# **CONSOLIDATED FINANCIAL STATEMENTS**

with

**INDEPENDENT AUDITORS' REPORT** 

YEARS ENDED JUNE 30, 2022 AND 2021



### REPORT ON CONSOLIDATED FINANCIAL STATEMENTS

# YEARS ENDED JUNE 30, 2022 AND 2021



### Mission

Delivering solutions to end domestic and dating violence through intervention, awareness and prevention.

## REPORT ON CONSOLIDATED FINANCIAL STATEMENTS

## YEARS ENDED JUNE 30, 2022 AND 2021

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### **INDEPENDENT AUDITORS' REPORT**

To the Board of Directors Casa Myrna Vazquez, Inc. and Affiliates Boston, Massachusetts

### **Opinion**

We have audited the accompanying consolidated financial statements of Casa Myrna Vazquez, Inc. (a nonprofit Massachusetts organization) and Affiliates, which comprise the consolidated statements of financial position as of June 30, 2022 and 2021, and the related consolidated statements of activities, functional expenses and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Casa Myrna Vazquez, Inc. and Affiliates as of June 30, 2022 and 2021, and the changes in their net assets and their cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

### **Basis for Opinion**

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

### Responsibilities of Management for the Consolidated Financial Statements

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

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

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

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

To the Board of Directors Casa Myrna Vazquez, Inc. and Affiliates

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

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

### Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated April 25, 2023 on our consideration of Casa Myrna Vazquez, Inc. and Affiliates' internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Casa Myrna Vazquez, Inc. and Affiliates' internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Casa Myrna Vazquez, Inc. and Affiliates' internal control over financial reporting and compliance.

Westborough, Massachusetts

Smith Sullivan , Brown, PC.

April 25, 2023

# CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS OF JUNE 30, 2022 AND 2021

# **ASSETS**

	ASSETS		
		<u>2022</u>	<u>2021</u>
CURRENT ASSETS:		·	<del></del>
		¢ 460.500	\$ 420.768
Cash		\$ 469,599	\$ 429,768
Accounts Receivable, Net		1,601,235	2,002,747
Gifts and Grants Receivable, Current		69,250	180,325
Prepaid Expenses		60,492	21,113
Total Current Assets		2,200,576	2,633,953
Total Carrent Assets		2,200,570	2,055,755
PROPERTY AND EQUIPMENT, NET		5,816,529	5,927,393
LONG-TERM INVESTMENTS:			
Board Designated Investments		994,952	1,198,620
Endowment Investments		643,331	737,903
Total Long-Term Investments		1,638,283	1,936,523
OTHER ASSETS:			
		200.000	200,000
Program Initiative Reserves		200,000	200,000
Gifts and Grants Receivable, Non-Current		22,500	15,000
Total Other Assets		222,500	215,000
TOTAL ASSETS		\$ 9,877,888	\$10,712,869
	<u>LIABILITIES AND NET ASSETS</u>		
CURRENT LA RUITEG			
<u>CURRENT LIABILITIES</u> :			
Current Portion of Long-Term Debt		\$ 292,217	\$ 86,032
Accounts Payable and Accrued Expenses		286,375	580,376
Accrued Payroll and Related Costs		385,200	350,128
Tenant Security Deposits		10,908	10,908
Deferred Revenue		-	52,702
Total Current Liabilities		974,700	1,080,146
LONG-TERM DEBT, NET OF CURRENT PO	RTION	4,109,970	4,400,563
LONG TERM DEDI, NET OF CORRENT TO	KHON	.,100,00	
TOTAL LIABILITIES		5,084,670	5,480,709
TOTAL ENABLETIES		3,001,070	3,100,707
NET ASSETS:			
·			
Without Donor Restrictions:			
Operating		1,337,371	1,076,784
Program Initiative Reserves		200,000	200,000
Board Designated		994,952	1,198,620
Invested in Property and Equipment		1,414,342	1,440,798
Total Without Donor Restrictions		3,946,665	3,916,202
With Donor Restrictions		846,553	1,315,958
Total Net Assets		4,793,218	5,232,160
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TOTAL LIABILITIES AND NET ASSETS		\$ 9,877,888	\$10,712,869

### CONSOLIDATED STATEMENTS OF ACTIVITIES FOR THE YEARS ENDED JUNE 30, 2022 AND 2021

		2022			2021	
	WITHOUT	<u>WITH</u>		WITHOUT	<u>WITH</u>	
	DONOR	<b>DONOR</b>		<u>DONOR</u>	<u>DONOR</u>	
	RESTRICTIONS	RESTRICTIONS	<u>TOTAL</u>	RESTRICTIONS	<u>RESTRICTIONS</u>	<u>TOTAL</u>
SUPPORT, REVENUES AND RECLASSIFICATIONS:						
Support and Revenues:						
Government Contracts and Grants	\$ 7,304,763	\$ -	\$ 7,304,763	\$ 6,998,415	\$ -	\$ 6,998,415
Other Program Revenues	184,986	-	184,986	116,431	-	116,431
Gifts, Grants and Contributions	779,472	655,321	1,434,793	626,706	2,179,564	2,806,270
Special Event Proceeds	189,757	-	189,757	149,047	-	149,047
Donated Goods and Services	499,614	-	499,614	403,997	-	403,997
Net Investment Return (Loss)	(139,872)	(78,356)	(218,228)	274,889	141,025	415,914
Rental Income, Net	21,328	-	21,328	59,535	-	59,535
Interest Income	25	-	25	112	-	112
Reclassification of Net Assets - Released from Restrictions:						
Program Restrictions	988,904	(988,904)	-	1,835,130	(1,835,130)	-
Lapse of Time Restrictions	41,250	(41,250)	-	56,000	(56,000)	-
Endowment Appropriation	16,216	(16,216)		15,380	(15,380)	
TOTAL SUPPORT, REVENUES AND RECLASSIFICATIONS	9,886,443	(469,405)	9,417,038	10,535,642	414,079	10,949,721
EXPENSES:						
Program Services:						
Residential	3,804,327	-	3,804,327	3,685,180	-	3,685,180
The EVA Center	1,031,919	-	1,031,919	1,100,048	-	1,100,048
Supportive Services	3,112,535	-	3,112,535	3,061,830	-	3,061,830
Safelink, Education and Prevention	1,000,780		1,000,780	1,047,604		1,047,604
Total Program Services	8,949,561	-	8,949,561	8,894,662	_	8,894,662
Supporting Services:						
Administrative	496,644	-	496,644	524,958	-	524,958
Fund Raising	409,775	-	409,775	427,012	-	427,012
Total Supporting Services	906,419	-	906,419	951,970	<u> </u>	951,970
TOTAL EXPENSES	9,855,980		9,855,980	9,846,632		9,846,632
CHANGE IN NET ASSETS	30,463	(469,405)	(438,942)	689,010	414,079	1,103,089
NET ASSETS - BEGINNING OF YEAR	3,916,202	1,315,958	5,232,160	3,227,192	901,879	4,129,071
NET ASSETS - END OF YEAR	\$ 3,946,665	\$ 846,553	\$ 4,793,218	\$ 3,916,202	\$ 1,315,958	\$ 5,232,160

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

(With Summarized Comparative Consolidated Totals for 2021)

	PROGRAM SERVICES			SUPPORTING SERVICES						
				SAFELINK,				DIRECT		
		THE		EDUCATION	TOTAL			COSTS	TO	ΓAL
		EVA	SUPPORTIVE	AND	PROGRAM	ADMINIS-	FUND-	OF RENTAL	FUNCTIONA	L EXPENSES
	RESIDENTIAL	CENTER	SERVICES	PREVENTION	SERVICES	TRATIVE	RAISING	INCOME	2022	2021
PERSONNEL AND RELATED COSTS:					·					
Salaries	\$ 1,197,370	\$ 476,337	\$ 1,269,502	\$ 586,081	\$ 3,529,290	\$ 255,715	\$ 252,238	\$ 15,454	\$ 4,052,697	\$ 3,808,235
Payroll Taxes and Fringe Benefits	227,156	110,624	307,282	117,507	762,569	70,577	46,088	3,858	883,092	915,104
Total Personnel and Related Costs	1,424,526	586,961	1,576,784	703,588	4,291,859	326,292	298,326	19,312	4,935,789	4,723,339
OCCUPANCY:			· · · · · · · · · · · · · · · · · · ·			·				
Rent	-	-	-	-	-	-	-	_	-	65,000
Donated Residential Space	-	120,000	-	-	120,000	-	-	_	120,000	120,000
Utilities	32,994	13,724	10,061	6,453	63,232	16,345	422	1,945	81,944	82,588
Depreciation Expense	72,567	1,950	39,169	7,894	121,580	29,106	112	25,154	175,952	157,201
Mortgage Interest	27,101	3,309	65,108	17,983	113,501	14,952	11,639	34,328	174,420	177,693
Repairs and Maintenance	55,617	15,405	23,176	14,624	108,822	2,797	169	14,183	125,971	136,903
Taxes and Insurance	32,956	12,054	42,590	31,302	118,902	4,255	4,455	16,150	143,762	127,456
Total Occupancy	221,235	166,442	180,104	78,256	646,037	67,455	16,797	91,760	822,049	866,841
OTHER EXPENSES:				·						
Direct Care Subcontractors	-	_	121,341	-	121,341	-	_	_	121,341	72,734
Professional Fees	142,108	18,123	13,487	184,409	358,127	48,044	29,564	_	435,735	534,083
Volunteer Services	· -	´-	162,982	-	162,982	-	-	_	162,982	66,925
Community Outreach	-	_	-	500	500	-	1,014	_	1,514	18,271
Supplies and Materials	184,259	28,303	75,142	8,459	296,163	12,718	2,850	_	311,731	368,278
Telephone and Communications	25,614	17,218	22,145	12,011	76,988	3,603	3,114	_	83,705	84,341
Rental Assistance	1,554,575	1,250	-	-	1,555,825	-	-	_	1,555,825	780,611
Direct Client Assistance	207,241	127,510	861,022	50	1,195,823	-	-	_	1,195,823	2,040,112
Small Equipment and Equipment Rental	7,286	15,094	18,938	3,436	44,754	8,939	990	_	54,683	41,296
Insurance	-	-	-	-	-	9,154	-	_	9,154	14,403
Interest and Finance Charges	-	-	-	-	-	-	-	_	-	8,971
Printing and Postage	497	502	2,696	834	4,529	1,014	4,580	_	10,123	6,963
Travel	12,924	20,259	5,253	78	38,514	176	39	_	38,729	20,243
Dues and Subscriptions	18,541	4,997	13,821	3,490	40,849	13,625	4,565	-	59,039	59,618
Training	2,133	41,974	50,341	4,313	98,761	1,802	_	_	100,563	97,495
Development	-	-	-	-	-	-	33,210	-	33,210	35,225
Bad Debt Expense	-	-	-	-	-	-	_	-	-	86,991
Miscellaneous	3,388	3,286	8,479	1,356	16,509	3,822	14,726	-	35,057	29,803
Total Other Expenses	2,158,566	278,516	1,355,647	218,936	4,011,665	102,897	94,652	-	4,209,214	4,366,363
<b>Total Functional Expenses</b>	3,804,327	1,031,919	3,112,535	1,000,780	8,949,561	496,644	409,775	111,072	9,967,052	9,956,543
Less: Costs of Rental Income								(111,072)	(111,072)	(109,911)
<b>Total Expenses Per Statement of Activities</b>	\$ 3,804,327	\$ 1,031,919	\$ 3,112,535	\$ 1,000,780	\$ 8,949,561	\$ 496,644	\$ 409,775	<u>s - </u>	\$ 9,855,980	\$ 9,846,632

# CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES FOR THE YEAR ENDED JUNE 30, 2021

	PROGRAM SERVICES			SUPPORTING SERVICES					
DEDCOMPLY AND DELATED COCTO	RESIDENTIAL	THE EVA CENTER	SUPPORTIVE SERVICES	SAFELINK, EDUCATION AND PREVENTION	TOTAL PROGRAM SERVICES	ADMINIS- TRATIVE	<u>FUND-</u> <u>RAISING</u>	DIRECT COSTS OF RENTAL INCOME	TOTAL FUNCTIONAL EXPENSES
PERSONNEL AND RELATED COSTS:	# 1 020 02 <i>6</i>	Ø 502.004	A 1 150 006	o 565.050	A 2 2 40 0 60	n 106 722	ф. 251.205	£ 10.240	# 2 000 <b>22</b> 5
Salaries	\$ 1,030,836	\$ 592,094	\$ 1,152,086	\$ 565,952	\$ 3,340,968	\$ 196,732	\$ 251,295	\$ 19,240	\$ 3,808,235
Payroll Taxes and Fringe Benefits	234,236	148,411	293,515	130,903	807,065	45,738	57,884	4,417	915,104
Total Personnel and Related Costs	1,265,072	740,505	1,445,601	696,855	4,148,033	242,470	309,179	23,657	4,723,339
OCCUPANCY:		<0 <b>.</b>	25.426	4	440==	0.44.5	40.000		<
Rent	1,385	692	25,436	16,564	44,077	8,615	12,308	-	65,000
Donated Residential Space	-	120,000	-	-	120,000	-	-	-	120,000
Utilities	33,385	13,548	9,123	5,949	62,005	14,534	780	5,269	82,588
Depreciation Expense	75,404	2,323	46,660	9,403	133,790	1,829	133	21,449	157,201
Mortgage Interest	17,771	2,320	53,753	48,129	121,973	6,852	13,868	35,000	177,693
Repairs and Maintenance	56,555	5,924	36,378	20,253	119,110	2,891	5,816	9,086	136,903
Taxes and Insurance	28,422	9,729	38,176	27,436	103,763	4,705	3,538	15,450	127,456
Total Occupancy	212,922	154,536	209,526	127,734	704,718	39,426	36,443	86,254	866,841
OTHER EXPENSES:									
Direct Care Subcontractors	-	-	72,734	-	72,734	-	-	-	72,734
Professional Fees	141,097	92,919	17,236	160,030	411,282	96,986	25,815	-	534,083
Volunteer Services	-	-	66,925	-	66,925	-	-	-	66,925
Community Outreach	-	-	-	17,315	17,315	-	956	-	18,271
Supplies and Materials	205,160	20,635	122,839	12,540	361,174	6,677	427	-	368,278
Telephone and Communications	21,458	16,877	27,381	13,150	78,866	2,816	2,659	-	84,341
Rental Assistance	775,536	-	5,075	-	780,611	-	-	-	780,611
Direct Client Assistance	1,011,273	24,302	1,004,537	-	2,040,112	-	-	-	2,040,112
Small Equipment and Equipment Rental	12,044	7,997	13,253	4,025	37,319	2,586	1,391	-	41,296
Insurance	-	-	6,288	-	6,288	8,115	-	-	14,403
Interest and Finance Charges	2,419	1,404	2,183	1,955	7,961	447	563	-	8,971
Printing and Postage	403	357	1,494	749	3,003	433	3,527	-	6,963
Travel	7,705	8,919	3,214	-	19,838	405	-	-	20,243
Dues and Subscriptions	4,172	4,976	13,868	3,951	26,967	22,143	10,508	-	59,618
Training	21,749	24,641	43,579	5,929	95,898	1,597	-	-	97,495
Development	-	-	500	300	800	-	34,425	-	35,225
Bad Debt Expense	-	-	-	-	-	86,991	-	-	86,991
Miscellaneous	4,170	1,980	5,597	3,071	14,818	13,866	1,119		29,803
Total Other Expenses	2,207,186	205,007	1,406,703	223,015	4,041,911	243,062	81,390		4,366,363
<b>Total Functional Expenses</b>	3,685,180	1,100,048	3,061,830	1,047,604	8,894,662	524,958	427,012	109,911	9,956,543
Less: Costs of Rental Income								(109,911)	(109,911)
<b>Total Expenses Per Statement of Activities</b>	\$ 3,685,180	<u>\$ 1,100,048</u>	\$ 3,061,830	<u>\$ 1,047,604</u>	<u>\$ 8,894,662</u>	<u>\$ 524,958</u>	\$ 427,012	<u> </u>	\$ 9,846,632

# CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED JUNE 30, 2022 AND 2021

	<u>2022</u>	<u>2021</u>
CASH FLOWS FROM OPERATING ACTIVITIES:		
Change in Net Assets	\$ (438,942)	\$ 1,103,089
Adjustments to Reconcile the Above to Net Cash Provided		
by Operating Activities:		
Depreciation Expense	175,952	157,201
Net Investment (Return) Loss	218,228	(415,194)
(Increase) Decrease in Current Assets:		
Accounts Receivable	401,512	(509,911)
Gifts and Grants Receivable	111,075	(80,512)
Prepaid Expenses	(39,379)	(9,736)
Increase (Decrease) in Current Liabilities:		,
Accounts Payable and Accrued Expenses	(294,001)	384,999
Accrued Payroll and Related Costs	35,072	63,117
Deferred Revenue	(52,702)	52,702
Conditional Grant Advance	-	(674,279)
(Increase) Decrease in Non-Current Assets:		(,,
Gifts and Grants Receivable	(7,500)	(15,000)
Net Adjustment	548,257	(1,046,613)
NET CASH PROVIDED BY OPERATING ACTIVITIES	109,315	56,476
CASH FLOWS FROM INVESTING ACTIVITIES:		
Net Proceeds from Sales/Purchases of Investments	80,012	166,970
Net Cash Outlay for Purchase of Building Improvements	(65,088)	(77,299)
Net Cash Flows from Investing Activities	14,924	89,671
CASH FLOWS FROM FINANCING ACTIVITIES:		
Principal Repayments on Notes Payable	(0.4.400)	(01.125)
	(84,408)	(81,135)
	(84,408) (84,408)	(81,135)
Net Cash Flows from Financing Activities	(84,408)	(81,135)
Net Cash Flows from Financing Activities  NET INCREASE IN CASH BALANCES	(84,408) 39,831	(81,135) <b>65,012</b>
Net Cash Flows from Financing Activities  NET INCREASE IN CASH BALANCES  CASH BALANCES - BEGINNING OF YEAR	(84,408) 39,831 629,768	(81,135) 65,012 564,756
Net Cash Flows from Financing Activities  NET INCREASE IN CASH BALANCES  CASH BALANCES - BEGINNING OF YEAR  CASH BALANCES - END OF YEAR	(84,408) 39,831 629,768	(81,135) 65,012 564,756
Net Cash Flows from Financing Activities  NET INCREASE IN CASH BALANCES  CASH BALANCES - BEGINNING OF YEAR  CASH BALANCES - END OF YEAR  Cash Balances:	(84,408) 39,831 629,768 \$ 669,599	(81,135) 65,012 564,756 \$ 629,768
Net Cash Flows from Financing Activities  NET INCREASE IN CASH BALANCES  CASH BALANCES - BEGINNING OF YEAR  CASH BALANCES - END OF YEAR  Cash Balances:  Cash	(84,408) 39,831 629,768 \$ 669,599 \$ 469,599	(81,135) 65,012 564,756 \$ 629,768 \$ 429,768
Net Cash Flows from Financing Activities  NET INCREASE IN CASH BALANCES  CASH BALANCES - BEGINNING OF YEAR  CASH BALANCES - END OF YEAR  Cash Balances:  Cash  Program Initaitive Reserve	(84,408) 39,831 629,768 \$ 669,599  \$ 469,599 200,000	(81,135) 65,012 564,756 \$ 629,768 \$ 429,768 200,000
Net Cash Flows from Financing Activities  NET INCREASE IN CASH BALANCES  CASH BALANCES - BEGINNING OF YEAR  CASH BALANCES - END OF YEAR  Cash Balances:  Cash	(84,408) 39,831 629,768 \$ 669,599 \$ 469,599	(81,135) 65,012 564,756 \$ 629,768 \$ 429,768
Net Cash Flows from Financing Activities  NET INCREASE IN CASH BALANCES  CASH BALANCES - BEGINNING OF YEAR  CASH BALANCES - END OF YEAR  Cash Balances:  Cash  Program Initaitive Reserve	(84,408) 39,831 629,768 \$ 669,599  \$ 469,599 200,000	(81,135) 65,012 564,756 \$ 629,768 \$ 429,768 200,000

### NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

#### JUNE 30, 2022 AND 2021

### NOTE 1 ORGANIZATION AND AFFILIATIONS

Casa Myrna Vazquez, Inc. ("Casa Myrna", "CMV" or the "Organization") was incorporated in 1976 under the provisions of Massachusetts General Laws Chapter 180 and qualifies as a tax-exempt not-for-profit corporation under Section 501(c)(3) of the Internal Revenue Code ("IRC"). Casa Myrna Vazquez, Inc. has been classified as an organization which is not a private foundation under IRC Section 509(a); accordingly, contributions made to this Organization qualify for the maximum charitable deduction for federal income tax purposes.

CMV is the sole beneficiary of certain trusts which hold certain land and buildings and the related liabilities (See Note 3).

#### NOTE 2 PROGRAM SERVICES

Casa Myrna was founded in 1977 as a volunteer-run shelter in Boston's South End for abused women and their children. The agency added residential and programmatic capacity over the years in response to emerging needs. Today, Casa Myrna serves over 2,000 survivors a year and answers nearly 28,000 calls by multilingual advocates at our SafeLink hotline, the Massachusetts statewide domestic violence hotline. In addition, Casa Myrna provides domestic and dating violence awareness and prevention by educating teens and adults across the state through workshops, seminars, trainings, social media, engagement with the media and annual ad campaigns on mass transit systems. Because we believe every relationship should be safe and healthy, Casa Myrna's mission is to deliver solutions to end domestic and dating violence through intervention, awareness and prevention.

Casa Myrna's programs include:

#### **Housing Programs**

Casa Myrna operates three shelter programs and a transitional "rapid rehousing" program.

Shelter Programs

Casa Myrna's three shelter programs are congregate, home-like environments. Each family/individual has their own room, and shares the kitchens, bathrooms, living, dining and children's play space areas. All participants receive comprehensive supportive services. Each night, Casa Myrna can house up to 26 survivors and 35 children.

The Mary L. Foreman Emergency Program is Casa Myrna's first shelter, opened at our founding in 1977. Survivors work with staff and community-based service providers to plan their next steps, including moving on to transitional and permanent housing. The **Teen Parenting Program** ("TPP") is a program for pregnant and parenting young adults homeless due to domestic and family violence. While at TPP, young parents receive intensive support, complete their education, attend job training or other professional skills-building programs, and participate in nightly group meetings on topics ranging from parenting and nurturing to understanding the dynamics of abusive relationships. The **EVA Center House** is a survivor-led housing program for victims of commercial sexual exploitation.

### NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

#### JUNE 30, 2022 AND 2021

(Continued)

### NOTE 2 (Continued)

Rapid Rehousing Program

In recent years, Casa Myrna has expanded our housing services to include a Rapid Rehousing Program where survivors move quickly from homelessness to permanent housing with rental support for up to two years from Casa Myrna.

#### **Supportive Domestic Violence Services**

Through our comprehensive provision of supports, survivors acquire safety, overcoming the trauma they have experienced and develop skills for long-term economic stability. Being independent, physically, financially and emotionally from their abusers signifies to survivors that they have moved beyond the trauma in their lives. We provide a comprehensive range of supports, free of charge and available in Spanish, English and other languages, to help survivors reach their short and long-term goals, as they define them. Supports include:

### Legal Advocacy Program

The Legal Advocacy Program ("LAP") seeks to address the unmet legal needs of survivors of domestic violence by serving as a point of access for survivors who, due to linguistic, cultural, and economic barriers, would not be able to access representation through traditional mainstream channels. Initially established to provide emergency legal services, the program has expanded its capacity to include full representation in Probate and Family Court matters related to abuse prevention/order of protection, child custody, divorce, and housing. In addition, LAP provides immigration services, community legal clinics, and operates a Legal HelpLine available to advocates and survivors throughout the Commonwealth.

### Counseling Services

Counseling Services provides individual counseling and group support to survivors of domestic violence, as well as referrals to outside therapeutic resources. Counselors provide trainings on the issue of domestic violence to other stakeholders, including social service provider groups, faith-based organizations, and community health centers. The program is staffed by a licensed social worker, counseling advocates, and graduate interns majoring in social work or clinical psychology from area universities.

### Housing Advocacy and Stabilization

Housing Specialists work with survivors who have been made homeless by domestic violence or who are at risk of ongoing abuse in their current living situations. Specialists help survivors assess their housing needs, and provide support in identifying, applying for, securing and maintaining safe permanent, affordable housing. The program also provides financial assistance to remedy utility and housing arrearages, support with first/last/security and moving expenses, and helps secure donations of household items.

### NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

#### JUNE 30, 2022 AND 2021

(Continued)

### NOTE 2 (Continued)

SOAR (Stability, Opportunity, Achievement, Results)

Casa Myrna's economic development program helps survivors set and pursue educational, vocational and employment goals, and supports them in budgeting, saving and planning for their economic stability. In addition to individual support, Economic Stability Specialists provides financial coaching and a six-session workshop series that help survivors review their credit histories, repair bad credit, open savings or checking accounts, and master the realities of budgeting and sound financial planning. The program also helps secure funding for expenses related to education and training and manages a match program for participants in shelter and our rapid rehousing programs that save money, pay off debt, and increase their credit scores.

### Community Advocacy

Community Advocacy Specialists provide an immediate point of access for survivors throughout Boston. Specialists connect with survivors in our office and at partner sites, including health centers, district courts, homeless shelters, and schools. Specialists provide safety planning, advocacy, access to Casa Myrna's other supports, and linkages to other resources. Specialists are also a critical source of information and support to staff at those organizations to help them identify warning signs and risk factors related to domestic violence. In addition to advocacy generalists, the Community Advocacy Program includes a Youth Specialist who provides advocacy for and support to young survivors of dating and domestic violence.

#### Children's Services

The Children's Services Program works to address the complex needs of children of all ages who have witnessed the abuse of their parent, helping them heal and recover from the trauma they have experienced. The program is based on the belief that strengthening the bond between parent and child is critically important to the healing process in the aftermath of domestic violence.

### **EVA Center**

In 2016, the EVA Center became a project of Casa Myrna. The EVA Center is a survivor led, social justice oriented organization whose mission is to empower women who have experienced sexual exploitation (prostitution, sex trafficking) to find solutions to the issues they face and exit the commercial sex industry. The EVA Center also works to challenge public perceptions and strongly advocate for specialized, survivor led, strength-based programming that increases awareness of the many socio-economic and situational factors contributing to women and girls' entry into the sex trade. In 2017, Casa Myrna and the EVA Center partnered to create a housing program and additional advocacy and legal services to survivors of commercial sexual exploitation.

### NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

#### JUNE 30, 2022 AND 2021

(Continued)

### NOTE 2 (Continued)

### SafeLink Hotline

SafeLink is Massachusetts' statewide, 24/7, toll-free domestic violence hotline. Answering an average of 70-90 calls a day, or nearly 28,000 calls annually, SafeLink's multilingual advocates provide survivors with information, crisis intervention, safety planning and referrals to domestic violence organizations in their own communities. They also assist callers who may be friends, family, co-workers and human service providers, by providing education and resources about domestic violence. A critical component of SafeLink is the statewide Bed Update, which provides real-time information on the availability of space in domestic violence shelters across the state.

### **Education, Outreach and Awareness**

By raising the visibility of the issue, Casa Myrna hopes to increase attention, awareness, understanding and discussion - all of which are vital to eradicating domestic and dating violence. Casa Myrna works with youth, college students, and adults in a variety of settings to discuss topics such as patterns of control that lead to abuse, gender stereotypes, racism, poverty, community violence, the media's influence in promoting violence and disrespect, how language can contribute to the problem, and domestic violence in the family. Through public education, work with the media, engaging presentations and interactive workshops, Casa Myrna teaches the public how to recognize the warning signs of controlling, abusive and potentially dangerous intimate relationships, and provides resources on supporting survivors and ending domestic violence.

Casa Myrna's prevention and education initiatives also include our Peer Leader Program to raise awareness about the issue and educate Boston youth on healthy relationships and dating abuse. Peer leaders are paid Casa Myrna staff, and undergo full-time training during the summer and provide education during the school year.

### **Boston Region Domestic Violence Partnership**

In response to the growing need for access to safe shelter and other resources for domestic violence survivors affected by the global coronavirus pandemic, Casa Myrna created the Boston Region Domestic Violence Partnership. The Partnership is a growing collaboration between eight Boston area domestic violence organizations, four hospital-based domestic violence programs, and one university law clinic. As the lead partner, Casa Myrna applied for government and private funding to support the partners in: expanding shelter units to allow for physical distancing outside of our congregate shelters and expand emergency housing options for survivors who are unable to access shelter; providing personal protective equipment and food vouchers to survivors; providing rapid rehousing resources to move survivors from the temporary shelter units to housing; and to share resources and expertise. Through this collaboration, the partners are piloting creative ways to address survivors' needs for safe emergency housing beyond congregate shelter, to move to permanent housing, and to access support and expertise of different programs throughout our region - all having a lasting impact on the provision of domestic violence supports beyond the pandemic.

For more, see Note 15 on the impact of COVID-19.

### NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

#### JUNE 30, 2022 AND 2021

(Continued)

### NOTE 3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

#### **Basis of Accounting:**

The consolidated financial statements of Casa Myrna Vazquez, Inc. and Affiliates have been prepared on the accrual basis of accounting and accordingly, reflect all significant receivables, payables and other liabilities.

#### **Estimates:**

The preparation of consolidated financial statements in conformity with generally accepted accounting principles ("GAAP") requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates; however, adherence to generally accepted accounting principles, has in management's opinion, resulted in reliable and consistent financial reporting by the Organization.

### **Principles of Consolidation:**

These consolidated financial statements include the accounts of CMV and certain trusts in which CMV is the sole beneficiary. These trusts hold certain land and buildings and the related liabilities. The trusts are under common control by the Board of Directors of CMV. For the years presented, there were no financial transactions within the trusts and all activities represent the activities of Casa Myrna Vazquez, Inc.

### Fair Value of Financial Instruments:

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

- Level 1 Quoted prices for identical assets or liabilities in active markets to which the Organization has access at the measurement date.
- Level 2 Inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly. Level 2 inputs include quoted prices for similar assets or liabilities in active markets; quoted prices for identical or similar assets in markets that are not active; observable inputs other than quoted prices for the asset or liability (for example, interest rate and yield curves); and inputs derived principally from, or corroborated by, observable market data by correlation or by other means.
- Level 3 Unobservable inputs for the asset or liability. Unobservable inputs should be used to measure the fair value to the extent that observable inputs are not available.

### NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

#### JUNE 30, 2022 AND 2021

(Continued)

### NOTE 3 (Continued)

The primary use of fair value measures in the Organization's consolidated financial statements are:

- Initial measurement of noncash gifts, including gifts of investment assets and unconditional promises to give
- Recurring measurement of investments

#### **Financial Statement Presentation:**

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

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

Net Assets With Donor Restrictions - Some restrictions are temporary in nature, such as those that are restricted by a donor for use for a particular purpose or in a particular future period. Other restrictions may be perpetual in nature; such as those that are restricted by a donor that the resources be maintained in perpetuity. For the years presented, Casa Myrna has an endowment fund is required to be maintained in perpetuity, but the Organization is permitted to expend part of the income derived from this asset as outlined in the endowment policy. The Organization's unspent contributions are reported in net assets with donor restrictions if the donor limited their use, as are promised contributions that are not yet due. Contributions of property and equipment or cash restricted to acquisition of property and equipment are reported as net assets with donor restrictions if the donor has restricted the use of the property or equipment to a particular program. These restrictions expire when the assets are placed in service.

### **Accounts Receivable:**

Accounts Receivable, Net represents amounts which are primarily due from government funded program service contracts and grants and rent due from tenants. On a periodic basis, Management evaluates receivables and establishes an allowance for doubtful accounts, based on past collections and current credit conditions. A receivable is considered past due if payment has not been received within stated terms. The Organization will then exhaust all methods to collect the receivable. Once all practical resources to collect the receivable have been utilized without success, the receivable is deemed uncollectible and charged to the allowance for doubtful accounts. Accounts Receivable, Net are reported net of the estimated uncollectible balance of \$52,325 as of June 30, 2022 and 2021. In addition to the amounts charged to the provision for uncollectible accounts, Bad Debt Expense for the year ended June 30, 2021 includes \$34,666 of receivables related to non-reimbursable costs on program service contracts that were written off during FY 2021. There was no bad debt expense for the year ended June 30, 2022.

### NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

#### JUNE 30, 2022 AND 2021

(Continued)

### NOTE 3 (Continued)

#### Gifts and Grants Receivable:

Gifts and Grants Receivable reflects the balance due on grant commitments, some of which are restricted for specific program purposes and/or time-restricted. The portion of grants receivable which is scheduled for payment in the coming fiscal year is classified as current, while commitments that exceed one year are classified as non-current. As of June 30, 2022, the non-current portion of grants receivable represents the final installment of a multi-year grant commitment that is due in FY 2024. Management considers these grant commitments to be fully collectible and therefore, has not established a reserve for uncollectible grants. For the years presented, Casa Myrna did not report any losses on unpaid grant commitments.

### **Property and Equipment:**

Property, equipment, furnishing and improvement purchases in excess of \$5,000 are capitalized at cost, if purchased, or if donated, at fair value at the date of receipt. Expenditures for maintenance, repairs and renewals are charged to expense as incurred, whereas major betterments are capitalized as additions to property and equipment. Depreciation of property and equipment is computed using the straight-line method and is charged to activities over the following estimated useful lives of the assets, as expressed in terms of years.

Asset Category	<u>Life</u>
Buildings	40
Building Improvements	5 - 40
Furniture and Equipment	3 - 7

The Organization reviews its investments in real estate for impairment whenever events or changes in circumstances indicate that the carrying value of such property may not be recoverable. Recoverability is measured by a comparison of the carrying amounts of the real estate to the future net undiscounted cash flow expected to be generated by the rental property and any estimated proceeds from the eventual disposition of the real estate. If the real estate is considered to be impaired, the impairment to be recognized is measured at the amount by which the carrying amount of the real estate exceeds the fair value of the property. There were no impairment losses recognized in each of the years presented.

#### **Investments:**

The Organization maintains an investment portfolio which may include money market funds, equity securities, government agency and corporate bonds that are reported at fair value. Investment purchases are recorded at cost, or if donated at fair value on the date of donation. Thereafter, investments are reported at their fair values in the Consolidated Statements of Financial Position. Net investment return (loss) is reported in the Consolidated Statements of Activities and consists of interest and dividend income, realized and unrealized capital gains and losses, less external and direct internal investment expenses.

Investments are classified as short or long-term depending upon the nature of the investments and the intentions of management. *Board Designated Investments* are intended for capital expenditures, including real estate acquisitions, and other long-term purposes, and therefore, are presented as long-term, non-current assets. *Endowment Investments* represent net assets with donor restrictions held in perpetuity; accordingly, the investments are classified as long-term regardless of the investment liquidity.

### NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

#### JUNE 30, 2022 AND 2021

(Continued)

### NOTE 3 (Continued)

#### **Endowment Funds:**

As required by the Commonwealth of Massachusetts, the Organization follows the guidance of the Uniform Prudent Management of Institutional Funds Acts ("UPMIFA"). UPMIFA establishes law for the management of investment of donor-restricted endowment funds.

The Organization's spending policy for endowment funds provides that up to 3% of the fair value of such investments may be released annually for purposes of general operating spending. The 3% is calculated using the average market value of the pool over the last 20 calendar quarters in order to help to reduce the volatility of this income stream.

Pursuant to this policy, the amount which may be released is determined during the year and funds are disbursed from the investment funds to the Organization's operating accounts. Management's interpretation of state law is that the Organization may appropriate as much of the net appreciation as is prudent considering the Organization's long and short-term needs, present and anticipated financial requirements, expected total return on its investments, price level trends, and general economic conditions. In accordance with UPMIFA, the Organization considers the following factors in making a determination of whether to invest or appropriate donor-restricted endowment funds:

- The duration and preservation of the fund
- The purposes of the Organization and the donor-restricted endowment fund
- General economic conditions
- The possible effect of inflation and deflation
- The expected total return from income and the appreciation of investments
- Other resources of the Organization
- The investment policies of the Organization

Income and appreciation earned on endowment investments are classified as Net Assets With Donor Restrictions until appropriated for expenditure by the Board of Directors. From time to time, the fair value of assets associated with individual donor-restricted endowment funds may fall below the level that the donor or Massachusetts law requires the Organization to retain as a fund of perpetual duration. For the years presented, there were no funds of this nature. When applicable, deficiencies of this nature are reported in net assets without donor restrictions.

The Organization takes a conservative approach to investing its endowment funds, which are maintained in equities, government, agency and corporate bonds and cash equivalents.

### **Debt Issuance Costs:**

Debt issuance costs are presented as a reduction of the carrying amount of the debt rather than as an asset. Accordingly, costs incurred in connection with debt issuance are deferred and amortized on a straight-line basis over the life of the respective debt. These expenses are included in *Mortgage Interest* in the Consolidated Statements of Functional Expenses. *Long-Term Debt* is presented net of unamortized debt issuance costs in the accompanying Consolidated Statements of Financial Position.

### <u>CASA MYRNA VAZQUEZ, INC.</u> <u>AND AFFILIATES</u>

### NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

#### JUNE 30, 2022 AND 2021

(Continued)

NOTE 3 (Continued)

### **Revenue Recognition:**

#### *Unit-Rate Agreements*

As more fully detailed in Note 9, a significant portion of Casa Myrna's revenue is derived from unit-rate agreements with the Massachusetts Department of Public Health ("DPH") to provide funding for domestic violence programs. These programs are funded under DPH agreements pursuant to statewide rates for residential and community-based services. Residential services are billed on a monthly basis as services are provided based upon established rates per room night. Community-based services are also billed on a monthly basis as services are provided based upon a tiered accommodations basis rate which provides for a fixed monthly payment for a specified staffing pattern. Revenue is recognized as the services are provided and invoiced upon completion of the service delivery. The service period coincides with Casa Myrna's fiscal reporting period and, as the contracts were billed in full within each respective fiscal year end, there were no conditional balances at each year end presented.

### Cost-Reimbursement Agreements

Also disclosed in Note 9, Casa Myrna receives revenue from cost-reimbursement grants through the Massachusetts Office for Victim Assistance ("MOVA"), the U.S. Department of Justice Office on Violence Against Women ("OVW"), Federal Emergency Management Agency ("FEMA") (administered by the Commonwealth of Massachusetts) and the City of Boston which are conditional upon certain performance requirements and the incurrence of allowable qualifying expenses. Several grants administered by MOVA and the City of Boston also require a non-federal match as a condition to funding. Amounts received are recognized as revenue when Casa Myrna has incurred expenditures in compliance with specific contract or grant provisions. Casa Myrna invoices governmental agencies for reimbursement after such expenses have been incurred and does not receive payment in advance of service delivery. Therefore, as of June 30, 2022 and 2021, there was no obligation for conditional grant advances arising from these agreements in the accompanying consolidated financial statements.

### Rental Income

In June 2019, the Organization purchased two adjacent buildings for its future headquarters that had existing commercial leases with various terms through May 2023. Rental revenue is recognized as earned. *Rental Income* is presented net of allocable expenses, which include depreciation, interest and facility costs attributed to the rented property in the accompanying Consolidated Statements of Activities (*See Note 12*).

### NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

#### JUNE 30, 2022 AND 2021

(Continued)

### NOTE 3 (Continued)

### Gifts, Grants and Contributions:

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

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

Conditional donations are those that have a measurable performance or other barrier and include a right of return of the assets or right of release of the donor from further obligation if the conditions are not met. Conditional donations are not recognized until the associated barriers are met. Any cash received before the conditions or barriers are met is reported as a refundable grant advance. When the conditions are met the revenue is reported as contributions without donor restrictions unless there are further restrictions over and above those associated with the donor conditions. In such cases, when the conditions and restrictions are met within the same reporting period, the support is recognized as contributions or grants without donor restrictions. CMV's government funded service agreements fall within this classification.

Special Event Proceeds is comprised of an exchange element based upon the direct benefits donors receive and a contribution element for the difference. The Organization recognizes special events revenue equal to the fair value of direct benefits to donors when the special event takes place. The Organization recognizes the contribution element of special event revenue immediately, unless there is a right of return if the special event does not take place.

### **Donations of Nonfinancial Assets:**

Contributed nonfinancial assets include donated professional services, facility usage and program supplies. Donated services are recognized as contributions if the services (a) create or enhance nonfinancial assets or (b) require specialized skills, are performed by people with those skills, and would otherwise be purchased by the Organization. CMV relies heavily upon volunteer involvement in direct service, to program participants. CMV also relies upon donations from the general public of program supplies, materials, clothing, food and personal items for program participants. CMV may also receive contributions in the form of publicly traded securities, which are converted to cash upon receipt; otherwise, in-kind donations are not monetized.

### NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

#### JUNE 30, 2022 AND 2021

(Continued)

### NOTE 3 (Continued)

### **Functional Expenses:**

CMV allocates its expenses on a functional basis among its various programs and support services. Expenses that can be identified with a specific program and support service are allocated directly according to their natural expenditure classification. For the years presented, *Salaries* and *Payroll Taxes and Fringe Benefits* are allocated based on employee time and effort. *Rent, Utilities, Depreciation Expense, Mortgage Interest, Repairs and Maintenance*, and *Taxes and Insurance* are allocated based on square footage. Supporting services are those related to operating and managing Casa Myrna's and its programs on a day-to-day basis.

Supporting services have been sub-classified as follows:

Administrative - includes all activities related to Casa Myrna's internal management and accounting for program services.

*Fund Raising* - includes all activities related to maintaining contributor information, writing grant proposals, distribution of materials and other similar projects related to the procurement of funds for Casa Myrna's programs.

Direct Costs of Rental Income - includes the occupancy costs allocated to the properties subject to the Organization's commercial leases (See Note 12).

### **Tax Position:**

The Organization currently evaluates all tax positions and makes a determination regarding the likelihood of those positions being upheld under review. The primary tax position made by CMV is the existence of Unrelated Business Income Tax and the Organization's status as a tax-exempt organization under IRC Section 501(c)(3).

The Organization does incur a liability for both federal and state income taxes on the income, if any, related to the operations of its leased commercial properties, which is classified as unrelated business income, as defined by IRC Section 512(a)(1). For the years presented, there were no income taxes due from the rental of commercial real estate. When applicable, the Organization recognizes the tax expense for unrelated business income when paid.

### **Recent Accounting Guidance:**

Recently Implemented Standards

During the year ended June 30, 2022, the Organization adopted ASU 2020-07 *Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets*. This ASU increases transparency in reporting nonprofit gifts-in-kind in the Organization's consolidated financial statements. Although the standard did not change the accounting for contributed nonfinancial assets, the Organization's disclosures have been enhanced to provide qualitative policy information on the techniques and inputs used to determine the valuation of nonfinancial donations. Accordingly, disclosures for the year ended June 30, 2021 were enhanced to be comparative to the FY 2022 presentation.

### NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

### JUNE 30, 2022 AND 2021

(Continued)

### NOTE 4 INVESTMENTS

As of June 30, 2022 and 2021, CMV's investment portfolio consists of the following:

		June 30, 2022	
		<b>Quoted Prices</b>	Significant
	Total	In Active Markets	Other Observable
	Fair	For Identical Assets	Inputs
<u>Investment Type</u>	Value	(Level 1)	(Level 2)
Money Market Funds (at Cost)	\$ 105,419	\$ -	\$ -
Common Stock	1,084,023	1,084,023	· -
Government, Agency		, ,	
and Corporate Bonds	448,841		448,841
Total	<u>\$1,638,283</u>	<u>\$1,084,023</u>	<u>\$448,841</u>
		June 30, 2021	
		<b>Quoted Prices</b>	Significant
	Total	In Active Markets	Other Observable
	Fair	For Identical Assets	Inputs
<u>Investment Type</u>	Value	(Level 1)	(Level 2)
Money Market Funds (at Cost)	\$ 26,810	\$ -	\$ -
Common Stock	1,390,412	1,390,412	-
Government, Agency			
and Corporate Bonds	519,301	<u> </u>	519,301
Total	\$1,936,523	\$1,390,412	\$519,301

The Organization uses the following ways to determine the fair value of its investments:

Common Stock: Traded on national securities exchanges and are determined by the published closing price on the last business day of the fiscal year.

Government, Agency and Corporate Bonds: Valued at the market quotations provided by brokers and dealers who used quotations for similar securities in active markets, which represents a market approach.

Financial Statement Classification:	<u>2022</u>	<u>2021</u>
Board Designated Investments	\$ 994,952	\$1,198,620
Endowment Investments	643,331	737,903
Total	\$1,638,283	\$1,936,523

### <u>CASA MYRNA VAZQUEZ, INC.</u> <u>AND AFFILIATES</u>

### NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

#### JUNE 30, 2022 AND 2021

(Continued)

### NOTE 5 PROPERTY AND EQUIPMENT

The following is a summary of the Organization's property and equipment as of June 30, 2022 and 2021:

Asset Category	<u>2022</u>	<u>2021</u>
Land	\$ 1,529,269	\$ 1,529,269
Buildings and Improvements	6,150,562	6,033,379
Furniture and Equipment	38,548	38,548
Construction in Progress	<u> </u>	52,094
Total Property and Equipment	7,718,379	7,653,290
Less: Accumulated Depreciation	(1,901,850)	(1,725,897)
Property and Equipment, Net	\$ 5,816,529	\$ 5,927,393

### NOTE 6 LINE-OF-CREDIT

Casa Myrna is party to a line-of-credit agreement with Cambridge Trust Company, that is due on demand, with a maximum available borrowing limit of \$1,000,000 (See Note 7). The line-of-credit is secured by all business assets and the real estate located at Blue Hill Avenue and Warren Street, Dorchester, MA. The debt covenants require a thirty-day zero balance period annually and liquidity requirements. For the years presented, CMV was in compliance with the debt covenants. Interest is calculated at the prime rate plus 0.5%, but not less than 3.75%. As of June 30, 2022 and 2021, the interest rate was 5.25% and 3.75%, respectively, and the line-of-credit carried a zero balance.

### NOTE 7 MORTGAGE DEBT

#### **City of Boston:**

Casa Myrna has an interest only note payable to the City of Boston's Department of Neighborhood Development in the amount of \$202,783. Interest of 3% is payable annually through April 2023, at which time any unpaid principal and interest are due. This note is secured by a first mortgage on land and a building which houses the Teen Parenting Program, located in Dorchester, MA.

### **Revenue Bonds:**

The Organization secured financing for a portion of its building purchase with proceeds from tax-exempt bonds in the amount of \$3,250,000, which were issued by the Massachusetts Development Finance Agency and purchased by Cambridge Trust Company. These bonds were issued on June 1, 2019, and the loan was fully advanced at closing. The bond bears interest at a fixed rate of 3.6%. Beginning July 2019, the repayment for the bonds is over a 10-year term and consists of monthly interest and principal payments of \$14,868, based on a 30-year mortgage-style amortization schedule.

### **Mortgage Note:**

In addition to the revenue bonds, the Organization secured a mortgage in the amount of \$1,250,000 from Cambridge Trust Company with a fixed interest rate of 4.56% per annum. Beginning July 2019, the repayment for the note is over a 10-year term and consists of monthly interest and principal payments of \$6,194, based on a 30-year amortization schedule.

### NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

# JUNE 30, 2022 AND 2021

(Continued)

### NOTE 7 (Continued)

The revenue bonds and mortgage note payable to Cambridge Trust Company are guaranteed by a security interest in substantially all assets of the Organization and a mortgage on the underlying real estate. The debt covenants include a debt service coverage ratio of 1.15 and liquidity requirements as detailed in the financing agreements with Cambridge Trust. As of June 30, 2022 and 2021, CMV was in compliance with the debt covenants.

As of June 30, 2022 and 2021, the outstanding balance on the preceding debt was \$4,413,562 and \$4,499,595, respectively. The principal portion scheduled for payment in FY 2023 is \$292,217 and the remaining non-current portion due in subsequent years is presented on the following table.

Fiscal Year Ending	1	Amount
June 30, 2024	\$	92,533
June 30, 2025		96,634
June 30, 2026		100,459
June 30, 2027		104,441
Thereafter*	_3	,715,903
Total Long-Term Debt	<u>\$4</u>	,109,970

<sup>\*</sup>Net of Unamortized Debt Issuance Costs of \$11,375.

### NOTE 8 NET ASSETS WITH DONOR RESTRICTIONS

As of June 30, 2022 and 2021, net assets with donor restrictions consisted of the following balances:

Nature of Restriction	<u>2022</u>	<u>2021</u>
Appreciation on Endowment Investments	\$253,331	\$ 347,903
Endowment Assets Restricted in Perpetuity	390,000	390,000
Housing Programs	103,055	150,000
Legal Advocacy	45,000	-
Teen Parenting Program	38,750	30,000
Community Outreach and Advocacy	13,500	15,125
The EVA Center and Exit Program	2,917	91,667
COVID-19 Operational Relief	-	155,561
Community-Based Programs	-	96,952
Time Restricted, General Operations		38,750
Total	<u>\$846,553</u>	<u>\$1,315,958</u>

### NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

### JUNE 30, 2022 AND 2021

(Continued)

### NOTE 8 (Continued)

For the years presented, net assets were released from restriction for the following programs and purposes:

Nature of Restriction	<u>2022</u>	<u>2021</u>
Housing Programs	\$ 239,866	\$ 97,954
COVID-19 Operational Relief	169,561	716,299
Community-Based Programs	163,452	5,548
Community Outreach and Advocacy	129,125	32,500
Teen Parenting Program	123,250	112,000
The EVA Center and Exit Program	106,650	139,550
Legal Advocacy	57,000	57,000
Time Restricted, General Operations	41,250	56,000
Endowment Appropriation	16,216	15,380
Paycheck Protection Program		674,279
Total	<u>\$1,046,370</u>	<u>\$1,906,510</u>

In FY 2020, the Organization received a \$250,000 donation for the EVA Center. A portion of the funds were used for operations during that fiscal year. The remaining funds were used to establish the EVA Center Fund in accordance with the donor's intention. These monies have been placed in a separate account to be used as needed to support the EVA Center Program and is reported as *Program Initiative Reserves*, representing net assets without donor restrictions in the accompanying Consolidated Statements of Financial Position.

The composition of and changes in donor-designated endowment net assets for the years ended June 30, 2022 and 2021 were as follows:

	With Donor Restrictions Original Gift Net		<u>Total</u> Endowment
	Amount	Appreciation	Net Assets
Endowment Net Assets,			
July 1, 2020	\$390,000	\$222,258	\$612,258
Appropriation	-	(15,380)	(15,380)
Investment Return		141,025	141,025
Endowment Net Assets,			
June 30, 2021	390,000	347,903	737,903
Appropriation	-	(16,216)	(16,216)
Investment Loss		<u>(78,356</u> )	<u>(78,356</u> )
Endowment Net Assets, June 30, 2022	<u>\$390,000</u>	<u>\$253,331</u>	<u>\$643,331</u>

### NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

#### JUNE 30, 2022 AND 2021

(Continued)

### NOTE 9 GOVERNMENT FUNDED CONTRACTS AND GRANTS

### Commonwealth of Massachusetts - Department of Public Health ("DPH"):

For many years, Casa Myrna has contracted with the Commonwealth of Massachusetts in several purchase-of-service arrangements under domestic violence programs that provided funding for the emergency shelter, the teen residential program, the SafeLink Hotline program, and community-based service programs, which are administered by the DPH. The aggregate funding these from contracts amounted to \$2,646,511 in FY 2022 and \$2,358,358 in FY 2021. The contract for the SafeLink Hotline program is administered on a cost reimbursement basis while the residential program is administered on unit rates per bed/room night, and the community-based contract is payable at fixed monthly rates within a tiered system based upon the level of staffing committed to the program.

### **U.S. Department of Justice ("DOJ"):**

During the years presented, Casa Myrna was the recipient of three federal awards through the DOJ Office on Violence Against Women ("OVW"). The first award supports CMV's Legal Advocacy Program and was funded under the federal *Legal Assistance for Victims Grant Program* with a three-year term expiring September 30, 2022 and a maximum budget of \$600,000. The second award is funded under the *Consolidated Youth Program* under a \$1,200,000 grant which was awarded in FY 2016 and expires September 30, 2024. The third award relates to OVW's Trial Court Program, which is funded under the federal program, *Justice System's Response to Families*, with funding of \$84,090 through September 30, 2022. This grant supports staffing for a legal advocate at the EVA Center.

CMV receives additional DOJ funds under the Victims of Crime Act ("VOCA") under cost-reimbursement agreements through the Massachusetts Office for Victim Assistance ("MOVA"). These grants significantly expanded Casa Myrna's programming capacity for legal advocacy, community-based advocacy and an exit program for survivors of commercial sexual exploitation. Additional funds were received for emergency support in response to the COVID-19 pandemic. These grants provided funding totaling \$1,856,003 and \$2,187,180, respectively, for the years ended June 30, 2022 and 2021.

Total revenue received through DOJ funded programs was \$2,226,479 and \$2,453,947 for the years ended June 30, 2022 and 2021, respectively.

### U.S. Department of Housing and Urban Development ("HUD"):

Casa Myrna received funding from HUD through the City of Boston for Rapid Rehousing, under two contracts which renew annually on November 1, with maximum two-year funding of \$2,291,440 that expire on October 31, 2022. During the years presented, Casa Myrna received additional funding from HUD and the City of Boston related to the Rapid Rehousing programs, including emergency rehousing services during the COVID-19 pandemic for an additional forty families as well as implementing a new Rapid Rehousing and Peer Navigation program to serve 18-24 year olds experiencing homelessness. The terms of these contracts run through June 30, 2022 and September 30, 2023 with a maximum obligation of \$2,349,573. Contracts with HUD related to Rapid Rehousing provided funding totaling \$2,020,977 and \$1,019,429, respectively, for the years ended June 30, 2022 and 2021.

### <u>CASA MYRNA VAZQUEZ, INC.</u> <u>AND AFFILIATES</u>

### NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

#### JUNE 30, 2022 AND 2021

(Continued)

### NOTE 9 (Continued)

In each year presented, additional contract funding of approximately \$35,000 per year was received under the Community Development Block Grant Program, also administered by the City of Boston, and provided funding for Casa Myrna's economic development program.

Total funds received through HUD sources amounted to \$2,054,764 and \$1,054,429 for the years ended June 30, 2022 and 2021, respectively.

### Federal Emergency Management Agency ("FEMA"):

On March 10<sup>th</sup>, 2020, Governor Baker issued a State of Emergency in response to COVID-19, recognizing the need to facilitate and expedite the use of Commonwealth resources to protect people from the impacts of the spread of COVID-19. On this date, Massachusetts Department of Housing and Community Development ("DHCD") requested that their existing vendors providing emergency shelter services begin tracking increased expenses related to providing safe shelter during the pandemic. Additionally, on March 15, 2020, DHCD released written requirements to emergency shelters across Massachusetts with expectations for precautionary social distancing and safe sheltering in accordance with DPH and CDC COVID-19 health and safety precautions. In response to the State of Emergency, the FEMA funds were provided for the primary purpose of depopulating congregate living shelters and relocating people to hotels and similar extended stay short-term rentals during the COVID-19 pandemic.

As the lead agent for the Boston Region Domestic Violence Partnership described in Note 2, CMV received and coordinated the reimbursement of FEMA funds. These funds were required to be used to prevent, prepare for, and respond to coronavirus among individuals and families who were homeless or receiving homeless assistance and to support additional homeless assistance and homelessness prevention activities to mitigate the impacts created by coronavirus. The DHCD, which administered FEMA funds, awarded Casa Myrna a FEMA grant with a maximum obligation of \$2,000,000. The term of the grant was July 1, 2020 through July 31, 2021 and allowed reimbursement retroactive to March 13, 2020. Total funds received through FEMA amounted to \$306,835 and \$1,033,696 for the years ended June 30, 2022 and 2021, respectively.

### NOTE 10 CONDITIONAL GRANTS AND COMMITMENTS

#### **Conditional Grant Awards:**

During the year ended June 30, 2021, the Organization was awarded a three-year grant totaling \$187,500 from Massachusetts General Hospital. The first two annual installments of \$62,500 were recognized in each of the years presented as *Gifts*, *Grants and Contributions* in the accompanying Consolidated Statements of Activities. The remaining installment of \$62,500 due in FY 2023 is subject to specific conditions that have not been met as of June 30, 2022, and therefore, this amount has not been recognized in the accompanying consolidated financial statements.

### NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

#### JUNE 30, 2022 AND 2021

(Continued)

### NOTE 10 (Continued)

#### **Paycheck Protection Program Loan:**

Casa Myrna received a loan in the amount of \$674,279 from Cambridge Trust Company through the Paycheck Protection Program established by the U.S. CARES Act (the "PPP Loan") on April 14, 2020. The loan was uncollateralized and was fully guaranteed by the Federal government. The Organization elected to account for the expected forgivable portion of this loan as a conditional grant commitment and use a 24-week covered period which expired on September 29, 2020. As of June 30, 2021, CMV had incurred \$674,279 of qualifying costs, which have been recognized as grant revenue for the fiscal year then ended. Subsequent to year end, the loan forgiveness application was approved by the SBA on July 28, 2021.

As of June 30, 2022 and 2021, the aggregate conditional funding remaining on the government funded grants as disclosed in Note 9 was \$1,979,058 and \$2,109,854, respectively.

### NOTE 11 DONATED GOODS AND SERVICES

For the years presented, the Organization recognized the following in-kind contributions in the consolidated financial statements:

Description	<u>2022</u>	<u>2021</u>
EVA Center House Rent	\$120,000	\$120,000
Legal Interns	112,710	31,535
Mental Health Interns	50,272	35,390
Program Supplies	216,632	213,472
Other Services		3,600
Total	<u>\$499,614</u>	\$403,997

Casa Myrna receives donated residential space for the EVA Center, which provides emergency housing for nine women and their children. Donated space is valued using market rates for similar residential properties.

Contributed legal and mental health assistance for clients is provided by student interns from local universities. Contributed services are recognized at fair value based on current rates for similar legal and psychological services.

Program supplies are valued using estimated pricing for like-kind items while considering the goods' condition and utility for use at the time of contributions. These items include clothing, household goods, and other supplies used in program services for program participants.

All gifts in-kind received during the years ended June 30, 2022 and 2021 were unrestricted.

### NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

#### JUNE 30, 2022 AND 2021

(Continued)

### NOTE 12 RENTAL INCOME

Rental Income, Net consists of the following amounts for the years ended:

	<u>2022</u>	<u>2021</u>
Rental Income	\$ 132,400	\$ 169,446
Less: Rental Expenses	(111,072)	(109,911)
Rental Income, Net	<u>\$ 21,328</u>	\$ 59,535

As of June 30, 2022, the aggregate minimum rental payments due under non-cancelable commercial leases are scheduled below.

Fiscal Year Ending	Amount
June 30, 2023	\$109,383
June 30, 2024	18,792
Total	\$128,175

### NOTE 13 EMPLOYEE BENEFIT PLAN

Casa Myrna Vazquez, Inc. maintains a 403(b) retirement savings plan covering all eligible employees. The plan allows eligible employees of the Organization to defer a percentage of their earnings from current taxation by investing in mutual funds. For the years ended June 30, 2022 and 2021, the Board of Directors authorized a match of 50%, up to 4% of eligible compensation; therefore, an expense of \$65,193 and \$60,585, respectively, was recognized and reported as *Payroll Taxes and Fringe Benefits* in the accompanying Consolidated Statements of Functional Expenses.

### NOTE 14 CONCENTRATIONS

### **Cash and Investments:**

The Organization is subject to concentrations in credit risk relating to cash and investments. For each of the years presented, the Organization's cash deposits are held primarily in one bank. Cash balances are insured by the Federal Deposit Insurance Corporation ("FDIC") up to \$250,000 per institution. The Organization had \$379,419 and \$316,090 in excess of federally insured limits as of June 30, 2022 and 2021, respectively; however, the Organization has not experienced any losses on such accounts and management considers credit risk on cash to be low.

The Organization invests in professionally managed money market funds, bonds, and mutual funds. The Organization's investments are exposed to various risks, such as fluctuations in market value, and credit risk. Thus, it is at least reasonably possible that changes in the near term could materially affect investment balances. The brokerage service is a member of the Securities Investor Protection Corporation ("SIPC") which protects securities customers of its members up to \$500,000, including \$250,000 for claims of cash. The Organization's investment performance is reviewed by the Board of Directors on a periodic basis.

### <u>CASA MYRNA VAZQUEZ, INC.</u> <u>AND AFFILIATES</u>

### NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

#### JUNE 30, 2022 AND 2021

(Continued)

### NOTE 14 (Continued)

### **Contract Revenue and Accounts Receivable, Program Services:**

Approximately 20% of total support and revenues in each year and 42% and 31% of accounts receivable from program services are related to VOCA funded contracts through MOVA as of and for the years ended June 30, 2022 and 2021, respectively.

Approximately 28% and 21% of total support and revenues are related to contracts with the Commonwealth of Massachusetts DPH for the years ended June 30, 2022 and 2021, respectively.

Approximately 21% of total support and revenues are related to contracts with HUD for the year ended June 30, 2022.

Approximately 35% of accounts receivable from program services are related to FEMA assistance administered by DHCD as of June 30, 2021.

#### Gifts and Grants Receivable:

As of June 30, 2022, amounts due from one funder accounted for 49% of Gifts and Grants Receivable.

As of June 30, 2021, amounts due from two funders accounted for 46% of Gifts and Grants Receivable.

### NOTE 15 CONTINGENCIES

### **Surplus Revenue Retention:**

The Commonwealth of Massachusetts Operational Services Division's ("OSD") regulation, 808 CMR 1.19(3), *Not-for-Profit Surplus Revenue Retention*, allows social service providers to retain a surplus up to twenty percent of total revenues attributable to or generated by Commonwealth agreements for the provision of social services to clients of the Commonwealth and to use such surplus revenue for charitable purposes of the Organization. Amounts that exceed the threshold may be subject to recoupment by the Commonwealth. Management concludes that Casa Myrna is in compliance with the OSD requirements.

#### **Government Gants:**

Casa Myrna is the recipient of government funded grants which are subject to an annual renewal process; therefore, while the Organization is a long-time grantee with anticipated continued funding, future funding is not guaranteed. These grants are subject to possible audit by the appropriate government agencies. In the opinion of Management, the results of such audits, if any, will not have a material effect on the financial position of Casa Myrna as of June 30, 2022 and 2021, or on its change in net assets for the years then ended.

### **Legal Matters:**

In the ordinary course of the Organization's business, the Organization is from time-to-time involved in lawsuits. The Organization denies any wrongdoing in these cases and is taking the appropriate legal steps in defense of these disputes. It is the Organization's position that any potential settlement would not be material to the accompanying consolidated financial statements.

### NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

### JUNE 30, 2022 AND 2021

(Continued)

### NOTE 15 (Continued)

### **Impact of COVID-19:**

In early 2020, an outbreak of a novel strain of coronavirus (COVID-19) emerged globally. In order to prevent the spread of the virus in congregate settings and assist survivors fleeing abuse when shelter was unavailable, Casa Myrna secured additional residential units in hotels and apartments during the years ended June 30, 2022 and 2021, including 22 units in executive apartment buildings in the Boston area. The funding for these additional units was made possible with COVID-related funding from government and private sources and, in part, through the Organization's creation of a Boston Region Domestic Violence Partnership to expand emergency shelter support for survivors. Boston Resiliency Funds were received to pay for temporary shelter unit expenses through December 31, 2021, with Casa Myrna as the lead agent in charge of disbursing funds to the collaboration members.

In addition to the temporary shelter expenses, Casa Myrna also provided financial assistance and resources to its participants, which included food vouchers, rental assistance, utility assistance, personal protective equipment and cleaning supplies, transportation, clothing, diapers, and other basic needs. Casa Myrna was able to retain all staff members, providing premium pay for staff working on-site in the shelter programs and providing services and financial assistance to meet the needs of survivors.

### NOTE 16 LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS

The following table reflects the Organization's financial assets as of June 30, 2022 and 2021, reduced by amounts not available for general expenditure within one year. Financial assets are considered unavailable when illiquid or not convertible to cash within one year or because the governing board has set aside the funds for a specific contingency reserve, capital investment or other long-term investments or when restricted by donors for purposes more limited than general expenditures.

	2022	<u>2021</u>
Financial Assets:		
Cash	\$ 669,599	\$ 629,768
Investments	1,638,283	1,936,523
Accounts Receivable	1,601,235	2,002,747
Gifts and Grants Receivable	91,750	195,325
Total Financial Assets as of June 30th	4,000,867	4,764,363
Less Amounts Not Available to be Used Within One Year:		
Program Initiative Reserves	(200,000)	(200,000)
Board Designated Funds, Net of Estimated Appropriation	(994,952)	(1,198,620)
Endowment Investments	(643,331)	(737,903)
Gifts and Grants Receivable, Non-Current	(22,500)	(15,000)
Financial Assets Available to Meet		
General Expenditures Within One Year	\$2,140,084	<u>\$ 2,612,840</u>

### NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

### JUNE 30, 2022 AND 2021

(Continued)

### NOTE 16 (Continued)

As part of the Organization's liquidity management, it has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due. Additionally, the Organization is subject to certain liquidity covenants as part of the financing agreements with Cambridge Trust Company (*See Note 7*). To help manage unanticipated liquidity needs, the Organization has a committed line of credit of \$1,000,000, which it could draw upon. See Note 6 for information about the Organization's line-of-credit.

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

### NOTE 17 SUBSEQUENT EVENTS

Management is required to consider events subsequent to the financial statement date for potential adjustment to or disclosure in the consolidated financial statements. Therefore, Management has evaluated subsequent events through April 25, 2023, the date which the consolidated financial statements were available for issue and noted the following event which met the disclosure criteria:

### **City of Boston Mortgage Maturity:**

As disclosed in Note 7, unpaid principal and interest on the Organization's note payable to the City of Boston's Department of Neighborhood Development was due in April 2023. Casa Myrna is currently in negotiations with the City for an extension or refinancing arrangement on the note.