

Boston Harbor Now, Inc.

Financial Statements

March 31, 2023 and 2022

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Independent Auditors' Report

To the Board of Directors
Boston Harbor Now, Inc.

Opinion

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, 2023 and 2022, and the related statements of activities, functional expenses and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Organization as of March 31, 2023 and 2022, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

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

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Organization's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. 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 generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Organization'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 the Organization'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.

Baker Tilly US, LLP

Baker Tilly US, LLP
Tewksbury, Massachusetts
September 20, 2023

March 31	2023	2022
Assets		
Current Assets:		
Cash	\$ 2,225,725	\$ 2,676,362
Investments	51,823	65,894
Government Grants and Contracts Receivable	391,503	84,432
Current Portion of Contributions Receivable	858,912	566,533
Contributions Receivable-Nonfinancial Asset	8,544	-
Prepaid Expenses	38,734	17,226
Total Current Assets	3,575,241	3,410,447
Contributions Receivable, Net of Current Portion	75,000	580,000
Property and Equipment, Net of Accumulated Depreciation	109,651	69,475
Definite-Lived Intangible Assets, Net of Accumulated Amortization	1,072	6,599
Total Assets	\$ 3,760,964	\$ 4,066,521
Liabilities and Net Assets		
Current Liabilities:		
Line of Credit	\$ -	\$ -
Accounts Payable	93,113	118,987
Accrued Expenses	219,456	235,949
Total Current Liabilities	312,569	354,936
Net Assets:		
Net Assets without Donor Restrictions	502,561	143,637
Net Assets with Donor Restrictions	2,945,834	3,567,948
Total Net Assets	3,448,395	3,711,585
Total Liabilities and Net Assets	\$ 3,760,964	\$ 4,066,521

Statements of Activities
Boston Harbor Now, Inc.
For the Years Ended March 31
2023
2022

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Operating Activities:						
Revenue and Other Support:						
Contributions	\$ 520,688	\$ 2,289,850	\$ 2,810,538	\$ 650,613	\$ 3,250,376	\$ 3,900,989
Government Grants and Contracts	1,115,286	-	1,115,286	536,137	-	536,137
Special Events, Net of Direct Benefit to Donor Costs	1,111,057	-	1,111,057	699,583	-	699,583
Program Service Fees	192,209	-	192,209	98,741	-	98,741
Contributions - Nonfinancial Assets	45,568	-	45,568	15,500	-	15,500
Interest Income	942	-	942	750	-	750
Net Assets Released from Restriction	2,911,964	(2,911,964)	-	2,352,304	(2,352,304)	-
Total Revenue and Other Support	5,897,714	(622,114)	5,275,600	4,353,628	898,072	5,251,700
Operating Expenses:						
Program Services:						
Public Programs	1,783,563	-	1,783,563	-	-	-
Planning and Policy	1,197,882	-	1,197,882	1,063,933	-	1,063,933
Park Projects and Operations	547,339	-	547,339	-	-	-
Public Programs and Park Operations	-	-	-	1,605,715	-	1,605,715
Park Promotion	722,244	-	722,244	486,562	-	486,562
Total Program Services	4,251,028	-	4,251,028	3,156,210	-	3,156,210
Fundraising	731,128	-	731,128	666,589	-	666,589
General and Administrative	543,747	-	543,747	570,973	-	570,973
Total Operating Expenses	5,525,903	-	5,525,903	4,393,772	-	4,393,772
(Decrease) Increase in Net Assets from Operations	371,811	(622,114)	(250,303)	(40,144)	898,072	857,928
Nonoperating Activities:						
Investment Loss, Net	(12,887)	-	(12,887)	(4,299)	-	(4,299)
Gain on Extinguishment of Long-Term Debt - Paycheck Protection Program	-	-	-	239,945	-	239,945
Total Nonoperating Activities	(12,887)	-	(12,887)	235,646	-	235,646
(Decrease) Increase in Net Assets	358,924	(622,114)	(263,190)	195,502	898,072	1,093,574
Net Assets, Beginning of Year	143,637	3,567,948	3,711,585	(51,865)	2,669,876	2,618,011
Net Assets, End of Year	\$ 502,561	\$ 2,945,834	\$ 3,448,395	\$ 143,637	\$ 3,567,948	\$ 3,711,585

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

2023

	Program Services				Total Program Services	General and Administrative	Fundraising	Total
	Public Programs	Planning and Policy	Park Projects and Operations	Park Promotion				
Salaries, Wages and Benefits	\$ 1,047,772	\$ 301,805	\$ 2,707	\$ 278,013	\$ 1,630,297	\$ 189,097	\$ 351,122	\$ 2,170,516
Contract and Professional Fees	206,246	69,355	240,595	366,162	882,358	187,607	137,432	1,207,397
Funded Public Programs	2,665	804,400	28,705	-	835,770	-	41	835,811
Special Events	169,090	17,053	4,953	341	191,437	4,566	237,626	433,629
Park and Harbor Improvements	-	-	199,372	-	199,372	-	-	199,372
Program Supplies and Materials	151,821	4,060	16,903	7,316	180,100	-	-	180,100
Water Transportation	165,548	136	5,009	-	170,693	-	153	170,846
Occupancy	92	-	24,864	-	24,956	43,483	-	68,439
Information Technology	2,348	42	11,377	19,183	32,950	15,800	10,508	59,258
Advertising	2,890	-	250	45,126	48,266	-	-	48,266
Insurance	-	-	-	-	-	42,220	-	42,220
Office Expense	10,948	-	1,339	5,911	18,198	8,321	7,586	34,105
Travel and Transport	22,387	431	2,577	110	25,505	1,545	345	27,395
Depreciation and Amortization	-	-	-	-	-	23,914	-	23,914
Dues and Subscriptions	437	600	4,741	-	5,778	11,008	501	17,287
Other Expense	1,125	-	1,975	-	3,100	10,675	-	13,775
Meals and Catering	194	-	1,972	82	2,248	5,511	214	7,973
Supplies	-	-	-	-	-	-	-	-
Total Expenses	1,783,563	1,197,882	547,339	722,244	4,251,028	543,747	745,528	5,540,303
Less: Expenses Included with Revenue on the Statements of Activities	-	-	-	-	-	-	14,400	14,400
	\$ 1,783,563	\$ 1,197,882	\$ 547,339	\$ 722,244	\$ 4,251,028	\$ 543,747	\$ 731,128	\$ 5,525,903

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

2022

	Program Services			Total Program Services	General and Administrative	Fundraising	Total
	Public Programs and Park Operations	Planning and Policy	Park Promotion				
Salaries, Wages and Benefits	\$ 844,722	\$ 309,550	\$ 255,914	\$ 1,410,186	\$ 247,513	\$ 323,994	\$ 1,981,693
Contract and Professional Fees	265,811	16,000	190,101	471,912	209,808	193,217	874,937
Funded Public Programs	43,826	736,547	3,132	783,505	-	-	783,505
Special Events	-	-	-	-	-	-	-
Park and Harbor Improvements	64,906	-	-	64,906	-	-	64,906
Program Supplies and Materials	138,693	212	4,671	143,576	375	28,115	172,066
Water Transportation	126,953	-	100	127,053	-	18,581	145,634
Occupancy	20,810	-	-	20,810	15,771	-	36,581
Information Technology	16,489	481	13,622	30,592	14,928	19,108	64,628
Advertising	7,528	-	14,003	21,531	-	-	21,531
Insurance	7,858	-	-	7,858	24,812	-	32,670
Office Expense	10,367	-	879	11,246	7,330	8,703	27,279
Travel and Transport	13,290	442	541	14,273	1,081	1,073	16,427
Depreciation and Amortization	-	-	-	-	35,671	-	35,671
Dues and Subscriptions	5,555	135	400	6,090	10,070	1,634	17,794
Other Expense	14,393	100	3,199	17,692	2,638	11,092	31,422
Meals and Catering	11,558	466	-	12,024	976	69,693	82,693
Supplies	12,956	-	-	12,956	-	9,929	22,885
Total Expenses	1,605,715	1,063,933	486,562	3,156,210	570,973	685,139	4,412,322
Less: Expenses Included with Revenue on the Statements of Activities	-	-	-	-	-	18,550	18,550
	\$ 1,605,715	\$ 1,063,933	\$ 486,562	\$ 3,156,210	\$ 570,973	\$ 666,589	\$ 4,393,772

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

For the Years Ended March 31	2023	2022
Cash Flows from Operating Activities:		
(Decrease) Increase in Net Assets	\$ (263,190)	\$ 1,093,574
Adjustments to Reconcile (Decrease) Increase in Net Assets to Net Cash		
(Used in) Provided by Operating Activities:		
Depreciation and Amortization	23,914	35,671
Net Unrealized Losses on Investments	14,071	4,758
Gain on Extinguishment of Long-Term Debt - Paycheck Protection Program	-	(239,945)
(Increase) Decrease in Government Grants and Contracts Receivable	(307,071)	61,831
Decrease in Contributions Receivable	212,621	179,467
(Increase) Decrease in Prepaid Expenses	(21,508)	28,812
(Decrease) Increase in Accounts Payable	(25,874)	25,630
(Decrease) Increase in Accrued Expenses	(16,493)	31,389
Accounts Receivable, Net of Allowance for Doubtful	(8,544)	-
Net Cash (Used in) Provided by Operating Activities	(392,074)	1,221,187
Cash Flows from Investing Activities:		
Acquisition of Property and Equipment	(58,563)	(52,160)
Purchase of Investments	-	(10,779)
Net Cash Used in Investing Activities	(58,563)	(62,939)
Net (Decrease) Increase in Cash	<u>(450,637)</u>	<u>1,158,248</u>
Cash, Beginning of Year	<u>2,676,362</u>	<u>1,518,114</u>
Cash, End of Year	<u>\$ 2,225,725</u>	<u>\$ 2,676,362</u>

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. The Organization's mission is to ensure that Boston Harbor, its waterfront and islands are accessible and inclusive and that these special places are properly adapted to the risks of climate change. This is accomplished by advancing a broad vision for development on the Harbor, offering everyone opportunities to utilize and enjoy the Harbor, Warfront and Islands, researching effective measures to protect the islands and the Greater Boston region from sea level rise, and partnering with federal, state and municipal governments and nonprofits to implement programs and projects consistent with the above.

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 Updates (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 without donor restrictions include net assets designated by the board for specific purposes.

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.

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

Revenue and Other Support: 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, government grants and contracts, special events, and contributions.

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.

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.

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

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

Special Events: During the years ended March 31, 2023 and 2022, the Organization incurred fundraising expenses that directly benefited donors in the amount of \$14,400 and \$18,550, 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.

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. Investment income or loss on investments (including realized and unrealized gains and losses on investments, interest and dividends), is recorded net of related investment fees and 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 amounts based upon management's judgment of potential defaults. Management identifies troubled receivables balances by assessing of the donor's or government payor's credit worthiness. As of March 31, 2023 and 2022, 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

Construction in Process: Construction in process represents leasehold improvements not yet placed in service, and other direct costs related to the Organization's office space. Construction in process is not depreciated until the leasehold improvements have been placed into service.

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, 2023 and 2022, 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.

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

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, 2023 and 2022, 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. The Organization has not recognized any liabilities for uncertain tax positions or unrecognized benefits as of March 31, 2023 and 2022. 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, 2023 through September 20, 2023, the date the financial statements were available to be issued.

Recently Adopted Accounting Policies: In September 2020, the FASB issued ASU 2020-07, *Not-for-Profit Entities (Topic 958) presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets*, which improves financial reporting by providing new presentation and disclosure requirements about contributed nonfinancial assets. Effective April 1, 2022, the Organization adopted this ASU and retrospectively applied the provision of this ASU. The adoption of ASU 2020-07 had no impact on financial statement presentation when applied retrospectively to all periods presented.

2. Availability and Liquidity:

The following reflects the Organization's financial assets as of March 31, 2023 and 2022, reduced by amounts not available for general use within one year of March 31, 2023 and 2022 due to contractual or donor-imposed restrictions.

Financial Assets at End of Year:	2023	2022
Cash	\$ 2,225,725	\$ 2,676,362
Government Grants and Contracts Receivable	391,503	84,432
Investments	51,823	65,894
Contributions Receivable	933,912	1,146,533
Total Financial Assets at End of Year	3,602,963	3,973,221
Less: Amounts Unavailable for General Expenditures within One Year:		
Due to Contractual or Donor-Imposed Restriction:		
Restricted by Donor with Time or Purpose Restrictions	2,945,834	3,567,948
Financial Assets Available to Meet Cash Needs for General Expenditures over the Next 12 Months	\$ 657,129	\$ 405,273

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. In the event of an unanticipated liquidity need, the Organization has \$90,193 available on its line of credit as of March 31, 2023.

3. Investments:

Investments as of March 31, 2023 and 2022 consist of common stock valued using Level 1 inputs.

For the years ended March 31, 2023 and 2022, net investment loss consists of the following:

	<u>2023</u>	<u>2022</u>
Interest and Dividends	\$ 1,184	\$ 459
Net Unrealized Losses	(14,071)	(4,758)
	<u>\$ (12,887)</u>	<u>\$ (4,299)</u>

4. Property and Equipment:

Property and equipment as of March 31, 2023 and 2022 consists of the following:

	<u>2023</u>	<u>2022</u>
Equipment	\$ 156,868	\$ 41,465
Furniture and Fixtures	40,652	40,652
Construction in Process	-	56,840
	<u>197,520</u>	<u>138,957</u>
Less: Accumulated Depreciation	<u>87,869</u>	<u>69,482</u>
	<u>\$ 109,651</u>	<u>\$ 69,475</u>

Depreciation expense for the years ended March 31, 2023 and 2022 amounted to \$18,387 and \$6,905, respectively.

5. Contributions Receivable:

Contributions receivable as of March 31, 2023 and 2022 consists of the following:

	<u>2023</u>	<u>2022</u>
Receivable in Less than One Year	\$ 858,912	\$ 566,533
Receivable in One to Five Years	75,000	580,000
	<u>\$ 933,912</u>	<u>\$ 1,146,533</u>

As of March 31, 2023 and 2022, long-term contributions receivable have not been discounted by the Organization using a risk adjusted rate based on the daily treasury yield curves, as management has determined the discount on long-term receivables is immaterial to the financial statements.

6. Intangible Assets:

As of March 31, 2023 and 2022, intangible assets consist of the following:

	<u>2023</u>		
	<u>Gross Carrying Amount</u>	<u>Accumulated Amortization</u>	<u>Net Carrying Amount</u>
Website	\$ 111,899	\$ 110,827	\$ 1,072

	<u>2022</u>		
	<u>Gross Carrying Amount</u>	<u>Accumulated Amortization</u>	<u>Net Carrying Amount</u>
Website	\$ 111,899	\$ 105,300	\$ 6,599

Amortization expense for the years ended March 31, 2023 and 2022 amounted to \$5,527 and \$28,766, respectively.

Future amortization expense related to intangible assets as of March 31, 2023 is as follows:

Year Ending	
<u>March 31,</u>	
2024	<u>\$ 1,072</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 \$90,193 as of March 31, 2023). The line of credit bears interest at the bank's prime rate (8.00% at March 31, 2023), and is collateralized by the cash on deposit with the financial institution. As of March 31, 2023 and 2022, no amounts were outstanding under the line of credit.

8. Long-Term Debt - Paycheck Protection Program:

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 Paycheck Protection Program (PPP), administered by the Small Business Association (SBA).

On February 9, 2021, the Organization's application with the lender was approved and as a result, the Organization obtained a loan (the PPP Loan) in the amount of \$235,945. The 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 February 9, 2026. The PPP loan was unsecured and guaranteed by the SBA. The PPP Loan was eligible to be forgiven provided the Organization satisfied certain conditions and upon approval by the lender and the SBA. The PPP Loan provided for the deferral of payments until the SBA had determined the forgiveness amount, at which time, any remaining loan amount would have required equal monthly payments of principal plus accrued interest in an amount sufficient to have repaid the remaining PPP Loan balance by the maturity date. On October 22, 2021, the Organization obtained from the SBA notification of forgiveness of the entire PPP loan balance plus accrued interest in the aggregate amount of \$239,945, which was recorded to nonoperating activities as a gain on extinguishment of long-term debt - paycheck protection program in the accompanying statements of activities for the year ended March 31, 2022.

The SBA reserves the right to audit any PPP loan, regardless of size. These audits may occur after forgiveness has been granted. In accordance with the Consolidated Appropriations Act, all borrowers are required to maintain their PPP loan documentation for six years after the PPP loan was forgiven or repaid in full and to provide that documentation to the SBA upon request.

9. Net Assets with Donor Restrictions:

Net assets with donor restrictions as of March 31, 2023 and 2022 consists of the following:

	2023	2022
Subject to Expenditure for Specified Purpose and Passage of Time:		
Waterfront Coalition	\$ 453,513	\$ 678,417
Make Moakley Yours	265,063	-
Stone Living Lab	209,248	557,019
Community Preservation	176,990	197,818
Massachusetts Department of Conservation and Recreation (DCR) Capital Projects	123,175	206,342
Harbor Park Pavilion	122,839	150,111
Park Promotion and Programs on the Islands	87,604	73,542
City of Boston - Spectacle Island	76,643	76,643
Green Ribbon Commission Resilience Working Group	75,000	-
National Park Foundation (NPF) SLL Teacher Institute	67,208	-
Friends of the Boston Harbor Islands	63,487	-
NFP Open Outdoors for Kids	63,335	-
Fort Point Neighborhood Association	58,336	22,256
Data Project	57,811	-
Let's Go Fishing	42,861	42,861
Massachusetts Department of Environmental Protection (DEP) - Access	35,007	35,007
Water Transportation	25,000	30,000
Summer Nights	23,921	15,000
Education Grant	23,147	-
Park Improvements and Maintenance	17,174	22,361
Marine Debris Removal	16,794	5,051
Mazzone Funds	14,547	14,547
Community Cruise	14,529	11,823
Youth Workforce	13,503	10,000
Communications Strategy and Website Consulting	12,389	12,389
Volunteer Fund	8,903	9,675
Donated Facility - Nonfinancial Assets	8,544	-
Friends of HarborWalk	8,168	9,258
Free Fun Fridays	5,586	5,586
FREE Access	5,495	10,000
Park Projects and Operations	5,181	145,441
Summer on Spectacle	2,822	7,842
Mass Cultural Council	2,500	-
Government Relations	2,500	18,500
Other	2,389	7,500
Harbor Street	2,240	-
DCR Vessel Pier and Float Maintenance	1,946	1,946
Harbor Bound Tradition	500	10,000
Access Funding & Basketball Sizzler	475	-
Waterfront Programming	461	17,998
Youth Fitness Grant	-	3,015
Total Purpose Restrictions	<u>2,196,834</u>	<u>2,407,948</u>
Subject to Passage of Time	<u>749,000</u>	<u>1,160,000</u>
Total Net Assets with Donor Restrictions	<u>\$ 2,945,834</u>	<u>\$ 3,567,948</u>

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, 2023 and 2022 consists of the following:

	2023	2022
Waterfront Coalition	\$ 764,902	\$ 681,583
Subject to Passage of Time	605,000	625,000
Stone Living Lab	574,771	399,836
Data project	272,189	-
Park Projects and Operations	140,260	192,064
Massachusetts Department of Conservation and Recreation (DCR) Capital Projects	83,167	4,000
Government Relations	82,000	17,500
Fort Point Neighborhood Association	78,920	62,825
Make Moakley Yours	44,937	-
Summer Nights	31,079	-
Marine Debris Removal	29,605	39,948
Harbor Park Pavilion	27,273	23,481
Education Grant	26,853	-
Community Preservation	20,828	2,182
Park Promotion and Programs on the Island	19,271	67,864
Waterfront Programming	17,537	6,077
Wonderfund Cruise	15,000	-
Other	10,976	11,066
Harbor Bound Tradition	9,500	-
Harbor Street	7,760	-
Youth Workforce	6,497	-
National Park Foundation (NPF) SLL Teacher Institute	5,901	-
Access Funding & Basketball Sizzler	5,400	-
Park Improvements and Maintenance	5,261	7,017
Summer on Spectacle	5,020	3,053
Water Transportation	5,000	28,150
FREE Access	4,505	8,750
Friends of the HarborWalk	4,207	6,399
Friends of the Boston Harbor Islands	3,063	-
Youth Fitness Grant	3,015	12,245
Community Cruise	1,294	13,177
Volunteer Fund	773	1,189
NFP Open Outdoors for Kids	200	-
Free Fun Fridays	-	3,712
Long Wharf	-	50,000
Harborfit	-	10,000
Fireworks	-	52,321
Peddocks Improvements	-	826
Community Access	-	5,000
Let's Go Fishing	-	17,039
	<u>\$ 2,911,964</u>	<u>\$ 2,352,304</u>

11. Contributions - Nonfinancial Assets:

The Organization received contributed nonfinancial assets and services recognized as revenue and other support within the statements of activities. The contributed nonfinancial assets did not have donor-imposed restrictions.

The Organization received a donation of office space in Boston, Massachusetts covering a period beginning June 1, 2022 through May 31, 2023. As of March 31, 2023 the Organization has recorded an accounts receivable-nonfinancial asset and donor restricted contributions for the fair value of the space in the amount of \$8,544 to be utilized in the year ended March 31, 2024.

During the years ended March 31, 2023 and 2022, contributed nonfinancial assets consisted of the following:

	<u>2023</u>	<u>2022</u>
Office Space	\$ 51,262	\$ -
Special Events	2,850	7,085
Legal Services	-	8,415
	<u>\$ 54,112</u>	<u>\$ 15,500</u>

Contributed services recognized consist of professional services from attorneys advising the Organization on various administrative legal matters. Contributed services are valued and are reported at the estimated fair value in the financial statements based on current rates for similar legal services.

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 in June 2023. During the years ended March 31, 2023 and 2022, rent expense incurred under this agreement amounted to \$1,163 and \$15,374, respectively. The Organization had the option to terminate the lease on the last day of each month provided the Organization gives a minimum of 30 days notice.

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, 2023 and 2022, the Organization made contributions to the plan of \$28,088 and \$38,804, respectively.

14. Economic Dependency:

During each of the years ended March 31, 2023 and 2022, the Organization generated a substantial portion of its revenue from two sources. Revenue from these sources approximated 32% and 58% of the Organization's total revenue during the years ended March 31, 2023 and 2022, respectively. As of March 31, 2023 and 2022, contributions receivable from three donors represented approximately 87% and 93%, respectively, of the Organization's total contributions receivable.

15. 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, 2023 and 2022, no amounts have been accrued related to such indemnification provisions.