FINANCIAL STATEMENTS
JUNE 30, 2021 AND 2020
<table>
<thead>
<tr>
<th>Section</th>
<th>Pages</th>
</tr>
</thead>
<tbody>
<tr>
<td>Independent Auditor’s Report</td>
<td>1</td>
</tr>
<tr>
<td>Financial Statements:</td>
<td></td>
</tr>
<tr>
<td>Statements of Financial Position</td>
<td>2</td>
</tr>
<tr>
<td>Statements of Activities</td>
<td>3 - 4</td>
</tr>
<tr>
<td>Statements of Changes in Net Assets</td>
<td>5</td>
</tr>
<tr>
<td>Statements of Cash Flows</td>
<td>6</td>
</tr>
<tr>
<td>Statements of Functional Expenses</td>
<td>7 - 8</td>
</tr>
<tr>
<td>Notes to Financial Statements</td>
<td>9 - 22</td>
</tr>
</tbody>
</table>
Independent Auditor’s Report

To the Board of Directors of
United Way of Tri-County, Inc.:

Report on the Financial Statements

We have audited the accompanying financial statements of United Way of Tri-County, Inc. (a Massachusetts corporation, not for profit) which comprise the statements of financial position as of June 30, 2021 and 2020, and the related statements of activities, changes in net assets, cash flows and functional expenses for the years then ended, and the related notes to the financial statements.

Management’s Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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.

Auditor’s Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor’s judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity’s preparation and fair presentation of the financial statements 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 entity’s internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of United Way of Tri-County, Inc. as of June 30, 2021 and 2020, 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.

AAFCPAs, Inc.

Boston, Massachusetts
October 20, 2021
### Assets

#### Current Assets:
- **Cash**: $1,439,948 \(\text{vs} \) $1,182,992
- **Pledges receivable, net of allowances for uncollectible pledges of approximately $105,000 and $40,000 at June 30, 2021 and 2020, respectively**: $497,518 \(\text{vs} \) $574,476
- **Designations receivable, net of allowances for uncollectible designations of approximately $22,000 and $382,000 at June 30, 2021 and 2020, respectively**: $16,119 \(\text{vs} \) $538,753
- **Accounts receivable**: $41,110 \(\text{vs} \) $18,457
- **Grants receivable**: $436,786 \(\text{vs} \) $- 
- **Current portion of contribution receivable - charitable lead trust**: $25,000 \(\text{vs} \) $25,000
- **Inventory, net**: $8,463 \(\text{vs} \) $12,723
- **Prepaid expenses**: $15,452 \(\text{vs} \) $13,831

**Total current assets**: $2,480,396 \(\text{vs} \) $2,366,232

#### Investments
- **Contribution Receivable - Charitable Lead Trust, net of current portion**: $146,447 \(\text{vs} \) $138,634
- **Property and Equipment, net**: $2,717,037 \(\text{vs} \) $2,198,242
- **Security Deposits**: $12,115 \(\text{vs} \) $12,115

**Total assets**: $5,937,757 \(\text{vs} \) $5,161,293

### Liabilities and Net Assets

#### Current Liabilities:
- **Current portion of long-term debt**: $68,522 \(\text{vs} \) $65,169
- **Capital lease obligation**: $- \(\text{vs} \) $12,553
- **Current portion of deferred revenue**: $21,500 \(\text{vs} \) $21,500
- **Accounts payable, accrued expenses and other**: $177,857 \(\text{vs} \) $220,709
- **Accrued designations**: $16,119 \(\text{vs} \) $538,753
- **Designations payable**: $37,728 \(\text{vs} \) $257,938

**Total current liabilities**: $321,726 \(\text{vs} \) $1,116,622

#### Conditional Grant Advance
- **Conditional Grant Advance**: $100,000 \(\text{vs} \) $477,752

**Total liabilities**: $1,651,801 \(\text{vs} \) $3,057,343

#### Net Assets:
- **Without donor restrictions**:
  - **Operating**: $2,573,471 \(\text{vs} \) $1,067,829
  - **Property and equipment**: $1,296,940 \(\text{vs} \) $636,051
  - **Board designated**: $91,817 \(\text{vs} \) $79,817

**Total without donor restrictions**: $3,962,228 \(\text{vs} \) $1,783,697

- **With donor restrictions**: $323,728 \(\text{vs} \) $320,253

**Total net assets**: $4,285,956 \(\text{vs} \) $2,103,950

**Total liabilities and net assets**: $5,937,757 \(\text{vs} \) $5,161,293

The accompanying notes are an integral part of these statements.
### Public Support and Revenues:

<table>
<thead>
<tr>
<th>Description</th>
<th>Without Donor Restrictions</th>
<th>With Donor Restrictions</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gross campaign results</td>
<td>$1,355,070</td>
<td>-</td>
<td>$1,355,070</td>
</tr>
<tr>
<td>Less - provision for uncollectible pledges and designations</td>
<td>126,723</td>
<td>-</td>
<td>126,723</td>
</tr>
<tr>
<td>Less - donor designations, net of service fees of $17,832</td>
<td>53,847</td>
<td>-</td>
<td>53,847</td>
</tr>
<tr>
<td>Net campaign revenue</td>
<td>1,174,500</td>
<td>-</td>
<td>1,174,500</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Description</th>
<th>Without Donor Restrictions</th>
<th>With Donor Restrictions</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Donated products</td>
<td>799,093</td>
<td>-</td>
<td>799,093</td>
</tr>
<tr>
<td>Less - cost of goods donated to the community</td>
<td>803,353</td>
<td>-</td>
<td>803,353</td>
</tr>
<tr>
<td>Portage fees and other sales</td>
<td>266,691</td>
<td>-</td>
<td>266,691</td>
</tr>
<tr>
<td>Net product philanthropy</td>
<td>262,431</td>
<td>-</td>
<td>262,431</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Description</th>
<th>Without Donor Restrictions</th>
<th>With Donor Restrictions</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Donated goods and services</td>
<td>3,766,772</td>
<td>-</td>
<td>3,766,772</td>
</tr>
<tr>
<td>Grants and contributions</td>
<td>3,140,473</td>
<td>3,113</td>
<td>3,143,586</td>
</tr>
<tr>
<td>Management fees</td>
<td>1,945,549</td>
<td>-</td>
<td>1,945,549</td>
</tr>
<tr>
<td>Special events</td>
<td>70,299</td>
<td>-</td>
<td>70,299</td>
</tr>
<tr>
<td>Miscellaneous income</td>
<td>69,492</td>
<td>-</td>
<td>69,492</td>
</tr>
<tr>
<td>Service fees</td>
<td>17,832</td>
<td>-</td>
<td>17,832</td>
</tr>
<tr>
<td>Investment earnings used for operations under the spending policy</td>
<td>8,515</td>
<td>-</td>
<td>8,515</td>
</tr>
<tr>
<td>Net assets released from program restrictions</td>
<td>28,759</td>
<td>(28,759)</td>
<td>-</td>
</tr>
<tr>
<td>Net assets released from time restrictions</td>
<td>25,000</td>
<td>(25,000)</td>
<td>-</td>
</tr>
<tr>
<td>Total other public support and revenues</td>
<td>9,072,691</td>
<td>(50,646)</td>
<td>9,022,045</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Description</th>
<th>Without Donor Restrictions</th>
<th>With Donor Restrictions</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total public support and revenues</td>
<td>10,509,622</td>
<td>(50,646)</td>
<td>10,458,976</td>
</tr>
</tbody>
</table>

### Operating Expenses:

<table>
<thead>
<tr>
<th>Description</th>
<th>Without Donor Restrictions</th>
<th>With Donor Restrictions</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Program services:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Allocations</td>
<td>229,964</td>
<td>-</td>
<td>229,964</td>
</tr>
<tr>
<td>United Way distribution services</td>
<td>1,089,026</td>
<td>-</td>
<td>1,089,026</td>
</tr>
<tr>
<td>Call center</td>
<td>1,857,049</td>
<td>-</td>
<td>1,857,049</td>
</tr>
<tr>
<td>Food security</td>
<td>4,305,380</td>
<td>-</td>
<td>4,305,380</td>
</tr>
<tr>
<td>Other program services</td>
<td>612,724</td>
<td>-</td>
<td>612,724</td>
</tr>
<tr>
<td>Total program services</td>
<td>8,094,143</td>
<td>-</td>
<td>8,094,143</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Description</th>
<th>Without Donor Restrictions</th>
<th>With Donor Restrictions</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Supporting services:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>General and administrative</td>
<td>490,825</td>
<td>-</td>
<td>490,825</td>
</tr>
<tr>
<td>Fundraising</td>
<td>441,488</td>
<td>-</td>
<td>441,488</td>
</tr>
<tr>
<td>Total supporting services</td>
<td>932,313</td>
<td>-</td>
<td>932,313</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Description</th>
<th>Without Donor Restrictions</th>
<th>With Donor Restrictions</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total operating expenses</td>
<td>9,026,456</td>
<td>-</td>
<td>9,026,456</td>
</tr>
<tr>
<td>Changes in net assets from operations</td>
<td>1,483,166</td>
<td>(50,646)</td>
<td>1,432,520</td>
</tr>
</tbody>
</table>

### Non-Operating Revenue (Expenses):

<table>
<thead>
<tr>
<th>Description</th>
<th>Without Donor Restrictions</th>
<th>With Donor Restrictions</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Capital grants</td>
<td>597,404</td>
<td>-</td>
<td>597,404</td>
</tr>
<tr>
<td>Investment return, net</td>
<td>97,961</td>
<td>29,823</td>
<td>127,784</td>
</tr>
<tr>
<td>Change in value of charitable lead trust</td>
<td>-</td>
<td>32,813</td>
<td>32,813</td>
</tr>
<tr>
<td>Investment earnings used for operations under the spending policy</td>
<td>-</td>
<td>(8,515)</td>
<td>(8,515)</td>
</tr>
<tr>
<td>Changes in net assets</td>
<td>$2,178,531</td>
<td>$3,475</td>
<td>$2,182,006</td>
</tr>
</tbody>
</table>

The accompanying notes are an integral part of these statements.
## UNITED WAY OF TRI-COUNTY, INC.

### Statement of Activities

For the Year Ended June 30, 2020

<table>
<thead>
<tr>
<th>Public Support and Revenues:</th>
<th>Without Donor Restrictions</th>
<th>With Donor Restrictions</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gross campaign results</td>
<td>$2,549,851</td>
<td>$ -</td>
<td>$2,549,851</td>
</tr>
<tr>
<td>Less - provision for uncollectible pledges and designations</td>
<td>421,384</td>
<td>-</td>
<td>421,384</td>
</tr>
<tr>
<td>Less - donor designations, net of service fees of $276,407</td>
<td>796,691</td>
<td>-</td>
<td>796,691</td>
</tr>
<tr>
<td>Net campaign revenue</td>
<td>1,331,776</td>
<td>-</td>
<td>1,331,776</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Product Philanthropy:</th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Donated products</td>
<td>1,104,394</td>
<td>-</td>
<td>1,104,394</td>
</tr>
<tr>
<td>Less - cost of goods donated to the community</td>
<td>1,116,155</td>
<td>-</td>
<td>1,116,155</td>
</tr>
<tr>
<td>Net product philanthropy</td>
<td>(11,761)</td>
<td>-</td>
<td>(11,761)</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Other public support and revenues:</th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Donated goods and services</td>
<td>3,379,456</td>
<td>-</td>
<td>3,379,456</td>
</tr>
<tr>
<td>Grants and contributions</td>
<td>1,352,068</td>
<td>28,758</td>
<td>1,380,826</td>
</tr>
<tr>
<td>Management fees</td>
<td>1,598,529</td>
<td>-</td>
<td>1,598,529</td>
</tr>
<tr>
<td>Special events</td>
<td>78,422</td>
<td>-</td>
<td>78,422</td>
</tr>
<tr>
<td>Miscellaneous income</td>
<td>69,712</td>
<td>-</td>
<td>69,712</td>
</tr>
<tr>
<td>Service fees</td>
<td>276,407</td>
<td>-</td>
<td>276,407</td>
</tr>
<tr>
<td>Investment earnings used for operations under the spending policy</td>
<td>3,610</td>
<td>-</td>
<td>3,610</td>
</tr>
<tr>
<td>Net assets released from program restrictions</td>
<td>1,009</td>
<td>(1,009)</td>
<td>-</td>
</tr>
<tr>
<td>Net assets released from time restrictions</td>
<td>25,000</td>
<td>(25,000)</td>
<td>-</td>
</tr>
<tr>
<td>Total other public support and revenues</td>
<td>6,784,213</td>
<td>2,749</td>
<td>6,786,962</td>
</tr>
</tbody>
</table>

| Total other public support and revenues | 8,369,994 | 2,749 | 8,372,743 |

### Operating Expenses:

**Program services:**
- Allocations: 253,540
- United Way distribution services: 801,983
- Call center: 1,439,122
- Food security: 3,831,834
- Other program services: 614,524
- Total program services: 6,941,003

**Supporting services:**
- General and administrative: 439,008
- Fundraising: 576,493
- Total supporting services: 1,015,501

**Total operating expenses:** 7,956,504

**Changes in net assets from operations:** 413,490

### Non-Operating Revenue (Expenses):

- Investment return, net: 8,268
- Change in value of charitable lead trust: - (4,393)
- Investment earnings used for operations under the spending policy: - (3,610)
- Changes in net assets: $421,758

The accompanying notes are an integral part of these statements.
<table>
<thead>
<tr>
<th></th>
<th>Without Donor Restrictions</th>
<th>With Donor Restrictions</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Balance, June 30, 2019</strong></td>
<td>$1,361,939</td>
<td>$317,859</td>
<td>$1,679,798</td>
</tr>
<tr>
<td>Changes in net assets</td>
<td>421,758</td>
<td>2,394</td>
<td>424,152</td>
</tr>
<tr>
<td><strong>Balance, June 30, 2020</strong></td>
<td>1,783,697</td>
<td>320,253</td>
<td>2,103,950</td>
</tr>
<tr>
<td>Changes in net assets</td>
<td>2,178,531</td>
<td>3,475</td>
<td>2,182,006</td>
</tr>
<tr>
<td><strong>Balance, June 30, 2021</strong></td>
<td>$3,962,228</td>
<td>$323,728</td>
<td>$4,285,956</td>
</tr>
</tbody>
</table>
UNITED WAY OF TRI-COUNTY, INC.

Statements of Cash Flows
For the Years Ended June 30, 2021 and 2020

<table>
<thead>
<tr>
<th></th>
<th>2021</th>
<th>2020</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Cash Flows from Operating Activities:</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Changes in net assets</td>
<td>$2,182,006</td>
<td>$424,152</td>
</tr>
<tr>
<td>Adjustments to reconcile changes in net assets to net cash provided by operating activities:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Provision for uncollectible pledges and designations</td>
<td>126,723</td>
<td>421,384</td>
</tr>
<tr>
<td>Depreciation</td>
<td>137,548</td>
<td>99,654</td>
</tr>
<tr>
<td>Capital grants</td>
<td>(597,404)</td>
<td>-</td>
</tr>
<tr>
<td>Investment return, net</td>
<td>(127,784)</td>
<td>(15,916)</td>
</tr>
<tr>
<td>Deferred revenue</td>
<td>(21,500)</td>
<td>(21,500)</td>
</tr>
<tr>
<td>Change in value of charitable lead trust</td>
<td>(32,813)</td>
<td>4,393</td>
</tr>
<tr>
<td>Changes in operating assets and liabilities:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Pledges receivable</td>
<td>(27,593)</td>
<td>10,069</td>
</tr>
<tr>
<td>Designations receivable</td>
<td>500,462</td>
<td>(418,201)</td>
</tr>
<tr>
<td>Accounts receivable</td>
<td>(22,653)</td>
<td>346,855</td>
</tr>
<tr>
<td>Grants receivable</td>
<td>(294,826)</td>
<td>-</td>
</tr>
<tr>
<td>Contribution receivable - charitable lead trust</td>
<td>25,000</td>
<td>25,000</td>
</tr>
<tr>
<td>Inventory</td>
<td>4,260</td>
<td>11,761</td>
</tr>
<tr>
<td>Prepaid expenses</td>
<td>(1,621)</td>
<td>(1,179)</td>
</tr>
<tr>
<td>Accounts payable, accrued expenses and other</td>
<td>(42,852)</td>
<td>(74,366)</td>
</tr>
<tr>
<td>Accrued designations</td>
<td>(522,634)</td>
<td>36,523</td>
</tr>
<tr>
<td>Designations payable</td>
<td>(220,210)</td>
<td>(69,141)</td>
</tr>
<tr>
<td>Conditional grant advance</td>
<td>(377,752)</td>
<td>477,752</td>
</tr>
<tr>
<td>Net cash provided by operating activities</td>
<td>686,357</td>
<td>1,257,240</td>
</tr>
</tbody>
</table>

| **Cash Flows from Investing Activities:** |          |          |
| Proceeds from sale of investments | 104,635   | 169,393  |
| Purchase of investments         | (112,543) | (172,783)|
| Purchase of property and equipment | (656,343) | (59,450) |
| Net cash used in investing activities | (664,251) | (62,840) |

| **Cash Flows from Financing Activities:** |          |          |
| Capital grants                  | 455,444   | -        |
| Principal payments on long-term debt | (208,041) | (126,089)|
| Principal payments on capital lease obligation | (12,553)  | (14,495) |
| Net cash provided by (used in) financing activities | 234,850   | (140,584)|

| **Net Change in Cash** |          |          |
| Net change in cash       | 256,956   | 1,053,816|

| **Cash:** |          |          |
| Beginning of year | 1,182,992 | 129,176  |
| End of year       | $1,439,948 | $1,182,992 |

| **Supplemental Disclosure of Cash Flow Information:** |          |          |
| Cash paid for interest | $66,477   | $79,167  |
| Unrealized gain on investments | $93,745   | $12,425  |

The accompanying notes are an integral part of these statements.
<table>
<thead>
<tr>
<th>Allocations</th>
<th>United Way Distribution Services</th>
<th>Call Center</th>
<th>Food Security</th>
<th>Other Program Services</th>
<th>Total Program Services</th>
<th>General and Administrative</th>
<th>Fundraising</th>
<th>Total Supporting Services</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Designations to nonprofits and United Ways</td>
<td>$138,147</td>
<td>$ -</td>
<td>$ -</td>
<td>$ -</td>
<td>$138,147</td>
<td>$ -</td>
<td>$ -</td>
<td>$138,147</td>
<td>$173,723</td>
</tr>
<tr>
<td>Allocations to agencies</td>
<td>91,817</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>91,817</td>
<td>-</td>
<td>-</td>
<td>91,817</td>
<td>79,817</td>
</tr>
<tr>
<td>Total allocations</td>
<td>229,964</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>229,964</td>
<td>-</td>
<td>-</td>
<td>229,964</td>
<td>253,540</td>
</tr>
</tbody>
</table>

### Personnel and Related Costs:

<table>
<thead>
<tr>
<th>Category</th>
<th>2021</th>
<th>2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>Salaries and wages</td>
<td>$1,146,428</td>
<td>$1,105,297</td>
</tr>
<tr>
<td>Fringe benefits</td>
<td>534,192</td>
<td>534,056</td>
</tr>
<tr>
<td>Payroll taxes</td>
<td>$423,725</td>
<td>$466,292</td>
</tr>
<tr>
<td>Total personnel and related costs</td>
<td>$2,204,349</td>
<td>$2,165,645</td>
</tr>
</tbody>
</table>

### Other:

<table>
<thead>
<tr>
<th>Item</th>
<th>2021</th>
<th>2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>Donated goods and services</td>
<td>$3,616,772</td>
<td>$3,333,730</td>
</tr>
<tr>
<td>Occupancy</td>
<td>203,252</td>
<td>204,399</td>
</tr>
<tr>
<td>Telephone</td>
<td>31,937</td>
<td>31,937</td>
</tr>
<tr>
<td>Professional fees and temporary labor</td>
<td>266,847</td>
<td>266,847</td>
</tr>
<tr>
<td>Donated advertising</td>
<td>120,000</td>
<td>120,000</td>
</tr>
<tr>
<td>Computer/hosting fees</td>
<td>96,612</td>
<td>96,612</td>
</tr>
<tr>
<td>Supplies</td>
<td>110,776</td>
<td>110,776</td>
</tr>
<tr>
<td>Grant expense</td>
<td>9,438</td>
<td>9,438</td>
</tr>
<tr>
<td>Travel and conferences</td>
<td>265,801</td>
<td>265,801</td>
</tr>
<tr>
<td>Food</td>
<td>88,939</td>
<td>88,939</td>
</tr>
<tr>
<td>Miscellaneous</td>
<td>69,773</td>
<td>69,773</td>
</tr>
<tr>
<td>Insurance</td>
<td>179,487</td>
<td>179,487</td>
</tr>
<tr>
<td>Interest</td>
<td>43,733</td>
<td>43,733</td>
</tr>
<tr>
<td>United Way dues</td>
<td>11,146</td>
<td>11,146</td>
</tr>
<tr>
<td>Equipment rental</td>
<td>236,847</td>
<td>236,847</td>
</tr>
<tr>
<td>Postage and printing</td>
<td>1,215,025</td>
<td>1,215,025</td>
</tr>
<tr>
<td>Special events</td>
<td>9,438</td>
<td>9,438</td>
</tr>
<tr>
<td>Campaign expenses</td>
<td>215,025</td>
<td>215,025</td>
</tr>
<tr>
<td>Total other</td>
<td>2,556,389</td>
<td>2,556,389</td>
</tr>
<tr>
<td>Depreciation</td>
<td>4,305,380</td>
<td>4,305,380</td>
</tr>
<tr>
<td>Total expenses</td>
<td>$9,026,456</td>
<td>$9,026,456</td>
</tr>
</tbody>
</table>

The accompanying notes are an integral part of these statements.
### UNITED WAY OF TRI-COUNTY, INC.

Statement of Functional Expenses
For the Year Ended June 30, 2020

#### General and Adminis-

<table>
<thead>
<tr>
<th>Program Services</th>
<th>Supporting Services</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Allocations</strong></td>
<td><strong>Total</strong></td>
</tr>
<tr>
<td><strong>Distribution</strong></td>
<td><strong>Program</strong></td>
</tr>
<tr>
<td>United Way</td>
<td>Call Center</td>
</tr>
<tr>
<td><strong>Allocations:</strong></td>
<td></td>
</tr>
<tr>
<td>Designations to nonprofits and United Ways</td>
<td>173,723</td>
</tr>
<tr>
<td>Allocation to agencies</td>
<td>79,817</td>
</tr>
<tr>
<td><strong>Total allocations</strong></td>
<td>253,540</td>
</tr>
</tbody>
</table>

#### Personnel and Related Costs:

| | | | | | | |
| **Allocations:** | | | | | | |
| Salaries and wages | - 407,885 | 899,277 | 377,006 | 183,796 | 1,867,964 | 105,219 | 287,043 | 392,262 | 2,260,226 |
| Fringe benefits | - 55,629 | 79,836 | 65,473 | 54,934 | 255,872 | 10,617 | 48,824 | 59,441 | 315,313 |
| Payroll taxes | - 46,254 | 96,087 | 34,512 | 16,480 | 193,333 | 7,987 | 20,568 | 28,555 | 221,888 |
| **Total personnel and related costs** | - 509,768 | 1,075,200 | 476,991 | 255,210 | 2,317,169 | 123,823 | 356,435 | 480,258 | 2,797,427 |

#### Other:

| | | | | | | |
| **Allocations:** | | | | | | |
| Donated goods and services | 3,057,464 | 171,992 | 3,229,456 | - | - | - | 3,229,456 |
| Occupancy | - 186,759 | 34,311 | 66,128 | 2,563 | 289,761 | 44,320 | 15,568 | 30,000 | 150,000 |
| Telephone | - 10,474 | 123,636 | 6,310 | 65,473 | 193,333 | 44,320 | 15,568 | 30,000 | 150,000 |
| Professional fees and temporary labor | - 549 | 29,972 | - | 7,500 | 38,021 | 52,497 | 3,832 | 3,832 | 3,832 |
| Donated advertising | - 46,254 | 96,087 | 34,512 | 16,480 | 193,333 | 7,987 | 20,568 | 28,555 | 221,888 |
| Computer/hosting fees | - 8,398 | 96,457 | 11,219 | 7,237 | 123,311 | 30,596 | 3,372 | 33,968 | 157,279 |
| Supplies | - 19,147 | 2,639 | 54,697 | 3,238 | 77,129 | 33,208 | 20,000 | 33,408 | 110,537 |
| Travel and conferences | - 14,395 | 3,142 | 45,869 | 1,582 | 64,988 | 13,179 | 9,589 | 22,768 | 87,756 |
| Food | - 914 | - | 8,398 | 3,832 | 12,236 | 61 | 3,832 | 3,832 | 3,832 |
| Miscellaneous | - 16,951 | 4,641 | 4,132 | 16,160 | 41,884 | 3,050 | 8,194 | 11,244 | 53,128 |
| Insurance | - 16,938 | 2,743 | 19,113 | 1,155 | 39,949 | 23,410 | 18,780 | 25,288 | 65,237 |
| Interest | - 40,717 | 17,124 | 8,129 | 65,970 | 74,293 | 74,293 | 74,293 | 74,293 | 74,293 |
| United Way dues | - 6,383 | 6,974 | 6,290 | 5,319 | 24,966 | 1,335 | 10,282 | 8,482 | 33,448 |
| Equipment rental | - 1,970 | 772 | 4,263 | 250 | 7,255 | 12,180 | 11,597 | 23,777 | 31,032 |
| Postage and printing | - 9,337 | 17,918 | 33,908 | 10,905 | 72,068 | 16,894 | 10,692 | 27,586 | 99,654 |
| Special events | - 4,641 | 4,132 | 4,132 | 16,160 | 41,884 | 3,050 | 8,194 | 11,244 | 53,128 |
| Campaign expenses | - 74,775 | 74,775 | 74,775 | 74,775 | 74,775 | 74,775 | 74,775 | 74,775 | 74,775 |

#### Depreciation

| | | | | | |
| **Depreciation** | | | | | |
| - 9,337 | 17,918 | 33,908 | 10,905 | 72,068 | 16,894 | 10,692 | 27,586 | 99,654 |

#### Total expenses

| | | | | | |
| **Total expenses** | $ 253,540 | $ 801,983 | $ 1,439,122 | $ 3,831,834 | $ 614,524 | $ 6,941,003 | $ 439,008 | $ 576,493 | $ 1,015,501 | $ 7,956,504 |

The accompanying notes are an integral part of these statements.

Page 8
1. OPERATIONS AND NONPROFIT STATUS

United Way of Tri-County, Inc. (the Organization) was incorporated through the merging of five United Way organizations: the United Way of Assabet Valley, United Way of Neponset Valley, the United Way of Metro-West, the Westminster United Way, and the Clinton Community United Way. The Organization is one of 1,340 locally managed and operated United Way organizations in America. Today the Organization provides services to thousands of our neighbors and friends in thirty-four communities throughout Norfolk, Middlesex, and Worcester Counties, better known as the Metro-West/495 Corridor. Community investment is made through the funding of trusted community partner agencies and through direct service programing in the areas of Food Security, Information and Referral, Product Philanthropy, and Call2Talk, our Mental Health and Suicide and Prevention program. Specifically, the Organization operates three food pantries and two congregate meal programs in Framingham, Marlborough and Clinton, Massachusetts; operates the state-wide Mass 2-1-1 Information and Referral Hotline for the Commonwealth of Massachusetts (the Commonwealth), and operates the United Way Distribution Services Product warehouse in Framingham, Massachusetts. Day-to-day management of the Organization is the responsibility of the President and Chief Professional Officer who reports directly to the Board of Directors.

The Organization is exempt from Federal income taxes as an organization (not a private foundation) formed for charitable purposes under Section 501(c)(3) of the Internal Revenue Code (IRC). The Organization is also exempt from state income taxes. Donors may deduct contributions made to the Organization within IRC requirements.

2. SIGNIFICANT ACCOUNTING POLICIES

The Organization prepares its financial statements in accordance with generally accepted accounting standards and principles (U.S. GAAP) established by the Financial Accounting Standards Board (FASB). References to U.S. GAAP in these notes are to the FASB Accounting Standards Codification (ASC).

Estimates

The preparation of financial statements in accordance with U.S. GAAP requires management to make estimates and assumptions that may affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities as of 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.

Cash

The Organization considers all cash balances not included in its investment portfolio to be cash for purposes of the statements of cash flows.

Allowance for Uncollectible Accounts

The allowance for uncollectible accounts is recorded based on management’s analysis of specific accounts and their estimate of amounts that may be uncollectible.

Grants Receivable

Grants receivable are reviewed by management and an allowance for doubtful accounts is established based on management’s analysis of specific grants and their estimate of amounts that may become uncollectible, if any. There was no allowance for uncollectable grants recorded as of June 30, 2021 or 2020.
2. **SIGNIFICANT ACCOUNTING POLICIES** (Continued)

**Inventory**

The United Way Distribution Services program links Product Philanthropy (see Note 7) (office furniture, computers, supplies, etc.) donors, including Gifts In-Kind International and local companies and institutions throughout Central New England, to community partner agencies of the Organization who are in need of these supplies. At the time of the distribution of the goods, each distribution is recognized as a donation to the partner agency for the total fair market value of the distribution. Partner agencies pay a membership fee for participation in the program. In addition, each distribution is assessed a portage fee of 15% based on the fair market value of the total order. These fees are included in portage fees and other sales in the accompanying statements of activities.

Inventory consists of Product Philanthropy items received that have not been distributed to community partner agencies. This inventory is accounted for at the lower of donation value (see Note 7) (as determined by the first-in, first-out (FIFO) method) or market.

Inventory reserve is recorded in an amount that would bring the net inventory amount down to the expected sales price (portage fees). The inventory reserve was $48,230 and $72,368 as of June 30, 2021 and 2020, respectively.

**Investments**

Interest and dividends are recorded as investment return when earned. Gains and losses are recognized as incurred or based on fair value changes during the period.

**Property and Equipment and Depreciation**

Property and equipment are recorded at cost, if purchased, or at fair value at the time of donation (see Note 4). Renewals and betterments are capitalized as additions to the related asset accounts, while repairs and maintenance are expensed as incurred.

Depreciation is computed using the straight-line method over the following estimated useful lives:

<table>
<thead>
<tr>
<th>Asset Type</th>
<th>Useful Life</th>
</tr>
</thead>
<tbody>
<tr>
<td>Building</td>
<td>40 years</td>
</tr>
<tr>
<td>Leasehold improvements</td>
<td>10 years or life of lease</td>
</tr>
<tr>
<td>Furniture and equipment</td>
<td>3 - 7 years</td>
</tr>
<tr>
<td>Vehicles</td>
<td>5 years</td>
</tr>
<tr>
<td>Website development</td>
<td>3 years</td>
</tr>
</tbody>
</table>

**Grants and Allocations Payable**

The Organization reserves the right to exercise variance authority over all grants and, as such, has no legal liability to pay the balance of any grant. Accordingly, grants and allocations are expensed based on predetermined payment schedules. Any grants and allocations that are due and not paid as of year-end in accordance with the predetermined payment schedule are recorded as a liability by the Organization.
2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Description of Net Assets

Net Assets Without Donor Restrictions

Net assets without donor restrictions are those net resources that bear no external restrictions and are generally available for use by the Organization. The Organization has grouped its net assets without donor restrictions into the following categories:

- **Operating** - represents funds available to carry on the operations of the Organization.

- **Property and Equipment** - represents the net book value of the Organization’s property and equipment, net of related debt.

- **Board Designated** - represents funds set aside by the Board of Directors for future allocations. These funds may only be used with the approval of the Board of Directors.

Net Assets With Donor Restrictions

The Organization receives contributions and grants that are subject to stipulations imposed by donors and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of the Organization or by the passage of time. Other donor restrictions are perpetual in nature, whereby the donor has stipulated the funds be maintained in perpetuity and only the investment income can be spent. Perpetually restricted net assets consist of donor contributions to the Success by Six Endowment Fund.

Net assets with donor restrictions consist of the following at June 30:

<table>
<thead>
<tr>
<th></th>
<th>2021</th>
<th>2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>Time restricted</td>
<td>$171,446</td>
<td>$163,633</td>
</tr>
<tr>
<td>Perpetually restricted</td>
<td>115,338</td>
<td>115,338</td>
</tr>
<tr>
<td>Appreciation on endowment</td>
<td>33,831</td>
<td>12,523</td>
</tr>
<tr>
<td>Purpose restricted</td>
<td>3,113</td>
<td>28,759</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$323,728</strong></td>
<td><strong>$320,253</strong></td>
</tr>
</tbody>
</table>

Endowment Investment Spending Policy

The Organization follows the Uniform Prudent Management of Institutional Funds Act (UPMIFA). Subject to the intent of a donor, the Organization may appropriate for expenditure or accumulate so much of an endowment fund as the Organization determines is prudent for the uses, benefits, purposes, and duration for which the endowment fund is established. The assets in an endowment fund are donor-restricted assets until appropriated for expenditure by the Organization.

The Board of Directors is in the process of implementing an investment policy to address specific returns and risk parameters as well as a spending policy to allow the Organization to designate a portion of the Organization’s cumulative investment return for support of operations. Under the Organization’s proposed spending policy, the Board of Directors may appropriate up to 5.40% of the fair value of the endowment to support operations. The Board of Directors has made appropriations totaling $8,515 and $3,610 to support operations for the years ended June 30, 2021 and 2020, respectively, based on the proposed spending policy.
2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Revenue Recognition, Pledges and Designations Receivable/Payable

The Organization generally measures earned revenue based on the amount of consideration the Organization expects to be entitled for the transfer of goods or services to a customer, then recognizes this revenue when or as the Organization satisfies its performance obligations under a contract, except in transactions where U.S. GAAP provides other applicable guidance. The Organization evaluates its revenue contracts with customers (i.e., management and service fee contracts) based on the five-step model under 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.

Management fees are recognized by the Organization for services provided (see Note 11), which consist of comprehensive operational and management services. Services are generally provided on an annual basis and the agreements specify the compensation arrangements for each annual period. Each service is considered a single performance obligation as each service is distinct. The performance obligations under these agreements are satisfied evenly over the year as the respective parties receive the benefits provided as the Organization performs. Management fees are generally recognized in one fiscal year.

Portage fees and other sales are recognized at the time of product distribution. Service fees are recognized by the Organization based on a percentage of campaigns outside of the Organization’s service area for services provided around managing these campaigns during the fiscal year. Service fees of $17,832 and $276,407 were deducted from donor designations to cover the costs incurred by the Organization in raising and processing them for the years ended June 30, 2021 and 2020, respectively. Donor designations include $138,147 and $173,723 in donor contributions from campaigns managed by the Organization that were designated to specific agencies and paid directly to third parties for the years ended June 30, 2021 and 2020, respectively. The Organization does not earn service fees on contributions that are paid in this manner. All other revenue is recognized as earned.

 Contributed income may include gifts of cash or promises to give. Grants and contributions, including unconditional promises to give, are recognized as revenues in the period received and recorded in the appropriate net asset category in accordance with donor-imposed restrictions. Conditional promises to give are not recognized until they become unconditional, that is, at the time when the conditions are substantially met. When considered material, grants and contributions to be received after one (1) year are discounted at an appropriate discount rate commensurate with the risk involved. Multi-year commitments are recorded during the year of the initial pledge.

In accordance with 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 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 a measurable performance-related barrier or other measurable barriers, 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 (see Note 18).
2. **SIGNIFICANT ACCOUNTING POLICIES** (Continued)

**Revenue Recognition, Pledges and Designations Receivable/Payable** (Continued)

Grants and contributions, including gross campaign results and donated products, goods and services, are recorded when received or unconditionally committed. Unconditional grants and contributions received are recorded as net assets without donor restrictions or net assets with donor restrictions, depending on the existence and/or nature of any donor-imposed restrictions. Grants and contributions that are restricted by the donor are reported as an increase in net assets without donor restrictions if the restriction expires in the reporting period in which the grant and contribution is recognized. All other donor restricted grants and contributions are reported as an increase in net assets with donor restrictions, depending on the nature of restriction. When a restriction expires (that is, when a stipulated time restriction ends or purpose 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. Special event revenue is recognized in the period in which the event takes place.

Pledges and designations receivable are recorded at their net present value when unconditionally committed (see Note 3). Collectability of pledges and designations receivable is analyzed by management based on the history of collections and management’s judgment. The risk of not collecting the pledges and designations is mitigated by the Organization’s policy to reduce payments of donor designations and allocations in the event that actual collections are lower than estimated amounts. Accordingly, accrued designations have been reduced by the same amount as the reserve amount on the designations receivable.

Donors to the campaign may designate all or part of their contributions to specific agencies. Such amounts made within the Organization’s service area are not included as allocations to agencies and are recorded as designations to nonprofits and United Ways in the accompanying statements of functional expenses. Designations made by donors outside of the Organization’s service area are recorded as a deduction from gross campaign results in the accompanying statements of activities as donor designations, net of service fees. The balances of donor designations to specific agencies that remain unpaid at year-end are reflected as designations payable in the accompanying statements of financial position.

**Expense Allocation**

Expenses related directly to a program are distributed to that program, while other expenses are allocated to programs based upon management’s estimate of the percentage attributable to each function.

Certain categories of expenses are attributable to more than one program or supporting function and are allocated on a reasonable basis that is consistently applied. The expenses that are allocated are personnel and related costs, which are allocated on the basis of estimates of time and effort; occupancy and depreciation, which are allocated on a square footage basis; and certain other costs, which are allocated based on usage studies conducted annually.

**Grant Expense**

Grant expense is recorded when awarded by the Organization as the conditions of the grant are met by the grantee.

**Allocations to Agencies**

Non-designated Community Care contributions are allocated to community partner agencies after completion of the fundraising campaign and upon approval of the Board of Directors.
2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Advertising Costs

The Organization expenses advertising costs as they are incurred.

Fair Value Measurements

The Organization follows the accounting and disclosure standards pertaining to ASC Topic, *Fair Value Measurements*, for qualifying assets and liabilities. Fair value is defined as the price that the Organization would receive upon selling an asset or pay to settle a liability in an orderly transaction between market participants.

The Organization uses a framework for measuring fair value that includes a hierarchy that categorizes and prioritizes the sources used to measure and disclose fair value. This hierarchy is broken down into three levels based on inputs that market participants would use in valuing the financial instruments based on market data obtained from sources independent of the Organization. Inputs refer broadly to the assumptions that market participants would use in pricing the financial instrument, including assumptions about risk. Inputs may be observable or unobservable. Observable inputs are inputs that reflect the assumptions market participants would use in pricing the financial instrument developed based on market data obtained from sources independent of the reporting entity. Unobservable inputs are inputs that reflect the reporting entity’s own assumptions about the assumptions market participants would use in pricing the asset developed based on the best information available.

The three-tier hierarchy of inputs is summarized in the three broad levels as follows:

- **Level 1** - Inputs that reflect unadjusted quoted prices in active markets for identical assets at the measurement date.
- **Level 2** - Inputs other than quoted prices that are observable for the asset either directly or indirectly, including inputs in markets that are not considered to be active.
- **Level 3** - Inputs that are unobservable, and which require significant judgment or estimation.

An asset or liability’s level within the framework is based upon the lowest level of any input that is significant to the fair value measurement.

*Investments*

Investments are recorded in the financial statements at fair value. If an investment is directly held by the Organization and an active market with quoted prices exists, the market price of an identical security is used to report fair value. Reported fair values of shares in mutual funds are based on share prices reported by the funds as of the last business day of the fiscal year. Investments are valued using Level 1 inputs as of June 30, 2021 and 2020.

*All Other Assets and Liabilities*

The carrying value of all other qualifying assets and liabilities, including contribution receivable - charitable lead trust and long-term debt, does not differ materially from its estimated fair value and are considered Level 1 in the fair value hierarchy.
2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Statements of Activities

Transactions deemed by management to be ongoing, major or central to the provision of program services are reported as public support and revenues and operating expenses in the accompanying statements of activities. Non-operating revenue (expenses) includes capital and investment activity.

Income Taxes

The Organization accounts for uncertainty in income taxes in accordance with ASC Topic, *Income Taxes*. This standard clarifies the accounting for uncertainty in tax positions and prescribes a recognition threshold and measurement attribute for the financial statements regarding a tax position taken or expected to be taken in a tax return. The Organization has determined that there are no uncertain tax positions which qualify for either recognition or disclosure in the financial statements at June 30, 2021 and 2020. The Organization’s information returns are subject to examination by the Federal and state jurisdictions.

Subsequent Events

Subsequent events have been evaluated through October 20, 2021, which is the date the financial statements were available to be issued. See Note 20 for an event that met the criteria for recognition or disclosure in the accompanying financial statements.

3. PLEDGES AND DESIGNATIONS RECEIVABLE

Pledges and designations receivable were comprised of the following as of June 30:

<table>
<thead>
<tr>
<th></th>
<th>2021</th>
<th>2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pledges</td>
<td>$602,069</td>
<td>$614,182</td>
</tr>
<tr>
<td>Designations</td>
<td>$38,291</td>
<td>$920,431</td>
</tr>
<tr>
<td>Less - allowance for uncollectible accounts</td>
<td>104,551</td>
<td>39,706</td>
</tr>
<tr>
<td></td>
<td>497,518</td>
<td>574,476</td>
</tr>
<tr>
<td>Pledges and designations receivable, net</td>
<td>$16,119</td>
<td>$538,753</td>
</tr>
</tbody>
</table>

All pledges and designations receivable are expected to be collected within one year.
4. PROPERTY AND EQUIPMENT

Property and equipment consist of the following at June 30:

<table>
<thead>
<tr>
<th></th>
<th>2021</th>
<th>2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>Land</td>
<td>$215,000</td>
<td>$215,000</td>
</tr>
<tr>
<td>Building</td>
<td>2,036,593</td>
<td>2,036,593</td>
</tr>
<tr>
<td>Leasehold improvements</td>
<td>323,514</td>
<td>149,705</td>
</tr>
<tr>
<td>Furniture and equipment</td>
<td>740,168</td>
<td>452,980</td>
</tr>
<tr>
<td>Vehicles</td>
<td>410,270</td>
<td>217,285</td>
</tr>
<tr>
<td>Website development</td>
<td>39,737</td>
<td>37,376</td>
</tr>
<tr>
<td><strong>Less - accumulated depreciation</strong></td>
<td><strong>1,048,245</strong></td>
<td><strong>910,697</strong></td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$3,765,282</strong></td>
<td><strong>$3,108,939</strong></td>
</tr>
</tbody>
</table>

On June 29, 2016, the Organization purchased the building it had previously leased for programmatic and administrative space. As part of completing this deal, the Organization purchased the building at a discount of $215,000 and entered into a ten-year lease agreement with its former landlord to leaseback office space in the Organization’s facility at a discounted price of $100 per month (see Note 10). The property was recorded at fair value and the difference between fair value and the property’s purchase price is recorded as deferred revenue in the accompanying statements of financial position. The Organization records rental income at fair value and amortizes the deferred revenue over the life of the lease. The Organization recognized $21,500 of related rental income for the years ended June 30, 2021 and 2020, which is included in miscellaneous income in the accompanying statements of activities.

5. INVESTMENTS

Investments consist of the following at June 30:

<table>
<thead>
<tr>
<th></th>
<th>2021</th>
<th>2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash and money market funds</td>
<td>$4,996</td>
<td>$2,996</td>
</tr>
<tr>
<td>Mutual funds:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Bond funds</td>
<td>164,276</td>
<td>118,796</td>
</tr>
<tr>
<td>Global markets - equity</td>
<td>132,284</td>
<td>100,764</td>
</tr>
<tr>
<td>Domestic markets - equity</td>
<td>280,206</td>
<td>223,514</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$581,762</strong></td>
<td><strong>$446,070</strong></td>
</tr>
</tbody>
</table>

Investments have been classified as non-current assets as it is management’s intent to invest these funds for long-term purposes. Investments are not insured and are subject to market fluctuations.

6. DONATED GOODS AND SERVICES

Donated services are recognized if the services create or enhance non-financial assets or require specialized skills that would typically need to be purchased if not provided by donation.

The financial statements do not include amounts for donated services for which an objective basis of measurement of the value of such services is not available, and these services are not specialized as defined in the standard for Contributions Received under U.S. GAAP. However, volunteers have donated significant amounts of their time and energy to the Organization. Based on management’s estimate, volunteers donated approximately 106,800 and 93,000 hours to the Organization during the years ended June 30, 2021 and 2020, respectively.
6. **DONATED GOODS AND SERVICES** (Continued)

Those goods and services that are able to be valued are reflected in the accompanying financial statements based upon the estimated value (donation value) assigned to them by the donating agencies or by management. The value of donated goods and services was as follows for the years ended June 30:

<table>
<thead>
<tr>
<th></th>
<th>2021</th>
<th>2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>Food</td>
<td>$3,437,284</td>
<td>$3,057,464</td>
</tr>
<tr>
<td>Holiday Giving Program and other</td>
<td>179,488</td>
<td>171,992</td>
</tr>
<tr>
<td>Advertising</td>
<td>150,000</td>
<td>150,000</td>
</tr>
<tr>
<td></td>
<td><strong>$3,766,772</strong></td>
<td><strong>$3,379,456</strong></td>
</tr>
</tbody>
</table>

7. **PRODUCT PHILANTHROPY**

Product Philanthropy represents donated goods received by the Organization for its United Way Distribution Services (see Note 2). Of the Product Philanthropy goods received, $682,850 and $948,732 were distributed to community partner agencies during fiscal years 2021 and 2020, respectively. These amounts are included in cost of goods donated to the community in the accompanying statements of activities. The balance of these goods ($8,463 and $12,723) is shown as inventory, net in the accompanying statements of financial position as of June 30, 2021 and 2020, respectively, and reflect goods to be distributed in a future period.

8. **LONG-TERM DEBT**

Long-term debt consists of the following at June 30:

<table>
<thead>
<tr>
<th></th>
<th>2021</th>
<th>2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>5% note payable to a realty trust</td>
<td><strong>$1,016,162</strong></td>
<td><strong>$1,072,033</strong></td>
</tr>
<tr>
<td>(seller-financed note), due in</td>
<td></td>
<td></td>
</tr>
<tr>
<td>monthly installments of principal</td>
<td></td>
<td></td>
</tr>
<tr>
<td>and interest of $9,000. This note</td>
<td></td>
<td></td>
</tr>
<tr>
<td>matures on April 1, 2034, and may</td>
<td></td>
<td></td>
</tr>
<tr>
<td>not be prepaid prior to July 1,</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2021, without the written consent of</td>
<td></td>
<td></td>
</tr>
<tr>
<td>the lender. This note is secured by a</td>
<td></td>
<td></td>
</tr>
<tr>
<td>second mortgage on the property.</td>
<td>$1,016,162</td>
<td>$1,072,033</td>
</tr>
</tbody>
</table>

Note payable to Avidia Bank, due in monthly installments of principal and interest of $2,388. This note accrues interest at 4.75% through June 29, 2026, at which time the interest rate will reset, and again on June 29, 2036, to the Federal Home Loan Bank rate, plus 2.5%, subject to a floor of 4.75%. This note matures on June 29, 2041, and is secured by a first mortgage on the property. During fiscal years 2021 and 2020, the Organization made additional principal payments of $141,537 and $29,366, respectively.

<table>
<thead>
<tr>
<th></th>
<th>2021</th>
<th>2020</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>196,435</td>
<td>348,605</td>
</tr>
<tr>
<td></td>
<td>1,212,597</td>
<td>1,420,638</td>
</tr>
<tr>
<td>Less - current portion</td>
<td>68,522</td>
<td>65,169</td>
</tr>
<tr>
<td></td>
<td><strong>$1,144,075</strong></td>
<td><strong>$1,355,469</strong></td>
</tr>
</tbody>
</table>
8. **LONG-TERM DEBT** (Continued)

Maturities of long-term debt over the next five years are as follows:

<table>
<thead>
<tr>
<th>Year</th>
<th>Facility</th>
<th>Equipment</th>
</tr>
</thead>
<tbody>
<tr>
<td>2022</td>
<td>$ 68,522</td>
<td>$ 22,356</td>
</tr>
<tr>
<td>2023</td>
<td>$ 71,748</td>
<td>$ 20,865</td>
</tr>
<tr>
<td>2024</td>
<td>$ 75,710</td>
<td>$ 16,500</td>
</tr>
<tr>
<td>2025</td>
<td>$ 79,650</td>
<td>$ -</td>
</tr>
<tr>
<td>2026</td>
<td>$ 83,750</td>
<td>$ -</td>
</tr>
</tbody>
</table>

9. **RETIREMENT PLANS**

The Organization sponsors an employee pension plan for all full-time employees. For the years ended June 30, 2021 and 2020, the Organization’s contributions based on a percentage of employee salaries totaled $122,455 and $111,169, respectively, and are included in fringe benefits in the accompanying statements of functional expenses.

The Organization also maintains an IRC Section 403(b) Tax-Deferred Annuity Plan. The Tax-Deferred Annuity Plan covers all eligible employees as defined in the plan. The Organization does not contribute to this plan.

10. **LEASE AGREEMENTS**

The Organization maintains an agreement to lease programmatic space through April 30, 2026. Monthly payments under this agreement range between $6,615 and $7,560.

In addition, the Organization leases additional program space under several tenant-at-will agreements for aggregate payments of approximately $3,500 per month. Facility rent expense for the years ended June 30, 2021 and 2020, was $124,027 and $121,428, respectively, and is included in occupancy in the accompanying statements of functional expenses.

The Organization also leases various equipment under operating lease agreements that expire through April 2024. The leases require aggregate monthly payments of approximately $1,900 and $2,300 for fiscal years 2021 and 2020, respectively. Total lease expense on all equipment was $32,348 and $26,899 for the years ended June 30, 2021 and 2020, respectively, and is included in equipment rental in the accompanying statements of functional expenses.

Future minimum lease payments are as follows:

<table>
<thead>
<tr>
<th>Year</th>
<th>Facility</th>
<th>Equipment</th>
</tr>
</thead>
<tbody>
<tr>
<td>2022</td>
<td>$ 81,010</td>
<td>$ 22,356</td>
</tr>
<tr>
<td>2023</td>
<td>$ 83,570</td>
<td>$ 20,865</td>
</tr>
<tr>
<td>2024</td>
<td>$ 86,050</td>
<td>$ 16,500</td>
</tr>
<tr>
<td>2025</td>
<td>$ 88,620</td>
<td>$ -</td>
</tr>
<tr>
<td>2026</td>
<td>$ 75,600</td>
<td>$ -</td>
</tr>
</tbody>
</table>

The Organization leased a vehicle with a cost of $87,134 through a capital lease agreement. The agreement bore interest of 4.2% and was due in monthly installments of principal and interest of $1,280. The lease matured in April 2021.

For the years ended June 30, 2021 and 2020, depreciation expense on the vehicle purchased under the capital lease was $3,631 and $4,357, respectively.
10. LEASE AGREEMENTS (Continued)

Rental Income

The Organization maintains a ten-year lease agreement with its former landlord to lease office space in the Organization’s facility. Monthly payments of $100 are due through June 30, 2026. Future minimum rental receipts are as follows:

<table>
<thead>
<tr>
<th>Year</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>2022</td>
<td>$1,200</td>
</tr>
<tr>
<td>2023</td>
<td>$1,200</td>
</tr>
<tr>
<td>2024</td>
<td>$1,200</td>
</tr>
<tr>
<td>2025</td>
<td>$1,200</td>
</tr>
<tr>
<td>2026</td>
<td>$1,200</td>
</tr>
</tbody>
</table>

11. COMMITMENTS

The Organization entered into an agreement to provide comprehensive operational and management services on behalf of Mass211, Inc. (Mass211) through June 30, 2019, at a management fee equal to the direct costs incurred to carry out the services required by Mass211’s grants and contracts. The Organization is currently negotiating a new agreement with Mass211, and the old agreement stays in effect until the new agreement is finalized. During fiscal years 2021 and 2020, the Organization incurred direct costs of approximately $1,826,000 and $1,439,000, respectively, which were billed to Mass211 for the years ended June 30, 2021 and 2020. These fees are included in management fees in the accompanying statements of activities. These fees comprised 17% of total public support and revenues for the years ended June 30, 2021 and 2020.

The Organization entered into an agreement to provide comprehensive operational and management services to the United Way of Pioneer Valley, Inc. effective October 1, 2018, through April 1, 2021, at a management fee equal to 10% of gross revenues as defined in the agreement. The Organization is currently negotiating a new agreement with the United Way of Pioneer Valley, Inc., and the old agreement stays in effect until the new agreement is finalized. The Organization recognized $120,000 and $160,000 of management fee revenue for fiscal years 2021 and 2020, respectively, which is included in management fees in the accompanying statements of activities. Either party can terminate this agreement without cause within 120 days prior written notice of termination.

12. CONCENTRATION OF CREDIT RISK

The Organization maintains its cash balances in multiple banks in Massachusetts. The Federal Deposit Insurance Corporation (FDIC) insures balances at each bank up to certain amounts. At certain times during the year, cash balances exceeded the insured amounts at certain banks. The Organization has not experienced any losses in such accounts. The Organization believes it is not exposed to any significant credit risk on cash.

13. ENDOWMENT

A reconciliation of endowment activities for fiscal years 2021 and 2020 is as follows:

<table>
<thead>
<tr>
<th></th>
<th>2021</th>
<th>2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>Endowment net assets, beginning of year</td>
<td>$127,861</td>
<td>$123,823</td>
</tr>
<tr>
<td>Investment return, net</td>
<td>29,823</td>
<td>7,648</td>
</tr>
<tr>
<td>Appropriations to operations</td>
<td>(8,515)</td>
<td>(3,610)</td>
</tr>
<tr>
<td>Endowment net assets, end of year</td>
<td>$149,169</td>
<td>$127,861</td>
</tr>
</tbody>
</table>
14. ALLOCATIONS

Allocations to agencies consist of the following for the years ended June 30:

<table>
<thead>
<tr>
<th>Agency</th>
<th>2021</th>
<th>2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>Boys &amp; Girls Clubs of MetroWest</td>
<td>$ 60,000</td>
<td>$ 60,000</td>
</tr>
<tr>
<td>Mass 211, Inc.</td>
<td>19,817</td>
<td>19,817</td>
</tr>
<tr>
<td>Framingham Public Schools</td>
<td>7,000</td>
<td>-</td>
</tr>
<tr>
<td>Provision Ministry, Inc.</td>
<td>5,000</td>
<td>-</td>
</tr>
<tr>
<td>Total allocation to agencies</td>
<td>$ 91,817</td>
<td>$ 79,817</td>
</tr>
</tbody>
</table>

15. CHARITABLE LEAD TRUST

The Organization is a beneficiary of a charitable lead annuity trust. The Organization is entitled to one-third of the fair value of the trust. The Organization received distributions of $25,000 during fiscal years 2021 and 2020 and will receive annual distributions of $25,000 until the trust is exhausted. The Organization’s share of the trust of $171,447 and $163,634 is included in net assets with donor restrictions and contribution receivable - charitable lead trust in the accompanying statements of financial position as of June 30, 2021 and 2020, respectively. The Organization recorded a change in value of charitable lead trust of $32,813 and $(4,393) in the accompanying statements of activities for the years ended June 30, 2021 and 2020, respectively.

16. CONTINGENCY

During fiscal year 2020, COVID-19 was recognized as a global pandemic and continued during fiscal year 2021. Federal, state and local governments in the United States have imposed restrictions on travel and business operations. While the business disruption is currently expected to be temporary, there is considerable uncertainty around the duration and the impact it will have on the Organization’s operations and financial position. As a result, the adverse impact COVID-19 will have on the Organization’s businesses, operating results, cash flows, and financial condition is uncertain. The financial impact to the Organization if any, cannot be reasonably estimated at this time.

17. LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS

Financial assets available for use by the Organization within one year from the statements of financial position date as of June 30, 2021 and 2020, are as follows:

<table>
<thead>
<tr>
<th></th>
<th>2021</th>
<th>2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash</td>
<td>$1,439,948</td>
<td>$1,182,992</td>
</tr>
<tr>
<td>Pledges receivable, net</td>
<td>497,518</td>
<td>574,476</td>
</tr>
<tr>
<td>Accounts receivable</td>
<td>41,110</td>
<td>18,457</td>
</tr>
<tr>
<td>Grants receivable</td>
<td>436,786</td>
<td>-</td>
</tr>
<tr>
<td>Current portion of contribution receivable - charitable lead trust</td>
<td>25,000</td>
<td>25,000</td>
</tr>
<tr>
<td>Investment return appropriation</td>
<td>8,500</td>
<td>3,600</td>
</tr>
<tr>
<td>Less - Board designated funds</td>
<td>(91,817)</td>
<td>(79,817)</td>
</tr>
<tr>
<td>Less - donor contributions restricted for specific purposes</td>
<td>(3,112)</td>
<td>(28,758)</td>
</tr>
</tbody>
</table>

Financial assets available to meet cash needs for general expenditures within one year | $2,353,933 | $1,695,950 |
17. LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS (Continued)

The Organization holds funds enough to meet daily operating needs in cash. In the event of an unanticipated liquidity need, management could utilize non-endowment investments which totaled $432,593 and $318,209 at June 30, 2021 and 2020, respectively. In addition, the Organization’s governing board has designated a portion of its unrestricted resources for making allocations to other agencies (see page 11 and Note 14). Those amounts are identified as Board designated funds in the table on the previous page and are generally not available for liquidity purposes. These funds may be spent at the discretion of the Board.

18. CONDITIONAL GRANTS

During fiscal year 2020, a foundation awarded the Organization a $100,000 grant, which is conditional upon the Organization meeting goals and certain criteria and is to be paid in four equal installments of $25,000 over four years. The Organization received the first installment of this grant during fiscal year 2020, which is included in grants and contributions with donor restrictions in the accompanying fiscal year 2020 statement of activities. The remaining conditions have not been met as of June 30, 2021, and therefore, the $75,000 remaining balance of the grant is not reflected in the accompanying financial statements.

During fiscal year 2021, a foundation awarded and advanced the Organization a $100,000 grant, which is conditional upon the Organization using the grant to acquire a new building. If the funds are not used in the acquisition of a new building, they are required to be returned to the donor. As of June 30, 2021, the Organization has not met the requirements and the full amount is shown as a conditional grant advance in the accompanying June 30, 2021 statement of financial position.

During fiscal year 2021, the Organization was awarded a $50,000 conditional grant. Payment of this grant is conditional upon the Organization meeting certain requirements and incurring costs as defined in the agreement. Accordingly, $15,994 representing the remaining balance of this grant, has not been reflected in the accompanying financial statements as of June 30, 2021.

During fiscal year 2020, the Organization applied for, and was awarded, a loan of $477,752 from the Paycheck Protection Program (PPP) established by the Coronavirus Aid, Relief and Economic Security Act (CARES Act) through a bank. The funds were used to pay certain payroll costs, including benefits as well as rent and utilities during a covered period as defined in the CARES Act. A portion of these funds may be forgiven, as defined in the agreement, at the end of the covered period and the remainder of the funds will be due over a two-year period with interest at 1%. Any repayment will be deferred for a certain period from the end of the covered period as determined by the Small Business Administration (SBA). The balance of the note that was not forgiven, plus interest, will be due in equal monthly payments through the maturity date as defined by the bank. The forgiveness calculations are subject to review and approval by the lending bank and SBA. The Organization is accounting for it as a conditional grant under ASC Subtopic 958-605, Revenue Recognition. It is determined that this grant was conditional upon certain performance requirements and the incurrence of eligible expenses. Amounts received are recognized as revenue when the Organization has incurred expenditures in compliance with the loan application and CARES Act requirements. As of June 30, 2021, the Organization recognized $477,752 of grant revenue and has been legally released from the obligation. As of June 30, 2020, the Organization had not met the requirements and the full amount is shown as a conditional grant advance in the accompanying June 30, 2020 statement of financial position. The Organization had not accrued interest as of June 30, 2020, since it expected the principal and interest to be forgiven.
18. **CONDITIONAL GRANTS** (Continued)

During fiscal year 2021, the Organization applied for and was awarded a second loan of $498,750 from the PPP established by CARES Act. The second draw PPP loan had the same general loan terms as the first draw PPP loan. The Organization is accounting for it as a conditional grant under ASC Subtopic 958-605, *Revenue Recognition*. It is determined that this grant is conditional upon certain performance requirements and the incurrence of eligible expenses. Amounts received are recognized as revenue when the Organization has incurred expenditures in compliance with the loan application and CARES Act requirements. As of June 30, 2021, the Organization recognized $498,750 of grant revenue and has been legally released from the obligation.

19. **RECLASSIFICATIONS**

Certain amounts in the fiscal year 2020 financial statements have been reclassified to conform with the fiscal year 2021 presentation.

20. **EMPLOYEE RETENTION TAX CREDIT**

The Employee Retention Tax Credit (ERTC) was first established by the CARES Act and was extended and expanded by the Consolidated Appropriations Act (CAA) and American Rescue Plan (ARP). ERTC provides a refundable tax credit against certain employment taxes equal to 50% of the first $10,000 in qualified wages paid to each employee between March 12, 2020 and December 31, 2020 (2020 ERTC), and 70% of the first $10,000, per quarter, in qualified wages paid to each employee between January 1, 2021 and December 31, 2021 (2021 ERTC). To be eligible, the Organization must meet certain conditions as described in applicable laws and regulations.

The Organization has determined that it qualifies for the 2021 ERTC, and therefore, is accounting for it as conditional grants under ASC Subtopic 958-605. These grants are conditional upon certain performance requirements and the incurrence of eligible expenses. In the opinion of management, these conditions were met as of June 30, 2021, and therefore, the entire refund of $294,826 that the Organization expects to receive is included in grants receivable in the accompanying fiscal year 2021 statement of financial position. Eligibility for the credit and the credit calculations are subject to review and approval by the Federal government. In the opinion of management, the results of such reviews and audit will not have a material effect on the financial position of the Organization as of June 30, 2021, and on the changes in its net assets for the year then ended. The funds were received subsequent to year end.