BOSTON PROJECT MINISTRIES, INC. AND
BOSTON PROJECT PROPERTIES, INC.

Consolidated Financial Statements

December 31, 2019

Kevin P. Martin & Associates, P.C

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Kevin P. Martin & Associates, P.C.
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Independent Accountants' Review Report

To the Board of Directors of
Boston Project Ministries, Inc. and Boston Project Properties, Inc.

We have reviewed the accompanying consolidated statement of financial position of Boston Project Ministries, Inc. and Boston Project Properties, Inc. (nonprofit organizations) (collectively, the Organizations) as of December 31, 2019 and the related consolidated statements of activities, cash flows and functional expenses for the year then ended. A review includes primarily applying analytical procedures to management's financial data and making inquiries of the Organizations' management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the consolidated financial statements taken as a whole. Accordingly, we do not express such an opinion.

Management's Responsibility for the Financial Statements

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

Accountants' Responsibility

Our responsibility is to conduct the review engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. Those standards require us to perform procedures to obtain limited assurance as a basis for reporting whether we are aware of any material modifications that should be made to the consolidated financial statements for them to be in accordance with accounting principles generally accepted in the United States of America. We believe that the results of our procedures provide a reasonable basis for our conclusion.

Emphasis of Matter

As discussed in Note 1(n) to the financial statements, the Organizations have adopted ASU No. 2018-08, *Clarified Scope and Accounting Guidance for Contributions Received and Made*.

Accountants' Conclusion

Based on our review, we are not aware of any material modifications that should be made to the accompanying consolidated financial statements in order for them to be in accordance with accounting principles generally accepted in the United States of America.

Marcum P. Martin & Christon P.C.

Braintree, Massachusetts
August 6, 2020

BOSTON PROJECT MINISTRIES, INC. AND BOSTON PROJECT PROPERTIES, INC.

Consolidated Statement of Financial Position

As of December 31, 2019

Current Assets		
Cash and cash equivalents	$	56,660
Pledges receivable		13,805
Prepaid expenses		15,638
Total current assets		86,103
Fixed Assets		
Land and land improvements		68,101
Garage		56,099
Leasehold improvements		29,898
Office equipment		5,199
Total fixed assets		159,297
Less: accumulated depreciation		(49,505)
Total fixed assets, net		109,792
Total Assets	$	195,895
Current Liabilities		
Account payable and accrued expenses	$	20,344
Accrued payroll		5,629
Total current liabilities		25,973
Total liabilities		25,973
Net Assets		
Net assets without donor restrictions		156,117
Net assets with donor restrictions		13,805
Total net assets		169,922
Total Liabilities and Net Assets	$	195,895

See accompanying notes and independent accountants' review report.

BOSTON PROJECT MINISTRIES, INC. AND BOSTON PROJECT PROPERTIES, INC.

Consolidated Statement of Activities

For the Year Ended December 31, 2019

	Net Assets Without Donor Restrictions	Net Assets With Donor Restrictions	Total
Support and Revenue			
Contributions:			
Individuals	$ 274,237	$ 13,805	$ 288,042
Grants	121,975	-	121,975
In-kind	10,700	-	10,700
Released from restriction	22,686	(22,686)	-
Program revenue	32,610	-	32,610
Total Support and Revenue	462,208	(8,881)	453,327
Expenses			
Program services	327,059	-	327,059
General and administrative	46,838	-	46,838
Fundraising	35,661	-	35,661
Total Expenses	409,558	-	409,558
Change in Net Assets	52,650	(8,881)	43,769
Net Assets - Beginning of Year	103,467	22,686	126,153
Net Assets - End of Year	$ 156,117	$ 13,805	$ 169,922

See accompanying notes and independent accountants' review report.

BOSTON PROJECT MINISTRIES, INC. AND BOSTON PROJECT PROPERTIES, INC.

Consolidated Statement of Cash Flows

For the Year Ended December 31, 2019

Cash Flows from Operating Activities		
Change in Net Assets	$	43,769
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation		4,383
Decrease (increase) in assets:		
Pledges receivable		8,881
Prepaid expenses		(10,410)
Increase (decrease) in liabilities:		
Accounts payable and accrued expenses		5,016
Accrued vacation		(11,296)
Net Cash Provided by Operating Activities		40,343
Cash Flows from Investing Activities		
Purchase of fixed assets		(24,500)
Net Cash Used in Investing Activities		(24,500)
Net Increase in Cash and Cash Equivalents		15,843
Cash and Cash Equivalents - Beginning		40,817
Cash and Cash Equivalents - Ending	$	56,660

See accompanying notes and independent accountants' review report.

BOSTON PROJECT MINISTRIES, INC. AND BOSTON PROJECT PROPERTIES, INC.

Consolidated Statement of Functional Expenses

For the Year Ended December 31, 2019

	Program Services	General and Administrative	Fundraising	Total
Salaries	$ 195,452	$ 9,008	$ 16,320	$ 220,780
Payroll taxes	14,060	1,247	1,246	16,553
Benefits	30,120	-	9,609	39,729
Total salary and related expenses	239,632	10,255	27,175	277,062
Bank charges	-	19	-	19
Consultants	5,000	-	-	5,000
Depreciation	-	4,383	-	4,383
Dues and fees	11,799	270	4,135	16,204
Insurance	3,460	1,687	820	5,967
Meals and hospitality	8,220	93	19	8,332
Office expenses	228	4,903	50	5,181
Payroll processing fees	-	3,655	-	3,655
Postage	385	92	522	999
Program housing	4,544	-	-	4,544
Program supplies	15,627	-	22	15,649
Professional fees	-	18,326	-	18,326
Rent	16,800	2,100	2,100	21,000
Repairs and maintenance	6,425	-	-	6,425
Staff development	132	-	25	157
Stipends	7,578	-	-	7,578
Telephone and internet	3,358	645	420	4,423
Travel	380	37	-	417
Utilities	3,491	373	373	4,237
	$ 327,059	$ 46,838	$ 35,661	$ 409,558

See accompanying notes and independent accountants' review report.

(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 Project Ministries, Inc. and Boston Project Properties, Inc. (collectively, the Organizations) are described below to enhance the usefulness of the consolidated financial statements to the reader.

(a) Nature of Activities

Boston Project Ministries, Inc. (BPM) began as a vision in February 1995 by a group of Gordon College students. BPM was incorporated in Massachusetts on June 20, 1997 and received their 501(c)(3) charitable status in May 1998. BPM engages neighbors and volunteers to build and nurture strong communities characterized by God's shalom. BPM works to create a thriving community and fulfill their mission by: involving neighbors as leaders in community improvement projects, investing in local youth and families and providing new resources (e.g. volunteers, technical assistance) within the Talbot-Norfolk Triangle neighborhood. The mission is anchored in a model of establishing Neighborhood Ministry Houses in under-resourced communities. Neighbors utilize these safe havens as gathering places, resource centers and centralized locations for volunteer engagement and community organizing. BPM has three primary programmatic areas including youth and family ministries, community organizing and volunteer engagement. BPM uses a principle-driven framework from the Christian Community Development Association (www.ccda.org) to guide their work in a neighborhood context. The 13-street neighborhood, the Talbot-Norfolk Triangle, is located on the south side of Boston in the Dorchester section of the city.

In addition to BPM's core programs, BPM may serve as a sponsor for a number of projects that are in alignment with their mission. BPM's Board of Directors approves all fiscal sponsor relationships.

Boston Project Properties, Inc. (BPP) was incorporated in Massachusetts on March 6, 2006 and received their 501(c)(3) charitable status in February 2018. BPP aims, through charitable and educational activities, to serve young people and their families in the Boston community; to acquire, hold, maintain, and improve real estate to be used for the benefit of local citizens; and to engage the community in developing open spaces and for uses including community gardens, green spaces and parks.

(b) 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 Organizations' ongoing efforts.

(1) Summary of Significant Accounting Policies - continued

(c) Basis of Consolidation

BPM and BPP share common Board of Directors, management, facilities and personnel. Shared staffing and expenses are estimated and reviewed annually. All significant intercompany transactions have been eliminated in consolidation.

(d) Standards of Accounting and Reporting

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

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 Organizations are presented as follows:

Net Assets Without Donor Restrictions - Net assets that are not subject to donor imposed restrictions. Net assets without donor restrictions consist of assets and contributions available for the support of operations. These net assets may be designated for specific purposes by management or the Board of Directors.

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 Organizations 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.

(e) Cash and Cash Equivalents

The Organizations consider all highly liquid investments purchased with an original maturity of three months or less, which are neither held nor restricted by donors for long-term purposes, to be cash equivalents.

The Organizations maintain their cash balances at a financial institution 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 Organizations have not experienced any losses with respect to their 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 December 31, 2019.

(1) Summary of Significant Accounting Policies - continued

(f) Pledges Receivable

Conditional pledges receivable are not recognized in the consolidated financial statements until the conditions are substantially met. Unconditional pledges receivables that are expected to be collected within one year are recorded at net realizable value. Unconditional pledges receivables that are expected to be collected in more than one year are recorded at fair value, which is measured as the present value of their future cash flows. The discounts on those amounts are computed using risk-adjusted interest rates applicable to the years in which the pledges are received. Amortization of the discounts is included in contribution revenue. In the absence of donor stipulations to the contrary, pledges with payments due in future periods are restricted to use after the due date.

Unconditional pledges are periodically reviewed to estimate an allowance for doubtful accounts. Management estimates the allowance by review of historical experience and a specific review of collections trends that differ from scheduled collections on individual pledges. As of December 31, 2019, management has determined any allowance would be immaterial. All pledges are expected to be received within one year as of December 31, 2019.

(g) Fixed Assets

Fixed assets 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 Organizations compute depreciation using the straight-line method over the following estimated lives:

Garage	27.5 years
Land improvements	10 years
Leasehold improvements	5-10 years
Office equipment	3 years

Fixed assets 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

(h) Revenue Recognition

The Organizations earn revenue as follows:

Grants and Contributions - Grants and contributions are recorded upon receipt or pledge as net assets without donor restrictions or net assets with donor restrictions depending on the existence and/or nature of any donor restrictions. All grants and contributions are considered to be available for unrestricted use unless specifically restricted by the donor.

Program - Program revenue is earned and recognized by the Organizations when services are provided.

All revenue is recorded at the estimated net realizable amounts.

(i) Contributed Services and Gifts in Kind

Donated materials 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 the Organizations' personnel.

(j) Fundraising

Fundraising relates to the activities of raising general and specific contributions for the Organizations and promoting special events. Special events revenue is recognized when earned and included in grants and contributions on the accompanying statement of activities. Special events are incidental to the Organizations' operations and the related direct expenses have been reported with fundraising expense in the accompanying consolidated statement of activities.

(k) 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 Organizations.

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

(1) Summary of Significant Accounting Policies - continued

(l) Use of Estimates

In preparing the Organizations' 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. During the year ended December 31, 2019, the Organization had an internal accrued vacation policy change which resulted in a decrease in the accrued vacation estimate of $9,807.

(m) Income Taxes

The Organizations 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 the Organizations' tax-exempt purposes are subject to taxation as unrelated business income. In addition, the Organizations are not private foundations under Section 509(a)(1) of the IRC.

(n) Recent Accounting Standard Adopted

On January 1, 2019, the Organizations adopted ASU 2018-08, *Clarified Scope and Accounting Guidance for Contributions Received and Made*. This ASU was issued to clarify and improve the guidance in U.S. GAAP for distinguishing transactions that are contributions from those that are exchange transactions. The ASU also provides guidance for determining if a contribution that is a promise to give is conditional. Adoption of this standard did not have a significant impact on recognition of contribution revenue in 2019 or on the Organizations' opening net asset balance as of January 1, 2019.

(2) 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 December 31, 2019, net assets with donor restrictions were time restricted and amounted to $13,805.

(3) Operating Lease Commitments

The Organizations lease office and program space under a tenant-at-will basis from the Executive Director, in the amount of $1,750 per month. The Organizations are also liable for certain real estate tax increases and operating cost adjustments under the office lease terms. Rent expense incurred to the Executive Director for the year ended December 31, 2019 totaled $21,000. During the year ended December 31, 2019, the Organizations received free rent in the amount of $3,500, see Note 6.

(4) Related Party Transactions

The Executive Director also serves as the Board President of the Organizations. Compensation is approved annually by the Board of Directors for his services as Executive Director. The Organizations also rents their office space from the Executive Director, see Note 3 for details.

(5) Liquidity and Availability of Resources

Financial assets available for general expenditures within one year of the consolidated statement of financial position date comprise the following:

Financial assets at year end		
Cash and cash equivalents	$	56,660
Pledge receivable		13,805
Total		70,465
Less amounts unavailable for general expenditures within one year:		-
Financial assets available to meet cash needs for general expenditures within one year	$	70,465

As part of the Organizations' liquidity management plan, they have a policy to structure their financial assets to be available as their general expenditures, liabilities and other obligations come due. Because a donors' restriction requires resources to be used in a particular manner or in a future period, the Organizations must maintain sufficient resources to meet those responsibilities to their donors. Thus, financial assets may not be available for general expenditure within one year.

(6) Contributed Services and Gifts in Kind

Contributed services and gifts in kind for the year ended December 31, 2019 were as follows:

Contributed services: executive director	$	7,200
Gifts in kind: donated rent		3,500
Total	$	10,700

(7) Subsequent Events

The Organizations have performed an evaluation of subsequent events through August 6, 2020, which is the date the Organizations' consolidated financial statements were available to be issued. No material subsequent events, other than the item disclosed below, have occurred since December 31, 2019 that required recognition or disclosure in these consolidated financial statements.

In early 2020, 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 which could result in a loss of grants, contributions and service fee revenue and other material adverse effects to the Organizations' financial position, results of operations, and cash flows. The Organizations are 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. Management has been actively reviewing federal stimulus packages as they have been released, and has applied for stimulus funds as applicable to the Organization, including the Paycheck Protection Program. If the length of the outbreak and related effects on the Organizations' operations continue for an extended period of time the Organizations may have to seek alternative measures to finance its operations. There is no assurance these measures will be successful.