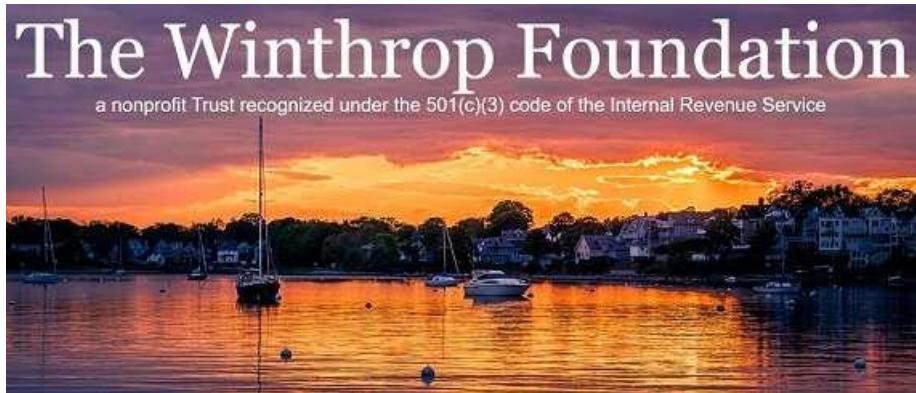


# The Winthrop Foundation

## Financial Statements and Independent Auditor's Report

June 30, 2024



## **The Winthrop Foundation**

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## Independent Auditor's Report

To the Board of Directors  
The Winthrop Foundation

### Report on the Audit of the Financial Statements

#### Opinion

We have audited the financial statements of The Winthrop Foundation, which comprise the statement of financial position as of June 30, 2024, and the related statements of activities, functional expenses, and cash flows for the year 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 The Winthrop Foundation as of June 30, 2024, and the changes in its net assets and its cash flows for the year 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 (GAAS). 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 The Winthrop Foundation 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 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 Winthrop Foundation's ability to continue as a going concern for one year after the date that the financial statements are 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 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.

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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 Winthrop Foundation'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 Winthrop Foundation'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.

*Nash CPAs LLC*

Nash CPAs, LLC  
Norwood, MA

November 27, 2024

The Winthrop Foundation  
Statement of Financial Position  
June 30, 2024

**ASSETS**

**Current Assets**

Cash and cash equivalents	\$ 642,241
Investments - short term	<u>253,726</u>
Total current assets	<u>895,967</u>
<b>Total Assets</b>	<b>\$ <u>895,967</u></b>

**NET ASSETS**

**Net Assets**

Net assets without donor restrictions	\$ 108,503
Net assets with donor restrictions	<u>787,464</u>
Total net assets	<u>895,967</u>

**Total Net Assets**

**\$ 895,967**

The Winthrop Foundation

Statement of Activities

June 30, 2024

	Net Assets Without Donor Restrictions	Net Assets With Donor Restrictions	Total
<b>Revenue and Support</b>			
Contributions and grants	\$ 56,000	\$ 450,000	\$ 506,000
Investment income, net	3,795	-	3,795
Net assets released from restrictions	85,319	(85,319)	-
	<u>145,114</u>	<u>364,681</u>	<u>509,795</u>
<b>Expenses</b>			
Program services	79,309	-	79,309
Management and general	11,826	-	11,826
	<u>91,135</u>	<u>-</u>	<u>91,135</u>
Change in net assets	<u>53,979</u>	<u>364,681</u>	<u>418,660</u>
<b>Change in Net Assets</b>			
<b>Net Assets at Beginning of Year</b>	<b>53,979</b>	<b>364,681</b>	<b>418,660</b>
	<u><b>54,524</b></u>	<u><b>422,783</b></u>	<u><b>477,307</b></u>
<b>Net Assets at End of Year</b>	<b>\$ 108,503</b>	<b>\$ 787,464</b>	<b>\$ 895,967</b>

The Winthrop Foundation

Statement of Functional Expenses

June 30, 2024

Expenses	Program Services	General and Administrative		Total
		\$	4,000	
Contractors	\$ 2,906		4,000	\$ 8,000
Supplies	-		726	3,632
Professional fees			7,100	7,100
Awards and grants	71,956		-	71,956
Miscellaneous	447		-	447
<b>Total Expenses</b>	<b>\$ 79,309</b>		<b>\$ 11,826</b>	<b>\$ 91,135</b>

The Winthrop Foundation

Statement of Cash Flows

June 30, 2024

**Cash Flows from Operating Activities**

**Change in net assets** \$ 418,660

Adjustments to reconcile change in net assets to net cash used in operating activities

Investment income, net (3,726)

**Net Cash Used in Operating Activities** 414,934

**Cash Flows from Investing Activities**

Proceeds from the purchase of investments (250,000)

**Net Cash Used in Investing Activities** (250,000)

**Net Increase in Cash and Cash Equivalents** 164,934

**Cash and Cash Equivalents - Beginning** \$ 477,307

**Cash and Cash Equivalents - Ending** \$ 642,241

# The Winthrop Foundation

## Notes to Financial Statements

June 30, 2024

### (1) Summary of Significant Accounting Policies

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 (GAAP). The significant accounting policies followed by The Winthrop Foundation (the Organization) are described below to enhance the usefulness of the financial statements to the reader.

#### *Nature of Activities*

The Winthrop Foundation (the “Organization”) was organized in the Commonwealth of Massachusetts as a non-profit organization on May 14, 2019. It was established to provide funding of programs or projects in or benefitting the Town of Winthrop to avoid, limit, or mitigate any environmental or socioeconomic impacts or effects of works, projects, or activities at Logan Airport, and/or funding of any projects for public or charitable purposes that benefit of the Town of Winthrop and offset or mitigate against such impacts or effects, including, without limitation, projects acquiring, creating, preserving and/or rehabilitating open space, active and passive recreation, and/or conservation. It also provides expenditures for research and education, including conferences and seminars, to promote local business initiatives in the Town of Winthrop that relate to airport functions and needs.

#### *Basis of Presentation*

The statement of activities reports 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 attributable to the Organization’s ongoing efforts. Investment income, realized and unrealized gains and losses on investments, net of related management fees are reported as non-operating revenue because such assets are managed for long-term stabilization of the Organization’s activities.

#### *Standards of Accounting and Reporting*

The Organization’s net assets (excess of its assets over liabilities) and its revenues, expenses, gains and losses are classified based on the existence or absence of donor-imposed restrictions.

The statement of financial position presents two classes of net assets (net assets without donor restrictions and net assets with donor restrictions) and the statement 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 restrictions. Net assets without donor restrictions consist of assets and contributions available for the support of operations. These net assets may be designated for specific purposes by management or the Board of Directors. Gains and losses on investments are reported as increases or decreases in net assets without donor restrictions unless their use is restricted by explicit donor stipulations or law. Net assets that are subject to donor-imposed stipulations that are satisfied in the same period are included in net assets without donor restrictions.

**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 passage of time. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions.

# The Winthrop Foundation

## Notes to Financial Statements

June 30, 2024

### ***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.

The Organization maintains its cash balances at one financial institution 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 government provided insurance. Management believes that no significant concentration of credit risk exists with respect to these cash balances as of June 30, 2024.

### ***Revenue Recognition***

The Organization earns revenue as follows:

**Contributions** - In accordance with ASC Sub Topic 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 includes a barrier that must be overcome and either a right of return of assets or a right of release of a promise to transfer assets exists. Indicators of a barrier include measurable performance-related barrier or other measurable 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

**Grants** - Grants are recorded as revenue as costs related to the services provided are incurred. The Organization receives a grant from Massport to perform activities to mitigate any environmental or socioeconomic impacts or effects of works, projects, or activities at Logan Airport, and/or funding of any projects for public or charitable purposes that benefit of the Town of Winthrop.

Substantially all of the Organization's revenue is derived from its activities in Massachusetts. During the year ended June 30, 2024, the Organization derived approximately 99% of its revenue from grants and contributions and 1% from investment income. All revenue is recorded at the estimated net realizable amounts.

### ***Functional Allocation of Expenses***

The costs of providing various programs and other activities have been summarized on a functional basis in the statement of activities and in the statement 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.

## **The Winthrop Foundation**

### Notes to Financial Statements

June 30, 2024

#### ***Use of Estimates***

In preparing the Organization's financial statements in conformity with 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.

#### ***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.

Management has analyzed the tax positions taken by the organization and has concluded that, as of June 30, 2024, there are no uncertain tax positions taken or expected to be taken that would require recognition of a liability (or asset) or disclosure in the financial statements.

Generally, the Organization's information returns remain open for possible examination for three years after the filing date. While no income tax returns are currently being examined by the Internal Revenue Service, tax years since 2021 remain open.

#### ***Investments***

The Organization carries investments in certificates of deposits at fair value. Interest is recorded when earned and reported on the statement of activities within other income. Gain and losses are recognized as incurred or based on fair value changes during the year. Investments are exposed to risks such as interest rate, credit, and overall market volatility.

As of June 30, 2024, all investments are in certificates of deposits. Certificates of deposits that are due to mature within one year are included in investments - short term on the statement of financial position.

# The Winthrop Foundation

## Notes to Financial Statements

June 30, 2024

### (2) Net Assets

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 June 30, 2024, net assets with donor restrictions are restricted as follows:

Town of Winthrop Projects	\$ 793,474
Total	\$ <u>793,474</u>

Net assets released from restrictions during the year ended June 30, 2024 were \$85,319, of which all was from purpose restrictions.

### (3) Liquidity and Availability of Resources

The following reflects the Organization's financial assets as of June 30, 2024, reduced by amounts not available for general use because of contractual or donor-imposed restrictions within one year from the statement of financial position date:

Financial assets at June 30, 2024:

Cash and cash equivalents	\$ 642,241
Investments	<u>253,726</u>
Total	<u>895,967</u>

Less amounts unavailable for general expenditures  
within one year, due to:

Purpose restrictions	<u>793,474</u>
Total	<u>793,474</u>

Financial assets available to meet cash needs for  
general expenditures within one year: \$ 102,493

The Organization is supported by restricted contributions at times. 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.

### (4) Subsequent Events

The Organization has performed an evaluation of subsequent events through November 27, 2024, which is the date the Organization's financial statements were available to be issued. No material subsequent events have occurred since June 30, 2024 that required recognition or disclosure in these financial statements.