

ARLINGTON EATS, INC.
(A Non-Profit Corporation)

ANNUAL FINANCIAL STATEMENTS
(Audit)

JUNE 30, 2022

ARLINGTON EATS, INC.
ARLINGTON, MASSACHUSETTS
(A Non-Profit Corporation)

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To the Board of Directors of
Arlington EATS, Inc.
Arlington, Massachusetts

INDEPENDENT AUDITOR'S REPORT

Opinion

I have audited the accompanying financial statements of Arlington EATS, Inc. (a nonprofit organization), which comprise the statements of financial position as of June 30, 2022 and 2021, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements. The prior year summarized comparative information has been derived from the Organization's 2021 financial statements and, in our report dated May 6, 2022, we expressed an unmodified opinion on those financial statements.

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Arlington EATS, Inc. as of June 30, 2022 and 2021, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

I conducted my audits in accordance with auditing standards generally accepted in the United States of America. My responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of my report. I am required to be independent of Arlington EATS, Inc. and to meet my other ethical responsibilities in accordance with the relevant ethical requirements relating to my audits. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my 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 Arlington EATS, Inc.'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

My 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 my opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, I:

- 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 Arlington EATS, Inc.'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 my judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Arlington EATS, Inc.'s ability to continue as a going concern for a reasonable period of time.

I am 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 I identified during the audit.



Brent Richardson, CPA
Quincy, Massachusetts
February 10, 2023

ARLINGTON EATS, INC.

STATEMENT OF FINANCIAL POSITION

June 30, 2022 and 2021

	<u>2022</u>	<u>2021</u>
CURRENT ASSETS:		
Cash and Cash Equivalents	\$ 1,525,886	\$ 1,585,217
Grants Receivable (Note 6 & 10)	60,261	392,734
Pledges Receivable (Note 2)	10,774	27,043
Investments (Note 2 & 4)	277,732	314,943
Prepaid expenses	4,722	4,008
Total Current Assets	<u>1,879,375</u>	<u>2,323,945</u>
PROPERTY AND EQUIPMENT (Note 2 & 5):		
Equipment	90,930	24,205
Leasehold Improvements - Work in Process	<u>816,420</u>	<u>170,788</u>
	907,350	194,993
Less - Accumulated Depreciation	<u>(10,495)</u>	<u>(5,850)</u>
Net Property and Equipment	<u>896,855</u>	<u>189,143</u>
OTHER ASSETS:		
Right-to-Use Operating Lease (Note 8)	<u>251,594</u>	<u>-</u>
TOTAL ASSETS	<u><u>\$ 3,027,824</u></u>	<u><u>\$ 2,513,088</u></u>

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES:		
Accounts Payable - Trade	\$ 16,603	\$ 1,109
Accounts Payable - Construction	99,951	-
Accrued Expenses	20,630	17,664
Deferred Revenue	25,836	-
Operating Lease Payable - Current Portion	<u>41,214</u>	<u>-</u>
Total Current Liabilities	204,234	18,773
OTHER LIABILITIES:		
Operating Lease Payable (Note 8)	<u>210,380</u>	<u>-</u>
Total Liabilities	414,614	18,773
NET ASSETS (Note 2, 9 & 12):		
Without Donor Restrictions		
Undesignated	1,915,127	1,513,229
Designated by Board for Capital Campaign	<u>597,144</u>	<u>297,144</u>
Total Without Donor Restrictions	2,512,271	1,810,373
With Donor Restrictions	<u>100,939</u>	<u>683,942</u>
Total Net Assets	<u>2,613,210</u>	<u>2,494,315</u>
TOTAL LIABILITIES AND NET ASSETS	<u><u>\$ 3,027,824</u></u>	<u><u>\$ 2,513,088</u></u>

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

ARLINGTON EATS, INC.

STATEMENT OF ACTIVITIES

For the year ended June 30, 2022
(with comparative totals for the year ended June 30, 2021)

	<u>Without Donor</u> <u>Restrictions</u>	<u>With Donor</u> <u>Restrictions</u>	<u>2022</u> <u>Total</u>	<u>2021</u> <u>Total</u>
REVENUES AND GAINS (Note 2 & 4):				
Contributions	\$ 693,508	\$ 60,190	\$ 753,698	\$ 800,429
Contribution - Marketable Securities	1,054	-	1,054	11,160
Grants	19,729	-	19,729	5,000
Fundraising Events - (Net of \$2,525 Direct Costs)	35,869	-	35,869	58,424
Fundraising - Capital Campaign (Note 12)	-	74,440	74,440	848,387
Investment Income - (Note 4)	9,288	-	9,288	7,220
Gain (Loss) on Investments - Realized	12,396	-	12,396	12,408
Gain (Loss) on Investments - Unrealized	(58,551)	-	(58,551)	49,101
SBA / PPP Loan Forgiveness - (Note 10)	-	-	-	22,325
In-Kind Contributions - Food - (Note 2)	602,254	-	602,254	559,818
	<u>1,315,547</u>	<u>134,630</u>	<u>1,450,177</u>	<u>2,374,272</u>
Net Assets Released from Restriction:				
Restrictions Satisfied by Payments (Note 9)	<u>717,633</u>	<u>(717,633)</u>	<u>-</u>	<u>-</u>
Total Revenue, Gains, and Other Support	2,033,180	(583,003)	1,450,177	2,374,272
EXPENSES:				
Program	463,643	-	463,643	322,230
Program - In-Kind Food Distributed - (Note 2)	602,254	-	602,254	559,818
Total Program	<u>1,065,897</u>	<u>-</u>	<u>1,065,897</u>	<u>882,048</u>
General and Administrative	113,777	-	113,777	82,651
Fundraising	151,608	-	151,608	132,632
Total Expenses	<u>1,331,282</u>	<u>-</u>	<u>1,331,282</u>	<u>1,097,331</u>
CHANGE IN NET ASSETS	701,898	(583,003)	118,895	1,276,941
NET ASSETS - BEGINNING OF YEAR	<u>1,810,373</u>	<u>683,942</u>	<u>2,494,315</u>	<u>1,217,374</u>
NET ASSETS - END OF YEAR	<u>\$ 2,512,271</u>	<u>\$ 100,939</u>	<u>\$ 2,613,210</u>	<u>\$ 2,494,315</u>

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

ARLINGTON EATS, INC.

STATEMENT OF FUNCTIONAL EXPENSES

For the year ended June 30, 2022
(with comparative totals for the year ended June 30, 2021)

	<u>PROGRAM</u>	<u>GENERAL & ADMINISTRATIVE</u>	<u>FUNDRAISING</u>	<u>2022 TOTALS</u>	<u>2021 TOTALS</u>
Salaries & Wages	\$ 129,455	\$ 39,290	\$ 36,784	\$ 205,529	\$ 159,211
Employee Benefits	21,072	3,663	3,829	28,564	32,064
Payroll Taxes	12,103	2,838	2,966	17,907	18,809
Food & Supplies	145,345	-	-	145,345	113,311
Community Partnerships	74,808	-	-	74,808	34,325
Food Transport	6,571	-	-	6,571	9,297
Depreciation	4,645	-	-	4,645	2,421
Program Expenses - Other	46,470	-	-	46,470	7,051
Repairs & Maintenance	3,630	-	-	3,630	1,182
Rent	14,381	15,819	-	30,200	25,200
Consultants	-	28,381	55,694	84,075	64,535
Office Expenses	2,248	6,126	3,345	11,719	10,293
Printing	1,664	-	27,833	29,497	8,419
Insurance	1,251	1,581	-	2,832	4,443
Administrative - Other	-	16,079	-	16,079	4,791
Fundraising - General	-	-	9,754	9,754	12,853
Fundraising Capital Campaign	-	-	11,403	11,403	29,308
	<u>463,643</u>	<u>113,777</u>	<u>151,608</u>	<u>729,028</u>	<u>537,513</u>
Food - In-Kind (Note 2)	<u>602,254</u>	<u>-</u>	<u>-</u>	<u>602,254</u>	<u>559,818</u>
Totals	\$ <u>1,065,897</u>	\$ <u>113,777</u>	\$ <u>151,608</u>	\$ <u>1,331,282</u>	\$ <u>1,097,331</u>

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

ARLINGTON EATS, INC.

STATEMENT OF CASH FLOWS

For the years ended June 30, 2022 and 2021

	<u>2022</u>	<u>2021</u>
Increase (Decrease) in Cash & Cash Equivalents		
Change in Net Assets	\$ 118,895	\$ 1,276,941
Non-Cash Items Related to Operations Included in Net Assets:		
Depreciation	4,645	2,421
Contribution of Marketable Equity Security	(1,054)	(11,160)
Bad Debts	3,833	(22,325)
Unrealized Gains on Investments	58,551	(49,101)
Cash Flows from Operating Activities:		
Change in Grant Receivables	332,473	(381,703)
Change in Pledge Receivables	12,436	(27,043)
Change in Prepaid Expenses	(714)	1,398
Change in Accounts Payable & Accrued Expenses	18,460	9,157
Change in Deferred Revenue	25,836	-
Net Cash Provided by Operating Activities	573,361	798,585
Cash Flows from Investing Activities:		
Proceeds from Sale of Investments	13,412	33,740
Purchase of Investments	(33,698)	(49,455)
Purchase of Property & Equipment	(612,406)	(120,097)
Net Cash (Used in) Investing Activities	(632,692)	(135,812)
Net Change in Cash	(59,331)	662,773
Cash and Cash Equivalents and Restricted Cash - Beginning of Year	<u>1,585,217</u>	<u>922,444</u>
Cash and Cash Equivalents and Restricted Cash - End of Year	<u>\$ 1,525,886</u>	<u>\$ 1,585,217</u>

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

ARLINGTON EATS, INC.

Notes to Financial Statements

June 30, 2022

1. Organization and Nature of Activities

Arlington EATS, Inc., a non-profit organization, was incorporated on September 9, 2015 under the laws of the Commonwealth of Massachusetts and annually files Form 990 with the IRS and Form PC with the Commonwealth of Massachusetts. The Organization was formed for the purpose of eliminating food insecurity by providing nutritious food, meals, and snacks to any Arlington resident in need. The principal sources of support are traditional contributions from individuals and local organizations and in-kind food donations from the Greater Boston Food Bank, other organizations, and individuals.

2. Summary of Significant Accounting Policies

A. Basis of Accounting

The financial statements have been prepared on the accrual basis of accounting in accordance with generally accepted accounting principles.

B. Cash, Cash Equivalents and Concentration of Risk

For purposes of the statement of cash flows, the Organization considers all cash and other highly liquid investments with initial maturities of three months or less to be cash equivalents unless held for investment. The Organization maintains some of its cash in bank deposit accounts, which at times may exceed federally insured limits; however, these deposits continue to be covered by The Massachusetts Depositors Insurance Fund. The Organization has not experienced any losses in such accounts, and management believes that it is not exposed to any significant credit risk on cash or cash equivalents.

C. Contributions and Pledge Receivable

The Organization reports unconditional promises to give as contributions. Contributions that are restricted by the donor are reported as increases in net assets without donor restrictions if the restrictions expire in the fiscal year in which the contributions are recognized. Management considers receivables as of June 30, 2022 to be fully collectible.

D. Accounting for Investments

The Organization follows ASC 958-320 for investments in debt and equity securities with readily determinable fair values which are measured at fair value upon acquisition if contributed or at cost if purchased. Gains, losses, dividends, interest, and other related income from these securities are reported as investment income and realized or unrealized gains and losses in the Statement of Activities.

E. Property and Equipment

The Organization records the acquisition of property and equipment at cost (if purchased) or fair market value (if contributed). Depreciation is computed based upon the estimated useful lives of the assets using the straight-line method. Expenses for maintenance and repairs are charged to operations as incurred.

F. Income Taxes

The Corporation qualifies as a tax-exempt organization other than a private foundation under section 501 (c) (3) of the Internal Revenue Code. Accordingly, no provision for income taxes is reflected in the financial statements.

June 30, 2022

2. Summary of Significant Accounting Policies – (Continued)

G. Functional Allocation of Expenses

Expenses are charged directly to Program, Administrative, or Fundraising in general categories based on specific identification. Certain employee benefits and payroll taxes have been allocated based on salary expenditures.

H. Financial Statement Presentation

Net assets, revenues, gains, and losses are classified based on the existence or absence of donor or grantor-imposed restrictions. Accordingly, net assets and changes therein are classified and reported as:

Net Assets Without Donor Restrictions – Net assets available for use in general operations and not subject to donor (or certain grantor) restrictions. Net assets the governing board has designated, from net assets without donor restrictions, for an operating or other board-designated purpose.

Net Assets With Donor Restrictions – Net assets subject to donor (or certain grantor) imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. Donor imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both.

I. Fair Value Measurements

The Organization reports its fair value measures using a three-level hierarchy that prioritizes the inputs used to measure fair value. This hierarchy, established by GAAP, requires that entities maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. The three levels of inputs used to measure fair value are as follows:

- *Level 1.* Quoted prices for identical assets or liabilities in active markets to which the Organization has access at the measurement date.
- *Level 2.* Inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly.
- *Level 3.* Unobservable inputs for the asset or liability. Unobservable inputs should be used to measure the fair value to the extent that observable inputs are not available.

When available, the Organization measures fair value using Level 1 inputs because they generally provide the most reliable evidence of fair value. All measurements of fair value during the fiscal years and as of June 30, 2022 and 2021 used Level 1 inputs.

The primary uses of fair value measures in the Organization's financial statements are the initial measurement of noncash gifts, including gifts of investment assets, and the recurring measurement of short-term investments.

J. Use of Estimates

The preparation of the financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could vary from those estimates.

ARLINGTON EATS, INC.

Notes to Financial Statements

June 30, 2022

2. Summary of Significant Accounting Policies – (Continued)

K. Advertising Costs

Advertising costs, if any, are charged to operations as incurred.

L. Donated Goods & Services

The Organization reports the fair value of donated food and related items as unrestricted public support and then, shortly thereafter, as expense when distributed to individuals participating in the Organization's food programs. The Organization distributed approximately 512,721 and 321,734 pounds of donated product, in fiscal years June 2022 and 2021, respectively. The approximate average wholesale value of one pound of donated product at the national level, which was determined to be \$1.79 during 2022 (\$1.74 during 2021), was based on a study performed by Feeding America. The dollar value of \$602,254 and \$559,818, for the fiscal years ended June 30, 2022 and 2021 respectively, is reported in the accompanying financial statements as Food In-Kind.

In-kind inventory for the Organization's food programs is not recorded in the statement of financial position, because a method of consistently recording its value has been determined as arbitrary and immaterial to the financial statements. In addition, a number of individuals and other organizations have made in-kind donations or volunteered their services to the Organization. For those services that do not require special expertise, no estimated value appears in the financial statements.

M. Support from Major Contributor

For the year ended June 30, 2022, the Organization received approximately 41% of total revenues and support from one contributor, The Greater Boston Food Bank. This contribution was in the form of donated food.

N. Adoption of Recent Accounting Guidance

During the year ended June 30, 2022, the Corporation implemented ASU 2016-02, *Leases*. The standard is meant to increase transparency and comparability among organizations by recognizing lease assets and lease liabilities on the Statement of Financial Position and disclosing key information about leasing arrangements. Accordingly, the beginning balances of the net assets, right-of-use assets, and lease payables were re-assessed but no adjustment was required.

3. Liquidity and Availability

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use within one year of the balance sheet date, comprise the following:

	<u>2022</u>	<u>2021</u>
Cash and cash equivalents	\$ 838,577	\$ 631,174
Investments	<u>277,732</u>	<u>314,943</u>
Total	\$1,116,309	\$ 946,117

ARLINGTON EATS, INC.

Notes to Financial Statements

June 30, 2022

4. Investments

Investments, all publicly traded, are composed of the following at June 30, 2022 and 2021:

	2022			2021		
	Market	Unrealized Appreciation	Cost	Market	Unrealized Appreciation	Cost
Mutual funds - equity funds	\$ 160,838	\$ 12,208	\$ 148,630	\$ 194,664	\$ 55,122	\$ 139,542
Mutual funds - bond funds	113,863	(12,618)	126,481	115,356	3,019	112,337
Money market fund	3,031	-	3,031	4,923	-	4,923
Total	\$ 277,732	\$ (410)	\$ 278,142	\$ 314,943	\$ 58,141	\$ 256,802

Investment return for the years ended June 30, 2022 and 2021 was as follows:

	2022	2021
Dividends	\$ 4,698	\$ 3,977
Capital gain distributions	5,692	2,938
Realized gain on sales	6,704	9,470
Unrealized gain (loss)	(58,551)	49,101
Subtotal	(41,457)	65,486
Interest	4,590	3,243
Total	(\$36,867)	\$68,729

5. Property and Equipment

Property owned by the Organization is equipment including computers and appliances for food storage and distribution. As of June 30, 2022, the Organization had paid out \$816,420 of design and construction costs for the build-out of its new food pantry facility. The majority of the design and construction costs of over \$1,400,000 are being funded by Capital Campaign contributions and a Community Development Block Grant through the Town of Arlington.

6. Grants Receivable

In March, 2021, the Organization received a Food Security Infrastructure Grant through the Massachusetts Executive Office of Energy and Environmental Affairs of \$49,230 for the purchase of a refrigerated van for its food distribution and delivery program. The van was purchased for \$66,725 in May, 2022. The \$49,230 was received in August, 2022. \$11,031 is receivable from the Arlington Housing Corporation for certain furnishings and moving costs incurred in June, 2020.

7. Pledges Receivable

During the year ended June 30, 2021, twelve individuals made pledge donations which would be paid in future years. Two pledges were for more than three years. The amounts are deemed 100% collectible so no reserve is provided. Any discount on the \$10,000 scheduled for collection after one year is deemed immaterial to the pledges and Capital Campaign contributions as a whole and thus not recorded. The collection schedule is \$3,160 in one year, \$4,614 within one to five years, and \$3,000 after five years.

ARLINGTON EATS, INC.

Notes to Financial Statements

June 30, 2022

8. Right-to-Use Asset & Operating Lease Payable

In March, 2022, the Organization executed an operating lease for 2,636 square feet of 117 Broadway in Arlington, MA to start when certain construction work was completed or upon receipt of a certificate of occupancy. The lease became effective July, 2022. The base term of the lease is five years with an option to extend the terms of the lease for two five-year periods. The cost for the first year will be \$4,393 monthly and shall increase every year by 4% over the rent of the prior year. The Organization will be responsible for routine maintenance, trash removal, and utilities – except water and sewer. Whereas the lease did not commence until after June 30, 2022, there are no lease costs reported within the Statement of Activities.

There are no material restrictions or performance covenants other than compliance with laws, codes, and ordinances, insurance coverage, and other common operating maintenance and repairs. The discount rate of 5% has been used in calculating the present value of the sum of the lease payments. The lease term is defined as the non-cancelable period of the lease currently in effect. The company has elected not to recognize right-of-use assets and lease obligations for short-term leases, which are defined as leases with an initial term of 12 months or less.

The lease payments, totaling \$285,549, due annually for the five years of the lease ending June 30 each year are:

2023	2024	2025	2026	2027
\$52,720	\$54,829	\$57,022	\$59,303	\$61,675

9. Net Assets with Donor Restrictions

Net assets were released from donor restrictions by incurring costs satisfying the purpose or time restriction specified by donors as follows:

	<u>2022</u>	<u>2021</u>
Capital Campaign	\$668,810	\$165,361
COVID Programs	-	38,793
Farmer's Market	<u>48,823</u>	<u>303</u>
Net Assets released from Restrictions	\$717,633	\$204,457

Net assets with donor restrictions of \$100,939 are available for the following purposes:

	<u>2022</u>	<u>2021</u>
Capital Improvements - Facility	\$ 88,656	\$683,026
Summer Lunch Program	3,500	0
Farmer's Market	<u>8,783</u>	<u>916</u>
Donor Restricted Net Assets Available	\$100,939	\$683,942

ARLINGTON EATS, INC.

Notes to Financial Statements

June 30, 2022

10. Revenue - SBA / PPP Loan Payable Forgiven

In May, 2020, the Organization received a loan through the Small Business Administration of \$22,325 as part of the Coronavirus Aid, Relief, and Economic Security (CARES) Act. The funds were provided for the continuity and stability of payroll, group insurance benefits, and certain limited rent, utilities, and mortgage interest payments. The loan of \$22,325 was forgiven in February 2021, and thus reported as revenue within the Statement of Activities for fiscal year June 30, 2021.

11. Retirement Plan

The Organization has adopted a Simple IRA voluntary salary reduction retirement plan. All employees are eligible to participate. For the years ended June 30, 2022 and 2021, the Organization made matching employer contributions in the amounts of \$3,622 and \$5,180 respectively.

12. Commitments and Contingencies

The Organization initiated a Capital Campaign, including securing a Community Development Block Grant of \$332,437, to raise over \$1,000,000 to renovate and furnish their facility at 117 Broadway. Construction and other costs of near \$585,000 remain to build out the leasehold improvements and finalize the project. Cash reserves held at June 30, 2022 for the Capital Campaign are \$675,026.

In April, 2020, the Board designated \$300,000 to help fund the Capital Campaign. In July, 2021, the Board designated an additional \$300,000 for the Capital Campaign. As of June 30, 2022, \$2,856 was disbursed from the designated funds. \$597,144 remains board designated at June 30, 2022.

13. Concentrations

The Organization maintains cash accounts with banks that are insured by the Federal Deposit Insurance Corporation up to \$250,000. During the year, balances can exceed this amount. At June 30 2022, the Organization cash balances in excess of \$250,000 totaled \$1,135,369. However, the total amount is insured under the Massachusetts Depositors Insurance Fund. Management has not experienced any losses in such accounts and believes it is not exposed to any significant credit risk on cash and cash equivalents.

The Organization operates one type of program within one general area – greater Arlington, MA.

14. Subsequent Events

The corporate management has reviewed subsequent events through February 10, 2023, the date of the financial statements.