

**ROXBURY STONE HOUSE, INC. AND SUBSIDIARY**

**CONSOLIDATED FINANCIAL STATEMENTS**

*with*

**INDEPENDENT AUDITORS' REPORT**

**YEARS ENDED JUNE 30, 2023 AND 2022**

Smith  Sullivan  
& Brown PC

CERTIFIED PUBLIC ACCOUNTANTS

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**ROXBURY STONE HOUSE, INC. AND SUBSIDIARY**  
**REPORT ON CONSOLIDATED FINANCIAL STATEMENTS**  
**YEARS ENDED JUNE 30, 2023 AND 2022**



**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, 2023 AND 2022

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## **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, 2023 and 2022, and the related consolidated statements of activities, functional expenses and cash flows for the years then ended, and the related notes to the consolidated financial statements.

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

### **Basis for Opinion**

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

### **Responsibilities of Management for the Consolidated Financial Statements**

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

In preparing the consolidated financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about 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.

### **Auditors' Responsibilities for the Audit of the Consolidated Financial Statements**

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

To the Board of Directors  
Roxbury Stone House, Inc. and Subsidiary

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of 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 28 - 33 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 auditing standards generally accepted in the United States of America. In our opinion, the consolidating information is fairly stated in all material respects in relation to the consolidated financial statements as a whole.

#### **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 them.

To the Board of Directors  
Roxbury Stone House, Inc. and Subsidiary

**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated November 8, 2023 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 8, 2023

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

JUNE 30, 2023

**Open for Business:**

In 2022, the Roxbury Stone House (“RSH”) brought back all staff to in-person duties. Full residency was achieved and maintained at One Westminster with a healthy waiting list, and in July 2023, the Stone House Early Learning Center will celebrate 1 full year of business at full capacity now serving 43 children: 18 infants and 25 preschool toddlers. Additionally, Stone House has applied for tentative designee status with the Planning Office of Urban Affairs to develop two vacant parcels that abut our One Westminster property. This will allow us to move our Emergency Shelter/THP program (currently rented across town) to a dedicated building to be built in this new extended campus.

**Continued Innovation and Lessons Learned:**

Stone House continues to implement important lessons learned during the pandemic, lessons that contribute to our continued growth and improvement.

- Digital media, including smart phones and laptops, provide programming opportunities that we had not imagined prior to the pandemic. While Stone House is welcoming clients to in-person counseling, community events, and onsite programs, Zoom groups have remained a practice as they allow RSH to serve clients who are unable to attend meetings with case managers or group sessions in-person. 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.
- The judicious use of hotel rooms can provide welcome relief to the clogged domestic violence (“DV”) emergency shelter system. Stone House participated in a City of Boston funded hotel room program that allowed us to serve clients quickly with short-term services, enhancing our work with the City of Boston. While not an ideal solution to the very limited shelter space issues in Boston, this option provided emergency safe housing. Through this experience, RSH has had productive discussions with the City and State about future collaborations on new safe shelter options for our particularly vulnerable DV clients.
- Having staff work remotely can be positive. We continue a hybrid system of work that allows our staff time to work in the building for meetings and tasks that need to be done face-to-face, and at home to complete tasks that are better accomplished without front-facing time with colleagues. Having a hybrid option for many of our staff positions has allowed us to maximize current talent and expand our pool of potential new talent.
- Stone House did not layoff any employees because of the pandemic. We continue to do all we can to recruit and retain great staff, including regularly taking stock of salary, benefits, and training that will draw in the best talent and keep staff employed at Stone House.

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

JUNE 30, 2023

**Looking to the Future:**

Stone House is continuing to open our new building to client and community gatherings, in addition to launching into a construction project for a new proximate home for our Emergency Shelter. 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. It's brought us a broader range of expertise and has provided the more sophisticated financial analysis capabilities that our expanded programs and services require. We are more than half-way to moving our donor database and our client database into a single software package that is more user friendly for the benefit of our staff. As a result, data entry, reporting, and analysis will be comprehensive and efficient. Our board and our staff are also continuing a sturdy process of succession planning, ensuring that the future we are creating will endure.



**STONE HOUSE**

Safe Now. Strong Forever.

ROXBURY STONE HOUSE, INC. AND SUBSIDIARY

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

	<u>2023</u>	<u>2022</u>
<b><u>ASSETS</u></b>		
<b><u>CURRENT ASSETS:</u></b>		
Cash	\$ 959,795	\$ 1,090,275
Accounts Receivable	903,146	413,148
Employee Retention Tax Credits Due	232,492	232,492
Prepaid Expenses	<u>8,466</u>	<u>82,674</u>
Total Current Assets	<u>2,103,899</u>	<u>1,818,589</u>
 <b><u>PROPERTY AND EQUIPMENT, NET</u></b>	 <u>8,355,809</u>	 <u>8,494,790</u>
 <b><u>NON-CURRENT ASSETS:</u></b>		
Leveraged Loan Receivable	5,230,665	5,230,665
Sponsor Loans Receivable	1,877,969	1,843,283
Operating Lease Right-of-Use Asset	<u>35,951</u>	<u>-</u>
Total Other Assets	<u>7,144,585</u>	<u>7,073,948</u>
 <b><u>TOTAL ASSETS</u></b>	 <u>\$ 17,604,293</u>	 <u>\$ 17,387,327</u>
<b><u>LIABILITIES AND NET ASSETS</u></b>		
<b><u>CURRENT LIABILITIES:</u></b>		
Accounts Payable and Accrued Expenses	\$ 369,965	\$ 216,531
Operating Lease Liability, Current	<u>6,750</u>	<u>-</u>
Total Current Liabilities	<u>376,715</u>	<u>216,531</u>
 <b><u>NON-CURRENT LIABILITIES:</u></b>		
Operating Lease Liability, Non-Current	29,200	-
NMTC Notes Payable	<u>7,469,000</u>	<u>7,469,000</u>
Total Non-Current Liabilities	<u>7,498,200</u>	<u>7,469,000</u>
 <b><u>TOTAL LIABILITIES</u></b>	 <u>7,874,915</u>	 <u>7,685,531</u>
 <b><u>NET ASSETS:</u></b>		
Net Assets Without Donor Restrictions	9,729,378	9,664,405
Net Assets With Donor Restrictions	<u>-</u>	<u>37,391</u>
Total Net Assets	<u>9,729,378</u>	<u>9,701,796</u>
 <b><u>TOTAL LIABILITIES AND NET ASSETS</u></b>	 <u>\$ 17,604,293</u>	 <u>\$ 17,387,327</u>

ROXBURY STONE HOUSE, INC. AND SUBSIDIARY

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

	2023			2022		
	<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>
<b><u>SUPPORT, REVENUES AND RECLASSIFICATIONS:</u></b>						
<i>Support and Revenues:</i>						
Government Contracts and Grants	\$ 2,737,920	\$ -	\$ 2,737,920	\$ 2,242,779	\$ -	\$ 2,242,779
Early Learning Center Program Fees	389,202	-	389,202	-	-	-
Program Rental Income	-	-	-	50,797	-	50,797
Gifts, Grants and Contributions	1,026,949	130,000	1,156,949	924,727	145,000	1,069,727
Donated Goods and Services	-	-	-	4,155	-	4,155
Employee Retention Tax Credits	-	-	-	232,492	-	232,492
Developer Overhead Fee	362,706	-	362,706	304,290	-	304,290
Interest Income and Investment Return	99,850	-	99,850	98,367	-	98,367
Gain on Forgiveness of PPP Loan	-	-	-	379,754	-	379,754
Miscellaneous Other Revenues	5,961	-	5,961	31,464	-	31,464
<i>Reclassification of Net Assets - Released from Restrictions:</i>						
Program and Operating Expenses	167,391	(167,391)	-	187,500	(187,500)	-
<b><u>TOTAL SUPPORT, REVENUES AND RECLASSIFICATION</u></b>	<b><u>4,789,979</u></b>	<b><u>(37,391)</u></b>	<b><u>4,752,588</u></b>	<b><u>4,456,325</u></b>	<b><u>(42,500)</u></b>	<b><u>4,413,825</u></b>
<b><u>EXPENSES:</u></b>						
<i>Program Services:</i>						
Domestic Violence Programs	3,039,834	-	3,039,834	2,972,588	-	2,972,588
Early Learning Center	732,064	-	732,064	-	-	-
<i>Supporting Services:</i>						
Administrative	552,493	-	552,493	767,252	-	767,252
Fund Raising	400,615	-	400,615	377,703	-	377,703
<b><u>TOTAL EXPENSES</u></b>	<b><u>4,725,006</u></b>	<b><u>-</u></b>	<b><u>4,725,006</u></b>	<b><u>4,117,543</u></b>	<b><u>-</u></b>	<b><u>4,117,543</u></b>
<b><u>CHANGE IN NET ASSETS BEFORE OTHER CHANGES</u></b>	<b><u>64,973</u></b>	<b><u>(37,391)</u></b>	<b><u>27,582</u></b>	<b><u>338,782</u></b>	<b><u>(42,500)</u></b>	<b><u>296,282</u></b>
<b><u>OTHER CHANGES IN NET ASSETS:</u></b>						
Net Assets Released from Capital Restrictions	-	-	-	116,862	(116,862)	-
Gain on Insurance Claim	-	-	-	330,851	-	330,851
Total Other Changes in Net Assets	-	-	-	447,713	(116,862)	330,851
<b><u>TOTAL CHANGE IN NET ASSETS</u></b>	<b><u>64,973</u></b>	<b><u>(37,391)</u></b>	<b><u>27,582</u></b>	<b><u>786,495</u></b>	<b><u>(159,362)</u></b>	<b><u>627,133</u></b>
<b><u>NET ASSETS - BEGINNING OF YEAR</u></b>	<b><u>9,664,405</u></b>	<b><u>37,391</u></b>	<b><u>9,701,796</u></b>	<b><u>8,877,910</u></b>	<b><u>196,753</u></b>	<b><u>9,074,663</u></b>
<b><u>NET ASSETS - END OF YEAR</u></b>	<b><u>\$ 9,729,378</u></b>	<b><u>\$ -</u></b>	<b><u>\$ 9,729,378</u></b>	<b><u>\$ 9,664,405</u></b>	<b><u>\$ 37,391</u></b>	<b><u>\$ 9,701,796</u></b>

ROXBURY STONE HOUSE, INC. AND SUBSIDIARY

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

*(With Summaried Consolidated Comparative Totals for 2022)*

	<u>DOMESTIC</u> <u>VIOLENCE</u> <u>PROGRAMS</u>	<u>EARLY</u> <u>LEARNING</u> <u>CENTER</u>	<u>TOTAL</u> <u>PROGRAMS</u>	<u>ADMINI-</u> <u>STRATIVE</u>	<u>FUND</u> <u>RAISING</u>	<u>TOTAL</u> <u>FUNCTIONAL EXPENSES</u>	
						<u>2023</u>	<u>2022</u>
Salaries and Wages	\$ 1,313,611	\$ 316,784	\$ 1,630,395	\$ 124,080	\$ 203,865	\$ 1,958,340	\$ 2,085,377
Payroll Taxes	111,557	26,903	138,460	10,537	17,313	166,310	168,199
Fringe Benefits	251,407	60,628	312,035	23,747	39,017	374,799	382,672
Consultants/Professional Fees	19,589	4,385	23,974	306,785	2,822	333,581	249,370
Volunteer Services	-	-	-	-	-	-	4,155
Depreciation Expense	68,094	123,621	191,715	6,432	10,568	208,715	105,615
Occupancy Costs	93,884	108,440	202,324	7,650	10,729	220,703	156,036
Property and Liability Insurance	28,127	-	28,127	6,349	3,410	37,886	73,687
Direct Assistance for Program Participants	955,028	1,978	957,006	184	88	957,278	566,402
Food and Meals	3,068	13,007	16,075	643	345	17,063	3,192
Program Supplies	25,684	19,098	44,782	1,120	12	45,914	30,425
Fundraising Events and Costs	-	-	-	-	68,308	68,308	25,805
Technology	82,688	12,727	95,415	5,964	10,574	111,953	53,568
Office Supplies and Expenses	37,620	9,551	47,171	8,109	7,202	62,482	28,181
Printing and Postage	155	-	155	2,596	5,440	8,191	19,685
Telephone and Communications	15,424	-	15,424	19,070	245	34,739	32,887
Equipment Rental and Maintenance	6,874	1,569	8,443	615	1,099	10,157	6,745
Dues, Fees and Subscriptions	7,013	2,447	9,460	19,056	16,051	44,567	31,110
Staff Development	1,053	254	1,307	2,541	794	4,642	923
Staff Travel and Mileage	474	-	474	3	-	477	757
Interest Expense	15,650	30,500	46,150	1,663	2,733	50,546	68,608
Bad Debt Expense	-	-	-	-	-	-	9,458
Miscellaneous	2,834	172	3,006	5,349	-	8,355	14,686
<b>Total Functional Expenses</b>	<b><u>\$ 3,039,834</u></b>	<b><u>\$ 732,064</u></b>	<b><u>\$ 3,771,898</u></b>	<b><u>\$ 552,493</u></b>	<b><u>\$ 400,615</u></b>	<b><u>\$ 4,725,006</u></b>	<b><u>\$ 4,117,543</u></b>

ROXBURY STONE HOUSE, INC. AND SUBSIDIARY

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

	<u>DOMESTIC</u> <u>VIOLENCE</u> <u>PROGRAMS</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	\$ 1,477,662	\$ 372,819	\$ 234,896	\$ 2,085,377
Payroll Taxes	118,121	28,201	21,877	168,199
Fringe Benefits	283,131	36,705	62,836	382,672
Consultants/Professional Fees	21,296	228,074	-	249,370
Volunteer Services	-	-	4,155	4,155
Depreciation Expense	105,615	-	-	105,615
Occupancy Costs	142,057	11,035	2,944	156,036
Property and Liability Insurance	56,942	13,681	3,064	73,687
Direct Assistance for Program Participants	566,402	-	-	566,402
Food and Meals	3,005	38	149	3,192
Program Supplies	29,836	348	241	30,425
Fundraising Events and Costs	-	-	25,805	25,805
Technology	28,152	23,445	1,971	53,568
Office Supplies and Expenses	12,310	15,823	48	28,181
Printing and Postage	1,328	1,994	16,363	19,685
Telephone and Communications	25,580	6,831	476	32,887
Equipment Rental and Maintenance	6,037	484	224	6,745
Dues, Fees and Subscriptions	5,000	23,520	2,590	31,110
Staff Development	408	490	25	923
Staff Travel and Mileage	651	69	37	757
Interest Expense	68,608	-	-	68,608
Bad Debt Expense	9,458	-	-	9,458
Miscellaneous	10,989	3,695	2	14,686
	<u>10,989</u>	<u>3,695</u>	<u>2</u>	<u>14,686</u>
<b>Total Functional Expenses</b>	<b><u>\$ 2,972,588</u></b>	<b><u>\$ 767,252</u></b>	<b><u>\$ 377,703</u></b>	<b><u>\$ 4,117,543</u></b>

ROXBURY STONE HOUSE, INC. AND SUBSIDIARY

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

	<u>2023</u>	<u>2022</u>
<b><u>CASH FLOWS FROM OPERATING ACTIVITIES:</u></b>		
Change in Net Assets	\$ 27,582	\$ 627,133
<i>Adjustments to Reconcile the Above to Net Cash Used by Operating Activities:</i>		
Depreciation Expense	208,715	105,615
Gain from Insurance Claim	-	(330,851)
Gain on Forgiveness of PPP Loan	-	(379,754)
Accrued Interest Income on Sponsor Loans	(34,686)	(33,594)
<i>(Increase) Decrease in Current Assets:</i>		
Accounts Receivable	(463,582)	166,237
Right of Use Asset	-	-
Employee Retention Tax Credits Due	-	(232,492)
Tenant Deposits Held and Custodial Funds	-	9,056
Prepaid Expenses	74,208	(65,505)
<i>Increase (Decrease) in Liabilities:</i>		
Accounts Payable and Accrued Expenses	127,018	40,662
Deferred Revenue	-	(2,186)
Tenant Deposits Held and Custodial Funds	-	(9,056)
Operating Lease Liability	35,950	-
<i>(Increase) Decrease in Non-Current Assets:</i>		
Operating Lease Right-of-Use Asset, Non-Current	(35,951)	-
Net Adjustment	(88,328)	(731,868)
<b><u>NET CASH USED BY OPERATING ACTIVITIES</u></b>	<b><u>(60,746)</u></b>	<b><u>(104,735)</u></b>
<b><u>CASH FLOWS FROM INVESTING ACTIVITIES:</u></b>		
Cash Outlay for Sponsor Loans	-	(225,562)
Purchase of Furniture and Equipment	(69,734)	(49,040)
Cash Outlay for Construction Costs	-	(832,564)
Net Cash Flows From Investing Activities	<u>(69,734)</u>	<u>(1,107,166)</u>
<b><u>CASH FLOWS FROM FINANCING ACTIVITIES:</u></b>		
Proceeds from (Repayments of) Loans	-	63,048
Net Cash Flows From Financing Activities	<u>-</u>	<u>63,048</u>
<b><u>NET DECREASE IN CASH BALANCES</u></b>	<b>(130,480)</b>	<b>(1,148,853)</b>
<b><u>CASH BALANCES - BEGINNING OF YEAR</u></b>	<b><u>1,090,275</u></b>	<b><u>2,239,128</u></b>
<b><u>CASH BALANCES - END OF YEAR</u></b>	<b><u>\$ 959,795</u></b>	<b><u>\$ 1,090,275</u></b>
<i>Supplemental Disclosure:</i>		
Interest Paid	<u>\$ 54,468</u>	<u>\$ 86,110</u>

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

JUNE 30, 2023 AND 2022

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 was owned 49% by Stone House and 51% by an unrelated Massachusetts charitable nonprofit corporation which served as the General Partner of the Managing Member. On March 18, 2021, due to its discontinued operations, the General Partner assigned its interest in the Managing Member to Community Housing Investment Management Partnership, Inc. (“CHIMP”), a wholly-owned subsidiary of MHIC. CHIMP’s role in the project was intended to be temporary; accordingly, on July 28, 2022, CHIMP was replaced by POUA Westminster Member LLC (“POUA”). POUA assumed control of the Managing Member.

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

JUNE 30, 2023 AND 2022

*(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. The “Investor Member” owns 99.99% of WW-LIHTC, LLC. Stone House served as the Investor Member through July 27, 2021, at which time the Operating Agreement was amended, whereby Stone House withdrew as the 99.99% member and MHEF 481 Corp. Fund III LLC (“MHEF”) was admitted as the Investor Member in its place.

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:

**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 moving in with family. This move allows us to increase our services. Subsequent to the year ended June 30, 2023, Stone House began to work with the Planning Office of Urban Affairs to secure a permanent building for these services on our campus.

**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.

**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.

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

JUNE 30, 2023 AND 2022

*(Continued)*

NOTE 2     *(Continued)*

**Rapid Rehousing:**

In FY 2020, Stone House added a rapid-rehousing 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 provide support services that promote success and monitor progress closely. We use our shelter or hotel rooms for short-term temporary stays to remove survivors from immediate danger while we work 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. Subsequent to the year ended June 30, 2023, Stone House will receive funds that will allow us to double the number of families or individuals served.

**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, which as of July 2023 is fully enrolled with 42 infants, toddlers, and preschoolers. Staffed with a director, two co-directors and ten teachers, the curriculum is designed and implemented to work with children and families who have experienced trauma.

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.

**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.

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

JUNE 30, 2023 AND 2022

*(Continued)*

NOTE 3     *(Continued)*

**Principles of Consolidation:**

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

- Roxbury Stone House, Inc.
- Westminster Washington NMTC, Inc.

**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, 2023 and 2022, 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:**

*Accounts Receivable* primarily represents amounts which are due from government funded program service grant agreements. 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 and there were no bad debts for the year presented.

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

JUNE 30, 2023 AND 2022

*(Continued)*

NOTE 3     *(Continued)*

**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.

The operating lease ROU asset includes any lease payments made and excludes lease incentives. The lease terms may include options to extend or terminate the lease when it is reasonably certain that the Organization will exercise that option. Lease expense for lease payments is recognized on a straight-line basis over the lease term. 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.

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

JUNE 30, 2023 AND 2022

*(Continued)*

NOTE 3      *(Continued)*

**Revenue Recognition:**

*Unit-Rate Agreements*

As more fully detailed in Note 8, 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 below. 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 in full 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 8, 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, 2023 and 2022, there were no obligations for conditional grant advances arising from these agreements in the accompanying consolidated financial statements. For the years ended June 30, 2023 and 2022, aggregate revenue from conditional funding commitments under cost-reimbursement arrangements amounted to \$1,333,184 and \$1,035,040, respectively; however, these agreements are subject to an annual renewal process and future funding is not guaranteed.

*Childcare Tuition and Vouchers*

Stone House operates a year round childcare program that is licensed by the Massachusetts Department of Early Education and Care (“DEEC”) for up to 42 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 child care. 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, 2023 AND 2022

*(Continued)*

NOTE 3     *(Continued)*

*Rental Income*

The transitional housing facility for women and children opened in 1987 and was operated by Stone House until October 2021, when the new residential facility was completed. At that time, the residents transitioned to the new property owned by WW-LIHTC, LLC. Until then, eight units were subsidized by the Massachusetts Rental Voucher Program (“MRVP”). Under the MRVP, tenants are responsible for a portion of their rent which is determined using a formula prescribed by the Boston Housing Authority and HUD regulations for supportive housing services. Revenue from rent is recognized when earned based upon occupancy dates, which coincides with the time of billing. Rental income consists of funds received from the tenants and from the MRVP through the Boston Housing Authority through October 2021.

*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, 2023 and 2022, Stone House received \$362,706 and \$304,290, respectively.

**Gifts, Grants and Contributions:**

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

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.

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 grant advance. 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 service agreements fall within this classification.

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

JUNE 30, 2023 AND 2022

*(Continued)*

NOTE 3     *(Continued)*

**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, 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.

**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.

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

JUNE 30, 2023 AND 2022

*(Continued)*

NOTE 3     *(Continued)*

**Recent Accounting Guidance:**

*Recently Implemented Standards*

Effective July 1, 2021, the Organizations adopted ASU 2020-07 *Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets*. This ASU increases transparency in reporting nonprofit gifts-in-kind in the Organizations' consolidated financial statements. Although the standard did not change the accounting for contributed nonfinancial assets, the Organizations' disclosures have been enhanced to provide qualitative policy information on the techniques and inputs used to determine the valuation of nonfinancial donations.

Effective July 1, 2022, the Organizations adopted ASC Update No. 2016-02, (Topic 842) *Leases* which establishes a comprehensive new lease accounting model. The new standard clarifies the definition of a lease and causes lessees to recognize leases on the balance sheet as a lease liability with a corresponding right-of-use asset for leases with a lease term of more than one year.

NOTE 4     PROPERTY AND EQUIPMENT

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

<u>Asset Category</u>	<u>2023</u>	<u>2022</u>
Land	\$ 464,640	\$ 464,640
Condominium	8,132,998	8,086,725
Furniture and Fixtures	115,011	91,550
Office Equipment	<u>20,227</u>	<u>20,227</u>
Total Property and Equipment	8,732,876	8,663,142
Less: Accumulated Depreciation	<u>(377,067)</u>	<u>(168,352)</u>
Property and Equipment, Net	<u>\$8,355,809</u>	<u>\$8,494,790</u>

**Sale of Property:**

On March 28, 2019, Stone House sold its former Notre Dame Street program and office facility for \$3,000,000. After repayment of the outstanding mortgage and settlement costs, the net proceeds of the sale in the amount of \$2,635,857 were used to finance the *Leveraged Loan Receivable* further described in Note 5. The buyer agreed to allow Stone House to occupy the premises free of charge while its new facility was under development. A lease agreement granted Stone House the use of the building under stipulations that Stone House would be responsible for the operating costs of the property, including repairs, maintenance, utilities, insurance and all other expenses that would normally be the obligation of an owner of a similar building. Since Stone House had assumed all of the costs normally associated with the ownership of the property, the fair value for the donated space was considered to approximate the carrying costs of the property and therefore, a value for the donated facility usage has not been assigned. Stone House vacated the Notre Dame Street facility in October 2021, with the completion of its new facility.

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

JUNE 30, 2023 AND 2022

*(Continued)*

NOTE 4     *(Continued)*

**Casualty Loss Event:**

On January 11, 2021, a sprinkler pipe failed, causing extensive water damage to the newly constructed building. At the time, construction was substantially complete and the Project was a few days away from receiving a Temporary Certificate of Occupancy. The water damage caused extensive delays in the Organization's ability to initiate the repair work, pending settlement with the insurance carrier. WW-LIHTC and WW-NMTC entered into a Settlement Agreement and Release dated April 16, 2021 that provided insurance proceeds totaling \$2,550,000, of which amount \$848,439 was apportioned to WW-NMTC. The repairs were completed in FY 2022, at which time a gain was recognized for \$330,851.

NOTE 5     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 8. 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 6.

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.

**City of Boston, Neighborhood Housing Trust ("NHT"):**

WW-LIHTC, LLC received financing through NHT, structured as a grant to Stone House and a Sponsor Loan to the Project. The maximum borrowing limit is \$1,000,000 and as of June 30, 2022, \$975,000 had been granted to Stone House and loaned to WW-LIHTC, LLC. 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. As of June 30, 2023 and 2022, the outstanding loan balance was \$1,101,952 and \$1,067,266, including accrued interest of \$126,953 and \$92,266, respectively.

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

JUNE 30, 2023 AND 2022

*(Continued)*

NOTE 5      *(Continued)*

**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 6      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.

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, 2023 and 2022 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, 2023 and 2022, interest payments on these notes amounted to \$52,507. For FY 2023, the interest was classified as an operating expense. For FY 2022, \$17,502 was capitalized as part of the construction project and \$35,005 is reported as an operating expense.

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

JUNE 30, 2023 AND 2022

(Continued)

NOTE 6 (Continued)

**Construction Bridge Loan - MHIC NCF:**

Roxbury Stone House obtained construction bridge loan financing from MHIC Neighborhood Commerce Fund I LLC (“MHIC NCF”) on April 15, 2021 with a maturity date of April 15, 2023. The note had a borrowing limit of \$950,000, required a 1% commitment fee of \$9,500 due at the time of closing and was subject to interest at the fixed annual rate of 4.5%. The proceeds from the bridge loan were restricted for construction costs incurred for the WW-NMTC project. In total, \$406,506 was borrowed and repaid with proceeds from Stone House’s developer fee. As of June 30, 2022, the balance was paid in full.

**Paycheck Protection Program Loans:**

Roxbury Stone House received a loan in the amount of \$319,900 from Citizens Bank through the Paycheck Protection Program established by the U.S. CARES Act (the “PPP-1 Loan”) on April 27, 2020 and a second loan, referred to as PPP-2, in the amount of \$379,754 on February 17, 2021. Roxbury Stone House elected to account for the PPP Loans as debt. The PPP Loan is recorded as a debt upon which interest is accrued until legally forgiven, at which time, a gain is recorded. Stone House received full forgiveness of the PPP-1 Loan on March 10, 2021, at which time, a gain on the extinguishment of debt was recognized. On January 19, 2022, PPP-2 was forgiven in full and was recognized as a gain in FY 2022. The gain appears in the accompanying Consolidated Statement of Activities as *Gain on Forgiveness of PPP Loan*.

NOTE 7 NET ASSETS WITH DONOR RESTRICTIONS

As of June 30, 2022, net assets with donor restrictions include unexpended contributions and grants restricted by donors for the following purposes, and which were fully expended during FY 2023:

<u>Nature of Restriction</u>	<u>Amount</u>
Capital Purchases	\$27,391
School Uniforms	<u>10,000</u>
Total	<u>\$37,391</u>

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>2023</u>	<u>2022</u>
Capital Purchases	\$ 27,391	\$116,862
Children’s Services	100,000	100,000
Time Restrictions Elapsed	30,000	42,500
Basic Needs for Program Residents	<u>10,000</u>	<u>45,000</u>
Total	<u>\$167,391</u>	<u>\$304,362</u>

NOTE 8 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:

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

JUNE 30, 2023 AND 2022

*(Continued)*

NOTE 8      *(Continued)*

**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 \$1,240,465 and \$1,177,740 in FY 2023 and FY 2022, 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, 2023 and 2022, Stone House received \$220,116 and \$222,398, 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, 2023 and 2022 amounted to \$467,746 and \$438,111, respectively, leaving a conditional balance of \$161,694 and \$286,667 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 \$222,167 and \$339,524 for the years ended June 30, 2023 and 2022, respectively, leaving a conditional balance of \$20,408 and \$106,684 at each year end.

*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 grant period was July 1, 2022 through June 30, 2023 and provided funding in the amount of \$327,812.

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

JUNE 30, 2023 AND 2022

*(Continued)*

NOTE 9      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 and fifth years of funding, with an additional four remaining annual installments available under the grant. As of June 30, 2023 and 2022, the aggregate conditional amount of the above commitment was \$120,000 and \$150,000, respectively. As the terms of the conditions had not been met, the support has not been recognized in the accompanying consolidated financial statements.

NOTE 10      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 11      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, 2023 and 2022, Stone House made retirement contributions to the Plan in the amount of \$61,529 and \$39,023, which is included within *Fringe Benefits* in the accompanying Consolidated Statement of Functional Expenses.

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 12      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.

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

JUNE 30, 2023 AND 2022

(Continued)

NOTE 13    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 in the amount of \$35,951 and an operating lease liability in the amount of \$35,950, of which amount \$6,750 represents the current obligation at present value due in the year ended June 30, 2024. The Organization used a weighted-average discount rate of 3.23% to approximate the lease term at inception. The right-of-use asset obtained in exchange for operating lease liabilities was \$38,142 and the operating lease expense recognized on the lease for the year ended June 30, 2023 was \$2,680 and is reported as *Equipment Rental and Maintenance* expense in the accompanying Consolidated Statement 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, 2024	\$ 8,040
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	39,530
Less: Present Value Discount	<u>(3,580)</u>
Total Lease Liabilities	<u>\$35,950</u>

NOTE 14    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 \$229,465 and \$293,832 in excess of federally insured and other limits as of June 30, 2023 and 2022, 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 72% of *Accounts Receivable* represents balances due from the City of Boston and MOVA as of June 30, 2023 and 2022.

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

JUNE 30, 2023 AND 2022

*(Continued)*

NOTE 15    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, 2023 and 2022, or on its change in net assets for the years then ended.

**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.

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

JUNE 30, 2023 AND 2022

*(Continued)*

NOTE 15 *(Continued)*

**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 year ended, June 30, 2022. This amount remains outstanding and due to Stone House as of the financial statement release date.

NOTE 16 LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS

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

As part of the 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.

	<u>2023</u>	<u>2022</u>
<i>Financial Assets:</i>		
Cash	\$ 959,795	\$ 1,090,275
Accounts Receivable	903,146	413,148
Employee Retention Tax Credits Due	232,492	232,492
Leveraged Loan Receivable	5,230,665	5,230,665
Sponsor Loans Receivable	<u>1,877,969</u>	<u>1,843,283</u>
Total Financial Assets as of June 30,	9,204,067	8,809,863
<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>(1,877,969)</u>	<u>(1,843,283)</u>
Financial Assets Available to Meet General Expenditures Within One Year	<u>\$ 2,095,433</u>	<u>\$ 1,735,915</u>

NOTE 17 SUBSEQUENT EVENTS

Management is required to consider events subsequent to the financial statement date for potential adjustment to or disclosure in the consolidated financial statements. Therefore, Management has evaluated subsequent events through November 8, 2023, the date which the consolidated financial statements were available for issuance and noted no events which met the criteria for recognition or disclosure.

ROXBURY STONE HOUSE, INC. AND SUBSIDIARY

CONSOLIDATING STATEMENT OF FINANCIAL POSITION AS OF JUNE 30, 2023

<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	904,645	-	(1,499)	903,146
Employee Retention Tax Credits Due	232,492	-	-	232,492
Operating Lease Right-of-Use Asset	75,036	-	(75,036)	-
Prepaid Expenses	8,466	-	-	8,466
Total Current Assets	<u>1,942,745</u>	<u>237,689</u>	<u>(76,535)</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	2,084,295	-	(206,326)	1,877,969
Operating Lease Right-of-Use Asset	195,984	-	(160,033)	35,951
Total Other Assets	<u>7,510,944</u>	<u>-</u>	<u>(366,359)</u>	<u>7,144,585</u>
<u>TOTAL ASSETS</u>	<u>\$ 9,515,974</u>	<u>\$ 8,531,213</u>	<u>\$ (442,894)</u>	<u>\$ 17,604,293</u>
<u>LIABILITIES AND NET ASSETS</u>				
<u>CURRENT LIABILITIES:</u>				
Accounts Payable and Accrued Expenses	\$ 313,168	\$ 56,797	\$ -	\$ 369,965
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	8,920,244	797,591	11,543	9,729,378
Net Assets With Donor Restrictions	-	-	-	-
Total Net Assets	<u>8,920,244</u>	<u>797,591</u>	<u>11,543</u>	<u>9,729,378</u>
<u>TOTAL LIABILITIES AND NET ASSETS</u>	<u>\$ 9,515,974</u>	<u>\$ 8,531,213</u>	<u>\$ (442,894)</u>	<u>\$ 17,604,293</u>

ROXBURY STONE HOUSE, INC. AND SUBSIDIARY

CONSOLIDATING STATEMENT OF FINANCIAL POSITION AS OF JUNE 30, 2022

<u>ASSETS</u>	<u>RSH</u>	<u>WW-NMTC</u>	<u>ELIMIN- ATIONS</u>	<u>CONSOLIDATED TOTAL</u>
<u>CURRENT ASSETS:</u>				
Cash	\$ 751,897	\$ 338,378	\$ -	\$ 1,090,275
Accounts Receivable	407,318	33,745	(27,915)	413,148
Employee Retention Tax Credits Due	232,492	-	-	232,492
Prepaid Expenses	82,674	-	-	82,674
Total Current Assets	<u>1,474,381</u>	<u>372,123</u>	<u>(27,915)</u>	<u>1,818,589</u>
<u>PROPERTY AND EQUIPMENT, NET</u>	<u>44,509</u>	<u>8,450,281</u>	<u>-</u>	<u>8,494,790</u>
<u>NON-CURRENT ASSETS:</u>				
Leveraged Loan Receivable	5,230,665	-	-	5,230,665
Sponsor Loans Receivable	2,095,715	-	(252,432)	1,843,283
Total Other Assets	<u>7,326,380</u>	<u>-</u>	<u>(252,432)</u>	<u>7,073,948</u>
<u>TOTAL ASSETS</u>	<u>\$ 8,845,270</u>	<u>\$ 8,822,404</u>	<u>\$ (280,347)</u>	<u>\$ 17,387,327</u>
<u>LIABILITIES AND NET ASSETS</u>				
<u>CURRENT LIABILITIES:</u>				
Accounts Payable and Accrued Expenses	\$ 220,598	\$ 23,848	\$ (27,915)	\$ 216,531
Total Current Liabilities	<u>220,598</u>	<u>23,848</u>	<u>(27,915)</u>	<u>216,531</u>
<u>NON-CURRENT LIABILITIES:</u>				
Long-Term Debt, Net of Current Portion	-	7,721,432	(252,432)	7,469,000
Total Non-Current Liabilities	<u>-</u>	<u>7,721,432</u>	<u>(252,432)</u>	<u>7,469,000</u>
<u>TOTAL LIABILITIES</u>	<u>220,598</u>	<u>7,745,280</u>	<u>(280,347)</u>	<u>7,685,531</u>
<u>NET ASSETS:</u>				
Net Assets Without Donor Restrictions	8,587,281	1,077,124	-	9,664,405
Net Assets With Donor Restrictions	37,391	-	-	37,391
Total Net Assets	<u>8,624,672</u>	<u>1,077,124</u>	<u>-</u>	<u>9,701,796</u>
<u>TOTAL LIABILITIES AND NET ASSETS</u>	<u>\$ 8,845,270</u>	<u>\$ 8,822,404</u>	<u>\$ (280,347)</u>	<u>\$ 17,387,327</u>

ROXBURY STONE HOUSE, INC. AND SUBSIDIARY

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

	<u>RSH</u>	<u>WW-NMTC</u>	<u>ELIMIN- ATIONS</u>	<u>CONSOLIDATED TOTAL</u>
<b><u>SUPPORT AND REVENUES:</u></b>				
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	99,850	-	-	99,850
Gain on Forgiveness of PPP Loan	-	-	-	-
Miscellaneous Other Revenues	<u>5,133</u>	<u>828</u>	<u>-</u>	<u>5,961</u>
<b><u>TOTAL SUPPORT AND REVENUES</u></b>	<b><u>4,751,760</u></b>	<b><u>67,824</u></b>	<b><u>(66,996)</u></b>	<b><u>4,752,588</u></b>
<b><u>FUNCTIONAL EXPENSES:</u></b>				
<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>
<b><u>TOTAL EXPENSES</u></b>	<b><u>4,456,188</u></b>	<b><u>347,357</u></b>	<b><u>(78,539)</u></b>	<b><u>4,725,006</u></b>
<b><u>CHANGE IN NET ASSETS</u></b>	<b><u>295,572</u></b>	<b><u>(279,533)</u></b>	<b><u>11,543</u></b>	<b><u>27,582</u></b>
<b><u>NET ASSETS - BEGINNING OF YEAR</u></b>	<b><u>8,624,672</u></b>	<b><u>1,077,124</u></b>	<b><u>-</u></b>	<b><u>9,701,796</u></b>
<b><u>NET ASSETS - END OF YEAR</u></b>	<b><u>\$ 8,920,244</u></b>	<b><u>\$ 797,591</u></b>	<b><u>\$ 11,543</u></b>	<b><u>\$ 9,729,378</u></b>

ROXBURY STONE HOUSE, INC. AND SUBSIDIARY

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

	<u>RSH</u>	<u>WW-NMTC</u>	<u>ELIMIN- ATIONS</u>	<u>CONSOLIDATED TOTAL</u>
<b><u>SUPPORT AND REVENUES:</u></b>				
Government Contracts and Grants	\$ 2,242,779	\$ -	\$ -	\$ 2,242,779
Rental Income	50,797	66,996	(66,996)	50,797
Gifts, Grants and Contributions	1,069,727	-	-	1,069,727
Donated Goods and Services	4,155	-	-	4,155
Employee Retention Tax Credits	232,492	-	-	232,492
Developer Overhead Fee	304,290	-	-	304,290
Interest Income and Investment Return	98,367	-	-	98,367
Gain on Forgiveness of PPP Loan	379,754	-	-	379,754
Miscellaneous Other Revenues	31,464	-	-	31,464
<b><u>TOTAL SUPPORT AND REVENUES</u></b>	<b><u>4,413,825</u></b>	<b><u>66,996</u></b>	<b><u>(66,996)</u></b>	<b><u>4,413,825</u></b>
<b><u>FUNCTIONAL EXPENSES:</u></b>				
<i>Program Services:</i>				
Domestic Violence Programs	2,891,858	147,726	(66,996)	2,972,588
<i>Supporting Services:</i>				
Administrative	717,406	49,846	-	767,252
Fund Raising	377,703	-	-	377,703
<b><u>TOTAL EXPENSES</u></b>	<b><u>3,986,967</u></b>	<b><u>197,572</u></b>	<b><u>(66,996)</u></b>	<b><u>4,117,543</u></b>
<b><u>CHANGE IN NET ASSETS BEFORE OTHER CHANGES</u></b>	<b><u>426,858</u></b>	<b><u>(130,576)</u></b>	<b><u>-</u></b>	<b><u>296,282</u></b>
<b><u>OTHER CHANGES IN NET ASSETS:</u></b>				
Gain on Insurance Claim	-	330,851	-	330,851
<b><u>TOTAL CHANGE IN NET ASSETS</u></b>	<b><u>426,858</u></b>	<b><u>200,275</u></b>	<b><u>-</u></b>	<b><u>627,133</u></b>
<b><u>NET ASSETS - BEGINNING OF YEAR</u></b>	<b><u>8,197,814</u></b>	<b><u>876,849</u></b>	<b><u>-</u></b>	<b><u>9,074,663</u></b>
<b><u>NET ASSETS - END OF YEAR</u></b>	<b><u>\$ 8,624,672</u></b>	<b><u>\$ 1,077,124</u></b>	<b><u>\$ -</u></b>	<b><u>\$ 9,701,796</u></b>

ROXBURY STONE HOUSE, INC. AND SUBSIDIARY

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

	<u>RSH</u>	<u>WW-NMTC</u>	<u>ELIMIN- ATIONS</u>	<u>CONSOLIDATED TOTAL</u>
<b><u>CASH FLOWS FROM OPERATING ACTIVITIES:</u></b>				
Change in Net Assets	\$ 295,572	\$ (279,533)	\$ 11,543	\$ 27,582
<i>Adjustments to Reconcile the Above to Net Cash Used by Operating Activities:</i>				
Depreciation Expense	5,685	203,030	-	208,715
Accrued Interest Income on Sponsor Loans	(34,686)	-	-	(34,686)
<i>(Increase) Decrease in Assets:</i>				
Accounts Receivable	(497,327)	33,745	-	(463,582)
Operating Lease Right-of-Use Asset	(75,036)	-	75,036	-
Tenant Deposits Held and Custodial Funds	-	-	-	-
Prepaid Expenses	74,208	-	-	74,208
<i>Increase (Decrease) in Liabilities:</i>				
Accounts Payable and Accrued Expenses	92,570	34,448	-	127,018
Operating Lease Liability	282,562	-	(246,612)	35,950
<i>(Increase) Decrease in Non-Current Assets:</i>				
Operating Lease Right-of-Use Asset, Non-Current	(195,984)	-	160,033	(35,951)
Net Adjustment	(348,008)	271,223	(11,543)	(88,328)
<b><u>NET CASH USED BY OPERATING ACTIVITIES</u></b>	<b><u>(52,436)</u></b>	<b><u>(8,310)</u></b>	<b><u>-</u></b>	<b><u>(60,746)</u></b>
<b><u>CASH FLOWS FROM INVESTING ACTIVITIES:</u></b>				
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)
<b><u>NET DECREASE IN CASH BALANCES</u></b>	<b><u>(29,791)</u></b>	<b><u>(100,689)</u></b>	<b><u>-</u></b>	<b><u>(130,480)</u></b>
<b><u>CASH BALANCES - BEGINNING OF YEAR</u></b>	<b><u>751,897</u></b>	<b><u>338,378</u></b>	<b><u>-</u></b>	<b><u>1,090,275</u></b>
<b><u>CASH BALANCES - END OF YEAR</u></b>	<b><u>\$ 722,106</u></b>	<b><u>\$ 237,689</u></b>	<b><u>\$ -</u></b>	<b><u>\$ 959,795</u></b>
<i>Supplemental Disclosure :</i>				
Interest Paid	\$ 1,961	\$ 52,507	\$ -	\$ 54,468

ROXBURY STONE HOUSE, INC. AND SUBSIDIARY

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

	<u>RSH</u>	<u>WW-NMTC</u>	<u>ELIMIN- ATIONS</u>	<u>CONSOLIDATED TOTAL</u>
<b><u>CASH FLOWS FROM OPERATING ACTIVITIES:</u></b>				
Change in Net Assets	\$ 426,858	\$ 200,275	\$ -	\$ 627,133
<i>Adjustments to Reconcile the Above to Net Cash Used by Operating Activities:</i>				
Depreciation Expense	4,531	101,084	-	105,615
Gain from insurance proceeds	-	(330,851)	-	(330,851)
Gain on Forgiveness of PPP Loan	(379,754)	-	-	(379,754)
Accrued Interest Income on Sponsor Loans	(33,594)	-	-	(33,594)
<i>(Increase) Decrease in Current Assets:</i>				
Accounts Receivable	192,802	(26,565)	-	166,237
Employee Retention Tax Credits Due	(232,492)	-	-	(232,492)
Tenant Deposits Held and Custodial Funds	9,056	-	-	9,056
Prepaid Expenses	(65,505)	-	-	(65,505)
<i>Increase (Decrease) in Current Liabilities:</i>				
Accounts Payable and Accrued Expenses	46,600	(5,938)	-	40,662
Deferred Revenue	(2,186)	-	-	(2,186)
Tenant Deposits Held and Custodial Funds	(9,056)	-	-	(9,056)
Net Adjustment	(469,598)	(262,270)	-	(731,868)
<b><u>NET CASH USED BY OPERATING ACTIVITIES</u></b>	<b><u>(42,740)</u></b>	<b><u>(61,995)</u></b>	<b><u>-</u></b>	<b><u>(104,735)</u></b>
<b><u>CASH FLOWS FROM INVESTING ACTIVITIES:</u></b>				
Cash Outlay for Sponsor Loans	(225,562)	-	-	(225,562)
Purchase of Furniture and Equipment	(49,040)	-	-	(49,040)
Cash Outlay for Construction Costs	-	(832,564)	-	(832,564)
Net Cash Flows From Investing Activities	(274,602)	(832,564)	-	(1,107,166)
<b><u>CASH FLOWS FROM FINANCING ACTIVITIES:</u></b>				
Proceeds from (Repayments of) Loans	(94,692)	157,740	-	63,048
Net Cash Flows From Financing Activities	(94,692)	157,740	-	63,048
<b><u>NET INCREASE (DECREASE) IN CASH BALANCES</u></b>	<b><u>(412,034)</u></b>	<b><u>(736,819)</u></b>	<b><u>-</u></b>	<b><u>(1,148,853)</u></b>
<b><u>CASH BALANCES - BEGINNING OF YEAR</u></b>	<b><u>1,163,931</u></b>	<b><u>1,075,197</u></b>	<b><u>-</u></b>	<b><u>2,239,128</u></b>
<b><u>CASH BALANCES - END OF YEAR</u></b>	<b><u>\$ 751,897</u></b>	<b><u>\$ 338,378</u></b>	<b><u>\$ -</u></b>	<b><u>\$ 1,090,275</u></b>
<i>Supplemental Disclosure :</i>				
Interest Paid	\$ 21,966	\$ 64,144	\$ -	\$ 86,110