THE MARION INSTITUTE, INC.

FINANCIAL STATEMENTS

YEARS ENDED SEPTEMBER 30, 2022 AND 2021

THE MARION INSTITUTE, INC.
TABLE OF CONTENTS
YEARS ENDED SEPTEMBER 30, 2022 AND 2021

INDEPENDENT AUDITORS' REPORT

Board of Directors
The Marion Institute, Inc.
Marion, Massachusetts

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of The Marion Institute, Inc., which comprise the of the statements of financial position as of September 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 Marion Institute, Inc. as of September 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 (GAAS). 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 Marion Institute, Inc. 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 Marion Institute, Inc.'s ability to continue as a going concern for one year after the date the financial statements are available to be issued.

Board of Directors
The Marion Institute, Inc.

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 GAAS 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 GAAS, 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 Marion Institute, 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 our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about The Marion Institute, Inc.'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.

CliftonLarsonAllen LLP

CliftonLarsonAllen LLP

New Bedford, Massachusetts
April 13, 2023

THE MARION INSTITUTE, INC.
STATEMENTS OF FINANCIAL POSITION
SEPTEMBER 30, 2022 AND 2021

	2022	2021
ASSETS		
CURRENT ASSETS		
Cash and Cash Equivalents	$ 302,050	$ 531,180
Investments	858,950	1,029,231
Accounts Receivable	48,512	73,641
Pledges Receivable, Current Portion	76,347	100,630
Inventories	4,614	5,053
Prepaid Expenses	2,505	12,527
Total Current Assets	1,292,978	1,752,262
PROPERTY AND EQUIPMENT		
Equipment	12,948	7,448
Furniture and Fixtures	7,606	7,606
Leasehold Improvements	1,305	1,305
Total	21,859	16,359
Less: Accumulated Depreciation	13,761	12,371
Property and Equipment, Net	8,098	3,988
OTHER ASSETS		
Pledges Receivable, Net of Current Portion	-	50,000
Intangibles Assets	4,130	8,259
403(b) Forfeitures	-	771
Total Other Assets	4,130	59,030
Total Assets	$ 1,305,206	$ 1,815,280
LIABILITIES AND NET ASSETS		
LIABILITIES		
Accounts Payable	$ 37,216	$ 62,838
Accrued Expenses	26,719	21,301
Deferred Revenue	104,262	167,696
Paycheck Protection Program Loan	-	110,850
Total Liabilities	168,197	362,685
NET ASSETS		
Without Donor Restrictions	830,226	892,468
With Donor Restrictions	306,783	560,127
Total Net Assets	1,137,009	1,452,595
Total Liabilities and Net Assets	$ 1,305,206	$ 1,815,280

See accompanying Notes to Financial Statements.

THE MARION INSTITUTE, INC.
STATEMENT OF ACTIVITIES
YEAR ENDED SEPTEMBER 30, 2022

	Without Donor Restrictions	With Donor Restrictions	Total
REVENUES			
Program Service Revenue	$ 113,246	$ -	$ 113,246
Event/Conference Income	24,808	-	24,808
Grants	14,400	185,524	199,924
Contributions	405,288	497,213	902,501
Contributed Nonfinancial Assets	10,049	80,633	90,682
Merchandise Sales	682	-	682
Realized Gains on Investments	39,140	-	39,140
Investment Income	53,870	-	53,870
Forgiveness of Paycheck Protection Program Loan	110,850	-	110,850
Net Assets Released from Restrictions by Fulfilling Programmatic Restrictions	1,016,714	(1,016,714)	-
Total Revenues	1,789,047	(253,344)	1,535,703
OPERATING EXPENSES			
Program Services	1,228,912	-	1,228,912
Management and General	255,511	-	255,511
Fundraising	64,939	-	64,939
Total Operating Expenses	1,549,362	-	1,549,362
EXCESS (DEFICIENCY) OF REVENUES AND GAINS OVER EXPENSES AND LOSSES	239,685	(253,344)	(13,659)
UNREALIZED LOSSES ON INVESTMENTS	(301,927)	-	(301,927)
CHANGE IN NET ASSETS	(62,242)	(253,344)	(315,586)
Net Assets – Beginning of Year	892,468	560,127	1,452,595
NET ASSETS – END OF YEAR	$ 830,226	$ 306,783	$ 1,137,009

See accompanying Notes to Financial Statements.

THE MARION INSTITUTE, INC.
STATEMENT OF ACTIVITIES
YEAR ENDED SEPTEMBER 30, 2021

	Without Donor Restrictions	With Donor Restrictions	Total
REVENUES			
Program Service Revenue	$ 120,133	$ -	$ 120,133
Grants	14,400	110,022	124,422
Contributions	756,699	767,507	1,524,206
Contributed Nonfinancial Assets	11,859	30,678	42,537
Merchandise Sales	997	-	997
Realized Gains on Investments	85,651	-	85,651
Investment Income	45,078	-	45,078
Forgiveness of Paycheck Protection Program Loan	110,800	-	110,800
Net Assets Released from Restrictions by Fulfilling Programmatic Restrictions	1,292,552	(1,292,552)	-
Total Revenues	2,438,169	(384,345)	2,053,824
OPERATING EXPENSES			
Program Services	1,540,959	-	1,540,959
Management and General	225,431	-	225,431
Fundraising	62,240	-	62,240
Total Operating Expenses	1,828,630	-	1,828,630
EXCESS OF REVENUES AND GAINS OVER EXPENSES AND LOSSES	609,539	(384,345)	225,194
LOSS ON INVENTORY WRITE OFF	(49,057)	-	(49,057)
UNREALIZED LOSSES ON INVESTMENTS	(87,888)	-	(87,888)
CHANGE IN NET ASSETS	472,594	(384,345)	88,249
Net Assets – Beginning of Year	419,874	944,472	1,364,346
NET ASSETS – END OF YEAR	$ 892,468	$ 560,127	$ 1,452,595

See accompanying Notes to Financial Statements.

THE MARION INSTITUTE, INC.
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED SEPTEMBER 30, 2022

	Program							Supporting Services		
	BRT	BioMed	Connector Series	Greenhouse Initiatives	Grow Education	SC Food Policy Council	Total Program	Management and General	Fundraising	Total
OPERATING EXPENSES										
Salaries	$ -	$ 67,752	$ 11,200	$ 50,363	$ 74,488	$ 91,826	$ 295,629	$ 164,967	$ 48,392	$ 508,988
Employee Benefits	-	4,815	1,573	5,481	15,195	10,523	37,587	17,538	3,703	58,828
Payroll Taxes	-	5,605	967	4,185	6,156	7,585	24,498	13,369	4,034	41,901
Conferences, Conventions, and Meetings	-	24,105	-	28	4,099	679	28,911	3,075	258	32,244
Rent	-	4,509	2,004	4,509	4,509	4,509	20,040	10,020	-	30,060
Project Expense	99,227	76,489	218	507	124,927	8,520	309,888	1,134	-	311,022
Grant Expense	-	-	-	452,726	-	-	452,726	-	-	452,726
Professional Fees	-	3,246	1,926	4,196	3,248	3,248	15,864	16,808	6,738	39,410
Office Expense	-	6,069	554	2,543	3,233	7,766	20,165	9,512	-	29,677
Insurance	-	2,066	-	2,066	2,066	2,066	8,264	5,509	-	13,773
Advertising	-	-	-	-	-	-	-	2,858	642	3,500
Postage	-	512	20	103	89	743	1,467	862	957	3,286
Printing	-	181	72	138	190	4,133	4,714	6,948	-	11,662
Utilities	-	692	300	692	692	692	3,068	1,545	215	4,828
Telephone	-	280	147	280	280	280	1,267	671	-	1,938
Depreciation and Amortization	-	4,268	139	139	139	139	4,824	695	-	5,519
Total Operating Expenses	$ 99,227	$ 200,589	$ 19,120	$ 527,956	$ 239,311	$ 142,709	$ 1,228,912	$ 255,511	$ 64,939	$ 1,549,362

See accompanying Notes to Financial Statements.

THE MARION INSTITUTE, INC.
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED SEPTEMBER 30, 2021

	Program							Supporting Services		
	BRT	BioMed	Connector Series	Greenhouse Initiatives	Grow Education	SC Food Policy Council	Total Program	Management and General	Fundraising	Total
OPERATING EXPENSES										
Salaries	$ -	$ 50,257	$ 24,652	$ 52,164	$ 68,218	$ 71,898	$ 267,189	$ 140,276	$ 45,123	$ 452,588
Employee Benefits	-	3,539	3,803	6,167	15,313	7,933	36,755	14,903	3,818	55,476
Payroll Taxes	-	4,480	2,178	4,651	6,070	6,268	23,647	12,340	3,999	39,986
Conferences, Conventions, and Meetings	-	7,529	66	136	1,424	510	9,665	3,554	489	13,708
Rent	-	4,514	3,010	4,514	4,977	4,514	21,529	9,029	-	30,558
Project Expense	350,505	34,616	391	587	121,544	28,288	535,931	2,433	-	538,364
Grant Expense	-	-	-	577,911	-	-	577,911	-	-	577,911
Professional Fees	-	3,056	2,037	19,466	3,056	3,056	30,671	17,971	-	48,642
Office Expense	-	4,626	1,315	2,171	4,281	5,982	18,375	9,403	4,385	32,163
Insurance	-	1,866	1,244	1,866	1,866	1,866	8,708	3,733	-	12,441
Advertising	-	-	-	-	-	-	-	605	-	605
Postage	-	441	136	204	204	248	1,233	923	999	3,155
Printing	-	196	117	196	196	242	947	8,347	3,200	12,494
Utilities	-	590	393	547	590	633	2,753	1,180	-	3,933
Telephone	-	291	205	305	305	305	1,411	629	227	2,267
Depreciation	-	4,150	21	21	21	21	4,234	105	-	4,339
Total Operating Expenses	$ 350,505	$ 120,151	$ 39,568	$ 670,906	$ 228,065	$ 131,764	$ 1,540,959	$ 225,431	$ 62,240	$ 1,828,630

See accompanying Notes to Financial Statements.

THE MARION INSTITUTE, INC.
STATEMENTS OF CASH FLOWS
YEARS ENDED SEPTEMBER 30, 2022 AND 2021

	2022	2021
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in Net Assets	$ (315,586)	$ 88,249
Adjustments to Reconcile Change in Net Assets to Net Cash Used by Operating Activities:		
Depreciation and Amortization	5,519	4,339
Unrealized and Realized Losses (Gains) on Investments	262,787	2,237
Forgiveness of Paycheck Protection Program Loan	(110,850)	(110,800)
Loss on Inventory Write Off	-	49,057
Contributed Investments	-	(170,548)
(Increase) Decrease in:		
Pledges and Accounts Receivable	99,412	(82,237)
Inventories	439	(727)
Prepaid Expenses	10,022	(3,157)
Other Assets	771	13,951
Increase (Decrease) in:		
Accounts Payable	(25,622)	(117,306)
Accrued Expenses	5,418	(12,843)
Deferred Revenue	(63,434)	77,617
Net Cash Used by Operating Activities	(131,124)	(262,168)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of Property and Equipment	(5,500)	(4,198)
Purchases of Investments	(395,144)	(988,037)
Proceeds from Sales of Investments	302,638	1,368,005
Net Cash Provided (Used) by Investing Activities	(98,006)	375,770
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from Payroll Protection Loan	-	110,850
Net Cash Provided by Financing Activities	-	110,850
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(229,130)	224,452
Cash and Cash Equivalents – Beginning of Year	531,180	306,728
CASH AND CASH EQUIVALENTS – END OF YEAR	$ 302,050	$ 531,180

See accompanying Notes to Financial Statements.

NOTE 1 ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization

The Marion Institute (the Organization) is building a movement. We engage individuals and communities in an integrative approach to whole-body health. We educate and empower by supporting, connecting and applying the science of self-healing. We believe optimal health is a basic human right, not a privilege.

The Marion Institute is an organizational hub for a portfolio of programs, including:

1. **Grow Education**, focuses on educating regional communities to inspire and influence a culture of health. There are three frameworks which Grow Education uses to cultivate change within our communities: Education, Health, and Environment.
2. **BioMed Programs**, is dedicated to expanding complete health and well-being through the advancement and widening availability of biological medicine around the world.
3. **Southcoast Food Policy Council**, its mission is to connect, convene, and advocate for local food producers, consumers, and community leaders who seek policy and systems that strengthen our regional food system, improve community health, and eliminate food insecurity;
4. **Connector Series,** brings thought leaders from around the world to help share ideas and expand the impact of their work, locally and beyond. These educational events take place throughout the year and have focused on health, social justice, sustainability, responsible business, and individual potential;
5. **Greenhouse Initiatives**, provides fiscal sponsorship services to leaders of mission-based organizations locally and globally;
6. **Bus Rapid Transit (BRT) Strategic Grants Program**, an initiative to promote the development of BRT corridors in Boston to reduce congestion and greenhouse gas emissions.

We are committed to our vision of community health, environmental resilience and social justice. The Organization engages in educational and literary activities including conducting conferences and workshops and producing literature and other material concerning, among other areas, sustainability, health, spirituality, science, and philosophy.

Cash and Cash Equivalents

The Organization considers all short-term debt securities purchased with an original maturity of three months or less to be cash equivalents.

NOTE 1 ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Inventory

Inventory, consisting primarily of books is valued at the lower of cost or net realizable value, with cost determined on the first-in, first-out basis. Inventory that is considered obsolete or impaired is considered to be allowed for or written off. In the year ended September 30, 2021, management determined certain inventory related to a publication project was impaired based on their review of the inventory and status of the publication project. As a result, a loss of $49,057 was recognized during 2021. The inventory allowance amounted to $-0- for the years ended September 30, 2022 and 2021.

Pledges Receivable

Promises to give that are expected to be collected within one year are recorded at their net realizable value. Promises that are expected to be collected in future years are recorded at the present value of the amount expected to be collected. Conditional promises are not included as revenue until such times as the conditions are substantially met. Management considers all amounts to be fully collectible and, accordingly, no allowance for doubtful pledges has been established. At September 30, 2022 and 2021, management has deemed that no discount was necessary as it was not material.

Property and Equipment

Property and equipment are recorded at cost. Assets with an estimated useful life of more than one year and a historical cost in excess of $2,000 are capitalized. Gifts of long-lived assets are reported as unrestricted support unless explicit donor stipulations specify how the assets are to be used, and gifts of cash or other assets that must be used to acquire long-lived assets are reported as restricted support. Absent explicit donor stipulation about how long those assets must be maintained, expiration of donor restrictions are reported when the donated or acquired long-lived assets are placed into service. Depreciation is computed using the straight-line method over the estimated useful life of the assets.

The useful lives of property and equipment for purposes of computing depreciation are:

Equipment	5 Years
Furniture and Fixtures	5 to 7 Years
Leasehold Improvements	10 Years or Life of the Lease

Intangible Assets

Intangible assets that are subject to amortization are reviewed for potential impairment whenever events or circumstances indicate that carrying amounts may not be recoverable. Intangible assets consist of various costs associated with obtaining certain rights to a book developed by the Organization. These costs are being amortized over the useful life of the rights to the book.

NOTE 1 ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Greenhouse Initiatives

The Organization acts as an umbrella organization for its greenhouse initiatives and programs promoting and supporting individual project leaders and organizations who are on the ground working to enhance life for the earth and its inhabitants. As the Organization is serving as a fiscal sponsor to the greenhouse initiatives, this is reflected as revenue and expenses in the statements of activities. Revenue is recognized with donor restrictions when received without conditions and released from restrictions when project expenses are incurred.

Net Assets

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

Net Assets Without Donor Restrictions – Net assets that are not subject to donor-imposed or grantor stipulations. The board voted to designate $375,000 of net assets without donor restrictions as an operating reserve.

Net Assets With Donor Restrictions – Net assets subject to donor-imposed or certain grantor 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 purposes for which the resources was restricted has been fulfilled, or both.

Net assets are released from donor restrictions when expenses are incurred to satisfy the restricted purposes, or by occurrence of other events as specified by donors.

Revenue Recognition

The Organization reports grants and contributions without donor restrictions as revenue and net assets without donor restrictions when received or unconditionally promised. Grants and contributions with donor restrictions are reported as revenue with donor restrictions if they are received or unconditionally promised with donor stipulations that limit the use of the donated assets. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, net assets with donor restrictions are reclassified as net assets released from restrictions.

The Organization recognized revenue from conditional cost reimbursement contracts and grants based on certain performance requirements and/or the incurrence of allowable qualifying expenses. Amounts received are recognized as revenue when the Organization has incurred expenditures in compliance with specific contract or grant provisions. As of September 30, 2022, there were conditional contracts and grants with performance barriers and/or unexpended qualifying expenses amounting to $223,715 of which $99,062 is included in deferred revenue as of September 30, 2022.

NOTE 1 ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Revenue Recognition (Continued)

For Greenhouse Initiative Fiscal Sponsorships, the Organization recognizes grant revenue when they are notified of a new unconditional fiscal sponsorship. As part of the Organization's fiscal sponsorship, the Organization receives a contribution for their administrative services related to those contracts.

To determine revenue recognition for the arrangements that the Organization determines are within the scope of Topic 606, the Organization performs the following five steps: (1) identify the contract(s) with a customer, (2) identify the performance obligation(s) in the contract, (3) determine the transaction price, (4) allocate the transaction price to the performance obligation(s) in the contract, and (5) recognize revenue when the Organization satisfies a performance obligation.

In accordance with Topic 606, program service revenue related to consulting and services provided are recognized as the related services are provided. Deferred revenue is recorded when payments are received in advance for services rendered in a future period. For the years ended September 30, 2022 and 2021, contract receivables, included in accounts receivable, and contract liabilities, included in deferred revenue, in accordance with Topic 606 related to program revenue were as follows:

	2022	2021
Beginning Contract Receivables, October 1	$ 36,388	$ 34,200
Ending Contract Receivables, September 30	48,449	36,388
Beginning Deferred Revenue, October 1	$ 19,819	$ -
Ending Deferred Revenue, September 30	5,200	19,819

The Organization also receives exchange revenue from conferences and events held throughout the year. Revenue related to these is recognized over time upon performance of the conference or when the event is held. Any conference or event revenue that the Organization received in advance of the recognition of the revenue is recorded as deferred revenue until the performance obligations are satisfied. There were no contract receivables as of September 30, 2022 or 2021 related to conferences and events. Contract liabilities related to education courses amounted to $5,200 at September 30, 2022 and $9,350 at September 30, 2021.

NOTE 1 ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Contributed Nonfinancial Assets

Donated services are recognized as contributions if the services (a) create or enhance nonfinancial assets or (b) require specialized skills, are performed by individuals with those skills, and would otherwise be purchased by the Organization. The Organization receives donated services of many highly skilled professionals, including management of investments, certification processes, events, and legal matters. For the year ended September 30, 2022 and 2021 , the Organization had the following services donated:

	Donor Restrictions	2022	2021
Investment Management Services	None	$ 9,650	$ 11,859
Certification Services	Program Purposes	62,006	-
Event Services	Program Purposes	17,550	5,495
Computer Programming Services	Program Purposes	128	880
Landscaping	Program Purposes	-	7,893
Legal Services	Program Purposes	949	16,410
Legal Services - Administrative	None	399	-
		$ 90,682	$ 42,537

The above amounts have been recognized as income and expense on the accompanying financial statements and are reported at estimated fair value at the date of receipt based a standard hourly rate in the market for the professionals' time that would have been charged to the Organization if not donated.

Functional Allocation of Expenses

The costs of providing the various programs and the administration of the Organization have been summarized on a functional basis in the statements of functional expenses. Accordingly, certain costs have been allocated among the program services and supporting services benefited.

Expenses are allocated as follows:

Allocation of Salary Expenses

Salary expenses are allocated to programs based on an estimate of an employee's time spent working in a specific program. Estimates can change when adjustments are made to which programs an employee spends time working on.

Occupancy Expenses

Occupancy related expenses are allocated based on pro-rata share of time spent by employees on each program.

Other Program/Operating Expenses

Indirect expenses, including office and administrative expenses to support programs, are allocated to the programs based on specific identification to a program or as a percentage of the total expenses using an allocation based on payroll for the expense type.

NOTE 1 ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Income Taxes

The Organization is a nonprofit corporation as described in section 501(c)(3) of the Internal Revenue Code (IRC) and is exempt from federal and state income taxes on related income pursuant to section 501(a) of the IRC. The Organization files as a tax-exempt organization.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and 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.

Investments

Investments in equity securities with readily determinable fair values are measured at their fair value in the statement of financial position. Investment income or loss (including realized gains and losses on investments, interest, and dividends) is included in the increase (decrease) in net assets from operations unless the income or loss is restricted by donor or law. Unrealized gains and losses on investments are excluded from increases in net assets from operations.

Fair Value of Financial Instruments

The Organization categorizes its assets and liabilities measured at fair value into a three-level hierarchy based on the priority of the inputs to the valuation technique used to determine fair value. The fair value hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3). If the inputs used in the determination of the fair value measurement fall within different levels of the hierarchy, the categorization is based on the lowest level input that is significant to the fair value measurement. Transfers between levels are considered annually at the end of the reporting period.

Assets and liabilities valued at fair value are categorized based on the inputs to the valuation techniques as follows:

Level 1 – Inputs that utilize quoted prices (unadjusted) in active markets for identical assets or liabilities that the Organization has the ability to access.

Level 2 – Inputs that include quoted prices for similar assets and liabilities in active markets and inputs that are observable for the asset or liability, either directly or indirectly, for substantially the full term of the financial instrument. Fair values for these instruments are estimated using pricing models, quoted prices of securities with similar characteristics, or discounted cash flows.

NOTE 1 ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Fair Value of Financial Instruments (Continued)

Level 3 – Inputs that are unobservable inputs for the asset or liability, which are typically based on an entity's own assumptions, as there is little, if any, related market activity.

In instances where the determination of the fair value measurement is based on inputs from different levels of the fair value hierarchy, the level in the fair value hierarchy within which the entire fair value measurement falls is based on the lowest level input that is significant to the fair value measurement in its entirety.

Change in Accounting Principles

The Financial Accounting Standard Board (FASB) issued ASU 2020-07 *Not-for-Profit Entities* (Topic 958): *Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets*. The ASU requires nonprofits to present contributed nonfinancial assets and gifts-in-kind as a separate line item on the statement of activities. Additionally, gifts-in-kind are to be disaggregated into categories based on the type of gift received and additional qualitative disclosures. The ASU is effective for fiscal years beginning after June 15, 2021. The Organization's financial statements reflect the application of ASU 2020-07 using a retrospective approach to each presented period.

New Accounting Pronouncements

In February 2016, the FASB issued ASU No. 2016-02, *Leases*, which is a comprehensive lease accounting standard that requires entities that lease assets (lessees) to recognize the assets and related liabilities for the rights and obligations created by the leases on the balance sheet for leases with terms exceeding 12 months. The lessee in a lease will be required to initially measure the right-of-use asset and the lease liability at the present value of the remaining lease payments, as well as capitalize initial direct costs as part of the right-of-use asset. The FASB issued ASU 2020-05, which deferred the effective date for the organizations until annual periods beginning after December 15, 2021; however, early application is permitted. The Organization is currently evaluating the impact this guidance will have on its financial statements.

Subsequent Events

In preparing these financial statements, the Organization has evaluated events and transactions for potential recognition or disclosure through April 13, 2023, the date the financial statements were available to be issued.

NOTE 2 FAIR VALUE OF FINANCIAL INSTRUMENTS

The following table presents the Organization's fair value hierarchy for those assets and liabilities measured at fair value on a recurring basis as of September 30:

	2022			
	Total	Quoted Prices in Active Markets for Identical Assets Level 1	Significant Other Observable Inputs Level 2	Significant Unobservable Inputs Level 3
Unrestricted Investments:				
Mutual Funds - Bonds	$ 249,997	$ 249,997	$ -	$ -
Equities	29,263	29,263	-	-
Exchange-Traded Funds	579,690	579,690	-	-
Total	$ 858,950	$ 858,950	$ -	$ -

	2021			
	Total	Quoted Prices in Active Markets for Identical Assets Level 1	Significant Other Observable Inputs Level 2	Significant Unobservable Inputs Level 3
Unrestricted Investments:				
Mutual Funds - Bonds	$ 447,864	$ 447,864	$ -	$ -
Equities	19,740	19,740	-	-
Treasuries	561,627	561,627	-	-
Total	$ 1,029,231	$ 1,029,231	$ -	$ -

NOTE 3 RELATED PARTY TRANSACTIONS

A board member of the Organization is also a Portfolio Manager of an investment advisory firm. The Organization paid this investment advisory firm (landlord) rent. See Note 5 for further details. Also, the investment advisory firm provided donated investment management services (See Note 1) in the amount of $9,650 and $11,859 in 2022 and 2021, respectively. The Organization paid a board member of the Organization, for consulting services related to the BRT Strategic Grants Program and a Greenhouse Initiative, $-0- and $52,500 in 2022 and 2021, respectively.

Cash and noncash contributions made by related parties of the Organization amounted to $53,597 and $39,656 in 2022 and 2021, respectively. Of this amount, $1,000 were related to Greenhouse Initiatives in both 2022 and 2021.

NOTE 4 NET ASSETS WITH DONOR RESTRICTIONS

The Organization has received donor-restricted contributions, which have been accounted for as net assets with donor restrictions. Net assets with donor restrictions are available for the following purposes at September 30:

	2022	2021
Bus Rapid Transit	$ 7,895	$ 107,122
Greenhouse Initiatives	236,400	372,752
Grow Education	-	3,798
BioMed Network/Scholarships	55,550	76,455
SC Food Policy Council	6,938	-
Total	$ 306,783	$ 560,127

NOTE 5 OPERATING LEASES

The Organization’s leasing operations consist principally of the leasing of office space in Marion, Massachusetts, at-will under an operating lease agreement that expired on December 31, 2022. Office rent expense amounted to $30,059 in both 2022 and 2021. Subsequent to year-end, the Organization signed a new lease agreement beginning December 1, 2022 through December 31, 2027 with the option to extend through December 31, 2032.

Future minimum lease payments for terms in excess of one year are as follows:

Year Ending September 30,	Amount
2023	$ 36,809
2024	39,059
2025	39,059
2026	39,059
2027	39,059
Total	$ 193,045

NOTE 6 PENSION PLAN

The Organization maintains a defined contribution plan where contributions by the Organization to the plan are at the discretion of the board of directors and are limited to 5% of the employees’ annual compensation for substantially all qualifying employees. Pension expense charged to operations amounted to $19,834 and $16,938 for 2022 and 2021, respectively. As of September 30, 2022 and 2021, $0 and $771, respectively, of 403(b) forfeitures had been reverted to the Organization related to terminated employees that were not fully vested. The amount of the forfeitures was offset against pension expense.

NOTE 7 PLEDGES RECEIVABLE

Pledges receivable consist of pledges made to the Organization payable in future years. The Organization's pledges receivable at September 30 are as follows:

Total Amounts Due in:	2022	2021
One Year	$ 76,347	$ 100,630
Two to Five Years	-	50,000
Total Pledges Receivable	76,347	150,630
Less Discount to Present Value	-	-
Pledges Receivable, Net	$ 76,347	$ 150,630

NOTE 8 CONCENTRATION OF CREDIT RISK

Financial instruments that potentially subject the Organization to concentration of credit risk consist principally of the following:

Cash and Cash Equivalents

The Organization maintains cash and cash equivalent balances in several federally insured financial institutions as well as in uninsured brokerage accounts. During the year there may be times when uninsured cash is significantly higher than the federally insured limits. The Organization has not experienced any losses in such accounts and management believes that the Organization is not exposed to significant credit risks related to cash.

Importance of Donors

The Organization received approximately 32% of contributions from two donors in 2021. There was no concentration in 2022. It is uncertain as to if any change from the donors current giving limit would materially affect the Organization.

NOTE 9 AVAILABLE RESOURCES AND LIQUIDITY

The Organization regularly monitors liquidity required to meet its operating needs and other contractual commitments, while also striving to maximize the investment of its available funds. The Organization has various sources of liquidity at its disposal, including cash, investments, and pledges receivable. For the purpose of analyzing resources available to meet general expenditures over a 12-month period, the Organization considers all expenditures related to its ongoing activities to be general expenditures. The amounts included in net assets with donor restrictions that are expected to be used within one year of September 30, 2022 for ongoing program purposes have been included.

NOTE 9 AVAILABLE RESOURCES AND LIQUIDITY (CONTINUED)

In addition to financial assets available to meet general expenditures over the next 12 months, the Organization anticipates collecting revenue to cover general expenditures. Refer to the statements of cash flows which identifies the sources and uses of the Organization's cash. As of September 30, the following table shows the total financial assets held by the Organization:

	2022	2021
Financial Assets at Year-End:		
Cash and Cash Equivalents	$ 302,050	$ 531,180
Investments	858,950	1,029,231
Pledge Receivable, Current Portion	76,347	100,630
Total	1,237,347	1,661,041
Less: Purpose Restricted Net Assets	306,783	560,127
Less: Board Restricted Net Assets	375,000	150,000
Total Assets Available at Year-End	$ 555,564	$ 950,914

Total assets available at year-end could readily be made available within one year of the statements of financial position date to meet general expenditures.

NOTE 10 PAYCHECK PROTECTION PROGRAM LOAN

The Organization received loans in the amount of $110,850 and $110,800 in fiscal years 2021 and 2020, respectively, under the Coronavirus Aid, Relief and Economic Security Act (CARES Act)'s Paycheck Protection Program, which could be used for specific allowable costs under the regulation. The PPP loans were eligible for forgiveness by the U.S. Small Business Administration (SBA) subject to certain performance barriers, as outlined in the loan agreements and the CARES Act. The fiscal year 2020 PPP loan and the related interest was forgiven as of December 9, 2020. As a result of the forgiveness, the Organization recognized $110,800 of income related to forgiveness of debt during fiscal year 2021. The fiscal year 2021 PPP loan and the related interest was forgiven as of October 29, 2021. As a result of the forgiveness, the Organization recognized $110,850 of income related to forgiveness of debt during fiscal year 2022.

The SBA may review funding eligibility and usage of funds for compliance with program requirements based on dollar thresholds and other factors. The amount of liability, if any, from potential noncompliance cannot be determined with certainty; however, management is of the opinion that any review will not have a material adverse impact on the Organization's financial position.