

**Lucy's Love Bus Charitable Trust, Inc.**

**Financial Statements**

**December 31, 2024 and 2023**

**Lucy's Love Bus Charitable Trust, Inc.  
Financial Statements  
December 31, 2024 and 2023**

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## INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of  
Lucy's Love Bus Charitable Trust, Inc.

### **Opinion**

We have audited the accompanying financial statements of Lucy's Love Bus Charitable Trust, Inc. (a nonprofit organization), which comprise the statements of financial position as of December 31, 2024 and 2023, and the related statements of activities, functional expenses, and cash flows for the years 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 Lucy's Love Bus Charitable Trust, Inc. as of December 31, 2024 and 2023, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

### **Basis for Opinion**

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Lucy's Love Bus Charitable Trust, Inc. and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### **Responsibilities of Management for the Financial Statements**

Management is responsible for the preparation and fair presentation of the 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 Lucy's Love Bus Charitable Trust, Inc.'s ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

### **Auditor's Responsibilities for the Audit of the Financial Statements**

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

*Anstiss & Co., P.C.*

Anstiss & Co., P.C.  
Chelmsford, Massachusetts  
June 9, 2025

**Lucy's Love Bus Charitable Trust, Inc.**  
**Statements of Financial Position**  
**December 31, 2024 and 2023**

	<b>2024</b>	<b>2023</b>
<b>Assets</b>		
<b>Current assets</b>		
Cash and cash equivalents	\$ 362,593	\$ 496,365
Short-term investments	200,527	-
Pledges receivable - current	928	39,145
Inventory	14,200	14,800
Prepaid expenses and other current assets	5,399	6,666
<b>Total current assets</b>	<u>583,647</u>	<u>556,976</u>
<b>Long-term assets</b>		
Investments	323,662	292,900
Property and equipment, net	-	137
Security deposits	2,350	2,350
Operating lease asset	19,880	33,114
<b>Total long-term assets</b>	<u>345,892</u>	<u>328,501</u>
<b>Total assets</b>	<u><u>\$ 929,539</u></u>	<u><u>\$ 885,477</u></u>
<b>Liabilities and Net Assets</b>		
<b>Current liabilities</b>		
Accounts payable and accrued expenses	\$ 17,201	\$ 14,429
Grants payable	83,261	52,925
Operating lease liability - current	13,499	12,842
Deferred revenue	8,000	-
<b>Total current liabilities</b>	<u>121,961</u>	<u>80,196</u>
Operating lease liability - long-term	5,827	19,325
<b>Total liabilities</b>	<u>127,788</u>	<u>99,521</u>
<b>Net assets</b>		
Without donor restrictions		
Undesignated	419,622	357,211
Board designated endowment	323,662	292,900
<b>Total without donor restrictions</b>	<u>743,284</u>	<u>650,111</u>
With donor restrictions	58,467	135,845
<b>Total net assets</b>	<u>801,751</u>	<u>785,956</u>
<b>Total liabilities and net assets</b>	<u><u>\$ 929,539</u></u>	<u><u>\$ 885,477</u></u>

**Lucy's Love Bus Charitable Trust, Inc.**  
**Statements of Activities**  
**For the Years Ended December 31, 2024 and 2023**

	<b>2024</b>	<b>2023</b>
<b>Support and revenue</b>		
Contributions	\$ 416,823	\$ 440,170
Fundraising	103,106	98,054
In-kind contributions	37,374	30,645
Investment return	33,933	41,953
Other income	-	863
Net assets released from restrictions	<u>305,814</u>	<u>229,822</u>
<b>Total support and revenue</b>	<u><u>897,050</u></u>	<u><u>841,507</u></u>
<b>Expenses</b>		
Program services	489,099	405,158
General and administrative	142,604	149,972
Development and fundraising	<u>185,774</u>	<u>160,889</u>
<b>Total expenses</b>	<u><u>817,477</u></u>	<u><u>716,019</u></u>
<b>Change in net assets without donor restrictions</b>	<u><u>79,573</u></u>	<u><u>125,488</u></u>
Support restricted for programs	242,036	171,479
Net assets released from restrictions	<u>(305,814)</u>	<u>(229,822)</u>
<b>Change in net assets with donor restrictions</b>	<u><u>(63,778)</u></u>	<u><u>(58,343)</u></u>
<b>Total change in net assets</b>	<u><u>15,795</u></u>	<u><u>67,145</u></u>
<b>Net assets at beginning of year</b>	<u><u>785,956</u></u>	<u><u>718,811</u></u>
<b>Net assets at end of year</b>	<u><u>\$ 801,751</u></u>	<u><u>\$ 785,956</u></u>

Lucy's Love Bus Charitable Trust, Inc.  
 Statements of Functional Expenses  
 For the Years Ended December 31, 2024 and 2023

	2024			
	Program Services	General and Administrative	Fundraising	Total
Compensation and related expenses	\$ 194,403	\$ 85,618	\$ 139,963	\$ 419,984
Contract services - integrative therapies	268,051	-	-	268,051
Advertising and promotion	463	312	22,939	23,714
Depreciation and amortization	-	137	-	137
Insurance	710	673	673	2,056
Occupancy	14,492	454	-	14,946
Office expenses	8,754	28,197	17,594	54,545
Professional fees	862	26,963	514	28,339
Travel	1,364	250	3,491	5,105
Fundraising	-	-	600	600
Total expenses	<u>\$ 489,099</u>	<u>\$ 142,604</u>	<u>\$ 185,774</u>	<u>\$ 817,477</u>

  

	2023			
	Program Services	General and Administrative	Fundraising	Total
Compensation and related expenses	\$ 171,030	\$ 95,470	\$ 130,763	\$ 397,263
Contract services - integrative therapies	208,905	-	-	208,905
Advertising and promotion	-	-	12,699	12,699
Depreciation and amortization	-	274	-	274
Insurance	1,133	722	722	2,577
Occupancy	13,153	486	-	13,639
Office expenses	5,202	29,474	12,045	46,721
Professional fees	2,614	23,442	464	26,520
Travel	3,121	104	596	3,821
Fundraising	-	-	3,600	3,600
Total expenses	<u>\$ 405,158</u>	<u>\$ 149,972</u>	<u>\$ 160,889</u>	<u>\$ 716,019</u>

See the accompanying notes to these financial statements.

**Lucy's Love Bus Charitable Trust, Inc.**  
**Statements of Cash Flows**  
**For the Years Ended December 31, 2024 and 2023**

	<b>2024</b>	<b>2023</b>
<b>Cash flows from operating activities</b>		
Change in net assets	\$ 15,795	\$ 67,145
<b>Adjustments to reconcile changes in net assets to net cash provided by operating activities</b>		
Depreciation and amortization	137	274
Amortization of operating lease asset	13,234	7,429
Realized/unrealized gain on investments	(22,854)	(33,148)
<b>Changes in assets and liabilities</b>		
Decrease (increase) in pledges receivable	38,217	(21,737)
Decrease in inventory	600	3,600
Decrease (increase) in prepaid expenses and other assets	1,267	(1,730)
Increase in accounts payable and accrued expenses	2,772	656
Increase in grants payable	30,336	4,941
Increase in deferred revenue	8,000	-
Payments on operating lease liability	<u>(12,841)</u>	<u>(8,376)</u>
<b>Net cash provided by operating activities</b>	<u>74,663</u>	<u>19,054</u>
<b>Cash flows from investing activities</b>		
Purchase of investments	(465,691)	(65,892)
Proceeds from sale of investments	<u>257,256</u>	<u>59,845</u>
<b>Net cash utilized by investing activities</b>	<u>(208,435)</u>	<u>(6,047)</u>
<b>Net (decrease) increase in cash and cash equivalents</b>	<u>(133,772)</u>	<u>13,007</u>
<b>Cash and cash equivalents at beginning of year</b>	<u>496,365</u>	<u>483,358</u>
<b>Cash and cash equivalents at end of year</b>	<u><u>\$ 362,593</u></u>	<u><u>\$ 496,365</u></u>
<b>Supplemental data</b>		
In-kind contributions	<u><u>\$ 37,374</u></u>	<u><u>\$ 30,645</u></u>

**Lucy's Love Bus Charitable Trust, Inc.**

**Notes to Financial Statements**

**December 31, 2024 and 2023**

**Note 1 - Organization**

Lucy's Love Bus Charitable Trust, Inc. (the "Organization") was organized on January 27, 2006, as a non-profit organization incorporated in the Commonwealth of Massachusetts. Its mission is to ease the suffering of pediatric cancer patients by providing free integrative therapies such as massage, acupuncture, Reiki, and therapeutic horseback riding to children with cancer and children coping with late effects of prior cancer treatment. They strive to educate the medical community regarding the benefits of integrative therapies that will help reduce stress, manage pain, and improve the overall well-being of sick children and their families.

**Note 2 - Summary of Significant Accounting Policies**

***Basis of Presentation***

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with Generally Accepted Accounting Principles (GAAP). The Organization reports information regarding its financial position and activities in two classes of net assets based upon the existence or absence of donor-imposed restrictions as follow:

**Net Assets Without Donor Restrictions**

Net assets that are not subject to donor-imposed stipulations are classified as without donor restrictions. In addition, the Board may vote to set aside a certain dollar amount or percentage of net assets without donor restrictions for a use at a specific time, for a specific purpose, or to function as endowment, as it sees fit. These Board designated net assets may become undesignated with the passage of time or when used for their intended purpose. In addition, the Board may undesignate these net assets at its discretion if the originally intended time period or purpose is deemed no longer relevant or applicable to the needs of the Organization.

**Net Assets With Donor Restrictions**

Net assets subject to donor-imposed stipulations that may or will be met, either by actions of the Organization and/or the passage of time are classified as net assets with donor restrictions. When a restriction is met, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions. As of December 31, 2024 and 2023, the Organization had net assets with donor restrictions of \$58,467 and \$135,845, respectively.

Also included in this category are net assets subject to donor restrictions to be maintained in perpetuity as permanent assets of the organization. Generally, all income and unrealized and realized net gains on investments related to net assets held in perpetuity can be made available for expenditure as the Organization appropriates its annual spending based on the use of a spending policy or in accordance with donor restrictions. The organization had no perpetually restricted assets as of December 31, 2024 and 2023.

**Lucy's Love Bus Charitable Trust, Inc.**  
**Notes to Financial Statements**  
**December 31, 2024 and 2023**

**Note 2 - Summary of Significant Accounting Policies (Continued)**

***Cash and Cash Equivalents***

For purposes of the statement of cash flows, cash and cash equivalents include cash, time deposits, certificates of deposit, and other highly liquid financial instruments with original maturities of three months or less, which are neither held nor restricted by donors for long-term purposes. Cash, time deposits, certificates of deposit, and other highly liquid financial instruments restricted to endowments that are perpetual in nature or held for other long-term purposes are excluded from this definition.

***Investments***

The Organization invests its assets in a manner intended to achieve a total rate of return sufficient to replace assets spent and recoup any value lost due to inflation. To minimize risk, the Organization diversifies its investments among various financial instruments and asset categories and uses multiple investment strategies. Significant investment decisions are made by the Board of Directors, which has oversight responsibility for the Organization's investments. The Organization's portfolio is managed by outside investment managers who invest according to the investment guidelines recommended and approved by the Board of Directors.

Investments in marketable securities with readily determinable fair values and all investments in debt securities are measured at fair value in the statement of financial position and are included in level 1 of the fair value hierarchy. Fair value is based on market value based upon quotes from the principal exchanges on which the securities are traded. Investment return (including realized and unrealized gains and losses on investments, interest, dividends, and external and direct internal investment expenses) is included in the current year change in net assets. Realized and unrealized gains or losses are determined by comparison of the difference between market values and average cost, respectively. Dividend and interest income is recognized when earned.

***Pledges Receivable***

Promises to give due within the next twelve months are recorded at their net realizable value. Unconditional promises to give due in more than twelve months are recognized initially at fair value in the period the donor makes the promise. The fair value of a pledge is estimated based on anticipated future cash receipts (net of an allowance for uncollectible amounts), discounted using a risk adjusted rate of 5% applicable to the years in which the promises are to be received. In subsequent periods, amortization of the discount is included in contribution revenue in the statements of activities. The allowance for uncollectable promise to give is based on historical experience, an assessment of economic conditions, and a review of subsequent collections. Promises to give are written off when deemed uncollectable. Management deems all unconditional promises to be fully collectible and thus, no allowance has been recorded. There were \$928 and \$39,145 in pledges outstanding as of December 31, 2024 and 2023, respectively.

**Lucy's Love Bus Charitable Trust, Inc.**  
**Notes to Financial Statements**  
**December 31, 2024 and 2023**

**Note 2 - Summary of Significant Accounting Policies (Continued)**

***Property and Equipment***

The Organization capitalizes major fixed asset purchases of \$2,500 or more, which are not in the nature of replacements or repairs. Minor equipment purchases, replacements, maintenance, and repairs are charged to expense as incurred. Capitalized fixed assets are recorded at cost if purchased or constructed, or at fair market value at the date of the gift, if donated. Depreciation is provided using the straight-line method over the estimated useful lives of the assets as follows:

	<u>Years</u>
Vehicles	5
Equipment	3-5

The Organization reviews long-lived assets for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Recoverability of long-lived assets is measured by comparison to the future undiscounted net cash flows expected to be generated by the assets. If such assets are considered to be impaired, the impairment to be recognized is measured by the amount by which the carrying amount of the assets exceeds the estimated fair value of the assets. Assets to be disposed of are reportable at the lower of the carrying amount or fair value, less costs to sell.

***Fair Value Measurements***

The Organization follows the provisions of ASC 820-10, “*Fair Value Measurements and Disclosures*.” ASC 820-10 applies to reported balances that are required or permitted to be measured at fair value under an existing accounting pronouncement. ASC 820-10 emphasizes that fair value is a market-based measurement, not an entity-specific measurement. Therefore, a fair value measurement should be determined based on the assumptions that market participants would use in pricing the asset or liability and establishes a fair value hierarchy. The fair value hierarchy consists of three levels of inputs that may be used to measure fair value as follows:

**Level 1** – Inputs that utilize quoted prices (adjusted) in active markets for identical assets or liabilities that the Organization has the ability to access.

**Level 2** – Inputs that include quoted prices for similar assets and liabilities in active markets and inputs that are observable for the assets or liabilities, either directly or indirectly, for substantially the full term of the financial instrument. Fair values for these instruments are estimated using pricing models, quoted prices of securities with similar characteristics, or discounted cash flows.

**Level 3** – Inputs that are unobservable inputs for the asset or liability, which are typically based on an entity’s own assumptions, as there is little, if any, related market activity.

**Lucy's Love Bus Charitable Trust, Inc.**  
**Notes to Financial Statements**  
**December 31, 2024 and 2023**

**Note 2 - Summary of Significant Accounting Policies (Continued)**

***Fair Value Measurements (Continued)***

In instances where the determination of the fair value measurement is based on inputs from different levels of the fair value hierarchy, the level in the fair value hierarchy within which the entire fair value measurement falls is based on the lowest level input that is significant to the fair value measurement in its entirety. The carrying amounts for cash and cash equivalents, receivables, prepaid expenses, accounts payable and accrued expenses, and deferred revenue approximate fair value due to their short-term nature at December 31, 2024 and 2023. ASC 825-10, *“Financial Instruments”*, permits an entity to measure many financial instruments and certain other assets and liabilities at fair value on an instrument-by-instrument basis. The Organization has not adopted any of the additional fair value options allowed under the standard.

***Revenue Recognition***

Program fees, which consist of fees for use of Sajni Center, are recognized as services are provided. Program services fees billed or collected in advance are recorded as deferred revenue until the services are performed. As of December 31, 2024 and 2023, there were no unrecognized program service fees or outstanding obligations under contracts with customers.

Contributions are recognized when cash, securities or other assets, an unconditional promise to give, or notification of a beneficial interest is received. Gifts of assets other than cash are recorded at their estimated fair value on the date of the gift. Pledges receivable are stated at the estimated net present value, net of an allowance for uncollectible amounts. Conditional promises to give are not recognized until the conditions on which they depend have been substantially met.

Gains and losses on investments and other assets or liabilities are reported as increases or decreases in net assets without donor restrictions unless their use is restricted by explicit donor stipulation or by law. Expirations of temporary restrictions on net assets by fulfillment of the donor-stipulated purpose or by passage of the stipulated time period are reported as reclassifications between the applicable classes of net assets.

***In-Kind Contributions***

Donated goods, services, and fixed assets are recorded as contributions at their estimated fair value at the date of donation. Such donations are reported as increases in net assets without donor restrictions unless the donor has restricted the donated asset to a specific purpose. Assets donated with explicit restrictions regarding their use and contributions of cash that must be used to acquire fixed assets are reported as restricted contributions. The Organization reports expiration of donor restrictions when the donated or acquired assets are placed in service. For the years ended December 31, 2024 and 2023, the value of donated goods received was \$37,374 and \$30,645, respectively.

**Lucy's Love Bus Charitable Trust, Inc.**  
**Notes to Financial Statements**  
**December 31, 2024 and 2023**

**Note 2 - Summary of Significant Accounting Policies (Continued)**

***In-Kind Contributions (Continued)***

Volunteers contribute significant amounts of time to our program services, administration and fundraising and development activities; however, the financial statements do not reflect the value of these contributed services because they do not meet recognition criteria prescribed by generally accepted accounting principles. Contributed professional services are recorded at the respective fair values of the services received.

***Functional Allocation of Expenses***

The cost of providing the Organization's various programs and supporting services have been summarized on a functional basis in the statements of functional expenses. The statement of functional expenses is required to present the natural classification detail of expenses by function allocated on a reasonable basis that is consistently applied. Expenses that can be identified with a specific program or support services are allocated directly. Based on management's estimates, certain costs have been allocated among major classes of program services and supporting activities. Occupancy, depreciation, and amortization have been allocated based on a square footage basis. Salaries and wages, benefits, and payroll taxes, are allocated based on estimates of time and effort. Office expenses, information technology, interest, insurance, and certain other expenses are allocated based on management estimates of percentage of usage attributable to each function. Other unallocable costs such as oversight, business management, general record keeping, budgeting, and solicitation activities which are not identified with one or more programs are reported as management and general or fundraising as appropriate.

***Leases***

The Organization follows ASU 2016-02, "Leases", which requires lessees to recognize leases on the statement of financial position and disclose key information about leasing arrangements. The new standard establishes the right-of-use model (ROU) that requires a lessee to recognize a ROU asset and lease liability on the statement of financial position for all leases. The Organization has exercised the option under ASU 2016-02, to adopt a policy of expensing payments on operating leases with lease terms of twelve months or less. Under this standard, leases will be classified as either finance or operating, with classification affecting the recognition of expenses in the statements of activities and functional expenses.

***Advertising***

The Organization expenses advertising costs as incurred. During the years ended December 31, 2024 and 2023, the Organization incurred advertising costs of \$23,714 and \$12,699, respectively.

**Lucy's Love Bus Charitable Trust, Inc.**  
**Notes to Financial Statements**  
**December 31, 2024 and 2023**

**Note 2 - Summary of Significant Accounting Policies (Continued)**

***Concentration of Credit Risk***

Financial instruments, which potentially subject the Organization to concentrations of credit risk, consist principally of cash and cash equivalents. The Organization maintains its cash and cash equivalents in bank deposit accounts, which at times may exceed federally insured limits. Any amounts in excess of FDIC insurance are covered by the Depositors Insurance Fund. The Organization has not experienced any losses in such accounts and does not expect any in the future. Management routinely assesses the integrity and stability of the institutions where the cash and equivalents are held and considers credit risk to be minimal.

Investments are exposed to various risks such as market and credit risks. Due to the level of risk associated with investments and the level of uncertainty related to changes in the value of such investments, it is at least reasonably possible that changes in values in the near term could materially affect investment balances and the amounts reported in the financial statements.

***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 certain amounts and disclosures. Accordingly, actual results could differ from those estimates.

***Reclassifications***

During the year ended December 31, 2024, certain amounts from the prior year financial statements were reclassified to conform to the current year's presentation.

***Income Taxes and Uncertain Tax Positions***

The Organization, incorporated under Chapter 180 of the Massachusetts General Laws as a tax-exempt entity, has been granted tax-exempt status under Internal Revenue Code (IRC) Section 501(c)(3) and is classified as other than a private foundation as defined by section 509(a) of the IRC. Therefore, it is generally exempt from federal and state income taxes, except for tax on unrelated business income, if any. Management has determined that substantially all of the organization's income, expenditures, and activities relate to its exempt purpose, therefore, the Organization is not subject to unrelated business income taxes and will continue to qualify as a tax-exempt entity. Accordingly, no provision for income taxes has been provided for in the accompanying financial statements.

ASC 740-10, "Accounting for Uncertainty in Income Taxes," requires Lucy's Love Bus Charitable Trust, Inc. to evaluate and disclose tax positions that could have an effect on the Organization's financial statements. The Organization reports its activities to the Internal Revenue Service and to the Commonwealth of Massachusetts on an annual basis. These informational returns are generally subject to audit and review by the governmental agencies for a period of three years after filing. Management believes it is no longer subject to review by taxing authorities for periods before 2021.

**Lucy's Love Bus Charitable Trust, Inc.**  
**Notes to Financial Statements**  
**December 31, 2024 and 2023**

**Note 3 – Liquidity and Availability**

Financial assets available within one year for general expenditure such as operating expenses, were as follows for the years ended December 31<sup>st</sup>:

	<u>2024</u>	<u>2023</u>
Cash and cash equivalents	\$ 362,593	\$ 496,365
Short-term investments	200,527	-
Pledges Receivable	928	39,145
<b>Total financial assets available</b>	<b><u>\$ 564,048</u></b>	<b><u>\$ 535,510</u></b>

To manage liquidity, the Organization strives to maintain three months of operating reserves on hand to meet current liquidity needs and address shortfalls in cash flow caused by seasonal revenue cycles. Once developed, the operating reserves will be maintained in local bank accounts. These operating reserves will be Board designated and not accessible to management for operations without Board approval. In periods when there is excess cash on hand not required for current obligations, the surplus will be added to the operating reserves, upon board approval, to either replenish amounts expended or increase available resources.

In 2022, the Organization created a board designated endowment with an initial investment of \$250,000 to be allowed to grow for five years before allowing for an annual 4% distribution which can be used for operations. The Organization can begin taking distributions from the endowment beginning in 2027. Although it has no intention of doing so, these board designated endowment funds may be undesignated at the Board's discretion if the originally intended purpose is deemed no longer relevant or applicable to the needs of the Organization.

The Organization maintains a line of credit in the amount of \$25,000 which management can draw upon with Board approval.

**Note 4 – Pledges Receivable**

Unconditional promises to give consisted of the following as of December 31, 2024 and 2023:

	<u>2024</u>	<u>2023</u>
Due within one year	\$ 928	\$ 39,145
Due in two to five years	-	-
<b>Gross pledges</b>	<b>928</b>	<b>39,145</b>
Unamortized discounts	-	-
<b>Total</b>	<b>\$ 928</b>	<b>\$ 39,145</b>

For the year ended December 31, 2023, approximately 85% of pledges receivable was due from two donors. Pledges receivable for the year ended December 31, 2024 were not material.

**Lucy's Love Bus Charitable Trust, Inc.**

**Notes to Financial Statements**

**December 31, 2024 and 2023**

**Note 5 – Property and Equipment**

Depreciation expense for the years ended December 31, 2024 and 2023 was \$137 and \$274, respectively. Property and equipment consisted of the following for the years ending December 31<sup>st</sup>:

	<u>2024</u>	<u>2023</u>
Vehicles	\$ 7,800	\$ 7,800
Equipment	4,990	4,990
	<u>12,790</u>	<u>12,790</u>
Less: accumulated depreciation	(12,790)	(12,653)
Property and equipment, net	<u>\$ -</u>	<u>\$ 137</u>

**Note 6 – Fair Value of Financial Instruments**

The Organization uses fair value measurements to record fair value adjustments to certain assets and liabilities and to determine fair value disclosures (see Note 2). The following table presents the Organization's fair value hierarchy for those assets and liabilities measured at fair value on a recurring basis as of December 31<sup>st</sup>:

	<b>2024</b>			
	Quoted prices in active markets for identical assets			
	Total	Level 1	Level 2	Level 3
Cash	\$ 1,197	\$ 1,197	\$ -	\$ -
Certificates of deposit	200,527	-	200,527	-
Equities	322,465	322,465	-	-
<b>Total</b>	<b>\$ 524,189</b>	<b>\$ 323,662</b>	<b>\$ 200,527</b>	<b>\$ -</b>

	<b>2023</b>			
	Quoted prices in active markets for identical assets			
	Total	Level 1	Level 2	Level 3
Cash	\$ 2,293	\$ 2,293	\$ -	\$ -
Equities	290,607	290,607	-	-
<b>Total</b>	<b>\$ 292,900</b>	<b>\$ 292,900</b>	<b>\$ -</b>	<b>\$ -</b>

**Lucy's Love Bus Charitable Trust, Inc.**  
**Notes to Financial Statements**  
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**Note 7 – Investment Return**

Investment return consisted of the following for the years ended December 31<sup>st</sup>:

	2024	2023
Interest and dividends	\$ 13,389	\$ 10,798
Realized losses	(13,732)	(9,048)
Unrealized gains	36,586	42,196
Investment management fees	(2,310)	(1,993)
<b>Total investment return</b>	<b>\$ 33,933</b>	<b>\$ 41,953</b>

Investment return is shown net of investment management fees paid directly to the investment manager in the amount of \$2,310 and \$1,993 for the years ended December 31, 2024 and 2023, respectively. There were additional investment fees that were not paid directly to the manager but rather were netted from the return on certain investments.

**Note 8 – Net Assets**

Net assets consisted of the following on December 31<sup>st</sup>:

	2024		
	Without donor restrictions	With donor restrictions	Total net assets
Operating funds	\$ 419,622	\$ 57,539	\$ 477,161
Board designated endowment	323,662	-	323,662
Invested in fixed assets	-	-	-
Pledges receivable	-	928	928
<b>Total net assets</b>	<b>\$ 743,284</b>	<b>\$ 58,467</b>	<b>\$ 801,751</b>
2023			
	Without donor restrictions	With donor restrictions	Total net assets
Operating funds	\$ 357,074	\$ 96,700	\$ 453,774
Board designated endowment	292,900	-	292,900
Invested in fixed assets	137	-	137
Pledges receivable	-	39,145	39,145
<b>Total net assets</b>	<b>\$ 650,111</b>	<b>\$ 135,845</b>	<b>\$ 785,956</b>

**Lucy's Love Bus Charitable Trust, Inc.**  
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**Note 8 – Net Assets (continued)**

Net assets with donor restrictions consisted of the following as of December 31<sup>st</sup>:

	<u>2024</u>	<u>2023</u>
Salary support	\$ 1,500	\$ 50,000
Healing rooms	15,269	19,913
Ilene's Caregivers	15,743	22,343
Children from New England	3	4,249
Ukulele program	-	195
Rebranding	25,000	-
Pledges receivable restricted for time	952	39,145
<b>Total temporarily restricted net assets</b>	<b>\$ 58,467</b>	<b>\$ 135,845</b>

Net assets released from donor restrictions by incurring expenses satisfying the restricted purpose or by occurrence of the passage of time or other events specified by the donors were \$305,814 and \$229,822 for the years ended December 31, 2024 and 2023, respectively.

**Note 9 – Endowment**

The Organization's endowment consists of a fund established by the Board of Directors in 2022 to function as an endowment. The Organization's spending policy is to allow for an annual 4% distribution after an initial five year growth period. The Organization can begin taking distributions from the endowment in 2027. As of December 31, 2024 and 2023, board designated endowment funds in the amount of \$323,662 and \$292,900, respectively were included in net assets without donor restrictions in the statements of financial position. Changes in endowment net assets were for the years ended December 31<sup>st</sup>:

	<u>2024</u>	<u>2023</u>
Endowment net assets, beginning	\$ 292,900	\$ 253,705
Investment return:		
Investment income	(5,824)	(3,001)
Appreciation/depreciation	36,586	42,196
Total investment return	<u>30,762</u>	<u>39,195</u>
Contributions	-	-
Assets appropriated for expenditure	-	-
Other changes	-	-
<b>Endowment net assets, ending</b>	<b>\$ 323,662</b>	<b>\$ 292,900</b>

**Lucy's Love Bus Charitable Trust, Inc.**  
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**Note 10 – Commitments**

The Organization leases office facilities in Amesbury, Massachusetts. On June 1, 2023 the Organization entered into a 3-year lease through May 31, 2026. Rent expense under this lease was \$14,946 and \$13,639, respectively, for the years ended December 31, 2024 and 2023 and is included in occupancy on the accompanying statements of functional expenses. As of December 31, 2024, the Organization had minimum operating lease commitments as follows with a weighted average lease term of 1.42 years and a weighted average discount rate of 5%:

2025	\$ 14,100
2026	<u>5,876</u>
Total undiscounted cash flows	19,976
Less: present value discount	<u>(650)</u>
Total lease liabilities	19,326
Less current portion	<u>13,499</u>
Operating lease liability – long-term	<u><u>\$ 5,827</u></u>

**Note 11 – Line of Credit**

The Organization maintains a line of credit with Newburyport Bank in the amount of \$25,000. The line is collateralized by substantially all of the Organization's assets. The interest rate applied to the outstanding principal balance is the Bank's Prime Loan rate as published in the Wall Street Journal Prime Rate plus 1% (8.5% and 9.5% as of December 31, 2024 and 2023, respectively). There was no outstanding balance on the line of credit as of December 31, 2024 and 2023.

**Note 12 – Related Party Activity**

Two of the Organization's Board members are yoga practitioners who specialize in restorative yoga and from whom the Organization received services during the years ended December 31, 2024 and 2023. The amount paid for these services was \$9,560 and \$7,681, respectively. There were no amounts payable to or receivable from related parties as of December 31, 2024 and 2023.

**Note 13 - Retirement Plans**

The Organization adopted a SIMPLE IRA Plan effective January 1, 2021. The plan allows an employee to contribute up to the maximum percentage as allowed by Federal law. The plan allows employer matching contributions in the amount of 100% of an employee's elective contributions up to a maximum of 3% of the employee's salary. The Organization's expense under the plan for the years ended December 31, 2024 and 2023 was \$7,387 and \$9,237, respectively, and is included in compensation and related expenses in the accompanying statements of functional expenses.

**Lucy's Love Bus Charitable Trust, Inc.**  
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**Note 14 – Subsequent Events**

FASB ASC 855-10, “*Subsequent Events*,” defines further disclosure requirements for events that occur after the statement of financial position date, but before financial statements are issued. In accordance with FASB ASC 855-10, management has evaluated events subsequent to December 31, 2024 through June 9, 2025, which is the date the financial statements were available to be issued. There were no material events noted during this period that would either impact the results reflected in this report or the Organization’s results going forward.