



**WEST END HOUSE, INC.
D/B/A WEST END HOUSE BOYS AND GIRLS CLUB OF ALLSTON-BRIGHTON
AND WEST END HOUSE SUPPORT, INC.**

**COMBINED FINANCIAL STATEMENTS
DECEMBER 31, 2024 AND 2023**

**WEST END HOUSE, INC.
D/B/A WEST END HOUSE BOYS AND GIRLS CLUB OF ALLSTON-BRIGHTON
AND WEST END HOUSE SUPPORT, INC.**

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December 31, 2024 and 2023

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Independent Auditor's Report

To the Board of Directors of
West End House, Inc. d/b/a West End House Boys and Girls Club
of Allston-Brighton and West End House Support, Inc.:

Opinion

We have audited the combined financial statements of West End House, Inc. d/b/a West End House Boys and Girls Club of Allston-Brighton and West End House Support, Inc. (collectively, the Organization) which comprise the combined statements of financial position as of December 31, 2024 and 2023, and the related combined statements of activities and changes in net assets, cash flows, and functional expenses for the years then ended, and the related notes to the combined financial statements.

In our opinion, the accompanying combined financial statements present fairly, in all material respects, the combined financial position of West End House, Inc. d/b/a West End House Boys and Girls Club of Allston-Brighton and West End House Support, Inc. as of December 31, 2024 and 2023, and the changes in their net assets and their cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditor's 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 combined 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 combined financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the combined financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's 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 combined financial statements.

Auditor's Responsibilities for the Audit of the Financial Statements (Continued)

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 combined 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 combined 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 combined financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, which 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 audit was conducted for the purpose of forming an opinion on the combined financial statements as a whole. The accompanying combining information on pages 21 to 24 is presented for purposes of additional analysis and is not a required part of the combined financial statements. Such information is the responsibility of management and was derived from and related directly to the underlying accounting and other records used to prepare the combined financial statements. The combining information on pages 21 to 24 has been subjected to the auditing procedures applied in the audit of the combined financial statements and certain additional procedures including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the combined financial statements or to the combined financial statements themselves and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, except for the matter described below, the combining information is fairly stated in all material respects in relation to the combined financial statements as a whole.

The accompanying combining information on pages 21 to 24 does not include right-to-use lease assets and lease liabilities for material related-party leases that fully eliminate upon combination. Management has informed us that they have not determined the effects of not including related-party leases in the combining information.

AAFCPAs, Inc.

Boston, Massachusetts
April 8, 2025

WEST END HOUSE, INC.
D/B/A WEST END HOUSE BOYS AND GIRLS CLUB OF ALLSTON-BRIGHTON
AND WEST END HOUSE SUPPORT, INC.

Combined Statements of Financial Position
December 31, 2024 and 2023

	2024			2023		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
Assets						
Current Assets:						
Cash	\$ 1,066,447	\$ 1,417,550	\$ 2,483,997	\$ 113,953	\$ 1,257,199	\$ 1,371,152
Current portion of investments	329,071	-	329,071	1,278,514	-	1,278,514
Restricted cash	-	-	-	25,106	-	25,106
Current portion of pledges and contributions receivable	161,891	949,863	1,111,754	201,277	1,356,128	1,557,405
Current portion of note receivable	-	-	-	299,731	-	299,731
Government grants and contracts receivable	212,477	-	212,477	619,346	-	619,346
Prepaid expenses	59,340	-	59,340	78,314	-	78,314
Total current assets	1,829,226	2,367,413	4,196,639	2,616,241	2,613,327	5,229,568
Other Assets:						
Pledges and contributions receivable, net	-	1,765,650	1,765,650	-	1,581,200	1,581,200
Investments, net of current portion	-	2,986,830	2,986,830	-	2,768,297	2,768,297
Note receivable, net of current portion	-	-	-	7,910,269	-	7,910,269
Property and equipment, net	11,468,779	-	11,468,779	11,368,840	-	11,368,840
Total other assets	11,468,779	4,752,480	16,221,259	19,279,109	4,349,497	23,628,606
Total assets	\$ 13,298,005	\$ 7,119,893	\$ 20,417,898	\$ 21,895,350	\$ 6,962,824	\$ 28,858,174
Liabilities and Net Assets						
Current Liabilities:						
Current portion of notes payable	\$ -	\$ -	\$ -	\$ 379,624	\$ -	\$ 379,624
Accounts payable and accrued expenses	357,352	-	357,352	302,474	-	302,474
Total current liabilities	357,352	-	357,352	682,098	-	682,098
Notes Payable, net	-	-	-	11,863,981	-	11,863,981
Total liabilities	357,352	-	357,352	12,546,079	-	12,546,079
Net Assets:						
Without donor restrictions:						
Operating	201,445	-	201,445	376,729	-	376,729
Real estate	11,468,779	-	11,468,779	7,074,680	-	7,074,680
Board designated:						
Operating reserve	657,098	-	657,098	960,000	-	960,000
Racial equity fund	138,382	-	138,382	143,514	-	143,514
Capital reserve	474,949	-	474,949	794,348	-	794,348
Total without donor restrictions	12,940,653	-	12,940,653	9,349,271	-	9,349,271
With donor restrictions:						
Purpose restricted	-	3,791,007	3,791,007	-	3,784,908	3,784,908
Time restricted	-	183,897	183,897	-	213,660	213,660
Comprehensive campaign	-	158,159	158,159	-	195,959	195,959
Funds acting as endowment - general	-	2,509,982	2,509,982	-	2,388,790	2,388,790
Funds acting as endowment - scholarship	-	476,848	476,848	-	379,507	379,507
Total with donor restrictions	-	7,119,893	7,119,893	-	6,962,824	6,962,824
Total net assets	12,940,653	7,119,893	20,060,546	9,349,271	6,962,824	16,312,095
Total liabilities and net assets	\$ 13,298,005	\$ 7,119,893	\$ 20,417,898	\$ 21,895,350	\$ 6,962,824	\$ 28,858,174

The accompanying notes are an integral part of these combined statements.

WEST END HOUSE, INC.
D/B/A WEST END HOUSE BOYS AND GIRLS CLUB OF ALLSTON-BRIGHTON
AND WEST END HOUSE SUPPORT, INC.

Combined Statements of Activities and Changes in Net Assets
For the Years Ended December 31, 2024 and 2023

	2024			2023		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
Operating Revenues:						
Grants and contributions	\$ 135,601	\$ 2,318,549	\$ 2,454,150	\$ 564,758	\$ 1,554,139	\$ 2,118,897
Special events revenue	918,765	-	918,765	630,584	-	630,584
Government grants and contracts	716,238	-	716,238	826,821	-	826,821
Individual donations	479,165	215,762	694,927	867,093	1,125,180	1,992,273
Investment return designated for operations	123,816	-	123,816	122,352	-	122,352
Contributed non-financial assets	80,882	-	80,882	33,282	-	33,282
Interest and other revenue	44,910	-	44,910	86,290	-	86,290
Comprehensive campaign contributions designated for operations	-	-	-	20,000	-	20,000
Net assets released from time restrictions - special events and other	267,993	(267,993)	-	102,500	(102,500)	-
Net assets released from purpose restrictions	2,289,982	(2,289,982)	-	1,359,636	(1,359,636)	-
Total operating revenues	5,057,352	(23,664)	5,033,688	4,613,316	1,217,183	5,830,499
Operating Expenses:						
Program services	4,193,287	-	4,193,287	3,839,501	-	3,839,501
General and administrative	296,916	-	296,916	265,857	-	265,857
Fundraising	718,849	-	718,849	629,196	-	629,196
Total operating expenses before depreciation and amortization	5,209,052	-	5,209,052	4,734,554	-	4,734,554
Changes in net assets from operations before depreciation and amortization	(151,700)	(23,664)	(175,364)	(121,238)	1,217,183	1,095,945
Depreciation and amortization	394,501	-	394,501	485,139	-	485,139
Total operating expenses	5,603,553	-	5,603,553	5,219,693	-	5,219,693
Changes in net assets from operations	(546,201)	(23,664)	(569,865)	(606,377)	1,217,183	610,806
Other Revenues (Expenses):						
Gain on NMTC unwind	3,944,000	-	3,944,000	-	-	-
Investment return, net	53,583	253,899	307,482	45,779	309,725	355,504
Capital grants	100,000	-	100,000	62,415	-	62,415
Endowment - scholarship contributions	-	88,450	88,450	-	75,270	75,270
Comprehensive campaign contributions	-	2,200	2,200	-	3,000	3,000
Net assets released from comprehensive campaign	40,000	(40,000)	-	285,000	(285,000)	-
Comprehensive campaign contributions designated for operations	-	-	-	(20,000)	-	(20,000)
Investment return designated for operations	-	(123,816)	(123,816)	-	(122,352)	(122,352)
Total other revenues (expenses)	4,137,583	180,733	4,318,316	373,194	(19,357)	353,837
Changes in net assets	3,591,382	157,069	3,748,451	(233,183)	1,197,826	964,643
Net Assets:						
Beginning of year	9,349,271	6,962,824	16,312,095	9,582,454	5,764,998	15,347,452
End of year	\$ 12,940,653	\$ 7,119,893	\$ 20,060,546	\$ 9,349,271	\$ 6,962,824	\$ 16,312,095

The accompanying notes are an integral part of these combined statements.

**WEST END HOUSE, INC.
D/B/A WEST END HOUSE BOYS AND GIRLS CLUB OF ALLSTON-BRIGHTON
AND WEST END HOUSE SUPPORT, INC.**

Combined Statements of Cash Flows
For the Years Ended December 31, 2024 and 2023

	<u>2024</u>	<u>2023</u>
Cash Flows from Operating Activities:		
Changes in net assets	\$ 3,748,451	\$ 964,643
Adjustments to reconcile changes in net assets to net cash provided by (used in) operating activities:		
Depreciation and amortization	394,501	485,139
Increase (decrease) in discount on pledges and contributions receivable	(10,700)	27,000
Realized and unrealized gains on investments	(221,095)	(278,491)
Capital grants	(100,000)	(62,415)
Comprehensive campaign contributions	(2,200)	(3,000)
Gain on NMTC unwind	(3,944,000)	-
Changes in operating assets and liabilities:		
Pledges and contributions receivable	271,901	(1,290,577)
Government grants and contracts receivable	406,869	43,920
Prepaid expenses	18,974	(23,347)
Accounts payable and accrued expenses	54,878	33,688
Conditional grant advance	-	(64,105)
Net cash provided by (used in) operating activities	<u>617,579</u>	<u>(167,545)</u>
Cash Flows from Investing Activities:		
Purchases of property and equipment	(473,314)	(419,061)
Proceeds from sale of investments	1,168,220	762,038
Purchase of investments	(216,215)	(594,153)
Net cash provided by (used in) investing activities	<u>478,691</u>	<u>(251,176)</u>
Cash Flows from Financing Activities:		
Payment of put option on NMTC unwind	(1,000)	-
Proceeds from capital grants	100,000	62,415
Proceeds from comprehensive campaign contributions	2,200	3,000
Principal payments on notes payable	(109,731)	(334,511)
Net cash used in financing activities	<u>(8,531)</u>	<u>(269,096)</u>
Net Change in Cash and Restricted Cash	1,087,739	(687,817)
Cash and Restricted Cash:		
Beginning of year	<u>1,396,258</u>	<u>2,084,075</u>
End of year	<u><u>\$ 2,483,997</u></u>	<u><u>\$ 1,396,258</u></u>
Reconciliation of Cash and Restricted Cash Reported Within the Combined Statements of Financial Position:		
Cash	\$ 2,483,997	\$ 1,371,152
Restricted cash	<u>-</u>	<u>25,106</u>
Total cash and restricted cash shown in the combined statements of cash flows	<u><u>\$ 2,483,997</u></u>	<u><u>\$ 1,396,258</u></u>
Supplemental Disclosure of Cash Flow Information:		
Cash paid for interest	<u><u>\$ 47,211</u></u>	<u><u>\$ 151,195</u></u>

**WEST END HOUSE, INC.
D/B/A WEST END HOUSE BOYS AND GIRLS CLUB OF ALLSTON-BRIGHTON
AND WEST END HOUSE SUPPORT, INC.**

Combined Statements of Functional Expenses
For the Years Ended December 31, 2024 and 2023

	2024				2023			
	Program Services	General and Adminis- trative	Fundraising	Total	Program Services	General and Adminis- trative	Fundraising	Total
Salaries and Related:								
Salaries	\$ 2,162,353	\$ 159,957	\$ 378,383	\$ 2,700,693	\$ 1,958,873	\$ 105,818	\$ 348,177	\$ 2,412,868
Employee benefits	396,874	31,647	82,136	510,657	370,517	19,916	65,531	455,964
Payroll taxes	173,012	14,135	35,806	222,953	155,794	8,427	27,728	191,949
Staff development	70,069	3,002	10,554	83,625	70,290	-	8,955	79,245
Stipends	63,480	-	-	63,480	58,653	-	-	58,653
Total salaries and related	<u>2,865,788</u>	<u>208,741</u>	<u>506,879</u>	<u>3,581,408</u>	<u>2,614,127</u>	<u>134,161</u>	<u>450,391</u>	<u>3,198,679</u>
Occupancy:								
Repairs and maintenance	196,363	8,096	8,232	212,691	206,986	9,216	7,977	224,179
Utilities	187,269	8,142	8,142	203,553	191,334	8,319	8,319	207,972
Insurance	51,049	2,189	2,219	55,457	45,532	1,980	1,980	49,492
Interest	47,101	63	47	47,211	142,123	4,536	4,536	151,195
Total occupancy	<u>481,782</u>	<u>18,490</u>	<u>18,640</u>	<u>518,912</u>	<u>585,975</u>	<u>24,051</u>	<u>22,812</u>	<u>632,838</u>
Other:								
Professional fees	152,094	57,500	-	209,594	49,955	91,240	-	141,195
Reimbursable grant expense	163,278	-	-	163,278	59,074	-	-	59,074
Event expenses	-	-	154,915	154,915	-	-	122,331	122,331
Information technology	102,204	4,405	16,380	122,989	90,872	3,888	15,529	110,289
Food	99,111	-	-	99,111	93,319	-	-	93,319
Donated clothing	80,882	-	-	80,882	33,282	-	-	33,282
Miscellaneous	52,735	3,986	9,965	66,686	105,092	6,322	15,157	126,571
Scholarships	56,900	-	-	56,900	61,650	-	-	61,650
Program supplies and other	51,443	-	-	51,443	50,898	-	-	50,898
Dues and subscriptions	28,380	1,209	2,529	32,118	24,256	1,055	1,055	26,366
Telephone	21,005	913	913	22,831	18,682	812	812	20,306
COVID response	21,978	-	-	21,978	38,166	-	-	38,166
Transportation	12,267	-	298	12,565	4,717	-	-	4,717
Postage and printing	2,754	120	6,162	9,036	9,277	403	403	10,083
Office supplies	686	1,552	2,168	4,406	159	3,925	706	4,790
Total other	<u>845,717</u>	<u>69,685</u>	<u>193,330</u>	<u>1,108,732</u>	<u>639,399</u>	<u>107,645</u>	<u>155,993</u>	<u>903,037</u>
Total operating expenses before depreciation and amortization	4,193,287	296,916	718,849	5,209,052	3,839,501	265,857	629,196	4,734,554
Depreciation and Amortization	<u>369,235</u>	<u>12,633</u>	<u>12,633</u>	<u>394,501</u>	<u>458,879</u>	<u>13,130</u>	<u>13,130</u>	<u>485,139</u>
Total operating expenses	<u>\$ 4,562,522</u>	<u>\$ 309,549</u>	<u>\$ 731,482</u>	<u>\$ 5,603,553</u>	<u>\$ 4,298,380</u>	<u>\$ 278,987</u>	<u>\$ 642,326</u>	<u>\$ 5,219,693</u>

The accompanying notes are an integral part of these combined statements.

**WEST END HOUSE, INC.
D/B/A WEST END HOUSE BOYS AND GIRLS CLUB OF ALLSTON-BRIGHTON
AND WEST END HOUSE SUPPORT, INC.**

Notes to Combined Financial Statements
December 31, 2024 and 2023

1. OPERATIONS AND NONPROFIT STATUS

The mission of West End House, Inc. d/b/a West End House Boys and Girls Club of Allston-Brighton (the Club) is to inspire and enable young people to realize their full potential as productive, responsible, and caring citizens. The Club is an independent Boys & Girls Club located in Boston that provides outcome-driven programs to Boston youth. The Club has members who reside in 23 of Boston's 30 zip code areas, including residents of the most underserved neighborhoods. The Club delivers high-impact programs that focus on youth development, academic success; college and career pathways; visual and performing arts; sports, fitness, and nutrition; equitable food access; and trauma-informed wellness.

The Club serves 1,150 youth ages 8 through 24 including those who participate in the after-school and summer youth development programs and alumni enrolled in the College and Career Success Program. Our Family Food Program serves 210 families. Annual youth memberships, college career programs, and the family food program were free in 2024. The Club's programs are as follows:

- **Academic Success** - Literacy and STEM enrichment programs; homework help and tutoring; and social emotional skill development.
- **College and Career Success** - Coaches provide 1-on-1 and group coaching for 250 alumni currently pursuing a college degree or seeking career development.
- **Leadership and Career Development** - The Club's employment program provides youth ages 14-24 opportunities to progressively bolster career readiness skills, engage in on-site employment experiences, and complete career-aligned paid internships with corporate and nonprofit external partners.
- **Visual and Performing Arts** - The Club's programs engage young people in visual arts, digital arts, music, and dance. We provide high-quality instruction to help youth develop from engagement to mastery-level skills via progressive learning.
- **Sports, Fitness and Nutrition** - The Club engages youth in a range of physical activities that keep them moving (ideally for >60 min/day). Scratch meals provided to youth each day featuring fresh produce, lean proteins, and whole grains.
- **Family Food Program** - To meet the incredible demand for many in the community who are food insecure, the Club operates a full-scale grocery program serving 200 families. The program offers bi-weekly groceries for families to pick up and bags include fresh produce, frozen proteins, and other items like rice, pasta, beans, etc.

The Club tracks and monitors youth progress to measure individual and programmatic success with the following tools:

- **National Youth Outcomes Initiative (NYOI)** - is a survey tool created by the Club's national affiliate, Boys & Girls Clubs of America, which uses a common set of research informed indicators to measure the impact of the Club in seven priority areas: sense of belonging, emotional safety, physical safety, fun, adult connection, staff expectations, and recognition.

**WEST END HOUSE, INC.
D/B/A WEST END HOUSE BOYS AND GIRLS CLUB OF ALLSTON-BRIGHTON
AND WEST END HOUSE SUPPORT, INC.**

Notes to Combined Financial Statements
December 31, 2024 and 2023

1. OPERATIONS AND NONPROFIT STATUS (Continued)

- **Youth Program Quality Assessment (YPQA) and Youth Program Quality Intervention (YPQI)** - are methods of measuring the quality of youth programs and identifying staff training needs in community organizations, schools, camps, and other places where youth in grades K through 12 have fun, work, and learn with adults. Assessment components include safe environment, supportive environment, interaction, engagement, youth-oriented policies and practices, high expectations for youth and staff, and access. This self-assessment process facilitates building professional competencies by examining what is happening in programs.
- **Survey of Academic Youth Outcomes (SAYO)** - is an evidence-based tool that measures improvements in social-emotional behavior. SAYO relies on staff observations and youth surveys to assess improvements in behavior, initiative, engagement in learning, problem-solving skills, communication, peer relationships, and reading level. It recognizes difficulty to measure capabilities, such as social responsibility, self-confidence, and leadership.
- **MyClubHub** - is a customized Salesforce database used by staff to collect and track key data points including demographic information; attendance; and coaching and case management interactions.

Combined Affiliate

West End House Support, Inc. (WEHS), was a supporting organization of the Club, was created for the benefit of, to perform the function of, and to carry out the purpose of the Club with respect to its long-term facility needs, including securing funds to support those needs. During 2017, the Club integrated New Markets Tax Credits (NMTC) into the financing of the Comprehensive Campaign (see Note 2), and related expansion and renovations of the Club's building facility. Due to the location of the property and the measurable economic and community benefits of the project, the Club qualified for this special Federal and state tax funding. The Board of Directors of the Club appointed the majority of WEHS's Board of Directors. During 2024, the NMTC compliance period ended, resulting in an unwind of the related tax credit structure. As part of this transaction, in May 2024, the Club acquired 100% ownership interest in the Investment Fund (see Note 5) and the related leverage loan payable and QLICI loans receivable that it held, through exercising its Put Option (see Note 5). These assets and liabilities were then assigned/assumed by the Club, at which time the QLICI loans payable held by WEHS were forgiven (see Note 7) and the Club's leverage loan receivable was effectively cancelled upon assumption of the related payable (see Note 5). Subsequent to the execution of this transaction in December 2024, all remaining assets and liabilities of WEHS were transferred to WEH and WEHS merged into WEH, who remained as the surviving entity in the merger.

The accompanying combined financial statements include the accounts of the Club and WEHS (collectively, the Organization), through the date of the merger (December 2024), at which time the Club became the surviving entity. All significant intercompany balances and transactions, prior to the merger, have been eliminated in the accompanying combined financial statements.

Nonprofit Status

The Club and WEHS are individually exempt from Federal income taxes as organizations (not private foundations) formed for charitable purposes under Section 501(c)(3) of the Internal Revenue Code (IRC). The Club and WEHS are also exempt from state income taxes. Contributions made to the Club and WEHS are deductible by donors within the requirements of the IRC.

**WEST END HOUSE, INC.
D/B/A WEST END HOUSE BOYS AND GIRLS CLUB OF ALLSTON-BRIGHTON
AND WEST END HOUSE SUPPORT, INC.**

Notes to Combined Financial Statements
December 31, 2024 and 2023

2. SIGNIFICANT ACCOUNTING POLICIES

The Organization prepares its combined financial statements in accordance with generally accepted accounting standards and principles (U.S. GAAP) established by the Financial Accounting Standards Board (FASB). References to U.S. GAAP in these notes are to the FASB Accounting Standards Codification (ASC).

Estimates

The preparation of combined financial statements in accordance with U.S. 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 combined financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Cash, Cash Equivalents, Restricted Cash and Concentration of Credit Risk

The Organization considers all highly liquid investments originated with a maturity of three months or less, and that are available for current operations, to be cash equivalents. There were no cash equivalents as of December 31, 2024 and 2023, except for those funds considered part of the Organization's investment portfolio (see Note 4). Cash and cash equivalents that are not generally available for current operations, or otherwise are restricted for debt service, are classified as restricted cash and are included in cash and restricted cash for purposes of the combined statements of cash flows.

The Organization maintains its cash balances in high credit quality financial institutions. The Federal Deposit Insurance Corporation (FDIC) insures balances at each financial institution up to certain amounts. At certain times during the year, cash balances may exceed the insured amounts. The Organization has not experienced any losses in such accounts. The Organization periodically assesses the financial condition of these financial institutions and believes it is not exposed to any significant credit risk on its cash.

Pledges and Contributions Receivable

Unconditional promises to give that are expected to be collected within one year are recorded at fair value at the date the promise is received and are included in pledges and contributions receivable in the combined statements of financial position. Unconditional promises to give that are expected to be collected in future years are recorded at the present value of their estimated future cash flows net of an allowance for doubtful accounts, if any. An allowance for doubtful pledges and contributions receivable is recorded based on management's analysis of specific accounts and their estimate of amounts that may be uncollectible. There was no allowance for doubtful pledges and contributions as of December 31, 2024 or 2023.

Government Grants and Contracts Receivable and Allowance for Doubtful Accounts

Government grants and contracts receivable are recorded at the invoiced amount, do not bear interest, and are due on demand. An allowance for doubtful government grants and contracts receivable is recorded based on management's analysis of specific accounts and their estimate of amounts that may be uncollectible, if any. An allowance for doubtful government grants and contracts receivable is recorded based on management's analysis of specific accounts and their estimate of amounts that may be uncollectible, if any. Amounts are written-off against the allowance when they are determined to be uncollectible.

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2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Investments

The Organization records its investments at fair value using Level 1 and 2 inputs (see page 11). Interest and dividends are recorded when earned. Gains and losses are recognized as incurred or based on fair value changes during the period (see Note 4).

The Organization's investment policy sets forth guidelines for prudent investment of funds taking into account liquidity, growth, risk, and return characteristics appropriate for different categories of the Organization's investments (see Note 4). Under this policy, funds are invested to produce a relatively high level of income commensurate with prudent diversification and moderate risks. Investment returns are achieved through both capital appreciation (realized and unrealized) and current income (interest and dividends).

In accordance with the Organization's investment spending policy, annual operating allocations of the general and scholarship funds acting as endowment (collectively, the Endowment) (see Note 8) shall not exceed an amount equal to 4% (general funds) and 4.5% (scholarship funds) of the average market value of the Endowment over a rolling three-year period ending October 31st of the previous year, unless otherwise authorized by the Board of Directors. The Organization will annually distribute the calculated amount from the Endowment, as approved by the Board of Directors, during the year. Transfers to operating net assets in accordance with this policy are reflected in the combined statements of activities and changes in net assets as investment return designated for operations.

Note Receivable and Allowance for Credit Losses

Notes receivable are reported at amortized cost, net of a potential allowance for credit losses (ACL). The ACL represent an amount which, in management's judgement, reflects the lifetime expected losses that may be sustained on outstanding loans at the combined statement of financial position date based on past events, current conditions, and reasonable and supportable forecasts of future economic conditions. Due to the unique structure of the NMTC Program where payments were due at the expiration of the compliance period with a pre-defined payment plan and exit strategy with no previous history of loss in the Federally-funded program, there was no ACL deemed necessary as of December 31, 2023. During 2024, the NMTC compliance period ended and the Organization entered into a series of transactions resulting in the cancellation of the note receivable (see Note 5).

Property and Equipment and Depreciation

Property and equipment are recorded at cost, if purchased, or at the estimated market value at the date of gift, if donated. Renewals and betterments are capitalized, while repairs and maintenance are expensed as incurred. Property and equipment are depreciated using the straight-line method over estimated useful lives and consist of the following at December 31:

	Estimated Useful Lives	2024	2023
Building and improvements	10 - 40 years	\$ 14,284,898	\$ 13,811,584
Furniture and equipment	3 - 10 years	438,651	438,651
Land	N/A	25,374	25,374
		<u>14,748,923</u>	<u>14,275,609</u>
Less - accumulated depreciation		<u>(3,280,144)</u>	<u>(2,906,769)</u>
Property and equipment, net		<u>\$ 11,468,779</u>	<u>\$ 11,368,840</u>

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2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Property and Equipment and Depreciation (Continued)

Depreciation expense was \$373,375 and \$405,923 for the years ended December 31, 2024 and 2023, respectively, and is included in depreciation and amortization in the accompanying combined statements of functional expenses.

The Organization accounts for the carrying value of its long-lived assets in accordance with the requirements of ASC Topic, *Property, Plant and Equipment*. The carrying value is evaluated annually for impairment and no impairment loss was recognized in 2024 or 2023.

Debt Issuance Costs

Debt issuance costs were netted with notes payable (see Note 7) and were amortized over the period the related obligation is expected to be outstanding using the straight-line method, which approximated the effective interest method.

Net Assets

Net assets without donor restrictions include those net resources of the Organization that bear no external restrictions and are generally available for use by the Organization. The Organization has grouped its net assets without donor restrictions into the following categories:

- *Operating* net assets represent those net resources that are considered substantially liquid and available for general operations.
- *Real estate* net assets represent the portion of assets invested in real estate, net of related liabilities.
- *Board designated* - represent funds set aside by the Board of Directors for long-term investment purposes and future expansion of program activities. The use of these funds requires the approval of the Board of Directors.

As of December 31, 2024 and 2023, Board designated funds were classified as follows:

Operating reserve - represents amounts set aside by the Board of Directors to fund future shortfalls in operations, if necessary.

Racial equity fund - represents funds set aside by the Board of Directors to support racial equity programs at the Organization.

Capital reserve - represents funds set aside by the Board of Directors for repairs and improvements to the Organization's property and equipment.

Net assets with donor restrictions consist of donations and grants that are designated by donors for specific purposes or for a specified time, or with the stipulation that the principal will be held in an investment account and both the principal and investment income can be spent in accordance with the Organization's spending policy (funds acting as endowment, see Note 8). These donations are recorded as net assets with donor restrictions until they are expended for their designated purposes or the time restrictions have lapsed.

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2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Fair Value Measurements

The Organization follows the accounting and disclosure standards pertaining to ASC Topic 820, *Fair Value Measurements*, for qualifying assets and liabilities. Fair value is defined as the price that the Organization would receive upon selling an asset or pay to settle a liability in an orderly transaction between market participants.

The Organization uses a framework for measuring fair value that includes a hierarchy that categorizes and prioritizes the sources used to measure and disclose fair value. This hierarchy is broken down into three levels based on inputs that market participants would use in valuing the financial instruments based on market data obtained from sources independent of the Organization. Inputs refer broadly to the assumptions that market participants would use in pricing the financial instrument, including assumptions about risk. Inputs may be observable or unobservable. Observable inputs are inputs that reflect the assumptions market participants would use in pricing the financial instrument developed based on market data obtained from sources independent of the reporting entity. Unobservable inputs are inputs that reflect the reporting entity's own assumptions about the assumptions market participants would use in pricing the asset developed based on the best information available.

The three-tier hierarchy of inputs is summarized in the three broad levels as follows:

- Level 1: Inputs that reflect unadjusted quoted prices in active markets for identical assets at the measurement date.
- Level 2: Inputs other than quoted prices that are observable for the asset either directly or indirectly, including inputs in markets that are not considered to be active.
- Level 3: Inputs that are unobservable and which require significant judgment or estimation.

An asset or liability's level within the framework is based upon the lowest level of any input that is significant to the fair value measurement. All qualifying assets and liabilities other than investments (see page 9 and below) are valued using Level 1 inputs.

Investments

Investments are recorded in the combined financial statements at fair value. If an investment is directly held by the Organization and an active market with quoted prices exists, the market price of an identical security (Level 1 input) is used to report fair value. The Organization records its corporate bond investments using quoted prices for identical or similar assets in non-active markets (Level 2 inputs).

Combined Statements of Activities and Changes in Net Assets

Transactions deemed by management to be ongoing, major, or central to the provision of program services are reported as operating revenues and operating expenses in the accompanying combined statements of activities and changes in net assets. All other transactions are presented as other revenues (expenses).

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2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Revenue Recognition

The Organization's main sources of revenue are from government grants and contracts and various forms of philanthropic support. Philanthropic support includes individual donations, grants and contributions, comprehensive campaign contributions, and endowment scholarship contributions. Amounts received under contracts with various government agencies have been recorded in accordance with ASU Topic 958 (see below). These conditional contributions are recognized as services are provided or as costs are incurred.

Government Grants and Contracts and Philanthropic Support

In accordance with Topic 958, the Organization must determine whether a contribution (or a promise) is conditional or unconditional for transactions deemed to be a contribution. A contribution is considered to be a conditional contribution if an agreement includes a barrier that must be overcome and either a right of return of assets or a right of release of a promise to transfer assets exists. Indicators of a barrier include a measurable performance-related barrier or other measurable barriers, a stipulation that limits discretion by the recipient on the conduct of an activity, and stipulations that are related to the purpose of the agreement. Topic 958 prescribes that the Organization should not consider probability of compliance with the barrier when determining if such awards are conditional and should be reported as conditional grant advance liabilities until such conditions are met. See Note 11 for disclosure of the Organization's conditional awards at December 31, 2024 and 2023.

Grants and contributions, donations, and bequests without donor restrictions and donated goods and services are recognized as revenue when unconditionally committed or received. Restricted grants and contributions, donations, and bequests are recorded as net assets with donor restrictions when received or unconditionally pledged. Transfers are made to net assets without donor restrictions as costs are incurred or time restrictions or program restrictions have lapsed.

The Organization launched a comprehensive campaign that included fundraising goals consisting of current and future program operations, capital funds for the building renovation, funds for retirement of debt, and funds for operating and facilities reserves. Comprehensive campaign contributions received for current and future program activities are transferred to net assets without donor restrictions at management's discretion as the funds are utilized by the Organization in line with the fundraising goals communicated to donors when the contributions were solicited. Contributions used to fund current operating costs of the Organization are reflected in the combined statements of activities and changes in net assets as comprehensive campaign contributions designated for operations.

Special Events Revenue

The Organization generally measures revenue for qualifying exchange transactions based on the amount of consideration the Organization expects to be entitled for the transfer of goods or services to a customer, then recognizes this revenue when or as the Organization satisfies its performance obligations under a contract, except in transactions where U.S. GAAP provides other applicable guidance. The Organization evaluates its contract service revenue based on the five-step model under Topic 606: (1) Identify the contract with the customer; (2) Identify the performance obligations in the contract; (3) Determine the transaction price; (4) Allocate the transaction price to separate performance obligations; and (5) Recognize revenue when (or as) each performance obligation is satisfied.

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2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Revenue Recognition (Continued)

Special Events Revenue (Continued)

Special events revenue is derived from the Organization's performance to host fundraising events in which revenues are recognized at the time of the events. Special events revenue consists of both contributions and sales. The contribution portion of the special events revenue is recognized as revenue when unconditionally committed or received in accordance with ASC Subtopic 958-605, Not-for-Profit Entities (Topic 958): *Clarifying the Scope and the Accounting Guidance for Contributions Receive and Contributions*. The sales portion of the special events revenue is derived from various components, including ticket sales from those events held in which the transaction price is determined annually in accordance with ASC Topic 606, *Revenue from Contracts with Customers*. Ticket sales for these events are set by the Organization and have not been allocated as these events are each considered to be single performance obligation. Fees collected in advance of the special event are initially recorded as deferred revenue (contract liabilities) and are only recognized in the combined statements of activities and changes in net assets after the special event has occurred and the performance obligation has been met yet. The balance of deferred revenue is not material to the accompanying combined financial statements as of December 31, 2024 and 2023, and therefore, is not reflected as such.

Interest and Other Revenue

Interest and other revenue is recorded when earned.

Contributed Non-Financial Assets

Various individuals and organizations contribute clothing to the Organization in support of various aspects of its programs. These goods and services are reflected in the accompanying combined financial statements based upon the estimated value assigned to them by the donating individuals, organizations or by management. Contributed non-financial assets do not have donor-imposed restrictions. The estimated fair value of these contributed non-financial assets was \$80,882 and \$33,282 for the years ended December 31, 2024 and 2023, respectively.

The Organization also receives services of volunteers in various aspects of its programs. The value of these services is not reflected in the accompanying combined financial statements as these donated services do not require specialized skills and, therefore, do not meet the criteria for recognition under Topic 958, *Accounting for Contributions Received and Contributions Made*.

Expense Allocation

Expenses related directly to a program are allocated to program expenses, while other expenses are allocated based upon management's estimate of the percentage attributable to program services, general and administrative, and fundraising. The combined financial statements also contain certain categories of expenses that are attributable to program and supporting functions and require an allocation on a reasonable basis that is consistently applied. The expenses that are allocated include salaries, payroll taxes, employee benefits and staff development costs which are allocated based on an estimate of time and level of effort spent on the Organizations' programs and supporting functions, as well as occupancy, telephone, depreciation and amortization, which are allocated based on square footage basis.

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2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Income Taxes

The Organization accounts for uncertainty in income taxes in accordance with ASC Topic 740, *Income Taxes*. This standard clarifies the accounting for uncertainty in tax positions and prescribes a recognition threshold and measurement attribute for the combined financial statements regarding a tax position taken or expected to be taken in a tax return. The Organization has determined that there are no uncertain tax positions which qualify for either recognition or disclosure in the combined financial statements at December 31, 2024 or 2023. The Organization's information returns are subject to examination by the Federal and state jurisdictions.

Subsequent Events

Subsequent events have been evaluated through April 8, 2025, which is the date the combined financial statements were available to be issued. There were no events that met the criteria for recognition or disclosure in the combined financial statements.

3. PLEDGES AND CONTRIBUTIONS RECEIVABLE

Pledges and contributions receivable are recorded at their net present value when unconditionally committed. Pledges and contributions receivable consist of the following as of December 31:

	<u>2024</u>	<u>2023</u>
Amounts due in:		
Within one year	\$ 1,111,754	\$ 1,557,405
One to two years	911,250	570,000
Two to three years	793,750	520,000
Three to four years	68,750	460,000
Four to five years	50,000	50,000
More than five years	-	50,000
	<u>2,935,504</u>	<u>3,207,405</u>
Less - discount	58,100	68,800
Less - current portion	<u>1,111,754</u>	<u>1,557,405</u>
	<u>\$ 1,765,650</u>	<u>\$ 1,581,200</u>

The pledges and contributions receivable have been discounted using a 2% rate, which approximates the Organization's incremental borrowing rate, as of December 31, 2024 and 2023. Four donors represented approximately 75% and 70% of the total outstanding pledges and contributions receivable as of December 31, 2024 and 2023, respectively.

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4. INVESTMENTS

Investments are presented in the accompanying combined financial statements at fair value (see Note 2). The Organization's investments consist of the following at December 31:

<u>2024</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Cash and equivalents:				
Cash	\$ 851,603	\$ -	\$ -	\$ 851,603
Equities:				
Common stock	1,075,692	-	-	1,075,692
Exchange-traded funds (ETFs)	224,968	-	-	224,968
Mutual funds	164,226	-	-	164,226
Fixed income:				
U.S. Government obligations	548,991	-	-	548,991
Corporate bond funds	-	<u>450,421</u>	-	<u>450,421</u>
Total investments	<u>\$ 2,865,480</u>	<u>\$ 450,421</u>	<u>\$ -</u>	<u>\$ 3,315,901</u>
<u>2023</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Cash and equivalents:				
Cash	\$ 846,642	\$ -	\$ -	\$ 846,642
Equities:				
Common stock	1,031,897	-	-	1,031,897
Exchange-traded funds (ETFs)	444,185	-	-	444,185
Mutual funds	124,589	-	-	124,589
Fixed income:				
U.S. Government obligations	1,053,835	-	-	1,053,835
Corporate bond funds	-	<u>545,663</u>	-	<u>545,663</u>
Total investments	<u>\$ 3,501,148</u>	<u>\$ 545,663</u>	<u>\$ -</u>	<u>\$ 4,046,811</u>

The Organization's investment return consisted of the following for the years ended December 31:

	<u>2024</u>	<u>2023</u>
Realized and unrealized gains	\$ 221,095	\$ 278,491
Interest and dividends	107,015	103,283
Investment fees	<u>(20,628)</u>	<u>(26,270)</u>
Investment return, net	<u>\$ 307,482</u>	<u>\$ 355,504</u>

Investment return pertaining to net assets with donor restrictions, specifically for the Endowment, was \$253,899 and \$309,725 for the years ended December 31, 2024 and 2023, respectively. In accordance with the Organization's spending policy (see Note 2), \$123,816 and \$122,352 were appropriated to operations during the years ended December 31, 2024 and 2023, respectively (see Note 8).

Investments, excluding unencumbered available for sale U.S. government obligations and cash (see above), include donor endowment and funds intended to be utilized for long-term purposes and are generally not used for operations except for specially approved withdrawals. Accordingly, the Organization's investments, excluding unencumbered available for sale U.S. government obligations and cash (see above), have been classified as non-current assets regardless of maturity or liquidity.

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4. INVESTMENTS (Continued)

Investment securities, in general, are exposed to various risks, such as interest rate, credit and overall market volatility. Due to the level of risk associated with certain investment securities, it is reasonably possible that changes in the values of investment securities will occur in the near term and those changes could materially affect the amounts reported in the combined financial statements.

5. NOTE RECEIVABLE

In April 2017, the Organization made a loan in the amount of \$8,210,000 to Chase NMTC West End Investment Fund, LLC (the Investment Fund), an unrelated third-party, as part of the 2017 NMTC financing transaction related to the property acquisition made by WEHS (see Note 1) for the development of a facility that is leased to the Club. The proceeds of the loan were invested by the Investment Fund into LIIF Sub-CDE XLI, LLC and Chase New Market Corporation Sub-CDE 133, LLC (collectively the CDEs) who loaned the funds to WEHS (see Note 7). Terms of the NMTC note receivable provided interest calculated at 1% per annum, to be paid quarterly. Quarterly interest-only payments of \$20,525 commenced in July 2017 and ran through April 2024, at which time principal and interest payments were due through maturity of December 2042.

The Organization granted to Chase Community Equity, LLC (Chase Equity), an unrelated third party, an option (the Put Option) to sell the Organization its interest in the Investment Fund for the period April 1, 2024 through June 30, 2024 (Put Period) for \$1,000. Chase Equity granted to the Organization an option (the Call Option) to purchase their interest in the Investment Fund after the end of the Put Period through December 31, 2024 (Call Period), at fair value. The Put Option was exercised in May 2024 and as a result the Club entered into following series of transactions:

- As part of the NMTC unwind, the Put Option was exercised, at which point the Club paid \$1,000 to Chase Equity for its interest in the Investment Fund.
- The QLICI notes due to the Investment Fund were assigned to the Club at the original loan balances totaling \$12,155,000. Subsequently, the Club forgave these QLICI loans receivable from WEHS (see Note 7), which resulted in no impact to the combined financial statements.
- In regard to the note receivable noted above, the Club assumed the corresponding loan payable from the Investment Fund for the same value of \$8,210,000. Consequently, as a result of holding both sides to this loan, the loan was effectively canceled with no impact to the combined financial statements.

The table below summarizes the gain recognized as part of the unwind transactions, reflected as gain on NMTC unwind in the accompanying consolidated statement of activities and changes in net assets for the year ended December 31, 2024:

Assignment of QLICI loans receivable	\$ 12,155,000
Assumption of leverage loan payable	(8,210,000)
Put Option payment	<u>(1,000)</u>
Gain on NMTC unwind	<u>\$ 3,944,000</u>

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6. LINE OF CREDIT

The Organization has a line of credit agreement with a bank that provides for borrowings up to \$500,000. Borrowings under the agreement are due on demand, and interest is payable monthly at the bank's prime rate (7.50% and 8.5% at December 31, 2024 and 2023, respectively). The line of credit is secured by the portion of the Organization's investment portfolio (see Note 4) through the extended maturity date of December 2025. There was no outstanding balance as of December 31, 2024 and 2023. The Organization was in compliance with all covenants as of December 31, 2024.

7. NOTES PAYABLE

Notes payable held by WEHS consist of the following at December 31, 2023:

Qualified Low Income Community Investment (QLICI) notes (see below). The notes were forgiven in 2024 as part of the NMTC unwind transactions (see Note 5).	\$ 12,155,000
3.5% note payable, was due in monthly installments of principal and interest of \$6,693 with Rockland Trust Company through October 2031 (scheduled maturity date). The note was secured by a first mortgage on property located at 105 Allston Street, Allston, Massachusetts and was guaranteed by the Club. During 2024 and 2023, the Organization made an additional discretionary principal payment of \$32,117 and \$268,924 on this note, respectively, which repaid the balance of the note in 2024.	<u>109,731</u>
	12,264,731
Less - unamortized debt issuance costs	21,126
Less - current portion	<u>379,624</u>
Total long-term notes payable, net	<u>\$ 11,863,981</u>

Debt issuance costs related to the QLICI notes (see above) totaled \$554,514 were shown net of accumulated interest amortization of \$533,388 as of December 31, 2023. Unamortized debt issuance costs are reported in the combined statements of financial position as a direct reduction of the face amount of the related notes payable. Interest amortization was \$21,126 and \$79,216 for the years ended December 31, 2024 and 2023, respectively, and is included in depreciation and amortization in the accompanying combined statements of functional expenses. Debt issuance costs became fully amortized prior to the forgiveness of the QLICI loans (see Note 5).

QLICI Notes

During 2017, as part of the NMTC financing transaction (see Note 1), WEHS entered into various QLICI notes as described below. These notes accrued interest at a rate of 1.155% per annum and were scheduled to mature in March 2050 (maturity). Quarterly interest-only payments were due through April 2024, at which time WEHS was scheduled to make quarterly payments of principal and interest through maturity. The QLICI notes were secured by all assets of WEHS and are guaranteed by the Club. As part of the NMTC unwind (see Note 5) the QLICI notes payable were forgiven during 2024.

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7. NOTES PAYABLE (Continued)

QLICI Notes (Continued)

QLICI notes payable, held by WEHS, consisted of the following at December 31, 2023:

LIIF Sub-CDE XLI, LLC - Loan A	\$ 7,553,200
LIIF Sub-CDE XLI, LLC - Loan B	3,601,800
Chase New Market Corporation Sub-CDE 133, LLC - Loan A	656,800
Chase New Market Corporation Sub-CDE 133, LLC - Loan B	<u>343,200</u>
	<u>\$ 12,155,000</u>

8. FUNDS ACTING AS ENDOWMENT

Investment returns on the Endowment (see Note 2) are recorded as net assets with donor restrictions as specified by the donors. These amounts are included in investment return, net in the accompanying combined statements of activities and changes in net assets. The term endowment is an internal term not used in the traditional manner that would otherwise indicate permanently restricted net assets. The Organization is not required to permanently maintain any portion of the Endowment.

The Organization makes distributions from the Endowment to operations using the total-return method. Under the total-return method, endowment fund distributions consist of net investment return, including unrealized and realized gains. To satisfy its investment strategy objectives, the Organization relies on a total-return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends). The Organization targets a diversified conservative asset allocation to achieve its investment objectives within prudent risk constraints.

Funds acting as endowment was comprised of the following as of December 31:

	<u>General Fund</u>	<u>Scholarship Fund</u>	<u>Total</u>
Funds acting as endowment net assets,			
December 31, 2022	\$ 2,222,487	\$ 283,167	\$ 2,505,654
Endowment - scholarship contributions	-	75,270	75,270
Investment return	275,539	34,186	309,725
Investment return designated for operations	<u>(109,236)</u>	<u>(13,116)</u>	<u>(122,352)</u>
Funds acting as endowment net assets,			
December 31, 2023	2,388,790	379,507	2,768,297
Endowment - scholarship contributions	-	88,450	88,450
Investment return	231,016	22,883	253,899
Investment return designated for operations	<u>(109,824)</u>	<u>(13,992)</u>	<u>(123,816)</u>
Funds acting as endowment net assets,			
December 31, 2024	<u>\$ 2,509,982</u>	<u>\$ 476,848</u>	<u>\$ 2,986,830</u>

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9. PENSION PLAN

The Organization has a defined contribution pension plan (the Plan) covering all eligible employees. Employees become eligible to participate after reaching the age of twenty-one and completing one year of service. The Organization contributes annually up to 5% of each eligible employee's annual salary. The Organization's contributions to the Plan become fully vested after three years of service. For the years ended December 31, 2024 and 2023, the Organization contributed \$176,910 and \$144,085, respectively, which are included in employee benefits in the accompanying combined statements of functional expenses.

10. RELATED PARTY TRANSACTIONS

The Chief Executive Officer (CEO) of the Organization is also on the Board of Directors of various other nonprofit organizations. During 2024 and 2023, the Organization received \$87,813 and \$206,579, respectively, in grants from these organizations, which are included in grants and contributions in the accompanying combined statements of activities and changes in net assets. The CEO was not involved in the grant approval process for any of the nonprofit organizations that made grant awards to the Organization during 2024 and 2023.

11. CONDITIONAL AWARDS

Government Grants and Contracts

During 2024 and 2023, the Organization received government, state and other grants and contracts that contained conditions that represent a barrier that must be overcome, as well as a right of return of assets or release from obligations. The Organization recognizes these government, state grants and contracts when conditions are met. During the years ended December 31, 2024 and 2023, the Organization recognized \$716,238 and \$826,821, respectively, of government grants and contracts. Conditional promises with maximum obligations to give at December 31, 2024 and 2023, consist of cost-reimbursable and other government contracts totaling \$48,334 and \$191,091, respectively. There were no conditional advances as of December 31, 2024 and 2023.

Grant and contract revenue from governmental agencies is subject to audit by the respective governmental authorities. In the opinion of management, the results of such audits, if any, will not have a material effect on the combined statements of financial position of the Organization as of December 31, 2024 and 2023, or on the combined statements of activities and changes in net assets for the years then ended.

**WEST END HOUSE, INC.
D/B/A WEST END HOUSE BOYS AND GIRLS CLUB OF ALLSTON-BRIGHTON
AND WEST END HOUSE SUPPORT, INC.**

Notes to Combined Financial Statements
December 31, 2024 and 2023

12. LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS

The Organization's financial assets available within one year from the combined statements of financial position date for general operating expenses are as follows as of December 31:

	<u>2024</u>	<u>2023</u>
Cash	\$ 2,483,997	\$ 1,371,152
Current portion of investments	329,071	1,278,514
Current portion of pledges and contributions receivable	1,111,754	1,557,405
Government grants and contracts receivable	<u>212,477</u>	<u>619,346</u>
Total financial assets	4,137,299	4,826,417
Add - releases from donor time restrictions	183,897	213,660
Add - investment return designed for 2025 operations	117,464	123,818
Less - net assets with donor restrictions	<u>(2,367,413)</u>	<u>(2,613,327)</u>
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 2,071,247</u>	<u>\$ 2,550,568</u>

As part of the Organization's liquidity management, the Organization has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations become due. The Organization receives donor restricted contributions which require resources to be used in a particular manner or in a future period; therefore, the Organization must maintain sufficient resources to meet those responsibilities to its donors. Thus, these financial assets may not be available for general expenditure within one year. To help manage unanticipated liquidity needs, the Organization also has a \$500,000 line of credit available (see Note 6).

13. RECLASSIFICATIONS

Certain amounts in the combined 2023 financial statements have been reclassified to conform with the 2024 combined financial statement presentation.

WEST END HOUSE, INC.
D/B/A WEST END HOUSE BOYS AND GIRLS CLUB OF ALLSTON-BRIGHTON
AND WEST END HOUSE SUPPORT, INC.

Combining Statement of Financial Position
December 31, 2024

	West End House, Inc.			West End House Support, Inc.	Eliminations	Totals		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions		Without Donor Restrictions	With Donor Restrictions	Total
Assets								
Current Assets:								
Cash	\$ 1,066,447	\$ 1,417,550	\$ 2,483,997	\$ -	\$ -	\$ 1,066,447	\$ 1,417,550	\$ 2,483,997
Current portion of investments	329,071	-	329,071	-	-	329,071	-	329,071
Current portion of pledges and contributions receivable	161,891	949,863	1,111,754	-	-	161,891	949,863	1,111,754
Government grants and contracts receivable	212,477	-	212,477	-	-	212,477	-	212,477
Prepaid expenses	59,340	-	59,340	-	-	59,340	-	59,340
Total current assets	1,829,226	2,367,413	4,196,639	-	-	1,829,226	2,367,413	4,196,639
Other Assets:								
Pledges and contributions receivable, net	-	1,765,650	1,765,650	-	-	-	1,765,650	1,765,650
Investments, net of current portion	-	2,986,830	2,986,830	-	-	-	2,986,830	2,986,830
Property and equipment, net	11,468,779	-	11,468,779	-	-	11,468,779	-	11,468,779
Total other assets	11,468,779	4,752,480	16,221,259	-	-	11,468,779	4,752,480	16,221,259
Total assets	\$ 13,298,005	\$ 7,119,893	\$ 20,417,898	\$ -	\$ -	\$ 13,298,005	\$ 7,119,893	\$ 20,417,898
Liabilities and Net Assets								
Current Liabilities:								
Accounts payable and accrued expenses	\$ 357,352	\$ -	\$ 357,352	\$ -	\$ -	\$ 357,352	\$ -	\$ 357,352
Net Assets:								
Without donor restrictions:								
Operating	201,445	-	201,445	-	-	201,445	-	201,445
Real estate	11,468,779	-	11,468,779	-	-	11,468,779	-	11,468,779
Board designated:								
Operating reserve	657,098	-	657,098	-	-	657,098	-	657,098
Racial equity fund	138,382	-	138,382	-	-	138,382	-	138,382
Capital reserve	474,949	-	474,949	-	-	474,949	-	474,949
Total without donor restrictions	12,940,653	-	12,940,653	-	-	12,940,653	-	12,940,653
With donor restrictions:								
Purpose restricted	-	3,791,007	3,791,007	-	-	-	3,791,007	3,791,007
Time restricted	-	183,897	183,897	-	-	-	183,897	183,897
Comprehensive campaign	-	158,159	158,159	-	-	-	158,159	158,159
Funds acting as endowment - general	-	2,509,982	2,509,982	-	-	-	2,509,982	2,509,982
Funds acting as endowment - scholarship	-	476,848	476,848	-	-	-	476,848	476,848
Total with donor restrictions	-	7,119,893	7,119,893	-	-	-	7,119,893	7,119,893
Total net assets	12,940,653	7,119,893	20,060,546	-	-	12,940,653	7,119,893	20,060,546
Total liabilities and net assets	\$ 13,298,005	\$ 7,119,893	\$ 20,417,898	\$ -	\$ -	\$ 13,298,005	\$ 7,119,893	\$ 20,417,898

**WEST END HOUSE, INC.
D/B/A WEST END HOUSE BOYS AND GIRLS CLUB OF ALLSTON-BRIGHTON
AND WEST END HOUSE SUPPORT, INC.**

Combining Statement of Financial Position
December 31, 2023

	West End House, Inc.			West End House Support, Inc.	Eliminations	Totals		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions		Without Donor Restrictions	With Donor Restrictions	Total
Assets								
Current Assets:								
Cash	\$ 99,883	\$ 1,257,199	\$ 1,357,082	\$ 14,070	\$ -	\$ 113,953	\$ 1,257,199	\$ 1,371,152
Current portion of investments	1,278,514	-	1,278,514	-	-	1,278,514	-	1,278,514
Restricted cash	-	-	-	25,106	-	25,106	-	25,106
Due from affiliate	1,028,982	-	1,028,982	-	(1,028,982)	-	-	-
Current portion of pledges and contributions receivable	201,277	1,356,128	1,557,405	-	-	201,277	1,356,128	1,557,405
Current portion of note receivable	299,731	-	299,731	-	-	299,731	-	299,731
Government grants and contracts receivable	619,346	-	619,346	-	-	619,346	-	619,346
Prepaid expenses	78,314	-	78,314	-	-	78,314	-	78,314
Total current assets	3,606,047	2,613,327	6,219,374	39,176	(1,028,982)	2,616,241	2,613,327	5,229,568
Other Assets:								
Pledges and contributions receivable, net	-	1,581,200	1,581,200	-	-	-	1,581,200	1,581,200
Deferred rent receivable	-	-	-	2,074,957	(2,074,957)	-	-	-
Investments, net of current portion	-	2,768,297	2,768,297	-	-	-	2,768,297	2,768,297
Note receivable, net of current portion	7,910,269	-	7,910,269	-	-	7,910,269	-	7,910,269
Property and equipment, net	691,573	-	691,573	10,677,267	-	11,368,840	-	11,368,840
Total other assets	8,601,842	4,349,497	12,951,339	12,752,224	(2,074,957)	19,279,109	4,349,497	23,628,606
Total assets	\$ 12,207,889	\$ 6,962,824	\$ 19,170,713	\$ 12,791,400	\$ (3,103,939)	\$ 21,895,350	\$ 6,962,824	\$ 28,858,174
Liabilities and Net Assets								
Current Liabilities:								
Current portion of notes payable	\$ -	\$ -	\$ -	\$ 379,624	\$ -	\$ 379,624	\$ -	\$ 379,624
Due to affiliate	-	-	-	1,028,982	(1,028,982)	-	-	-
Accounts payable and accrued expenses	302,474	-	302,474	-	-	302,474	-	302,474
Total current liabilities	302,474	-	302,474	1,408,606	(1,028,982)	682,098	-	682,098
Deferred Rent Payable	2,074,957	-	2,074,957	-	(2,074,957)	-	-	-
Notes Payable, net	-	-	-	11,863,981	-	11,863,981	-	11,863,981
Total liabilities	2,377,431	-	2,377,431	13,272,587	(3,103,939)	12,546,079	-	12,546,079
Net Assets:								
Without donor restrictions:								
Operating	376,729	-	376,729	-	-	376,729	-	376,729
Real estate	7,555,867	-	7,555,867	(481,187)	-	7,074,680	-	7,074,680
Board designated:								
Operating reserve	960,000	-	960,000	-	-	960,000	-	960,000
Racial equity fund	143,514	-	143,514	-	-	143,514	-	143,514
Capital reserve	794,348	-	794,348	-	-	794,348	-	794,348
Total without donor restrictions	9,830,458	-	9,830,458	(481,187)	-	9,349,271	-	9,349,271
With donor restrictions:								
Purpose restricted	-	3,784,908	3,784,908	-	-	-	3,784,908	3,784,908
Time restricted	-	213,660	213,660	-	-	-	213,660	213,660
Comprehensive campaign	-	195,959	195,959	-	-	-	195,959	195,959
Funds acting as endowment - general	-	2,388,790	2,388,790	-	-	-	2,388,790	2,388,790
Funds acting as endowment - scholarship	-	379,507	379,507	-	-	-	379,507	379,507
Total with donor restrictions	-	6,962,824	6,962,824	-	-	-	6,962,824	6,962,824
Total net assets	9,830,458	6,962,824	16,793,282	(481,187)	-	9,349,271	6,962,824	16,312,095
Total liabilities and net assets	\$ 12,207,889	\$ 6,962,824	\$ 19,170,713	\$ 12,791,400	\$ (3,103,939)	\$ 21,895,350	\$ 6,962,824	\$ 28,858,174

WEST END HOUSE, INC.
D/B/A WEST END HOUSE BOYS AND GIRLS CLUB OF ALLSTON-BRIGHTON
AND WEST END HOUSE SUPPORT, INC.

Combining Statement of Activities and Changes in Net Assets
For the Year Ended December 31, 2024

	West End House, Inc.			West End House Support, Inc.	Eliminations	Totals		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions		Without Donor Restrictions	With Donor Restrictions	Total
Operating Revenues:								
Grants and contributions	\$ 135,601	\$ 2,318,549	\$ 2,454,150	\$ -	\$ -	\$ 135,601	\$ 2,318,549	\$ 2,454,150
Special events revenue	918,765	-	918,765	-	-	918,765	-	918,765
Government grants and contracts	716,238	-	716,238	-	-	716,238	-	716,238
Individual donations	479,165	215,762	694,927	-	-	479,165	215,762	694,927
Investment return designated for operations	123,816	-	123,816	-	-	123,816	-	123,816
Contributed non-financial assets	80,882	-	80,882	-	-	80,882	-	80,882
Interest and other revenue	44,819	-	44,819	560,953	(560,862)	44,910	-	44,910
Net assets released from time restrictions - special events and other	267,993	(267,993)	-	-	-	267,993	(267,993)	-
Net assets released from purpose restrictions	2,289,982	(2,289,982)	-	-	-	2,289,982	(2,289,982)	-
Total operating revenues	5,057,261	(23,664)	5,033,597	560,953	(560,862)	5,057,352	(23,664)	5,033,688
Operating Expenses:								
Program services	4,664,714	-	4,664,714	44,567	(515,994)	4,193,287	-	4,193,287
General and administrative	311,578	-	311,578	7,772	(22,434)	296,916	-	296,916
Fundraising	739,861	-	739,861	1,422	(22,434)	718,849	-	718,849
Total operating expenses before depreciation and amortization	5,716,153	-	5,716,153	53,761	(560,862)	5,209,052	-	5,209,052
Changes in net assets from operations before depreciation and amortization	(658,892)	(23,664)	(682,556)	507,192	-	(151,700)	(23,664)	(175,364)
Depreciation and amortization	36,659	-	36,659	357,842	-	394,501	-	394,501
Total operating expenses	5,752,812	-	5,752,812	411,603	(560,862)	5,603,553	-	5,603,553
Changes in net assets from operations	(695,551)	(23,664)	(719,215)	149,350	-	(546,201)	(23,664)	(569,865)
Other Revenues (Expenses):								
Gain on NMTC unwind	3,612,163	-	3,612,163	331,837	-	3,944,000	-	3,944,000
Investment return, net	53,583	253,899	307,482	-	-	53,583	253,899	307,482
Capital grants	100,000	-	100,000	-	-	100,000	-	100,000
Endowment - scholarship contributions	-	88,450	88,450	-	-	-	88,450	88,450
Comprehensive campaign contributions	-	2,200	2,200	-	-	-	2,200	2,200
Net assets released from comprehensive campaign	40,000	(40,000)	-	-	-	40,000	(40,000)	-
Investment return designated for operations	-	(123,816)	(123,816)	-	-	-	(123,816)	(123,816)
Total other revenues (expenses)	3,805,746	180,733	3,986,479	331,837	-	4,137,583	180,733	4,318,316
Changes in net assets	3,110,195	157,069	3,267,264	481,187	-	3,591,382	157,069	3,748,451
Net Assets:								
Beginning of year	9,830,458	6,962,824	16,793,282	(481,187)	-	9,349,271	6,962,824	16,312,095
End of year	\$ 12,940,653	\$ 7,119,893	\$ 20,060,546	\$ -	\$ -	\$12,940,653	\$ 7,119,893	\$ 20,060,546

WEST END HOUSE, INC.
D/B/A WEST END HOUSE BOYS AND GIRLS CLUB OF ALLSTON-BRIGHTON
AND WEST END HOUSE SUPPORT, INC.

Combining Statement of Activities and Changes in Net Assets
For the Year Ended December 31, 2023

	West End House, Inc.			West End House Support, Inc.	Eliminations	Totals		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions		Without Donor Restrictions	With Donor Restrictions	Total
Operating Revenues:								
Grants and contributions	\$ 564,758	\$ 1,554,139	\$ 2,118,897	\$ -	\$ -	\$ 564,758	\$ 1,554,139	\$ 2,118,897
Special events revenue	630,584	-	630,584	-	-	630,584	-	630,584
Government grants and contracts	826,821	-	826,821	-	-	826,821	-	826,821
Individual donations	867,093	1,125,180	1,992,273	-	-	867,093	1,125,180	1,992,273
Investment return designated for operations	122,352	-	122,352	-	-	122,352	-	122,352
Contributed non-financial assets	33,282	-	33,282	-	-	33,282	-	33,282
Interest and other revenue	85,316	-	85,316	561,836	(560,862)	86,290	-	86,290
Comprehensive campaign contributions designated for operations	20,000	-	20,000	-	-	20,000	-	20,000
Net assets released from time restrictions - special events and other	102,500	(102,500)	-	-	-	102,500	(102,500)	-
Net assets released from purpose restrictions	1,359,636	(1,359,636)	-	-	-	1,359,636	(1,359,636)	-
Total operating revenues	4,612,342	1,217,183	5,829,525	561,836	(560,862)	4,613,316	1,217,183	5,830,499
Operating Expenses:								
Program services	4,241,915	-	4,241,915	142,448	(544,862)	3,839,501	-	3,839,501
General and administrative	241,311	-	241,311	32,546	(8,000)	265,857	-	265,857
Fundraising	632,650	-	632,650	4,546	(8,000)	629,196	-	629,196
Total operating expenses before depreciation and amortization	5,115,876	-	5,115,876	179,540	(560,862)	4,734,554	-	4,734,554
Changes in net assets from operations before depreciation and amortization	(503,534)	1,217,183	713,649	382,296	-	(121,238)	1,217,183	1,095,945
Depreciation and amortization	39,557	-	39,557	445,582	-	485,139	-	485,139
Total operating expenses	5,155,433	-	5,155,433	625,122	(560,862)	5,219,693	-	5,219,693
Changes in net assets from operations	(543,091)	1,217,183	674,092	(63,286)	-	(606,377)	1,217,183	610,806
Other Revenues (Expenses):								
Investment return, net	45,779	309,725	355,504	-	-	45,779	309,725	355,504
Capital grants	62,415	-	62,415	-	-	62,415	-	62,415
Endowment - scholarship contributions	-	75,270	75,270	-	-	-	75,270	75,270
Comprehensive campaign contributions	-	3,000	3,000	-	-	-	3,000	3,000
Net assets released from comprehensive campaign	285,000	(285,000)	-	-	-	285,000	(285,000)	-
Comprehensive campaign contributions designated for operations	(20,000)	-	(20,000)	-	-	(20,000)	-	(20,000)
Investment return designated for operations	-	(122,352)	(122,352)	-	-	-	(122,352)	(122,352)
Total other revenues (expenses)	373,194	(19,357)	353,837	-	-	373,194	(19,357)	353,837
Changes in net assets	(169,897)	1,197,826	1,027,929	(63,286)	-	(233,183)	1,197,826	964,643
Net Assets:								
Beginning of year	10,000,355	5,764,998	15,765,353	(417,901)	-	9,582,454	5,764,998	15,347,452
End of year	\$ 9,830,458	\$ 6,962,824	\$ 16,793,282	\$ (481,187)	\$ -	\$ 9,349,271	\$ 6,962,824	\$ 16,312,095