ALL OUR KIN, INC.

Financial Statements and
Supplementary Information

December 31, 2022 and 2021

(With Independent Auditors' Report Thereon)

ALL OUR KIN, INC.

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INDEPENDENT AUDITORS' REPORT

The Board of Directors
All Our Kin, Inc.:

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of All Our Kin, Inc. (the Organization), (a nonprofit organization), which comprise the statements of financial position as of December 31, 2022 and 2021, and the related statements of activities, functional expenses and cash flows for the years then ended, and the related notes to financial statements.

In our opinion, the financial statements present fairly, in all material respects, the financial position of All Our Kin, Inc. as of December 31, 2022 and 2021, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. 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 the Organization 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 opinions.

Change in Accounting Principle

As discussed in note 2(q) to the financial statements, the Organization adopted ASC 842 Leases. Our opinion is not modified with respect to this matter.

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 Organization’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 and Government 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.

In performing an audit in accordance with generally accepted auditing standards and Government Auditing Standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audits.
- 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 audits 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 Organization’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 the Organization’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 audits.

Supplemental Information

Our audits were conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of federal awards, as required by Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated, in all material respects, in relation to the financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated June 7, 2023 on our consideration of the Organization's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Organization's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the Organization's internal control over financial reporting and compliance.

EFPR Group, CPAs, PLLC

Williamsville, New York
June 7, 2023

ALL OUR KIN, INC.
Statements of Financial Position
December 31, 2022 and 2021

Assets	2022	2021
Current assets:		
Cash	$ 4,726,599	5,784,316
Accounts receivable	91,746	329,586
Pledges receivable, current portion	2,682,825	-
Loans receivable, net of allowance of $46,031 in 2022 and $63,506 in 2021	-	-
Prepaid expenses	27,330	18,506
Total current assets	7,528,500	6,132,408
Right-of-use assets:		
Financing lease, net	116,628	-
Operating lease	403,419	-
Total right-of-use assets	520,047	-
Property and equipment, net	33,694	52,728
Pledges receivable, less current portion, net	2,309,159	-
Other assets	26,995	40,828
Total assets	$ 10,418,395	6,225,964

(Continued)

See accompanying notes to financial statements.

ALL OUR KIN, INC.
Statements of Financial Position, Continued

Liabilities and Net Assets	2022	2021
Current liabilities:		
Accounts payable and accrued expenses	$ 241,639	8,730
Accrued payroll and related benefits	294,207	249,895
Deferred revenue	615,000	510,900
Loan funds note payable	40,000	40,000
IRS payable	278,835	-
Current installments on financing lease liabilities	23,771	-
Current installments on operating lease liabilities	110,620	-
Total current liabilities	1,604,072	809,525
Financing lease, net of current installments	92,857	-
Operating lease, net of current installments	297,723	-
Total liabilities	1,994,652	809,525
Net assets:		
Without donor restrictions	3,058,743	4,913,939
With donor restrictions	5,365,000	502,500
Total net assets	8,423,743	5,416,439
Total liabilities and net assets	$ 10,418,395	6,225,964

See accompanying notes to financial statements.

ALL OUR KIN, INC.
Statement of Activities
Year ended December 31, 2022
with comparative totals for 2021

	Without donor restrictions	With donor restrictions	Total 2022	Total 2021
Revenue:				
Government grants	$ 1,475,375	-	1,475,375	1,371,020
Grant income - paycheck protection program	-	-	-	1,159,035
Contributed nonfinancial assets	5,000	-	5,000	-
Contributions	5,309,200	6,674,496	11,983,696	4,890,190
Program services	217,185	-	217,185	276,162
Interest income	3,549	-	3,549	6,761
Investment income (loss)	(5,530)	-	(5,530)	1,898
Net assets released from restrictions	1,811,996	(1,811,996)	-	-
Total revenue	8,816,775	4,862,500	13,679,275	7,705,066
Expenses:				
Program services	8,625,788	-	8,625,788	6,833,299
Fundraising	191,006	-	191,006	146,765
Management and general	1,855,177	-	1,855,177	1,455,644
Total expenses	10,671,971	-	10,671,971	8,435,708
Change in net assets	(1,855,196)	4,862,500	3,007,304	(730,642)
Net assets at beginning of year	4,913,939	502,500	5,416,439	6,147,081
Net assets at end of year	$ 3,058,743	5,365,000	8,423,743	5,416,439

See accompanying notes to financial statements.

ALL OUR KIN, INC.
Statement of Activities
Year ended December 31, 2021

	Without donor restrictions	With donor restrictions	Total
Revenue:			
Government grants	$ 1,371,020	-	1,371,020
Grant income - paycheck protection program	1,159,035	-	1,159,035
Contributions	3,784,813	1,105,377	4,890,190
Program services	276,162	-	276,162
Interest income	6,761	-	6,761
Miscellaneous	1,898	-	1,898
Net assets released from restrictions	758,741	(758,741)	-
Total revenue	7,358,430	346,636	7,705,066
Expenses:			
Program services	6,833,299	-	6,833,299
Fundraising	146,765	-	146,765
Management and general	1,455,644	-	1,455,644
Total expenses	8,435,708	-	8,435,708
Change in net assets	(1,077,278)	346,636	(730,642)
Net assets at beginning of year	5,991,217	155,864	6,147,081
Net assets at end of year	$ 4,913,939	502,500	5,416,439

See accompanying notes to financial statements.

ALL OUR KIN, INC.
Statement of Functional Expenses
Year ended December 31, 2022
with comparative totals for 2021

	Program Services	Fundraising	Management and General	Total 2022	Total 2021
Payroll	$ 5,194,698	127,603	1,289,254	6,611,555	4,992,385
Payroll taxes and employee benefits	1,072,430	26,342	266,164	1,364,936	881,309
Total payroll and related benefits	6,267,128	153,945	1,555,418	7,976,491	5,873,694
Outside services	554,840	13,630	137,703	706,173	942,796
COVID assistance	-	-	-	-	103,740
Child care EHS	637,674	-	-	637,674	622,451
Educational materials	332,116	-	-	332,116	17,265
Tool kit	180	-	-	180	5,823
Training	63,078	-	-	63,078	102,824
Meetings and conferences	117,734	5,541	15,237	138,512	47,970
Rent	152,689	3,751	37,894	194,334	170,658
Utilities	21,245	522	5,273	27,040	22,197
Telephone	37,994	1,788	4,918	44,700	26,710
Repairs and maintenance	17,206	809	2,227	20,242	12,073
Equipment rentals	18,475	869	2,391	21,735	32,993
Office expenses	33,908	834	8,414	43,156	30,814
Technology expenses	208,358	5,118	51,713	265,189	227,469
Dues and subscriptions	3,965	-	719	4,684	2,543
Insurance	34,948	-	10,540	45,488	76,441
Professional fees	32,588	1,533	4,219	38,340	8,042
Travel	50,419	1,239	12,514	64,172	2,703
Licensing and accreditation expenses	-	-	-	-	9,910
Bank fees	12,646	289	2,101	15,036	7,926
Interest	7,448	171	1,237	8,856	-
Depreciation	20,908	967	2,659	24,534	24,735
Bad debt expense	241	-	-	241	63,506
Other	-	-	-	-	425
Total expenses	$ 8,625,788	191,006	1,855,177	10,671,971	8,435,708

See accompanying notes to financial statements.

ALL OUR KIN, INC.
Statement of Functional Expenses
Year ended December 31, 2021

	Program Services	Fundraising	Management and General	Total
Payroll	$ 3,922,517	96,353	973,515	4,992,385
Payroll taxes and employee benefits	692,444	17,009	171,856	881,309
Total payroll and related benefits	4,614,961	113,362	1,145,371	5,873,694
Outside services	740,755	18,197	183,844	942,796
COVID assistance	103,740	-	-	103,740
Child care EHS	622,451	-	-	622,451
Educational materials	17,265	-	-	17,265
Tool kit	5,823	-	-	5,823
Training	102,824	-	-	102,824
Meetings and conferences	40,774	1,919	5,277	47,970
Rent	134,086	3,294	33,278	170,658
Utilities	17,440	429	4,328	22,197
Telephone	22,703	1,068	2,939	26,710
Repairs and maintenance	10,262	483	1,328	12,073
Equipment rentals	28,044	1,319	3,630	32,993
Office expenses	24,211	595	6,008	30,814
Technology expenses	178,721	4,390	44,358	227,469
Dues and subscriptions	2,153	-	390	2,543
Insurance	58,729	-	17,712	76,441
Professional fees	6,836	321	885	8,042
Travel	2,124	52	527	2,703
Licensing and accreditation expenses	7,785	191	1,934	9,910
Bank fees	6,666	153	1,107	7,926
Depreciation	21,079	975	2,681	24,735
Bad debt expense	63,506	-	-	63,506
Other	361	17	47	425
Total expenses	$ 6,833,299	146,765	1,455,644	8,435,708

See accompanying notes to financial statements.

ALL OUR KIN, INC.
Statements of Cash Flows
Years ended December 31, 2022 and 2021

	2022	2021
Cash flows from operating activities:		
Change in net assets	$ 3,007,304	(730,642)
Adjustments to reconcile change in net assets to net cash used in operating activities:		
Depreciation	24,534	24,735
Amortization	12,706	-
Forgiveness of debt - Paycheck Protection Program	-	(1,159,035)
Contributions restricted for long-term use	(6,585,325)	-
Bad debt expense	241	63,506
Changes in:		
Accounts receivable	237,599	(13,294)
Loans receivable	-	13,218
Prepaid expenses	(8,824)	-
Other assets	13,833	(7,325)
Accounts payable and accrued expenses	232,909	(48,324)
Accrued payroll and related benefits	44,312	83,738
Deferred revenue	104,100	510,900
IRS payable	278,835	-
Net cash used in operating activities	(2,637,776)	(1,262,523)
Cash flows from investing activities - additions to property and equipment	(5,500)	(18,240)
Cash flows from financing activities:		
Proceeds from contributions designated for long-term use	1,593,341	-
Reduction of financing lease liabilities	(7,782)	-
Net cash provided by financing activities	1,585,559	-
Net change in cash	(1,057,717)	(1,280,763)
Cash at beginning of year	5,784,316	7,065,079
Cash at end of year	$ 4,726,599	5,784,316
Supplemental schedules of cash flow information:		
Cash paid for amounts included in measurement of lease liabilities - operating lease principal payments	$ 135,468	-
Lease assets obtained in exchange for lease liabilities - operating leases	$ 543,811	-
Interest paid for financing lease liabilities	$ 1,074	-

See accompanying notes to financial statements.

(1) Organization

All Our Kin, Inc. (the Organization) is a not-for-profit corporation organized in Connecticut to provide high-quality training, support and sustain community child care providers to ensure that children and families have the foundation they need to succeed in school and in life, in the New Haven and Bridgeport, Connecticut area, and is expanding its programs as needed to other communities in Connecticut and New York. The Organization runs its operations out of leased space in New Haven, Bridgeport and Stamford, Connecticut and in New York, New York.

(2) Summary of Significant Accounting Policies

(a) Basis of Accounting

The financial statements of the Organization have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America.

(b) Basis of Presentation

The Organization reports information regarding its financial position and activities according to two classes of net assets: net assets without donor restrictions and net assets with donor restrictions. Accordingly, net assets of the Organization and changes therein are classified and reported as follows:

Net assets without donor restrictions - Net assets that are not subject to donor-imposed stipulations and may be used for any purpose designated by the Organization's governing board.

Net assets with donor restrictions - Net assets subject to donor-imposed stipulations that may or will be met either by actions of the Organization and/or the passage of time.

(c) 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. Accordingly, actual results may differ from those estimates.

(d) Cash

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

(2) Summary of Significant Accounting Policies, Continued

(e) Concentration of Credit Risk

Financial instruments that potentially subject the Organization to concentration of credit risk consist principally of cash and cash equivalent accounts in financial institutions. Although the accounts exceed the federally insured deposit amount, management does not anticipate nonperformance by the financial institution.

(f) Accounts Receivable

Accounts receivable are stated at the amount management expects to collect from outstanding balances. Management provides for probable uncollectible amounts through a provision for bad debt expense and an adjustment to a valuation allowance based on its assessment of the current status of individual accounts. Balances that are still outstanding after management has used reasonable collection efforts are written off through a charge to the valuation allowance and a credit to accounts receivable.

(g) Pledges Receivable

The Organization recognizes all contributions received as income in the period the pledge is received. All contributions are considered to be available for unrestricted use unless specifically restricted by the donor. Amounts received that are designated for future periods or restricted by the donor for specific purposes are reported as net assets with donor restrictions.

(h) Loans Receivable

Loans receivable are stated at their principal amount outstanding, less an allowance for doubtful loans. The allowance for doubtful loans is established through charges against current operations and is maintained at a level which management considers adequate to provide for potential loan losses based on their evaluation of past loan experience, current economic conditions and known risks in the loan portfolio.

(i) Contracts with Customers

Under Accounting Standards Update (ASU) No. 2014-09 (Topic 606) - Revenue from Contracts with Customers, revenue is recognized when promised goods or services are transferred to customers in an amount that reflects the consideration to which the Organization expects to be entitled in exchange for these good or services. The Organization utilizes a five-step framework as identified in ASU No. 2014-09. The primary source of revenue from contracts with customers for the Organization is technical assistance, which is included in program services revenue in the statements of activities. Technical assistance revenue is recorded ratably as the services are provided.

(2) Summary of Significant Accounting Policies, Continued

(j) Capitalization and Depreciation

Property and equipment are recorded at cost or fair market value at the date of the gift in the case of donated property and equipment. If donors stipulate how long the assets must be used, the contributions are recorded as restricted support. In the absence of such stipulations, contributions of property and equipment are recorded as unrestricted support. Depreciation is provided for in amounts sufficient to relate the cost of depreciable assets to operations over their estimated service lives primarily using the straight-line method. Improvements are capitalized, while expenditures for maintenance and repairs are charged to expense as incurred. Upon disposal of depreciable property and equipment, the appropriate property and equipment accounts are reduced by the related costs and accumulated depreciation. The resulting gains and losses are reflected in the statements of activities.

(k) Contributions

Contributions are recognized when donors make an unconditional promise to give to the Organization. Contributions that are restricted by the donor are reported as increases in net assets without donor restrictions if the restrictions expire in the year in which the contributions are recognized. 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.

(l) Deferred Revenue

Grant awards and contributions are recorded as revenue when they become unconditional. Conditional amounts are recorded in the statements of financial position as deferred revenue.

Under the terms of various grants, periodic audits are required, and certain costs may be questioned as not being appropriate expenditures under the terms of the grants. Such questioned costs could lead to reimbursement to the grantor agencies. Management believes that the Organization would be able to provide support acceptable to the grantor and that any disallowances would not be material.

(m) Contributed Nonfinancial Assets

Contributed nonfinancial assets are reflected in the financial statements based on the fair market value at the time of the donation.

During the years ended December 31, 2022 and 2021, the value of contributed services meeting the requirements for recognition in the financial statements was not material and has not been recorded. However, many individuals volunteer their time and perform a variety of tasks that assist the Organization.

(n) Expense Allocation

The costs of providing various programs and other activities have been summarized on a functional basis in the statements of activities and functional expenses. Accordingly, certain costs have been allocated among the programs and supporting services benefited. Costs are allocated on the basis of level of effort and square footage.

(2) Summary of Significant Accounting Policies, Continued

(o) Subsequent Events

The Organization has evaluated subsequent events through the date of the report which is the date the financial statements were available to be issued.

(p) Recent Accounting Standards Issued

In September 2020, the Financial Accounting Standards Board (FASB) issued ASU 2020-07, "Presentation and Disclosures for Not-for-Profit Entities for Contributed Nonfinancial Assets." ASU 2020-07 requires new presentation and disclosures for gift-in-kind donations to improve transparency on how those assets are used and valued. These financial statements and notes reflect retroactive adoption of this new standard.

(q) Changes in Accounting Principle

In 2022, the Organization adopted ASC 842 Leases. ASC 842 establishes a right-of-use (ROU) model that requires a lessee to record a ROU asset and lease liability on the statements of financial position for all leases with terms longer than 12 months. Leases will be classified as either finance or operating, with classification affecting the pattern of expense recognition in the statements of activities. The Organization elected to apply this standard on a modified retrospective transition approach for capital and operating leases existing at, or entered into after, the beginning of the earliest comparative period presented in the financial statements, with certain practical expedients available. Entities have the option to continue to apply historical accounting under Topic 840, including its disclosure requirements, in comparative periods presented in the year of adoption.

The adoption had a material impact on the Organization's statements of financial position but did not have a material impact on the statements of activities. The most significant impact was the recognition of ROU assets and lease liabilities for operating and financing leases. Adoption of the standard required the Organization to restate amounts as of January 1, 2022, there was no operating and finance lease ROU assets and operating and finance lease liabilities at that time.

(r) Income Taxes

The Organization is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code (the Code), therefore, no provision for income taxes in reflected in the financial statements. The Organization has been classified as a publicly supported organization that is not a private foundation under Section 509(a) of the Code. The Organization presently discloses or recognizes income tax positions based on management's estimate of whether it is reasonably possible or probable that a liability has been incurred for unrecognized income taxes. Management has concluded that the Organization has taken no uncertain tax positions that require adjustment in its financial statements. U.S. Forms 990 filed by the Organization are subject to examination by taxing authorities.

(s) Reclassifications

Reclassifications have been made to certain 2021 balances in order to conform them to the 2022 presentation.

(3) Liquidity

The Organization has $7,501,170 of financial assets available within one year of the statement of financial position date consisting of $4,726,599 of cash, $91,746 of accounts receivable and $2,682,825 of pledges receivable. Some of these financial assets are subject to donor or contractual restrictions that make them unavailable for general expenditures within one year of the statement of financial position date. As discussed in note 11, the Organization has available a line of credit in the amount of $500,000, which it could draw upon in the event of an unanticipated liquidity need.

(4) Fair Value Measurements

A framework has been established for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1 measurements) and the lowest priority to unobservable inputs (level 3 measurements). The three levels of the fair value hierarchy are described below:

Level 1 - Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Organization has the ability to access.

Level 2 - Inputs to the valuation methodology include:

- Quoted prices for similar assets or liabilities in active markets;
- Quoted prices for identical or similar assets or liabilities in inactive markets;
- Inputs other than quoted prices that are observable for the asset or liability; and
- Inputs that are derived principally from or corroborated by observable market data by correlation or other means.

If the asset or liability has a specified (contractual) term, the level 2 input must be observable for substantially the full term of the asset or liability.

Level 3 - Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The asset's or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

(4) Fair Value Measurements, Continued

The methods described above may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, while the Organization believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

(5) Accounts Receivable

Accounts receivable represent the amounts the Organization was due from funding sources for expenditures incurred or services rendered in excess of payments received. The following details the accounts receivable as of December 31, 2022 and 2021.

	2022	2021
United Way of Greater New Haven	$ 49,572	136,080
National Center for Early Childhood Quality Assurance	-	52,266
Office of Early Childhood - SFCCN	40,701	59,680
Colorado Department of Human Services	1,225	15,000
Imaginable Futures	-	15,000
Other	248	51,560
	$ 91,746	329,586

(6) Pledges Receivable

Pledges receivable consisted of unconditional promises to give which are restricted by the donors for specific purposes. Pledges receivable due beyond 2022 are discounted using a 9.5% rate. There were no pledges receivable as of December 31, 2021. A summary of pledges receivables as of December 31, 2022 are as follows.

Pledges receivable	$ 5,311,968
Less unamortized discount	(319,984)
Unconditional promise to give, net	$ 4,991,984
Amounts due in:	
Less than one year	2,682,825
One to five years	2,309,159
	$ 4,991,984

(7) Loans Receivable

The Organization, as part of its assistance to child care providers, loans out funds. As described in note 9, The New Haven Investment Fund, LLC provided $40,000 as funding towards this program. The balance of the loans receivable at December 31, 2022 and 2021 is $46,031 and $63,506, respectively. The allowance for doubtful accounts amounted to $46,031 and $63,506 at December 31, 2022 and 2021, respectively. The loans receivable are considered to be level 3 assets as described in note 4.

(8) Property and Equipment

Property and equipment consists of the following at December 31, 2022 and 2021:

	2022	2021
Equipment and fixtures	$ 192,125	186,625
Less accumulated depreciation	(158,431)	(133,897)
	$ 33,694	52,728

(9) Loan Funds Note Payable

The Organization received $40,000 from The New Haven Investment Fund, LLC to provide support for family child care providers in the All Our Kin Family Child Care Network. The Organization shall disburse the full amount of the loan, by dividing it into microloans ranging from $500 to $5,000, to qualified providers seeking support to improve materials, equipment, and capital needed to operate a family child care program. The microloans are recorded as loans receivable as described in note 7. No interest shall accrue on the principal amounts advanced under the loan. The loan was due on February 15, 2022 and is included as a current liability on the statements of financial position. Currently, the Organization is in discussions with The New Haven Investment Fund, LLC to negotiate forgiveness or to extend the term of the loan.

(10) IRS Payable

During the year ended December 31, 2022, the Organization received $278,835 from the IRS for a 941 overpayment. The Organization has contacted the IRS to inquire about the funds received as they unaware as to why an overpayment was issued. As a result, the Organization has recorded the funds as a current liability in the statements of financial position until the correct course of action can be determined.

(11) Line of Credit

The Organization has a line of credit with a bank which provides for maximum borrowings of up to $500,000. The line of credit bears interest at prime plus 2% (9% at December 31, 2022) and is secured by substantially all assets. There was no outstanding balance at December 31, 2022 and 2021.

(12) Promissory Note - Paycheck Protection Plan

On April 22, 2020, the Organization received a Small Business Administration (SBA) loan under the Coronavirus Aid, Relief, and Economic Security Act (CARES Act) in the amount of $1,159,035 with a 1% interest rate.

Pursuant to the terms of the CARES Act rules and regulations, the Organization applied for the loan to be forgiven by the SBA. The Organization was notified by the SBA that the original loan had been forgiven in its entirety and, accordingly, has recorded grant income of $1,159,035 for the year ended December 31, 2021.

(13) Retirement Plan

The Organization maintains a defined contribution retirement 403(b) Plan for the benefit of its employees. Under the plan, eligible employees may elect to defer a portion of their compensation, subject to Internal Revenue Service limits. Employer contributions to the plan for the year ending December 31, 2022 were $87,869. There were no contributions made to the plan for the year ended December 31, 2021.

(14) Right-of-Use Assets - Lease Liabilities

The Organization leases office space and equipment under both operating and financing leases and has elected the practical expedient not to separate lease and nonlease components for all lease transactions. The Organization has elected to recognize these lease expenses on an approximate straight-line basis or when incurred. The leases provide for monthly payments through August 31, 2027. The lease inception or period of adoption, unless explicitly stated, is in accordance with the Organization’s accounting policies. Additional information about the Organization’s leases are as follows:

Rent expense:	
Operating leases:	
Program services	$ 3,890
Management and general	936
Fundraising	98
	$ 4,924

(14) Right-of-Use Assets - Lease Liabilities, Continued

Financing leases:	
Interest expense:	
Program services	$ 903
Management and general	150
Fundraising	21
	$ 1,074
Amortization expense:	
Program services	$ 6,537
Management and general	1,089
Fundraising	156
	$ 7,782
Discount rate:	
Operating leases	1.26%
Financing lease	2.70%

The aggregate maturity of the lease payments under ASC 842 for the five years following December 31, 2022 is as follows:

	Operating	Financing
2023	$ 114,965	26,568
2024	107,834	26,568
2025	110,529	26,568
2026	84,442	26,568
2027	-	17,711
	417,770	123,983
Less unamortized discount	(9,427)	(7,355)
Total lease liabilities	$ 408,343	116,628
Lease liabilities:		
Current installments	$ 110,620	23,771
Noncurrent installments	297,723	92,857
Total	$ 408,343	116,628

(14) Right-of-Use Assets - Lease Liabilities, Continued

The aggregate maturity of the lease payments under ASC 840 for the five years following December 31, 2021 and thereafter is as follows:

2022	$ 350,304
2023	256,792
2024	230,008
2025	235,758
2026	212,801
Thereafter	381,139
	$ 1,666,802

(15) Net Assets With Donor Restrictions

Components of net assets with donor restrictions at December 31, 2022 and 2021 were as follows:

	2022	2021
Provider showcase, homeownership	$ -	275,000
Operations for CT and NYC	200,000	-
Strategic plan development	4,100,000	100,000
TA business development	-	50,000
Tool kit licensing and outdoor education	-	30,000
Montessori workshop series	-	20,750
Participation in BECSELI	-	16,750
Staff retreat	20,000	10,000
Staff wellness	40,000	-
Direct service and technical assistance in NYC	110,000	-
Direct service, technical assistance, and policy in NYC	150,000	-
Creating the conditions for family child care to thrive in CT	85,000	-
Launch of technical assistance hub for family child care educators in NYC	110,000	-
Continue and deepen work with family child care educators in Stamford/Norwalk region	400,000	-
Expansion of technical assistance offerings, network development and license support	150,000	-
	$ 5,365,000	502,500

(16) Net Assets Released from Restrictions

Net assets of $1,811,996 and $758,741 were released from donor restrictions by incurring expenses in satisfaction of program restrictions for the years ended December 31, 2022 and 2021, respectively.

ALL OUR KIN, INC.
Schedule of Expenditures of Federal Awards
Year ended December 31, 2022

Federal Grantor/Pass-Through Grantor/Program Title	Assistance Listing Number	Pass-through Grantor's Number	Federal Expenditures	Expenditures to Subrecipients
U.S. Department of Education:				
Education Stabilization Fund - Office of Early Childhood - Staffed Family Child Care Network	84.425	-	$ 130,590	-
Education Stabilization Fund - Office of Early Childhood - Governor's Emergency Educational Relief Fund	84.425C	-	40,000	-
Total U.S. Department of Education			170,590	-
U.S. Department of Health and Human Services:				
Passed through the National Center for Early Childhood Quality Assurance:				
Child Care Development Block Grant	93.575	90TA0002-01-00	195,553	-
Child Care Development Block Grant	93.575	GS-00F-010CA	249	-
Total Child Care Development Block Grant			195,802	-
Passed through United Way of Greater New Haven:				
Head Start	93.600	01CH011362	885,308	-
Head Start - ARPA	93.600	01CH011362	10,240	-
Total Head Start			895,548	-
Total U.S. Department of Health and Human Services			1,091,350	-
Total Expenditures of Federal Awards			$ 1,261,940	-

See accompanying notes to schedule of expenditures of federal awards.

ALL OUR KIN, INC.

Notes to Schedule of Expenditures of Federal Awards

December 31, 2022

(1) Basis of Presentation

The accompanying schedule of expenditures of federal awards presents the activity of all federal awards programs administered by All Our Kin, Inc. (the Organization). Federal awards received directly from federal agencies, as well as federal awards passed through from other government agencies, are included on the schedule of expenditures of federal awards.

(2) Basis of Accounting

The information is presented on the accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance).

(3) Indirect Costs

The Organization does not use the 10% de minimis election.

(4) Subrecipients

The Organization did not provide any funding to subrecipients during the year ended December 31, 2022.

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INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

The Board of Directors
All Our Kin, Inc.:

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States, the financial statements of All Our Kin, Inc. (the Organization), which comprise the statement of financial position as of December 31, 2022, and the related statements of activities, functional expenses and cash flows for the year then ended, and the related notes to financial statements, and have issued our report thereon dated June 7, 2023.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Organization's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control. Accordingly, we do not express an opinion on the effectiveness of the Organization's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements, on a timely basis. A material weakness is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the Organization's financial statements will not be prevented, or detected and corrected, on a timely basis. A significant deficiency is a deficiency, or combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Organization's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under Government Auditing Standards.

Purpose of This Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Organization's internal control or on compliance. This report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the Organization's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

EFPR Group, CPAs, PLLC

Williamsville, New York
June 7, 2023

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INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

The Board of Directors
All Our Kin, Inc.:

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited All Our Kin, Inc.'s (the Organization) compliance requirements identified as subject to audit in the OMB Compliance Supplement that could have a direct and material effect on the Organization's major federal program for the year ended December 31, 2022. The Organization's major federal program is identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the Organization complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended December 31, 2022.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the Organization and to meet our other ethical responsibilities, in accordance with 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 opinion on compliance for the major federal program. Our audit does not provide a legal determination of the Organization's compliance with the compliance requirements referred to above.

Responsibilities for Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to the Organization's federal program.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the Organization's compliance based on our audit. 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 GAAS, Government Auditing Standards, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the Organization's compliance with the requirements of the major federal program as a whole.

In performing an audit in accordance with GAAS, Government Auditing Standards, and the Uniform Guidance, we

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, 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 Organization's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the Organization's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control Over Compliance

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A material weakness in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A significant deficiency in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

Purpose of This Report

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

EFPR Group, CPAs, PLLC

Williamsville, New York
June 7, 2023

ALL OUR KIN, INC.

Schedule of Findings and Questioned Costs

Year ended December 31, 2022

Part I - SUMMARY OF AUDITORS' RESULTS

Financial Statements:

Type of auditors' report issued on whether the financial statements audited were prepared in accordance with GAAP:	Unmodified
Internal control over financial reporting:	
1. Material weakness(es) identified?	____Yes __x__ No
2. Significant deficiency(ies) identified?	____Yes __x__ None reported
3. Noncompliance material to financial statements noted?	____Yes __x__ No

Federal Awards:

Internal control over major program:	
4. Material weakness(es) identified?	____Yes __x__ No
5. Significant deficiency(ies) identified?	____Yes __x__ None reported
Type of auditors' report issued on compliance for major program:	Unmodified
6. Any audit findings disclosed that are required to be reported in accordance with 2 CFR Section 200.516(a) (Uniform Guidance):	____Yes __x__ No

7. The Organization's major program audited was:

Name of Federal Program	Assistance Listing Number
Head Start	93.600

8. Dollar threshold used to distinguish between Type A and Type B programs.	$750,000
9. Auditee qualified as low-risk auditee?	____Yes __x__ No

Part II - FINANCIAL STATEMENT FINDINGS SECTION

No reportable findings.

Part III - FEDERAL AWARD FINDINGS AND QUESTIONED COSTS SECTION

No reportable findings or questioned costs.

ALL OUR KIN, INC.

Status of Prior Year Audit Findings

December 31, 2022

Internal Control Finding:

Finding Reference: (2021-001) Material Weakness

The financial statements of All Our Kin, Inc. were materially misstated at December 31, 2021.

Adjusting journal entries, totaling approximately $5.2 million were recorded to correct misstatements in the financial statements as of December 31, 2021.

Status

Completed Finding - The financial statements were not materially misstated for the year ended December 31, 2022.

Compliance Finding:

Finding Reference: (2021-002) Data Collection form

The Organization did not file the Data Collection form by the due date.

The Organization is not in compliance with the Uniform Guidance.

Status

Completed Finding - The Data Collection form was filed after the completion of the audit for the year ended December 31, 2021. The Data Collection form for December 31, 2022 will be filed upon completion of the 2022 audit, which will allow for timely filing of the 2022 Data Collection form.