



MY BROTHER'S KEEPER

A Christian ministry of loving service and education

Financial Statements

For the Years Ended June 30, 2022 and 2021



Independent Auditor's Report

To the Board of Directors of
My Brother's Keeper, Inc.
Easton, MA

Opinion

I have audited the accompanying financial statements of My Brother's Keeper, Inc. (a nonprofit Corporation) which comprise the statement 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.

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of My Brother's Keeper, 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 audit 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 My Brother's Keeper, Inc. and to meet my other ethical responsibilities in accordance with the relevant ethical requirements relating to my audit. 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 these 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 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 My Brother's Keeper, Inc.'s ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

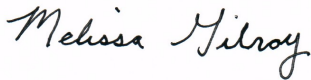
Auditor's Responsibilities for the Audit of the Financial Statements

My objective is 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, including omissions, 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 My Brother's Keeper, 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 My Brother's Keeper, 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.

A handwritten signature in black ink that reads "Melissa Gilroy". The signature is written in a cursive, flowing style.

Melissa Gilroy, Certified Public Accountant
Westwood, Massachusetts
April 28, 2023

Statements of Financial Position

As of June 30,	2022	2021
Assets		
Current Assets		
Cash and cash equivalents	\$ 1,945,189	\$ 629,296
Contribution receivables	316,150	1,150
Accounts receivables	-	4,250
Prepaid expenses	29,176	25,835
Total current assets	<u>2,290,515</u>	<u>660,531</u>
Fixed Assets		
Land	1,127,900	1,127,900
Construction in progress	84,506	-
Building and improvements	5,857,619	5,857,619
Landscaping and improvements	109,400	109,400
Furniture and equipment	413,472	363,743
Vehicles	395,355	395,355
	<u>7,988,252</u>	<u>7,854,017</u>
Less: accumulated depreciation	<u>(2,230,249)</u>	<u>(2,022,058)</u>
Total net fixed assets	<u>5,758,003</u>	<u>5,831,959</u>
Other Non-Current Assets		
Contribution receivables, net	31,994	-
Cash reserves:		
Reserve fund	400,331	400,445
Building and capital asset reserve	243,004	234,005
Mission advancement reserve	-	77,426
Total reserves	<u>643,335</u>	<u>711,876</u>
Total Assets	<u>\$ 8,723,847</u>	<u>\$ 7,204,366</u>
Liabilities and Net Assets		
Current Liabilities		
Accounts payable and accrued expenses	\$ 62,592	\$ 78,740
Long term debt, current	9,786	9,451
Total current liabilities	<u>72,378</u>	<u>88,191</u>
Long Term Liabilities		
Note payable	<u>342,679</u>	<u>352,316</u>
Total long term liabilities	<u>342,679</u>	<u>352,316</u>
Total liabilities	<u>415,057</u>	<u>440,507</u>
Net Assets		
Without donor restrictions	7,200,534	6,762,709
With donor restrictions	1,108,256	1,150
Total net assets	<u>8,308,790</u>	<u>6,763,859</u>
Total Liabilities and Net Assets	<u>\$ 8,723,847</u>	<u>\$ 7,204,366</u>

Statements of Activities and Changes in Net Assets

For the years ended June 30,	2022			2021		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
Changes in Net Assets						
Revenue and Support						
Grants and Contributions	\$ 2,205,973	\$ 695,112	\$ 2,901,085	\$ 2,347,509	\$ -	\$ 2,347,509
Government grants	-	-	-	158,707	-	158,707
Inkind contributions	3,671,884	-	3,671,884	4,461,978	-	4,461,978
Fundraising events, net	565,964	-	565,964	272,994	-	272,994
Interest income	2,314	-	2,314	1,195	-	1,195
Contributions released from restrictions	238,006	(238,006)	-	206,874	(206,874)	-
Total revenue and support	6,684,141	457,106	7,141,247	7,449,257	(206,874)	7,242,383
Expenses						
Program services	5,687,909	-	5,687,909	6,502,841	-	6,502,841
General and administrative	184,904	-	184,904	187,523	-	187,523
Development	373,503	-	373,503	260,367	-	260,367
Total expenses	6,246,316	-	6,246,316	6,950,731	-	6,950,731
Net Operating Income (Loss)	437,825	457,106	894,931	498,526	(206,874)	291,652
Non-Operating Revenue						
Capital Campaign contributions	-	650,000	650,000	-	-	-
Total non-operating revenue	-	650,000	650,000	-	-	-
Change in Net Assets	437,825	1,107,106	1,544,931	498,526	(206,874)	291,652
Net Assets at Beginning of Year	6,762,709	1,150	6,763,859	6,264,183	208,024	6,472,207
Net Assets at End of Year	\$ 7,200,534	\$ 1,108,256	\$ 8,308,790	\$ 6,762,709	\$ 1,150	\$ 6,763,859



My Brother's Keeper, Inc.

Statement of Functional Expenses

For the year ended June 30,	2022				2021			
	Program Services	General and Administrative	Development	Total	Program Services	General and Administrative	Development	Total
Salaries and contributed services	\$ 603,836	107,618	233,357	\$ 944,811	\$ 559,272	95,520	131,453	\$ 786,245
Benefits and payroll taxes	141,622	24,341	55,321	221,284	122,217	20,656	29,263	172,136
Sub-total	745,458	131,959	288,678	1,166,095	681,489	116,176	160,716	958,381
Christmas gifts and expenses	1,077,171	-	-	1,077,171	1,159,680	-	-	1,159,680
Furniture donations and expenses	440,285	-	-	440,285	315,900	-	-	315,900
Food donations and expenses	2,653,352	-	-	2,653,352	3,543,906	-	-	3,543,906
Depreciation	187,371	10,410	10,410	208,191	230,788	12,822	12,821	256,431
Tithing - donations to other non-profits	196,690	-	-	196,690	193,415	-	-	193,415
Volunteer expenses	31,248	-	-	31,248	17,201	-	-	17,201
Utilities	55,775	3,099	3,099	61,973	51,160	2,842	2,842	56,844
Vehicle expenses	37,634	-	-	37,634	20,997	-	-	20,997
Marketing and promotion	7,179	-	28,713	35,892	11,053	-	44,212	55,265
Repairs and maintenance	62,262	3,459	3,459	69,180	58,659	3,259	3,259	65,177
Interest	11,420	634	634	12,688	25,682	1,427	1,427	28,536
Insurance	42,092	3,295	2,917	48,304	38,461	3,144	1,962	43,567
Printing and postage	20,616	8,568	11,668	40,852	24,101	9,288	11,533	44,922
Telephone and technology	42,748	5,255	10,672	58,675	52,680	6,781	9,174	68,635
Dues and fees	15,189	2,010	4,569	21,768	10,133	1,330	1,884	13,347
Fuel assistance	21,802	-	-	21,802	23,241	-	-	23,241
Crucifixes	15,288	-	-	15,288	17,681	-	-	17,681
Other supplies and expenses	24,329	5,654	8,684	38,667	26,614	8,454	10,537	45,605
Professional fees	-	10,561	-	10,561	-	22,000	-	22,000
Total Functional Expenses	\$ 5,687,909	184,904	373,503	\$ 6,246,316	\$ 6,502,841	187,523	260,367	\$ 6,950,731

Statements of Cash Flows

For the years ended June 30,	2022	2021
Cash Flows from Operating Activities		
Change in net assets	\$ 1,544,931	\$ 291,652
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	208,191	256,431
Forgiveness of Paycheck Protection Program loan	-	(158,707)
Decrease (increase) in assets		
Account and contribution receivables	(342,744)	202,624
Prepaid expenses	(3,341)	(12,931)
Increase (decrease) in liabilities		
Accounts payable and accrued expenses	(16,148)	65,031
Deferred revenue	-	(2,500)
Net Cash Provided by Operating Activities	1,390,889	641,600
Cash Flows from Investing Activities		
Purchase of fixed assets	(134,235)	(16,000)
Cash reserve additions / (withdrawals), net	68,541	(165,595)
Net Cash Used in Investing Activities	(65,694)	(181,595)
Cash Flows from Financing Activities		
Loan repayments	(9,302)	(310,067)
Net Cash Used in Financing Activities	(9,302)	(310,067)
Net Increase in Cash and Cash Equivalents	1,315,893	149,938
Cash and Cash Equivalents - Beginning	629,296	479,358
Cash and Cash Equivalents - Ending	\$ 1,945,189	\$ 629,296
Supplement Disclosure of Cash Flow Information		
Cash paid during the year for interest	\$ 12,688	\$ 28,535

My Brother's Keeper, Inc.

Notes to Financial Statements

1. Organization and Nature of Activities

My Brother's Keeper, Inc. (the Organization) was incorporated under the General Laws of the Commonwealth of Massachusetts in February 1990. The mission of the organization is "To bring the Love and Hope of Jesus Christ to those we serve." In doing so, it provides and delivers furniture, household items, ancillary services, and food to needy individuals and families that seek assistance in the communities of southeastern Massachusetts. The Organization is a tax-exempt organization under Section 501(c)(3) of the Internal Revenue Code and Section 13.2210(e) of the State Revenue and Taxation Code and is not a private foundation.

The majority of the Organization's activities are listed in the order of relative importance:

Furniture Assistance – The Organization delivers, free of charge, essential furniture as well as household items to needy individuals and families. The organization obtains donated new and used items from individual, institutional, and commercial sources. Program needs often require the Organization to purchase items to fulfill the needs of the people it serves.

Food Assistance – The Organization delivers food to those who request help. Deliveries consist of a healthy balance of non-perishable canned goods, dairy products, fresh fruits, and vegetables.

Christmas Assistance – The Organization provides gifts and food to needy families requesting assistance and support over the Christmas Season.

Fuel Assistance – In conjunction with another unaffiliated entity, the Organization assists requesting families with financial assistance in meeting overdue residential fuel bills to prevent cessation of services.

Credentials for Credibility – The program seeks to provide a resource for needy individuals to obtain driver licenses within the Commonwealth of Massachusetts, thereby providing them better access to the job markets outside their immediate residential area.

2. Summary of Significant Accounting Policies

The significant accounting policies are described below to enhance the usefulness of the financial statements to the reader.

Method of Accounting

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

Use of Estimates

The preparation of financial statements is in conformity with generally accepted accounting principles in the United States of America ("GAAP") which requires management 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 financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

My Brother's Keeper, Inc.

Notes to the Financial Statements

2. Summary of Significant Accounting Policies (continued)

Basis of Presentation

The accompanying financial statements have been prepared on the accrual basis with net assets, revenues, expenses, gains, and losses classified in two categories based on the existence or absence of externally imposed restrictions. Operating revenues consist of those monies received and contributions attributable to the Organization's ongoing efforts. The net assets of the Organization are classified and defined as follows:

Net Assets Without Donor Restrictions

Net assets that are not subject to donor-imposed stipulations are considered unrestricted.

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 resources be maintained in perpetuity. Donor-restricted contributions are reported as increases in net assets with donor restrictions, depending on the nature of the restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statements of activities as net assets released from restrictions.

Cash and cash equivalents

The Organization considers all highly liquid investments purchased with an original maturity date of three months or less to be cash equivalents. The Organization maintains its cash deposit balances in banks located in Massachusetts.

Contribution Receivable

Contribution receivables that are expected to be collected within one year are recorded at net realizable value. Contribution receivables that are expected to be collected in future years are recorded at the present value of their estimated future cash flows. The discounts on those amounts are computed using risk-adjusted interest rates applicable to the years in which the promises are received. Discount amortization is included in contribution revenue. On a periodic basis, the Organization evaluates its contribution receivables and establishes an allowance for doubtful accounts, based on a history of past write-offs and collections and current credit conditions. Contribution receivables are written off when deemed uncollectible. As of year-end, management has determined that no allowance was required.

Revenue Recognition

The Organization recognizes revenue from ticket sales for events on the date of the event. Sponsorship income for events is comprised of an exchange-based element for the value of tickets granted to sponsors and a contribution element. The Organization recognizes the exchange portion of sponsorship income upon the occurrence of the event and the contribution portion immediately. The Organization records special events ticket revenue equal to the fair value of direct benefits to donors when the event takes place.

The Organization recognizes contributions when cash, securities or other assets; an unconditional promise to give; or a notification of a beneficial interest is received. Conditional promises to give, those with a measurable performance or other barrier and a right of return, are not recognized until the conditions on which they depend have been met. Contributions, including unconditional promises to give, are recognized as with or without donor restricted revenues in the year received in accordance with the donor requirements.

My Brother's Keeper, Inc.

Notes to the Financial Statements

2. Summary of Significant Accounting Policies (continued)

Donated goods and services

Various individuals and organizations donate significant goods and services to the Organization as detailed in Note 5 of these financial statement footnotes. The value of in-kind gifts are recognized as support at estimated fair market value at the time that the gifts are received with an equal and offsetting amount included in the appropriate asset or expense category, as applicable. These donated items were used in the various programs of the Organization. In addition, the Organization receives significant amounts of donated volunteer time related to its programs. For the years ending June 30, 2022 and 2021, the Organization received approximately 45,000 and 24,500 volunteer hours, respectively. This volunteer time was not recognized in the financial statements because it did not meet the criteria for recognition under GAAP.

Fair Value Measurements

In accordance with GAAP, assets and liabilities recorded at fair value in the statement of financial position are categorized based upon the level of judgment associated with the inputs used to measure their fair value.

Property and equipment

Maintenance and repairs are expensed as incurred and improvements that increase the useful life of the asset are capitalized. When assets are retired or disposed of, the cost and related accumulated depreciation are removed from the accounts, and gains and losses are included in non-operating activities in the Statements of Activities. Land, buildings, and equipment, are shown at cost or fair value at the date a gift was received. Depreciation is computed on the straight-line method over the estimated useful lives of respective assets as follows:

Building and improvements	39 years
Landscaping and improvements	10 years
Furniture and equipment	5 years
Vehicles	5 years

Construction-in-progress is stated at cost, which relates to the cost of programming property improvements not yet placed into service. No depreciation expense is recorded on construction-in-progress until such time as the relevant assets are completed and put into use.

Impairment of Long-Lived Assets

The Organization reviews its real estate for impairment whenever events or changes in circumstances indicate that the carrying amount of such property may not be recoverable. If the real estate is considered to be impaired, the impairment to be recognized is measured by the amount by which the carrying amount of the real estate exceeds the fair market value of such property. There were no impairment losses recognized in 2022 and 2021.

Fundraising

Fundraising relates to the activities of raising general and specific contributions to the Organization and promotion of its special events.

Functional Allocation of Expenses

The costs of providing various programs and other activities have been summarized on a functional basis in the statement of activities and supporting services. Expenses relating to more than one function are allocated accordingly. Administration expenses include those expenses that are not directly identifiable with any specific function but provide for all the overall support and direction of the Organization. Payroll and associated costs are allocated to functions based on the job functions of respective employees. Occupancy costs are allocated based on estimated square footage.

My Brother's Keeper, Inc.

Notes to the Financial Statements

2. Summary of Significant Accounting Policies (continued)

Income Tax Status

My Brother's Keeper, Inc. is classified as a Section 501(c)(3) organization under the Federal Internal Revenue Code and Section 13.2210(e) of the State Revenue and Taxation Code. As a result, it is exempt from federal income and state franchise taxes.

The Organization complies with the provisions of GAAP related to the accounting for the uncertainty in income taxes. As required, the Organization has evaluated its tax positions, applying a "more likely than not" threshold and believes that there would be no material changes to the results of its operation or financial position as a result of an audit by the applicable taxing authorities, federal or state. The Organization has filed all of its known and required tax returns in a timely manner, including as permitted, allowed extensions.

Nonoperating Activities

Nonoperating activities include all capital contributions and other nonoperating changes. All other activities are classified as operating.

3. Cash Reserves

The Board of Directors authorized the adoption of a cash management policy to ensure the long-term stability of the ministry through varying economic conditions so that the Organization can continuously carry out its mission, avoid excessive accumulation of funds, and effectively use major gifts. The following funds were established:

Reserve Fund – To create an internal line of credit to manage cash flow and maintain financial flexibility. The target amount is three months' reserve calculated as 25% of annual operating expenses from the prior three fiscal years. The Reserve Fund is to be funded quarterly in the lesser of \$25,000 or 5% of unrestricted contributions until the capped amount of \$400,000 is reached. At the Board's discretion, funding may be temporarily halted if funding will impact the ability to meet current operating needs.

Building and Capital Reserve – To create a ready source of funds for building repairs, renovations including leasehold improvements and other capital needs. The account is funded annually from 2% of unrestricted income, contributions are capped at \$250,000.

Mission Advancement Reserve – To create funds to meet special targets of opportunity that build capacity or improve our ability to carry out our mission. The target amount of the Mission Advancement Reserve will be an amount equal to complete Board approved projects. Funding will be from the annual budget surplus or 25% of unrestricted gifts in excess of \$50,000. During fiscal 2022, the mission advancement fund was used for board specified purposes and as such, the balance as of June 30, 2022 is zero.

My Brother's Keeper, Inc.
Notes to the Financial Statements

4. Fundraising Events, net

The special events detailed below, represents the gross and net proceeds of fund raising events for the fiscal years ended June 30, 2022 and 2021:

2022				
Event	Donation Income	Exchange income	Expense	Net
Family Walk	\$ 279,610	\$ -	\$ 77,407	\$ 202,203
Golf Tournament	130,415	18,753	32,603	116,565
Hungry Men	115,327	31,042	53,138	93,231
South Coast Soiree	91,579	10,140	28,416	73,303
Spring Together	96,032	27,900	66,386	57,546
Strikes for Hope	47,874	3,094	28,252	22,716
	<u>\$ 760,837</u>	<u>\$ 90,929</u>	<u>\$ 286,202</u>	<u>\$ 565,564</u>

2021				
Event	Donation Income	Exchange income	Expense	Net
Family Walk	\$ 57,078	\$ -	\$ 3,867	\$ 53,211
Golf Tournament	125,360	17,094	31,438	111,016
Hungry Men	82,771	-	11,525	71,246
South Coast Soiree	37,109	-	4,023	33,086
Strikes for Hope	2,525	-	-	2,525
All other	1,910	-	-	1,910
	<u>\$ 306,753</u>	<u>\$ 17,094</u>	<u>\$ 50,853</u>	<u>\$ 272,994</u>

5. Donated Goods and Services

Donated materials, facilities and services were recorded at fair market value at the date of donation and have been included in revenue and expenses as follows:

Goods	2022	2021
Furniture	\$ 248,000	\$ 147,794
Food	2,529,000	3,362,000
Christmas gifts	817,000	857,569
Assets	-	63,717
Total	<u>3,594,000</u>	<u>4,367,363</u>
Services		
Professional services	57,884	74,615
Administrative salaries	20,000	20,000
Total	<u>77,884</u>	<u>94,615</u>
Total	<u>\$ 3,671,884</u>	<u>\$4,461,978</u>

The Organization recognized contributed nonfinancial assets within revenue, including the above items. None of these contributed nonfinancial assets had donor-imposed restrictions. The Organization estimated the fair value on the basis of estimates of values that would be received for similar products in the United States. Contributed services recognized comprise professional services from related to providing program services. Contributed services are valued and are reported at the estimated fair value in the financial statements based on current rates for similar services.

My Brother's Keeper, Inc.

Notes to the Financial Statements

6. Contribution Receivables

Contribution receivables, net of discounts and allowances are recorded as receivables with the revenue assigned to the appropriate net asset category. Included in contribution receivables is an amount due from one donor that represents approximately 72% and 87% of the total outstanding pledge receivables as of June 30, 2022 and 2021, respectively. At June 30, 2022 and 2021 contribution receivables are expected to be realized in the following time frame:

	2022	2021
In one year or less	\$ 316,150	\$ 1,150
Between two and five years	35,000	-
Subtotal	351,150	1,150
Discount to present value (5%)	(3,006)	-
Pledge receivables	<u>\$ 348,144</u>	<u>\$ 1,150</u>

7. Concentration of Credit Risk

The Organization maintains its cash deposit balances in banks located in Massachusetts that from time to time may exceed insurable limits under the Federal Depository Insurance Corporation (FDIC). The Organization has not experienced any losses on its cash deposit balances as it relates to FDIC insurance limits. Management monitors the credit worthiness of all banks where cash deposits are maintained. Management believes that the risk of any loss is minimal. Additionally, funds in local banking institutions are insured for funds in excess of FDIC limits through the Massachusetts Deposits Insurance Fund.

8. Land Lease

The building owned by My Brother's Keeper, Inc., located in Easton, Massachusetts, is situated on leased land owned by The Congregation of the Holy Cross Eastern Province, Inc. The terms of the lease called for payments of \$10 per year for a period of fifty (50) years. The lease was paid in full on October 2, 2002. The Organization recorded the fair value of the use of the land donated amounting to \$550,000 in a prior year. During fiscal 2022, the terms of the agreement were extended and the new term for the Organizations' use of the land is through June 30, 2072.

In fiscal 2018, land adjacent to the building was included in a lease to the Organization by the same lessor which will serve the Organization as parking facilities. The Organization recorded the fair value of the use of the land donated amounting to \$277,900 as of June 30, 2018. In both cases as part of this land lease arrangement, the lessor may reclaim the land.

9. Lines of Credit

The Organization secured a \$100,000 demand line of credit with a local financial institution with an interest rate of 7.75% based on prime plus 2.5% with a minimum rate of 6%. The line of credit is secured by all assets of the Organization. At June 30, 2022 and 2021, there were no outstanding amounts due with respect to this line of credit.

The Organization has a line of credit amounting to \$225,000 that is due upon demand. The line of credit carries an interest rate of the Wall Street Journal Prime rate plus 0.50% which was 3.75% as of the fiscal years ended June 30, 2022 and 2021. As of June 30, 2022 and 2021, there were no outstanding amounts due with respect to this line of credit. Subsequent to year-end, the line of credit with this financial institution was closed.

My Brother's Keeper, Inc.

Notes to the Financial Statements

10. Note Payable

In connection with the building project that was completed in a prior fiscal year, the Organization obtained a \$2,560,000 construction loan. The loan had interest only payments due through August 2018. In March 2021, the loan terms were modified due to additional principal payments made during fiscal 2020 and 2021. Beginning in April 2021, the monthly payments on the loan were reduced to \$1,832.47 and are being amortized over a 300-month term. The interest rate on the note was reduced to 3.5% fixed and the maturity date was extended to March 2031. The loan is secured by the real estate. As of June 30, 2022 and 2021 the loan had an outstanding balance of \$352,465 and \$361,767, respectively.

The loan payments are due as follows, reflecting the loan modification described above:

2023	\$	9,786
2024	\$	10,133
2025	\$	10,493
2026	\$	10,865
2027	\$	11,249
Thereafter	\$	299,939

11. Paycheck Protection Program Loan

In April 2020, the Organization received a Paycheck Protection Program (PPP) loan under the CARES act in the amount of \$158,707. The loan was available to fund eligible payroll and related costs, utilities and rent and carried an interest rate of 1%. The loan was used for the qualifying expenditures as described under the provisions of the CARES act. As a result, in March 2021, the loan was forgiven by the Small Business Association (SBA) and has been recognized as income in the accompanying financial statements.

12. Related Party Transactions

During 2022 and 2021, related parties donated \$59,495 and \$64,775 to the Organization, respectively.

13. Employee Benefits

The organization sponsors a 403b retirement plan for the benefit of eligible employees. All full-time employees are eligible to participate in the plan. The Organization's contributions under this plan amounted to \$35,251 and \$27,877 for the years ended June 30, 2022 and 2021.

14. Net Assets with Donor Restrictions

As of June 30, 2022 and 2021, net assets with donor restrictions consisted of:

Description	2022	2021
Time - pledges	\$ 348,144	\$ 1,150
Purpose - Easton Renovation	650,000	-
Purpose - Special Events	110,112	-
	<u>\$ 1,108,256</u>	<u>\$ 1,150</u>

My Brother's Keeper, Inc.

Notes to the Financial Statements

15. Liquidity and Available

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, as of June 30, 2022 and 2021 within one year of the balance sheet date consists of:

Financial Assets at year-end:	2022	2021
Cash and cash equivalents	\$1,945,189	\$ 629,296
Receivables, current	316,150	1,150
Cash reserves	643,335	711,876
Less: donor purpose restricted net assets	(792,106)	-
Financial assets available to meet general expenditures over the next twelve months	<u>\$2,112,568</u>	<u>\$ 1,342,322</u>

The Organization's goal is generally to maintain financial assets to meet 60 days of operating expense, which it was able to achieve in fiscal 2022 and 2021.

16. Recent Accounting Pronouncements

In September 2020, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update 2020-07, Not-for-Profit Entities (Topic 958) Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets. The new standard is effective for annual reporting periods beginning after June 15, 2021. This standard provides guidance on presentation of contributed nonfinancial assets in the statement of activities and 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 adopted the provisions of ASU 2020-07 applicable to all contributed nonfinancial assets, which has been applied retrospectively to all periods presented.

In February 2016, the FASB issued ASU No. 2016-02, *Leases* (Topic 842), which requires lessees to recognize leases on the balance sheet and disclose key information about leasing arrangements. The new standard establishes a right-of-use (ROU) model that requires a lessee to recognize a ROU asset and lease liability on the statement of financial position for most leases with a term longer than 12 months. Leases will be classified as finance or operating, with classification affecting the pattern and classification of the expense recognition in the statement of activities. The effective date for this standard has been delayed to annual reporting periods beginning after December 15, 2021. The Organization is assessing the impact this standard will have on the financial statements.

17. Subsequent Event

Subsequent to year end, the Organization obtained a construction loan amounting to \$2,100,00 that matures in November 2033 and carries a fixed interest rate of 4.99%. Interest payments only are due for the first twelve months and then principal and interest payments are due thereafter. The real property in Dartmouth is collateral for the loan. Additionally, the Organization obtained a line of credit for borrowings up to \$650,000 carrying an interest rate of the Wall Street Journal Rate plus 1%, however, not lower than 5%.

In November 2022, the Organization entered into a one year lease for a temporary facility in Braintree, Massachusetts. The lease commenced on January 1, 2023 and ends on December 31, 2023. Minimum rent of \$9,679 plus operating and real estate taxes of \$2,255 are due monthly in accordance with the lease.

In January 2023, the Organization began renovations on its Easton facility. The Organization entered into an agreement with a construction company. The projected cost of the renovation is approximately \$4.7million and it is expected to be complete in 2023.

Other than the events mentioned above, the Organization has performed an evaluation of subsequent events through April 28, 2023, which is the date the Organization's financial statements were available to be issued.