De Novo Center for Justice and Healing, Inc.

Financial Statements

June 30, 2022 and 2021

Independent Auditors' Report

To the Board of Directors
De Novo Center for Justice and Healing, Inc.

Opinion

We have audited the accompanying financial statements of De Novo Center for Justice and Healing, Inc. (the 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.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Organization 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

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Organization and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. 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 Organization's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditors' 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 auditors' 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 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, 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 the Organization'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 the Organization'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.

Baker Tilly US, LLP

Baker Tilly US, LLP
Tewksbury, Massachusetts
December 14, 2022

June 30	2022	2021
Assets		
Current Assets:		
Cash and Cash Equivalents	**$ 832,801**	$ 288,547
Grants and Contributions Receivable	**875,346**	750,437
Prepaid Expenses and Other Current Assets	**14,450**	19,366
Total Current Assets	**1,722,597**	1,058,350
Investments	**925,257**	969,968
Property and Equipment, Net of Accumulated Depreciation	**38,938**	70,551
Deposits	**34,255**	34,255
Total Assets	**$ 2,721,047**	$ 2,133,124
Liabilities and Net Assets		
Current Liabilities:		
Accounts Payable	**$ 27,880**	$ 7,262
Accrued Expenses	**167,717**	227,419
Total Current Liabilities	**195,597**	234,681
Deferred Rent	**303,105**	302,012
Total Liabilities	**498,702**	536,693
Net Assets:		
Net Assets without Donor Restrictions	**1,632,378**	1,330,409
Net Assets with Donor Restrictions	**589,967**	266,022
Total Net Assets	**2,222,345**	1,596,431
Total Liabilities and Net Assets	**$ 2,721,047**	$ 2,133,124

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

For the Years Ended June 30	2022 Without Donor Restrictions	2022 With Donor Restrictions	2022 Total	2021 Without Donor Restrictions	2021 With Donor Restrictions	2021 Total
Operating Activities:						
Revenue and Other Support:						
Contributions	**$ 754,527**	**$ 1,236,946**	**$ 1,991,473**	$ 898,369	$ 614,516	$ 1,512,885
Grants and Contracts Revenue	**1,619,654**	**-**	**1,619,654**	1,461,271	-	1,461,271
Contributions - Nonfinancial Services and Assets	**186,822**	**-**	**186,822**	298,349	-	298,349
Special Events	**36,000**	**-**	**36,000**	45,000	-	45,000
Program Service Fees	**3,719**	**-**	**3,719**	15,163	-	15,163
Net Assets Released from Restriction	**913,001**	**(913,001)**	**-**	682,319	(682,319)	-
Total Revenue and Other Support	**3,513,723**	**323,945**	**3,837,668**	3,400,471	(67,803)	3,332,668
Operating Expenses:						
Program Services:						
Counseling Services	**528,158**	**-**	**528,158**	509,214	-	509,214
Legal Services	**2,083,244**	**-**	**2,083,244**	2,237,967	-	2,237,967
Total Program Services	**2,611,402**	**-**	**2,611,402**	2,747,181	-	2,747,181
General and Administrative	**367,310**	**-**	**367,310**	282,867	-	282,867
Fundraising	**188,428**	**-**	**188,428**	182,917	-	182,917
Total Operating Expenses	**3,167,140**	**-**	**3,167,140**	3,212,965	-	3,212,965
Increase (Decrease) in Net Assets from Operations	**346,583**	**323,945**	**670,528**	187,506	(67,803)	119,703
Nonoperating Activities:						
Investment (Loss) Income, Net	**(44,614)**	**-**	**(44,614)**	113,367	-	113,367
Gain on Extinguishment of Long-Term Debt - Paycheck Protection Program	**-**	**-**	**-**	326,820	-	326,820
Total Nonoperating Activities	**(44,614)**	**-**	**(44,614)**	440,187	-	440,187
Increase (Decrease) in Net Assets	**301,969**	**323,945**	**625,914**	627,693	(67,803)	559,890
Net Assets, Beginning of Year	**1,330,409**	**266,022**	**1,596,431**	702,716	333,825	1,036,541
Net Assets, End of Year	**$ 1,632,378**	**$ 589,967**	**$ 2,222,345**	$ 1,330,409	$ 266,022	$ 1,596,431

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

For the Year Ended June 30 **2022**

	Program Services					
	Counseling Services	Legal Services	Total Program Services	General and Administrative	Fundraising	Total
Salaries, Related Benefits and Taxes	$ 339,420	$ 1,587,738	$ 1,927,158	$ 219,462	$ 156,434	$ 2,303,054
Occupancy	38,672	188,048	226,720	37,618	19,068	283,406
Donated Services	33,151	103,935	137,086	34,786	4,277	176,149
Contracted Services	-	83,333	83,333	28,236	-	111,569
Bad Debt	106,071	-	106,071	-	-	106,071
Office Expense	4,959	39,691	44,650	6,520	3,926	55,096
Professional Fees	988	19,624	20,612	30,031	728	51,371
Depreciation	4,627	22,136	26,763	2,632	2,218	31,613
COVID-19 Emergency Fund Payments	-	21,263	21,263	2,352	-	23,615
Filing Fees	-	11,077	11,077	-	-	11,077
Other	-	-	-	5,610	1,383	6,993
Training and Travel	270	6,399	6,669	63	-	6,732
Special Events	-	-	-	-	394	394
Total	$ 528,158	$ 2,083,244	$ 2,611,402	$ 367,310	$ 188,428	$ 3,167,140

For the Year Ended June 30 2021

	Program Services					
	Counseling Services	Legal Services	Total Program Services	General and Administrative	Fundraising	Total
Salaries, Related Benefits and Taxes	$ 370,372	$ 1,497,308	$ 1,867,680	$ 184,384	$ 148,851	$ 2,200,915
Occupancy	42,469	179,203	221,672	26,360	18,449	266,481
Donated Services	74,947	192,620	267,567	21,123	-	288,690
Contracted Services	-	-	-	723	-	723
Bad Debt	-	-	-	-	-	-
Office Expense	14,766	80,168	94,934	14,526	9,019	118,479
Professional Fees	-	39,136	39,136	24,420	1,825	65,381
Depreciation	5,243	22,172	27,415	2,385	2,031	31,831
COVID-19 Emergency Fund Payments	-	205,601	205,601	-	-	205,601
Filing Fees	500	-	500	-	-	500
Other	563	19,532	20,095	8,874	2,675	31,644
Training and Travel	354	2,227	2,581	72	67	2,720
Special Events	-	-	-	-	-	-
Total	$ 509,214	$ 2,237,967	$ 2,747,181	$ 282,867	$ 182,917	$ 3,212,965

For the Years Ended June 30	2022	2021
Cash Flows from Operating Activities:		
Increase in Net Assets	**$ 625,914**	$ 559,890
Adjustments to Reconcile Increase in Net Assets to Net Cash Provided by (Used in) Operating Activities:		
Depreciation	**31,613**	31,831
Net Realized and Unrealized Losses (Gains) on Investments	**86,951**	(91,837)
Gain on Extinguishment of Long-Term Debt – Paycheck Protection Program	**-**	(326,820)
Increase in Grants and Contributions Receivable	**(124,909)**	(355,568)
Decrease in Prepaid Expenses and Other Current Assets	**4,916**	14,855
Increase (Decrease) in Accounts Payable	**20,618**	(13,446)
(Decrease) Increase in Accrued Expenses	**(59,702)**	47,622
Increase in Deferred Rent	**1,093**	26,161
Net Cash Provided by (Used in) Operating Activities	**586,494**	(107,312)
Cash Flows from Investing Activities:		
Purchase of Investments	**(42,240)**	(330,708)
Acquisition of Property and Equipment	**-**	(37,351)
Proceeds from Sale of Investments	**-**	24,277
Net Cash Used in Investing Activities	**(42,240)**	(343,782)
Net Increase (Decrease) in Cash and Cash Equivalents	**544,254**	(451,094)
Cash and Cash Equivalents, Beginning of Year	**288,547**	739,641
Cash and Cash Equivalents, End of Year	**$ 832,801**	$ 288,547

1. Organization and Summary of Significant Accounting Policies:

Nature of Organization: De Novo Center for Justice and Healing, Inc. (the Organization) is a nonprofit organization that provides civil legal assistance and psychological counseling services to low income individuals within Cambridge and the Greater Boston area.

Basis of Presentation: The financial statements of the Organization have been prepared using the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America (GAAP). Any reference in these notes to applicable guidance is meant to refer to the authoritative United States generally accepted accounting principles as found in the Accounting Standards Codification (ASC) and Accounting Standards Updates (ASU) of the Financial Accounting Standards Board (FASB).

The Organization reports information regarding its financial position and activities according to the following net asset classifications:

Net Assets without Donor Restrictions: Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the Organization. These net assets may be used at the discretion of the Organization's management and Board of Directors. Net assets without donor restrictions include net assets designated by the board for specific purposes.

Net Assets with Donor Restrictions: Net assets subject to stipulations imposed by donors and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of the Organization or by the passage of time. Other donor restrictions are perpetual in nature, whereby the donor has stipulated the funds be maintained in perpetuity.

Measure of Operations: The statements of activities report all changes in net assets, including changes in net assets from operating and nonoperating activities. Operating activities consist of those items attributable to the Organization's ongoing civil legal assistance and psychological counseling services to low income individuals. Nonoperating activities are limited to resources that generate return from investments and other activities considered to be of a more unusual or nonrecurring nature.

Fair Value Measurements: The framework for measuring fair value provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy are described as follows:

Level 1 - Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Organization has the ability to access.

Level 2 - Inputs to the valuation methodology include:

- Quoted prices for similar assets or liabilities in active markets;
- Quoted prices for identical or similar assets or liabilities in inactive markets;
- Inputs other than quoted prices that are observable for the asset or liability; and
- Inputs that are derived principally from or corroborated by observable market data by correlation or other means.

If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.

Level 3 - Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

1. Organization and Summary of Significant Accounting Policies (Continued):

Revenue and Other Support: Revenue is reported as increases in net assets without donor restrictions unless use of the related assets is limited by donor-imposed restrictions. Revenue represents amounts derived from program service fees, grant revenue, contributions, and service and cost reimbursement contracts.

Revenue is recognized when control of the services provided is transferred to the Organization's customers and in an amount that reflects the consideration the Organization expects to be entitled to in exchange for those goods and services using the following steps: 1) identification of the contract, or contracts with a customer, 2) identification of performance obligations in the contract, 3) determination of the transaction price, 4) allocation of the transaction price to the performance obligations in the contract and 5) recognition of revenue when or as the Organization satisfies the performance obligations.

The Organization generates revenue from special events. Revenue from special events is recognized when the related training or event occurs.

The Organization generates program service fees from various legal and counseling services that are privately paid by the individuals that the Organization serves. Revenue from these services is recognized when the service is performed.

The Organization typically invoices its customers as services are provided. Typical payment terms provide that customers pay upon receipt of the invoice.

Contributions received are recorded as net assets without donor restrictions or net assets with donor restrictions, depending on the existence and/or nature of any donor-imposed restrictions.

Donor restricted contributions are reported as an increase in net assets with donor restrictions, depending on the nature of the restriction. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), 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.

Contributed property and equipment are recorded at fair value at the date of donation. Contributions with donor-imposed stipulations regarding how long contributed assets must be used are recorded as net assets with donor restrictions. Otherwise, the contributions are recorded as net assets without donor restrictions.

Contributions of services are reported as revenue and expenses without donor restrictions at the fair value of the service received only if the services create or enhance a nonfinancial asset or would typically need to be purchased by the Organization if they had not been provided by contribution, require specialized skills, and are provided by individuals with those skills. Contributions of goods and space to be used in program operations are reported as revenue and expenses without donor restrictions at the time the goods or space is received.

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

Unconditional promises to give that are expected to be collected within one year are recorded at net realizable value. Unconditional promises to give that are expected to be collected in future years are recorded at 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. Conditional promises to give are not included as support until the conditions are met.

Grant and contract revenue is recognized as reimbursable expenses are incurred and upon meeting the legal and contractual requirements of the funding source.

1. Organization and Summary of Significant Accounting Policies (Continued):

In addition, the Organization's programs are supported by contracts negotiated with various agencies of the Commonwealth of Massachusetts. Therefore, the Organization is subject to regulations and rate formulas. Excess of revenue over expenses from the Commonwealth of Massachusetts supported programs, up to certain defined limits, can be utilized by the Organization for expenditures in accordance with its exempt purpose, provided such expenditures are reimbursable under the Operational Services Division's regulations. Amounts in excess of these limits are subject to negotiated use or potential recoupment and are reported as a liability. As of June 30, 2022 and 2021, there were no amounts owed to the Commonwealth of Massachusetts under these contracts.

Cash and Cash Equivalents: The Organization maintains its cash in bank deposit accounts, which, at times, may exceed federally insured limits. The Organization has a cash management program, which provides for the investment of excess cash balances primarily in short-term money market accounts, overnight investment accounts and tax-free money market fund investments. The Organization considers such highly liquid investments with original maturities of three months or less when purchased to be cash equivalents, except for those amounts that are held in the investment portfolio, which are invested for long-term purposes. The Organization has not experienced any losses in such accounts, and believes it is not exposed to any significant credit risk on cash and cash equivalents.

Investments and Investment Income: The Organization's investments are reported at fair value as of the date of the statements of financial position. Realized and unrealized gains and losses are reflected in the accompanying statements of activities. Investment income or loss on investments (including realized and unrealized gains and losses on investments, interest and dividends) is included in net assets without donor restrictions unless the income or loss is restricted by donor or law.

Concentrations of Credit Risk: Financial instruments that potentially subject the Organization to concentration of credit risk consist primarily of cash, cash equivalents, investments, and grants and contributions receivable. The Organization maintains its cash, cash equivalents and investments with high-credit quality financial institutions. The Organization believes it is not exposed to any significant losses due to credit risk on cash, cash equivalents and investments. Grants and contributions receivable are carried at amounts based upon management's judgment of potential defaults. Management identifies troubled receivables balances by assessing the grantor's or donor's credit worthiness. As of June 30, 2022 and 2021, management has determined all receivables are collectible.

Other Risks and Uncertainties: Due to the level of risk associated with certain investment securities and the level of uncertainty related to changes in the value of investment securities, it is at least reasonably possible that changes in the values of the investment securities will occur in the near term and that such changes could materially affect the amounts reported in the statements of financial position.

Property and Equipment: Property and equipment are recorded at cost on the date of acquisition. Depreciation is computed using the straight-line method over the estimated useful lives of the related assets, as follows:

Furniture and Fixtures	5 Years

Impairment of Long-Lived Assets: It is required that long-lived assets, including purchased intangible assets with finite lives, be reviewed for possible impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Recoverability of assets to be held and used is measured by a comparison of the carrying amount of an asset to future undiscounted net cash flows expected to be generated by the asset. If such assets are considered to be impaired, the impairment to be recognized is measured by the amount by which the carrying amount of the assets exceeds the fair value of the assets. As of June 30, 2022 and 2021, the Organization has determined that there have been no significant events or changes in circumstances that would trigger impairment testing of the Organization's long-lived assets.

Deferred Rent: The Organization records rent expense on a constant periodic rate over the term of the lease agreement. The excess of the cumulative rent expense incurred over the cumulative amounts due under the lease agreement is deferred and recognized over the term of the lease.

1. Organization and Summary of Significant Accounting Policies (Continued):

Functional Allocation of Expenses: The costs of providing the Organization's program and other activities have been summarized on a functional basis in the statements of activities. Expenses related directly to program services or supporting activities are charged directly while other expenses that are common to several functions are allocated based on management's estimates, among major classes of programs services and supporting activities.

The expenses that are allocated include the following:

Expense	Method of Allocation
Salaries, Related Benefits and Taxes	Time and Effort
Occupancy	Time and Effort
Other	Time and Effort
Office Expense	Time and Effort
Depreciation	Time and Effort
Professional Fees	Time and Effort
Training and Travel	Time and Effort

Income Taxes: The Organization is a nonprofit Organization as described in Section 501(c)(3) of the Internal Revenue Code and is exempt from federal and state income taxes on trade or business profits generated by activities related to the Organization's exempt function. The Organization may be subject to federal and state income taxes for profits generated from trade or business activities unrelated to the Organization's exempt function. As of June 30, 2022 and 2021, management believes that the Organization has not generated any unrelated business taxable income.

The Organization assesses the recording of uncertain tax positions by evaluating the minimum recognition threshold and measurement requirements a tax position must meet before being recognized as a benefit in the financial statements. The Organization's policy is to recognize interest and penalties accrued on any uncertain tax positions as a component of income tax expense, if any, in its statements of activities. The Organization has not recognized any liabilities for uncertain tax positions or unrecognized benefits as of June 30, 2022 and 2021. The Organization does not expect any material change in uncertain tax benefits within the next 12 months.

Use of Estimates: Management has used estimates and assumptions relating to the reporting of assets and liabilities and the disclosure of contingent assets and liabilities in its preparation of the financial statements in accordance with GAAP. Actual results experienced by the Organization may differ from those estimates.

Subsequent Events: Management has evaluated subsequent events spanning the period from June 30, 2022 through December 14, 2022, the date the financial statements were available to be issued.

Recently Adopted Accounting Policies: In September 2020, the FASB issued ASU 2020-07, *Not-for-Profit Entities (Topic 958) Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets*, which improves financial reporting by providing new presentation and disclosure requirements about contributed nonfinancial assets. Effective July 1, 2021, the Organization adopted this ASU and retrospectively applied the provision of this ASU. The adoption of ASU 2020-07 had no impact on financial statement presentation when applied retrospectively to all periods presented.

2. Availability and Liquidity:

The following reflects the Organization's financial assets as of June 30, 2022 and 2021, reduced by amounts not available for general use within one year of June 30, 2022 and 2021 due to contractual or donor-imposed restrictions.

Financial Assets at End of Year:	2022	2021
Cash and Cash Equivalents	$ 832,801	$ 288,547
Investments	925,257	969,968
Grants and Contributions Receivable	875,346	750,437
Total Financial Assets at End of Year	2,633,404	2,008,952
Less: Amounts Unavailable for General Expenditures within One Year:		
Due to Contractual or Donor-Imposed Restriction:		
Restricted by Donor with Time or Purpose Restrictions	589,967	266,022
Board Designations:		
Board Designated, Primarily for Long-Term Investing	925,257	969,968
	1,515,224	1,235,990
Financial Assets Available to Meet Cash Needs for General Expenditures over the Next 12 Months	$ 1,118,180	$ 772,962

As part of the Organization's liquidity management, it has a policy to structure its financial assets to be available as its general expenditures, liabilities and other obligations may come due. In addition, the Organization invests cash in excess of daily requirements in long-term investments. In the event of an unanticipated liquidity need, the Organization also could draw upon its board designated funds.

3. Grants and Contributions Receivable:

Grants and contributions receivable as of June 30, 2022 and 2021 amounted to $875,346 and $750,437, respectively, and are expected to be collected within one year of the date of the statements of financial position.

4. Conditional Grants:

The Cummings Foundation, Inc. has pledged to give the Organization $300,000 over ten years, based on certain parameters. During each of the years ended June 30, 2022 and 2021, the Organization received $30,000 of this conditional grant, which was recorded as contributions revenue without donor restrictions. Due to the contingent nature of the contribution, the balance of $150,000 has not been recorded as a grant receivable as of June 30, 2022.

5. Property and Equipment:

Property and equipment as of June 30, 2022 and 2021 consist of the following:

	2022	2021
Furniture and Fixtures	$ 180,669	$ 180,669
Less: Accumulated Depreciation	141,731	110,118
	$ 38,938	$ 70,551

Depreciation expense for the years ended June 30, 2022 and 2021 amounted to $31,613 and $31,831, respectively.

6. Investments:

Investments as of June 30, 2022 and 2021 consist of the following:

	2022	2021
Money Market Funds	$ 107,496	$ 293,992
Mutual Funds	817,761	675,976
	$ 925,257	$ 969,968

For the years ended June 30, 2022 and 2021, net investment income consists of the following:

	2022	2021
Interest and Dividends	$ 42,637	$ 21,830
Net Realized Gains	9,855	9,742
Net Unrealized (Losses) Gains	(96,806)	82,095
	(44,314)	113,667
Less: Investment Fees	300	300
Net Investment Income	$ (44,614)	$ 113,367

7. Fair Value Measurements:

Investments measured at fair value on a recurring basis as of June 30, 2022 and 2021 are as follows:

	Fair Value Measurements at June 30, 2022			
	Totals	Level 1	Level 2	Level 3
Money Market Funds	$ 107,496	$ 107,496	$ -	$ -
Mutual Funds:				
Blend Equity Funds	526,107	526,107	-	-
Term Bonds Funds	291,654	291,654	-	-
Total Mutual Funds	817,761	817,761	-	-
Total	$ 925,257	$ 925,257	$ -	$ -

	Fair Value Measurements at June 30, 2021			
	Total	Level 1	Level 2	Level 3
Money Market Funds	$ 293,992	$ 293,992	$ -	$ -
Mutual Funds:				
Blend Equity Funds	459,576	459,576	-	-
Term Bonds Funds	216,400	216,400	-	-
Total Mutual Funds	675,976	675,976	-	-
Total	$ 969,968	$ 969,968	$ -	$ -

7. Fair Value Measurements (Continued):

The following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in the methodologies used for the years ended June 30, 2022 and 2021.

Money Market Funds: Valued at the daily closing price as reported by the fund from an active market.

Mutual Funds: Valued at the daily closing price as reported by the fund. Mutual funds held by the Organization are registered with the Securities and Exchange Commission. These funds are required to publish their daily net asset value (NAV) and to transact at that price. The mutual funds held by the Organization are deemed to be actively traded.

The preceding methods described may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, although the Organization believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

8. Long-Term Debt - Paycheck Protection Program:

On March 27, 2020, the Coronavirus Aid, Relief and Economic Security (CARES) Act was enacted and signed into law to provide certain aid and stimulus to the U.S. economy. The Organization qualifies as a small business under the CARES Act and submitted a loan application with a qualified lender for funding under the Paycheck Protection Program (PPP), administered by the Small Business Association (SBA).

On April 17, 2020, the Organization’s application with the lender was approved and as a result, the Organization obtained a loan (PPP Loan) in the amount of $326,820. The PPP Loan bore fixed interest at 1.00% per annum, which began accruing from the date of the loan, and was set to mature on April 17, 2022. The PPP loan was unsecured and guaranteed by the SBA. The PPP Loan was eligible to be forgiven provided the Organization satisfied certain conditions and upon approval by the lender and the SBA. The PPP Loan provided for the deferral of payments until the SBA had determined the forgiveness amount, at which time, any remaining PPP loan amount would have required equal monthly payments of principal plus accrued interest in an amount sufficient to have repaid the remaining PPP Loan balance by the maturity date. On April 9, 2021, the Organization obtained from the SBA notification of forgiveness of the entire PPP loan balance in the amount of $326,820, which was recorded to nonoperating activities as a gain on extinguishment of long-term debt - paycheck protection program in the accompanying statements of activities. Accrued interest on the PPP Loan was determined by management to be immaterial to the financial statements.

The SBA reserves the right to audit any PPP loan, regardless of size. These audits may occur after forgiveness has been granted. In accordance with the CARES Act, all borrowers are required to maintain their PPP loan documentation for six years after the PPP loan was forgiven or repaid in full and to provide that documentation to the SBA upon request.

9. Net Assets without Donor Restrictions:

Net assets without donor restrictions as of June 30, 2022 and 2021 consist of the following:

	2022	2021
Board Designated	$ 925,257	$ 969,968
Undesignated	668,183	289,890
Net Investment in Property and Equipment	38,938	70,551
	$ 1,632,378	$ 1,330,409

10. Net Assets with Donor Restrictions:

Net assets with donor restrictions as of June 30, 2022 and 2021 consist of the following:

	2022	2021
Subject to Expenditure for Specified Purpose:		
Immigration Services	$ 217,667	$ 118,893
Domestic Violence Services	42,000	5,500
Housing and Homelessness Prevention	23,333	27,500
General Legal Services	11,389	10,167
Counseling Services	-	12,694
Client and COVID Relief	-	67,268
Total Purpose Restrictions	294,389	242,022
Subject to Passage of Time:		
Operating Support	295,578	24,000
Total Net Assets with Donor Restrictions	$ 589,967	$ 266,022

11. Net Assets Released from Restriction:

Net assets were released from donor restrictions by incurring expenses satisfying the restricted purposes specified by donors or by the passage of time. Net assets released from restriction during the years ended June 30, 2022 and 2021 consist of the following:

	2022	2021
Purpose Restricted:		
Immigration Services	$ 232,727	$ 230,857
Client and COVID Relief	104,768	71,560
Counseling Services	92,694	59,500
General Legal Services	63,777	100,000
Domestic Violence Services	50,500	33,000
Housing and Homelessness Prevention	44,167	14,500
Total Purpose Restricted	588,633	509,417
Time Restricted:		
Client and COVID Relief	324,368	172,902
Total Net Assets Released from Restrictions	$ 913,001	$ 682,319

12. Contributions - Nonfinancial Assets:

The Organization received contributed nonfinancial assets and services recognized as revenue and other support within the statements of activities. The contributed nonfinancial assets and services did not have donor-imposed restrictions. During the years ended June 30, 2022 and 2021, contributed nonfinancial assets and services consisted of the following:

	2022	2021
Professional Services	$ 176,149	$ 288,354
Supplies and Minor Equipment	10,673	9,995
	$ 186,822	$ 298,349

Contributed services recognized comprise of professional services from attorneys advising the Organization on various administrative legal matters and donated supplies and minor equipment. Contributed services are valued and are reported at the estimated fair value in the financial statements based on current rates for similar legal services. Supplies and minor equipment are reported at the estimate fair value based on current rates for similar items.

13. Operating Lease:

The Organization is party to a noncancelable lease agreement for office space in Cambridge, Massachusetts, which provides for escalating monthly payments through maturity on June 30, 2032. During the years ended June 30, 2022 and 2021, rent expense incurred under this agreement amounted to $227,124 and $226,270, respectively.

Future minimum lease payments due under these noncancelable lease agreements as of June 30, 2022 consist of the following:

Year Ending June 30,	
2023	$ 232,931
2024	238,276
2025	243,620
2026	248,965
2027	254,309
Thereafter	1,375,170
	$ 2,593,271

14. Retirement Plan:

The Organization sponsors a defined contribution plan under Section 403(b) of the Internal Revenue Code, covering substantially all of its employees who meet certain eligibility requirements, which allows participants to defer a portion of their salaries into a variety of investment options. The plan allows for employee salary deferrals not to exceed the legal limit. The Organization, at the discretion of the Board of Directors, may make contributions to the plan. During the years ended June 30, 2022 and 2021, the Organization made contributions to the plan of $32,972 and $34,071, respectively.

15. Economic Dependency:

Contract Services Revenue: During the years ended June 30, 2022 and 2021, the Organization received approximately 54% and 76%, respectively, of its contract services revenue directly from the Commonwealth of Massachusetts. Approximately 11% and 17% of contract services revenue for the years ended June 30, 2022 and 2021, respectively, was derived from contracts with one agency.

Grants and Contributions Receivable: As of June 30, 2022 and 2021, approximately 47% and 74%, respectively, of grants and contributions receivable are due directly from the Commonwealth of Massachusetts and approximately 7%, respectively, of grants and contributions receivable are due from the agency that passes Commonwealth of Massachusetts funds to the Organization. Additionally, as of the years ended June 30, 2022 and 2021, approximately 49% and 74%, respectively, of grants and contributions receivable are due from three funding sources.

16. Indemnifications:

In the ordinary course of business, the Organization enters into various agreements containing standard indemnification provisions. The Organization's indemnification obligations under such provisions are typically in effect from the date of execution of the applicable agreement through the end of the applicable statute of limitations. The aggregate maximum potential future liability of the Organization under such indemnification provisions is uncertain. As of June 30, 2022 and 2021, no amounts have been accrued related to such indemnification provisions.