

# **Boston Harbor Now, Inc.**

Financial Statements

March 31, 2024 and 2023

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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, 2024 and 2023, and the related statements of activities, functional expenses and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Organization as of March 31, 2024 and 2023, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

### Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the 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  
October 17, 2024

March 31	2024	2023
<b>Assets</b>		
Current Assets:		
Cash and Cash Equivalents	\$ 2,778,059	\$ 2,225,725
Investments	69,845	51,823
Government Grants and Contracts Receivable	45,833	391,503
Current Portion of Contributions Receivable	1,634,035	858,912
Contributions Receivable-Nonfinancial Asset	8,769	8,544
Prepaid Expenses	86,965	38,734
<b>Total Current Assets</b>	<b>4,623,506</b>	<b>3,575,241</b>
Contributions Receivable, Net of Current Portion	225,000	75,000
Property and Equipment, Net of Accumulated Depreciation	92,996	109,651
Definite-Lived Intangible Assets, Net of Accumulated Amortization	-	1,072
<b>Total Assets</b>	<b>\$ 4,941,502</b>	<b>\$ 3,760,964</b>
<b>Liabilities and Net Assets</b>		
Current Liabilities:		
Line of Credit	\$ -	\$ -
Accounts Payable	87,556	93,113
Accrued Expenses	222,357	219,456
<b>Total Current Liabilities</b>	<b>309,913</b>	<b>312,569</b>
Net Assets:		
Net Assets without Donor Restrictions	709,966	502,561
Net Assets with Donor Restrictions	3,921,623	2,945,834
<b>Total Net Assets</b>	<b>4,631,589</b>	<b>3,448,395</b>
<b>Total Liabilities and Net Assets</b>	<b>\$ 4,941,502</b>	<b>\$ 3,760,964</b>

**Statements of Activities**

**Boston Harbor Now, Inc.**

**For the Years Ended March 31**

**2024**

**2023**

	<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	\$ 474,112	\$ 3,631,568	\$ 4,105,680	\$ 520,688	\$ 2,289,850	\$ 2,810,538
Government Grants and Contracts	982,692	-	982,692	1,115,286	-	1,115,286
Special Events, Net of Direct Benefit to Donor Costs	913,373	-	913,373	1,065,457	-	1,065,457
Program Service Fees	190,851	-	190,851	192,209	-	192,209
Interest Income	84,087	-	84,087	942	-	942
Contributions - Nonfinancial Assets	62,042	-	62,042	45,568	-	45,568
Net Assets Released from Restriction	2,655,779	(2,655,779)	-	2,911,964	(2,911,964)	-
<b>Total Revenue and Other Support</b>	<b>5,362,936</b>	<b>975,789</b>	<b>6,338,725</b>	<b>5,852,114</b>	<b>(622,114)</b>	<b>5,230,000</b>
Operating Expenses:						
Program Services:						
Public Programs	1,744,750	-	1,744,750	1,776,203	-	1,776,203
Planning and Policy	872,180	-	872,180	1,197,882	-	1,197,882
Park Projects and Operations	530,968	-	530,968	552,178	-	552,178
Park Promotion	536,011	-	536,011	722,245	-	722,245
<b>Total Program Services</b>	<b>3,683,909</b>	<b>-</b>	<b>3,683,909</b>	<b>4,248,508</b>	<b>-</b>	<b>4,248,508</b>
Fundraising	800,244	-	800,244	688,051	-	688,051
General and Administrative	691,429	-	691,429	543,744	-	543,744
<b>Total Operating Expenses</b>	<b>5,175,582</b>	<b>-</b>	<b>5,175,582</b>	<b>5,480,303</b>	<b>-</b>	<b>5,480,303</b>
<b>Increase (Decrease) in Net Assets from Operations</b>	<b>187,354</b>	<b>975,789</b>	<b>1,163,143</b>	<b>371,811</b>	<b>(622,114)</b>	<b>(250,303)</b>
Nonoperating Activities:						
Investment Income (Loss), Net	20,051	-	20,051	(12,887)	-	(12,887)
<b>Total Nonoperating Activities</b>	<b>20,051</b>	<b>-</b>	<b>20,051</b>	<b>(12,887)</b>	<b>-</b>	<b>(12,887)</b>
<b>Increase (Decrease) in Net Assets</b>	<b>207,405</b>	<b>975,789</b>	<b>1,183,194</b>	<b>358,924</b>	<b>(622,114)</b>	<b>(263,190)</b>
<b>Net Assets, Beginning of Year</b>	<b>502,561</b>	<b>2,945,834</b>	<b>3,448,395</b>	<b>143,637</b>	<b>3,567,948</b>	<b>3,711,585</b>
<b>Net Assets, End of Year</b>	<b>\$ 709,966</b>	<b>\$ 3,921,623</b>	<b>\$ 4,631,589</b>	<b>\$ 502,561</b>	<b>\$ 2,945,834</b>	<b>\$ 3,448,395</b>

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

2024

	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	\$ 778,513	\$ 286,716	\$ 175,536	\$ 280,424	\$ 1,521,189	\$ 306,416	\$ 488,265	\$ 2,315,870
Contract and Professional Fees	223,702	65,212	55,931	221,983	566,828	206,398	49,387	822,613
Project Expenses	87,458	519,270	4,322	-	611,050	122	-	611,172
Special Events	141,125	-	346	4,740	146,211	-	302,323	448,534
Park and Harbor Improvements	-	-	255,166	-	255,166	-	-	255,166
Program Costs	243,225	343	1,865	2,051	247,484	63	726	248,273
Water Transportation	182,366	-	387	-	182,753	-	-	182,753
Occupancy	-	-	22,102	-	22,102	52,386	-	74,488
Bad Debt Expense	54,172	-	-	-	54,172	-	-	54,172
Office Expense	4,224	54	4,187	9,879	18,344	8,776	23,249	50,369
Information Technology	2,318	382	1,710	13,157	17,567	12,318	17,367	47,252
Insurance	-	-	-	-	-	45,827	-	45,827
Depreciation and Amortization	-	-	-	-	-	31,059	-	31,059
Travel and Transport	24,248	203	301	36	24,788	866	155	25,809
Other Expense	259	-	3,555	2,958	6,772	11,722	-	18,494
Meals and Catering	2,183	-	1,060	228	3,471	11,513	797	15,781
Dues and Subscriptions	957	-	4,500	555	6,012	3,963	475	10,450
<b>Total Expenses</b>	<b>1,744,750</b>	<b>872,180</b>	<b>530,968</b>	<b>536,011</b>	<b>3,683,909</b>	<b>691,429</b>	<b>882,744</b>	<b>5,258,082</b>
Less: Expenses Included with Revenue on the Statements of Activities	-	-	-	-	-	-	82,500	82,500
	<b>\$ 1,744,750</b>	<b>\$ 872,180</b>	<b>\$ 530,968</b>	<b>\$ 536,011</b>	<b>\$ 3,683,909</b>	<b>\$ 691,429</b>	<b>\$ 800,244</b>	<b>\$ 5,175,582</b>

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

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	\$ 1,042,664	\$ 301,659	\$ -	\$ 275,824	\$ 1,620,147	\$ 180,472	\$ 350,234	\$ 2,150,853
Contract and Professional Fees	214,244	69,500	243,552	413,477	940,773	208,832	138,320	1,287,925
Project Expenses	2,665	820,900	33,542	-	857,107	4,501	40	861,648
Special Events	112,584	-	53	98	112,735	-	233,378	346,113
Park and Harbor Improvements	-	-	199,372	-	199,372	-	-	199,372
Program Costs	201,335	4,614	21,804	7,560	235,313	66	4,248	239,627
Water Transportation	165,548	136	5,009	-	170,693	-	153	170,846
Occupancy	92	-	25,839	-	25,931	43,483	-	69,414
Bad Debt Expense	-	-	-	-	-	-	2,524	2,524
Office Expense	10,580	42	13,048	10,401	34,071	12,488	7,586	54,145
Information Technology	2,348	-	669	14,693	17,710	3,179	10,508	31,397
Insurance	-	-	-	-	-	42,220	-	42,220
Depreciation and Amortization	-	-	-	-	-	23,914	-	23,914
Travel and Transport	22,387	431	2,577	110	25,505	1,545	345	27,395
Other Expense	1,125	-	-	-	1,125	6,525	-	7,650
Meals and Catering	194	-	1,972	82	2,248	5,511	214	7,973
Dues and Subscriptions	437	600	4,741	-	5,778	11,008	501	17,287
<b>Total Expenses</b>	<b>1,776,203</b>	<b>1,197,882</b>	<b>552,178</b>	<b>722,245</b>	<b>4,248,508</b>	<b>543,744</b>	<b>748,051</b>	<b>5,540,303</b>
Less: Expenses Included with Revenue on the Statements of Activities	-	-	-	-	-	-	60,000	60,000
	<b>\$ 1,776,203</b>	<b>\$ 1,197,882</b>	<b>\$ 552,178</b>	<b>\$ 722,245</b>	<b>\$ 4,248,508</b>	<b>\$ 543,744</b>	<b>\$ 688,051</b>	<b>\$ 5,480,303</b>

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



<b>For the Years Ended March 31</b>	<b>2024</b>	<b>2023</b>
Cash Flows from Operating Activities:		
Increase (Decrease) in Net Assets	\$ 1,183,194	\$ (263,190)
Adjustments to Reconcile Increase (Decrease) in Net Assets to Net Cash Provided by (Used in) Operating Activities:		
Depreciation and Amortization	31,059	23,914
Net Unrealized (Gains) Losses on Investments	(18,022)	14,071
Decrease (Increase) in Government Grants and Contracts Receivable	345,670	(307,071)
(Increase) Decrease in Contributions Receivable	(925,123)	212,621
Increase in Prepaid Expenses	(48,231)	(21,508)
Decrease in Accounts Payable	(5,557)	(25,874)
Increase (Decrease) in Accrued Expenses	2,901	(16,493)
Increase in Contributions Receivable-Nonfinancial Asset	(225)	(8,544)
<b>Net Cash Provided by (Used in) Operating Activities</b>	<b>565,666</b>	<b>(392,074)</b>
Cash Flows from Investing Activities:		
Acquisition of Property and Equipment	(13,332)	(58,563)
Net Increase (Decrease) in Cash and Cash Equivalents	552,334	(450,637)
Cash and Cash Equivalents, Beginning of Year	2,225,725	2,676,362
Cash and Cash Equivalents, End of Year	<u>\$ 2,778,059</u>	<u>\$ 2,225,725</u>

Supplemental Disclosure of Noncash Investing Activities:

During the year ended March 31, 2024, the Organization disposed of fully depreciated property and equipment in the amount of \$52,787.

## 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 Boston Harbor, offering everyone opportunities to utilize and enjoy the harbor and its waterfront 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, 2024 and 2023, the Organization incurred fundraising expenses that directly benefited donors in the amount of \$82,500 and \$60,000, 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 and Cash Equivalents:* 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. The Company has a cash management program, which provides for the investment of excess cash balances primarily in money market mutual funds.

*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, cash equivalents, investments, government grants and contracts receivable, and contributions receivable. The Organization maintains its cash, cash equivalents and investments with high-credit quality financial institutions. The Organization believes it is not exposed to any significant losses due to credit risk on cash, cash equivalents and investments. 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, 2024 and 2023, 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, 2024 and 2023, 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.

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

*Leases:* In February 2016, the FASB issued ASU No. 2016-02, *Leases* (ASC 842), which replaces the existing leasing standards and expands disclosure requirements for leasing arrangements. Effective April 1, 2023, the Organization adopted the guidance and expanded disclosure requirements under ASC 842 using the modified retrospective approach. The Organization elected the package of practical expedients allowable under ASC 842 transition guidance, and as a result did not reassess prior conclusions related to whether contracts are or contain a lease, lease classification and initial direct costs. The adoption of this ASU at April 1, 2023 had no impact, as the Organization had no material arrangements at April 1, 2023 that required classification as operating or finance leases.

The Organization elected not to apply the lease recognition requirements of ASC 842, *Leases*, to all leases with an original term of 12 months or less, for which the Organization is not reasonably certain to exercise a renewal option or purchase the asset at the end of the lease; rather, lease payments for short-term leases are recognized on a straight-line basis over the lease term. For the years ended March 31, 2024 and 2023, short-term lease expense amounted to \$0 and \$1,163, respectively.

*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.

During the years ended March 31, 2024 and 2023, Stone Living Lab expenses amounting to \$603,182 and \$580,762, respectively, are included within the Organization's program activity on the statements of functional expenses.

*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, 2024 and 2023, 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, 2024 and 2023. 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, 2024 through October 17, 2024, the date the financial statements were available to be issued.

**2. Fiscal Sponsorship:**

The Organization is the fiscal sponsor for Friends of the Boston Harbor Islands, Friends of Boston Harborwalk, Harborfront Neighborhood Alliance and Coalition for Resilient and Inclusive Waterfront. The Organization receives tax-deductible charitable contributions on behalf of these organizations and provides related administrative support.

During the years ended March 31, 2024 and 2023, the Organization received revenue on behalf of these organizations and paid expenses on behalf of these organizations in the amounts as follows:

	March 31, 2024		March 31, 2023	
	Revenue	Expenditures	Revenue	Expenditures
Coalition for Inclusive and Resilient Waterfront	\$ 357,500	\$ 489,505	\$ 540,000	\$ 764,902
Harborfront Neighborhood Alliance	115,300	79,095	115,000	78,920
Friends of the Boston Harbor Islands	21,979	11,462	66,549	3,063
Friends of the Harbor Walk	10,163	2,159	3,116	289
	<u>\$ 504,942</u>	<u>\$ 582,221</u>	<u>\$ 724,665</u>	<u>\$ 847,174</u>

As of March 31, 2024 and 2023, the Organization's net assets with donor restrictions includes unspent amounts received on behalf of these organizations in the amount of \$505,320 and \$582,599, respectively.

**3. Availability and Liquidity:**

The following reflects the Organization's financial assets as of March 31, 2024 and 2023, reduced by amounts not available for general use within one year of March 31, 2024 and 2023 due to contractual or donor-imposed restrictions.

Financial Assets at End of Year:	2024	2023
Cash and Cash Equivalents	\$ 2,778,059	\$ 2,225,725
Investments	69,845	51,823
Government Grants and Contracts Receivable	45,833	391,503
Contributions Receivable	1,859,035	933,912
Total Financial Assets at End of Year	<u>4,752,772</u>	<u>3,602,963</u>
Less: Amounts Unavailable for General Expenditures within One Year:		
Due to Contractual or Donor-Imposed Restriction:		
Restricted by Donor with Time or Purpose Restrictions	<u>3,921,623</u>	<u>2,945,834</u>
Financial Assets Available to Meet Cash Needs for General Expenditures over the Next 12 Months	<u>\$ 831,149</u>	<u>\$ 657,129</u>

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 \$77,029 available on its line of credit as of March 31, 2024.

**4. Investments:**

Investments as of March 31, 2024 and 2023 in the amount of \$69,845 and \$51,823, respectively, consist of common stock valued using Level 1 inputs.

For the years ended March 31, 2024 and 2023, net investment income (loss) consists of the following:

	<u>2024</u>	<u>2023</u>
Net Unrealized Gains (Losses)	\$ 18,022	\$ (14,071)
Interest and Dividends	2,029	1,184
	<u>\$ 20,051</u>	<u>\$ (12,887)</u>

**5. Property and Equipment:**

Property and equipment as of March 31, 2024 and 2023 consists of the following:

	<u>2024</u>	<u>2023</u>
Equipment	\$ 124,733	\$ 156,868
Furniture and Fixtures	33,332	40,652
	<u>158,065</u>	<u>197,520</u>
Less: Accumulated Depreciation	65,069	87,869
	<u>\$ 92,996</u>	<u>\$ 109,651</u>

Depreciation expense for the years ended March 31, 2024 and 2023 amounted to \$29,987 and \$18,387, respectively.

**6. Contributions Receivable:**

Contributions receivable as of March 31, 2024 and 2023 consists of the following:

	<u>2024</u>	<u>2023</u>
Receivable in Less than One Year	\$ 1,634,035	\$ 858,912
Receivable in One to Five Years	225,000	75,000
	<u>\$ 1,859,035</u>	<u>\$ 933,912</u>

As of March 31, 2024 and 2023, 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.

**7. Intangible Assets:**

As of March 31, 2024 and 2023, intangible assets consist of the following:

	2024		
	Gross Carrying Amount	Accumulated Amortization	Net Carrying Amount
Website	\$ 111,899	\$ 111,899	\$ -

  

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

Amortization expense for the years ended March 31, 2024 and 2023 amounted to \$1,072 and \$5,527, respectively.

**8. 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 \$77,029 as of March 31, 2024). The line of credit bears interest at the bank's prime rate (8.00% at March 31, 2024), and is collateralized by the cash on deposit with the financial institution. As of March 31, 2024 and 2023, no amounts were outstanding under the line of credit.



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

Net assets with donor restrictions as of March 31, 2024 and 2023 consists of the following:

	2024	2023
Subject to Expenditure for Specified Purpose and Passage of Time:		
Stone Living Lab	\$ 962,154	\$ 209,248
Coalition for Inclusive and Resilient Waterfront	321,508	453,513
Community Preservation	150,254	176,990
Make Moakley Yours	148,414	265,063
DCR Capital Projects	125,062	123,175
Water Transportation	125,000	25,000
Harbor Park Pavilion	100,798	122,839
Harborfront Neighborhood Association	94,541	58,336
City of Boston - Spectacle Island	76,643	76,643
Green Ribbon Commission Resilience Working Group	74,729	75,000
Friends of the Boston Harbor Islands	74,004	63,487
Park Promotion and Programs on the Islands	58,846	87,604
Massachusetts Department of Environmental Protection (DEP) - Access	31,944	35,007
Data Project	30,837	57,811
Summer Nights	26,976	23,921
Open Outdoors for Kids	26,618	63,335
Volunteer Fund	24,915	8,903
Harbor Anglers	24,898	-
Let's Go Fishing	23,725	42,861
National Park Foundation (NPF) SLL Teacher Institute	19,353	67,208
Education Grant	15,394	23,147
Friends of Harborwalk	15,267	7,263
Park Improvements and Maintenance	14,581	17,174
Mazzone Funds	14,547	14,547
Marine Debris Removal	13,894	16,794
Wonderfund Cruise	12,488	-
Donated Facility - Nonfinancial Assets	8,769	8,544
Government Relations	8,500	2,500
Youth Workforce	7,439	13,503
Free Fun Fridays	5,541	5,586
Park Projects and Operations	4,619	5,181
BPDA - Downtown Watersheet Guidelines	4,500	-
Neponset River Watershed Association - MAPC Grant	4,500	-
Summer on Spectacle	3,947	2,822
Harbor Street	3,273	2,240
Communications Strategy and Website Consulting	2,586	12,389
DCR Vessel Pier and Float Maintenance	1,946	1,946
Other	1,679	3,294
Save the Harbor Better Beaches	1,119	-
Mass Cultural Council	1,060	2,500
Weston & Sampson	901	-
Access Funding & Basketball Sizzler	615	475
Harbor Bound Tradition	500	500
Waterfront Programming	211	461
Community Cruise	-	14,529
FREE Access	-	5,495
Total Purpose Restrictions	<u>2,669,095</u>	<u>2,196,834</u>
Subject to Passage of Time	<u>1,252,528</u>	<u>749,000</u>
Total Net Assets with Donor Restrictions	<u>\$ 3,921,623</u>	<u>\$ 2,945,834</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, 2024 and 2023 consists of the following:

	2024	2023
Subject to Passage of Time	\$ 698,000	\$ 605,000
Stone Living Lab	556,094	574,771
Coalition for Inclusive and Resilient Waterfront	489,505	764,902
Data Project	126,974	272,189
Make Moakley Yours	116,648	44,937
Harborfront Neighborhood Association	79,095	78,920
Community Preservation	76,636	20,828
DCR Capital Projects	68,113	83,167
Park Promotion and Programs on the Island	62,092	19,271
Government Relations	60,000	82,000
National Park Foundation (NPF) SLL Teacher Institute	47,855	5,901
Marine Debris Removal	42,899	29,605
Open Outdoors for Kids	36,717	200
Summer Nights	28,822	31,079
Harbor Park Pavilion	22,041	27,273
Let's Go Fishing	19,136	-
Weston & Sampson	17,233	-
Community Cruise	14,529	1,294
Friends of the Boston Harbor Islands	11,462	3,063
Communications Strategy and Website Consulting	9,802	-
Donated Facility - Nonfinancial Assets	8,544	-
Education Grant	7,753	26,853
Harbor Street	7,467	7,760
Youth Workforce	6,064	6,497
Volunteer Fund	5,668	773
FREE Access	5,495	4,505
Seaport Community Grant	5,000	-
Beyond Pride	5,000	-
Access Funding & Basketball Sizzler	3,360	5,400
Massachusetts Department of Environmental Protection (DEP) - Access	3,063	-
National Grid	2,596	-
Park Improvements and Maintenance	2,594	5,261
Wonderfund Cruise	2,512	15,000
Friends of the Harborwalk	2,159	289
Mass Cultural Council	1,440	-
Save the Harbor Better Beaches	1,381	-
Other	902	14,894
Park Projects and Operations	562	140,260
Green Ribbon Commission Resilience Working Group	271	-
Waterfront Programming	250	17,537
Free Fun Fridays	45	-
Summer on Spectacle	-	5,020
Harbor Bound Tradition	-	9,500
Water Transportation	-	5,000
Youth Fitness Grant	-	3,015
	<u>\$ 2,655,779</u>	<u>\$ 2,911,964</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 had 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 that was utilized in the year ended March 31, 2024.

During the years ended March 31, 2024 and 2023, contributed nonfinancial assets consisted of the following:

	<u>2024</u>	<u>2023</u>
Office Space	\$ 52,386	\$ 51,262
Special Events	18,200	2,850
	<u>\$ 70,586</u>	<u>\$ 54,112</u>

Contributed services recognized consist of catering, food and drinks for fundraising events hosted by the Organization. Contributed services are valued and are reported at the estimated fair value in the financial statements based on current rates for similar services.

**12. 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, 2024 and 2023, the Organization made contributions to the plan of \$26,048 and \$28,088, respectively.

**13. Economic Dependency:**

During the years ended March 31, 2024 and 2023, the Organization generated a substantial portion of its revenue from two sources. Revenue from these sources approximated 31% and 32% of the Organization's total revenue during the years ended March 31, 2024 and 2023, respectively. As of March 31, 2024 and 2023, contributions receivable from two and three donors represented approximately 76% and 87%, respectively, of the Organization's total contributions receivable.

**14. 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, 2024 and 2023, no amounts have been accrued related to such indemnification provisions.