

**BILLION OYSTER PROJECT, INC.**

**Financial Statements  
For the Years Ended  
June 30, 2022  
and  
June 30, 2021**

**Independent Auditor's Report**

To the Board of Directors of  
Billion Oyster Project, Inc.

***Opinion***

We have audited the accompanying financial statements of Billion Oyster Project, Inc. ("BOP"), which comprise the statements of financial position as of June 30, 2022 and June 30, 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 BOP as of June 30, 2022 and June 30, 2021 and the result of its activities 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 Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of BOP 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 BOP's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

*Auditor's Responsibilities for the Audit of the Financial Statements*

Our objectives are to obtain reasonable assurance about whether the financial statements, as a whole, are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than 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, 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 BOP'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 BOP'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 audits.

*Condon O'Meara McGinty + Donnelly LLP*

**BILLION OYSTER PROJECT, INC.**

**Statements of Financial Position**

**Assets**

	<b>June 30</b>	
	<u>2022</u>	<u>2021</u>
<b>Current assets</b>		
Cash	\$2,064,493	\$1,865,963
Investments, at fair value	33,016	39,664
Grants, contracts and contributions receivable	551,653	659,704
Prepaid expenses and other assets	<u>55,624</u>	<u>51,713</u>
Total current assets	2,704,786	2,617,044
<b>Property and equipment, net</b>	<u>575,098</u>	<u>579,814</u>
<b>Total assets</b>	<b><u>\$3,279,884</u></b>	<b><u>\$3,196,858</u></b>

**Liabilities and Net Assets**

<b>Current liabilities</b>		
Accounts payable and accrued expenses	\$ 306,590	\$ 122,918
Unearned revenue	<u>101,265</u>	<u>210,926</u>
Total current liabilities	<u>407,855</u>	<u>333,844</u>
<b>Net assets</b>		
Without donor restrictions	2,387,036	1,929,408
With donor restrictions	<u>484,993</u>	<u>933,606</u>
<b>Total net assets</b>	<u>2,872,029</u>	<u>2,863,014</u>
<b>Total liabilities and net assets</b>	<b><u>\$3,279,884</u></b>	<b><u>\$3,196,858</u></b>

See notes to financial statements.

**BILLION OYSTER PROJECT, INC.**

**Statements of Activities**

**For the Years Ended June 30, 2022 and June 30, 2021**

	2022		2021	
	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>
			<u>Total</u>	<u>Total</u>
<b>Public support and revenue</b>				
Grants, contracts and contributions of cash and other financial assets	\$2,771,498	\$1,190,402	\$3,961,900	\$ 969,911
Contributed nonfinancial assets	156,270	-	156,270	-
Special events, net of direct expenses of \$172,074 in 2022 and \$25,980 in 2021	310,212	-	310,212	-
Program service fees	533,524	-	533,524	-
Net investment return	(1,789)	-	(1,789)	-
Other	6,947	-	6,947	-
Net assets released from restrictions	<u>1,639,015</u>	<u>(1,639,015)</u>	<u>-</u>	<u>(1,092,378)</u>
Total public support and revenue	<u>5,415,677</u>	<u>(448,613)</u>	<u>4,967,064</u>	<u>(122,467)</u>
<b>Expenses</b>				
Program services	<u>3,637,018</u>	-	<u>3,637,018</u>	-
Supporting services				
Management and general	481,208	-	481,208	-
Development	839,823	-	839,823	-
Total supporting services	<u>1,321,031</u>	-	<u>1,321,031</u>	-
Total expenses	<u>4,958,049</u>	-	<u>4,958,049</u>	-
<b>Increase (decrease) in net assets</b>	<b>457,628</b>	<b>(448,613)</b>	<b>9,015</b>	<b>(122,467)</b>
<b>Net assets, beginning of year</b>	<u>1,929,408</u>	<u>933,606</u>	<u>2,863,014</u>	<u>1,056,073</u>
<b>Net assets, end of year</b>	<u>\$2,387,036</u>	<u>\$ 484,993</u>	<u>\$2,872,029</u>	<u>\$ 933,606</u>
			<u>\$ 1,929,408</u>	<u>\$ 2,245,922</u>
				<u>\$2,863,014</u>

See notes to financial statements.

**BILLION OYSTER PROJECT, INC.**

**Statements of Functional Expenses  
For the Years Ended June 30, 2022 and June 30, 2021**

	2022				2021			
	Supporting Activities		Supporting Activities		Management and		Supporting Activities	
	Program Services	General	Development	Total	Program Services	General	Development	Total
Salaries	\$1,753,542	\$ 241,551	\$ 465,014	\$2,460,107	\$1,714,776	\$ 206,895	\$ 249,940	\$2,171,611
Payroll taxes and employee benefits	490,305	66,428	159,236	715,969	509,445	54,781	77,700	641,926
Contract services and professional fees	658,626	99,247	12,379	770,252	468,008	84,952	19,350	572,310
Program supplies	417,618	-	-	417,618	348,663	-	-	348,663
Grantmaking	50,000	-	-	50,000	-	-	-	-
Scholarships and internships	3,500	-	-	3,500	3,000	-	-	3,000
Supplies	-	1,969	119,944	121,913	-	896	20,294	21,190
Printing, copying and mailing	6,944	59	10,507	17,510	1,156	65	4,393	5,614
Travel and meals	43,766	13,140	35,089	91,994	6,707	696	2,630	10,033
Insurance	35,858	24,303	-	60,161	17,792	44,322	-	62,114
Facilities and equipment rental	81,333	10,456	-	91,789	51,379	10,445	125	61,949
Bank fees	23	438	22,172	22,633	-	418	9,886	10,304
Special events-direct benefits to donors	-	-	172,074	172,074	-	-	25,980	25,980
Depreciation	42,425	-	-	42,425	42,174	19,023	-	61,197
Other	53,078	23,617	15,482	92,178	59,327	28,204	16,800	104,331
	3,637,018	481,208	1,011,897	5,130,123	3,222,427	450,697	427,098	4,100,222
Total expenses by function	-	-	172,074	172,074	-	-	25,980	25,980
Less: direct benefits to donors	-	-	-	-	-	-	-	-
<b>Total</b>	<b>\$3,637,018</b>	<b>\$ 481,208</b>	<b>\$ 839,823</b>	<b>\$4,958,049</b>	<b>\$3,222,427</b>	<b>\$ 450,697</b>	<b>\$ 401,118</b>	<b>\$4,074,242</b>

See notes to financial statements.

**BILLION OYSTER PROJECT, INC.**

**Statements of Cash Flows**

	<b>For Years</b>	
	<b>Ended June 30</b>	
	<b>2022</b>	<b>2021</b>
<b>Cash flows from operating activities</b>		
Increase in net assets	\$ 9,015	\$ 617,092
Adjustments to reconcile increase in net assets to net cash provided by operating activities		
Depreciation	42,425	61,197
Donated stock	(37,927)	(181,659)
Proceeds from sale of donated stock	41,978	179,960
Net realized and unrealized (gain) loss on investments	2,595	(9,129)
(Increase) decrease in assets		
Grants, contracts and contributions receivable	108,051	69,766
Prepaid expenses and other assets	(3,911)	(7,802)
Increase (decrease) in liabilities		
Accounts payable and accrued expenses	183,672	(4,507)
Unearned revenue	(109,661)	(59,473)
Net cash provided by operating activities	<u>236,237</u>	<u>665,445</u>
<b>Cash flows from investing activities</b>		
Proceeds from sales of investments	-	2,812
Purchases of property and equipment	(37,709)	-
Net cash provided by (used in) investing activities	<u>(37,709)</u>	<u>2,812</u>
<b>Net increase in cash</b>	<b>198,530</b>	<b>668,257</b>
<b>Cash, beginning of year</b>	<b><u>1,865,963</u></b>	<b><u>1,197,706</u></b>
<b>Cash, end of year</b>	<b><u>\$2,064,493</u></b>	<b><u>\$1,865,963</u></b>

See notes to financial statements.

**BILLION OYSTER PROJECT, INC.****Notes to Financial Statements  
June 30, 2022 and June 30, 2021****Note 1 – Nature of organization**

Billion Oyster Project, Inc. (“BOP”) (formerly New York Harbor Foundation) is a non-profit organization. BOP’s mission is to restore oyster reefs to New York Harbor through public education initiatives.

**Note 2 – Summary of significant accounting policies****Net assets**

BOP reports information regarding its financial position and activities in two classes of net assets as follows:

- Net assets without donor restrictions, which consist of amounts that can be spent at the discretion of BOP; and
- Net assets with donor restrictions, which consist of grants, contracts and contributions that are either restricted by the donor for a specific purpose and/or relate to future periods.

**Funding**

BOP derives its revenue primarily from grants, cost reimbursement contracts and contributions from individuals, corporations and foundations.

Funding contracts and grants are often subject to audit by the applicable granting agencies. The possible disallowances by the granting agencies of any item charged to the program cannot be determined until such time when and if an audit occurs. Therefore, no provision for any potential disallowances that may result from such audits has been made in the accompanying financial statements. Management is of the opinion that any potential disallowances will not be material to the accompanying financial statements.

**Grants and contributions**

BOP records grants and contributions as revenue without donor restrictions unless the donor restricts the grants and contribution for a specific purpose or future periods. Grants and contributions received with donor stipulations that limit the use of the donated assets are reported as donor restricted support. When a donor stipulation regarding a restricted asset expires, i.e., when a stipulated time restriction ends or the purpose for the 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.

**Cash equivalents**

BOP considers all highly liquid investments with an original maturity of 90 days or less to be cash equivalents. As of June 30, 2022 and June 30, 2021, BOP did not have any cash equivalents.



**BILLION OYSTER PROJECT, INC.****Notes to Financial Statements (continued)  
June 30, 2022 and June 30, 2021****Note 2 – Summary of significant accounting policies (continued)**Investments

BOP's investments are recorded at fair value. The value of BOP's investments has been determined by using publicly reported market quotes. Net realized gains or (losses) on the sale of investments are determined using the first-in, first-out method and along with the net unrealized gain or (loss) on investments, are recorded in the statements of activities as part of investment return.

Fair value measurements

Fair value refers to the price that would be received to sell an asset in an orderly transaction between market participants at the measurement date. The fair value hierarchy gives the highest priority to quoted prices in active markets and the lowest priority to unobservable data. Fair value measurements are required to be separately disclosed by level within the fair value hierarchy. At June 30, 2022 and June 30, 2021, BOP's investments are deemed to be Level 1 as their fair value is measured using quoted prices in active markets.

Grants, contracts and contributions receivable

Grants, contracts and contributions, including unconditional promises to give, are recognized as revenue in the period received and when any conditions on which they depend have been substantially met.

Bequests are recorded as revenue when a legally binding obligation is received and when a fair value can be determined.

Allowance for doubtful accounts

BOP deems all receivables to be collectible and, accordingly, an allowance for doubtful accounts is not necessary. Such estimate is based on management's experience, the aging of the receivables, subsequent receipts and current economic conditions.

Property and equipment

Property and equipment are carried at cost and, if donated, at the approximate fair value at the date of donation. Such donations are reported as support without donor restrictions unless the donor has restricted the donated asset to a specific purpose. BOP capitalizes, as property and equipment, expenditures for such assets in excess of \$5,000 with an estimated useful life of three years or greater. Depreciation is computed using the straight-line method over the estimated useful lives of the assets, which range from three to seven years.

**BILLION OYSTER PROJECT, INC.****Notes to Financial Statements (continued)****June 30, 2022 and June 30, 2021****Note 2 – Summary of significant accounting policies (continued)**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 amounts reported in the financial statements. Actual results could differ from these estimates.

Contributed nonfinancial assets

A number of volunteers, including members of the Board of Directors, have donated significant amounts of their time to BOP's program services and supporting activities. These donated services have not been recorded in the accompanying statements of activities because they do not meet the criteria for recording such services.

Functional allocation of expenses

The costs of providing the various programs and other activities have been summarized on a functional basis. Accordingly, certain costs have been allocated among the program services and supporting activities benefited. Expenses attributable to more than one functional category are allocated based on time and effort.

Concentrations of credit risk

BOP's financial instruments that are potentially exposed to concentrations of credit risk consist primarily of cash, investments and receivables. BOP places its cash with what it believes to be quality financial institutions. At times during the year, BOP's bank account balances exceeded the FDIC insurance limit. BOP has not incurred any losses in these accounts to date. BOP's investments are exposed to various risks, such as interest rate, market volatility, liquidity and credit. Due to the level of uncertainty related to the aforementioned risks, it is at least reasonably possible that changes in these risks could have a material effect on the amounts reported in the statements of financial position at June 30, 2022. BOP's receivables are monitored and deemed collectible by management. As a result, BOP believes no significant concentrations of credit risk exist with respect to its cash, investments and receivables.

Subsequent events

BOP has evaluated events and transactions for potential recognition or disclosure through October 6, 2022, which is the date the financial statements were available to be issued.

**BILLION OYSTER PROJECT, INC.**

**Notes to Financial Statements (continued)**

**June 30, 2022 and June 30, 2021**

**Note 3 – Liquidity and availability of financial assets**

BOP's working capital and cash flows vary due to the timing of payments received from grants, contracts, contributions and other revenue items.

The following is a summary of BOP's financial assets as of June 30, 2022 and June 30, 2021 available to pay expenditures within one year of the statements of financial position date:

	<u>2022</u>	<u>2021</u>
Cash	\$ 2,064,493	\$ 1,865,963
Investments, at fair value	33,016	39,664
Grants, contracts and contributions receivable	<u>551,653</u>	<u>659,704</u>
Total	<u>\$ 2,649,162</u>	<u>\$ 2,565,331</u>

**Note 4 – Investments**

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

	<u>2022</u>		<u>2021</u>	
	<u>Cost</u>	<u>Fair Value</u>	<u>Cost</u>	<u>Fair Value</u>
Exchange-traded funds	<u>\$ 21,920</u>	<u>\$ 33,016</u>	<u>\$ 21,920</u>	<u>\$ 39,664</u>

The components of net investment return consist of the following for the years ended June 30, 2022 and June 30, 2021:

	<u>2022</u>	<u>2021</u>
Interest and dividends	\$ 821	\$ 671
Realized gain on sales of investments	4,053	902
Unrealized (loss) gain on investments	(6,648)	8,227
Investment management fees	<u>(15)</u>	<u>(34)</u>
Net investment return	<u>\$ (1,789)</u>	<u>\$ 9,766</u>

**Note 5 – Grants, contracts and contributions receivable**

At June 30, 2022 and June 30, 2021, grants, contracts and contributions receivable are expected to be collected in less than one year.

**BILLION OYSTER PROJECT, INC.**

**Notes to Financial Statements (continued)**  
**June 30, 2022 and June 30, 2021**

**Note 6 – Property and equipment**

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

	<u>2022</u>	<u>2021</u>
Property and equipment	\$ 281,759	\$ 244,051
Vehicle	11,300	11,300
Boats	<u>588,608</u>	<u>588,608</u>
Total property and equipment	881,667	843,959
Less accumulated depreciation	<u>306,569</u>	<u>264,145</u>
Net property and equipment	\$ <u>575,098</u>	\$ <u>579,814</u>

**Note 7 – Contributed nonfinancial assets**

For the years ending June 30, 2022 and June 30, 2021, contributed nonfinancial assets recognized in the statements of activities included the following:

<u>Description</u>	<u>2022</u>	<u>2021</u>
I.T. equipment	\$ 24,995	\$ 29,670
Boat engine	12,567	-
Gala auction and other items	<u>118,708</u>	<u>19,305</u>
Total	\$ <u>156,270</u>	\$ <u>48,975</u>

BOP recognizes contributed nonfinancial assets within public support and revenue. Unless otherwise noted, the contributed nonfinancial assets do not have donor-imposed restrictions.

Contributed I.T. equipment in 2022 is being used in the Restoration, Education and Community Engagement programs. Contributed I.T. equipment in 2021 is being shared between BOP's supporting activities and the Restoration, Education and Community Engagement programs.

The contributed boat engine was used for the Restoration, Education and Community Engagement programs.

The contributed gala auction and other items in 2022 and 2021 were used for BOP's fundraising event.

All contributed goods above were valued based on estimates of retail values that would be received for selling similar products.

## BILLION OYSTER PROJECT, INC.

Notes to Financial Statements (continued)  
June 30, 2022 and June 30, 2021Note 8 – Net assets with donor restrictions

The amounts released from restrictions during the years ended June 30, 2022 and June 30, 2021 are for the following:

<u>Description</u>	<u>2022</u>	<u>2021</u>
New York Harbor School		
After school	\$ 140,171	\$ 105,826
Career and technical education	85,911	132,563
Maritime education and training	132,835	-
Partnership manager	34,984	72,584
Summer programs	37,003	-
Billion Oyster Project		
After school	4,797	15,168
B.O.P. schools	29,845	4,746
Facilities & workforce development	-	12,500
Field station	135,489	-
General	50,000	-
Oyster recovery plan	20,000	46,565
Partnership manager	5,000	-
Public engagement	438,011	419,116
Reef construction	46,393	78,036
Restoration	120,156	2,000
Shell collection	308,366	182,378
Volunteer programs	31,918	-
Waterfront	18,136	20,896
Total	<u>\$1,639,015</u>	<u>\$1,092,378</u>

**BILLION OYSTER PROJECT, INC.**

**Notes to Financial Statements (continued)  
June 30, 2022 and June 30, 2021**

**Note 8 – Net assets with donor restrictions (continued)**

At June 30, 2022 and June 30, 2021, net assets with donor restrictions are available for the following:

<u>Description</u>	<u>2022</u>	<u>2021</u>
New York Harbor School		
After school	\$ -	\$ 130,171
Career and technical education	13,363	72,149
Maritime education and training	167,165	-
Partnership manager	-	34,984
Vessel operations program	5,000	-
Billion Oyster Project		
After school	-	4,796
B.O.P. schools	17,988	11,254
General	-	50,000
Oyster recovery plan	34,931	-
Public engagement	11,766	135,140
Reef construction	-	46,393
Restoration	-	13,488
Shell collection	118,729	417,095
Volunteer programs	116,051	-
Waterfront	-	18,136
Total	<u>\$ 484,993</u>	<u>\$ 933,606</u>

**Note 9 – Government grant**

During the 2021 fiscal year, BOP applied for and received \$516,100 under the Paycheck Protection Program (“PPP”) which is a loan program established under the Coronavirus Aid, Relief, and Economic Security Act. BOP has elected to record the \$516,100 of proceeds spent as grant revenue in the fiscal 2021 statement of activities. During January 2022, BOP received forgiveness of the loan.

During the 2020 fiscal year, BOP applied for and received \$481,115 under the PPP. BOP elected to record the \$481,115 of proceeds spent as grant revenue in the fiscal 2020 statement of activities. During July 2021, BOP received forgiveness of the loan.

These amounts are recorded as grant revenue in the 2022 and 2021 fiscal year financial statements.

**BILLION OYSTER PROJECT, INC.****Notes to Financial Statements (continued)  
June 30, 2022 and June 30, 2021****Note 10 – Retirement plan**

BOP provides a defined contribution plan for all eligible employees, as defined by the plan. BOP may elect to make matching or non-elective contributions to the plan. BOP did not contribute to the plan in 2022 and 2021.

**Note 11 – Tax status**

BOP is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code. BOP is classified as a publicly supported organization as described in Section 509(a)(1) and 170(b)(1)(A)(vi) and not as a private foundation; therefore, BOP qualifies for the maximum charitable contribution deductions for donors.