CHARLES RIVER CENTER

THE CHARLES RIVER ASSOCIATION FOR RETARDED CITIZENS, INC.
D/B/A THE CHARLES RIVER CENTER
AND AFFILIATES

COMBINED FINANCIAL STATEMENTS
JUNE 30, 2022 AND 2021

THE CHARLES RIVER ASSOCIATION FOR RETARDED CITIZENS, INC.
D/B/A THE CHARLES RIVER CENTER AND AFFILIATES

Contents
June 30, 2022 and 2021

50 Washington Street
Westborough, MA 01581
508.366.9100
aafcpa.com

Independent Auditor's Report

To the Boards of Directors of
The Charles River Association for Retarded Citizens, Inc.
d/b/a The Charles River Center and Affiliates:

Opinion

We have audited the combined financial statements of The Charles River Association for Retarded Citizens, Inc. d/b/a The Charles River Center and Affiliates (Massachusetts corporations, not for profit) (collectively, the Agency), which comprise the combined statements of financial position as of June 30, 2022 and 2021, and the related combined statements of activities, 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 The Charles River Association for Retarded Citizens, Inc. d/b/a The Charles River Center 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). 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 Agency 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, that raise substantial doubt about the Agency'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.

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 Agency'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, that raise substantial doubt about the Agency'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.

Other Matters

Our audits were conducted for the purpose of forming an opinion on the combined financial statements as a whole. The accompanying supplementary information shown on pages 23 through 26 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 relates directly to the underlying accounting and other records used to prepare the combined financial statements. The information 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, the information is fairly stated in all material respects in relation to the combined financial statements as a whole.

AAFCPAs, Inc.

Boston, Massachusetts
January 13, 2023

THE CHARLES RIVER ASSOCIATION FOR RETARDED CITIZENS, INC.
D/B/A THE CHARLES RIVER CENTER AND AFFILIATES

Combined Statements of Financial Position
June 30, 2022 and 2021

Assets	**2022**	**2021**
Current Assets:		
Cash and cash equivalents	$ 4,484,022	$ 6,991,602
Restricted cash	272,798	316,988
Accounts receivable, net of allowance for doubtful accounts of approximately $64,000 at June 30, 2022 and 2021	4,624,732	3,028,939
Prepaid expenses and other	238,251	302,296
Total current assets	9,619,803	10,639,825
Certificate of Deposit	130,717	129,981
Investments	16,042,139	17,578,792
Construction in Progress	135,479	347,826
Property and Equipment, net	17,636,415	15,616,277
Total assets	$ 43,564,553	$ 44,312,701
Liabilities and Net Assets		
Current Liabilities:		
Current portion of note and bonds payable	$ -	$ 1,402,219
Accounts payable, accrued expenses and other	1,736,512	2,270,762
Total current liabilities	1,736,512	3,672,981
Deferred Retirement	300,115	250,000
Note and Bonds Payable and Unamortized Debt Issuance Costs, net of current portion	6,452,889	3,547,161
Total liabilities before conditional debt	8,489,516	7,470,142
Conditional Debt	885,755	885,755
Total liabilities	9,375,271	8,355,897
Net Assets:		
Without donor restrictions:		
Operating	16,214,217	18,268,266
Board designated	7,000,000	7,000,000
Property and equipment	7,230,576	6,970,484
Total without donor restrictions	30,444,793	32,238,750
With donor restrictions	3,744,489	3,718,054
Total net assets	34,189,282	35,956,804
Total liabilities and net assets	$ 43,564,553	$ 44,312,701

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

THE CHARLES RIVER ASSOCIATION FOR RETARDED CITIZENS, INC.
D/B/A THE CHARLES RIVER CENTER AND AFFILIATES

Combined Statements of Activities
For the Years Ended June 30, 2022 and 2021

	2022	2021
Net Assets Without Donor Restrictions:		
Operating support and revenue:		
Contract revenue and program service fees	$ 31,200,244	$ 26,235,150
Fundraising revenue	787,680	367,053
Investment income, net of fees	537,067	327,589
Grants	49,827	521,229
Other	35,689	20,841
Net assets released from purpose restrictions	525	-
Total operating support and revenue	32,611,032	27,471,862
Operating expenses:		
Program services:		
Residential	21,062,189	18,224,596
Day activities	4,993,541	4,191,436
Family support	2,718,254	2,551,276
Total program services	28,773,984	24,967,308
Supporting services:		
General and administrative	2,954,816	2,622,921
Fundraising	280,378	189,692
Total supporting services	3,235,194	2,812,613
Total operating expenses	32,009,178	27,779,921
Changes in net assets without donor restrictions from operations	601,854	(308,059)
Non-operating revenue (expense):		
Insurance proceeds, net	28,264	-
Forgiveness of debt	-	3,043,325
Write-off of unamortized debt issuance costs	(47,036)	-
Net realized/unrealized gains (losses) on investments	(2,377,039)	3,082,285
Total non-operating revenue (expense)	(2,395,811)	6,125,610
Changes in net assets without donor restrictions	(1,793,957)	5,817,551
Net Assets With Donor Restrictions:		
Fundraising revenue	26,960	2,575
Net assets released from purpose restrictions	(525)	-
Changes in net assets with donor restrictions	26,435	2,575
Changes in net assets	$ (1,767,522)	$ 5,820,126

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

THE CHARLES RIVER ASSOCIATION FOR RETARDED CITIZENS, INC.
D/B/A THE CHARLES RIVER CENTER AND AFFILIATES

Combined Statements of Changes in Net Assets
For the Years Ended June 30, 2022 and 2021

	Without Donor Restrictions	With Donor Restrictions	Total
Balance, June 30, 2020	$ 26,421,199	$ 3,715,479	$ 30,136,678
Changes in net assets	5,817,551	2,575	5,820,126
Balance, June 30, 2021	32,238,750	3,718,054	35,956,804
Changes in net assets	(1,793,957)	26,435	(1,767,522)
Balance, June 30, 2022	$ 30,444,793	$ 3,744,489	$ 34,189,282

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

THE CHARLES RIVER ASSOCIATION FOR RETARDED CITIZENS, INC.
D/B/A THE CHARLES RIVER CENTER AND AFFILIATES

Combined Statements of Cash Flows
For the Years Ended June 30, 2022 and 2021

	2022	2021
Cash Flows from Operating Activities:		
Changes in net assets	$ (1,767,522)	$ 5,820,126
Adjustments to reconcile changes in net assets to net cash provided by (used in) operating activities:		
Depreciation	1,102,675	1,021,923
Bad debts	6,635	70,243
Write-off of unamortized debt issuance costs	47,036	-
Net unrealized/realized (gains) losses on investments	2,377,039	(3,082,285)
Forgiveness of debt	-	(3,043,325)
Amortization of debt issuance costs	-	6,470
Changes in operating assets and liabilities:		
Accounts receivable	(1,602,428)	35,513
Prepaid expenses and other	64,045	(48,367)
Accounts payable, accrued expenses and other	(484,135)	182,244
Net cash provided by (used in) operating activities	(256,655)	962,542
Cash Flows from Investing Activities:		
Acquisition of property and equipment	(524,687)	(260,914)
Cash paid for construction in progress	(2,385,779)	(1,475,867)
Purchases of investments	(840,386)	(322,911)
Interest earned on certificate of deposit	(736)	(3,105)
Net cash used in investing activities	(3,751,588)	(2,062,797)
Cash Flows from Financing Activities:		
Principal payments of note and bonds payable	(4,996,416)	(431,005)
Cash paid for debt issuance costs	(109,753)	-
Proceeds from note and bonds payable	6,562,642	958,400
Net cash provided by financing activities	1,456,473	527,395
Net Change in Cash, Cash Equivalents and Restricted Cash	(2,551,770)	(572,860)
Cash, Cash Equivalents and Restricted Cash:		
Beginning of year	7,308,590	7,881,450
End of year	$ 4,756,820	$ 7,308,590
Reconciliation of Cash, Cash Equivalents and Restricted Cash Reported Within the Combined Statements of Financial Position:		
Cash and cash equivalents	$ 4,484,022	$ 6,991,602
Restricted cash	272,798	316,988
Total cash, cash equivalents and restricted cash shown in the combined statements of cash flows	$ 4,756,820	$ 7,308,590
Supplemental Disclosure of Cash Flow Information:		
Cash paid for interest	$ 173,332	$ 134,566
Supplemental Disclosure of Non-Cash Transaction:		
Construction in progress placed in service	$ 2,598,126	$ 1,258,443

THE CHARLES RIVER ASSOCIATION FOR RETARDED CITIZENS INC.
D/B/A THE CHARLES RIVER CENTER AND AFFILIATES

Combined Statement of Functional Expenses
For the Year Ended June 30, 2022
(With Summarized Comparative Totals for the Year Ended June 30, 2021)

	2022								2021
	Program Services				Supporting Services				
	Residential	Day Activities	Family Support	Total Program Services	General and Adminis-trative	Fundraising	Total Supporting Services	Total	Total
Operating Expenses:									
Personnel costs:									
Salaries and wages	$ 14,176,227	$ 3,050,589	$ 1,076,262	$ 18,303,078	$ 1,478,444	$ 153,999	$ 1,632,443	$ 19,935,521	$ 16,977,850
Employee benefits	1,931,966	624,650	137,853	2,694,469	238,320	6,517	244,837	2,939,306	2,916,203
Payroll taxes	1,128,488	233,689	80,073	1,442,250	96,352	11,413	107,765	1,550,015	1,348,544
Total personnel costs	17,236,681	3,908,928	1,294,188	22,439,797	1,813,116	171,929	1,985,045	24,424,842	21,242,597
Occupancy	1,373,496	598,703	115,000	2,087,199	-	5,139	5,139	2,092,338	1,605,312
Depreciation	689,860	126,382	2,431	818,673	126,806	-	126,806	945,479	858,115
Program and office support	512,672	88,413	40,245	641,330	301,413	266	301,679	943,009	763,440
Stipends	-	-	794,552	794,552	-	-	-	794,552	719,540
Contracted services	195,470	127,935	423,880	747,285	-	-	-	747,285	585,990
Professional fees	-	-	-	-	563,320	21,192	584,512	584,512	535,718
Transportation	358,535	85,525	14,910	458,970	40,383	-	40,383	499,353	432,577
Food	428,936	-	218	429,154	-	-	-	429,154	371,629
Interest	139,806	4,004	-	143,810	29,522	-	29,522	173,332	141,036
Program supplies	65,446	40,332	13,473	119,251	305	-	305	119,556	272,242
Staff travel and training	53,025	5,763	17,910	76,698	19,973	403	20,376	97,074	67,410
Fundraising expenses	-	-	-	-	-	79,853	79,853	79,853	33,412
Miscellaneous	3,549	6,592	500	10,641	59,967	1,596	61,563	72,204	80,660
Bad debts	4,713	964	947	6,624	11	-	11	6,635	70,243
Total operating expenses	$ 21,062,189	$ 4,993,541	$ 2,718,254	$ 28,773,984	$ 2,954,816	$ 280,378	$ 3,235,194	$ 32,009,178	$ 27,779,921

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

THE CHARLES RIVER ASSOCIATION FOR RETARDED CITIZENS INC.
D/B/A THE CHARLES RIVER CENTER AND AFFILIATES

Combined Statement of Functional Expenses
For the Year Ended June 30, 2021

	Program Services				Supporting Services			
	Residential	Day Activities	Family Support	Total Program Services	General and Adminis-trative	Fundraising	Total Supporting Services	Total
Operating Expenses:								
Personnel costs:								
Salaries and wages	$ 12,206,613	$ 2,335,205	$ 1,012,913	$ 15,554,731	$ 1,311,016	$ 112,103	$ 1,423,119	$ 16,977,850
Employee benefits	1,780,141	771,060	121,671	2,672,872	239,600	3,731	243,331	2,916,203
Payroll taxes	999,379	187,063	71,124	1,257,566	82,984	7,994	90,978	1,348,544
Total personnel costs	14,986,133	3,293,328	1,205,708	19,485,169	1,633,600	123,828	1,757,428	21,242,597
Occupancy	961,435	539,900	99,445	1,600,780	-	4,532	4,532	1,605,312
Depreciation	626,141	137,855	4,161	768,157	89,958	-	89,958	858,115
Program and office support	432,342	57,632	45,299	535,273	227,496	671	228,167	763,440
Stipends	-	-	719,540	719,540	-	-	-	719,540
Contracted services	114,661	20,815	450,514	585,990	-	-	-	585,990
Professional fees	-	-	-	-	514,906	20,812	535,718	535,718
Transportation	271,249	106,426	8,489	386,164	46,413	-	46,413	432,577
Food	371,629	-	-	371,629	-	-	-	371,629
Interest	99,086	5,011	-	104,097	36,939	-	36,939	141,036
Program supplies	242,089	24,894	5,030	272,013	229	-	229	272,242
Staff travel and training	47,617	5,086	9,360	62,063	4,889	458	5,347	67,410
Fundraising expenses	-	-	-	-	-	33,412	33,412	33,412
Miscellaneous	4,590	489	1,111	6,190	68,491	5,979	74,470	80,660
Bad debts	67,624	-	2,619	70,243	-	-	-	70,243
Total operating expenses	$ 18,224,596	$ 4,191,436	$ 2,551,276	$ 24,967,308	$ 2,622,921	$ 189,692	$ 2,812,613	$ 27,779,921

1. OPERATIONS AND NONPROFIT STATUS

The Charles River Association for Retarded Citizens, Inc. d/b/a The Charles River Center (the Center) is a Massachusetts nonprofit corporation formed in 1964 to provide day, residential and educational services to developmentally disabled individuals. Its mission is to empower and support people with developmental disabilities by offering high-quality, individualized opportunities that foster independence and community inclusion.

The Center and its Affiliates (see below) are 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 Center and its Affiliates are also exempt from state income taxes. Donors may deduct contributions made to the Center and its Affiliates within IRC regulations.

2. SIGNIFICANT ACCOUNTING POLICIES

The Agency (see below) 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).

Principles of Combination

The combined financial statements include the accounts of the Center and its Affiliates: Webster Street II, Inc., California Street Corporation, Marked Tree Corporation, CRARC, Inc., West Street Corporation, and Marshall Road, Inc. (collectively, the Affiliates). The Affiliates were established to provide disabled individuals with housing facilities and services specifically designed to meet their physical, social and psychological needs, and to promote their health, security, happiness, and usefulness in longer living.

The Center and the Affiliates are referred to collectively as “the Agency” in the accompanying combined financial statements. All significant intercompany transactions and balances have been eliminated in the accompanying combined financial statements.

Uncombined Affiliates

In January 2013, the Agency and eight other member organizations entered into an agreement to form an entity called "The Resource Consortium, LLC" (the LLC) to provide case management services for those eligible for both Medicaid and Medicare.

The Agency’s current investment of $8,000 is included in prepaid expenses and other in the accompanying combined statements of financial position as of June 30, 2022 and 2021. There were no amounts due to or from the LLC as of June 30, 2022 or 2021, or revenues earned or expenses incurred by the Agency for the LLC during fiscal year 2022 or 2021. The Agency does not exercise control over the LLC and, accordingly, the LLC’s balance sheet and operating activities are not included in the accompanying combined financial statements.

Cash and Cash Equivalents

The Agency considers all highly liquid investments with an initial maturity of three months or less to be cash and cash equivalents, except those funds that the Agency is required to maintain in separate funds (see Note 4) and amounts that are included in the Agency’s investments (see Note 5). For the purpose of the combined statements of cash flows, cash and restricted cash includes cash and cash equivalents and restricted cash (see Note 4).

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Accounts Receivable

Accounts receivable are stated as unpaid balances, less an allowance for doubtful accounts. The Agency provides for losses on accounts receivable using the allowance method. The allowance is based on experience, payment terms, and other circumstances. It is the Agency's policy to charge off uncollectible accounts receivable when management determines the receivable will not be collected.

Certificate of Deposit

As of June 30, 2022 and 2021, the Agency held a thirty-six-month certificate of deposit (CD) which matures in August 2024. The CD bears interest at 0.90% and 0.25% at June 30, 2022 and 2021, respectively. The CD is reflected as a long-term asset in the accompanying combined statements of financial position due to the length of its initial term and management's intent to continue to renew it upon maturity.

Investments

Investments are recorded in the combined financial statements at fair value. If an investment is directly held by the Agency and an active market with quoted prices exists, the market price of an identical investment is used to report fair value. Reported fair values of shares in mutual funds are based on share prices reported by the funds as of the last business day of the fiscal year. Interest, dividends and mutual fund distributions are recorded when earned. Gains and losses are recognized as incurred or based on fair value changes during the period (see Note 5).

Investments include an endowment as well as funds held by the Agency for long-term purposes and generally are not used for operations. Accordingly, these investments have been classified as non-current assets in the accompanying combined statements of financial position regardless of maturity or liquidity.

Property and Equipment and Depreciation

Purchased property and equipment are recorded at cost. Donated property and equipment are recorded at fair value at the time of donation. Renewals and betterments of $5,000 or more are capitalized, while repairs and maintenance are expensed as incurred.

Depreciation is computed using the straight-line method over the following estimated useful lives (see Note 6):

Buildings	20 - 40 years
Buildings and land improvements	3 - 20 years
Vehicles	3 - 5 years
Furniture and equipment	3 - 10 years

Debt Issuance Costs

Debt issuance costs are amortized over the period the related obligation is outstanding using the straight-line method, which approximates the effective interest method.

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Estimates

The preparation of the 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.

Fair Value Measurements

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

The Agency 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 Agency. 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 are valued using Level 1 inputs.

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Net Assets

Net Assets Without Donor Restrictions

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

Operating net assets represent net assets which are available for operations.

Board designated net assets represent amounts designated by the Board of Directors for specific purposes. These funds can be spent with the approval of the Board of Directors. Board designated net assets are comprised of the following at June 30, 2022 and 2021:

Operating Reserve	$ 4,000,000
Working Capital Reserve	3,000,000
	$ 7,000,000

Property and equipment net assets represent amounts expended and resources available for property and equipment, portions of restricted cash, and construction in progress, net of related debt.

Net Assets With Donor Restrictions

The Agency receives grants that are designated by donors for specific purposes. These contributions are recorded as net assets with donor restrictions until they are expended for their designated purposes.

Net assets with donor restrictions consist of the following as of June 30:

	2022	2021
Capital advances (see Note 11)	$ 3,562,152	$ 3,562,152
Purpose restricted	137,337	110,902
Endowment funds	45,000	45,000
Total	$ 3,744,489	$ 3,718,054

Revenue Recognition

In accordance with ASC Subtopic 958-605, *Revenue Recognition*, the Agency 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 measurable performance-related barriers 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 Agency 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.

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Revenue Recognition (Continued)

The Agency's primary source of revenue is from various Commonwealth of Massachusetts agencies and program service fees and is included in contract revenue and program service fees in the accompanying combined statements of activities. Amounts received under contracts with various Commonwealth of Massachusetts agencies have been recorded in accordance with ASC Subtopic 958. These conditional contributions are recognized as services are provided or as costs are incurred (see Note 11).

Grants are recorded as services are provided and costs are incurred. Grants with donor restrictions are recorded as revenues and net assets with donor restrictions when unconditionally received or pledged. Transfers are made to net assets without donor restrictions as costs are incurred or time restrictions or program restrictions have lapsed. Donor restricted grants received and satisfied in the same period are included in net assets without donor restrictions.

The Agency generally measures revenue for qualifying exchange transactions based on the amount of consideration the Agency expects to be entitled for the transfer of goods or services to a customer, then recognizes this revenue when or as the Agency satisfies its performance obligations under a contract, except in transactions where U.S. GAAP provides other applicable guidance. The Agency evaluates its revenue contracts with customers based on the five-step model under ASC 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.

The Agency also receives amounts for third party fees billed to Medicaid for services in the Agency's adult foster care and day habilitation programs. This revenue is recognized in accordance with ASC Topic 606 and is reported at the amount that reflects the consideration to which the Agency expects to be entitled in exchange for providing client care. Generally, the Agency bills Medicaid on a monthly basis after the total services for the month are performed. Revenue is recognized as the performance obligations are satisfied. Performance obligations are determined based on the nature of the services provided by the Agency and the transaction price is determined based on prospectively determined rates per occasion of service set by Medicaid. For the years ended June 30, 2022 and 2021, third party fee revenue recognized under ASC Topic 606 of $2,698,122 and $2,155,905, respectively, is included in contract revenue and program service fees in the accompanying combined statements of activities. Third party fee receivables of $324,945 and $316,762 as of June 30, 2022 and 2021, respectively, are included in accounts receivable, net of allowance for doubtful accounts in the accompanying combined statements of financial position.

Fundraising revenue is derived from the Agency's fundraising events and revenues are recognized at the time the event takes place. Fundraising revenue consists of both contributions and sales. The contribution portion of the special event income is recognized as revenue when unconditionally committed or received. The sales portion of the special event income is derived from various components, including sponsorships and program ads, in which the transaction price is determined annually. Fees collected in advance of the special events are initially recorded as deferred revenue (contract liabilities) and are only recognized in the combined statements of activities after the special event has occurred and the performance obligation has been met. There was no deferred revenue as of June 30, 2022 and 2021, as fees were collected, and the events were held in the same period.

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Revenue Recognition (Continued)

For contributions that have been recognized prior to adoption of Topic 958, the standard is not required to be retrospectively applied. Prior to the adoption of Topic 958, the Agency had received capital advances (see Note 11). The Agency had assessed the probability of non-compliance related to the capital advances as low or remote, and accordingly, recorded the grant as net assets with donor restrictions until the time restrictions expire.

Management fee revenue from the Agency's Affiliates totaled $30,570 and $31,042 for the years ended June 30, 2022 and 2021, respectively. Services are generally provided on an annual basis incident to separate management agreements with each affiliate. These agreements specify the compensation for each affiliate. Compensation is generally fixed under the relevant agreement as a percentage of the Affiliates' residential income collected. The management service is considered a single performance obligation and the performance obligations under the agreements are satisfied evenly over the year as the affiliate receives the benefits provided the Agency. These amounts and the related management fee receivables are eliminated in the accompanying combined financial statements.

All other revenue is recognized as earned.

Donated Goods and Services

The Agency recognizes the fair value of contributed services received if such services a) create or enhance nonfinancial assets or b) require specialized skills that are provided by individuals possessing those skills and would typically need to be purchased if not contributed. The Agency receives services from a number of volunteers who give significant amount of their time to the Agency's programs but which do not meet the criteria for combined financial statement recognition. There were no donated goods or services received for the years ended June 30, 2022 and 2021, that met the criteria for recognition in the accompanying combined financial statements.

Expense Allocation

Certain categories of expenses are attributable to more than one program or supporting function and are allocated on a reasonable basis that is consistently applied. The expenses that are allocated are salaries and wages, employee benefits, and payroll taxes, which are allocated on the basis of time and effort; occupancy costs and depreciation, which are allocated on a square footage basis occupied by a particular program or department; and general and administrative costs, which are allocated based on a pro-rata percentage of the overall expenses of the Agency.

Combined Statements of Activities

Transactions deemed by management to be ongoing, major, or central to the provision of program services are reported as operating support and revenue and operating expenses in the accompanying combined statements of activities. Non-operating revenue and expenses includes insurance proceeds, forgiveness of debt income, write-off of unamortized debt issuance costs, and return on investments.

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Income Taxes

The Agency accounts for uncertainty in income taxes in accordance with ASC Topic, *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 Agency has determined that there are no uncertain tax positions which qualify for either recognition or disclosure in the combined financial statements at June 30, 2022 and 2021.

Subsequent Events

Subsequent events have been evaluated through January 13, 2023, which is the date the combined financial statements were available to be issued. See Note 6 for an event that met the criteria for disclosure in the combined financial statements.

3. FUNDING AND CONCENTRATIONS

The Agency receives a significant portion of its total operating support and revenue (approximately 78% for the years ended June 30, 2022 and 2021) from the Massachusetts Department of Developmental Services (DDS) under unit-rate and cost-reimbursable contracts. These reimbursements are subject to audit by DDS. In the opinion of management, the results of such audits, if any, will not have a material effect on the combined financial position of the Agency as of June 30, 2022 and 2021, or on its combined changes in net assets for the years then ended.

Approximately 85% and 82% of the Agency's accounts receivable at June 30, 2022 and 2021, respectively, was due from DDS.

4. RESTRICTED CASH

Restricted cash includes funds held under terms of agreements between the Affiliates and the U.S. Department of Housing and Urban Development (HUD). These amounts are held in separate bank accounts and withdrawals are restricted for specific expenditures, some of which require HUD's approval.

The balance of restricted cash consists of the following as of June 30:

	2022	2021
Reserve for replacements	$ 259,285	$ 302,570
Tenant security deposits	9,075	9,983
Residual receipts	3,519	3,517
Other reserves	919	918
Total	$ 272,798	$ 316,988

5. INVESTMENTS

The following is a summary of the investment portfolio as of June 30:

2022	Level 1	Level 2	Level 3	Total
Mutual funds:				
Stocks	$ 5,860,394	$ -	$ -	$ 5,860,394
Foreign stocks	3,135,508	-	-	3,135,508
Fixed income and other	2,976,392	-	-	2,976,392
Multi-strategy	2,065,600	-	-	2,065,600
Total mutual funds	14,037,894	-	-	14,037,894
Money market account	2,004,245	-	-	2,004,245
	$ 16,042,139	$ -	$ -	$ 16,042,139

2021	Level 1	Level 2	Level 3	Total
Mutual funds:				
Stocks	$ 6,989,909	$ -	$ -	$ 6,989,909
Foreign stocks	3,528,990	-	-	3,528,990
Fixed income and other	3,988,355	-	-	3,988,355
Multi-strategy	2,221,472	-	-	2,221,472
Total mutual funds	16,728,726	-	-	16,728,726
Money market account	850,066	-	-	850,066
	$ 17,578,792	$ -	$ -	$ 17,578,792

Investments are not insured and are subject to ongoing market fluctuations.

6. PROPERTY AND EQUIPMENT

Property and equipment consist of the following at June 30:

	2022	2021
Land	$ 4,228,611	$ 3,681,311
Buildings and building and land improvements	25,318,867	23,205,772
Vehicles	2,193,759	2,319,476
Furniture and equipment	2,145,551	1,791,538
	33,886,788	30,998,097
Less - accumulated depreciation	16,250,373	15,381,820
	$ 17,636,415	$ 15,616,277

6. PROPERTY AND EQUIPMENT (Continued)

Depreciation expense was $1,102,675 and $1,021,923 for the years ended June 30, 2022 and 2021, respectively, of which $157,196 and $163,808, respectively, of depreciation pertaining to the Merritt Building is included in occupancy in the accompanying combined statements of functional expenses.

Subsequent to June 30, 2022, the Agency successfully won a bid to purchase United States Government-owned land and improvements located in Needham, Massachusetts for approximately $5,538,000.

7. CONSTRUCTION IN PROGRESS

Construction in progress consists of the following projects at June 30:

	2022	2021
Residential Homes	$ 135,479	$ 90,389
IT Projects	-	132,131
Merritt Building	-	75,471
Grugan Building	-	49,835
	$ 135,479	$ 347,826

As projects are completed and placed in service, they are removed from construction in progress and transferred to property and equipment in the accompanying combined statements of financial position.

8. LINE OF CREDIT

In August 2021, the Agency secured a $1,000,000 revolving line of credit in conjunction with the refinancing of certain debt (see Note 9). As held in conjunction, the line of credit has a maturity of August 2, 2041. Borrowings are due on demand and interest is due monthly at an adjustable rate equal to the lender's prime rate. All borrowings are secured by real property and equipment purchased using the proceeds of the line of credit.

The Agency had a capital expenditure line of credit agreement with a bank which allowed for borrowing up to $1,000,000. Borrowings under the agreement were due on demand and interest was payable at a rate of 3.25% at June 30, 2021. All borrowings were secured by real property and equipment purchased using the proceeds of the line of credit. On March 25, 2021, the Agency used the line of credit to purchase the Briarcliff property, at which time the draw on the line of credit was reassigned as a mortgage payable (see Note 9) and the line of credit was terminated in May 2021.

The Agency is required to maintain certain financial ratios and levels of working capital, as specified in the agreements. The Agency is also required to meet certain covenants before any advances could be drawn. The Agency was in compliance with these financial ratios and covenants at June 30, 2022 and 2021.

9. NOTE AND BONDS PAYABLE

Note and bonds payable consist of the following at June 30:

	2022		2021	
	Principal	Unamortized Debt Issuance Costs	Principal	Unamortized Debt Issuance Costs
Massachusetts Development Finance Agency Revenue Bond, Charles River Center Issue, Series 2021 in the amount of $7,900,000 (MDFA Bond). The bond bears interest at an initial interest rate of 2.75% per annum through August 2, 2031, at which time the rate is adjusted to a fixed rate of .79 times the sum of the Federal Home Loan Bank (FHLB) Classic Ten-Year Advance Rate, plus 1.40%. Monthly payments of interest only are due for the first two years from closing until the bond is fully drawn, at which time principal and interest are due monthly based on an eighteen-year amortization schedule with a final installment due at maturity on August 2, 2041. This bond is secured by specific real estate and is subject to prepayment penalties as defined in the agreement.	$ 6,562,642	$ 109,753	$ -	$ -
Series A tax-exempt bond payable agreement with a bank for $3,843,909. The bond bore interest at 2.98%. Monthly principal and interest payments of $37,158 were required through October 2027. This bond was secured by specific real estate. This bond was refinanced with the MDFA Bond (see above).	-	-	2,567,199	32,456
Series B tax-exempt bond payable agreement with a bank for $1,712,637. The bond bore interest at 2.98% through October 2027. Monthly principal and interest payments of $9,518 were required through October 2037. This bond was secured by specific real estate. This bond was refinanced with the MDFA Bond (see above).	-	-	1,470,817	14,580

9. NOTE AND BONDS PAYABLE (Continued)

	2022		2021	
	Principal	**Unamortized Debt Issuance Costs**	**Principal**	**Unamortized Debt Issuance Costs**
$958,400 mortgage note payable for the acquisition of the Briarcliff property. This was a short-term mortgage note payable that was reassigned from the draw on the line of credit (see Note 8). There was no maturity date or interest rate. This bond was secured by specific real estate. This mortgage note payable was refinanced with the MDFA Bond (see page 17).	-	-	958,400	-
	6,562,642	109,753	4,996,416	47,036
Less - current portion	-	-	1,402,219	-
	$ 6,562,642	$ 109,753	$ 3,594,197	$ 47,036

On August 2, 2021, the Agency refinanced its existing Series A and B bonds payable and mortgage note payable (see above and on page 17) with the MDFA Bond. Proceeds of the MDFA Bond were drawn down at the closing date and were applied to the prepayment of the Series A and B bonds and the Briarcliff mortgage note payable. The remaining proceeds of the bond will be drawn down from time to time and used to pay project costs for the acquisition of three new group residences to be purchased at future dates, up until August 2, 2023. Given the remaining bond funds will not be fully drawn, and principal and payments will not commence in the next fiscal year, the accompanying combined statement of financial position as of June 30, 2022, does not reflect the current portion of this new debt.

Amortization of debt issuance costs was $6,470 for the year ended June 30, 2021, and is included in interest in the accompanying combined statement of functional expenses. Remaining unamortized debt issuance costs of $47,036 were written off as a part of the bond refinancing for the year ended June 30, 2022, and are included in the accompanying combined statement of activities. As of June 30, 2022, there is $109,753 of unamortized debt issuance costs on the MDFA Bond. Amortization of the MDFA Bond debt issuance costs is expected to commence when payments begin on the bond.

Aggregate maturities of the bond payable over the next five years are as follows:

2023	$ -
2024	$ 314,967
2025	$ 352,768
2026	$ 362,592
2027	$ 372,690

The MDFA Bond agreement contains various covenants with which the Agency must comply. The Agency was in compliance with these covenants at June 30, 2022.

The Series A and B bonds payable agreements contained various covenants with which the Agency was required to comply. The Agency was in compliance with these covenants at June 30, 2021.

9. NOTE AND BONDS PAYABLE (Continued)

Total interest expense on the note and bonds was $147,650 and $134,566 for the years ended June 30, 2022 and 2021, respectively, and is included in interest in the accompanying combined statements of functional expenses.

10. CONDITIONAL DEBT

The Agency has received several contingent loans from Community Economic Development Assistance Corporation (CEDAC) under the CEDAC Facility Consolidation Fund. These loans generally are not required to be repaid unless the project fails to maintain its status as low-income housing. The loans do not accrue interest unless the Agency is not in compliance with the terms of the loan agreements. It is the intention of the Boards of Directors and the management of the Agency to maintain these properties as low-income housing. Therefore, these loans have been classified as conditional debt and no interest has been accrued on them.

Conditional debt consists of the following at June 30, 2022 and 2021:

Mortgage note payable for the acquisition and renovation of the Marshall Road, Inc. project. Principal is due annually if a certain cash flow level, as defined in the agreement, is achieved. These levels of cash flow were not achieved for the years ended June 30, 2022 and 2021. All unpaid principal is due in full on October 30, 2026. CEDAC has the right to postpone payment until October 30, 2036.	$ 273,344
Mortgage note payable for the acquisition and renovation of the California Street Corporation project. Principal is due annually if a certain cash flow level, as defined in the agreement, is achieved. These levels of cash flow were not achieved for the years ended June 30, 2022 and 2021. All unpaid principal is due in full on October 12, 2030. CEDAC has the right to postpone payment until October 12, 2040.	225,745
Mortgage note payable for the acquisition and renovation of the West Street Corporation project. Principal is due annually if a certain cash flow level, as defined in the agreement, is achieved. These levels of cash flow were not achieved for the years ended June 30, 2022 and 2021. All unpaid principal is due in full on August 22, 2032. CEDAC has the right to postpone payment until August 22, 2042.	221,703
Mortgage note payable for the acquisition and renovation of the CRARC, Inc. project. Principal is due annually if a certain cash flow level, as defined in the agreement, is achieved. These levels of cash flow were not achieved for the years ended June 30, 2022 and 2021. All unpaid principal is due in full on February 12, 2028. CEDAC has the right to postpone payment until February 12, 2038.	88,870
Mortgage note payable for the acquisition and renovation of the Marked Tree Road Corporation project. Principal is due annually if a certain cash flow level, as defined in the agreement, is achieved. These levels of cash flow were not achieved for the years ended June 30, 2022 and 2021. All unpaid principal is due in full on September 25, 2027. CEDAC has the right to postpone payment until September 25, 2037.	76,093
	$ 885,755

11. COMMITMENTS

Capital Advances

As of June 30, 2022 and 2021, the Affiliates have received cumulative capital advances from HUD totaling $3,043,955. The capital advances are not required to be repaid and no interest is due as long as the properties remain available to very low-income households for a period of forty years in accordance with Section 811 of the National Housing Act of 1990. If the Affiliates do not comply with these terms, the entire cumulative advances will be due upon demand and will accrue interest at 5% from the date of default. There have been no violations of these terms as of June 30, 2022 and 2021. These capital advances are secured by a first mortgage on each Affiliate's respective property, as well as an assignment of each Affiliate's furniture and equipment, rents and accounts receivable.

California Street Corporation has received $93,197 from the City of Newton's Community Development Program for the same purpose outlined above.

Marshall Road, Inc. has received $145,000 from the Town of Wellesley for the same purpose outlined above.

The Center has received $280,000 from the Town of Needham for its South Street project and has similar restrictions as outlined above.

These amounts total $3,562,152 and are included in net assets with donor restrictions in the accompanying combined statements of financial position (see Note 2).

Leases

The Center has a lease agreement for office space in Natick, Massachusetts, which expires on January 31, 2026. The Center is responsible for monthly rental payments of $9,925 through January 2021, which then increase through January 2026, as well as additional operating expenses of approximately $2,000 per month. Rent expense and related expenses totaled $121,819 and $122,246 for the years ended June 30, 2022 and 2021, respectively, and are included in occupancy in the accompanying combined statements of functional expenses. The Center elected not to straight-line the rent expense in accordance with ASC Topic, *Leases*, under U.S. GAAP as it was determined that the effect would be immaterial to the accompanying combined financial statements.

Remaining future minimum lease payments are as follows for the years ending June 30:

2023	$ 126,075
2024	126,075
2025	126,075
2026	73,544
	$ 451,769

11. COMMITMENTS (Continued)

Conditional Grants

During fiscal years 2022 and 2021, the Agency was awarded multiple conditional commitments from various Commonwealth of Massachusetts agencies that pertain to the following fiscal year, which contain funder-imposed conditions that represent a barrier that must be overcome as well as a release from obligations. The Agency recognizes related revenue from these government contracts when funder-imposed conditions are substantially met (see Note 2). The funder-imposed conditions for these contract revenues include the requirement for the Agency to incur qualifying expenses. Total amounts committed but not recognized as of June 30, 2022 and 2021, summarized by agency, are as follows:

	2022	2021
DDS	$ 28,736,499	$ 24,663,628
Massachusetts Commission for the Blind	$ 542,052	$ 481,590
Massachusetts Rehabilitation Commission	$ 137,937	$ 137,937

During fiscal year 2021, the Agency received $466,852 under the CARES Act through the Provider Relief Funds (PRF) Program through the U.S. Department of Health and Human Services, Health Resources and Service Administration (HRSA). PRFs were appropriated for healthcare related expenses on lost revenues attributable to COVID-19. The Agency is accounting for the PRFs as conditional grants under ASC Subtopic 958-605 since the conditions under the funding are subject to return if the terms and conditions are not complied with. The Agency recognized the full amount of the PRFs of $466,852, which is included in grants in the accompanying combined statement of activities for the year ended June 30, 2021.

12. RETIREMENT PLANS

401(k) Retirement Plan

The Agency maintains an IRC Section 401(k) Retirement Plan (the 401(k) Plan) for all eligible employees. Employees may make contributions to the 401(k) Plan up to the maximum allowed by law. The Agency makes matching contributions to the 401(k) Plan as determined by the Board of Directors. Agency contributions are fully vested at the earliest of the participant's 65th birthday or the participant's anniversary of five years of service. The Agency's total contributions under the 401(k) Plan were $69,556 and $55,247 for the years ended June 30, 2022 and 2021, respectively, and are included in employee benefits in the accompanying combined statements of functional expenses.

Deferred Compensation Plan

In fiscal year 2017, the Agency entered into a deferred compensation agreement with its President. As of June 30, 2022 and 2021, the Agency recorded a liability of $300,115 and $250,000, respectively ($50,000 per year starting in fiscal year 2017, interest started in fiscal year 2022), that is reflected as deferred retirement in the accompanying combined statements of financial position. As of June 30, 2022, the Agency invested the funds in a money market account which in included in investments in the accompanying combined statements of financial position.

13. CONCENTRATIONS

The Agency maintains its cash balances in six Massachusetts banks. The Federal Deposit Insurance Corporation insures balances at each bank up to certain amounts. At certain times during the year, cash balances exceeded the insured amounts. The Agency has not experienced any losses in such accounts. The Agency believes it is not exposed to any significant credit risk on its operating cash balance. See Note 3 for additional concentrations.

14. RELATED PARTY TRANSACTIONS

A member of the Board of Directors is a Board member of a bank in which the Agency maintains deposits.

During fiscal year 2022, the son of a member of the Board of Directors provided professional services related to the closing of two properties of the Agency and was paid $20,433 for these services.

As of June 30, 2022 and 2021, the Affiliates owed $1,380,923 and $1,214,765, respectively, to the Center for operating costs paid on the Affiliates' behalf, of which $427,444 and $54,035, respectively, are current and $953,479 and $1,160,730, respectively, are long-term. These balances have been eliminated in the accompanying combined financial statements.

For the years ended June 30, 2022 and 2021, the Center earned $17,040 of rental income from one of the Affiliates and $30,570 and $31,042, respectively, of management fees from the Affiliates. These balances have been eliminated in the accompanying combined financial statements.

15. LIQUIDITY

Financial assets available for use by the Agency within one year from the combined statements of financial position date are as follows as of June 30:

	2022	2021
Cash and cash equivalents	$ 4,484,022	$ 6,991,602
Accounts receivable, net of allowance	4,624,732	3,028,939
	9,108,754	10,020,541
Less - purpose restricted net assets (see Note 2)	(137,337)	(110,902)
Total financial assets	$ 8,971,417	$ 9,909,639

The Agency has a policy to structure its financial assets to be available and liquid as obligations become due. As of June 30, 2022 and 2021, the Agency has financial assets equal to approximately three and four months of operating expenses, respectively. In addition, the Agency has approximately $16,000,000 and $17,600,000 in investments as of June 30, 2022 and 2021, respectively, that are being held for long-term growth and sustainability (see Note 5). At any given time, these investments could be liquidated to meet ongoing obligations with prior approval of the Boards of Directors. The Agency also has a line of credit for borrowings up to $1,000,000 for immediate cash needs (see Note 8). These assets approximate an additional six and eight months of operating expenses as of June 30, 2022 and 2021, respectively.

16. RECLASSIFICATIONS

Certain amounts in the fiscal year 2021 combined financial statements have been reclassified to conform with the fiscal year 2022 presentation.

Combining Statement of Financial Position
June 30, 2022

Assets	The Charles River Association for Retarded Citizens, Inc.	Webster St. II, Inc.	California Street Corporation	Marked Tree Corporation	CRARC, Inc.	West Street Corporation	Marshall Road, Inc.	Combined Total Before Eliminations	Eliminations	Combined Total
Current Assets:										
Cash and cash equivalents	$ 4,476,528	$ 1,257	$ 433	$ 693	$ 2,696	$ 1,892	$ 523	$ 4,484,022	$ -	$ 4,484,022
Restricted cash	-	27,892	56,340	22,348	18,123	124,534	23,561	272,798	-	272,798
Accounts receivable, net of allowance for doubtful accounts of approximately $64,000	4,615,389	-	9,343	-	-	-	-	4,624,732	-	4,624,732
Current portion of due from affiliates	427,444	-	-	-	-	-	-	427,444	(427,444)	-
Prepaid expenses and other	238,163	-	-	-	-	-	88	238,251	-	238,251
Total current assets	9,757,524	29,149	66,116	23,041	20,819	126,426	24,172	10,047,247	(427,444)	9,619,803
Certificate of Deposit	130,717	-	-	-	-	-	-	130,717	-	130,717
Investments	16,042,139	-	-	-	-	-	-	16,042,139	-	16,042,139
Due from Affiliates, net of current portion	953,479	-	-	-	-	-	-	953,479	(953,479)	-
Construction in Progress	116,062	-	-	-	-	19,417	-	135,479	-	135,479
Property and Equipment, net	15,115,423	634,986	203,084	388,071	344,448	337,511	750,995	17,774,518	(138,103)	17,636,415
Total assets	$ 42,115,344	$ 664,135	$ 269,200	$ 411,112	$ 365,267	$ 483,354	$ 775,167	$ 45,083,579	$ (1,519,026)	$ 43,564,553
Liabilities and Net Assets										
Current Liabilities:										
Accounts payable, accrued expenses and other	$ 1,674,434	$ 17,242	$ 9,867	$ 6,192	$ 9,424	$ 11,183	$ 8,170	$ 1,736,512	$ -	$ 1,736,512
Current portion of due to affiliates	-	1,000	3,000	1,000	1,000	1,000	1,000	8,000	(8,000)	-
Total current liabilities	1,674,434	18,242	12,867	7,192	10,424	12,183	9,170	1,744,512	(8,000)	1,736,512
Deferred Retirement	300,115	-	-	-	-	-	-	300,115	-	300,115
Bond Payable and Unamortized Debt Issuance Costs	6,452,889	-	-	-	-	-	-	6,452,889	-	6,452,889
Due to Affiliates, net of current portion	-	458,879	229,042	227,579	128,388	111,331	217,704	1,372,923	(1,372,923)	-
Total liabilities before conditional debt	8,427,438	477,121	241,909	234,771	138,812	123,514	226,874	9,870,439	(1,380,923)	8,489,516
Conditional Debt	-	-	225,745	76,093	88,870	221,703	273,344	885,755	-	885,755
Total liabilities	8,427,438	477,121	467,654	310,864	227,682	345,217	500,218	10,756,194	(1,380,923)	9,375,271
Net Assets:										
Without donor restrictions:										
Operating	17,726,973	(475,864)	(232,133)	(234,078)	(136,116)	(121,622)	(226,263)	16,300,897	(86,680)	16,214,217
Board designated	7,000,000	-	-	-	-	-	-	7,000,000	-	7,000,000
Property and equipment	8,498,596	(103,322)	(502,609)	(38,674)	(140,099)	(294,735)	(137,158)	7,281,999	(51,423)	7,230,576
Total without donor restrictions	33,225,569	(579,186)	(734,742)	(272,752)	(276,215)	(416,357)	(363,421)	30,582,896	(138,103)	30,444,793
With donor restrictions	462,337	766,200	536,288	373,000	413,800	554,494	638,370	3,744,489	-	3,744,489
Total net assets	33,687,906	187,014	(198,454)	100,248	137,585	138,137	274,949	34,327,385	(138,103)	34,189,282
Total liabilities and net assets	$ 42,115,344	$ 664,135	$ 269,200	$ 411,112	$ 365,267	$ 483,354	$ 775,167	$ 45,083,579	$ (1,519,026)	$ 43,564,553

Combining Statement of Financial Position
June 30, 2021

Assets	The Charles River Association for Retarded Citizens, Inc.	Webster St. II, Inc.	California Street Corporation	Marked Tree Corporation	CRARC, Inc.	West Street Corporation	Marshall Road, Inc.	Combined Total Before Eliminations	Eliminations	Combined Total
Current Assets:										
Cash and cash equivalents	$ 6,965,835	$ 7,936	$ 965	$ 2,881	$ 921	$ 6,731	$ 6,333	$ 6,991,602	$ -	$ 6,991,602
Restricted cash	-	36,014	54,887	33,759	43,095	131,382	17,851	316,988	-	316,988
Accounts receivable, net of allowance for doubtful accounts of approximately $64,000	3,028,387	-	215	-	-	337	-	3,028,939	-	3,028,939
Current portion of due from affiliates	54,035	-	-	-	-	-	-	54,035	(54,035)	-
Prepaid expenses and other	297,314	-	-	-	-	4,894	88	302,296	-	302,296
Total current assets	10,345,571	43,950	56,067	36,640	44,016	143,344	24,272	10,693,860	(54,035)	10,639,825
Certificate of Deposit	129,981	-	-	-	-	-	-	129,981	-	129,981
Investments	17,578,792	-	-	-	-	-	-	17,578,792	-	17,578,792
Due from Affiliates, net of current portion	1,160,730	-	-	-	-	-	-	1,160,730	(1,160,730)	-
Construction in Progress	323,143	21,500	-	-	-	3,183	-	347,826	-	347,826
Property and Equipment, net	13,155,194	581,866	225,543	326,076	328,975	360,513	776,213	15,754,380	(138,103)	15,616,277
Total assets	$ 42,693,411	$ 647,316	$ 281,610	$ 362,716	$ 372,991	$ 507,040	$ 800,485	$ 45,665,569	$ (1,352,868)	$ 44,312,701
Liabilities and Net Assets										
Current Liabilities:										
Current portion of note and bonds payable	$ 1,402,219	$ -	$ -	$ -	$ -	$ -	$ -	$ 1,402,219	$ -	$ 1,402,219
Accounts payable, accrued expenses and other	2,216,417	16,489	8,796	6,147	7,430	11,483	4,000	2,270,762	-	2,270,762
Current portion of due to affiliates	-	12,418	437	1,110	16,721	2,996	20,353	54,035	(54,035)	-
Total current liabilities	3,618,636	28,907	9,233	7,257	24,151	14,479	24,353	3,727,016	(54,035)	3,672,981
Deferred Retirement	250,000	-	-	-	-	-	-	250,000	-	250,000
Note and Bonds Payable and Unamortized Debt Issuance Costs, net of current portion	3,547,161	-	-	-	-	-	-	3,547,161	-	3,547,161
Due to Affiliates, net of current portion	-	371,110	221,659	179,142	84,665	105,803	198,351	1,160,730	(1,160,730)	-
Total liabilities before conditional debt	7,415,797	400,017	230,892	186,399	108,816	120,282	222,704	8,684,907	(1,214,765)	7,470,142
Conditional Debt	-	-	225,745	76,093	88,870	221,703	273,344	885,755	-	885,755
Total liabilities	7,415,797	400,017	456,637	262,492	197,686	341,985	496,048	9,570,662	(1,214,765)	8,355,897
Net Assets:										
Without donor restrictions:										
Operating	19,592,755	(392,081)	(229,712)	(183,518)	(107,895)	(108,320)	(216,283)	18,354,946	(86,680)	18,268,266
Board designated	7,000,000	-	-	-	-	-	-	7,000,000	-	7,000,000
Property and equipment	8,248,957	(126,820)	(481,603)	(89,258)	(130,600)	(281,119)	(117,650)	7,021,907	(51,423)	6,970,484
Total without donor restrictions	34,841,712	(518,901)	(711,315)	(272,776)	(238,495)	(389,439)	(333,933)	32,376,853	(138,103)	32,238,750
With donor restrictions	435,902	766,200	536,288	373,000	413,800	554,494	638,370	3,718,054	-	3,718,054
Total net assets	35,277,614	247,299	(175,027)	100,224	175,305	165,055	304,437	36,094,907	(138,103)	35,956,804
Total liabilities and net assets	$ 42,693,411	$ 647,316	$ 281,610	$ 362,716	$ 372,991	$ 507,040	$ 800,485	$ 45,665,569	$ (1,352,868)	$ 44,312,701

Combining Statement of Activities
For the Year Ended June 30, 2022

	The Charles River Association for Retarded Citizens, Inc.	Webster St. II, Inc.	California Street Corporation	Marked Tree Corporation	CRARC, Inc.	West Street Corporation	Marshall Road, Inc.	Combined Total Before Eliminations	Eliminations	Combined Total
Net Assets Without Donor Restrictions:										
Operating support and revenue:										
Contract revenue and program service fees	$ 30,890,622	$ 75,751	$ 62,400	$ 34,911	$ 40,800	$ 68,160	$ 44,640	$ 31,217,284	$ (17,040)	$ 31,200,244
Fundraising revenue	787,680	-	-	-	-	-	-	787,680	-	787,680
Investment income, net of fees	536,932	3	28	16	15	63	10	537,067	-	537,067
Grants	49,827	-	-	-	-	-	-	49,827	-	49,827
Other	66,259	-	-	-	-	-	-	66,259	(30,570)	35,689
Net assets released from purpose restrictions	525	-	-	-	-	-	-	525	-	525
Total operating support and revenue	32,331,845	75,754	62,428	34,927	40,815	68,223	44,650	32,658,642	(47,610)	32,611,032
Operating expenses:										
Program services:										
Residential	20,576,924	136,039	85,855	63,167	78,535	95,141	74,138	21,109,799	(47,610)	21,062,189
Day activities	4,993,541	-	-	-	-	-	-	4,993,541	-	4,993,541
Family support	2,718,254	-	-	-	-	-	-	2,718,254	-	2,718,254
Total program services	28,288,719	136,039	85,855	63,167	78,535	95,141	74,138	28,821,594	(47,610)	28,773,984
Supporting services:										
General and administrative	2,954,816	-	-	-	-	-	-	2,954,816	-	2,954,816
Fundraising	280,378	-	-	-	-	-	-	280,378	-	280,378
Total supporting services	3,235,194	-	-	-	-	-	-	3,235,194	-	3,235,194
Total operating expenses	31,523,913	136,039	85,855	63,167	78,535	95,141	74,138	32,056,788	(47,610)	32,009,178
Changes in net assets without donor restrictions from operations	807,932	(60,285)	(23,427)	(28,240)	(37,720)	(26,918)	(29,488)	601,854	-	601,854
Non-operating revenue (expense):										
Insurance proceeds, net	-	-	-	28,264	-	-	-	28,264	-	28,264
Write-off of unamortized debt issuance costs	(47,036)	-	-	-	-	-	-	(47,036)	-	(47,036)
Net realized/unrealized losses on investments	(2,377,039)	-	-	-	-	-	-	(2,377,039)	-	(2,377,039)
Total non-operating revenue (expense)	(2,424,075)	-	-	28,264	-	-	-	(2,395,811)	-	(2,395,811)
Changes in net assets without donor restrictions	(1,616,143)	(60,285)	(23,427)	24	(37,720)	(26,918)	(29,488)	(1,793,957)	-	(1,793,957)
Net Assets With Donor Restrictions:										
Fundraising revenue	26,960	-	-	-	-	-	-	26,960	-	26,960
Net assets released from purpose restrictions	(525)	-	-	-	-	-	-	(525)	-	(525)
Changes in net assets with donor restrictions	26,435	-	-	-	-	-	-	26,435	-	26,435
Changes in net assets	$ (1,589,708)	$ (60,285)	$ (23,427)	$ 24	$ (37,720)	$ (26,918)	$ (29,488)	$ (1,767,522)	$ -	$ (1,767,522)

Combining Statement of Activities
For the Year Ended June 30, 2021

	The Charles River Association for Retarded Citizens, Inc.	Webster St. II, Inc.	California Street Corporation	Marked Tree Corporation	CRARC, Inc.	West Street Corporation	Marshall Road, Inc.	Combined Total Before Eliminations	Eliminations	Combined Total
Net Assets Without Donor Restrictions:										
Operating support and revenue:										
Contract revenue and program service fees	$ 25,919,967	$ 88,298	$ 54,600	$ 44,400	$ 40,800	$ 62,275	$ 41,850	$ 26,252,190	$ (17,040)	$ 26,235,150
Fundraising revenue	367,053	-	-	-	-	-	-	367,053	-	367,053
Investment income, net of fees	327,342	3	49	26	34	115	20	327,589	-	327,589
Grants	521,229	-	-	-	-	-	-	521,229	-	521,229
Other	51,617	-	266	-	-	-	-	51,883	(31,042)	20,841
Total operating support and revenue	27,187,208	88,301	54,915	44,426	40,834	62,390	41,870	27,519,944	(48,082)	27,471,862
Operating expenses:										
Program services:										
Residential	17,842,948	110,898	74,188	49,956	53,584	79,442	61,662	18,272,678	(48,082)	18,224,596
Day activities	4,191,436	-	-	-	-	-	-	4,191,436	-	4,191,436
Family support	2,551,276	-	-	-	-	-	-	2,551,276	-	2,551,276
Total program services	24,585,660	110,898	74,188	49,956	53,584	79,442	61,662	25,015,390	(48,082)	24,967,308
Supporting services:										
General and administrative	2,622,921	-	-	-	-	-	-	2,622,921	-	2,622,921
Fundraising	189,692	-	-	-	-	-	-	189,692	-	189,692
Total supporting services	2,812,613	-	-	-	-	-	-	2,812,613	-	2,812,613
Total operating expenses	27,398,273	110,898	74,188	49,956	53,584	79,442	61,662	27,828,003	(48,082)	27,779,921
Changes in net assets without donor restrictions from operations	(211,065)	(22,597)	(19,273)	(5,530)	(12,750)	(17,052)	(19,792)	(308,059)	-	(308,059)
Non-operating revenue:										
Forgiveness of debt	3,043,325	-	-	-	-	-	-	3,043,325	-	3,043,325
Net realized/unrealized gains on investments	3,082,285	-	-	-	-	-	-	3,082,285	-	3,082,285
Total non-operating revenues	6,125,610	-	-	-	-	-	-	6,125,610	-	6,125,610
Changes in net assets without donor restriction	5,914,545	(22,597)	(19,273)	(5,530)	(12,750)	(17,052)	(19,792)	5,817,551	-	5,817,551
Net Assets With Donor Restriction:										
Fundraising revenue	2,575	-	-	-	-	-	-	2,575	-	2,575
Changes in net assets	$ 5,917,120	$ (22,597)	$ (19,273)	$ (5,530)	$ (12,750)	$ (17,052)	$ (19,792)	$ 5,820,126	$ -	$ 5,820,126