

The Other Ones Foundation

Financial Statements

September 30, 2024 and 2023

The Other Ones Foundation

CONTENTS

	<u>Page</u>
Independent Auditors' Report	1
Financial Statements	
Statements of Financial Position	4
Statement of Activities	
Year Ended September 30, 2024	5
Year Ended September 30, 2023	6
Statement of Functional Expenses	
Year Ended September 30, 2024	7
Year Ended September 30, 2023	8
Statements of Cash Flows	9
Notes to Financial Statements	10
Federal Information	
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 <i>Government Auditing Standards</i>	17
Report on Compliance for Each Major Federal Program and Report on Internal Control Over Compliance in Accordance with the Uniform Guidance	19
Schedule of Expenditures of Federal Awards	22
Notes to Schedule of Expenditures of Federal Awards	23
Schedule of Findings And Questioned Costs	24
Summary Schedule of Prior Audit Findings	26



## **Independent Auditors' Report**

To the Board of Directors of  
The Other Ones Foundation  
Austin, Texas

### **Opinion**

We have audited the accompanying financial statements of The Other Ones Foundation (the Foundation), which comprise the statements of financial position as of September 30, 2024 and 2023, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Foundation as of September 30, 2024 and 2023, and the results of its operations 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 (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller 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 Foundation and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### **Responsibilities of Management for the Financial Statements**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

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 Foundation's ability to continue as a going concern within one year after the date that the financial statements are issued.

## **Auditors' Responsibility 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 GAAS 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 GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Foundation'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 Foundation's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control–related matters that we identified during the audit.

## Supplementary Information

Our audit was 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 (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), 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 information 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 March 27, 2025, on our consideration of the Foundation'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 Foundation'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 Foundation's internal control over financial reporting and compliance.

*Atchley & Associates LLP*

Austin, Texas

March 27, 2025

The Other Ones Foundation  
Statements of Financial Position  
September 30, 2024 and 2023

	2024	2023
<b>ASSETS</b>		
<b>Current Assets</b>		
Cash and cash equivalents	\$ 300,738	\$ 861,019
Accounts receivable	1,820,904	2,189,107
Prepaid expenses	190,604	66,467
Other current assets	11,673	14,548
	2,323,919	3,131,141
Right of use of asset	1,347,377	351,878
Property and equipment, net	5,072,164	4,264,360
	\$ 8,743,460	\$ 7,747,379
<b>LIABILITIES AND NET ASSETS</b>		
<b>Current Liabilities</b>		
Accounts payable	\$ 545,149	\$ 628,135
Accrued liabilities	621,731	182,394
Line of credit	75,000	600,000
Current portion of lease liabilities	338,578	204,672
Current portion of notes payable	61,519	13,008
	1,641,977	1,628,209
Lease liability, net of current portion	1,105,764	158,268
Notes Payable, net of current portion	476,925	143,291
	3,224,666	1,929,768
<b>Net Assets</b>		
Without donor restrictions	5,518,794	5,817,611
With donor restrictions	-	-
	5,518,794	5,817,611
<b>TOTAL LIABILITIES AND NET ASSETS</b>	\$ 8,743,460	\$ 7,747,379

The accompanying notes are an integral part of these financial statements.

The Other Ones Foundation  
Statement of Activities  
For the Year Ended September 30, 2024

	Without Donor Restrictions	With Donor Restrictions	Total All Funds
<b>PUBLIC SUPPORT AND REVENUE</b>			
Contributions and public support	\$ 1,476,062	\$ 200,000	\$ 1,676,062
Grant revenue	649,730	-	649,730
Contract revenue	11,836,028	-	11,836,028
Contributed non-financial assets	-	-	-
Other revenue	505,116	-	505,116
	<u>14,466,936</u>	<u>200,000</u>	<u>14,666,936</u>
Total public support and revenue			
Net assets released from restrictions	<u>200,000</u>	<u>(200,000)</u>	<u>-</u>
Total public support and revenue and net assets released from restrictions	<u>14,666,936</u>	<u>-</u>	<u>14,666,936</u>
<b>EXPENSES</b>			
Program services:			
Program expenses	<u>11,282,278</u>	<u>-</u>	<u>11,282,278</u>
Supporting services:			
Administrative	2,861,230	-	2,861,230
Fundraising	<u>822,245</u>	<u>-</u>	<u>822,245</u>
Total supporting services	<u>3,683,475</u>	<u>-</u>	<u>3,683,475</u>
TOTAL EXPENSES	<u>14,965,753</u>	<u>-</u>	<u>14,965,753</u>
CHANGE IN NET ASSETS	(298,817)	-	(298,817)
NET ASSETS - beginning of year	<u>5,817,611</u>	<u>-</u>	<u>5,817,611</u>
NET ASSETS - end of year	<u>\$ 5,518,794</u>	<u>\$ -</u>	<u>\$ 5,518,794</u>

The accompanying notes are an integral part of these financial statements.

The Other Ones Foundation  
Statement of Activities  
For the Year Ended September 30, 2023

	Without Donor Restrictions	With Donor Restrictions	Total All Funds
<b>PUBLIC SUPPORT AND REVENUE</b>			
Contributions and public support	\$ 1,778,248	\$ 606,000	\$ 2,384,248
Grant revenue	1,300,400	-	1,300,400
Contract revenue	9,914,951	-	9,914,951
Contributed non-financial assets	565,000	-	565,000
Other revenue	180,107	-	180,107
	<u>13,738,706</u>	<u>606,000</u>	<u>14,344,706</u>
Total public support and revenue			
Net assets released from restrictions	<u>606,000</u>	<u>(606,000)</u>	<u>-</u>
Total public support and revenue and net assets released from restrictions	<u>14,344,706</u>	<u>-</u>	<u>14,344,706</u>
<b>EXPENSES</b>			
Program services:			
Program expenses	<u>7,942,185</u>	<u>-</u>	<u>7,942,185</u>
Supporting services:			
Administrative	1,464,848	-	1,464,848
Fundraising	<u>704,500</u>	<u>-</u>	<u>704,500</u>
Total supporting services	<u>2,169,348</u>	<u>-</u>	<u>2,169,348</u>
TOTAL EXPENSES	<u>10,111,533</u>	<u>-</u>	<u>10,111,533</u>
CHANGE IN NET ASSETS	4,233,173	-	4,233,173
NET ASSETS - beginning of year	<u>1,584,438</u>	<u>-</u>	<u>1,584,438</u>
NET ASSETS - end of year	<u>\$ 5,817,611</u>	<u>\$ -</u>	<u>\$ 5,817,611</u>

The accompanying notes are an integral part of these financial statements.



The Other Ones Foundation  
Statement of Functional Expenses  
For the Year Ended September 30, 2024

	<u>Program Expenses</u>	<u>Administrative</u>	<u>Fundraising</u>	<u>Total</u>
EXPENSES				
Contract labor	\$ 58,210	\$ 282,311	\$ 63,864	\$ 404,385
Depreciation	-	294,966	-	294,966
Direct client assistance	2,244,996	120,674	-	2,365,670
Dues & subscriptions	42,305	110,748	13,266	166,319
Fundraising	43	24,276	327,024	351,343
Insurance	7,442	244,016	-	251,458
Interest expense	-	54,995	-	54,995
Legal fees	360	209,509	53,500	263,369
Other miscellaneous fees	123,377	19,065	5,787	148,229
Payroll taxes & benefits	747,616	161,079	38,802	947,497
Postage	425	466	108	999
Rent & utilities	632,108	84,317	-	716,425
Repairs & maintenance	421,052	13,795	147	434,994
Salaries	6,712,738	1,037,288	314,857	8,064,883
Shelter, facility, & office	50,894	32,863	-	83,757
Supplies	210,196	97,678	3,428	311,302
Taxes & licenses	4,202	4,281	1,204	9,687
Telephone	21,539	60,850	-	82,389
Travel	4,775	8,053	258	13,086
	<u>\$ 11,282,278</u>	<u>\$ 2,861,230</u>	<u>\$ 822,245</u>	<u>\$ 14,965,753</u>

The accompanying notes are an integral part of these financial statements.

The Other Ones Foundation  
Statement of Functional Expenses  
For the Year Ended September 30, 2023

	<u>Program Expenses</u>	<u>Administrative</u>	<u>Fundraising</u>	<u>Total</u>
EXPENSES				
Contract labor	\$ 168,060	\$ 70,364	\$ 77,349	\$ 315,773
Depreciation	-	74,498	-	74,498
Direct client assistance	2,164,847	-	-	2,164,847
Dues & subscriptions	26,026	90,883	19,006	135,915
Fundraising	-	2,863	167,975	170,838
Insurance	28,359	60,388	-	88,747
Interest expense	-	59,881	-	59,881
Legal fees	-	25,480	-	25,480
Other miscellaneous fees	46,405	68,413	5,742	120,560
Payroll taxes & benefits	487,433	321,866	35,894	845,193
Postage	216	85	17	318
Rent & utilities	394,178	28,882	521	423,581
Repairs & maintenance	297,452	6,975	-	304,427
Salaries	4,178,251	478,549	381,866	5,038,666
Shelter, facility, & office	1,461	5,501	-	6,962
Supplies	129,743	89,465	9,885	229,093
Taxes & licenses	1,867	-	442	2,309
Telephone	13,243	58,459	-	71,702
Travel	4,644	22,296	5,803	32,743
	<u>\$ 7,942,185</u>	<u>\$ 1,464,848</u>	<u>\$ 704,500</u>	<u>\$ 10,111,533</u>

The accompanying notes are an integral part of these financial statements.

The Other Ones Foundation  
Statements of Cash Flows  
For the Years Ended September 30, 2024 and 2023

	2024	2023
<b>OPERATING ACTIVITIES</b>		
Change in net assets	\$ (298,817)	\$ 4,233,173
Adjustments to reconcile change in net assets to cash flows from operating activities:		
Depreciation	294,966	74,498
Contributed non-financial assets (land)	-	(565,000)
Right of use asset expense, net	85,903	11,062
Change in operating assets and liabilities -		
Accounts receivable	368,203	(1,342,103)
Prepaid expenses	(124,137)	(18,058)
Other current assets	2,875	(14,417)
Accounts payable	(82,986)	409,435
Accrued liabilities	439,337	108,324
Net cash flows from operating activities	685,344	2,896,914
<b>INVESTING ACTIVITIES</b>		
Purchases of property and equipment	(1,102,770)	(2,780,255)
Net cash flows from investing activities	(1,102,770)	(2,780,255)
<b>FINANCING ACTIVITIES</b>		
Net activity on line of credit	(525,000)	600,000
Proceeds from issuance of notes payable	428,923	-
Payments on notes payable	(46,778)	(12,101)
Net cash flows from financing activities	(142,855)	587,899
Net change in cash	(560,281)	704,558
Cash - beginning of year	861,019	156,461
Cash - end of year	\$ 300,738	\$ 861,019
<b>Supplemental disclosure of cash flow information:</b>		
Interest paid	\$ 54,995	\$ 59,881

The accompanying notes are an integral part of these financial statements.

The Other Ones Foundation  
Notes to Financial Statements  
September 30, 2024 and 2023

**NOTE 1: NATURE OF ORGANIZATION**

The Other Ones Foundation (the Foundation) is a nonprofit that provides extremely low-barrier employment, case management, and humanitarian aid to people experiencing homelessness in Austin, Texas.

**NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Basis of Accounting** - The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with generally accepted accounting principles in the United States of America (U.S. GAAP).

**Financial Statement Presentation** - The Foundation reports under the provisions of Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 958, *Not-For-Profit Organizations*. Under FASB ASC 958, the Foundation is required to report information regarding its financial position and activities according to two classes of net assets:

**Net assets without donor restrictions** - Net assets that are not subject to donor-imposed stipulations or the donor-imposed restrictions have expired or been satisfied. All gifts, grants, and bequests are considered unrestricted unless specifically restricted by the donor.

**Net assets with donor restrictions** - Net assets that are subject to donor-imposed restrictions either for use during a specified time period or for a particular purpose.

**Net Assets Released From Restrictions** - When a donor-imposed restriction is fulfilled or when a time restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the accompanying statements of activities as net assets released from restrictions.

**Cash and Cash Equivalents** - The Foundation considers all cash and other highly liquid investments with maturity of three months or less when purchased to be cash and cash equivalents. Cash equivalents include money market accounts.

**Accounts Receivable** - Accounts receivable are promises to give due within one year. Accounts determined to be uncollectible are charged against an allowance for uncollectible accounts. At September 30, 2024 and 2023, the Foundation considered all receivables to be fully collectible; and therefore, an uncollectible account is not considered necessary.

**NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED**

**Property and Equipment** - Property and equipment are recorded at cost and depreciated over their estimated useful lives. Any donated items are recorded at the fair value. When assets are retired, or otherwise disposed of, the cost and related accumulated depreciation are removed from the accounts, and any resulting gain or loss is recognized in the period. Maintenance and repairs are charged to expense as incurred, and significant renewals and betterments are capitalized. The Foundation has a policy of only capitalizing depreciable assets acquired of \$2,500 or greater. Depreciation is provided using the straight-line method over the estimated useful lives of the assets generally as follows:

Leasehold Improvements	39 years
Furniture and Fixtures	5 years
Equipment	2 years
Vehicles	2 years

**Revenue Recognition** - The Foundation recognizes contributions and grant revenue as revenue when received or unconditionally promised. Contributions are measured at the fair value of the assets or services received or promised. The fair value of contributions arising from unconditional promises to give cash or other assets in one or more future years is measured (discounted) using a risk-adjusted rate of return appropriate for the expected term of the promise to give. Such discounts are amortized between the date the promise to give is initially recognized and the date the actual cash is expected to be collected. Contract revenues are recognized as earned. Revenues are classified as restricted support if they are received with donor stipulations that limit the use of the contributions.

**Functional Expenses** - Directly identifiable expenses are classified as program services, fundraising, and administrative. Expenses related to more than one function are allocated to programs, fundraising, and administrative on the basis of management estimates. Administrative expenses include those expenses that are not directly identifiable with any other specific function but provide for the overall support and direction of the Foundation. In-kind expenses, professional fees, bank charges, and software are allocated based on time and effort.

**Contributed Non-Financial Assets** - The Foundation receives various types of contributed non-financial assets in the course of daily operations, including professional services, supplies, and materials. Contributed professional services are recognized as in-kind contributions if the services received create or enhance long-lived assets or require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by contributions. Contributions of tangible assets are capitalized at fair value when received.

The Other Ones Foundation  
Notes to Financial Statements  
September 30, 2024 and 2023

**NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED**

**Income Tax Status** - The Internal Revenue Service has classified the Foundation as other than a private foundation, which is exempt from federal income taxes on its related purpose income under Section 501(c)(3) of the United States Internal Revenue Code. Consequently, no federal income taxes have been provided for in these financial statements.

The benefit of a tax position is recognized in the financial statements in the period during which, based on all available evidence, management believes it is more likely than not that the positions will be sustained upon examination, including the resolution of appeals or litigation processes, if any. Tax positions that meet the more-likely-than-not recognition threshold are measured as the largest amount of tax benefit that is more than 50% likely of being realized upon settlement with the applicable taxing authority. As of September 30, 2024 and 2023, the Foundation has not recognized liabilities for uncertain tax positions or associated interest and penalties.

**Use of Estimates** - The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect certain reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Accordingly, actual results could differ from those estimates.

**Subsequent Events** - Management of the Foundation has evaluated subsequent events for disclosure through the date of the Independent Auditors' Report, the date the financial statements were available to be issued. See Note 5.

The Other Ones Foundation  
Notes to Financial Statements  
September 30, 2024 and 2023

**NOTE 3: PROPERTY AND EQUIPMENT**

As of September 30, 2024 and 2023, property and equipment consists of:

	2024	2023
Land	\$ 573,315	\$ 573,315
Vehicles	249,625	237,307
Equipment	124,226	97,955
Furniture and fixtures	75,042	14,059
Leasehold improvements	3,258,244	6,010
Construction in Ppogress	1,345,511	3,594,547
	5,625,963	4,523,193
Accumulated depreciation	(553,799)	(258,833)
	\$ 5,072,164	\$ 4,264,360

**NOTE 4: NOTES PAYABLE**

The Foundation received funds totaling \$150,000 on August 29, 2021, under the Economic Injury Disaster Loan (EIDL) program. The note accrues interest at 2.75% with monthly payments of \$641 beginning on August 29, 2022, until maturity on August 29, 2050. The note is secured by all assets of the Foundation. At September 30, 2024 and 2023, the balances of the note was \$113,232 and \$130,545, respectively.

The Foundation entered into two promissory notes on May 31, 2021, and one promissory note on September 23, 2021, totaling \$43,750. The promissory notes are collateralized by certain vehicles, bear interest at 5.25%, and mature on September 23, 2026. At September 30, 2024 and 2023, the balances of the promissory notes were \$16,930 and \$25,754, respectively.

The Foundation entered into one promissory note on April 12, 2024, totaling \$428,923. The promissory note is collateralized by all accounts and equipment, bear interest at 8.97%, and mature on April 12, 2031. At September 30, 2024 and 2023, the balances of the promissory notes were \$408,282 and \$0, respectively.

The Other Ones Foundation  
Notes to Financial Statements  
September 30, 2024 and 2023

**NOTE 4: NOTES PAYABLE - CONTINUED**

The expected future minimum principal payments on the notes payable as of September 30, 2024, are as follows:

<u>Year ending September 30,</u>	
2025	\$ 61,519
2026	64,467
2027	61,958
2028	67,471
2029	67,659
Thereafter	215,370
	<u>\$ 538,444</u>

**NOTE 5: LINE OF CREDIT**

The Foundation entered into a line of credit agreement with a financial institution on October 14, 2022, for \$750,000. The line of credit bears interest at the prime rate plus 1.25% and matures on October 14, 2024. At September 30, 2024, the outstanding balance on the line of credit was \$75,000. On January 27, 2025, the line of credit was increased to \$1,000,000 with a new maturity date of January 26, 2026.

**NOTE 6: LEASE COMMITMENTS**

The Foundation has entered into non-cancelable operating leases for office buildings, property, and vehicles which have expirations to July 2026. Lease expense for the years ended September 30, 2024, and 2023, was \$448,783 and \$311,099, respectively.

	<u>2024</u>	<u>2023</u>
Operating lease cost:		
Amortization of right of use asset	\$ 402,629	\$ 172,730
Short-term leases	36,149	49,040
Common area maintenance expenses	93,762	89,329
	<u>\$ 532,540</u>	<u>\$ 311,099</u>
Current lease liability	\$ 338,578	\$ 204,672
Long-term lease liability	1,105,764	158,268
	<u>\$ 1,444,342</u>	<u>\$ 362,940</u>



The Other Ones Foundation  
Notes to Financial Statements  
September 30, 2024 and 2023

**NOTE 6: LEASE COMMITMENTS - CONTINUED**

	2024	2023
Weighted average discount rate	3.47%	1.65%

As of September 30, 2024, minimum future lease payments are as follows:

Year ending September 30,		
2025	\$	387,330
2026		353,636
2027		305,241
2028		311,945
2029		213,431
	\$	1,571,583

**NOTE 7: AVAILABLE RESOURCES AND LIQUIDITY**

The following represent the Foundation's financial assets at September 30, 2024 and 2023, all of which are available to meet general expenditures over the next year:

	2024	2023
Cash and cash equivalents	\$ 300,738	\$ 861,019
Accounts receivable	1,820,904	2,189,107
Total financial assets at year-end	\$ 2,121,642	\$ 3,050,126

In addition to financial assets available to meet general expenditures over the next year, the Foundation operates with a balanced budget that is frequently reviewed and analyzed and anticipates collecting sufficient revenues to cover general expenditures. The Foundation regularly monitors liquidity required to meet its operating needs and other contractual commitments. The Foundation has various sources of liquidity at its disposal, including cash and cash equivalents and grant and contribution receivables, and most expenditures arise in relation to events and programs for which contributions are specifically received. The Foundation also has access to a line of credit as needed.

The Other Ones Foundation  
Notes to Financial Statements  
September 30, 2024 and 2023

**NOTE 8 - CONTRIBUTED NON-FINANCIAL ASSETS**

During the year ended September 30, 2023, the Foundation received a donation of land from 2 donors. The land is a 13.015 acre tract in South Austin and has an appraised value of \$565,000. The Foundation incurred an additional \$8,315 to have the land transferred to the Foundation, bringing the total cost of the land to \$573,315. The land was donated without restriction as to use and will be held by the Foundation for future use.

**FEDERAL  
INFORMATION**



**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***

To the Board of Directors of the  
The Other Ones Foundation  
Austin, Texas

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 The Other Ones Foundation (the Foundation), which comprise the statement of financial position as of September 30, 2024, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated March 27, 2025.

**Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the Foundation's internal control over financial reporting (internal control) to determine the 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 Foundation's internal control. Accordingly, we do not express an opinion on the effectiveness of the Foundation'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 entity's financial statements will not be prevented, or detected and corrected on a timely basis. A significant deficiency is a deficiency, or a 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 over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

## **Compliance And Other Matters**

As part of obtaining reasonable assurance about whether the Foundation's financial statements are free of 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 determination of financial statement amounts. 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 entity'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 entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*Atchley & Associates LLP*

Austin, Texas

March 27, 2025



**REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM  
AND REPORT ON INTERNAL CONTROL OVER COMPLIANCE  
IN ACCORDANCE WITH THE UNIFORM GUIDANCE**

To the Board of Directors of the  
The Other Ones Foundation  
Austin, Texas

**Report on Compliance for Each Major Federal Program**

***Opinion on Each Major Federal Program***

We have audited The Other Ones Foundation (the Foundation) 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 each of the Foundation's major federal programs for the year ended September 30, 2024. The Foundation's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the Foundation complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended September 30, 2024.

***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 (*Government Auditing Standards*); 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 Auditors' Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the Foundation 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 each major federal program. Our audit does not provide a legal determination of the Foundation's compliance with the compliance requirements referred to above.

### ***Responsibilities of 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 Foundation's federal programs.

### ***Auditors' 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 Foundation'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 Foundation's compliance with the requirements of each 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 Foundation'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 Foundation'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 Foundation'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 Auditors' 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.

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.

*Atchley & Associates LLP*

Austin, Texas  
March 27, 2025



**The Other Ones Foundation**  
**Schedule of Expenditures of Federal Awards**  
**Year Ended September 30, 2024**

<b>Grantor/Pass-Through Grantor/Program Title</b>	<b>Federal AL Number</b>	<b>Pass-Through Grantor Number</b>	<b>Expenditures</b>	<b>Pass through to Subrecipients</b>
<b>U.S. Department of Housing and Urban Development</b>				
<b>Passed through the Texas Department of Housing and Community Affairs</b>				
Emergency Solutions Grants Program - CV	14.231	45205030004	\$ 2,798,930	\$ -
			2,798,930	-
HOME-ARP Operating Cost Assistance	14.239	92240524701	386,621	-
HOME-ARP Capacity Building	14.239	92240624701	39,485	-
			426,106	-
<b>Total U.S. Department of Housing and Urban Development</b>			<b>3,225,036</b>	<b>-</b>
<b>U.S. Department of Treasury</b>				
<b>Passed through the Texas Department of Housing and Community Affairs</b>				
Emergency Rental Assistance	21.023	20220000039	4,238,999	-
<b>Total U.S. Department of Treasury</b>			<b>4,238,999</b>	<b>-</b>
<b>Total Federal Awards</b>			<b>\$ 7,464,035</b>	<b>\$ -</b>

**The Other Ones Foundation**  
**Notes to Schedule of Expenditures of Federal Awards**  
**Year Ended September 30, 2024**

**NOTE 1: GENERAL**

The accompanying schedule of expenditures of federal awards presents expenditures of all federal financial assistance programs that were in effect for the year ended September 30, 2024, for The Other Ones Foundation (the Foundation). The Foundation's reporting entity is defined in Note 2 of the basic financial statements. Federal financial assistance received directly from federal agencies as well as federal financial assistance passed through other government agencies are included on the schedule.

**NOTE 2: BASIS OF ACCOUNTING**

The accompanying schedule of expenditures of federal awards is presented using the accrual basis of accounting in accordance with generally accepted accounting principles as further described in Note 2 of the basic financial statements. Federal revenues are considered to be earned to the extent of expenditures made under the provisions of the grant, and accordingly, when such funds are received they are recorded as deferred revenue until earned.

**NOTE 3: INDIRECT COST RATE**

The Foundation has not elected to use the 10 percent de minimis indirect cost rate as allowed under the Uniform Guidance.

**The Other Ones Foundation**  
**Schedule of Findings and Questioned Costs**  
**Year Ended September 30, 2024**

**SECTION I - SUMMARY OF AUDITORS' RESULTS**

***Financial Statements:***

Type of auditors' report issued: Unmodified

Internal Control of financial reporting:

- Material weakness(es) identified? \_\_\_\_\_ Yes X No
- Significant deficiency(ies) identified that are not considered to be material weaknesses? \_\_\_\_\_ Yes X None Reported

Noncompliance material to financial statements noted? \_\_\_\_\_ Yes X No

***Federal Awards:***

Internal control over major programs:

- Material weakness(es) identified? \_\_\_\_\_ Yes X No
- Significant deficiency(ies) identified that are not considered to be material weaknesses? \_\_\_\_\_ Yes X None Reported

Type of auditors' report issued on compliance for major programs: Unmodified

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a) \_\_\_\_\_ Yes X No

**Identification of major program(s):**

<u>AL Number</u>	<u>Name of Federal Program</u>
21.023	Emergency Rental Assistance

Dollar threshold used to distinguish between type A and type B programs: \$ 750,000

Auditee qualified as low-risk auditee? X Yes \_\_\_\_\_ No

**The Other Ones Foundation**  
**Schedule of Findings and Questioned Costs - Continued**  
**Year Ended September 30, 2024**

**SECTION II - FINANCIAL STATEMENT FINDINGS**

No matters were reported.

**SECTION III - FEDERAL AWARD FINDINGS AND QUESTIONED COSTS**

No matters were reported.

**The Other Ones Foundation**  
**Summary Schedule of Prior Audit Findings**  
**Year Ended September 30, 2024**

None reported.