Way Finders, Inc. and Subsidiaries

Consolidating Financial Statements
and
Independent Auditors' Reports

June 30, 2024

Way Finders, Inc. and Subsidiaries

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DANIEL DENNIS & Co
Certified Public Accountants

Independent Auditors' Report

To the Board of Directors of
Way Finders, Inc.

Report on the Financial Statements

Opinion

We have audited the accompanying consolidating financial statements of Way Finders, Inc., (a nonprofit organization) and subsidiaries (collectively, the Organization), which comprise the consolidating statement of financial position as of June 30, 2024, and the related consolidating statements of activities, changes in net assets/(deficit), functional expenses, and cash flows for the year then ended, and the related notes to the consolidating financial statements.

In our opinion, the consolidating financial statements present fairly, in all material respects, the financial position of Way Finders, Inc. and subsidiaries as of June 30, 2024, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

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

Emphasis of Matter

As discussed in Note 2 to the financial statements, the Organization has adopted Financial Accounting Standards Board's Accounting Standards Update No. 2016-13, *Financial Instruments – Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments*. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the consolidating 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 consolidating financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidating 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 generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements 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 consolidating financial statements.

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

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

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

Supplementary Information

Our audit was conducted the purpose of forming an opinion on the consolidating financial statements as a whole. The accompanying supplementary information shown on pages 79 to 83 is presented for the purpose of additional analysis and is not a required part of the consolidating financial statements. The accompanying schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, is also presented for the purpose of additional analysis and is not a required part of the consolidating 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 consolidating financial statements. The information has been subjected to the auditing procedures applied in the audit of the consolidating financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidating financial statements or to the consolidating financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the consolidating financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued a report dated December 13, 2024, on our consideration of the Organization's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Organization's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Audit Standards* in considering the Organization's internal control over financial reporting and compliance.

Daniel Dennis & Company LLP

December 13, 2024

Way Finders, Inc. and Subsidiaries
Consolidating Statement of Financial Position
June 30, 2024

Assets

	Way Finders	Common Capital	Affordable Housing Subsidiaries	Other Subsidiaries	Eliminations	Consolidated
Current Assets						
Cash	$ 3,951,524	$ 1,624,708	$ 1,599,145	$ 572,382	$ -	$ 7,747,759
Restricted cash	11,859,476	-	-	194,615	-	12,054,091
Grants receivable	4,110,081	194,280	189	-	-	4,304,550
Rent and other receivable, net	395,552	3,565	528,953	197,796	(144,909)	980,957
Parent/subsidiaries receivables	9,775,963	-	-	-	(9,775,963)	-
Small business loans receivable, current	-	1,682,425	-	-	(4,639)	1,677,786
Other loans receivable, current	14,923	10,000	-	-	-	24,923
Investments	-	-	60,210	-	-	60,210
Prepaid expenses and other assets	367,071	33,778	222,167	95,828	(3,594)	715,250
Total current assets	30,474,590	3,548,756	2,410,664	1,060,621	(9,929,105)	27,565,526
Property and Equipment						
Land	193,333	-	10,596,725	3,363,063	(322,871)	13,830,250
Buildings and improvements	5,094,098	-	161,166,640	10,466,615	(7,235,929)	169,491,424
Furniture and equipment	3,858,428	38,084	1,223,115	250,396	82,177	5,452,200
Software	603,421	29,950	-	-	-	633,371
Less: accumulated depreciation	(5,847,665)	(68,034)	(49,223,833)	(1,286,154)	1,067,105	(55,358,581)
Net property and equipment	3,901,615	-	123,762,647	12,793,920	(6,409,518)	134,048,664
Other Assets						
Investments	642,530	30,405	(136,566)	109,755	(564,209)	81,915
Restricted cash	1,150,514	1,193,991	8,297,626	1,794	-	10,643,925
Restricted investments	-	-	124,428	-	-	124,428
Work in progress	1,806,657	25,342	31,124,677	7,222,158	(1,751,092)	38,427,742
Operating lease right-of-use asset	8,955,517	145,035	54,812	1,003,144	(9,830,585)	327,923
Small business loans receivable, net of allowance for credit losses of $917,746	-	6,116,410	-	-	(381,983)	5,734,427
Other loans receivable, net of allowance for credit losses of $13,718,562	20,521,060	-	81,150	-	(1,174,156)	19,428,054
Intangible assets, net	39,597	-	509,375	200	-	549,172
Total other assets	33,115,875	7,511,183	40,055,502	8,337,051	(13,702,025)	75,317,586
Total assets	$ 67,492,080	$ 11,059,939	$ 166,228,813	$ 22,191,592	$ (30,040,648)	$ 236,931,776

See accompanying notes to consolidating financial statements.

Way Finders, Inc. and Subsidiaries
Consolidating Statement of Financial Position – *Continued*
June 30, 2024

Liabilities and Net Assets

	Way Finders	Common Capital	Affordable Housing Subsidiaries	Other Subsidiaries	Eliminations	Consolidated
Current Liabilities						
Accounts payable	$ 1,258,700	$ 28,626	$ 3,775,765	$ 680,738	$ (136,443)	$ 5,607,386
Parent/subsidiaries payables	-	62,415	3,916,931	4,446,934	(8,426,280)	-
Accrued expenses	2,035,823	168,264	1,409,753	28,465	(17,271)	3,625,034
Advances on grants and contracts	7,152,762	-	435,308	-	-	7,588,070
Mortgages and notes payable	2,666,106	574,076	16,153,995	101,500	(4,639)	19,491,038
Deferred notes payable	53,540	-	220,000	400,000	-	673,540
Operating lease liability	282,925	25,051	226	42,304	(292,654)	57,852
Deferred revenue	20,971	-	51,881	5,291	-	78,143
Total current liabilities	13,470,827	858,432	25,963,859	5,705,232	(8,877,287)	37,121,063
Noncurrent Liabilities						
Grants payable	-	-	-	-	-	-
Mortgages and notes payable	12,284,030	3,262,522	13,758,527	15,859,128	(381,983)	44,782,224
Deferred notes payable	1,272,163	-	66,571,635	-	(16,462,494)	51,381,304
Operating lease liability	9,964,525	119,984	54,586	1,024,982	(10,894,006)	270,071
Escrow liabilities	413,679	20,000	526,841	6,283	-	966,803
Advances on grants and contracts	10,750,568	-	628,923	-	-	11,379,491
Accrued interest	-	-	14,823,664	-	(4,897,691)	9,925,973
Total noncurrent liabilities	34,684,965	3,402,506	96,364,176	16,890,393	(32,636,174)	118,705,866
Total liabilities	48,155,792	4,260,938	122,328,035	22,595,625	(41,513,461)	155,826,929
Net Assets						
Non-controlling interest	-	-	39,864,575	-	-	39,864,575
Without donor restrictions						
Board designated	3,093,524	-	-	-	-	3,093,524
Undesignated	13,190,925	6,737,555	(5,433,500)	(404,033)	11,472,813	25,563,760
With donor restrictions	3,051,839	61,446	9,469,703	-	-	12,582,988
Total net assets	19,336,288	6,799,001	43,900,778	(404,033)	11,472,813	81,104,847
Total liabilities and net assets	$ 67,492,080	$ 11,059,939	$ 166,228,813	$ 22,191,592	$ (30,040,648)	$ 236,931,776

See accompanying notes to consolidating financial statements.

Way Finders, Inc. and Subsidiaries
Consolidating Statement of Activities
For the Year Ended June 30, 2024

	Way Finders	Common Capital	Affordable Housing Subsidiaries	Other Subsidiaries	Eliminations	Consolidated
Changes in Net Assets Without Donor Restrictions						
Revenue and Support						
Contributions	$ 1,038,368	$ 42,000	$ 16,136	$ -	$ -	$ 1,096,504
Grant assistance payments	89,449,169	-	-	-	-	89,449,169
Grants - Neighbor Works America	443,000	-	-	-	-	443,000
Government grants and contracts	29,453,295	411,625	598,155	-	-	30,463,075
Program fees	424,724	51,764	180,031	1,068	(15,833)	641,754
Property and asset management fees	668,418	-	-	-	(557,566)	110,852
Developer fees	1,843,414	-	-	305,000	(1,843,412)	305,002
Lending interest income	487,194	603,498	-	-	(362,009)	728,683
Investment income	239,865	1,038	173,147	1,312	-	415,362
Rental income	622,864	-	8,383,709	703,653	(783,208)	8,927,018
Gain on sale of property	1,438,426	-	-	-	(1,131,000)	307,426
Gain on sale of Massachusetts tax credits	3,178,500	-	-	-	-	3,178,500
Release from restriction	501,582	708,756	145,247	-	-	1,355,585
Total revenue and support	129,788,819	1,818,681	9,496,425	1,011,033	(4,693,028)	137,421,930
Expenses						
Rental assistance	64,480,356	-	-	-	-	64,480,356
Client services	49,851,756	-	-	-	(15,833)	49,835,923
Small business lending	-	1,386,032	-	-	-	1,386,032
Home ownership services	826,458	-	-	-	-	826,458
Real estate development & property management	7,891,335	-	-	400,825	(5,462,652)	2,829,508
Rental properties	854,372	-	16,117,410	545,689	(1,101,938)	16,415,533
Fundraising	607,693	-	-	-	-	607,693
General and administrative	4,058,758	179,602	984,224	103,208	(1,221,410)	4,104,382
Total expenses	128,570,728	1,565,634	17,101,634	1,049,722	(7,801,833)	140,485,885
Change in net assets without donor restrictions	1,218,091	253,047	(7,605,209)	(38,689)	3,108,805	(3,063,955)

See accompanying notes to consolidating financial statements.

Way Finders, Inc. and Subsidiaries
Consolidating Statement of Activities – *Continued*
For the Year Ended June 30, 2024

	Way Finders	Common Capital	Affordable Housing Subsidiaries	Other Subsidiaries	Eliminations	Consolidated
Changes in Net Assets With Donor Restrictions						
Contributions	$ 60,000	$ -	$ -	$ -	$ -	$ 60,000
Release from restriction	(501,582)	(708,756)	(145,247)	-	-	(1,355,585)
Change in net assets with donor restrictions	(441,582)	(708,756)	(145,247)	-	-	(1,295,585)
Total change in net assets	776,509	(455,709)	(7,750,456)	(38,689)	3,108,805	(4,359,540)
Less amounts attributed to noncontrolling interest	-	-	6,058,363	-	-	6,058,363
Change in net assets, controlling interest	$ 776,509	$ (455,709)	$ (1,692,093)	$ (38,689)	$ 3,108,805	$ 1,698,823

See accompanying notes to consolidating financial statements.

Way Finders, Inc. and Subsidiaries
Consolidating Statement of Changes in Net Assets/(Deficit)
For the Year Ended June 30, 2024

	Way Finders	Common Capital	Affordable Housing Subsidiaries	Other Subsidiaries	Eliminations	Consolidated
Net assets at beginning of year	$ 18,420,884	$ 7,254,710	$ 41,985,861	$ (365,344)	$ 8,364,008	$ 75,660,119
Capital contribution	-	-	9,809,768	-	-	9,809,768
Transferred equity	138,895	-	(138,895)	-	-	-
Syndication costs	-	-	(5,500)	-	-	(5,500)
Change in net assets	776,509	(455,709)	(7,750,456)	(38,689)	3,108,805	(4,359,540)
Net assets at end of year	$ 19,336,288	$ 6,799,001	$ 43,900,778	$ (404,033)	$ 11,472,813	$ 81,104,847

See accompanying notes to consolidating financial statements.

Way Finders, Inc. and Subsidiaries
Consolidating Statement of Functional Expenses
For the Year Ended June 30, 2024

	Way Finders					Common Capital	Affordable Housing Subsidiaries	Other Subsidiaries			
	Rental Assistance	*Client Services*	*Home Ownership*	*Real Estate Development & Property Mgmt.*	*Rental Properties*	*Small Business Lending*	*Rental Properties*	*Real Estate Development & Property Mgmt.*	*Rental Properties*	*Eliminations*	*Consolidated Program Services*
Expenses:											
Salaries	$ 3,345,510	$ 7,845,642	$ 462,570	$ 1,897,872	$ 141,902	$ 653,494	$ 1,431,647	$ 196,296	$ -	$ (951,711)	$ 15,023,222
Payroll tax and fringe benefits	902,879	2,160,937	140,427	369,689	35,010	150,729	355,895	31,560	-	(170,855)	3,976,271
Employee training	9,499	55,646	13,727	29,904	1,779	-	16,262	-	-	-	126,817
Professional services	52,410	456,391	51,362	367,394	31,879	152,735	201,668	36,069	-	(15,833)	1,334,075
Contract services	22,875	452,762	1,683	8,645	-	-	15,000	-	-	-	500,965
Communications	13,806	106,856	4,211	4,342	10,382	-	125,778	8,153	-	-	273,528
Postage	75,157	8,801	712	5,485	540	1,072	3,476	-	-	-	95,243
Materials production	20,725	43,160	2,432	7,388	590	2,129	16,993	2,213	-	-	95,630
Program expense	355,896	5,964,762	4,355	43,199	-	-	31,973	-	-	-	6,400,185
Office supplies	25,547	54,423	3,809	9,968	1,354	5,337	17,299	-	-	-	117,737
Licenses, dues and fees	18,316	6,809	13,933	32,576	436	27,370	4,951	570	281	-	105,242
Travel	31,343	25,042	14,997	26,662	2,607	4,537	28,312	1,918	-	-	135,418
Audit expense	54,089	121,837	6,427	16,747	-	6,290	-	-	-	-	205,390
Legal expense	322	57	-	6,893	26,783	-	222,757	-	-	-	256,812
Insurance	32,218	145,875	3,800	11,627	24,910	16,822	446,487	18,318	-	-	700,057
Bad debt and credit losses	-	-	-	4,309,500	51,496	204,946	241,545	-	-	(4,309,500)	497,987
Repairs and maintenance	-	2,439	-	7,351	142,513	-	1,922,293	-	-	-	2,074,596
Utilities	-	1,652	-	341	113,562	-	1,511,738	12,984	-	-	1,640,277
Recruitment	482	28,333	215	86,383	75	-	1,350	-	-	-	116,838
Other taxes	-	-	-	526	42,760	-	614,754	-	-	-	658,040
Interest	-	-	-	339,805	108,666	55,486	2,920,376	-	151,921	(775,337)	2,800,917
Provider reimbursement	49,564	-	-	-	-	-	-	-	-	-	49,564
Other expenses	203	3,009	732	14,793	-	168	55,143	52,078	-	-	126,126
Depreciation and amortization	6,701	90,035	-	6,803	115,792	-	5,909,081	10,080	308,066	(241,180)	6,205,378
Client assistance disbursed	58,732,672	30,708,997	7,500	-	-	-	-	-	-	-	89,449,169
Computer operations	262,651	614,415	31,869	139,227	440	29,975	8,258	-	-	-	1,086,835
Occupancy	386,269	751,754	45,938	122,186	-	43,899	-	30,586	85,421	(116,007)	1,350,046
Marketing and outreach	81,222	191,519	15,759	25,998	-	31,043	-	-	-	-	345,541
Other administrative expenses	-	10,603	-	31	896	-	14,374	-	-	-	25,904
Total expenses	$ 64,480,356	$ 49,851,756	$ 826,458	$ 7,891,335	$ 854,372	$ 1,386,032	$ 16,117,410	$ 400,825	$ 545,689	$ (6,580,423)	$ 135,773,810

See accompanying notes to consolidating financial statements.

Way Finders, Inc. and Subsidiaries
Consolidating Statement of Functional Expenses – *Continued*
For the Year Ended June 30, 2024

	Way Finders	Common Capital	Affordable Housing Subsidiaries	Other Subsidiaries			Way Finders
	Administration	*Administration*	*Administration*	*Administration*	*Eliminations*	*Consolidated Administration*	*Fundraising*
Expenses:							
Salaries	$ 2,883,752	$ -	$ -	$ -	$ -	$ 2,883,752	$ 324,092
Payroll tax and fringe benefits	605,183	289	-	-	-	605,472	63,137
Employee training	109,785	4,217	-	-	-	114,002	90
Professional services	226,645	15,443	-	-	-	242,088	63,392
Contract services	298,948	-	-	-	-	298,948	12,700
Communications	131,317	5,158	-	-	-	136,475	550
Postage	3,574	-	-	-	-	3,574	8,539
Materials production	10,952	335	-	-	-	11,287	12,548
Management fees	-	-	732,129	90,147	(580,566)	241,710	-
Program expense	89,579	-	-	-	-	89,579	5,300
Office supplies	27,220	670	-	-	-	27,890	1,489
Licenses, dues and fees	278,679	37,166	29,606	-	-	345,451	10,953
Travel	27,988	4,214	-	-	-	32,202	501
Audit expense	174	-	219,083	13,061	-	232,318	2,966
Legal expense	33,489	2,890	-	-	-	36,379	-
Insurance	-	798	-	-	-	798	1,592
Repairs and maintenance	56,800	233	-	-	-	57,033	-
Utilities	8,821	-	-	-	-	8,821	-
Recruitment	61,386	-	-	-	-	61,386	1,239
Other taxes	411	-	-	-	-	411	-
Interest	364,370	-	-	-	(9,748)	354,622	-
Other expenses	256,237	1,216	-	-	-	257,453	473
Depreciation and amortization	558,571	-	-	-	-	558,571	61,728
Computer operations	(1,046,123)	-	-	-	-	(1,046,123)	13,119
Occupancy	(529,198)	5,781	-	-	(654,096)	(1,177,513)	19,239
Marketing and outreach	(283,769)	-	-	-	-	(283,769)	4,046
Other administrative expenses	(116,033)	101,192	3,406	-	23,000	11,565	-
Total expenses	$ 4,058,758	$ 179,602	$ 984,224	$ 103,208	$ (1,221,410)	$ 4,104,382	$ 607,693

See accompanying notes to consolidating financial statements.

Way Finders, Inc. and Subsidiaries
Consolidating Statement of Functional Expenses – *Continued*
For the Year Ended June 30, 2024

	Total Program Services	*Total Administration*	*Total Fundraising*	*Eliminations*	*Consolidated*
Expenses:					
Salaries	$ 15,974,933	$ 2,883,752	$ 324,092	$ (951,711)	$ 18,231,066
Payroll tax and fringe benefits	4,147,126	605,472	63,137	(170,855)	4,644,880
Employee training	126,817	114,002	90	-	240,909
Professional services	1,349,908	242,088	63,392	(15,833)	1,639,555
Contract services	500,965	298,948	12,700	-	812,613
Communications	273,528	136,475	550	-	410,553
Postage	95,243	3,574	8,539	-	107,356
Materials production	95,630	11,287	12,548	-	119,465
Management fees	-	822,276	-	(580,566)	241,710
Program expense	6,400,185	89,579	5,300	-	6,495,064
Office supplies	117,737	27,890	1,489	-	147,116
Licenses, dues and fees	105,242	345,451	10,953	-	461,646
Travel	135,418	32,202	501	-	168,121
Audit expense	205,390	232,318	2,966	-	440,674
Legal expense	256,812	36,379	-	-	293,191
Insurance	700,057	798	1,592	-	702,447
Bad debt and credit losses	4,807,487	-	-	(4,309,500)	497,987
Repairs and maintenance	2,074,596	57,033	-	-	2,131,629
Utilities	1,640,277	8,821	-	-	1,649,098
Recruitment	116,838	61,386	1,239	-	179,463
Other taxes	658,040	411	-	-	658,451
Interest	3,576,254	364,370	-	(785,085)	3,155,539
Provider reimbursement	49,564	-	-	-	49,564
Other expenses	126,126	257,453	473	-	384,052
Depreciation and amortization	6,446,558	558,571	61,728	(241,180)	6,825,677
Client assistance disbursed	89,449,169	-	-	-	89,449,169
Computer operations	1,086,835	(1,046,123)	13,119	-	53,831
Occupancy	1,466,053	(523,417)	19,239	(770,103)	191,772
Marketing and outreach	345,541	(283,769)	4,046	-	65,818
Other administrative expenses	25,904	(11,435)	-	23,000	37,469
Total expenses	$ 142,354,233	$ 5,325,792	$ 607,693	$ (7,801,833)	$ 140,485,885

See accompanying notes to consolidating financial statements.

Way Finders, Inc. and Subsidiaries
Consolidating Statement of Cash Flows
For the Year Ended June 30, 2024

	Way Finders	Common Capital	Affordable Housing Subsidiaries	Other Subsidiaries	Eliminations	Consolidated
Cash Flows From Operating Activities:						
Change in net assets	$ 776,509	$ (455,709)	$ (7,750,456)	$ (38,689)	$ 3,108,805	$ (4,359,540)
Adjustments to reconcile change in net assets to net cash used in operating activities:						
Depreciation and amortization	839,630	-	5,909,081	318,146	(241,180)	6,825,677
Gain on sale of property	(1,438,426)	-	-	-	1,131,000	(307,426)
Gain on sale of Massachusetts tax credits	(3,178,500)	-	-	-	-	(3,178,500)
Bad debt and credit losses	4,360,996	204,946	241,545	-	(4,309,500)	497,987
Recognition of imputed interest	99,661	-	163,433	-	-	263,094
Amortization of financing costs charged as interest expense	-	-	33,163	9,751	-	42,914
(Increase)/decrease in operating assets:						
Grants receivable	(1,772,633)	615,739	12,080	-	-	(1,144,814)
Rent and other receivable	97,118	(3,565)	(188,074)	307,508	14,241	227,228
Parent/subsidiaries receivables	(700,818)	-	-	-	700,818	-
Operating right-of-use asset	149,217	(145,035)	439	227,901	(395,965)	(163,443)
Small business loans receivable	-	(1,162,690)	-	-	(4,144)	(1,166,834)
Other loans receivable	(171,357)	-	-	-	-	(171,357)
Prepaid expenses and other assets	135,468	4,465	(116,655)	(91,844)	-	(68,566)
Increase/(decrease) in operating liabilities:						
Accounts payable	303,283	20,146	(597,917)	10,960	(14,241)	(277,769)
Parent/subsidiaries payables	-	39,543	907,721	(471,372)	(475,892)	-
Accrued expenses	262,702	43,067	115,015	(122,710)	-	298,074
Contract advances	(4,065,081)	(15,000)	(580,518)	-	-	(4,660,599)
Operating lease liability	52,953	145,035	(439)	(218,250)	184,144	163,443
Deferred revenue	(7,282)	-	(391)	2,782	-	(4,891)
Escrow liabilities	(56,378)	-	7,393	750	-	(48,235)
Accrued interest	-	-	1,819,005	-	(775,337)	1,043,668
Net cash used in operating activities	(4,312,938)	(709,058)	(25,575)	(65,067)	(1,077,251)	(6,189,889)

See accompanying notes to consolidating financial statements.

Way Finders, Inc. and Subsidiaries
Consolidating Statement of Cash Flows – *Continued*
For the Year Ended June 30, 2024

	Way Finders	Common Capital	Affordable Housing Subsidiaries	Other Subsidiaries	Eliminations	Consolidated
Cash Flows From Investing Activities:						
Purchase of investments	$ -	$ -	$ (125,446)	$ -	$ -	$ (125,446)
Proceeds from sale of investments	-	-	124,413	-	-	124,413
Proceeds from sale of tax credits	3,178,500	-	-	-	-	3,178,500
Proceeds paid on loans receivable	(3,178,500)	-	-	-	3,178,500	-
Payments received on loans receivable	81,077	-	-	-	(66,154)	14,923
Proceeds from sale of real estate	759,000	-	-	-	(369,000)	390,000
Purchase of real estate	-	-	(369,000)	-	369,000	-
Payment of work in progress costs	(1,081,119)	(25,342)	(22,243,342)	(1,128,161)	1,073,107	(23,404,857)
Purchase of fixed assets	(662,836)	-	(488,903)	52,078	-	(1,099,661)
Net cash provided by/(used in) investing activities	(903,878)	(25,342)	(23,102,278)	(1,076,083)	4,185,453	(20,922,128)
Cash Flows From Financing Activities:						
Payments on financing fees and other intangible assets	-	-	(244,620)	-	-	(244,620)
Proceeds from mortgages and notes payable	1,500,000	609,500	26,405,985	1,670,000	(3,178,500)	27,006,985
Payments on mortgages and notes payable	(364,038)	(309,717)	(11,525,718)	(337,500)	70,298	(12,466,675)
Contributed capital		-	8,759,373	-	-	8,759,373
Transfer from subsidiary/(to parent)	308,012	-	(308,012)	-	-	-
Payments on syndication costs	-	-	(5,500)	-	-	(5,500)
Net cash provided by/(used in) financing activities	1,443,974	299,783	23,081,508	1,332,500	(3,108,202)	23,049,563
Net increase/(decrease) in cash	(3,772,842)	(434,617)	(46,345)	191,350	-	(4,062,454)
Cash and restricted cash at beginning of year	20,734,356	3,253,316	9,943,116	577,441	-	34,508,229
Cash and restricted cash at end of year	$ 16,961,514	$ 2,818,699	$ 9,896,771	$ 768,791	$ -	$ 30,445,775

See accompanying notes to consolidating financial statements.

Way Finders, Inc. and Subsidiaries
Consolidating Statement of Cash Flows – *Continued*
For the Year Ended June 30, 2024

	Way Finders	Common Capital	Affordable Housing Subsidiaries	Other Subsidiaries	Eliminations	Consolidated
Supplementary Disclosure of Cash Flow Information						
Cash paid for interest (net of $776,569 of capitalized interest)	$ 713,180	$ 55,486	$ 780,465	$ 142,170	$ 9,748	$ 1,701,049
Cash paid for income taxes	$ -	$ -	$ 456	$ 6,115	$ -	$ 6,571
Noncash Investing and Financing Activities						
Sale of real estate in exchange for loan receivable	$ 1,131,000	$ -	$ -	$ -	$ (1,131,000)	$ -
Capital contributions received through conversion of notes payable	-	-	1,050,395	-	-	1,050,395
Total noncash investing and financing activities	$ 1,131,000	$ -	$ 1,050,395	$ -	$ (1,131,000)	$ 1,050,395

See accompanying notes to consolidating financial statements.

1. The Organization

Way Finders, Inc. (Way Finders) was incorporated in November 1972, under the provisions of Chapter 180 of the General Laws of the Commonwealth of Massachusetts for the purpose of assisting the social welfare of low and moderate-income persons. Way Finders' initial activity was the administration of an experimental, federally funded housing allowance project in the metropolitan Springfield Massachusetts area, in cooperation with the Commonwealth of Massachusetts. Since 1981, Way Finders' Articles of Organization requires that Way Finders' activities be exclusively charitable and educational within the meaning of section 501(c)(3) of the Internal Revenue Code, as amended. Way Finders' activities are conducted through both the charitable organization and subsidiaries which are described below.

Way Finders was chartered as a NeighborWorks® organization in October 2008. The affiliation with NeighborWorks® requires ongoing reporting and regular management reviews. It also provides opportunities for grants, capital funding and technical assistance, along with training slots for NeighborWorks® training institutes.

Way Finders, its subsidiaries and controlled entities (collectively the Organization) provide assistance to the community under the following programs:

Rental Assistance

Rental assistance programs provide rent supplements to qualified low-income households under programs subsidized by federal and state funds. A variety of supportive services are provided to rental assistance participants.

Client Services

Client services include temporary shelter and supportive services for the homeless and transitional housing and supportive services for victims of domestic violence and other formerly homeless families. Way Finders provides a wide variety of information and referral services, housing counseling and education services for tenants, as well as access to financial assistance to help families and individuals avoid homelessness. The services are funded through federal and state programs and private grants and donations.

Small Business Lending

Small business lending programs stimulate the local economy by providing small business loans and business assistance primarily to low and moderate-income residents of Western Massachusetts who lack access to traditional financing arrangements.

***1. The Organization** – Continued*

Home Ownership Services

Home ownership services include education and counseling for first-time homebuyers, post-purchase and foreclosure prevention counseling, and educational services for rental property owners. Way Finders also provides access to financial resources for down payment and closing costs, to address lead-paint hazards in the home, and for home modification loans for the disabled.

Real Estate Development & Property Management

Real estate development services include both new construction and purchase and rehabilitation of properties to provide affordable individual, single family and multi-family rental housing and affordable owner occupied housing. These activities are financed by accessing federal and state programs and private lenders. Property management services are provided to various affordable housing projects. Way Finders and its subsidiaries own a direct or indirect interest in most of the projects developed by Way Finders. These efforts are aimed at ensuring that the properties meet the needs of their low to moderate income residents as well as maintaining the financial viability of these properties in the future.

Rental Properties

Rental properties provide affordable housing to eligible tenants under short-term operating leases. Rental properties include properties wholly owned by Way Finders and its subsidiaries as well as partnerships that are controlled by Way Finders and its subsidiaries through general partner interests.

Principles of Consolidation

The Organization includes the following:

Common Capital, Inc.

Common Capital, Inc. was organized as a non-profit corporation to provide small business loans and business assistance to companies owned by low and moderate-income residents. Effective April, 1, 2017, the Way Finders acquired Common Capital, Inc. as a result of Way Finders becoming the sole member of Common Capital, Inc. through a strategic alliance agreement.

***1. The Organization** – Continued*

Affordable Housing Subsidiaries

HAP Community Housing Services, Inc. (HAP-CHS) is a wholly-owned subsidiary of Way Finders. HAP-CHS is a for-profit corporation, formed in August 1982 for the purpose of developing and operating affordable housing. HAP-CHS owns and operates Mountain View Apartments, an affordable housing apartment complex located in Hadley, Massachusetts. HAP-CHS's stock has no par value with 1,000 shares authorized and 700 shares issued and outstanding.

Southampton Housing for the Elderly, Inc. was organized in 1983 as a non-profit corporation, to provide elderly and disabled persons of low to very low income with housing facilities and services specifically designed to meet their needs in Southampton, Massachusetts. Southampton Housing for the Elderly, Inc.'s Board of Directors is made up of Way Finders' employees.

Stevens Senior Housing of Ludlow, Inc. was organized in 2010 as a non-profit corporation, to provide elderly persons of low income with housing facilities in Ludlow, Massachusetts. The majority of Stevens Senior Housing of Ludlow, Inc.'s Board of Directors is made up of members of Way Finders' Board of Directors and Way Finders' employees.

Butternut Properties Limited Partnership was formed on February 21, 2003, as a limited partnership to build, own, maintain and operate an affordable housing apartment complex located in Amherst, Massachusetts. The Partnership consists of one general partner, Butternut Housing, Inc. with a .01% share and one limited partner, Whitcombs Walnut LLC with a 99.99% share.

Church Street School Limited Partnership was formed on September 15, 2005, as a limited partnership to build, own, maintain and operate an affordable housing apartment complex located in Ware, Massachusetts. Church Street School Limited Partnership consists of one managing partner, Greenville Park LLC with a .01% share and investor partners with a 99.99% share. Effective December 31, 2022, WF Real Estate Holdings LLC acquired the investor limited partners' interests from the original investors making Church Street School Limited Partnership a wholly owned subsidiary of Way Finders.

NewCourt Terrace LLC was formed on July 22, 2002, as a limited liability company to build, own, maintain and operate an affordable housing apartment complex located in Springfield, Massachusetts. NewCourt Terrace LLC consists of one managing member, Kibbe Court, Inc. with a .01% share and one investor member with a 99.99% share. Effective December 31, 2019, WF Real Estate Holdings LLC acquired the investor limited member interest from the original investor making NewCourt Terrace LLC a wholly owned subsidiary of Way Finders.

***1. The Organization** – Continued*

Paradise Pond, LLC was formed as a single member LLC, owned by Way Finders, in May 2005 to acquire, rehabilitate and operate an affordable housing apartment complex located in Northampton, Massachusetts.

Greenstead Grove Limited Partnership was formed on December 1, 2023, as a limited partnership to build, own, maintain and operate an affordable housing apartment complex located in Ludlow, Massachusetts. Greenstead Grove Limited Partnership consists of one general partner, Fuller Future LLC with a .01% share and one limited partner, Way Finders with a 99.99% share.

The following entities were formed for the purpose of acquiring, rehabilitating and operating affordable housing properties in Western Massachusetts and are controlled by Way Finders though its subsidiaries' interests in general partner interests. The limited partner interests are reflected as non-controlling interests in the net assets section of the consolidating financial statements.

- CBA Housing Limited Partnership
- KenQuad Limited Partnership
- Library Commons Limited Partnership
- Live Pleasant Limited Partnership
- Lumber Yard Northampton Limited Partnership
- Olympia Amherst Limited Partnership
- Parsons Limited Partnership
- Rosewood Way Townhomes Limited Partnership
- Sergeant House Limited Partnership
- Verano Apartments Limited Partnership
- Windrush Commons Limited Partnership

Other Subsidiaries

1780 HCHQ, Inc. (HCHQ) was organized in 2018 as a non-profit corporation, to support the functions of and carry out the purposes of Way Finders. During 2018, HCHQ acquired property on Main Street in Springfield, Massachusetts which was developed into Way Finders' new housing center and headquarters.

***1. The Organization** – Continued*

Lumber Master LLC was formed June 25, 2019, as a limited liability company to maintain and operate 5,451 square feet of commercial/retail/office real estate located in Northampton Massachusetts. The Partnership consists of two members: Way Finders as the managing member has a 51% share and Valley Community Development Corporation (Valley CDC) has a 49% share.

MBL Housing and Development LLC (MBL) is a wholly owned subsidiary of Way Finders. MBL was acquired on July 1, 2015 and converted from an S Corporation to a single member LLC in August 2015. MBL provides consulting services to developers of affordable housing projects.

Springfield City of Homes Development, LLC was formed as a sole member LLC, owned by Way Finders, in November 2022 for the purpose of developing a pilot for the redevelopment of vacant homes through the City of Homes Vacant Properties Initiative by acquiring real estate for neighborhood revitalization and creating affordable homeownership.

Chicopee Kendall LLC was formed as a sole member LLC, owned by Way Finders, in December 2008 for the purpose of acquiring the limited partnership interests in syndicated limited partnerships at the end of their tax credit compliance period. Additionally, Chicopee Kendall LLC acquires real estate property for the development of future affordable housing apartment complexes.

LC2 Holyoke LLC was formed as a single member LLC, owned by Way Finders, in June 2018 for the purpose of acquiring and developing properties located on Appleton Street, Elm Street and Chestnut Street in Holyoke, Massachusetts.

WF Real Estate Holdings LLC was formed as a single member LLC, owned by Way Finders, in March 2019 for the purpose of acquiring the limited investor member interest in NewCourt Terrace LLC. Additionally, WF Real Estate Holdings LLC acquired the limited investor partners' interests in Church Street Schools Limited Partnership, the real estate property previously held by Neighborhood Collaborative LLC and property located on High Street in Holyoke, Massachusetts.

Whitcombs Walnut LLC was formed as a single member LLC, owned by Way Finders, in January 2010 for the purpose of acquiring the limited partnership interest in Butternut Properties Limited Partnership.

***1. The Organization** – Continued*

Butternut Housing, Inc. is a wholly owned subsidiary of HAP-CHS. Butternut Housing, Inc. is a for-profit corporation formed in February 2003 for the purpose of developing and operating affordable housing through its role as general partner in a limited partnership. Butternut Housing, Inc. is the general partner of Butternut Properties Limited Partnership with a 0.01% interest. Butternut Housing, Inc.'s stock has no par value with 15,000 shares authorized and 79 shares issued and outstanding.

CBA Charlton Housing, Inc. is a wholly owned subsidiary of Way Finders. CBA Charlton Housing, Inc. is a for-profit corporation formed in November 2008 for the purpose of developing and operating affordable housing through its role as general partner in a limited partnership. CBA Charlton Housing, Inc. is the general partner of CBA Housing Limited Partnership with a 0.01% interest. CBA Charlton Housing, Inc.'s stock has no par value with 1,000 shares authorized and 79 shares issued and outstanding.

Kibbe Court, Inc. is a wholly owned subsidiary of HAP-CHS. Kibbe Court, Inc. is a for-profit corporation formed in July 2002 for the purpose of developing and operating affordable housing through its role as managing member in a limited liability company. Kibbe Court, Inc. is the managing member of NewCourt Terrace LLC with a 0.01% interest. Kibbe Court, Inc.'s stock has no par value with 15,000 shares authorized and 79 shares issued and outstanding.

Verano, Inc. is a wholly owned subsidiary of HAP-CHS. Verano, Inc. is a for-profit corporation formed in September 2004 for the purpose of developing and operating affordable housing through its role as general partner in a limited partnership. Verano, Inc. is the general partner of Verano Apartments Limited Partnership with a 0.01% interest. Verano, Inc.'s stock has no par value with 1,000 shares authorized and 79 shares issued and outstanding.

Belmont Byers LLC is a 79% owned subsidiary of Way Finders. Belmont Byers LLC was formed in November 2014 for the purpose of developing and operating affordable housing through its role as general partner in a limited partnership. Belmont Byers LLC is the general partner of KenQuad Limited Partnership with a 0.01% interest.

Fuller Future LLC was originally formed as a single member LLC, owned by Way Finders, in October 2015 for the purpose of acquiring and developing property located on Fuller Street in Ludlow, Massachusetts. An additional member was admitted in April 2024. Way Finders remains the managing member and 79% owner. Fuller Future LLC is the general partner of Greenstead Grove Limited Partnership with a 0.01% interest.

Greenville Park LLC was originally formed as a single member LLC in April 2007, owned by Way Finders. An additional member was admitted in June 2009. Way Finders remains the managing member and 79% owner. Greenville Park LLC is the general partner of Church Street School Limited Partnership with a 0.01% interest.

***1. The Organization** – Continued*

Library Commons LLC is a wholly owned subsidiary of Way Finders. Library Commons LLC was formed in May 2019 for the purpose of developing and operating affordable housing through its role as general partner in a limited partnership. Library Commons LLC is the general partner of Library Commons Limited Partnership with a 0.01% interest.

Lumber Yard 256 LLC is a 51% owned subsidiary of Way Finders. Lumber Yard 256 LLC was formed in September 2017 for the purpose of developing and operating affordable housing through its role as general partner in a limited partnership. Lumber Yard 256 LLC is the general partner of Lumber Yard Northampton Limited Partnership with a 0.01% interest.

Olympia Drive 85 LLC is a 79% owned subsidiary of Way Finders, Inc. Olympia Drive 85 LLC was formed in May 2013 for the purpose of developing and operating affordable housing through its role as general partner in a limited partnership. Olympia Drive 85 LLC is the general partner of Olympia Amherst Limited Partnership with a 0.01% interest.

Parsons Village LLC is a 51% owned subsidiary of Way Finders. Parsons Village LLC was formed in January 2014 for the purpose of developing and operating affordable housing through its role as general partner in a limited partnership. Parsons Village LLC is the general partner of Parsons Limited Partnership with a 0.01% interest.

Pleasant Crossings LLC is a 79% owned subsidiary of Way Finders. Pleasant Crossings LLC was formed in August 2016 for the purpose of developing and operating affordable housing through its role as general partner in a limited partnership. Pleasant Crossings LLC is the general partner of Live Pleasant Limited Partnership with a 0.01% interest.

Rosewood Way LLC was originally formed as a single member LLC in March 2019, owned by Way Finders. An additional member was admitted in April 2023. Way Finders remains the managing member and 79% owner. Rosewood Way LLC is the general partner of Rosewood Way Townhomes Limited Partnership with a 0.01% interest.

Sergeant House GP LLC is a 51% owned subsidiary of Way Finders. Sergeant House GP LLC was formed in September 2018 for the purpose of developing and operating affordable housing through its role as general partner in a limited partnership. Sergeant House GP LLC is the general partner of Sergeant House Limited Partnership with a 0.01% interest.

Windrush Commons GP LLC is a 51% owned subsidiary of Way Finders. Windrush Commons GP LLC was formed in September 2021 for the purpose of developing and operating affordable housing through its role as general partner in a limited partnership. Windrush Commons GP LLC is the general partner of Windrush Commons Limited Partnership with a 0.01% interest.

2. Summary of Significant Accounting Policies

Accounting Method

The Organization uses the accrual basis of accounting in conformity with accounting principles generally accepted in the United States of America.

Revenue Recognition

Contributions, Grants and Government Contracts
Contributions received are recorded as net assets without donor restrictions or net assets with donor restrictions, depending on the existence and/or nature of any donor-imposed restrictions. Contributions that are restricted by the donor are reported as an increase in net assets without donor restrictions if the restriction expires in the reporting period in which the contribution is recognized. All other donor restricted contributions are reported as an increase in net assets with donor restrictions, depending on the nature of restriction. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the consolidating statement of activities as net assets released from restrictions. Conditional contributions are not included as support until the conditions are met.

Grant income from interest-free and below market rate loans is recorded as an increase in net assets with donor restrictions and recognized at the amount by which the principal loan exceeds the net present value of the amount due at maturity. The related net assets with donor restrictions are amortized to interest expense over the life of the loan using the effective interest rate method.

The Organization receives revenue from fixed price, cost reimbursement or unit based government grants and contacts. These grants and contracts are conditional upon certain performance requirements and/or the incurrence of allowable qualifying expenditures and are recognized as revenue when the conditions have been met. Way Finders also manages the day-to-day operations of various federal and state subsidy programs on behalf of local landlords and tenants. Way Finders bills each federal and state agency monthly and, in turn, distributes these funds to the landlords. Amounts received prior to satisfying the grant or contract conditions are reported as advances on grants and contracts in the consolidating statement of financial position.

2. Summary of Significant Accounting Policies *– Continued*

Contracts with Customers and Other Exchange Transactions
The Organization provides services to real estate development projects under written development service agreements which define the scope of activities to be provided by the Organization. The activities within the agreements are highly interdependent with each other and comprise an integral series of activities associated with the completion of a real estate development project. The agreements define the fixed compensation that the Organization is expected to receive and a schedule of payments to be made by the project. The performance obligations under the agreements are satisfied over time. The Organization recognizes revenue from development service agreements over time as services are rendered based on the amount of reimbursable costs incurred and the ratio of development costs incurred to total budgeted development costs. Due to the contingent nature of a real estate development project getting funded, revenue recognition does not begin until it is probable a project will have sources of funds to make the payments under the agreement. At the beginning and end of year ended June 30, 2024, contract assets related to development service fees consisted of accounts receivable in the amounts of $409,250 and $91,917, respectively. There were no contract liabilities related to development service fees at the beginning or end of the year ended June 30, 2024.

The Organization provides services to affordable housing rental projects under written management service agreements which define the scope of activities to be provided by the Organization. Services include managing the rental operations of the projects as well as asset management services provided to the project's owner. Fees for rental operation services are earned monthly based on the terms in the agreement which provide for compensation based on a percentage of rent collections or a fixed fee for each occupied housing unit. Asset management fees are recognized annually and may be contingent upon a project's available net cash flow. At the beginning and end of the year ended June 30, 2024, contract assets related to property and asset management fees consisted of accounts receivable in the amounts of $21,868 and $28,600, respectively. There were no contract liabilities related to property and asset management fees at the beginning or end of the year ended June 30, 2024.

Rental Income
The Organization leases its real estate under operating leases and short term leases. Rental income under operating leases, is recognized on a straight-line basis over the term of the lease. All commercial space leases between the Partnership and the tenants are operating leases. Residential leases have terms of twelve months or less and are considered short-term leases with rental income recognized on a monthly basis in accordance with the terms of the lease. The Organization believes that the rental income stream is exempted from compliance with Financial Accounting Standards Board's (FASB) Accounting Standard Update (ASU) 2014-09, *Revenue from Contracts with Customers* (Topic 606) due to its inclusion under current and future lease standards.

2. ***Summary of Significant Accounting Policies*** *– Continued*

Other Income
The Organization has additional revenue streams from educational and counseling services provided to current and potential homeowners; lending fees related to closing small business loans; and tenant charges including laundry, damages and other miscellaneous fees. These amounts are not significant to the financial statements and are recognized as revenue at the point in time the services are provided or fees are incurred.

Net Asset Classification

Net assets of the Organization are classified into two categories based on the existence or absence of donor-imposed restrictions as follows:

Net Assets Without Donor Restrictions
Net assets without donor restrictions are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the Organization. These net assets may be used at the discretion of the Organization's management and the Board of Directors.

Net Assets With Donor Restrictions
Net assets with donor restrictions are subject to stipulations imposed by donors, and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of the Organization or by the passage of time. Other donor restrictions are perpetual in nature, where by the donor has stipulated the funds be maintained in perpetuity.

Cash and Cash Equivalents

For the purpose of the consolidating statement of cash flows, all highly liquid investments with maturities of three months or less when purchased are considered to be cash equivalents. At June 30, 2024, the Organization's cash equivalents consisted of a certificate of deposit (CD) with an original maturity period of three months. The CD accrued interest at 4.41% and matures on September 4, 2024.

The following table provides a reconciliation of cash and restricted cash reported within the consolidating statement of financial position that sum to the total of the same such amounts shown in the statement of cash flows:

Cash	$ 7,747,759
Restricted cash - current	12,054,091
Restricted cash - non-current	10,643,925
Total cash and restricted cash shown in the consolidating statement of cash flows	$ 30,445,775

2. ***Summary of Significant Accounting Policies*** – *Continued*

Restricted cash consists of cash received under contracts with contract imposed restrictions, revolving loan funds, capital project funds, client funds held in trust, and mortgagor restricted escrows and funded reserves. All restricted cash is required to be held in separate accounts. See Note 3 for more information.

Loans Receivable and Allowance for Credit Loss

Loans receivable are carried at unpaid principal balances, less an allowance for credit losses. The allowance for credit losses is increased by charges to provision for credit losses and decreased by charge-offs, net of recoveries. Past due status is determined based on loan terms. Loans are considered impaired if full principal or interest payments are not anticipated in accordance with the loan terms. The Organization's practice is to charge off any loan or portion of a loan when the loan is determined by management to be uncollectible due to the borrower's failure to meet repayment terms, the borrower's deteriorating or deteriorated financial condition, the depreciation of the underlying collateral or for other reasons.

Interest on loans receivable is calculated by using the simple interest method on monthly outstanding balances of the principal amount outstanding. The Organization does not record an allowance for credit losses for accrued interest receivables, which are included in prepaid expenses and other assets on the consolidating statement of financial position. Uncollected accrued interest is reversed through interest income in a timely manner in line with the Organization's non-accrual and past due policies for loans receivable. At the beginning and ending of the year ended June 30, 2024, accrued interest totaled $11,079.

Loans are placed on non-accrual status when management believes, after considering economic conditions, business conditions, and collection efforts, that the loans are impaired or collection of interest is doubtful. The Organization uses a non-accrual policy to reverse any accrued, uncollected interest income as loans are moved to non-accrual status. Interest income on non-accrual loans is recognized only to the extent cash payments are received. The accrual of interest resumes when the loan becomes contractually current.

Costs and fees associated with the issuance of loans are expensed in the period incurred.

The allowance for credit losses is measured on a collective (pool) basis when similar risk characteristics exist. For its small business loan portfolio, the Organization uses the aging method to determine the allowance for credit losses which includes past loan loss experience, specific impaired loans, adverse situations that may affect the borrower's ability to repay, estimated value of any underlying collateral, and current economic conditions. The key characteristics for the small business loan portfolio is the financial strength of the borrower or the guarantor. After the reasonable and supportable forecast period, the Organization's assumption variables reverts to historical loss trends. Management has determined that three years is a reasonable and supportable forecast period. At the end of the three-year reasonable and supportable forecast period, assumption variables revert to their ten year average of historical values over a reversion period which is generally four years but may be longer in some specific cases.

2. ***Summary of Significant Accounting Policies*** *– Continued*

Loans that do not share risk characteristics are evaluated on an individual basis. Loans evaluated individually are also not included in the collective evaluation. When management determines the borrower is experiencing financial difficulty at the reporting date and repayment is expected to be provided substantially through the operation or sale of the collateral, expected credit losses are based on the fair value of the collateral at the reporting date, adjusted for selling costs as appropriate. There were no loans evaluated on an individual basis besides the loans classified as other loans receivable on the consolidating statement of financial position, as of the adoption date (July 1, 2023) and June 30. 2024.

Determining the Contractual Term: Expected credit losses are estimated over the contractual term of the loans, adjusted for expected prepayments when appropriate. The contractual term excludes expected extensions, renewals, and modifications unless either of the following applies: management has a reasonable expectation at the reporting date that a troubled debt restructuring will be executed with an individual borrower or the extension or renewal options are included in the original or modified contract at the reporting date and are not unconditionally cancellable by the Organization.

Troubles Debt Restructurings (TDR's): A loan for which the terms have been modified resulting in a concession, and for which the borrower is experiencing financial difficulties, is considered to be a TDR. The allowance for credit losses on a TDR is measured using the same method as all other loans held for investment, except that the original interest rate is used to discount the expected cash flows, not the rate specified within the restructuring.

Grants Receivable

Unconditional promises to give are presented net of an allowance for doubtful accounts. Management's periodic evaluation of the adequacy of the allowance is based on its past experience and promises to give are charged off when deemed uncollectible. At June 30, 2024, the Organization has not established any allowance for uncollectible promises to give because, based upon past experience, all amounts are considered collectible.

Unconditional promises to give that are expected to be collected within one year are recorded at net realizable value. Unconditional promises to give that are expected to be collected in future years are recorded at the present value of their estimated future cash flows. The discounts on those amounts are computed using risk-adjusted interest rates applicable to the years in which the promises are received. Discount amortization is included in contribution revenue.

2. ***Summary of Significant Accounting Policies*** *– Continued*

Accounts Receivable

Accounts receivable are presented net of the allowance for doubtful accounts. Management's periodic evaluation of the adequacy of the allowance is based on historical collection experience, a review of the current status of accounts receivable and current economic conditions. The Organization does not have a policy to accrue interest on accounts receivable. Accounts are written off when deemed uncollectible. At June 30, 2024, management has established an allowance for uncollectible accounts of $185,668.

Investments

The Organization accounts for its investments in non-controlled entities with voting rights using the equity method of accounting. Under the equity method, the investment is carried at cost and adjusted for the Organization's share of income, losses, additional investments, and cash distributions from the entities. The Organization ceases recognition of losses for financial statement purposes once the cost of the investment is reduced to zero. Changes in the value of the investments, which are other than temporary, are recognized as necessary.

Other investments in non-controlled entities are accounted for using the cost method. Changes in the value of the investments, which are other than temporary, are recognized as necessary.

Certificates of deposits (CD's) are investments that are not debt or equity securities and are recorded at cost. CD's with an original maturity less than one year are classified as current assets on the consolidating statement of financial position.

Fixed Assets

Fixed assets are carried at cost less accumulated depreciation. The Organization capitalizes all expenditures for furniture, equipment, and leasehold improvements with a useful life of more than one year and a cost of over $1,000. Depreciation expense totaled $6,730,346 for the year ended June 30, 2024. Depreciation is calculated using the straight-line method over the estimated useful lives of the assets.

Estimated useful lives are as follows:

Buildings	20 – 40 years
Improvements	5 – 40 years
Furniture & equipment	3 – 10 years
Software	3 years

2. ***Summary of Significant Accounting Policies*** *– Continued*

Long lived assets, such as buildings are reviewed on an ongoing basis for impairment whenever events or changes in circumstances indicate that the carrying value may not be recoverable. Recoverability is measured by a comparison of the carrying amount of the asset to the future net undiscounted cash flow expected to be generated by the asset including any estimated proceeds from the eventual disposition of the asset. If the asset is considered to be impaired, the impairment to be recognized is measured at the amount by which the carrying amount of the asset exceeds its fair value. As of June 30, 2024, management has determined that there has been no impairment of the long lived assets.

Management uses the direct expense method to account for planned major maintenance activities, under which actual costs incurred are expensed directly when maintenance is performed.

Work in Progress

In connection with its real-estate development activities, the Organization capitalizes all pre-acquisition, acquisition, development and construction costs as work in progress.

The Organization follows the policy of capitalizing interest on notes financing the construction of projects as a component of work in progress. If a project is abandoned, the costs are charged to expense in the year of abandonment. At June 30, 2024, work in progress of $38,427,742 is reflected at cost, which approximates net realizable value. Work in progress is pledged as collateral for the related loans (Note 9).

Amortization

Costs associated with Way Finders' subsidiaries' acquisition of the tax credits and initial lease up totaling $1,012,879 are recorded at cost and amortized over their estimated useful lives. Amortization expense for the year ended June 30, 2024 was $95,331.

Estimated amortization expense for the next five years is as follows:

Fiscal Year	*Amount*
2025	$107,053
2026	$50,685
2027	$49,858
2028	$49,858
2029	$49,858

2. ***Summary of Significant Accounting Policies*** *– Continued*

Financing Costs

Financing costs, net of accumulated amortization, are reported as a direct reduction of the obligation to which such costs relate. Amortization of financing costs is reported as a component of interest expense and is computed using the effective interest method over the related mortgage notes terms.

Advertising Costs

The Organization expenses advertising costs when they are incurred.

Below Market Loans

Section 42 of the Internal Revenue Code governs the administration of the Low Income Housing Tax Credit (LIHTC), a tax incentive created to foster a legislated public policy directive of the United States of America to create affordable low income housing. Some of Way Finders' subsidiaries were formed in order to create low income housing in order to generate LIHTC.

Other governmental entities having a similar policy have lent money to these subsidiaries at advantageous terms. These subsidiaries have not discounted their below market interest rate loans as they were made at arm's length and to preserve the integrity of costs eligible for the LIHTC.

Way Finders and its subsidiaries discount below market loans to their present value when proceeds are received. The excess of proceeds over their present value are recognized as grant income. The discounts on below market loans are amortized to interest expense over the lives of the loans.

Leases

The Organization determines if an arrangement is or contains a lease at inception. A contract is (or contains) a lease if it conveys the right to control the use of an identified asset for a period of time in exchange for consideration. Control is defined under the standard as having both the right to obtain substantially all of the economic benefits from use of the asset and the right to direct the use of the asset. Management only reassess its determination if the terms and conditions of the contract are changed.

2. ***Summary of Significant Accounting Policies*** *– Continued*

Operating leases are included in right-of-use (ROU) assets and lease liabilities in the balance sheet. ROU assets and lease liabilities reflect the present value of the future minimum payments over the lease term, and ROU assets also include prepaid or accrued rent. Operating lease expense is recognized on a straight-line basis over the lease term. The Organization does not report ROU assets and lease liabilities for its short-term leases (leases with a term of 12 months or less). Instead, the lease payments of those leases are reported as lease expense on a straight-line basis over the lease term.

Income Taxes

Way Finders, Common Capital, Inc., 1780 HCHQ, Inc., Southampton Housing for the Elderly, Inc., and Stevens Senior Housing of Ludlow, Inc. are exempt from income taxes as non-profit corporations under Section 501(c)(3) of the U.S. Internal Revenue Code and are also exempt from state income taxes, except for income taxes on unrelated business income, if any. For the year ended June 30, 2024, these entities had no unrelated business income subject to income taxes. Accordingly, no provision for income taxes has been included in these consolidating financial statements. Way Finders' for-profit subsidiaries file separate income tax returns.

Way Finders' for-profit corporate subsidiaries account for income taxes, whereby deferred taxes are recognized using the liability method. This method calculates deferred tax assets and liabilities based on tax rates that are expected to apply when temporary differences reverse.

Regarding Way Finders' partnership subsidiaries, no provision has been made for Federal or state income taxes since each partner or member includes its pro-rata share of net income or loss in its return.

The Organization evaluates tax positions taken or expected to be taken in its tax returns and in its subsidiaries' tax returns to determine whether the tax positions are "more-likely-than-not" of being sustained by the applicable tax authority. At June 30, 2024, Way Finders believes that it has no uncertain tax positions within its open tax returns or within any of its subsidiaries' open tax returns. The Organization's returns are subject to examination by federal and state tax authorities for up to a three year period after the returns have been filed. The Organization is no longer subject to examination by tax authorities from years before fiscal year 2021.

2. ***Summary of Significant Accounting Policies*** *– Continued*

Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America 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 revenue and expenses during the reporting period. Accordingly, actual results could differ from those estimates.

Functional Expenses

The costs of providing the various programs and other activities have been summarized on a functional basis. Accordingly, certain costs have been allocated among the programs based on direct charges, personnel time estimates, space utilization and number of housing units administered.

New Accounting Standard

In June 2016, the FASB issued ASU 2016-13, *Financial Instruments – Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments*. The FASB subsequently issued additional guidance amending certain aspects of the measurement of current expected credit losses. The new guidance has replace the incurred loss methodology of recognizing credit losses on financial instruments with a methodology that estimates the expected credit loss on financial instruments and reflects the net amount expected to be collected on the financial instruments.

The Organization adopted the ASU and related guidance effective July 1, 2023, using the modified retrospective approach with July 1, 2023 as the initial date of application. As part of the adoption, the Organization made an accounting policy election to no longer measure the allowance for credit losses for interest receivable and to write off all uncollectible interest receivable in a timely manner. As of July 1, 2023, adoption of the ASU and related guidance did not have a material impact on the Organization's financial statements but did expand on how the allowance for credit losses is determined.

The FASB clarified that operating rent receivable accounted for by a lessor in accordance with the leasing standards and notes receivable between common control affiliates are not within the scope of Topic 326.

3. Restricted Cash and Restricted Investments

Restricted cash and restricted investments consist of the following:

	Cash	*Investments*
Federal rental assistance	$ 4,904,609	$ -
State rental assistance	2,437,083	-
Capital projects fund	4,430,357	-
Unadvanced loan program proceeds	276,511	-
Client deposits held in trust	852,861	-
Undisbursed construction funds	1,794	-
Mortgage escrows and reserves	8,600,810	124,428
Small business lending and revolving loan funds	1,193,991	-
Total	$ 22,698,016	$ 124,428

4. Investments

Equity Method Investments

Common Capital, Inc.'s investment in CTI Energy Services, LLC is accounted for using the equity method because Common Capital, Inc. has voting rights on CTI Energy Services, LLC's Management Board. Common Capital initially contributed $50,000 for a 2.34% ownership interest. No income or loss was recognized for the year ended June 30, 2024. At June 30, 2024, the investment in CTI Energy Services, LLC was $17,955.

Cost Method Investment

The Organization holds several CD's with original maturities greater than three months. The CD's accrue interest at rates ranging from 0.05% to 5.15% and mature between July 9, 2024 and November 25, 2024. At June 30, 2024, the CD's balances were $956,633.

Way Finders invested $51,510 for a 1% subscriber's interest in HPI Holding Company, Inc. (HPI). Way Finders along with various other unrelated entities entered into a contractual agreement to form HPI, a Vermont insurance company. Way Finders purchases its liability insurance through HPI. The investment in HPI Holding, Inc. is valued at cost due to the lack of information that can be used to approximate the fair value. Management annually receives audited financial statements and performs an assessment of any possible impairment. As of June 30, 2024, management has determined that no such impairment exists.

4. ***Investments*** – *Continued*

Common Capital, Inc. purchased 498 shares of Real Pickle Cooperative Inc.'s preferred stock for $12,450. At June 30, 2024, the investment is carried at its original cost of $12,450.

5. ***Grants and Contributions Receivable***

Grants and contributions receivable consist of the following:

Description	*Amount*
Family shelter services program	$ 1,555,051
Federal rental assistance programs	293,823
Rental assistance for families in transition programs	967,698
Small business lending programs	194,280
HomeBase program	113,571
Housing consumer education center program	843,940
Secure jobs program	310,575
Other	25,612
Total	$ 4,304,550

All grants and contributions receivable are expected to be collected within one year or less at June 30, 2024.

6. ***Small Business Loans Receivable***

At June 30, 2024, Common Capital, Inc. has $8,329,959 of notes receivable (net of eliminations totaling $386,622) less an allowance for credit losses of $917,746. The allowance for credit losses includes $57,400 for loans funded by the City of Springfield which include forgiveness provisions if the borrowers comply with the terms of the loan agreements. The loans accrue interest at rates between 1% and 11.75% and mature at various times through November 2043. Loan balances totaling $2,022,637 are pledged as security for Common Capital, Inc.'s notes payable described in Note 9.

6. ***Small Business Loans Receivable*** *– Continued*

The following table presents informative data regarding the aging of small business loans receivable at June 30, 2024:

Small business loans receivable:	
Current balances	$ 7,535,949
Past due balances:	
31-60 days	343,046
61-90 days	37,297
> 90 days	413,667
Total past due balances	794,010
Total small business loans receivable	$ 8,329,959

At June 30, 2024, no small business loans are deemed to be impaired. Loan balances greater than 90 days past due are placed on non-accrual status for purposes of interest income recognition. At the beginning and end of the fiscal year, loans on non-accrual status were $582,496 and $413,667, respectively. An allowance for credit losses has been established for all loans on non-accrual status. No interest income has been recognized during the year for loans on non-accrual status.

Allowance for Credit Losses

Common Capital, Inc. uses an internal risk rating and credit loss reserve methodology to better measure the impact of changes in market conditions, borrower capacity and collateral condition in order to calculate its annual credit loss reserve amount. The reported credit loss reserve for the year ended June 30, 2024 reflects this methodology. All loans are evaluated individually. Each class of loan requires judgment to determine the estimation method that fits the credit risk characteristics within the portfolio.

Common Capital, Inc. estimates credit losses using an internally developed risk review method applied to all performing loans which considers the loan-to-value, lien priority, historical loss experience, or other factors that could impact the probability of default and potential loss. Management applies judgment to develop its own view of loss probability within the portfolios with the objective of establishing an allowance for the credit losses within the portfolios as of the reporting date.

6. ***Small Business Loans Receivable*** *– Continued*

Reflected in the portions of the allowance is an amount for uncertainty and imprecision in determining allowance valuations. It is the practice of Common Capital, Inc. to charge off any loan when the loan is determined to be uncollectible due to the borrower's failure to meet repayment terms, the borrower's continued deteriorating financial position, the loan to value has changed significantly, the underlying collateral has depleted, or for other subjective factors. No single statistic or measurement determines the adequacy of the allowance for credit losses. Changes in the allowance for credit losses and the related provision expense can have a material impact on the change in net assets.

Activity in the allowance for credit losses is as follows:

Balance on July 1, 2023	$ 856,672
Provision for credit losses	204,946
Loans forgiven	(11,000)
Loans charged off	(132,872)
Balance on June 30, 2024	$ 917,746

Credit Quality Information

Risk ratings are used to assess individual credit risk and as a tool in assessing overall portfolio risk. Risk ratings are used by Common Capital, Inc. to capture business risk and viability. Historical financial performance and collateral protection are not considered material drivers of risk rating until such time as a loan appears to have reduced viability. In the event of a question of viability, the credit loss reserve may be set separately from the risk rating in order to capture loss potential. The internal risk ratings are as follows:

Risk Rating	*Description of Creditworthiness*	*Assigned Loan Loss Percentage*
1	Viability of collection is very high	3%
2	Viability of collection is high	6%
2A	Viability of collection is high, however term of loan allows for full forgiveness if lending terms are met	100%
3	Viability of collection is good but subject to external factors	12%
3A	Viability of collection is good but subject to external factors, however term of loan allows for full forgiveness if lending terms are met	100%
4	Viability of collection is subject to external factors	20%
5	Reasonable chance of effecting a turnover or restructuring	25% - 50%
6	Probability of turnaround is low	75%
7	Loss status; business assets liquidated	100%

6. ***Small Business Loans Receivable*** *– Continued*

The recorded small business loans receivable by credit quality indicator as of June 30, 2024 is as follows:

Risk rating 1	$ 546,153
Risk rating 2	6,486,228
Risk rating 2A	32,100
Risk rating 3	343,198
Risk rating 3A	19,200
Risk rating 4	146,478
Risk rating 5	756,602
Total small business loans receivable	$ 8,329,959

The information used to internally rate the small business loans was updated as of June 30, 2024. As necessary, adjustments are made to Common Capital, Inc.'s method of estimating the allowance for credit losses.

7. ***Other Loans Receivable***

Home Modification Loan Program

Way Finders has an agreement with the Community Economic Development Assistance Corporation (CEDAC) to administer a home modification loan program (HMLP) which offers loans of $50,000 or less to eligible property owners. Under HMLP, loans are made to finance modifications to homes to provide for the needs of elders or persons with disabilities. The loans are secured by promissory notes and mortgages on borrower's homes and carry annual interest rates of 0% to 3%. The majority of these loans are interest-free, with repayment required when the property is sold or the title is transferred. Amortized loans do not require monthly payments, with repayment required between 5 and 15 years depending on the loan amount. Proceeds from repayment of loans will be used to make new loans under the HMLP. Upon termination of the HMLP contract, all assets of HMLP are to be returned to CEDAC.

At June 30, 2024, Way Finders was servicing $9,316,419 of outstanding HMLP loans with 300 homeowners and $276,511 of program funds were in a restricted cash account for future lending. At June 30, 2024, the total program assets under the HMLP was $9,592,930.

7. ***Other Loans Receivable*** *– Continued*

The Organization uses credit quality indicators and shared risk characteristics to assess the credit quality and the timing of expected credit losses for loan receivables. The only credit quality indicators that apply to these loans is the participant's eligibility to receive funding under the HMLP. Since substantially all loan default issues are assumed by the appropriate funding agency and are secured by second mortgages on the property, the accompanying consolidated statement of financial position at June 30, 2024, does not include an allowance for credit losses.

Massachusetts Low-income Housing and Historic Tax Credit Loans Receivable

Other loans receivable include loans funded with proceeds from Massachusetts low-income housing tax credits and Massachusetts historic tax credits that were donated to Way Finders. Way Finders sold these tax credits and subsequently loaned the sales proceeds back to the donors. The loans are secured by the borrower's apartment complex. The borrowers, maturity dates, interest rates and amounts of these loans receivable at June 30, 2024 are as follows:

Borrower	*Maturity Date*	*Interest Rate*	*Amount*
Hunter Place Apartments LP	December 31, 2024	0.01%	$ 1,350,186
Chapin School Veterans Housing LLC	December 31, 2055	0.01%	730,000
Chapin School Veterans Housing LLC	December 31, 2055	0.01%	890,000
Agawam Veterans Housing LLC	December 31, 2057	0%	1,050,167
Agawam Veterans Housing LLC	December 31, 2057	0%	2,047,000
St. James Common Apartments LLC	December 31, 2057	2.82%	1,274,000
Kendall Apartments LLC	October 5, 2048	2%	1,184,574
Moseley Apartments LP	December 31, 2064	3.05%	1,217,635
MacArthur Terrace LLC	December 31, 2062	0%	3,975,000
Total loans receivable			$ 13,718,562

The Massachusetts low-income housing and historic tax credit loans receivable are structured as contingent debt to the borrowers with no expectation of repayment to Way Finders provided that the borrowers adhere to the requirements of the loan agreements. As a result of the lack of historical loss data available and the expectation of no repayment of the loans, Way Finders has valued these loans at their anticipated net realizable value determined through a qualitative assessment of future forecasted repayments based on the nature of the Massachusetts low-income housing and historic tax credit programs. An allowance for credit loss equal to the outstanding loan balances has been established. There were no additional provisions made to the allowance for credit losses or loan write-offs during the year ended June 30, 2024. These loans are classified as non-accrual status for purposes of interest income recognition.

7. ***Other Loans Receivable*** *– Continued*

NMTC Leverage Loan

On December 20, 2018, under the new Market Tax Credit (NMTC) structure, Way Finders entered into a leverage loan agreement with COCRF Investor 140, LLC (Investment Fund), in the amount of $10,044,800, funded in two tranches of $9,550,364 and $494,436. The loans are secured by the Investment Fund's interest in certain limited liability companies. The Investment Fund used the proceeds to make equity contributions to NMTC investors who, in a combination with investor equity, provided NMTC loans to 1780 HCHQ, Inc. (see Note 9). The leverage loans are payable in quarterly installments of interest only at a rate of 1.377% through December 2026, and thereafter, in quarterly installments of principal and interest of $95,555 and $42,352, respectively, through December 2046. At June 30, 2024, the outstanding loan balances were $9,550,364 and $494,436.

The NMTC loans receivable are structured as long-term debt to the borrower with an expectation of repayment to Way Finders provided that the 1780 HCHQ, Inc. adheres to the requirements of the loan agreements. As a result of the lack of historical loss data available and the expectation of repayment of the loans, Way Finders has valued these loans at their anticipated net realizable value determined through a qualitative assessment of future forecasted repayments based on the nature of the NMTC program. The full balance of these loans receivable have been deemed fully collectible and no allowance for credit losses is deemed necessary at June 30, 2024. There were no provisions made to the allowance for credit losses or loan write-offs during the year ended June 30, 2024. The above loans are considered current and are not on non-accrual status for purposes of interest income recognition.

32 Byers Street, Inc.

Way Finders provided financing to 32 Byers Street, Inc. approved up to $150,000. The proceeds from the note will be used to refinance the borrower's mortgage on its real estate. The note accrues interest at 4.025% per annum and is secured by the real estate located at 32 Byers Street in Springfield, Massachusetts. The note requires monthly payments of principal and interest and matures on October 31, 2028. At June 30, 2024, the outstanding loan receivable balance was $81,758.

As a result of the lack of historical loss data available and the expectation of repayment of the loans, Way Finders has valued this loan at its anticipated net realizable value determined through a qualitative assessment of future forecasted repayments. The full balance of this loans receivable has been deemed fully collectible and no allowance for credit losses is deemed necessary at June 30, 2024. There were no provisions made to the allowance for credit losses or loan write-offs during the year ended June 30, 2024. The above loan is considered current and is not on non-accrual status for purposes of interest income recognition.

7. ***Other Loans Receivable*** *– Continued*

Pioneer Valley Grows Investment Fund, Inc.

Common Capital has invested $10,000 with Pioneer Valley Grows Investment Fund, Inc. in the form of an unsecured loan receivable. The proceeds of the loan are being used by Pioneer Valley Grows Investment Fund, Inc. to invest in local community farms and farmland. The loan accrues interest at 2% per annum and matures December 2, 2025. At June 30, 2024, the outstanding balance on the loan receivable was $10,000.

As a result of the lack of historical loss data available and the expectation of repayment of the loans, Common Capital has valued this loan at its anticipated net realizable value determined through a qualitative assessment of future forecasted repayments. The full balance of this loans receivable has been deemed fully collectible and no allowance for credit losses is deemed necessary at June 30, 2024. There were no provisions made to the allowance for credit losses or loan write-offs during the year ended June 30, 2024. The above loan is considered current and is not on non-accrual status for purposes of interest income recognition.

8. ***Advances on Grants and Contracts***

Advances on grants and contracts consist of the following:

Description	*Amount*
Federal rental assistance programs	$ 4,251,206
Massachusetts rental assistance programs	2,074,060
Home modification loan program	9,592,828
Tax credit exchange funds	1,064,231
Rental assistance for families in transition	488,123
FHLBB affordable housing program	1,150,000
Foreclosure prevention programs	191,828
Other	155,285
Total contract advances	$ 18,967,561

9. Mortgages and Notes Payable

Mortgages and notes payable consist of the following at June 30, 2024:

	Active	*Deferred*
Way Finders, Inc.:		
Operations:		
Line of credit to Cooperative Fund of New England, maximum loan amount is $1,250,000, interest accrues at 5.75% and is payable monthly through March 15, 2026. The line of credit is secured by certain equipment and accounts receivable.	$ 852,598	$ -
Way Finders entered into an agreement with Massachusetts Development Finance Agency to borrow $6,960,000 funded by Way Finders Issue, Series 2018 Revenue Bonds. The note bears interest at a fixed rate of 4.02% per annum through December 2028. In January 2029, the interest rate adjusts to the sum of Federal Home Loan Bank plus 2.25% basis points multiplied by 0.6886. Monthly payments of interest only were due to Peoples Bank, the registered owner of the bonds, through July 2020. Thereafter, monthly payments of principal and interest in the amount of $37,042 are to be made to Peoples Bank. The note is secured by the undisbursed construction funds held by Peoples bank, a first priority interest in the NMTC leverage loan receivable, and leasehold improvements in the property located at 1780 Main Street in Springfield, Massachusetts.	6,370,615	-
Note payable to Coastal Enterprises, Inc. for $850,000 bearing interest 7.132% per annum. Monthly payments of interest only were required under the note through June 2021. Thereafter, monthly payments of principal and interest in the amount of $6,711 are to be made. The note is secured by a second priority interest in the NMTC leverage loan receivable and matures December 2025. Common Capital, Inc. is participating in this note and has a $136,622 share at June 30, 2024, which has been eliminated the consolidating financial statements.	622,274	-
Note payable to Neighborworks Capital Corporation approved up to $3,000,000 bearing interest 5% per annum. Quarterly payments of interest only are required under the note through September 2027. Remaining principal and all unpaid interest shall be due in full on September 1, 2027.	3,000,000	-

9. Mortgages and Notes Payable – Continued

	Active	*Deferred*
Note payable to The Housing Partnership Fund, Inc. approved up to $3,000,000 bearing interest 5.5% per annum. Monthly payments of interest only are required under the note through August 2024. Quarterly principal installements begin on Septeber 1, 2024. Remaining principal and all unpaid interest shall be due in full on August 24, 2025.	3,000,000	-
Note payable to the Trustees for the Diocese of Western Massachusetts, bearing interest at 4% and payable in quarterly payments of interest only. The principal and all accrued but unpaid interest shall be due in full on December 1, 2026.	350,000	-
Note payable to the Edward's Church of Northampton, bearing interest at 4% and payable in quarterly payments of interest only. The principal and all accrued but unpaid interest shall be due in full on March 1, 2030.	500,000	-
Note payable to CEDAC approved up to $400,000. Interest accrues at 7% and is payable along with the outstanding principal balance upon obtaining permanent financing. Proceeds have been used to fund the predevelopment costs at NewCourt Terrace in Springfield, Massachusetts.	-	53,540
Dwight Clinton Joint Venture:		
Mortgage note payable to EOHLC under the Housing Stabilization Fund Program. The note is non-interest bearing requiring no payments until May 13, 2029. The note is secured by the apartment complex and assignment of certain leases and rents. The note is reflected net of unamortized discount of $175,257 (effective rate of 8.81%) with a face amount of $500,000.	-	324,743
Mortgage note payable to EOHLC under the HOME Investment Partnership Program. The non-interest bearing loan requires no payments until August 2035, at which time the outstanding balance is due. The note is secured by the apartment complex and assignment of certain leases and rents. The loan is reflected net of unamortized discount of $63,368 (effective rate of 9.86%) with a face amount of $95,151.	-	31,783

9. Mortgages and Notes Payable – Continued

	Active	*Deferred*
Earle Street Apartments:		
Mortgage note payable to Massachusetts Housing Partnership Fund, payable in monthly installments of $1,690, including principal and interest at 7.25% and matures on December 31, 2026. The note is secured by the apartment complex.	118,027	-
Mortgage note payable to Massachusetts Housing Partnership Fund. The note is non-interest bearing requiring no payments until December 31, 2027 and is secured by the apartment complex. The note is reflected net of unamortized discount of $17,400 (effective rate of 4.41%) with a face amount of $121,864.	-	104,464
Mortgage note payable to CEDAC, non-interest bearing, payable annually to the extent that cash receipts exceed 105% of cash disbursements. Any remaining unpaid principal is due and payable on January 7, 2037. The note is secured by the apartment complex and assignment of certain leases and rents. The note is reflected net of unamortized discount of $85,630 (effective rate of 4.41%) with a face amount of $202,345.	-	116,715
The Lorraine:		
Mortgage note payable to CEDAC under the Housing Innovations Fund II Program. The note is non-interest bearing and will be repaid out of surplus cash. The unpaid balance and accrued interest are due upon the sale or refinancing of the underlying property but no later than March 8, 2030. The note is secured by the apartment complex and an assignment of leases and rents. The note is reflected net of unamortized discount of $202,270 (effective rate of 9.05%) with a face amount of $500,000.	-	297,730
Mortgage note payable to the Commonwealth of Massachusetts Executive Office of Housing and Livable Communities (EOHLC) under the Housing Stabilization Fund Program. The note is non-interest bearing requiring no payments until April 24, 2030, provided the intended use of the property does not change. The note is secured by the apartment complex and an assignment of leases and rents. The note is reflected net of unamortized discount of $204,499 (effective rate of 9.05%) with a face amount of $500,000.	-	295,501

9. Mortgages and Notes Payable – Continued

	Active	*Deferred*
Mortgage note payable to the City of Northampton, due March 14, 2030, with an option for a ten year extension. The note is non-interest bearing, does not require any payments until the due date, and is secured by the apartment complex. The note is reflected net of unamortized discount of $68,773 (effective rate of 9.05%) with a face amount of $170,000.	-	101,227
Common Capital, Inc.:		
Note payable to SBA, payable in monthly installments of $3,569 including interest of 0.5%, and matures November 10, 2024. Interest is reviewed periodically and adjusted to either 1.75% or 0.5% based on the loan portfolio balances held by Common Capital, Inc. The note is secured by an interest in the micro loans issued and by the funds held in Microloan Revolving Loan Funds.	18,242	-
Note payable to SBA, payable in monthly installments of $5,844 including interest of 0.5%, and matures August 8, 2027. Interest is reviewed periodically and adjusted to either 1.75% or 0.5% based on the loan portfolio balances held by Common Capital, Inc. The note is secured by an interest in the micro loans issued and by the funds held in Microloan Revolving Loan Funds.	219,663	-
Note payable to SBA, payable in monthly installments of $5,888 including interest of 1.25%, and matures May 7, 2029. Interest is reviewed periodically and adjusted to either 2.5% or 1.25% based on the loan portfolio balances held by Common Capital, Inc. The note is secured by an interest in the micro loans issued and by the funds held in Microloan Revolving Loan Funds.	334,981	-
Note payable to SBA, payable in monthly installments of $3,241 begining December 2021 including interest of 0%, and matures November 19, 2030. Interest is reviewed periodically and adjusted to either 0% or 2% based on the loan portfolio balances held by Common Capital, Inc. The note is secured by an interest in the micro loans issued and by the funds held in Microloan Revolving Loan Funds.	570,370	-

9. Mortgages and Notes Payable – Continued

	Active	*Deferred*
Note payable to SBA, payable in monthly installments of $5,119 begining February 2025 including interest of 2.25%, and matures January 10, 2034. Interest is reviewed periodically and adjusted to either 3% or 4.25% based on the loan portfolio balances held by Common Capital, Inc. The note is secured by an interest in the micro loans issued and by the funds held in Microloan Revolving Loan Funds.	500,000	-
Note payable to the Sisters of Charity of St. Elizabeth, bearing interest at 1% and payable in annual payments of interest only. The principal and all accrued but unpaid interest shall be due in full on June 12, 2027.	25,000	-
Note payable to the Trustees for the Diocese of Western Massachusetts, bearing interest at 4% and payable in quarterly payments of interest only. The principal and all accrued but unpaid interest shall be due in full on February 20, 2027.	100,000	-
Note payable to NBT Bank, bearing interest at 2% interest based on a 360 day year and payable in annual payments of interest only. The principal and all accrued but unpaid interest shall be due in full on August 2, 2032.	500,000	-
Notes payable consisting of loans from various organizations, trusts and individuals. These parties have chosen to lend to Common Capital, Inc. to support the Community First Fund. Interest between 2% and 2.65% is due and payable semi-annually. Principal is due and payable on the third or fifth anniversary of the date of the agreements, unless the lender elects to renew the loan for an additional three or five year term or donate the principal and/or interest to Common Capital, Inc. These notes are unsecured.	1,568,342	-
Affordable Housing Subsidiaries:		
Butternut Properties Limited Partnership:		
Mortgage note payable to EOHLC under the HOME Investment Partnership Program. The note is non-interest bearing requiring no payments until March 8, 2041 and is secured by the apartment complex. The note is reflected net of unamortized discount of $470,877 (effective rate of 7%) with a face amount of $683,073.	-	212,196

9. Mortgages and Notes Payable – Continued

	Active	*Deferred*
Mortgage note payable to EOHLC administered by the Massachusetts Housing Finance Agency (MHFA) under the Affordable Housing Trust Fund Program. The note is non-interest bearing requiring no payments until March 8, 2041 and is secured by the apartment complex. The note is reflected net of unamortized discount of $689,352 (effective rate of 7%) with a face amount of $1,000,000.	-	310,648
Mountain View Apartments of HAP-CHS:		
Mortgage notes payable to the United States Department of Agriculture (USDA), Rural Development Agency, bearing interest at 8.5%, payable in monthly installments of $8,359 to maturity, June 1, 2037. The notes are secured by a mortgage on the apartment complex and assignment of certain leases and rents. The Project receives a monthly interest subsidy in the amount of $5,899, for a reduced monthly loan payment of $2,460.	786,055	-
Mortgage note payable to Massachusetts Housing Partnership Fund Board under Housing Stabilization Fund Program. The note is non-interest bearing with no payments due until the maturity date of April 28, 2033. The note is carried net of unamortized discount of $329,435 (effective rate of 9.05%) with a face amount of $600,000. The note is secured by the apartment complex and assignments of certain leases and rents.	-	270,565
Paradise Pond LLC:		
Mortgage note payable to Massachusetts Housing Partnership Fund, payable in monthly installments of $650, including interest at 6.1%, and matures October 31, 2026. The loan is secured by the apartment complex.	47,291	-
Mortgage note payable to Massachusetts Housing Partnership Fund, bearing interest at 2%, payable in monthly interest payments only. The note is due October 31, 2026, and is secured by the apartment complex.	134,263	-

9. Mortgages and Notes Payable – Continued

	Active	*Deferred*
Mortgage note payable to EOHLC administered by MHFA under the Affordable Housing Trust Fund Program. The note is non-interest bearing requiring no payments until August 15, 2035. The note is secured by the apartment complex and assignment of certain leases and rents. The note is reflected net of unamortized discount of $438,712 (effective rate of 7.5%) with a face amount of $775,000.	-	336,288
Mortgage note payable to EOHLC under the Housing Stabilization Fund Program. The note is non-interest bearing requiring no payments until August 15, 2055. The note is secured by the apartment complex and assignment of certain leases and rents. The note is reflected net of unamortized discount of $650,460 (effective rate of 7.5%) with a face amount of $715,000.	-	69,550
Mortgage note payable to CEDAC, non-interest bearing, payable annually to the extent that cash receipts exceed 105% of cash disbursements. Any remaining unpaid principal is due and payable on August 15, 2035. The note is secured by the apartment complex and assignment of certain leases and rents. The note is reflected net of unamortized discount of $481167 (effective rate of 7.5%) with a face amount of $850,000.	-	368,833
Southampton Housing for the Elderly, Inc.:		
The Organization has a thirty-five year 2.6% HUD insured mortgage note payable to Walker and Dunlop LLC. The note requires monthly payments for principal and interest of $11,881. The final payment is due February 1, 2032. The note is secured by the apartment complex and assignment of certain leases and rents. The outstanding principal balance at June 30, 2024 was $2,511,420.		
Financing costs of $140,307 are being amortized using the straight-line rate method. The effective interest rate on the loan approximates to 2.89%. Accumulated amortization at June 30, 2024 was $62,938.	2,434,051	-

9. Mortgages and Notes Payable – Continued

	Active	*Deferred*
Stevens Senior Housing of Ludlow, Inc.:		
Mortgage note payable to EOHLC under the HOME Investment Partnership Program. The note is non-interest bearing requiring no payments until September 25, 2044. The note is secured by the apartment complex and assignment of certain leases and rents. The note is reflected net of unamortized discount of $251,544 (effective rate of 4.61%) with a face amount of $415,000.		
Financing costs of $14,302 are being amortized using the straight-line rate method. The effective interest rate on the loan approximates to 5.37%. Accumulated amortization at June 30, 2023 was $4,650.	-	153,804
Mortgage note payable to EOHLC under the Housing Stabilization Fund Program. The note is non-interest bearing requiring no payments until September 25, 2064. The note is secured by the apartment complex and assignment of certain leases and rents. The note is reflected net of unamortized discount of $838,640 (effective rate of 4.61%) with a face amount of $994,743.		
Financing costs of $34,282 are being amortized using the straight-line rate method. The effective interest rate on the loan approximates to 5.27%. Accumulated amortization at June 30, 2024 was $6,688.	-	128,509
Mortgage note payable to EOHLC administered by MHFA under the Affordable Housing Trust Fund Program. The note is non-interest bearing requiring no payments until September 25, 2054. The note is secured by the apartment complex and assignment of certain leases and rents. The note is reflected net of unamortized discount of $751,386 (effective rate of 4.61%) with a face amount of $1,000,000.		
Financing costs of $34,462 are being amortized using the straight-line rate method. The effective interest rate on the loan approximates to 5.5%. Accumulated amortization at June 30, 2024 was $8,404.	-	222,556

9. Mortgages and Notes Payable – Continued

	Active	*Deferred*
Mortgage note payable to CEDAC, non-interest bearing, payable annually to the extent that cash receipts exceed 105% of cash disbursements. Any remaining unpaid principal is due and payable on September 25, 2044. The note is secured by the apartment complex and assignment of certain leases and rents. The note is reflected net of unamortized discount of $181,839 (effective rate of 4.61%) with a face amount of $300,000.		
Financing costs of $10,339 are being amortized using the straight-line rate method. The effective interest rate on the loan approximates to 5.37%. Accumulated amortization at June 30, 2024 was $3,363.	-	111,185
CBA Housing Limited Partnership:		
Mortgage note payable to USDA Rural Development is payable in monthly installments of $2,876, net of a monthly subsidy of $3,164 and bears interest at 4.875% per annum. The agreement provides for an interest subsidy making the effective rate 1% over the life of the note. Final payment is due in January 22, 2060, or upon the occurrence of an event of default or the sale or other transfer of the Project. The apartment complex is pledged as collateral for the mortgage.	1,223,555	-
Mortgage note payable to EOHLC under the HOME Investment Partnership Program, accrues no interest except on delinquent payments. The note is payable on November 21, 2040, or upon the occurrence of an event of default or the sale or other transfer of the Project. The apartment complex is pledged as collateral for the mortgage. The outstanding principal balance at June 30, 2024 was $715,000.		
Financing costs of $13,028 are being amortized using the straight-line rate method. The effective interest rate on the loan approximates to 0.06%. Accumulated amortization at June 30, 2024 was $6,151.	-	708,123

9. Mortgages and Notes Payable – Continued

	Active	*Deferred*
Mortgage note payable to EOHLC administered by MHFA under the Affordable Housing Trust Fund Program, accrues no interest except on delinquent payments. All interest and principal due under this note are payable on November 21, 2040, or upon the occurrence of an event of default or the sale or other transfer of the Project. The apartment complex is pledged as collateral for the mortgage. The outstanding principal balance at June 30, 2024 was $1,000,000.		
Financing costs of $18,222 are being amortized using the straight-line rate method. The effective interest rate on the loan approximates to 0.06%. Accumulated amortization at June 30, 2024 was $8,603.	-	990,381
Church Street School Limited Partnership:		
Mortgage note payable to USDA Rural Development is payable in monthly installments of $2,123, net of a monthly subsidy of $2,691 and bears interest at 5.375% per annum. The agreement provides for an interest subsidy making the effective rate 1% over the life of the note. Final payment is due on October 1, 2038, or upon the occurrence of an event of default or the sale or other transfer of the Project. The apartment complex is pledged as collateral for the mortgage.	903,317	-
Mortgage note payable to EOHLC under the HOME Investment Partnership Program, accrues interest at a rate of 7.50% compounded annually. All interest and principal due under this note are payable on May 24, 2038, or upon the occurrence of an event of default or the sale or other transfer of the Project. The note is secured by a mortgage on the apartment complex and assignment of certain leases and rents.	-	243,890
Mortgage note payable to EOHLC administered by MHFA under the Affordable Housing Trust Fund, accrues interest at a rate of 7.50% compounded annually. All interest and principal due under this note are payable on May 24, 2038, or upon the occurrence of an event of default or the sale or other transfer of the Project. The note is secured by a mortgage on the apartment complex and assignment of certain leases and rents.	-	733,960

9. Mortgages and Notes Payable – Continued

	Active	*Deferred*
Greenstead Grove Limited Partnership:		
Mortgage note payable to EOHLC administered by MHFA under the Affordable Housing Trust Fund Program and accrues interest at a rate of 1% simple interest based on a 360 day year. All interest and principal due under this note are payable on August 30, 2075, or upon the occurrence of an event of default or the sale or other transfer of the Project. The note is secured by a mortgage on the apartment complex and assignment of certain leases and rents.	-	2,305,274
Mortgage note payable to MHEF Greenstead Grove LLC, accrues no interest except on delinquent payments. All interest and principal due under this note are payable on the earier of the receipt of the second equity instalment payment or December 1, 2025. The apartment complex is pledged as collateral for the mortgage.	-	947,845
KenQuad Limited Partnership:		
Mortgage note payable to MHP is secured by the real estate and personal property in the original amount of $650,000. Monthly payments of interest at a rate equal to the LIBOR daily floating rate plus 2.25% are due through the July 1, 2017. Thereafter, the note requires monthly principal and interest payments of $3,470, bears an interest rate of 4.95% per annum, and matures in June 2034. The outstanding principal balance at June 30, 2024 was $572,169. Financing costs of $76,257 are being amortized using the straight-line rate method. The effective interest rate on the loan approximates to 3.24%. Accumulated amortization at June 30, 2024 was $34,539.	530,451	-
Mortgage note payable under the HOME Investments Partnership Program through EOHLC and the City of Springfield bearing simple interest at a rate of 1% interest per annum. The note and accrued interest are due and payable in full on June 16, 2047, net of amortized discount of $385,015 (effective rate of 2.5%) with a face amount of $1,127,000. The note is secured by the apartment complex and assignment of certain leases and rents.	-	741,985

9. Mortgages and Notes Payable – Continued

	Active	*Deferred*
Mortgage note payable under the HOME Investments Partnership Program through EOHLC and the City of Springfield bearing simple interest at a rate of 1% interest per annum. The note and accrued interest are due and payable in full on June 16, 2047, net of amortized discount of $148,608 (effective rate of 2.5%) with a face amount of $435,000. The note is secured by the apartment complex and assignment of certain leases and rents.	-	286,392
Mortgage note payable to Valley CDC funded through the sale of the Project's Massachusetts low-income housing tax credits. The note bears interest at 2.5% compounded annually. Unpaid principal and interest is due December 2065. The note is secured by a mortgage on the apartment complex.	-	1,128,125
Mortgage note payable to Valley CDC funded through the sale of the Project's Massachusetts historic rehabilitation tax credits. The note bears interest at 2.5% compounded annually. Unpaid principal and interest is due December 2065. The note is secured by a mortgage on the apartment complex.	-	1,979,731
Library Commons Limited Partnership:		
Massachusetts Housing Partnership Fund has provided funding in the amount of $550,000. The loan bears interest at 4.71% and is payable in monthly installments of principal and interest of $2,856 through March 2042. The note is secured by the apartment complex. The outstanding principal balance at June 30, 2024 was $530,959.		
Financing costs of $50,035 are being amortized using the straight-line rate method. The effective interest rate on the loan approximates to 5.29%. Accumulated amortization at June 30, 2024 was $5,629.	486,553	-
Mortgage note payable to CEDAC under the Housing Innovations Fund Program and accrues interest at a rate of 1% simple interest based on a 360 day year. All interest and principal due under this note are payable on February 17, 2071, or upon the occurrence of an event of default or the sale or other transfer of the Project. The note is secured by a mortgage on the apartment complex and assignment of certain leases and rents.	-	2,000,000

9. Mortgages and Notes Payable – Continued

	Active	*Deferred*
Mortgage note payable to EOHLC under the Housing Stabilization Fund Program and accrues interest at a rate of 1% simple interest based on a 360 day year. All interest and principal due under this note are payable on February 17, 2071, or upon the occurrence of an event of default or the sale or other transfer of the Project. The note is secured by a mortgage on the apartment complex and assignment of certain leases and rents.	-	937,000
Mortgage note payable to EOHLC under the HOME Investment Partnership Program and accrues interest at a rate of 1% simple interest based on a 360 day year. All interest and principal due under this note are payable on February 17, 2071, or upon the occurrence of an event of default or the sale or other transfer of the Project. The note is secured by a mortgage on the apartment complex and assignment of certain leases and rents.	-	825,000
Mortgage note payable to EOHLC administered by MHFA under the Affordable Housing Trust Fund Program and accrues interest at a rate of 1% simple interest based on a 360 day year. All interest and principal due under this note are payable on February 17, 2071, or upon the occurrence of an event of default or the sale or other transfer of the Project. The note is secured by a mortgage on the apartment complex and assignment of certain leases and rents.	-	1,000,000
Mortgage note payable to the City of Holyoke accruing interest at a rate of 1% simple interest based on a 360 day year. All interest and principal due under this note are payable on February 17, 2071, or upon the occurrence of an event of default or the sale or other transfer of the Project. The note is secured by a mortgage on the apartment complex and assignment of certain leases and rents.	-	400,000
Mortgage note payable to Regional Housing Network funded through the sale of the Project's Massachusetts low-income housing tax credits. The note bears interest at 2.5% compounded annually. Unpaid principal and interest is due December 2069. The note is secured by a mortgage on the apartment complex.	-	2,800,000

9. Mortgages and Notes Payable – Continued

	Active	*Deferred*
Live Pleasant Limited Partnership:		
Easthampton Savings Bank provided construction funding of $8,480,710 with interest at a rate of 4% per annum fixed for the construction period. On December 16, 2018, the construction period ended and the interest rate was set at 5.93% per annum. The note required interest only payments thru the construction period. At the end of the construction period a principal payment was made to reduce the principal balance to $2,314,310 with monthly payments of principal and interest required for the subsequent 30 years thereafter. The apartment complex is pledged as collateral for the mortgage. The outstanding principal balance at June 30, 2024 was $2,135,279.		
Financing costs of $48,962 are being amortized using the straight-line rate method. The effective interest rate on the loan approximates to 6.13%. Accumulated amortization at June 30, 2024 was $8,976.	2,095,293	-
Mortgage note payable to EOHLC under the Housing Stabilization Fund Program and accrues interest at a rate of 1% compounded annually. All interest and principal due under this note are payable on December 16, 2066, or upon the occurrence of an event of default or the sale or other transfer of the Project. The note is secured by a mortgage on the apartment complex and assignment of certain leases and rents.	-	500,000
Mortgage note payable to EOHLC administered by MHFA under the Affordable Housing Trust Fund, accrues interest at a rate of 1% compounded annually. All interest and principal due under this note are payable on December 16, 2046, or upon the occurrence of an event of default or the sale or other transfer of the Project. The note is secured by a mortgage on the apartment complex and assignment of certain leases and rents.	-	1,083,000
Mortgage note payable to CEDAC under the Housing Preservation and Stabilization Trust Fund Program and accrues interest at a rate of 1% compounded annually. All interest and principal due under this note are payable on February 16, 2048, or upon the occurrence of an event of default or the sale or other transfer of the Project. The note is secured by a mortgage on the apartment complex and assignment of certain leases and rents.	-	1,500,000

9. Mortgages and Notes Payable – Continued

	Active	*Deferred*
Mortgage note payable to CEDAC under the Housing Innovations Fund Program and accrues interest at a rate of 1% compounded annually. All interest and principal due under this note are payable on February 16, 2048, or upon the occurrence of an event of default or the sale or other transfer of the Project. The note is secured by a mortgage on the apartment complex and assignment of certain leases and rents.	-	1,000,000
Mortgage note payable to CEDAC under the Facilities Consolidation Fund Program and accrues interest at a rate of 1% compounded annually. All interest and principal due under this note are payable on February 16, 2048, or upon the occurrence of an event of default or the sale or other transfer of the Project. The note is secured by a mortgage on the apartment complex and assignment of certain leases and rents.	-	707,000
Lumber Yard Northampton Limited Partnership:		
TD Bank provided construction funding of $2,500,000 with interest at a rate of 5.53% per annum fixed for the term of the loan. On December 19, 2019, the note converted to permanent financing and the maturity date extended to December 19, 2039, with monthly payments of principal and interest required based on a 30 year amortization schedule. The apartment complex is pledged as collateral for the mortgage. The outstanding principal balance at June 30, 2024 was $2,334,931.		
Financing costs of $79,908 are being amortized using the straight-line method. The effective interest rate on the loan approximates to 5.85%. Accumulated amortization at June 30, 2024 was $18,146.	2,273,169	-
Mortgage note payable to EOHLC under the Housing Stabilization Fund Program, accrues no interest except on delinquent payments. The note is payable on February 19, 2069, or upon the occurrence of an event of default or the sale or other transfer of the Project. The apartment complex is pledged as collateral for the mortgage.	-	1,000,000

9. Mortgages and Notes Payable – Continued

	Active	*Deferred*
Mortgage note payable to EOHLC administered by MHFA under the Affordable Housing Trust Fund Program, accrues no interest except on delinquent payments. All interest and principal due under this note are payable on February 19, 2049 or upon the occurrence of an event of default or the sale or other transfer of the Project. The apartment complex is pledged as collateral for the mortgage.	-	1,000,000
Mortgage note payable to EOHLC under the Commercial Area Transit Node Housing Program, accrues no interest except on delinquent payments. The note is payable on February 19, 2049, or upon the occurrence of an event of default or the sale or other transfer of the Project. The apartment complex is pledged as collateral for the mortgage.	-	1,000,000
Mortgage note payable to CEDAC under the Community Based Housing Program, accrues no interest except on delinquent payments. The note is payable on February 19, 2049, or upon the occurrence of an event of default or the sale or other transfer of the Project. The apartment complex is pledged as collateral for the mortgage.	-	325,000
Mortgage note payable to Valley CDC accruing interest at 3.5% compounded annually. All interest and principal due under this note are payable on December 19, 2049 or upon the occurrence of an event of default or the sale or other transfer of the Project. The apartment complex is pledged as collateral for the mortgage.	-	755,023
New Court Terrace LLC:		
Mortgage note payable to EOHLC under the HOME Investment Partnership Program, accrues interest compounded annually at a rate of 5.75% per annum. All interest and principal due under this note are payable on October 2, 2033, or upon the occurrence of an event of default, as specified in the loan agreement. The apartment complex is pledged as collateral for the mortgage.	-	550,000

9. Mortgages and Notes Payable – Continued

	Active	*Deferred*
Mortgage note payable to the City of Springfield Office of Housing and Neighborhood Services under the Lead Hazard Abatement Program, accrues interest at a rate of 5.75% per annum. All interest and principal due under this note are payable January 26, 2025, or on demand if the premises are not used as required in Section 3 of the loan agreement. The apartment complex is pledged as collateral for the mortgage.	-	220,000
Mortgage note payable to the City of Springfield Community Development Department under the HOME Investment Partnership Program, accrues interest thereon compounded annually at a rate of 6.5% per annum. All interest, principal, and other payments due under this note are payable July 25, 2042, or upon sale or refinance of the Project. The apartment complex is pledged as collateral for the mortgage.	-	450,000
Mortgage note payable to EOHLC administered by MHFA under the Affordable Housing Trust Fund Program, accrues interest at a rate of 5% per annum. All interest and principal due under this note are payable on October 1, 2033, or upon the occurrence of an event of default or the sale or other transfer of the Project. Under these circumstances, the note becomes immediately payable and due. The apartment complex is pledged as collateral for the mortgage.	-	667,612
Olympia Amherst Limited Partnership:		
Massachusetts Housing Partnership Fund has provided funding in the amount of $535,000. The loan bears interest at 6.97% and is payable in monthly installments of principal and interest of $3,549 through April 2035. The note is secured by the apartment complex. The outstanding principal balance at June 30, 2024 was $468,164.		
Financing costs of $99,823 are being amortized using the straight-line rate method. The effective interest rate on the loan approximates to 9.28%. Accumulated amortization at June 30, 2024 was $45,759.	414,100	-

9. Mortgages and Notes Payable – Continued

	Active	*Deferred*
Mortgage note payable to EOHLC under the Housing Stabilization Fund Program, accrues interest at 1% per annum. The note is payable on September 5, 2063, or upon the occurrence of an event of default or the sale or other transfer of the Project. The apartment complex is pledged as collateral for the mortgage.	-	1,715,000
Mortgage note payable to EOHLC administered by MHFA under the Affordable Housing Trust Fund Program, accrues interest at 1% per annum. All interest and principal due under this note are payable on September 5, 2044 or upon the occurrence of an event of default or the sale or other transfer of the Project. The apartment complex is pledged as collateral for the mortgage.	-	1,000,000
Parsons Limited Partnership:		
Easthampton Savings Bank provided construction funding of $4,656,447 with interest at a rate of 3.75% per annum fixed for the term of the loan The note requires interest only payments thru the construction period. At the end of the construction period a $750,000 principal payment is due with monthly payments of principal and interest for the subsequent 30 years required thereafter. The apartment complex is pledged as collateral for the mortgage. The outstanding principal balance at June 30, 2024 was $623,506.		
Financing costs of $38,340 are being amortized using the straight-line rate method. The effective interest rate on the loan approximates to 4.285%. Accumulated amortization at June 30, 2024 was $10,544.	595,710	-
Mortgage note payable to EOHLC under the Non-Federal Investment Trust Fund Program, accrues no interest except on delinquent payments. The note is payable on July 27, 2045, or upon the occurrence of an event of default or the sale or other transfer of the Project. The apartment complex is pledged as collateral for the mortgage.	-	490,217

9. Mortgages and Notes Payable – Continued

	Active	*Deferred*
Mortgage note payable to EOHLC under the Housing Stabilization Fund Program, accrues no interest except on delinquent payments. The note is payable on July 27, 2065, or upon the occurrence of an event of default or the sale or other transfer of the Project. The apartment complex is pledged as collateral for the mortgage.	-	1,000,000
Mortgage note payable to EOHLC administered by MHFA under the Affordable Housing Trust Fund Program, accrues no interest except on delinquent payments. All interest and principal due under this note are payable on July 27, 2065 or upon the occurrence of an event of default or the sale or other transfer of the Project. The apartment complex is pledged as collateral for the mortgage.	-	1,175,000
except on delinquent payments. All interest and principal due under this note are payable on July 28, 2065 or upon the occurrence of an event of default or the sale or other transfer of the Project. The apartment complex is pledged as collateral for the mortgage.	-	300,000
Rosewood Way Townhomes Limited Partnership:		
TD Bank provided a construction line of credit authorized up to $18,250,000 to fund construction costs. The line of credit bears interest at the secured overnight financing rate (SOFR) published by the SOFR Adminstrator plus 2.5% based on a 360-day year with interest only payments due monthly.The line matures April 26, 2025. The apartment complex is pledged as collateral for the mortgage.	15,800,700	
Mortgage note payable to EOHLC under the HOME Investment Partnership Program, accrues no interest except on delinquent payments. The note is payable on December 31, 2065, or upon the occurrence of an event of default or the sale or other transfer of the Project. The apartment complex is pledged as collateral for the mortgage.	-	891,000
Mortgage note payable to CEDAC under the Housing Innovations Fund Program, accrues no interest except on delinquent payments. The note is payable on June 26, 2054, or upon the occurrence of an event of default or the sale or other transfer of the Project. The apartment complex is pledged as collateral for the mortgage.	-	1,140,000

9. Mortgages and Notes Payable – Continued

	Active	*Deferred*
Mortgage note payable to CEDAC under the Facilities Consolidation Fund Program, accrues no interest except on delinquent payments. The note is payable on June 26, 2054, or upon the occurrence of an event of default or the sale or other transfer of the Project. The apartment complex is pledged as collateral for the mortgage.	-	711,550
Mortgage note payable to EOHLC administered by MHFA under the Affordable Housing Trust Fund Program, accrues no interest except on delinquent payments. All interest and principal due under this note are payable on December 31, 2065 or upon the occurrence of an event of default or the sale or other transfer of the Project. The apartment complex is pledged as collateral for the mortgage.	-	1,000,000
Mortgage note payable to EOHLC under the Housing Stabilization Fund Program, accrues no interest except on delinquent payments. The note is payable on June 26, 2074, or upon the occurrence of an event of default or the sale or other transfer of the Project. The apartment complex is pledged as collateral for the mortgage.	-	1,080,000
Sergeant House Limited Partnership:		
Mortgage note payable to CEDAC under the Housing Innovations Fund I Program non-interest bearing, payable annually to the extent that cash receipts exceed 105% of cash disbursements. Any remaining unpaid principal is due and payable on March 15, 2050. The note is secured by the apartment complex and assignment of certain leases and rents. The note is reflected net of amortized discount of $161,698 (effective rate of 2.74%) with a face amount of $240,735.	-	79,037
Mortgage note payable to CEDAC under the Housing Innovations Fund III Program non-interest bearing, payable annually to the extent that cash receipts exceed 105% of cash disbursements. Any remaining unpaid principal is due and payable on March 15, 2050. The note is secured by the apartment complex and assignment of certain leases and rents. The note is reflected net of amortized discount of $243,488 (effective rate of 2.74%) with a face amount of $362,500.	-	119,012

9. Mortgages and Notes Payable – Continued

	Active	*Deferred*
Mortgage note payable to CEDAC under the Housing Innovations Fund Program and accrues interest at a rate of 2% simple interest based on a 360 day year. All interest and principal due under this note are payable on May 17, 2050, or upon the occurrence of an event of default or the sale or other transfer of the Project. The note is secured by a mortgage on the apartment complex and assignment of certain leases and rents.	-	492,094
Mortgage note payable to CEDAC under the Facilities Consolidation Fund Program and accrues interest at a rate of 2% simple interest based on a 360 day year. All interest and principal due under this note are payable on May 17, 2050, or upon the occurrence of an event of default or the sale or other transfer of the Project. The note is secured by a mortgage on the apartment complex and assignment of certain leases and rents.	-	260,810
Mortgage note payable to EOHLC administered by MHFA under the Affordable Housing Trust Fund Program and accrues interest at a rate of 2% simple interest based on a 360 day year. All interest and principal due under this note are payable on May 17, 2050, or upon the occurrence of an event of default or the sale or other transfer of the Project. The note is secured by a mortgage on the apartment complex and assignment of certain leases and rents.	-	836,559
Mortgage note payable to Valley CDC accruing interest at 2.1% compounded annually. All interest and principal due under this note are payable on March 1, 2065 or upon the occurrence of an event of default or the sale or other transfer of the Project. The apartment complex is pledged as collateral for the mortgage.	-	580,051
Mortgage note payable to Bridge Street LLC, a subsidiary of Valley CDC accruing interest at 3% compounded annually. All interest and principal due under this note are payable on March 1, 2065 or upon the occurrence of an event of default or the sale or other transfer of the Project. The apartment complex is pledged as collateral for the mortgage.	-	181,226

9. Mortgages and Notes Payable – Continued

	Active	*Deferred*
Verano Apartments Limited Partnership:		
Massachusetts Housing Partnership Fund has provided funding in the amount of $415,000. The loan bears interest at 6.23% and is payable in monthly installments of principal and interest of $2,550 through October 2026. The note is secured by the apartment complex.	264,089	-
Mortgage note payable to EOHLC under the HOME Investment Partnership Program, accrues interest at a rate of 5.5% per annum. All interest and principal due under this note are payable on August 14, 2035, or upon the occurrence of an event of default or the sale or other transfer of the Project. Under these circumstances, the note becomes immediately payable and due. The note is secured by the apartment complex and assignment of certain leases and rents.	-	550,000
Mortgage note payable to EOHLC administered by MHFA under the Affordable Housing Trust Fund, accrues interest at a rate of 4% per annum. All interest and principal due under this note are payable on August 14, 2035, or upon the occurrence of an event of default or the sale or other transfer of the Project. Under these circumstances, the note becomes immediately payable and due. The note is secured by the apartment complex and assignment of certain leases and rents.	-	550,000
Mortgage note payable to the City of Holyoke Office for Community Development, accrues interest at a rate of 5.5% per annum. All principal and interest payments under this note shall be payable on August 14, 2035. No payments shall be due before the maturity date. The note is secured by the apartment complex and assignment of certain leases and rents.	-	100,000

9. Mortgages and Notes Payable – Continued

	Active	*Deferred*
Self Help Shelters, Inc. and HAP CHS, doing business as the joint venture Rehab Shelters, acting by and through HAP CHS, have provided funding of $247,500. This note bears interest compounding annually at a rate of 9%. Payment began two years after date of borrowing, and continuing every 12 months thereafter during the entire term of this note to an amount equal to the prior calendar year's net cash flow. The note is secured by the apartment complex and assignment of certain leases and rents. The entire outstanding balance of principal and unpaid interest shall be due upon the sooner of: (a) the date which is 20 years from the borrowing date, or (b) the sale or transfer of the real property comprising collateral for this note. Under these circumstances, the note becomes immediately payable and due. HAP-CHS's 45% share of principal and accrued interest have been eliminated in the consolidating financial statements.	-	136,350
Windrush Commons Limited Partnership:		
Mortgage note payable to Berkshire Bank is secured by the real estate and personal property in the original amount of $2,000,000. The note requires monthly principal and interest payments of $12,502, bears an interest rate of 4.3% per annum, and matures in January 2042. The outstanding principal balance at June 30, 2024 was $1,984,411.		
Financing costs of $60,486 are being amortized using the straight-line rate method. The effective interest rate on the loan approximates to 4.56%. Accumulated amortization at June 30, 2024 was $0.	1,923,925	-
Mortgage note payable to CEDAC under the Housing Innovations Fund Program accrues no interest except on delinquent payments. The note is payable on April 28, 2053, or upon the occurrence of an event of default or the sale or other transfer of the Project. The apartment complex is pledged as collateral for the mortgage.		1,045,000
Mortgage note payable to CEDAC under the Facinities Consolidation Fund Program accrues no interest except on delinquent payments. The note is payable on April 28, 2053, or upon the occurrence of an event of default or the sale or other transfer of the Project. The apartment complex is pledged as collateral for the mortgage.		368,760

9. Mortgages and Notes Payable – Continued

	Active	*Deferred*
Mortgage note payable to EOHLC under the HOME Investment Partnership Program accrues no interest except on delinquent payments. The note is payable on April 28, 2073, or upon the occurrence of an event of default or the sale or other transfer of the Project. The apartment complex is pledged as collateral for the mortgage.	-	891,000
Mortgage note payable to EOHLC under the Housing Stabilization Fund Program accrues no interest except on delinquent payments. The note is payable on April 28, 2073, or upon the occurrence of an event of default or the sale or other transfer of the Project. The apartment complex is pledged as collateral for the mortgage.	-	990,000
Mortgage note payable to EOHLC administered by MHFA under the Affordable Housing Trust Fund Program, accrues no interest except on delinquent payments. All interest and principal due under this note are payable on April 28, 2063 or upon the occurrence of an event of default or the sale or other transfer of the Project. The apartment complex is pledged as collateral for the mortgage.	-	1,000,000
Mortgage note payable to Community Development Corporation of South Berkshire, Inc., accrues no interest except on delinquent payments. All interest and principal due under this note are payable on January 28, 2062 or upon the occurance of an event of default or the sale or other transfer of the Project. The apartment complex is pledged as collateral for the mortgage.	-	450,000
Mortgage note payable to Community Development Corporation of South Berkshire, Inc., accrues no interest except on delinquent payments. All interest and principal due under this note are payable on January 28, 2062 or upon the occurance of an event of default or the sale or other transfer of the Project. The apartment complex is pledged as collateral for the mortgage.	-	100,000
Mortgage note payable to Community Development Corporation of South Berkshire, Inc., accrues no interest except on delinquent payments. All interest and principal due under this note are payable on April 19, 2063 or upon the occurance of an event of default or the sale or other transfer of the Project. The apartment complex is pledged as collateral for the mortgage.	-	127,000

9. Mortgages and Notes Payable – Continued

	Active	*Deferred*
Other Subsidiaries:		
WF Real Estate Holding LLC		
Note payable to Life Insurance Community Investment Initiative, LLC approved up to $1,170,000, bearing interest at 5% and payable in quarterly interest payments only. The outstanding principal balance and all accrued but unpaid interest is payable upon obtaining permanent financing, but no later than October 20, 2025. Proceeds have been used to fund the acquisition of 501 Newton Street in South Hadley, Massachusetts.	1,170,000	-
Note payable to Property and Casualty Initiative, LLC approved up to $500,000, bearing interest at 5.5% and payable in monthly interest payments only. The outstanding principal balance and all accrued but unpaid interest is payable upon obtaining permanent financing, but no later than January 17, 2027. Proceeds have been used to fund the acquisition of 384 High Street in Holyoke, Massachusetts.	500,000	-
LC2 Holyoke LLC:		
Note payable to CEDAC approved up to $101,500, bearing interest at 5.6% and payable in quarterly interest payments only. The outstanding principal balance and all accrued but unpaid interest is payable upon obtaining permanent financing, but no later than December 30, 2024. Proceeds have been used to fund the acquisition of 207 Elm Street in Holyoke Massachusetts.	101,500	-
Note payable to CEDAC approved up to $250,000. Interest accrues at 7% and is payable along with the outstanding principal balance upon obtaining permanent financing. Proceeds have been used to fund the predevelopment costs at Library Commons II in Holyoke, Massachusetts.	-	250,000
Note payable to CEDAC approved up to $150,000. Interest accrues at 3% and is payable along with the outstanding principal balance upon obtaining permanent financing. Proceeds have been used to fund the predevelopment costs at Library Commons II in Holyoke, Massachusetts.	-	150,000

9. Mortgages and Notes Payable – Continued

	Active	*Deferred*
1780 HCHQ, Inc.		
Note payable to 18 VRV 2008 LLC in the amount of $2,383,562 bearing interest at 1% and payable in quarterly interest payments only through December 2025. Thereafter, quarterly payments of principal and interest of $25,211 will commence and continue through December 2052. The note is secure by the property located at 1780 Main Street, Springfield, Massachusetts.		
Financing costs of $53,313 are being amortized using the straight-line rate method. The effective interest rate on the loan approximates to 1.07%. Accumulated amortization at June 30, 2024 was $6,727.	2,336,976	-
Note payable to 18 VRV 2008 LLC in the amount of $1,056,438 bearing interest at 1% and payable in quarterly interest payments only through December 2025. Thereafter, quarterly payments of principal and interest of $11,174 will commence and continue through December 2052. The note is secure by the property located at 1780 Main Street, Springfield, Massachusetts.		
Financing costs of $23,629 are being amortized using the straight-line rate method. The effective interest rate on the loan approximates to 1.07%. Accumulated amortization at June 30, 2024 was $2,983.	1,035,792	-
Note payable to 18 VRV 2008 LLC in the amount of $1,435,000 bearing interest at 1% and payable in quarterly interest payments only through December 2025 and a $50,000 principal payment on December 20, 2025. Thereafter, quarterly payments of principal and interest of $14,649 will commence and continue through December 2052. The note is secure by the property located at 1780 Main Street, Springfield, Massachusetts.		
Financing costs of $32,096 are being amortized using the straight-line rate method. The effective interest rate on the loan approximates to 1.07%. Accumulated amortization at June 30, 2024 was $4,048.	1,406,952	-

9. Mortgages and Notes Payable – Continued

	Active	*Deferred*
Note payable to MHIC NE CDE II Subsidiary 51 LLC in the amount of $4,099,726 bearing interest at 1% and payable in quarterly interest payments only through December 2025. Thereafter, quarterly payments of principal and interest of $43,363 will commence and continue through December 2052. The note is secure by the property located at 1780 Main Street, Springfield, Massachusetts. Financing costs of $91,698 are being amortized using the straight-line rate method. The effective interest rate on the loan approximates to 1.07%. Accumulated amortization at June 30, 2024 was $11,569.	4,019,597	-
Note payable to MHIC NE CDE II Subsidiary 51 LLC in the amount of $1,817,074 bearing interest at 1% and payable in quarterly interest payments only through December 2025. Thereafter, quarterly payments of principal and interest of $19,219 will commence and continue through December 2052. The note is secure by the property located at 1780 Main Street, Springfield, Massachusetts. Financing costs of $40,642 are being amortized using the straight-line rate method. The effective interest rate on the loan approximates to 1.07%. Accumulated amortization at June 30, 2024 was $5,126.	1,781,558	-
Note payable to MHIC NE CDE II Subsidiary 51 LLC in the amount of $2,425,200 bearing interest at 1% and payable in quarterly interest payments only through December 2025 and a $86,000 principal payment on December 20, 2025. Thereafter, quarterly payments of principal and interest of $24,742 will commence and continue through December 2052. The note is secure by the property located at 1780 Main Street, Springfield, Massachusetts. Financing costs of $54,244 are being amortized using the straight-line rate method. The effective interest rate on the loan approximates to 1.07%. Accumulated amortization at June 30, 2024 was $6,842.	2,377,798	-

9. Mortgages and Notes Payable – Continued

	Active	*Deferred*
Note payable to COCRF SubCDE 79 LLC in the amount of $476,712 bearing interest at 1% and payable in quarterly interest payments only through December 2025. Thereafter, quarterly payments of principal and interest of $5,042 will commence and continue through December 2052. The note is secure by the property located at 1780 Main Street, Springfield, Massachusetts. Financing costs of $10,663 are being amortized using the straight-line rate method. The effective interest rate on the loan approximates to 1.07%. Accumulated amortization at June 30, 2024 was $1,345.	467,394	-
Note payable to COCRF SubCDE 79 LLC in the amount of $211,288 bearing interest at 1% and payable in quarterly interest payments only through December 2025. Thereafter, quarterly payments of principal and interest of $2,235 will commence and continue through December 2052. The note is secure by the property located at 1780 Main Street, Springfield, Massachusetts. Financing costs of $4,726 are being amortized using the straight-line rate method. The effective interest rate on the loan approximates to 1.07%. Accumulated amortization at June 30, 2024 was $597.	207,159	-
Note payable to COCRF SubCDE 79 LLC in the amount of $312,000 bearing interest at 1% and payable in quarterly interest payments only through December 2025. Thereafter, quarterly payments of principal and interest of $3,300 will commence and continue through December 2052. The note is secure by the property located at 1780 Main Street, Springfield, Massachusetts. Financing costs of $6,978 are being amortized using the straight-line rate method. The effective interest rate on the loan approximates to 1.07%. Accumulated amortization at June 30, 2024 was $880.	305,902	-
Total notes payable	64,273,262	52,054,844
Less current portion	(19,491,038)	(673,540)
Total long-term liabilities	$ 44,782,224	$ 51,381,304

***9. Mortgages and Notes Payable** – Continued*

The maturities of the mortgages and notes for the ensuing five years and thereafter are summarized as follows:

Fiscal Year	*Amount*
2024	$ 20,164,578
2025	6,136,178
2026	3,216,166
2027	4,308,604
2028	1,424,893
Thereafter	88,684,330
Total note payments	123,934,749
Unamortized financing fees	(772,235)
Unamortized discount	(6,834,408)
Present value of note payments	$ 116,328,106

Interest costs for the year ended June 30, 2024 was $3,891,555, of which $778,930 was capitalized. Additionally, amortized financing fees charged to interest expense for the year ended June 30, 2024 was $42,914.

10. Operating Lease

Other than short term leases, the Organization has operating leases for equipment maturing between January 2024 and October 2028; office space maturing May 2029 and a ground lease maturing in August 2112.

As of June 30, 2024, the right-of-use (ROU) asset had a balance of $327,923 as shown in other assets and the lease liability is included in current liabilities and noncurrent liabilities with a balance of $57,852 and $270,071, respectively, on the consolidating statement of financial position. The lease asset and liability were calculated utilizing the risk free discount rate according to the Organization's elected policy.

***10. Operating Lease** – Continued*

Additional information about the Organization's operating leases is as follows:

	Space	*Equipment*	*Ground*
Lease costs:			
Operating lease cost	$ 5,427	$ 63,933	$1,350
Other Information:			
Cash paid for amounts included in measuring operating lease liabilities:			
Operating cash flows from operating leases	$ 2,598	$ 63,933	$1,350
Lease assets obtained in exchange for lease obligations:			
Operating leases	$ 147,064	$ 79,698	$ -
Weighted average remaining lease terms	59 months	23.2 months	88 years
Weighted average discount rate	4.64%	3.57%	2.05%

Maturities of operating lease liabilities as of June 30, 2024 are as follows:

Year ending June 30	*Amount*
2025	$ 96,189
2026	81,270
2027	55,453
2028	37,278
2029	33,959
Thereafter	112,050
Total	416,199
Less: interest	(88,276)
Present value of lease liabilities	$ 327,923

11. Net Assets

Board Designated

The Board of Directors has designated $2,793,524 in net assets without donor restrictions to be used in support of affordable housing programs.

Additionally, the Board has designated $300,000 in net assets without donor restrictions to fund pilot programs that further Way Finders strategic goals and priorities.

11. Net Assets – Continued

Net Assets with Donor Restrictions

The following summarizes the activity of net assets with donor restrictions for the year ended June 30, 2024:

	Balance June 30, 2022	*Donor Restricted Contributions*	*Releases from Restriction*	*Balance June 30, 2023*
City of Homes Vacant Properties Initiative	$ 2,000,000	$ -	$ (191,921)	$ 1,808,079
Capital campaign	163,041	-	-	163,041
Springfield loan fund	703,535	-	(675,424)	28,111
Asset management reserve	336,000	-	(150,000)	186,000
Organizational development	11,250	-	-	11,250
Green energy development	5,000	-	-	5,000
Elderly supportive housing	4,391,300	-	-	4,391,300
Below market rate loans	6,140,505	-	(244,907)	5,895,598
Time restricted	127,942	60,000	(93,333)	94,609
Total	$ 13,878,573	$ 60,000	$ (1,355,585)	$ 12,582,988

Non-controlling Interest

During the year ended June 30, 2024, affordable housing subsidiaries received capital contributions from non-controlling interest owners totaling $9,809,768.

12. Related Party Transactions

Financing

Members of Common Capital, Inc.'s Board of Directors and employees of the Organization have loaned $6,500 to Common Capital, Inc.'s Community First Fund as described in Note 9.

13. Income Taxes

Way Finders' for-profit subsidiaries had provisions for income taxes for the year ended June 30, 2024, consisting of the following:

Description	*Amount*
State tax expense	$ 6,385
Federal tax expense	186
Total	$ 6,571

***13. Income Taxes** – Continued*

As of June 30, 2024, Way Finders' for-profit subsidiaries had net operating loss carry-forwards totaling approximately $320,150 available to offset future taxable income. Certain net operating loss carry-forwards will expire at various times between 2024 and 2042. Additionally, Way Finders' for-profit subsidiaries had net passive loss carry-forwards totaling approximately $147,184 and passive tax credit carry-forwards totaling approximately $5,474 available to offset future passive taxable income. It is unclear if Way Finders will realize value from these credits and loss carry-forwards; accordingly a related tax deferred asset has not been recorded.

14. Retirement Plans

Way Finders Tax Sheltered Annuity Retirement Plan

Way Finders provides retirement benefits for its full-time employees through its tax sheltered annuity retirement plan. This plan constitutes a defined contribution plan under section 403(b) of the Internal Revenue Code. All employees are eligible to make elective contributions to the plan upon the beginning of employment and employees who have completed 1.5 years of service as defined by the plan are eligible for employer contributions. The Plan requires Way Finders to make a 20% employer match of employee contributions of up to 2% of annual compensation. Additionally, Way Finders may make discretionary employer contributions to eligible employees based on their compensation as defined by the Plan. Employer contributions for the year ended June 30, 2024 was $501,710.

Common Capital SIMPLE IRA Plan

Common Capital, Inc. has a SIMPLE IRA plan which is available to all employees who have completed 90 days of service. Employees may contribute into the plan on a tax-deferred basis. Common Capital, Inc. contributes a matching contribution on a semi-monthly basis. The amount of such contribution is equal to the amount of salary reduction employees elect to defer to a maximum of 3% of the employee's compensation. During 2017, the plan was frozen and eligible employees now are enrolled in Way Finders Tax Sheltered Annuity Retirement Plan.

15. Rental Income Under Operating Leases

The Organization has operating lease agreements with tenants for its commercial space that expire at various dates through June 2039. The leases do not does not include any variable rent payments. Rental revenue under these leases was $106,477 for the year ended June 30, 2024. Cash receipts from these tenants during the year ended June 30, 2024 totaled $107,761, which are included within the cash flows from operating activities on the statement of cash flows.

***15. Rental Income Under Operating Leases** – Continued*

The Organization is scheduled to receive the following minimum rent payments from these leases over the next five years and thereafter:

Fiscal Year	*Amount*
2025	$ 96,742
2026	87,660
2027	83,218
2028	34,079
2029	33,044
Thereafter	369,064
Total	$ 703,807

16. Commitments

Construction Contract

On March 22, 2023, Rosewood Way Townhomes Limited Partnership executed a $20,046,191 contract for the construction of the Rosewood Way Townhomes Project. Through June 30, 2024, change orders were approved increasing the contract amount to $20,824,286. At June 30, 2024, costs incurred under the contract totaled $20,174,737. The remaining $649,549 in construction costs under the contract will be incurred in fiscal year 2025.

On May 25, 2024, Greenstead Grove Limited Partnership executed a $16,241,234 contract for the construction of the Greenstead Grove Apartments Project. Through June 30, 2024, change orders were approved increasing the contract amount to $16,274,879. At June 30, 2024, costs incurred under the contract totaled $2,432,967. The remaining $13,841,912 in construction costs under the contract will be incurred in fiscal year 2025.

16. Commitments – Continued

Financing Commitments

The Organization has received various financing commitments to fund acquisition, predevelopment and construction costs related to development and renovations at several of its projects. As of June 30, 2024, the following commitments were received:

Lender	*Project*	*Commitment*	*Amount* Received	*Outstanding*
CEDAC	Windrush Commons	$ 1,497,000	$ 1,413,760	$ 83,240
EOHLC	Windrush Commons	3,090,000	2,881,000	209,000
TD Bank	Rosewood Way	18,250,000	15,800,700	2,449,300
Mass Housing	Rosewood Way	5,227,000	-	5,227,000
CEDAC	Rosewood Way	1,949,000	1,851,550	97,450
EOHLC	Rosewood Way	3,190,000	2,971,000	219,000
Life Insurance Community Investment Initiative, LLC	Greenstead Grove	13,900,000	-	13,900,000
MHP	Greenstead Grove	3,969,000	-	3,969,000
Mass Housing	Greenstead Grove	2,590,303	2,305,274	285,029
CEDAC	Greenstead Grove	800,000	-	800,000
EOHLC	Greenstead Grove	3,400,000	-	3,400,000
CEDAC	NewCourt Terrace	400,000	53,540	346,460
	Total	$ 58,262,303	$ 27,276,824	$ 30,985,479

17. Liquidity and Availability

The following represents the Organization's financial assets at June 30, 2024:

Financial assets:

Cash	$ 7,747,759
Restricted cash	12,054,091
Grants receivable	4,304,550
Accounts receivable, net	980,957
Small business loans receivable, net	1,677,786
Other loans receivable, net	24,923
Investments	60,210
Total financial assets	26,850,276

***17. Liquidity and Availability** – Continued*

Less amounts not available to be used within one year

Net assets with donor restrictions	$ 12,582,988
Less net assets with donor restrictions invested in long term assets	(10,286,898)
Board designated net assets	3,093,524
Loan receivable repayments restricted for lending	1,677,786
Total	7,067,400
Financial assets available to meet general expenditures over the next twelve months	$ 19,782,876

As part of its liquidity management, the Organization has a policy to structure its financial assets to be available as its general expenditures, liabilities and other obligations come due. Additionally, Way Finders' affordable housing subsidiaries maintain restricted deposits and funded reserves totaling $8,725,238 included in non-current restricted cash and restricted investments at June 30, 2024. The ability to use these restricted deposits and funded reserves are subject to lender and investor approval. The restricted deposits and funded reserves are closely monitored by management, lenders and investors to ensure they are adequately funded to meet future expenditures.

18. Concentrations

Cash

The Organization maintains its cash accounts in several commercial banks located in Massachusetts. Accounts at each bank are guaranteed by the Federal Deposit Insurance Corporation (FDIC) up to $250,000 per bank. Additionally, deposits in excess of FDIC coverage are covered by Depositors Insurance Fund (DIF) at certain Massachusetts banks. The Organization does not believe it is exposed to significant risk as it periodically reviews the credit standings of the related institutions.

A summary of the total insured and uninsured cash balances at June 30, 2024 is as follows:

Total cash in all banks	$ 31,497,419
Portion insured by FDIC and DIF	(27,260,622)
Uninsured cash balances	$ 4,236,797

***18. Concentrations** – Continued*

Small Business Loans Receivable

All small business loans receivable are from businesses located in western Massachusetts. The lending policies of Common Capital, Inc. consider collateral in its underwriting. Common Capital, Inc. will obtain sufficient available collateral, but due to Common Capital, Inc.'s mission, it may approve loans which are either completely unsecured or are functionally unsecured based on the likely collateral value in a liquidation scenario. Common Capital, Inc. also recognizes that in instances where it is a subordinate lender, it will be at financial disadvantage in liquidation scenarios.

Support

The Organization's main source of funding is provided from grants and contracts with EOHLC, which is approximately 85% of its revenue and 82% of its grants receivable for the year ended June 30, 2024.

19. Contingencies

Operations

The Organization's real estate holdings are concentrated in the multifamily real estate market. In addition, the Organization operates in a heavily regulated environment. The operations of the Organization are subject to the administrative directives, rules and regulations of federal, state and local regulatory agencies, including, but not limited to HUD, SBA, U.S. Department of the Treasury, EOHLC and MassHousing (the Agencies). Such administrative directives, rules and regulations are subject to change by an Act of Congress or an administrative change mandated by the Agencies. Changes may occur with little notice or inadequate funding to pay for the related costs, including the additional administrative burden, to comply with such changes.

Litigation

The Organization is defending complaints (judicial and administrative) for discrimination by a current employees and former clients, and a claim of emotional distress due to harassment by a former client. The Organization believes it has meritorious defenses against each of the complaints and intends to vigorously contest them, and expects that the resolution of such complaints will not have a material adverse effect on its financial position. Therefore, no adjustment has been made to the 2024 financial statements.

***19. Contingencies** – Continued*

Grant Funding

The Organization's various grants and contracts are subject to audit by appropriate governmental agencies. Acceptance of final costs incurred under these grants and contracts resides with these grantors. As of the date of these statements, the materiality of adjustments to final costs, if any, cannot be determined although management does not anticipate any. Therefore, no adjustment has been made to the 2024 financial statements.

CDFI Certification Status

On September 17, 2013, Common Capital, Inc. was re-certified by the U.S. Department of the Treasury's Community Development Financial Institution Fund as a Community Development Financial Institution. Common Capital, Inc.'s certification is subject to annual reviews by U.S. Department of the Treasury's Community Development Financial Institution Fund. Common Capital, Inc. satisfied its annual review during 2024.

SBA Community Advantage

Common Capital, Inc. is required to maintain loan loss reserve accounts to cover potential losses arising from defaulted Community Advantage loans. The minimum requirement is 5% of the unguaranteed portion of Common Capital, Inc.'s Community Advantage loan portfolio. Common Capital, Inc. was in compliance with this requirement for the year ended June 30, 2024 by maintaining restricted bank accounts that exceed the required minimum.

Surplus Revenue Retention

Surplus generated under Commonwealth of Massachusetts unit rate contracts must comply with 808 CMR 1.03(7), "Surplus Revenue Retention Policy". In accordance with these requirements, Way Finders is entitled to retain surplus up to twenty percent (20%) of the total revenue of all Commonwealth programs per year as unrestricted net assets. The surplus can be used to further Way Finders' charitable purposes, but may not be used for non-reimbursable expenses as defined in 808 CMR 1.05. For the year ended June 30, 2024, the current year surplus revenue did not exceed 20% of the total revenue of all of the Commonwealth programs.

20. Conditional Promise to Give

Way Finders received a pledged donation to the rights on Massachusetts low-income housing tax credits for a low-income housing project. The donation is conditional upon the project qualifying for and receiving the tax credits. The credits are expected to be sold to a third party upon receipt with the proceeds loaned back to the projects.

Additionally, Way Finders has several government grants and contracts whose revenue is conditional upon delivering specific services to clients or incurring qualifying expenditures. These conditional grants and contacts will be recognized in the financial statements when the conditions on which they depend are substantially met.

At June 30, 2024, conditional promises to give totaled $15,224,480, of which $9,374,733 has been received and included in advances on grants and contracts in the consolidating statement of financial position.

21. Subsequent Events

The Organization has performed an evaluation of subsequent events through December 13, 2024, which is the date the Organization's consolidating financial statements were available to be issued. No material subsequent events have occurred since June 30, 2024 that requires recognition or disclosure in these financial statements.

SUPPLEMENTAL INFORMATION

Way Finders, Inc. and Subsidiaries
Schedule of Financial Position for Way Finders, Inc.
June 30, 2024

Assets

	Operations	Assistance Payments	Rental Properties	Intra-company Eliminations	Way Finders
Current Assets					
Cash	$ 3,849,877	$ -	$ 101,647	$ -	$ 3,951,524
Restricted cash	5,432,181	6,427,295	-	-	11,859,476
Grants receivable	4,054,099	50,023	5,959	-	4,110,081
Accounts receivable, net	349,238	-	46,314	-	395,552
Related party receivables	9,897,996	-	-	(122,033)	9,775,963
Loans receivable	14,923	-	-	-	14,923
Prepaid expenses and other assets	333,772	-	33,299	-	367,071
Total current assets	23,932,086	6,477,318	187,219	(122,033)	30,474,590
Property and Equipment					
Land	-	-	193,333	-	193,333
Buildings and improvements	1,055,306	-	4,038,792	-	5,094,098
Furniture and equipment	3,791,931	-	66,497	-	3,858,428
Software	603,421	-	-	-	603,421
Less: accumulated depreciation	(3,271,888)	-	(2,575,777)	-	(5,847,665)
Total property and equipment	2,178,770	-	1,722,845	-	3,901,615
Other Assets					
Investments	642,530	-	-	-	642,530
Restricted cash	-	293,896	856,618	-	1,150,514
Work in progress	1,896,162	-	-	(89,505)	1,806,657
Operating lease right-of-use asset	8,955,517	-	-	-	8,955,517
Loans receivable, net	20,846,060	-	-	(325,000)	20,521,060
Intangible assets, net	39,597	-	-	-	39,597
Total other assets	32,379,866	293,896	856,618	(414,505)	33,115,875
Total assets	$ 58,490,722	$ 6,771,214	$ 2,766,682	$ (536,538)	$ 67,492,080

Way Finders, Inc. and Subsidiaries
Schedule of Financial Position for Way Finders, Inc. - *Continued*
June 30, 2024

Liabilities and Net Assets

	Operations	Assistance Payments	Rental Properties	Intra-company Eliminations	Way Finders
Current Liabilities					
Accounts payable	$ 1,219,335	$ -	$ 39,365	$ -	$ 1,258,700
Related party payables	-	66,451	55,582	(122,033)	-
Accrued expenses	2,035,673	-	150	-	2,035,823
Advances on grants and contracts	751,126	6,325,266	76,370	-	7,152,762
Mortgages and notes payable	2,654,832	-	11,274	-	2,666,106
Deferred notes payable	53,540	-	-	-	53,540
Operating lease liability	282,925	-	-	-	282,925
Deferred revenue	1,565	-	19,406	-	20,971
Total current liabilities	6,998,996	6,391,717	202,147	(122,033)	13,470,827
Noncurrent liabilities					
Mortgages and notes payable	12,177,277	-	106,753	-	12,284,030
Deferred notes payable	-	-	1,597,163	(325,000)	1,272,163
Operating lease liability	9,964,525	-	-	-	9,964,525
Escrow liabilities	-	379,497	34,182	-	413,679
Advances on grants and contracts	10,750,568	-	-	-	10,750,568
Total noncurrent liabilities	32,892,370	379,497	1,738,098	(325,000)	34,684,965
Total liabilities	39,891,366	6,771,214	1,940,245	(447,033)	48,155,792
Net Assets					
Without donor restrictions					
Board designated	3,093,524	-	-	-	3,093,524
Undesignated	13,271,189	-	9,241	(89,505)	13,190,925
With donor restrictions	2,234,643	-	817,196	-	3,051,839
Total net assets	18,599,356	-	826,437	(89,505)	19,336,288
Total liabilities and net assets	$ 58,490,722	$ 6,771,214	$ 2,766,682	$ (536,538)	$ 67,492,080

Way Finders, Inc. and Subsidiaries
Schedule of Revenue, Support and Expenses for Way Finders, Inc.
For the Year Ended June 30, 2024

	Without Donor Restrictions			With Donor Restrictions			
	Operations	Assistance Payments	Rental Properties	Operations	Rental Properties	Intra-company Eliminations	Way Finders
Revenue and Support							
Contributions	$ 972,408	$ -	$ 65,960	$ 60,000	$ -	$ -	$ 1,098,368
Grant assistance payments	-	89,449,169	-	-	-	-	89,449,169
Grants - Neighbor Works America	443,000	-	-	-	-	-	443,000
Government grants and contracts	29,453,295	-	-	-	-	-	29,453,295
Program fees	418,904	-	5,820	-	-	-	424,724
Property and asset management fees	712,993	-	-	-	-	(44,575)	668,418
Developer fees	1,881,516	-	-	-	-	(38,102)	1,843,414
Lending interest income	419,212	-	-	-	-	67,982	487,194
Investment income	223,777	-	16,088	-	-	-	239,865
Rental income	-	-	622,864	-	-	-	622,864
Gain on sale of property	1,438,426	-	-	-	-	-	1,438,426
Gain on sale of Massachusetts tax credits	3,178,500	-	-	-	-	-	3,178,500
Release from restriction	401,921	-	99,661	(401,921)	(99,661)	-	-
Total revenue and support	39,543,952	89,449,169	810,393	(341,921)	(99,661)	(14,695)	129,347,237
Expenses							
Salaries	16,791,741	-	141,902	-	-	(32,303)	16,901,340
Payroll tax and fringe benefits	4,248,051	-	35,010	-	-	(5,799)	4,277,262
Employee training	218,651	-	1,779	-	-	-	220,430
Professional services	1,217,594	-	31,879	-	-	-	1,249,473
Contract services	797,613	-	-	-	-	-	797,613
Communications	261,082	-	10,382	-	-	-	271,464
Postage	102,268	-	540	-	-	-	102,808
Materials production	97,205	-	590	-	-	-	97,795
Management fees	-	-	44,575	-	-	(44,575)	-
Program expense	6,463,091	-	-	-	-	-	6,463,091
Office supplies	122,456	-	1,354	-	-	-	123,810
Licenses, dues and fees	360,761	-	941	-	-	-	361,702
Travel	126,533	-	2,607	-	-	-	129,140
Audit expense	202,240	-	-	-	-	-	202,240
Legal expense	40,761	-	26,783	-	-	-	67,544
Insurance	195,112	-	24,910	-	-	-	220,022
Bad debt and credit losses	4,309,500	-	51,496	-	-	-	4,360,996
Repairs and maintenance	66,590	-	142,513	-	-	-	209,103
Utilities	10,814	-	113,562	-	-	-	124,376
Recruitment	178,113	-	-	-	-	-	178,113
Other taxes	937	-	42,760	-	-	-	43,697
Interest	704,175	-	108,666	-	-	-	812,841
Provider reimbursement	49,564	-	-	-	-	-	49,564
Other expenses	275,447	-	-	-	-	-	275,447
Depreciation and amortization	723,838	-	115,792	-	-	-	839,630
Client assistance disbursed	-	89,449,169	-	-	-	-	89,449,169
Computer operations	15,158	-	440	-	-	-	15,598
Occupancy	796,188	-	-	-	-	-	796,188
Marketing and outreach	34,775	-	-	-	-	-	34,775
Other administrative expenses	(108,877)	-	4,374	-	-	-	(104,503)
Total expenses	38,301,381	89,449,169	902,855	-	-	(82,677)	128,570,728
Change in net assets	$ 1,242,571	$ -	$ (92,462)	$ (341,921)	$ (99,661)	$ 67,982	$ 776,509

Way Finders, Inc. and Subsidiaries
Schedule of Financial Position for Housing Assistance Programs
June 30, 2024

	Federal Voucher	*Moderate Rehab*	*MRVP*	*Other Programs*	*Total*
Assets					
Restricted cash	$ 4,152,840	$ 136,194	$ 2,128,339	$ 265,721	$ 6,683,094
Grants receivable - EOHLC	165,184	20,000	-	107,687	292,871
Accounts receivable	-	-	180	90	270
Related party receivables	1,315,823	1,796,879	-	617,021	3,729,723
Prepaid expenses and other assets	-	-	-	-	-
Buildings and improvements	47	-	-	-	47
Software	137,324	23,935	-	-	161,259
Less: accumulated depreciation	(113,947)	(23,935)	-	-	(137,882)
Total assets	$ 5,657,271	$ 1,953,073	$ 2,128,519	$ 990,519	$ 10,729,382
Liabilities					
Accounts payable	$ 164,122	$ 57	$ -	$ 9,773	$ 173,952
Accounts payable - EOHLC	-	-	-	-	-
Related party payables	-	-	731,180	-	731,180
Accrued expenses	31,629	64,133	7,495	310	103,567
Escrow liabilities	340,793	-	-	38,704	379,497
Advances on grants and contracts	3,761,418	429,668	2,074,060	60,120	6,325,266
Total liabilities	4,297,962	493,858	2,812,735	108,907	7,713,462
Net Assets					
Without donor restrictions					
Undesignated	-	-	(684,216)	881,612	197,396
Board designated for affordable housing program	1,334,309	1,459,215	-	-	2,793,524
With donor restrictions	25,000	-	-	-	25,000
Total net assets	1,359,309	1,459,215	(684,216)	881,612	3,015,920
Total liabilities and net assets	$ 5,657,271	$ 1,953,073	$ 2,128,519	$ 990,519	$ 10,729,382

Way Finders, Inc. and Subsidiaries
Schedule of Revenue, Expenses, and Changes in Net Assets for Housing Assistance Programs
For the Year Ended June 30, 2024

	Federal Voucher	*Moderate Rehab*	*MRVP*	*Other Programs*	*Total*
Revenue and Support					
Contributions	$ 25,000	$ -	$ -	$ -	$ 25,000
Grant assistance payments	45,172,489	4,289,531	9,270,652	-	58,732,672
Government grants and contracts	5,412,688	534,987	646,800	95,647	6,690,122
Program fees	4,805	-	311	11,657	16,773
Investment income	-	-	2,979	4,030	7,009
Total revenue and support	50,614,982	4,824,518	9,920,742	111,334	65,471,576
Expenses					
Salaries	2,731,310	206,811	340,445	66,944	3,345,510
Payroll tax and fringe benefits	737,062	52,995	95,037	17,785	902,879
Employee training	9,499	-	-	-	9,499
Professional services	52,410	-	-	-	52,410
Contract services	8,152	-	14,723	-	22,875
Communications	8,904	4,291	-	611	13,806
Postage	65,863	881	8,413	-	75,157
Materials production	17,051	1,088	2,164	422	20,725
Program expense	340,440	-	12,000	3,456	355,896
Office supplies	22,339	946	1,908	354	25,547
Licenses, dues and fees	18,316	-	-	-	18,316
Travel	27,373	3,438	532	-	31,343
Audit expense	43,707	3,064	5,966	1,352	54,089
Legal expense	322	-	-	-	322
Insurance	26,263	1,855	3,495	605	32,218
Recruitment	436	-	-	46	482
Provider reimbursement	49,564	-	-	-	49,564
Other expenses	203	-	-	-	203
Depreciation and amortization	6,701	-	-	-	6,701
Client assistance disbursed	45,172,489	4,289,531	9,270,652	-	58,732,672
Computer operations	213,787	15,013	28,758	5,093	262,651
Occupancy	314,078	22,212	42,512	7,467	386,269
Marketing and outreach	65,919	4,649	9,081	1,573	81,222
Administrative allocation	720,980	50,885	97,093	17,261	886,219
Total expenses	50,653,168	4,657,659	9,932,779	122,969	65,366,575
Change in net assets	(38,186)	166,859	(12,037)	(11,635)	105,001
Net assets - beginning of year	1,397,495	1,292,356	(672,179)	893,247	2,910,919
Net assets - end of year	$ 1,359,309	$ 1,459,215	$ (684,216)	$ 881,612	$ 3,015,920

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Way Finders, Inc. and Subsidiaries
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2024

Federal Grantor *Cluster or Program Title* *Pass-through Grantor*	*Federal Assistance Listing Number*	*Federal Pass-through Entity Identifying Number*	*Total Federal Expenditures*	*Expenditures to Subrecipients*
U.S. Department of Housing and Urban Development				
Fair Housing Initiatives Program				
Direct Program	14.408	FEOI22052	$ 125,000	$ 41,000
Moving to Work Demonstration Program				
Passed through Massachusetts Executive Office of Housing and Livable Communities (EOHLC)	14.881	SCOCD2645245869015MTW	47,670,553	-
Passed through Massachusetts EOHLC	14.881	SCOCD2640228690022EHV	5,329	
Passed through Massachusetts EOHLC	14.881	SCOCD26402286RAAEHV2	1,428,841	
Passed through Massachusetts EOHLC	14.881	SCOCD2645245869015SUP	74,043	-
Passed through Massachusetts EOHLC	14.881	SCOCD2645245869015SNO	186,395	-
Passed through Massachusetts EOHLC	14.881	SCOCD2645245869015MCP	4,794	-
Passed through Massachusetts EOHLC	14.881	SCOCD2645245869015MHC	27,613	-
Passed through Massachusetts EOHLC	14.881	OCD2210HS2327HCEC09A	669,339	-
Total Moving to Work Demonstration Program			50,066,907	-
Section 8 Project-Based Cluster:				
Lower Income Housing Assistance Program - Section 8 Moderate Rehabilitation				
Passed through Massachusetts EOHLC	14.856	SCOCD264024589019MRB	4,824,518	-
Continuum of Care Program				
Passed through City of Springfield	14.267	MA0459U1T042209	65,960	-
Passed through Community Action Pioneer Valley	14.267	MA0072L1T072215	17,637	-
Total Continuum of Care Program			83,597	-
Family Self Sufficiency Program				
Passed through Massachusetts EOHLC	14.896	SCOCD264024589021FSS	263,088	-

See accompanying notes to the schedule

Way Finders, Inc. and Subsidiaries
Schedule of Expenditures of Federal Awards – *Continued*
For the Year Ended June 30, 2024

Federal Grantor *Cluster or Program Title* *Pass-through Grantor*	*Federal Assistance Listing Number*	*Federal Pass-through Entity Identifying Number*	*Total Federal Expenditures*	*Expenditures to Subrecipients*
Supportive Housing for Persons with Disabilities				
Passed through Massachusetts EOHLC	14.181	SCOCD264224869017MS5	$ 159,636	$ -
Housing Voucher Cluster				
Section 8 Housing Choice Vouchers				
Passed through Massachusetts EOHLC	14.871	SCOCD264024589014HCV	406,727	-
Family Unification Program				
Passed through Massachusetts EOHLC	14.880	SCOCD264124589016FUP	390,565	-
Total Housing Voucher Cluster			797,292	-
CDBG - Entitlement Grants Cluster				
Community Development Block Grants/Entitlement Grants				
Passed through Massachusetts EOHLC (Loan)	14.218	N/A	170,000	-
Housing Counseling Assistance Program				
Passed through Housing Partnership Network	14.169	22-14	18,008	
Passed through Housing Partnership Network	14.169	23-16	33,500	-
Total Housing Counseling Assistance Program			51,508	-
Section 4 Capacity Building for Community Development and Affordable Housing				
Passed through Local Initiatives Support Corporation	14.252	53112-0003	35,106	-
Community Development Block Grants/State's Program and Non-entitlement Grants in Hawaii				
Passed through Town of West Springfield	14.228	22-180-002	8,250	-
Total U.S. Department of Housing and Urban Development			56,584,902	41,000

See accompanying notes to the schedule

Way Finders, Inc. and Subsidiaries
Schedule of Expenditures of Federal Awards – *Continued*
For the Year Ended June 30, 2024

Federal Grantor *Cluster or Program Title* *Pass-through Grantor*	*Federal Assistance Listing Number*	*Federal Pass-through Entity Identifying Number*	*Total Federal Expenditures*	*Expenditures to Subrecipients*
U.S. Department of Treasury				
NeighborWorks Grant Funds				
Passed through Neighborworks Reinvestment Corporation	21.U01	R-SUPINT-2023-73239	$ 4,000	$ -
Passed through Neighborworks Reinvestment Corporation	21.U01	R-NISUPEXT-2023-72922	50,000	-
Passed through Neighborworks Reinvestment Corporation	21.U01	R-NWW-2024-74614	1,000	-
Passed through Neighborworks Reinvestment Corporation	21.U01	G-SUPINT-2024-73954	7,000	-
Passed through Neighborworks Reinvestment Corporation	21.U01	G-NEC-2024-73479	366,000	-
Passed through Neighborworks Reinvestment Corporation	21.U01	G-SUPEXT-2023-72503	15,000	-
Total NeighborWorks Grant Funds			443,000	-
COVID 19 Emergency Rental Assistance Program				
Passed through Massachusetts EOHLC	21.023	OCD2650HSLERAFT22250	189,426	-
Total U.S. Department of Treasury			632,426	-
U.S. Department of Commerce				
Economic Development Cluster				
Economic Adjustment Assistance				
Direct Program	11.307	01-79-08851	468,892	-
Direct Program	11.307	01-79-14260	535,182	-
Total Economic Adjustment Assistance			1,004,074	-
Total U.S. Department of Commerce			1,004,074	-

See accompanying notes to the schedule

Way Finders, Inc. and Subsidiaries
Schedule of Expenditures of Federal Awards – *Continued*
For the Year Ended June 30, 2024

Federal Grantor *Cluster or Program Title* *Pass-through Grantor*	*Federal Assistance Listing Number*	*Federal Pass-through Entity Identifying Number*	*Total Federal Expenditures*	*Expenditures to Subrecipients*
Small Business Administration				
Microloan Program				
Direct Program (Loan)	59.046	702-510-5007 SBA	$ 62,207	$ -
Direct Program (Loan)	59.046	960-371-5003 SBA	288,899	-
Direct Program (Loan)	59.046	365-889-7003 SBA	402,608	-
Direct Program (Loan)	59.046	839-167-8202 SBA	659,259	-
Direct Program (Loan)	59.046	537-107-9107 SBA	500,000	-
Direct Program (Grant)	59.046	SBAOCAML230467-01-00	311,625	-
Total Microloan Program			2,224,598	-
7(a) Loan Guarantees				
Direct Program (Loan Guarantees)	59.012	N/A	2,629,375	-
Total Small Business Administration			4,853,973	-
U.S. Department of Agriculture				
SNAP Cluster				
Pilot Projects to Reduce Dependency and Increase Work Requirements and Work Effort under SNAP				
Passed through the University of Massachusetts Medical School	10.596	N/A	2,054	-
Total U.S. Department of Agriculture			2,054	-
Total expenditures of federal awards			$ 63,077,429	$ 41,000

See accompanying notes to the schedule

Way Finders, Inc. and Subsidiaries
Notes to Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2024

1. Basis of Presentation

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal grant activity of Way Finders, Inc. (Way Finders) under programs of the Federal government for the year ended June 30, 2024. The information in the Schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion Way Finders' operations, it is not intended to and does not present the financial position, changes in net assets or cash flows of Way Finders.

2. Summary of Significant Accounting Policies

a) Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

b) The Organization has elected to use the 10% de minimus indirect cost rate as allowed under the Uniform Guidance.

3. Loan and Guarantee Assistance

Community Development Block Grant (Assistance Listing #14.218)

The Community Development Block Grant loan which was received in a prior fiscal year, is included on the Schedule at its outstanding balance as of July 1, 2023 as it includes continuing compliance requirements. During 2024, no additional proceeds were received or payments made. At June 30, 2024, the loan balance was $170,000.

Microloan Program (Assistance Listing #59.046)

Federal awards in the form of loans from the U.S. Small Business Administration (SBA) are included on the Schedule at their outstanding balances as of July 1, 2023 plus any new proceeds received during fiscal year 2024 as they include continuing compliance requirements. The activity on these loans for the year ended June 30, 2024 is as follows:

Federal Award Number	*702-510-5007 SBA*	*960-371-5003 SBA*	*365-889-7003 SBA*	*839-167-8202 SBA*	*537-107-9107 SBA*
Balance July 1, 2023	$ 62,207	$ 288,899	$ 402,608	$ 659,259	$ -
Proceeds received	-	-	-	-	500,000
Payments made	(43,965)	(69,236)	(67,627)	(88,889)	-
Balance June 30, 2024	$ 18,242	$ 219,663	$ 334,981	$ 570,370	$ 500,000

***3. Loan and Guarantee Assistance** – Continued*

7(a) Loan Guarantees (Assistance Listing #59.012)

The SBA has guaranteed between 75% and 90% of qualifying outstanding balances on loans receivable made by Common Capital, Inc. The federal award expenditures reported on the Schedule is equal to the outstanding guarantees at July 1, 2023 plus any additional guarantees made during the year ended June 30, 2024. At June 30, 2023, the guarantees covered $2,190,875 of $2,760,879 qualifying loans. At June 30, 2024, the guarantees covered $2,260,884 of $2,844,592 qualifying loans. SBA provided an additional $438,500 in guarantees for $550,000 in new loans made during the year ended June 30, 2024.

4. Economic Adjustment Assistance (Assistance Listing #11.307)

In accordance with the U.S. Office of Management and Budget (OMB) *Compliance Supplement* for this program, expenditures reported on the Schedule are calculated as follows:

Federal Award Number	*01-79-14260*	*01-79-08851*
Revolving Loan Fund principal at June 30, 2024	$ 624,561	$ 832,988
Revolving Loan Fund cash and investment balances at June 30, 2024	30,130	82,292
Administrative expenses paid out of the Revolving Loan Fund during fiscal year 2024	14,286	22,503
Total program expenditures for the year ended June 30, 2024	668,977	937,783
Federal share of the Revolving Loan Fund	80%	50%
Federal expenditures for the year ended June 30, 2024	$ 535,182	$ 468,892

REPORTS ON INTERNAL CONTROL AND COMPLIANCE

DANIEL DENNIS & Co
Certified Public Accountants

Independent Auditors' Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed In Accordance With Government Auditing Standards

The Board of Directors of
Way Finders, Inc.

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the consolidating financial statements of Way Finders, Inc. and subsidiaries (the Organization) which comprise the consolidating statement of financial position as of June 30, 2024, and the related consolidating statements of activities, changes in net assets/(deficit), functional expenses, and cash flows for the year then ended, and the related notes to the consolidating financial statements, and have issued our report thereon dated December 13, 2024.

Internal Control Over Financial Reporting

In planning and performing our audit of the consolidating financial statements, we considered the Organization's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the consolidating financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control. Accordingly, we do not express an opinion on the effectiveness of the Organization's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that have not been identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Organization's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed an instance of noncompliance or other matters that is required to be reported under Government Auditing Standards and which is described in the accompanying schedule of findings and questioned costs as items 2023-001.

The Organization's Response to Findings

Government Auditing Standards requires the auditor to perform limited procedures on the Organization's response to the finding identified in our audit and described in the accompanying schedule of findings and questioned costs. The Organization's response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Organization's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Organization's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Daniel Dennis & Company LLP

December 13, 2024

DANIEL DENNIS & Co
Certified Public Accountants

Independent Auditors' Report on Compliance For Each Major Program and on Internal Control Over Compliance Required by the Uniform Guidance

The Board of Directors of
Way Finders, Inc.

Report on Compliance for Each Major Federal Program

Opinion on the Major Federal Program
We have audited Way Finders, Inc. and subsidiaries' (the Organization) compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on the Organization's major federal program for the year ended June 30, 2024. The Organization's major federal program is identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

The Organization's consolidating financial statements include the operations of Southampton Housing for the Elderly, Inc. and Stevens Senior Housing of Ludlow, Inc., which expended $3,052,608 and $4,916,983, respectively, in federal awards, which are not included in the schedule of expenditures of federal awards during the year ended June 30, 2024. Our audit, as described below, did not include the operations of Southampton Housing for the Elderly, Inc. and Stevens Senior Housing of Ludlow, Inc. because their federal awards are audited within each organization's stand-alone audit performed in accordance with Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (the Uniform Guidance).

In our opinion, the Organization complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended June 30, 2024.

Basis for Opinion on the Major Federal Program
We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of the Uniform Guidance. Our responsibilities under those standards and the Uniform Guidance are further described in the Auditors' Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the Organization and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for the major federal program. Our audit does not provide a legal determination of the Organization's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance
Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the Organization's federal programs.

Auditors' Responsibilities for the Audit of Compliance
Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the Organization's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the Organization's compliance with the requirements of the major federal program as a whole.

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, 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 Organization's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the Organization's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control Over Compliance

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the Auditors' Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Daniel Dennis & Company LLP

December 13, 2024

Way Finders, Inc. and Subsidiaries
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2024

I. SUMMARY OF AUDITORS' RESULTS

Financial Statements

Type of auditor's report issued - Unmodified

Internal control over financial reporting:

- Material weaknesses identified? _____ yes __X__ no
- Significant deficiencies identified that are not considered to be material weaknesses? _____ yes __X__ none reported

Noncompliance material to financial statements noted? _____ yes __X__ no

Federal Awards

Internal control over major programs:

- Material weaknesses identified? _____ yes __X__ no
- Significant deficiencies identified that are not considered to be material weaknesses? _____ yes __X__ none reported

Type of auditor's report issued on compliance for major programs - Unmodified

Any audit findings disclosed that are required to be reported in accordance with 2 CFR section 200.516(a)? _____ yes __X__ no

Indentification of major programs:

AL Number	Name of Program or Cluster
14.881	*Move to Work Demonstration Program*

Dollar threshold used to distinguish between type A and type B programs: $ 1,892,322

Auditee qualified as low-risk auditee? __X__ yes _____ no

II. FINANCIAL STATEMENT FINDINGS

2024-001 Payments on behalf of Ineligible Participants

Condition
Management identified payments on behalf of ineligible participants under the Rental Assistance for Families in Transition (RAFT) and Emergency Rental Assistance Program (ERAP) during the period January 1, 2023 through June 30, 2024. Management identified 19 ineligible payments totaling $123,836 made under the two programs for the period January 1, 2023 through June 30, 2024.

Criteria
Financial assistance to households including payments of rent, rental arrears, utilities and home energy costs, utility and home energy costs arrears and other expenses relating to housing must be paid to participants whom are at risk of homelessness and have household income levels at or below 80% of the area median income.

Cause
Manual overrides in EOHLC's online payment system were used to process payments that did not pass the initial verification process.

Effect
Certain payments were not made to or on behalf of eligible participants in accordance with program regulations.

Recommendation
We recommend management continue to work with EOHLC to develop additional policies and procedures over the review, approval and payments process to ensure funding is only provided to or on behalf of eligible participants in accordance with program regulations.

Management Response
Management agrees with the finding. See management's attached corrective action plan.

III. FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

None

Way Finders, Inc. and Subsidiaries
Summary Schedule of Prior Audit Findings
For the Year Ended June 30, 2024

2023-001 Payments on behalf of Ineligible Participants

Condition
Management identified four payments under the ERAP totaling $40,000 for the year ended June 30, 2023, that were made on behalf of ineligible participants. Additionally, management identified additional payments on behalf of ineligible participants under the non-federal Rental Assistance for Families in Transition (RAFT) program during the period July 1, 2021 through December 31, 2023. Management identified 27 ineligible payments totaling $226,190 made under the two programs for the period July 1, 2021 through December 31, 2023.

Status
Similar issues were identified during the fiscal year 2024 audit. See finding 2024-001 on the Schedule of Findings and Questioned Costs.

Way Finders, Inc. and Subsidiaries

Corrective Action Plan (Unaudited)
For the Year Ended June 30, 2024

2024-001 Payments on behalf of Ineligible Participants

Responsible Official

Janette Vigo, Chief Program Officer

Plan Detail

We became aware of the issued identified during fiscal year 2024 and immediately began implementing a correct action plan. We requested the Executive Office of Housing and Livable Communities (EOHLC) tighten access for all users and limit override abilities in the software system to proactively evaluate potential risks within the system to prevent similar ineligible payments. EOHLC has added software system changes that: prevent manual changes by our staff to make applicants income eligible; prevent payments being generated without a system fraud check being performed; and requires EOHLC payment approval for cases with attributes on the state's untrusted list.

Additionally, we have internally implemented new controls over the processing of payments. If a payment method fails or needs further review and documentation, permissions to verify or further reject the payment method are restricted to two employees, the Compliance Manager and the Director of Emergency Financial Housing Assistance (the Director). Payee and banking information that requires additional verification is only performed by our Compliance team and the Director of the program. Review of these verifications are ongoing and reviewed by our Compliance Team to ensure staff are following the protocols

We will continue our work internally to determine and implement additional measures as they are identified and work with the EOHLC on any available improvements to systems or workflow. We will also implement a monthly review of all overrides in the system to proactively evaluate potential risks within the system to prevent similar ineligible payments.

The Senior Vice President of Housing Education Services (the Senior VP) will continue to meet biweekly with the Compliance Manager and Director to review compliance cases, new trends and any issues needing further review or action, to include spot checking of cases that are under review. The Senior VP will report any potential concerns or issues to the Fraud Risk Oversight Committee (FROC) whose members are the Chief Executive Officer, Chief Financial Officer, Chief Legal Officer, Chief Program Officer, and the Senior VP, for further action, as necessary.

Anticipated Completion Date

The corrective action is in the process of being implemented and expected to be completed in fiscal year 2025.