



**BOSTON HARBOR NOW, INC.**  
**FINANCIAL STATEMENTS**  
**MARCH 31, 2019 AND 2018**

Engineering Growth for More Than 30 Years

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To the Board of Directors  
Boston Harbor Now, Inc.  
Boston, Massachusetts

## **INDEPENDENT AUDITORS' REPORT**

We have audited the accompanying financial statements of Boston Harbor Now, Inc. (the Organization), which comprise the statements of financial position as of March 31, 2019 and 2018, and the related statements of activities, functional expenses and cash flows for the years then ended, and the related notes to the financial statements.

### ***Management's Responsibility for the Financial Statements***

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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.

### ***Auditors' Responsibility***

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the Organization's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### ***Opinion***

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Boston Harbor Now, Inc. as of March 31, 2019 and 2018, and the changes in its changes in net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

***Restatement to 2017 Financial Statements***

As discussed in Note 15 to the financial statements, net assets as of March 31, 2017 has been restated by recording a prior period adjustment to correct a misstatement. Our opinion is not modified with respect to this matter.

*Moody, Famiglietti & Andronico, LLP*

Moody, Famiglietti & Andronico, LLP  
Tewksbury, Massachusetts  
July 1, 2020

March 31	2019	2018
<b>Assets</b>		
Current Assets:		
Cash	\$ 1,257,653	\$ 780,266
Government Grants and Contracts Receivable	186,090	684,150
Current Portion of Contributions Receivable, Net of Allowance for Doubtful Accounts of \$50,000	774,001	881,559
Prepaid Expenses	12,599	25,727
Total Current Assets	2,230,343	2,371,702
Contributions Receivable, Net of Current Portion	-	585,000
Property and Equipment, Net of Accumulated Depreciation	8,982	16,749
Definite-Lived Intangible Assets, Net of Accumulated Amortization	72,355	14,222
<b>Total Assets</b>	<b>\$ 2,311,680</b>	<b>\$ 2,987,673</b>
<b>Liabilities and Net Assets</b>		
Current Liabilities:		
Line of Credit	\$ -	\$ -
Accounts Payable	72,052	330,079
Accrued Expenses	257,434	168,415
Deferred Revenue	-	1,162
Total Current Liabilities	329,486	499,656
Net Assets:		
Net Assets without Donor Restrictions	548,692	459,386
Net Assets with Donor Restrictions	1,433,502	2,028,631
Total Net Assets	1,982,194	2,488,017
<b>Total Liabilities and Net Assets</b>	<b>\$ 2,311,680</b>	<b>\$ 2,987,673</b>

**Statements of Activities**
**Boston Harbor Now, Inc.**
**For the Years Ended March 31**
**2019**
**2018**

	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
Operating Activities:						
Revenue and Other Support:						
Contributions	\$ 371,726	\$ 668,296	\$ 1,040,022	\$ 410,381	\$ 1,813,960	\$ 2,224,341
Government Grants and Contracts	788,349	-	788,349	962,428	-	962,428
Special Events, Net of Direct Benefit to Donor Costs	758,535	-	758,535	676,267	-	676,267
Donated Goods and Services	247,270	-	247,270	42,579	-	42,579
Program Service Fees	165,867	-	165,867	149,083	-	149,083
Interest Income	10,564	-	10,564	3,435	-	3,435
Net Assets Released from Restriction	1,263,425	(1,263,425)	-	1,356,580	(1,356,580)	-
<b>Total Revenue and Other Support</b>	<b>3,605,736</b>	<b>(595,129)</b>	<b>3,010,607</b>	<b>3,600,753</b>	<b>457,380</b>	<b>4,058,133</b>
Operating Expenses:						
Program Services:						
Public Programs and Park Operations	1,385,359	-	1,385,359	1,404,347	-	1,404,347
Harbor Policy	477,148	-	477,148	476,655	-	476,655
Park Promotion	309,524	-	309,524	219,904	-	219,904
<b>Total Program Services</b>	<b>2,172,031</b>	<b>-</b>	<b>2,172,031</b>	<b>2,100,906</b>	<b>-</b>	<b>2,100,906</b>
General and Administrative	775,276	-	775,276	738,635	-	738,635
Fundraising	569,123	-	569,123	564,748	-	564,748
<b>Total Operating Expenses</b>	<b>3,516,430</b>	<b>-</b>	<b>3,516,430</b>	<b>3,404,289</b>	<b>-</b>	<b>3,404,289</b>
(Decrease) Increase in Net Assets from Operations	89,306	(595,129)	(505,823)	196,464	457,380	653,844
Net Assets, Beginning of Year, as Originally Stated	459,386	2,028,631	2,488,017	186,476	1,372,738	1,559,214
Cumulative Effect of Prior Period Restatement	-	-	-	76,446	198,513	274,959
Net Assets, Beginning of Year, As Restated	459,386	2,028,631	2,488,017	262,922	1,571,251	1,834,173
Net Assets, End of Year	\$ 548,692	\$ 1,433,502	\$ 1,982,194	\$ 459,386	\$ 2,028,631	\$ 2,488,017

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

**Statements of Functional Expenses**
**Boston Harbor Now, Inc.**
**For the Year Ended March 31**
**2019**

	Program Services							
	Public Programs and Park Operations	Harbor Policy	Park Promotion	Total Program Services	General and Administrative	Fundraising	Total	
Salaries, Wages and Benefits	\$ 274,935	\$ 335,928	\$ 104,668	\$ 715,531	\$ 502,485	\$ 266,535	\$ 1,484,551	
Contract and Professional Fees	422,254	2,587	168,208	593,049	135,884	73,437	802,370	
Special Events	198,992	-	800	199,792	-	225,082	424,874	
Funded Public Programs	151,735	21,086	353	173,174	-	25	173,199	
Water Transportation	67,651	97,265	-	164,916	-	-	164,916	
Park and Harbor Improvements	106,860	-	-	106,860	-	-	106,860	
Project Expenses	79,898	-	-	79,898	-	-	79,898	
Information Technology	1,806	14,225	15,606	31,637	23,489	9,308	64,434	
Office Expense	6,853	1,803	3,571	12,227	20,299	16,207	48,733	
Pavilion	35,737	-	-	35,737	-	-	35,737	
Program Supplies and Materials	15,724	796	5,168	21,688	6,673	-	28,361	
Occupancy	2,850	-	-	2,850	25,480	-	28,330	
Travel and Transport	8,232	1,202	1,399	10,833	6,900	10,361	28,094	
Meals and Catering	8,162	952	646	9,760	9,730	3,865	23,355	
Insurance	-	-	-	-	18,940	-	18,940	
Depreciation and Amortization	-	-	-	-	16,300	-	16,300	
Advertising	3,670	-	8,248	11,918	20	972	12,910	
Dues and Subscriptions	-	444	282	726	4,399	2,690	7,815	
Other Expense	-	860	575	1,435	4,677	669	6,781	
Bad Debt Expense (Recoveries)	-	-	-	-	-	-	-	
Total Expenses	1,385,359	477,148	309,524	2,172,031	775,276	609,151	3,556,458	
Less: Expenses Included with Revenue on the Statements of Activities	-	-	-	-	-	40,028	40,028	
	\$ 1,385,359	\$ 477,148	\$ 309,524	\$ 2,172,031	\$ 775,276	\$ 569,123	\$ 3,516,430	

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

**Statements of Functional Expenses (Continued)**
**Boston Harbor Now, Inc.**
**For the Year Ended March 31**
**2018**

	Program Services							
	Public Programs and Park Operations	Harbor Policy	Park Promotion	Total Program Services	General and Administrative	Fundraising	Total	
Salaries, Wages and Benefits	\$ 411,534	\$ 275,988	\$ 123,584	\$ 811,106	\$ 353,411	\$ 207,448	\$ 1,371,965	
Contract and Professional Fees	556,280	20,964	72,315	649,559	32,674	39,370	721,603	
Special Events	105,509	-	3,035	108,544	526	272,879	381,949	
Funded Public Programs	162,040	11,493	-	173,533	39	2,754	176,326	
Water Transportation	4,747	157,604	-	162,351	215,942	-	378,293	
Park and Harbor Improvements	42,807	-	-	42,807	-	-	42,807	
Project Expenses	39,348	-	-	39,348	-	359	39,707	
Information Technology	396	-	1,746	2,142	23,037	8,171	33,350	
Office Expense	4,193	2,391	537	7,121	19,341	14,640	41,102	
Pavilion	48,496	-	-	48,496	-	-	48,496	
Program Supplies and Materials	16,535	768	6,398	23,701	493	968	25,162	
Occupancy	-	-	-	-	22,388	-	22,388	
Travel and Transport	6,596	2,483	318	9,397	3,935	3,252	16,584	
Meals and Catering	3,900	4,899	-	8,799	10,387	1,059	20,245	
Insurance	-	-	-	-	18,310	-	18,310	
Depreciation and Amortization	-	-	-	-	20,326	-	20,326	
Advertising	1,884	-	11,847	13,731	-	2,171	15,902	
Dues and Subscriptions	82	65	-	147	6,155	1,735	8,037	
Other Expense	-	-	124	124	11,671	5,000	16,795	
Bad Debt Expense (Recoveries)	-	-	-	-	-	45,000	45,000	
Total Expenses	1,404,347	476,655	219,904	2,100,906	738,635	604,806	3,444,347	
Less: Expenses Included with Revenue on the Statements of Activities	-	-	-	-	-	40,058	40,058	
	\$ 1,404,347	\$ 476,655	\$ 219,904	\$ 2,100,906	\$ 738,635	\$ 564,748	\$ 3,404,289	

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

For the Years Ended March 31	2019	2018
Cash Flows from Operating Activities:		
(Decrease) Increase in Net Assets	\$ (505,823)	\$ 653,844
Adjustments to Reconcile (Decrease) Increase in Net Assets to Net Cash		
Provided by (Used in) Operating Activities:		
Donated Definite-Lived Intangible Assets	(60,000)	-
Depreciation and Amortization	16,300	20,326
Bad Debt Expense	-	50,000
Decrease (Increase) in Contributions Receivable	692,558	(807,909)
Decrease (Increase) in Government Grants and Contracts Receivable	498,060	(575,214)
Decrease in Accounts Receivable	-	5,570
Decrease in Prepaid Expenses	13,128	8
(Decrease) Increase in Accounts Payable	(261,360)	299,158
Increase in Accrued Expenses	89,019	27,235
Decrease in Deferred Revenue	(1,162)	(1,576)
Net Cash Provided by (Used in) Operating Activities	480,720	(328,558)
Cash Flows from Investing Activities:		
Acquisition of Definite-Lived Intangible Assets	(3,333)	-
Acquisition of Property and Equipment	-	(11,800)
Net Cash Used in Investing Activities	(3,333)	(11,800)
Net Increase (Decrease) in Cash	477,387	(340,358)
Cash, Beginning of Year	780,266	1,120,624
Cash, End of Year	\$ 1,257,653	\$ 780,266
Supplemental Disclosure of Noncash Investing Activities:		
Donated Definite-Lived Intangible Assets	\$ 60,000	\$ -
Acquisition of Definite-Lived Intangible Assets included in Accounts Payable	\$ 3,333	\$ -



## 1. Organization and Summary of Significant Accounting Policies:

*Nature of Organization:* Boston Harbor Now, Inc. (the Organization) is a nonprofit organization incorporated on April 1, 2016 and is a result of a merger between The Boston Harbor Association, Inc. and Boston Harbor Island Alliance. The Organization envisions a vibrant, welcoming and resilient harbor that benefits everyone in the region. Working in partnership, the Organization focuses on access, activation and the resilience of Boston's waterfront, parks and public open spaces, including the Boston Harbor Islands National and State Park, HarborWalk and working port.

*Basis of Presentation:* The financial statements of the Organization have been prepared using the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America (GAAP). The Organization reports information regarding its financial position and activities according to the following net asset classifications:

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

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

*Fair Value Measurements:* The framework for measuring fair value provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The

three levels of the fair value hierarchy are described as follows:

Level 1 - Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Organization has the ability to access.

Level 2 - Inputs to the valuation methodology include:

- Quoted prices for similar assets or liabilities in active markets;
- Quoted prices for identical or similar assets or liabilities in inactive markets;
- Inputs other than quoted prices that are observable for the asset or liability; and
- Inputs that are derived principally from or corroborated by observable market data by correlation or other means.

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

Level 3 - Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

*Revenue Recognition:* Revenue is reported as increases in net assets without donor restrictions unless use of the related assets is limited by donor-imposed restrictions. Revenue represents amounts charged for program service fees. The Organization recognizes revenue when persuasive evidence of an agreement exists, delivery of the services has occurred, the fee is fixed or determinable and collectability is probably.

The Organization generates revenue from various services and programs. Revenue from these services and programs is recognized when the service is performed.

Government grants and contracts revenue is recognized as reimbursable expenses are incurred and upon meeting the legal and contractual requirements of the funding source.

Revenue related to special events is generally recognized when the event takes place.

## 1. Organization and Summary of Significant Accounting Policies (Continued):

*Special Events:* During the years ended March 31, 2019 and 2018, the Organization incurred fundraising expenses that directly benefited donors in the amount of \$40,028 and \$40,058, respectively. These direct benefit to donor costs have been included in special events, net of direct benefit to donor costs in the accompanying statements of activities.

*Contributions:* Contributions received are recorded as net assets without donor restrictions or net assets with donor restrictions, depending on the existence and/or nature of any donor-imposed restrictions. Donor restricted contributions are reported as an increase in net assets with donor restrictions, depending on the nature of the restriction. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statements of activities as net assets released from restrictions.

Contributed property and equipment are recorded at fair value at the date of donation. Contributions with donor-imposed stipulations regarding how long contributed assets must be used are recorded as net assets with donor restrictions. Otherwise, the contributions are recorded as net assets without donor restrictions.

Contributions of services are reported as revenue and expenses without donor restrictions at the fair value of the service received only if the services create or enhance a nonfinancial asset or would typically need to be purchased by the Organization if they had not been provided by contribution, require specialized skills, and are provided by individuals with those skills. Contributions of goods and space to be used in program operations are reported as revenue and expenses without donor restrictions at the time the goods or space is received.

*Government Grants and Contracts Receivable:* Government grants and contracts receivable are carried at original invoice amount less an estimate made for doubtful receivables. Management determines the allowance for doubtful accounts by identifying troubled contracts and by using historical experience applied to an aging of accounts. Government grants and contracts receivable are written off when deemed uncollectible. Recoveries of

government grants and contracts receivable previously written off are recorded when received.

*Contributions Receivable:* Unconditional promises to give that are expected to be collected within one year are recorded at net realizable value. Unconditional promises to give that are expected to be collected in future years are recorded at present value of their estimated future cash flows. The discounts on those amounts are computed using risk-adjusted interest rates applicable to the years in which the promises are received. Discount amortization is included in contribution revenue. Conditional promises to give are not included as support until the conditions are met.

*Cash:* The Organization maintains its cash in bank deposit accounts, which, at times, may exceed federally insured limits. The Organization has not experienced any losses in such accounts, and believes it is not exposed to any significant credit risk on cash.

*Deferred Revenue:* Deferred revenue represents billings for which the aforementioned revenue recognition criteria have not been met.

*Concentrations of Credit Risk:* Financial instruments that potentially subject the Organization to concentration of credit risk consist primarily of cash, contributions receivable, and government grants and contracts receivable. The Organization maintains its cash with high-credit quality financial institutions. The Organization believes it is not exposed to any significant losses due to credit risk on cash. Contributions receivable, and government grants and contracts receivable are carried at the outstanding principal balance, less an estimate for allowance for uncollectible receivables based upon management's judgment of potential defaults. Management determines the allowance for doubtful accounts by identifying troubled receivables balances and by using an assessment of the donor's or government payor's credit worthiness. As of March 31, 2019 and 2018, management has recorded an allowance for doubtful accounts in the amount of \$50,000.

*Property and Equipment:* Property and equipment are recorded at cost on the date of acquisition. Depreciation is computed using the straight-line method over the estimated useful lives of the related assets, as follows:

Equipment	3 - 5 Years
Furniture and Fixtures	5 Years

**1. Organization and Summary of Significant Accounting Policies (Continued):**

*Definite-Lived Intangible Assets:* Definite-lived intangible assets consist of website development costs. The Organization accounts for amortization using the straight-line method over the related asset's estimated useful life of three years.

*Impairment of Long-Lived Assets:* It is required that long-lived assets, including purchased intangible assets with finite lives, be reviewed for possible impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Recoverability of assets to be held and used is measured by a comparison of the carrying amount of an asset to future undiscounted net cash flows expected to be generated by the asset. 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 fair value of the assets. As of March 31, 2019 and 2018, the Organization has determined that there have been no significant events or changes in circumstances that would trigger impairment testing of the Organization's long-lived assets.

*Functional Allocation of Expenses:* The costs of providing the Organization's program and other activities have been summarized on a functional basis in the statements of activities. Expenses related directly to program activities or supporting services are charged directly to that function while other expenses that are common to several functions are allocated based on management's estimates, among major classes of programs activities and supporting services.

Salaries, wages and benefits have been allocated based upon time and effort.

*Income Taxes:* The Organization is a nonprofit Organization as described in Section 501(c)(3) of the Internal Revenue Code and is exempt from federal and state income taxes on trade or business profits

generated by activities related to the Organization's exempt function. The Organization may be subject to federal and state income taxes for profits generated from trade or business activities unrelated to the Organization's exempt function. As of March 31, 2019 and 2018, management believes that the Organization has not generated any unrelated business taxable income.

The Organization assesses the recording of uncertain tax positions by evaluating the minimum recognition threshold and measurement requirements a tax position must meet before being recognized as a benefit in the financial statements. The Organization's policy is to recognize interest and penalties accrued on any uncertain tax positions as a component of income tax expense, if any, in its statements of activities.

*Use of Estimates:* Management has used estimates and assumptions relating to the reporting of assets and liabilities and the disclosure of contingent assets and liabilities in its preparation of the financial statements in accordance GAAP. Actual results experienced by the Organization may differ from those estimates.

*Subsequent Events:* Management has evaluated subsequent events spanning the period from March 31, 2019 through July 1, 2020, the latter representing the issuance date of these financial statements.

*Recently Adopted Accounting Policies:* On August 18, 2016, FASB issued ASU 2016-14, Not-for-Profit Entities (Topic 958) - *Presentation of Financial Statements of Not-for-Profit Entities*. The update addresses the complexity and understandability of net asset classifications, deficiencies in information about liquidity and the availability of resources, and the lack of consistency in the type of information provided about expenses and investment return. The Organization has adjusted the presentation of these financial statements accordingly. ASU 2016-14 has been applied retrospectively to all periods presented.

**2. Availability and Liquidity:**

The following reflects the Organization's financial assets as of March 31, 2019 and 2018, reduced by amounts not available for general use within one year of March 31, 2019 and 2018 due to contractual or donor-imposed restrictions.

Financial Assets at End of Year:	2019	2018
Cash	\$ 1,257,653	\$ 780,266
Government Grants and Contracts Receivable	186,090	684,150
Contributions Receivable, Net of Allowance for Doubtful Accounts of \$50,000	774,001	1,466,559
Total Financial Assets at End of Year	2,217,744	2,930,975
Less: Amounts Unavailable for General Expenditures within One Year:		
Due to Contractual or Donor-Imposed Restriction:		
Restricted by Donor with Time or Purpose Restrictions	1,433,502	2,028,631
Financial Assets Available to Meet Cash Needs for General Expenditures over the Next 12 Months	\$ 784,242	\$ 902,344

As part of the Organization's liquidity management, it has a policy to structure its financial assets to be available as its general expenditures, liabilities and other obligations may come due.

**3. Property and Equipment:**

Property and equipment as of March 31, 2019 and 2018 consist of the following:

	2019	2018
Equipment	\$ 32,135	\$ 32,135
Furniture and Fixtures	20,652	20,652
	<u>52,787</u>	<u>52,787</u>
Less: Accumulated Depreciation	43,805	36,038
	<u>\$ 8,982</u>	<u>\$ 16,749</u>

Depreciation expense for the years ended March 31, 2019 and 2018 amounted to \$7,767 and \$11,793, respectively.

**4. Contributions Receivable:**

Contributions receivable as of March 31, 2019 and 2018 consists of the following:

	2019	2018
Receivable in Less than One Year	\$ 774,001	\$ 881,559
Receivable in One to Five Years	-	585,000
	<u>\$ 774,001</u>	<u>\$ 1,466,559</u>

Long-term contributions receivable have been discounted by the Organization using a risk adjusted rate based on the daily treasury yield curves. As of March 31, 2018, the discount on long-term contributions receivable was deemed to be immaterial.

**5. Definite-Lived Intangible Assets:**

As of March 31, 2019 and 2018, definite-lived intangible assets consist of the following:

	2019	
	Cost	Accumulated Amortization
Website	<u>\$ 92,265</u>	<u>\$ 39,910</u>
	2018	
	Cost	Accumulated Amortization
Website	<u>\$ 25,599</u>	<u>\$ 11,377</u>

Future amortization expense related to definite-lived intangible assets as of March 31, 2019 is as follows:

**Year Ending****March 31,**

2020	\$ 27,911
2021	22,222
2022	<u>22,222</u>
	<u>\$ 72,355</u>

Amortization expense for each of the years ended March 31, 2019 and 2018 amounted to \$8,533

**6. Line of Credit:**

The Organization is party to a revolving line of credit agreement with a bank for maximum borrowings of 95% of cash on deposit with the financial institution (equal to \$71,649 as of March 31, 2019). The line of credit bears interest at the bank's prime rate (5.50% at March 31, 2019), and is collateralized by the cash on deposit with the financial institution. As of March 31, 2019 and 2018, no amounts were outstanding on the line of credit.

**7. Net Assets with Donor Restrictions:**

Net assets with donor restrictions as of March 31, 2019 and 2018 consist of the following:

	2019	2018
Subject to Expenditure for Specified Purpose:		
Water Transportation	\$ 265,249	\$ 330,000
Park Promotion and Programs on the Islands	254,947	250,060
Harbor Park Pavilion	233,029	259,405
Massachusetts Department of Conservation and Recreation (DCR) Capital Projects	105,342	105,342
Fort Point Neighborhood Association	83,898	75,000
City of Boston - Spectacle Island	83,493	47,063
Fireworks	50,215	23,302
Park Improvements and Maintenance	49,981	17,101
City of Boston - Community Preservation	48,720	-
Massachusetts Department of Environmental Protection (DEP) - Access	36,103	36,103
Peddocks Improvements	33,036	39,708
Mazzone Funds	24,547	24,547
National Park Service Internal Project	21,926	14,617
Friends of HarborWalk	21,572	37,525
Waterfront Programming	21,110	19,450
Communications Strategy and Website Consulting	15,000	15,000
DCR Vessel Pier and Float Maintenance	8,615	16,612
Vessel Pier and Float Maintenance	3,594	3,594
DCR Programming and Marketing	3,125	1,625
Climate Change and Preparedness	-	125,000
Marine Debris Removal	-	2,577
Total Purpose Restrictions	1,363,502	1,443,631
Subject to Passage of Time	70,000	585,000
Total Net Assets with Donor Restrictions	\$ 1,433,502	\$ 2,028,631

**8. Net Assets Released from Restriction:**

Net assets were released from donor restrictions by incurring expenses satisfying the restricted purposes specified by donors or by the passage of time. Net assets released from restriction during the years ended March 31, 2019 and 2018 consist of the following:

	2019	2018
Release of Time Restriction	\$ 600,000	\$ 825,000
Climate Change and Preparedness	125,000	125,000
Park Promotion and Programs on the Island	123,315	113,594
Fireworks	104,518	71,729
Water Transportation	89,751	-
Stone Living Lab	65,000	-
Marine Debris Removal	37,576	34,999
Harbor Park Pavilion	26,376	44,943
Friends of the HarborWalk	22,816	14,825
DCR Vessel Pier and Float Maintenance	18,167	57,589
Fort Point Neighborhood Association	16,102	-
Waterfront Programming	15,339	3,660
National Park Service Internal Project	11,691	8,787
Peddocks Improvements	6,674	7,596
Park Improvements and Maintenance	1,100	8,164
DEP - Access	-	21,493
City of Boston - Spectacle Island	-	18,950
DCR Capital Projects	-	251
	<u>\$ 1,263,425</u>	<u>\$ 1,356,580</u>

**9. Donated Goods and Services:**

During the years ended March 31, 2019 and 2018, donated goods and services consisted of the following:

	2019	2018
Professional Services	\$ 150,000	\$ -
Special Events	67,855	42,579
Park and Harbor		
Improvements	28,000	-
Other	1,415	-
	<u>\$ 247,270</u>	<u>\$ 42,579</u>

**10. Operating Leases:**

The Organization leases office space in Boston, Massachusetts. During the years ended March 31, 2019 and 2018, rent expense incurred under this agreement amounted to \$26,680 and \$22,388, respectively.

Future minimum lease payments due under these noncancelable lease agreements as of March 31, 2019 are as follows:

**Year Ending****March 31,**

2020

\$ 28,403**11. Retirement Plan:**

The Organization sponsors a defined contribution plan covering substantially all of its employees who meet certain eligibility requirements. The Organization, at the discretion of the Board of Directors, may make contributions to the plan. During the years ended March 31, 2019 and 2018, the Organization made contributions to the plan of \$27,564 and \$25,977, respectively.

**12. Economic Dependency:**

During the years ended March 31, 2019 and 2018, the Organization generated a substantial portion of its revenues from one source. Revenues from this source approximated 18% and 22% of the Organization's total revenues during the years ended March 31, 2019 and 2018, respectively. As of March 31, 2019 and 2018,

contributions receivable from two donors represented approximately 84% and 82%, respectively, of the Organization's total contributions receivable.

**13. Indemnifications:**

In the ordinary course of business, the Organization enters into various agreements containing standard indemnification provisions. The Organization's indemnification obligations under such provisions are typically in effect from the date of execution of the applicable agreement through the end of the applicable statute of limitations. The aggregate maximum potential future liability of the Organization under such indemnification provisions is uncertain. As of March 31, 2019 and 2018, no amounts have been accrued related to such indemnification provisions.

**14. Subsequent Events:**

*COVID-19:* On January 30, 2020, the World Health Organization (WHO) announced an international public health emergency related to the COVID-19 outbreak. In March 2020, the WHO classified the COVID-19 outbreak as a pandemic, based on the rapid increase in exposure globally. The impact of the COVID-19 outbreak has resulted in economic uncertainties. The extent to which the Organization's financial results will be affected cannot be reasonably estimated at this time.

*CARES Act:* On March 27, 2020, the Coronavirus Aid, Relief and Economic Security (CARES) Act was enacted and signed into law providing certain aid and stimulus to the U.S. economy. The Organization qualifies as a small business under the CARES Act and submitted a loan application for funding under the Paycheck Protection Program (PPP). On April 30, 2020, the Organization's application was approved and as a result the Organization obtained a loan in the amount of \$195,100. The PPP loan is eligible to be forgiven provided the Organization satisfies certain conditions. The PPP loan bears fixed interest at 1.00% per annum, and matures two years from the origination date of the loan. Payments on the PPP loan are deferred for the initial six months, followed by equal payments of principal and interest in an amount sufficient to repay any portion of the PPP loan balance not forgiven under the terms of the PPP.



**15. Prior Period Restatement:**

During the year ended March 31, 2018, the Organization became aware of certain restatements to the March 31, 2017 net asset balances of the Organization. These restatements are attributable to errors in calculating cash, restricted cash, accounts payable and accrued expenses, deferred revenue and agency funds held as of March 31, 2017. The effect of the correction on each financial statement line item affected as of March 31, 2017 is as follows:

	As Previously Reported	Prior Period Adjustments	As Restated
Cash	\$ 1,096,097	\$ 24,527	\$ 1,120,624
Restricted Cash	\$ 24,527	\$ (24,527)	\$ -
Government Contracts Receivable	\$ 93,230	\$ 15,706	\$ 108,936
Accounts Payable and Accrued Expenses	\$ 169,494	\$ 2,541	\$ 172,035
Deferred Revenue	\$ 240,005	\$ (237,267)	\$ 2,738
Agency Funds Held	\$ 24,527	\$ (24,527)	\$ -
Net Assets without Donor Restrictions	\$ 186,476	\$ 76,446	\$ 262,922
Net Assets with Donor Restrictions	\$ 1,372,738	\$ 198,513	\$ 1,571,251

The effects of these prior period restatements on the Organization's net asset balance as of March 31, 2017 are as follows:

	Net Assets without Donor Restrictions	Net Assets with Donor Restrictions	Total
Net Assets as of March 31, 2017, as Previously Stated	\$ 186,476	\$ 1,372,738	\$ 1,559,214
Effect of Prior Period Restatements:			
Government Contracts Receivable	15,706	-	15,706
Deferred Revenue	-	237,267	237,267
Net Assets Released from Restrictions	63,281	(63,281)	-
Agency Funds Held	-	24,527	24,527
Accounts Payable and Accrued Expenses	(2,541)	-	(2,541)
Cumulative Effect of Prior Period Restatements	76,446	198,513	274,959
Net Assets as of March 31, 2017, Restated	\$ 262,922	\$ 1,571,251	\$ 1,834,173



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