BOSTON PROJECT

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

(a nonprofit organization)

CONSOLIDATED FINANCIAL STATEMENTS

INDEPENDENT AUDITOR'S REPORT

DECEMBER 31, 2023

INDEX

HAJIANI CPA, LLC.
CERTIFIED PUBLIC ACCOUNTANT

INDEPENDENT AUDITOR'S REPORT

To the Board of Trustees,
Boston Project Ministries, Inc. and
Boston Project Properties, Inc.
15 Elmhurst Street,
Dorchester, MA 02124

Opinion

We have audited the accompanying financial statements of **Boston Project Ministries, Inc. and Boston Project Properties, Inc.**, (a nonprofit organization), which comprise the statement of financial position as of **December 31, 2023**, and the related statements of activities and cash flows for the year 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 **Boston Project Ministries, Inc. and Boston Project Properties, Inc.** as of **December 31, 2023**, and the changes in its net assets and its 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. 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 Project Ministries, Inc. and Boston Project Properties, Inc**. 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.

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 entity 's ability to continue as a going concern within one year after the date that the 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 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 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 aggregate, they would influence the judgment made by a reasonable user based on 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 Entity'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 Entity '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.

Respectfully submitted,

Hajiani CPA LLC

CERTIFIED PUBLIC ACCOUNTANTS

Somerville, Massachusetts
October 30, 2024

Exhibit A

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

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

DECEMBER 31, 2023

ASSETS

		2023
Current Assets:		
Cash and Cash Equivalents	$	520,508
Accounts Receivable		45,000
Promises to Give		35,000
Employee Loans		3,350
Prepaids		465
Operating Lease right-of-use asset		22,812
Total Current Assets	$	627,135
Fixed Assets:		
Land	$	43,601
Equipment		17,809
Improvement - 15 Elmhurst St		48,838
Improvement - Land		24,500
Garage		56,099
Less: Accumulated Depreciation		(75,653)
Net Fixed Assets	$	115,194
Total Assets	$	**742,329**

LIABILITIES AND NET ASSETS (DEFICIT)

		2023
Current Liabilities:		
Accounts Payable	$	1,961
Accrued Expense		29,821
Deferred Revenue		33,312
Operating lease Liabilities		22,812
Total Current Liabilities	$	87,906
Long Term Liabilities:		
Notes Payable - LT	$	-
Total Liabilities	$	87,906
Net Assets (Deficit)		
Without Donor Restriction	$	598,940
With Donor Restriction	$	55,483
Total Liabilities and Net Assets (Deficit)	$	**742,329**

SEE AUDITOR'S INDEPENDENCE REPORT AND ACCOMPANYING NOTES TO FINANCIAL STATEMENTS

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

CONSOLIDATED STATEMENTS OF ACTIVITIES AND NET ASSETS
FOR THE YEARS ENDED DECEMBER 31, 2023

		Unrestricted 2023		Temporarily Restricted		Total 2023
Revenue and Support:						
Contribution and Support	$	351,391	$	-	$	351,391
Foundation and Sponsporship		117,931		239,401		357,332
Covid 19 Grant - ERC		82,883		-		82,883
Program Support - Fees		19,550		-		19,550
Investment (Loss) / Income		42		-		42
Other Income - Fiscal Sponsor & Others		3,963		-		3,963
Net Assets Released From Restriction		183,918		(183,918)		-
Total Revenue and Support	$	**759,678**	$	**55,483**	$	**815,161**
Functional Expenses:						
Program Services	$	65,684	$	-	$	65,684
Program Services - Inkind / Food Bank		700,259		-		700,259
Management and General Expense		64,267		-		64,267
Fundraising Expense		39,850		-		39,850
Total Functional Expenses	$	**870,059**	$	-	$	**870,059**
Change in Net Assets	$	(110,381)	$	55,483	$	(54,898)
Net Assets, Jan 1,	$	709,321	$	-	$	709,321
Prior Period Adjustments	$	-	$	-	$	-
Net Assets, December 31,	$	**598,940**	$	**55,483**	$	**654,423**

Exhibit C

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

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED DECEMBER 31, 2023

		2023
Cash Flows from Operating Activities:		
Net Income	$	(54,898)
Adjustments to Reconcile Net Income to Net Cash		
Provided (Used) by Operating Activities:		
Depreciation and Ammortization		8,871
(Increase)/Decrease in:		
Accounts and Pledge Receivable		29,042
Prepaids & Others		6,391
Right to use asset		(467)
Increase/(Decrease) in:		
Account Payable		(6,948)
Accrued Expense		7,067
Operating Lease Liability		467
Deferred Revenue		33,312
Net Cash Provided (Used) by Operating Activities	$	22,837
Cash Flows from Investing Activities:		
Purchase of property and equipment - BPP	$	(27,988)
Net Cash Provided (Used) by Financing Activities	$	(27,988)
Increase/(Decrease) in Cash and Equivalents	$	(5,151)
Cash, January 1,		525,659
Cash, December 31, 2023 - Consolidated	$	**520,508**
Supplemental Disclosures:		
Interest Paid	$	-0-
Taxes Paid	$	-0-

SEE ACCOUNTANTS REVIEW REPORT AND ACCOMPANYING NOTES TO FINANACIAL STATEMENTS

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

CONSOLIDATED STATEMENTS OF FUNCTIONAL EXPENSES
FOR THE YEARS ENDED DECEMBER 31, 2023

	Program Services	Management and General	Fundraising	Total
Expenses and Support				
Personnel, Related and Taxes	$ 476,087	$ 19,712	$ 3,942	$ 499,741
Personnel, Related and Taxes - Exec. Director	58,535	14,634	24,390	97,558
Office and Administrative Expenses	26,769	1,645	1,495	29,909
Insurance Expense	6,443	3,642	531	10,616
Occupancy Expense	21,366	4,006	1,335	26,708
Repair and Maintenance	4,002	750	250	5,003
Professional Expense - Consultant	22,336	-	4,058	26,394
Professional Expense - Accounting	-	18,547	-	18,547
Program Expenses - Event & Rental	5,615	-	296	5,910
Program Expenses - Maintenance & Supplies	59,068	-	3,109	62,177
Program Expenses - Trainer and Stipends	21,337	-	-	21,337
Program Expense - Fiscal Sponsor	57,288	-	-	57,288
Depreciation Expense	7,097	1,331	443	8,871
Total Functional Expenses	**$ 765,943**	**$ 64,267**	**$ 39,850**	**$ 870,059**

SEE AUDITOR'S INDEPENDENCE REPORT AND ACCOMPANYING NOTES TO FINANCIAL STATEMENTS

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2023

Note A – Organization and Activities

Boston Project Ministries, Inc. (the "Organization") 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 sponsors' 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.

Note B – Summary of Summary of Significant Accounting Policies.

Basis of Accounting and Presentation
The Organization prepares its consolidated financial statements on the accrual basis of accounting in conformity with accounting principles generally accepted in the United States of America. Consequently, revenue is recorded when earned and expenses when obligations are incurred. When applicable, the financial statements include certain prior year summarized comparative information in total and not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with accounting principles generally accepted in the United States of America. Accordingly, such information should be read in conjunction with the Organization's financial statements as of and for the year ended **December 31, 2023**, from which the summarized information was derived. Certain prior year information was reclassified to adhere with the current financial statement presentation.

Note B – Summary of Summary of Significant Accounting Policies – Continued

Revenue Recognition
The Organization prepares its Consolidated financial statements on the accrual basis of accounting, which requires that revenue is recognized when earned. The Organization recognizes revenue from unconditional promises-to-give (contributions, donations and fees) at the earliest point they are both known and measurable. In-kind donations and contributed services are recognized at estimated fair value at the time of donation. Contributions and donations that are restricted by donors are reflected as net assets with donor restrictions if the Organization has not met the donor stipulations at the end of the reporting period and based upon the nature of the restrictions. Grants are recognized as either contributory income or cost reimbursable or earned income depending upon the nature and terms of the award. Revenue from conferences, symposiums, and other special events are recognized when the meeting or event is held. Membership dues are treated as contributions and donations and no substantial benefit accrues to members.

Income Tax Status
The Organization's exemption under Internal Revenue Code (IRC) Section 501(c)(3) is effective from April 2011. The Organization was further classified as a public charity under IRC Section 170(b)(1)(A)(vi); however, any business-type activities unrelated to the entity's tax exemption are subject to taxation as unrelated business income. The Organization reported no significant unrelated business income during the years ended **December 31, 2023**, and thus, no provision for income taxes is reflected in the accompanying financial statements.

Management is unaware of any significant uncertain tax positions arising during the years ended **December 31, 2023,** that are more likely than not to be sustained should the Organization's tax returns be subject to examination. Accordingly, the Organization also did not incur or accrue any significant penalties or interest associated with uncertain tax positions during the year ended.

Cash and Cash Equivalents
For Consolidated financial statement purposes, the Organization considers all highly liquid instruments with original maturities of three months or less, including money market funds, to be cash equivalents. At time the Organization has cash balance in excess of federal insurance limits available for depository accounts.

Accounts Receivable
The Account receivables consist primarily of noninterest-bearing amounts due to program services are carried at the original charge for the services provided less an estimated allowance for doubtful accounts. The Organization determines the allowance for doubtful accounts by identifying troubled accounts and by a review of an aging of accounts. As of **December 31, 2023,** an allowance for uncollectible accounts has been recorded based on management's judgment and historical bad debtexpense amounting to $0. Account receivables are written off when deemed. The Organization reported accounts and contributions receivable of approximately $80,000 as of **December 31, 2023**.

Note B – Summary of Summary of Significant Accounting Policies – Continued

Contributions Receivable
Unconditional promises-to-give that are expected to be collected within one year are similarly reported at net realizable value. Unconditional promises-to-give expected to be collected in future years are initially recorded at fair value using present value techniques incorporating risk-adjusted discount rates designed to reflect the assumptions market participants would use in pricing the assets. In subsequent years, amortization of the discounts is included in contribution revenue in the statement of activities. Management also assesses the collectability of promises-to-give based upon historical experience, an assessment of economic conditions, and a review of subsequent collections. Revenue on from conditional promises-to-give is not recognized until such time that the Organization substantially meets the conditions set forth by the donor or grantor. No significant bad debts expense was recognized from contributions receivable.

Prepaid Expenses and Other Assets
The Organization's prepaid expenses consist principally of prepaid insurance, and may include employee benefits, rent, and service agreement paid in advance, which are generally realized in the subsequent year, when applicable. Other assets consist of refundable security deposits when appropriate.

Property and Equipment
Property and equipment are capitalized at cost or estimated fair value at the time of donation for contributed assets and depreciated using the straight-line method over estimated useful lives that range from 3 to 27.5 years. Leasehold improvements are also capitalized and amortized over the shorter of the remaining term of the underlying lease or the estimated useful life of the improvement. Repairs and maintenance expenditures, which do not extend the useful life of a capitalized asset, office supplies and other consumables are expenses as incurred. Property and equipment or depreciation and amortization expense was reported as of and for the years ended **December 31, 2023**, was $8,871.

Deferred Grant Revenue
The Organization assesses each significant grant to determine if the grant award is contributory in nature or requires certain measurable performance and other barriers on the part of the Organization. For grants considered to be unconditional promises-to-give, the Organization accounts for the awards as contributory support and assesses whether the award contains donor or grantor-imposed restrictions. For grants that place significant conditions and measurable performance and other barriers, the Organization treats these grants as conditional promises-to-give and recognizes revenue as the donor or grantor's stipulations are met or costs are incurred, and awards expended. Any amount received in excess of costs incurred is reflected as unearned or deferred grant revenue. As of **December 31, 2023**, the Organization reported deferred or unearned revenue of 33,312 associated with conditional promises-to-give and fiscal sponsorship grant.

Note B – Summary of Summary of Significant Accounting Policies – Continued

Deferred Rent Liability
The Organization recognizes rent expense on its long-term operating leases on a straight-line basis, when applicable. A deferred rent liability is reflected for the effects of rent escalations and the difference between actual rental payments and the straight-line amortization.

Net Assets
The Organization classifies its net assets based upon the existence or lack of donor-imposed restrictions. Revenue and support, gains and losses, and other income are similarly classified based upon existence or lack of donor or grantor-imposed restrictions. When the Organization receives contributory support that are restricted by the donor or limited as to them use and the Organization has not met the donor's restriction by the end of the reporting period the Organization reports these amounts as net assets with donor restrictions.

Restricted net assets in which the Organization has met the donor's stipulations during the fiscal year are reflected as net assets released from restriction in the accompanying financial statements. Any restricted amounts received and released from restriction in the same reporting period are reported as net assets without restrictions.

Without donor restrictions – Represents unrestricted resources that are available to support the Organization's operations at the discretion of the Organization's board of directors. The Organization's board of directors may from time-to-time internally designate a portion of the Organization's net assets without donor restrictions for specific programs or purposes. As of **December 31, 2023**, the Organization reported no significant internally designated funds.

With donor restrictions – Represents contributions and interest earned on investments with donor restrictions that are restricted by the donor or grantor for specific purposes or to be used over a specified period of time. Net assets with donor restrictions are released from restriction by either the passage of time-on-time restricted support or by the Organization using the funds in accordance with the donor or grantor's requirements on purpose restricted support. Net assets with restrictions that are received and released from restriction during the same year are reported as revenue and support without donor restrictions. As of **December 31, 2023**, the Organization reported approximately $55,483 of net assets with donor restrictions resulting from the implied time restrictions.

Contributions and Donations
Contributions and donations are recognized in the period in which an unconditional promise-to-give is known or when a contribution is received, at the earliest point both determinable and measurable by the Organization. Contributions, including any in-kind donations, donated facilities, and contributed services, are measured at fair value and recognized as net assets without donor restrictions or net assets with donor restrictions based upon the existence or lack of donor-imposed restrictions. Net assets with restrictions both received and released during the same reporting year are reflected as net assets without donor restrictions.

Note B – Summary of Summary of Significant Accounting Policies – Continued

Net assets with donor restrictions carried over from the prior year that are released during the current report period are reflected as net assets released from restriction. Grants are treated as either contributory support or earned income depending upon the nature and terms of the grant agreement and other related awarding documentation.

In-Kind Donations and Contributed Services

Donated goods, land and facilities are reflected at their estimated fair value at the time of donation, including any donated fixed assets, which are capitalized at estimated fair value and depreciated over their estimated useful lives. Contributed services that create or enhance non-financial assets and require specialized skills and are provided by those possessing such skills are recognized at their estimated fair values when determinable and measurable.

Fair Value Measurements

The Organization established a reporting framework for measuring and disclosing fair value measurements. Fair value measurement disclosures are required for assets and liabilities measured and reported at fair value in financial statements on a recurring basis. Management uses a fair value measurement hierarchy based upon the lowest level of any input that is significant to the measurement with Level 3 being the lowest level of recognition.

Management also attempts to maximize the use of observable inputs (Level 1 and 2) and minimize unobservable inputs (Level 3). Accordingly, the Organization would classify any financial instruments measured at fair value in the following categories: Level 1, which refers to instruments traded in an active market, Level 2, which refers to instruments not traded on an active market but for which observable market inputs are readily available or Level 1 instruments where there is a contractual restriction, and Level 3, which refers to instruments not traded in an active market and for which no significant observable market inputs are available.

When applicable, As of **December 31, 2023**, the Organization reported assets or liabilities were measured and reported at fair value on a recurring basis. Disclosures about estimated fair values and fair value measurements were determined by the Organization and based upon pertinent market data and other information available at the year ended. Considerable judgment is necessary to interpret market and financial data and to develop fair value measurements in certain circumstances. Although the Organization is unaware of any factors that would significantly affect their estimates, the Organization's estimates of fair values and underlying fair value measurements may not be indicative of amounts realized at disposition.

Fundraising Expense

Fundraising expenses relate to the activities of raising general and specific contributions to the Organization and promoting special events. Fundraising expenses as a percentage of total contribution and special event revenue was approx. 4.5% for the year ended **December 31, 2023.** The ratio of expenses to amounts raised is computed using actual expenses and related revenue on an accrual basis.

Note B – Summary of Summary of Significant Accounting Policies – Continued

Financial Instruments and Credit Risk
The Organization manages its concentration risk by placing its cash, savings, and money market accounts with financial institutions believed to be creditworthy. The Organization at times has cash balances in excess of federal depository insurance or uninsured money market funds. To date, the Organization has not experienced any significant losses on these depository accounts.

Credit risk associated with accounts receivable and promises-to-give is considered to be limited due to historical collection rates and given the historical credit worthiness of the members and grantors, which include board members, foundations, consistent donors and others supportive of the Organization mission and program activities.

Investments
When applicable, net appreciation (depreciation) in the fair value of investments, which consists of the realized gains or losses and the unrealized appreciation (depreciation) on those investments, is presented in the statement of activities in accordance with donor restrictions as investment returns. Investment return is presented net of investment fees. The average cost method is primarily used to determine the basis for computing realized gains or losses.

Advertising Costs
Advertising and promotion costs are expenses as incurred. During the year ended **December 31, 2023**, the Organization incurred minimal expenses in marketing and promotion fees.

Reclassifications
Certain prior year amounts were reclassified for comparative reporting purposes and to adhere to the presentation of the current financial statements.

Functional Allocation of Expenses
The Organization summarizes the cost of providing its various programs and activities on a functional basis in the accompanying financial statements. Accordingly, certain expenses were allocated to the program and supporting services benefited as reflected in the statement of functional expenses. Expenses are allocated on a reasonable basis that is consistently applied by management. Expenses that are allocated include compensation and benefits, operating costs, and rent and occupancy which are allocated based upon estimates of time and efforts devoted to the functional categories. Significant estimates are required to functionally allocate expenses to the program and supporting services benefited.

Use of Estimates
The preparation of consolidated financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates and the difference could be material.

Note B – Summary of Summary of Significant Accounting Policies – Continued

Operating Lease

The Organization leases certain office space. The determination of whether an arrangement is a lease is made at the lease's inception. Under ASC 842, a contract is (or contains) a lease if it conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Control is defined under the standard as having both the right to obtain substantially all of the economic benefits from use of the asset and the right to direct the use of the asset. Management Only reassesses its determination if the terms and conditions of the contract are changed. Operating leases are included in operating lease right-of-use ("ROU") assets, other current liabilities, and operating lease liabilities in our statements of financial position.

ROU assets represent our right to use an underlying asset for the lease term, and lease liabilities represent our obligation to make lease payments. Operating lease ROU assets and liabilities are recognized at the lease commencement date based on the present value of lease payments over the lease term. The Organization uses the implicit rate when it is readily determinable. Since the Organization's lease does not provide an implicit rate, to determine the present value of lease payments, management uses the Organization's incremental borrowing rate based on the information available at lease commencement. Operating lease ROU assets also includes any lease payments made and excludes any lease incentives. Lease expense for lease payments is recognized on a straight-line basis over the lease term. The Organization's lease terms may include options to extend or terminate the lease when it is reasonably certain that we will exercise the option. The Organization leases office space under a noncancelable operating lease. The remaining lease is for twelve months and has no option to renew. Rent expense under the office lease was $23,400 for the year ended. There were no lease payments payable to the lessor as of **December 31, 2023**.

Recent Pronouncements

In May 2014, the FASB issued Accounting Standards Update ASU No. 2014-09, "Revenue from Contracts with Customers (Topic 606)". This ASU amends the guidance for revenue recognition to replace numerous, industry-specific requirements and converges areas under this topic with those of the International Financial Reporting Standards. This ASU implements a five-step process for customer contract revenue recognition that focuses on transfer of control, as opposed to transfer of risk and rewards. This ASU also requires enhanced disclosures regarding nature, amount, timing and uncertainty of revenues and cash flows from contracts with customers. Entities can transition to the standard either retrospectively or as a cumulative-effect adjustment as of the date of adoption.

Note B – Summary of Summary of Significant Accounting Policies – Continued

The Organization has adopted Accounting Standards Update (ASU) No. 2014-09 - Revenue from Contracts with Customers (Topic 606), as amended as management believes the standard improves the usefulness and understandability of the Organization's financial reporting. Analysis of various provisions of this standard resulted in no significant changes in the way the Organization recognizes revenue, and therefore no changes to the previously issued audited financial statements were required on a retrospective basis. The presentation and disclosures of revenue have been enhanced in accordance with the standard.

In September 2020, FASB issued ASU No. 2020-07, Presentation and Disclosures by Not-for Profit Entities for Contributed Nonfinancial Assets (Topic 958), which requires nonprofits to change their financial statement presentation and disclosure of contributed nonfinancial assets, or gifts in-kind. ASU No. 2020-07 was effective for Boston Project Ministries, Inc. and for its year ended December 31, 2022. This guidance is intended to increase the transparency of contributed non-financial assets for not-for-profit entities through enhanced presentation and disclosure requirements.

This ASU requires that nonfinancial assets are presented as a separate line item in the statement of activities and disclosures include a disaggregation of the amount contributed by category, a description of donor restrictions, and valuation techniques for the nonfinancial assets received. No reclassifications were required on the Statements of Activities for **Boston Project Ministries, Inc. and Boston Project Ministries, Inc**. has historically presented non-financial assets as a separate line item. The Organization did enhance its disclosures to adhere to the new standard.

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 January 1, 2021, with early adoption permitted. The effective date was extended to fiscal years beginning after December 15, 2021. The Organization has implemented the provisions of ASU 2016-02 have been applied retrospectively to all periods presented.

Note B – Summary of Summary of Significant Accounting Policies - Continued

The Organization has adopted Accounting Standards Update (ASU) No. 2018-08 Not-for-Profit Entities: Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made (Topic 605) as management believes the standard improves the usefulness and understandability of the Organization's financial reporting.

Use of Estimates

Employees, when applicable, of the Organization are entitled to paid vacations, sick days and personal days off, depending on job classification, length of service, and other factors. It is impracticable to estimate the amount of compensation for future absences, and accordingly, no liability has been recorded in the accompanying balance sheets. The Organization's policy is to recognize the cost of compensated absences when actually paid.

Note C – Concentrations of Risk.

For the year ended **December 31, 2023**, and through the reporting date, revenue from individuals, foundations, and affiliates (if any) representing 90% of total support and revenue. Management considers the credit risk related to government sources to be low, as a significant portion of receivables comes from individuals, private foundations, and other charitable sources. The Organization's operations are subject to risk associated with foreign, including geopolitical and other concerns outside the Organization's control.

Note D – Line of Credit.

The Organization has no line of credit with bank.

Note E – Long Term Debt.

The Organization has no long-term notes payable.

Note F – Retirement Plan.

The Organization maintains no 401(k)-retirement plan and employee related fringe benefits. Majority services are provided by students' volunteers during the school year.

Note G – Compensated Absences.

Employees, when applicable, of the Organization are entitled to paid vacations, sick days and personal days off, depending on job classification, length of service, and other factors. When it is practicable to estimate the amount of compensation for future absences, and accordingly, liability has been recorded in the accompanying balance sheets.

Note H – Operating Lease.

During the year ended **December 31, 2023**, the Organization entered into a new lease agreement with a property for office space. The new lease commenced on January 1, 2024, and terminates on December 31, 2024. The new lease is $1,950 a month payable in advance by the 1st of the month.

Note H – Operating Lease - continue
The Organization is responsible for the electric bill for the 1st floor unit and public meter for basement use (dryers, freezers), natural gas for 1st floor unit, and a percentage of the water and sewer bill (currently 25%). The Organization is required to obtain public liability insurance in the amount of $1,000,000 as well as fire and hazard insurance in the amount of $1,000,000 for the premises. Rent expense for the year ended **December 31, 2023**, was $22,800

The following summarizes the weighted average lease remaining term and discount rate as of December 31, 2023:

Weighted Average Remaining Lease Term
Operating leases 1 year

Weighted Average Discount Rate
Operating leases 4.42%

The maturities of lease liabilities as of **December 31, 2024**, were as follows:

Year Ending December 31: Operating
2024 $ $23,400
Total lease payments $23,400
Less: interest (588)
Present value of lease liabilities $22,812

Note I – Operating Lease.
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, 2023**, net assets with donor restrictions are restricted for the following purposes or periods:

Subject to expenditure for a specified time and purpose:
City of Boston – Age Strong --------- $6,305
Roxbury Presbyterian ------------------ $7,008
Cumming Pledge ----------------------- $11,170
Fairmount Indigo ----------------------- $1,000
Point32 – Age Strong ------------------ $30,000

Total 2023 net assets with donor restriction $55,483. Net assets released from restrictions during the year ended, were $183,918.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2023

Note J – Liquidity and Availability of Resources.
The following reflects the Organization's financial assets as of December 31, 2023, within one year of the statement of financial position date:

Financial assets at December 31, 2023:
Cash and cash equivalents ----------------- $520,508
AR and promises to give ------------------- $80,000

Total ---$600,508

Less amounts unavailable for general expenditures within one year, due to:

Time and purpose restrictions ----------- $ (55,483)

Financial assets available to meet cash needs for general expenditure within one year:

Total --------------------------------------- $545,025

The organization is supported by restricted contributions. Because a donor's restriction requires resources to be used in a particular manner or in a future period, the organization must maintain sufficient resources to meet those responsibilities to its donors. Thus, financial assets may not be available for general expenditure within one year. As part of the organization's 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. In the event of donors' restrictions, resources are required to be used in a particular manner or in a future period. The organization must maintain sufficient resources to meet those responsibilities to their donors. Thus, financial assets may not be available for general expenditure within one year.

Note K – Contingencies
The Organization is, from time to time, involved in various disputes or disagreements arising from the normal course of business operation that, in the opinion of management, will not have a significant impact upon the Organization's financial condition or activities.

The Executive Director also serves as the Board President of the organization. Compensation is approved annually by the Board of Directors for his services as Executive Director. The organization also rents their office space from the Executive Director.

The Organization acts as a fiscal sponsor for several projects when applicable. Donations made to this other organization are recognized as unearned revenue for the organization. For the year ended, balance collected and held for future distribution to the other organization is approx.$18,382.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2023

Note K – Operating Lease - continue

The Organization leases its facilities from a related party. The rent and utilities expenses were **$26,708** for the year end **December 31, 2023**.

As of the reporting date, the Boston Project Properties, Inc. (BPP) purchased new property for $600,000, which closed in September 2024. The board approved a $300,000 down payment, with the remaining balance financed through a seller note payable over four years.

Note I – Subsequent Events Evaluation

Management has evaluated subsequent events through **October 30, 2024**, the date on which the financial statements were available to be issued. There were no subsequent events that required adjustment or disclosure in the financial statement.