

BOSTON HARBOR NOW, INC.
FINANCIAL STATEMENTS
MARCH 31, 2021 AND 2020

Engineering Growth for More Than 30 Years

Business Consulting | Financial Advisory | Strategic Intelligence



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, 2021 and 2020, 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, 2021 and 2020, 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.

A handwritten signature in cursive script that reads "Moody, Famiglietti & Andronico, LLP".

Moody, Famiglietti & Andronico, LLP
Tewksbury, Massachusetts
October 5, 2021

March 31	2021	2020
Assets		
Current Assets:		
Cash	\$ 1,518,114	\$ 925,539
Investments	59,873	35,394
Government Grants and Contracts Receivable	146,263	404,553
Current Portion of Contributions Receivable	976,000	644,872
Prepaid Expenses	46,038	6,044
Total Current Assets	2,746,288	2,016,402
Contributions Receivable, Net of Current Portion	350,000	625,000
Property and Equipment, Net of Accumulated Depreciation	24,220	32,609
Definite-Lived Intangible Assets, Net of Accumulated Amortization	35,365	46,759
Total Assets	\$ 3,155,873	\$ 2,720,770
Liabilities and Net Assets		
Current Liabilities:		
Line of Credit	\$ -	\$ -
Accounts Payable	93,357	63,753
Accrued Expenses	204,560	251,467
Deferred Revenue	-	25,956
Total Current Liabilities	297,917	341,176
Long-Term Debt – Paycheck Protection Program	239,945	-
Total Liabilities	537,862	341,176
Net Assets:		
Net Assets without Donor Restrictions	(51,865)	17,237
Net Assets with Donor Restrictions	2,669,876	2,362,357
Total Net Assets	2,618,011	2,379,594
Total Liabilities and Net Assets	\$ 3,155,873	\$ 2,720,770

Statements of Activities

Boston Harbor Now, Inc.

For the Years Ended March 31

2021

2020

	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
Operating Activities:						
Revenue and Other Support:						
Contributions	\$ 712,451	\$ 1,665,424	\$ 2,377,875	\$ 624,784	\$ 1,777,781	\$ 2,402,565
Government Grants and Contracts	889,563	-	889,563	659,835	-	659,835
Special Events, Net of Direct Benefit to Donor Costs	440,817	-	440,817	826,544	-	826,544
Program Service Fees	47,954	-	47,954	236,085	-	236,085
Donated Goods and Services	10,240	-	10,240	102,498	-	102,498
Interest Income	3,008	-	3,008	402	-	402
Net Assets Released from Restriction	1,357,905	(1,357,905)	-	848,926	(848,926)	-
Total Revenue and Other Support	3,461,938	307,519	3,769,457	3,299,074	928,855	4,227,929
Operating Expenses:						
Program Services:						
Public Programs and Park Operations	1,721,881	-	1,721,881	1,538,319	-	1,538,319
Harbor Policy	350,340	-	350,340	301,449	-	301,449
Park Promotion	429,264	-	429,264	330,091	-	330,091
Total Program Services	2,501,485	-	2,501,485	2,169,859	-	2,169,859
General and Administrative	707,681	-	707,681	975,552	-	975,552
Fundraising	538,355	-	538,355	692,452	-	692,452
Total Operating Expenses	3,747,521	-	3,747,521	3,837,863	-	3,837,863
(Decrease) Increase in Net Assets from Operations	(285,583)	307,519	21,936	(538,789)	928,855	390,066
Nonoperating Activities:						
Gain on Extinguishment of Long-Term Debt - Paycheck Protection Program	195,100	-	195,100	-	-	-
Investment Income, Net	21,381	-	21,381	7,334	-	7,334
Total Nonoperating Activities	216,481	-	216,481	7,334	-	7,334
(Decrease) Increase in Net Assets	(69,102)	307,519	238,417	(531,455)	928,855	397,400
Net Assets, Beginning of Year	17,237	2,362,357	2,379,594	548,692	1,433,502	1,982,194
Net Assets, End of Year	\$ (51,865)	\$ 2,669,876	\$ 2,618,011	\$ 17,237	\$ 2,362,357	\$ 2,379,594

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

For the Year Ended March 31

2021

	Program Services							Total
	Public Programs and Park Operations	Harbor Policy	Park Promotion	Total Program Services	General and Administrative	Fundraising		
Salaries, Wages and Benefits	\$ 708,191	\$ 283,871	\$ 303,298	\$ 1,295,360	\$ 265,508	\$ 373,614	\$ 1,934,482	
Contract and Professional Fees	434,644	61,621	76,678	572,943	320,564	100,842	994,349	
Park and Harbor Improvements	448,817	-	-	448,817	-	-	448,817	
Program Supplies and Materials	41,445	123	217	41,785	-	25,448	67,233	
Office Expense	7,724	1,369	3,733	12,826	9,057	26,862	48,745	
Occupancy	20,872	-	-	20,872	26,323	-	47,195	
Information Technology	9,608	2,734	10,022	22,364	16,139	4,678	43,181	
Depreciation and Amortization	-	-	-	-	36,083	-	36,083	
Water Transportation	32,616	234	-	32,850	-	-	32,850	
Insurance	7,515	-	-	7,515	19,154	-	26,669	
Advertising	-	-	24,729	24,729	-	-	24,729	
Other Expense	2,550	100	5,786	8,436	8,028	1,109	17,573	
Dues and Subscriptions	5,071	120	2,204	7,395	4,343	5,488	17,226	
Travel and Transport	487	94	2,075	2,656	627	145	3,428	
Special Events	2,274	-	522	2,796	-	16	2,812	
Meals and Catering	67	74	-	141	1,855	153	2,149	
Project Expenses	-	-	-	-	-	-	-	
Pavilion	-	-	-	-	-	-	-	
Funded Public Programs	-	-	-	-	-	-	-	
Bad Debt Expense	-	-	-	-	-	-	-	
Total Expenses	1,721,881	350,340	429,264	2,501,485	707,681	538,355	3,747,521	
Less: Expenses Included with Revenue on the Statements of Activities	-	-	-	-	-	-	-	
	\$ 1,721,881	\$ 350,340	\$ 429,264	\$ 2,501,485	\$ 707,681	\$ 538,355	\$ 3,747,521	

For the Year Ended March 31

2020

	Program Services							Total
	Public Programs and Park Operations	Harbor Policy	Park Promotion	Total Program Services	General and Administrative	Fundraising		
Salaries, Wages and Benefits	\$ 376,910	\$ 239,595	\$ 155,920	\$ 772,425	\$ 643,962	\$ 375,192	\$ 1,791,579	
Contract and Professional Fees	128,398	57,875	88,767	275,040	124,222	66,134	465,396	
Park and Harbor Improvements	19,990	-	-	19,990	37,001	-	56,991	
Program Supplies and Materials	48,812	400	18,081	67,293	18	51	67,362	
Office Expense	19,599	509	8,656	28,764	15,554	8,052	52,370	
Occupancy	46	-	-	46	24,675	-	24,721	
Information Technology	11,658	-	11,115	22,773	4,884	20	27,677	
Depreciation and Amortization	-	-	-	-	39,312	-	39,312	
Water Transportation	101,292	-	-	101,292	-	-	101,292	
Insurance	25,744	-	-	25,744	-	-	25,744	
Advertising	4,516	-	29,277	33,793	-	-	33,793	
Other Expense	2,475	-	4,274	6,749	10,811	972	18,532	
Dues and Subscriptions	119	495	6,664	7,278	3,931	10,214	21,423	
Travel and Transport	32,376	1,919	340	34,635	3,678	18,427	56,740	
Special Events	193,460	656	5,846	199,962	7,980	285,440	493,382	
Meals and Catering	2,280	-	-	2,280	3,403	133	5,816	
Project Expenses	41,808	-	-	41,808	-	-	41,808	
Pavilion	17,349	-	501	17,850	-	-	17,850	
Funded Public Programs	511,487	-	650	512,137	35,211	1,780	549,128	
Bad Debt Expense	-	-	-	-	20,910	-	20,910	
Total Expenses	1,538,319	301,449	330,091	2,169,859	975,552	766,415	3,911,826	
Less: Expenses Included with Revenue on the Statements of Activities	-	-	-	-	-	73,963	73,963	
	\$ 1,538,319	\$ 301,449	\$ 330,091	\$ 2,169,859	\$ 975,552	\$ 692,452	\$ 3,837,863	

For the Years Ended March 31	2021	2020
Cash Flows from Operating Activities:		
Increase in Net Assets	\$ 238,417	\$ 397,400
Adjustments to Reconcile Increase in Net Assets to Net Cash Provided by (Used in) Operating Activities:		
Depreciation and Amortization	36,083	39,313
Bad Debt Expense	-	20,910
Net Realized and Unrealized Gains on Investments	(19,263)	(698)
Gain on Extinguishment of Long-Term Debt - Paycheck Protection Program	(195,100)	-
Decrease (Increase) in Government Grants and Contracts Receivable	258,290	(239,373)
Increase in Contributions Receivable	(56,128)	(495,871)
(Increase) Decrease in Prepaid Expenses	(39,994)	6,555
Increase (Decrease) in Accounts Payable	29,604	(8,299)
Decrease in Accrued Expenses	(46,907)	(5,967)
(Decrease) Increase in Deferred Revenue	(25,956)	25,956
Net Cash Provided by (Used in) Operating Activities	179,046	(260,074)
Cash Flows from Investing Activities:		
Acquisition of Definite-Lived Intangible Assets	(16,300)	(3,334)
Purchase of Investments	(5,216)	-
Acquisition of Property and Equipment	-	(34,010)
Net Cash Used in Investing Activities	(21,516)	(37,344)
Net Cash Provided by Financing Activities:		
Borrowings from Long-Term Debt - Paycheck Protection Program	435,045	-
Net Increase (Decrease) in Cash	592,575	(297,418)
Cash, Beginning of Year	925,539	1,222,957
Cash, End of Year	\$ 1,518,114	\$ 925,539

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). Any reference in these notes to applicable guidance is meant to refer to the authoritative United States generally accepted accounting principles as found in the Accounting Standards Codification (ASC) and Accounting Standards Update (ASU) of the Financial Accounting Standards Board (FASB).

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 derived from program service fees, grant revenue, special events, contributions and service and cost reimbursement contracts.

Revenue is recognized when control of the goods and services provided is transferred to the Organization's customers and in an amount that reflects the consideration the Organization expects to be entitled to in exchange for those goods and services using the following steps: 1) identification of the contract, or contracts with a customer, 2) identification of performance obligations in the contract, 3) determination of the transaction price, 4) allocation of the transaction price to the performance obligations in the contract and 5) recognition of revenue when or as the Organization satisfies the performance obligations.

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

The Organization generates revenue from various services and programs and recognizes the corresponding revenue when the service is performed. Revenue related to special events is generally recognized when the event takes place.

The Organization typically invoices its customers as services are provided. Typical payment terms provide that customers pay upon receipt of the invoice.

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.

The Organization must determine whether a contribution (or a promise to give) 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. Indicators of a barrier include measurable performance related barrier or other measurable barriers, 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. The Organization cannot 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.

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.

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

Contract Balances: The Organization's contract balances, resulting from contracts with customers, include deferred revenue.

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

Special Events: During the years ended March 31, 2020, the Organization incurred fundraising expenses that directly benefited donors in the amount of \$73,963. 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. During the year ended March 31, 2021, the Organization incurred no such expenses.

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.

Investments and Investment Income: The Organization's investments are reported at fair value as of the date of the statements of financial position. Realized and unrealized gains and losses are reflected in the accompanying statements of activities.

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

Investment income or loss on investments (including realized and unrealized gains and losses on investments, interest and dividends) is included in net assets without donor restrictions unless the income or loss is restricted by donor or law.

Concentrations of Credit Risk: Financial instruments that potentially subject the Organization to concentration of credit risk consist primarily of cash, government grants and contracts receivable, and contributions 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, 2021 and 2020, management has determined all receivables are collectible and an allowance for doubtful accounts is not necessary.

Other Risks and Uncertainties: Due to the level of risk associated with certain investment securities and the level of uncertainty related to changes in the value of investment securities, it is at least reasonably possible that changes in the values of the investment securities will occur in the near term and that such changes could materially affect the amounts reported in the statements of financial position.

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

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, 2021 and 2020, 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 services or supporting activities are charged directly while other expenses that are common to several functions are allocated based on management's estimates, among major classes of programs services and supporting activities.

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, 2021 and 2020, 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.

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

The Organization has not recognized any liabilities for uncertain tax positions or unrecognized benefits as of March 31, 2021 and 2020. The Organization does not expect any material change in uncertain tax benefits within the next 12 months.

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 with 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, 2021 through October 5, 2021, the latter representing the issuance date of these financial statements.

2. Availability and Liquidity:

The following reflects the Organization's financial assets as of March 31, 2021 and 2020, reduced by amounts not available for general use within one year of March 31, 2021 and 2020 due to contractual or donor-imposed restrictions.

Financial Assets at End of Year:	2021	2020
Cash	\$ 1,518,114	\$ 925,539
Government Grants and Contracts Receivable	146,263	404,553
Investments	59,873	35,394
Contributions Receivable	1,326,000	1,269,872
Total Financial Assets at End of Year	3,050,250	2,635,358
Less: Amounts Unavailable for General Expenditures within One Year:		
Due to Contractual or Donor-Imposed Restriction:		
Restricted by Donor with Time or Purpose Restrictions	2,669,876	2,362,357
Financial Assets Available to Meet Cash Needs for General Expenditures over the Next 12 Months	\$ 380,374	\$ 273,001

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. Investments:

Investments as of March 31, 2021 and 2020 consist of common stock valued using Level 1 inputs.

For the years ended March 31, 2021 and 2020, net investment income consists of the following:

	2021	2020
Interest and Dividends	\$ 2,118	\$ 6,636
Investment Fees	19,263	698
	<u>\$ 21,381</u>	<u>\$ 7,334</u>

4. Property and Equipment:

Property and equipment as of March 31, 2021 and 2020 consist of the following:

	2021	2020
Equipment	\$ 46,145	\$ 46,145
Furniture and Fixtures	40,652	40,652
	<u>86,797</u>	<u>86,797</u>
Less: Accumulated Depreciation	62,577	54,188
	<u>\$ 24,220</u>	<u>\$ 32,609</u>

Depreciation expense for the years ended March 31, 2021 and 2020 amounted to \$8,389 and \$10,383, respectively.

5. Contributions Receivable:

Contributions receivable as of March 31, 2021 and 2020 consists of the following:

	2021	2020
Receivable in Less than One Year	\$ 976,000	\$ 644,872
Receivable in One to Five Years	350,000	625,000
	<u>1,326,000</u>	<u>1,269,872</u>
	<u>\$ 1,326,000</u>	<u>\$ 1,269,872</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, 2021, the discount on long-term receivables was deemed to be immaterial to the financial statements.

6. Definite-Lived Intangible Assets:

As of March 31, 2021 and 2020, definite-lived intangible assets consist of the following:

	2021	
	Cost	Accumulated Amortization
Website	<u>\$ 111,899</u>	<u>\$ 76,534</u>
	2020	
	Cost	Accumulated Amortization
Website	<u>\$ 95,599</u>	<u>\$ 48,840</u>

Amortization expense during years ended March 31, 2021 and 2020 amounted to \$27,694 and \$28,930, respectively.

Future amortization expense related to definite-lived intangible assets as of March 31, 2021 is as follows:

Year Ending	
<u>March 31,</u>	
2022	\$ 28,766
2023	5,526
2024	1,073
	<u>\$ 35,365</u>

7. 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 \$96,564 as of March 31, 2021). The line of credit bears interest at the bank's prime rate (3.25% at March 31, 2021), and is collateralized by the cash on deposit with the financial institution. As of March 31, 2021 and 2020, no amounts were outstanding under the line of credit.

8. Long-Term Debt - Paycheck Protection Program:

CARES Act: On March 27, 2020, the Coronavirus Aid, Relief and Economic Security (CARES) Act was enacted and signed into law to provide 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 with a qualified lender for funding under the Paycheck Protection Program (PPP), administered by the Small Business Association (SBA).

On April 30, 2020, the Organization's application with the lender was approved and as a result, the Organization obtained a loan (First PPP Loan) in the amount of \$195,100. The First PPP Loan bore fixed interest at 1.00% per annum, which began accruing from the date of the loan, and was set to mature on April 30, 2022. The First PPP loan was unsecured and guaranteed by the SBA. The First PPP Loan was eligible to be forgiven provided the Organization satisfied certain conditions and upon approval by the lender and the SBA. The First PPP Loan provided for the deferral of payments until the SBA had determined the forgiveness amount, at which time, any remaining PPP loan amount would have required equal monthly payments of principal plus accrued interest in an amount sufficient to have repaid the remaining First PPP Loan balance by the maturity date.

On November 30, 2020, the Organization obtained from the SBA notification of forgiveness of the entire First PPP Loan balance in the amount of \$195,100,

which was recorded to nonoperating activities as a gain on extinguishment of long-term debt in the accompanying statements of activities. Accrued interest on the First PPP Loan was determined by management to be immaterial to the financial statements.

Consolidated Appropriations Act: On December 27, 2020, the Consolidated Appropriations Act was enacted and signed into law, which in part, was designated to provide certain aid and stimulus to the U.S. economy. The Organization qualifies as a small business under the Consolidated Appropriations Act and submitted a loan application with a qualified lender for funding under the PPP, administered by the SBA.

On February 9, 2021, the Organization's application with the lender was approved and as a result, the Organization obtained a loan (the Second PPP Loan) in the amount of \$239,945. The Second PPP Loan bears fixed interest at 1.00% per annum, which begins accruing from the date of the loan, and matures on February 9, 2026. The Second PPP Loan is unsecured and guaranteed by the SBA. The Second PPP Loan is eligible to be forgiven provided the Organization satisfies certain conditions and upon approval by the lender and the SBA. The Second PPP Loan provides for the deferral of payments until the SBA has determined the forgiveness amount, at which time, any remaining Second PPP Loan amount requires equal payments of principal plus accrued interest in an amount sufficient to repay the remaining Second PPP Loan balance by the maturity date. As of July 2021, the Organization submitted the application for forgiveness, but has not yet received notification of forgiveness from the SBA. As of March 31, 2021, the outstanding balance of the PPP Loan amounted to \$239,945, which is classified as a long-term liability and is included in long-term debt - paycheck protection program in the accompanying statements of financial position.

9. Net Assets with Donor Restrictions:

Net assets with donor restrictions as of March 31, 2021 and 2020 consist of the following:

	2021	2020
Subject to Expenditure for Specified Purpose and Passage of Time:		
Stone Living Lab	\$ 831,854	\$ 10,376
Park Projects and Operations	337,505	-
Harbor Park Pavilion	173,592	213,461
Park Promotion and Programs on the Islands	108,072	130,059
Massachusetts Department of Conservation and Recreation (DCR) Capital Projects	105,342	105,342
Fort Point Neighborhood Association	85,081	169,419
City of Boston - Spectacle Island	76,643	76,643
Water Transportation	58,150	130,450
Fireworks	52,321	52,321
Massachusetts Department of Environmental Protection (DEP) - Access	35,007	36,103
Park Improvements and Maintenance	29,378	17,753
Waterfront Programming	20,076	20,076
FREE Access	18,750	-
Community Cruise	15,000	-
Mazzone Funds	14,547	14,547
Friends of HarborWalk	12,899	15,253
Communications Strategy and Website Consulting	12,389	12,389
Summer on Spectacle	10,896	10,896
National Park Service Internal Project	10,865	10,977
Free Fun Fridays	9,298	10,917
Other	9,180	-
P&G Youth Fitness Grant	5,260	-
Harbor Bound Tradition	5,000	5,000
Marine Debris Removal	4,999	12,850
DCR Vessel Pier and Float Maintenance	1,946	2,246
Peddocks Improvements	826	826
Site Rental Fees - Restricted to DCR	-	18,335
Harbor Islands Health and Wellness Programs	-	10,000
DCR Waste Removal	-	1,118
Total Purpose Restrictions	2,044,876	1,087,357
Subject to Passage of Time	625,000	1,275,000
Total Net Assets with Donor Restrictions	\$ 2,669,876	\$ 2,362,357

10. 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, 2021 and 2020 consist of the following:

	2021	2020
Release of Time Restriction	\$ 650,000	\$ 45,000
Stone Living Lab	403,521	64,625
Fort Point Neighborhood Association	84,538	34,479
Water Transportation	72,299	134,799
Marine Debris Removal	47,850	32,150
Harbor Park Pavilion	39,871	19,566
Park Promotion and Programs on the Island	25,987	124,889
Other	13,013	10,150
Park Improvements and Maintenance	6,710	32,228
Friends of the HarborWalk	5,037	7,319
P&G Youth Fitness Grant	4,740	-
Free Fun Fridays	1,619	19,083
DCR Waste Removal	1,118	4,560
Massachusetts Department of Environmental Protection (DEP) - Access	1,095	-
DCR Vessel Pier and Float Maintenance	300	9,964
National Park Service Internal Project	112	10,948
Park Projects and Operations	95	-
Community Cruise	-	48,749
City of Boston - Community Preservation	-	48,720
Summer on Spectacle	-	41,104
Peddocks Improvements	-	32,209
Mazzone Funds	-	10,000
City of Boston - Spectacle Island	-	6,850
DCR Programming and Marketing	-	3,125
Communications Strategy and Website Consulting	-	2,611
Waterfront Programming	-	1,035
Fireworks	-	104,763
	<u>\$ 1,357,905</u>	<u>\$ 848,926</u>

11. Donated Goods and Services:

During the years ended March 31, 2021 and 2020, donated goods and services consisted of the following:

	2021	2020
Special Events	\$ 10,240	\$ 99,798
Other	-	2,700
	<u>\$ 10,240</u>	<u>\$ 102,498</u>

12. Operating Leases:

The Organization was party to an amended, noncancelable operating lease for office space in Boston, Massachusetts, which included escalating rental payments and expired on April 30, 2021. The lease agreement was extended through September 30, 2021. During the years ended March 31, 2021 and 2020, rent expense incurred under this agreement amounted to \$26,473 and \$24,675, respectively.

Future minimum lease payments due under this noncancelable lease agreement as of March 31, 2021 amount to \$14,758 for the year ending March 31, 2022.

13. 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, 2021 and 2020, the Organization made contributions to the plan of \$33,484 and \$41,384, respectively.

14. Economic Dependency:

During each of the years ended March 31, 2021 and 2020, the Organization generated a substantial portion of its revenue from two sources. Revenue from these sources approximated 52% and 44% of the Organization's total revenue during the years ended March 31, 2021 and 2020, respectively. As of March 31, 2021 and 2020, contributions receivable from two and one donors represented approximately 100% and 99%, respectively, of the Organization's total contributions receivable.

15. Risks and Uncertainties:

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.

16. 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, 2021 and 2020, no amounts have been accrued related to such indemnification provisions.



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