



Financial Statements

June 30, 2025 and 2024

Greater Boston Legal Services, Inc.
Table of Contents
June 30, 2025 and 2024

Independent Auditor's Report	1 - 2
Statements of Financial Position	4 - 5
Statements of Activities	6 - 7
Statements of Changes in Net Assets	8
Statements of Cash Flows	9
Statements of Functional Expenses	10
Notes to the Financial Statements	11 - 25

Independent Auditor's Report

To the Board of Directors of
Greater Boston Legal Services, Inc.:

Opinion

We have audited the financial statements of Greater Boston Legal Services, Inc. (a Massachusetts nonprofit corporation) (GBLS), which comprise the statements of financial position as of June 30, 2025 and 2024, and the related statements of activities, changes in net assets, cash flows, and functional expenses for the years then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of Greater Boston Legal Services, Inc. as of June 30, 2025 and 2024, 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 audit in accordance with auditing standards generally accepted in the United States of America (GAAS). 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 GBLS 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 GBLS's ability to continue as a going concern within one year after the date that the financial statements are 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 GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements 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 GAAS 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 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 GBLS'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 GBLS'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.

AAFCPA's, Inc.

Westborough, Massachusetts
November 10, 2025

Greater Boston Legal Services, Inc.

Statement of Financial Position

As of June 30, 2025

	Without Donor Restrictions					
	Operating	Board Designated	Property and Equipment	Total Without Donor Restrictions	With Donor Restrictions	Total
Assets						
Current Assets						
Cash and cash equivalents	\$ 10,325,507	\$ -	\$ -	\$ 10,325,507	\$ 1,162,284	\$ 11,487,791
Cash - client escrow	182,484	-	-	182,484	-	182,484
Cash - funds held for others	177,000	-	-	177,000	-	177,000
Grants, pledges and contracts receivable	1,703,513	-	-	1,703,513	900,000	2,603,513
Prepaid expenses, deposits and other	335,414	162,770	-	498,184	-	498,184
Total current assets	12,723,918	162,770	-	12,886,688	2,062,284	14,948,972
Pledges receivable, net of current portion	-	-	-	-	900,000	900,000
Investments	-	26,780,804	3,370,764	30,151,568	11,578,891	41,730,459
Property and equipment, net	-	-	4,540,340	4,540,340	-	4,540,340
Total assets	\$ 12,723,918	\$ 26,943,574	\$ 7,911,104	\$ 47,578,596	\$ 14,541,175	\$ 62,119,771
Liabilities and Net Assets						
Current Liabilities:						
Client escrow payable	\$ 182,484	\$ -	\$ -	\$ 182,484	\$ -	\$ 182,484
Funds held for others	177,000	-	-	177,000	-	177,000
Accrued compensation	2,880,339	-	-	2,880,339	-	2,880,339
Accounts payable and other accrued expenses	369,734	-	-	369,734	-	369,734
Refundable advance	138,868	-	-	138,868	-	138,868
Total current liabilities	3,748,425	-	-	3,748,425	-	3,748,425
Net Assets						
Without donor restrictions						
Operating	8,975,493	-	-	8,975,493	-	8,975,493
Board Designated - functioning as endowment	-	26,943,574	-	26,943,574	-	26,943,574
Board Designated - property and equipment	-	-	3,370,764	3,370,764	-	3,370,764
Property and equipment	-	-	4,540,340	4,540,340	-	4,540,340
Total without donor restrictions	8,975,493	26,943,574	7,911,104	43,830,171	-	43,830,171
With donor restrictions	-	-	-	-	14,541,175	14,541,175
Total net assets	8,975,493	26,943,574	7,911,104	43,830,171	14,541,175	58,371,346
Total liabilities and net assets	\$ 12,723,918	\$ 26,943,574	\$ 7,911,104	\$ 47,578,596	\$ 14,541,175	\$ 62,119,771

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

Greater Boston Legal Services, Inc.
Statement of Financial Position
As of June 30, 2024

	Without Donor Restrictions					
	Operating	Board Designated	Property and Equipment	Total Without Donor Restrictions	With Donor Restrictions	Total
Assets						
Current Assets						
Cash and cash equivalents	\$ 7,816,804	\$ -	\$ -	\$ 7,816,804	\$ 1,153,377	\$ 8,970,181
Cash - client escrow	178,223	-	-	178,223	-	178,223
Cash - funds held for others	204,000	-	-	204,000	-	204,000
Grants, pledges and contracts receivable	1,611,295	-	-	1,611,295	900,000	2,511,295
Prepaid expenses, deposits and other	24,638	172,571	-	197,209	-	197,209
Total current assets	9,834,960	172,571	-	10,007,531	2,053,377	12,060,908
Pledges receivable, net of current portion	-	-	-	-	1,800,000	1,800,000
Investments	-	23,327,062	3,078,573	26,405,635	10,498,959	36,904,594
Construction in process	-	-	1,071,586	1,071,586	-	1,071,586
Property and equipment, net	-	-	3,067,892	3,067,892	-	3,067,892
Total assets	\$ 9,834,960	\$ 23,499,633	\$ 7,218,051	\$ 40,552,644	\$ 14,352,336	\$ 54,904,980
Liabilities and Net Assets						
Current Liabilities						
Client escrow payable	\$ 178,223	\$ -	\$ -	\$ 178,223	\$ -	\$ 178,223
Funds held for others	204,000	-	-	204,000	-	204,000
Accrued compensation	2,253,737	-	-	2,253,737	-	2,253,737
Accounts payable and other accrued expenses	373,297	-	244,009	617,306	-	617,306
Refundable advance	187,494	-	-	187,494	-	187,494
Total current liabilities	3,196,751	-	244,009	3,440,760	-	3,440,760
Net Assets						
Without donor restrictions:						
Operating	6,638,209	-	-	6,638,209	-	6,638,209
Board Designated - functioning as endowment	-	23,499,633	-	23,499,633	-	23,499,633
Board Designated - property and equipment	-	-	3,078,573	3,078,573	-	3,078,573
Property and equipment	-	-	3,895,469	3,895,469	-	3,895,469
Total without donor restrictions	6,638,209	23,499,633	6,974,042	37,111,884	-	37,111,884
With donor restrictions	-	-	-	-	14,352,336	14,352,336
Total net assets	6,638,209	23,499,633	6,974,042	37,111,884	14,352,336	51,464,220
Total liabilities and net assets	\$ 9,834,960	\$ 23,499,633	\$ 7,218,051	\$ 40,552,644	\$ 14,352,336	\$ 54,904,980

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

Greater Boston Legal Services, Inc.
Statement of Activities
For the Year Ended June 30, 2025

	Without Donor Restrictions				With Donor Restrictions			
	Operating	Board Designated	Property and Equipment	Total Without Donor Restrictions	Program and Time Restricted	Appreciation on Donor Restricted Endowments Held in Perpetuity	Total With Donor Restrictions	Total
Operating Revenue and Support:								
Grants and contracts	\$ 19,640,981	\$ -	\$ -	\$ 19,640,981	\$ -	\$ -	\$ -	\$ 19,640,981
Contributions and promises	9,226,082	-	-	9,226,082	875,381	-	875,381	10,101,463
Attorney fees	303,957	-	-	303,957	-	-	-	303,957
Interest and other income	240,314	-	-	240,314	-	-	-	240,314
Net assets released from donor restrictions:								
Satisfaction of time restriction	1,231,901	-	-	1,231,901	(1,231,901)	-	(1,231,901)	-
Satisfaction of program restriction	529,339	-	-	529,339	(529,339)	-	(529,339)	-
Total operating revenue and support before donated services	31,172,574	-	-	31,172,574	(885,859)	-	(885,859)	30,286,715
Donated services	953,308	-	-	953,308	-	-	-	953,308
Total operating revenue and support	32,125,882	-	-	32,125,882	(885,859)	-	(885,859)	31,240,023
Operating Expenses								
Program services	24,129,864	-	204,726	24,334,590	-	-	-	24,334,590
General and Administrative	2,382,368	-	13,440	2,395,808	-	-	-	2,395,808
Fundraising	1,129,198	-	8,899	1,138,097	-	-	-	1,138,097
Total operating expenses	27,641,430	-	227,065	27,868,495	-	-	-	27,868,495
Changes in net assets from operations	4,484,452	-	(227,065)	4,257,387	(885,859)	-	(885,859)	3,371,528
Non-Operating Revenue								
Net gain on investments	-	1,659,547	227,488	1,887,035	-	898,529	898,529	2,785,564
Investment income, net of expenses of \$218,218	-	534,394	39,471	573,865	-	176,169	176,169	750,034
Total non-operating revenue	-	2,193,941	266,959	2,460,900	-	1,074,698	1,074,698	3,535,598
Changes in net assets	\$ 4,484,452	\$ 2,193,941	\$ 39,894	\$ 6,718,287	\$ (885,859)	\$ 1,074,698	\$ 188,839	\$ 6,907,126

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

Greater Boston Legal Services, Inc.
Statement of Activities
For the Year Ended June 30, 2024

	Without Donor Restrictions				With Donor Restrictions			
	Operating	Board Designated	Property and Equipment	Total Without Donor Restrictions	Program and Time Restricted	Appreciation on Donor Restricted Endowments Held in Perpetuity	Total With Donor Restrictions	Total
Operating Revenue and Support:								
Grants and contracts	\$ 21,107,512	\$ -	\$ -	\$ 21,107,512	\$ -	\$ -	\$ -	\$ 21,107,512
Contributions and promises	6,295,307	-	-	6,295,307	4,138,128	-	4,138,128	10,433,435
Attorney fees	988,274	-	-	988,274	-	-	-	988,274
Interest and other income	72,286	-	-	72,286	-	-	-	72,286
Net assets released from donor restrictions:								
Satisfaction of time restriction	1,211,667	-	-	1,211,667	(1,211,667)	-	(1,211,667)	-
Satisfaction of program restriction	781,002	-	-	781,002	(781,002)	-	(781,002)	-
Total operating revenue and support before donated services	30,456,048	-	-	30,456,048	2,145,459	-	2,145,459	32,601,507
Donated services	1,008,905	-	-	1,008,905	-	-	-	1,008,905
Total operating revenue and support	31,464,953	-	-	31,464,953	2,145,459	-	2,145,459	33,610,412
Operating Expenses								
Program services	22,900,933	-	186,288	23,087,221	-	-	-	23,087,221
General and Administrative	2,287,752	-	11,869	2,299,621	-	-	-	2,299,621
Fundraising	976,762	-	8,293	985,055	-	-	-	985,055
Total operating expenses	26,165,447	-	206,450	26,371,897	-	-	-	26,371,897
Changes in net assets from operations	5,299,506	-	(206,450)	5,093,056	2,145,459	-	2,145,459	7,238,515
Non-Operating Revenue								
Net gain on investments	-	2,150,159	337,739	2,487,898	-	1,218,343	1,218,343	3,706,241
Investment income, net of expenses of \$180,268	-	385,752	50,861	436,613	-	139,726	139,726	576,339
Total non-operating revenue	-	2,535,911	388,600	2,924,511	-	1,358,069	1,358,069	4,282,580
Changes in net assets	\$ 5,299,506	\$ 2,535,911	\$ 182,150	\$ 8,017,567	\$ 2,145,459	\$ 1,358,069	\$ 3,503,528	\$ 11,521,095

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

Greater Boston Legal Services, Inc.
Statements of Changes in Net Assets
For the Years Ended June 30, 2025 and 2024

	Without Donor Restrictions					With Donor Restrictions			
	Operating	Board Designated	Property and Equipment	Total Without Donor Restriction	Program and Time Restricted	Appreciation on Donor Restricted Endowments Held in Perpetuity	Donor Restricted Endowments Held in Perpetuity	Total With Donor Restriction	Total
Balance at July 1, 2023	\$ 6,191,338	\$ 16,463,722	\$ 6,279,504	\$ 28,934,564	\$ 1,707,918	\$ 3,466,268	\$ 5,834,375	\$ 11,008,561	\$ 39,943,125
Changes in net assets	5,299,506	2,535,911	182,150	8,017,567	2,145,459	1,358,069	-	3,503,528	11,521,095
Transfers									
Transfer to fund property and equipment	(512,388)	-	512,388	-	-	-	-	-	-
Transfer to Operating	159,753	-	-	159,753	-	(159,753)	-	(159,753)	-
Transfer to Board designated endowment	(4,500,000)	4,500,000	-	-	-	-	-	-	-
Total transfers	(4,852,635)	4,500,000	512,388	159,753	-	(159,753)	-	(159,753)	-
Balance at June 30, 2024	6,638,209	23,499,633	6,974,042	37,111,884	3,853,377	4,664,584	5,834,375	14,352,336	51,464,220
Changes in net assets	4,484,452	2,193,941	39,894	6,718,287	(885,859)	1,074,698	-	188,839	6,907,126
Transfers									
Transfers to fund property and equipment additions	(897,168)	-	897,168	-	-	-	-	-	-
Transfer to Board designated endowment	(1,250,000)	1,250,000	-	-	-	-	-	-	-
Total transfers	(2,147,168)	1,250,000	897,168	-	-	-	-	-	-
Balance at June 30, 2025	\$ 8,975,493	\$ 26,943,574	\$ 7,911,104	\$ 43,830,171	\$ 2,967,518	\$ 5,739,282	\$ 5,834,375	\$ 14,541,175	\$ 58,371,346

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

Greater Boston Legal Services, Inc.
Statements of Cash Flows
For the Years Ended June 30, 2025 and 2024

	<u>2025</u>	<u>2024</u>
Cash flows from operating activities		
Changes in net assets	\$ 6,907,126	\$ 11,521,095
Adjustments to reconcile change in net assets to net cash provided by operating activities		
Depreciation	227,065	206,450
Net gain on investments	(2,785,564)	(3,706,241)
Investment income, net of expenses	(750,034)	(576,339)
Changes in operating assets and liabilities:		
Grants, pledges and contracts receivable	807,782	(2,527,249)
Prepaid expenses, deposits and other	(300,975)	125,697
Client escrow payable and funds held for others	(22,739)	(86,170)
Accrued compensation	626,602	196,551
Accounts payable and other accrued expenses	(247,572)	188,586
Refundable advance	(48,626)	(45,245)
Net cash provided by operating activities	<u>4,413,065</u>	<u>5,297,135</u>
Cash flows from investing activities		
Acquisition of construction in process	-	(1,071,586)
Acquisition of property and equipment	(627,927)	(61,599)
Purchase of investments	(17,483,729)	(13,428,709)
Proceeds from sale of investments	16,193,462	9,187,136
Net cash used in investing activities	<u>(1,918,194)</u>	<u>(5,374,758)</u>
Net increase (decrease) in cash and cash equivalents, and restricted cash	<u>2,494,871</u>	<u>(77,623)</u>
Cash, cash equivalents, and restricted cash at beginning of year	9,352,404	9,430,027
Cash and cash equivalents, and restricted cash at end of year	<u><u>\$ 11,847,275</u></u>	<u><u>\$ 9,352,404</u></u>
Reconciliation of cash, cash equivalents, and restricted cash reported within the statement of financial position		
Cash and cash equivalents	\$ 11,487,791	\$ 8,970,181
Cash - client escrow	182,484	178,223
Cash - funds held for others	177,000	204,000
Total cash and cash equivalents, and restricted cash shown in the statement of cash flows	<u><u>\$ 11,847,275</u></u>	<u><u>\$ 9,352,404</u></u>
Supplemental cash flow information		
Transfer of construction in process to property and equipment	<u><u>\$ 1,071,586</u></u>	<u><u>\$ -</u></u>

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

Greater Boston Legal Services, Inc.
Statements of Functional Expenses
For the Years Ended June 30, 2025 and 2024

Title	2025				2024			
	Program Services	General and Administrative	Fundraising	Total	Program Services	General and Administrative	Fundraising	Total
Salaries and Related								
Salaries - lawyers	\$ 9,607,968	\$ 227,875	\$ 23,597	\$ 9,859,440	\$ 8,948,123	\$ 249,205	\$ 23,842	\$ 9,221,170
Salaries - other	4,360,072	1,075,369	641,411	6,076,852	4,385,972	925,757	582,446	5,894,175
Payroll taxes and fringe benefits	5,875,196	483,504	246,681	6,605,381	5,174,157	435,911	224,933	5,835,001
Total salaries and related	19,843,236	1,786,748	911,689	22,541,673	18,508,252	1,610,873	831,221	20,950,346
Other								
Office and related expenses	1,024,646	69,553	80,890	1,175,089	815,509	108,395	56,848	980,752
Contract services	635,316	276,994	56,274	968,584	733,769	404,479	36,912	1,175,160
Occupancy	490,371	32,192	21,314	543,877	486,983	31,027	21,679	539,689
Grants awarded	475,194	28,733	-	503,927	557,033	25,530	-	582,563
Other direct expenses	202,841	186,114	57,364	446,319	305,431	104,743	29,271	439,445
Library maintenance	263,106	200	200	263,506	241,129	-	297	241,426
Depreciation	204,726	13,440	8,899	227,065	186,288	11,869	8,293	206,450
Client litigation expenses	137,652	-	-	137,652	122,393	-	-	122,393
Travel and training	104,194	1,834	1,467	107,495	121,529	2,705	534	124,768
Total other	3,538,046	609,060	226,408	4,373,514	3,570,064	688,748	153,834	4,412,646
Total operating expenses before donated services	23,381,282	2,395,808	1,138,097	26,915,187	22,078,316	2,299,621	985,055	25,362,992
Donated Services	953,308	-	-	953,308	1,008,905	-	-	1,008,905
Total operating expenses	\$ 24,334,590	\$ 2,395,808	\$ 1,138,097	\$ 27,868,495	\$ 23,087,221	\$ 2,299,621	\$ 985,055	\$ 26,371,897

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

Greater Boston Legal Services, Inc.

Notes to Financial Statements

June 30, 2025 and 2024

1. Nature of Operations

Greater Boston Legal Services, Inc. (GBLS) provides free legal assistance in non-criminal matters to persons financially unable to afford legal assistance in the metropolitan Boston area of Massachusetts.

GBLS is a nonprofit corporation exempt from Federal income taxes as an organization (not a private foundation) under Section 501(c)3 of the Internal Revenue Code (IRC). GBLS is also exempt from state income taxes. Donors may deduct contributions made to GBLS within the requirements of the IRC regulations.

2. Significant Accounting Policies

Basis of Accounting

GBLS prepares its financial statements in accordance with generally accepted accounting principles (U.S. GAAP) established by the Financial Accounting Standards Board (FASB). References to U.S. GAAP in these notes are to the FASB Accounting Standards Codification (ASC).

Allowance for Uncollectible Receivables

An allowance for potentially uncollectible grants and contracts as well as pledges receivable is provided based upon management's judgment of expected defaults. The determination includes factors such as prior collection history, type of contribution and nature of fundraising activity. It is GBLS' policy to charge-off uncollectible receivables when management determines the receivable will not be collected. As of June 30, 2025 and 2024, there was no allowance for uncollectible grants, pledges and contracts deemed necessary.

Fair Value Measurements

GBLS follows the accounting and disclosure standards pertaining to ASC Topic, *Fair Value Measurements*, for qualifying assets and liabilities. Fair value is defined as the price that GBLS would receive upon selling an asset or pay to settle a liability in an orderly transaction between market participants.

GBLS uses a framework for measuring fair value that includes a hierarchy that categorizes and prioritizes the sources used to measure and disclose fair value. This hierarchy is broken down into three levels based on inputs that market participants would use in valuing the financial instruments based on market data obtained from sources independent of GBLS. Inputs refer broadly to the assumptions that market participants would use in pricing the financial instrument, including assumptions about risk. Inputs may be observable or unobservable. Observable inputs are inputs that reflect the assumptions market participants would use in pricing the financial instrument developed based on market data obtained from sources independent of the reporting entity. Unobservable inputs are inputs that reflect the reporting entity's own assumptions about the assumptions market participants would use in pricing the asset developed based on the best information available

Greater Boston Legal Services, Inc.

Notes to Financial Statements

June 30, 2025 and 2024

2. Significant Accounting Policies (Continued)

Fair Value Measurements (Continued)

The three-tier hierarchy of inputs is summarized in the three broad levels as follows:

Level 1 - Inputs that reflect unadjusted quoted prices in active markets for identical assets at the measurement date.

Level 2 - Inputs other than quoted prices that are observable for the asset either directly or indirectly, including inputs in markets that are not considered to be active.

Level 3 - Inputs that are observable and which require significant judgment or estimation.

An asset or liability's level within the framework is based upon the lowest level of any input that is significant to the fair value measurement. All qualifying assets and liabilities are valued using Level 1 inputs.

For the purpose of the statements of cash flows, cash and cash equivalents consist of checking and money market accounts, excluding amounts in the investment portfolio. Cash and cash equivalents are considered Level 1 within the fair value hierarchy.

Investments are recorded in the financial statements at fair value. If an investment is directly held by GBLS and an active market with quoted prices exists, the market price of an identical security is used to report fair value. A summary of inputs used in valuing GBLS's investments as of June 30, 2025 and 2024, is included in Note 3.

The carrying value of all other assets and liabilities does not differ materially from its estimated fair value and are considered Level 1 in the fair value hierarchy.

Cash and Cash Equivalents

GBLS maintains its cash balances in financial institutions in the U.S. Balances at the institutions are insured by the Federal Deposit Insurance Corporation (FDIC) at each bank up to certain amounts. At certain times during the year, cash balances exceeded the insured amounts. GBLS has not experienced any losses in these accounts and management believes GBLS is not exposed to any significant credit risk on its cash and cash equivalents.

Restricted Cash

GBLS maintains and administers client funds relative to cases which are currently in litigation. The amounts are paid out as directed by the clients. The amounts held in escrow totaled \$182,484 and \$178,223 as of June 30, 2025 and 2024, respectively, and are shown as cash - client escrow and client escrow payable in the accompanying statements of financial position.

Greater Boston Legal Services, Inc.

Notes to Financial Statements

June 30, 2025 and 2024

2. Significant Accounting Policies (Continued)

Restricted Cash (Continued)

GBLS received \$600,000 of housing assistance funding from two organizations to be used to pay stipends to residents in the East Boston area who meet certain eligibility criteria. The remaining balance of \$177,000 and \$204,000 as of June 30, 2025 and 2024, respectively, is shown as cash - funds held for others and funds held for others in the accompanying statements of financial position.

Investments and Investment Return Allocations and Spending Policy

Investments primarily include cash and cash equivalents, corporate bonds, and exchange-traded funds which are reported at fair value.

GBLS records interest and dividends from investments when earned. Gains or losses on investments are recognized as realized upon sale or based on market value changes during the period. Investment return is reported in the accompanying statements of activities without donor restrictions as increases or decreases in net assets without donor restrictions unless their use is restricted by explicit donor stipulations or by law.

Massachusetts follows the Uniform Prudent Management of Institutional Funds Act (UPMIFA). Subject to the intent of a donor, GBLS may appropriate for expenditure or accumulate so much of an endowment fund as the institution determines is prudent for the uses, benefits, purposes, and duration for which the endowment fund is established. The assets in donor endowment funds are donor-restricted assets until appropriated for expenditure by GBLS.

The Board of Directors has voted to allow for the use of a portion of total investment return for operations each year. If needed, GBLS may distribute from its investment portfolios (Board designated and donor restricted endowments) an amount not to exceed 5% of the average values for each portfolio over the prior three years determined at least quarterly. Transfers to the operating net assets, in accordance with this policy, were not deemed necessary for the year ended June 30, 2025 and 2024.

GBLS's investment policy combined with the spending rate attempts to provide a predictable stream of returns combined with asset protection. Endowment assets include those assets restricted by donors that GBLS must hold in perpetuity. Under GBLS's investment policy and spending rate, both approved by the Board of Directors, the endowment assets are invested in a manner that is intended to produce an inflation-adjusted return in excess of the spending rate over a long period of time. Actual returns in any given year may vary.

To satisfy its long-term rate-of-return objectives, GBLS relies on a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends). The Finance Committee, advised by a third-party investment advisor, is responsible for selecting the investment managers of GBLS's portfolio. The Finance Committee's strategy is to include an array of different strategy and investment managers for the portfolio to minimize risk while providing investment returns exceeding industry benchmarks.

Greater Boston Legal Services, Inc.

Notes to Financial Statements

June 30, 2025 and 2024

2. Significant Accounting Policies (Continued)

Investments and Investment Return Allocations and Spending Policy (Continued)

GBLS classifies as net assets with donor restrictions (a) the original value of gifts donated to the donor restricted endowments, (b) the original value of subsequent gifts to the donor restricted endowments, and (c) accumulations to the donor restricted endowments made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund. This is regarded as the "historic dollar value" of the endowment fund. The remaining portion of the donor restricted endowment funds that is not classified as net assets with donor restrictions and is regarded as "net appreciation" is classified as net assets with donor restrictions until those amounts are appropriated for expenditure by GBLS.

From time-to-time, the fair value of assets associated with individual donor restricted endowment funds may fall below the "historic dollar value". There were no deficiencies at June 30, 2025 and 2024.

Property and Equipment and Depreciation

Operating assets used for property and equipment acquisitions are accounted for as transfers from net assets without donor restrictions - operating to net assets without donor restrictions - property and equipment. Proceeds from the sale of property and equipment, if without donor restrictions, are transferred to operating net assets, or, if restricted, to the net assets that provided the cash to purchase the property and equipment.

Expenditures for property and equipment in excess of \$7,500 are capitalized. Purchased property and equipment are recorded at cost. Donated property and equipment are recorded at fair value at the date of receipt by GBLS. Renewals and betterments are capitalized, while repairs and maintenance are expensed.

Depreciation is computed using the straight-line method over estimated useful lives as follows:

	<u>Useful Lives</u>
Building and improvements	15 - 40 years
Furniture and fixtures	3 - 10 years

Land is not depreciated.

GBLS accounts for the carrying value of its property and equipment in accordance with ASC Topic, *Property, Plant, and Equipment*. There were no impairment loss recognized in fiscal years 2025 or 2024.

Greater Boston Legal Services, Inc.

Notes to Financial Statements

June 30, 2025 and 2024

2. Significant Accounting Policies (Continued)

Net Assets

Net assets without donor restrictions are those net resources that bear no external restrictions and are generally available for use by GBLS. GBLS has grouped its net assets without donor restrictions into the following categories:

- **Operating** represent amounts which bear no external restrictions and are available for operations.
- **Board Designated – Funds Functioning as Endowment** represent funds set aside by the Board of Directors to generate investment income over the long-term to cover operating expenses. These amounts may only be used with the approval of the Board of Directors. During the years ended June 30, 2025 and 2024, the Board voted to transfer \$1,250,000 and \$4,500,000, respectively, to the Board designated endowment (see Note 4).
- **Board Designated - Property and Equipment** represent amounts designated by the Board of Directors for future capital expenditures. These net assets may not be expensed for operations without the Board of Directors' approval.
- **Property and equipment** reflect and account for the activities relating to GBLS' property and equipment, net of related debt, if any.

Net assets with donor restrictions represent amounts received or committed with donor restrictions which have not yet been expended for their designated purpose or amounts restricted for use in future periods. These contributions are recorded as net assets with donor restrictions until they are expended for their designated purpose or as the time period lapses. When a donor restriction expires, that is, when a stipulated time restriction ends or a purpose restriction is accomplished, net assets with donor restrictions are reclassified as net assets without donor restrictions and are reported in the statements of activities and change in net assets as net assets released from restrictions. Net assets with donor restrictions also include appreciation, if any, on donor restricted endowments held in perpetuity in accordance with Massachusetts state law and GBLS's spending policy (see investment and investment return allocations and spending policy section of Note 2). When the restrictions on contributions are met in the same period that the contribution is received, the contribution is reported in the statements of activities and the statements of changes in net assets as net assets without donor restrictions.

Donor restricted endowments held in perpetuity represent amounts received from donors with the stipulation that the principal will be held in perpetuity and only the investment income and appreciation can be spent.

Revenue Recognition

In accordance with ASC Subtopic 958-605, *Revenue Recognition* (Topic 958), GBLS must determine whether a contribution (or a promise) is conditional or unconditional for transactions deemed to be a contribution. A contribution is considered to be a conditional contribution if an agreement includes a barrier that must be overcome and either a right of return of assets or a right of release of a promise to transfer assets exists.

Greater Boston Legal Services, Inc.

Notes to Financial Statements

June 30, 2025 and 2024

2. Significant Accounting Policies (Continued)

Revenue Recognition (Continued)

Indicators of a barrier include a measurable performance-related barrier or another measurable barrier, a stipulation that limits discretion by the recipient on the conduct of an activity, and stipulations that are related to the purpose of the agreement. Topic 958 prescribes that GBLS should not consider probability of compliance with the barrier when determining if such awards are conditional and should be reported as conditional grant advance liabilities until such conditions are met.

GBLS had significant conditional grants and contracts for the years ended June 30, 2025 and 2024 (see Note 12). Contributions and grants without donor restrictions are recognized as revenue when received or unconditionally pledged.

GBLS reports gifts of cash and other assets as support with donor restrictions if they are received with donor stipulations that limit the use of the donated assets. When a donor stipulated time restriction ends or purpose restriction is accomplished, net assets with donor restrictions are transferred to net assets without donor restrictions and reported in the statement of activities as net assets released from donor restrictions. Support without donor restrictions is recognized when received or unconditionally committed by the donor. Support with donor restrictions received and expended during the year is recorded as revenue and support without donor restrictions.

Contributions and promises include contributions and donations from Boston area law firms and corporate legal departments (approximately \$3,007,000 and \$2,860,000 for the years ended June 30, 2025 and 2024, respectively), other organizations and individuals. These contributions and promises are recognized as support when received or unconditionally pledged.

Massachusetts Legal Assistance Corporation (MLAC):

MLAC provides a significant portion of GBLS's grants and contracts revenue. MLAC is a nonprofit organization created by the Massachusetts Legislature to provide financial support for legal assistance programs. MLAC's distributions to GBLS and other legal assistance programs are funded by the federal state appropriations and interest earned on Lawyer Trust Accounts. During the years ended June 30, 2025 and 2024, GBLS was awarded \$17,835,598 and \$16,957,099, respectively, from MLAC. GBLS accounts for MLAC grant revenue as grant and contract revenue. Restricted MLAC funding of \$47,500 was received in each of the years ended June 30, 2025 and 2024, which is included in the aforementioned total award.

Greater Boston Legal Services, Inc.

Notes to Financial Statements

June 30, 2025 and 2024

2. Significant Accounting Policies (Continued)

Revenue Recognition (Continued)

Under GBLS's grant agreements with MLAC, GBLS agrees to follow MLAC's restrictions with respect to the use or disposition of net assets, records, equipment, supplies, or property purchased with MLAC funds. This will be applicable if GBLS's funding is terminated prior to the expected expiration date of the contract, or if GBLS ceases to receive funds from MLAC after the funding period.

GBLS established a fund using MLAC funding for the repayment of employee student loans. As of June 30, 2025 and 2024, the unused amount totaled \$138,868 and \$187,494, respectively. This amount is accounted for under ASC Topic 958 and is recorded as refundable advances in the accompanying statements of financial position as of June 30, 2025 and 2024, as the conditions for use had not been satisfied during the fiscal years ended June 30, 2025 and 2024.

Cost Reimbursable Grants and Contracts:

GBLS recognizes support from such sources when eligible costs are incurred. A receivable is recognized to the extent that contract support earned exceeds cash advances; conversely, contract cash advances exceeding eligible costs incurred are recorded as refundable advances.

GBLS receives a portion of its funding from the Commonwealth of Massachusetts and the Federal government under cost reimbursement contracts. Payments to GBLS are subject to audit by the appropriate government agencies. In the opinion of management, the results of such audits, if any, will not have a material effect on the financial position of GBLS as of June 30, 2025 and 2024, or on the results of its operations for the periods then ended.

Other Grants and Contracts:

GBLS recognizes income from other grant and contract sources as support ratably over the award period. Net assets remaining unused at the end of a period are carried as net assets with donor restrictions and released from restrictions to the operating net assets without donor restrictions as restrictions are satisfied.

Attorney Fees:

Attorney fees are amounts that GBLS receives for representing clients in various litigations. These amounts are paid by the defendant and are approved by the courts. Attorney fees are recognized under ASC 606, *Revenue from Contracts with Customers*, and generally consist of a single performance obligation to provide services. Agreements with clients do not contain variable consideration.

Greater Boston Legal Services, Inc.

Notes to Financial Statements

June 30, 2025 and 2024

2. Significant Accounting Policies (Continued)

Revenue Recognition (Continued)

GBLS evaluates its contract service revenue based on the five-step model under Topic 606:

- (1) Identify the contract with the customer;
- (2) Identify the performance obligations in the contract;
- (3) Determine the transaction price;
- (4) Allocate the transaction price to separate performance obligations; and
- (5) Recognize revenue when (or as) each performance obligation is satisfied.

GBLS does not charge its clients legal fees except in certain Social Security disability cases where permitted by the Social Security Administration and MLAC. Accordingly, attorney fees are recognized when awarded, which is also when the performance obligation is satisfied.

All other revenue is recognized when earned

Estimates

The preparation of financial statements in accordance with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimate.

Expense Allocation

Expenses related directly to a program are distributed to that program, while other expenses are allocated based upon management's estimate of the percentage attributable to each program.

Certain categories of expenses are attributable to more than one program or supporting function and are allocated on a reasonable basis that is consistently applied. The expenses that are allocated are salaries, payroll taxes and fringe benefits, occupancy, and depreciation, which are allocated based on management's estimate of time and level of effort.

Income Taxes

GBLS accounts for uncertainty in income taxes in accordance with ASC Topic, Income Taxes. This standard clarifies the accounting for uncertainty in tax positions and prescribes a recognition threshold and measurement attribute for the financial statements regarding a tax position taken or expected to be taken in a tax return. GBLS has determined that there are no uncertain tax positions which qualify for either recognition or disclosure in the financial statements at June 30, 2025 and 2024. GBLS's information returns are subject to examination by the Federal and state jurisdictions.

Greater Boston Legal Services, Inc.

Notes to Financial Statements

June 30, 2025 and 2024

2. Significant Accounting Policies (Continued)

Statements of Activities

Transactions deemed by management to be ongoing, major, or central to the provision of program services are reported as operating revenues and support and operating expenses in the accompanying statements of activities. Non-operating revenue consists of investment activity.

Donated Goods and Services

GBLS receives donated services which represent time spent by pro-bono attorneys, students and other individuals in the Boston area to help support the legal assistance programs. A significant amount of the services are provided by Boston area universities and law firms in relation to the programs that GBLS serves. GBLS values the services by using a fair-market value wage for an equivalent level position. Donated services are recognized as both support and expense in the accompanying statement of activities, and, as a result, do not affect net assets.

Subsequent Events

Subsequent events have been evaluated through November 10, 2025, which is the date the financial statements were available to be issued. There were no such events that met the criteria for recognition or disclosure in the financial statements.

3. Investments

GBLS maintains separate investment portfolios for net assets with donor restrictions, Board designated net assets - functioning as endowment, Board designated net assets - property and equipment, as well as operational resources. Investment income and appreciation earned on the donor restricted endowments are recorded as net assets with donor restrictions (see Note 2).

The following table presents GBLS' investments by level within the valuation framework (see Note 2) as of June 30:

	2025			
	Level 1	Level 2	Level 3	Total
Money market funds	\$ 6,791,446	\$ -	\$ -	\$ 6,791,446
Equities:				
U.S. large-cap	23,328,958	-	-	23,328,958
Fixed income:				
Corporate bonds	-	8,351,577	-	8,351,577
Exchange-traded funds:				
U.S. mid-cap	2,131,297	-	-	2,131,297
U.S. small-cap	1,127,181	-	-	1,127,181
Total	\$ 33,378,882	\$ 8,351,577	\$ -	\$ 41,730,459

Greater Boston Legal Services, Inc.

Notes to Financial Statements

June 30, 2025 and 2024

3. Investments (Continued)

	2024			
	Level 1	Level 2	Level 3	Total
Money market funds	\$ 5,758,522	\$ -	\$ -	\$ 5,758,522
Equities:				
U.S. large-cap	20,655,007	-	-	20,655,007
Fixed income:				
Corporate bonds	-	7,598,739	-	7,598,739
Exchange-traded funds:				
U.S. mid-cap	1,814,543	-	-	1,814,543
U.S. small-cap	1,077,783	-	-	1,077,783
Total	<u>\$ 29,305,855</u>	<u>\$ 7,598,739</u>	<u>\$ -</u>	<u>\$ 36,904,594</u>

Level 1 investments consist primarily of money market funds and publicly traded equities valued at quoted market prices in active markets.

Level 2 investments consist of corporate bonds valued using observable inputs other than quoted prices, such as interest rate yield curves, credit spreads, and quoted prices for similar assets in active markets.

Net gain on investments consists of the following for the year ended June 30:

	2025	2024
Net realized gain (loss) on the sale of investments	\$ 3,508,263	\$ (119,603)
Net unrealized gain (loss) on investments	(722,699)	3,825,844
Total	<u>\$ 2,785,564</u>	<u>\$ 3,706,241</u>

Investments are not insured and are subject to ongoing market fluctuations. Investments are presented as long-term in the accompanying statement of financial position based on management's intent or donor restrictions.

Greater Boston Legal Services, Inc.

Notes to Financial Statements

June 30, 2025 and 2024

4. Endowment

Changes in endowment net assets are as follows for the year ended June 30, 2025 and 2024:

Description	With Donor Restrictions				
	Without Donor Restrictions	Appreciation on Donor Restricted Endowments Held in Perpetuity	Donor Restricted Endowments Held in Perpetuity	Total With Donor Restrictions	Total
Endowment net assets, June 30, 2023	\$ 16,463,722	\$ 3,466,268	\$ 5,834,375	\$ 9,300,643	\$ 25,764,365
Investment return:					
Investment income, net	385,752	139,726	-	139,726	525,478
Net gain on investments	2,150,159	1,218,343	-	1,218,343	3,368,502
Total investment return	2,535,911	1,358,069	-	1,358,069	3,893,980
Subtotal	18,999,633	4,824,337	5,834,375	10,658,712	29,658,345
Net asset transfers (see Note 2)	4,500,000	(159,753)	-	(159,753)	4,340,247
Endowment net assets, June 30, 2024	\$ 23,499,633	\$ 4,664,584	\$ 5,834,375	\$ 10,498,959	\$ 33,998,592
Investment return:					
Investment income, net	534,394	176,169	-	176,169	710,563
Net gain on investments	1,659,547	898,529	-	898,529	2,558,076
Total investment return	2,193,941	1,074,698	-	1,074,698	3,268,639
Subtotal	25,693,574	5,739,282	5,834,375	11,573,657	37,267,231
Net asset transfers (see Note 2)	1,250,000	-	-	-	1,250,000
Endowment net assets, June 30, 2025	\$ 26,943,574	\$ 5,739,282	\$ 5,834,375	\$ 11,573,657	\$ 38,517,231

Greater Boston Legal Services, Inc.

Notes to Financial Statements

June 30, 2025 and 2024

5. Net Assets With Donor Restrictions

Net assets with donor restrictions are available for the following purposes as of June 30:

	<u>2025</u>	<u>2024</u>
Donor Restricted Endowments Held in Perpetuity		
Access to Justice Fund	\$ 2,900,296	\$ 2,900,296
Harmonix Stockholder's Endowment	2,417,631	2,417,631
Hennessey Fund	318,579	318,579
General Endowment	115,275	115,275
Marks Fund	82,594	82,594
Total Donor Restricted Endowments Held in Perpetuity	<u>5,834,375</u>	<u>5,834,375</u>
Program restricted - operations	844,184	821,476
Appreciation on donor restricted endowments held in perpetuity	5,739,282	4,664,584
Time restricted	2,123,334	3,031,901
Total net assets with donor restrictions	<u><u>\$ 14,541,175</u></u>	<u><u>\$ 14,352,336</u></u>

The Access to Justice Fund was established in 2001 to raise funds to support staff attorneys. No additional contributions were made to the fund during the year ended June 30, 2025 and 2024.

The Harmonix Stockholder's Endowment (Harmonix) was established in 2013 to support a community fellowship program. No additional contributions were made to the endowment during the years ended June 30, 2025 and 2024. During fiscal year 2024, \$159,753 was transferred from appreciation on Harmonix to operating net assets (see Note 4). No amounts were transferred from appreciation on Harmonix to operating net assets during fiscal year 2025.

The Hennessey Fund was established in 1990 to raise funds to endow an attorney position. No additional contributions were made to the fund during the years ended June 30, 2025 and 2024.

The Marks Fund was established in 2006 as a separately named fund, with the same purpose as the Access to Justice Fund. No additional contributions were made to the fund during the years ended June 30, 2025 and 2024.

Greater Boston Legal Services, Inc.

Notes to Financial Statements

June 30, 2025 and 2024

6. Grants, Pledges and Contracts Receivable

Grants, pledges and contracts receivable consist of amounts committed to GBLS for both without donor restricted and restricted purposes. These amounts are due as follows as of June 30:

	<u>2025</u>	<u>2024</u>
Due within one year	\$ 2,603,513	\$ 2,511,295
Due in one to five years	900,000	1,800,000
Total grants, pledges and contracts receivable	<u>\$ 3,503,513</u>	<u>\$ 4,311,295</u>

The discount on the pledges receivable has not been recorded as GBLS deems the amount immaterial to the financial statements as a whole.

7. Liquidity and Availability of Financial Assets

GBLS's financial assets without donor restrictions available within one year from the statement of financial position date for general operating expenses are as follows as of June 30:

	<u>2025</u>	<u>2024</u>
Financial assets available:		
Cash and cash equivalents without donor restrictions	\$ 10,325,507	\$ 7,816,804
Grants, pledges and contracts receivable without donor restrictions	1,703,513	1,611,295
Total financial assets available	<u>12,029,020</u>	<u>9,428,099</u>
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 12,029,020</u>	<u>\$ 9,428,099</u>

GBLS's endowment funds consist of donor restricted endowments held in perpetuity. Income from donor-restricted endowments held in perpetuity is restricted for specific purposes, and therefore, is not available for general expenditure. As described in Note 2, the endowment has a spending rate of up to 5%. As part of GBLS's liquidity management, it has a policy to structure its financial assets to be available as its general expenditures, liabilities and other obligations come due. To help manage unanticipated liquidity needs, GBLS has a line of credit available in the amount of \$2.5 million (see Note 10), which it could draw upon.

GBLS also has a board-designated endowment of \$26,943,574 and \$23,499,633 at June 30, 2025 and 2024, respectively. While GBLS has no current intention to draw upon these funds as they are meant for long-term strategic reserves, amounts from the board-designated endowment could be made available, if necessary, after Board approval.

Greater Boston Legal Services, Inc.

Notes to Financial Statements

June 30, 2025 and 2024

7. Liquidity and Availability of Financial Assets (Continued)

In addition to financial assets available to meet general expenditures over the next twelve months, GBLS operates anticipating collecting sufficient revenue to cover general expenditures not covered by donor-restricted resources. As of June 30, 2025 and 2024, the number of months of available financial assets is equal to approximately five and four months of operating expenses, respectively.

8. Property and Equipment and Depreciation

The historical costs of GBLS's property and equipment and related accumulated depreciation balances at June 30 were as follows:

	2025	2024
Machinery and equipment	\$ 1,363,636	\$ 1,363,635
Building and improvements	5,771,248	4,699,662
Leasehold improvements	3,503,275	2,875,349
Furniture and fixtures	221,899	221,899
Other depreciable and amortizable assets	55,965	55,965
Property, plant, and equipment, gross	10,916,023	9,216,510
Less accumulated depreciation and amortization	(6,375,683)	(6,148,618)
Property, plant, and equipment, net	\$ 4,540,340	\$ 3,067,892

Depreciation expense related to property, plant, and equipment was \$277,065 and \$206,450 for the years ended June 30, 2025 and 2024, respectively.

As of June 30, 2024, construction in process of \$1,071,586 consists of renovations of GBLS's building façade. This project was placed into service in August 2024.

9. Defined Contribution Plan

GBLS sponsors a defined contribution plan for its employees. All employees who have completed two years of service and have reached the age of 18 are eligible to participate in the plan. GBLS' Board of Directors, at its discretion, may annually elect to contribute to the plan. The plan allows for participant contributions. Amounts charged to expense for the defined contribution plan totaled \$504,936 and \$530,373 for the years ended June 30, 2025 and 2024, respectively. These contributions are included in payroll taxes and fringe benefits in the accompanying statements of functional expenses.

Greater Boston Legal Services, Inc.

Notes to Financial Statements

June 30, 2025 and 2024

10. Debt

GBLS has a \$2,500,000 revolving line of credit with a bank for its working capital needs. The line is collateralized by a first mortgage on GBLS's building. Interest under this line of credit bears interest at the bank's base lending rate (7.5% and 8.5% at June 30, 2025 and 2024, respectively) and is payable monthly. There were no borrowings outstanding under this line of credit at June 30, 2025 and 2024.

11. Collective Bargaining Agreements

GBLS has two collective bargaining agreements which expire on June 30, 2027. Approximately 75% of GBLS' employees are covered under these agreements.

12. Conditional Grants

GBLS has been awarded conditional commitments from various Federal and state agencies, as well as private donors, which contain funder-imposed conditions that represent a barrier that must be overcome as well as a release from obligations. GBLS recognizes related revenue from these government grants when funder-imposed conditions are substantially met (see Note 2). The funder-imposed conditions for these revenues include the requirement for GBLS to incur qualifying expenses. These commitments are not included in the accompanying financial statements. GBLS was also awarded a conditional grant for \$75,000 during fiscal year 2025. The grantor may renew the grant annually until the grantor has disbursed a maximum total of \$750,000 at its sole discretion. Since this grant is conditional upon the grantor having available funds, it is not reflected in the accompanying financial statements at June 30, 2025.

Total amounts committed by Federal and state agencies, but not recognized as of June 30, 2025 and 2024, amounted to \$1,978,668 and \$755,852, respectively.



50 Washington Street
Westborough, MA 01581
508.366.9100
aafcpa.com

November 10, 2025

To the Board of Directors and Management of
Greater Boston Legal Services, Inc.:

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements of Greater Boston Legal Services, Inc. (GBLS) as of and for the year ended June 30, 2025, we considered GBLS's internal control over financial reporting (internal control) as a basis for designing appropriate audit procedures in order to express an opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of GBLS's internal control. Accordingly, we do not express an opinion on the effectiveness of GBLS's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. In addition, because of inherent limitations in internal control, including the possibility of management override of controls, misstatements due to error or fraud may occur and not be detected by such controls.

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 GBLS's financial statements will not be prevented, or detected and corrected, on a timely basis.

No material weaknesses were identified in planning and performing our audit. However, material weaknesses may exist that have not been identified.

Restriction of Use

This letter is intended solely for the information and use of those charged with governance, management, the Board of Directors, Federal awarding agencies and pass-through entities, and others within Greater Boston Legal Services, Inc., and should not be, used by anyone other than these specified parties.

AAFCPA, Inc.

Westborough, Massachusetts

November 10, 2025