

FAMILY NURTURING CENTER OF MASSACHUSETTS, INC.

AND

FAMILY NURTURING SUPPORT CORPORATION

CONSOLIDATED FINANCIAL STATEMENTS


with

INDEPENDENT AUDITORS' REPORT

YEARS ENDED JUNE 30, 2023 AND 2022

Smith  Sullivan
& Brown PC

CERTIFIED PUBLIC ACCOUNTANTS

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REPORT ON CONSOLIDATED FINANCIAL STATEMENTS

YEARS ENDED JUNE 30, 2023 AND 2022



Mission Statement

The mission of the Family Nurturing Center of Massachusetts (FNC) is to work with others to build nurturing communities where children are cherished, families are supported and healthy development is promoted by all.

FAMILY NURTURING CENTER OF MASSACHUSETTS, INC. AND
FAMILY NURTURING SUPPORT CORPORATION

REPORT ON CONSOLIDATED FINANCIAL STATEMENTS

YEARS ENDED JUNE 30, 2023 AND 2022

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors
Family Nurturing Center of Massachusetts, Inc. and
Family Nurturing Support Corporation
Dorchester, Massachusetts

Opinion

We have audited the accompanying consolidated financial statements of Family Nurturing Center of Massachusetts, Inc. and Family Nurturing Support Corporation (collectively the "Organization") (Massachusetts nonprofit organizations), which comprise the consolidated statements of financial position as of June 30, 2023 and 2022, and the related consolidated statements of activities, functional expenses and cash flows for the years then ended, and the related notes to the consolidated financial statements.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Family Nurturing Center of Massachusetts, Inc. and Family Nurturing Support Corporation as of June 30, 2023 and 2022 and the changes in their net assets and their cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Family Nurturing Center of Massachusetts, Inc. and Family Nurturing Support Corporation and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated 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 consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

To the Board of Directors
Family Nurturing Center of Massachusetts, Inc. and
Family Nurturing Support Corporation

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the consolidated financial statements.

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the consolidated 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 consolidated financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the consolidated financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Organization's ability to continue as a going concern for a reasonable period of time.

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

Report on Consolidating Information

Our audits were conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The consolidating information on pages 31 - 38 is presented for purposes of additional analysis of the consolidated financial statements rather than to present the financial position, results of operations, and cash flows of the individual companies, and it is not a required part of the consolidated financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. The consolidating information has been subjected to the auditing procedures applied in the audits of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the consolidating information is fairly stated in all material respects in relation to the consolidated financial statements as a whole.

To the Board of Directors
Family Nurturing Center of Massachusetts, Inc. and
Family Nurturing Support Corporation

Other Information

Our audits were performed for the purpose of forming an opinion on the consolidated financial statements as a whole. The nonaccounting information shown on page 4, which is the responsibility of the management, is presented for purposes of additional analysis and is not a required part of the consolidated financial statements. The nonaccounting information has not been subjected to the auditing procedures applied in the audit of the consolidated financial statements, and, accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated October 24, 2023 on our consideration of Family Nurturing Center of Massachusetts, Inc.'s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Family Nurturing Center of Massachusetts, Inc.'s internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Family Nurturing Center of Massachusetts, Inc.'s internal control over financial reporting and compliance.

Smith, Sullivan & Brown, PC

Westborough, Massachusetts
October 24, 2023

FAMILY NURTURING CENTER OF MASSACHUSETTS, INC. AND
FAMILY NURTURING SUPPORT CORPORATION

MANAGEMENT DISCUSSION OF STRATEGIC GOALS

JUNE 30, 2023

Fiscal Year 2023 was a time of growth and opportunity for Family Nurturing Center of Massachusetts, Inc. (“FNC”). It also marked my first full fiscal year as the organization’s Executive Director, following Matt LiPuma’s retirement in early 2022.

After a period of significant program expansion between FY 2019 and FY 2022, in FY 2023, FNC’s leadership focused on investments in organizational infrastructure, adding staff, consultant capacity, and new systems in finance, operations, and Human Resources. At the same time, we implemented a modest reorganization of the program team, resulting in commensurate salary increases at multiple levels of the organization.

FNC performed solidly in FY 2023 and demonstrated healthy financial growth from FY 2022, with an overall increase in revenue and expenses of half a million dollars. FNC continues to pay rent for the new building in Dorchester which opened its doors in 2020 to the Family Nurturing Support Corporation (“FNCS”), the entity established to participate in the New Market Tax Credit program. In August 2026, FNC will become eligible to make payments toward a \$1.5 million mortgage. The facility generates an annual depreciation expense of approximately \$185K, which is an unfunded noncash expense, resulting in a loss for FNCS. This is not a reflection of FNC’s activities. For further details, please refer to the consolidated statement of activities on page 33.

This was a strong year for fundraising, with the organization raising over \$1.3 million, the most private revenue in its 30-year history. Much of this was driven by the spring 2023 gala, which was attended by more than 300 guests and raised \$396k. This event has become an important vehicle for increasing resources and visibility for FNC.

FNC continued to serve families through parenting education, early childhood development initiatives for parents and children together, and coalition and community building, and to train providers across the Commonwealth. Notably, FNC and its subcontracted partners saw a significant increase in families served through the Boston Family Engagement Network, a city-wide initiative supporting parents and children ages 0-5 with early childhood development activities. Please see pages 10 - 14 for a summary of FNC’s FY 2023 programming, including numbers of people served.

FNC’s highly adaptable program team delivered in-person, virtual, and hybrid programs in FY 2023. As we navigate the post-pandemic world, we continue to assess the most effective and appealing strategies for engaging families. We recognize that there are costs and benefits to both in-person and virtual programming and will consider all options with an emphasis on parent and child outcomes.

FNC’s leadership is preparing for another exciting year. Our fiscal year 2024 budget is our largest to date and will allow us to engage Boston’s diverse families and providers across Massachusetts through high-quality, evidence informed, and joyful programming. We will also launch a strategic planning process to guide us through the next five years of building nurturing communities in Boston and beyond.

Emma Tobin
Executive Director

FAMILY NURTURING CENTER OF MASSACHUSETTS, INC. AND
FAMILY NURTURING SUPPORT CORPORATION

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
AS OF JUNE 30, 2023 AND 2022

ASSETS

	<u>2023</u>	<u>2022</u>
<u>CURRENT ASSETS:</u>		
Cash and Cash Equivalents - Operating	\$ 1,055,249	\$ 1,080,487
Accounts Receivable, Program Services	539,858	513,791
Grants and Contributions Receivable	145,238	80,180
Prepaid Expenses	16,039	42,680
Total Current Assets	1,756,384	1,717,138
<u>PROPERTY AND EQUIPMENT, NET</u>	5,322,132	5,507,618
<u>NON-CURRENT ASSETS:</u>		
Cash Held for Capital Projects	187,564	187,564
Board Designated Funds	101,764	101,695
Leveraged Loan Receivable	3,970,381	3,970,381
Operating Right-of-Use Assets	74,688	-
Intangible Assets, Net of Amortization	-	1,134
Total Non-Current Assets	4,334,397	4,260,774
<u>TOTAL ASSETS</u>	\$ 11,412,913	\$ 11,485,530

LIABILITIES AND NET ASSETS

<u>CURRENT LIABILITIES:</u>		
Accounts Payable and Accrued Expenses	\$ 139,179	\$ 100,452
Subcontracts Payable	59,773	66,327
Accrued Payroll and Related Costs	121,018	135,198
Deferred Revenue	22,911	8,441
Operating Lease Liability, Short-Term	36,481	-
Total Current Liabilities	379,362	310,418
<u>NON-CURRENT LIABILITIES:</u>		
NMTC Notes Payable	5,618,421	5,584,880
Construction Loan	1,667,313	1,694,941
Operating Lease Liability, Long-Term	51,209	-
Total Non-Current Liabilities	7,336,943	7,279,821
<u>TOTAL LIABILITIES</u>	7,716,305	7,590,239
<u>NET ASSETS:</u>		
Without Donor Restrictions	2,747,022	3,084,577
With Donor Restrictions	949,586	810,714
Total Net Assets	3,696,608	3,895,291
<u>TOTAL LIABILITIES AND NET ASSETS</u>	\$ 11,412,913	\$ 11,485,530

FAMILY NURTURING CENTER OF MASSACHUSETTS, INC. AND
FAMILY NURTURING SUPPORT CORPORATION

CONSOLIDATED STATEMENTS OF ACTIVITIES
FOR THE YEARS ENDED JUNE 30, 2023 AND 2022

	2023			2022		
	<u>WITHOUT</u> <u>DONOR</u> <u>RESTRICTIONS</u>	<u>WITH</u> <u>DONOR</u> <u>RESTRICTIONS</u>	<u>TOTAL</u> <u>ACTIVITIES</u>	<u>WITHOUT</u> <u>DONOR</u> <u>RESTRICTIONS</u>	<u>WITH</u> <u>DONOR</u> <u>RESTRICTIONS</u>	<u>TOTAL</u> <u>ACTIVITIES</u>
<u>SUPPORT, REVENUES AND RECLASSIFICATIONS:</u>						
<i>Support and Revenues:</i>						
Government Contracts and Awards	\$ 2,471,067	\$ -	\$ 2,471,067	\$ 2,390,843	\$ -	\$ 2,390,843
Program Service Revenue	238,134	-	238,134	170,818	-	170,818
Foundation and Corporate Grants	181,637	928,618	1,110,255	83,584	889,959	973,543
Gifts, Contributions and Pledges	240,707	1,400	242,107	229,938	-	229,938
Gala Event Proceeds	396,756	-	396,756	229,304	-	229,304
Less: Cost of Direct Benefits to Donors	(122,049)	-	(122,049)	(47,413)	-	(47,413)
Donated Goods and Services	81,057	-	81,057	81,178	-	81,178
United Way Allocation	32,200	-	32,200	32,200	-	32,200
Interest Income	112,742	-	112,742	110,757	-	110,757
Miscellaneous Revenues	14,857	-	14,857	-	-	-
<i>Reclassification of Net Assets - Released from Restrictions:</i>						
Program and Operating Expenses	791,146	(791,146)	-	785,578	(785,578)	-
<u>TOTAL SUPPORT, REVENUES AND RECLASSIFICATIONS</u>	<u>4,438,254</u>	<u>138,872</u>	<u>4,577,126</u>	<u>4,066,787</u>	<u>104,381</u>	<u>4,171,168</u>
<u>EXPENSES:</u>						
<i>Program Services:</i>						
Family Nurturing and Training Programs	3,667,103	-	3,667,103	3,310,956	-	3,310,956
<i>Supporting Services:</i>						
Administrative	757,507	-	757,507	533,569	-	533,569
Fund Raising	351,199	-	351,199	447,298	-	447,298
<u>TOTAL EXPENSES</u>	<u>4,775,809</u>	<u>-</u>	<u>4,775,809</u>	<u>4,291,823</u>	<u>-</u>	<u>4,291,823</u>
<u>CHANGE IN NET ASSETS</u>	<u>(337,555)</u>	<u>138,872</u>	<u>(198,683)</u>	<u>(225,036)</u>	<u>104,381</u>	<u>(120,655)</u>
<u>NET ASSETS - BEGINNING OF YEAR</u>	<u>3,084,577</u>	<u>810,714</u>	<u>3,895,291</u>	<u>3,309,613</u>	<u>706,333</u>	<u>4,015,946</u>
<u>NET ASSETS - END OF YEAR</u>	<u>\$ 2,747,022</u>	<u>\$ 949,586</u>	<u>\$ 3,696,608</u>	<u>\$ 3,084,577</u>	<u>\$ 810,714</u>	<u>\$ 3,895,291</u>

FAMILY NURTURING CENTER OF MASSACHUSETTS, INC. AND
FAMILY NURTURING SUPPORT CORPORATION

CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2023

(With Summarized Consolidated Comparative Totals for 2022)

	<u>PROGRAM</u> <u>SERVICES</u>	<u>ADMINI-</u> <u>STRATIVE</u>	<u>FUND</u> <u>RAISING</u>	<u>TOTAL</u> <u>EXPENSES PER</u> <u>STATEMENT OF</u> <u>ACTIVITIES</u>	<u>DIRECT</u> <u>EVENT</u> <u>COSTS</u>	<u>TOTAL</u> <u>FUNCTIONAL EXPENSES</u>	
						<u>2023</u>	<u>2022</u>
Salaries	\$ 1,629,526	\$ 232,493	\$ 213,811	\$ 2,075,830	\$ -	\$ 2,075,830	\$ 1,892,861
Payroll Taxes	143,346	20,452	18,808	182,606	-	182,606	172,117
Fringe Benefits	232,577	33,183	30,516	296,276	-	296,276	297,313
Volunteer Services	50,460	-	-	50,460	-	50,460	48,615
Subcontracted Program Services	545,280	-	-	545,280	-	545,280	559,927
Consultants and Professional Fees	153,612	282,739	10,981	447,332	-	447,332	286,252
Occupancy Costs	246,215	35,129	32,306	313,650	-	313,650	279,986
Depreciation and Amortization Expense	146,497	20,902	19,222	186,621	-	186,621	188,109
Directors and Officers' Insurance	-	3,095	-	3,095	-	3,095	4,427
Liability Insurance	17,763	2,534	2,331	22,628	-	22,628	20,499
Direct Client Assistance	173,991	-	-	173,991	-	173,991	170,458
Program Supplies and Activities	153,546	-	-	153,546	-	153,546	113,889
Food and Meals	45,114	598	115	45,827	-	45,827	23,281
Client Transportation	3,079	-	-	3,079	-	3,079	8,107
Technology	20,453	9,645	2,684	32,782	-	32,782	12,667
Equipment Lease/Rental	11,544	1,647	1,515	14,706	-	14,706	11,970
Office Supplies and Expenses	27,166	3,967	8,484	39,617	-	39,617	22,025
Telephone and Communications	20,139	2,873	2,643	25,655	-	25,655	15,067
Dues, Fees and Subscriptions	6,574	13,898	863	21,335	-	21,335	29,483
Staff Development	13,908	375	590	14,873	-	14,873	3,690
Meetings, Conferences and Events	9,577	188	123	9,888	122,049	131,937	66,339
Staff Travel	16,278	268	719	17,265	-	17,265	12,532
Interest and Financing Costs	-	89,134	-	89,134	-	89,134	89,956
Miscellaneous Expense	458	4,387	5,488	10,333	-	10,333	9,666
Total Functional Expenses	<u>\$ 3,667,103</u>	<u>\$ 757,507</u>	<u>\$ 351,199</u>	<u>\$ 4,775,809</u>	<u>\$ 122,049</u>	<u>\$ 4,897,858</u>	<u>\$ 4,339,236</u>

FAMILY NURTURING CENTER OF MASSACHUSETTS, INC. AND
FAMILY NURTURING SUPPORT CORPORATION

CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2022

	<u>PROGRAM</u> <u>SERVICES</u>	<u>ADMINI-</u> <u>STRATIVE</u>	<u>FUND</u> <u>RAISING</u>	<u>TOTAL EXPENSES</u> <u>PER STATEMENT</u> <u>OF ACTIVITIES</u>	<u>DIRECT</u> <u>EVENT</u> <u>COSTS</u>	<u>TOTAL</u> <u>FUNCTIONAL</u> <u>EXPENSES</u>
Salaries	\$ 1,447,177	\$ 198,287	\$ 247,397	\$ 1,892,861	\$ -	\$ 1,892,861
Payroll Taxes	131,591	18,030	22,496	172,117	-	172,117
Fringe Benefits	227,309	31,145	38,859	297,313	-	297,313
Volunteer Services	42,615	-	6,000	48,615	-	48,615
Subcontracted Program Services	559,927	-	-	559,927	-	559,927
Consultants and Professional Fees	144,427	116,109	25,716	286,252	-	286,252
Occupancy Costs	214,062	29,330	36,594	279,986	-	279,986
Depreciation and Amortization Expense	143,817	19,706	24,586	188,109	-	188,109
Directors and Officers' Insurance	-	4,427	-	4,427	-	4,427
Liability Insurance	15,673	2,147	2,679	20,499	-	20,499
Direct Client Assistance	170,458	-	-	170,458	-	170,458
Program Supplies and Activities	113,889	-	-	113,889	-	113,889
Food and Meals	23,281	-	-	23,281	-	23,281
Client Transportation	8,107	-	-	8,107	-	8,107
Technology	10,110	1,138	1,419	12,667	-	12,667
Equipment Lease/Rental	9,152	1,254	1,564	11,970	-	11,970
Office Supplies and Expenses	9,275	2,040	10,710	22,025	-	22,025
Telephone and Communications	11,520	1,578	1,969	15,067	-	15,067
Dues, Fees and Subscriptions	9,655	15,716	4,112	29,483	-	29,483
Staff Development	3,690	-	-	3,690	-	3,690
Meetings, Conferences and Events	3,478	-	15,448	18,926	47,413	66,339
Staff Travel	11,368	1,015	149	12,532	-	12,532
Interest and Financing Costs	-	89,956	-	89,956	-	89,956
Grants to FNC	-	-	-	-	-	-
Miscellaneous Expenses	375	1,691	7,600	9,666	-	9,666
Total Functional Expenses	<u>\$ 3,310,956</u>	<u>\$ 533,569</u>	<u>\$ 447,298</u>	<u>\$ 4,291,823</u>	<u>\$ 47,413</u>	<u>\$ 4,339,236</u>

FAMILY NURTURING CENTER OF MASSACHUSETTS, INC. AND
FAMILY NURTURING SUPPORT CORPORATION

CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED JUNE 30, 2023 AND 2022

	<u>2023</u>	<u>2022</u>
<u>CASH FLOWS FROM OPERATING ACTIVITIES:</u>		
Change in Net Assets	\$ (198,683)	\$ (120,655)
<i>Adjustments to Reconcile the Above to Net Cash Provided (Used) by Operating Activities:</i>		
Interest Income from Certificate of Deposit	(69)	(101)
Depreciation and Amortization Expense	186,620	188,109
Imputed Interest - Deferred Financing Costs	33,541	33,540
<i>(Increase) Decrease in Current Assets:</i>		
Accounts Receivable, Program Services	(26,067)	(277,270)
Grants Receivable	(65,058)	(10,330)
Prepaid Expenses	26,641	11,583
<i>Increase (Decrease) in Current Liabilities:</i>		
Accounts Payable and Accrued Expenses	38,727	30,679
Subcontracts Payable	(6,554)	(22,414)
Accrued Payroll and Related Costs	(14,180)	34,697
Deferred Revenue	14,470	8,441
Operating Lease Liability, Short-Term	3,520	-
<i>(Increase) Decrease in Non-Current Assets:</i>		
Operating Right-of-Use Assets	41,362	-
<i>Increase (Decrease) in Current Liabilities:</i>		
Operating Lease Liability, Long-Term	(31,880)	-
Net Adjustment	<u>201,073</u>	<u>(3,066)</u>
<u>NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</u>	<u>2,390</u>	<u>(123,721)</u>
<u>CASH FLOWS FROM FINANCING ACTIVITIES:</u>		
Payments on Notes Payable (Sinking Fund)	<u>(27,628)</u>	<u>(26,205)</u>
Net Cash Flows from Financing Activities	<u>(27,628)</u>	<u>(26,205)</u>
<u>NET DECREASE IN CASH AND CASH EQUIVALENTS</u>	<u>(25,238)</u>	<u>(149,926)</u>
<u>CASH AND CASH EQUIVALENTS - BEGINNING OF YEAR</u>	<u>1,268,051</u>	<u>1,417,977</u>
<u>CASH AND CASH EQUIVALENTS - END OF YEAR</u>	<u>\$ 1,242,813</u>	<u>\$ 1,268,051</u>
<i>Presentation of Cash Balances:</i>		
Cash and Cash Equivalents - Operating	\$ 1,055,249	\$ 1,080,487
Cash Held for Capital Projects	<u>187,564</u>	<u>187,564</u>
Total Cash Balances	<u>\$ 1,242,813</u>	<u>\$ 1,268,051</u>
<i>Supplemental Disclosures:</i>		
Interest and Finance Charges Paid	<u>\$ 201,873</u>	<u>\$ 202,695</u>

FAMILY NURTURING CENTER OF MASSACHUSETTS, INC. AND
FAMILY NURTURING SUPPORT CORPORATION

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

JUNE 30, 2023 AND 2022

NOTE 1 ORGANIZATION AND AFFILIATIONS

Family Nurturing Center of Massachusetts, Inc.:

Family Nurturing Center of Massachusetts, Inc. (the “Organization”, “Family Nurturing Center” or “FNC”) was incorporated in December 1998 under the provisions of Massachusetts General Laws Chapter 180 and qualifies as a tax-exempt not-for-profit corporation under Section 501(c)(3) of the Internal Revenue Code (“IRC”). Family Nurturing Center has been classified as an organization which is not a private foundation under IRC Section 509(a); accordingly, contributions made to this Organization qualify for the maximum charitable deduction for federal income tax purposes.

Family Nurturing Support Corporation:

Family Nurturing Support Corporation (“FNSC”) was formed as a Massachusetts nonprofit corporation on December 27, 2017 and is organized and operated for charitable purposes and qualifies as a tax-exempt not-for-profit corporation under Section 501(c)(3) of the IRC, as amended. FNSC is a Type III supporting organization operated for the benefit of, and functionally integrated with, FNC within the meaning of Section 509(a)(3)(iii) of the IRC. FNSC was created for the specific purpose of redeveloping the property located at 200 Bowdoin Street in Dorchester, Massachusetts (the “Property”) into a 12,800 square foot building (the “Project”) through a New Markets Tax Credit (“NMTC”) financing arrangement under Section 45D of the IRC, as amended. This financing was made possible by an allocation of \$5.87 million in NMTC authority by MHIC NE CDE II Subsidiary 50 LLC (the “MHIC CDE”), an affiliate of the Massachusetts Housing Investment Corporation, and a NMTC investment by Bank of America, N.A. in the BOA FNC Investment Fund, LLC (the “NMTC Investor”). As further described in Note 6, on September 21, 2018, FNC sold the Property to FNSC in conjunction with the closing of the NMTC transaction. Upon construction completion, in January 2020, FNC leased back the property.

The Bylaws of FNSC stipulate that FNC shall have the power of appointment and removal rights of two of the five board members of FNSC, but in no event shall FNC appoint more than two-fifths of the Directors. However, as the primary purpose for FNSC is to support FNC, consolidated financial statements are required.

NOTE 2 PROGRAM SERVICES

Family Nurturing Center’s mission is to work with others to build nurturing communities where children are cherished, families are supported, and healthy human development is promoted by all. FNC offers family support and education programs to strengthen families and prevent child abuse and neglect, through **Nurturing Parenting Programs** and community-based **Family Support Networks**. In addition, FNC provides **Training and Technical Assistance** to other organizations across Massachusetts and beyond who are interested in learning evidence-based parenting strategies.

As our community began to emerge from the COVID-19 pandemic, FNC continued with all programming and training, and began to transition some activities from virtual platforms (namely Zoom) to in-person. At the same time, some programs continued to be offered virtually or via a “hybrid” model, in an effort to meet families’ needs and promote the well-being of staff and clients. We continued to offer the programs described below and collaborated with our partners to deliver them in ways that were safe for families and staff.

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(Continued)

NOTE 2 *(Continued)*

Nurturing Parenting Programs are 15-session, research-validated, interactive parent support and education programs that involve the *whole* family; Nurturing Fathers' programs engage fathers only over the course of 12 sessions. FNC is the statewide training and technical assistance center for Nurturing Programs, which build nurturing skills through group lessons and activities from a nationally recognized curriculum emphasizing empathy, empowerment, positive self-worth, and the use of dignified discipline for all family members. With public and private funding, FNC coordinates a variety of programs for families and fathers, in multiple contexts and languages. Last year, FNC coordinated or supported 21 Nurturing Programs in the Boston area and served 247 participants.

The following goals guide our **Family Support Networks**, which provide a continuum of free, community-based programs for families:

1. Build parents' skills as their child's first teacher and best nurturer;
2. Develop children's early literacy, social/emotional, and other school-readiness skills, and
3. Connect families to community resources and each other.

FNC Family Support Networks are available in three Boston neighborhoods (Allston-Brighton, Dorchester and Hyde Park) and offer a full continuum of programs for families with young children that include:

Welcome Baby Home Visits:

A trained Home Visitor who lives in the community visits parents (in-person or virtually) with newborns up to age eight months, celebrating the birth and bringing parenting information, books to promote early literacy, a community resource guide, and a gift bag including a handmade baby blanket. The Visitor models family reading time, talks with new parents about their needs, and connects families to other services in the neighborhood, including ongoing home visiting. Visits are available in five languages. In FY 2023, FNC provided Welcome Baby "visits" by phone and in-person, with delivered gift bags, to 150 families.

Parent/Baby and Parent/Child Playgroups:

Parents, grandparents, and caregivers with babies, toddlers, and preschoolers attend Parent-Child Playgroups facilitated by an Early Childhood Specialist ("ECS"). Family members learn about "ages and stages" of child development, explore the fun and value of reading to their children, form friendships with other parents, and enjoy songs, games, art, and other activities to optimize their child's social-emotional development.

The ECS also refers families to Early Intervention, speech and language assessments, Head Start, and other resources and activities. In FY 2023, FNC served 173 families (388 parents and children) in playgroups.

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(Continued)

NOTE 2 *(Continued)*

ParentChild+ Program - Boston:

The ParentChild+ Program is an intensive literacy-based home visiting program. The goals of this evidence-based, national home-visiting model for low-income parents and their children ages 18 months to 3 years are to promote school readiness and academic success by strengthening parent-child verbal interaction and reading and play activities in the home. The program builds parent-child attachment, school readiness, and school success for underserved families.

A trained Early Learning Specialist meets twice a week with a parent/caretaker and their child in their home; in FY 2023, some visits took place in-person while others remained virtual. Each week, the visitor brings a toy or book and models how the parent can use the materials to support their child's early literacy and learning. Referrals are made as necessary to Early Intervention and other support services. In FY 2023, FNC engaged 80 families (84 children and at least 80 adults) in-person and via video chat. Materials were delivered at least monthly and often weekly. Parents are invited and encouraged to participate with their child in two cycles of the program.

With private funding, FNC was also able to offer the ParentChild+ Home Based Child Care model for a small number of childcare centers. This will continue into FY 2024.

Boston Family Engagement Network:

In addition to its direct services for families, FNC provides technical assistance, program monitoring, and funding for family support network activities implemented by partner agencies throughout the city. In FY 2023, Family Nurturing Center received a sixth year of funding from the MA Department of Early Education and Care's Coordinated Family and Community Engagement ("CFCE") Grant (\$911K). This grant supports the work of the Boston Family Engagement Network ("BFEN"), of which FNC is the lead agency.

The BFEN is a network of eight community-based organizations that coordinate Boston families' access to programs and services that benefit their young children's (birth to eight years of age) healthy growth and development. FNC subcontracts with seven other neighborhood-based nonprofit organizations to provide and coordinate programming, and delivers services directly in one neighborhood. Subcontracts range from \$40,000 to \$60,000 per agency. The neighborhoods served include: East Boston, Mattapan, Roslindale (includes Hyde Park and West Roxbury), Roxbury, Charlestown, Allston/Brighton, Jamaica Plain, Dorchester, and South Boston.

The Network provides family support programs like those listed above (Welcome Baby, Parent Child Playgroups, Parenting Education and Resource and Referral). Funding for FNC's citywide ParentChild+ home visiting program also is part of the grant.

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JUNE 30, 2023 AND 2022

(Continued)

NOTE 2 *(Continued)*

FNC continues to leverage its Parent Partner and Parent Leadership work with funding through Boston Public Schools' Universal Pre-Kindergarten project. FY 2022 was the third year of a collaboration that supported BFEN Parent Partners reaching out to families with children eligible for K-1 seats across the city. This work focused on family engagement and outreach to those families whose first language is not English or who may have been recently arrived. In addition, a subcontract from the Boston Opportunity Agenda supports a project designed to train Parent Leaders as coaches who then support less experienced Parent Screeners in their efforts to administer Ages and Stages Questionnaire child development screenings with Boston families. The Boston Foundation is the fiscal agent for Boston Opportunity Agenda; the funds to the BOA come through a Boston Children's Hospital Collaboration for Community Health grant.

Parenting Workshops, Support Groups, Resource and Referral, Parent Leadership:

FNC offers parent workshops and support groups and provides resource and referral services through our community partners. FNC develops parents as leaders in doing outreach and education with their peers. Trained Parent Partners make home visits, facilitate and co-facilitate groups, and administer child development screenings (Ages and Stages Questionnaires or ("ASQ"s). Last year, Parent Partners and FNC staff conducted 213 child development screenings for 117 individual children, including ASQ-SEs (social-emotional) and several follow-up re-screenings.

Collaboration is the cornerstone of our community programming. In order to connect families to vital resources, it is critical for staff to be involved with other organizations in the community. Health centers, WIC offices, Early Intervention, Head Start, etc. make referrals to our programs, and we refer families to theirs in turn.

Training and Program Development Support:

FNC is the statewide training and technical assistance center for the Nurturing Parenting and Nurturing Fathers' Programs in Massachusetts.

FNC staff trained over 641 professionals across the Commonwealth in Program development and facilitation. They participated in our three-day Nurturing Philosophy training, as well as trainings designed to address specific practice issues (working with African American Families, facilitating programs with teens, etc.).

FNC receives significant contract funding from the MA Department of Children and Families ("DCF") to support Nurturing Program facilitator training for social workers in its area offices across Massachusetts. FNC staff and program graduates are involved with DCF also in promoting fatherhood engagement statewide.

Coalition and Community Building

FNC has two unique DCF-funded initiatives that are designed to engage the community in improving the health and well-being of neighborhood families:

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(Continued)

NOTE 2 *(Continued)*

Dorchester CARES Community Coalition:

The Dorchester CARES Community Coalition invites community parents and residents to get involved in making Dorchester a safe, healthy, nurturing community for families. Monthly meetings and special events are open to all in the neighborhood. Each year the coalition develops an action plan and designs programming to address the needs identified by Coalition members.

Patch:

“Patch” (the British word for neighborhood) is a partnership with DCF to support families who live in and near the Bowdoin Geneva neighborhood of Dorchester where our main office is located. The contract allows for a team of social workers and a supervisor to be located on-site at our Dorchester Office. They work alongside FNC staff and provide prevention services to neighborhood families in need. They actively participate in community events and programming and are a resource to neighborhood schools and organizations who have questions about how to support families with open DCF cases. Due to staffing shortages at DCF, the social work team shrunk considerably in FY 2023, and will likely return to its original capacity in FY 2024.

In FY 2023, FNC secured two large community health grants, both of which support collaborative work in Dorchester:

Healthy Bowdoin Geneva - Beth Israel Deaconess Healthy Neighborhoods Initiative Award: \$395,000 (\$40k in planning, \$355k in implementation originally planned over 18 months). In FY 2023, FNC sought a no-cost extension for this initiative, which will now end in February 2024.

Healthy Bowdoin Geneva is a coalition of neighborhood stakeholders designed to promote social cohesion in the neighborhood to build its capacity to address community challenges. To that end, HBG will:

- Host and promote community-wide events
- Create more effective referral processes
- Devise a multilingual resource guide for residents
- Build the neighborhood’s capacity for outreach
- Strengthen existing collaborative efforts
- Engage residents in community projects, including an intergenerational leadership program

Bowdoin Cares - FNC and its partners continue its work under the Executive Office of Housing and Economic Development Community Empowerment Reinvestment Grant Award. In FY 2023, the award size was \$286,000 of which the coalition was able to utilize approximately \$225,000. Bowdoin Cares is a coalition of neighborhood stakeholders working together to decrease residents’ likelihood of criminal legal system involvement, and support residents’ reintegration after incarceration, through education, increased access to community resources, and social cohesion within Bowdoin Geneva, an area at disproportionately high risk of incarceration.

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(Continued)

NOTE 3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting:

The consolidated financial statements of the Family Nurturing Center of Massachusetts, Inc. and Family Nurturing Support Corporation have been prepared on the accrual basis of accounting in accordance with generally accepted accounting principles (“GAAP”) and accordingly, reflect all significant receivables, payables, and other liabilities.

Estimates:

The preparation of consolidated financial statements in conformity with 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 consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates; however, adherence to GAAP has, in Management’s opinion, resulted in reliable and consistent financial reporting by the Organization.

Principles of Consolidation:

The consolidated financial statements include the accounts of Family Nurturing Center of Massachusetts, Inc. and Family Nurturing Support Corporation. All material inter-affiliated transactions including transactions arising out of the lease of the building and certain furnishings and equipment to FNC are eliminated in the consolidated financial statements.

Financial Statement Presentation:

The Organization reports information regarding their financial position and activities according to two classes of net assets: net assets without donor restrictions and net assets with donor restrictions. These classifications are related to the existence or absence of donor-imposed restrictions as defined below.

Net Assets Without Donor Restrictions - Net assets without donor restrictions are resources available to support operations and not subject to donor restrictions. In addition, net assets within this classification include funds which represent resources designated by the Board of Directors for specific purposes.

Net Assets With Donor Restrictions - Some restrictions are temporary in nature, such as those that are restricted by a donor for use for a particular purpose or in a particular future period. Other restrictions may be perpetual in nature; such as those that are restricted by a donor that the resources be maintained in perpetuity. As of June 30, 2023 and 2022, the Organization has no net assets that are required to be maintained in perpetuity. The Organization’s unspent contributions are reported in net assets with donor restrictions if the donor limited their use, as are promised contributions that are not yet due. Contributions of property and equipment or cash restricted to acquisition of property and equipment are reported as net assets with donor restrictions if the donor has restricted the use of the property or equipment to a particular program. These restrictions expire when the assets are placed in service.

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JUNE 30, 2023 AND 2022

(Continued)

NOTE 3 *(Continued)*

Cash and Cash Equivalents:

For the purpose of these consolidated financial statements, the Organization considers equivalent to cash all money market funds and similar deposit accounts. For the years presented, *Cash and Cash Equivalents* includes a Fidelity Government Money Market Account. As of June 30, 2022, cash equivalents also include donated marketable securities valued at \$39,205, pending liquidation.

Accounts Receivable, Program Services:

Accounts Receivable, Program Services represents amounts which are primarily due from government funded program service agreements and, occasionally, training program revenues due from governmental agencies and other nonprofit organizations. Management periodically reviews specific grants, commitments and agreements to determine if any balances are uncollectible. Management believes that these amounts are fully collectible, and therefore, no allowance for doubtful amounts has been established. For the years presented, FNC reported no losses from uncollectible accounts receivable.

Grants and Contributions Receivable:

Grants and Contributions Receivable represent amounts due from individual donors or foundations which are classified as current and recorded at their net realizable value if they are scheduled for receipt within one year, and non-current when the expected date of receipt exceeds one year. Promises to give with expected payment dates that extend beyond one year are discounted to their present value when such amounts are considered material. Management periodically reviews specific grants, commitments and agreements to determine if any balances are uncollectible. Management believes that these amounts are fully collectible, and therefore, no allowance for doubtful amounts has been established. For the years presented, FNC reported no losses from uncollectible pledges and grants receivable.

Property and Equipment:

Property, equipment, furnishings and improvement purchases in excess of \$5,000 are capitalized at cost, if purchased, or if donated, at fair value at the date of receipt. Expenditures for maintenance, repairs and renewals are charged to expense as incurred, whereas major betterments are capitalized as additions to property and equipment. Depreciation of property and equipment is computed using the straight-line method, and is charged against support and revenues over the following estimated useful lives of the assets, as expressed in terms of years.

<u>Asset Category</u>	<u>Useful Life</u>
Land	-
Building and Improvements	40
Furnishings and Equipment	5 - 10

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(Continued)

NOTE 3 *(Continued)*

The Organization reviews its investment in real estate for impairment whenever events or changes in circumstances indicate that the carrying value may not be recoverable. Recoverability is measured by a comparison of the carrying amount of the real estate to the future net undiscounted cash flow expected to be generated by the property and any estimated proceeds from the eventual disposition of the real estate. If the real estate is considered to be impaired, the impairment to be recognized is measured at the amount by which the carrying amount of the real estate exceeds the fair value of the property. There were no impairment losses recognized in the years presented.

Leases:

The Organization determines if an arrangement is a lease at inception. Operating leases are included in operating lease right-of-use (“ROU”) assets and operating lease liabilities in the Consolidated Statements of Financial Position. ROU assets represent the right to use an underlying asset for the lease term and lease liabilities represent the obligation to make lease payments arising from the lease. Operating lease ROU assets and liabilities are recognized at the lease commencement date based on the present value of lease payments over the lease term.

The operating lease ROU asset includes any lease payments made and excludes lease incentives. The lease terms may include options to extend or terminate the lease when it is reasonably certain that the Organization will exercise that option. Lease expense for lease payments is recognized on a straight-line basis over the lease term. Family Nurturing Center has applied the standards to its lease with FNSC, which has been eliminated, along with the rental income and expense, in the accompanying consolidated financial statements.

As most of the leases do not provide an implicit rate, the Organization has elected to use a risk-free rate since the rate inherent in the lease is unknown. The Organization has also elected the practical expedient to not separate lease and non-lease components for its leases.

The Organization has elected the short-term lease exemption for all leases with a term of 12 months or less for both existing and ongoing operating leases to not recognize the asset and liability for these leases. In addition, management has evaluated its existing leases for office equipment and determined that their ROU asset and lease liability is not material to the consolidated financial statements and, therefore, has not applied the standard to certain copier equipment. Lease payments for short-term leases are recognized on a straight-line basis.

Intangible Assets:

Intangible assets reflects the acquisition and installation of a cloud-based network software and server and the development of a customized Salesforce database and outcomes measurement system. The intangible assets are amortized over a five-year period and are presented net of accumulated amortization totaling \$82,675 and \$81,541 as of June 30, 2023 and 2022, respectively, and were fully amortized as of June 30, 2023. Amortization expense was \$1,134 and \$2,681 for the years ended June 30, 2023 and 2022, respectively.

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(Continued)

NOTE 3 *(Continued)*

Deferred Financing Costs:

Fees totaling \$234,800 paid in connection with the financing for the NMTC transaction have been capitalized as deferred financing costs and are being amortized using the straight-line method (which approximates the interest method) over the seven-year NMTC compliance period. Through the construction period, the amortization of the deferred financing costs were added to the capitalized construction costs and upon completion, the annual amortization of approximately \$33,540 is added to the interest expense on the underlying debts. Deferred financing costs are presented net of amortization as a direct reduction from the *NMTC Notes Payable* on the Consolidated Statements of Financial Position.

Revenue Recognition:

Cost-Reimbursement Agreements

As more fully detailed in Note 8, a significant portion of FNC's revenue is derived from cost-reimbursable grants through the Massachusetts DCF and the Department of Early Education and Care ("DEEC") which are conditional upon certain performance requirements and the incurrence of allowable qualifying expenses. Amounts received are recognized as revenue when FNC has incurred expenditures in compliance with specific contract or grant provisions. With respect to the CFCE DEEC agreement (*See Note 8*), FNC receives periodic advances from DEEC which are recognized as *Conditional Grant Advances*, a liability, until eligible costs are incurred and revenue is recognized. Otherwise, FNC invoices DCF and DEEC for reimbursement after such expenses have been incurred, and except for the CFCE agreement, does not receive payment in advance of service delivery. As of June 30, 2023 and 2022, there is no obligation for conditional grant advances arising from these agreements in the accompanying consolidated financial statements. For the years presented, the cost-reimbursement arrangements were billed in full within each respective fiscal year, leaving no conditional balances at year end.

Unit-Rate Agreements

As detailed in Note 2, FNC delivers nurturing programs in collaboration with DCF Regional Offices. These programs are conducted over a 12 - 15 week period and billed to DCF on a unit rate per group or session basis. Revenue is recognized as the services are provided and invoiced upon completion of the service delivery; accordingly, there are no contract liabilities arising out of unit rate agreements.

Program Service Revenue

FNC receives program revenue for the delivery of training and technical assistance programs which is recognized as services are delivered. When applicable, deposits received in advance are recognized as *Deferred Revenue*, a contract liability, in the accompanying Consolidated Statements of Financial Position.

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(Continued)

NOTE 3 *(Continued)*

Gifts, Grants and Contributions:

The Organization is the beneficiary of contributions in the form of grants from other organizations, donations of cash and financial assets from individuals and contributions of nonfinancial assets. Contributions, including promises to give, without donor conditions are recognized as revenue at their estimated fair value at the date of donation and classified as either with or without donor restrictions depending on the donor's stipulations or lack thereof. Unconditional, multi-year commitments are recognized in the year during which the initial commitment is made at the amount that the organization reasonably expects to collect. Contributions to be received after one year are discounted at an appropriate discount rate commensurate with the risk involved when such amounts are considered material. Amounts receivable from donors are evaluated yearly for collectability and an allowance for uncollectible pledges is recorded as necessary.

Conditional donations are those that have a measurable performance or other barrier and include a right of return of the assets or right of release of the donor from further obligation if the conditions are not met. Conditional donations are not recognized until the associated barriers are met. Any cash received before the conditions or barriers are met it is reported as a refundable advance. When the conditions are met the revenue is reported as contributions without restrictions unless there are further restrictions over and above those associated with the donor conditions.

Support that is restricted by the donor is reported as an increase in net assets with donor restrictions until the restriction are met, at which time the net assets are reclassified to net assets without donor restrictions.

Special events revenue and sponsorships received in advance of the event is reported as deferred revenue, a liability, until the event takes place.

Donations of Nonfinancial Assets:

Contributed nonfinancial assets include donated professional services, donated goods, and other in-kind contributions which are recorded at the respective fair values of the goods and services received. Donated services are recognized as contributions if the services (a) create or enhance nonfinancial assets or (b) require specialized skills, are performed by people with those skills, and would otherwise be purchased by the Organization. FNC relies heavily upon volunteer involvement in direct service, outreach and administrative capacities. FNC also receives donations from the general public of program supplies and materials for program participants.

Functional Expenses:

Family Nurturing Center allocates its expenses on a functional basis among its various programs and support services. Expenses that are common to several functions are allocated based upon space and time usage. In the accompanying Consolidated Statement of Functional Expenses, *Salaries, Payroll Taxes, Fringe Benefits, Occupancy Costs, Depreciation and Amortization Expense, Liability Insurance, and Technology* are allocated based on estimates of time and effort. Supporting services are those related to operating and managing Family Nurturing Center and its programs on a day-to-day basis. Supporting services have been sub-classified as follows:

Administrative - includes all activities related to Family Nurturing Center's internal management and accounting for program services.

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(Continued)

NOTE 3 *(Continued)*

Fund Raising - includes all activities related to maintaining contributor information, writing grant proposals, distribution of materials and other similar projects related to the procurement of funds and volunteers for Family Nurturing Center's programs.

Direct Event Costs - includes expenses incurred for fund raising events which represents the cost of direct benefits to the donors and are presented separately in the Consolidated Statement of Functional Expenses and are also presented net of event proceeds in the accompanying Consolidated Statements of Activities.

Reclassifications:

Certain amounts in the prior year information have been reclassified to confirm to the current year presentation. Reclassifications made to the prior year information have no impact on total net assets or changes in net assets.

Recent Accounting Guidance:

Recently Implemented Standards

The Organization adopted ASC Update No. 2016-02, (Topic 842) *Leases* effective July 1, 2022, which establishes a comprehensive new lease accounting model. The new standard clarifies the definition of a lease and causes lessees to recognize leases on the statement of financial position as a lease liability with a corresponding right-of-use asset for leases with a lease term of more than one year. As part of the adoption of the standard, the Organization elected and applied the following practical expedients on the adoption date:

The package of practical expedients permitting the Organization to not reassess (i) the lease classification of existing leases; (ii) whether existing and expired contracts are or contain leases; and (iii) initial direct costs for existing leases.

NOTE 4 PROPERTY AND EQUIPMENT

The following is a summary of property and equipment as of June 30, 2023 and 2022:

	<u>2023</u>	<u>2022</u>
Land	\$ 250,000	\$ 250,000
Buildings and Improvements	5,471,766	5,471,766
Furnishings and Fixtures	<u>248,744</u>	<u>248,744</u>
Total Property and Equipment	5,970,510	5,970,510
Less: Accumulated Depreciation	<u>(648,378)</u>	<u>(462,892)</u>
Property and Equipment, Net	<u>\$5,322,132</u>	<u>\$5,507,618</u>

Depreciation expense for the years ended June 30, 2023 and 2022 was \$185,486 and \$185,428, respectively.

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(Continued)

NOTE 5 LEVERAGED LOAN RECEIVABLE

On September 21, 2018, FNC made a leveraged loan in the amount of \$3,970,381 to the NMTC Investor, a qualified equity investment fund (“QEI”) linked to FNC’s financing obtained through the NMTC program. In order to fund the loan, FNC raised capital campaign funds and entered into financing transactions further detailed in Note 6. The loan is payable in monthly interest only payments at the fixed rate of 2.735% for the first seven years (the “Compliance Period”) commencing on October 10, 2018. Starting on January 10, 2026, monthly payments of principal and interest of \$21,297 will be due through the maturity date of March 1, 2046.

After the Compliance Period, there are put and call agreements between FNC and the NMTC Investor. It is anticipated that the NMTC Investor will put their option and FNC will own the QEI funds at the end of the Compliance Period. However, if the NMTC Investor does not put their interest, FNCS plans to exercise its option to call. The value attributable to the put price is nominal; consequently, if exercised, the put would essentially result in forgiveness of these loans as well as extinguishment of FNCS’s debt described in Note 6.

FNC received interest income payments totaling \$108,590 per year during the fiscal years ended June 30, 2023 and 2022.

NOTE 6 DEBT AND FINANCING TRANSACTIONS

On September 21, 2018, FNC and FNCS successfully closed a NMTC transaction to finance the Project, which leveraged \$1,913,800 in loans from Eastern Bank, \$2,485,351 in FNC capital campaign contributions, and a net NMTC investment from the BOA FNC Investment Fund of \$1,723,519 to fund FNCS’s total costs associated with the Project, which were approximately \$6 million. As part of this transaction, FNC sold its land and building to FNCS for \$250,000, paid in full its acquisition and pre-development debts, and entered into a lease agreement with FNCS for a 25-year term that commenced upon completion of the construction in January 2020. In addition, FNC and FNCS executed the below notes and debt instruments with Eastern Bank and the MHIC CDE that are secured by a mortgage on FNCS’s fee interest in the Property (the MHIC CDE) or a leasehold mortgage secured by FNC’s fee interest in the Property (Eastern Bank).

Eastern Bank:

Construction Loan

Construction financing in the amount of \$1,750,000 was provided to leverage a NMTC allocation to provide construction and permanent financing for the renovation of 200 Bowdoin Street, Dorchester. The note is collateralized by the assignment of leverage loan documents in the amount of \$3,970,381 between FNC and BOA FNC Investment Fund, LLC. From the date of the loan through April 20, 2020, payments of interest only were due monthly in arrears at the fixed annual rate of 5.19%. After April 20, 2020, monthly installments of \$9,680 became due, which includes interest and principal, whereby the principal will be allocated to a sinking fund. The note matures on August 20, 2026, at which time the outstanding balance, which is projected to be approximately \$1,564,464, is due in full. As of June 30, 2023 and 2022, the outstanding principal balance was \$1,750,000, which is presented net of the amount held in the sinking fund of \$82,687 and \$55,059, respectively. For the years ended June 30, 2023 and 2022, interest paid on this loan amounted to \$89,134 and \$89,956, respectively.

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(Continued)

NOTE 6 (Continued)

As of June 30, 2023, FNC has the following payment obligation to the sinking fund through maturity:

<u>Fiscal Year Ended</u>	<u>Amount</u>
June 30, 2024	\$ 30,674
June 30, 2025	32,305
June 30, 2026	34,026
June 30, 2027	<u>5,844</u>
Total	<u>\$102,849</u>

Line-of-Credit

FNC maintains a working capital line-of-credit agreement with Eastern Bank with a borrowing limit of \$250,000. The advance rate is limited to an amount not to exceed 70% of accounts receivable that are due within 90 days and expires on February 28, 2024. The line-of-credit bears interest at the prime rate, which was 8.25% and 3.25% as of June 30, 2023 and 2022, respectively, is due upon demand, and is secured by all business assets. For the years ended June 30, 2023 and 2022, the line-of-credit was not used, and there was no outstanding balance at each respective year end.

New Markets Tax Credit Notes Payable:

On September 21, 2018, FNCS obtained financing in a NMTC transaction. Through this transaction, FNCS has secured low interest financing and the potential for future debt forgiveness. This program permits individual and corporate taxpayers to receive a credit against federal income taxes for making a QEI in qualified Community Development Entities (“CDEs”). The CDE used substantially all of each QEI to make Qualified Low-Income Community Investment (“QLICI”) loans on favorable terms to FNCS as a Qualified Low-Income Community Business (“QALICB”). These loans were made to FNCS by the MHIC CDE on September 21, 2018, and outstanding as of June 30, 2023 and 2022, were as follows:

	<u>2023</u>	<u>2020</u>
Promissory Note A-1	\$2,184,699	\$2,184,699
Promissory Note A-2	1,785,682	1,785,682
Promissory Note B-1	948,401	948,401
Promissory Note B-2	<u>775,118</u>	<u>775,118</u>
Total	5,693,900	5,693,900
Less: Unamortized Deferred Financing Costs	<u>(75,479)</u>	<u>(109,020)</u>
Net Long Term NMTC Notes Payable	<u>\$5,618,421</u>	<u>\$5,584,880</u>

Each of the above loans has a maturity date of December 1, 2052 and bears interest at the rate of 1.98%, payable monthly. The first seven-year term of the notes are defined as the Compliance Period, during which time only interest is paid. On September 21, 2025, the seventh anniversary of the loans, a lump sum principal payment of \$29,350 is due. Thereafter, the interest rate will increase to 6.98% and the loans will be amortized with aggregate monthly principal and interest payments of \$22,586 required through the maturity date. The loans may be repaid any time after the Compliance Period. Total interest paid on these notes amounted to \$112,739 for each of the years presented.

FAMILY NURTURING CENTER OF MASSACHUSETTS, INC. AND
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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

JUNE 30, 2023 AND 2022

(Continued)

NOTE 7 RESTRICTIONS AND DESIGNATIONS OF NET ASSETS

Net Assets With Donor Restrictions:

Net assets with donor restrictions includes the following unexpended contributions and grants restricted by donors as of June 30, 2023 and 2022:

<u>Nature of Restriction</u>	<u>2023</u>	<u>2022</u>
Capital Projects	\$187,564	\$187,564
Community-Based Family Support Networks	761,022	621,829
COVID-19 Relief	<u>1,000</u>	<u>1,321</u>
Total	<u>\$949,586</u>	<u>\$810,714</u>

For the years presented, the sources of net assets released from donor restrictions by incurring expenses satisfying the restricted purposes or by occurrence of events specified by the donors were as follows:

<u>Nature of Restriction</u>	<u>2023</u>	<u>2022</u>
Community-Based Family Support Networks	\$790,825	\$780,167
COVID-19 Relief	<u>321</u>	<u>5,411</u>
Total	<u>\$791,146</u>	<u>\$785,578</u>

Board Designated Net Assets:

As of June 30, 2023 and 2022, *Board Designated Funds* totaling \$101,764 and \$101,695, respectively, represents balances held in certificates of deposit. These funds represent liquid assets without donor restrictions, but designated by the FNC Board of Directors for specific purposes. As of June 30, 2023 and 2022, the certificates of deposit bore interest at 0.10% with one-year terms, and which are automatically renewed.

NOTE 8 GOVERNMENT FUNDED PROGRAM SERVICE CONTRACTS

Commonwealth of Massachusetts - Department of Children and Families:

DCF is the Organization's primary purchasing agency within the Commonwealth of Massachusetts' Purchase-of-Service system. The following programs were funded through DCF for the years presented:

FNC is party to a Community Education and Training contract with DCF under a Nurturing Program Development and Consulting Services agreement to provide technical assistance for nurturing family program development and implementation. Total revenue received under this DCF contract was \$300,000 for each of the years presented.

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

JUNE 30, 2023 AND 2022

(Continued)

NOTE 8 *(Continued)*

FNC also provides nurturing programs in conjunction with the Boston Regional and Coastal Regional DCF offices. These programs are funded by DCF on a unit rate per group or session basis and provided revenue in the amount of \$293,025 and \$306,074 for the years ended June 30, 2023 and 2022, respectively.

FNC serves as the coordinating agency for the Dorchester Community Connections contract. The purpose of the program is to facilitate communication and collaboration between community residents and human service providers in Dorchester. This grant was administered on a cost-reimbursement basis and provided program funding in the amount of \$193,022 and \$203,022 for the years ended June 30, 2023 and 2022, respectively.

FNC also serves as the coordinating agency for the Chelsea Community Connections program, which operates under a contract similar in scope and contract administration to the above Dorchester contract. The total funding received for the years ended June 30, 2023 and 2022 for the Chelsea program amounted to \$144,413 and \$155,000, respectively.

Dorchester PATCH is a partnership between the DCF Park Street Area Office, the Department of Youth Services Metro Region and Family Nurturing Center. Together, these partners employ a community-based, family-centered approach to serve families in the Bowdoin-Geneva area of Dorchester. This contract was administered on a cost-reimbursement basis and provided program funding in the amount of \$102,750 and \$107,750 for the years ended June 30, 2023 and 2022, respectively.

FNC received supplemental program support from DCF in the amount of \$75,070 and \$74,855 for FY 2023 and FY 2022, respectively. Total DCF funding was \$1,092,930 and \$1,146,700 for the years ended June 30, 2023 and 2022, respectively.

Commonwealth of Massachusetts - Department of Early Education and Care:

FNC serves as the lead agency for the Boston Family Engagement Network on the CFCE grant and administers subgrants on a cost-reimbursement basis to eight coordinating agencies that deliver a variety of parent support and education services to targeted neighborhoods (*See Note 2*). In addition, Family Nurturing Center serves as the coordinating agency in the neighborhood of Allston-Brighton. The contract also funds services through the Parent-Child Home Program, a city-wide literacy-based home visiting program. Total revenues received by FNC under the CFCE Grant amounted to \$911,190 for each of the years ended June 30, 2023 and 2022. FNC administered subgrants totaling \$412,704 and \$415,763 in each respective year to the eight coordinating agencies noted above, of which amounts, *Subcontracts Payable* totaling \$59,773 and \$66,327, respectively, are reported in the accompanying Consolidated Statements of Financial Position.

FAMILY NURTURING CENTER OF MASSACHUSETTS, INC. AND
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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

JUNE 30, 2023 AND 2022

(Continued)

NOTE 9 DONATED GOODS AND SERVICES

The following represents donated goods and services for the years presented:

<u>Description</u>	<u>2023</u>	<u>2022</u>
Toys, Blankets, Baby Items, Etc. (Program Supplies)	\$24,579	\$32,563
Nurturing Program Facilitators	38,640	41,160
Other Volunteer Services	<u>17,838</u>	<u>7,455</u>
Total	<u>\$81,057</u>	<u>\$81,178</u>

In-kind goods and services for the Welcome Baby Program include handmade blankets and other new items for families receiving Welcome Baby visits. Volunteer groups and individuals donate time to assemble gift bags and informational packets. The blankets, toys, diapers and other donated items are valued individually using estimated costs for identical or similar products in similar condition at the time of donation.

Nurturing Program Facilitators and other volunteers are valued at a per hour rate consistent with the pay rate FNC compensates staff for comparable service.

In addition to the in-kind goods and services recognized above, FNC operates its nurturing programs and playgroups in various locations throughout the Boston area. Most of this space is provided free of charge to FNC, and while not tracked, management estimates the annual value at approximately \$30,000 for each of the years presented.

NOTE 10 CONDITIONAL GRANTS

Beth Israel Deaconess Medical Center:

During FY 2022, FNC received a conditional grant commitment from Beth Israel Deaconess Medical Center in the amount of \$395,000, payable in three installments. The grant is restricted for health initiatives in the Bowdoin Geneva neighborhood of Dorchester. For the years ended June 30, 2023 and 2022, revenue in the amount of \$239,721 and \$155,279, respectively, was recognized as *Foundation and Corporate Grants* revenue in the Consolidated Statements of Activities.

Tufts Medical Center:

During FY 2020, FNC received a conditional grant commitment from Tufts Medical Center in the amount of \$150,000, payable in three installments. The grant is restricted to behavior health programming for the Dorchester community. Through June 30, 2022, cumulative revenue in the amount of \$125,000 was recognized as *Foundation and Corporate Grants* revenue in the Consolidated Statements of Activities. The final installment of \$25,000 was received and recognized as revenue in FY 2023.

FAMILY NURTURING CENTER OF MASSACHUSETTS, INC. AND
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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

JUNE 30, 2023 AND 2022

(Continued)

NOTE 10 *(Continued)*

During FY 2023, FNC received a conditional grant commitment from Tufts Medical Center in the amount of \$420,000, payable over a three-year period. The grant is restricted to support nutrition and early literacy programming. For the year ended June 30, 2023, revenue in the amount of \$70,000 was recognized as *Foundation and Corporate Grants* in the accompanying Consolidated Statements of Activities. The remaining installments of \$140,000 due in FY 2024, \$140,000 due in FY 2025, and \$70,000 due in FY 2026 are strictly conditional upon satisfactory program accomplishments, benchmarks, and progress reports.

Health Resources in Action:

During FY 2023, FNC received a conditional grant agreement from Health Resources in Action in the amount of \$372,481, payable in five installments. The grant is restricted for FNC's participation in Boston's BIPOC Family Support Network. For the year ended June 30, 2023, revenue in the amount of \$73,986 was recognized as *Foundation and Corporate Grants* in the accompanying Consolidated Statements of Activities. The remaining installments of \$74,492 due in FY 2024, \$74,899 due in FY 2025, \$74,523 due in FY 2026, and \$74,581 due in FY 2027 are strictly conditional upon satisfactory program accomplishments, benchmarks, and progress reports.

Cummings Foundation:

During FY 2019, FNC received the Cummings Foundation Sustaining Grant in the amount of \$40,000, which is renewal for up to nine additional years without an additional competitive application process. This additional funding is at the sole discretion of the Cummings Foundation.

As of June 30, 2023 and 2022, the aggregate conditional amount of the above commitments was \$648,495 and \$264,721, respectively. As the terms of the conditions had not been met, the support has not been recognized in the accompanying consolidated financial statements.

NOTE 11 OPERATING LEASE COMMITMENTS

Facilities:

Presentation School Foundation Community Center, Brighton, MA

FNC leases approximately 692 square feet of program space in the Presentation School, located at 640 Washington Street in Brighton, Massachusetts pursuant to a lease agreement that was scheduled to expire on December 31, 2024. On September 1, 2022, the lease was amended to expand the space to 1,577 square feet and extend the term through August 31, 2025. The space is used to operate the Allston-Brighton Family Support Network. Prior to the amendment, the lease required monthly rent payments of \$1,600, or \$19,200 annually. Under the amended lease, the base annual rent is \$30,000, payable in monthly installments of \$2,500, and subject to annual increases.

Chelsea Community Connections Site

FNC occupies program space on Hawthorne Street in Chelsea to operate the Chelsea Community Connections program under an annual lease which expired June 30, 2023 and was renewed for an additional one-year term through June 30, 2024. The annual renewal of this lease is contingent upon corresponding renewals of the DCF contract that funds the program; therefore, management has not applied the lease standards to this agreement. Total rent paid during FY 2023 and FY 2022 amounted to \$19,830 and \$23,275, respectively. The future rent due under the lease is \$25,985 for the fiscal year ended June 30, 2024.

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

JUNE 30, 2023 AND 2022

(Continued)

NOTE 11 (Continued)

Neighborhood Trauma Team

FNC leases program space in Dorchester for operation of its Neighborhood Trauma Team programming under a one-year lease agreement that expired on June 30, 2023 and was extended through June 30, 2024. The lease requires annual rent of \$6,000 payable in quarterly installments.

As a result of applying the lease accounting standards to this agreement, the accompanying consolidated financial statements include an operating right-of-use asset in the amount of \$74,688 and an operating lease liability in the amount of \$77,188, of which amount \$36,481 represents the current obligation at present value due in the year ended June 30, 2024. The Organization used a weighted-average discount rate of 3.35% to approximate the remaining lease term. The right-of-use asset obtained in exchange for operating lease liabilities was \$105,548 and the operating lease expense recognized on those leases for the year ended June 30, 2023 was \$33,500.

The future minimum financial obligation arising from these commitments is scheduled below:

<u>Fiscal Year Ending</u>	<u>Amount</u>
June 30, 2024*	\$38,500
June 30, 2025	35,500
June 30, 2026	<u>6,000</u>
Total Undiscounted Cash Flows	80,000
Less: Present Value Discount	<u>(2,812)</u>
Total Lease Liabilities	<u>\$77,188</u>

*Excludes Chelsea Lease

Equipment:

In FY 2021, FNC entered into two 60-month copier lease agreements. The combined monthly lease payments of \$948 are reported as *Equipment Lease/Rental* expense in the accompanying Consolidated Statements of Functional Expenses. The future minimum lease payments arising from this commitment is scheduled below:

<u>Fiscal Year Ended</u>	<u>Amount</u>
June 30, 2024	\$11,376
June 30, 2025	11,376
June 30, 2026	<u>3,668</u>
Total	<u>\$26,420</u>

NOTE 12 OCCUPANCY

Occupancy Costs include the costs of renting and maintaining the above facilities as well as the costs to own and maintain its primary facility located at 200 Bowdoin Street in Dorchester. Each of these items is included in the Organization's occupancy costs and is allocated on a functional basis to the various programs and supporting services according to the percentages derived from the usage of the space as expressed in terms of time devoted to the programs and services.

FAMILY NURTURING CENTER OF MASSACHUSETTS, INC. AND
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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

JUNE 30, 2023 AND 2022

(Continued)

NOTE 12 *(Continued)*

The *Occupancy Costs* category includes the following costs:

<u>Occupancy Costs</u>	<u>2023</u>	<u>2022</u>
Rent	\$ 58,551	\$ 40,025
Mortgage Interest	146,280	146,279
Utilities	28,399	28,112
Repairs and Maintenance	63,471	62,770
Cleaning Service	<u>16,949</u>	<u>2,800</u>
Total Occupancy Costs	<u>\$313,650</u>	<u>\$279,986</u>

NOTE 13 EMPLOYEE BENEFIT PLANS

FNC maintains an employee benefit program, whereby each employee may elect to participate in a tax deferred 403(b) retirement plan administered by FNC. The plan allows full-time employees of the Organization to defer a percentage of their earnings in a tax-deferred retirement arrangement. The plan's contributions consisted only of employee salary deferrals, and therefore, the consolidated financial statements do not reflect a retirement benefit expense. FNC also offers a pre-tax cafeteria flexible spending account plan for out-of-pocket medical costs.

NOTE 14 CONCENTRATIONS

Cash Concentrations:

The Organization is subject to some credit risk through cash balances in checking and savings accounts which are placed with high credit quality financial institutions. Cash deposits are insured by the Federal Deposit Insurance Corporation ("FDIC") up to \$250,000 per institution. At times during the year, the Organization's balances may exceed FDIC and other insured limits. The Organization had \$1,006,001 and \$968,401 in excess of federally insured and other insured limits as of June 30, 2023 and 2022 respectively; however, the Organization has not experienced any losses on uninsured cash balances.

Revenue and Receivable Concentrations:

As disclosed in Notes 3 and 8, FNC receives a significant amount of its revenue from government funded service contracts. For FY 2023 and FY 2022, approximately 50% of total support and revenue was attributable to reimbursement arrangements with the Commonwealth of Massachusetts DCF and DEEC. As of June 30, 2023 and 2022, approximately 74% and 31% of FNC's accounts receivable from program services were due from these sources.

FAMILY NURTURING CENTER OF MASSACHUSETTS, INC. AND
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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

JUNE 30, 2023 AND 2022

(Continued)

NOTE 15 CONTINGENCIES

Surplus Revenue Retention Regulations:

The Commonwealth of Massachusetts Division of Purchased Services' regulation, 808 CMR 1.19(3), *Not-for-Profit Surplus Revenue Retention*, allows social service providers to retain a surplus up to 20% of total revenues attributable to or generated by Commonwealth agreements for the provision of social services to clients of the Commonwealth and to use such surplus revenue for charitable purposes of the organization. Management concludes that FNC is in compliance with OSD requirements.

New Markets Tax Credit Recapture:

The NMTC Investor is subject to 100% recapture of the New Markets Tax Credits it receives for a period of seven years as provided in the Internal Revenue Code and applicable U.S. Treasury regulations. The Organization is required to be in compliance with various regulations and contractual provisions that apply to the New Markets Tax Credit arrangement. Noncompliance with applicable requirements could result in the NMTC Investor's projected tax benefits not being realized and, therefore, require the Organization to indemnify the NMTC Investor for any loss or recapture of New Markets Tax Credits related to the financing until such time as the recapture provisions have expired under the applicable statute of limitations. The Organization does not anticipate any credit recapture will be required in connection with this financing arrangement.

NOTE 16 LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS

The following table reflects the Organization's financial assets as of June 30, 2023 and 2022, reduced by amounts not available for general expenditure within one year. Financial assets are considered unavailable when illiquid or not convertible to cash within one year or because the governing board has set aside the funds for a specific contingency reserve, capital investment or other long-term investments or when restricted by donors for purposes more limited than general expenditures.

As part of the Organization's liquidity management, it has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due. To help manage unanticipated liquidity needs, the Organization has a committed line of credit of \$250,000, which it could draw upon. See Note 6 for information about the Organization's line-of-credit. Additionally, the Organization has Board-Designated funds that, while the Organization does not intend to spend these for general operating purposes within the next year, these amounts could be made available for current operations, if necessary.

For purposes of analyzing resources available to meet general expenditures over a twelve-month period, the Organization considers all expenditures related to its ongoing activities of operating nurturing programs as well as the conduct of services undertaken to support those activities to be general expenditures.

FAMILY NURTURING CENTER OF MASSACHUSETTS, INC. AND
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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

JUNE 30, 2023 AND 2022

(Continued)

NOTE 16 *(Continued)*

	<u>2023</u>	<u>2022</u>
<i>Financial Assets:</i>		
Cash and Cash Equivalents	\$1,242,813	\$1,268,051
Accounts Receivable, Program Services	539,858	513,791
Grants and Contributions Receivable	145,238	80,180
Board Designated Funds	<u>101,764</u>	<u>101,695</u>
Total Financial Assets as of June 30th	2,029,673	1,963,717
<i>Less Amounts Not Available to be Used Within One Year:</i>		
Amounts Held for Capital Projects	(187,564)	(187,564)
Board Designated Fund/Certificate of Deposit	<u>(101,764)</u>	<u>(101,695)</u>
Financial Assets Available to Meet		
General Expenditures Within One Year	<u>\$1,740,345</u>	<u>\$1,674,458</u>

NOTE 17 SUBSEQUENT EVENTS

Management is required to consider events subsequent to the financial statement date for potential adjustment to or disclosure in the consolidated financial statements. Therefore, Management has evaluated subsequent events through October 24, 2023, the date which the consolidated financial statements were available for issue, and noted no events which met the criteria for recognition or disclosure.

FAMILY NURTURING CENTER OF MASSACHUSETTS, INC. AND
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CONSOLIDATING STATEMENT OF FINANCIAL POSITION AS OF JUNE 30, 2023

	<u>FNC</u>	<u>FNSC</u>	<u>ELIM- INATIONS</u>	<u>CONSOLIDATED TOTAL</u>
<u>ASSETS</u>				
<u>CURRENT ASSETS:</u>				
Cash and Cash Equivalents - Operating	\$ 980,517	\$ 74,732	\$ -	\$ 1,055,249
Accounts Receivable, Program Services	539,858	688	(688)	539,858
Grants and Contributions Receivable	145,238	-	-	145,238
Prepaid Expenses	16,039	-	-	16,039
Total Current Assets	<u>1,681,652</u>	<u>75,420</u>	<u>(688)</u>	<u>1,756,384</u>
<u>PROPERTY AND EQUIPMENT, NET</u>	<u>1,056</u>	<u>5,321,076</u>	<u>-</u>	<u>5,322,132</u>
<u>NON-CURRENT ASSETS:</u>				
Cash Held for Capital Projects	187,564	-	-	187,564
Board Designated Funds	101,764	-	-	101,764
Leveraged Loan Receivable	3,970,381	-	-	3,970,381
Operating Right-of-Use Assets	431,061	-	(356,373)	74,688
Intangible Assets, Net of Amortization	-	-	-	-
Total Non-Current Assets	<u>4,690,770</u>	<u>-</u>	<u>(356,373)</u>	<u>4,334,397</u>
<u>TOTAL ASSETS</u>	<u>\$ 6,373,478</u>	<u>\$ 5,396,496</u>	<u>\$ (357,061)</u>	<u>\$ 11,412,913</u>
<u>LIABILITIES AND NET ASSETS</u>				
<u>CURRENT LIABILITIES:</u>				
Accounts Payable and Accrued Expenses	\$ 127,372	\$ 12,495	\$ (688)	\$ 139,179
Subcontracts Payable	59,773	-	-	59,773
Accrued Payroll and Related Costs	121,018	-	-	121,018
Deferred Revenue	22,911	-	-	22,911
Operating Lease Liability, Short-Term	36,481	-	-	36,481
Total Current Liabilities	<u>367,555</u>	<u>12,495</u>	<u>(688)</u>	<u>379,362</u>
<u>NON-CURRENT LIABILITIES:</u>				
NMTC Notes Payable	-	5,618,421	-	5,618,421
Construction Loan	1,667,313	-	-	1,667,313
Operating Lease Liability, Long Term	407,582	-	(356,373)	51,209
Total Non-Current Liabilities	<u>2,074,895</u>	<u>5,618,421</u>	<u>(356,373)</u>	<u>7,336,943</u>
<u>TOTAL LIABILITIES</u>	<u>2,442,450</u>	<u>5,630,916</u>	<u>(357,061)</u>	<u>7,716,305</u>
<u>NET ASSETS:</u>				
Without Donor Restrictions	2,981,442	(234,420)	-	2,747,022
With Donor Restrictions	949,586	-	-	949,586
Total Net Assets	<u>3,931,028</u>	<u>(234,420)</u>	<u>-</u>	<u>3,696,608</u>
<u>TOTAL LIABILITIES AND NET ASSETS</u>	<u>\$ 6,373,478</u>	<u>\$ 5,396,496</u>	<u>\$ (357,061)</u>	<u>\$ 11,412,913</u>

FAMILY NURTURING CENTER OF MASSACHUSETTS, INC. AND
FAMILY NURTURING SUPPORT CORPORATION

CONSOLIDATING STATEMENT OF FINANCIAL POSITION AS OF JUNE 30, 2022

	<u>FNC</u>	<u>FNSC</u>	<u>ELIM- INATIONS</u>	<u>CONSOLIDATED TOTAL</u>
<u>ASSETS</u>				
<u>CURRENT ASSETS:</u>				
Cash and Cash Equivalents - Operating	\$ 984,907	\$ 95,580	\$ -	\$ 1,080,487
Accounts Receivable, Program Services	513,791	-	-	513,791
Grants Receivable	80,180	-	-	80,180
Prepaid Expenses	42,680	-	-	42,680
Total Current Assets	<u>1,621,558</u>	<u>95,580</u>	<u>-</u>	<u>1,717,138</u>
<u>PROPERTY AND EQUIPMENT, NET</u>	<u>2,136</u>	<u>5,505,482</u>	<u>-</u>	<u>5,507,618</u>
<u>NON-CURRENT ASSETS:</u>				
Cash Held for Capital Projects	187,564	-	-	187,564
Board Designated Funds	101,695	-	-	101,695
Leveraged Loan Receivable	3,970,381	-	-	3,970,381
Intangible Assets, Net of Amortization	1,134	-	-	1,134
Total Non-Current Assets	<u>4,260,774</u>	<u>-</u>	<u>-</u>	<u>4,260,774</u>
<u>TOTAL ASSETS</u>	<u>\$ 5,884,468</u>	<u>\$ 5,601,062</u>	<u>\$ -</u>	<u>\$ 11,485,530</u>
<u>LIABILITIES AND NET ASSETS</u>				
<u>CURRENT LIABILITIES:</u>				
Accounts Payable and Accrued Expenses	\$ 55,652	\$ 44,800	\$ -	\$ 100,452
Subcontracts Payable	66,327	-	-	66,327
Accrued Payroll and Related Costs	135,198	-	-	135,198
Deferred Revenue	8,441	-	-	8,441
Total Current Liabilities	<u>265,618</u>	<u>44,800</u>	<u>-</u>	<u>310,418</u>
<u>NON-CURRENT LIABILITIES:</u>				
NMTC Notes Payable	-	5,584,880	-	5,584,880
Construction Loan	1,694,941	-	-	1,694,941
Total Non-Current Liabilities	<u>1,694,941</u>	<u>5,584,880</u>	<u>-</u>	<u>7,279,821</u>
<u>TOTAL LIABILITIES</u>	<u>1,960,559</u>	<u>5,629,680</u>	<u>-</u>	<u>7,590,239</u>
<u>NET ASSETS:</u>				
Without Donor Restrictions	3,113,195	(28,618)	-	3,084,577
With Donor Restrictions	810,714	-	-	810,714
Total Net Assets	<u>3,923,909</u>	<u>(28,618)</u>	<u>-</u>	<u>3,895,291</u>
<u>TOTAL LIABILITIES AND NET ASSETS</u>	<u>\$ 5,884,468</u>	<u>\$ 5,601,062</u>	<u>\$ -</u>	<u>\$ 11,485,530</u>

FAMILY NURTURING CENTER OF MASSACHUSETTS, INC. AND
FAMILY NURTURING SUPPORT CORPORATION

CONSOLIDATING STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2023

	FAMILY NURTURING CENTER			FNSC		ELIM- INATIONS	CONSOLIDATED ACTIVITIES
	WITHOUT DONOR RESTRICTIONS	WITH DONOR RESTRICTIONS	FNC TOTAL	WITHOUT DONOR RESTRICTIONS			
<u>SUPPORT, REVENUES AND RECLASSIFICATIONS:</u>							
<i>Support and Revenues:</i>							
Government Contracts and Awards	\$ 2,471,067	\$ -	\$ 2,471,067	\$ -	\$ -		\$ 2,471,067
Program Service Revenue	248,635	-	248,635	137,500	(148,001)		238,134
Foundation and Corporate Grants	181,637	928,618	1,110,255	-	-		1,110,255
Gifts, Contributions and Pledges	240,707	1,400	242,107	-	-		242,107
Gala Event Proceeds	396,756	-	396,756	-	-		396,756
Less: Cost of Direct Benefits to Donors	(122,049)	-	(122,049)	-	-		(122,049)
Donated Goods and Services	81,057	-	81,057	-	-		81,057
United Way Allocation	32,200	-	32,200	-	-		32,200
Interest Income	112,742	-	112,742	-	-		112,742
Miscellaneous Revenues	14,857	-	14,857	-	-		14,857
<i>Reclassification of Net Assets - Released from Restrictions:</i>							
Program and Operating Expenses	791,146	(791,146)	-	-	-		-
<u>TOTAL SUPPORT, REVENUES AND RECLASSIFICATIONS</u>	<u>4,448,755</u>	<u>138,872</u>	<u>4,587,627</u>	<u>137,500</u>	<u>(148,001)</u>		<u>4,577,126</u>
<u>EXPENSES:</u>							
<i>Program Services:</i>							
Family Nurturing and Training Programs	3,523,695	-	3,523,695	259,589	(116,181)		3,667,103
<i>Supporting Services:</i>							
Administrative	724,431	-	724,431	49,652	(16,576)		757,507
Fund Raising	332,382	-	332,382	34,061	(15,244)		351,199
<u>TOTAL EXPENSES</u>	<u>4,580,508</u>	<u>-</u>	<u>4,580,508</u>	<u>343,302</u>	<u>(148,001)</u>		<u>4,775,809</u>
<u>CHANGE IN NET ASSETS</u>	<u>(131,753)</u>	<u>138,872</u>	<u>7,119</u>	<u>(205,802)</u>	<u>-</u>		<u>(198,683)</u>
<u>NET ASSETS - BEGINNING OF YEAR</u>	<u>3,113,195</u>	<u>810,714</u>	<u>3,923,909</u>	<u>(28,618)</u>	<u>-</u>		<u>3,895,291</u>
<u>NET ASSETS - END OF YEAR</u>	<u>\$ 2,981,442</u>	<u>\$ 949,586</u>	<u>\$ 3,931,028</u>	<u>\$ (234,420)</u>	<u>\$ -</u>		<u>\$ 3,696,608</u>

FAMILY NURTURING CENTER OF MASSACHUSETTS, INC. AND
FAMILY NURTURING SUPPORT CORPORATION

CONSOLIDATING STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2022

	FAMILY NURTURING CENTER			FNSC		<u>CONSOLIDATED</u> <u>ACTIVITIES</u>
	<u>WITHOUT</u> <u>DONOR</u> <u>RESTRICTIONS</u>	<u>WITH</u> <u>DONOR</u> <u>RESTRICTIONS</u>	<u>FNC</u> <u>TOTAL</u>	<u>WITHOUT</u> <u>DONOR</u> <u>RESTRICTIONS</u>	<u>ELIM-</u> <u>INATIONS</u>	
<u>SUPPORT, REVENUES AND RECLASSIFICATIONS:</u>						
<i>Support and Revenues:</i>						
Government Contracts and Awards	\$ 2,390,843	\$ -	\$ 2,390,843	\$ -	\$ -	\$ 2,390,843
Program Service Revenue	170,818	-	170,818	139,000	(139,000)	170,818
Foundation and Corporate Grants	113,236	889,959	1,003,195	-	(29,652)	973,543
Gifts, Contributions and Pledges	229,938	-	229,938	-	-	229,938
Gala Event Proceeds	229,304	-	229,304	-	-	229,304
Less: Cost of Direct Benefits to Donors	(47,413)	-	(47,413)	-	-	(47,413)
Donated Goods and Services	81,178	-	81,178	-	-	81,178
United Way Allocation	32,200	-	32,200	-	-	32,200
Interest Income	110,757	-	110,757	-	-	110,757
<i>Reclassification of Net Assets - Released from Restrictions:</i>						
Program and Operating Expenses	785,578	(785,578)	-	-	-	-
<u>TOTAL SUPPORT, REVENUES AND RECLASSIFICATIONS</u>	<u>4,096,439</u>	<u>104,381</u>	<u>4,200,820</u>	<u>139,000</u>	<u>(168,652)</u>	<u>4,171,168</u>
<u>EXPENSES:</u>						
<i>Program Services:</i>						
Family Nurturing and Training Programs	3,163,219	-	3,163,219	283,661	(135,924)	3,310,956
<i>Supporting Services:</i>						
Administrative	469,919	-	469,919	78,211	(14,561)	533,569
Fund Raising	422,042	-	422,042	43,423	(18,167)	447,298
<u>TOTAL EXPENSES</u>	<u>4,055,180</u>	<u>-</u>	<u>4,055,180</u>	<u>405,295</u>	<u>(168,652)</u>	<u>4,291,823</u>
<u>TOTAL CHANGE IN NET ASSETS</u>	<u>41,259</u>	<u>104,381</u>	<u>145,640</u>	<u>(266,295)</u>	<u>-</u>	<u>(120,655)</u>
<u>NET ASSETS - BEGINNING OF YEAR</u>	<u>3,071,936</u>	<u>706,333</u>	<u>3,778,269</u>	<u>237,677</u>	<u>-</u>	<u>4,015,946</u>
<u>NET ASSETS - END OF YEAR</u>	<u>\$ 3,113,195</u>	<u>\$ 810,714</u>	<u>\$ 3,923,909</u>	<u>\$ (28,618)</u>	<u>\$ -</u>	<u>\$ 3,895,291</u>

FAMILY NURTURING CENTER OF MASSACHUSETTS, INC. AND
FAMILY NURTURING SUPPORT CORPORATION

CONSOLIDATING STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2023

	FAMILY NURTURING CENTER					FNCS					TOTAL
	<u>PROGRAM SERVICES</u>	<u>ADMINISTRATIVE</u>	<u>FUND RAISING</u>	<u>DIRECT EVENT COSTS</u>	<u>FNC TOTAL</u>	<u>PROGRAM SERVICES</u>	<u>ADMINISTRATIVE</u>	<u>FUND RAISING</u>	<u>FNCS TOTAL</u>	<u>ELIMINATIONS</u>	
Salaries	\$ 1,629,526	\$ 232,493	\$ 213,811	\$ -	\$ 2,075,830	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,075,830
Payroll Taxes	143,346	20,452	18,808	-	182,606	-	-	-	-	-	182,606
Fringe Benefits	232,577	33,183	30,516	-	296,276	-	-	-	-	-	296,276
Volunteer Services	50,460	-	-	-	50,460	-	-	-	-	-	50,460
Subcontracted Program Services	545,280	-	-	-	545,280	-	-	-	-	-	545,280
Consultants and Professional Fees	153,612	270,764	10,981	-	435,357	-	11,975	-	11,975	-	447,332
Occupancy Costs	247,566	35,322	32,483	-	315,371	114,830	16,383	15,067	146,280	(148,001)	313,650
Depreciation and Amortization Expense	1,738	248	228	-	2,214	144,759	20,654	18,994	184,407	-	186,621
Directors and Officers' Insurance	-	3,095	-	-	3,095	-	-	-	-	-	3,095
Liability Insurance	17,763	2,534	2,331	-	22,628	-	-	-	-	-	22,628
Direct Client Assistance	173,991	-	-	-	173,991	-	-	-	-	-	173,991
Program Supplies and Activities	153,546	-	-	-	153,546	-	-	-	-	-	153,546
Food and Meals	45,114	598	115	-	45,827	-	-	-	-	-	45,827
Client Transportation	3,079	-	-	-	3,079	-	-	-	-	-	3,079
Technology	20,453	9,645	2,684	-	32,782	-	-	-	-	-	32,782
Equipment Lease/Rental	11,544	1,647	1,515	-	14,706	-	-	-	-	-	14,706
Office Supplies and Expenses	27,166	3,967	8,484	-	39,617	-	-	-	-	-	39,617
Telephone and Communications	20,139	2,873	2,643	-	25,655	-	-	-	-	-	25,655
Dues, Fees and Subscriptions	6,574	13,258	863	-	20,695	-	640	-	640	-	21,335
Staff Development	13,908	375	590	-	14,873	-	-	-	-	-	14,873
Meetings, Conferences and Events	9,577	188	123	122,049	131,937	-	-	-	-	-	131,937
Staff Travel	16,278	268	719	-	17,265	-	-	-	-	-	17,265
Interest and Financing Costs	-	89,134	-	-	89,134	-	-	-	-	-	89,134
Miscellaneous Expenses	458	4,387	5,488	-	10,333	-	-	-	-	-	10,333
Total Functional Expenses	\$ 3,523,695	\$ 724,431	\$ 332,382	\$ 122,049	\$ 4,702,557	\$ 259,589	\$ 49,652	\$ 34,061	\$ 343,302	\$ (148,001)	\$ 4,897,858

FAMILY NURTURING CENTER OF MASSACHUSETTS, INC. AND
FAMILY NURTURING SUPPORT CORPORATION

CONSOLIDATING STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2022

	FAMILY NURTURING CENTER					FNOSC					TOTAL
	<u>PROGRAM SERVICES</u>	<u>ADMINISTRATIVE</u>	<u>FUND RAISING</u>	<u>DIRECT EVENT COSTS</u>	<u>FNC TOTAL</u>	<u>PROGRAM SERVICES</u>	<u>ADMINISTRATIVE</u>	<u>FUND RAISING</u>	<u>FNOSC TOTAL</u>	<u>ELIMINATIONS</u>	
Salaries	\$ 1,447,177	\$ 198,287	\$ 247,397	\$ -	\$ 1,892,861	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,892,861
Payroll Taxes	131,591	18,030	22,496	-	172,117	-	-	-	-	-	172,117
Fringe Benefits	227,309	31,145	38,859	-	297,313	-	-	-	-	-	297,313
Volunteer Services	42,615	-	6,000	-	48,615	-	-	-	-	-	48,615
Subcontracted Program Services	559,927	-	-	-	559,927	-	-	-	-	-	559,927
Consultants and Professional Fees	144,427	75,409	25,716	-	245,552	-	40,700	-	40,700	-	286,252
Occupancy Costs	207,312	28,405	35,440	-	271,157	113,022	15,486	19,321	147,829	(139,000)	279,986
Depreciation and Amortization Expense	2,830	388	484	-	3,702	140,987	19,318	24,102	184,407	-	188,109
Directors and Officers' Insurance	-	4,427	-	-	4,427	-	-	-	-	-	4,427
Liability Insurance	15,673	2,147	2,679	-	20,499	-	-	-	-	-	20,499
Direct Client Assistance	170,458	-	-	-	170,458	-	-	-	-	-	170,458
Program Supplies and Activities	113,889	-	-	-	113,889	-	-	-	-	-	113,889
Food and Meals	23,281	-	-	-	23,281	-	-	-	-	-	23,281
Client Transportation	8,107	-	-	-	8,107	-	-	-	-	-	8,107
Technology	10,110	1,138	1,419	-	12,667	-	-	-	-	-	12,667
Equipment Lease/Rental	9,152	1,254	1,564	-	11,970	-	-	-	-	-	11,970
Office Supplies and Expenses	9,275	2,040	10,710	-	22,025	-	-	-	-	-	22,025
Telephone and Communications	11,520	1,578	1,969	-	15,067	-	-	-	-	-	15,067
Dues, Fees and Subscriptions	9,655	13,009	4,112	-	26,776	-	2,707	-	2,707	-	29,483
Staff Development	3,690	-	-	-	3,690	-	-	-	-	-	3,690
Meetings, Conferences and Events	3,478	-	15,448	47,413	66,339	-	-	-	-	-	66,339
Staff Travel	11,368	1,015	149	-	12,532	-	-	-	-	-	12,532
Interest and Financing Costs	-	89,956	-	-	89,956	-	-	-	-	-	89,956
Grants to FNC	-	-	-	-	-	29,652	-	-	29,652	(29,652)	-
Miscellaneous Expenses	375	1,691	7,600	-	9,666	-	-	-	-	-	9,666
Total Functional Expenses	\$ 3,163,219	\$ 469,919	\$ 422,042	\$ 47,413	\$ 4,102,593	\$ 283,661	\$ 78,211	\$ 43,423	\$ 405,295	\$ (168,652)	\$ 4,339,236

FAMILY NURTURING CENTER OF MASSACHUSETTS, INC. AND
FAMILY NURTURING SUPPORT CORPORATION

CONSOLIDATING STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2023

	<u>FNC</u>	<u>FNSC</u>	<u>ELIM-</u> <u>INATIONS</u>	<u>TOTAL</u>
<u>CASH FLOWS FROM OPERATING ACTIVITIES:</u>				
Change in Net Assets	\$ 7,119	\$ (205,802)	\$ -	\$ (198,683)
<i>Adjustments to Reconcile the Above to Net Cash Provided (Used) by Operating Activities:</i>				
Interest Income from Certificate of Deposit	(69)	-	-	(69)
Depreciation and Amortization Expense	2,214	184,406	-	186,620
Imputed Interest - Deferred Financing Costs	-	33,541	-	33,541
<i>(Increase) Decrease in Current Assets:</i>				
Accounts Receivable, Program Services	(26,067)	(688)	688	(26,067)
Grants Receivable	(65,058)	-	-	(65,058)
Prepaid Expenses	26,641	-	-	26,641
<i>Increase (Decrease) in Current Liabilities:</i>				
Accounts Payable and Accrued Expenses	71,720	(32,305)	(688)	38,727
Subcontracts Payable	(6,554)	-	-	(6,554)
Accrued Payroll and Related Costs	(14,180)	-	-	(14,180)
Deferred Revenue	14,470	-	-	14,470
Operating Lease Liability, Short-Term	3,520	-	-	3,520
<i>(Increase) Decrease in Non-Current Assets:</i>				
Operating Right-of-Use Assets	41,362	-	-	41,362
<i>Increase (Decrease) in Non-Current Liabilities:</i>				
Operating Lease Liability, Long-Term	(31,880)	-	-	(31,880)
Net Adjustment	16,119	184,954	-	201,073
<u>NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</u>	<u>23,238</u>	<u>(20,848)</u>	<u>-</u>	<u>2,390</u>
<u>CASH FLOWS FROM FINANCING ACTIVITIES:</u>				
Payments on Notes Payable (Sinking Fund)	(27,628)	-	-	(27,628)
Net Cash Flows from Financing Activities	(27,628)	-	-	(27,628)
<u>NET DECREASE IN CASH AND CASH EQUIVALENTS</u>	<u>(4,390)</u>	<u>(20,848)</u>	<u>-</u>	<u>(25,238)</u>
<u>CASH AND CASH EQUIVALENTS - BEGINNING OF YEAR</u>	<u>1,172,471</u>	<u>95,580</u>	<u>-</u>	<u>1,268,051</u>
<u>CASH AND CASH EQUIVALENTS - END OF YEAR</u>	<u>\$ 1,168,081</u>	<u>\$ 74,732</u>	<u>\$ -</u>	<u>\$ 1,242,813</u>
<i>Presentation of Cash Balances :</i>				
Cash and Cash Equivalents - Operating	980,517	74,732	\$ -	\$ 1,055,249
Cash Held for Capital Projects	187,564	-	-	187,564
Total Cash Balances	<u>\$ 1,168,081</u>	<u>\$ 74,732</u>	<u>\$ -</u>	<u>\$ 1,242,813</u>
<i>Supplemental Disclosures :</i>				
Interest and Finance Charges Paid	<u>\$ 89,134</u>	<u>\$ 112,739</u>	<u>\$ -</u>	<u>\$ 201,873</u>

FAMILY NURTURING CENTER OF MASSACHUSETTS, INC. AND
FAMILY NURTURING SUPPORT CORPORATION

CONSOLIDATING STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2022

	<u>FNC</u>	<u>FNSC</u>	<u>ELIM- INATIONS</u>	<u>TOTAL</u>
<u>CASH FLOWS FROM OPERATING ACTIVITIES:</u>				
Change in Net Assets	\$ 145,640	\$ (266,295)	\$ -	\$ (120,655)
<i>Adjustments to Reconcile the Above to Net Cash Provided (Used) by Operating Activities:</i>				
Interest Income from Certificate of Deposit	(101)	-	-	(101)
Depreciation and Amortization Expense	3,702	184,407	-	188,109
Imputed Interest - Deferred Financing Costs	-	33,540	-	33,540
<i>(Increase) Decrease in Current Assets:</i>				
Accounts Receivable, Program Services	(277,270)	-	-	(277,270)
Grants Receivable	(10,330)	-	-	(10,330)
Prepaid Expenses	11,583	-	-	11,583
<i>Increase (Decrease) in Current Liabilities:</i>				
Accounts Payable and Accrued Expenses	(4,121)	34,800	-	30,679
Subcontracts Payable	(22,414)	-	-	(22,414)
Accrued Payroll and Related Costs	34,697	-	-	34,697
Deferred Revenue	8,441	-	-	8,441
Net Adjustment	(255,813)	252,747	-	(3,066)
<u>NET CASH USED BY OPERATING ACTIVITIES</u>	<u>(110,173)</u>	<u>(13,548)</u>	<u>-</u>	<u>(123,721)</u>
<u>CASH FLOWS FROM FINANCING ACTIVITIES:</u>				
Payments on Notes Payable (Sinking Fund)	(26,205)	-	-	(26,205)
Net Cash Flows from Financing Activities	(26,205)	-	-	(26,205)
<u>NET DECREASE IN CASH AND CASH EQUIVALENTS</u>	<u>(136,378)</u>	<u>(13,548)</u>	<u>-</u>	<u>(149,926)</u>
<u>CASH AND CASH EQUIVALENTS - BEGINNING OF YEAR</u>	<u>1,308,849</u>	<u>109,128</u>	<u>-</u>	<u>1,417,977</u>
<u>CASH AND CASH EQUIVALENTS - END OF YEAR</u>	<u>\$ 1,172,471</u>	<u>\$ 95,580</u>	<u>\$ -</u>	<u>\$ 1,268,051</u>
<i>Presentation of Cash Balances :</i>				
Cash and Cash Equivalents - Operating	\$ 984,907	\$ 95,580	\$ -	\$ 1,080,487
Cash Held for Capital Projects	187,564	-	-	187,564
Total Cash Balances	<u>\$ 1,172,471</u>	<u>\$ 95,580</u>	<u>\$ -</u>	<u>\$ 1,268,051</u>
<i>Supplemental Disclosures :</i>				
Interest and Finance Charges Paid	<u>\$ 89,956</u>	<u>\$ 112,739</u>	<u>\$ -</u>	<u>\$ 202,695</u>