

FAMILY NURTURING CENTER OF MASSACHUSETTS, INC.

AND

FAMILY NURTURING SUPPORT CORPORATION

CONSOLIDATED FINANCIAL STATEMENTS


with

INDEPENDENT AUDITORS' REPORT

YEARS ENDED JUNE 30, 2024 AND 2023

Smith  Sullivan
& Brown PC

CERTIFIED PUBLIC ACCOUNTANTS

80 Flanders Road, Suite 302  Westborough, Massachusetts 01581

Tel: 508.871.7178 Fax: 508.871.7179 www.ssbcpa.com

FAMILY NURTURING CENTER OF MASSACHUSETTS, INC.

AND

FAMILY NURTURING SUPPORT CORPORATION

REPORT ON CONSOLIDATED FINANCIAL STATEMENTS

YEARS ENDED JUNE 30, 2024 AND 2023



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, 2024 AND 2023

C O N T E N T S

	<i>Pages</i>
Independent Auditors' Report.....	1 - 3
Consolidated Statements of Financial Position as of June 30, 2024 and 2023.....	4
Consolidated Statements of Activities for the Years Ended June 30, 2024 and 2023.....	5
Consolidated Statement of Functional Expenses for the Year Ended June 30, 2024..... <i>(With Summarized Comparative Consolidated Totals for 2023)</i>	6
Consolidated Statement of Functional Expenses for the Year Ended June 30, 2023.....	7
Consolidated Statements of Cash Flows for the Years Ended June 30, 2024 and 2023.....	8
Notes to Consolidated Financial Statements.....	9 - 29
 <i><u>Supplemental Consolidating Information:</u></i>	
Consolidating Statement of Financial Position as of June 30, 2024.....	30
Consolidating Statement of Financial Position as of June 30, 2023.....	31
Consolidating Statement of Activities for the Year Ended June 30, 2024.....	32
Consolidating Statement of Activities for the Year Ended June 30, 2023.....	33
Consolidating Statement of Functional Expenses for the Year Ended June 30, 2024.....	34
Consolidating Statement of Functional Expenses for the Year Ended June 30, 2023.....	35
Consolidating Statement of Cash Flows for the Year Ended June 30, 2024.....	36
Consolidating Statement of Cash Flows for the Year Ended June 30, 2023.....	37

Smith Sullivan & Brown PC

CERTIFIED PUBLIC ACCOUNTANTS

80 Flanders Road, Suite 302  Westborough, Massachusetts 01581
Tel: 508.871.7178 Fax: 508.871.7179 www.ssbcpa.com

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, 2024 and 2023, 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, 2024 and 2023 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 ("GAAS") and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the 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 opinion.

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 GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the consolidated financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the 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 30 - 37 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 Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated October 22, 2024 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 22, 2024

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

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
AS OF JUNE 30, 2024 AND 2023

ASSETS

	<u>2024</u>	<u>2023</u>
<u>CURRENT ASSETS:</u>		
Cash and Cash Equivalents - Operating	\$ 3,440,694	\$ 1,055,249
Grants Receivable, Program Services	499,856	539,858
Grants and Contributions Receivable	333,000	145,238
Prepaid Expenses	46,594	16,039
Total Current Assets	4,320,144	1,756,384
<u>PROPERTY AND EQUIPMENT, NET</u>	5,136,669	5,322,132
<u>NON-CURRENT ASSETS:</u>		
Cash Held for Capital Projects	187,564	187,564
Board Designated Funds	103,842	101,764
Grants and Contributions Receivable, Net of Discount	472,607	-
Leveraged Loan Receivable	3,970,381	3,970,381
Operating Lease Right-of-Use Assets	37,707	74,688
Total Non-Current Assets	4,772,101	4,334,397
<u>TOTAL ASSETS</u>	\$ 14,228,914	\$ 11,412,913

LIABILITIES AND NET ASSETS

<u>CURRENT LIABILITIES:</u>		
Accounts Payable and Accrued Expenses	\$ 121,488	\$ 139,179
Subcontracts Payable	120,993	59,773
Accrued Payroll and Related Costs	134,236	121,018
Deferred Revenue	9,999	22,911
Operating Lease Liability, Current	34,716	36,481
Total Current Liabilities	421,432	379,362
<u>NON-CURRENT LIABILITIES:</u>		
NMTC Notes Payable	5,651,964	5,618,421
Construction Loan	1,638,427	1,667,313
Operating Lease Liability, Non-Current	5,991	51,209
Total Non-Current Liabilities	7,296,382	7,336,943
<u>TOTAL LIABILITIES</u>	7,717,814	7,716,305
<u>NET ASSETS:</u>		
Without Donor Restrictions	4,811,595	2,747,022
With Donor Restrictions	1,699,505	949,586
Total Net Assets	6,511,100	3,696,608
<u>TOTAL LIABILITIES AND NET ASSETS</u>	\$ 14,228,914	\$ 11,412,913

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

CONSOLIDATED STATEMENTS OF ACTIVITIES
FOR THE YEARS ENDED JUNE 30, 2024 AND 2023

	2024			2023		
	<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 Grants	\$ 2,492,288	\$ -	\$ 2,492,288	\$ 2,471,067	\$ -	\$ 2,471,067
Program Service Revenue	168,417	-	168,417	238,134	-	238,134
Gifts, Grants and Contributions	2,673,636	1,976,926	4,650,562	454,544	930,018	1,384,562
Gala Event Proceeds	554,229	-	554,229	396,756	-	396,756
Less: Cost of Direct Benefits to Donors	(154,095)	-	(154,095)	(122,049)	-	(122,049)
Donated Goods and Services	95,308	-	95,308	81,057	-	81,057
Interest Income	138,620	-	138,620	112,742	-	112,742
Miscellaneous Revenues	17,007	-	17,007	14,857	-	14,857
<i>Reclassification of Net Assets - Released from Restrictions:</i>						
Program and Operating Expenses	<u>1,227,007</u>	<u>(1,227,007)</u>	<u>-</u>	<u>791,146</u>	<u>(791,146)</u>	<u>-</u>
<u>TOTAL SUPPORT, REVENUES AND RECLASSIFICATIONS</u>	<u>7,212,417</u>	<u>749,919</u>	<u>7,962,336</u>	<u>4,438,254</u>	<u>138,872</u>	<u>4,577,126</u>
<u>EXPENSES:</u>						
<i>Program Services:</i>						
Family Nurturing and Training Programs	3,769,859	-	3,769,859	3,667,103	-	3,667,103
<i>Supporting Services:</i>						
Administrative	926,012	-	926,012	757,507	-	757,507
Fund Raising	<u>451,973</u>	<u>-</u>	<u>451,973</u>	<u>351,199</u>	<u>-</u>	<u>351,199</u>
<u>TOTAL EXPENSES</u>	<u>5,147,844</u>	<u>-</u>	<u>5,147,844</u>	<u>4,775,809</u>	<u>-</u>	<u>4,775,809</u>
<u>CHANGE IN NET ASSETS</u>	<u>2,064,573</u>	<u>749,919</u>	<u>2,814,492</u>	<u>(337,555)</u>	<u>138,872</u>	<u>(198,683)</u>
<u>NET ASSETS - BEGINNING 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>
<u>NET ASSETS - END OF YEAR</u>	<u>\$ 4,811,595</u>	<u>\$ 1,699,505</u>	<u>\$ 6,511,100</u>	<u>\$ 2,747,022</u>	<u>\$ 949,586</u>	<u>\$ 3,696,608</u>

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

CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2024

(With Summarized Comparative Consolidated Totals for 2023)

				<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>PROGRAM</u> <u>SERVICES</u>	<u>ADMINI-</u> <u>STRATIVE</u>	<u>FUND</u> <u>RAISING</u>	<u>FUND</u> <u>RAISING</u>	<u>STATEMENT OF</u> <u>ACTIVITIES</u>	<u>DIRECT</u> <u>EVENT</u> <u>COSTS</u>	<u>2024</u>	<u>2023</u>
Salaries	\$ 1,796,199	\$ 140,386	\$ 263,303	\$ 2,199,888	\$ -	\$ 2,199,888	\$ 2,075,830
Payroll Taxes	157,228	12,289	23,048	192,565	-	192,565	182,606
Fringe Benefits	219,129	35,851	34,175	289,155	-	289,155	296,276
Volunteer Services	47,895	-	10,800	58,695	-	58,695	50,460
Subcontracted Program Services	455,021	-	-	455,021	-	455,021	545,280
Consultants and Professional Fees	143,270	493,861	17,569	654,700	-	654,700	447,332
Occupancy Costs	270,227	22,800	42,764	335,791	-	335,791	313,650
Depreciation and Amortization Expense	151,430	11,835	22,198	185,463	-	185,463	186,621
Liability Insurance	24,387	1,906	3,575	29,868	-	29,868	25,723
Direct Client Assistance	146,604	-	-	146,604	-	146,604	173,991
Program Supplies and Activities	176,228	-	-	176,228	-	176,228	153,546
Food and Meals	72,250	5,209	373	77,832	-	77,832	45,827
Client Transportation	15,465	-	-	15,465	-	15,465	3,079
Technology	25,016	23,766	-	48,782	-	48,782	32,782
Equipment Lease/Rental	3,117	10,930	-	14,047	-	14,047	14,706
Office Supplies and Expenses	15,311	32,935	2,824	51,070	-	51,070	39,617
Telephone and Communications	8,791	26,934	-	35,725	-	35,725	25,655
Dues, Fees and Subscriptions	3,404	18,142	24,548	46,094	-	46,094	21,335
Meetings, Conferences and Events	16,589	-	-	16,589	154,095	170,684	146,810
Staff Travel	19,761	1,027	634	21,422	-	21,422	17,265
Interest and Financing Costs	-	87,539	-	87,539	-	87,539	89,134
Miscellaneous Expense	2,537	602	6,162	9,301	-	9,301	10,333
Total Functional Expenses	\$ 3,769,859	\$ 926,012	\$ 451,973	\$ 5,147,844	\$ 154,095	\$ 5,301,939	\$ 4,897,858

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

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

	<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</u> <u>EXPENSES</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	282,739	10,981	447,332	-	447,332
Occupancy Costs	246,215	35,129	32,306	313,650	-	313,650
Depreciation and Amortization Expense	146,497	20,902	19,222	186,621	-	186,621
Liability Insurance	17,763	5,629	2,331	25,723	-	25,723
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	13,898	863	21,335	-	21,335
Meetings, Conferences and Events	23,485	563	713	24,761	122,049	146,810
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	<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>

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

CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED JUNE 30, 2024 AND 2023

	<u>2024</u>	<u>2023</u>
<u>CASH FLOWS FROM OPERATING ACTIVITIES:</u>		
Change in Net Assets	\$ 2,814,492	\$ (198,683)
<i>Adjustments to Reconcile the Above to Net Cash Provided by Operating Activities:</i>		
Interest Income from Certificate of Deposit	(2,078)	(69)
Depreciation and Amortization Expense	185,463	186,620
Imputed Interest - Deferred Financing Costs	33,543	33,541
<i>(Increase) Decrease in Current Assets:</i>		
Grants Receivable, Program Services	40,690	(26,067)
Grants and Contributions Receivable	(187,762)	(65,058)
Prepaid Expenses	(30,555)	26,641
<i>Increase (Decrease) in Current Liabilities:</i>		
Accounts Payable and Accrued Expenses	(18,379)	38,727
Subcontracts Payable	61,220	(6,554)
Accrued Payroll and Related Costs	13,218	(14,180)
Deferred Revenue	(12,912)	14,470
Operating Lease Liability	(1,765)	3,520
<i>(Increase) Decrease in Non-Current Assets:</i>		
Grants and Contributions Receivable, Net of Discount	(472,607)	-
Operating Lease Right-of-Use Assets	176,486	41,362
<i>Increase (Decrease) in Current Liabilities:</i>		
Operating Lease Liability	(184,723)	(31,880)
Net Adjustment	(400,161)	201,073
<u>NET CASH PROVIDED BY OPERATING ACTIVITIES</u>	<u>2,414,331</u>	<u>2,390</u>
<u>CASH FLOWS FROM FINANCING ACTIVITIES:</u>		
Payments on Notes Payable (Sinking Fund)	(28,886)	(27,628)
Net Cash Flows from Financing Activities	(28,886)	(27,628)
<u>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</u>	<u>2,385,445</u>	<u>(25,238)</u>
<u>CASH AND CASH EQUIVALENTS - BEGINNING OF YEAR</u>	<u>1,242,813</u>	<u>1,268,051</u>
<u>CASH AND CASH EQUIVALENTS - END OF YEAR</u>	<u>\$ 3,628,258</u>	<u>\$ 1,242,813</u>
<i>Presentation of Cash Balances:</i>		
Cash and Cash Equivalents - Operating	\$ 3,440,694	\$ 1,055,249
Cash Held for Capital Projects	187,564	187,564
Total Cash Balances	<u>\$ 3,628,258</u>	<u>\$ 1,242,813</u>
<i>Supplemental Disclosures:</i>		
Interest and Finance Charges Paid	<u>\$ 200,278</u>	<u>\$ 201,873</u>

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

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

JUNE 30, 2024 AND 2023

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 parenting education programs to strengthen families and prevent child abuse and neglect, through **Nurturing Parenting® Programs**, community-based **Early Childhood Family Engagement, and Coalition and Community Building**. In addition, FNC provides **Training and Technical Assistance** to other providers across Massachusetts and beyond to build capacity for evidence-based parenting strategies.

FNC’s administrative headquarters and primary program site is located in the Dorchester neighborhood of Boston, with additional sites in Brighton (serving the Allston-Brighton community) and Hyde Park. FNC serves as the fiscal sponsor and close programmatic partner for Chelsea Community Connections, located in Chelsea, MA. Programs are delivered both in-person and virtually across all neighborhoods.

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

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

JUNE 30, 2024 AND 2023

(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 independently over the course of 12 sessions. These programs 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, including inside houses of correction for incarcerated parents. Last year, FNC coordinated or supported 20 parenting programs in the Boston area and served 179 participants.

The following goals guide our **Early Childhood Family Engagement work**, which provide a continuum of free, community-based programs for families with young children:

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.

To achieve these goals, FNC offers a full continuum of services in Dorchester, Allston-Brighton, and Hyde Park:

Welcome Baby Home Visits:

A trained Home Visitor who lives in the community visits parents with newborns up to eight months old, 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 the importance of reading, talks with new parents about their questions and needs, and connects families to other services in the neighborhood, including ongoing home visiting. Visits are available in five languages. In FY 2024, FNC provided Welcome Baby "visits" by phone and in-person, with delivered gift bags, to 206 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 and Parent Partners and Parent Leaders. 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 facilitators also refer families to Early Intervention, speech and language assessments, Head Start, and other resources and activities. In FY 2024, FNC served 211 families (495 parents and children) in playgroups.

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

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

JUNE 30, 2024 AND 2023

(Continued)

NOTE 2 *(Continued)*

ParentChild+ Program:

The ParentChild+ Program is an intensive, literacy-based home visiting program. The goal of this evidence-based, national model for low-income parents and their children (ages 18 months to 3 years) is 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 2024, many 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 2024, FNC engaged 88 families (92 children and at least 88 adults). Each cycle lasts 23 weeks and 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 2025.

Boston Family Engagement Network:

In addition to its direct services for families, FNC provides professional; development, technical assistance, program monitoring, and subgrants for partner agencies implementing early childhood family engagement activities throughout the city. In FY 2024, Family Nurturing Center received a seventh year of funding from the MA Department of Early Education and Care's ("DEEC") Coordinated Family and Community Engagement ("CFCE") Grant (\$936,997 in FY 2024) which funds the Boston Family Engagement Network and the majority of ParentChild+.

The Boston Family Engagement Networks is comprised of seven community-based organizations, with FNC as the lead agency, that collectively provide Boston families with access to programs and services that benefit their young children's (birth to six years of age) healthy growth and development. FNC subcontracts with six other neighborhood-based nonprofit organizations to provide and coordinate programming, and delivers services directly in two neighborhoods. 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. BFEN provides family support programs like those listed above (Welcome Baby, Parent Child Playgroups, Parenting Education and Resource and Referral).

The Boston Family Engagement Network has garnered the support from other city and private funders, looking to leverage the strength of the network. For instance, a subcontract with the Boston Opportunity Agenda (fiscally sponsored by The Boston Foundation) 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.

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

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

JUNE 30, 2024 AND 2023

(Continued)

NOTE 2 *(Continued)*

FNC’s **Coalition and Community Building** department seeks to address the social determinants of health that play a critical role in a child achieving their full potential. Through this work, FNC engaged families in building the communities they envision for themselves and their children.

FNC has two unique initiatives funded by the Massachusetts Department of Children and Families (“DCF”) that are designed to engage the community in improving the health and well-being of neighborhood families:

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.

In addition to DCF-funded programming, the Coalition and Community Building team implements community health initiatives, focused on collaborative work in Dorchester:

Healthy Bowdoin Geneva - was a coalition of neighborhood stakeholders designed to promote social cohesion in the neighborhood to build its capacity to address community challenges. The initiative was funded through February 2024. Together, the coalition:

- Hosted and promoted community-wide events
- Created more effective referral processes between agencies
- Devised a multilingual resource guide for residents
- Built the neighborhood’s capacity for outreach
- Strengthened existing collaborative efforts
- Engaged residents in community projects, including an intergenerational leadership program

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

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

JUNE 30, 2024 AND 2023

(Continued)

NOTE 2 *(Continued)*

Since FY 2022, FNC has implemented the **Bowdoin Cares initiative** with funding from the Executive Office of Economic Development's Community Empowerment Reinvestment Grant program. In FY 2024, the award was \$350,000. 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.

Community Healing Response Network: FNC continues its work under the Boston Public Health Commission (formerly the Neighborhood Trauma Response Team) to support residents following instances of community violence. Working collectively with local partners and faith-based organizations, FNC's engagement includes on-site support for family members and trauma-informed healing groups and initiatives.

Training and Technical Assistance:

FNC is designated by the DCF as the statewide training and technical assistance provider for the Nurturing Parenting and Nurturing Fathers' Programs in Massachusetts.

FNC staff enrolled 835 professionals across the Commonwealth in trainings related to Nurturing Program development and facilitation. These trainees 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 DCF to support Nurturing Program facilitator training for social workers in its area offices across Massachusetts. FNC staff and program graduates also partner actively with DCF to promote fatherhood engagement statewide.

In addition, FNC co-hosts a series of conferences and state-wide meetings for the parenting education community - most notably, the New England Fathering Conference and the Nurturing Network Meeting.

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.

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

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

JUNE 30, 2024 AND 2023

(Continued)

NOTE 3 *(Continued)*

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 its 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, 2024 and 2023, 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.

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.

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

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

JUNE 30, 2024 AND 2023

(Continued)

NOTE 3 *(Continued)*

Grants Receivable, Program Services:

Grants Receivable, Program Services represents amounts which are primarily due from government funded program service agreements, which are administered on a cost-reimbursement basis, and occasionally on a per session basis, and classified as amounts due under conditional grant agreements. Management periodically reviews specific grants, commitments and agreements to determine if any balances are uncollectible. Management believes that, given the contractual nature of these agreements and the funding sources, 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 program service grants receivable.

Grants and Contributions Receivable:

Grants and Contributions Receivable represents 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. As of June 30, 2024, non-current grants receivable represents the balance due on a four-year grant due in FY 2026 and FY 2027 totaling \$500,000 and net of a 4% discount of \$27,393. Management periodically reviews specific grants, commitments and agreements to determine if any balances are uncollectible. *Grants and Contributions Receivable* are comprised of commitments due from major donors, foundations and individuals with whom FNC has an ongoing relationship. 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 grants and contributions 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

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

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

JUNE 30, 2024 AND 2023

(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.

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. 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.

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

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

JUNE 30, 2024 AND 2023

(Continued)

NOTE 3 *(Continued)*

Gifts, Grants and Contributions:

The Organization is the beneficiary of contributions in the form of grants from government agencies, other organizations, donations of cash and financial assets from individuals and contributions of nonfinancial assets.

Unconditional Gifts, Grants and Contributions

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.

Conditional Gifts and Grants

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 is reported as a refundable advance, a liability within the Consolidated Statements of Financial Position. When the conditions are met, the revenue is reported as contributions without donor restrictions unless there are further restrictions over and above those associated with the donor conditions. In such cases when the conditions and restrictions are met within the same reporting period, the support is recognized as contributions or grants without donor restrictions.

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

Special Events

Revenue classified as *Gala Event Proceeds* is comprised of an exchange element based upon the direct benefits donors receive and a contribution element for the difference. The Organization recognizes special events revenue equal to the fair value of direct benefits to donors when the special event takes place. The Organization recognizes the contribution element of special event revenue immediately, unless there is a right of return if the special event does not take place. Accordingly, sponsorships and ticket sales received in advance of the event are reported as deferred revenue.

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 reimbursed by DCF on a unit rate per group or session basis. Grant revenue is recognized as the services are provided and invoiced upon completion of the service delivery; accordingly, there are no conditional grant advances arising out of unit-rate agreements.

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

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

JUNE 30, 2024 AND 2023

(Continued)

NOTE 3 *(Continued)*

Cost-Reimbursement Agreements

As more fully detailed in Notes 2 and 8, a significant portion of FNC's revenue is derived from cost-reimbursement grants through DCF and DEEC which are conditional upon certain performance requirements and the incurrence of allowable qualifying expenses. These agreements are classified and accounted for as conditional grants; accordingly, amounts received are recognized as revenue when FNC has incurred expenditures in compliance with specific 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 grant 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, 2024 and 2023, 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.

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 programs include volunteer involvement in direct service, program facilitation and similar capacities. FNC also receives donations from the general public of program supplies and materials for program participants.

Revenue Recognition:

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.

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.

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

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

JUNE 30, 2024 AND 2023

(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 conform to the current year presentation. Reclassifications made to the prior year information have no impact on total net assets or changes in net assets.

NOTE 4 PROPERTY AND EQUIPMENT

The following is a summary of property and equipment as of June 30, 2024 and 2023:

	<u>2024</u>	<u>2023</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>(833,841)</u>	<u>(648,378)</u>
Property and Equipment, Net	<u>\$5,136,669</u>	<u>\$5,322,132</u>

Depreciation expense for the years ended June 30, 2024 and 2023 was \$185,463 and \$185,486, respectively.

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.

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

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

JUNE 30, 2024 AND 2023

(Continued)

NOTE 5 *(Continued)*

FNC received interest income payments totaling \$108,590 per year in each year presented.

NOTE 6 DEBT AND FINANCING TRANSACTIONS

On September 21, 2018, FNC and FNSC successfully closed a NMTC transaction to finance the renovation of 200 Bowdoin Street, Dorchester, 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 FNSC's total costs associated with the Project, which were approximately \$6 million.

As part of this transaction, FNC sold its land and building to FNSC for \$250,000, paid in full its acquisition and pre-development debts, and entered into a lease agreement with FNSC for a 25-year term that commenced upon completion of the construction in January 2020. In addition, FNC and FNSC executed the below notes and debt instruments with Eastern Bank and the MHIC CDE that are secured by a mortgage on FNSC'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 \$1,750,00 was provided to leverage a NMTC allocation to provide construction and permanent financing for the renovation project. 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. 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 \$1,566,252, is due in full. As of June 30, 2024 and 2023, the outstanding principal balance was \$1,750,000, which is presented net of the amount held in the sinking fund of \$111,573 and \$82,687, respectively. For the years ended June 30, 2024 and 2023, interest paid on this loan amounted to \$87,539 and \$89,134 respectively.

As of June 30, 2024, FNC has the following payment obligation to the sinking fund through maturity:

<u>Fiscal Year Ended</u>	<u>Amount</u>
June 30, 2025	\$32,305
June 30, 2026	34,026
June 30, 2027	<u>5,844</u>
Total	<u>\$72,175</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. The line-of-credit bears interest at the prime rate, which was 8.25% as of June 30, 2024 and 2023, is due upon demand, and is secured by all business assets. For the years ended June 30, 2024 and 2023, the line-of-credit was not used, and there was no outstanding balance at each respective year end. The line of credit expired on June 30, 2024 and was not renewed.

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

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

JUNE 30, 2024 AND 2023

(Continued)

NOTE 6 (Continued)

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>2024</u>	<u>2023</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>(41,936)</u>	<u>(75,479)</u>
Net Long Term NMTC Notes Payable	<u>\$5,651,964</u>	<u>\$5,618,421</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.

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, 2024 and 2023:

<u>Nature of Restriction</u>	<u>2024</u>	<u>2023</u>
Time Restricted	\$ 837,441	\$ -
Capital Projects	187,564	187,564
Community-Based Family Support Networks	674,500	761,022
COVID-19 Relief	<u>-</u>	<u>1,000</u>
Total	<u>\$1,699,505</u>	<u>\$949,586</u>

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

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

JUNE 30, 2024 AND 2023

(Continued)

NOTE 7 (Continued)

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>2024</u>	<u>2023</u>
Lapse of Time Restrictions	\$ 166,667	\$ -
Community-Based Family Support Networks	1,059,340	790,825
COVID-19 Relief	<u>1,000</u>	<u>321</u>
Total	<u>\$1,227,007</u>	<u>\$791,146</u>

Board Designated Net Assets:

As of June 30, 2024 and 2023, *Board Designated Funds* totaling \$103,842 and \$101,764, 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. During FY 2024 and FY 2023, the certificates of deposit bore interest at rates ranging from 0.10% - .02%. As of June 30, 2024, *Board Designated Funds* is represented by a six-month certificate bearing interest at the rate of .02% that matures on September 6, 2024.

NOTE 8 GOVERNMENT FUNDED PROGRAM SERVICE GRANTS

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. These programs are funded on a cost-reimbursement basis or, as in the case of the regional nurturing programs, on a unit rate per session basis. 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.
- FNC also provides nurturing programs in conjunction with the Boston Regional and Coastal Regional DCF offices.
- FNC serves as the coordinating agency for the Dorchester and Chelsea Community Connections programs. The purpose of these programs are to facilitate communication and collaboration between community residents and human service providers in these communities.
- 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.

Total DCF funding was \$1,058,167 and \$1,092,930 for the years ended June 30, 2024 and 2023, respectively.

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

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

JUNE 30, 2024 AND 2023

(Continued)

NOTE 8 (Continued)

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 six 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 neighborhoods of Allston-Brighton and, starting in FY 2024, Hyde Park. The grant 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 \$936,667 and \$911,190 for the years ended June 30, 2024 and 2023, respectively. FNC administered subgrants totaling \$356,000 and \$412,704 in each respective year to the coordinating agencies noted above, of which amounts, *Subcontracts Payable* totaling \$120,993 and \$59,773, respectively, are reported in the accompanying Consolidated Statements of Financial Position.

NOTE 9 DONATED GOODS AND SERVICES

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

<u>Description</u>	<u>2024</u>	<u>2023</u>
Toys, Blankets, Baby Items, Etc. (Program Supplies)	\$36,613	\$24,579
Nurturing Program Facilitators	58,695	38,640
Other Volunteer Services	-	17,838
Total	<u>\$95,308</u>	<u>\$81,057</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.

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

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

JUNE 30, 2024 AND 2023

(Continued)

NOTE 10 CONDITIONAL GRANTS

Tufts Medical Center:

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 years ended June 30, 2024 and 2023, revenue in the amount of \$140,000 and \$70,000, respectively, is included in *Gifts, Grants and Contributions* in the accompanying Consolidated Statements of Activities. The remaining installments of \$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 years ended June 30, 2024 and 2023, revenue in the amount of \$74,492 and \$73,986, respectively, is included in *Gifts, Grants and Contributions* in the accompanying Consolidated Statements of Activities. The remaining installments of \$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, 2024 and 2023, the aggregate conditional amount of the above commitments was \$594,003 and \$848,495, 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.

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

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

JUNE 30, 2024 AND 2023

(Continued)

NOTE 11 (Continued)

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 two additional one-year terms through June 30, 2025. 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 2024 and FY 2023 amounted to \$25,995 and \$19,830, respectively. The future rent due under the lease is \$27,000 for the fiscal year ended June 30, 2025.

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.

The related operating lease cost and other information for the years ended June 30, 2024 and 2023 is as follows:

	<u>2024</u>	<u>2023</u>
Total Operating Lease Cost	\$39,000	\$ 33,500
Other Information:		
Cash Paid for Amounts Included		
in the Measurement of Lease Liabilities	\$38,500	\$ 31,000
Right of Use Assets Obtained in Exchange for Operating Lease Liabilities	-	\$105,548
Remaining Lease Term in Years - Operating Leases	1.17	2.17
Discount Rate - Operating Leases	3.35%	3.35%

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

<u>Fiscal Year Ending</u>	<u>Amount</u>
June 30, 2025*	\$35,500
June 30, 2026	<u>6,000</u>
Total Undiscounted Cash Flows	41,500
Less: Present Value Discount	<u>(793)</u>
Total Lease Liabilities	<u>\$40,707</u>

*Excludes Chelsea Lease

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

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

JUNE 30, 2024 AND 2023

(Continued)

NOTE 11 (Continued)

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, 2025	\$11,376
June 30, 2026	<u>3,668</u>
Total	<u>\$15,044</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. The *Occupancy Costs* category includes the following costs:

<u>Occupancy Costs</u>	<u>2024</u>	<u>2023</u>
Rent	\$ 61,142	\$ 58,551
Mortgage Interest	146,280	146,280
Utilities	19,364	28,399
Repairs and Maintenance	69,405	63,471
Cleaning Service	<u>39,600</u>	<u>16,949</u>
Total Occupancy Costs	<u>\$335,791</u>	<u>\$313,650</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.

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

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

JUNE 30, 2024 AND 2023

(Continued)

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 \$3,153,006 and \$1,006,001 in excess of federally insured and other insured limits as of June 30, 2024 and 2023 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 2024 and FY 2023, approximately 25% and 50%, respectively, of total support and revenue was attributable to grants with the Commonwealth of Massachusetts DCF and DEEC. As of June 30, 2024 and 2023, approximately 64% and 74% of FNC’s grants receivable from program services were due from these sources.

Contributions from two donors received in FY 2024 represent 37% of total support and revenue and 90% of total grants and contributions receivable as of June 30, 2024.

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.

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

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

JUNE 30, 2024 AND 2023

(Continued)

NOTE 15 (Continued)

Government Grants:

FNC is the recipient of government funded grants which are subject to an annual renewal process; therefore, while the Organization is a long-time grantee with anticipated continued funding, future funding is not guaranteed. These grants are subject to possible audit by the appropriate government agencies. In the opinion of Management, the results of such audits, if any, will not have a material effect on the financial position of FNC as of June 30, 2024 and 2023, or on its change in net assets for the years then ended.

NOTE 16 LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS

The following table reflects the Organization's financial assets as of June 30, 2024 and 2023, 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. 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.

	<u>2024</u>	<u>2023</u>
<i>Financial Assets:</i>		
Cash and Cash Equivalents	\$3,628,258	\$1,242,813
Grants Receivable, Program Services	499,856	539,858
Grants and Contributions Receivable	805,607	145,238
Board Designated Funds	103,842	101,764
Leveraged Loan Receivable	<u>3,970,381</u>	<u>3,970,381</u>
Total Financial Assets as of June 30th	9,007,944	6,000,054
<i>Less Amounts Not Available to be Used Within One Year:</i>		
Leveraged Loan Receivable	(3,970,381)	(3,970,381)
Amounts Held for Capital Projects	(187,564)	(187,564)
Board Designated Funds/Certificate of Deposit	(103,842)	(101,764)
Grant Receivable, Non-Current	<u>(472,607)</u>	<u>-</u>
Financial Assets Available to Meet		
General Expenditures Within One Year	<u>\$4,273,550</u>	<u>\$1,740,345</u>

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

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

JUNE 30, 2024 AND 2023

(Continued)

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 22, 2024, 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
FAMILY NURTURING SUPPORT CORPORATION

CONSOLIDATING STATEMENT OF FINANCIAL POSITION AS OF JUNE 30, 2024

	<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	\$ 3,353,508	\$ 87,186	\$ -	\$ 3,440,694
Grants Receivable, Program Services	499,856	-	-	499,856
Grants and Contributions Receivable	333,000	-	-	333,000
Prepaid Expenses	46,594	-	-	46,594
Total Current Assets	<u>4,232,958</u>	<u>87,186</u>	<u>-</u>	<u>4,320,144</u>
<u>PROPERTY AND EQUIPMENT, NET</u>	<u>-</u>	<u>5,136,669</u>	<u>-</u>	<u>5,136,669</u>
<u>NON-CURRENT ASSETS:</u>				
Cash Held for Capital Projects	187,564	-	-	187,564
Board Designated Funds	103,842	-	-	103,842
Grants and Contributions Receivable, Net	472,607	-	-	472,607
Leveraged Loan Receivable	3,970,381	-	-	3,970,381
Operating Lease Right-of-Use Assets	254,575	-	(216,868)	37,707
Total Non-Current Assets	<u>4,988,969</u>	<u>-</u>	<u>(216,868)</u>	<u>4,772,101</u>
<u>TOTAL ASSETS</u>	<u>\$ 9,221,927</u>	<u>\$ 5,223,855</u>	<u>\$ (216,868)</u>	<u>\$ 14,228,914</u>
<u>LIABILITIES AND NET ASSETS</u>				
<u>CURRENT LIABILITIES:</u>				
Accounts Payable and Accrued Expenses	\$ 108,583	\$ 12,905	\$ -	\$ 121,488
Subcontracts Payable	120,993	-	-	120,993
Accrued Payroll and Related Costs	134,236	-	-	134,236
Deferred Revenue	9,999	-	-	9,999
Operating Lease Liability, Current	34,716	-	-	34,716
Total Current Liabilities	<u>408,527</u>	<u>12,905</u>	<u>-</u>	<u>421,432</u>
<u>NON-CURRENT LIABILITIES:</u>				
NMTC Notes Payable	-	5,651,964	-	5,651,964
Construction Loan	1,638,427	-	-	1,638,427
Operating Lease Liability, Non-Current	244,362	-	(238,371)	5,991
Total Non-Current Liabilities	<u>1,882,789</u>	<u>5,651,964</u>	<u>(238,371)</u>	<u>7,296,382</u>
<u>TOTAL LIABILITIES</u>	<u>2,291,316</u>	<u>5,664,869</u>	<u>(238,371)</u>	<u>7,717,814</u>
<u>NET ASSETS:</u>				
Without Donor Restrictions	5,231,106	(441,014)	21,503	4,811,595
With Donor Restrictions	1,699,505	-	-	1,699,505
Total Net Assets	<u>6,930,611</u>	<u>(441,014)</u>	<u>21,503</u>	<u>6,511,100</u>
<u>TOTAL LIABILITIES AND NET ASSETS</u>	<u>\$ 9,221,927</u>	<u>\$ 5,223,855</u>	<u>\$ (216,868)</u>	<u>\$ 14,228,914</u>

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

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
Grants Receivable, Program Services	539,858	688	(688)	539,858
Grants 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 Lease Right-of-Use Assets	431,061	-	(356,373)	74,688
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, Current	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, Non-Current	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 ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2024

	FAMILY NURTURING CENTER			FNOSC		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	\$ 2,492,288	\$ -	\$ 2,492,288	\$ -	\$ -		\$ 2,492,288
Program Service Revenue	168,417	-	168,417	137,000	(137,000)		168,417
Gifts, Grants and Contributions	2,673,636	1,976,926	4,650,562	-	-		4,650,562
Gala Event Proceeds	554,229	-	554,229	-	-		554,229
Less: Cost of Direct Benefits to Donors	(154,095)	-	(154,095)	-	-		(154,095)
Donated Goods and Services	95,308	-	95,308	-	-		95,308
Interest Income	138,620	-	138,620	-	-		138,620
Miscellaneous Revenues	17,007	-	17,007	-	-		17,007
<i>Reclassification of Net Assets - Released from Restrictions:</i>							
Program and Operating Expenses	1,227,007	(1,227,007)	-	-	-		-
<u>TOTAL SUPPORT, REVENUES AND RECLASSIFICATIONS</u>	<u>7,212,417</u>	<u>749,919</u>	<u>7,962,336</u>	<u>137,000</u>	<u>(137,000)</u>		<u>7,962,336</u>
<u>EXPENSES:</u>							
<i>Program Services:</i>							
Family Nurturing and Training Programs	3,633,216	-	3,633,216	270,006	(133,363)		3,769,859
<i>Supporting Services:</i>							
Administrative	900,747	-	900,747	34,008	(8,743)		926,012
Fund Raising	428,790	-	428,790	39,580	(16,397)		451,973
<u>TOTAL EXPENSES</u>	<u>4,962,753</u>	<u>-</u>	<u>4,962,753</u>	<u>343,594</u>	<u>(158,503)</u>		<u>5,147,844</u>
<u>CHANGE IN NET ASSETS</u>	<u>2,249,664</u>	<u>749,919</u>	<u>2,999,583</u>	<u>(206,594)</u>	<u>21,503</u>		<u>2,814,492</u>
<u>NET ASSETS - BEGINNING 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>
<u>NET ASSETS - END OF YEAR</u>	<u>\$ 5,231,106</u>	<u>\$ 1,699,505</u>	<u>\$ 6,930,611</u>	<u>\$ (441,014)</u>	<u>\$ 21,503</u>		<u>\$ 6,511,100</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			FNCS		<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	\$ 2,471,067	\$ -	\$ 2,471,067	\$ -	\$ -	\$ 2,471,067
Program Service Revenue	248,635	-	248,635	137,500	(148,001)	238,134
Gifts, Grants and Contributions	454,544	930,018	1,384,562	-	-	1,384,562
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
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>TOTAL 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 FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2024

	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	\$ 1,796,199	\$ 140,386	\$ 263,303	\$ -	\$ 2,199,888	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,199,888
Payroll Taxes	157,228	12,289	23,048	-	192,565	-	-	-	-	-	192,565
Fringe Benefits	219,129	35,851	34,175	-	289,155	-	-	-	-	-	289,155
Volunteer Services	47,895	-	10,800	-	58,695	-	-	-	-	-	58,695
Subcontracted Program Services	455,021	-	-	-	455,021	-	-	-	-	-	455,021
Consultants and Professional Fees	143,270	481,476	17,569	-	642,315	-	12,385	-	12,385	-	654,700
Occupancy Costs	284,151	22,208	41,653	-	348,012	119,439	9,335	17,508	146,282	(158,503)	335,791
Depreciation and Amortization Expense	863	67	126	-	1,056	150,567	11,768	22,072	184,407	-	185,463
Liability Insurance	24,387	1,906	3,575	-	29,868	-	-	-	-	-	29,868
Direct Client Assistance	146,604	-	-	-	146,604	-	-	-	-	-	146,604
Program Supplies and Activities	176,228	-	-	-	176,228	-	-	-	-	-	176,228
Food and Meals	72,250	5,209	373	-	77,832	-	-	-	-	-	77,832
Client Transportation	15,465	-	-	-	15,465	-	-	-	-	-	15,465
Technology	25,016	23,766	-	-	48,782	-	-	-	-	-	48,782
Equipment Lease/Rental	3,117	10,930	-	-	14,047	-	-	-	-	-	14,047
Office Supplies and Expenses	15,311	32,935	2,824	-	51,070	-	-	-	-	-	51,070
Telephone and Communications	8,791	26,934	-	-	35,725	-	-	-	-	-	35,725
Dues, Fees and Subscriptions	3,404	17,622	24,548	-	45,574	-	520	-	520	-	46,094
Meetings, Conferences and Events	16,589	-	-	154,095	170,684	-	-	-	-	-	170,684
Staff Travel	19,761	1,027	634	-	21,422	-	-	-	-	-	21,422
Interest and Financing Costs	-	87,539	-	-	87,539	-	-	-	-	-	87,539
Miscellaneous Expenses	2,537	602	6,162	-	9,301	-	-	-	-	-	9,301
Total Functional Expenses	\$ 3,633,216	\$ 900,747	\$ 428,790	\$ 154,095	\$ 5,116,848	\$ 270,006	\$ 34,008	\$ 39,580	\$ 343,594	\$ (158,503)	\$ 5,301,939

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					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	\$ 1,629,526	\$ 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
Liability Insurance	17,763	5,629	2,331	-	25,723	-	-	-	-	-	25,723
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
Meetings, Conferences and Events	23,485	563	713	122,049	146,810	-	-	-	-	-	146,810
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 CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2024

	<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	\$ 2,999,583	\$ (206,594)	\$ 21,503	\$ 2,814,492
<i>Adjustments to Reconcile the Above to Net Cash Provided by Operating Activities:</i>				
Interest Income from Certificate of Deposit	(2,078)	-	-	(2,078)
Depreciation and Amortization Expense	1,056	184,407	-	185,463
Imputed Interest - Deferred Financing Costs	-	33,543	-	33,543
<i>(Increase) Decrease in Current Assets:</i>				
Grants Receivable, Program Services	40,002	688	-	40,690
Grants and Contributions Receivable	(187,762)	-	-	(187,762)
Prepaid Expenses	(30,555)	-	-	(30,555)
<i>Increase (Decrease) in Current Liabilities:</i>				
Accounts Payable and Accrued Expenses	(18,789)	410	-	(18,379)
Subcontracts Payable	61,220	-	-	61,220
Accrued Payroll and Related Costs	13,218	-	-	13,218
Deferred Revenue	(12,912)	-	-	(12,912)
Operating Lease Liability	(1,765)	-	-	(1,765)
<i>(Increase) Decrease in Non-Current Assets:</i>				
Grants and Contributions Receivable, Non-Current	(472,607)	-	-	(472,607)
Operating Lease Right-of-Use Assets	176,486	-	-	176,486
<i>Increase (Decrease) in Non-Current Liabilities:</i>				
Operating Lease Liability	(163,220)	-	(21,503)	(184,723)
Net Adjustment	(597,706)	219,048	(21,503)	(400,161)
<u>NET CASH PROVIDED BY OPERATING ACTIVITIES</u>	<u>2,401,877</u>	<u>12,454</u>	<u>-</u>	<u>2,414,331</u>
<u>CASH FLOWS FROM FINANCING ACTIVITIES:</u>				
Payments on Notes Payable (Sinking Fund)	(28,886)	-	-	(28,886)
Net Cash Flows from Financing Activities	(28,886)	-	-	(28,886)
<u>NET INCREASE IN CASH AND CASH EQUIVALENTS</u>	<u>2,372,991</u>	<u>12,454</u>	<u>-</u>	<u>2,385,445</u>
<u>CASH AND CASH EQUIVALENTS - BEGINNING OF YEAR</u>	<u>1,168,081</u>	<u>74,732</u>	<u>-</u>	<u>1,242,813</u>
<u>CASH AND CASH EQUIVALENTS - END OF YEAR</u>	<u>\$ 3,541,072</u>	<u>\$ 87,186</u>	<u>\$ -</u>	<u>\$ 3,628,258</u>
<i>Presentation of Cash Balances :</i>				
Cash and Cash Equivalents - Operating	\$ 3,353,508	87,186	\$ -	\$ 3,440,694
Cash Held for Capital Projects	187,564	-	-	187,564
Total Cash Balances	\$ 3,541,072	\$ 87,186	\$ -	\$ 3,628,258
<i>Supplemental Disclosures :</i>				
Interest and Finance Charges Paid	\$ 87,539	\$ 112,739	\$ -	\$ 200,278

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- 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>				
Grants 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 Lease 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 (USED) PROVIDED 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>