

**ABBY KELLEY FOSTER HOUSE, INC. AND AFFILIATES**

**CONSOLIDATED FINANCIAL STATEMENTS**

*with*

**INDEPENDENT AUDITORS' REPORT**

**YEARS ENDED DECEMBER 31, 2025 AND 2024**

Smith  Sullivan  
& Brown PC

CERTIFIED PUBLIC ACCOUNTANTS

80 Flanders Road, Suite 302  Westborough, Massachusetts 01581

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**ABBY KELLEY FOSTER HOUSE, INC. AND AFFILIATES**  
**REPORT ON CONSOLIDATED FINANCIAL STATEMENTS**  
**YEARS ENDED DECEMBER 31, 2025 AND 2024**



**Our Mission**

*To provide shelter and affordable housing,  
as well as advocacy and support services,  
to homeless, battered and low-income women,  
with or without children.*

**Our Vision**

*Abby's House empowers the  
women we serve to lead self-directed lives  
filled with dignity and hope.*

ABBY KELLEY FOSTER HOUSE, INC. AND AFFILIATES

REPORT ON CONSOLIDATED FINANCIAL STATEMENTS


YEARS ENDED DECEMBER 31, 2025 AND 2024

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## **INDEPENDENT AUDITORS' REPORT**

To the Board of Directors  
Abby Kelley Foster House, Inc. and Affiliates  
Worcester, Massachusetts

### **Opinion**

We have audited the accompanying consolidated financial statements of Abby Kelley Foster House, Inc. (a Massachusetts nonprofit organization) and Affiliates, which comprise the Consolidated Statements of Financial Position as of December 31, 2025 and 2024, and the related Consolidated Statements of Activities, Functional Expenses and Cash Flows for the years then ended, and the related notes to the consolidated financial statements.

In our opinion, based on our audits and the report of the other auditors, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of Abby Kelley Foster House, Inc. and Affiliates as of December 31, 2025 and 2024, and the changes in their net assets and their cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

We did not audit the financial statements of AKFH Renovations LLC, which statements reflect total assets of \$13,024,136 and \$13,480,235 as of December 31, 2025 and 2024, respectively. Those statements were audited by other auditors, whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for those Affiliates, is based solely on the report of the other auditors.

### **Basis for Opinion**

We conducted our audits in accordance with auditing standards generally accepted in the United States of America ("GAAS"). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Abby Kelley Foster House, 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 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 Abby Kelley Foster House, 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.

To the Board of Directors  
Abby Kelley Foster House, Inc. and Affiliates

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

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with 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, 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.

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 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 Abby Kelley Foster House, 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 Abby Kelley Foster House, 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.

### **Report on Consolidating Information**

Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The consolidating statements on pages 29 - 36 are presented for purposes of additional analysis of the consolidated statements rather than to present the financial position changes in net assets and cash flows of the individual entities and it is not a required part of the consolidated financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. The information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with GAAS. In our opinion, the consolidating information, which insofar as it relates to AKFH Renovations LLC, is based on the report of other auditors, is fairly stated in all material respects in relation to the consolidated financial statements as a whole.

*Smith, Sullivan & Brown, PC*

Westborough, Massachusetts  
May 13, 2026

ABBY KELLEY FOSTER HOUSE, INC. AND AFFILIATES  
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION  
AS OF DECEMBER 31, 2025 AND 2024

	<u>2025</u>	<u>2024</u>
<b><u>ASSETS</u></b>		
<u>CURRENT ASSETS:</u>		
Cash	\$ 714,065	\$ 1,032,697
Accounts and Other Receivables	82,719	29,182
Gifts, Grants and Pledges Receivable	563	12,563
Prepaid Expenses and Other Current Assets	19,288	35,179
Total Current Assets	<u>816,635</u>	<u>1,109,621</u>
<u>PROPERTY AND EQUIPMENT, NET</u>	<u>17,377,484</u>	<u>17,890,500</u>
<u>NON-CURRENT ASSETS:</u>		
Board Designated Reserves	1,306,745	718,794
Operational Capacity Building Funds	27,727	166,905
Shelter Renovation Funds	333,007	200,879
Abby's House Quasi-Endowment Fund	3,402,436	3,062,687
Beneficial Interest in Agency Fund	2,177,112	1,984,699
Reserve Funds Held in Escrow	576,152	549,453
Deferred Costs, Net	19,125	21,381
Total Non-Current Assets	<u>7,842,304</u>	<u>6,704,798</u>
<u>TOTAL ASSETS</u>	<u>\$ 26,036,423</u>	<u>\$ 25,704,919</u>
<b><u>LIABILITIES AND NET ASSETS</u></b>		
<u>CURRENT LIABILITIES:</u>		
Accounts Payable and Accrued Expenses	\$ 59,919	\$ 81,071
Accrued Payroll and Related Costs	85,794	63,898
Tenant Security Deposits	8,109	11,226
Deferred Revenue	2,252	3,475
Total Current Liabilities	<u>156,074</u>	<u>159,670</u>
<u>NON-CURRENT LIABILITIES:</u>		
Mortgage Notes Payable	8,599,845	8,482,084
Deferred Forgivable Debt	4,832,306	4,010,760
Total Non-Current Liabilities	<u>13,432,151</u>	<u>12,492,844</u>
<u>TOTAL LIABILITIES</u>	<u>13,588,225</u>	<u>12,652,514</u>
<u>NET ASSETS:</u>		
Net Assets Without Donor Restrictions	6,885,469	7,013,696
Net Assets With Donor Restrictions	2,433,611	2,244,500
Total Net Assets - Abby's House	9,319,080	9,258,196
Non-Controlling Interest (MHIC)	3,129,118	3,794,209
Total Net Assets	<u>12,448,198</u>	<u>13,052,405</u>
<u>TOTAL LIABILITIES AND NET ASSETS</u>	<u>\$ 26,036,423</u>	<u>\$ 25,704,919</u>

ABBY KELLEY FOSTER HOUSE, INC. AND AFFILIATES

CONSOLIDATED STATEMENTS OF ACTIVITIES  
FOR THE YEARS ENDED DECEMBER 31, 2025 AND 2024

	2025			2024		
	<u>WITHOUT</u> <u>DONOR</u> <u>RESTRICTIONS</u>	<u>WITH</u> <u>DONOR</u> <u>RESTRICTIONS</u>	<u>TOTAL</u> <u>ACTIVITIES</u>	<u>WITHOUT</u> <u>DONOR</u> <u>RESTRICTIONS</u>	<u>WITH</u> <u>DONOR</u> <u>RESTRICTIONS</u>	<u>TOTAL</u> <u>ACTIVITIES</u>
<b><u>SUPPORT, REVENUES AND RECLASSIFICATIONS:</u></b>						
<i>Support and Revenues:</i>						
Gifts, Grants and Contributions	\$ 1,615,089	\$ 132,171	\$ 1,747,260	\$ 1,222,291	\$ 155,884	\$ 1,378,175
Rental Income	650,124	-	650,124	697,007	-	697,007
Thrift Shop Donations	339,321	-	339,321	278,657	-	278,657
Donated Goods and Services	116,550	-	116,550	24,516	-	24,516
Special Fund Raising Event Proceeds	278,019	-	278,019	280,804	-	280,804
Investment Return	471,017	-	471,017	293,594	-	293,594
Interest Income	3,423	-	3,423	13,414	-	13,414
Change in Beneficial Interest in Agency Fund	-	277,413	277,413	-	212,968	212,968
Shelter Renovation Income	-	-	-	484,095	-	484,095
Other Income	34,665	-	34,665	45,265	-	45,265
Total Support and Revenues	<u>3,508,208</u>	<u>409,584</u>	<u>3,917,792</u>	<u>3,339,643</u>	<u>368,852</u>	<u>3,708,495</u>
<i>Reclassifications of Net Assets:</i>						
Net Assets Released from Donor Restrictions	220,473	(220,473)	-	889,536	(889,536)	-
<b><u>TOTAL SUPPORT, REVENUES AND RECLASSIFICATIONS</u></b>	<b><u>3,728,681</u></b>	<b><u>189,111</u></b>	<b><u>3,917,792</u></b>	<b><u>4,229,179</u></b>	<b><u>(520,684)</u></b>	<b><u>3,708,495</u></b>
<b><u>FUNCTIONAL EXPENSES:</u></b>						
Program Services	3,824,659	-	3,824,659	3,276,879	-	3,276,879
Administrative	334,922	-	334,922	340,754	-	340,754
Fund Raising	362,418	-	362,418	301,187	-	301,187
<b><u>TOTAL FUNCTIONAL EXPENSES</u></b>	<b><u>4,521,999</u></b>	<b><u>-</u></b>	<b><u>4,521,999</u></b>	<b><u>3,918,820</u></b>	<b><u>-</u></b>	<b><u>3,918,820</u></b>
<b><u>CHANGE IN NET ASSETS</u></b>	<b><u>(793,318)</u></b>	<b><u>189,111</u></b>	<b><u>(604,207)</u></b>	<b><u>310,359</u></b>	<b><u>(520,684)</u></b>	<b><u>(210,325)</u></b>
<b><u>NET ASSETS - BEGINNING OF YEAR</u></b>	<b><u>10,807,905</u></b>	<b><u>2,244,500</u></b>	<b><u>13,052,405</u></b>	<b><u>10,497,546</u></b>	<b><u>2,765,184</u></b>	<b><u>13,262,730</u></b>
<b><u>NET ASSETS - END OF YEAR</u></b>	<b><u>\$ 10,014,587</u></b>	<b><u>\$ 2,433,611</u></b>	<b><u>\$ 12,448,198</u></b>	<b><u>\$ 10,807,905</u></b>	<b><u>\$ 2,244,500</u></b>	<b><u>\$ 13,052,405</u></b>

ABBY KELLEY FOSTER HOUSE, INC. AND AFFILIATES

CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES

FOR THE YEAR ENDED DECEMBER 31, 2025

*(With Summarized Comparative Totals for 2024)*

	<u>PROGRAM SERVICES</u>	<u>ADMINI- STRATIVE</u>	<u>FUND RAISING</u>	<u>TOTAL FUNCTIONAL EXPENSES</u>
	2025	2025	2024	2024
Salaries and Wages	\$ 1,741,908	\$ 158,537	\$ 240,501	\$ 2,140,946
Payroll Taxes	165,133	14,958	22,692	202,783
Employee Benefits	138,423	12,547	19,035	170,005
Direct Client Assistance - Rental and Thrift Shop Subsidies	145,854	-	-	145,854
Program Supplies and Expenses	131,662	-	-	131,662
Costs of Fund Raising Events	-	-	28,038	28,038
Repairs and Maintenance	221,135	6,067	9,204	236,406
Utilities	208,646	-	-	208,646
Real Estate Taxes	28,152	-	-	28,152
Insurance	82,186	3,527	1,497	87,210
Accounting and Legal Expense	5,534	90,712	-	96,246
Other Professional Fees and Consultants	62,565	523	8,729	71,817
Office Supplies and Expenses	56,458	8,167	24,098	88,723
Staff Training, Travel and Related Expenses	45,987	2,287	1,156	49,430
Dues, Fees and Subscriptions	71,948	33,160	7,468	112,576
Depreciation and Amortization Expense	601,307	-	-	601,307
Interest Expense	117,761	-	-	117,761
Bad Debts	-	4,437	-	4,437
<b>Total Functional Expenses</b>	<b>\$ 3,824,659</b>	<b>\$ 334,922</b>	<b>\$ 362,418</b>	<b>\$ 4,521,999</b>
				<b>\$ 3,918,820</b>

ABBY KELLEY FOSTER HOUSE, INC. AND AFFILIATES

CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES  
FOR THE YEAR ENDED DECEMBER 31, 2024

	<u>PROGRAM</u> <u>SERVICES</u>	<u>ADMINI-</u> <u>STRATIVE</u>	<u>FUND</u> <u>RAISING</u>	<u>TOTAL</u> <u>FUNCTIONAL</u> <u>EXPENSES</u>
Salaries and Wages	\$ 1,448,115	\$ 150,701	\$ 200,290	\$ 1,799,106
Payroll Taxes	125,780	12,964	17,230	155,974
Employee Benefits	125,206	12,919	17,171	155,296
Direct Client Assistance - Rental and Thrift Shop Subsidies	126,524	-	-	126,524
Program Supplies and Expenses	52,671	-	-	52,671
Costs of Fund Raising Events	-	-	21,925	21,925
Repairs and Maintenance	191,096	4,466	5,936	201,498
Utilities	187,578	-	-	187,578
Real Estate Taxes	29,340	-	-	29,340
Insurance	89,244	2,994	1,152	93,390
Accounting and Legal Expense	1,450	92,840	-	94,290
Other Professional Fees and Consultants	116,524	21,810	8,413	146,747
Office Supplies and Expenses	34,495	8,487	22,167	65,149
Staff Training, Travel and Related Expenses	26,555	2,291	2,114	30,960
Dues, Fees and Subscriptions	42,216	29,294	4,789	76,299
Depreciation and Amortization Expense	562,324	-	-	562,324
Interest Expense	117,761	-	-	117,761
Bad Debts	-	1,988	-	1,988
<b>Total Functional Expenses</b>	<b>\$ 3,276,879</b>	<b>\$ 340,754</b>	<b>\$ 301,187</b>	<b>\$ 3,918,820</b>

ABBY KELLEY FOSTER HOUSE, INC. AND AFFILIATES

CONSOLIDATED STATEMENTS OF CASH FLOWS  
FOR THE YEARS ENDED DECEMBER 31, 2025 AND 2024

	<u>2025</u>	<u>2024</u>
<b><u>CASH FLOWS FROM OPERATING ACTIVITIES:</u></b>		
Change in Net Assets	\$ (604,207)	\$ (210,325)
<i>Adjustments to Reconcile the Above to Net Cash Used by Operating Activities:</i>		
Noncash Bequest Contribution	(155,014)	-
Contributions Restricted for Shelter Renovations	-	(20,000)
Depreciation and Amortization Expense	601,307	562,324
Accrued Interest Expense	117,761	117,761
Investment Return	(471,017)	(293,594)
Change in Fair Value of Beneficial Interest	(277,413)	(212,968)
Distribution from Beneficial Interest	85,000	59,730
<i>(Increase) Decrease in Current Assets:</i>		
Accounts and Other Receivables	(54,411)	(20,634)
Gifts, Grants and Pledges Receivable	13,326	6,937
Prepaid Expenses and Other Current Assets	6,854	557
<i>Increase (Decrease) in Current Liabilities:</i>		
Accounts Payable and Accrued Expenses	(18,910)	46,310
Accrued Payroll and Related Costs	21,896	(37,070)
Tenant Security Deposits	(3,117)	(750)
Deferred Revenue	(1,223)	(25,776)
<i>(Increase) Decrease in Non-Current Assets:</i>		
Gifts, Grants and Pledges Receivable	-	12,000
Net Adjustment	<u>(134,961)</u>	<u>194,827</u>
<b><u>NET CASH USED BY OPERATING ACTIVITIES</u></b>	<b><u>(739,168)</u></b>	<b><u>(15,498)</u></b>
<b><u>CASH FLOWS FROM INVESTING ACTIVITIES:</u></b>		
Transfers from Investments and Reserves	361,653	274,227
Transfers to Investments and Reserves	(728,939)	-
Cash Outlay for Renovation Costs	-	(3,867,378)
Acquisition of Property and Equipment	<u>(83,310)</u>	<u>(33,180)</u>
Net Cash Flows Used by Investing Activities	<u>(450,596)</u>	<u>(3,626,331)</u>
<b><u>CASH FLOWS FROM FINANCING ACTIVITIES:</u></b>		
Loan Proceeds - Shelter Renovation Financing	821,546	2,688,455
Proceeds from Capital Campaign Pledges and Grants	<u>-</u>	<u>80,000</u>
Net Cash Flows from Financing Activities	<u>821,546</u>	<u>2,768,455</u>
<b><u>NET DECREASE IN CASH BALANCES</u></b>	<b><u>(368,218)</u></b>	<b><u>(873,374)</u></b>
<b><u>CASH BALANCES - BEGINNING OF YEAR</u></b>	<b><u>2,116,178</u></b>	<b><u>2,989,552</u></b>
<b><u>CASH BALANCES - END OF YEAR</u></b>	<b><u>\$ 1,747,960</u></b>	<b><u>\$ 2,116,178</u></b>

ABBY KELLEY FOSTER HOUSE, INC. AND AFFILIATES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2025 AND 2024

NOTE 1     ORGANIZATION AND AFFILIATES

**Abby Kelley Foster House, Inc.:**

Abby Kelley Foster House, Inc. (“Abby’s House” 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”). Abby Kelley Foster House, 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. In 2017, in connection with a major facility capital renovation project, Abby’s House established the following entities in order to receive and transfer federal and state tax credits.

**AKFH Renovations MM LLC:**

AKFH Renovations MM LLC (“the Managing Member”) was established as a Massachusetts Limited Liability Company pursuant to Chapter 156C of the Massachusetts General Laws on March 24, 2017. The Managing Member is a tax-exempt controlled entity as defined in IRC Section 168, owned 50% by Abby’s House and 50% by Main South Community Development Corporation (“Main South”), an unrelated Massachusetts charitable nonprofit corporation, as a Non-Voting Member. Abby’s House serves as the General Partner of the Managing Member. Pursuant to IRC Section 168, the Managing Member elected to be taxed as a corporation.

**AKFH Renovations LLC:**

On March 24, 2017, the Managing Member established AKFH Renovations LLC (“the LLC”) also organized as a Massachusetts Limited Liability Company pursuant to Chapter 156C of the Massachusetts General Laws. On December 28, 2017, the Managing Member admitted Massachusetts Housing Equity Fund XXIII LLC (“MHIC”) as the Investor Member. On that date, MHIC acquired a 99.99% interest in the LLC with capital contributions further detailed in Note 8. The term of the LLC shall continue until December 31, 2067 unless sooner dissolved or terminated in accordance with the provisions of the operating agreement.

NOTE 2     PROGRAM SERVICES

**Overview**

Since 1976, Abby’s House has been effectively responding to one of the most basic and fundamental human needs - a safe place to stay. Abby’s House provides a warm, welcoming, and safe place for women who are homeless due to lack of safe, affordable housing, domestic violence, economic instability, or unemployment.

Abby’s House annually serves hundreds of women, providing them with shelter, housing, and advocacy. Our immediate goal is “to answer the door, one knock at a time” for women, with and without children, who need safe or stable housing. We provide women with tangible skills, access to services, and emotional support to actively mitigate the issues which led to them becoming unhoused and to help them maintain stable housing. Our advocacy lays the foundation for residents and guests to make independent choices for themselves and lead self-directed lives filled with dignity and hope. This model has helped more than 15,500 women to succeed over the last 45 years.

ABBY KELLEY FOSTER HOUSE, INC. AND AFFILIATES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2025 AND 2024

*(Continued)*

NOTE 2 *(Continued)*

**Programs**

Shelter, housing, and women’s services programs operate year-round, seven days per week and 24 hours per day. We have an on-call system in place to address any issues that may arise during non-traditional office hours.

**Overnight Shelter:**

Staffed by an Associate Director of Shelter Operations, a dedicated Shelter Advocate, and overnight staff, Abby’s House’s overnight shelter provides women, with and without children, with safe shelter. Operations are also supported by a team of regular volunteers. Intensive case management is provided by the Shelter Advocate which focuses on helping guests build a plan to address their immediate needs. We assist them in finding and securing long-term, stable housing—either in Abby’s House supportive housing or elsewhere; this may include helping them to access residential programs, such as inpatient substance abuse treatment programs, when further stabilization is required in transitioning towards permanent housing.

Abby’s House shelter underwent a significant renovation at 21-23 Crown Street in Worcester; this began in July of 2023 and concluded in July of 2024. This renovation improved the structural integrity of the building, while making it Americans with Disabilities Act (“ADA”) accessible. In addition, the renovation expanded capacity from a congregate setting with five rooms and 9 beds to a non-congregate setting with 13 rooms and 18 beds. Office space for staff, and expanded common areas were also created, including a play room for children. There are two apartments in the basement that can be rented to generate revenue. The shelter is currently at capacity, with a significant wait-list of women from the community.

**Supportive Housing:**

Abby’s House is Worcester’s largest provider of supportive housing specifically designed to meet the needs of women and children. We meet the needs of working women who cannot afford market-rate rent and our options also allow those who are on Supplemental Security Income (“SSI”) or Social Security Disability Insurance (“SSDI”) to live safely and comfortably. Abby’s House has three buildings which collectively provide seven two-bedroom apartments and 72 single room occupancy housing units. In 2019, Abby’s House completed the renovation of 52 High Street, a century-old building, and our largest property of supportive housing. The renovation added two units of housing, bringing the total count to 56. Our HVAC, electrical, plumbing, and security systems were updated and increased accessibility was made possible by a reconfigured entrance, elevator, and accessible kitchens and bedrooms. The renovation preserved this critically needed housing for decades to come.

**Women’s Services:**

The Women’s Services team is supported by frontline advocates/case managers who empower women to identify realistic goals and provide the tools needed to achieve them. Individualized services allow us to work with each woman, given her own specific set of circumstances. Advocates help our shelter guests and residents access the services and resources they need to survive and thrive by working consistently with local social service and government agencies. Our goal is to create a system of seamless service provision, support women with the sometimes-daunting task of matching needs with existing resources and assist them with accessing those services. In 2023, we added a Women’s Services Clinician to our team to better address the mental health needs of our residents and guests; the clinician offers individual support sessions, crisis intervention, clinical care coordination, as well as therapeutic group programming in our Women’s Empowerment Center.

ABBY KELLEY FOSTER HOUSE, INC. AND AFFILIATES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2025 AND 2024

*(Continued)*

NOTE 2 *(Continued)*

**Referral Services:**

We receive a minimum of 20 - 25 calls, emails, or in-person visits per week from women seeking help and provide them with education that empowers them to access needed resources. We provide information and referrals to external agencies that offer a range of supports, including but not limited to domestic violence services, nutrition and income assistance, education, employment, financial literacy, parenting supports, medical services, government-assisted permanent housing, and legal assistance. Developing and maintaining positive working relationships with local professionals and organizations in other areas of human services is vital for effective referrals. These relationships enable staff to maintain up-to-date and accurate information about available services in the community to help women reach their goals.

**Annette Rafferty Women's Empowerment Center:**

Current and past residents and guests are welcome to participate in the Annette Rafferty Women's Empowerment Center ("Women's Center") programs offered at Abby's House. Women's Center activities include weekly nutritious meals, holiday celebrations, a food pantry, computer access, and other educational and social activities based on women's interests and volunteer availability. The camaraderie that is built through the Women's Center provides a sense of community and stability in women's lives. In 2024, we also launched a monthly personal care pantry to provide residents and guests with items needed to attend to their personal hygiene such as hair care, skin care, oral hygiene and feminine hygiene products. The products distributed are provided via in-kind donations from the community.

**Thrift Shop:**

Abby's House Thrift Shop is managed by two staff members and over 40 volunteers who ensure the needs of women in the community are met by offering gently used clothing and household items at affordable prices. In 2024, we added a part-time sales associate position to help support shop operations, this also enabled us to open the shop on Fridays. Each week we receive items from dedicated supporters. Volunteers and staff sort items and provide a safe, affordable, and comfortable place for our residents and shelter guests to shop. In addition to providing clothing vouchers to the women who reside at Abby's House, we are also able to offer clothing vouchers to women from over 25 agencies who work with women in need. All proceeds from the Thrift Shop support the mission of Abby's House. The Shop is currently open Monday through Saturday from 10 am - 3pm.

**Annette Rafferty Survive to Thrive (ARST) Fund:**

Through a collaborative application process involving residents or shelter guests and their advocates, the ARST Fund provides emergency funding to cover tangible expenses like medical and dental needs. This fund also helps to break the cycle of poverty by providing financial support to residents and shelter guests for education or vocational training with the goal of helping them to become financially self-sufficient. Additionally, funds are used to support the escalating costs of obtaining permanent and stable housing including first, last and security payments required for moving into an apartment.

ABBY KELLEY FOSTER HOUSE, INC. AND AFFILIATES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2025 AND 2024

(Continued)

NOTE 3      SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

**Basis of Accounting:**

The consolidated financial statements of the Abby Kelley Foster House, Inc. and Affiliates have been prepared on the accrual basis of accounting in conformity with generally accepted accounting principles (“GAAP”).

**Estimates:**

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the 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:**

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

- Abby Kelley Foster House, Inc.
- AKFH Renovations MM LLC
- AKFH Renovations LLC

As the General Partner of the LLC and the Managing Member, Abby’s House is considered to hold both a financial interest in and control over these entities and, therefore, is required to consolidate their activities within the accompanying consolidated financial statements.

The interest owned by the unaffiliated members or limited partners is referred to in the accompanying consolidated financial statements as the *Non-Controlling Interest* and represents the Investor Member’s proportionate share of equity and net results from operations of the LLC. For the years presented, MHIC and Main South represent the *Non-Controlling Interest*, with all equity and capital attributed to MHIC.

Except as otherwise specified in the partnership agreements, all items of income, expense, gain, loss, tax credits and cash are allocated to the partners based upon their ownership percentage. All material inter-affiliated accounts and transactions are eliminated in the consolidated financial statements.

**Fair Value of Financial Instruments:**

The Organizations report their 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 defined as follows:

- Level 1 - Quoted prices for identical assets or liabilities in active markets to which the Organizations have access at the measurement date.

ABBY KELLEY FOSTER HOUSE, INC. AND AFFILIATES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2025 AND 2024

(Continued)

NOTE 3 (Continued)

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.

The primary use of fair value measures in the Organizations' consolidated financial statements is the recurring measurement of its beneficial interest in an agency fund and its investments.

**Financial Statement Presentation:**

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

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

*Net Assets With Donor Restrictions* - Some restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other restrictions may be perpetual in nature, where the donor stipulates that the resources be maintained in perpetuity. For the years presented, the Organizations have no net assets that are required to be maintained in perpetuity. The Organizations' unspent contributions are reported in net assets with donor restrictions if the donor limited their use, or if they are promised contributions that are not yet due. Gifts of long-lived assets and gifts of cash restricted for the acquisition of long-lived assets are recognized as restricted revenue when received and released from restrictions when the assets are placed in service. Should the donor restrict an asset to use in a program, the asset continues to be reported as restricted net assets.

**Cash and Reserve Accounts:**

Cash held for long-term purposes, including capital projects, is classified as non-current within the Consolidated Statements of Financial Position. Cash set aside or designated as reserve funds are classified in accordance with the underlying intentions, restrictions and purposes. The table on the following page provides a reconciliation of cash and restricted cash reported within the Consolidated Statements of Financial Position to the sum of the corresponding amounts within the Consolidated Statements of Cash Flows for the years presented. The balance of the funds per the Consolidated Statements of Financial Position includes cash accounts and funds that are invested.

ABBY KELLEY FOSTER HOUSE, INC. AND AFFILIATES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2025 AND 2024

*(Continued)*

NOTE 3     *(Continued)*

<u>Cash Composition</u>	<u>2025</u>	<u>2024</u>
Cash	\$ 714,065	\$1,032,697
Board Designated Operating, Building and Capital Asset Reserves	107,944	312,610
Shelter Renovation Funds	333,007	200,879
Operational Capacity Building Funds	8,683	8,812
Operating Reserve (Held in Escrow)	360,004	359,644
Replacement Reserve (Held in Escrow)	216,148	189,809
Tenant Security Deposits (Other Current Assets)	<u>8,109</u>	<u>11,727</u>
Total	<u>\$1,747,960</u>	<u>\$2,116,178</u>

Operating Reserve

In accordance with the provisions of the Operating Agreement (*See Note 1*), the LLC is required to fund an operating reserve of \$350,000. This funding may be adjusted annually per the terms of the Operating Agreement to comply with the requirement to maintain an “Operating Reserve Minimum”, as defined in the Operating Agreement. The reserve may be used from time to time by the Managing Member to eliminate operating deficits, if any, occurring in the operating of the 52 High Street property.

Replacement Reserve

The LLC is required by its Operating Agreement to establish and maintain a replacement reserve, which is to be used to fund capital improvements and repairs to the property at 52 High Street. For the years ended December 31, 2025 and 2024, the LLC funded the reserve with additional deposits of \$26,133 and \$35,467, respectively.

**Receivables:**

*Accounts and Other Receivables* primarily represents amounts due from tenants for rent along with other reimbursements due.

*Gifts, Grants and Pledges Receivable* reflects the balance due on unconditional promises to give. Receivables are reported at net realizable value and classified as current if they are scheduled for payment within one year, and non-current when the expected payment date exceeds one year. Grants and pledges receivable for the shelter renovation project are classified as non-current, regardless of due date. Promises to give with expected payment dates that extend beyond one year are discounted to their present value when such amounts are considered material. As of December 31, 2025 and 2024, all grants receivable were classified as current.

Management periodically reviews receivables to determine if any balances are uncollectible. The allowance for uncollectible receivables is determined based on historical collection experience and a review of the current status of tenant accounts receivable. Management believes that all receivables are fully collectible; accordingly, these financial statements do not contain a provision for uncollectible accounts. For the years presented, the Organizations did not report any losses on unpaid grant or pledge commitments. For the years ended December 31, 2025 and 2024, *Bad Debt* expense totaling \$4,437 and \$1,998, respectively, related primarily to accounts and other receivables from tenants.

ABBY KELLEY FOSTER HOUSE, INC. AND AFFILIATES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2025 AND 2024

(Continued)

NOTE 3 (Continued)

**Property and Equipment:**

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

<u>Description</u>	<u>Est. Life</u>
Buildings	39 - 40
Building Improvements	5 - 40
Leasehold Improvements	10
Office Furnishings	5 - 7
Shelter Furnishings	3
Equipment	7

The Organizations review their investment 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 amount 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 the years presented.

**Investments:**

As further detailed in Note 5, Abby's House maintains an investment portfolio which is 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. In the accompanying consolidated financial statements, short-term liquidity and operating reserve funds are classified as current assets, while the board designated endowment and building and capital asset reserve funds are classified as long-term within non-current assets.

As further detailed in Note 8, Abby's House established a board designated endowment fund, known as the Abby's House Quasi-Endowment Fund ("the Fund"). In establishing the Fund, the Board of Directors adopted an Investment Policy Statement which serves as a means by which to create alignment with the mission, the objectives and the policies of Abby's House. The investment policy establishes objectives, guidelines and eligible securities for the Fund's investment portfolio as well as policies and procedures for oversight and ongoing management of the Fund. The Fund has a long-term investment horizon.

ABBY KELLEY FOSTER HOUSE, INC. AND AFFILIATES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2025 AND 2024

*(Continued)*

NOTE 3 *(Continued)*

The primary investment objectives of the Fund are to:

- Preserve the long-term, real purchasing power of the Fund after inflation, costs, and spending.
- Maximize the Fund's risk-adjusted returns.
- Minimize risk through appropriate diversification and asset allocation, which is roughly 60% equities and 40% fixed income.
- Provide a stable, predictable source of liquidity and financial support.
- Control administration and management costs of the Fund's investments.

To smooth the effects of short-term variations in market values, the spending rate is based on a moving average. The Fund will follow a spending policy rate of 4% of the average value of the portfolio assets at the end of each of the previous eight rolling quarters beginning September 30, 2025. For periods prior to the effective date of the spending policy, the Board of Directors approved appropriations equal to 4% of the fund value at specified dates. The Fund will make use of the total return-based spending policy, meaning that it will fund distributions from net investment income, net realized capital gains and proceeds from the sale of investments. The spending policy will be reviewed annually by the Investment Committee.

**Beneficial Interest in Assets Held By Others:**

Abby's House has a beneficial interest in an agency fund held by the Greater Worcester Community Foundation ("GWCF") that is recognized as an asset in the accompanying Consolidated Statements of Financial Position. For the years presented, the beneficial interest in the agency fund is classified as a Level 3 financial instrument within the fair value hierarchy and has been measured at fair value on a recurring basis. The fair value of the beneficial interest in the agency fund is based on a percentage interest in the agency fund's fair value as represented by the agency fund's management. Changes in the fair value of the beneficial interest in the agency fund are recognized in the Consolidated Statement of Activities. Distributions received from the fund are recorded as decreases in the beneficial interest *(See Note 6)*.

**Leases:**

The Organizations determine if an arrangement is a lease at inception. When applicable, operating and finance leases are included in lease right-of-use ("ROU") assets, other current liabilities, and lease liabilities in the Consolidated Statements of Financial Position. ROU assets represent the right to use an underlying asset for the lease term and lease liabilities represent the obligation to make lease payments arising from the lease. ROU assets and liabilities are recognized at the lease commencement date based on the present value of lease payments over the lease term, using the weighted average discount rate.

The ROU asset includes any lease payments made and excludes lease incentives. The Organizations have elected the option to use the risk-free rate determined using a period comparable to the lease terms as the discount rate for leases where the implicit rate is not readily determinable. The lease terms may include options to extend or terminate the lease when it is reasonably certain that the Organizations will exercise that option. Lease expense for lease payments is recognized on a straight-line basis over the lease term. Abby's House has applied the standards to its operating lease with the LLC, which has been eliminated, along with the rental income and expense, in the accompanying consolidated financial statements.

ABBY KELLEY FOSTER HOUSE, INC. AND AFFILIATES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2025 AND 2024

(Continued)

NOTE 3 (Continued)

Abby's House has elected the short-term lease exemption for all leases with a term of 12 months or less for both existing and ongoing operating leases to not recognize the asset and liability for these leases. Lease payments for short-term leases are recognized on straight-line basis. For the years presented, the Organizations did not have any short-term leases.

**Deferred Costs:**

Deferred costs are represented by tax credit fees in the original amount of \$33,783, which are amortized on a straight-line basis over the 15-year compliance period. These deferred costs are presented net of accumulated amortization of \$14,658 and \$12,402 as of December 31, 2025 and 2024, respectively. For each year presented, amortization expense was \$2,256. The amortization expense is expected to be \$2,256 per year through December 31, 2030.

**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 over the life of the respective debt. Amortization of debt issuance costs is reported as a component of *Interest Expense* and is computed using an imputed interest rate on the related loan.

**Gifts, Grants and Contributions:**

Abby's House 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.

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. 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.

ABBY KELLEY FOSTER HOUSE, INC. AND AFFILIATES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2025 AND 2024

(Continued)

NOTE 3 (Continued)

**Revenue Recognition:**

The Organizations' primary program revenue sources are rental income and income from its thrift shop sales. *Rental Income* consists of funds received from tenants and external subsidies and is recognized when earned based upon occupancy dates. Rent payments received in advance are classified as deferred revenue, a contract liability, until earned. The Organizations' rental rates are considered below-market rental rates. The difference between the market rates that could be charged for the square-footage and the actual rates charged is recognized as a subsidy and reported within *Direct Client Assistance - Rental and Thrift Shop Subsidies* in the accompanying Consolidated Statements of Functional Expenses. *Thrift Shop Donations* results from the sale of donated clothing and goods. The revenue recognized is considered to represent the fair value of the donated goods and is considered to be contributed revenue.

**Shelter Renovation Income:**

As part of the shelter renovation project, Abby's House received compensation for its overhead and oversight of the project in the form of a Developer Overhead fee. In addition to the Developer Overhead fee, the renovation budget had a provision for a Developer Fee of up to \$276,067, which was payable upon completion of the project, as stipulated in the loan agreement, and subject to available funding. The project was substantially completed in 2024, at which time, Abby's House recognized the capitalized asset and revenue. The total revenue recognized as *Shelter Renovation Income* and capitalized for the year ended December 31, 2024 was \$484,095.

**Donations of Nonfinancial Assets:**

Contributed nonfinancial assets include donated professional services, equipment, gift cards, clothing and other in-kind contributions which are recorded at the respective fair values of the goods or services received. 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. Abby's House relies heavily upon volunteer involvement in direct service, thrift shop operations and administrative capacities. Abby's House also relies upon donations from the general public of program supplies, materials, clothing, food and personal items for program participants.

Volunteers are an integral component of Abby's House program services. Volunteers provide staffing services at the Shelter and Thrift Shop which would otherwise be paid positions. Although extensive, these donations do not meet the recognition criteria, and therefore, the related contribution is not reflected in the accompanying consolidated financial statements.

**Special Fund Raising Event Proceeds:**

Revenue from fundraising events is recognized when the event occurs. For events in which donors receive goods or services of more than incidental value and the related direct costs are significant, the fair value of the direct costs of such benefits are presented as an offset to the event revenue on the Consolidated Statement of Activities. When donor benefits are incidental or direct costs are not significant, gross proceeds are reported in the Consolidated Statement of Activities, and related event costs are classified as fundraising expenses.

ABBY KELLEY FOSTER HOUSE, INC. AND AFFILIATES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2025 AND 2024

(Continued)

NOTE 3 (Continued)

**Functional Expenses:**

The Organizations allocate their expenses on a functional basis among its various programs and support services. Expenses that are common to several functions are allocated according to time and space usage. In the accompanying Consolidated Statement of Functional Expenses, *Salaries and Wages*, *Payroll Taxes* and *Employee Benefits* have been allocated based upon management's estimates of time usage by functional category, while the costs associated with facilities (*Repairs and Maintenance*, *Utilities*, *Insurance*, *Depreciation and Amortization Expense*, and *Real Estate Taxes*) are allocated based upon square footage formulas as derived from the usage of the underlying assets.

Supporting services are those related to operating and managing Abby Kelley Foster House, Inc. and Affiliates and its programs on a day-to-day basis. Supporting services have been sub-classified as follows:

*Administrative* - includes all activities related to Abby Kelley Foster House, Inc. and Affiliates' 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 Abby Kelley Foster House, Inc. and Affiliates' programs. For the years ended December 31, 2025 and 2024, donors did not receive significant benefits in connection with fund raising events; therefore, the costs of these events are included in fund raising expenses.

**Reclassifications:**

Certain amounts in the prior year summarized comparative information have been reclassified to conform to the current year presentation. Reclassifications made to the prior year information have no impact on total net assets or changes in net assets.

**Tax Position:**

The Organizations currently evaluate all tax positions and make a determination regarding the likelihood of those positions being upheld under review. The primary tax positions made by Abby's House are the lack of Unrelated Business Income Tax and its tax-exempt status under IRC Section 501(c)(3) and the fact that changes may result from the closing of the statute of limitations on tax returns, new legislation, and clarification of existing legislation through government pronouncements, the courts, and through the examination process.

AKFH Renovations LLC is taxed as a partnership and files a U.S. Return of Partnership Income, which indicates the share of items to be reported on each members' income tax return. AKFH Renovations MM LLC is taxed as a corporation and files a U.S. Corporation Income Tax Return. For the years presented, there was no taxable income reported. As a result, no provision for income taxes is required in the accompanying consolidated financial statements.

For the years presented, the Organizations have not recognized any tax benefits or loss contingencies for uncertain tax positions based on these evaluations.

ABBY KELLEY FOSTER HOUSE, INC. AND AFFILIATES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2025 AND 2024

(Continued)

NOTE 4    PROPERTY AND EQUIPMENT

As described in detail in Note 2, Abby's House operates shelter, housing and women's services programs in three locations situated in Worcester, MA. The following is a summary of property and equipment as of December 31, 2025 and 2024:

<u>Asset Category</u>	<u>2025</u>	<u>2024</u>
Land	\$ 569,681	\$ 569,681
Land Improvements	147,843	147,843
Buildings and Improvements	20,027,078	19,943,768
Leasehold Improvements	28,690	28,690
Furnishings, Fixtures, and Equipment	<u>522,560</u>	<u>519,835</u>
Subtotal	21,295,852	21,209,817
Less: Accumulated Depreciation	<u>(3,918,368)</u>	<u>(3,319,317)</u>
Property and Equipment, Net	<u>\$17,377,484</u>	<u>\$17,890,500</u>

Depreciation expense for the years ended December 31, 2025 and 2024 was \$599,051 and \$560,068, respectively, which is included in *Depreciation and Amortization Expense* on the Consolidated Statement of Functional Expenses.

**Shelter Renovation Project:**

Abby Kelley Foster House, Inc. has owned the building that currently serves as a shelter for over 40 years and has maintained it over the years through operating funds. The structure is a historic brick building that experienced structural challenges that needed an infusion of capital funds to repair properly. The COVID-19 pandemic also highlighted the challenges of the congregate shelter model.

Abby's House received financing commitments totaling \$4.5 million from the Commonwealth of Massachusetts and the City of Worcester. The total development cost was \$5.2 million, with the balance funded by Abby's House. Construction commenced in July 2023 and was completed in June 2024, at which time the newly renovated shelter was placed in service.

NOTE 5    INVESTMENTS

Abby's House maintains a diversified investment portfolio which is professionally managed and guided by a formal investment policy. As of December 31, 2025 and 2024, the investment portfolio consisted of the following balances:

	<u>December 31, 2025</u>		<u>December 31, 2024</u>	
	<u>Total</u>	<u>Fair Value (Level 1)</u>	<u>Total</u>	<u>Fair Value (Level 1)</u>
Exchange-Traded Products:				
Equities	\$1,689,621	\$1,689,621	\$1,554,638	\$1,554,638
Fixed Income	114,370	114,370	104,725	104,725
Mutual Funds:				
Equity Funds	328,698	328,698	272,772	272,772
Bond Funds	1,228,771	1,228,771	1,074,554	1,074,554
U.S. Treasury Notes	817,564	817,564	442,261	442,261
Cash and Cash Equivalents	<u>441,258</u>	<u>-</u>	<u>178,014</u>	<u>-</u>
Total Investments	<u>\$4,620,282</u>	<u>\$4,179,024</u>	<u>\$3,626,964</u>	<u>\$3,448,950</u>

ABBY KELLEY FOSTER HOUSE, INC. AND AFFILIATES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2025 AND 2024

(Continued)

NOTE 5 (Continued)

Investments consist of the following funds and classifications as of December 31, 2025 and 2024:

<u>Investment Classification</u>	<u>2025</u>	<u>2024</u>
Board Designated Reserves	\$1,198,802	\$ 406,184
Operational Capacity Building Funds	19,044	158,093
Abby's House Quasi-Endowment Fund	<u>3,402,436</u>	<u>3,062,687</u>
Total Investments	<u>\$4,620,282</u>	<u>\$3,626,964</u>

Abby's House uses the following methods to determine the fair value of investments:

Mutual Funds and Exchange-Traded Funds: Traded on national securities exchanges and are determined by the published closing price on the last business day of the fiscal year.

U.S. Treasury Notes: U.S. government obligations are valued by the custodians of the securities using pricing models based on credit quality, time to maturity, stated interest rates, and market-rate assumptions.

NOTE 6 BENEFICIAL INTEREST IN AGENCY FUND

The estimated value of funds held by GWCF on behalf of Abby's House was \$2,177,112 and \$1,984,699 as of December 31, 2025 and 2024, respectively. Abby's House contributes to this fund which may be used for future programs or capital needs. In addition, it is the hope of Abby's House that other individuals will contribute to the fund. The nature of the agency fund agreement grants variance power, or control, to GWCF, which gives GWCF the ultimate authority over the fund and the income derived therefrom. Abby's House retains a beneficial interest in the agency fund held by the GWCF, the assets of which are not in the possession of Abby's House; however, Abby's House has legally enforceable rights and claims to the earnings on such assets. Upon request by Abby's House, and subject to the approval of the GWCF, income from the fund is distributed to Abby's House. Abby's House may also request distributions of the principal, subject to an application and approval process. Based upon the agreement with GWCF, the funds are reported as net assets with donor restrictions in the accompanying consolidated financial statements.

The following schedule summarizes the changes in Abby's House's beneficial interest, valued using Level 3 inputs, for the years presented:

	<u>2025</u>	<u>2024</u>
Beneficial Interest - Beginning of Year	\$1,984,699	\$1,831,461
Contributions to the Fund	-	250
Distributions from the Fund	(85,000)	(59,730)
Investment Income	304,638	238,708
Investment Management Fees	<u>(27,225)</u>	<u>(25,990)</u>
Beneficial Interest - End of Year	<u>\$2,177,112</u>	<u>\$1,984,699</u>

ABBY KELLEY FOSTER HOUSE, INC. AND AFFILIATES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2025 AND 2024

(Continued)

NOTE 6 (Continued)

As of December 31, 2025, the composition of the agency fund investments are as follows:

<u>Investment Type</u>	<u>Percentage of Portfolio</u>
Equities	67.2%
Fixed Income	24.0%
Alternatives	7.1%
Cash/Cash Equivalents	1.7%
Total	<u>100.0%</u>

NOTE 7 DEBT

**77 Chatham Street, Worcester:**

*Community Economic Development Assistance Corporation (“CEDAC”):*

On January 25, 1996, the Organization received a mortgage in the amount of \$147,300 under the Housing Innovations Fund II program, as funded by the EOHLC (formerly Massachusetts Department of Housing and Community Development (“DHCD”)) and administered by CEDAC. The original terms of the note provided that simple interest would accrue at the annual rate of 5% for a 20-year period, while the note has a 30-year term, and is due on January 25, 2026. At year end, Management had initiated the process to apply for a ten-year extension of the note maturity and terms. As the note was in good standing and, based on preliminary communications, Management expects the note to be extended, the debt continues to be presented within the long-term debt classification. The note was amended to a 0% interest rate, retroactive to the initial loan date. The note is secured by the above property. CEDAC has the option to extend the note for additional 10-year terms, provided that the project remains in compliance with the affordable housing regulations. If at any time before the loan maturity date the project’s annual cash flow exceeds 1.05 of the annual cash expenses, including debt coverage requirements, the excess cash flow would be due and payable to CEDAC within 45 days of the end of each calendar year.

*City and State HOME Funds:*

On November 14, 1995, the City of Worcester, through its Office of Planning and Community Development, loaned \$70,000 for the acquisition and renovation of the property located at 77 Chatham Street. The Commonwealth of Massachusetts, through its Executive Office of Communities and Development, provided matching funds with an additional loan of \$70,000 to the project. The total loan amount of \$140,000 is funded by the U.S. Department of Housing and Urban Development (“HUD”) under the HOME Program which requires a deed restriction for the affordable housing regulations. The debt is structured as an interest-free loan with no payments due for 40 years, maturing on November 14, 2035, at which time the balance is due in full. The note would also become payable in full upon the sale or complete refinancing of the property. The note is secured by a mortgage and security agreement on the property and is subordinate to the mortgage held by CEDAC.

ABBY KELLEY FOSTER HOUSE, INC. AND AFFILIATES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2025 AND 2024

*(Continued)*

NOTE 7      *(Continued)*

**52 High Street, Worcester:**

In 2019, Abby’s House completed a major renovation project on a residential and program/office facility. The total renovation costs were \$16.8 million and was funded by long-term deferred debt, bond proceeds and proceeds from federal and state tax credits. The construction phase was funded by the bond proceeds, capital campaign contributions and additional permanent long-term deferred financing through the Commonwealth of Massachusetts and the City of Worcester. AKFH Renovations LLC received \$11,422,992 in capital contributions from the equity investment in federal low-income housing tax credits and federal historic tax credits and as subordinate loans from the sale of state low-income housing tax credits and state historic tax credits, which sources were used to repay the bond and construction bridge loans. The following significant debt and related agreements have been executed in connection with this project.

*MassDocs:*

MassDocs is an agency that coordinates the funding programs of four state agencies. AKFH Renovations LLC has entered into the following loan agreements which are administered by EOHL (formerly DHCD) for itself and as agent for CEDAC and the City of Worcester. The following table summarizes the balances due as of December 31, 2025 and 2024.

<u>Funding Source</u>	<u>Balance</u>
CEDAC - Housing Innovations Fund	\$1,890,136
CEDAC - Facilities Consolidation Fund	472,534
City of Worcester - HOME Program	550,000
EOHL - Housing Trust Fund	<u>500,000</u>
Total	<u>\$3,412,670</u>

The promissory notes are non-interest bearing and have maturity dates of February 28, 2049 and 2059. Each of the above loans are secured by a shared second priority mortgage lien on the property. All outstanding balances are due on the maturity date.

*Neighborhood of Affordable Housing, Inc. (“NOAH”):*

AKFH Renovations LLC received a binding commitment from the Massachusetts DHCD for an allotment of its 2019 Massachusetts Low-Income Housing Tax Credits. In addition, the Massachusetts Historical Commission awarded Massachusetts Historic Rehabilitation tax credits. Management initially estimated that the sale of the State Low-Income Housing Tax Credits and the State Historic Tax Credits would generate aggregate net sale proceeds of approximately \$4 million. In accordance with the provisions of the Amended and Restated Operating Agreement of AKFH Renovations LLC, AKFH Renovations LLC allocated 100% of the State Low-Income Housing Tax Credits and the State Historic Tax Credits to its managing member, AKFH Renovations MM LLC (the “Managing Member” or “Donor”). On December 28, 2017, the Managing Member, as the Donor, and Neighborhood of Affordable Housing, Inc., as Donee (the “Donee”) entered into the Charitable Donation and Transfer Agreements pursuant to which agreements, the Managing Member agreed to donate, and the Donee agreed to accept the donation of, the State Low-Income Housing Tax Credits and the State Historic Tax Credits. Pursuant to these arrangements, the Donee sold the State Low-Income Housing Tax Credits and the State Historic Tax Credits to private buyers identified in the Purchase and Transfer Agreements entered into as of December 28, 2017.

ABBY KELLEY FOSTER HOUSE, INC. AND AFFILIATES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2025 AND 2024

(Continued)

NOTE 7 (Continued)

In 2019, AKFH Renovations LLC received two loans from NOAH, an unrelated charitable organization, in the aggregate amount of \$4,460,625 which were sourced from the proceeds of the sale of the state low-income housing tax credits and the state historic tax credits. The loans are secured by a shared fourth priority mortgage lien, accrue simple interest at the applicable federal rate (2.64%), payable to the extent of available cash flow, and mature on December 31, 2057. For each of the years ended December 31, 2025 and 2024, interest expense in the amount of \$117,761 was accrued on these loans with accumulated accrued interest totaling \$726,550 and \$608,789 at each respective year end.

Each of the above obligations is secured by a mortgage on the underlying property which stipulates that the property must comply with affordable housing regulations.

As of December 31, 2025 and 2024, *Mortgage Notes Payable* (including accrued interest) consists of the following obligations:

<u>Debt Obligation</u>	<u>2025</u>	<u>2024</u>
CEDAC Permanent Loans	\$3,412,670	\$3,412,670
NOAH	<u>5,187,175</u>	<u>5,069,414</u>
Total	<u>\$8,599,845</u>	<u>\$8,482,084</u>

**21 - 23 Crown Street:**

*MassDocs:*

In connection with the Crown Street shelter renovation project, Abby's House secured financing through EOHLC, administered by the Massachusetts Housing Finance Agency and CEDAC under the Affordable Housing Trust Fund ("AHTF") and the Housing Innovations Fund ("HIF"). The promissory notes are dated July 21, 2023, are noninterest bearing, and mature on June 21, 2054, unless extended. The approved borrowing amounts are \$1,795,006 on the AHTF loan and \$2,000,000 on the HIF loan. As of December 31, 2025 and 2024, the combined outstanding balance was \$3,795,006 and \$3,048,460, respectively.

*City of Worcester:*

The City of Worcester, through its Executive Office of Economic Development Housing Division, approved financing in the amount of \$750,000, which is also noninterest bearing and matures on June 21, 2054, unless renewed. The loan proceeds are funded by the American Rescue Plan Act ("ARPA"). As of December 31, 2025 and 2024, \$750,000 and \$675,000, respectively, was borrowed and outstanding.

ABBY KELLEY FOSTER HOUSE, INC. AND AFFILIATES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2025 AND 2024

*(Continued)*

NOTE 8    RESTRICTED AND DESIGNATED NET ASSETS

**Net Assets With Donor Restrictions:**

Net assets with donor restrictions consists of unexpended donor designated grants and contributions with the following restrictions as of December 31, 2025 and 2024:

<u>Nature of Restriction</u>	<u>2025</u>	<u>2024</u>
Beneficial Interest in Agency Trust	\$2,177,112	\$1,984,699
Shelter Renovation	198,776	198,776
ARST Fund	48,911	40,213
Operational Capacity Building	8,812	8,812
Time Restricted	-	12,000
Total	<u>\$2,433,611</u>	<u>\$2,244,500</u>

Net assets released from donor restrictions by incurring expenses which satisfied the restricted purposes or by occurrence of events specified by the donors were as follows:

<u>Nature of Restriction</u>	<u>2025</u>	<u>2024</u>
Housing and Shelter Program	\$106,409	\$146,552
Distributions from Agency Fund	85,000	59,730
ARST Fund	17,064	7,534
Lapse of Time Restrictions	12,000	12,000
Operational Capacity Building	-	62,504
Shelter Renovation	-	601,216
Total	<u>\$220,473</u>	<u>\$889,536</u>

**Board Designated Net Assets:**

The Board of Directors established investment portfolios for short-term liquidity reserves and a Board Designated Endowment Fund, known as the Abby's House Quasi-Endowment Fund ("the Fund").

The Fund was established in 2023 with an initial deposit of \$2,692,000 with the following activity through December 31, 2025.

	<u>Without Donor Restrictions</u>
Endowment Net Assets, December 31, 2023	\$2,871,866
Investment Return	258,618
Additional Designations	39,523
Appropriated for Operations	<u>(107,320)</u>
Endowment Net Assets, December 31, 2024	3,062,687
Investment Return	437,754
Additional Designations	18,059
Appropriated for Operations	<u>(116,064)</u>
Endowment Net Assets, December 31, 2025	<u>\$3,402,436</u>

ABBY KELLEY FOSTER HOUSE, INC. AND AFFILIATES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2025 AND 2024

*(Continued)*

NOTE 8      *(Continued)*

**Equity Transactions:**

*Federal Historic and Low-Income Tax Credits*

As discussed in Note 1, pursuant to the First Amended and Restated Operating Agreement of AKFH Renovations LLC, AKFH Renovations MM LLC as the Managing Member, admitted Massachusetts Housing Equity Fund XXIII LLC (“MHIC”) as the Investor Member for purposes of allocating the federal tax credits in exchange for capital contributions. Together, these tax credits generated an equity investment from MHIC in the aggregate amount of \$7,176,731 before syndication costs and other transactional fees.

NOTE 9      RENTAL INCOME

Abby’s House operates 77 units of affordable housing serving low-income women and children. The following table summarizes the components of rental income for the years ended December 31, 2025 and 2024:

	<u>2025</u>	<u>2024</u>
Rental Income	\$ 650,124	\$ 697,007
Less: Rental Subsidies	<u>(141,600)</u>	<u>(112,128)</u>
Actual Rent Received	<u>\$ 508,524</u>	<u>\$ 584,879</u>

NOTE 10      SPECIAL FUND RAISING EVENTS

Abby’s House sponsors special fund raising events to generate contributions as well as gain public awareness for its programs and charitable mission. In the years presented, these events included *Abby’s House 5K* and *Springtacular*. The results of the fund raising events are summarized below:

	<u>2025</u>	<u>2024</u>
Contributions and Sponsorships	\$251,981	\$256,124
Auction Proceeds	<u>26,038</u>	<u>24,680</u>
Total Event Proceeds	278,019	280,804
Less: Event Costs	<u>(28,038)</u>	<u>(21,925)</u>
Net Special Event Proceeds	<u>\$249,981</u>	<u>\$258,879</u>

ABBY KELLEY FOSTER HOUSE, INC. AND AFFILIATES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2025 AND 2024

*(Continued)*

NOTE 11    DONATED GOODS AND SERVICES

Beginning in 2025, the Organizations implemented an enhanced process to capture, track, and value donated goods and services to support accurate recognition in the financial statements. For the years presented, the Organizations recognized the following donated goods and services in the accompanying consolidated financial statements:

<u>Description</u>	<u>2025</u>	<u>2024</u>
Program and Operating Supplies	\$106,881	\$ 5,130
Gift Cards	7,931	15,271
Professional Services	<u>1,738</u>	<u>4,115</u>
Total	<u>\$116,550</u>	<u>\$24,516</u>

Gift cards are provided by individuals to be used by program participants. Gift cards are recognized at the face value of the card.

Program and operating 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 are used in program and supporting services for daily operations and for the years ended December 31, 2025 and 2024 are included in *Program Supplies and Expenses* in the accompanying Consolidated Statement of Functional Expenses.

Contributed professional services are provided by a news service who provided the Organizations with advertising and a fire sprinkler inspector who provided the Organizations with inspections of their buildings' systems. Contributions of professional services are recognized at fair value based on current rates for similar services.

Abby's House accepts contributions of personal items and clothing which are sold in the Thrift Shop. The proceeds from the sale of these items are recognized as revenue in the year sold and recorded as *Thrift Shop Donations* in the accompanying Consolidated Statements of Activities.

All gifts in-kind received for the years presented were unrestricted.

NOTE 12    RETIREMENT PLAN

Abby Kelley Foster House, 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. The Organization may vote to make discretionary contributions to the participating employee accounts. The Organization did not make any employer contributions to the plan for the years presented.

NOTE 13    CONCENTRATIONS

**Cash Balances:**

The Organizations are subject to concentrations in credit risk relating primarily to cash balances. Cash deposits are insured by the Federal Deposit Insurance Corporation ("FDIC") under the applicable limits. The Organizations had \$306,478 and \$962,489 in excess of federally insured and other limits as of December 31, 2025 and 2024, respectively, however, Management has not experienced any losses with respect to its bank balances in excess of FDIC insurance limits.

ABBY KELLEY FOSTER HOUSE, INC. AND AFFILIATES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2025 AND 2024

*(Continued)*

NOTE 13 *(Continued)*

**Investments:**

The Organizations invest or hold a variety of investment vehicles, including mutual funds, exchange-traded funds and government obligations as detailed in Note 5. These investments are exposed to interest rate, market, credit and other risks depending upon the nature of the investment. Accordingly, it is reasonably possible that these factors will result in changes in the value of the Organizations' investments.

NOTE 14 CONTINGENCIES

**Deed Restrictions:**

Each of the mortgage obligations disclosed in Note 7 imposes a deed restriction on the use of the residential facilities located in Worcester, Massachusetts. The purpose of the deed restrictions are to assure the government that the premises will be retained as affordable housing for occupancy by low and very low-income families. The deed restrictions apply to all owners of the property without regard to early repayment of debt. Noncompliance with the affordable housing provisions of the various debt instruments may result in default.

**Regulatory Compliance:**

The property located at 52 High Street, owned by the LLC, has qualified for and been allocated low-income housing credits pursuant to IRC Section 42, which regulates the use of the property as to occupant eligibility and unit gross rent, among other requirements. The property must meet the provisions of these regulations during each of the 15 consecutive years following completion in order to remain qualified to receive the tax credits. In addition, the LLC will execute an Extended Use Agreement which extends the compliance period to 30 years. The LLC's failure to maintain compliance with these regulations could result in a recapture of previously taken tax credits plus interest and reduced capital investment by the Investor Member of the LLC. In addition, as disclosed in Note 8, this property qualified for and received federal and state historic tax credits in 2019, which are subject to recapture during the five-year period following the completion of the rehabilitation.

**Guaranty:**

Abby's House has unconditionally guaranteed to MHIC responsibility for operating deficits, and other funding shortfalls as further detailed in a Sponsors' Guaranty and Agreement dated December 28, 2017.

**Employee Retention Tax Credit:**

The Employee Retention Tax Credit ("ERTC") was introduced by the U.S. CARES Act in 2020 and is a refundable tax credit against certain employment taxes. As of December 31, 2023, Abby's House had met the qualifications necessary to apply for \$96,429 under the employee retention tax credit program. In light of recent developments and IRS scrutiny on such claims, Management considers the ultimate collectability of the tax credit to be uncertain and, therefore, has not recognized revenue and corresponding amounts due within the accompanying consolidated financial statements. Abby's House has conservatively decided to recognize the benefit upon receipt of the refund.

ABBY KELLEY FOSTER HOUSE, INC. AND AFFILIATES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2025 AND 2024

*(Continued)*

NOTE 15 LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS

The Organizations' working capital and cash flows have seasonal variations during the year attributable to the annual cash receipts of contributions and a concentration of contributions received near calendar year end. To manage liquidity, the Organizations maintain various sources of liquidity at its disposal, including cash and cash equivalents, cash reserves and escrow accounts. As part of the Organizations' liquidity management, it has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due. The Organizations are funded primarily through donations and rents received throughout the year.

The following table reflects the Organizations' financial assets as of December 31, 2025 and 2024, 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, such as beneficial interests, or because the governing board has set aside the funds for a specific contingency reserve or other long-term purposes. Additionally, Abby's House has Board-Designated reserve funds that, while management does not intend to spend these funds within the next year, these amounts could be made available for current operations, if necessary.

	<u>2025</u>	<u>2024</u>
Financial Assets:		
Cash	\$ 1,747,960	\$ 2,116,178
Beneficial Interest in Agency Fund	2,177,112	1,984,699
Investments	4,620,282	3,626,964
Accounts and Other Receivables	82,719	29,182
Gifts, Grants and Pledges Receivable	<u>563</u>	<u>12,563</u>
Total Financial Assets as of December 31	8,628,636	7,769,586
Less Amounts Not Available to be Used Within One Year:		
Board Designated Reserve Funds	(1,306,745)	(718,794)
Shelter Renovation Funds	(333,007)	(200,879)
Endowment Funds, Net of Spending Policy	(3,248,489)	(2,946,622)
Beneficial Interest in Agency Fund	(2,177,112)	(1,984,699)
Reserve Funds Held In Escrow	(576,152)	(549,453)
Tenant Security Deposits	<u>(8,109)</u>	<u>(11,727)</u>
Financial Assets Available to Meet General Expenditures Within One Year	\$ <u>979,022</u>	\$ <u>1,357,412</u>

NOTE 16 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 May 13, 2026, the date which the consolidated financial statements were available for issue, and noted no events which met the criteria for recognition or disclosure.

ABBY KELLEY FOSTER HOUSE, INC. AND AFFILIATES

CONSOLIDATING STATEMENT OF FINANCIAL POSITION  
AS OF DECEMBER 31, 2025

	<u>ABBY'S</u>	<u>AKFH</u>	<u>AKFH</u>	<u>ELIMIN-</u>	<u>CONSOLIDATED</u>
	<u>HOUSE</u>	<u>LLC</u>	<u>MM LLC</u>	<u>ATIONS</u>	<u>TOTAL</u>
<b><u>ASSETS</u></b>					
<b><u>CURRENT ASSETS:</u></b>					
Cash	\$ 571,151	\$ 142,914	\$ -	\$ -	\$ 714,065
Accounts and Other Receivables	7,919	137,071	100	(62,371)	82,719
Due From Affiliates	14,387	5,651	-	(20,038)	-
Gifts, Grants and Pledges Receivable	563	-	-	-	563
Prepaid Expenses and Other Current Assets	16,598	8,109	-	(5,419)	19,288
Total Current Assets	<u>610,618</u>	<u>293,745</u>	<u>100</u>	<u>(87,828)</u>	<u>816,635</u>
<b><u>PROPERTY AND EQUIPMENT, NET</u></b>	<u>5,236,719</u>	<u>13,017,951</u>	<u>-</u>	<u>(877,186)</u>	<u>17,377,484</u>
<b><u>NON-CURRENT ASSETS:</u></b>					
Board Designated Reserves	1,306,745	-	-	-	1,306,745
Operational Capacity Building Funds	27,727	-	-	-	27,727
Shelter Renovation Funds	333,007	-	-	-	333,007
Abby's House Quasi-Endowment Fund	3,402,436	-	-	-	3,402,436
Beneficial Interest in Agency Fund	2,177,112	-	-	-	2,177,112
Reserve Funds Held in Escrow	-	576,152	-	-	576,152
Notes Receivable from Affiliate	2,258,872	-	-	(2,258,872)	-
Operating Right-of-Use Asset	435,114	-	-	(435,114)	-
Deferred Costs, Net	-	19,125	-	-	19,125
Investment in Subsidiary	-	-	100	(100)	-
Total Non-Current Assets	<u>9,941,013</u>	<u>595,277</u>	<u>100</u>	<u>(2,694,086)</u>	<u>7,842,304</u>
<b><u>TOTAL ASSETS</u></b>	<u>\$ 15,788,350</u>	<u>\$ 13,906,973</u>	<u>\$ 200</u>	<u>\$ (3,659,100)</u>	<u>\$ 26,036,423</u>
<b><u>LIABILITIES AND NET ASSETS</u></b>					
<b><u>CURRENT LIABILITIES:</u></b>					
Accounts Payable and Accrued Expenses	\$ 35,926	\$ 24,093	\$ -	\$ (100)	\$ 59,919
Accrued Payroll and Related Costs	85,794	-	-	-	85,794
Tenant Security Deposits	-	8,109	-	-	8,109
Deferred Revenue	2,252	6,499	-	(6,499)	2,252
Due to Affiliates	58,624	14,387	6,563	(79,574)	-
Total Current Liabilities	<u>182,596</u>	<u>53,088</u>	<u>6,563</u>	<u>(86,173)</u>	<u>156,074</u>
<b><u>NON-CURRENT LIABILITIES:</u></b>					
Mortgage Notes Payable	-	10,858,717	-	(2,258,872)	8,599,845
Operating Lease Liability	461,890	-	-	(461,890)	-
Deferred Forgivable Debt	4,832,306	-	-	-	4,832,306
Total Non-Current Liabilities	<u>5,294,196</u>	<u>10,858,717</u>	<u>-</u>	<u>(2,720,762)</u>	<u>13,432,151</u>
<b><u>TOTAL LIABILITIES</u></b>	<u>5,476,792</u>	<u>10,911,805</u>	<u>6,563</u>	<u>(2,806,935)</u>	<u>13,588,225</u>
<b><u>NET ASSETS:</u></b>					
Net Assets Without Donor Restrictions	7,877,947	-	(6,363)	(986,115)	6,885,469
Net Assets With Donor Restrictions	2,433,611	-	-	-	2,433,611
Total Net Assets - Abby's House	10,311,558	-	(6,363)	(986,115)	9,319,080
Non-Controlling Interest (MHIC)	-	2,995,168	-	133,950	3,129,118
Total Net Assets	<u>10,311,558</u>	<u>2,995,168</u>	<u>(6,363)</u>	<u>(852,165)</u>	<u>12,448,198</u>
<b><u>TOTAL LIABILITIES AND NET ASSETS</u></b>	<u>\$ 15,788,350</u>	<u>\$ 13,906,973</u>	<u>\$ 200</u>	<u>\$ (3,659,100)</u>	<u>\$ 26,036,423</u>

ABBY KELLEY FOSTER HOUSE, INC. AND AFFILIATES

CONSOLIDATING STATEMENT OF FINANCIAL POSITION  
AS OF DECEMBER 31, 2024

	<u>ABBY'S</u>	<u>AKFH</u>	<u>AKFH</u>	<u>ELIMIN-</u>	<u>CONSOLIDATED</u>
	<u>HOUSE</u>	<u>LLC</u>	<u>MM LLC</u>	<u>ATIONS</u>	<u>TOTAL</u>
<b><u>ASSETS</u></b>					
<b><u>CURRENT ASSETS:</u></b>					
Cash	\$ 741,036	\$ 291,661	\$ -	\$ -	\$ 1,032,697
Accounts and Other Receivables	7,180	83,399	100	(61,497)	29,182
Due From Affiliates	-	7,591	-	(7,591)	-
Gifts, Grants and Pledges Receivable	12,563	-	-	-	12,563
Prepaid Expenses and Other Current Assets	<u>23,452</u>	<u>11,727</u>	<u>-</u>	<u>-</u>	<u>35,179</u>
Total Current Assets	<u>784,231</u>	<u>394,378</u>	<u>100</u>	<u>(69,088)</u>	<u>1,109,621</u>
<b><u>PROPERTY AND EQUIPMENT, NET</u></b>	<u>5,369,826</u>	<u>13,423,508</u>	<u>-</u>	<u>(902,834)</u>	<u>17,890,500</u>
<b><u>NON-CURRENT ASSETS:</u></b>					
Board Designated Reserves	718,794	-	-	-	718,794
Operational Capacity Building Funds	166,905	-	-	-	166,905
Shelter Renovation Funds	200,879	-	-	-	200,879
Abby's House Quasi-Endowment Fund	3,062,687	-	-	-	3,062,687
Beneficial Interest in Agency Fund	1,984,699	-	-	-	1,984,699
Reserve Funds Held in Escrow	-	549,453	-	-	549,453
Notes Receivable from Affiliate	2,205,524	-	-	(2,205,524)	-
Operating Right-of-Use Asset	485,539	-	-	(485,539)	-
Deferred Costs, Net	-	21,381	-	-	21,381
Investment in Subsidiary	<u>-</u>	<u>-</u>	<u>100</u>	<u>(100)</u>	<u>-</u>
Total Non-Current Assets	<u>8,825,027</u>	<u>570,834</u>	<u>100</u>	<u>(2,691,163)</u>	<u>6,704,798</u>
<b><u>TOTAL ASSETS</u></b>	<u>\$ 14,979,084</u>	<u>\$ 14,388,720</u>	<u>\$ 200</u>	<u>\$ (3,663,085)</u>	<u>\$ 25,704,919</u>
<b><u>LIABILITIES AND NET ASSETS</u></b>					
<b><u>CURRENT LIABILITIES:</u></b>					
Accounts Payable and Accrued Expenses	\$ 47,196	\$ 33,975	\$ -	\$ (100)	\$ 81,071
Accrued Payroll and Related Costs	63,898	-	-	-	63,898
Tenant Security Deposits	-	11,226	-	-	11,226
Deferred Revenue	2,002	7,972	-	(6,499)	3,475
Due to Affiliates	<u>56,382</u>	<u>-</u>	<u>6,107</u>	<u>(62,489)</u>	<u>-</u>
Total Current Liabilities	<u>169,478</u>	<u>53,173</u>	<u>6,107</u>	<u>(69,088)</u>	<u>159,670</u>
<b><u>NON-CURRENT LIABILITIES:</u></b>					
Mortgage Notes Payable	-	10,687,608	-	(2,205,524)	8,482,084
Operating Lease Liability	507,912	-	-	(507,912)	-
Deferred Forgivable Debt	<u>4,010,760</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,010,760</u>
Total Non-Current Liabilities	<u>4,518,672</u>	<u>10,687,608</u>	<u>-</u>	<u>(2,713,436)</u>	<u>12,492,844</u>
<b><u>TOTAL LIABILITIES</u></b>	<u>4,688,150</u>	<u>10,740,781</u>	<u>6,107</u>	<u>(2,782,524)</u>	<u>12,652,514</u>
<b><u>NET ASSETS:</u></b>					
Net Assets Without Donor Restrictions	8,046,434	-	(5,907)	(1,026,831)	7,013,696
Net Assets With Donor Restrictions	<u>2,244,500</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,244,500</u>
Total Net Assets - Abby's House	10,290,934	-	(5,907)	(1,026,831)	9,258,196
Non-Controlling Interest (MHIC)	-	3,647,939	-	146,270	3,794,209
Total Net Assets	<u>10,290,934</u>	<u>3,647,939</u>	<u>(5,907)</u>	<u>(880,561)</u>	<u>13,052,405</u>
<b><u>TOTAL LIABILITIES AND NET ASSETS</u></b>	<u>\$ 14,979,084</u>	<u>\$ 14,388,720</u>	<u>\$ 200</u>	<u>\$ (3,663,085)</u>	<u>\$ 25,704,919</u>

ABBY KELLEY FOSTER HOUSE, INC. AND AFFILIATES

CONSOLIDATING STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED DECEMBER 31, 2025

	<u>ABBY'S</u> <u>HOUSE</u>	<u>AKFH</u> <u>LLC</u>	<u>AKFH</u> <u>MM LLC</u>	<u>ELIMINATIONS</u>	<u>CONSOLIDATED</u> <u>TOTAL</u>
<b><u>SUPPORT AND REVENUES:</u></b>					
Gifts, Grants and Contributions	\$ 1,747,260	-	-	-	\$ 1,747,260
Rental Income	280,617	483,728	-	(114,221)	650,124
Thrift Shop Donations	339,321	-	-	-	339,321
Donated Goods and Services	116,550	-	-	-	116,550
Special Fund Raising Event Proceeds	278,019	-	-	-	278,019
Investment Return	471,017	-	-	-	471,017
Interest Income	56,204	566	-	(53,347)	3,423
Change in Beneficial Interest in Agency Fund	277,413	-	-	-	277,413
Other Income	56,695	34,626	-	(56,656)	34,665
<b><u>TOTAL SUPPORT AND REVENUES</u></b>	<b><u>3,623,096</u></b>	<b><u>518,920</u></b>	<b><u>-</u></b>	<b><u>(224,224)</u></b>	<b><u>3,917,792</u></b>
<b><u>FUNCTIONAL EXPENSES:</u></b>					
Program Services	2,986,885	1,067,488	-	(229,714)	3,824,659
Administrative	253,169	104,203	456	(22,906)	334,922
Fund Raising	362,418	-	-	-	362,418
<b><u>TOTAL FUNCTIONAL EXPENSES</u></b>	<b><u>3,602,472</u></b>	<b><u>1,171,691</u></b>	<b><u>456</u></b>	<b><u>(252,620)</u></b>	<b><u>4,521,999</u></b>
<b><u>CHANGE IN NET ASSETS</u></b>	<b><u>20,624</u></b>	<b><u>(652,771)</u></b>	<b><u>(456)</u></b>	<b><u>28,396</u></b>	<b><u>(604,207)</u></b>
<b><u>NET ASSETS - BEGINNING OF YEAR</u></b>	<b><u>10,290,934</u></b>	<b><u>3,647,939</u></b>	<b><u>(5,907)</u></b>	<b><u>(880,561)</u></b>	<b><u>13,052,405</u></b>
<b><u>NET ASSETS - END OF YEAR</u></b>	<b><u>\$ 10,311,558</u></b>	<b><u>\$ 2,995,168</u></b>	<b><u>\$ (6,363)</u></b>	<b><u>\$ (852,165)</u></b>	<b><u>\$ 12,448,198</u></b>

ABBY KELLEY FOSTER HOUSE, INC. AND AFFILIATES

CONSOLIDATING STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED DECEMBER 31, 2024

	<u>ABBY'S</u> <u>HOUSE</u>	<u>AKFH</u> <u>LLC</u>	<u>AKFH</u> <u>MM LLC</u>	<u>ELIMINATIONS</u>	<u>CONSOLIDATED</u> <u>TOTAL</u>
<b><u>SUPPORT AND REVENUES:</u></b>					
Gifts, Grants and Contributions	\$ 1,378,175	-	-	-	\$ 1,378,175
Rental Income	245,098	560,219	-	(108,310)	697,007
Thrift Shop Donations	278,657	-	-	-	278,657
Donated Goods and Services	24,516	-	-	-	24,516
Special Fund Raising Event Proceeds	280,804	-	-	-	280,804
Investment Return	293,594	-	-	-	293,594
Interest Income	61,217	4,266	-	(52,069)	13,414
Change in Beneficial Interest in Agency Fund	212,968	-	-	-	212,968
Shelter Renovation Income	484,095	-	-	-	484,095
Other Income	68,926	44,640	-	(68,301)	45,265
<b><u>TOTAL SUPPORT AND REVENUES</u></b>	<b><u>3,328,050</u></b>	<b><u>609,125</u></b>	<b><u>-</u></b>	<b><u>(228,680)</u></b>	<b><u>3,708,495</u></b>
<b><u>FUNCTIONAL EXPENSES:</u></b>					
Program Services	2,440,505	1,070,736	-	(234,362)	3,276,879
Administrative	275,597	90,627	456	(25,926)	340,754
Fund Raising	301,187	-	-	-	301,187
<b><u>TOTAL FUNCTIONAL EXPENSES</u></b>	<b><u>3,017,289</u></b>	<b><u>1,161,363</u></b>	<b><u>456</u></b>	<b><u>(260,288)</u></b>	<b><u>3,918,820</u></b>
<b><u>CHANGE IN NET ASSETS</u></b>	<b><u>310,761</u></b>	<b><u>(552,238)</u></b>	<b><u>(456)</u></b>	<b><u>31,608</u></b>	<b><u>(210,325)</u></b>
<b><u>NET ASSETS - BEGINNING OF YEAR</u></b>	<b><u>9,980,173</u></b>	<b><u>4,200,177</u></b>	<b><u>(5,451)</u></b>	<b><u>(912,169)</u></b>	<b><u>13,262,730</u></b>
<b><u>NET ASSETS - END OF YEAR</u></b>	<b><u>\$ 10,290,934</u></b>	<b><u>\$ 3,647,939</u></b>	<b><u>\$ (5,907)</u></b>	<b><u>\$ (880,561)</u></b>	<b><u>\$ 13,052,405</u></b>

ABBY KELLEY FOSTER HOUSE, INC. AND AFFILIATES

CONSOLIDATING STATEMENT OF FUNCTIONAL EXPENSES  
FOR THE YEAR ENDED DECEMBER 31, 2025

	ABBY KELLEY FOSTER HOUSE				AKFH LLC & AKFH MM LLC				CONSOLIDATED
	<u>PROGRAM</u>	<u>ADMINI-</u>	<u>FUND</u>	<u>TOTAL</u>	<u>PROGRAM</u>	<u>ADMINI-</u>	<u>TOTAL</u>	<u>ELIMIN-</u>	<u>FUNCTIONAL</u>
	<u>SERVICES</u>	<u>STRATIVE</u>	<u>RAISING</u>		<u>SERVICES</u>	<u>STRATIVE</u>		<u>ATIONS</u>	<u>EXPENSES</u>
Salaries and Wages	\$ 1,568,827	\$ 158,537	\$ 240,501	\$ 1,967,865	\$ 173,081	\$ -	\$ 173,081	\$ -	\$ 2,140,946
Payroll Taxes	144,644	14,958	22,692	182,294	20,489	-	20,489	-	202,783
Employee Benefits	138,423	12,547	19,035	170,005	-	-	-	-	170,005
Direct Client Assistance - Rental and Thrift Shop Subsidies	145,854	-	-	145,854	-	-	-	-	145,854
Program Supplies and Expenses	131,662	-	-	131,662	-	-	-	-	131,662
Costs of Fund Raising Events	-	-	28,038	28,038	-	-	-	-	28,038
Repairs and Maintenance	156,383	6,067	9,204	171,654	64,752	-	64,752	-	236,406
Rent and Utilities	213,588	-	-	213,588	112,027	-	112,027	(116,969)	208,646
Real Estate Taxes	-	-	-	-	28,152	-	28,152	-	28,152
Insurance	35,471	3,527	1,497	40,495	46,715	-	46,715	-	87,210
Accounting and Legal Expense	5,534	25,100	-	30,634	-	65,612	65,612	-	96,246
Other Professional Fees and Consultants	55,689	523	8,729	64,941	40,626	22,906	63,532	(56,656)	71,817
Office Supplies and Expenses	56,458	2,329	24,098	82,885	-	5,838	5,838	-	88,723
Staff Training, Travel and Related Expenses	45,987	762	1,156	47,905	-	1,525	1,525	-	49,430
Dues, Fees and Subscriptions	71,948	28,819	7,468	108,235	-	4,341	4,341	-	112,576
Depreciation and Amortization Expense	216,417	-	-	216,417	410,538	-	410,538	(25,648)	601,307
Interest Expense	-	-	-	-	171,108	-	171,108	(53,347)	117,761
Bad Debts	-	-	-	-	-	4,437	4,437	-	4,437
<b>Total Functional Expenses</b>	<b>\$ 2,986,885</b>	<b>\$ 253,169</b>	<b>\$ 362,418</b>	<b>\$ 3,602,472</b>	<b>\$ 1,067,488</b>	<b>\$ 104,659</b>	<b>\$ 1,172,147</b>	<b>\$ (252,620)</b>	<b>\$ 4,521,999</b>

ABBY KELLEY FOSTER HOUSE, INC. AND AFFILIATES

CONSOLIDATING STATEMENT OF FUNCTIONAL EXPENSES  
FOR THE YEAR ENDED DECEMBER 31, 2024

	ABBY KELLEY FOSTER HOUSE				AKFH LLC & AKFH MM LLC				CONSOLIDATED
	<u>PROGRAM</u>	<u>ADMINI-</u>	<u>FUND</u>	<u>TOTAL</u>	<u>PROGRAM</u>	<u>ADMINI-</u>	<u>TOTAL</u>	<u>ELIMIN-</u>	<u>FUNCTIONAL</u>
	<u>SERVICES</u>	<u>STRATIVE</u>	<u>RAISING</u>		<u>SERVICES</u>	<u>STRATIVE</u>		<u>ATIONS</u>	<u>EXPENSES</u>
Salaries and Wages	\$ 1,300,352	\$ 150,701	\$ 200,290	\$ 1,651,343	\$ 147,763	\$ -	\$ 147,763	\$ -	\$ 1,799,106
Payroll Taxes	109,937	12,964	17,230	140,131	15,843	-	15,843	-	155,974
Employee Benefits	125,206	12,919	17,171	155,296	-	-	-	-	155,296
Direct Client Assistance - Rental and Thrift Shop Subsidies	126,524	-	-	126,524	-	-	-	-	126,524
Program Supplies and Expenses	52,671	-	-	52,671	-	-	-	-	52,671
Costs of Fund Raising Events	-	-	21,925	21,925	-	-	-	-	21,925
Repairs and Maintenance	95,432	4,466	5,936	105,834	95,664	-	95,664	-	201,498
Rent and Utilities	192,257	-	-	192,257	109,591	-	109,591	(114,270)	187,578
Real Estate Taxes	-	-	-	-	29,340	-	29,340	-	29,340
Insurance	45,924	2,994	1,152	50,070	43,320	-	43,320	-	93,390
Accounting and Legal Expense	1,450	39,475	-	40,925	-	53,365	53,365	-	94,290
Other Professional Fees and Consultants	109,914	21,386	8,413	139,713	48,985	26,350	75,335	(68,301)	146,747
Office Supplies and Expenses	34,495	2,446	22,167	59,108	-	6,041	6,041	-	65,149
Staff Training, Travel and Related Expenses	26,555	1,591	2,114	30,260	-	700	700	-	30,960
Dues, Fees and Subscriptions	42,216	26,655	4,789	73,660	-	2,639	2,639	-	76,299
Depreciation and Amortization Expense	177,572	-	-	177,572	410,400	-	410,400	(25,648)	562,324
Interest Expense	-	-	-	-	169,830	-	169,830	(52,069)	117,761
Bad Debts	-	-	-	-	-	1,988	1,988	-	1,988
<b>Total Functional Expenses</b>	<b>\$ 2,440,505</b>	<b>\$ 275,597</b>	<b>\$ 301,187</b>	<b>\$ 3,017,289</b>	<b>\$ 1,070,736</b>	<b>\$ 91,083</b>	<b>\$ 1,161,819</b>	<b>\$ (260,288)</b>	<b>\$ 3,918,820</b>

ABBY KELLEY FOSTER HOUSE, INC. AND AFFILIATES

CONSOLIDATING STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED DECEMBER 31, 2025

	<u>ABBY'S</u> <u>HOUSE</u>	<u>AKFH</u> <u>LLC</u>	<u>AKFH</u> <u>MM LLC</u>	<u>ELIMIN-</u> <u>ATIONS</u>	<u>CONSOLIDATED</u> <u>TOTAL</u>
<b><u>CASH FLOWS FROM OPERATING ACTIVITIES:</u></b>					
Change in Net Assets	\$ 20,624	\$ (652,771)	\$ (456)	\$ 28,396	\$ (604,207)
<i>Adjustments to Reconcile the Above to Net Cash Used by Operating Activities:</i>					
Bequest Contribution Received by Transfer of Investments	(155,014)	-	-	-	(155,014)
Depreciation and Amortization Expense	216,417	410,538	-	(25,648)	601,307
Accrued Interest Expense	(53,348)	171,109	-	-	117,761
Investment Return	(471,017)	-	-	-	(471,017)
Change in Fair Value of Beneficial Interest	(277,413)	-	-	-	(277,413)
Distribution from Beneficial Interest	85,000	-	-	-	85,000
Noncash Lease Adjustments	4,403	-	-	(4,403)	-
<i>(Increase) Decrease in Current Assets:</i>					
Accounts and Other Receivables	(739)	(53,672)	-	-	(54,411)
Gifts, Grants and Pledges Receivable	12,000	-	-	1,326	13,326
Prepaid Expenses and Other Current Assets	12,273	-	-	(5,419)	6,854
<i>Increase (Decrease) in Current Liabilities:</i>					
Accounts Payable and Accrued Expenses	(9,028)	(9,882)	-	-	(18,910)
Accrued Payroll and Related Costs	21,896	-	-	-	21,896
Tenant Security Deposits	-	(3,117)	-	-	(3,117)
Deferred Revenue	250	(1,473)	-	-	(1,223)
Net Adjustment	<u>(614,320)</u>	<u>513,503</u>	<u>-</u>	<u>(34,144)</u>	<u>(134,961)</u>
<b><u>NET CASH USED BY OPERATING ACTIVITIES</u></b>	<b><u>(593,696)</u></b>	<b><u>(139,268)</u></b>	<b><u>(456)</u></b>	<b><u>(5,748)</u></b>	<b><u>(739,168)</u></b>
<b><u>CASH FLOWS FROM INVESTING ACTIVITIES:</u></b>					
Transfers from Investments and Reserves	361,653	-	-	-	361,653
Transfers to Investments and Reserves	(728,939)	-	-	-	(728,939)
Acquisition of Property and Equipment	(83,310)	-	-	-	(83,310)
Net Cash Flows Used by Investing Activities	<u>(450,596)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(450,596)</u>
<b><u>CASH FLOWS FROM FINANCING ACTIVITIES:</u></b>					
Loan Proceeds - Shelter Renovation Financing	821,546	-	-	-	821,546
Due to/from Affiliates	(19,806)	13,602	456	5,748	-
Net Cash Flows from Financing Activities	<u>801,740</u>	<u>13,602</u>	<u>456</u>	<u>5,748</u>	<u>821,546</u>
<b><u>NET DECREASE IN CASH BALANCES</u></b>	<b><u>(242,552)</u></b>	<b><u>(125,666)</u></b>	<b><u>-</u></b>	<b><u>-</u></b>	<b><u>(368,218)</u></b>
<b><u>CASH BALANCES - BEGINNING OF YEAR</u></b>	<b><u>1,263,337</u></b>	<b><u>852,841</u></b>	<b><u>-</u></b>	<b><u>-</u></b>	<b><u>2,116,178</u></b>
<b><u>CASH BALANCES - END OF YEAR</u></b>	<b><u>\$ 1,020,785</u></b>	<b><u>\$ 727,175</u></b>	<b><u>\$ -</u></b>	<b><u>\$ -</u></b>	<b><u>\$ 1,747,960</u></b>
<i>Cash Balances :</i>					
Cash	\$ 571,151	\$ 142,914	\$ -	\$ -	\$ 714,065
Board Designated Reserves	107,944	-	-	-	107,944
Operational Capacity Building Funds	341,690	-	-	-	341,690
Reserve Funds Held in Escrow	-	576,152	-	-	576,152
Tenant Security Deposits	-	8,109	-	-	8,109
Total	<u>\$ 1,020,785</u>	<u>\$ 727,175</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,747,960</u>

ABBY KELLEY FOSTER HOUSE, INC. AND AFFILIATES

CONSOLIDATING STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED DECEMBER 31, 2024

	<u>ABBY'S</u> <u>HOUSE</u>	<u>AKFH</u> <u>LLC</u>	<u>AKFH</u> <u>MM LLC</u>	<u>ELIMIN-</u> <u>ATIONS</u>	<u>CONSOLIDATED</u> <u>TOTAL</u>
<b><u>CASH FLOWS FROM OPERATING ACTIVITIES:</u></b>					
Change in Net Assets	\$ 310,761	\$ (552,238)	\$ (456)	\$ 31,608	\$ (210,325)
<i>Adjustments to Reconcile the Above to Net Cash Provided (Used) by Operating Activities:</i>					
Contributions Restricted for Shelter Renovation	(20,000)	-	-	-	(20,000)
Depreciation and Amortization Expense	177,572	410,400	-	(25,648)	562,324
Accrued Interest Expense	(52,068)	169,829	-	-	117,761
Investment Return	(293,594)	-	-	-	(293,594)
Change in Fair Value of Beneficial Interest	(212,968)	-	-	-	(212,968)
Distribution from Beneficial Interest	59,730	-	-	-	59,730
Noncash Lease Adjustments	5,960	-	-	(5,960)	-
<i>(Increase) Decrease in Current Assets:</i>					
Accounts and Other Receivables	3,211	(22,361)	-	(1,484)	(20,634)
Gifts, Grants and Pledges Receivable	6,937	-	-	-	6,937
Prepaid Expenses and Other Current Assets	(2,585)	3,142	-	-	557
<i>Increase (Decrease) in Current Liabilities:</i>					
Accounts Payable and Accrued Expenses	28,383	17,927	-	-	46,310
Accrued Payroll and Related Costs	(37,070)	-	-	-	(37,070)
Tenant Security Deposits	-	(750)	-	-	(750)
Deferred Revenue	(27,607)	1,831	-	-	(25,776)
<i>(Increase) Decrease in Non-Current Assets:</i>					
Gifts, Grants and Pledges Receivable	12,000	-	-	-	12,000
Net Adjustment	<u>(352,099)</u>	<u>580,018</u>	<u>-</u>	<u>(33,092)</u>	<u>194,827</u>
<b><u>NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</u></b>	<b><u>(41,338)</u></b>	<b><u>27,780</u></b>	<b><u>(456)</u></b>	<b><u>(1,484)</u></b>	<b><u>(15,498)</u></b>
<b><u>CASH FLOWS FROM INVESTING ACTIVITIES:</u></b>					
Transfers from Investments and Reserves	274,227	-	-	-	274,227
Cash Outlay for Shelter Renovation Project	(3,867,378)	-	-	-	(3,867,378)
Acquisition of Property and Equipment	(33,180)	-	-	-	(33,180)
Net Cash Flows Used by Investing Activities	<u>(3,626,331)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(3,626,331)</u>
<b><u>CASH FLOWS FROM FINANCING ACTIVITIES:</u></b>					
Loan Proceeds - Shelter Renovation Financing	2,688,455	-	-	-	2,688,455
Proceeds from Capital Campaign Pledges and Grants	80,000	-	-	-	80,000
Due to/from Affiliates	65,080	(67,020)	456	1,484	-
Net Cash Flows from Financing Activities	<u>2,833,535</u>	<u>(67,020)</u>	<u>456</u>	<u>1,484</u>	<u>2,768,455</u>
<b><u>NET DECREASE IN CASH BALANCES</u></b>	<b><u>(834,134)</u></b>	<b><u>(39,240)</u></b>	<b><u>-</u></b>	<b><u>-</u></b>	<b><u>(873,374)</u></b>
<b><u>CASH BALANCES - BEGINNING OF YEAR</u></b>	<b><u>2,097,471</u></b>	<b><u>892,081</u></b>	<b><u>-</u></b>	<b><u>-</u></b>	<b><u>2,989,552</u></b>
<b><u>CASH BALANCES - END OF YEAR</u></b>	<b><u>\$ 1,263,337</u></b>	<b><u>\$ 852,841</u></b>	<b><u>\$ -</u></b>	<b><u>\$ -</u></b>	<b><u>\$ 2,116,178</u></b>
<i>Cash Balances:</i>					
Cash	\$ 741,036	\$ 291,661	\$ -	\$ -	\$ 1,032,697
Board Designated Reserves	312,610	-	-	-	312,610
Operational Capacity Building Funds	209,691	-	-	-	209,691
Reserve Funds Held in Escrow	-	549,453	-	-	549,453
Tenant Security Deposits	-	11,727	-	-	11,727
Total	<u>\$ 1,263,337</u>	<u>\$ 852,841</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,116,178</u>