Net Assets:

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>		<u>Total</u>
		<u>By Purpose</u>	<u>In Perpetuity</u>	
December 31, 2020	\$ -	\$ -	\$ -	\$ -
Transfers	27,369	-	-	27,369
December 31, 2021	\$ 27,369	\$ -	\$ -	\$ 27,369

14. Retirement Plan

The Organization has a 401(k) Profit Sharing Plan. It covers those employees who meet eligibility requirements. Employer contributions of \$7,878 were made in the year ended December 31, 2021.