

**BOSTON LANDMARKS ORCHESTRA, INC.
FINANCIAL STATEMENTS**

**For the Years Ended
December 31, 2024 and 2023**

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Boston Landmarks Orchestra, Inc.
Boston, Massachusetts

Opinion

We have audited the accompanying financial statements of Boston Landmarks Orchestra, Inc. (a Massachusetts non-profit corporation), which comprise the statements of financial position as of December 31, 2024 and 2023, 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 accompanying financial statements present fairly, in all material respects, the financial position of Boston Landmarks Orchestra, Inc. as of December 31, 2024 and 2023, and its activities 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 audit 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 Boston Landmarks Orchestra, Inc. and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient

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 Boston Landmarks Orchestra, Inc.'s ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

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 it 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 Boston Landmarks Orchestra, 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 Boston Landmarks Orchestra, 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.

Adler Blanchard & Associates LLP

Burlington, Massachusetts
October 31, 2025

BOSTON LANDMARKS ORCHESTRA, INC.
STATEMENTS OF FINANCIAL POSITION
December 31, 2024 and 2023

	2024	2023
Current assets:		
Cash and cash equivalents	\$ 860,907	\$ 833,609
Investments	1,265	3,077
Promises to give, current	114,310	125,000
Prepaid expenses	9,643	5,104
Total current assets	986,125	966,790
Fixed assets:		
Furniture and equipment	66,661	66,661
Less: accumulated depreciation	(66,278)	(65,521)
Net fixed assets	383	1,140
Other assets:		
Promises to give, non-current	17,373	63,677
Total other assets	17,373	63,677
Total assets	\$ 1,003,881	\$ 1,031,607
Current liabilities:		
Accounts payable	\$ 3,050	\$ 40
Accrued expenses	33,141	45,046
Total current liabilities	36,191	45,086
Net assets:		
Without donor restrictions	836,307	819,844
With donor restrictions	131,383	166,677
Total net assets	967,690	986,521
Total liabilities and net assets	\$ 1,003,881	\$ 1,031,607

BOSTON LANDMARKS ORCHESTRA, INC.
STATEMENT OF ACTIVITIES
For the Year Ended December 31, 2024

	Without Donor Restrictions	With Donor Restrictions	Total
Support and revenue:			
Support:			
Individual contributions	\$ 244,355	\$ -	\$ 244,355
Foundation grants	675,550	78,962	754,512
Corporate sponsorships	60,542	-	60,542
Government grants	117,300	18,400	135,700
Revenue:			
Concert performance fees	1,288	-	1,288
Investment return	22,432	-	22,432
Net assets released from restrictions	132,656	(132,656)	-
Total support and revenue	1,254,123	(35,294)	1,218,829
Expenses:			
Program services	909,610	-	909,610
General and administrative	161,011	-	161,011
Fundraising	167,039	-	167,039
Total expenses	1,237,660	-	1,237,660
Change in net assets	16,463	(35,294)	(18,831)
Net assets at beginning of year	819,844	166,677	986,521
Net assets at end of year	\$ 836,307	\$ 131,383	\$ 967,690

BOSTON LANDMARKS ORCHESTRA, INC.
STATEMENT OF ACTIVITIES
For the Year Ended December 31, 2023

	Without Donor Restrictions	With Donor Restrictions	Total
Support and revenue:			
Support:			
Individual contributions	\$ 236,410	\$ 25,000	\$ 261,410
Foundation grants	579,507	138,677	718,184
Corporate sponsorships	70,379	3,000	73,379
Government grants	204,650	-	204,650
Revenue:			
Concert performance fees	5,100	-	5,100
CD sales and chair rental fees	1,955	-	1,955
Other	2,381	-	2,381
Investment return	17,891	-	17,891
Net assets released from restrictions	75,000	(75,000)	-
Total support and revenue	1,193,273	91,677	1,284,950
Expenses:			
Program services	1,029,077	-	1,029,077
General and administrative	178,393	-	178,393
Fundraising	193,939	-	193,939
Total expenses	1,401,409	-	1,401,409
Change in net assets	(208,136)	91,677	(116,459)
Net assets at beginning of year	1,027,980	75,000	1,102,980
Net assets at end of year	\$ 819,844	\$ 166,677	\$ 986,521

BOSTON LANDMARKS ORCHESTRA, INC.
STATEMENT OF FUNCTIONAL EXPENSES
For the Year Ended December 31, 2024

	Program Services	General and Administrative	Fundraising	Total
Salaries	\$ 364,949	\$ 64,747	\$ 99,837	\$ 529,533
Payroll taxes	36,213	6,544	9,907	52,664
Benefits	29,212	5,183	7,992	42,387
Total salaries, taxes and benefits	430,374	76,474	117,736	624,584
Advertising	36,678	125	525	37,328
Bank charges	-	629	2,491	3,120
Consultants	-	20,610	35,000	55,610
Contracted services	287,565	-	-	287,565
Depreciation	522	93	143	758
Dues, fees, and permits	27,293	3,427	4,056	34,776
Insurance	5,062	898	1,385	7,345
Miscellaneous	1,172	13,272	200	14,644
Office supplies	-	1,385	-	1,385
Payroll processing fees	10,859	1,927	2,971	15,757
Performance space rental	8,075	-	-	8,075
Postage	-	600	280	880
Printing	2,755	1,150	-	3,905
Production expenses	51,913	-	-	51,913
Professional fees	-	27,153	-	27,153
Short-term rent	7,418	1,316	2,029	10,763
Special events	3,509	-	-	3,509
Storage rental	21,547	2,843	-	24,390
Technology	109	7,438	199	7,746
Telephone	-	120	-	120
Travel and meals	13,329	1,551	-	14,880
Website	1,430	-	24	1,454
Total	\$ 909,610	\$ 161,011	\$ 167,039	\$ 1,237,660

BOSTON LANDMARKS ORCHESTRA, INC.
STATEMENT OF FUNCTIONAL EXPENSES
For the Year Ended December 31, 2023

	Program Services	General and Administrative	Fundraising	Total
Salaries	\$ 411,048	\$ 54,460	\$ 115,708	\$ 581,216
Payroll taxes	40,032	5,281	11,220	56,533
Benefits	37,120	4,918	10,449	52,487
Total salaries, taxes and benefits	488,200	64,659	137,377	690,236
Advertising	39,618	510	-	40,128
Bank charges	-	258	3,441	3,699
Consultants	231	21,120	38,063	59,414
Contracted services	306,571	-	-	306,571
Depreciation	1,130	150	318	1,598
Dues, fees, and permits	38,341	2,563	4,201	45,105
Equipment rental	210	-	-	210
Insurance	5,402	715	1,520	7,637
Miscellaneous	3,064	4,719	349	8,132
Office supplies	173	3,749	-	3,922
Payroll processing fees	10,891	1,443	3,066	15,400
Performance space rental	10,992	-	-	10,992
Postage	616	810	-	1,426
Printing	475	-	2,065	2,540
Production expenses	77,018	-	-	77,018
Professional fees	-	57,275	-	57,275
Short-term rent	8,816	1,168	2,482	12,466
Special events	2,333	-	-	2,333
Storage rental	7,781	10,901	-	18,682
Technology	199	7,814	-	8,013
Telephone	648	-	-	648
Travel and meals	23,760	508	-	24,268
Website	2,608	31	1,057	3,696
Total	\$ 1,029,077	\$ 178,393	\$ 193,939	\$ 1,401,409

BOSTON LANDMARKS ORCHESTRA, INC.
STATEMENTS OF CASH FLOWS
For the Years Ended December 31, 2024 and 2023

	2024	2023
Cash flows from operating activities:		
Change in net assets	\$ (18,831)	\$ (116,459)
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities:		
Depreciation	758	1,598
Net realized and unrealized (gain) loss on investments	(61)	3
(Increase) decrease in:		
Promises to give	56,994	(188,677)
Prepaid expenses	(4,539)	827
Security deposit		
Increase (decrease) in:		
Accounts payable	3,010	(3,928)
Accrued expenses	(11,905)	11,825
Net cash provided (used) by operating activities	25,426	(294,810)
Cash flows from investing activities:		
Proceeds from the sale of investments	6,248	6,593
Purchase of investments	(4,376)	(9,674)
Net cash provided (used) by investing activities	1,872	(3,081)
Net increase (decrease) in cash and cash equivalents	27,298	(297,891)
Cash and cash equivalents, beginning of year	833,609	1,131,500
Cash and cash equivalents, end of year	\$ 860,907	\$ 833,609

BOSTON LANDMARKS ORCHESTRA, INC.
NOTES TO FINANCIAL STATEMENTS

Note 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

The financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America ("U.S. GAAP"). The significant accounting policies followed by Boston Landmarks Orchestra, Inc. (the "Organization") are described below to enhance the usefulness of the financial statements to the reader.

Nature of Activities

The Organization was founded in 2001. The Organization's orchestra is comprised of all professional musicians and is active throughout the neighborhoods of Boston, Massachusetts. The Organization's mission is to perform free summer concerts in settings of historical, geographical, and architectural significance in the Boston area.

Basis of Presentation

The statements of activities report all changes in net assets, including changes in net assets without donor restrictions from operating and non-operating activities. Operating revenues consist of those monies received and other contributions attributed to the Organization's ongoing efforts. The Organization had no non-operating revenues during the years ended December 31, 2024 and 2023.

The Organization's net assets and its revenues, expenses, gains, and losses are classified based on the existence or absence of donor-imposed restrictions.

The statements of financial position present two classes of net assets (net assets without donor restrictions and net assets with donor restrictions), and the statements of activities displays the change in each class of net assets. The classes of net assets applicable to the Organization are presented as follows:

Net Assets Without Donor Restrictions – Net assets that are not subject to donor-imposed stipulations are considered unrestricted.

Net Assets With Donor Restrictions – Net assets that are subject to donor-imposed stipulations that may or will be met, either by actions of the Organization and/or by the passage of time. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statements of activities as net assets released from restrictions. Contributions that are restricted by the donor are reported as increases in net assets without donor restrictions if the restriction expires in the reporting period in which the contributions are recognized.

Cash and Cash Equivalents

The Organization considers all highly liquid investments purchased with an original maturity of three months or less, which are neither held for nor restricted by donors for long-term purposes, to be cash equivalents. Cash and highly liquid financial instruments restricted to building projects, endowments that are perpetual in nature, or other long-term purposes are excluded from this definition.

The Organization maintains its cash balances at several financial institutions located in Massachusetts. The cash balances are insured by the Federal Deposit Insurance Corporation. At times, these balances may exceed the federal insurance limits; however, the Organization has not experienced any losses with respect to its bank balances in excess of the government provided insurance. Management believes that no significant concentration of credit risk exists with respect to these cash balances as of December 31, 2024 or 2023.

BOSTON LANDMARKS ORCHESTRA, INC.
NOTES TO FINANCIAL STATEMENTS (CONTINUED)

Note 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Revenue Recognition

The Organization earns revenue as follows:

The Organization generally measures revenue based on the amounts of consideration it expects to be entitled to for the transfers of goods and services to a customer, then recognizes its revenue as performance obligations are satisfied under a contract, except in transactions where U.S. GAAP provides other applicable guidance. The Organization evaluates its revenue from contracts with customers based on the five-step model under ASC Topic 606: (1) identify the contract with the customer; (2) identify the performance obligations in the contract; (3) determine the transaction price; (4) allocate the transaction price to separate performance obligations; and (5) recognize revenue when (or as) each performance obligation is satisfied.

Individual Contributions, Foundation Grants, and Corporate Sponsorships – In accordance with Accounting Standards Codification (“ASC”) Subtopic 958-605, Revenue Recognition, the Organization must determine whether a contribution (or a promise) is conditional or unconditional for transactions deemed to be a contribution. A contribution is considered to be a conditional contribution if an agreement including a barrier that must be overcome and either a right of return of assets or right of release of a promise to transfer assets exists. Indicators of a barrier include measurable performance-related barrier or other measurable barrier, 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. Topic 958 prescribes that the Organization should not 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.

Contributions without donor restrictions are recognized as revenue when received or unconditionally pledged. Contributions with donor restrictions are recorded as revenues and net assets with donor restrictions when received or unconditionally pledged. Transfers are made to net assets without donor restrictions as services are performed, and costs are incurred pro-rata over the period covered by the grant or contribution as time restrictions lapse. Contributions with donor restrictions received and satisfied in the same period are included in grants and contributions without donor restrictions.

Government Grants – Federal and state contracts that are considered reciprocal transactions or purchases of services, the results of which are turned over to the grantor, are recognized as the work under the contract is performed. Contracts that are considered nonreciprocal transactions that further the programs of the Organization are recorded when the Organization receives notification of the contract, or if conditions for performance are imposed, revenue is recognized when conditions have been met. Government grants relate to cost-reimbursement contracts with governmental agencies. Revenue recognition takes place as costs related to the services provided are incurred. Billings on the contracts are subject to final approval by the governmental agency.

Contract Performance Fees – Concert performance fees are primarily derived from the fees the Organization charges to provide concert performances for other organizations. Revenues derived from these events are recognized as income when the orchestra performs.

All of the Organization’s revenue is derived from its activities in Massachusetts. Support from one foundation approximated 43% and 23% of support and revenue for the years ended December 31, 2024 and 2023, respectively. All revenue is recorded at the estimated net realizable amounts.

**BOSTON LANDMARKS ORCHESTRA, INC.
NOTES TO FINANCIAL STATEMENTS (CONTINUED)**

Note 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Promises to Give

Conditional promises to give are not recognized in the financial statements until the conditions are substantially 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 more than one year are recorded at fair value, which is measured as the present value of their 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. Amortization of the discounts is included in contribution revenue. In the absence of donor stipulations to the contrary, promises with payments due in the future periods are restricted to use after the due date.

Unconditional promises to give are periodically reviewed to estimate an allowance for doubtful accounts. Management estimates the allowance by review of historical experience and a specific review of collections trends that differ from scheduled collections on individual promises. As of December 31, 2024 and 2023, no allowance for uncollectible pledges was determined to be necessary.

Furniture and Equipment

Furniture and equipment are recorded at cost if purchased or fair value on the date of receipt if donated. Depreciation is provided for in amounts sufficient to relate the cost of depreciable assets to operations over their estimated service lives. Improvements, including planned major maintenance activities, are capitalized, while expenditures for routine maintenance and repairs are charged to expense as incurred. Upon disposal of depreciable property, the appropriate property accounts are reduced by the related costs and accumulated depreciation. The resulting gains and losses are reflected in the statements of activities.

The Organization computes depreciation using the straight-line method over the estimated lives for furniture and equipment of three to five years.

Fundraising

Fundraising relates to the activities of raising general and specific contributions to the Organization and promoting special events. Fundraising expenses as a percentage to total support was 14% and 15% for the years ended December 31, 2024 and 2023, respectively. The ratio of expenses to amounts raised is computed using actual expenses and related revenue on accrual basis.

Functional Allocation of Expenses

The costs of providing various programs and other activities have been summarized on a functional basis in the statements of activities and in the statements of functional expenses. Directly identifiable expenses are charged to programs and supporting services. Expenses related to more than one function are allocated to programs and supporting services. Administration expenses include those expenses that are not directly identifiable with any other specific function but provide for the overall support and direction of the Organization.

Payroll and associated costs are allocated to functions based upon time charges. Occupancy costs are allocated based upon the salary allocation.

Use of Estimates

In preparing the Organization's financial statements in conformity with U.S. GAAP, management is required to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

**BOSTON LANDMARKS ORCHESTRA, INC.
NOTES TO FINANCIAL STATEMENTS (CONTINUED)**

Note 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Investments

Investments are reported at fair value, as determined per the fair value policies below.

The Organization records investments purchased at cost, or if donated at fair value, on the date of donation. Thereafter, investments are reported at their fair values in the statements of financial position. Interest and dividends are recorded when earned. Gains and losses are recognized as incurred, based on fair value changes during the period. Net investment return/(loss) is reported in the statements of activities and consists of interest and dividend income, realized and unrealized capital gains and losses, less external and direct investment expenses.

Level 1 – Quoted market prices are available in active markets for identical assets or liabilities as of the reporting date.

Level 2 – Pricing inputs are other than quoted prices in active markets, which are either directly or indirectly observable as of the reporting date, and fair value is determined through the use of models or other valuation methodologies. A significant adjustment to a Level 2 input could result in the Level 2 measurement becoming a Level 3 measurement.

Level 3 – Pricing inputs are unobservable and shall be used to measure the fair value to the extent that observable inputs are not available. The inputs into the determination of fair value are based upon the best information available and require significant management judgment or estimation.

In certain cases, the inputs used to measure fair value may fall into different levels of the fair value hierarchy. In such cases, the level within the fair value hierarchy is based on the lowest level of input that is significant to the fair value measurement.

Income Taxes

The Organization qualifies as an organization formed for charitable purposes under Section 501(c)(3) of the Internal Revenue Code (“IRC”) and is generally not subject to income tax. However, income from certain activities not directly related to the Organization’s tax-exempt purpose is subject to taxation as unrelated business income. In addition, the Organization is not a private foundation under Section 509(a)(1) of the IRC. The Organization’s federal and state informational returns are subject to audit by the relevant taxing jurisdictions, generally for three years after they have been filed.

Lease Accounting

The Organization accounts for leases in accordance with Accounting Standards Update No. 2016-02, *Leases*. The Organization assesses whether a contract contains a lease (i.e., conveys the right to control the use of an identified assets for a period of time in exchange for consideration) at inception and only reassesses its determination if the terms and conditions of the arrangement are changed.

For qualifying contracts with initial lease terms in excess of 12 months, the Organization recognizes a right-of-use asset and a corresponding lease liability based on the net present value of future lease payments. Depending on the nature of the lease, the Organization recognizes either (a) operating lease expense or (b) finance lease amortization and interest expense over the life of the lease. As a practical expedient, the Organization uses a risk-free rate when the discount rate is not explicit in a lease. The Organization does not separate lease and non-lease components in an identified lease, and it excludes all leases with initial terms of 12 months or less from the above lease accounting. For those leases with initial terms of 12 months or less, the Organization recognizes short-term rent expense as the cost is incurred.

**BOSTON LANDMARKS ORCHESTRA, INC.
NOTES TO FINANCIAL STATEMENTS (CONTINUED)**

Note 2. PLEDGES AND GRANTS RECEIVABLE

Expected future collections on pledges and grants receivable as of December 31, 2024 and 2023 are as follows:

	2024	2023
Receivable in less than one year	\$ 118,700	\$ 125,000
Receivable in one to five years	20,000	75,000
	138,700	200,000
Less: discount to net present value (8.25%)	(7,017)	(11,323)
	\$ 131,683	\$ 188,677

Note 3. FAIR VALUE MEASUREMENTS

The Organization's financial assets required to be measured at fair value on a recurring basis consist solely of investments in the amounts of \$1,265 and \$3,077 as of December 31, 2024 and 2023, respectively. The investments have been valued using Level 1 inputs under the fair value hierarchy.

Note 4. NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions consist of resources available to meet future obligations but only in compliance with the restrictions specified by donors. As of December 31, 2024, net assets with donor restrictions amounted to \$131,383, of which \$114,010 was restricted for use in 2025 and \$17,373 was restricted for use in 2026. As of December 31, 2023, net assets with donor restrictions amounted to \$166,677, consisting of \$100,000 and \$63,677 restricted by time for use in 2024 and 2025, respectively, and \$3,000 purpose restricted for an event planned to take place during 2024.

During the year ended December 31, 2024, net assets were released from donor restrictions in the amount of \$132,656, of which \$3,000 was restricted for use towards a specific event and \$129,656 was general operating support restricted for use during 2024. During the year ended December 31, 2023, net assets were released from donor restrictions in the amount of \$75,000, all of which was restricted for use towards a specific event.

**BOSTON LANDMARKS ORCHESTRA, INC.
NOTES TO FINANCIAL STATEMENTS (CONTINUED)**

Note 5. LIQUIDITY AND AVAILABILITY OF RESOURCES

The following reflects the Organization’s financial assets as of December 31, 2024, and December 31, 2023, reduced by amounts not available for general use because of contractual or donor-imposed restriction within one year from the statements of financial position date.

	2024	2023
Financial assets at year end:		
Cash and cash equivalents	\$ 860,907	\$ 833,609
Investments	1,265	3,077
Promises to give, net	131,683	188,677
	993,855	1,025,363
 Total	993,855	1,025,363
 Less: financial assets not available for general expenditures:		
Amounts restricted by donors for specific purposes	-	3,000
Promises to give due after one year	17,373	63,677
	17,373	63,677
 Financial assets available to meet cash needs for general expenditures within one year	\$ 993,855	\$ 958,686

The Organization is supported by restricted contributions. Because a donor’s restriction requires resources to be used in a particular manner or in a future period, the Organization must maintain sufficient resources to meet those responsibilities to its donors. Thus, financial assets may not be available for general expenditure within one year. 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 come due.

NOTE 6. EMPLOYEE RETENTION CREDITS

The Credit

During 2020 – in response to the COVID-19 pandemic – Congress created the Employee Retention Credit (“ERC”) as part of the Coronavirus Aid, Relief, and Economic Securities Act (the “CARES Act”). The American Rescue Plan Act of 2021 further expanded the availability of the ERC.

For 2020, the ERC was equal to 50% of qualified wages paid to eligible employees between March 13 and December 31, 2020. Qualified wages and eligible employees are defined in the CARES Act. Employer eligibility was determined on a quarterly basis if an employer met at least one of two criteria: (a) a significant decline in gross receipts as defined in the CARES Act or (b) full or partial suspension of operations because of governmental orders related to COVID-19 that limited commerce, travel, or group meetings.

For 2021, the ERC was equal to 70% of qualified wages paid to eligible employees between January 1 and September 30, 2021. Recovery startup businesses – as defined in the American Rescue Plan Act of 2021 – were also eligible for the period October 1 through December 31, 2021. The American Rescue Plan Act of 2021 also expanded the ERC by revising the definition of qualified wages paid during 2021. Employer eligibility was based on the same two criteria as in 2020, with a revision to the definition of a “significant decline in gross receipts.”

**BOSTON LANDMARKS ORCHESTRA, INC.
NOTES TO FINANCIAL STATEMENTS (CONTINUED)**

NOTE 6. EMPLOYEE RETENTION CREDITS (CONTINUED)

Application of US GAAP

Accounting principles generally accepted in the United States of America ("US GAAP") require a not-for-profit organization to recognize ERCs as conditional government grants under ASC Subtopic 958-605. Conditional grants contain one or more barriers that must be overcome before a recipient is entitled to the assets transferred or promised. These conditional grants are recognized at the point in time that all conditions are substantially met – that is, when the conditional promise becomes unconditional.

The Organization's ERCs

During 2021, the Organization determined that it was eligible for ERCs under the CARES Act for the second, third and fourth quarters of 2020. The Organization identified the following barriers as conditions for recognition of grant revenue: (a) employer eligibility under one of the two criteria defined in the CARES Act, (b) incurrence of qualifying wages, (c) determination that the benefit of filing ERC claims outweighs the related cost. Those conditions were fully met during 2021, at which point the Organization recognized ERC grant income of approximately \$75,000 in its financial statements for the year ended December 31, 2021. The above-referenced ERCs were received by the Organization during 2021.

During 2022, the Organization assessed its eligibility for ERCs under the American Rescue Plan Act of 2021 for the first, second and third quarters of 2021. The Organization believes it meets the criteria as an eligible employer and has incurred qualifying expenses for the second and third quarters of 2021. Accordingly, the Organization filed amended returns requesting additional ERCs of approximately \$202,000 during 2022 and 2023. In response to pervasive fraud within the program, the IRS placed a moratorium on the processing and payment of ERC claims, which has resulted in significant processing delays and uncertainty regarding the approval, timing, and processing of these ERC claims. The Organization has determined that this revised process is an additional barrier to recognition, and – accordingly – as of December 31, 2024, has not yet recognized \$202,000 of ERC claims submitted during 2022 and 2023. This conditional government grant will be recognized if/when the Organization's filings are approved and processed by the IRS.

Note 7. SUBSEQUENT EVENTS

The Organization has performed an evaluation of subsequent events through October 31, 2025, the date the Organization's financial statements were available and issued. During April and September 2025, the IRS approved approximately \$190,000 and \$12,000, respectively, of the ERCs referenced in Note 6. These ERCs, along with approximately \$50,000 of interest thereon, will be recognized as non-operating income by the Organization during 2025.