AUDITED FINANCIAL STATEMENTS

ROSENBERG FUND FOR CHILDREN, INC.

Easthampton, Massachusetts

DECEMBER 31, 2021

Boisselle, Morton & Wolkowicz, LLP
Certified Public Accountants

ROSENBERG FUND FOR CHILDREN, INC.

Table of Contents

BOISSELLE, MORTON & WOLKOWICZ, LLP
CERTIFIED PUBLIC ACCOUNTANTS

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, 2021, 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, 2021, 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.

48 BAY ROAD, PO BOX 374, HADLEY, MA 01035 • 413-587-0099 • FAX 413-587-4099 • www.bma-cpas.com

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 2020 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated September 16, 2021. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2020, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Boisselle, Morton & Wolkowicz, LLP

Hadley, Massachusetts
July 1, 2022

ROSENBERG FUND FOR CHILDREN, INC.
Statement of Financial Position
December 31, 2021 (with comparative totals for December 31, 2020)

	2021	2020
Assets		
Cash and cash equivalents	$ 316,290	$ 341,620
Contributions receivable	108,483	127,582
Prepaid expenses	5,530	11,291
Investments	7,311,428	6,465,531
Deposits	1,800	1,800
Total assets	$ 7,743,531	$ 6,947,824
Liabilities and Net Assets		
Liabilities		
Accrued expenses	$ 13,930	$ 13,282
Accrued payroll and benefits	16,307	14,815
Grants payable	107,852	159,421
Total liabilities	138,089	187,518
Net assets		
Without donor restrictions	2,820,119	2,383,903
With donor restrictions	4,785,323	4,376,403
Total net assets	7,605,442	6,760,306
Total liabilities and net assets	$ 7,743,531	$ 6,947,824

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

ROSENBERG FUND FOR CHILDREN, INC.

Statement of Activities

Year Ended December 31, 2021

(with comparative totals for the year ended December 31, 2020)

	2021			2020
	Without Donor Restrictions	With Donor Restrictions	Total	Total
Revenues, gains and other support				
Contributions	$ 145,649	$ 427,740	$ 573,389	$ 517,770
Planned giving	203,991		203,991	57,562
Unrealized gains on investments, net	68,998	139,368	208,366	714,935
Interest and dividends	30,480	47,258	77,738	86,758
Speaker fees and other income	994		994	16,366
Realized gains on investments, net	189,812	298,588	488,400	122,651
Amounts released from restriction:				
Granting activity	504,034	(504,034)		
Total revenues, gains and other support	1,143,958	408,920	1,552,878	1,516,042
Expenses				
Program	573,561		573,561	591,115
Management and general	83,733		83,733	73,241
Fundraising	50,448		50,448	41,783
Total expenses	707,742		707,742	706,139
Change in net assets	436,216	408,920	845,136	809,903
Net assets - beginning of year	2,383,903	4,376,403	6,760,306	5,950,403
Net assets - end of year	$ 2,820,119	$ 4,785,323	$ 7,605,442	$ 6,760,306

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

ROSENBERG FUND FOR CHILDREN, INC.

Statement of Functional Expenses

Year Ended December 31, 2021

(with comparative totals for the year ended December 31, 2020)

	2021				2020
	Program	Management and General	Fundraising	Total	Total
Salaries and related expenses					
Salaries	$ 130,237	$ 25,690	$ 17,931	$ 173,858	$ 176,108
Payroll taxes	10,669	2,105	1,469	14,243	14,276
Benefits	10,839	1,567	1,567	13,973	20,563
Total salaries and related expenses	151,745	29,362	20,967	202,074	210,947
Advertising	66		9	75	1,695
Bank and investment fees	30,954	17,974		48,928	42,323
Board expenses		46		46	
Consultants	19,328	6,622	15,361	41,311	10,115
Fees	536	4,463	550	5,549	4,033
Grants	339,420			339,420	361,121
Graphic arts	450	225	225	900	1,875
Insurance		1,486		1,486	1,418
Mail processing	3,866		3,865	7,731	12,711
Payroll service		1,937		1,937	1,984
Postage	6,064	6,206	1,210	13,480	9,518
Printing	3,235	2,517	3,236	8,988	10,381
Professional fees		6,161		6,161	7,751
Publications	54	83	100	237	480
Rent	12,441	3,254	3,445	19,140	19,044
Supplies	1,580	1,713	541	3,834	3,774
Special events and programming	1,318	1,271	375	2,964	2,485
Telephone and internet	2,354	413	414	3,181	3,614
Training	150		150	300	870
Total expenses	$ 573,561	$ 83,733	$ 50,448	$ 707,742	$ 706,139

ROSENBERG FUND FOR CHILDREN, INC.
Statement of Cash Flows
Year Ended December 31, 2021
(with comparative totals for the year ended December 31, 2020)

	2021	2020
Cash flows from operating activities		
Change in net assets	$ 845,136	$ 809,903
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities		
Unrealized gains on investments, net	(208,366)	(665,617)
Realized gains on investments, net	(488,400)	(221,919)
(Increase) decrease in:		
Contributions receivable	19,099	(64,555)
Prepaid expenses	5,761	(2,758)
Increase (decrease) in:		
Accrued expenses	648	(1,753)
Accrued payroll and benefits	1,492	(1,557)
Grants payable	(51,569)	58,297
Net cash provided (used) by operating activities	123,801	(89,959)
Cash flows from investing activities		
Purchase of investments	(3,119,163)	(1,817,151)
Proceeds from sale of investments	2,970,032	1,926,339
Net cash (used) provided by investing activities	(149,131)	109,188
Net (decrease) increase in cash and cash equivalents	(25,330)	19,365
Cash and cash equivalents - beginning of year	341,620	322,255
Cash and cash equivalents - end of year	$ 316,290	$ 341,620

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

ROSENBERG FUND FOR CHILDREN, INC.
Notes to Financial Statements
December 31, 2021

1. Summary of Significant Accounting Policies

a. *Nature of Business:* Rosenberg Fund for Children, Inc. 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:* Rosenberg Fund for Children, Inc. 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).

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. *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.

e. *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.

f. *Contributions and Promises to Give:* Support from contributions is recognized when received or an unconditional promise to give is made. Unconditional promises to give are recognized as revenues or gains in the period received and as assets, decreases of liabilities or expenses, depending on the form of the benefits received. Conditional promises to give are recognized when the conditions on which they depend are substantially met. Contributions with a right of return and measurable performance or other barriers are not recognized until the conditions on which they depend have been met.

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. Property and equipment are being depreciated over three to five years.

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.

1. Summary of Significant Accounting Policies (Continued)

j. *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.

k. *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.

l. *Comparative Information:* The financial statements include certain prior year summarized comparative information in total but not by 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, 2020, from which the summarized information was derived.

2. Contributions Receivable

In 2021, the Organization had $108.483 in receivables, consisting of contributions and planned giving that were not collected until 2022.

In 2020, the Organization had $127.582 in receivables, consisting of contributions and planned giving that were not collected until 2021.

3. Investments

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, 2021:

	Original Cost	Market Value
Money funds	$ 814,031	$ 814,031
Mutual funds	158,295	157,432
Equity stocks	2,210,158	3,859,777
U.S. Treasury bonds	400,000	400,000
Agency securities	644,030	624,802
Corporate bonds	1,459,632	1,455,386
	$5,686,146	$7,311,428

Investments were carried at quoted market values, as summarized below, as of December 31, 2020:

	Original Cost	Market Value
Money funds	$ 264,482	$ 264,482
Mutual funds	52,769	54,408
Equity stocks	2,410,255	3,873,108
U.S. Treasury bonds	1,329,972	1,329,972
Corporate bonds	921,164	943,561
	$4,978,642	$6,465,531

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

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

	2021	2020
Interest and dividends (excludes bank interest)	$ 77,397	$ 86,623
Net realized gains on investments	488,400	122,651
Net unrealized gains on investments	208,366	714,935
	$ 744,163	$ 924,209

4. Property and Equipment

The Organization has $22,206 of leasehold improvements, furniture and equipment that were fully depreciated prior to 2016.

5. Restricted Contributions and Net Assets

Contributions and net assets with donor restrictions consisted of funds restricted for the distribution of grants and/or future operations. The column labeled "with donor restrictions" on the statement of activities reflects these funds, the majority of which are related to the distribution of grants. The balance in net assets with donor restrictions was $4,785,323 and $4,376,403 at December 31, 2021 and 2020, respectively.

6. 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. There were no employer contributions to this plan.

7. Operating Lease

The Organization has a 6-year leasing agreement for their office space that expires on December 31, 2024. The lease requires monthly rent payments of $1,587, adjusted annually by the CPI index and includes fees for heat, electricity, and trash, which are all included in rent expense. Rent expense was $19,140 and $19,044 for 2021 and 2020, respectively.

Estimated future rental commitment is the following:

2022	$19,704
2023	20,793
2024	21,521
	$62,018

8. 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:

	2021	2020
Cash and cash equivalents, without donor restrictions	$ 161,060	$ 131,364
Contributions receivable, without donor restrictions	28,380	56,667
Investments, without donor restrictions	2,761,438	2,370,299
Total financials assets available for general expenditures within one year	$2,950,878	$2,558,330

9. Related Parties

A member of the Board was paid $70,000 and $70,813 in 2021 and 2020, respectively, as the Executive Director of the Organization.

10. 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.

11. Contingencies

The global outbreak of COVID-19 continues to rapidly evolve, and the ultimate impact of the pandemic is highly uncertain. While management expects that the COVID-19 outbreak might adversely impact the Organization's future results, management cannot at this time accurately predict the full extent to which the COVID-19 outbreak will affect the Organization's business, investments, cash flows and liquidity.

12. Subsequent Events

The Organization evaluated subsequent events after the statement of financial position date of December 31, 2021, through July 1, 2022, the date on which the financial statements were available to be issued, and concluded that no disclosures were required.