

ROXBURY STONE HOUSE, INC. AND SUBSIDIARY

CONSOLIDATED FINANCIAL STATEMENTS

with

INDEPENDENT AUDITORS' REPORT

YEARS ENDED JUNE 30, 2024 AND 2023 (AS RESTATED)

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

ROXBURY STONE HOUSE, INC. AND SUBSIDIARY
REPORT ON CONSOLIDATED FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2024 AND 2023 (AS RESTATED)



STONE HOUSE

Safe Now. Strong Forever.

Mission Statement

*Stone House makes a difference in our community by caring for
and protecting adult and child survivors of domestic abuse,
and helping them rebuild safe, secure, independent
lives of purpose and self-fulfillment.*

ROXBURY STONE HOUSE, INC. AND SUBSIDIARY
REPORT ON CONSOLIDATED FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2024 AND 2023 (AS RESTATED)

C O N T E N T S

	<i>Pages</i>
Independent Auditors' Report.....	1 - 3
Management Discussion of Strategic Goals.....	4 - 5
Consolidated Statements of Financial Position as of June 30, 2024 and 2023 (As Restated).....	6
Consolidated Statements of Activities for the Years Ended June 30, 2024 and 2023 (As Restated).....	7
Consolidated Statement of Functional Expenses for the Year Ended June 30, 2024..... <i>(With Summarized Comparative Consolidated Totals for 2023)</i>	8
Consolidated Statement of Functional Expenses for the Year Ended June 30, 2023.....	9
Consolidated Statements of Cash Flows for the Years Ended June 30, 2024 and 2023 (As Restated).....	10
Notes to Consolidated Financial Statements.....	11 - 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 (As Restated).....	31
Consolidating Statement of Activities for the Year Ended June 30, 2024.....	32
Consolidating Statement of Activities for the Year Ended June 30, 2023 (As Restated).....	33
Consolidating Statement of Cash Flows for the Year Ended June 30, 2024.....	34
Consolidating Statement of Cash Flows for the Year Ended June 30, 2023 (As Restated).....	35

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
Roxbury Stone House, Inc. and Subsidiary
Roxbury, Massachusetts

Opinion

We have audited the accompanying consolidated financial statements of Roxbury Stone House, Inc. and Subsidiary (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 Roxbury Stone House, Inc. and Subsidiary 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 Consolidated Financial Statements section of our report. We are required to be independent of Roxbury Stone House, Inc. and Subsidiary 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.

Other Matter

As further discussed in Note 8, Roxbury Stone House, Inc. has restated its FY 2023 financial statements to record a prior year transfer and assignment of a sponsor note receivable to the City of Boston.

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 Roxbury Stone House, Inc. and Subsidiary'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
Roxbury Stone House, Inc. and Subsidiary

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 Roxbury Stone House, Inc. and Subsidiary'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 Roxbury Stone House, Inc. and Subsidiary'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 - 35 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 entities, 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 GAAS. 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
Roxbury Stone House, Inc. and Subsidiary

Other Information

Our audits were performed for the purpose of forming an opinion on the consolidated financial statements as a whole. The nonaccounting information shown on pages 4 - 5, which is the responsibility of the management, is presented for purposes of additional analysis and is not a required part of the consolidated financial statements. The nonaccounting information has not been subjected to the auditing procedures applied in the audit of the consolidated financial statements, and, accordingly, we do not express an opinion or provide any assurance on it.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated November 13, 2024 on our consideration of Roxbury Stone House, Inc. and Subsidiary'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 Roxbury Stone House, Inc. and Subsidiary'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 Roxbury Stone House, Inc. and Subsidiary's internal control over financial reporting and compliance.

Smith, Sullivan & Brown, PC

Westborough, Massachusetts
November 13, 2024

ROXBURY STONE HOUSE, INC. AND SUBSIDIARY
MANAGEMENT DISCUSSION OF STRATEGIC GOALS

JUNE 30, 2024

Safe Now, Strong Forever

In December 2023, Roxbury Stone House, Inc (aka Stone House) suffered the loss of our long term CEO, Nancy Owens Hess, who stepped down from her 24 year leadership as CEO at Stone House and entered her final illness prior to her passing. The Stone House Board immediately named Kathryn Fagan, then COO, to serve as Interim CEO as well as continuing the role of COO, providing a smooth interim leadership transition. The Board is now in the early stages of future leadership and succession planning.

In FY 2024, Stone House began a year long celebration of 50 years in business providing support for individuals and families. Stone House opened in 1974 - first as a mental health resource and then in the 1980's as a full-service domestic violence agency including Emergency Shelter and Transitional Housing. In 2021, Stone House completed an ambitious project to create 32 units of permanent supportive housing and an Early Learning Childcare Center at our new agency space at our One Westminster Avenue location. 50 Year Celebration events will culminate in a ticketed event on October 24, 2024 with donors, partner agencies and elected officials gathering with long-time volunteers and former clients in our beautiful new community space to reflect on our journey and share Stone House's plans for the future.

In July 2023, the Stone House Early Learning Center celebrated its first full year of business providing early learning and child care by trauma informed educators. The Early Learning Center thrives at full capacity - now serving 43 children - 17 infants and 26 preschool /toddlers. There is a lengthy wait list for future attendees and all families and caregivers of our young clients are provided resources and counseling opportunities through Stone House.

Continued Innovation and New Opportunities

Stone House continues to innovate and plan for our future, finding ways to best serve our vulnerable domestic violence survivor client population and contribute to our continued growth and systems improvement.

In FY 2024, Stone House was finally able to welcome back clients to in-person counseling, community events, and onsite programs, after the pandemic had limited in-person gathering. Stone House continues to offer both in-person and on-line groups and counseling, having found that both options can allow RSH to serve clients where they are, even serving DV clients who are unable to attend meetings with case managers or group sessions in-person due to job restrictions, childcare or travel challenges. On-line programming can also serve community clients who are in hiding from their abusers and cannot safely travel to and from Stone House's service sites. Stone House staff have found that meetings can be more efficient when run via Zoom and both long-term attendance and successful completion of our 8-week group session classes is improving with this additional option.

In October 2023, Stone House and our current managing partner for One Westminster Avenue, the Planning Office for Urban Affairs, were named tentative designees to develop two vacant parcels owned by the Boston Planning and Development Agency that are located directly adjacent to our current Westminster Avenue property into housing for domestic violence survivors. Planning for this new space is ongoing with State and City groups and Stone House has been gratified by the positive response received to our early-stage plans from area community groups. Stone House is excited at this new opportunity to house more DV survivors and their families at a time when the availability of safe affordable housing in the Boston area is extremely challenging.

ROXBURY STONE HOUSE, INC. AND SUBSIDIARY
MANAGEMENT DISCUSSION OF STRATEGIC GOALS

JUNE 30, 2024

Looking to the Future

In addition to planning for new housing space adjacent to our current space, the Stone House Finance and Program Teams performed an analysis of our State and City contract obligations and made decisions to not renew two (2) contracts that did not align with our mission of DV client service and or did not provide financial benefit or stability for the agency long term. Stone House recognizes that future growth and stability will require BOTH additional private funding and targeted government funding and has therefore embarked on a two pronged approach: negotiating for additional government support win certain specific DV service program areas while also adding positions to our Development Team to help ratchet up donations, outreach and grant solicitation to obtain more private, corporate and foundation donor funds, as well as recruiting volunteers with specific skill sets to help Stone House now and in the future.

Stone House is continuing to open our new building even more to serve more clients and to host secure Stone House community gatherings. We are taking stock of all that we have accomplished and are tweaking our financial and operations methods to best serve our clients efficiently and safely. We successfully completed a transition from one accounting services company to another in early FY 2024. This transition brought us a broader range of expertise and has provided the more sophisticated financial analysis capabilities that our expanded programs and services require. We have successfully transitioned our donor database and have begun the process of transferring our client database into a single software platform that is more user friendly for better efficiency and for the benefit of our hard-working staff. As a result, data entry, reporting, and analysis will all be in one place.

Conclusion

As Stone House embarks on our next fifty years in business, Stone House continues to innovate and find methods of efficiency and reasonable growth both to achieve our critical mission of serving DV Survivors and to ensure that the safe future that Stone House is creating for our clients and for our agency will endure; as per our motto. Safe Now. Strong Forever.



STONE HOUSE

Safe Now. Strong Forever.

ROXBURY STONE HOUSE, INC. AND SUBSIDIARY
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
AS OF JUNE 30, 2024 AND 2023 (AS RESTATED)

<u>ASSETS</u>	<u>2024</u>	<u>2023</u> <i>(As Restated)</i>
<u>CURRENT ASSETS:</u>		
Cash	\$ 1,030,984	\$ 959,795
Short-Term Investments	205,772	-
Accounts Receivable, Program Services	546,118	903,146
Employee Retention Tax Credits Due	232,492	232,492
Pledges Receivable	65,000	-
Prepaid Expenses	44,102	8,466
Total Current Assets	<u>2,124,468</u>	<u>2,103,899</u>
<u>PROPERTY AND EQUIPMENT, NET</u>	<u>8,143,310</u>	<u>8,355,809</u>
<u>NON-CURRENT ASSETS:</u>		
Leveraged Loan Receivable	5,230,665	5,230,665
Sponsor Loans Receivable	776,017	776,017
Operating Lease Right-of-Use Asset	29,199	35,951
Total Non-Current Assets	<u>6,035,881</u>	<u>6,042,633</u>
<u>TOTAL ASSETS</u>	<u>\$ 16,303,659</u>	<u>\$ 16,502,341</u>
<u>LIABILITIES AND NET ASSETS</u>		
<u>CURRENT LIABILITIES:</u>		
Accounts Payable and Accrued Expenses	\$ 220,227	\$ 329,122
Accrued Payroll and Related Costs	196,781	40,843
Deferred Revenue	6,000	-
Operating Lease Liability, Current	7,027	6,750
Total Current Liabilities	<u>430,035</u>	<u>376,715</u>
<u>NON-CURRENT LIABILITIES:</u>		
Operating Lease Liability, Non-Current	22,172	29,200
NMTC Notes Payable	7,469,000	7,469,000
Total Non-Current Liabilities	<u>7,491,172</u>	<u>7,498,200</u>
<u>TOTAL LIABILITIES</u>	<u>7,921,207</u>	<u>7,874,915</u>
<u>NET ASSETS:</u>		
Net Assets Without Donor Restrictions	8,262,452	8,627,426
Net Assets With Donor Restrictions	120,000	-
Total Net Assets	<u>8,382,452</u>	<u>8,627,426</u>
<u>TOTAL LIABILITIES AND NET ASSETS</u>	<u>\$ 16,303,659</u>	<u>\$ 16,502,341</u>

ROXBURY STONE HOUSE, INC. AND SUBSIDIARY

CONSOLIDATED STATEMENTS OF ACTIVITIES
FOR THE YEARS ENDED JUNE 30, 2024 AND 2023 (AS RESTATED)

	2024			2023 (As Restated)		
	<u>WITHOUT</u>	<u>WITH</u>	<u>TOTAL</u>	<u>WITHOUT</u>	<u>WITH</u>	<u>TOTAL</u>
	<u>DONOR</u>	<u>DONOR</u>	<u>ACTIVITIES</u>	<u>DONOR</u>	<u>DONOR</u>	<u>ACTIVITIES</u>
	<u>RESTRICTIONS</u>	<u>RESTRICTIONS</u>		<u>RESTRICTIONS</u>	<u>RESTRICTIONS</u>	<u>ACTIVITIES</u>
<u>SUPPORT, REVENUES AND RECLASSIFICATIONS:</u>						
<i>Support and Revenues:</i>						
Government Contracts and Grants	\$ 2,301,989	\$ -	\$ 2,301,989	\$ 2,737,920	\$ -	\$ 2,737,920
Early Learning Center Program Fees	1,105,928	-	1,105,928	389,202	-	389,202
Gifts, Grants and Contributions	955,447	295,300	1,250,747	1,026,949	130,000	1,156,949
Developer Overhead Fee	45,224	-	45,224	362,706	-	362,706
Interest Income and Investment Return	63,913	-	63,913	65,164	-	65,164
In-Kind Donations	10,870	-	10,870	-	-	-
Miscellaneous Other Revenues	3,580	-	3,580	5,961	-	5,961
<i>Reclassification of Net Assets - Released from Restrictions:</i>						
Program and Operating Expenses	175,300	(175,300)	-	167,391	(167,391)	-
<u>TOTAL SUPPORT, REVENUES AND RECLASSIFICATIONS</u>	<u>4,662,251</u>	<u>120,000</u>	<u>4,782,251</u>	<u>4,755,293</u>	<u>(37,391)</u>	<u>4,717,902</u>
<u>FUNCTIONAL EXPENSES:</u>						
<i>Program Services:</i>						
Domestic Violence Programs	2,488,325	-	2,488,325	3,039,834	-	3,039,834
Early Learning Center	1,412,632	-	1,412,632	732,064	-	732,064
<i>Supporting Services:</i>						
Administrative	710,633	-	710,633	552,493	-	552,493
Fund Raising	415,635	-	415,635	400,615	-	400,615
<u>TOTAL FUNCTIONAL EXPENSES</u>	<u>5,027,225</u>	<u>-</u>	<u>5,027,225</u>	<u>4,725,006</u>	<u>-</u>	<u>4,725,006</u>
<u>CHANGE IN NET ASSETS</u>	<u>(364,974)</u>	<u>120,000</u>	<u>(244,974)</u>	<u>30,287</u>	<u>(37,391)</u>	<u>(7,104)</u>
<u>NET ASSETS - BEGINNING OF YEAR (AS RESTATED)</u>	<u>8,627,426</u>	<u>-</u>	<u>8,627,426</u>	<u>8,597,139</u>	<u>37,391</u>	<u>8,634,530</u>
<u>NET ASSETS - END OF YEAR (AS RESTATED)</u>	<u>\$ 8,262,452</u>	<u>\$ 120,000</u>	<u>\$ 8,382,452</u>	<u>\$ 8,627,426</u>	<u>\$ -</u>	<u>\$ 8,627,426</u>

ROXBURY STONE HOUSE, INC. AND SUBSIDIARY

CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES

FOR THE YEAR ENDED JUNE 30, 2024

(With Summaried Comparative Consolidated Totals for 2023)

	<u>DOMESTIC</u> <u>VIOLENCE</u> <u>PROGRAMS</u>	<u>EARLY</u> <u>LEARNING</u> <u>CENTER</u>	<u>TOTAL</u> <u>PROGRAM</u> <u>SERVICES</u>	<u>ADMINI-</u> <u>STRATIVE</u>	<u>FUND</u> <u>RAISING</u>	<u>TOTAL</u> <u>FUNCTIONAL EXPENSES</u>	
						<u>2024</u>	<u>2023</u>
Salaries and Wages	\$ 1,213,365	\$ 729,637	1,943,002	\$ 225,711	\$ 244,986	2,413,699	\$ 1,958,340
Payroll Taxes	110,597	66,505	177,102	20,573	22,330	220,005	166,310
Fringe Benefits	187,252	112,601	299,853	34,833	37,807	372,493	374,799
Consultants/Professional Fees	46,304	64,856	111,160	257,217	8,460	376,837	333,581
Depreciation Expense	51,393	141,169	192,562	9,560	10,377	212,499	208,715
Occupancy Costs	165,855	125,514	291,369	60,267	9,782	361,418	346,027
Property and Liability Insurance	20,819	-	20,819	5,895	1,091	27,805	37,886
Direct Assistance for Program Participants	576,728	13,090	589,818	12	77	589,907	854,078
Food and Meals	3,321	67,264	70,585	2,364	1,881	74,830	17,063
Program Supplies	22,446	15,751	38,197	2,968	725	41,890	45,914
Fundraising Events and Costs	-	-	-	2	43,101	43,103	68,308
Technology	35,246	21,194	56,440	23,074	7,437	86,951	111,953
Office Supplies and Expenses	7,087	9,665	16,752	7,676	3,196	27,624	40,358
Printing and Postage	-	-	-	1,055	7,477	8,532	8,191
Telephone and Communications	3,359	-	3,359	34,142	543	38,044	34,739
Equipment Rental and Maintenance	6,753	4,060	10,813	1,256	1,874	13,943	10,157
Dues, Fees and Subscriptions	10,254	6,591	16,845	20,739	8,739	46,323	44,567
Staff Development	906	545	1,451	176	1,685	3,312	4,642
Staff Travel and Mileage	212	-	212	363	1,403	1,978	477
Interest Expense	13,198	34,190	47,388	2,455	2,664	52,507	50,546
Bad Debt Expense	13,230	-	13,230	-	-	13,230	-
Miscellaneous	-	-	-	295	-	295	8,355
Total Functional Expenses	<u>\$ 2,488,325</u>	<u>\$ 1,412,632</u>	<u>\$ 3,900,957</u>	<u>\$ 710,633</u>	<u>\$ 415,635</u>	<u>\$ 5,027,225</u>	<u>\$ 4,725,006</u>

ROXBURY STONE HOUSE, INC. AND SUBSIDIARY

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

	<u>DOMESTIC</u> <u>VIOLENCE</u> <u>PROGRAMS</u>	<u>EARLY</u> <u>LEARNING</u> <u>CENTER</u>	<u>TOTAL</u> <u>PROGRAM</u> <u>SERVICES</u>	<u>ADMINI-</u> <u>STRATIVE</u>	<u>FUND</u> <u>RAISING</u>	<u>TOTAL</u> <u>FUNCTIONAL</u> <u>EXPENSES</u>
Salaries and Wages	\$ 1,313,611	\$ 316,784	\$ 1,630,395	\$ 124,080	\$ 203,865	\$ 1,958,340
Payroll Taxes	111,557	26,903	138,460	10,537	17,313	166,310
Fringe Benefits	251,407	60,628	312,035	23,747	39,017	374,799
Consultants/Professional Fees	19,589	4,385	23,974	306,785	2,822	333,581
Depreciation Expense	68,094	123,621	191,715	6,432	10,568	208,715
Occupancy Costs	211,924	112,019	323,943	9,052	13,032	346,027
Property and Liability Insurance	28,127	-	28,127	6,349	3,410	37,886
Direct Assistance for Program Participants	851,828	1,978	853,806	184	88	854,078
Food and Meals	3,068	13,007	16,075	643	345	17,063
Program Supplies	25,684	19,098	44,782	1,120	12	45,914
Fundraising Events and Costs	-	-	-	-	68,308	68,308
Technology	82,688	12,727	95,415	5,964	10,574	111,953
Office Supplies and Expenses	22,780	5,972	28,752	6,707	4,899	40,358
Printing and Postage	155	-	155	2,596	5,440	8,191
Telephone and Communications	15,424	-	15,424	19,070	245	34,739
Equipment Rental and Maintenance	6,874	1,569	8,443	615	1,099	10,157
Dues, Fees and Subscriptions	7,013	2,447	9,460	19,056	16,051	44,567
Staff Development	1,053	254	1,307	2,541	794	4,642
Staff Travel and Mileage	474	-	474	3	-	477
Interest Expense	15,650	30,500	46,150	1,663	2,733	50,546
Miscellaneous	2,834	172	3,006	5,349	-	8,355
Total Functional Expenses	<u>\$ 3,039,834</u>	<u>\$ 732,064</u>	<u>\$ 3,771,898</u>	<u>\$ 552,493</u>	<u>\$ 400,615</u>	<u>\$ 4,725,006</u>

ROXBURY STONE HOUSE, INC. AND SUBSIDIARY
CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED JUNE 30, 2024 AND 2023 (AS RESTATED)

	<u>2024</u>	<u>2023</u> <i>(As Restated)</i>
<u>CASH FLOWS FROM OPERATING ACTIVITIES:</u>		
Change in Net Assets	\$ (244,974)	\$ (7,104)
<i>Adjustments to Reconcile the Above to Net Cash Provided (Used) by Operating Activities:</i>		
Depreciation Expense	212,499	208,715
Investment Return	(8,812)	-
Donated Stock	(12,442)	-
<i>(Increase) Decrease in Current Assets:</i>		
Accounts Receivable, Program Services	358,527	(463,582)
Pledges Receivable	(65,000)	-
Prepaid Expenses	(35,636)	74,208
<i>Increase (Decrease) in Liabilities:</i>		
Accounts Payable and Accrued Expenses	(110,391)	109,562
Accrued Payroll and Related Costs	155,938	17,456
Deferred Revenue	6,000	-
Operating Lease Liability	(6,751)	35,950
<i>(Increase) Decrease in Non-Current Assets:</i>		
Operating Lease Right-of-Use Asset	6,752	(35,951)
Net Adjustment	<u>500,684</u>	<u>(53,642)</u>
<u>NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</u>	<u>255,710</u>	<u>(60,746)</u>
<u>CASH FLOWS FROM INVESTING ACTIVITIES:</u>		
Purchase of Short-Term Investments	(184,521)	-
Purchase of Furniture and Equipment	<u>-</u>	<u>(69,734)</u>
Net Cash Flows From Investing Activities	<u>(184,521)</u>	<u>(69,734)</u>
<u>NET INCREASE (DECREASE) IN CASH BALANCES</u>	71,189	(130,480)
<u>CASH BALANCES - BEGINNING OF YEAR</u>	<u>959,795</u>	<u>1,090,275</u>
<u>CASH BALANCES - END OF YEAR</u>	<u>\$ 1,030,984</u>	<u>\$ 959,795</u>
<i>Supplemental Disclosure:</i>		
Interest Paid	<u>\$ 52,507</u>	<u>\$ 54,468</u>

ROXBURY STONE HOUSE, INC. AND SUBSIDIARY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2024 AND 2023 (AS RESTATED)

NOTE 1 ORGANIZATION AND AFFILIATED ENTITIES

Roxbury Stone House, Inc.:

Roxbury Stone House, Inc. (formerly Elizabeth Stone House, Inc.) (the “Organization” or “Stone House”) was incorporated in 1974 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”). Stone House 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.

In October 2018, in connection with a major renovation project, Stone House established the following entities in order to receive and transfer federal tax credits. These entities were created specifically to facilitate the redevelopment and construction of a 56,520 square foot, 5-story building on the corner of Washington Street and Westminster Avenue in Roxbury, Massachusetts (the “Property”) which includes 32 residential apartments as well as office and programming space and a fully licensed childcare center. The facility is structured as a condominium consisting of the residential unit and the program unit pursuant to a Declaration of Trust and Master Deed.

WestminsterWashingtonNMTC, Inc. (“WW-NMTC”):

WestminsterWashingtonNMTC, Inc. (“WW-NMTC”) was formed as a Massachusetts nonprofit corporation on October 15, 2018 and is organized and operated for charitable purposes and qualifies as a tax-exempt not-for-profit corporation under IRC Section 501(c)(3). WW-NMTC is a Type I supporting organization operated for the benefit of Stone House within the meaning of IRC Section 509(a)(3). WW-NMTC was created for the specific purpose of constructing and owning the non-residential program unit, representing 36.3% of the facility, through a New Markets Tax Credit (“NMTC”) financing arrangement under IRC Section 45D, as amended. This financing was made possible by an allocation of \$7,700,000 in NMTC authority by MHIC NE CDE II Subsidiary 48 LLC (the “MHIC CDE”) and a NMTC investment by MHIC 481 Corp. NMTC Investment Fund, LLC (the “NMTC Investor”), both of which are affiliates of the Massachusetts Housing Investment Corporation (“MHIC”). Stone House is the sole member of WW-NMTC, which establishes Stone House as the parent organization and WW-NMTC as the subsidiary.

WestminsterWashingtonLIHTC Manager, LLC (“WW-LIHTC, Manager”):

WestminsterWashingtonLIHTC Manager, LLC (the “Managing Member”) was established as a Massachusetts Limited Liability Company pursuant to Chapter 156C of the Massachusetts General Laws on October 10, 2018. The Managing Member is owned 49% by Stone House and 51% by POUA Westminster Member LLC (“POUA”), an unrelated Massachusetts charitable nonprofit corporation which serves as the General Partner of the Managing Member.

ROXBURY STONE HOUSE, INC. AND SUBSIDIARY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2024 AND 2023 (AS RESTATED)

(Continued)

NOTE 1 *(Continued)*

Westminster Washington LIHTC, LLC (“WW-LIHTC, LLC”):

On October 10, 2018, the Managing Member established Westminster Washington LIHTC, LLC (“WW-LIHTC, LLC”), also organized as a Massachusetts Limited Liability Company pursuant to Chapter 156C of the Massachusetts General Laws. WW-LIHTC, LLC was established to construct and own the residential condominium unit, which represents 63.7% of the property. MHEF 481 Corp. Fund III LLC (“MHEF”) (the “Investor Member”) owns 99.99% of WW-LIHTC, LLC with the Managing Member owning the residual 0.01% share.

On March 29, 2019, Stone House transferred property to WW-NMTC and WW-LIHTC, LLC in conjunction with the closing of the NMTC and LIHTC transactions. Effective July 1, 2020, Stone House began to lease the property owned by WW-NMTC pursuant to a 25-year lease. The rent expense and revenue are eliminated in the accompanying consolidated financial statements.

NOTE 2 PROGRAM SERVICES

The following is a summary of program services provided for the years presented, as well as program information subsequent to the years presented.

In General: Stone House combines the security of a safe environment with a range of programs and services - residential and community based - to support trauma recovery, personal growth and development of essential life skills for domestic violence survivors - both adults and children. Stone House’s overarching mission is to help participants create a path to a secure, positive and fulfilling life.

Domestic Violence Shelter:

The Domestic Violence Shelter provides emergency shelter for parents and children in imminent danger of violence from other members of their family or household. The shelter is a safe place for residents to regroup after a crisis and prepare for life beyond shelter and beyond abuse. Shelter residents are eligible for comprehensive, integrated wrap-around services. The shelter can house up to nine families at a time. We help shelter residents find safe, appropriate housing, which can include permanent housing, transitional housing program, a residential substance abuse rehabilitation program, a residential mental health facility, and some instances of residing with family. While a move to our rented offsite three-family location allowed us to increase the number of families we serve in shelter, Stone House’s goal is to further increase the number of individuals and families we can support in an emergency and transitional housing space. In furtherance of this goal, in mid-2023, Stone House began to work with the Planning Office of Urban Affairs to secure a permanent building for these services on property adjacent to our campus. Work continues to secure funding and design space for this new planned shelter location in FY 2024 and into FY 2025.

Housing Stabilization Program:

The Housing Stabilization Program provides housing for individuals and families made homeless by domestic violence, often in combination with mental illness, and substance abuse. Residents reside in their own apartments, participate in support groups, and take advantage of other support services coordinated with the assistance of their case managers. The Housing Stabilization Program provides up to ten units for families and individuals. Our goal is that all Housing Stabilization Program have the skills to maintain stable housing over the long-term after they leave the program.

ROXBURY STONE HOUSE, INC. AND SUBSIDIARY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2024 AND 2023 (AS RESTATED)

(Continued)

NOTE 2 *(Continued)*

Office of Housing Stabilization Program:

This program initiated by the Mayor’s Office of the City of Boston provides shorter term housing to residents who are experiencing acute housing issues. We have a representative on the Mayor’s Council on Homelessness and through that partnership, we have discovered a need that we can meet. We are currently housing up to 21 families or individuals per year at short-term stays at several local hotels with after care provided once families or individuals move out of the hotels.

Rapid Rehousing:

In FY 2020 and continuing through the end of FY 2024, Stone House provided a rapid-rehousing (“RRH”) component to its housing services. This program assists domestic violence survivors to find permanent housing and provides up to 24 months of tiered rental subsidies based on income to sixteen or more individuals or families. The subsidies decline over time, as survivors take steps to increase their income to a level that enables them to pay the full apartment rent themselves. Our case managers provided support services that promote success and monitor progress closely. We used our shelter or hotel rooms for short-term temporary stays to remove survivors from immediate danger while we worked with them to meet their stable housing needs. This program is supported by HUD funds made available through the City of Boston’s Continuum of Care; however, under the funding model, costs must be fronted by Stone House and reimbursed - sometimes taking many months for reimbursement. Subsequent to the year ended June 30, 2024, Stone House made the difficult decision to not renew this RRH contract going forward finding that this “housing first” model at its limited funding level, without sufficient funds to provide critically needed supports for vulnerable domestic violence families and without guarantee of prompt reimbursement, did not serve the specific wide-ranging needs of our clients or the financial well-being of Stone House.

Permanent Supportive Housing:

Residents in Stone House’s rent subsidized apartments (“LIHTC”) are eligible for all of the support services available to community clients.

Early Learning Center:

In July 2022, Stone House opened a licensed childcare center, the Roxbury Stone House Early Learning Center which, as of July 2024, is fully enrolled with 43 infants, toddlers, and preschoolers and has a robust waiting list of applicants. Staffed with a director, two co-directors and 13 teachers, the curriculum is designed and implemented to work with children and families who have experienced trauma and is fully licensed by the Massachusetts Department of Early Education and Care (“DEEC”). Stone House receives additional support via the USDA CACFP program to receive some reimbursement for providing nutritious meals and snacks for our participants. Stone House also offers and provides support and resources for the parents and caregivers of the child attendees in a “wrap around” model of help for individuals and families who have experienced domestic and or community violence.

ROXBURY STONE HOUSE, INC. AND SUBSIDIARY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2024 AND 2023 (AS RESTATED)

(Continued)

NOTE 2 *(Continued)*

DV Counseling and Supports:

In 2024, Stone House celebrates 50 years of providing mental health and domestic violence supports and resources. Case Management services now include but are not limited to: dv counseling, multiple support groups, parenting and life skills classes, financial literacy and budgeting programs, housing stabilization, crisis intervention, job search skills, recovery support and safety planning.

NOTE 3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting:

The consolidated financial statements of Roxbury Stone House, Inc. and Subsidiary 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.

Principles of Consolidation:

The accompanying consolidated financial statements incorporate the accounts of the following entities (collectively the “Organizations”):

- Roxbury Stone House, Inc.
- WestminsterWashingtonNMTC, Inc.

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 generally accepted accounting principles, has in management’s opinion, resulted in reliable and consistent financial reporting by the Organizations.

Fair Value of Financial Instruments:

The Organizations report their fair value measures by using a three-level hierarchy that prioritizes the inputs used to measure fair value. This hierarchy, established by generally accepted accounting principles, requires that entities maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. The three levels of inputs used to measure fair value are defined as follows:

- Level 1 - Quoted prices for identical assets or liabilities in active markets to which the Organization has access at the measurement date.
- Level 2 - Inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly. Level 2 inputs include quoted prices for similar assets or liabilities in active markets; quoted prices for identical or similar assets in markets that are not active; observable inputs other than quoted prices for the asset or liability (for example, interest rate and yield curves); and inputs derived principally from, or corroborated by, observable market data by correlation or by other means.

ROXBURY STONE HOUSE, INC. AND SUBSIDIARY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2024 AND 2023 (AS RESTATED)

(Continued)

NOTE 3 *(Continued)*

Level 3 - Unobservable inputs for the asset or liability. Unobservable inputs should be used to measure the fair value to the extent that observable inputs are not available.

The primary use of fair value measures in the Organizations' consolidated financial statements is the initial and recurring measurement of its investments.

Financial Statement Presentation:

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

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

Net Assets With Donor Restrictions - Some restrictions are temporary in nature, such as those that are restricted by a donor for use for a particular purpose or in a particular future period. Other restrictions may be perpetual in nature; such as those that are restricted by a donor that the resources be maintained in perpetuity. As of June 30, 2024 and 2023, the Organizations have no net assets that are required to be maintained in perpetuity. The Organizations' 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.

Accounts Receivable, Program Services:

Accounts Receivable, Program Services primarily represents amounts which are due from government funded program service grant agreements and tuition and food subsidies for childcare services. On a periodic basis, Management evaluates receivables and establishes an allowance for doubtful accounts, based on past collections and current credit conditions. A receivable is considered past due if payment has not been received within stated terms. The Organizations will then exhaust all methods to collect the receivable. Once all practical resources to collect the receivable have been utilized without success, the receivable is deemed uncollectible and charged to the allowance for doubtful accounts. Amounts due from government funded grants have been confirmed and are considered fully collectible; consequently, these consolidated financial statements do not contain a provision for uncollectible accounts receivable from contracts and grants.

Pledges Receivables:

Pledges Receivable represent amounts which are due on unconditional promises to give from donors and foundations. Receivables are reported at net realizable value and classified as current if they are scheduled for payment within one year, and non-current when the expected payment date 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.

ROXBURY STONE HOUSE, INC. AND SUBSIDIARY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2024 AND 2023 (AS RESTATED)

(Continued)

NOTE 3 *(Continued)*

Management periodically reviews receivables to determine if any balances are uncollectible. The allowance for uncollectible receivables is determined based on historical experience, an assessment of economic conditions, and a review of subsequent collections. As of June 30, 2024 and 2023, Management believes that all pledges receivable are fully collectible; accordingly, these financial statements do not contain a provision for uncollectible pledges and there were no losses on uncollectible pledges recognized in the years presented.

Investments:

Investment purchases are recorded at cost, or if donated at fair value on the date of donation. Thereafter, investments are reported at their fair values in the Consolidated Statements of Financial Position. Net investment return (loss) is reported in the Consolidated Statements of Activities and consists of interest and dividend income, realized and unrealized capital gains and losses, less external and direct internal investment expenses. Cash held in brokerage accounts is reported as investments for the purposes of these financial statements. Investments are classified as either short-term or long-term, depending upon the underlying intentions.

Property and Equipment:

Property, equipment, furnishing 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 to activities over the following estimated useful lives of the assets, as expressed in terms of years.

<u>Asset Category</u>	<u>Life</u>
Condominium Unit	40
Furniture and Equipment	3 - 7

The Organizations review their 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 Organizations determine 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.

ROXBURY STONE HOUSE, INC. AND SUBSIDIARY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2024 AND 2023 (AS RESTATED)

(Continued)

NOTE 3 *(Continued)*

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 Organizations will exercise that option. Lease expense for lease payments is recognized on a straight-line basis over the lease term. Stone House has applied the standards to its lease with WW-NMTC, which has been eliminated, along with the rental income and expense, in the accompanying consolidated financial statements.

The weighted-average discount rate is based on the discount rate implicit in each lease. The Organizations have elected the option to use the risk-free rate determined using a period comparable to the lease terms as the discount rate for leases where the implicit rate is not readily determinable. The Organizations have applied the weighted average risk-free rate option for all leases which are subject to the standard.

The Organizations have 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. Lease payments for short-term leases are recognized on straight-line basis.

Deferred Revenue:

Deferred Revenue primarily represents sponsorship for the Stone House's 50th anniversary event. These amounts will be recognized at the time of the event. Amounts are anticipated to be recognized in the next fiscal year and are therefore classified as a current liability.

Gifts, Grants and Contributions:

Stone House is the beneficiary of contributions in the form of grants from government agencies, other nonprofit 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. Stone House's government funded program service agreements fall within this classification.

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.

ROXBURY STONE HOUSE, INC. AND SUBSIDIARY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2024 AND 2023 (AS RESTATED)

(Continued)

NOTE 3 *(Continued)*

Special Events

Revenue classified as *Special Event Proceeds* is comprised of an exchange element based upon the direct benefits donors receive and a contribution element for the difference. Stone House recognizes special events revenue equal to the fair value of direct benefits to donors when the special event takes place. Stone House 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 more fully detailed in Note 9, a significant portion of Stone House’s revenue is derived from unit-rate agreements with the Massachusetts Department of Public Health (“DPH”) to provide funding for domestic violence programs. These programs are funded under DPH agreements pursuant to statewide rates for residential and community-based services which are classified as conditional grants, as explained above. Residential services are billed on a monthly basis as services are provided based upon established rates per bed night or per room night. Community-based services are also billed on a monthly basis as services are provided based upon a tiered accommodations basis rate which provides for a fixed monthly payment for a specified staffing pattern. Revenue is recognized as the services are provided and invoiced upon completion of the service delivery; accordingly, there are no conditional grant liabilities arising out of unit-rate agreements. The service period coincides with Stone House’s fiscal reporting period and, as the contracts were billed within each fiscal year end, there were no conditional balances at either year end presented. These agreements are subject to an annual renewal process and future funding is not guaranteed.

Cost-Reimbursement Agreements

Also disclosed in Note 9, Stone House receives revenue from cost-reimbursement grants through the Commonwealth of Massachusetts, the City of Boston, the Massachusetts Office for Victim Assistance (“MOVA”) and other pass-through agencies which are conditional upon certain performance requirements and the incurrence of allowable qualifying expenses. Amounts received are recognized as revenue when Stone House has incurred expenditures in compliance with specific grant provisions. Stone House invoices the respective agencies for reimbursement after such expenses have been incurred and does not receive payment in advance of service delivery. As of June 30, 2024 and 2023, there were no obligations for conditional grant advances arising from these agreements in the accompanying consolidated financial statements. For the years ended June 30, 2024 and 2023, aggregate revenue from conditional funding commitments under cost-reimbursement arrangements amounted to \$910,652 and \$1,333,184, respectively; however, these agreements are subject to an annual renewal process and future funding is not guaranteed.

Revenue Recognition:

Childcare Tuition and Vouchers

Stone House operates a year round childcare program that is fully licensed by DEEC for up to 43 children ages 2 months to 7 years old. Tuition is subsidized by the DEEC through its voucher program in addition to a stabilization grant. Stone House recognizes revenue from tuition for its Early Learning Center programs on a monthly basis, as the services are provided. Stone House submits attendance data through an online portal which is overseen by an authorized childcare voucher agency. The agency also sets the fees for tuition, which is determined by the age of the child, and provides Stone House with eligible referrals for childcare. Payment is received subsequent to each month that services are provided, upon approval of the administering agency.

ROXBURY STONE HOUSE, INC. AND SUBSIDIARY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2024 AND 2023 (AS RESTATED)

(Continued)

NOTE 3 *(Continued)*

Developer Fee

As the project sponsor for the new facility, Stone House is entitled to a developer fee to cover its overhead during the period of construction. The developer fee is contingent upon adequate funding sources and the project's ability to meet its budget or raise additional funds for shortfalls. The NMTC project did not have sufficient funds to compensate Stone House for its project management and oversight; however, the LIHTC project generated sufficient funds to pay a developer fee to Stone House. For the years ended June 30, 2024 and 2023, Stone House received \$45,224 and \$362,706, respectively.

Donations of Nonfinancial Assets:

Contributed nonfinancial assets may include donated professional services, facility usage and program supplies. 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. Stone House relies heavily upon volunteer involvement in direct service, outreach and administrative capacities. Stone House also relies upon donations from the general public of program supplies, materials, clothing, food and personal items for program participants. All such donations are classified as contributions without donor restrictions and Stone House does not monetize its nonfinancial donations.

Volunteers are an integral component of Roxbury Stone House, Inc. Prior to COVID-19, approximately 300 volunteers typically provided direct service, administration and fundraising assistance, as well as support Stone House programs. In addition, Stone House involves unpaid graduate student interns with direct service programs. Volunteers and interns receive a comprehensive orientation, ongoing training and supervision, and fill positions which would otherwise require additional staffing. During the pandemic, most volunteer activities were suspended.

Functional Expenses:

The Organizations allocate their 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. Expenses allocated by time usage consists of *Salaries and Wages*, *Payroll Taxes* and *Fringe Benefits*. The following costs are allocated based upon management's analysis of the usage of the underlying space as measured in terms of square footage: *Occupancy Costs*, *Depreciation Expense*, *Property and Liability Insurance* and *Equipment Rental and Maintenance*.

Supporting services are those related to operating and managing Roxbury Stone House, Inc. and Subsidiary and its programs on a day-to-day basis. Supporting services have been sub-classified as follows:

Administrative - includes all activities related to Roxbury Stone House Inc. and Subsidiary's internal management and accounting for program services.

Fund Raising - includes all activities related to maintaining contributor information, donor relations and recognition events, writing grant proposals, distribution of materials and other similar projects related to the procurement of funds and donor relations for Roxbury Stone House, Inc. and Subsidiary's programs.

ROXBURY STONE HOUSE, INC. AND SUBSIDIARY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

JUNE 30, 2024 AND 2023 (AS RESTATED)

(Continued)

NOTE 3 (Continued)

Reclassifications:

Certain amounts in the prior year consolidated financial statements have been reclassified to conform to the current year presentation. Reclassifications made to the prior year consolidated financial statements have no impact on total net assets or changes in net assets.

NOTE 4 INVESTMENTS

As of June 30, 2023, Stone House held savings and short-term highly liquid funds in a Morgan Stanley account, which were included within the cash balances in the accompanying consolidated financial statements. During FY 2024, these funds were invested in U.S. Treasury Notes and now classified as *Short-Term Investments*, which consist of the following:

<u>Investment Type</u>	<u>June 30, 2024</u>		
	<u>Total Fair Value</u>	<u>Quoted Prices In Active Markets For Identical Assets (Level 1)</u>	<u>Significant Other Observable Inputs (Level 2)</u>
Cash	\$ 10,901	\$ -	\$ -
U.S. Treasury Notes	<u>194,871</u>	<u>-</u>	<u>194,871</u>
Total	<u>\$205,772</u>	<u>\$ -</u>	<u>\$194,871</u>

The Organizations determine the fair value of their investments in U.S. Treasury Notes using the market quotations provided by brokers and dealers who used quotations for similar securities in active markets, which represents a market approach.

NOTE 5 PROPERTY AND EQUIPMENT

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

<u>Asset Category</u>	<u>2024</u>	<u>2023</u>
Land	\$ 464,640	\$ 464,640
Condominium	8,132,998	8,132,998
Furniture and Fixtures	115,011	115,011
Office Equipment	<u>20,227</u>	<u>20,227</u>
Total Property and Equipment	8,732,876	8,732,876
Less: Accumulated Depreciation	<u>(589,566)</u>	<u>(377,067)</u>
Property and Equipment, Net	<u>\$8,143,310</u>	<u>\$8,355,809</u>

ROXBURY STONE HOUSE, INC. AND SUBSIDIARY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2024 AND 2023 (AS RESTATED)

(Continued)

NOTE 6 NOTES RECEIVABLE

NMTC Leveraged Loan Receivable:

On March 29, 2019, Stone House made a leveraged loan in the amount of \$5,230,665 to the NMTC Investor, a qualified equity investment fund (“QEI”) linked to Stone House’s financing obtained through the NMTC program. In order to fund the loan, Stone House raised capital campaign funds in addition to the proceeds from the above sale and entered into financing transactions further detailed in Note 9. The loan is payable in monthly interest only payments at the fixed rate of 1.00% for the first seven years (the “Compliance Period”) commencing on April 10, 2019. Starting on October 1, 2026, monthly payments of principal and interest of \$18,349 will be due through the maturity date of February 1, 2047.

After the Compliance Period, there are put and call agreements between Stone House and the NMTC Investor. It is anticipated that the NMTC Investor will put their option and Stone House will own the QEI funds at the end of the Compliance Period. However, if the NMTC Investor does not put their interest, WW-NMTC plans to exercise its option to call. The value attributable to the put price is nominal; consequently, if exercised, the put may essentially result in forgiveness of these loans as well as extinguishment of WW-NMTC’s debt described in Note 7.

Stone House received interest income payments totaling \$52,307 in each year presented.

FHLB Sponsor Loan:

WW-LIHTC, LLC received proceeds of \$500,000 for construction financing through the Federal Home Loan Bank. The financing was structured as a direct subsidy grant to Stone House, which was then loaned to WW-LIHTC, LLC as a non-interest bearing Sponsor Loan. The Loan is due upon default of the loan covenants, or upon the sale or refinancing of the property; otherwise, the loan is payable in one lump sum at the end of 15-year compliance period.

Sponsor Loan:

In addition to the above sponsor loans, Stone House loaned \$276,017 to WW-LIHTC, LLC pursuant to a promissory note dated March 26, 2021. The promissory note is non-interest bearing with no payments required until the maturity date of December 31, 2051.

NOTE 7 DEBT AND FINANCING TRANSACTIONS

As previously disclosed, Stone House completed a major construction project on a residential and program/office facility located at the corner of Washington Street and Westminster Avenue in Roxbury. On March 29, 2019, Stone House and WW-NMTC participated in a construction and finance closing which provided funding from NMTC investments.

Stone House and its NMTC subsidiary successfully closed a NMTC financing transaction to finance the non-residential program unit of the Project. The NMTC arrangement leveraged \$1,147,500 in bridge loans from The Life Initiative, \$4,444,190 in Stone House capital campaign funds, including proceeds from the sale of its existing facility, and a net investment from the NMTC Investor of \$2,238,335 to fund WW-NMTC’s total construction costs associated with the non-residential unit, which amounted to approximately \$8.1 million.

ROXBURY STONE HOUSE, INC. AND SUBSIDIARY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2024 AND 2023 (AS RESTATED)

(Continued)

NOTE 7 (Continued)

The following significant debt and related agreements were executed by Stone House in connection with this project.

New Market Tax Credit Notes Payable:

As noted on the previous page, WW-NMTC obtained financing in a NMTC transaction. Through this transaction, WW-NMTC 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 WW-NMTC as a qualified low-income community business (“QALICB”). These loans were made to WW-NMTC by the MHIC CDE on March 31, 2019, and outstanding on June 30, 2024 and 2023 were as follows:

<u>Note</u>	<u>Amount</u>
Promissory Note A	\$5,230,665
Promissory Note B	<u>2,238,335</u>
Total	<u>\$7,469,000</u>

Each of the above loans has a maturity date of October 1, 2052 and bears interest at the rate of 0.703%, payable monthly. The first seven-year term of the notes are defined as the Compliance Period, during which time only interest is paid. On October 1, 2026, the seventh anniversary of the loans, a lump sum principal payment of \$30,000 is due. Thereafter, the loans will be amortized with aggregate monthly principal and interest payments of \$26,095 required through the maturity date. The loans may be repaid any time after the Compliance Period. For each of the years ended June 30, 2024 and 2023, interest payments on these notes amounted to \$52,507.

NOTE 8 NET ASSETS

Net Assets With Donor Restrictions:

As of June 30, 2024, net assets with donor restrictions include unexpended contributions and grants restricted by donors for the following purposes:

<u>Nature of Restriction</u>	<u>Amount</u>
Program Salaries and Wages	\$ 30,000
Consultant Services	25,000
Time Restriction	<u>65,000</u>
Total	<u>\$120,000</u>

ROXBURY STONE HOUSE, INC. AND SUBSIDIARY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2024 AND 2023 (AS RESTATED)

(Continued)

NOTE 8 (Continued)

Net assets released from donor restrictions by incurring expenses which satisfied the restricted purposes, by the passage of time or by the occurrence of events specified by the donors were as follows for the years presented:

<u>Nature of Restriction</u>	<u>2024</u>	<u>2023</u>
Children's Services	\$100,000	\$100,000
Capital Purchases	-	27,391
Program Salaries and Wages	35,000	-
Consultant Services	25,000	-
Time Restrictions Elapsed	-	30,000
Basic Needs for Program Participants	<u>15,300</u>	<u>10,000</u>
Total	<u>\$175,300</u>	<u>\$167,391</u>

Net Assets Restatement:

WW-LIHTC, LLC received financing through the City of Boston, originally structured as a grant to Stone House and a Sponsor Loan to the Project in the amount of \$1,000,000. The promissory note bears interest at the rate of 3.25%, compounded annually, with payments deferred until the maturity date of March 28, 2050, or upon default. The underlying intentions of the transaction were ultimately for Stone House to transfer and assign its rights in the note back to the City of Boston. Stone House accrued interest income on the note through June 30, 2023, at which date the outstanding loan balance including accrued interest was \$1,101,952. During the FY 2024 audit, after Stone House requested clarification of the loan modifications, it was determined that the effective date of the assignment to the City of Boston was retroactive to coincide with certain trigger events which occurred at an earlier construction and finance closing. Accordingly, Stone House has restated its FY 2023 financial statements to remove interest income in the amount of \$34,686 for the year ended June 30, 2023 and the sponsor note receivable in the amount of \$1,067,266 as of July 1, 2022. The following table summarizes this change:

	<u>Total</u>	<u>Without</u>	<u>With</u>
	<u>Net Assets</u>	<u>Donor</u>	<u>Donor</u>
		<u>Restrictions</u>	<u>Restrictions</u>
Net Assets - July 1, 2022 as Originally Reported	\$ 9,701,796	\$ 9,664,405	\$37,391
Adjustment to Record Transfer and Assignment of Sponsor Note Receivable	<u>(1,067,266)</u>	<u>(1,067,266)</u>	<u>-</u>
Net Assets - July 1, 2022 as Restated	<u>\$ 8,634,530</u>	<u>\$ 8,597,139</u>	<u>\$37,391</u>

ROXBURY STONE HOUSE, INC. AND SUBSIDIARY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

JUNE 30, 2024 AND 2023 (AS RESTATED)

(Continued)

NOTE 9 GOVERNMENT FUNDED PROGRAM SERVICE AGREEMENTS

Stone House receives a substantial portion of its funding under government grants. The primary grants for the years presented are described below:

Commonwealth of Massachusetts - Department of Public Health (“DPH”):

Stone House has contracted with the Commonwealth of Massachusetts for many years in several purchase-of-service arrangements under domestic violence programs for Community Based Services, Emergency Shelter and Housing Stabilization programs which are administered by the DPH. The community-based contract is payable at fixed monthly rates within a tiered system based upon the level of staffing committed to the program. The residential contracts are administered on unit rates per bed/room nights. The aggregate funding for these contracts was \$1,159,951 and \$1,240,465 in FY 2024 and FY 2023, respectively.

Massachusetts Office for Victim Assistance (“MOVA”):

Stone House receives federal funding which is passed through the Massachusetts Office for Victim Assistance from the U.S. Department of Justice under the federal Victims of Crime Act (“VOCA”). For the years ended June 30, 2024 and 2023, Stone House received \$211,721 and \$220,116, respectively, which was administered on a cost-reimbursement basis. The VOCA contract primarily funds direct care staff and related personnel costs under the program entitled *Expanded Domestic Violence Services for Spanish Speaking Survivors*.

U.S. Department of Housing and Urban Development (“HUD”):

Transitional Housing and Rapid Rehousing

In response to the pandemic, Stone House was awarded grants through the City of Boston which are funded by HUD’s Continuum of Care program to provide transitional housing, rapid rehousing, case management and supportive services to 27 households experiencing homelessness who are survivors of domestic violence. The initial grant period of December 1, 2021 through November 30, 2022 had a maximum funding limit of \$724,778 and was renewed for \$629,440 through November 30, 2023. The grant funds rental assistance and supportive services on a cost-reimbursement basis and requires a 25% match for all budget lines. Funding received for the years ended June 30, 2024 and 2023 amounted to \$472,978 and \$467,746, respectively, leaving a conditional balance of \$996,196 and \$161,694 at each year end.

Emergency Housing and Rapid Rehousing

Additional grants were awarded under the COVID-19 Emergency Solutions Grant Program, also within the Continuum of Care Program to provide for non-congregate shelter costs (hotels and extended stay facilities) and rapid rehousing (rental assistance and case management). The initial grant provided for maximum funding of \$446,208 and a grant period of March 1, 2021 through September 30, 2022, which was renewed through September 30, 2023 with a budget of \$135,891. Stone House incurred eligible costs of \$20,408 and \$222,167 for the years ended June 30, 2024 and 2023, respectively, leaving a conditional balance of zero and \$20,408 at each year end.

ROXBURY STONE HOUSE, INC. AND SUBSIDIARY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2024 AND 2023 (AS RESTATED)

(Continued)

NOTE 9 *(Continued)*

Emergency Housing

Stone House received an additional grant from the City of Boston through the Mayor’s Office of Housing which is funded by HUD and ARPA Coronavirus State and Local Fiscal Recovery Funds. The grant provides funding for emergency housing assistance for vulnerable households at imminent risk of displacement or recently displaced, including case management, housing search, financial assistance and short-term sheltering at hotels or extended-stay facilities. Eligible participants are referred to Stone House by the City of Boston, which also approves costs that are allowable for reimbursement. The initial grant provided for maximum funding of \$475,313 and a grant period of July 1, 2022 through December 31, 2022, which was renewed through December 31, 2023, with a revised maximum funding of \$490,772. Stone House incurred eligible costs of \$162,960 and \$327,812 for the years ended June 30, 2024 and 2023, respectively, leaving a conditional balance of zero at year end.

NOTE 10 CONDITIONAL GRANTS

Cummings Foundation:

In June 2018, Stone House received a \$30,000 sustaining grant from the Cummings Foundation which provides for up to nine annual renewals, conditional upon the sole discretion of the Foundation. During FY 2022 and 2023, Stone House received its fourth, fifth and sixth years of funding, with an additional four remaining annual installments available under the grant. As of June 30, 2024 and 2023, the aggregate conditional amount of the above commitment was \$60,000 and \$120,000, 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 EMPLOYMENT ARRANGEMENT

Effective October 1, 2008, Stone House entered into a co-employment agreement with ADP TotalSource, Inc. (“ADP”) for the purpose of outsourcing its human resource function, including employee benefits administration, payroll processing, tax remittance and reporting and workers compensation coverage. Accordingly, ADP became the employer of record, while Stone House continues to direct the day-to-day duties and activities of its employees. For purposes of financial and tax reporting, Stone House continues to report and track the components of its personnel costs, maintaining the integrity of the specific line items as required for state and federal contract reporting.

NOTE 12 EMPLOYEE BENEFIT PLANS

Roxbury Stone House, Inc. maintains a defined contribution retirement plan which covers all salaried employees who qualify with respect to age and length of service. Contributions to the retirement plan are discretionary, and the amount of future contributions will be determined annually by the Board of Directors. For the years ended June 30, 2024 and 2023, Stone House made retirement contributions to the Plan in the amount of \$36,108 and \$36,011, which is included within *Fringe Benefits* in the accompanying Consolidated Statement of Functional Expenses.

ROXBURY STONE HOUSE, INC. AND SUBSIDIARY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2024 AND 2023 (AS RESTATED)

(Continued)

NOTE 12 (Continued)

Roxbury Stone House, Inc. also maintains a 401(k) salary deferral plan. Eligible employees who have completed one year of service may elect to defer up to 15% of their compensation from current income taxation by investing in mutual funds and/or annuities. The plan also allows employees to make Roth IRA contributions. All contributions to this plan are from employees, and as there is no provision for employer matching, these consolidated financial statements do not reflect an employee benefit plan expense for the salary deferral plan.

NOTE 13 OCCUPANCY

Occupancy includes the costs associated leasing and maintenance of facilities which house the Stone House shelter and housing stabilization programs, the Early Learning Center, non-residential programming and administrative offices. Each of these items is included in the Organizations' 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 square feet and time usage.

Beginning in FY 2023, Stone House reimburses WW-LIHTC for its proportionate share of common property expenses, including property taxes, insurance, repairs, maintenance and utilities.

NOTE 14 LEASE OBLIGATIONS

Copier Equipment:

In March 2023, Stone House entered into a 63-month copier lease agreement. As a result of applying the lease accounting standards to this agreement, the accompanying consolidated financial statements include an operating right-of-use asset and corresponding lease liability in the amount of \$29,199. The Organization used a weighted-average discount rate of 3.23% to approximate the lease term at inception. The right-of-use asset obtained in exchange for operating lease liabilities in 2023 was \$38,142 and the operating lease expense recognized on the lease for the years ended June 30, 2024 and 2023 were \$8,040 and \$2,680, respectively, is reported as *Equipment Rental and Maintenance* expense in the accompanying Consolidated Statements of Functional Expenses.

The future minimum lease payments arising from this commitment is scheduled below:

<u>Fiscal Year Ending</u>	<u>Amount</u>
June 30, 2025	\$ 8,040
June 30, 2026	8,040
June 30, 2027	8,040
June 30, 2028	<u>7,370</u>
Total Undiscounted Cash Flows	31,490
Less: Present Value Discount	<u>(2,291)</u>
Total Lease Liabilities	<u>\$29,199</u>

ROXBURY STONE HOUSE, INC. AND SUBSIDIARY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2024 AND 2023 (AS RESTATED)

(Continued)

NOTE 14 *(Continued)*

Shelter Lease:

Stone House signed a 12-month lease for the shelter with a monthly payment of \$9,000 effective for the period of April 2024 to March 2025. This lease qualifies for the short-term exemption, and Stone House recognized lease payments on a straight-line basis. The remaining lease obligation under this lease was \$81,000 at June 30, 2024.

NOTE 15 CONCENTRATIONS

Cash and Investment Balances:

The Organizations are subject to concentrations in credit risk related to its financial instruments. The Organizations' cash and money market funds are held in major financial institutions. At times during the year, the Organizations may exceed FDIC and other insured limits. The Organizations had \$487,922 and \$229,465 in excess of federally insured and other limits as of June 30, 2024 and 2023, respectively, however, the Organizations have not experienced any losses on such accounts and management considers credit risk on cash and cash equivalents to be low.

Accounts Receivable, Program Services:

Approximately 90% and 72% of *Accounts Receivable* represents balances due from three government entities and two government entities as of June 30, 2024 and 2023, respectively.

NOTE 16 CONTINGENCIES

Surplus Revenue Retention Regulations:

The Commonwealth of Massachusetts Operational Services Division's regulation, 808 CMR 1.19(3), *Not-for-Profit Surplus Revenue Retention*, allows social service providers to retain a surplus up to twenty percent 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. Amounts that exceed the threshold may be subject to recoupment by the Commonwealth. Management concludes that Stone House is in compliance with the OSD requirements.

Government Grants:

Stone House 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 Stone House as of June 30, 2024 and 2023, or on its change in net assets for the years then ended.

ROXBURY STONE HOUSE, INC. AND SUBSIDIARY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2024 AND 2023 (AS RESTATED)

(Continued)

NOTE 16 *(Continued)*

New Market Tax Credit Recapture:

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

Impact of COVID-19:

As discussed previously, Stone House secured additional residential units in hotels and apartments during the COVID-19 pandemic in order to prevent the spread of the virus in congregate settings and assist survivors fleeing abuse when shelter was unavailable. The funding for these additional units was made possible with COVID-related funding from government grants and contributions from the general public. and, in part, through the Organization's creation of a Boston Region Domestic Violence Partnership to

In addition to the temporary shelter expenses, Stone House also provided financial assistance and resources to its participants, which included food vouchers, rental assistance, utility assistance, personal protective equipment and cleaning supplies, transportation, clothing, diapers, and other basic needs.

Employee Retention Tax Credit:

The Employee Retention Credit was introduced by the U.S. CARES Act in 2020 and is a refundable tax credit against certain employment taxes. As of June 30, 2022, Roxbury Stone House met the qualifications necessary to claim \$232,492 under the Employee Retention Credit program. Therefore, this amount is reported as *Employee Retention Tax Credits* in the accompanying Consolidated Statement of Activities for the years ended, June 30, 2023 and 2022. This amount remains outstanding and due to Stone House as of the financial statement release date.

NOTE 17 LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS

The following table reflects the Organizations' 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 Organizations' liquidity management, it has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due.

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

ROXBURY STONE HOUSE, INC. AND SUBSIDIARY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2024 AND 2023 (AS RESTATED)

(Continued)

NOTE 17 (Continued)

	<u>2024</u>	<u>2023</u>
<i>Financial Assets:</i>		
Cash	\$ 1,030,984	\$ 959,795
Short-Term Investments	205,772	-
Accounts Receivable	546,118	903,146
Employee Retention Tax Credits Due	232,492	232,492
Pledges Receivable	65,000	-
Leveraged Loan Receivable	5,230,665	5,230,665
Sponsor Loans Receivable	<u>776,017</u>	<u>776,017</u>
Total Financial Assets as of June 30,	8,087,048	8,102,115
<i>Less Amounts Not Available to be Used Within One Year:</i>		
Leveraged Loan Receivable	(5,230,665)	(5,230,665)
Sponsor Loans Receivable	<u>(776,017)</u>	<u>(776,017)</u>
Financial Assets Available to Meet General Expenditures Within One Year	<u>\$ 2,080,366</u>	<u>\$ 2,095,433</u>

NOTE 18 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 November 13, 2024, the date which the consolidated financial statements were available for issuance and noted the following event which met the criteria for disclosure:

Line-of-Credit:

Stone House established a working capital line-of-credit with Citizens Bank with a borrowing limit of \$250,000. The line-of-credit is secured by all business assets and bears interest at 3% over the Prime rate.

ROXBURY STONE HOUSE, INC. AND SUBSIDIARY
CONSOLIDATING STATEMENT OF FINANCIAL POSITION
AS OF JUNE 30, 2024

<u>ASSETS</u>	<u>RSH</u>	<u>WW-NMTC</u>	<u>ELIMIN- ATIONS</u>	<u>CONSOLIDATED TOTAL</u>
<u>CURRENT ASSETS:</u>				
Cash	\$ 766,429	\$ 264,555	\$ -	\$ 1,030,984
Short-Term Investments	205,772	-	-	205,772
Accounts Receivable, Program Services	607,242	-	(61,124)	546,118
Employee Retention Tax Credits Due	232,492	-	-	232,492
Pledges Receivable	65,000	-	-	65,000
Prepaid Expenses	44,102	-	-	44,102
Total Current Assets	<u>1,921,037</u>	<u>264,555</u>	<u>(61,124)</u>	<u>2,124,468</u>
<u>PROPERTY AND EQUIPMENT, NET</u>	<u>54,255</u>	<u>8,089,055</u>	<u>-</u>	<u>8,143,310</u>
<u>NON-CURRENT ASSETS:</u>				
Leveraged Loan Receivable	5,230,665	-	-	5,230,665
Sponsor Loans Receivable	982,343	-	(206,326)	776,017
Operating Lease Right-of-Use Asset	192,370	-	(163,171)	29,199
Total Non-Current Assets	<u>6,405,378</u>	<u>-</u>	<u>(369,497)</u>	<u>6,035,881</u>
<u>TOTAL ASSETS</u>	<u>\$ 8,380,670</u>	<u>\$ 8,353,610</u>	<u>\$ (430,621)</u>	<u>\$ 16,303,659</u>
<u>LIABILITIES AND NET ASSETS</u>				
<u>CURRENT LIABILITIES:</u>				
Accounts Payable and Accrued Expenses	\$ 162,813	\$ 118,539	\$ (61,125)	\$ 220,227
Accrued Payroll and Related Costs	196,781	-	-	196,781
Deferred Revenue	6,000	-	-	6,000
Operating Lease Liability, Current	69,286	-	(62,259)	7,027
Total Current Liabilities	<u>434,880</u>	<u>118,539</u>	<u>(123,384)</u>	<u>430,035</u>
<u>NON-CURRENT LIABILITIES:</u>				
Operating Lease Liability, Non-Current	146,169	-	(123,997)	22,172
Long-Term Debt, Net of Current Portion	-	7,675,325	(206,325)	7,469,000
Total Non-Current Liabilities	<u>146,169</u>	<u>7,675,325</u>	<u>(330,322)</u>	<u>7,491,172</u>
<u>TOTAL LIABILITIES</u>	<u>581,049</u>	<u>7,793,864</u>	<u>(453,706)</u>	<u>7,921,207</u>
<u>NET ASSETS:</u>				
Net Assets Without Donor Restrictions	7,679,621	559,746	23,085	8,262,452
Net Assets With Donor Restrictions	120,000	-	-	120,000
Total Net Assets	<u>7,799,621</u>	<u>559,746</u>	<u>23,085</u>	<u>8,382,452</u>
<u>TOTAL LIABILITIES AND NET ASSETS</u>	<u>\$ 8,380,670</u>	<u>\$ 8,353,610</u>	<u>\$ (430,621)</u>	<u>\$ 16,303,659</u>

ROXBURY STONE HOUSE, INC. AND SUBSIDIARY
CONSOLIDATING STATEMENT OF FINANCIAL POSITION
AS OF JUNE 30, 2023 (AS RESTATED)

<u>ASSETS</u>	<u>RSH</u>	<u>WW-NMTC</u>	<u>ELIMIN- ATIONS</u>	<u>CONSOLIDATED TOTAL</u>
<u>CURRENT ASSETS:</u>				
Cash	\$ 722,106	\$ 237,689	\$ -	\$ 959,795
Accounts Receivable, Program Services	904,645	-	(1,499)	903,146
Employee Retention Tax Credits Due	232,492	-	-	232,492
Prepaid Expenses	8,466	-	-	8,466
Total Current Assets	<u>1,867,709</u>	<u>237,689</u>	<u>(1,499)</u>	<u>2,103,899</u>
<u>PROPERTY AND EQUIPMENT, NET</u>	<u>62,285</u>	<u>8,293,524</u>	<u>-</u>	<u>8,355,809</u>
<u>NON-CURRENT ASSETS:</u>				
Leveraged Loan Receivable	5,230,665	-	-	5,230,665
Sponsor Loans Receivable	982,343	-	(206,326)	776,017
Operating Lease Right-of-Use Asset	271,020	-	(235,069)	35,951
Total Non-Current Assets	<u>6,484,028</u>	<u>-</u>	<u>(441,395)</u>	<u>6,042,633</u>
<u>TOTAL ASSETS</u>	<u>\$ 8,414,022</u>	<u>\$ 8,531,213</u>	<u>\$ (442,894)</u>	<u>\$ 16,502,341</u>
<u>LIABILITIES AND NET ASSETS</u>				
<u>CURRENT LIABILITIES:</u>				
Accounts Payable and Accrued Expenses	\$ 272,325	\$ 56,797	-	\$ 329,122
Accrued Payroll and Related Costs	40,843	-	-	40,843
Operating Lease Liability, Current	67,107	-	(60,357)	6,750
Total Current Liabilities	<u>380,275</u>	<u>56,797</u>	<u>(60,357)</u>	<u>376,715</u>
<u>NON-CURRENT LIABILITIES:</u>				
Lease Liability, Non-Current	215,455	-	(186,255)	29,200
Long-Term Debt, Net of Current Portion	-	7,676,825	(207,825)	7,469,000
Total Non-Current Liabilities	<u>215,455</u>	<u>7,676,825</u>	<u>(394,080)</u>	<u>7,498,200</u>
<u>TOTAL LIABILITIES</u>	<u>595,730</u>	<u>7,733,622</u>	<u>(454,437)</u>	<u>7,874,915</u>
<u>NET ASSETS:</u>				
Net Assets Without Donor Restrictions	7,818,292	797,591	11,543	8,627,426
Net Assets With Donor Restrictions	-	-	-	-
Total Net Assets	<u>7,818,292</u>	<u>797,591</u>	<u>11,543</u>	<u>8,627,426</u>
<u>TOTAL LIABILITIES AND NET ASSETS</u>	<u>\$ 8,414,022</u>	<u>\$ 8,531,213</u>	<u>\$ (442,894)</u>	<u>\$ 16,502,341</u>

ROXBURY STONE HOUSE, INC. AND SUBSIDIARY

CONSOLIDATING STATEMENT OF ACTIVITIES FOR THE YEAR ENDED JUNE 30, 2024

	<u>RSH</u>	<u>WW-NMTC</u>	<u>ELIMIN- ATIONS</u>	<u>CONSOLIDATED TOTAL</u>
<u>SUPPORT AND REVENUES:</u>				
Government Contracts and Grants	\$ 2,301,989	\$ -	\$ -	\$ 2,301,989
Program Service Fees	1,105,928	-	-	1,105,928
Rental Income	-	66,996	(66,996)	-
Gifts, Grants and Contributions	1,250,747	-	-	1,250,747
Developer Overhead Fee	45,224	-	-	45,224
Interest Income and Investment Return	63,913	-	-	63,913
In-Kind Donations	10,870	-	-	10,870
Miscellaneous Other Revenues	<u>1,093</u>	<u>2,487</u>	<u>-</u>	<u>3,580</u>
<u>TOTAL SUPPORT AND REVENUES</u>	<u>4,779,764</u>	<u>69,483</u>	<u>(66,996)</u>	<u>4,782,251</u>
<u>FUNCTIONAL EXPENSES:</u>				
<i>Program Services:</i>				
Domestic Violence Programs	2,451,351	76,455	(39,481)	2,488,325
Early Learning Center	<u>1,238,309</u>	<u>198,064</u>	<u>(23,741)</u>	<u>1,412,632</u>
Total Program Services	3,689,660	274,519	(63,222)	3,900,957
<i>Supporting Services:</i>				
Administrative	700,605	17,372	(7,344)	710,633
Fund Raising	<u>408,170</u>	<u>15,437</u>	<u>(7,972)</u>	<u>415,635</u>
<u>TOTAL FUNCTIONAL EXPENSES</u>	<u>4,798,435</u>	<u>307,328</u>	<u>(78,538)</u>	<u>5,027,225</u>
<u>CHANGE IN NET ASSETS</u>	<u>(18,671)</u>	<u>(237,845)</u>	<u>11,542</u>	<u>(244,974)</u>
<u>NET ASSETS - BEGINNING OF YEAR (AS RESTATED)</u>	<u>7,818,292</u>	<u>797,591</u>	<u>11,543</u>	<u>8,627,426</u>
<u>NET ASSETS - END OF YEAR</u>	<u>\$ 7,799,621</u>	<u>\$ 559,746</u>	<u>\$ 23,085</u>	<u>\$ 8,382,452</u>

ROXBURY STONE HOUSE, INC. AND SUBSIDIARY

CONSOLIDATING STATEMENT OF ACTIVITIES FOR THE YEAR ENDED JUNE 30, 2023 (AS RESTATED)

	<u>RSH</u>	<u>WW-NMTC</u>	<u>ELIMIN- ATIONS</u>	<u>CONSOLIDATED TOTAL</u>
<u>SUPPORT AND REVENUES:</u>				
Government Contracts and Grants	\$ 2,737,920	\$ -	\$ -	\$ 2,737,920
Program Service Fees	389,202	-	-	389,202
Rental Income	-	66,996	(66,996)	-
Gifts, Grants and Contributions	1,156,949	-	-	1,156,949
Developer Overhead Fee	362,706	-	-	362,706
Interest Income and Investment Return	65,164	-	-	65,164
Miscellaneous Other Revenues	<u>5,133</u>	<u>828</u>	<u>-</u>	<u>5,961</u>
<u>TOTAL SUPPORT AND REVENUES</u>	<u>4,717,074</u>	<u>67,824</u>	<u>(66,996)</u>	<u>4,717,902</u>
<u>FUNCTIONAL EXPENSES:</u>				
<i>Program Services:</i>				
Domestic Violence Programs	2,997,785	68,390	(26,341)	3,039,834
Early Learning Center	<u>568,300</u>	<u>209,386</u>	<u>(45,622)</u>	<u>732,064</u>
Total Program Services	3,566,085	277,776	(71,963)	3,771,898
<i>Supporting Services:</i>				
Administrative	504,162	50,819	(2,488)	552,493
Fund Raising	<u>385,941</u>	<u>18,762</u>	<u>(4,088)</u>	<u>400,615</u>
<u>TOTAL FUNCTIONAL EXPENSES</u>	<u>4,456,188</u>	<u>347,357</u>	<u>(78,539)</u>	<u>4,725,006</u>
<u>CHANGE IN NET ASSETS</u>	260,886	(279,533)	11,543	(7,104)
<u>NET ASSETS - BEGINNING OF YEAR (AS RESTATED)</u>	<u>7,557,406</u>	<u>1,077,124</u>	<u>-</u>	<u>8,634,530</u>
<u>NET ASSETS - END OF YEAR (AS RESTATED)</u>	<u>\$ 7,818,292</u>	<u>\$ 797,591</u>	<u>\$ 11,543</u>	<u>\$ 8,627,426</u>

ROXBURY STONE HOUSE, INC. AND SUBSIDIARY

CONSOLIDATING STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2024

	<u>RSH</u>	<u>WW-NMTC</u>	<u>ELIMIN- ATIONS</u>	<u>CONSOLIDATED TOTAL</u>
<u>CASH FLOWS FROM OPERATING ACTIVITIES:</u>				
Change in Net Assets	\$ (18,671)	\$ (237,845)	\$ 11,542	\$ (244,974)
<i>Adjustments to Reconcile the Above to Net Cash Provided by Operating Activities:</i>				
Depreciation Expense	8,030	204,469	-	212,499
Investment Return	(8,812)	-	-	(8,812)
Donated Stock	(12,442)	-	-	(12,442)
<i>(Increase) Decrease in Current Assets:</i>				
Accounts Receivable, Program Services	297,403	-	61,124	358,527
Pledges Receivable	(65,000)	-	-	(65,000)
Prepaid Expenses	(35,636)	-	-	(35,636)
<i>Increase (Decrease) in Liabilities:</i>				
Accounts Payable and Accrued Expenses	(109,509)	60,242	(61,124)	(110,391)
Accrued Payroll and Related Costs	155,938	-	-	155,938
Deferred Revenue	6,000	-	-	6,000
Operating Lease Liability	(67,107)	-	60,356	(6,751)
<i>(Increase) Decrease in Non-Current Assets:</i>				
Operating Lease Right-of-Use Asset	78,650	-	(71,898)	6,752
Net Adjustment	247,515	264,711	(11,542)	500,684
<u>NET CASH PROVIDED BY OPERATING ACTIVITIES</u>	<u>228,844</u>	<u>26,866</u>	<u>-</u>	<u>255,710</u>
<u>CASH FLOWS FROM INVESTING ACTIVITIES:</u>				
Purchase of Short-Term Investments	(184,521)	-	-	(184,521)
Net Cash Flows From Investing Activities	(184,521)	-	-	(184,521)
<u>NET INCREASE IN CASH BALANCES</u>	<u>44,323</u>	<u>26,866</u>	<u>-</u>	<u>71,189</u>
<u>CASH BALANCES - BEGINNING OF YEAR</u>	<u>722,106</u>	<u>237,689</u>	<u>-</u>	<u>959,795</u>
<u>CASH BALANCES - END OF YEAR</u>	<u>\$ 766,429</u>	<u>\$ 264,555</u>	<u>\$ -</u>	<u>\$ 1,030,984</u>
<i>Supplemental Disclosure:</i>				
Interest Paid	\$ -	\$ 52,507	\$ -	\$ 52,507

ROXBURY STONE HOUSE, INC. AND SUBSIDIARY
CONSOLIDATING STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2023 (AS RESTATED)

	<u>RSH</u>	<u>WW-NMTC</u>	<u>ELIMIN- ATIONS</u>	<u>CONSOLIDATED TOTAL</u>
<u>CASH FLOWS FROM OPERATING ACTIVITIES:</u>				
Change in Net Assets	\$ 260,886	\$ (279,533)	\$ 11,543	\$ (7,104)
<i>Adjustments to Reconcile the Above to Net Cash Used by Operating Activities:</i>				
Depreciation Expense	5,685	203,030	-	208,715
<i>(Increase) Decrease in Assets:</i>				
Accounts Receivable, Program Services	(497,327)	33,745	-	(463,582)
Prepaid Expenses	74,208	-	-	74,208
<i>Increase (Decrease) in Liabilities:</i>				
Accounts Payable and Accrued Expenses	75,114	34,448	-	109,562
Accrued Payroll and Related Costs	17,456	-	-	17,456
Operating Lease Liability	282,562	-	(246,612)	35,950
<i>(Increase) Decrease in Non-Current Assets:</i>				
Operating Lease Right-of-Use Asset	(271,020)	-	235,069	(35,951)
Net Adjustment	(313,322)	271,223	(11,543)	(53,642)
<u>NET CASH USED BY OPERATING ACTIVITIES</u>	<u>(52,436)</u>	<u>(8,310)</u>	<u>-</u>	<u>(60,746)</u>
<u>CASH FLOWS FROM INVESTING ACTIVITIES:</u>				
Cash Outlay for Sponsor Loans	46,106	(46,106)	-	-
Purchase of Furniture and Equipment	(23,461)	(46,273)	-	(69,734)
Net Cash Flows From Investing Activities	22,645	(92,379)	-	(69,734)
<u>NET DECREASE IN CASH BALANCES</u>	<u>(29,791)</u>	<u>(100,689)</u>	<u>-</u>	<u>(130,480)</u>
<u>CASH BALANCES - BEGINNING OF YEAR</u>	<u>751,897</u>	<u>338,378</u>	<u>-</u>	<u>1,090,275</u>
<u>CASH BALANCES - END OF YEAR</u>	<u>\$ 722,106</u>	<u>\$ 237,689</u>	<u>\$ -</u>	<u>\$ 959,795</u>
<i>Supplemental Disclosure:</i>				
Interest Paid	\$ 1,961	\$ 52,507	\$ -	\$ 54,468