



St. Mary's Center for Women and Children, Inc. and Affiliates

**Consolidated Financial Statements
and Supplementary Information**

*For the Years Ended June 30, 2024 and 2023
With Independent Auditors' Report*

Baker Newman & Noyes LLC
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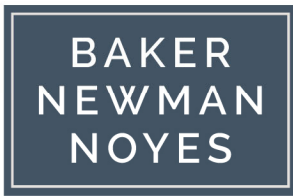
ST. MARY'S CENTER FOR WOMEN AND CHILDREN, INC. AND AFFILIATES

**CONSOLIDATED FINANCIAL STATEMENTS
AND SUPPLEMENTARY INFORMATION**

For the Years Ended June 30, 2024 and 2023

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INDEPENDENT AUDITORS' REPORT

Board of Directors
St. Mary's Center for Women and Children, Inc. and Affiliates

Opinion

We have audited the consolidated financial statements of St. Mary's Center for Women and Children, Inc. and Affiliates (the Organization), which comprise the consolidated statements of financial position as of June 30, 2024 and 2023, 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 (collectively, the financial statements).

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Organization as of June 30, 2024 and 2023, and the results of its operations and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). 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 the Organization and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

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

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

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an 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 will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

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

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

Supplementary Information

Our audits were conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying supplementary information is presented for purposes of additional analysis and is not a required part of the 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 financial statements. The information has been subjected to the auditing procedures applied in the audits of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with GAAS. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Baku Newman & Noyes LLC

Manchester, New Hampshire
December 13, 2024

ST. MARY'S CENTER FOR WOMEN AND CHILDREN, INC. AND AFFILIATES

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

June 30, 2024 and 2023

	<u>2024</u>	<u>2023</u>
<u>ASSETS</u>		
Current assets:		
Cash and cash equivalents	\$ 3,775,879	\$ 3,645,276
Accounts and other receivables	1,023,528	1,084,784
Prepaid expenses and other current assets	<u>34,392</u>	<u>54,580</u>
Total current assets	4,833,799	4,784,640
Assets whose use is limited:		
Under deferred compensation plan	41,725	37,481
Reserve fund cash – transitional housing	86,034	86,034
Restricted investments – transitional housing	1,824,468	1,627,760
Tenant security deposits	<u>4,684</u>	<u>4,679</u>
Total assets whose use is limited	1,956,911	1,755,954
Investments	2,726,800	2,402,475
Certificates of deposit	62,823	61,155
Property, plant and equipment, net	13,261,472	11,428,045
Operating lease right-of-use asset	<u>647,390</u>	<u>—</u>
Total assets	<u>\$23,489,195</u>	<u>\$20,432,269</u>
<u>LIABILITIES, NET ASSETS AND MEMBER'S EQUITY</u>		
Current liabilities:		
Current portion of finance lease obligations	\$ 5,595	\$ 12,416
Current portion of operating lease liabilities	51,708	—
Accounts payable	663,209	393,065
Accrued expenses	334,178	187,638
Deferred revenue	<u>109,079</u>	<u>40,805</u>
Total current liabilities	1,163,769	633,924
Long-term debt	4,427,699	4,237,627
Finance lease obligations, net of current portion	—	1,437
Operating lease liabilities, net of current portion	608,389	—
Other liabilities	43,600	37,481
Tenant security deposits	<u>9,098</u>	<u>9,098</u>
Total liabilities	6,252,555	4,919,567
Net assets and member's equity:		
Net assets and member's equity without donor restrictions	13,843,050	11,850,242
Net assets and member's equity with donor restrictions	<u>3,393,590</u>	<u>3,662,460</u>
Total net assets and member's equity	<u>17,236,640</u>	<u>15,512,702</u>
Total liabilities, net assets and member's equity	<u>\$23,489,195</u>	<u>\$20,432,269</u>

See accompanying notes.

ST. MARY'S CENTER FOR WOMEN AND CHILDREN, INC. AND AFFILIATES

CONSOLIDATED STATEMENTS OF ACTIVITIES

Year Ended June 30, 2024

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Operating activities:			
Revenues and other support:			
Program service fees	\$ 6,343,390	\$ —	\$ 6,343,390
Rental income	661,890	—	661,890
Contributions, grants, and events	2,118,829	1,248,000	3,366,829
Other income	70,935	—	70,935
Investment income	335,680	216,889	552,569
Net assets released from restrictions	<u>1,733,759</u>	<u>(1,733,759)</u>	<u>—</u>
Total revenues and other support	11,264,483	(268,870)	10,995,613
Expenses:			
Program services:			
St. Mary's Home	945,151	—	945,151
Bridge Home	404,981	—	404,981
Margaret's House	1,672,026	—	1,672,026
Women @ Work Plus	98,468	—	98,468
Supportive Housing	15,793	—	15,793
Crossroads	1,725,675	—	1,725,675
St. Mary's Transitional Housing, LLC	277,805	—	277,805
8 Notre Dame LLC	123,776	—	123,776
Other	<u>283,704</u>	<u>—</u>	<u>283,704</u>
Total program services	5,547,379	—	5,547,379
Facilities management and cafeteria	1,105,177	—	1,105,177
Supporting services:			
General and administrative	1,867,955	—	1,867,955
Fundraising	<u>751,164</u>	<u>—</u>	<u>751,164</u>
Total expenses	<u>9,271,675</u>	<u>—</u>	<u>9,271,675</u>
Increase (decrease) in net assets and member's equity	1,992,808	(268,870)	1,723,938
Net assets and member's equity at beginning of year	<u>11,850,242</u>	<u>3,662,460</u>	<u>15,512,702</u>
Net assets and member's equity at end of year	<u>\$13,843,050</u>	<u>\$ 3,393,590</u>	<u>\$17,236,640</u>

See accompanying notes.

ST. MARY'S CENTER FOR WOMEN AND CHILDREN, INC. AND AFFILIATES

CONSOLIDATED STATEMENTS OF ACTIVITIES

Year Ended June 30, 2023

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Operating activities:			
Revenues and other support:			
Program service fees	\$ 6,880,397	\$ —	\$ 6,880,397
Rental income	431,970	—	431,970
Contributions, grants, and events	1,148,921	843,750	1,992,671
Other income	101,116	—	101,116
Investment income	232,528	145,608	378,136
Net assets released from restrictions	<u>971,948</u>	<u>(971,948)</u>	<u>—</u>
 Total revenues and other support	 9,766,880	 17,410	 9,784,290
Expenses:			
Program services:			
St. Mary's Home	1,142,771	—	1,142,771
Bridge Home	6,331	—	6,331
Margaret's House	2,151,078	—	2,151,078
Women @ Work Plus	206,885	—	206,885
Women's Learning Center	54,367	—	54,367
Supportive Housing	30,286	—	30,286
Crossroads	1,380,753	—	1,380,753
St. Mary's Transitional Housing, LLC	<u>317,704</u>	<u>—</u>	<u>317,704</u>
 Total program services	 5,290,175	 —	 5,290,175
Facilities management and cafeteria	843,784	—	843,784
Supporting services:			
General and administrative	1,651,471	—	1,651,471
Fundraising	<u>760,730</u>	<u>—</u>	<u>760,730</u>
 Total expenses	 <u>8,546,160</u>	 <u>—</u>	 <u>8,546,160</u>
 Increase in net assets and member's equity	 1,220,720	 17,410	 1,238,130
 Net assets and member's equity at beginning of year	 <u>10,629,522</u>	 <u>3,645,050</u>	 <u>14,274,572</u>
 Net assets and member's equity at end of year	 <u>\$11,850,242</u>	 <u>\$ 3,662,460</u>	 <u>\$15,512,702</u>

See accompanying notes.

ST. MARY'S CENTER FOR WOMEN AND CHILDREN, INC. AND AFFILIATES

CONSOLIDATED STATEMENTS OF FUNCTIONAL EXPENSES

Year Ended June 30, 2024

	St. Mary's <u>Home</u>	<u>Clinical</u>	Margaret's <u>House</u>	Women @ <u>Work Plus</u>	Supportive <u>Housing</u>	Cross- <u>roads</u>	St. Mary's Transitional Housing <u>LLC</u>	8 Notre Dame <u>LLC</u>	<u>Other</u>	Total Program <u>Services</u>
Salaries	\$591,127	\$328,417	\$ 836,096	\$17,075	\$ –	\$ 804,142	\$ 1,952	\$ –	\$233,823	\$2,812,632
Payroll taxes and other benefits	<u>103,549</u>	<u>48,142</u>	<u>208,895</u>	<u>1,618</u>	<u>15,793</u>	<u>157,834</u>	<u>7,614</u>	<u>–</u>	<u>30,000</u>	<u>573,445</u>
Total salaries and related expenses	694,676	376,559	1,044,991	18,693	15,793	961,976	9,566	–	263,823	3,386,077
Occupancy	107,986	3,482	256,453	37,994	–	364,659	53,811	–	–	824,385
Transportation	13,420	645	13,500	–	–	56,957	–	–	–	84,522
Supplies and consumables	4,961	4,300	50,762	–	–	43,669	–	–	–	103,692
Equipment expenses	4,885	–	476	–	–	1,599	–	123,776	–	130,736
Professional fees and contracted services	17,001	8,355	131,639	5,377	–	179,303	18,342	–	–	360,017
Telephone	7,755	4,531	8,763	5,524	–	10,068	339	–	–	36,980
Contribution expense	–	–	–	–	–	228	–	–	–	228
Other expenses	33,917	7,109	56,820	1,533	–	93,512	65,387	–	19,881	278,159
Depreciation and amortization	<u>60,550</u>	<u>–</u>	<u>108,622</u>	<u>29,347</u>	<u>–</u>	<u>13,704</u>	<u>130,360</u>	<u>–</u>	<u>–</u>	<u>342,583</u>
Total expenses	<u>\$945,151</u>	<u>\$404,981</u>	<u>\$1,672,026</u>	<u>\$98,468</u>	<u>\$15,793</u>	<u>\$1,725,675</u>	<u>\$277,805</u>	<u>\$123,776</u>	<u>\$283,704</u>	<u>\$5,547,379</u>

ST. MARY'S CENTER FOR WOMEN AND CHILDREN, INC. AND AFFILIATES

CONSOLIDATED STATEMENTS OF FUNCTIONAL EXPENSES (CONTINUED)

Year Ended June 30, 2024

	<u>Facilities Management</u>	<u>Cafeteria</u>	<u>General and Administrative</u>	<u>Fundraising</u>	<u>Total Expenses</u>
Salaries	\$ 49,349	\$ —	\$ 841,522	\$353,396	\$4,056,899
Payroll taxes and other benefits	<u>15,570</u>	<u>—</u>	<u>220,630</u>	<u>44,853</u>	<u>854,498</u>
Total salaries and related expenses	64,919	—	1,062,152	398,249	4,911,397
Occupancy	602,710	—	44,839	21,369	1,493,303
Transportation	23,376	—	1,003	475	109,376
Supplies and consumables	—	—	26,796	14,652	145,140
Equipment expenses	47,996	—	10,011	—	188,743
Professional fees and contracted services	13,820	1,030	322,121	54,781	751,769
Telephone	6,219	—	40,256	4,633	88,088
Contribution expense	—	—	—	85,723	85,951
Other expenses	202,006	—	196,436	161,961	838,562
Depreciation and amortization	<u>143,101</u>	<u>—</u>	<u>164,341</u>	<u>9,321</u>	<u>659,346</u>
Total expenses	<u>\$1,104,147</u>	<u>\$1,030</u>	<u>\$1,867,955</u>	<u>\$751,164</u>	<u>\$9,271,675</u>

See accompanying notes.

ST. MARY'S CENTER FOR WOMEN AND CHILDREN, INC. AND AFFILIATES

CONSOLIDATED STATEMENTS OF FUNCTIONAL EXPENSES

Year Ended June 30, 2023

	St. Mary's <u>Home</u>	<u>Clinical</u>	Margaret's <u>House</u>	Women @ <u>Work Plus</u>	Women's Learning <u>Center</u>	Supportive <u>Housing</u>	Cross- <u>roads</u>	St. Mary's Transitional <u>Housing LLC</u>	8 Notre Dame <u>LLC</u>
Salaries	\$ 718,602	\$ 5,968	\$ 1,146,308	\$ 31,978	\$ 17,586	\$ 3,158	\$ 707,829	\$ —	\$ —
Payroll taxes and other benefits	<u>112,668</u>	<u>313</u>	<u>245,444</u>	<u>4,456</u>	<u>611</u>	<u>27,088</u>	<u>168,583</u>	<u>6,846</u>	<u>—</u>
Total salaries and related expenses	831,270	6,281	1,391,752	36,434	18,197	30,246	876,412	6,846	—
Occupancy	163,773	—	391,645	121,433	31,019	—	335,995	72,211	—
Transportation	14,642	50	20,083	—	—	—	21,558	—	—
Supplies and consumables	15,413	—	32,872	—	—	—	7,054	—	—
Equipment expenses	37	—	150	6,640	—	—	6,159	(80)	—
Professional fees and contracted services	13,428	—	128,342	5,081	(50)	40	12,228	1,025	—
Telephone	3,681	—	4,055	5,844	—	—	12,552	777	—
Contribution expense	—	—	—	—	—	—	206	—	—
Other expenses	39,366	—	64,150	—	(3,680)	—	86,767	70,937	—
Depreciation and amortization	<u>61,161</u>	<u>—</u>	<u>118,029</u>	<u>31,453</u>	<u>8,881</u>	<u>—</u>	<u>21,822</u>	<u>165,988</u>	<u>—</u>
Total expenses	<u>\$ 1,142,771</u>	<u>\$ 6,331</u>	<u>\$ 2,151,078</u>	<u>\$ 206,885</u>	<u>\$ 54,367</u>	<u>\$ 30,286</u>	<u>\$ 1,380,753</u>	<u>\$ 317,704</u>	<u>\$ —</u>

ST. MARY'S CENTER FOR WOMEN AND CHILDREN, INC. AND AFFILIATES

CONSOLIDATED STATEMENTS OF FUNCTIONAL EXPENSES (CONTINUED)

Year Ended June 30, 2023

	<u>Total Program Services</u>	<u>Facilities Management</u>	<u>Cafeteria</u>	<u>General and Administrative</u>	<u>Fundraising</u>	<u>Total Expenses</u>
Salaries	\$2,631,429	\$89,346	\$ 40,454	\$ 687,839	\$384,031	\$3,833,099
Payroll taxes and other benefits	<u>566,009</u>	<u>12,786</u>	<u>9,472</u>	<u>157,857</u>	<u>42,194</u>	<u>788,318</u>
Total salaries and related expenses	3,197,438	102,132	49,926	845,696	426,225	4,621,417
Occupancy	1,116,076	310,496	50,437	76,694	35,837	1,589,540
Transportation	56,333	15,920	—	1,247	953	74,453
Supplies and consumables	55,339	—	33,822	13,389	11,708	114,258
Equipment expenses	12,906	44,021	979	21,554	—	79,460
Professional fees and contracted services	160,094	46,174	3,522	276,032	80,718	566,540
Telephone	26,909	1,757	—	24,906	591	54,163
Contribution expense	206	—	—	—	57,762	57,968
Other expenses	257,540	55,286	1,338	299,879	132,727	746,770
Depreciation and amortization	<u>407,334</u>	<u>111,071</u>	<u>16,903</u>	<u>92,074</u>	<u>14,209</u>	<u>641,591</u>
Total expenses	<u>\$5,290,175</u>	<u>\$686,857</u>	<u>\$156,927</u>	<u>\$1,651,471</u>	<u>\$760,730</u>	<u>\$8,546,160</u>

See accompanying notes.

ST. MARY'S CENTER FOR WOMEN AND CHILDREN, INC. AND AFFILIATES

CONSOLIDATED STATEMENTS OF CASH FLOWS

Years Ended June 30, 2024 and 2023

	<u>2024</u>	<u>2023</u>
Cash flows from operating activities:		
Change in net assets and member's equity	\$ 1,723,938	\$ 1,238,130
Adjustments to reconcile change in net assets and member's equity to net cash provided by operating activities:		
Bad debt expense	95,546	93,106
Depreciation and amortization	659,346	641,591
Non-cash lease expense	12,707	—
Unrealized gain on investments	(552,569)	(378,136)
Donor restricted contributions	(1,248,000)	(843,750)
Changes in operating assets and liabilities:		
Accounts and other receivables	(34,290)	(455,984)
Prepaid expenses and other current assets	20,188	26,026
Tenant security deposits	(5)	497
Accounts payable	270,144	8,613
Accrued expenses	146,540	(102,551)
Deferred revenue	68,274	15,000
Other liabilities	<u>6,119</u>	<u>—</u>
Net cash provided by operating activities	1,167,938	242,542
Cash flows from investing activities:		
Purchase of investments, assets whose use is limited and reinvested income on certificates of deposit	25,624	62,020
Purchase of property, plant and equipment	<u>(2,492,773)</u>	<u>(1,123,432)</u>
Net cash used in investing activities	(2,467,149)	(1,061,412)
Cash flows from financing activities:		
Proceeds from long-term debt	190,072	—
Donor restricted contributions	1,248,000	843,750
Payments of finance lease obligations	<u>(8,258)</u>	<u>(6,284)</u>
Net cash provided by financing activities	<u>1,429,814</u>	<u>837,466</u>
Increase in cash, cash equivalents and restricted cash	130,603	18,596
Cash, cash equivalents and restricted cash, beginning of year	<u>3,731,310</u>	<u>3,712,714</u>
Cash, cash equivalents and restricted cash, end of year	<u>\$ 3,861,913</u>	<u>\$ 3,731,310</u>

Supplemental disclosures of non-cash activities:

See Note 9 with respect to certain non-cash activities related to operating right-of-use asset leases.

See accompanying notes.

ST. MARY'S CENTER FOR WOMEN AND CHILDREN, INC. AND AFFILIATES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

June 30, 2024 and 2023

1. Nature of Activities and Significant Accounting Policies

St. Mary's Center for Women and Children, Inc. and Affiliates (St. Mary's) is a not-for-profit corporation, located in Dorchester, Massachusetts, established to provide health and human services, including residential services, to at-risk women and children. The Roman Catholic Archdiocese of Boston (RCAB) is the sole member of St. Mary's.

Effective July 1, 2012, SMCWC – Crossroads Housing Inc. (Crossroads), a not-for-profit corporation, became a wholly owned subsidiary of St. Mary's. Based in East Boston, Massachusetts, Crossroads provides shelter, meals and social services to homeless individuals and families.

Effective September 26, 2014 – St. Mary's Center Transitional Housing, LLC (Transitional Housing, LLC), a limited liability company, was incorporated under the laws of the Commonwealth of Massachusetts. Transitional Housing, LLC is a single-member LLC with the sole member being St. Mary's. Transitional Housing, LLC was organized for the purpose of carrying out activities in the furtherance of religious, charitable, scientific, literary and educational purposes, as defined in Section 501(c)(3) of the Internal Revenue Code (IRC), including:

- a. Operating and maintaining facilities to provide shelter, care and treatment for, and providing comprehensive social services to, poor and/or homeless women, teens, children and families;
- b. Offering and maintaining a residential transitional housing program for pregnant and parenting homeless families whose head of household is under the care, custody or responsibility of the Department of Children and Families; and
- c. Offering and providing teaching programs and curriculum regarding children and family services.

Transitional Housing, LLC leases from St. Mary's, operates, and maintains 12 units of transitional housing for women and children who are poor and/or homeless, at a facility located at 84 Cushing Avenue, Dorchester, Massachusetts.

Transitional Housing, LLC was originally funded by a restricted grant from Massachusetts Maternity and Foundling Hospital Corporation (MMFHC) in 2015. The grant, as reflected in the 2015 Grant Agreement as amended in 2019 and the 2019 Amended and Restated Use Restriction recorded in the Suffolk County Registry of Deeds, includes a legal restriction, whereby Transitional Housing, LLC is to operate the facility located at 84 Cushing Avenue, Dorchester, Massachusetts for the purpose it was organized for, as described in the previous paragraphs, and to give first preference for the housing units to pregnant and parenting young adults between the ages of 18 and 24 with minor children, in perpetuity.

As of June 30, 2024 and 2023, Transitional Housing, LLC had \$1,824,468 and \$1,627,760, respectively, in cash and investments received from MMFHC (including investment earnings), which imposed a restriction to hold the fund in perpetuity and use the appropriations from the fund for supportive services to residents of the transitional housing units at 84 Cushing Avenue, Dorchester, Massachusetts, subject to the St. Mary's investment and investment spending policy. In accordance with the spending policy, \$19,880 and \$57,798 was released in the years ended June 30, 2024 and 2023, respectively.

ST. MARY'S CENTER FOR WOMEN AND CHILDREN, INC. AND AFFILIATES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

June 30, 2024 and 2023

1. **Nature of Activities and Significant Accounting Policies (Continued)**

Effective, October 18, 2018, St. Mary's became the sole member of 8 Notre Dame LLC (8 Notre Dame), a limited liability company, that was created for the purpose of purchasing and renovating a building and operating a program. Based in Roxbury, Massachusetts, 8 Notre Dame will provide emergency assistance shelter as well as non-emergency assistance shelter for families.

The significant accounting policies followed by St. Mary's, Crossroads, Transitional Housing, LLC and 8 Notre Dame are as follows:

Basis of Consolidation

The consolidated financial statements include the accounts of St. Mary's, Crossroads, Transitional Housing, LLC, and 8 Notre Dame (collectively, the Organization). All significant intercompany account balances and transactions have been eliminated in consolidation.

Basis of Presentation

The consolidated financial statements of the Organization have been prepared on the accrual basis of accounting and in accordance with accounting standards set by the Financial Accounting Standards Board (FASB). The FASB sets accounting principles generally accepted in the United States of America (U.S. GAAP) to ensure financial condition, results of activities, and cash flows are consistently reported. References to U.S. GAAP issued by the FASB in these footnotes are to the FASB Accounting Standards Codification (ASC).

Classification and Reporting of Net Assets

The consolidated financial statements are presented in accordance with ASC 958, *Financial Statements of Not-for-Profit Organizations*. Under ASC 958, the Organization is required to report information regarding its financial position and activities based on two classes of net assets: net assets without donor restrictions and net assets with donor restrictions. A description of the two net asset classes follows:

Net assets without donor restrictions represent the portion of net assets of the Organization that includes expendable funds available to support operations that is not subject to donor-imposed stipulations or time restrictions.

Net assets with donor restrictions represent contributions and other inflows of assets whose use by the Organization is limited by donor-imposed stipulations that require that they be held in perpetuity, or whose use may or will be met by actions of the Organization or the passage of time.

Revenues are reported as increases in net assets without donor restrictions unless use of the related assets is limited by donor-imposed restrictions. Expenses are reported as decreases in net assets without donor restrictions. Gains and losses on investments and other assets or liabilities are reported as increases or decreases in net assets without donor restrictions unless their use is restricted by explicit donor stipulations or law. Expirations of restrictions on net assets (i.e., the donor-imposed stipulated purpose has been accomplished and/or the stipulated time period has elapsed) are reported as net assets released from restrictions between the applicable classes of net assets. The Organization releases the restrictions on net assets with donor restrictions upon incurrence of an expense when both net assets without donor restrictions and net assets with donor restrictions are available for that purpose.

ST. MARY'S CENTER FOR WOMEN AND CHILDREN, INC. AND AFFILIATES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

June 30, 2024 and 2023

1. Nature of Activities and Significant Accounting Policies (Continued)

Revenues are reported as increases in net assets without donor restrictions unless use of the related assets is limited by donor-imposed restrictions. Expenses are reported as decreases in net assets without donor restrictions. Gains and losses on investments and other assets or liabilities are reported as increases or decreases in net assets without donor restrictions unless their use is restricted by explicit donor stipulations or law. Expirations of restrictions on net assets (i.e., the donor-imposed stipulated purpose has been accomplished and/or the stipulated time period has elapsed) are reported as net assets released from restrictions between the applicable classes of net assets. The Organization releases the restrictions on net assets with donor restrictions upon incurrence of an expense when both net assets without donor restrictions and net assets with donor restrictions are available for that purpose.

Spending Policy

The Organization's investment policies provide guidance for the prudent and skillful management of invested assets with the objective of preserving capital and maximizing returns. The Organization adopts investment and spending policies, from time to time, for invested assets that (a) ensure that over the medium-to-long term, sufficient investment return shall be retained to preserve and grow its economic value as a first priority, and (b) to provide funds for the annual operating budget in an amount that is not subject to large fluctuations from year to year to the extent possible.

Revenue Recognition

The Organization determines the amount of revenue to be recognized through application of the following steps:

- Identification of the contract with a customer;
- Identification of the performance obligations in the contract;
- Determination of the transaction price;
- Allocation of the transaction price to the performance obligations in the contract; and
- Recognition of revenue when or as the Organization satisfies the performance obligations.

The Organization determines the transaction price based on standard charges for goods and services provided, reduced by any applicable discounts, contractual adjustments provided to third-party payors, or explicit and implicit price concessions provided to groups or individuals. A performance obligation is a promise in a contract with a customer to transfer products or services that are distinct. Determining whether products and services are distinct performance obligations that should be accounted for separately or combined as one unit of accounting may require significant judgement.

The programs of the Organization are supported principally by contracts negotiated with various agencies of the Commonwealth of Massachusetts. Therefore, the Organization is subject to the regulations of the Massachusetts Operational Services Division (OSD). Revenue is being recorded by the individual programs either at the rates approved under negotiated contracts or the rate of reimbursement as certified by OSD.

ST. MARY'S CENTER FOR WOMEN AND CHILDREN, INC. AND AFFILIATES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

June 30, 2024 and 2023

1. Nature of Activities and Significant Accounting Policies (Continued)

Excess of revenue over expenses from the Commonwealth of Massachusetts supported programs, up to certain defined limits, can be utilized by the Organization for expenditures in accordance with its exempt purpose, provided such expenditures are reimbursable under OSD's regulations. Amounts in excess of these limits are subject to negotiated use or potential recoupment and are reported as liabilities. There are no amounts in excess of these limits for the years ended June 30, 2024 or 2023.

Rental income is recognized as rental payments become due. Rental payments received in advance are deferred until earned.

Contributions

Contributions, including unconditional promises to give, are initially recognized at fair value as revenues in the period received. All contributions are considered available for unrestricted use unless specifically restricted by the donor. Amounts received that are designated for future periods, or which are restricted by the donor for specific purposes, are shown as increases in net assets with donor restrictions and are released to net assets without donor restrictions when the purpose and/or time restrictions are met. Conditional promises to give (that is those with a measurable performance or other barrier and a right of return or release) are not recognized until they become unconditional (that is, when the conditions on which they depend are substantially met). Contributions received with restriction which are received and recognized in the same period are shown as increases in net assets without donor restrictions. Contributions of assets other than cash are recorded at their estimated fair value.

Contributions to be received after one year are discounted at an appropriate discount rate commensurate with the risk involved. Amortization of discount is recorded as additional contribution revenue in accordance with donor-imposed restrictions, if any, on the contributions. An allowance for uncollectible contributions receivable is provided based upon management's judgment of potential defaults. The determination includes such factors as prior collection history, type of contribution, and nature of fundraising activities.

Contributed property and equipment is recorded at fair value at the date of donation. Contributions of services are reported at fair value as revenues and expenses of the net asset without donor restrictions class at the fair value of the service received only if the services create or enhance a nonfinancial asset, or would typically need to be purchased by the Organization if they had not been provided by contribution, required specialized skills, and are provided by individuals with those skills. Contributions of goods and space to be used in program operations are reported as revenues and expenses of the net asset without donor restrictions class at the time the goods or space is received, which are included in in-kind contributions on the consolidated statements of activities. There were no contributed services or goods for the years ended June 30, 2024 or 2023. There was no contributed property and equipment during the years ended June 30, 2024 or 2023.

Grant Revenue

Grant revenue for expenditure driven grants is recognized in the period expenditures are incurred in connection with carrying out the terms of the grant agreement. Other grant revenues are recognized over the period of the agreement in proportion to how services are rendered.

ST. MARY'S CENTER FOR WOMEN AND CHILDREN, INC. AND AFFILIATES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

June 30, 2024 and 2023

1. Nature of Activities and Significant Accounting Policies (Continued)

Use of Estimates

The preparation of consolidated financial statements in conformity with U.S. GAAP, requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, and disclosures of contingent assets and liabilities, at the date of the consolidated financial statements and the reported amounts of revenue and expenses during the reporting period. Actual amounts could differ from these estimates.

Cash, Cash Equivalents and Restricted Cash

The Organization maintains its cash in bank deposit accounts, which at times may exceed federally insured limits. The Organization has not experienced any losses in such accounts, and management believes it is not exposed to any significant credit risk on cash and cash equivalents.

The Organization defines cash and cash equivalents as short-term, highly liquid investments with original maturities of three months or less when purchased.

The following provides a reconciliation of cash, cash equivalents, restricted cash, and cash restricted for investment in property, plant and equipment reported within the consolidated statements of financial position that sum to the total of the same such amounts shown in the consolidated statements of cash flows as of June 30, 2024 and 2023:

	<u>2024</u>	<u>2023</u>
Cash and cash equivalents	\$3,775,879	\$3,645,276
Reserve fund cash – transitional housing	<u>86,034</u>	<u>86,034</u>
Total cash, cash equivalents and restricted cash	<u>\$3,861,913</u>	<u>\$3,731,310</u>

Cash restricted for investment in property, plant and equipment represents cash received from donors restricted for the investment in property, plant and equipment.

Accounts Receivable

Accounts receivable due from Massachusetts, federal and local funding agencies are carried at the original charge based on contracted rates for the services provided. Tenant receivables are due from various nonprofit organizations occupying office and program space owned by the Organization and are carried at the original charge less an allowance for doubtful accounts. Rent is due on the first of the month and is considered past due after 30 days.

Management determines the allowance for doubtful accounts by identifying troubled accounts and by historical experience applied to an aging of accounts. As of June 30, 2024 and 2023, there was an allowance for doubtful accounts totaling \$217,383 and \$172,926, respectively. Receivables are written off as bad debt expense when deemed uncollectible. Recoveries of receivables previously written off are recorded as other revenue.

ST. MARY'S CENTER FOR WOMEN AND CHILDREN, INC. AND AFFILIATES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

June 30, 2024 and 2023

1. Nature of Activities and Significant Accounting Policies (Continued)

Investments and Investment Income

Investments are carried at fair value. Purchases and sales of securities are recorded on trade dates and realized gains and losses are determined on the basis of the average cost of securities sold. Interest, dividends and realized and unrealized gains are reflected in the statements of activities as investment income and are reported as increases or decreases in net assets without donor restrictions unless their use is restricted by explicit donor stipulation.

Investments, in general, are exposed to various risks, such as interest rate, credit and overall market volatility. As such, it is reasonably possible that changes in the values of investments will occur in the near term and that such changes could materially affect the amounts reported in the consolidated statements of financial position and consolidated statements of activities.

Property, Plant and Equipment

Property, plant and equipment are recorded at cost or estimated fair market value, if received by donation, at the time such assets are received. Depreciation and amortization is calculated on the straight-line basis over the estimated useful lives of the respective assets as follows:

Buildings and improvements	10 – 50 years
Furnishings and equipment	3 – 10 years
Motor vehicles	5 years

Costs associated with the construction of major improvements are accumulated until completion. The completed asset is then depreciated over its estimated useful life once placed in service.

The Organization follows FASB ASC 410, *Asset Retirement and Environmental Obligations*. This standard requires that a liability be recorded for the fair value of an asset retirement obligation specific to certain legal obligations. The recording of a liability is required if the fair value of the obligation can be reasonably estimated. The Organization is unaware of any such obligations as of June 30, 2024 and 2023. The Organization will recognize a liability in the period in which they become aware of such liability and sufficient information is available to reasonably estimate its fair value.

Leases

At inception of a contract, the Organization determines if a contract meets the definition of a lease. A lease is a contract, or part of a contract, that conveys the right to control the use of identified property or equipment (an identified asset) for a period of time in exchange for consideration. The Organization determines if the contract conveys the right to control the use of an identified asset for a period of time. The Organization assesses throughout the period of use whether it has both of the following: (1) the right to obtain substantially all of the economic benefits from use of the identified asset, and (2) the right to direct the use of the identified asset. This determination is reassessed if the terms of the contract are changed. Leases are classified as operating or finance leases based on the terms of the lease agreement and certain characteristics of the identified asset. Right-of-use (ROU) assets and lease liabilities are recognized at lease commencement date based on the present value of the minimum future lease payments.

ST. MARY'S CENTER FOR WOMEN AND CHILDREN, INC. AND AFFILIATES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

June 30, 2024 and 2023

1. Nature of Activities and Significant Accounting Policies (Continued)

The Organization applies ASC 842, *Leases*, to account for its operating leases. Operating lease liabilities are recognized at the lease commencement date based on the present value of lease payments over the lease term. The Organization uses the risk-free rate based on the information available at the lease commencement date determining the present value of future payments because the implicit rate of the lease is generally not known. The expected lease term for leases includes noncancelable lease periods and, when applicable, periods covered by an option to extend the lease if the Organization is reasonably certain to exercise that option, as well as periods covered by an option to terminate the lease if the Organization is reasonably certain not to exercise that option. Operating lease ROU assets related to the operating lease liabilities are measured at lease inception based on the initial measurement of lease liability, plus any prepaid lease payments and less any lease incentives. The ROU assets are amortized as operating lease expense generally on a straight-line basis over the lease term, and both the lease amortization and imputed interest are classified as operating expenses.

Impairment of Long-Lived Assets

Long-lived assets, which consist primarily of property, plant and equipment, are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of the asset may not be recoverable. When such events occur, the Organization compares the carrying amounts of the assets to the undiscounted expected future cash flows. If this comparison indicates that there may be impairment, the amount of the impairment is calculated as the difference between the carrying value and fair value. Management determined no impairments existed as of June 30, 2024 and 2023.

Advertising

The Organization's policy is to expense advertising costs as incurred. Such costs were not significant in 2024 and 2023.

Income Taxes

St. Mary's and Crossroads are qualified under Section 501(c)(3) of the IRC and are exempt from federal and state income taxes. The Organization is subject to federal and state income taxes on unrelated business income, if any.

Transitional Housing, LLC and 8 Notre Dame are single-member LLCs with their sole member being St. Mary's, an exempt company under Section 501(c)(3). As such, Transitional Housing, LLC and 8 Notre Dame are considered disregarded entities for tax purposes.

The Organization follows FASB ASC 740, *Income Taxes*, which clarifies the accounting for uncertainty in income taxes by prescribing the recognition threshold a tax position is required to meet before being recognized in the consolidated financial statements. The Organization recognizes a tax benefit from an uncertain tax position only if it is more likely than not that the tax position will be sustained upon examination by the taxing authorities. Management evaluated the Organization's tax positions and concluded that the Organization had no material uncertainties in income taxes at June 30, 2024 and 2023. The Organization is no longer subject to income tax examinations by U.S. federal, state or local authorities for three fiscal years from the filing date.

ST. MARY'S CENTER FOR WOMEN AND CHILDREN, INC. AND AFFILIATES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

June 30, 2024 and 2023

1. Nature of Activities and Significant Accounting Policies (Continued)

Functional Allocation of Expenses

The consolidated financial statements report certain categories of expenses that are attributable to more than one program or supporting function. Therefore, these expenses require allocation on a reasonable basis that is consistently applied. The Organization captures direct costs when possible and uses several allocation methods including square footage and time spent estimates. The majority of salaries and payroll taxes and other benefits are direct costs with certain shared departments being allocated on time spent estimates. Occupancy and depreciation and amortization are allocated based on square footage.

Reclassifications

Certain amounts from the 2023 consolidated financial statements have been reclassified to conform to the 2024 presentation.

2. Liquidity

The Organization regularly monitors liquidity required to meet its operating needs. For purposes of analyzing resources available to meet general expenditures, such as operating expenses and scheduled principal payments on debt, over a twelve-month period, the Organization considers all expenditures related to its ongoing activities. As of June 30, 2024, the financial assets and liquidity resources available within one year for general expenditure comprise the following:

Financial assets at year end:

Cash and cash equivalents	\$3,775,879
Accounts receivable	1,023,528
Investments	2,726,800
Certificates of deposit	<u>62,823</u>

Total financial assets at year end 7,589,030

Adjusted for amounts not available to meet general expenditures within one year:

Board-designated net assets (500,000)

Financial assets available to meet general expenditures within one year

\$7,089,030

In addition, the Organization has board-designated net assets totaling \$500,000, which is included in cash and cash equivalents noted above. Although the Board of Directors (Board) does not intend to utilize these net assets, amounts could be made available at the discretion of the Board.

ST. MARY'S CENTER FOR WOMEN AND CHILDREN, INC. AND AFFILIATES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

June 30, 2024 and 2023

3. Related Party Transactions

The Organization paid the RCAB for health and dental insurance, workers' compensation, and comprehensive liability coverage provided to the Organization totaling \$178,478 and \$16,996 for the years ended June 30, 2024 and 2023, respectively. As of June 30, 2024 and 2023, no amounts were owed to RCAB.

The Organization is related to the Most Holy Redeemer Parish (the Parish), a parish of the RCAB. The Organization incurred occupancy expenses totaling \$86,099 and \$71,466 during the years ended June 30, 2024 and 2023, respectively, in connection with space leased by Crossroads from the Parish. No amounts were owed to the Parish as of June 30, 2024 or 2023.

The Organization is related to St. Margaret's Hospital for Women (St. Margaret's) through its affiliation with the RCAB. The Organization owed St. Margaret's \$54,148 and \$50,996 as of June 30, 2024 and 2023, respectively, representing the excess of cash payments made by St. Margaret's to the Organization for certain expenses paid by the Organization on St. Margaret's behalf. This amount is included in accounts payable on the consolidated statements of financial position.

4. Investments

A summary of investments, assets whose use is limited by donors or grantors for specific purposes and under deferred compensation plan, and restricted investments – transitional housing is as follows as of June 30, 2024 and 2023:

	<u>2024</u>	<u>2023</u>
Common stock	\$ 752,408	\$ 663,417
Mutual funds	3,333,578	2,920,250
Corporate bonds	<u>507,007</u>	<u>484,049</u>
	<u>\$4,592,993</u>	<u>\$4,067,716</u>

5. Fair Value Measurements

Under the FASB's authoritative guidance on fair value measurements, fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. In determining fair value, the Organization uses the market approach method. Based on this approach, the Organization often utilizes certain assumptions that market participants would use in pricing the asset or liability, including assumptions about risk and/or the risks inherent in the inputs to the valuation technique. These inputs can be readily observable, market corroborated, or generally unobservable inputs. The Organization utilizes valuation techniques that maximize the use of observable inputs and minimize the use of unobservable inputs. Based on the observability of the inputs used in the valuation techniques, the Organization is required to provide the following information according to the fair value hierarchy. The fair value hierarchy ranks the quality and reliability of the information used to determine fair values.

ST. MARY'S CENTER FOR WOMEN AND CHILDREN, INC. AND AFFILIATES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

June 30, 2024 and 2023

5. Fair Value Measurements (Continued)

Financial assets and liabilities carried at fair value will be classified and disclosed in one of the following three categories:

Level 1 – Quoted prices for identical assets and liabilities traded in active exchange markets, such as the New York Stock Exchange.

Level 2 – Observable inputs other than Level 1, including quoted prices for similar assets or liabilities, quoted prices in less active markets, or other observable inputs that can be corroborated by observable market data.

Level 3 – Unobservable inputs supported by little or no market activity for financial instruments whose value is determined using pricing models, discounted cash flow methodologies, or similar techniques, as well as instruments for which the determination of fair value requires significant management judgment or estimation.

The following is a description of the valuation methodologies used for instruments measured at fair value:

Certificates of Deposit

The fair value of certificates of deposit approximates the relative book values as these financial instruments have short maturities.

Mutual Funds and Common Stock

The fair value of mutual funds and common stock is the fair value based on quoted market prices, when available, or market prices provided by recognized broker dealers.

Corporate Bonds

Investments in certain corporate bonds where securities are transparent and generally are based upon quoted prices in active markets are valued by the investment managers and reflected as Level 2.

The Organization has various processes and controls in place to ensure fair value is reasonably estimated. While the Organization believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different estimate of fair value at the reporting date.

During the years ended June 30, 2024 and 2023, there were no changes to the Organization's valuation techniques that had, or are expected to have, a material impact on its consolidated financial position or consolidated changes in net assets.

ST. MARY'S CENTER FOR WOMEN AND CHILDREN, INC. AND AFFILIATES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

June 30, 2024 and 2023

5. Fair Value Measurements (Continued)

The following is a summary of investments that the Organization measures at fair value on a recurring basis, by level, within the fair value hierarchy as of June 30, 2024 and 2023:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
<u>2024</u>				
Certificates of deposit	\$ —	\$ 62,823	\$ —	\$ 62,823
Common stock	752,408	—	—	752,408
Mutual funds	3,333,578	—	—	3,333,578
Corporate bonds	<u>—</u>	<u>507,007</u>	<u>—</u>	<u>507,007</u>
	<u>\$4,085,986</u>	<u>\$569,830</u>	<u>\$ —</u>	<u>\$4,655,816</u>
<u>2023</u>				
Certificates of deposit	\$ —	\$ 61,155	\$ —	\$ 61,155
Common stock	663,417	—	—	663,417
Mutual funds	2,920,250	—	—	2,920,250
Corporate bonds	<u>—</u>	<u>484,049</u>	<u>—</u>	<u>484,049</u>
	<u>\$3,583,667</u>	<u>\$545,204</u>	<u>\$ —</u>	<u>\$4,128,871</u>

The Organization did not make any transfers between Level 1, Level 2 or Level 3 assets during the years ended June 30, 2024 and 2023.

6. Property, Plant and Equipment

A summary of property, plant and equipment is as follows as of June 30, 2024 and 2023:

	<u>2024</u>	<u>2023</u>
Land, building and improvements	\$15,430,500	\$14,316,832
Furnishings and equipment	1,649,440	1,621,440
Motor vehicles	320,853	211,746
Construction in process	<u>5,747,791</u>	<u>4,483,955</u>
	23,148,584	20,633,973
Less accumulated depreciation	<u>(9,887,112)</u>	<u>(9,205,928)</u>
Property, plant and equipment, net	<u>\$13,261,472</u>	<u>\$11,428,045</u>

ST. MARY'S CENTER FOR WOMEN AND CHILDREN, INC. AND AFFILIATES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

June 30, 2024 and 2023

7. Long-Term Debt

In December of 2015, Transitional Housing, LLC entered into a loan agreement with the City of Boston Department of Neighborhood Development (DND) to finance the redevelopment of the property located at 84 Cushing Avenue. The loan of \$1,000,000 is non-interest bearing and requires no installment payments. The loan is due and payable after a term of 40 years, in April of 2056, assuming that Transitional Housing, LLC remains in compliance with the loan covenants which require that the property be operated in accordance with affordability restrictions. The loan is secured by a first mortgage on the property, a security interest and a guaranty of payment and performance by St. Mary's. At June 30, 2024 and 2023, Transitional Housing, LLC has drawn \$999,999 on the loan.

In December 2023, St Mary's entered into a loan agreement with the Children's Investment Fund to finance the redevelopment of the property located at 84 Cushing Avenue. The \$600,000 loan is to be used to finance certain site control, technical assistance, front-money, and pre-development costs and expenses. The loan and all outstanding interest shall be repaid from the financing obtained by St. Mary's for completion of the project. Interest accrues at 5% per year on all amounts outstanding under this agreement. The loan is secured by a first mortgage and security position on the real property included in the project. As of June 30, 2024, \$190,072 was drawn down on the loan. St. Mary's was in compliance with the financial reporting covenant associated with this loan at June 30, 2024.

On March 26, 2019, 8 Notre Dame entered into a loan commitment for \$7,500,000 in a non-interest bearing debt instrument to purchase and renovate the property at 8 Notre Dame Street in Roxbury, Massachusetts. The loan commitment is with three lenders, as follows:

The Community Economic Development Assistance Corporation (CEDAC) committed to a loan of \$3,750,000 under the HIF Program. The loan is a deferred payment loan that does not require current servicing. The loan matures on December 31, 2051. The loan is secured by a first mortgage and security position on the real property included in the project. As of June 30, 2024 and 2023, \$1,237,628 was drawn down on the loan. The Organization is subject to a financial reporting covenant in connection with the aforementioned loan. The Organization did not meet the required covenant; however, the lender granted a waiver.

The DND committed to a loan of \$2,000,000 under the Housing 2030 Program. The loan is a deferred payment loan that does not require current servicing. The loan is deferred until the sale or transfer of the property. The loan is secured by a first mortgage and security agreement and conditional assignment of leases and rents to be granted by 8 Notre Dame to DND. The loan is also secured by a shared first security interest in all the assets of 8 Notre Dame relating to the premises including, but not limited to, purchase and sale agreements, deposits, operating permits, licenses, accounts and contract rights, all building materials, supplies, goods and equipment of 8 Notre Dame relating to the ownership, construction, maintenance and operation of the premises. As of June 30, 2024 and 2023, \$2,000,000 was drawn down on the loan. The Organization is subject to a financial reporting covenant in connection with the aforementioned loan. The Organization did not meet the required covenant; however, the lender granted a waiver.

ST. MARY'S CENTER FOR WOMEN AND CHILDREN, INC. AND AFFILIATES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

June 30, 2024 and 2023

7. Long-Term Debt (Continued)

The Department of Housing and Community Development (DHCD) by the Massachusetts Housing Partnership (MHP) committed to a loan of \$1,750,000 under the Housing Stabilization Fund Program. The loan is a deferred payment loan that does not require current servicing. The loan matures on December 31, 2071. The loan is secured by a first mortgage and security position on the real property included in the project. At June 30, 2024 and 2023, no amount was drawn down on the loan. The Organization is subject to a financial reporting covenant in connection with the aforementioned loan. The Organization did not meet the required covenant; however, the lender granted a waiver.

8. Rental Income

St. Mary's rents out certain excess office space in a building to unrelated parties. Rental income was \$386,579 and \$220,439 for the years ended June 30, 2024 and 2023, respectively.

A schedule, by year, of the future minimum lease receipts, net of donated rent, under the noncancelable leases is as follows for the years ended June 30:

2025	\$240,408
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In addition, Transitional Housing, LLC leases space to women and children who are poor and/or homeless through agreements that are typically for a duration of 12 months. Rental income for the years ended June 30, 2024 and 2023, under these agreements totaled \$243,311 and \$203,531, respectively.

9. Leases

Operating Leases

Crossroads leases a portion of the Parish building utilized as a congregate family shelter for homeless families. In 2024, Crossroads amended its lease agreement with the Parish into a five-year lease through June 2028, with an option to extend for an additional five-year term. Crossroads expects to utilize the available extension through June 2033. The lease calls for base monthly payments that are adjusted annually through the end of the lease.

In conjunction with government-funded programs, Crossroads makes rent payments for scattered apartment sites that act as an overflow program for the existing homeless shelter. Total occupancy expenditures eligible for reimbursement were \$136,174 and \$143,100 for the years ended June 30, 2024 and 2023, respectively.

ST. MARY'S CENTER FOR WOMEN AND CHILDREN, INC. AND AFFILIATES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

June 30, 2024 and 2023

9. Leases (Continued)

The components of operating lease costs recorded in Crossroads program services expenses in the accompanying consolidated statements of activities for the years ended June 30 were as follows:

	<u>2024</u>	<u>2023</u>
Operating lease costs	\$ 86,099	\$ —
Costs under short-term leases	<u>136,174</u>	<u>214,566</u>
Total lease costs	<u>\$222,273</u>	<u>\$214,566</u>

Finance Leases

The Organization leases equipment under various finance lease arrangements. The terms and periods are standard and the total lease payments are not material to the Organization's financial statements. Amortization of finance lease assets is included in depreciation expense.

Other information related to leases was as follows:

Supplemental Cash Flow Information

	<u>As of June 30 2024</u>
Cash flows included in the measurement of lease liabilities:	
Operating cash flows for operating leases	\$ 75,961
Non-cash leases activity:	
Acquisition of operating ROU assets and lease liabilities	707,358

Lease Term and Discount Rate

	<u>As of June 30 2024</u>
Weighted-average remaining lease term (in years)	
Operating lease	9.00
Weighted-average discount rate	
Operating lease	3.81%

ST. MARY'S CENTER FOR WOMEN AND CHILDREN, INC. AND AFFILIATES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

June 30, 2024 and 2023

9. Leases (Continued)

As of June 30, 2024, maturities of operating lease liabilities for each of the following five years and a total thereafter were as follows:

2025	\$ 75,961
2026	78,619
2027	81,371
2028	84,219
2029	87,167
Thereafter	<u>380,262</u>
Total minimum future lease payments	787,599
Less imputed interest	<u>(127,502)</u>
Total lease liabilities	\$ <u>660,097</u>

10. Employee Benefit Plans

The Organization maintains a tax-deferred annuity plan as described in IRC Section 403(b) covering all eligible employees. The plan offers contributions at the discretion of the Organization's Board for all eligible employees, plus the option for eligible employees to make an additional contribution with a contributory match, subject to Internal Revenue Service (IRS) limitations. Contribution expense for this plan totaled \$11,925 and \$6,724 for the years ended June 30, 2024 and 2023, respectively.

In addition, the Organization has a 457(b) deferred compensation plan for a key individual. The plan is to be funded by the Organization annually up to a maximum contribution permitted by law. The Organization has recorded an asset whose use is limited and other liability associated with this plan of \$41,725 and \$37,481 at June 30, 2024 and 2023, respectively. The Organization made no contributions to the plan in 2024 and 2023.

11. Liability Insurance

The Organization secures general liability and umbrella liability coverage under the RCAB Risk Management and Insurance Program, which is provided on a claims-made basis by the National Catholic Risk Retention Group, Inc. and Princeton Excess and Surplus Lines Insurance Company. The policy covers claims made during its term, but not those occurrences for which claims may be made after expiration of the policy. The Organization intends to renew its coverage on a claims-made basis and has no reason to believe that it will be prevented from such renewal. Additionally, the Organization believes that there is no material exposure for claims incurred but not reported.

ST. MARY'S CENTER FOR WOMEN AND CHILDREN, INC. AND AFFILIATES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

June 30, 2024 and 2023

12. Net Assets and Member's Equity

The following is a summary of net assets and member's equity with donor restrictions as of June 30:

	<u>2024</u>	<u>2023</u>
Subject to expenditure for specific purpose:		
Education and training	\$ 25,954	\$ 25,954
Scholarship fund	45,324	45,324
Software user licenses	19,218	19,218
Small Can Be Big	4,700	4,700
Janey Fund	10,548	10,548
Capital improvements	1,337,446	1,849,325
Transitional Housing, LLC reserve funds	86,034	86,034
Other	66,000	20,000
Equine program	<u>2,060</u>	<u>2,060</u>
Total subject to expenditure for specific purpose	1,597,284	2,063,163
Restricted in perpetuity – Transitional Housing, LLC	<u>1,796,306</u>	<u>1,599,297</u>
Total net assets and member's equity with donor restrictions	<u>\$3,393,590</u>	<u>\$3,662,460</u>

Funds With Deficiencies – From time to time, the fair value of assets associated with individual donor restricted endowment funds may fall below the total amount of the gifts made to the endowment by the donor. No deficiencies of this nature were reported with donor restrictions as of June 30, 2024.

The following is a summary of net assets and member's equity without donor restrictions that have been designated by the Board as of June 30:

	<u>2024</u>	<u>2023</u>
Board designated for future use at the Board's discretion	<u>\$500,000</u>	<u>\$500,000</u>

ST. MARY'S CENTER FOR WOMEN AND CHILDREN, INC. AND AFFILIATES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

June 30, 2024 and 2023

13. Net Assets and Member's Equity Released from Restrictions

The following is a summary of net assets and member's equity released from restrictions during the years ended June 30:

	<u>2024</u>	<u>2023</u>
Purpose:		
St. Mary's Home	\$ 135,000	\$120,500
Operations and initial capital project expenditures	1,563,879	—
Women @ Work Plus	15,000	27,650
Margaret's House	—	10,000
Other	—	5,400
Early Education Center grant	—	750,000
Staff appreciation	<u>—</u>	<u>600</u>
	1,713,879	914,150
Pursuant to spending rate appropriation:	<u>19,880</u>	<u>57,798</u>
Total net assets and member's equity released from donor restrictions	<u>\$1,733,759</u>	<u>\$971,948</u>

14. Subsequent Events

The Organization evaluated subsequent events through December 13, 2024, when the consolidated financial statements were available to be issued.

SUPPLEMENTARY INFORMATION

ST. MARY'S CENTER FOR WOMEN AND CHILDREN, INC. AND AFFILIATES

CONSOLIDATING STATEMENT OF FINANCIAL POSITION

June 30, 2024

	<u>ASSETS</u>					
	<u>St. Mary's Center for Women and Children, Inc.</u>	<u>Crossroads Family Shelter, Inc.</u>	<u>St. Mary's Center Transitional Housing, LLC</u>	<u>8 Notre Dame LLC</u>	<u>Eliminations</u>	<u>Totals</u>
Current assets:						
Cash and cash equivalents	\$ 1,115,611	\$ 2,143,875	\$ 516,393	\$ —	\$ —	\$ 3,775,879
Accounts and other receivables	1,382,803	473,774	18,079	—	(851,128)	1,023,528
Prepaid expenses and other current assets	<u>11,149</u>	<u>19,011</u>	<u>4,232</u>	<u>—</u>	<u>—</u>	<u>34,392</u>
Total current assets	2,509,563	2,636,660	538,704	—	(851,128)	4,833,799
Assets whose use is limited:						
Under deferred compensation plan	41,725	—	—	—	—	41,725
Reserve fund cash – transitional housing	—	—	86,034	—	—	86,034
Restricted investments – transitional housing	—	—	1,824,468	—	—	1,824,468
Tenant security deposits	<u>—</u>	<u>—</u>	<u>4,684</u>	<u>—</u>	<u>—</u>	<u>4,684</u>
Total assets whose use is limited	41,725	—	1,915,186	—	—	1,956,911
Investments	2,726,800	—	—	—	—	2,726,800
Investments in affiliate	1,217,227	—	—	—	(1,217,227)	—
Certificates of deposit	—	62,823	—	—	—	62,823
Property, plant and equipment, net	6,418,126	633,500	3,383,876	4,124,638	(1,298,668)	13,261,472
Operating lease right-of-use asset	<u>—</u>	<u>647,390</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>647,390</u>
Total assets	<u>\$12,913,441</u>	<u>\$3,980,373</u>	<u>\$5,837,766</u>	<u>\$4,124,638</u>	<u>\$ (3,367,023)</u>	<u>\$23,489,195</u>

LIABILITIES, NET ASSETS AND MEMBER'S EQUITY

	<u>St. Mary's Center for Women and Children, Inc.</u>	<u>Crossroads Family Shelter, Inc.</u>	<u>St. Mary's Center Transitional Housing, LLC</u>	<u>8 Notre Dame LLC</u>	<u>Eliminations</u>	<u>Totals</u>
Current liabilities:						
Current portion of finance lease obligations	\$ 5,595	\$ —	\$ —	\$ —	\$ —	\$ 5,595
Current portion of operating lease liabilities	—	51,708	—	—	—	51,708
Accounts payable	436,395	62,862	4,294	1,010,786	(851,128)	663,209
Accrued expenses	286,478	46,523	1,177	—	—	334,178
Deferred revenue	<u>137,713</u>	<u>1,213</u>	<u>2,153</u>	<u>—</u>	<u>(32,000)</u>	<u>109,079</u>
Total current liabilities	866,181	162,306	7,624	1,010,786	(883,128)	1,163,769
Long-term debt	190,072	—	999,999	3,237,628	—	4,427,699
Operating lease liabilities, net of current portion	—	608,389	—	—	—	608,389
Deferred rental income	1,266,668	—	—	—	(1,266,668)	—
Other liabilities	41,725	—	1,875	—	—	43,600
Tenant security deposits	<u>—</u>	<u>—</u>	<u>9,098</u>	<u>—</u>	<u>—</u>	<u>9,098</u>
Total liabilities	2,364,646	770,695	1,018,596	4,248,414	(2,149,796)	6,252,555
Net assets and member's equity:						
Net assets and member's equity without donor restrictions	9,037,545	3,209,678	2,936,830	(123,776)	(1,217,227)	13,843,050
Net assets and member's equity with donor restrictions	<u>1,511,250</u>	<u>—</u>	<u>1,882,340</u>	<u>—</u>	<u>—</u>	<u>3,393,590</u>
Total net assets and member's equity	<u>10,548,795</u>	<u>3,209,678</u>	<u>4,819,170</u>	<u>(123,776)</u>	<u>(1,217,227)</u>	<u>17,236,640</u>
Total liabilities, net assets and member's equity	<u>\$12,913,441</u>	<u>\$3,980,373</u>	<u>\$5,837,766</u>	<u>\$4,124,638</u>	<u>\$ (3,367,023)</u>	<u>\$23,489,195</u>

ST. MARY'S CENTER FOR WOMEN AND CHILDREN, INC. AND AFFILIATES

CONSOLIDATING STATEMENT OF ACTIVITIES

Year Ended June 30, 2024

	St. Mary's Center for Women and Children, Inc.			Crossroads Family Shelter, Inc.			St. Mary's Center Transitional Housing, LLC			8 Notre Dame LLC	Elim- inations	Total Without Donor Restrictions	Total With Donor Restrictions	Total
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total					
Operating activities:														
Revenues and other support:														
Program service fees	\$ 4,111,929	\$ —	\$ 4,111,929	\$ 2,231,461	\$ —	\$ 2,231,461	\$ —	\$ —	\$ —	\$ —	\$ —	\$ 6,343,390	\$ —	\$ 6,343,390
Rental income	418,579	—	418,579	—	—	—	243,311	—	243,311	—	—	661,890	—	661,890
Contributions, grants, and events	1,913,660	1,248,000	3,161,660	205,169	—	205,169	—	—	—	—	—	2,118,829	1,248,000	3,366,829
Other income	297,995	—	297,995	—	—	—	—	—	—	—	(227,060)	70,935	—	70,935
Investment income (loss)	326,963	—	326,963	8,717	—	8,717	—	216,889	216,889	—	—	335,680	216,889	552,569
Net assets released from restrictions	1,513,879	(1,513,879)	—	200,000	(200,000)	—	19,880	(19,880)	—	—	—	1,733,759	(1,733,759)	—
Total revenues and other support	8,583,005	(265,879)	8,317,126	2,645,347	(200,000)	2,445,347	263,191	197,009	460,200	—	(227,060)	11,264,483	(268,870)	10,995,613
Expenses:														
Program services:														
St. Mary's Home	945,151	—	945,151	—	—	—	—	—	—	—	—	945,151	—	945,151
Bridge Home	404,981	—	404,981	—	—	—	—	—	—	—	—	404,981	—	404,981
Margaret's House	1,672,026	—	1,672,026	—	—	—	—	—	—	—	—	1,672,026	—	1,672,026
Women @ Work Plus	98,468	—	98,468	—	—	—	—	—	—	—	—	98,468	—	98,468
Supportive Housing	15,793	—	15,793	—	—	—	—	—	—	—	—	15,793	—	15,793
Crossroads	—	—	—	1,944,784	—	1,944,784	—	—	—	—	(219,109)	1,725,675	—	1,725,675
St. Mary's Transitional Housing, LLC	—	—	—	—	—	—	285,756	—	285,756	—	(7,951)	277,805	—	277,805
8 Notre Dame LLC	—	—	—	—	—	—	—	—	—	123,776	—	123,776	—	123,776
Other	283,704	—	283,704	—	—	—	—	—	—	—	—	283,704	—	283,704
Total program services	3,420,123	—	3,420,123	1,944,784	—	1,944,784	285,756	—	285,756	123,776	(227,060)	5,547,379	—	5,547,379

ST. MARY'S CENTER FOR WOMEN AND CHILDREN, INC. AND AFFILIATES

CONSOLIDATING STATEMENT OF ACTIVITIES (CONTINUED)

Year Ended June 30, 2024

	St. Mary's Center for Women and Children, Inc.			Crossroads Family Shelter, Inc.			St. Mary's Center Transitional Housing, LLC			8 Notre Dame LLC	Elim- inations	Total Without Donor Restrictions	Total With Donor Restrictions	Total
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total					
Facilities management and cafeteria	\$ 1,105,177	\$ —	\$ 1,105,177	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ 1,105,177	\$ —	\$ 1,105,177
Supporting services:														
General and administrative	1,867,955	—	1,867,955	—	—	—	—	—	—	—	—	1,867,955	—	1,867,955
Fundraising	<u>751,164</u>	<u>—</u>	<u>751,164</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>751,164</u>	<u>—</u>	<u>751,164</u>
Total expenses	<u>7,144,419</u>	<u>—</u>	<u>7,144,419</u>	<u>1,944,784</u>	<u>—</u>	<u>1,944,784</u>	<u>285,756</u>	<u>—</u>	<u>285,756</u>	<u>123,776</u>	<u>(227,060)</u>	<u>9,271,675</u>	<u>—</u>	<u>9,271,675</u>
Increase (decrease) in net assets and member's equity	1,438,586	(265,879)	1,172,707	700,563	(200,000)	500,563	(22,565)	197,009	174,444	(123,776)	—	1,992,808	(268,870)	1,723,938
Net assets and member's equity at beginning of year	<u>7,598,959</u>	<u>1,777,129</u>	<u>9,376,088</u>	<u>2,509,115</u>	<u>200,000</u>	<u>2,709,115</u>	<u>2,959,395</u>	<u>1,685,331</u>	<u>4,644,726</u>	<u>—</u>	<u>(1,217,227)</u>	<u>11,850,242</u>	<u>3,662,460</u>	<u>15,512,702</u>
Net assets and member's equity at end of year	<u>\$ 9,037,545</u>	<u>\$ 1,511,250</u>	<u>\$10,548,795</u>	<u>\$ 3,209,678</u>	<u>\$ —</u>	<u>\$ 3,209,678</u>	<u>\$ 2,936,830</u>	<u>\$ 1,882,340</u>	<u>\$ 4,819,170</u>	<u>\$ (123,776)</u>	<u>\$ (1,217,227)</u>	<u>\$13,843,050</u>	<u>\$ 3,393,590</u>	<u>\$17,236,640</u>