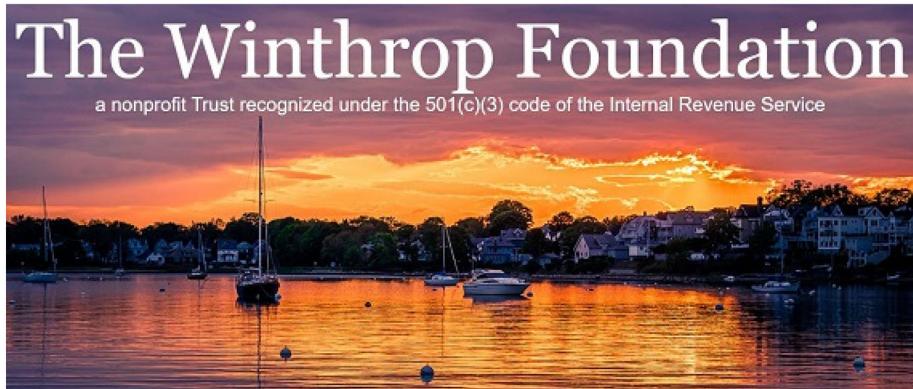


# The Winthrop Foundation

Financial Statements

June 30, 2021



**The Winthrop Foundation**

**Index**

June 30, 2021

**Independent Auditors' Report**

**Financial Statements:**

Statement of Financial Position as of June 30, 2021 with Comparative Totals as of June 30, 2020	1
Statement of Activities for the Year Ended June 30, 2021 with Comparative Totals for the Year Ended June 30, 2020	2
Statement of Cash Flows for the Year Ended June 30, 2021 with Comparative Totals for the Year Ended June 30, 2020	3
Statement of Functional Expenses for the Year Ended June 30, 2021 with Comparative Totals for the Year Ended June 30, 2020	4
Notes to Financial Statements	5-8

## Independent Auditor's Report

To the Board of Directors  
The Winthrop Foundation  
P.O. Box 520305  
Winthrop, MA 02152

### Opinion

We have audited the accompanying financial statements of The Winthrop Foundation (a nonprofit organization), which comprise the statement of financial position as of June 30, 2021, and the related statements of activities and cash flows for the year 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 Winthrop Foundation as of June 30, 2021, 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. 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 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 for 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 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.

#### **Report on Summarized Comparative Information**

We have previously audited The Winthrop Foundation's 2020 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated November 10, 2020. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2020, is consistent, in all material respects, with the audited financial statements from which it has been derived.

/s/ De Biasi & Nash, LLC

De Biasi & Nash, LLC

Revere, MA  
November 5, 2021

**The Winthrop Foundation**

Statement of Financial Position

As of June 30, 2021  
With Comparative Totals as of June 30, 2020

	<u>2021</u>	<u>2020</u>
<b>Current Assets</b>		
Cash and cash equivalents	\$ 297,486	\$ 444,496
Accounts receivable, net	<u>500,000</u>	-
Total current assets	<u>797,486</u>	<u>444,496</u>
<b>Total Assets</b>	<u>\$ 797,486</u>	<u>\$ 444,496</u>
<b>Liabilities and Net Assets</b>		
<b>Current Liabilities</b>		
Accrued expenses	\$ 31,000	\$ 6,000
Total current liabilities	<u>31,000</u>	<u>6,000</u>
Total liabilities	<u>31,000</u>	<u>6,000</u>
<b>Net Assets</b>		
Net assets without donor restrictions	70,723	90
Net assets with donor restrictions	<u>695,763</u>	<u>438,406</u>
Total net assets	<u>766,486</u>	<u>438,496</u>
<b>Total Liabilities and Net Assets</b>	<u>\$ 797,486</u>	<u>\$ 444,496</u>

**The Winthrop Foundation**

Statement of Activities

For the Year Ended June 30, 2021  
 With Comparative Totals for the Year Ended June 30, 2020

	Net Assets Without Donor Restrictions	Net Assets With Donor Restrictions	2021 Total	2020 Total
<b>Revenue and Support</b>				
Grants and contracts	\$ -	\$ 500,000	\$ 500,000	\$ 500,000
Net assets released from restrictions	242,643	(242,643)	-	-
Other revenue	42	-	42	90
Total revenue and support	<u>242,685</u>	<u>257,357</u>	<u>500,042</u>	<u>500,090</u>
<b>Expenses</b>				
Administration	14,416	-	14,416	10,397
Fundraising	-	-	-	-
Program services	<u>157,636</u>	<u>-</u>	<u>157,636</u>	<u>51,197</u>
Total expenses	<u>172,052</u>	<u>-</u>	<u>172,052</u>	<u>61,594</u>
Change in net assets	<u>70,633</u>	<u>257,357</u>	<u>327,990</u>	<u>438,496</u>
<b>Total Change in Net Assets</b>	<b>70,633</b>	<b>257,357</b>	<b>327,990</b>	<b>438,496</b>
<b>Net Assets at Beginning of Year</b>	<b>90</b>	<b>438,406</b>	<b>438,496</b>	<b>-</b>
<b>Net Assets at End of Year</b>	<b>\$ 70,723</b>	<b>\$ 695,763</b>	<b>\$ 766,486</b>	<b>\$ 438,496</b>

**The Winthrop Foundation**

Statement of Cash Flows

For the Year Ended June 30, 2021  
 With Comparative Totals for the Year Ended June 30, 2020

<b>Cash Flows from Operating Activities</b>	<b>2021</b>	<b>2020</b>
<b>Change in net assets</b>		
Decrease (increase) in assets		
Accounts receivable	\$ 327,990	\$ 438,496
Increase (decrease) in liabilities		
Accrued expenses	25,000	6,000
<b>Net Cash (Used in) Provided by Operating Activities</b>	<b>(147,010)</b>	<b>444,496</b>
<b>Net (Decrease) Increase in Cash and Cash Equivalents</b>	<b>(147,010)</b>	<b>-</b>
<b>Cash and Cash Equivalents - Beginning</b>	<b>444,496</b>	<b>-</b>
<b>Cash and Cash Equivalents - Ending</b>	<b>\$ 297,486</b>	<b>\$ 444,496</b>

**The Winthrop Foundation**

Statement of Functional Expenses

For the Year Ended June 30, 2021  
 With Comparative Totals for the Year Ended June 30, 2020

	<u>Administration</u>	<u>Fundraising</u>	<u>Program Services</u>	<u>2021 Total</u>	<u>2020 Total</u>
<b>Functional Expenses</b>					
Advertising	\$ -	\$ -	\$ -	\$ -	\$ 1,005
Administrative	-	-	-	-	4,802
Grants and awards	-	-	152,865	152,865	46,575
Computer and IT	-	-	-	-	2,935
Professional fees	9,645	-	-	9,645	6,000
Contractors	4,771	-	4,771	9,542	-
Bank fees	-	-	-	-	277
<b>Total Functional Expenses</b>	<b>\$ 14,416</b>	<b>\$ -</b>	<b>\$ 157,636</b>	<b>\$ 172,052</b>	<b>\$ 61,594</b>

## The Winthrop Foundation

### Notes to Financial Statements

June 30, 2021

#### **(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.

##### ***(a) 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.

##### ***(b) 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. Retail revenue consists of the results of operating the Organization’s retail store. 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.

##### ***(c) 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:

# The Winthrop Foundation

## Notes to Financial Statements

June 30, 2021

### (1) Summary of Significant Accounting Policies - continued

#### *(c) Standards of Accounting and Reporting - continued*

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 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.

#### *(d) 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 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 government provided insurance. Management believes that no significant concentration of credit risk exists with respect to these cash balances as of June 30, 2021.

#### *(e) Revenue Recognition*

The Organization earns revenue as follows:

**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, 2021, the Organization derived approximately 99% of its total revenue from one corporate grant and 1% for miscellaneous other income. All revenue is recorded at the estimated net realizable amounts.

## The Winthrop Foundation

### Notes to Financial Statements

June 30, 2021

#### (1) Summary of Significant Accounting Policies – continued

##### *(f) Accounts Receivable*

Accounts receivable are stated at the amount management expects to collect from outstanding balances. Management provides for probable uncollectible amounts through a provision for bad debt expense and an adjustment to a valuation allowance based on its assessment of the current status of individual accounts. Balances that are outstanding after management has used reasonable collection efforts are written off through a charge to the valuation allowance and a credit to accounts receivable. As of June 30, 2021, management has determined any allowance would be immaterial.

The Organization does not have a policy to accrue interest on receivables. The Organization has no policies requiring collateral or other security to secure the accounts receivable.

As of June 30, 2021, 100% of the organization's accounts receivable is due from Massport.

##### *(g) 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.

##### *(h) 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.

##### *(i) 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).

# The Winthrop Foundation

## Notes to Financial Statements

June 30, 2021

### (2) Concentrations

#### (a) Major Grantors

For the year ended June 30, 2021, The Winthrop Foundation received grants totaling \$500,000 directly from Massport which represented 99% of The Winthrop Foundation's total revenue and support.

### (3) Net Assets

#### (b) Net Assets With and Without Donor Restrictions

The Organization's net assets is comprised of unrestricted and donor restricted amounts shown below as of June 30, 2021:

	<u>2020</u>
Without donor restriction	\$ 70,723
Donor restricted	695,763
Total	<u>\$ 766,486</u>

During the year ended June 30, 2021, all net assets with donor restriction were used for various grants and local causes that the Organization supports throughout the year.

During the year ended June 30, 2021, all net assets without donor restriction were used for administrative expenses relating to various grants and local causes that the Organization supports throughout the year.

### (4) Subsequent Events

The Organization has performed an evaluation of subsequent events through November 5, 2021, which is the date the Organization's financial statements were available to be issued. No material subsequent events have occurred since June 30, 2021 that required recognition or disclosure in these financial statements.