BOSTON RESCUE MISSION, INC. AND AFFILIATE

Consolidated Financial Statements

June 30, 2022

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BOSTON RESCUE MISSION, INC. AND AFFILIATE

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June 30, 2022

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Independent Auditor's Report

To the Board of Directors of
Boston Rescue Mission, Inc. and Affiliate

Opinion

We have audited the consolidated financial statements of Boston Rescue Mission, Inc. and Affiliate (a nonprofit organization), which comprise the consolidated statement of financial position as of June 30, 2022, and the related consolidated statements of activities, functional expenses and cash flows for the year then ended, and the related notes to the consolidated financial statements.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position Boston Rescue Mission, Inc. and Affiliate as of June 30, 2022, and the changes in their net assets and their cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America ("GAAS") and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Boston Rescue Mission, Inc. and Affiliate and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Other Matter

The consolidated financial statements of Boston Rescue Mission, Inc. and Affiliate for the year ended June 30, 2021 were audited by another auditor whose report dated November 10, 2021, included an emphasis-of-matter indicating that Boston Rescue Mission, Inc. and Affiliate has adopted ASU No. 2014-09, *Revenue from Contracts with Customers* and ASU No. 2018-13, *Fair Value Measurement (Topic 820), Disclosure Framework - Changes to the Disclosure Requirements for Fair Value Measurement*, and expressed an unmodified opinion on those statements.

The prior year summarized comparative information is not intended to constitute a presentation in conformity with accounting principles generally accepted in the United States of America. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2021, is consistent, in all material respects, with the audited consolidated financial statements from which it has been derived.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated 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 consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government 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 consolidated financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the consolidated 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 consolidated 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 Boston Rescue Mission, Inc. and Affiliate'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 consolidated financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Boston Rescue Mission, Inc. and Affiliate '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.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated November 15, 2022, on our consideration of Boston Rescue Mission, Inc. and Affiliate's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Boston Rescue Mission, Inc. and Affiliate's internal control over financial reporting and compliance.

CohnReznick LLP

Braintree, Massachusetts
November 15, 2022

Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance With *Government Auditing Standards*

To the Board of Directors of
Boston Rescue Mission, Inc. and Affiliate

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards,* issued by the Comptroller General of the United States, the consolidated financial statements of Boston Rescue Mission, Inc. and Affiliate (a nonprofit organization), which comprise the consolidated statement of financial position as of June 30, 2022, and the related consolidated statements of activities, cash flows and functional expenses for the year then ended, and the related notes to the consolidated financial statements, and have issued our report thereon dated November 15, 2022.

Internal Control Over Financial Reporting

In planning and performing our audit of the consolidated financial statements, we considered Boston Rescue Mission, Inc. and Affiliate's internal control over financial reporting as a basis for designing procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Boston Rescue Mission, Inc. and Affiliate's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of Boston Rescue Mission, Inc. and Affiliate's internal control over financial reporting.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's consolidated financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses. However, material weaknesses, or significant deficiencies may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Boston Rescue Mission, Inc. and Affiliate's consolidated financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the consolidated financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Boston Rescue Mission, Inc. and Affiliate's internal control over financial reporting or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Boston Rescue Mission, Inc. and Affiliate's internal control over financial reporting and compliance. Accordingly, this communication is not suitable for any other purpose.

CohnReznick LLP

Braintree, Massachusetts
November 15, 2022

BOSTON RESCUE MISSION, INC. AND AFFILIATE

Consolidated Statement of Financial Position

As of June 30, 2022
With Comparative Totals as of June 30, 2021

Assets

Current Assets	2022	2021
Cash and cash equivalents	$ 577,556	$ 544,762
Accounts receivable, net	81,370	171,709
Program service fees receivable	191,036	561,512
Prepaid expenses	110,020	109,694
Total current assets	959,982	1,387,677
Land, Building and Equipment		
Land	577,560	577,560
Buildings	5,576,220	5,576,220
Building improvements	2,662,057	2,662,057
Equipment	35,806	35,806
Motor vehicles	27,357	27,357
Total fixed assets	8,879,000	8,879,000
Less: accumulated depreciation	(4,881,889)	(4,650,039)
Total net fixed assets	3,997,111	4,228,961
Other Assets		
Tenant security deposits	87,721	87,293
Investments	55,809,812	61,304,897
Total other assets	55,897,533	61,392,190
Total Assets	$ 60,854,626	$ 67,008,828

Liabilities and Net Assets

Current Liabilities		
Accounts payable	$ 93,029	$ 148,556
Accrued payroll and related payroll liabilities	30,408	90,876
Accrued benefits	29,765	29,399
Deferred revenue	17,308	10,488
Total current liabilities	170,510	279,319
Long Term Liabilities		
Tenant security deposits	87,269	86,919
Accrued retirement and severance	1,118,915	1,261,611
Debt, long term	154,700	154,700
Total long term liabilities	1,360,884	1,503,230
Total liabilities	1,531,394	1,782,549
Commitments and Contingencies	-	-
Net Assets		
Net assets without donor restrictions	58,721,576	64,506,176
Net assets with donor restrictions	601,656	720,103
Total net assets	59,323,232	65,226,279
Total Liabilities and Net Assets	$ 60,854,626	$ 67,008,828

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

BOSTON RESCUE MISSION, INC. AND AFFILIATE

Consolidated Statement of Activities

For the Year Ended June 30, 2022
With Comparative Totals for the Year Ended June 30, 2021

	Without Donor Restrictions	With Donor Restrictions	2022 Total	2021 Total
Revenue and Support				
Contributions	$ 2,127,327	$ -	$ 2,127,327	$ 2,558,710
In kind contributions	260,343	-	260,343	340,483
Program service fees	1,563,553	-	1,563,553	2,151,163
Rental income	733,601	-	733,601	842,274
Other income	1,512	-	1,512	33,090
Net assets released from restrictions	53,724	(53,724)	-	-
Total revenue and support	4,740,060	(53,724)	4,686,336	5,925,720
Expenses				
Program services	2,664,501	-	2,664,501	2,993,247
General and administrative	240,662	-	240,662	299,847
Fundraising	554,060	-	554,060	477,202
Total expenses	3,459,223	-	3,459,223	3,770,296
Change in net assets from operations	1,280,837	(53,724)	1,227,113	2,155,424
Other Revenue (Expenses)				
Investment revenue (loss), net	(7,065,437)	(64,723)	(7,130,160)	13,630,975
Forgiveness of debt	-	-	-	298,000
Total other revenue (expenses)	(7,065,437)	(64,723)	(7,130,160)	13,928,975
Change in Net Assets	(5,784,600)	(118,447)	(5,903,047)	16,084,399
Net Assets at Beginning of Year	64,506,176	720,103	65,226,279	49,141,880
Net Assets at End of Year	$ 58,721,576	$ 601,656	$ 59,323,232	$ 65,226,279

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

BOSTON RESCUE MISSION, INC. AND AFFILIATE

Consolidated Statement of Functional Expenses

For the Year Ended June 30, 2022
With Comparative Totals for the Year Ended June 30, 2021

	Residential and Job Readiness Program	Safe Haven Program	Community Incubator Program	Total Program Services	General and Administrative	Fundraising	2022 Total	2021 Total
Salaries	$ 984,913	$ 200,007	$ 50,546	$ 1,235,466	$ 125,489	$ 48,537	$ 1,409,492	$ 2,062,203
Fringe benefits	83,103	16,876	4,265	104,244	10,589	4,095	118,928	134,764
Payroll taxes	73,131	14,851	3,753	91,735	9,318	3,604	104,657	121,772
Subtotal	1,141,147	231,734	58,564	1,431,445	145,396	56,236	1,633,077	2,318,739
Food	269,531	-	-	269,531	-	-	269,531	354,290
Printing	-	-	-	-	-	236,259	236,259	127,615
Depreciation	74,072	15,467	139,226	228,765	1,542	1,543	231,850	234,514
Postage	423	-	-	423	47	154,379	154,849	155,340
Repairs and maintenance	38,535	5,847	93,238	137,620	651	651	138,922	97,004
Utilities	67,720	15,243	27,780	110,743	716	716	112,175	111,578
Direct mail marketing	-	-	-	-	-	103,008	103,008	101,754
Miscellaneous expenses	39,479	7,440	852	47,771	39,814	594	88,179	124,061
Insurance	38,436	4,806	19,013	62,255	4,261	674	67,190	55,362
Taxes	-	-	56,717	56,717	535	-	57,252	56,819
Professional fees	-	-	-	-	47,700	-	47,700	33,220
Bad debt	-	-	319,231	319,231	-	-	319,231	-
	$ 1,669,343	$ 280,537	$ 714,621	$ 2,664,501	$ 240,662	$ 554,060	$ 3,459,223	$ 3,770,296

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

BOSTON RESCUE MISSION, INC. AND AFFILIATE

Consolidated Statement of Cash Flows

For the Year Ended June 30, 2022
With Comparative Totals for the Year Ended June 30, 2021

Cash Flows from Operating Activities	2022	2021
Change in net assets from operations	$ (5,903,047)	$ 16,084,399
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Net (gain) loss on investments, net of fees	7,130,306	(12,894,506)
Gain from investments in limited liability companies	-	(736,305)
Donated securities included in contributions	(19,221)	(11,506)
Depreciation	231,850	234,514
Forgiveness of debt	-	(298,000)
Bad debt	319,231	-
Decrease (increase) in assets:		
Accounts receivable	(228,892)	(125,381)
Program service fees receivable	370,476	54,538
Prepaid expenses	(326)	(1,020)
Tenant security deposits	(78)	(88)
Increase (decrease) in liabilities:		
Accounts payable	(55,527)	(15,613)
Accrued payroll and related payroll liabilities	(60,102)	62,740
Accrued benefits, retirement and severance	(142,696)	311,162
Deferred revenue	6,820	(16,252)
Net Cash Provided by Operating Activities	1,648,794	2,648,682
Cash Flows from Investing Activities		
Purchase of investments	(1,616,000)	(3,343,000)
Proceeds from sale of investments	-	175,000
Distributions from investments in limited liability companies	-	771,629
Net Cash Used in Investing Activities	(1,616,000)	(2,396,371)
Net Increase in Cash and Cash Equivalents	32,794	252,311
Cash and Cash Equivalents - Beginning	544,762	292,451
Cash and Cash Equivalents - Ending	$ 577,556	$ 544,762
Supplemental Disclosure of Non-Cash Investing and Financing Activities		
Disposal of fully depreciated fixed assets	$ -	$ 5,860

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

(1) Summary of Significant Accounting Policies

The consolidated financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP). The significant accounting policies followed by Boston Rescue Mission, Inc. (BRM) and Affiliate (the Organization) are described below to enhance the usefulness of the consolidated financial statements to the reader.

(a) Nature of Activities

Mission Overview:

- Since 1899, BRM has provided a safe, healing community for people at risk of homelessness and substance use disorders.
- BRM is committed to transforming and empowering women and men at risk to end their homelessness and to become healthier and more self-sufficient.
- Every day, homeless women and men find dignity and refuge in BRM's shelter community from the lonely and often violent streets and inclement weather.
- BRM provides hearty and healthy meals, a safe place to sleep, bathroom and shower facilities, toiletries, emergency clothing, and care for every person with respect.
- Staff is diverse in language, ethnicity, culture, age, skills, and knowledge and lived experiences and assist guests with achieving their goals for housing, recovery, physical and mental health and other critical needs.
- During the year ended June 30, 2022, staff and volunteers prepared and served thousands of nutritious meals.
- Last year, BRM's Safe Haven Veterans Program in Dorchester provided transitional housing for women and men struggling with chronic homelessness, substance use disorders, and mental illness. The staff helped veterans successfully move to permanent housing.

Community Need:

During the year ended June 30, 2022, BRM served significantly less people in need of emergency shelter and services due to restrictions on spacing for COVID-19 safety. BRM continues to respond effectively to the COVID-19 Pandemic, successfully procuring PPE supplies, and establishing mandatory screening, mask wearing, social distancing and cleaning and sanitizing protocols. Frontline staff treat every person with dignity and are effective in keeping our shelter community, staff and guests safe and healthy.

Slogan:

Transforming lives at risk since 1899.

Vision Statement:

Transforming lives by empowering people at risk to achieve healthy and self-sufficient lives.

(1) Summary of Significant Accounting Policies - continued

(a) Nature of Activities - continued

Residential and Job Readiness Program is comprised of the following services:

Safe and Healthy Programs

BRM's year-round emergency shelter beds and services people who are experiencing homelessness and don't have a safe place to sleep. Beginning in late afternoon, staff conduct an intake with each person to access their immediate needs and determine whether someone is under the influence of alcohol and/or drugs for their safety and wellbeing and for all other guests and staff. During the COVID-19 Pandemic, the intake also involved protocols for screening for symptoms of the virus, assessment of health conditions and mandatory wearing of masks and social distancing by all guests and staff. BRM provides two nourishing and hearty meals, access to clean bathrooms and shower facilities, access to a case manager for help with immediate needs, secure a bed at a detox or recovery program, or to begin the process of finding transitional or permanent housing. BRM's longtime partnership with Health Care for the Homeless provides for a weekly onsite medical team.

Healthy Meals Programs

Shelter Meals

BRM relies on the generosity of dozens of food donors to help prepare and serve thousands of healthy and hearty meals each year. Staff and volunteers serve three meals a day to community residents and breakfasts and dinners to guests who stay in BRM's Safe and Healthy and Emergency Overflow Shelter programs.

Boston Common Outreach

On Saturday mornings, a volunteer and staff group spend time on the Boston Common and provide food, coffee, water, and fellowship. The goal of this outreach is to connect with others and share a meal and resources for those experiencing hunger and homelessness.

Food Pantry

BRM's pantry provides food basics such as rice, beans, pasta, meats, vegetables, cereals and other packaged food to BRM's neighbors in need. Every other Wednesday morning, BRM's food pantry is managed by volunteers who distribute critical food supplies that help sustain and feed neighborhood families.

(1) Summary of Significant Accounting Policies - continued

(a) Nature of Activities - continued

Residential and Job Readiness Program is comprised of the following services - continued:

Clinical and Counseling Services

The Organization's Clinical and Counseling services are available for residents that choose to request extra care. The center provides clinical and support services to individuals to help address the wide variety of issues arising from substance abuse and substance dependence, including:

- Individual and family counseling
- Case management services to address vocational, financial, physical and mental health, educational, rehabilitative, and housing needs
- Referral to other agencies (i.e. inpatient treatment, vocational training)
- Education and resources on detox, recovery programs, mental illness, smoking cessation, infectious diseases (i.e. TB, HIV/AIDS, Hepatitis, STDs)
- Aftercare and transition planning

Sober Beds and Supporting Services

Substance dependence is a common contributing cause to homelessness. BRM's "dry" sober beds provide a drug and alcohol free environment in which individuals can address their substance use and dependence issues. A major goal of the program is to build program members' self-esteem and equip them with the tools and skills they need to achieve permanent self-sufficiency.

Job Readiness Program

BRM provides job training and work opportunities to these community members to prepare them to join or rejoin the workforce. BRM teaches, develops, and reinforces the work skills, coping abilities, positive attitudes and self-confidence that are necessary to successfully apply for a job, accept an offer, and to maintain employment.

Rapid Rehousing and Stabilization Program

The US Department of Housing and Urban Development's 2018 report on homelessness showed Massachusetts with a 14% increase, the highest in the country. BRM experienced this increased need at the Mission, especially among women. For many of BRM's guests, the disease of substance use disorder goes hand-in-hand with homelessness. Staff understand that after months or years experiencing homelessness, unemployment, isolation and estrangement from family and friends, the appropriate next step is transitional housing and treatment.

(1) Summary of Significant Accounting Policies - continued

(a) Nature of Activities - continued

Working one on one in a confidential and trauma informed manner, the client prioritizes their goals with a case manager and steps to achieve them. This may involve reunification with family, inpatient treatment, private/public housing, transitional housing, sober living programs, vocational training and employment. For some individuals, moving to a sober house or long-term recovery program is optimal. Individuals identified as "chronically" homeless and on the City of Boston's Chronic Housing List are eligible for private housing vouchers, subsidized or public housing. Staff may facilitate an immediate referral to partner agencies to expedite the process. The Mission will continue to provide financial support to clients for travel expenses, security deposits, first month's rent, and assistance with furniture and movers. Staying true to BRM's mission of transforming lives, clients are offered a range of services and care that are most effective and successful in fostering meaningful, sustainable life changes.

The Residential and Job Readiness Program accounted for 73% of total program expenditures for the year ended June 30, 2022.

Safe Haven Program

For ten years, BRM has successfully operated a 10-bed short-term transitional housing program for chronically homeless veterans struggling with substance use disorders, mental illness and other health issues in a restored Victorian in Dorchester, MA. The program utilizes three evidence-based practices for care: motivational interviewing, critical time intervention, and stages of change. The goal is to prepare each veteran to effectively and safely transition to permanent housing. BRM provides three healthy meals, snacks, counseling, and referrals to services at their request. Staff provides an environment that is conducive for each veteran to find hope, opportunity and the determination to transform their life.

The Safe Haven Program accounted for 12% of total program expenditure for the year ended June 30, 2022.

Community Builder Incubator Program

On December 21, 2004, BRM created the Kingston Investment Properties Trust. This nominee trust was created as a title holding agency. BRM administers shared space for services in downtown Boston for several Massachusetts community-based organizations, including homelessness, youth and child services. BRM's administrative offices are also located in the building. The proximity to each other facilitates programmatic collaboration among several of these organizations and with BRM. BRM is also building future programmatic space capacity for its growing programs.

The Community Builder Incubator Program accounted for 15% of total program expenditure for the year ended June 30, 2022.

(1) Summary of Significant Accounting Policies - continued

(a) Nature of Activities - continued

Private Funding and Efficiency

Additionally, BRM relies on a greater proportion of individual private donors for the majority of its total revenue. This reliance on individual donors and not governmental tax generated funds causes BRM to incur mailing and tracking costs, making the development expenses higher than organizations supported by a greater percentage of public funding. BRM believes in a healthy balance of both individual donations and public grants so it can best meet the goals of the Organization and provide better care for the people it serves.

A core strategy of BRM is to employ salaried professionals for administrative and program management functions and to augment the professional staff with a large number of volunteers to carry out the support functions of BRM's ministries. The result of this strategy can be seen in Note 1(l) to the consolidated financial statements. Including the in-kind value of volunteers would dramatically change the percentage of expense allocated to BRM program services in a positive way. For the year ended June 30, 2022, Private Funding and Efficiency expenses are included in fundraising on the consolidated statement of functional expenses.

(b) Basis of Consolidation

The consolidated financial statements include the accounts of BRM and On-the-Job-Inc., a nonprofit organization with control and economic interest through common board members. All material inter-company transactions and accounts have been eliminated in consolidation. Additionally, BRM set-up a wholly owned entity named JBOND LLC (JBOND) during the year ended June 30, 2021. There was no activity in JBOND through June 30, 2022; see Note 13.

All material inter-company transactions and accounts have been eliminated in consolidation.

On-the-Job, Inc. was formed in July 1998 for the purpose of undertaking economic development opportunities which advance the charitable goals of BRM, including, without limitation, providing training, employment, housing and similar opportunities for the homeless and other program members of BRM. On August 23, 2003, On-the-Job-Inc. ceased program services.

(c) Basis of Presentation

The consolidated statement of activities reports all changes in net assets, including changes in net assets without donor restrictions from operating activities. Operating revenues consist of those monies received and other contributions attributable to the Organization's ongoing efforts. Investment income or losses, realized and unrealized gains and losses on investments, net of related management fees are reported as non-operating revenue because such assets are managed for long-term stabilization of the Organization's activities.

(d) Standards of Accounting and Reporting

The Organization's net assets (excess of its assets over liabilities) and its revenues, expenses, gains and losses are classified based on the existence or absence of donor-imposed restrictions.

(1) Summary of Significant Accounting Policies - continued

(d) Standards of Accounting and Reporting - continued

The consolidated statement of financial position presents two classes of net assets (net assets without donor restrictions and net assets with donor restrictions) and the consolidated statement of activities displays the change in each class of net assets. The classes of net assets applicable to the Organization are presented as follows:

Net Assets Without Donor Restrictions - Net assets that are not subject to donor imposed restrictions. Net assets without donor restrictions of assets and contributions available for the support of operations. These net assets may be designated for specific purposes by the Board of Directors. Gains and losses on investments are reported as increases or decreases in net assets without donor restrictions unless their use is restricted by explicit donor stipulations or law.

Net Assets With Donor Restrictions - Net assets that are subject to donor-imposed stipulations that may or will be met, either by actions of the Organization and/or passage of time. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the consolidated statement of activities as net assets released from restrictions. Contributions, gains and investment income that are restricted by the donor are reported as increases in net assets without donor restrictions if the restriction expires in the reporting period in which the contributions are recognized.

Net assets with donor restrictions also includes the original amount of gifts and investment earnings required by the donor to be permanently retained. Generally, the donors of these assets permit the Organization to use all or part of the income earned on related investments for general or specific purposes.

(e) Cash and Cash Equivalents

The Organization considers all highly liquid investments purchased with an original maturity of three months or less, which are neither held for nor restricted by donors for long-term purposes, to be cash equivalents. Cash and highly liquid financial instruments restricted to building projects, endowments that are perpetual in nature, or other long-term purposes are excluded from this definition.

The Organization maintains its cash balances at several financial institutions located in Massachusetts. The cash balances are insured by the Federal Deposit Insurance Corporation. At times these balances may exceed the federal insurance limits; however, the Organization has not experienced any losses with respect to its bank balances in excess of government provided insurance. Management believes that no significant concentration of credit risk exists with respect to these cash balances as of June 30, 2022.

(1) Summary of Significant Accounting Policies - continued

(f) Investments

The Organization records investment purchases at cost, or if donated, at fair value on the date of donation. Thereafter, investments are reported at their fair values in the consolidated statement of financial position. Interest and dividends are recorded when earned. Gains and losses are recognized as incurred or based on fair value changes during the period. Net investment return/(loss) is reported in the consolidated statement of activities and consists of interest and dividend income, realized and unrealized capital gains and losses, less external and direct investment expenses. Investments are exposed to risks such as interest rate, credit and overall market volatility.

(g) Revenue Recognition

The Organization earns revenue as follows:

The Organization generally measures revenue based on the amounts of consideration it expects to be entitled for the transfers of goods and services to a customer, then recognizes its revenue as performance obligations are satisfied under a contract, except in transactions where U.S. GAAP provides other applicable guidance. The Organization evaluates its revenue contracts with customers based on the five-step model under Topic 606: (1) Identify the contract with the customer; (2) Identify the performance obligations in the contract; (3) Determine the transaction price; (4) Allocate the transaction price to separate performance obligations; and (5) Recognize revenue when (or as) each performance obligation is satisfied.

Program Service Fees - Program service fee revenue is earned and recognized by the Organization when units or services are provided and billed under various agreements funded primarily by governmental agencies. State contracts that are considered reciprocal transactions or purchases of services, the results of which are turned over to the grantor, are recognized as the work under the contract is performed. Contracts that are considered nonreciprocal transactions that further the programs of the Organization are recorded when the Organization receives notification of the contract, or if, conditions for performance are imposed, revenue is recognized when conditions have been met. All contracts, consist of two types, unit-rate and cost-reimbursement contracts, all with ceiling amounts. Unit-rate contracts provide that revenue is to be earned and recognized at a negotiated or class rate for each unit-of-service that is provided under the terms of the contract. Under the cost-reimbursement contracts, revenue recognition takes place as costs related to the services provided are incurred. Billings on the contracts are subject to final approval by the governmental organization. For the year ended June 30, 2022, all program service fees of the Organization represent non-reciprocal transactions.

(1) Summary of Significant Accounting Policies - continued

(g) Revenue Recognition - continued

Contributions - In accordance with ASC Sub Topic 958-605, *Revenue Recognition*, the Organization must determine whether a contribution (or a promise) is conditional or unconditional for transactions deemed to be a contribution. A contribution is considered to be a conditional contribution if an agreement includes a barrier that must be overcome and either a right of return of assets or a right of release of a promise to transfer assets exists. Indicators of a barrier include measurable performance-related barrier or other measurable barrier, a stipulation that limits discretion by the recipient on the conduct of an activity and stipulations that are related to the purpose of the agreement. Topic 958 prescribes that the Organization should not consider probability of compliance with the barrier when determining if such awards are conditional and should be reported as conditional grant advance liabilities until such conditions are met.

Contributions without donor restrictions are recognized as revenue when received or unconditionally pledged. Contributions with donor restrictions are recorded as revenues and net assets with donor restrictions when received or unconditionally pledged. Transfers are made to net assets without donor restrictions as services are performed and costs are incurred pro-rata over the period covered by the grant or contribution as time restrictions lapse.

Rental - Rental revenue, primarily from leases on commercial units, is recognized on a straight-line basis over the related lease terms. Rental payments received in advance are deferred. All leases between the Organization and its tenants are operating leases. Deferred rent, if any, represents the excess of rent reported on the straight-line basis over rental payments required under current, non-cancelable leases. Rental revenue is included in program service fees on the consolidated statement of activities. Rental revenue is recognized as rentals come due and are accounted for under *Leases* (Topic 840). All leases between the Organization and its tenants are operating leases.

In-Kind Contributions - Gifts in kind are recorded as contributions at fair value at the date of donation. Such donations are reported as increases in net assets without donor restrictions unless the donor has restricted the donated asset to a specific purpose. Assets donated with explicit restrictions regarding their use and contributions of cash that must be used to acquire property and equipment are reported as restricted contributions. Absent donor stipulations regarding how long those donated assets must be maintained, the Organization reports expirations of donor restrictions when the donated or acquired assets are placed in service as instructed by the donor. The Organization reclassifies net assets with donor restrictions to net assets without donor restrictions at that time.

Donated Services - Donated services are recognized as contributions if the services (a) create or enhance nonfinancial assets or (b) require specialized skills, are performed by individuals with those skills, and would otherwise be purchased by the Organization. Volunteers also provided fund-raising services throughout the year that are not recognized as contributions in the consolidated financial statements since the recognition criteria were not met, see Note 1(l).

Deferred revenue represents income received prior to year-end. These amounts are deferred and recognized over the periods to which the units or services are provided.

(1) Summary of Significant Accounting Policies - continued

(g) Revenue Recognition - continued

Substantially all of the Organization's revenue is derived from its activities in Massachusetts. During the year ended June 30, 2022, the Organization's program service fees were derived from Massachusetts state agencies. All revenue is recorded at the estimated net realizable amounts.

(h) Accounts Receivable

Accounts receivable are stated at the amount management expects to collect from outstanding balances. Management provides for probable uncollectible amounts through a provision for bad debt expense and an adjustment to a valuation allowance based on its assessment of the current status of individual accounts. Balances that are outstanding after management has used reasonable collection efforts are written off through a charge to the valuation allowance and a credit to accounts receivable. As of June 30, 2022, the allowance for doubtful accounts was $319,231.

The Organization does not have a policy to accrue interest on receivables. With the exception of tenant accounts receivable, the Organization has no policies requiring collateral or other security to secure the accounts receivable. Tenant security deposits are used as collateral in the event of non-payment of rent. The Organization has a policy to collect two month's security deposit from tenants.

As of June 30, 2022, 100% of the program service fees receivable are due from Massachusetts state agencies and 80% of accounts receivable is due from one tenant.

(i) Land, Buildings and Equipment

Land, buildings and equipment are recorded at cost or if donated, fair value on the date of receipt. Depreciation is provided for in amounts sufficient to relate the cost of depreciable assets to operations over their estimated service lives. Improvements, including planned major maintenance activities are capitalized, while expenditures for routine maintenance and repairs are charged to expense as incurred. Upon disposal of depreciable property, the appropriate property accounts are reduced by the related costs and accumulated depreciation. The resulting gains and losses are reflected in the consolidated statement of activities.

The Organization computes depreciation using the straight-line method over the following estimated lives:

Buildings	25-40 years
Building improvements	5-40 years
Equipment	5-10 years
Motor vehicles	5 years

Buildings and equipment are reviewed for impairment if the use of the asset significantly changes or another indicator or possible impairment is noted. If the carrying amount for the asset is not recoverable, the value is written down to the asset's fair value.

(1) Summary of Significant Accounting Policies - continued

(j) Donated Services and Gifts In-Kind

Gifts in-kind are reported as contributions in the consolidated financial statements at their estimated fair values at the time of receipt. Donated services are similarly reported when services are performed which would otherwise have been purchased or performed by Organization personnel.

Many individuals volunteer their time and perform a variety of tasks that assist the Organization with program and fund-raising services. The Organization would not have paid for these volunteered services if they had not been donated and therefore, they have not been reflected in the consolidated financial statements. For the year ended June 30, 2022, the Organization estimates that over 28,000 volunteer hours were received.

(k) Designation of Net Assets Without Donor Restrictions

It is the policy of the Board of Directors of the Organization to review its plans for future property improvements, acquisitions and program development/expansion from time to time and to designate appropriate sums of net assets without donor restrictions to assure adequate financing of such improvements, acquisitions and development/expansion, see Note 4.

(l) Fundraising

Fundraising relates to the activities of raising general and specific contributions to the Organization. Fundraising expenses as a percentage of total contribution revenue was 26% for the year ended June 30, 2022. The ratio of expenses to amounts raised is computed using actual expenses and related revenue on an accrual basis.

(m) Functional Allocation of Expenses

The costs of providing various programs and other activities have been summarized on a functional basis in the consolidated statement of activities and in the consolidated statement of functional expenses. Directly identifiable expenses are charged to programs and supporting services. Expenses related to more than one function are allocated to programs and supporting services. Administration expenses include those expenses that are not directly identifiable with any other specific function but provide for the overall support and direction of the Organization.

Payroll and associated costs are allocated to functions based upon time sheets. Occupancy costs are allocated based upon square footage.

(1) Summary of Significant Accounting Policies - continued

(n) Fair Value Measurements

U.S. GAAP defines fair value as the exchange price that would be received for an asset or paid to transfer a liability in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants at the measurement date. Additionally, the inputs used to measure fair value are prioritized based on a three-level hierarchy. This hierarchy requires entities to maximize the use of observable inputs and minimize the use of unobservable inputs. The three levels used to measure fair value are as follows:

Level 1: Quoted prices for identical instruments traded in active markets.

Level 2: Observable inputs other than quoted prices included in level 1. Assets and liabilities included in this level are valued using quoted prices for similar assets and liabilities in active markets or other inputs that are observable or can be corroborated by observable market data.

Level 3: Significant inputs to the valuation model are unobservable.

Recurring Measurements

The following section describes the valuation methodologies used to measure assets financial assets and liabilities at fair value on a recurring basis.

Investments in Debt and Equity Securities: Quoted market prices are used to determine the fair value of investment securities, and they are included in Level 1. Level 1 securities primarily include publicly traded equity securities. See Note 2 for details of the Organization's investments in debt and equity securities.

The following table summarizes assets measured at fair value on a recurring basis as of June 30, 2022.

	Fair Value Measurements on a Recurring Basis			
	Level 1	Level 2	Level 3	Total
Investments	$ 49,230,090	$ -	$ -	$ 49,230,090
Total	$ 49,230,090	$ -	$ -	$ 49,230,090

(1) Summary of Significant Accounting Policies - continued

(o) Use of Estimates

In preparing the Organization's consolidated financial statements in conformity with U.S. GAAP, management is required to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

(p) Income Taxes

BRM and On-the-Job, Inc. qualify as organizations formed for charitable purposes under Section 501(c)(3) of the Internal Revenue Code (IRC) and are generally not subject to income tax. However, income from certain activities not directly related to BRM and On-the-Job, Inc.'s tax-exempt purposes are subject to taxation as unrelated business income. BRM is invested in rental real estate of non-debt-financed properties not subject to unrelated business income. In addition, neither BRM nor On-the-Job, Inc. are private foundations under Section 509(a)(1) of the IRC. Generally, the Organization's information/tax returns remain open for possible federal income tax examination for three years after the filing date. The Organization is not currently under examination by any taxing jurisdiction.

(q) Summarized Financial Information for 2021

The consolidated financial statements include certain prior year summarized comparative information in total but not by net asset class. Also, there is no presentation of the consolidated statement of functional expenses for the year ended June 30, 2021. In addition, the financial statements do not include full financial statement disclosures for the prior year. Such information does not include sufficient detail to constitute a presentation in conformity with U.S. GAAP. Accordingly, such information should be read in conjunction with the Organization's consolidated financial statements for the year ended June 30, 2021, from which the summarized information is derived.

(r) Accounting Standards Adopted

For the year ended June 30, 2022, the Organization adopted ASU 2020-07, *Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets*. This standard provides guidance on the presentation of contributed nonfinancial assets in the statement of activities and additional disclosure requirements for each type of contributed nonfinancial asset. The ASU provides transparency on the measurement of the contributed nonfinancial assets of the organization and will not change existing recognition and measurement requirements. The Organization has implemented the provisions of ASU 2020-07 applicable to all contributed nonfinancial assets, which has been applied retrospectively to all periods presented.

(1) Summary of Significant Accounting Policies - continued

(s) Recent Accounting Standards

In February 2016, FASB issued ASU 2016-02, *Leases (Topic 842)* which sets out the principles for the recognition, measurement, presentation and disclosure of leases for both parties to a contract (i.e., lessees and lessors). The new standard requires lessees to apply a dual approach, classifying leases as either finance or operating leases based on the principle of whether or not the lease is effectively a financed purchase by the lessee. This classification will determine whether lease expense is recognized based on an effective interest method or on a straight line basis over the term of the lease, respectively. A lessee is also required to record a right-of-use asset and a lease liability for all leases with a term of greater than 12 months regardless of their classification. Leases with a term of 12 months or less will be accounted for similar to existing guidance for operating leases today.

The new standard requires lessors to account for leases using an approach that is substantially equivalent to existing guidance for sales-type leases, direct financing leases and operating leases. The ASU was set to be effective on July 1, 2021, with early adoption permitted. The effective date was extended to fiscal years beginning after December 15, 2021. The Organization is currently evaluating the impact the adoption of this new standard will have on its financial statements.

In July 2018, FASB issued ASU 2018-10, *Codification Improvements to Topic 842, Leases* and *ASU 2018-11, Leases (Topic 842), Targeted Improvements*. In December 2018, FASB issued ASU 2018-20, *Leases (Topic 842), Narrow-Scope Improvements for Lessors*. Adoption of these ASUs will run concurrent with the Organization's adoption of ASU 2016-02.

(t) Reclassifications

Certain amounts in the prior year have been reclassified to confirm to the current year presentation.

(2) Investments

The Board of Directors designated funds to be set aside for particular purposes, including but not limited to, future property improvements, acquisitions and program development/expansion. As of June 30, 2022, all investments are classified as long-term, and are mostly Board of Directors designated assets, see Note 4(b).

Investments are valued at fair value using Level 1 inputs, unadjusted quoted prices in active markets, other than cash and money market funds, and are comprised of the following as of June 30, 2022:

Cash and money market funds	$ 6,579,722
U.S. Treasuries	6,191,984
Domestic mutual funds	25,437,999
Debt securities	
Domestic corporate fixed income	2,207,790
Equity securities	
Domestic	15,392,317
Total fair value level 1 investments	49,230,090
Total	$ 55,809,812

The marketable equity securities and corporate fixed income debt securities primarily consist of common stocks and mutual funds, respectively, of companies traded on the New York Stock Exchange.

(3) Debt

The Organization has a first mortgage note payable to the City of Boston, Department of Neighborhood Development, dated November 22, 2010, in the amount of $154,700 for a property located in Boston, Massachusetts. The note bears no interest. No payments are required until maturity, December 18, 2027. The note is secured by a first mortgage and security agreement and an assignment of leases and rents on the property. As of June 30, 2022, the outstanding principal was $154,700.

(4) Net Assets

(a) Net Assets with Donor Restrictions

Net assets with donor restrictions consist of resources available to meet future obligations, but only in compliance with the restrictions specified by donors. As of June 30, 2022, net assets with donor restrictions are restricted for the following purposes or periods:

Subject to expenditure for a specified purpose:		
Unexpended appreciation over spending policy for use on charitable activities	$	75,377
Asset acquisition		11,928
Total		87,305
Maintained in perpetuity:		
Arthur S. Pittman Endowment Fund*		306,561
Catherine C. Gordon Endowment Fund**		207,790
Total		514,351
Total net assets with donor restrictions	$	601,656

*The original contributions of $306,561 is to be invested in perpetuity, and earnings thereon may be used for charitable purposes based in the policy agreement. Annual releases are limited to 7%.

** The original contribution of $207,790 is to be invested in perpetuity, and earnings may be used for direct program support. Annual releases are limited to 7%.

Net assets released from restrictions during the year ended June 30, 2022 were $53,724, of which all were program restricted.

A summary of the endowment fund activity is as follows:

Balance, beginning of year	$	514,351
Investment revenue (expenses), net		(64,723)
Additions (expenditures)		64,723
Balance, end of year	$	514,351

A summary of the activity in the unexpended appreciation over spending policy for use on charitable activities is as follows:

Balance, beginning of year	$	176,104
Additions		-
Endowment recovery		(64,723)
Releases		(36,004)
Balance, end of year	$	75,377

(4) Net Assets - continued

(b) Net Assets Without Donor Restrictions

The Organization's net assets without donor restrictions is comprised of undesignated and Board designated amounts for the following purposes as of June 30, 2022:

Undesignated	$	33,403,204
Capital Fund for capital acquisition and upgrades		12,812,304
Cornerstone Fund to fund start-up, faith based and other programs and for capacity growth		5,506,068
Reserve Fund		7,000,000
Balance, end of year	$	58,721,576

(5) Endowment

The Organization has interpreted the Uniform Prudent Management of Institutional Funds Act (UPMIFA) as requiring the preservation of the fair value of the original gift as of the date of the donor-restricted endowment funds, unless there are explicit donor stipulations to the contrary. As a result of this interpretation, the Organization retains in perpetuity (a) the original value of initial and subsequent gift amounts donated to the permanent endowment and (b) any accumulations to the endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added. Donor-restricted amounts not retained in perpetuity are subject to appropriation for expenditure by us in a manner consistent with the standard of prudence prescribed by UPMIFA.

The Organization's endowment consists of $514,351 established for charitable purposes. Net assets associated with endowment funds, including funds designated by the Board to function as endowments, are classified and reported based on the existence or absence of donor-imposed restrictions.

In accordance with state law, the Organization considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

- The duration and preservation of the fund
- The purposes of the Organization and the donor-restricted endowment fund
- General economic conditions
- The possible effect of inflation and deflation
- The expected total return from income and the appreciation of investments
- Other resources of the Organization
- The investment policies of the Organization

Accordingly, the Organization has adopted investment and spending policies for endowment assets that attempt to provide a predictable stream of funding to programs supported by its endowment while seeking to maintain the purchasing power of the endowment assets. See Note 4 for activity during the year ended June 30, 2022.

(6) Defined Contribution Plan

The Organization offers eligible employees participation in a 401(k) retirement plan. Employees must be at least 21 years old and have completed one year of service and 1,000 hours to participate. The Organization provides a match of 100% of the first 6% of salary contributed by employees. Employees are fully vested upon the employer matching contributions. Plan administration fees and employer match totaled $69,194 for the year ended June 30, 2022.

(7) Operating Lease Commitments

The Organization currently leases commercial space to seven organizations. Various leases end between 2022 and 2027. Rental income, exclusive of amounts reimbursed by tenants, amounted to $676,926 for the year ended June 30, 2022. Future minimum lease payments to be received are as follows for the years ending June 30:

2023	$ 391,854
2024	267,202
2025	160,214
2026	138,238
2027	110,250

Management believes lease payments from tenants under long-term operating leases may change due to tenant degree of stability. No material changes are expected to the Organization's consolidated financial statements for the year ended June 30, 2022 as a result of these uncertainties.

(8) Related Party Transactions

During the year ended June 30, 2022, a board member provided consulting services with the Organization's staff in the amount of $10,020.

The Executive Director of the Organization is also the Board President. Compensation includes salary and related fringe benefits, a housing allowance and a retirement benefit.

During prior years, the Board of Directors voted to reallocate the accrued vacation balance of the Executive Director to accrued retirement and vacation liability. The reallocation is invested in marketable securities subject to additional funding as defined in the retirement agreement. The accrued balance amounted to $1,118,915 at June 30, 2022, which is included under the caption of long-term liabilities on the consolidated statement of financial position.

Total compensation, including housing allowance, vacation accrual and retirement, incurred to the Executive Director amounted to $154,911 for the year ended June 30, 2022.

As of the November 15, 2022, the Board of Directors is in negotiations with the Executive Director concerning a potential revision of the current retirement agreement, however, no new agreements have yet to be entered into.

(9) Commitments and Contingencies

The Organization receives a portion of its funding from governmental agencies. The ultimate determination of amounts received under these programs generally is based upon allowable costs reported to and audited by the governmental agencies. Until such audits have been completed, if any, and final settlement reached, there exists a contingency to refund any amount received in excess of allowable costs. Management is of the opinion that no material liability will result from such audits.

The Organization's operations are concentrated in the social service provider field. As such, the Organization operates in a heavily regulated environment. The operations of the Organization are subject to administrative directives, rules and regulations of federal, state and local regulatory agencies, including, but not limited to the following:

United States Department Agriculture, Food and Nutrition Services
United States Department of Veterans Affairs
Massachusetts Department of Housing and Community Development
City of Boston Public Health Commission

Such administrative directives, rules and regulations are subject to change by an act of Congress, act of the state and local legislature or an administrative change mandated by, the United States Departments, the Commonwealth of Massachusetts Departments or the City of Boston departments listed above. Such changes may occur with little notice or inadequate funding to pay for the related cost, including the additional administrative burden, to comply with a change. Additionally, contractual funding may decrease or be withdrawn with little notice.

(10) Liquidity and Availability of Resources

The following reflects the Organization's financial assets as of June 30, 2022, reduced by amounts not available for general use because of contractual or donor-imposed restrictions within one year from the statement of financial position date.

Financial assets at year end		
Cash and cash equivalents	$	577,556
Receivables, net		272,406
Total		849,962
Less amounts unavailable for general expenditures within one year, due to:		
Restricted by donors for specific purposes		87,305
Total		87,305
Financial assets available to meet cash needs for general expenditures within one year	$	762,657

Amounts not available include amounts set aside for long-term investment in the Organization that could be drawn upon at management's or the Board's discretion. These amounts totaled $55,360,139 as of June 30, 2022. Included in the investment amounts are Board designated funds, see Note 4(b). In addition, as part of the Organization's liquidity management, the Organization has a policy to structure the financial assets to be available as its general expenditures, liabilities and other obligations come due.

(11) Risks and Uncertainties - COVID 19

In early 2021, an outbreak of a novel strain of coronavirus (COVID-19) emerged globally. As a result, events have occurred including mandates from federal, state and local authorities leading to an overall decline in economic activity. At this stage, the limited impact to the Organization resulted in a loss of revenues and other adverse effects to the Organization's financial position, results of operations, and cash flows. Further, the Organization's liquidity as of June 30, 2022 is documented at Note 11. The Organization is not able to estimate the length or severity of this outbreak and the related financial impact. Management plans to adjust its operations accordingly and will continue to assess and monitor the situation as it evolves. If the length of the outbreak and related effects on the Organization's operations continue for an extended period of time the Organization may have to seek alternative measures to finance its operations. The Organization does not believe that the impact of COVID-19 would have a material adverse effect on its financial condition or liquidity.

(12) Contributed Nonfinancial Assets

For the year ended June 30, 2022, contributed nonfinancial assets recognized within the consolidated statement of activities included $260,343 of donated food that was received which was utilized entirely for programmatic purposes and was not donor restricted. Donated food items are valued, based upon weight, at the approximate average wholesale value of one pound of donated product at the national level as outlined in the Product Valuation Survey Methodology prepared by an international CPA firm dated December 31, 2021 prepared for Feeding America for use by member food banks.

(13) Subsequent Events

The Organization has performed an evaluation of subsequent events through November 15, 2022, which is the date the Organization's consolidated financial statements were available to be issued. No material subsequent events, except as disclosed below, have occurred since June 30, 2022 that required recognition or disclosure in these consolidated financial statements.

Subsequent to year end, there have been significant downward fluctuations within the Organization's marketable equity securities balance as a result of an overall decrease in the value of the common stock of various held securities. The Organization is in communication with their investment company considering the management of continued risk of their investments and does not anticipate these downward fluctuations to have an impact on the Organization's operations during fiscal year 2022.

Subsequent to year end, JBOND entered into an agreement with a former tenant of the Organization to purchase the tenant's restaurant assets, which included all furniture, fixtures and leasehold improvements of the restaurant, as well as the restaurant's liquor license. Additionally, JBOND entered into a license management agreement with an unrelated entity, contingent on the liquor license transfer, whereby JBOND would license the above purchased restaurant assets to this unrelated entity for a period of three years. Such license fees would have a monthly payment range over the course of the agreement, plus provide for certain additional real estate, utility and other reimbursement payments. Both agreements are pending completion dependent upon the City of Boston's approval of such liquor license transfer, which has not occurred as of the date of the auditor's report.

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