



FAMILYAID BOSTON, INC. D/B/A FAMILYAID

**FINANCIAL STATEMENTS
JUNE 30, 2024 AND 2023**

FAMILYAID BOSTON, INC. D/B/A FAMILYAID

Contents
June 30, 2024 and 2023

	<u>Pages</u>
Independent Auditor’s Report	1 - 1A
Financial Statements:	
Statements of Financial Position	2
Statements of Activities and Changes in Net Assets	3
Statements of Cash Flows	4
Statements of Functional Expenses	5 - 6
Notes to Financial Statements	7 - 22

Independent Auditor's Report

To the Board of Directors of
FamilyAid Boston, Inc. d/b/a FamilyAid:

Opinion

We have audited the financial statements of FamilyAid Boston, Inc. d/b/a FamilyAid (a Massachusetts nonprofit corporation) (FAB), which comprise the statements of financial position as of June 30, 2024 and 2023, and the related statements of activities and changes in net assets, cash flows, and functional expenses for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements present fairly, in all material respects, the financial position of FamilyAid Boston, Inc. d/b/a FamilyAid as of June 30, 2024 and 2023, 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 (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of FAB and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about FAB's ability to continue as a going concern within one year after the date that the financial statements are issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS 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.

Auditor's Responsibilities for the Audit of the Financial Statements (Continued)

In performing an audit in accordance with GAAS, 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 FAB'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 FAB'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.

AAFCPA, Inc.

Boston, Massachusetts
October 31, 2024

FAMILYAID BOSTON, INC. D/B/A FAMILYAID

Statements of Financial Position
June 30, 2024 and 2023

Assets	2024	2023
Current Assets:		
Cash	\$ 1,747,584	\$ 996,509
Accounts receivable, net	3,109,715	2,781,844
Prepaid expenses and other	216,423	184,566
Total current assets	<u>5,073,722</u>	<u>3,962,919</u>
Investments	7,476,465	5,647,189
Project Under Development	2,240,917	-
Property and Equipment, net	1,883,762	1,933,530
Right-of-Use Assets - Finance	16,318,145	22,744
Right-of-Use Assets - Operating	<u>2,064,541</u>	<u>1,956,551</u>
Total assets	<u><u>\$ 35,057,552</u></u>	<u><u>\$ 13,522,933</u></u>
Liabilities and Net Assets		
Current Liabilities:		
Current portion of mortgage notes payable	\$ 35,712	\$ 34,712
Accounts payable and accrued expenses	972,481	828,129
Current portion of finance lease liabilities	1,511,427	6,029
Current portion of operating lease liabilities	<u>1,921,855</u>	<u>1,282,794</u>
Total current liabilities	<u>4,441,475</u>	<u>2,151,664</u>
Mortgage Notes Payable, net of current portion	1,073,782	1,109,571
Accounts Payable - Construction	1,205,694	-
Finance Lease Liabilities, net of current portion	15,623,492	12,632
Operating Lease Liabilities, net of current portion	161,209	708,093
Contingent Notes Payable	<u>626,878</u>	<u>372,828</u>
Total liabilities	<u>23,132,530</u>	<u>4,354,788</u>
Net Assets:		
Without donor restrictions:		
Operating	1,636,144	1,967,866
Designated by the Board of Directors (see Note 3)	2,889,891	2,590,473
Property and equipment	<u>347,316</u>	<u>386,166</u>
Total without donor restrictions	<u>4,873,351</u>	<u>4,944,505</u>
With donor restrictions	<u>7,051,671</u>	<u>4,223,640</u>
Total net assets	<u>11,925,022</u>	<u>9,168,145</u>
Total liabilities and net assets	<u><u>\$ 35,057,552</u></u>	<u><u>\$ 13,522,933</u></u>

The accompanying notes are an integral part of these statements.

Page 2

FAMILYAID BOSTON, INC. D/B/A FAMILYAIDStatements of Activities and Changes in Net Assets
For the Years Ended June 30, 2024 and 2023

	2024	2023
Changes in Net Assets Without Donor Restrictions:		
Operating revenues and public support:		
Operating revenues:		
Program grants and contracts - government	\$ 15,164,833	\$ 13,610,962
Rental and other income	330,125	307,245
Total operating revenues	<u>15,494,958</u>	<u>13,918,207</u>
Public support:		
Grants and contributions	3,305,977	2,806,343
Net assets released from program restrictions	2,061,095	1,715,156
Donated services and goods	458,387	253,884
Special events revenue, net	269,221	256,333
United Way	50,000	88,870
Total public support	<u>6,144,680</u>	<u>5,120,586</u>
Total operating revenues and public support	<u>21,639,638</u>	<u>19,038,793</u>
Operating expenses:		
Program services	19,846,973	16,697,008
General and administrative	751,796	712,619
Fundraising	1,581,949	1,306,645
Total operating expenses	<u>22,180,718</u>	<u>18,716,272</u>
Changes in net assets without donor restrictions from operations	<u>(541,080)</u>	<u>322,521</u>
Other revenues:		
Investment return, net of fees	458,176	300,441
Net assets released from capital restrictions	11,750	12,500
Total other revenues	<u>469,926</u>	<u>312,941</u>
Changes in net assets without donor restrictions	<u>(71,154)</u>	<u>635,462</u>
Changes in Net Assets With Donor Restrictions:		
Capital grants	3,570,600	-
Grants and contributions	1,307,002	1,174,271
Investment return	23,274	27,429
Net assets released from restrictions	(2,072,845)	(1,727,656)
Changes in net assets with donor restrictions	<u>2,828,031</u>	<u>(525,956)</u>
Changes in net assets	2,756,877	109,506
Net Assets:		
Beginning of year	<u>9,168,145</u>	<u>9,058,639</u>
End of year	<u><u>\$ 11,925,022</u></u>	<u><u>\$ 9,168,145</u></u>

The accompanying notes are an integral part of these statements.

Page 3

FAMILYAID BOSTON, INC. D/B/A FAMILYAID

Statements of Cash Flows

For the Years Ended June 30, 2024 and 2023

	<u>2024</u>	<u>2023</u>
Cash Flows from Operating Activities:		
Changes in net assets	\$ 2,756,877	\$ 109,506
Adjustments to reconcile changes in net assets to net cash provided by (used in) operating activities:		
Depreciation	131,699	136,866
Bad debt expense	14,125	-
Capital grants	(3,570,600)	-
Net unrealized and realized gains on investments	(262,607)	(236,263)
Forgiveness of contingent notes payable	-	(4,475)
Change in ROU assets and liabilities - operating	(15,812)	26,192
Amortization expense of ROU assets - finance	805,746	4,061
Changes in operating assets and liabilities:		
Accounts receivable, net of allowance for doubtful accounts	591,337	(1,059,411)
Prepaid expenses and other	(31,857)	(101,935)
Accounts payable and accrued expenses	144,352	276,061
Net cash provided by (used in) operating activities	<u>563,260</u>	<u>(849,398)</u>
Cash Flows from Investing Activities:		
Sales of investments	1,181,614	1,703,684
Acquisition of property and equipment	(81,931)	(104,715)
Acquisition of project under development	(771,454)	-
Purchases of investments	(2,748,284)	(877,521)
Net cash provided by (used in) investing activities	<u>(2,420,055)</u>	<u>721,448</u>
Cash Flows from Financing Activities:		
Capital grants	2,637,267	-
Payments on finance lease liabilities	(248,658)	-
Proceeds from contingent notes	254,050	-
Principal payments of mortgage notes payable	(34,789)	(33,819)
Net cash provided by (used in) financing activities	<u>2,607,870</u>	<u>(33,819)</u>
Net Change in Cash	<u>751,075</u>	<u>(161,769)</u>
Cash:		
Beginning of year	<u>996,509</u>	<u>1,158,278</u>
End of year	<u>\$ 1,747,584</u>	<u>\$ 996,509</u>
Supplemental Disclosures of Cash Flow Information:		
Cash paid for interest	<u>\$ 47,328</u>	<u>\$ 35,280</u>
Cash paid for capitalized interest - finance leases	<u>\$ 374,529</u>	<u>\$ -</u>
Non-cash Investing Transactions:		
Project under development financed by accounts payable	<u>\$ 1,205,694</u>	<u>\$ -</u>
Capitalized interest related to finance leases	<u>\$ 263,769</u>	<u>\$ -</u>

The accompanying notes are an integral part of these statements.

Page 4

FAMILYAID BOSTON, INC. D/B/A FAMILYAID

Statement of Functional Expenses
For the Year Ended June 30, 2024

(With Summarized Comparative Totals for the Year Ended June 30, 2023)

	2024				2023	
	Support Services					
	Program Services	General and Administrative	Fundraising	Total Support Services	Total Expenses	Total Expenses
Personnel and Related:						
Salaries	\$ 6,810,192	\$ 228,494	\$ 983,236	\$ 1,211,730	\$ 8,021,922	\$ 7,001,454
Employee benefits	1,194,573	58,404	98,456	156,860	1,351,433	1,075,062
Payroll taxes	589,656	21,243	85,118	106,361	696,017	628,140
Total personnel and related	8,594,421	308,141	1,166,810	1,474,951	10,069,372	8,704,656
Occupancy:						
Rent	292,070	5,879	25,716	31,595	323,665	323,786
Repairs and maintenance	265,793	3,916	1,835	5,751	271,544	237,855
Insurance	98,997	10,358	7,596	17,954	116,951	112,050
Utilities	74,591	62	269	331	74,922	62,823
Total occupancy	731,451	20,215	35,416	55,631	787,082	736,514
Other:						
Client Assistance	7,411,727	-	-	-	7,411,727	6,406,471
Professional fees and temporary help	974,692	227,551	181,946	409,497	1,384,189	1,603,762
Amortization expense of ROU assets - finance	805,746	-	-	-	805,746	4,061
Donated services and goods	347,473	110,914	-	110,914	458,387	253,884
Small equipment	351,066	11,868	33,821	45,689	396,755	308,818
Miscellaneous	273,919	45,090	55,258	100,348	374,267	255,920
Depreciation	123,098	3,039	5,562	8,601	131,699	136,866
Direct special event	-	-	102,024	102,024	102,024	95,100
Telephone	94,773	-	5,401	5,401	100,174	79,330
Office supplies	45,250	12,376	8,882	21,258	66,508	52,333
Marketing	-	-	63,655	63,655	63,655	53,987
Interest	47,328	-	-	-	47,328	32,939
Travel	29,732	11,884	857	12,741	42,473	81,227
Printing and postage	2,172	718	24,341	25,059	27,231	5,504
Bad debt expense	14,125	-	-	-	14,125	-
Total other	10,521,101	423,440	481,747	905,187	11,426,288	9,370,202
Total expenses	19,846,973	751,796	1,683,973	2,435,769	22,282,742	18,811,372
Less - direct special event activities included with revenues on the statements of activities and changes in net assets	-	-	(102,024)	(102,024)	(102,024)	(95,100)
Total expenses included in the statements of activities and changes in net assets	\$ 19,846,973	\$ 751,796	\$ 1,581,949	\$ 2,333,745	\$ 22,180,718	\$ 18,716,272

The accompanying notes are an integral part of these statements.

FAMILYAID BOSTON, INC. D/B/A FAMILYAID

Statement of Functional Expenses
For the Year Ended June 30, 2023

		Support Services			
	Program Services	General and Adminis- trative	Fundraising	Total Support Services	Total Expenses
Personnel and Related:					
Salaries	\$ 6,049,710	\$ 177,160	\$ 774,584	\$ 951,744	\$ 7,001,454
Employee benefits	922,613	70,580	81,869	152,449	1,075,062
Payroll taxes	531,005	29,657	67,478	97,135	628,140
Total personnel and related	<u>7,503,328</u>	<u>277,397</u>	<u>923,931</u>	<u>1,201,328</u>	<u>8,704,656</u>
Occupancy:					
Rent	297,773	4,273	21,740	26,013	323,786
Repairs and maintenance	234,396	1,296	2,163	3,459	237,855
Insurance	99,199	6,151	6,700	12,851	112,050
Utilities	62,823	-	-	-	62,823
Total occupancy	<u>694,191</u>	<u>11,720</u>	<u>30,603</u>	<u>42,323</u>	<u>736,514</u>
Other:					
Client Assistance	6,406,471	-	-	-	6,406,471
Professional fees and temporary help	1,216,388	184,885	202,489	387,374	1,603,762
Amortization expense of ROU assets - finance	4,061	-	-	-	4,061
Donated services and goods	71,784	182,100	-	182,100	253,884
Small equipment	262,173	17,883	28,762	46,645	308,818
Miscellaneous	184,992	27,641	43,287	70,928	255,920
Depreciation	129,800	1,306	5,760	7,066	136,866
Direct special event	-	-	95,100	95,100	95,100
Telephone	73,030	2,143	4,157	6,300	79,330
Office supplies	38,054	5,421	8,858	14,279	52,333
Marketing	-	-	53,987	53,987	53,987
Interest	32,939	-	-	-	32,939
Travel	78,452	1,968	807	2,775	81,227
Printing and postage	1,345	155	4,004	4,159	5,504
Total other	<u>8,499,489</u>	<u>423,502</u>	<u>447,211</u>	<u>870,713</u>	<u>9,370,202</u>
Total expenses	16,697,008	712,619	1,401,745	2,114,364	18,811,372
Less - direct special event activities included with revenues on the statements of activities and changes in net assets	<u>-</u>	<u>-</u>	<u>(95,100)</u>	<u>(95,100)</u>	<u>(95,100)</u>
Total expenses included in the statements of activities and changes in net assets	<u>\$ 16,697,008</u>	<u>\$ 712,619</u>	<u>\$ 1,306,645</u>	<u>\$ 2,019,264</u>	<u>\$ 18,716,272</u>

The accompanying notes are an integral part of these statements.

FAMILYAID BOSTON, INC. D/B/A FAMILYAID

Notes to Financial Statements
June 30, 2024 and 2023

1. OPERATIONS AND NONPROFIT STATUS

FamilyAid Boston, Inc. d/b/a FamilyAid (FAB) was incorporated in 1920. The mission of FAB is to assist those without a home and to prevent and help end homelessness in Massachusetts. FAB's staff and volunteers work with and for vulnerable individuals and families to address their immediate and longer term housing and social support needs through direct service, preventive approaches, and advocacy.

FAB is exempt from Federal income taxes as an organization (not a private foundation) formed for charitable purposes under Section 501(c)(3) of the Internal Revenue Code (IRC). FAB is also exempt from state income taxes. Donors may deduct contributions made to FAB within the IRC regulations.

2. SIGNIFICANT ACCOUNTING POLICIES

FAB prepares its financial statements in accordance with generally accepted accounting standards and principles (U.S. GAAP) established by the Financial Accounting Standards Board (FASB). References to U.S. GAAP in these notes are to the FASB Accounting Standards Codification (ASC).

Cash

Management considers all highly liquid investments with an initial maturity of three months or less to be cash equivalents except for accounts held within the investment portfolio.

Accounts Receivable and Allowance for Doubtful Accounts

Accounts receivable are recorded at the invoiced amount and do not bear interest. The allowance for doubtful accounts is based on management's best estimate of the amount of probable credit loss in accounts receivable based on historical collections and other factors. Allowance for doubtful accounts is \$41,492 and \$27,367 as of June 30, 2024 and 2023, respectively.

Investments

Investments (see Note 4) consist of FAB's holdings of marketable securities held for purposes of financial returns. Investments are reported at fair value, which are the market values provided by the investment manager based upon quoted prices for identical securities. Investment income includes interest, dividends and mutual fund distributions which are recorded when earned. Realized gains and losses on investment transactions are recorded based on the average cost method. Unrealized gains and losses are recognized based on fair value changes during the period. Each year, the Board of Directors may budget a portion of total investment return for use in operations (see Note 3).

Property and Equipment and Depreciation

Property and equipment are recorded at cost when purchased or at fair value at the time of donation. Renewals and betterments are capitalized, while repairs and maintenance are expensed as incurred. Depreciation of property and equipment is computed using the straight-line method over the following estimated useful lives:

Building and building improvements	39 years
Furniture and fixtures	5 years
Office equipment	3 - 5 years

FAB accounts for the carrying value of its property and equipment in accordance with the requirements of ASC Topic, *Property, Plant and Equipment*. As of June 30, 2024 and 2023, FAB has not recognized any reduction in the carrying value of its property and equipment when considering this standard.

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Project Under Development

Project under development consists of predevelopment and development costs related to the construction and rehabilitation of a leased property (see Notes 6 and 10), 1650 Washington Street, Newton, Massachusetts. All development costs incurred and considered recoverable are capitalized during construction.

Leases

FAB leases certain buildings and equipment. The determination of whether an arrangement is a lease, as well as classification as operating or finance, is made at the lease's inception. Under Topic 842, a contract is (or contains) a lease if it conveys the right to control the use of an identified asset for a period of time in exchange for consideration. Control is defined under the standard as having the right to obtain substantially all of the economic benefits from use of the asset and the right to direct the use of the asset.

FAB recognizes a right-of-use (ROU) asset and liability based on the present value of the minimum lease payments over the non-cancelable term of the lease. FAB evaluates many factors, including current and future lease cash flows, when determining if an option to extend or terminate should be included in the non-cancelable period. FAB uses the implicit rate when it is readily determinable and a risk-free rate, when the implicit rate is not readily determinable. Lease expense is recognized on a straight-line basis over the lease term. Operating leases are included in ROU assets - operating and operating lease liabilities in the accompanying statements of financial position. Finance leases are included in ROU assets - finance and finance lease liabilities in the accompanying statements of financial position.

FAB has certain leases that are for a period of twelve months or less or contain renewals for periods of twelve months or less. FAB does not include short-term leases within the statements of financial position since it has elected the practical expedient to not include these leases within the operating lease ROU assets and liabilities. FAB has lease agreements with lease and non-lease components and practical expedient to account for them as a single component was elected.

Fair Value Measurements

FAB follows the accounting and disclosure standards pertaining to ASC Topic, *Fair Value Measurements*, for qualifying assets and liabilities. Fair value is defined as the price that FAB would receive upon selling an asset or pay to settle a liability in an orderly transaction between market participants.

FAB uses a framework for measuring fair value that includes a hierarchy that categorizes and prioritizes the sources used to measure and disclose fair value. This hierarchy is broken down into three levels based on inputs that market participants would use in valuing the financial instruments based on market data obtained from sources independent of FAB. Inputs refer broadly to the assumptions that market participants would use in pricing the financial instrument, including assumptions about risk. Inputs may be observable or unobservable. Observable inputs are inputs that reflect the assumptions market participants would use in pricing the financial instrument developed based on market data obtained from sources independent of the reporting entity. Unobservable inputs are inputs that reflect the reporting entity's own assumptions about the assumptions market participants would use in pricing the asset developed based on the best information available.

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Fair Value Measurements (Continued)

The three-tier hierarchy of inputs is summarized in the three broad levels as follows:

Level 1 - Inputs that reflect unadjusted quoted prices in active markets for identical assets at the measurement date.

Level 2 - Inputs other than quoted prices that are observable for the asset either directly or indirectly, including inputs in markets that are not considered to be active.

Level 3 - Inputs that are unobservable and which require significant judgment or estimation.

An asset or liability's level within the framework is based upon the lowest level of any input that is significant to the fair value measurement.

Estimates

The preparation of financial statements in accordance with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Revenue Recognition

In accordance with ASC Subtopic 958-605, *Revenue Recognition*, FAB must determine whether a contribution (or a promise) is conditional or unconditional for transactions deemed to be a contribution. A contribution is considered to be a conditional contribution if an agreement includes a barrier that must be overcome and either a right of return of assets or a right of release of a promise to transfer assets exists. If the condition and restriction are met in the same period, they are reported as contributions without restrictions. Indicators of a barrier include a measurable performance-related barrier or other measurable barriers, a stipulation that limits discretion by the recipient on the conduct of an activity, and stipulations that are related to the purpose of the agreement. Topic 958 prescribes that FAB should not consider probability of compliance with the barrier when determining if such awards are conditional and should be reported as conditional grant advance liabilities until such conditions are met. See Note 14 for disclosure of FAB's conditional grants as of June 30, 2024 and 2023.

Revenues from program grants and contracts - government are recorded as the services are performed and costs are incurred. Revenues from grants and contributions without donor restrictions and United Way are recorded when received or unconditionally committed. Rental and other income is recorded when earned. Event contributions and support are recognized in the period in which the events occur.

FAB reports gifts of cash and other assets as support with donor restrictions if they are received with donor stipulations that limit the use of the donated assets. When a stipulated time restriction ends or purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statements of activities and changes in net assets as net assets released from restrictions. Donor restricted contributions received and satisfied in the same period are included in net assets without donor restrictions.

FAMILYAID BOSTON, INC. D/B/A FAMILYAID

Notes to Financial Statements
June 30, 2024 and 2023

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Expense Allocation

Expenses related directly to a program are distributed to that program, while other expenses are allocated based upon management's estimate of the percentage attributable to each program.

Certain categories of expenses are attributable to more than one program or supporting function and are allocated on a reasonable basis that is consistently applied. The expenses that are allocated are personnel and related costs, which are allocated on the basis of estimates of time and effort; occupancy costs and depreciation, which are allocated on a square footage basis; and office supplies and telephone costs, which are allocated based on usage studies conducted annually.

Donated Services and Goods

In-kind contributions are reflected as contributions at their fair value of the services and goods received, at date of donation, and are reported as unrestricted support unless explicit donor stipulations specify how the donated assets must be used. FAB is the recipient of donated services and goods. These amounts have been reported as both donated services in the accompanying statements of activities and changes in net assets and statements of functional expenses. FAB recognizes the fair value of contributed services received if such services a) create or enhance nonfinancial assets or b) require specialized skills that are provided by individuals possessing those skills and would typically need to be purchased if not contributed. Donated services are valued at the standard hourly rates charged for those services. Donated goods are valued at the wholesale prices that would be received for selling similar products.

Donated services and goods consisted of the following for the years ended June 30:

	<u>2024</u>	<u>2023</u>
Professional services	\$ 290,050	\$ 162,100
Salaries	148,337	71,784
Professional investment fees (see Note 4)	<u>20,000</u>	<u>20,000</u>
	<u>\$ 458,387</u>	<u>\$ 253,884</u>

Advertising

FAB expenses advertising costs as they are incurred, which are shown as marketing expenses in the accompanying statements of functional expenses.

Statements of Activities and Changes in Net Assets

Transactions deemed by management to be ongoing, major, or central to the provision of program services are reported as operating revenues and public support and operating expenses in the accompanying statements of activities and changes in net assets. Other revenues include mainly endowment, capital and investment activity.

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)**Income Taxes**

FAB accounts for uncertainty in income taxes in accordance with ASC Topic, *Income Taxes*. This standard clarifies the accounting for uncertainty in tax positions and prescribes a recognition threshold and measurement attribute for the financial statements regarding a tax position taken or expected to be taken in a tax return. FAB has determined that there are no uncertain tax positions which qualify for either recognition or disclosure in the financial statements at June 30, 2024 and 2023. FAB's information returns are subject to examination by the Federal and state jurisdictions.

Subsequent Events

As of October 31, 2024, there were no events which met the criteria for recognition or disclosure in the financial statements except for the events disclosed in Notes 5, 8, 11 and 14.

3. NET ASSETS**Net Assets Without Donor Restrictions**

Net assets without donor restrictions are those net resources that bear no external restrictions and are generally available for use by FAB. FAB has grouped its net assets without donor restrictions into the following categories:

Operating net assets represent funds available to carry on the operations of FAB.

Designated by the Board of Directors net assets represent funds that bear no external restrictions but have been designated by the Board of Directors for the following purposes:

	<u>2024</u>	<u>2023</u>
Funds functioning as endowment (see page 13)	\$ 2,636,363	\$ 2,337,215
Capital and other expenditures	<u>253,528</u>	<u>253,258</u>
	<u>\$ 2,889,891</u>	<u>\$ 2,590,473</u>

These funds are included in investments (see Note 4) and may only be used with the approval of the Board of Directors. During fiscal years 2024 and 2023, no funds were withdrawn from the capital and other expenditures fund for operations.

Property and equipment net assets reflect the net book value of FAB's property and equipment, project under development, equipment and ROU assets, net of related debt.

FAMILYAID BOSTON, INC. D/B/A FAMILYAID

Notes to Financial Statements
June 30, 2024 and 2023

3. NET ASSETS (Continued)**Net Assets With Donor Restrictions**

Net assets with donor restrictions represent contributions received or pledged that have not yet been expended for their designated purpose. Net assets with donor restrictions also include accumulated unspent appreciation and investment income on endowments. Included in net assets with donor restrictions are the following donor-restricted endowment funds (the restricted endowments):

Estate of Hannah Kimball Endowment - Donor's restrictions require that \$1,000 of principal be held as a permanent source of income.

Estate of Mary Converse Endowment - Donor's restrictions require that \$5,000 of principal be held as a permanent source of income.

Estate of Frank M. Ferrin Endowment - Donor's restrictions require that \$5,000 of principal be held as a permanent source of income.

Priscilla Hunt Endowment - Donor's restrictions require that \$160,000 of principal be held as a permanent source of income.

Richard and Deborah Carlson - Donor's restrictions require that \$25,000 of principal be held as a permanent source of income.

Net assets with donor restrictions consist of the following as of June 30:

	<u>2024</u>	<u>2023</u>
Subject to expenditure for specified purpose:		
Capital grants	\$ 3,606,379	\$ 47,529
Program grants	3,190,847	3,969,940
Accumulated unspent appreciation on the restricted endowments	<u>58,445</u>	<u>35,171</u>
Total expenditure for specified purpose	6,855,671	4,052,640
Restricted endowments - investment in perpetuity	<u>196,000</u>	<u>171,000</u>
Total	<u>\$ 7,051,671</u>	<u>\$ 4,223,640</u>

A portion of the program and capital grants is included in cash and investments in the accompanying statements of financial position.

Net assets were released from donor restrictions by incurring expenses satisfying the restricted purposes or other events specified by the donors as follows for the years ended June 30:

	<u>2024</u>	<u>2023</u>
Program grants	\$ 2,061,095	\$ 1,715,156
Capital grants	<u>11,750</u>	<u>12,500</u>
	<u>\$ 2,072,845</u>	<u>\$ 1,727,656</u>

FAMILYAID BOSTON, INC. D/B/A FAMILYAID

Notes to Financial Statements
June 30, 2024 and 2023

3. NET ASSETS (Continued)**Endowment Fund**

FAB follows the Uniform Prudent Management of Institutional Funds Act. Subject to the intent of a donor, FAB may appropriate for expenditure or accumulate so much of an endowment fund as FAB determines is prudent for the uses, benefits, purposes, and duration for which the endowment fund is established.

FAB has adopted investment policies for endowment assets that aim to establish the investment objectives, policies, guidelines, and eligible securities relating to any investments owned by FAB and identify the criteria against which the investment performance is measured. The investment goal is to achieve a total return (income and appreciation) of 5% after inflation, over a full market cycle. The investments are to be split between equity, fixed income, and money market funds to accomplish these goals. The benchmarks used in evaluating the performance of the funds will be the Standard and Poor's 500 Index.

FAB's Board of Directors has adopted an investment spending policy under which it may appropriate up to 5% of the average fair values of FAB's investment portfolio over the previous thirty-six months. The Board of Directors may approve additional spending if the amount to be withdrawn is greater than 5% under the policy.

During fiscal years 2024 and 2023, the Board designated investments were considered when approving the amount to be designated for operations. During fiscal years 2024 and 2023, no such funds were withdrawn nor appropriated. In accordance with *Accounting for Certain Investments Held by Not-for-Profit Organizations* standard and Massachusetts state law, appreciation on restricted endowments is included in net assets with donor restrictions.

Changes in endowment net assets by class are as follows for the years ended June 30:

	Without Donor Restrictions Board- Designated	With Donor Restrictions	Total Endowment
Endowment net assets, June 30, 2022	<u>\$ 2,120,404</u>	<u>\$ 178,742</u>	<u>\$ 2,299,146</u>
Investment returns:			
Net realized/unrealized gain	127,931	27,429	155,360
Investment income, net	<u>88,880</u>	<u>-</u>	<u>88,880</u>
Total investment returns	<u>216,811</u>	<u>27,429</u>	<u>244,240</u>
Endowment net assets, June 30, 2023	<u>2,337,215</u>	<u>206,171</u>	<u>2,543,386</u>
Investment returns:			
Net realized/unrealized gain	145,793	-	145,793
Investment income, net	<u>153,355</u>	<u>23,274</u>	<u>176,629</u>
Total investment returns	<u>299,148</u>	<u>23,274</u>	<u>322,422</u>
Contributions	<u>-</u>	<u>25,000</u>	<u>25,000</u>
Endowment net assets, June 30, 2024	<u>\$ 2,636,363</u>	<u>\$ 254,445</u>	<u>\$ 2,890,808</u>

FAMILYAID BOSTON, INC. D/B/A FAMILYAID

Notes to Financial Statements
June 30, 2024 and 2023

4. INVESTMENTS

The following is a summary of investments as of June 30:

	Fair Value Hierarchy	2024	2023
Cash	Level 1	\$ 405,862	\$ 524,969
Equities - mutual funds	Level 1	2,248,809	1,705,632
Fixed income:			
Treasury bills	Level 1	4,197,940	2,677,801
Corporate bonds and notes	Level 2	322,812	468,889
Non-traditional funds	Level 1	81,120	72,949
Other mutual funds	Level 1	<u>219,922</u>	<u>196,949</u>
		<u>\$ 7,476,465</u>	<u>\$ 5,647,189</u>

The investments that relate to the Board designated funds functioning as endowment (see Note 3) are collateral for the note payable to a bank (see Note 7). Investments are not insured and are subject to ongoing market fluctuations. Investments are classified as a long-term asset in the accompanying statements of financial position based on management's intent to hold these investments for long-term purposes.

Investment return consists of the following:

	2024	2023
Unrealized gain	\$ 257,063	\$ 243,120
Interest and dividends	237,623	91,606
Realized gains	5,544	30,642
Management fees	<u>(18,780)</u>	<u>(37,498)</u>
	<u>\$ 481,450</u>	<u>\$ 327,870</u>

A Board member of FAB was associated with the brokerage firm through January 2024 that handles FAB's investment transactions. The Board member manages FAB's portfolio, subject to oversight by the Board of Directors. FAB received and recognized \$20,000 of management fees from the brokerage firm as donated services and goods for the years ended June 30, 2024 and 2023, which is included in donated services and goods (see Note 2) in the accompanying statements of activities and changes in net assets and the statements of functional expenses.

5. PROPERTY AND EQUIPMENT

Property and equipment consist of the following as of June 30:

	2024	2023
Building and building improvements	\$ 2,410,077	\$ 2,392,580
Office equipment	488,330	423,896
Furniture and fixtures	95,672	95,672
Land	<u>47,000</u>	<u>47,000</u>
	3,041,079	2,959,148
Less - accumulated depreciation	<u>1,157,317</u>	<u>1,025,618</u>
Total	<u>\$ 1,883,762</u>	<u>\$ 1,933,530</u>

FAMILYAID BOSTON, INC. D/B/A FAMILYAID

Notes to Financial Statements
June 30, 2024 and 2023

5. PROPERTY AND EQUIPMENT (Continued)

Subsequent to June 30, 2024, FAB sold a property for \$600,000, which had a net book value of approximately \$242,000 at June 30, 2024, and yielded an approximate gain of \$358,000.

6. PROJECT UNDER DEVELOPMENT

During fiscal year 2024, FAB began the rehabilitation of 1650 Washington Street, Newton, Massachusetts and intends to develop the property into forty-two units of emergency family shelter and other spaces ancillary to such use (collectively, the 1650 Washington Street Project). The 1650 Washington Street Project is expected to be completed in January 2025 and total budgeted development costs are approximately \$11,815,000. FAB expects to fund these costs with proceeds from various loan commitments (see Notes 9 and 14) and restricted capital grants from various donors (see Note 3).

FAB will use the 1650 Washington Street Project to operate a non-profit education facility with educational training, family support services, and temporary shelter housing units which will be supported and funded by the Commonwealth of Massachusetts (see Note 11).

As of June 30, 2024, FAB has incurred and capitalized costs of \$2,240,917, which are shown as project under development in the accompanying fiscal year 2024 statement of financial position. These costs included construction, architecture, capitalized interest, and other related development costs.

7. NOTE PAYABLE TO A BANK

FAB has a revolving line of credit agreement with a bank that provides for borrowing up to \$1,000,000. The London Interbank Offered Rate (LIBOR) transitioned to the Secured Overnight Financing Rate during fiscal year 2023. The Secured Overnight Financing Rate is 5.33% as of June 30, 2024, and 5.09% as of June 30, 2023. The line of credit is secured by FAB's investments (see Note 4) as defined in the agreement. There was no outstanding balance as of June 30, 2024 and 2023. FAB must meet certain covenants as specified in the agreement. FAB was in compliance with these covenants as of June 30, 2024 and 2023. This note is renewable annually.

8. MORTGAGE NOTES PAYABLE

FAB has entered into the following agreements to finance various properties:

	<u>2024</u>	<u>2023</u>
2.75% note payable to a bank in the original amount of \$267,750, due in monthly principal and interest installments of \$1,093, through January 1, 2047. This note is secured by a shared first priority interest in a property located at 21 Marion Street, East Boston, Massachusetts, plus an assignment of leases and rent. This note was paid off subsequent to June 30, 2024.	\$ 219,983	\$ 226,882
3% note payable to a bank in the original amount of \$260,000, due in monthly principal and interest installments of \$1,096, through December 1, 2047. This note is secured by a first priority interest in a property located at 134 Ellington Street, Dorchester, Massachusetts, plus an assignment of leases and rent.	214,488	221,115

FAMILYAID BOSTON, INC. D/B/A FAMILYAID

Notes to Financial Statements
June 30, 2024 and 2023

8. MORTGAGE NOTES PAYABLE (Continued)

	<u>2024</u>	<u>2023</u>
2.75% note payable to a bank in the original amount of \$252,250, due in monthly principal and interest installments of \$1,030, through January 1, 2047. This note is secured by a shared first priority interest in a property located at 680 Columbia Road, Dorchester, Massachusetts, plus an assignment of leases and rent.	207,171	213,748
3% note payable to a bank in the original amount of \$243,750, due in monthly principal and interest installments of \$1,028, through December 1, 2047. This note is secured by a first priority interest in a property located at 132 Ellington Street, Dorchester, Massachusetts, plus an assignment of leases and rent.	200,932	207,145
Note payable to a bank in the original amount of \$180,000 at 2.75% interest, due in monthly principal and interest installments of \$735, through January 1, 2047. This note is secured by a shared first priority interest in a property located at 680 Columbia Road, Dorchester, Massachusetts, plus an assignment of leases and rent.	147,832	152,525
Note payable to a bank in the original amount of \$145,000 at 2.75% interest, due in monthly principal and interest installments of \$592, through January 1, 2047. This note is secured by a shared first priority interest in a property located at 21 Marion Street, East Boston, Massachusetts, plus an assignment of leases and rent. This note was paid off subsequent to June 30, 2024.	119,088	122,868
	1,109,494	1,144,283
Less - current portion	<u>35,712</u>	<u>34,712</u>
	<u>\$ 1,073,782</u>	<u>\$ 1,109,571</u>

Future maturities of mortgage notes payable over the next five years are as follows:

2025	\$ 35,712
2026	\$ 36,740
2027	\$ 37,798
2028	\$ 38,886
2029	\$ 40,006

FAB must comply with certain covenants as defined in the mortgage note payable agreements as well as the contingent notes payable agreements (see Note 8). FAB was in compliance with these covenants as of June 30, 2024 and 2023.

FAMILYAID BOSTON, INC. D/B/A FAMILYAID

Notes to Financial Statements
June 30, 2024 and 2023

9. CONTINGENT NOTES PAYABLE

Contingent notes payable consist of the following at June 30:

	<u>2024</u>	<u>2023</u>
7% note payable to Community Economic Development Assistance Corporation (CEDAC) for the 1650 Washington Street Project (see Note 6). It is a predevelopment loan, with an original amount of \$300,000. The loan may be forgiven by CEDAC in its sole and absolute discretion. This note was paid off subsequent to June 30, 2024, using proceeds from other loans (see Note 14).	\$ 254,050	\$ -
Non-interest bearing note payable to the Executive Office of Housing and Livable Communities (EOHLC) under the Housing Stabilization Fund (HSF) program. Outstanding principal is due on June 21, 2031. This note is secured by a shared mortgage on the Pleasant Street property.	150,000	150,000
1% note payable to the City of Boston. Outstanding principal and accrued interest are due on demand, only in the event of a default, as defined in the agreement. This note is secured by a shared mortgage on the Pleasant Street property.	150,000	150,000
Non-interest bearing note payable to CEDAC under the Housing Innovations Fund (HIF) program. Annual payments of principal are subject to cash flow defined as gross receipts exceeding 105% of cash expenditures. There were no payments due under this note as of June 30, 2024 and 2023. This note is secured by a mortgage on the Pleasant Street property.	<u>72,828</u>	<u>72,828</u>
Total	<u>\$ 626,878</u>	<u>\$ 372,828</u>

10. RETIREMENT PLAN

FAB maintains an employee retirement plan that qualifies under IRC Section 403(b). FAB makes discretionary contributions to eligible employees' retirement funds based on two percent of employees' gross pay, plus an additional two percent for those eligible employees who contribute a minimum of two percent to their retirement fund. Employees are eligible when they reach twenty-one years of age and complete one year of service. Employees become vested after three years of participation. For the years ended June 30, 2024 and 2023, FAB contributed \$185,874 and \$156,178, respectively, to the retirement plan, which is included in employee benefits in the accompanying statements of functional expenses.

11. LEASE COMMITMENTS

Operating Leases

Client Assistance

FAB leases various properties to house clients under various operating lease agreements, which have various expiration dates through April 2026. FAB incurred \$2,477,352 and \$2,217,873 of expenses under these agreements for the years ended June 30, 2024 and 2023, respectively, and is included in client assistance in the accompanying statements of functional expenses.

Facility

FAB has a lease agreement for office space expiring in September 2025. Monthly rent payments under the lease range from \$20,430 to \$21,168, payable in monthly installments (plus a proportionate share of increases in operating costs and real estate taxes, as applicable). FAB has incurred \$259,665 and \$264,308 of rent expense under these agreements for the years ended June 30, 2024 and 2023, respectively, and is included in rent in the accompanying statements of functional expenses. Variable lease costs associated with this lease were approximately \$64,000 for the fiscal years ended June 30, 2024 and 2023, and is included in rent in the accompanying statements of functional expenses.

Equipment

FAB leases equipment under various operating lease agreements, which have various expiration dates. FAB has incurred \$7,222 and \$6,978 of expenses under these agreements for the years ended June 30, 2024 and 2023, respectively, and is included in small equipment in the accompanying statements of functional expenses.

FAB's lease agreements do not contain any material residual value guarantees or material restrictive covenants.

Finance Leases

1650 Washington Street

During fiscal year 2024, FAB entered into a lease agreement to lease a property consisting of land, a building, and parking area located at 1650 Washington Street, Newton, Massachusetts (collectively, 1650 Washington Street). The initial lease term is for fifteen years and may be extended for up to four periods of ten years each as specified in the agreement. The lease commenced in October 2023 and rent payments commenced in February 2024. Base rent is due in monthly installments of \$124,374, which escalates through termination to \$165,634 (2% annual increase). The monthly base rent is net of a tenant improvement credit of \$4,776 per month through the initial lease term for a maximum amount of \$859,750. FAB will also be responsible for real estate taxes, insurance and other related costs which will be billed monthly by the landlord as additional rent (variable lease payments). No additional rent was billed during fiscal year 2024.

In addition, the landlord also agreed to pay \$1,000,000 to FAB as a tenant improvement allowance (TI Allowance), based on certain conditions as specified in the lease agreement, to be used to cover costs relating to the 1650 Washington Street Project (see Note 6). Subsequent to June 30, 2024, FAB began requisitioning for the TI Allowance, and submitted the first requisition to the landlord for approximately \$253,000 in July 2024.

FAMILYAID BOSTON, INC. D/B/A FAMILYAID

Notes to Financial Statements
June 30, 2024 and 2023

11. LEASE COMMITMENTS (Continued)**Finance Leases (Continued)***1650 Washington Street (Continued)*

Amortization expense of this lease asset was \$805,746, which is shown as amortization expense of ROU assets - finance in the accompanying statement of functional expenses for the year ended June 30, 2024. Interest on the finance lease liabilities was \$638,298 as of June 30, 2024, and is capitalized in accordance with ASC 835-20, *Interest, Capitalization of Interest*, as 1650 Washington Street is undergoing construction and renovation and not ready for its intended use by FAB. Capitalized interest is included in project under development (see Note 6).

Remaining finance leases are for copiers which have monthly payments that range from \$47 to \$455 per month.

The maturity of lease liabilities as of June 30, 2024:

	<u>Finance</u>	<u>Operating</u>	<u>Total</u>
2025	\$ 1,511,427	\$ 1,921,855	\$ 3,433,282
2026	1,542,681	208,434	1,751,115
2027	1,570,373	-	1,570,373
2028	1,601,049	-	1,601,049
2029	1,634,216	-	1,634,216
Thereafter	<u>16,976,970</u>	<u>-</u>	<u>16,976,970</u>
Total future undiscounted lease payments	24,836,716	2,130,289	26,967,005
Less - present value discount	7,701,797	47,225	7,749,022
Less - current portion	<u>1,511,427</u>	<u>1,921,855</u>	<u>3,433,282</u>
Lease liability, net of current portion	<u>\$ 15,623,492</u>	<u>\$ 161,209</u>	<u>\$ 15,784,701</u>
		<u>2024</u>	<u>2023</u>
Weighted-Average Remaining Lease Term (in years):			
Operating leases		1.13	1.74
Finance leases		14.30	3.24
Weighted Average Discount Rate:			
Operating leases		4.45%	3.45%
Finance leases		5.30%	4.13%

FAMILYAID BOSTON, INC. D/B/A FAMILYAID

Notes to Financial Statements
June 30, 2024 and 2023

11. LEASE COMMITMENTS (Continued)**Finance Leases (Continued)**

The following summarizes cash flow information related to leases for the years ended June 30:

	<u>2024</u>	<u>2023</u>
Cash paid for amounts included in the measurement of operating lease liabilities	\$ 2,642,830	\$ 165,292
Cash paid for amounts included in the measurement of finance lease liabilities	\$ 623,187	\$ -
ROU assets obtained in exchange for finance lease obligations	\$ 17,105,208	\$ 22,744
ROU assets obtained in exchange for operating lease obligations	\$ -	\$ 1,015,759
ROU assets obtained in exchange for operating lease obligations due to lease modifications	\$ 2,595,601	\$ -

12. FUNDING

FAB received the following program grants and contracts - government to assist with program expenses and operating costs during the years ended June 30:

	<u>2024</u>	<u>2023</u>
Executive Office of Housing and Livable Communities (EOHLC):		
Family Emergency Shelter	\$ 10,655,883	\$ 8,322,387
Emergency Solutions Grant	115,500	79,292
MRVP Reserve Support Services and other	10,000	10,000
Boston Children's Hospital - MassHealth	1,368,647	1,164,911
Boston Public Schools	862,172	1,156,346
Boston Medical Center	-	207,444
City of Boston Mayor's Office of Housing:		
Emergency Solution and Rapid Rehousing	1,019,359	1,843,882
City of Boston - Home Advantage Collaborative	901,656	734,452
HUD Unsheltered	193,651	-
Other	37,965	72,640
Chronic Homeless Housing	-	19,608
	<u>\$ 15,164,833</u>	<u>\$ 13,610,962</u>

These grants and contracts have been expended according to their respective terms and are subject to possible final audit determination by certain governmental agencies. In the opinion of management, no significant liability to FAB will result from any such audits. Approximately 65% and 85% of accounts receivable, net at June 30, 2024 and 2023, respectively, are due from two donors and one governmental entity.

FAMILYAID BOSTON, INC. D/B/A FAMILYAID

Notes to Financial Statements
June 30, 2024 and 2023

13. CONCENTRATION OF CREDIT RISK

FAB maintains its cash balances in three banks in Massachusetts. The Federal Deposit Insurance Corporation insures balances at each bank up to certain amounts. At certain times during the year, the cash balances exceeded the insured amount. FAB has not experienced any losses in such accounts. FAB's management believes it is not exposed to any significant credit risk on its cash.

14. CONDITIONAL GRANTS AND COMMITMENTS

Conditional Grants

During fiscal years 2024 and 2023, FAB was awarded conditional grants in the amounts of \$2,899,348 and \$2,700,660 for fiscal years 2024 and 2023, respectively. As the grants are restricted by time and are conditional upon performance milestones, the conditions have not been met during fiscal years 2024 and 2023, and the grants have not been recorded as revenue in the accompanying financial statements as of June 30, 2024 and 2023.

The 1650 Washington Street Project

Construction Funding

Subsequent to year-end, as part of the 1650 Washington Street Project closing in fiscal year 2024, the following commitments were entered into:

<u>Lender</u>	<u>Interest Rate</u>	<u>Loan Amount</u>	<u>Initial Term</u>
EOHLC Housing Innovations Fund (HIF)	0%	\$ 5,000,000	30 Years
EOHLC Housing Stabilization Fund (HSF)	0%	\$ 2,750,000	50 Years

The Newton Affordable Housing Trust (NAHT) also approved and appropriated a \$500,000 grant to FAB.

Subsequent to June 30, 2024, FAB drew down approximately \$1,769,000 and \$500,000 on the HIF and NAHT funds, respectively, to cover costs related to the 1650 Washington Street Project. Seven hundred and fifty thousand dollars (\$750,000) of the loan proceeds for HIF and HSF was used to cover a portion of the lease payments on 1650 Washington Street (see Note 11).

Operational Funding

The Commonwealth of Massachusetts, EOHLC, has also committed a total of approximately \$68,900,000 in operational related funding over a fifteen-year period to cover program operating costs at the 1650 Washington Street Project. This funding will be subject to the terms and conditions of FAB's emergency assistance contract with EOHLC.

In connection with oversight of construction of the 1650 Washington Street Project, FAB is entitled to a \$150,000 development overhead fee which will be used to contract a third party for development services. FAB will also be entitled to an additional \$393,704 of developer fee.

FAMILYAID BOSTON, INC. D/B/A FAMILYAID

Notes to Financial Statements
June 30, 2024 and 2023

15. LIQUIDITY

FAB's financial assets available within one year from the statements of financial position date for general operating expenses as of June 30:

	<u>2024</u>	<u>2023</u>
Cash	\$ 1,747,584	\$ 996,509
Accounts receivable, net	<u>3,109,715</u>	<u>2,781,844</u>
Total financial assets	<u>4,857,299</u>	<u>3,778,353</u>
Contractual or donor-imposed restrictions:		
Funds held for others	(8,903)	(9,163)
Other donor restrictions	<u>(2,451,084)</u>	<u>(1,373,095)</u>
Total contractual or donor-imposed restrictions	<u>(2,459,987)</u>	<u>(1,382,258)</u>
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 2,397,312</u>	<u>\$ 2,396,095</u>

FAB is substantially supported by restricted contributions. Because a donor's restriction requires resources to be used in a particular manner or in a future period, FAB must maintain sufficient resources to meet those responsibilities to its donors. Thus, financial assets may not be available for general expenditure within one year. As part of FAB's liquidity management, FAB has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due. There are funds established by the governing board that may be drawn upon in the event of financial distress or an immediate liquidity need resulting from events outside the typical life cycle of converting financial assets to cash or settling financial liabilities. In the event of an unanticipated liquidity need, FAB could also draw upon \$1,000,000 of available line of credit (see Note 7).

16. RECLASSIFICATION

Certain amounts in the fiscal year 2023 financial statements have been reclassified to conform with the fiscal year 2024 presentation.