

AUDITED FINANCIAL STATEMENTS

ROSENBERG FUND FOR CHILDREN, INC.

Easthampton, Massachusetts

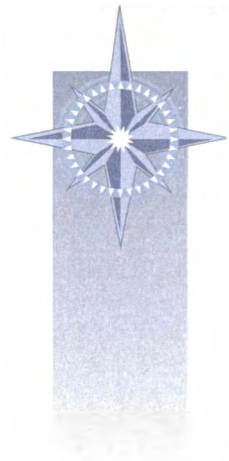
DECEMBER 31, 2023

Boisselle, Morton & Wolkowicz, LLP
Certified Public Accountants

ROSENBERG FUND FOR CHILDREN, INC.

Table of Contents

	Page
Independent Auditors' Report	1-2
Statement of Financial Position	3
Statement of Activities	4
Statement of Functional Expenses	5
Statement of Cash Flows	6
Notes to Financial Statements	7-11



Independent Auditors' Report

To the Board of Directors
Rosenberg Fund for Children, Inc.
Easthampton, Massachusetts

Opinion

We have audited the accompanying financial statements of Rosenberg Fund for Children, Inc. (a nonprofit organization), which comprise the statement of financial position as of December 31, 2023, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Rosenberg Fund for Children, Inc. as of December 31, 2023, and the changes in 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. 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 Rosenberg Fund for Children, Inc. 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.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Rosenberg Fund for Children, Inc.'s ability to continue as a going concern within one year after the date that the 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 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 will always detect a material misstatement when it exists.

The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements, including omissions, are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the 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 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 Rosenberg Fund for Children, Inc.'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 financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Rosenberg Fund for Children, Inc.'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.

Report on Summarized Comparative Information

We have previously audited Rosenberg Fund for Children, Inc.'s 2022 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated July 25, 2023. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2022, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Boisselle, Morton & Wolkowicz, LLP

Hadley, Massachusetts
April 18, 2024

ROSENBERG FUND FOR CHILDREN, INC.

Statement of Financial Position

December 31, 2023 (with comparative totals for December 31, 2022)

	<u>2023</u>	<u>2022</u>
<u>Assets</u>		
Cash and cash equivalents	\$ 398,722	\$ 299,955
Contributions receivable	103,474	315,175
Prepaid expenses	9,073	5,120
Right-of-use asset	20,513	40,128
Investments	7,111,146	6,193,678
Deposits	<u>1,800</u>	<u>1,800</u>
Total assets	\$ <u>7,644,728</u>	\$ <u>6,855,856</u>
<u>Liabilities and Net Assets</u>		
Liabilities		
Accrued expenses	\$ 13,767	\$ 19,387
Accrued payroll and benefits	20,041	20,458
Grants payable	165,842	144,800
Lease liability	<u>21,669</u>	<u>41,264</u>
Total liabilities	<u>221,319</u>	<u>225,909</u>
Net assets		
Without donor restrictions	2,891,585	2,555,224
With donor restrictions	<u>4,531,824</u>	<u>4,074,723</u>
Total net assets	<u>7,423,409</u>	<u>6,629,947</u>
Total liabilities and net assets	\$ <u>7,644,728</u>	\$ <u>6,855,856</u>

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

ROSENBERG FUND FOR CHILDREN, INC.
Statement of Activities
Year Ended December 31, 2023
(with comparative totals for the year ended December 31, 2022)

	2023			2022 <u>Total</u>
	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>	
Revenues, gains and other support				
Contributions	\$ 164,878	\$ 366,608	\$ 531,486	\$ 598,069
Planned giving	179,407		179,407	262,526
Unrealized gains on investments, net	195,180	369,414	564,594	
Realized gains on investments, net	90,149	132,993	223,142	64,879
Investment income, net of fees	24,998	42,925	67,923	42,248
70th Anniversary income	23,407		23,407	
Speaker fees and other income	2,140		2,140	878
Amounts released from restriction:				
Granting activity	454,839	(454,839)		
Total revenues, gains and other support	1,134,998	457,101	1,592,099	968,600
Expenses				
Program	647,964		647,964	603,670
Management and general	73,168		73,168	66,823
Fundraising	77,505		77,505	56,403
Total expenses	798,637		798,637	726,896
Losses				
Unrealized losses on investments, net				1,217,199
Total expenses and losses	798,637		798,637	1,944,095
Change in net assets	336,361	457,101	793,462	(975,495)
Net assets - beginning of year	2,555,224	4,074,723	6,629,947	7,605,442
Net assets - end of year	\$ 2,891,585	\$ 4,531,824	\$ 7,423,409	\$ 6,629,947

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

ROSENBERG FUND FOR CHILDREN, INC.

Statement of Functional Expenses

Year Ended December 31, 2023

(with comparative totals for the year ended December 31, 2022)

	2023				2022
	Program	Management and General	Fundraising	Total	Total
Salaries and related expenses					
Salaries	\$ 144,868	\$ 27,257	\$ 18,991	\$ 191,116	\$ 185,527
Payroll taxes	11,540	2,171	1,513	15,224	14,974
Benefits	26,909	3,398	3,398	33,705	25,324
Total salaries and related expenses	183,317	32,826	23,902	240,045	225,825
70th Anniversary expenses	4,750	2,520	5,160	12,430	
Bank fees		86		86	179
Consultants	4,262	3,752	25,602	33,616	30,561
Fees	406	4,607	408	5,421	5,205
Grants	420,118			420,118	377,558
Insurance		1,606		1,606	1,573
Mail processing	4,491	1,206	7,872	13,569	13,262
Other	2,061	2,239	466	4,766	2,907
Postage	7,312	2,706	5,455	15,473	24,852
Printing	3,692	2,882	3,718	10,292	9,355
Professional fees		8,797		8,797	7,482
Rent	13,553	3,730	3,557	20,840	20,840
Supplies	1,525	5,770	929	8,224	3,993
Telephone and internet	2,477	441	436	3,354	3,304
Total expenses	\$ 647,964	\$ 73,168	\$ 77,505	\$ 798,637	\$ 726,896

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

ROSENBERG FUND FOR CHILDREN, INC.

Statement of Cash Flows

Year Ended December 31, 2023

(with comparative totals for the year ended December 31, 2022)

	2023	2022
Cash flows from operating activities		
Change in net assets	\$ 793,462	\$ (975,495)
Adjustments to reconcile change in net assets to net cash provided by operating activities		
Unrealized (gains) losses on investments, net	(564,594)	1,217,199
Realized gains on investments, net	(223,142)	(64,879)
Amortization of right-of-use asset	19,615	18,869
(Increase) decrease in:		
Contributions receivable	211,701	(206,692)
Prepaid expenses	(3,953)	410
Increase (decrease) in:		
Accrued expenses	(5,620)	5,457
Accrued payroll and benefits	(417)	4,151
Grants payable	21,042	36,948
Lease liability	(19,595)	(17,733)
Net cash provided by operating activities	228,499	18,235
Cash flows from investing activities		
Purchase of investments	(1,969,960)	(1,780,707)
Proceeds from sale of investments	1,840,228	1,746,137
Net cash used by investing activities	(129,732)	(34,570)
Net increase (decrease) in cash and cash equivalents	98,767	(16,335)
Cash and cash equivalents - beginning of year	299,955	316,290
Cash and cash equivalents - end of year	\$ 398,722	\$ 299,955
Supplemental disclosure:		
Right-of-use asset obtained in exchange for lease liability		\$ 58,997

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

ROSENBERG FUND FOR CHILDREN, INC.

Notes to Financial Statements

December 31, 2023

1. Summary of Significant Accounting Policies

- a. *Nature of Business:* Rosenberg Fund for Children, Inc. (the “Organization”) was organized in the Commonwealth of Massachusetts as a not-for-profit corporation on September 4, 1990. The Organization works to provide for the educational and emotional needs of targeted activist youth and children in the United States whose parents have suffered because of their progressive beliefs and are, therefore, unable to adequately care for their children.
- b. *Tax status:* The Organization is exempt from federal and state income tax under Section 501(c)(3) of the Internal Revenue Code and, accordingly, no provision for income taxes is included in the financial statements. In addition, the Organization qualifies for the charitable contribution deduction under Section 170(b)(1)(a) and has been classified as an organization that is not a private foundation under Section 509(a)(1). The Organization is required to file a Return of Organization Exempt from Income Tax (Form 990) with the IRS. The Organization is also subject to income tax on net income that is derived from business activities that are unrelated to the Organization’s exempt purposes. Management has determined that the Organization is not subject to unrelated business income tax and has not filed an Exempt Organization Business Income Tax Return (Form 990-T) with the IRS.
- c. *Basis of Presentation:* The Organization presents its financial statements according to two classes of net assets: those with donor restrictions and those without donor restrictions. Net assets with donor restrictions are subject to stipulations imposed by donors and grantors. The restrictions are temporary in nature and will be met by actions of the Organization. All other net assets are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the Organization.
- d. *Resource Recognition:* The Organization recognizes contributions and planned giving when they are received or an unconditional promise to give is made. Contributions and planned giving with a right of return and measurable performance or other barriers are not recognized until the conditions on which they depend have been met. Contributions and planned giving are recognized as with donor restrictions and without donor restrictions revenues in the year received in accordance with the donor requirements. Conditional promises to give are recognized when the conditions on which they depend are substantially met.
- e. *Allocation of Expenses:* Expenses are allocated among program and supporting services directly or on the basis of time records and utilization estimates made by the Organization’s management. Management and general expenses include those expenses that are not directly identifiable with any other specific function but provide for the overall support and direction of the Organization.
- f. *Cash and Cash Equivalents:* For the purposes of the statement of cash flows, the Organization considers all highly-liquid debt instruments purchased with a maturity of three months or less to be cash equivalents.
- g. *Property and Equipment:* Property and equipment are recorded at cost, if purchased, or at their estimated fair market value at date of donation, if donated. Property and equipment consists primarily of leasehold improvements, furniture and equipment.
- h. *Depreciation:* Provisions for depreciation are made in the accounts using the straight-line method. There was no depreciation in 2023 or 2022.

ROSENBERG FUND FOR CHILDREN, INC.
Notes to Financial Statements (Continued)
December 31, 2023

1. Summary of Significant Accounting Policies (Continued)

- i. *Investments:* The Organization carries investments in marketable securities with readily determinable fair values and all investments in debt securities at their fair value on the statement of financial position.
- j. *Leases:* The Organization leases its facilities under operating leases. Under Accounting Standards Codification (ASC) 842, 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 reassesses its determination if the terms and conditions of the contract are changed.

The operating leases are included in the right-of-use (ROU) asset and lease liability in the statement of financial position. ROU asset represents the Organization's right to use the underlying assets for the lease term, and lease liability represents the obligation to make lease payments. ROU assets and lease liabilities are recognized at the lease commencement date based on the present value of lease payments over the lease term.

ROU assets also include any lease payments made and exclude any lease incentives. Lease expense for lease payments is recognized on a straight-line basis over the lease term. The Organization's lease terms may include options to extend or terminate the lease when it is reasonably certain that they will exercise the option.

The Organization elects not to capitalize leases with a life of one year or less and elects to use a risk-free rate equal to the treasury rate for treasury securities with lives approximating the lease length to determine the present value of lease payments when a lease's implicit rate is not available at its commencement.

- l. *Use of 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 revenues and expenses during the reporting period. Actual results could differ from those estimates.
- m. *Comparative Information:* The financial statements include certain prior year summarized comparative information in total but not by function or net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with generally accepted accounting principles. Accordingly, such information should be read in conjunction with the Organization's audited financial statements for the year ended December 31, 2022, from which the summarized information was derived.
- n. *Reclassifications:* Certain reclassifications have been made to the prior year summarized information to be comparative to the current year presentations. These reclassifications did not change net assets.

ROSENBERG FUND FOR CHILDREN, INC.

Notes to Financial Statements (Continued)

December 31, 2023

1. Summary of Significant Accounting Policies (Continued)

- o. Fair Value Measurements:* Accounting standards have established a framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). Inputs to the valuation methodology for the three levels of the fair value hierarchy are described below:

Level 1	Unadjusted quoted prices for identical assets or liabilities in active markets that the Corporation has the ability to access.
Level 2	Quoted prices for similar assets or liabilities in active markets; Quoted prices for identical or similar assets or liabilities in inactive markets; Inputs other than quoted prices that are observable for the asset or liability; Inputs that are derived principally from or corroborated by observable market data by correlation or other means.
Level 3	Unobservable and significant to the fair value measurement.

If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.

The asset or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

2. Contributions Receivable

In 2023, the Organization had \$103,474 in receivables, consisting of contributions and planned giving that were not collected until 2024.

In 2022, the Organization had \$315,175 in receivables, consisting of contributions and planned giving that were not collected until 2023.

3. Investments

Investment income was the following for the years ended December 31:

	<u>2023</u>	<u>2022</u>
Interest and dividends (excludes bank interest)	\$114,658	\$ 89,301
Less investment fees	<u>(46,832)</u>	<u>(47,164)</u>
	<u>\$ 67,826</u>	<u>\$ 42,137</u>

ROSENBERG FUND FOR CHILDREN, INC.
Notes to Financial Statements (Continued)
December 31, 2023

3. Investments (Continued)

The Organization maintains its investment accounts at brokerages. The investments are allocated among various cash, equity and debt instruments. Investments were carried at quoted market values, as summarized below, as of December 31, 2023:

	<u>Original Cost</u>	<u>Market Value</u>
Money market funds	\$ 860,438	\$ 860,438
Mutual funds	110,490	101,793
Equity stocks	2,605,713	3,719,720
U.S. Treasury bonds	412,854	414,908
Agency securities	818,719	714,247
Other assets	46,565	47,776
Corporate bonds	<u>1,283,690</u>	<u>1,252,264</u>
	<u>\$6,138,469</u>	<u>\$7,111,146</u>

Investments were carried at quoted market values, as summarized below, as of December 31, 2022:

	<u>Original Cost</u>	<u>Market Value</u>
Money market funds	\$ 344,811	\$ 344,811
Mutual funds	109,130	140,454
Equity stocks	2,579,564	3,153,594
U.S. Treasury bonds	742,398	743,218
Agency securities	818,719	687,802
Corporate bonds	<u>1,190,973</u>	<u>1,123,799</u>
	<u>\$5,785,595</u>	<u>\$6,193,678</u>

Fair values for investments were determined by reference to quoted market prices and other relevant information generated by market transactions.

4. Property and Equipment

The Organization has \$42,719 of leasehold improvements, furniture and equipment that were fully depreciated prior to 2016.

5. Lease Commitment

As of December 31, 2023, the right-of-use asset had a balance of \$20,513. The present value of the lease liability is \$21,669, representing lease payments of \$21,996 less interest of \$327. The present value was calculated utilizing the five-year treasury rate at lease commencement of 4%. Lease expense was \$20,840 and \$19,704 for 2023 and 2022, respectively.

ROSENBERG FUND FOR CHILDREN, INC.
Notes to Financial Statements (Continued)
December 31, 2023

6. Restricted Contributions and Net Assets

Contributions and net assets with donor restrictions consisted of funds restricted for the distribution of grants. The balance in net assets with donor restrictions was \$4,531,824 and \$4,074,723 at December 31, 2023 and 2022, respectively.

7. Retirement Plan

The Organization maintains a 403(b) retirement plan that covers all eligible employees. The plan allows eligible employees to defer a portion of their compensation. Such deferrals accumulate on a tax-deferred basis until the employee withdraws the funds. The Organization began matching the employee contributions up to \$500 during 2022. The Organization matched \$1,500 and \$1,462 for 2023 and 2022, respectively.

8. Concentrations of Credit Risk

The Organization has significant investments in stocks, bonds and mutual funds held by two investment management firms who were engaged by the Organization. Those investments are uninsured and, therefore, subject to concentrations of credit risk. Investments are made by the investment manager and the investments are monitored by the Board of Directors. Though the market value of investments is subject to fluctuations on a year-to-year basis, management believes the investment policy is prudent for the long-term welfare of the Organization.

9. Related Parties

A member of the Board was paid \$77,936 and \$73,200 in 2023 and 2022, respectively, as the Executive Director of the Organization.

10. Available Resources and Liquidity

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the statement of financial position date, comprise the following at December 31:

	<u>2023</u>	<u>2022</u>
Cash and cash equivalents, without donor restrictions	\$ 302,171	\$ 186,441
Contributions receivable, without donor restrictions	54,945	251,972
Investments, without donor restrictions	<u>2,702,939</u>	<u>2,295,722</u>
Total financial assets available for general expenditures within one year	<u>\$3,060,055</u>	<u>\$2,734,135</u>

11. Subsequent Events

The Organization evaluated subsequent events after the statement of financial position date of December 31, 2023, through April 18, 2024, the date on which the financial statements were available to be issued, and concluded that no disclosures were required.