



# FamilyAid Boston, Inc. d/b/a FamilyAid

Financial Statements

June 30, 2025 and 2024

**FamilyAid Boston, Inc. d/b/a FamilyAid**

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June 30, 2025 and 2024

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## 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, 2025 and 2024, and the related statements of activities and changes in net assets, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of FamilyAid Boston, Inc. d/b/a FamilyAid as of June 30, 2025 and 2024, 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) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the 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 the financial statements are available to be issued.

## ***Auditor's Responsibilities for the Audit of the Financial Statements***

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

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 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  
December 1, 2025

# Financial Statements

**FamilyAid Boston, Inc. d/b/a FamilyAid**  
**Statements of Financial Position**  
**As of June 30, 2025 and 2024**

	<b>2025</b>	<b>2024</b>
<b>Assets</b>		
<b>Current assets</b>		
Cash and cash equivalents	\$ 1,605,486	\$ 1,747,584
Accounts receivable, net	6,304,292	3,109,715
Prepaid expenses and other	184,101	216,423
Assets held for sale	1,040,634	-
<b>Total current assets</b>	9,134,513	5,073,722
Investments	7,742,291	7,476,465
Property and equipment, net	13,246,013	4,124,679
Right-of-use assets - finance	15,060,495	16,318,145
Right-of-use assets - operating	5,233,925	2,064,541
<b>Total assets</b>	\$ 50,417,237	\$ 35,057,552
<b>Liabilities and Net Assets</b>		
<b>Liabilities</b>		
<b>Current liabilities</b>		
Accounts payable and accrued expenses	\$ 1,483,780	\$ 972,481
Current portion of finance lease liabilities	789,690	1,511,427
Current portion of operating lease liabilities	2,521,969	1,921,855
Current portion of mortgage notes payable	36,740	35,712
<b>Total current liabilities</b>	4,832,179	4,441,475
Contingent notes payable	8,622,828	626,878
Mortgage notes payable, net of current portion	711,109	1,073,782
Finance lease liabilities, net of current portion	16,566,609	15,623,492
Operating lease liabilities, net of current portion	2,765,554	161,209
Accounts payable - construction	1,156,609	1,205,694
<b>Total liabilities</b>	34,654,888	23,132,530
<b>Net assets</b>		
<b>Net assets without donor restrictions</b>		
Operating	4,625,810	1,636,144
Designated by the Board of Directors (see Note 3)	3,257,833	2,889,891
Property and equipment	1,409,959	347,316
<b>Total net assets without donor restrictions</b>	9,293,602	4,873,351
Net assets with donor restrictions	6,468,747	7,051,671
<b>Total net assets</b>	15,762,349	11,925,022
<b>Total liabilities and net assets</b>	\$ 50,417,237	\$ 35,057,552

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

**FamilyAid Boston, Inc. d/b/a FamilyAid**  
**Statements of Activities and Changes in Net Assets**  
**For the years ended June 30, 2025 and 2024**

	<b>2025</b>	<b>2024</b>
<b>Changes in Net Assets Without Donor Restrictions</b>		
<b>Operating revenues and public support</b>		
<b>Operating revenues</b>		
Program grants and contracts - government	\$ 17,841,627	\$ 15,164,833
Rental and other income	881,936	330,125
<b>Total operating revenues</b>	<b>18,723,563</b>	<b>15,494,958</b>
<b>Public support</b>		
Grants and contributions	3,836,188	3,305,977
Net assets released from program restrictions	2,016,896	2,061,095
Donated goods and services	291,370	458,387
Special events revenue, net	221,875	269,221
United Way	50,000	50,000
<b>Total public support</b>	<b>6,416,329</b>	<b>6,144,680</b>
<b>Total operating revenues and public support</b>	<b>25,139,892</b>	<b>21,639,638</b>
<b>Operating expenses</b>		
Program services	21,232,252	18,918,129
General and administrative	734,434	748,757
Fundraising	1,654,782	1,576,387
<b>Total operating expenses before depreciation and amortization</b>	<b>23,621,468</b>	<b>21,243,273</b>
Changes in net assets without donor restrictions before depreciation and amortization	1,518,424	396,365
Depreciation and amortization	1,408,980	937,445
Changes in net assets without donor restrictions from operations	109,444	(541,080)

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

**FamilyAid Boston, Inc. d/b/a FamilyAid**  
**Statements of Activities and Changes in Net Assets**  
**For the years ended June 30, 2025 and 2024**

	<b>2025</b>	<b>2024</b>
<b>Non-operating revenues</b>		
Net assets released from capital restrictions	2,428,798	11,750
Capital grant revenue	1,015,621	-
Investment return, net of fees	490,327	458,176
Gain on sale of property	376,061	-
<b>Total other revenues</b>	<b>4,310,807</b>	<b>469,926</b>
 Changes in net assets without donor restrictions	 4,420,251	 (71,154)
 <b>Changes in Net Assets With Donor Restrictions</b>		
Grants and contributions	3,710,904	1,307,002
Capital grants	121,110	3,570,600
Investment return	30,756	23,274
Net assets released from restrictions	(4,445,694)	(2,072,845)
<b>Changes in net assets with donor restrictions</b>	<b>(582,924)</b>	<b>2,828,031</b>
 Changes in net assets	 3,837,327	 2,756,877
 <b>Net Assets:</b>		
Beginning of year	11,925,022	9,168,145
 End of year	 \$ 15,762,349	 \$ 11,925,022

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

**FamilyAid Boston, Inc. d/b/a FamilyAid**  
**Statements of Functional Expenses**  
**For the Year Ended June 30, 2025**  
(With Summarized Comparative Totals for the Year Ended June 30, 2024)

	2025			2024	
	Program Services	Fundraising	Management and Administrative	Total Expenses	Total Expenses
<b>Personnel and related</b>					
Salaries	\$ 8,388,824	\$ 1,101,521	\$ 211,396	\$ 9,701,741	\$ 8,021,922
Employee benefits	1,470,563	118,178	13,821	1,602,562	1,351,433
Payroll taxes	721,955	94,134	22,603	838,692	696,017
<b>Total personnel and related</b>	<b>10,581,342</b>	<b>1,313,833</b>	<b>247,820</b>	<b>12,142,995</b>	<b>10,069,372</b>
<b>Occupancy</b>					
Repairs and maintenance	513,235	1,472	948	515,655	271,544
Rent	274,346	19,788	3,766	297,900	323,665
Insurance	141,129	9,036	2,347	152,512	116,951
Utilities	60,224	-	-	60,224	74,922
<b>Total occupancy</b>	<b>988,934</b>	<b>30,296</b>	<b>7,061</b>	<b>1,026,291</b>	<b>787,082</b>
<b>Other</b>					
Client assistance	7,133,172	-	-	7,133,172	7,411,727
Professional fees and temporary help	620,926	155,267	199,613	975,806	1,384,189
Lease interest expense	850,647	-	-	850,647	-
Small equipment	432,617	43,067	3,305	478,989	396,755
Miscellaneous	274,840	51,740	55,442	382,022	374,267
Donated goods and services	82,278	-	209,092	291,370	458,387
Telephone	120,272	6,080	-	126,352	100,174
Directed special event	-	114,745	-	114,745	102,024
Office supplies	47,162	7,459	7,234	61,855	66,508
Travel	41,924	609	3,235	45,768	42,473
Marketing	-	40,892	-	40,892	63,655
Bad debt expense	28,000	-	-	28,000	14,125
Interest expense	25,069	-	-	25,069	47,328
Printing and postage	5,069	5,539	1,632	12,240	27,231
<b>Total other</b>	<b>9,661,976</b>	<b>425,398</b>	<b>479,553</b>	<b>10,566,927</b>	<b>10,488,843</b>
Total expenses before depreciation and amortization	21,232,252	1,769,527	734,434	23,736,213	21,345,297
Depreciation and amortization	1,397,886	5,670	5,424	1,408,980	937,445
Less - direct special event activities included with revenues on the statements of activities and changes in net assets	-	(114,745)	-	(114,745)	(102,024)
<b>Total expenses</b>	<b>\$ 22,630,138</b>	<b>\$ 1,660,452</b>	<b>\$ 739,858</b>	<b>\$ 25,030,448</b>	<b>\$ 22,180,718</b>

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

**FamilyAid Boston, Inc. d/b/a FamilyAid**

Statement of Functional Expenses

For the Year Ended June 30, 2024

	<u>Program Services</u>	<u>Fundraising</u>	<u>Management and Administrative</u>	<u>Total Expenses</u>
<b>Personnel and related</b>				
Salaries	\$ 6,810,192	\$ 983,236	\$ 228,494	\$ 8,021,922
Employee benefits	1,194,573	98,456	58,404	1,351,433
Payroll taxes	589,656	85,118	21,243	696,017
<b>Total personnel and related</b>	<u>8,594,421</u>	<u>1,166,810</u>	<u>308,141</u>	<u>10,069,372</u>
<b>Occupancy</b>				
Repairs and maintenance	265,793	1,835	3,916	271,544
Rent	292,070	25,716	5,879	323,665
Insurance	98,997	7,596	10,358	116,951
Utilities	74,591	269	62	74,922
<b>Total occupancy</b>	<u>731,451</u>	<u>35,416</u>	<u>20,215</u>	<u>787,082</u>
<b>Other</b>				
Client assistance	7,411,727	-	-	7,411,727
Professional fees and temporary help	974,692	181,946	227,551	1,384,189
Small equipment	351,066	33,821	11,868	396,755
Miscellaneous	273,919	55,258	45,090	374,267
Donated goods and services	347,473	-	110,914	458,387
Telephone	94,773	5,401	-	100,174
Direct special event	-	102,024	-	102,024
Office supplies	45,250	8,882	12,376	66,508
Travel	29,732	857	11,884	42,473
Marketing	-	63,655	-	63,655
Bad debt expense	14,125	-	-	14,125
Interest expense	47,328	-	-	47,328
Printing and postage	2,172	24,341	718	27,231
<b>Total other</b>	<u>9,592,257</u>	<u>476,185</u>	<u>420,401</u>	<u>10,488,843</u>
Total expenses before depreciation and amortization	18,918,129	1,678,411	748,757	21,345,297
Depreciation and amortization	928,844	5,562	3,039	937,445
Less - direct special event activities included with revenues on the statements of activities and changes in net assets	-	(102,024)	-	(102,024)
<b>Total expenses</b>	<u>\$ 19,846,973</u>	<u>\$ 1,581,949</u>	<u>\$ 751,796</u>	<u>\$ 22,180,718</u>

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

**FamilyAid Boston, Inc. d/b/a FamilyAid**  
**Statements of Cash Flows**  
For the years ended June 30, 2025 and 2024

	<b>2025</b>	<b>2024</b>
<b>Cash flows from operating activities</b>		
Changes in net assets	\$ 3,837,327	\$ 2,756,877
<b>Adjustments to reconcile changes in net assets to net cash provided by operating activities</b>		
Depreciation	262,957	131,699
Gain on sale of property	(376,061)	-
Bad debt expense	28,000	14,125
Capital grants	(1,136,731)	(3,570,600)
Net realized and unrealized gain on investments	(270,900)	(262,607)
Change in ROU assets and liabilities - operating	35,075	(15,812)
Amortization expense of ROU assets - finance	1,146,023	805,746
<b>Changes in operating assets and liabilities:</b>		
Accounts receivable, net	(3,222,577)	591,337
Prepaid expenses and other	32,322	(31,857)
Accounts payable and accrued expenses	511,299	144,352
<b>Net cash provided by operating activities</b>	<b>846,734</b>	<b>563,260</b>
<b>Cash flows from investing activities</b>		
Acquisition of property and equipment	(10,697,949)	(853,385)
Proceeds from sale of property	600,000	-
Sales of investments	3,755,845	1,181,614
Purchases of investments	(3,750,771)	(2,748,284)
<b>Net cash used in investing activities</b>	<b>(10,092,875)</b>	<b>(2,420,055)</b>
<b>Cash flows from financing activities</b>		
Capital grants	1,136,731	2,637,267
Payments on finance lease liabilities	(666,993)	(248,658)
Tenant improvement allowance proceeds	1,000,000	-
Proceeds from contingent notes	8,250,000	254,050
Payments of contingent notes	(254,050)	-
Principal payments of mortgage notes payable	(361,645)	(34,789)
<b>Net cash provided by financing activities</b>	<b>9,104,043</b>	<b>2,607,870</b>
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>(142,098)</b>	<b>751,075</b>
Cash and cash equivalents at beginning of year	1,747,584	996,509
<b>Cash and cash equivalents at end of year</b>	<b>\$ 1,605,486</b>	<b>\$ 1,747,584</b>
<b>Supplemental cash flow information</b>		
<b>Cash paid during the year for</b>		
Interest	<b>\$ 875,716</b>	<b>\$ 47,328</b>

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

## **FamilyAid Boston, Inc. d/b/a FamilyAid**

### Notes to Financial Statements

June 30, 2025 and 2024

#### **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**

##### **Basis of Accounting**

FAB prepares its financial statements in accordance with generally accepted accounting 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).

##### **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 estimate.

##### **Cash and Cash Equivalents**

Cash and cash equivalents consist of checking and money market accounts as of June 30, 2025 and 2024. Cash and cash equivalents included as a component of FAB's investment portfolio are not considered cash and cash equivalents for purposes of the statements of cash flow.

##### **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 deemed uncollectable in accounts receivable based on historical collections and other factors. As of June 30, 2025 and 2024, the allowance for doubtful accounts was \$69,492 and \$41,492, respectively.

##### **Assets Held For Sale**

FAB classifies assets as held for sale when management commits to a plan to sell the assets and the sale is expected within one year. Such assets are reported in current assets at the lower of carrying value or fair value less costs to sell. Depreciation stops once an asset is classified as held for sale (see Note 4).

## FamilyAid Boston, Inc. d/b/a FamilyAid

### Notes to Financial Statements

June 30, 2025 and 2024

## 2. Significant Accounting Policies (Continued)

### Investments

Investments (see Note 5) 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 appropriate a portion of total investment return for use in operations (see Note 3).

### Property and Equipment, Net of Accumulated 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. Land is not depreciated.

Depreciation is computed using the straight-line method over the following estimated useful lives:

	<u>Estimated Useful Lives</u>
Buildings and improvements	39 years
Leasehold improvements	15 years
Furniture and fixtures	5 - 10 years
Office Equipment	3 - 5 years

Construction in progress consisted of predevelopment and development costs related to the construction and rehabilitation of a leased property, 1650 Washington Street, Newton, Massachusetts. All development costs incurred and considered recoverable are capitalized during construction. In fiscal year 2025, the project was complete and put into service (see Note 6).

FAB accounts for the carrying value of its property and equipment in accordance with ASC Topic, *Property, Plant, and Equipment*. Under this standard, an impairment loss is recognized when the carrying amount of long-lived assets exceeds its fair value. There were no impairment losses recorded in fiscal year 2025 or 2024.

### 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 ASC Topic, *Leases*, 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.

## FamilyAid Boston, Inc. d/b/a FamilyAid

### Notes to Financial Statements

June 30, 2025 and 2024

## 2. Significant Accounting Policies (Continued)

### Leases (Continued)

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.

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.

## FamilyAid Boston, Inc. d/b/a FamilyAid

### Notes to Financial Statements

June 30, 2025 and 2024

## 2. Significant Accounting Policies (Continued)

### Revenue Recognition

FAB generally measures revenue based on the amount of consideration FAB expects to be entitled for the transfer of goods or services to a customer, then recognizes this revenue when or as FAB satisfy its performance obligations under a contract, except in transactions where U.S. GAAP provides other applicable guidance. FAB evaluates its revenue contracts with customers based on the five-step model under Topic 606: (1) Identify the contract with the customer; (2) Identify the performance obligations in the contract; (3) Determine the transaction price; (4) Allocate the transaction price to separate performance obligations; and (5) Recognize revenue when (or as) each performance obligation is satisfied.

Development fees were earned by FAB in its sponsorship in constructing the 1650 Washington Street Project. The agreement defines the scope of activities provided by FAB. The activities under the agreement are considered a single performance obligation as the services provided are not considered to be distinct within the context of the agreement.

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, 2025 and 2024.

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, 2025 and 2024

## 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 Goods and Services

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

	<u>2025</u>	<u>2024</u>
Professional services	\$ 189,092	\$ 290,050
Salaries	82,278	148,337
Professional Investment fees	20,000	20,000
<b>Total</b>	<u>\$ 291,370</u>	<u>\$ 458,387</u>

### Advertising Costs

FAB expenses advertising costs as they are incurred. Advertising expenses for the years ended June 30, 2025 and 2024, were \$40,892 and \$63,655, respectively, which are included in marketing in the accompanying statements of functional expenses.

**FamilyAid Boston, Inc. d/b/a FamilyAid**

Notes to Financial Statements

June 30, 2025 and 2024

**2. Significant Accounting Policies (Continued)**

**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. Non-operating revenues include gains on sale of property (see Note 6), capital endowment and investment activity.

**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, 2025 and 2024. FAB's information returns are subject to examination by the Federal and state jurisdictions.

**Subsequent Events**

Subsequent events have been evaluated through December 1, 2025, which is the date the financial statements were available to be issued. There were no events which met the criteria for recognition or disclose in the financial statements except for the events disclosed in Notes 4, 7, and 13.

**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>2025</u>	<u>2024</u>
Funds functioning as endowment	\$ 3,004,305	\$ 2,636,363
Capital and other expenditures	253,528	253,528
<b>Total</b>	<u>\$ 3,257,833</u>	<u>\$ 2,889,891</u>

## FamilyAid Boston, Inc. d/b/a FamilyAid

### Notes to Financial Statements

June 30, 2025 and 2024

### 3. Net Assets (Continued)

#### Net Assets Without Donor Restrictions (Continued)

These funds are included in investments and may only be used with the approval of the Board of Directors. During fiscal years 2025 and 2024, 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, ROU assets, and assets held for sale, net of related liabilities.

#### 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 \$45,000 of principal be held as a permanent source of income.

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

	<u>2025</u>	<u>2024</u>
Program grants	\$ 4,864,855	\$ 3,190,847
Capital grants	1,298,691	3,606,379
Accumulated unspent appreciation on the restricted endowments	89,201	58,445
<b>Total expenditure for specified purpose</b>	<u>6,252,747</u>	<u>6,855,671</u>
Restricted endowments - investment in perpetuity	216,000	196,000
<b>Total</b>	<u>\$ 6,468,747</u>	<u>\$ 7,051,671</u>

**FamilyAid Boston, Inc. d/b/a FamilyAid**

Notes to Financial Statements

June 30, 2025 and 2024

**3. Net Assets (Continued)**

**Net Assets With Donor Restrictions (Continued)**

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>2025</u>	<u>2024</u>
Capital grants	\$ 2,428,798	\$ 11,750
Program grants	2,016,896	2,061,095
	<u>\$ 4,445,694</u>	<u>\$ 2,072,845</u>

**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 2025 and 2024, the Board designated investments were considered when approving the amount to be designated for operations. During fiscal years 2025 and 2024, 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.

**FamilyAid Boston, Inc. d/b/a FamilyAid**

Notes to Financial Statements

June 30, 2025 and 2024

**3. Net Assets (Continued)**

**Endowment Fund (Continued)**

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

	<b>Without Donor Restrictions</b>	<b>With Donor Restrictions</b>	<b>Total Endowment</b>
	<b>Board- Designated</b>		
	<u>                    </u>	<u>                    </u>	<u>                    </u>
Endowment net assets, June 30, 2023	\$ 2,337,215	\$ 206,171	\$ 2,543,386
<b>Investment returns:</b>			
Net realized/unrealized gain	145,793	-	145,793
Investment income, net	153,355	23,274	176,629
<b>Total investment returns</b>	<u>299,148</u>	<u>23,274</u>	<u>322,422</u>
Contributions	<u>-</u>	<u>25,000</u>	<u>25,000</u>
<b>Endowment net assets, June 30, 2024</b>	<u>2,636,363</u>	<u>254,445</u>	<u>2,890,808</u>
<b>Investment returns:</b>			
Net realized/unrealized gain	301,876	-	301,876
Investment income, net	66,066	30,756	96,822
<b>Total investment returns</b>	<u>367,942</u>	<u>30,756</u>	<u>398,698</u>
Contributions	<u>-</u>	<u>20,000</u>	<u>20,000</u>
<b>Endowment net assets, June 30, 2025</b>	<u>\$ 3,004,305</u>	<u>\$ 305,201</u>	<u>\$ 3,309,506</u>

**4. Assets Held For Sale**

Assets held for sale represent three buildings and one parcel of land that FAB plans to sell in fiscal year 2026 (680 Columbia Road, 130, 132, and 134 Ellington Street) with a total net book value of \$1,040,634. FAB expects to recover the full net book value of the buildings and, as such, no impairment loss has been recognized. In fiscal year 2026, the Ellington Street properties were sold for \$855,000 subsequent to year end. As of the date of this report, 680 Columbia Road was actively listed and not under agreement.

**FamilyAid Boston, Inc. d/b/a FamilyAid**

Notes to Financial Statements

June 30, 2025 and 2024

**5. Investments**

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

	<u>Level</u>	<u>2025</u>	<u>2024</u>
Cash	Level 1	\$ 5,105	\$ 405,862
Equities - mutual funds	Level 1	2,568,437	2,248,809
<b>Fixed income:</b>			
Treasury bills	Level 1	4,494,561	4,197,940
Corporate bonds and notes	Level 2	333,459	322,812
Non-traditional funds	Level 1	83,958	81,120
Other mutual funds	Level 1	256,771	219,922
		<u>\$ 7,742,291</u>	<u>\$ 7,476,465</u>

The investments that relate to the Board designated funds functioning as endowment (see Note 3) are collateral for the note payable to the bank (see Note 7). Investments include funds held by the Organization for long-term purposes and are generally not used for operations. Accordingly, these investments have been classified as non-current assets in the accompanying statements of financial position regardless of maturity or liquidity. Investments are not insured and are subject to market fluctuations.

Investment return consists of the following:

	<u>2025</u>	<u>2024</u>
Realized gain	\$ 649,287	\$ 5,544
Interest and dividends	273,065	237,623
Management fees	(22,882)	(18,780)
Unrealized gain (loss)	(378,387)	257,063
	<u>\$ 521,083</u>	<u>\$ 481,450</u>

A Board member of FAB was associated with the brokerage firm that handles FAB's investment transactions through January 2024. The Board member managed 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 goods and services for the years ended June 30, 2025 and 2024, which is included in donated goods and services (see Note 2) in the accompanying statements of activities and changes in net assets and the statements of functional expenses.

## FamilyAid Boston, Inc. d/b/a FamilyAid

### Notes to Financial Statements

June 30, 2025 and 2024

#### 6. Property, Plant, and Equipment

The historical costs of FAB's property, plant, and equipment and related accumulated depreciation balances at June 30, were as follows:

	<u>2025</u>	<u>2024</u>
Buildings and improvements	\$ 333,413	\$ 2,169,639
Leasehold improvements	12,303,651	287,438
Furniture and fixtures	822,718	95,672
Other depreciable and amortizable assets	634,851	488,330
Construction in progress	-	2,240,917
<b>Property, plant, and equipment, gross</b>	<u>14,094,633</u>	<u>5,281,996</u>
Less - accumulated depreciation and amortization	(848,620)	(1,157,317)
<b>Property, plant, and equipment, net</b>	<u><u>\$ 13,246,013</u></u>	<u><u>\$ 4,124,679</u></u>

FAB's depreciation expense was \$262,957 and \$131,699 for the years ended June 30, 2025 and 2024, respectively.

During fiscal year 2024, FAB began construction of 1650 Washington Street, Newton, Massachusetts 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). FAB funded the costs with proceeds from various loan commitments and contingent debt (see Note 9). The site has been in service since March 2025 with a section of the 1650 Washington Street Project still under construction at June 30, 2025.

In connection with oversight of construction of the 1650 Washington Street Project, FAB is entitled to a \$150,000 developer 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. Developer fees were recognized in fiscal year 2025 in full which are included in rental income on the accompanying 2025 statement of activities and changes in net assets.

During fiscal year 2025, FAB sold 21 Marion Street with a book value of \$223,939, sold for \$600,000 which resulted in a gain on sale of \$376,061, which is presented on the statement of activities and changes in net assets for the year ended June 30, 2025, as a gain on sale of property.

## FamilyAid Boston, Inc. d/b/a FamilyAid

### Notes to Financial Statements

June 30, 2025 and 2024

#### 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. Borrowings under this agreement are subject to the Secured Overnight Financing Rate (SOFR) which is 4.52% and 5.33% as of June 30, 2025 and 2024, respectively. The line of credit is secured by FAB's investments (see Note 5) as defined in the agreement. There was no outstanding balance as of June 30, 2025 and 2024. FAB must meet certain covenants as specified in the agreement. FAB was in compliance with these covenants as of June 30, 2025 and 2024. This note is renewable annually. Subsequent to year-end, maximum borrowing under the line of credit agreement was increased to \$3,500,000.

#### 8. Mortgage Notes Payable

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

	<u>2025</u>	<u>2024</u>
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 (MA), plus an assignment of leases and rents.	\$ 209,857	\$ 214,488
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, MA, plus an assignment of leases and rents.	200,427	207,171
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, MA, plus an assignment of leases and rents.	194,546	200,932
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, MA, plus an assignment of leases and rents.	143,019	147,832

**FamilyAid Boston, Inc. d/b/a FamilyAid**

Notes to Financial Statements

June 30, 2025 and 2024

**8. Mortgage Notes Payable (Continued)**

	<u>2025</u>	<u>2024</u>
2.75% note payable to a bank in the original amount of \$267,750, was due in monthly principal and interest installments of \$1,093, through January 1, 2047. This note was secured by a shared first priority interest in a property located at 21 Marion Street, East Boston, MA, plus an assignment of leases and rents. 21 Marion Street was sold October 2024 and the loan was paid in full.	-	219,983
Note payable to a bank in the original amount of \$145,000 at 2.75% interest, was due in monthly principal and interest installments of \$592, through January 1, 2047. This note was secured by a shared first priority interest in a property located at 21 Marion Street, East Boston, MA, plus an assignment of leases and rents. 21 Marion Street was sold October 2024 and the loan was paid in full.	-	119,088
	<u>747,849</u>	<u>1,109,494</u>
Less - current portion	36,740	35,712
	<u>\$ 711,109</u>	<u>\$ 1,073,782</u>

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

<b>June 30:</b>	<u>Amount</u>
2026	\$ 36,740
2027	\$ 37,798
2028	\$ 38,886
2029	\$ 40,006
2030	\$ 41,159

FAB must comply with certain covenants as defined in the mortgage note payable agreements as well as the contingent notes payable agreements. FAB was in compliance with these covenants as of June 30, 2025 and 2024.

**FamilyAid Boston, Inc. d/b/a FamilyAid**

Notes to Financial Statements

June 30, 2025 and 2024

**9. Contingent Notes Payable**

Contingent notes payable consist of the following at June 30:

	<u>2025</u>	<u>2024</u>
<p>Non-interest bearing leasehold mortgage with Community Economic Development Assistance Corporation (CEDAC) under the Housing Innovations Fund (HIF) Program through February 10, 2075. The loan was used to fund the construction of 1650 Washington Street Project and is secured by a shared mortgage on the 1650 Washington Street Project.</p>	\$ 5,000,000	\$ -
<p>Non-interest bearing leasehold mortgage payable to Massachusetts Housing Partnership Fund Board under the Housing Stabilization Fund (HSF) program through February 10, 2075. The loan was used to fund the construction of 1650 Washington Street Project and is secured by a shared mortgage on the Project.</p>	2,750,000	-
<p>Non-interest bearing leasehold mortgage payable to Newton Housing Trust. Under the terms of the agreement, repayment is not required unless an event of default occurs or FAB fails to maintain compliance with specified conditions. As long as such conditions continue to be met, the loan will not become due and payable. Accordingly, the loan has no fixed maturity date and will remain outstanding indefinitely unless a triggering event occurs. The loan was used to fund the construction of 1650 Washington Street Project and is secured by a shared mortgage on the 1650 Washington Street Project.</p>	500,000	-
<p>Non-interest bearing note payable to the Executive Office of Housing and Livable Communities (EOHLC) under the HSF program. Under the terms of the agreement, repayment is not required unless an event of default occurs or FAB fails to maintain compliance with specified conditions. As long as such conditions continue to be met, the loan will not become due and payable. Accordingly, the loan has no fixed maturity date and will remain outstanding indefinitely unless a triggering event occurs. This note is secured by a shared mortgage on the Pleasant Street property.</p>	150,000	150,000

## FamilyAid Boston, Inc. d/b/a FamilyAid

### Notes to Financial Statements

June 30, 2025 and 2024

#### 9. Contingent Notes Payable (Continued)

	<u>2025</u>	<u>2024</u>
1% note payable to the City of Boston through June 21, 2031. 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 HIF program through June 21, 2031. 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, 2025 and 2024. This note is secured by a mortgage on the Pleasant Street property.	72,828	72,828
7% note payable to CEDAC for the 1650 Washington Street Project. The loan was a predevelopment loan, with an original amount of \$300,000. The loan was paid off in September 2024 using proceeds from other loans.	-	254,050
<b>Total</b>	<u>\$ 8,622,828</u>	<u>\$ 626,878</u>

#### 10. Retirement Plan

FAB maintains a tax deferred annuity plan under IRC Section 403(b). All employees of the Plan Sponsor are immediately eligible to participate in the Plan on their first day of employment. Employees are eligible to receive the Plan Sponsor's discretionary matching contributions and discretionary non-elective contribution once they have achieved the age of twenty-one and completed one year of service (with at least 1,000 hours). FAB's contributions to the plan for the years ended June 30, 2025 and 2024, were \$242,207 and \$185,874, respectively, and are 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 June 2027. FAB incurred \$2,410,660 and \$2,477,352 of expenses under these agreements for the years ended June 30, 2025 and 2024, respectively, and are included in client assistance in the accompanying statements of functional expenses.

## FamilyAid Boston, Inc. d/b/a FamilyAid

### Notes to Financial Statements

June 30, 2025 and 2024

#### 11. Lease Commitments (Continued)

##### Operating Leases (Continued)

###### *Facility*

FAB has a lease agreement for office space which expired in September 2025 and was renewed through September 2030. Monthly rent payments under the lease range from \$14,874 to \$15,976, payable in monthly installments (plus a proportionate share of increases in operating costs and real estate taxes, as applicable). FAB has incurred \$205,971 and \$259,665 of rent expense under these agreements for the years ended June 30, 2025 and 2024, respectively, and is included in rent in the accompanying statements of functional expenses. Variable lease costs associated with this lease were approximately \$92,000 and \$64,000 for the fiscal years ended June 30, 2025 and 2024, respectively, 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 \$10,295 and \$7,222 of expenses under these agreements for the years ended June 30, 2025 and 2024, 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 is also responsible for real estate taxes, insurance and other related costs is be billed monthly by the landlord as additional rent (variable lease payments).

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, which was fully paid out along with the 1650 Washington Street Project being placed into service in 2025 (see Note 6).

**FamilyAid Boston, Inc. d/b/a FamilyAid**

Notes to Financial Statements

June 30, 2025 and 2024

**11. Lease Commitments (Continued)**

**Finance Leases (Continued)**

Amortization expense of this lease asset was \$1,146,023 and \$805,746, which is included in depreciation and amortization in the accompanying statements of functional expenses for the years ended June 30, 2025 and 2024, respectively. Interest on the finance lease liabilities was \$850,646 and \$638,298 as of June 30, 2025 and 2024, respectively, and \$638,298 was capitalized for the year ended June 30, 2024, in accordance with ASC 835-20, Interest, Capitalization of Interest, as the 1650 Washington Street Project was undergoing construction and renovation and not ready for its intended use by FAB. Capitalized interest was included in construction in progress until it was placed into service in 2025 (see Note 5). Interest expense was \$850,646 for the year ended June 30, 2025 and is included in lease interest expense in the accompanying 2025 statement of functional expenses.

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

The following summarizes the maturity of lease liabilities as of June 30, 2025:

	<u>Finance</u>	<u>Operating</u>	<u>Total</u>
2026	\$ 1,555,567	\$ 2,678,710	\$ 4,234,277
2027	1,583,260	2,240,235	3,823,494
2028	1,613,935	187,583	1,801,518
2029	1,647,102	190,889	1,837,992
2030	1,674,969	191,716	1,866,685
Thereafter	15,308,921	47,929	15,356,850
<b>Total future undiscounted lease payments</b>	<u>23,383,754</u>	<u>5,537,062</u>	<u>28,920,816</u>
Less - present value discount	(6,027,455)	(249,539)	(6,276,994)
Less - current portion	(789,690)	(2,521,969)	(3,311,659)
<b>Lease liability, net of current portion</b>	<u>\$ 16,566,609</u>	<u>\$ 2,765,554</u>	<u>\$ 19,332,163</u>

**Weighted-Average Remaining Lease Term ( in years)**

	<u>2025</u>	<u>2024</u>
Operating leases	2.44	1.13
Finance leases	13.28	14.30

**Weighted-Average Discount Rate Percentage**

	<u>2025</u>	<u>2024</u>
Operating leases	4.04	4.45
Finance leases	4.54	5.30

**FamilyAid Boston, Inc. d/b/a FamilyAid**

Notes to Financial Statements

June 30, 2025 and 2024

**11. Lease Commitments (Continued)**

**Finance Leases (Continued)**

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

	<u>2025</u>	<u>2024</u>
Cash paid for amounts included in the measurement of operating lease liabilities	\$ 2,584,354	\$ 2,642,830
Cash paid for amounts included in the measurement of finance lease liabilities	\$ 1,517,640	\$ 623,187
ROU assets obtained in exchange for finance lease obligations	\$ 58,257	\$ 17,105,208
ROU assets obtained in exchange for operating lease obligations	\$ 1,050,354	\$ -
ROU assets obtained in exchange for operating lease obligation due to lease modifications	\$ 4,271,209	\$ 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>2025</u>	<u>2024</u>
<b>Executive Office of Housing and Livable Communities:</b>		
Family Emergency Shelter	\$ 14,330,955	\$ 10,655,883
Boston Public Schools	1,088,972	862,172
Boston Children's Hospital - MassHealth	727,809	1,368,647
Emergency Solutions Grant	65,800	115,500
MRVP Reserve Support Services and other	6,250	10,000
Boston Medical Center	2,992	-
<b>City of Boston Mayor's Office of Housing:</b>		
City of Boston - Home Advantage Collaborative	968,065	901,656
Other	336,004	37,965
HUD Unsheltered	314,780	193,651
Emergency Solution and Rapid Rehousing	-	1,019,359
	<u>\$ 17,841,627</u>	<u>\$ 15,164,833</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 59% and 65% of accounts receivable, net at June 30, 2025 and 2024, respectively, are due from two donors and one governmental entity, respectively.

## **FamilyAid Boston, Inc. d/b/a FamilyAid**

### Notes to Financial Statements

June 30, 2025 and 2024

#### **13. Concentration of Credit Risk and Other Contingencies**

FAB maintains its cash balances in Massachusetts banks and is insured within the limits of the Federal Deposit Insurance Corporation (FDIC). Some of these banks are chartered in Massachusetts and the funds are fully insured through the Depositors Insurers Fund. At certain times during the year for non-Massachusetts chartered banks, the cash balance exceeded the insured amount. FAB has not experienced any losses in those accounts.

Subsequent to year end, FAB was notified of material reductions in state-level funding for certain programs that it administers. State appropriations and related contracts represent a significant portion of FAB's annual revenue. Management is evaluating and implementing adjustments to program activities and operating budgets in response to these reductions.

#### **14. Conditional Grants and Commitments**

During fiscal years 2025 and 2024, FAB was awarded conditional grants in the amounts of \$6,775,192 and \$2,899,348 for fiscal years 2026 and 2025, respectively. As the grants are restricted by time and are conditional upon performance milestones, the conditions have not been met during fiscal years 2025 and 2024, and the grants have not been recorded as revenue in the accompanying financial statements as of June 30, 2025 and 2024.

#### **The 1650 Washington Street Project**

The Commonwealth of Massachusetts, EOHLC, has 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.

## FamilyAid Boston, Inc. d/b/a FamilyAid

### Notes to Financial Statements

June 30, 2025 and 2024

#### 15. Liquidity and Availability of Resources

Financial assets available for use by FAB within one year from the statements of financial position date for general operating expenses are as follows as of June 30:

	<u>2025</u>	<u>2024</u>
<b>Financial assets available:</b>		
Cash and cash equivalents	\$ 1,605,486	\$ 1,747,584
Accounts receivable, net	6,304,292	3,109,715
<b>Total financial assets</b>	<u>7,909,778</u>	<u>4,857,299</u>
<b>Contractual or donor-imposed restrictions:</b>		
Funds held for others	(5,327)	(8,903)
Other donor restrictions	(4,781,290)	(2,451,084)
<b>Total contractual or donor-imposed restrictions</b>	<u>(4,786,617)</u>	<u>(2,459,987)</u>
<b>Financial assets available to meet cash needs for general expenditures within one year</b>	<u>\$ 3,123,161</u>	<u>\$ 2,397,312</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 \$3,500,000 of available line of credit (see Note 7).

#### 16. Reclassification

Certain amounts in the fiscal year 2024 financial statements have been reclassified to conform with the fiscal year 2025 presentation.