ALL OUR KIN, INC.

Financial Statements and
Supplementary Information

December 31, 2023 and 2022

(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, 2023 and 2022, 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, 2023 and 2022, 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.

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 26, 2024 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 26, 2024

ALL OUR KIN, INC.
Statements of Financial Position
December 31, 2023 and 2022

Assets	2023	2022
Current assets:		
Cash	$ 6,326,917	4,726,599
Accounts receivable	146,010	91,746
Pledges receivable, current portion	1,940,340	2,682,825
Loans receivable, net of allowance of $31,403 in 2023 and $46,031 in 2022	-	-
Prepaid expenses	119,289	27,330
Total current assets	8,532,556	7,528,500
Right-of-use assets:		
Financing lease, net	92,857	116,628
Operating lease	1,196,848	403,419
Total right-of-use assets	1,289,705	520,047
Property and equipment, net	14,122	33,694
Pledges receivable, less current portion, net	834,305	2,309,159
Other assets	27,082	26,995
Total assets	$ 10,697,770	10,418,395

(Continued)

See accompanying notes to financial statements.

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

Liabilities and Net Assets	2023	2022
Current liabilities:		
Accounts payable and accrued expenses	$ 257,256	241,639
Accrued payroll and related benefits	326,055	294,207
Deferred revenue	276,563	615,000
Loan funds note payable	40,000	40,000
IRS payable	278,835	278,835
Current installments on financing lease liabilities	24,421	23,771
Current installments on operating lease liabilities	235,691	110,620
Total current liabilities	1,438,821	1,604,072
Financing lease, net of current installments	68,436	92,857
Operating lease, net of current installments	973,740	297,723
Total liabilities	2,480,997	1,994,652
Net assets:		
Without donor restrictions	5,405,317	3,058,743
With donor restrictions	2,811,456	5,365,000
Total net assets	8,216,773	8,423,743
Total liabilities and net assets	$ 10,697,770	10,418,395

See accompanying notes to financial statements.

ALL OUR KIN, INC.
Statement of Activities
Year ended December 31, 2023
with comparative totals for 2022

	Without donor restrictions	With donor restrictions	Total 2023	Total 2022
Revenue:				
Government grants	$ 1,177,900	-	1,177,900	1,475,375
Contributed nonfinancial assets	-	-	-	5,000
Contributions	10,028,752	223,836	10,252,588	11,983,696
Program services	499,090	-	499,090	217,185
Interest income	69,876	-	69,876	3,549
Investment income (loss)	5,913	-	5,913	(5,530)
Net assets released from restrictions	2,777,380	(2,777,380)	-	-
Total revenue	14,558,911	(2,553,544)	12,005,367	13,679,275
Expenses:				
Program services	8,491,378	-	8,491,378	6,983,762
Fundraising	705,469	-	705,469	327,308
Management and general	3,015,490	-	3,015,490	3,360,901
Total expenses	12,212,337	-	12,212,337	10,671,971
Change in net assets	2,346,574	(2,553,544)	(206,970)	3,007,304
Net assets at beginning of year	3,058,743	5,365,000	8,423,743	5,416,439
Net assets at end of year	$ 5,405,317	2,811,456	8,216,773	8,423,743

See accompanying notes to financial statements.

ALL OUR KIN, INC.
Statement of Activities
Year ended December 31, 2022

	Without donor restrictions	With donor restrictions	Total
Revenue:			
Government grants	$ 1,475,375	-	1,475,375
Contributed nonfinancial assets	5,000	-	5,000
Contributions	5,309,200	6,674,496	11,983,696
Program services	217,185	-	217,185
Interest income	3,549	-	3,549
Investment loss	(5,530)	-	(5,530)
Net assets released from restrictions	1,811,996	(1,811,996)	-
Total revenue	8,816,775	4,862,500	13,679,275
Expenses:			
Program services	6,983,762	-	6,983,762
Fundraising	327,308	-	327,308
Management and general	3,360,901	-	3,360,901
Total expenses	10,671,971	-	10,671,971
Change in net assets	(1,855,196)	4,862,500	3,007,304
Net assets at beginning of year	4,913,939	502,500	5,416,439
Net assets at end of year	$ 3,058,743	5,365,000	8,423,743

See accompanying notes to financial statements.

ALL OUR KIN, INC.
Statement of Functional Expenses
Year ended December 31, 2023
with comparative totals for 2022

	Program Services	Fundraising	Management and General	Total 2023	Total 2022
Salary and wages	$ 5,569,479	554,921	1,516,426	7,640,826	6,611,557
Fringe	1,168,678	107,066	348,241	1,623,985	1,319,677
Total payroll and related benefits	6,738,157	661,987	1,864,667	9,264,811	7,931,234
Professional fees	1,018,209	17,871	781,221	1,817,301	1,574,014
Program	162,904	1,255	20,470	184,629	319,524
Office supplies	35,483	2,855	24,668	63,006	111,442
Travel	49,535	1,290	17,304	68,129	58,007
Conferences, conventions and meetings	86,339	2,355	51,534	140,228	53,752
Occupancy	271,221	7,643	54,140	333,004	281,712
Telecommunication	25,225	1,418	29,855	56,498	44,698
Insurance	30,463	2,579	2,911	35,953	45,488
Facilities	40,761	5,188	12,640	58,589	37,154
Finance charges	3,841	-	13,008	16,849	16,108
Postage and delivery	5,878	330	4,034	10,242	8,500
Repairs and maintenance	23,362	698	95,092	119,152	157,781
Bad debt expense	-	-	715	715	241
Depreciation	-	-	19,460	19,460	24,534
Amortization expense	-	-	23,771	23,771	7,782
Total expenses	$ 8,491,378	705,469	3,015,490	12,212,337	10,671,971

See accompanying notes to financial statements.

ALL OUR KIN, INC.
Statement of Functional Expenses
Year ended December 31, 2022

	Program Services	Fundraising	Management and General	Total
Salary and wages	$ 4,873,324	211,483	1,526,750	6,611,557
Fringe	267,081	13,701	1,038,895	1,319,677
Total payroll and related benefits	5,140,405	225,184	2,565,645	7,931,234
Professional fees	1,017,904	90,075	466,035	1,574,014
Program	308,789	3,669	7,066	319,524
Office supplies	107,350	1,928	2,164	111,442
Travel	48,798	2,276	6,933	58,007
Conferences, conventions and meetings	39,016	1,222	13,514	53,752
Occupancy	190,592	740	90,380	281,712
Telecommunication	22,124	-	22,574	44,698
Insurance	16,138	146	29,204	45,488
Facilities	6,131	-	31,023	37,154
Finance charges	3,281	1	12,826	16,108
Postage and delivery	6,557	257	1,686	8,500
Repairs and maintenance	76,677	1,810	79,294	157,781
Bad debt expense	-	-	241	241
Depreciation	-	-	24,534	24,534
Amortization expense	-	-	7,782	7,782
Total expenses	$ 6,983,762	327,308	3,360,901	10,671,971

See accompanying notes to financial statements.

ALL OUR KIN, INC.
Statements of Cash Flows
Years ended December 31, 2023 and 2022

	2023	2022
Cash flows from operating activities:		
Change in net assets	$ (206,970)	3,007,304
Adjustments to reconcile change in net assets to net cash used in operating activities:		
Depreciation	19,460	24,534
Amortization	23,771	7,782
Rent expense	7,659	4,924
Contributions restricted for long-term use	(284,090)	(6,585,325)
Bad debt expense	715	241
Changes in:		
Accounts receivable	(54,979)	237,599
Prepaid expenses	(91,959)	(8,824)
Other assets	(87)	13,833
Accounts payable and accrued expenses	15,617	232,909
Accrued payroll and related benefits	31,848	44,312
Deferred revenue	(338,437)	104,100
IRS payable	-	278,835
Net cash used in operating activities	(877,452)	(2,637,776)
Cash flows from investing activities - disposals of (additions) to property and equipment	112	(5,500)
Cash flows from financing activities:		
Proceeds from contributions designated for long-term use	2,501,429	1,593,341
Reduction of financing lease liabilities	(23,771)	(7,782)
Net cash provided by financing activities	2,477,658	1,585,559
Net change in cash	1,600,318	(1,057,717)
Cash at beginning of year	4,726,599	5,784,316
Cash at end of year	$ 6,326,917	4,726,599
Supplemental schedules of cash flow information:		
Cash paid for amounts included in measurement of lease liabilities - operating lease principal payments	$ 178,033	135,468
Lease assets obtained in exchange for lease liabilities - operating leases	$ 979,121	543,811
Interest paid for financing lease liabilities	$ 2,796	1,074

See accompanying notes to financial statements.

ALL OUR KIN, INC.
Notes to Financial Statements
December 31, 2023 and 2022

(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. The Organization maintains cash and cash equivalents at financial instruments which periodically may exceed federally insured limits. At December 31, 2023 and 2022, the Organization had $6,076,918 and $4,072,693 in excess of the federally insured limits.

(f) Accounts Receivable and Bad Debt

The Organization's accounts receivable are primarily derived from contracts. At each statement of financial position date, the Organization recognizes an expected allowance for credit losses. This estimate is calculated on a pooled basis where similar characteristics exist and individually when there are no shared characteristics.

The allowance method is derived from a review of the Organization's historical losses based on an aging of accounts receivable. Historical losses have varied each year. This estimate is adjusted for management's assessment of current conditions, forecasts of future events, and other factors deemed relevant risk factors, such as local and national economic indicators. As a result, management has determined that no allowance for credit losses was necessary at December 31, 2023 and 2022.

The Organization writes off accounts receivable when there is information that indicates that there is no possibility of collection. If any recoveries are made from any accounts receivable previously written off, they will be recognized in income. For the years ended December 31, 2023 and 2022, the Organization wrote off $715 and $241, respectively, of uncollectible funds.

(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 and Bad Debt

The Organization's loans receivable are primarily derived from loans to child care providers. At each statement of financial position date, the Organization recognizes an expected allowance for credit losses. This estimate is calculated on a pooled basis where similar characteristics exist and individually when there are no shared characteristics.

The allowance method is derived from a review of the Organization's historical losses based on an aging of loans receivable. Historical losses have varied each year. This estimate is adjusted for management's assessment of current conditions, forecasts of future events, and other factors deemed relevant risk factors, such as local and national economic indicators. As a result, management has determined that an allowance for credit losses of $31,403 and $46,031 was necessary at December 31, 2023 and 2022, respectively.

(2) Summary of Significant Accounting Policies, Continued

(h) Loans Receivable and Bad Debt, Continued

The Organization writes off loans receivable when there is information that indicates that there is no possibility of collection. If any recoveries are made from any loans receivable previously written off, they will be recognized in income. There were no write-offs for the years ended December 31, 2023 and 2022.

(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.

(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.

(2) Summary of Significant Accounting Policies, Continued

(l) Deferred Revenue, Continued

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 year ended December 31, 2023, 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. During the year ended December 31, 2022, $5,000 of contributed nonfinancial assets were included in the statement of activities.

(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.

(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) New Accounting Policies

At the beginning of 2023, the Organization adopted Accounting Standards Codification 326, Financial Instruments Credit Losses (Topic 326) Measurement of Credit Losses on Financial Instruments, as amended, which modifies the measurement of expected credit losses on certain financial instruments, including receivables, and requires organizations to measure all expected credit losses for financial instruments based on historical experience, current conditions, and reasonable and supportive forecasts for collectability. The Organization adopted this new standard utilizing the modified retrospective transition method. The adoption of this standard did not have a material impact on the Organization’s financial statements.

(2) Summary of Significant Accounting Policies, Continued

(q) 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.

(r) Reclassifications

Reclassifications have been made to certain 2022 balances in order to conform them to the 2023 presentation.

(3) Liquidity

The Organization has $8,413,267 of financial assets available within one year of the statement of financial position date consisting of $6,326,917 of cash, $146,010 of accounts receivable and $1,940,340 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 10, the Organization has available a line of credit in the amount of $100,000, 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.

(4) Fair Value Measurements, Continued

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.

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) Pledges Receivable

Pledges receivable consist of unconditional promises to give which are restricted by the donors for specific purposes. A summary of pledges receivable as of December 31, 2023 and 2022 are as follows:

	2023	2022
Discount rate	10.5%	9.5%
Pledges receivable	$ 2,940,340	5,311,968
Less unamortized discount	(165,695)	(319,984)
Unconditional promise to give, net	$ 2,774,645	4,991,984
Amounts due in:		
Less than one year	1,940,340	2,682,825
One to five years	834,305	2,309,159
	$ 2,774,645	4,991,984

(6) Loans Receivable

The Organization, as part of its assistance to child care providers, loans out funds. As described in note 8, The New Haven Investment Fund, LLC provided $40,000 as funding towards this program. The balance of the loans receivable at December 31, 2023 and 2022 is $31,403 and $46,031, respectively. The allowance for doubtful accounts amounted to $31,403 and $46,031 at December 31, 2023 and 2022, respectively. The loans receivable are considered to be level 3 assets as described in note 4.

(7) Property and Equipment

Property and equipment consists of the following at December 31, 2023 and 2022:

	2023	2022
Equipment and fixtures	$ 192,013	192,125
Less accumulated depreciation	(177,891)	(158,431)
	$ 14,122	33,694

(8) 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 6. 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.

(9) 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 are 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.

(10) Line of Credit

The Organization has a line of credit with a bank which provides for maximum borrowings of up to $100,000. The line of credit bears interest at prime plus 2% (10.50% at December 31, 2023) and is secured by substantially all assets. The line of credit will expire on November 25, 2024. There was no outstanding balance at December 31, 2023 and 2022.

(11) 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 years ending December 31, 2023 and 2022 were $122,034 and $87,869, respectively.

(12) 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 May 31, 2030. 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:

	2023	2022
Operating leases:		
Rent expense:		
Program services	$ 145,659	95,751
Management and general	51,727	46,080
Fundraising	12,101	4,488
	$ 209,487	146,319
Financing leases:		
Interest expense:		
Program services	$ 1,944	703
Management and general	690	338
Fundraising	162	33
	$ 2,796	1,074

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

	2023	2022
Amortization expense:		
Program services	$ 16,528	5,093
Management and general	5,870	2,450
Fundraising	1,373	239
	$ 23,771	7,782
Discount rate:		
Operating leases	3.10%	1.26%
Financing leases	2.70%	2.70%

The aggregate maturity of the lease payments under ASC 842 for the five years following December 31, 2023 is as follows:

	Operating	Financing
2024	$ 270,559	26,568
2025	276,265	26,568
2026	253,264	26,568
2027	171,985	17,711
2028	159,367	-
Thereafter	193,613	-
	1,325,053	97,415
Less unamortized discount	(115,622)	(4,558)
Total lease liabilities	$ 1,209,431	92,857

Lease liabilities at December 31, 2023 and 2022:

	2023	2022
Operating leases:		
Current installments	$ 235,691	110,620
Noncurrent installments	973,740	297,723
Total	$ 1,209,431	408,343
Financing leases:		
Current installments	$ 24,421	23,771
Noncurrent installments	68,436	92,857
Total	$ 92,857	116,628

(13) Net Assets With Donor Restrictions

Components of net assets with donor restrictions at December 31, 2023 and 2022 were as follows:

	2023	2022
Operations for CT and NYC	$ 200,000	200,000
Strategic plan development	2,325,000	4,100,000
Digital asset management platform, laptops, ADP integrations	29,316	-
Home-based early care and education participatory action research project	164,520	-
Staff retreat	30,000	20,000
Staff wellness	-	40,000
Direct service and technical assistance in NYC	62,620	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
	$ 2,811,456	5,365,000

(14) Net Assets Released from Restrictions

Net assets of $2,777,380 and $1,811,996 were released from donor restrictions by incurring expenses in satisfaction of program restrictions for the years ended December 31, 2023 and 2022, respectively.

ALL OUR KIN, INC.
Schedule of Expenditures of Federal Awards
Year ended December 31, 2023

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	-	$ 30,018	-
U.S. Department of Health and Human Services - passed through United Way of Greater New Haven - Head Start	93.600	01CH011362	922,572	-
Total Expenditures of Federal Awards			$ 952,590	-

See accompanying notes to schedule of expenditures of federal awards.

ALL OUR KIN, INC.

Notes to Schedule of Expenditures of Federal Awards

December 31, 2023

(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, 2023.

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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, 2023, 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 26, 2024.

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 26, 2024

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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 with the types of 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, 2023. 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, 2023.

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 26, 2024

ALL OUR KIN, INC.

Schedule of Findings and Questioned Costs

Year ended December 31, 2023

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, 2023

There were no audit findings in the prior year financial statements (December 31, 2022).