Massachusetts Association of Community Development Corporations

Financial Statements

June 30, 2021

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MASSACHUSETTS ASSOCIATION OF COMMUNITY DEVELOPMENT CORPORATIONS

Index

June 30, 2021

Independent Auditor's Report

To the Board of Directors of
Massachusetts Association of Community Development Corporations

Report on the Financial Statements

We have audited the accompanying financial statements of Massachusetts Association of Community Development Corporations, which comprise the statement of financial position as of June 30, 2021, and the related statements of activities, cash flows and functional expenses for the year 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 audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit 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 Massachusetts Association of Community Development Corporations 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.

Emphasis of Matter

As discussed in Note 1 to the financial statements, Massachusetts Association of Community Development Corporations has adopted ASU No. 2014-09, *Revenue from Contracts with Customers* and ASU 2018-13, *Fair Value Measurements (Topic 820), Disclosure Framework – Changes to the Disclosure Requirements for Fair Value Measurement*. Our opinion is not modified with respect to these matters.

Other Matters

Report on Summarized Comparative Information

The financial statements of Massachusetts Association of Community Development Corporations for the year ended June 30, 2020 were audited by another auditor who expressed an unmodified opinion on those financial statements on October 28, 2020. The prior year summarized comparative information is not intended to constitute a presentation in conformity with accounting principles generally accepted in the United States of America. 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.

CohnReznick LLP

Danvers, Massachusetts
December 23, 2021

MASSACHUSETTS ASSOCIATION OF COMMUNITY DEVELOPMENT CORPORATIONS

Statement of Financial Position

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

	2021	2020
ASSETS		
Current Assets		
Cash and cash equivalents	$ 605,219	$ 596,645
Grants and contracts receivable, net	131,340	139,753
Prepaid expenses	35,160	11,305
Total current assets	771,719	747,703
Fixed Assets		
Property and equipment	122,621	96,719
Total fixed assets	122,621	96,719
Less: accumulated depreciation	(67,957)	(52,329)
Total net fixed assets	54,664	44,390
Other Assets		
Deposits	23,978	13,738
Total other assets	23,978	13,738
Total Assets	$ 850,361	$ 805,831
LIABILITIES AND NET ASSETS		
Current Liabilities		
Accrued expenses	$ 54,846	$ 44,387
Accounts payable	51,084	26,818
Deferred revenue	35,941	44,750
Income tax payable	14,951	-
Note payable	-	122,500
Total current liabilities	156,822	238,455
Net Assets		
Net assets without donor restrictions	545,009	439,874
Net assets with donor restrictions	148,530	127,502
Total net assets	693,539	567,376
Total Liabilities and Net Assets	$ 850,361	$ 805,831

The accompanying notes are an integral part of these financial statements.

MASSACHUSETTS ASSOCIATION OF COMMUNITY DEVELOPMENT CORPORATIONS

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
Revenue and Support				
Grants and contracts				
Government	$ 419,097	$ -	$ 419,097	$ 400,832
Non-government	257,287	148,530	405,817	513,976
	676,384	148,530	824,914	914,808
Membership dues	173,191	-	173,191	157,476
Sponsorship	137,115	-	137,115	111,895
Mel King tuition and event	211,696	-	211,696	190,342
Contributions	225,849	-	225,849	108,739
In-kind donations and services	15,411	-	15,411	28,971
Insurance program fees	81,007	-	81,007	52,310
Other revenue	11,303	-	11,303	5,820
Released from restriction	127,502	(127,502)	-	-
Total revenue and support	1,659,458	21,028	1,680,486	1,570,361
Expenses				
Program services	1,359,072	-	1,359,072	1,459,180
General and administrative	224,269	-	224,269	100,370
Fundraising	93,482	-	93,482	67,364
Total expenses	1,676,823	-	1,676,823	1,626,914
Non-Operating Revenue				
PPP Loan Forgiveness	122,500	-	122,500	-
Total Non-Operating Revenue	122,500	-	122,500	-
Total Change in Net Assets	105,135	21,028	126,163	(56,553)
Net Assets at Beginning of Year	439,874	127,502	567,376	623,929
Net Assets at End of Year	$ 545,009	$ 148,530	$ 693,539	$ 567,376

The accompanying notes are an integral part of these financial statements.

MASSACHUSETTS ASSOCIATION OF COMMUNITY DEVELOPMENT CORPORATIONS

Statement of Cash Flows

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

	2021	2020
Cash Flows from Operating Activities		
Change in Net Assets	$ 126,163	$ (56,553)
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities		
Depreciation	15,628	16,142
Forgiveness of PPP loan	(122,500)	-
Decrease (increase) in assets:		
Grants and contracts receivable, net	8,413	105,291
Prepaid expenses	(23,855)	19,588
Other assets	(10,240)	-
Increase (decrease) in liabilities:		
Accounts payable	24,266	32
Accrued expenses	10,459	5,207
Deferred revenue	(8,809)	4,750
Income taxes payable	14,951	-
Net Cash Provided by Operating Activities	34,476	94,457
Cash Flows from Investing Activities		
Acquisition of property and equipment	(25,902)	(8,525)
Net Cash Used in Investing Activities	(25,902)	(8,525)
Financing Activities		
Proceeds from PPP loan	-	122,500
Net Cash Provided by by Financing Activities	-	122,500
Net Increase in Cash and Cash Equivalents	8,574	208,432
Cash and Cash Equivalents - Beginning	596,645	388,213
Cash and Cash Equivalents - Ending	$ 605,219	$ 596,645

The accompanying notes are an integral part of these financial statements.

MASSACHUSETTS ASSOCIATION OF COMMUNITY DEVELOPMENT CORPORATIONS

Statement of Functional Expenses

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

	Mel King Institute	Community Development Policy	Member Initiatives	Total Program Services	General and Administrative	Fundraising	2021 Total	2020 Total
Salaries	$ 280,872	$ 205,893	$ 221,732	$ 708,497	$ 112,057	$ 61,743	$ 882,297	$ 843,330
Payroll taxes	25,348	19,017	20,011	64,376	10,114	5,572	80,062	70,506
Fringe benefits	32,514	23,834	25,668	82,016	10,362	7,148	99,526	100,211
Subtotal	338,734	248,744	267,411	854,889	132,533	74,463	1,061,885	1,014,047
Consulting	196,111	99,052	33,581	328,744	42,501	7,750	378,995	330,511
Occupancy and utilities	33,784	24,765	26,671	85,220	13,480	7,426	106,126	102,937
Training and conferences	2,195	475	4,948	7,618	3,169	-	10,787	26,464
MKI meeting and training	28,011	-	-	28,011	-	-	28,011	60,869
Office expense	15,609	9,165	9,871	34,645	14,290	2,749	51,684	45,037
Evaluation expense	-	-	-	-	-	-	-	5,840
Memberships, subscriptions and donations	-	5,596	1,425	7,021	283	-	7,304	9,909
Printing	-	-	-	-	1,077	-	1,077	2,514
Depreciation	4,975	3,647	3,927	12,549	1,985	1,094	15,628	16,142
Special program expense	375	-	-	375	-	-	375	12,000
Taxes	-	-	-	-	14,951	-	14,951	644
	$ 619,794	$ 391,444	$ 347,834	$ 1,359,072	$ 224,269	$ 93,482	$ 1,676,823	$ 1,626,914

The accompanying notes are an integral part of these financial statements.

(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 (U.S. GAAP). The significant accounting policies followed by Massachusetts Association of Community Development Corporations (the Association) are described below to enhance the usefulness of the financial statements to the reader.

(a) Nature of Activities

The Association is a membership organization that seeks to build and sustain a high performing and adaptive community development sector that is supported by private and public investment and sound public policies. The Association advances racial and economic equity by creating healthy communities where everyone lives in housing they can afford, benefits from economic opportunities and can fully participate in the civic life of their community.

Mel King Institute - The Mel King Institute for Community Building (the Institute), which the Association co-founded and operates, fosters vibrant and thriving Massachusetts communities by advancing the skills, knowledge and leadership ability of professional practitioners and volunteer leaders in the community development field. According to its mission, the Mel King Institute for Community Building is "Advancing the skills, knowledge and leadership ability of professional practitioners and volunteer leaders in the community development field." To achieve its mission, the Institute leverages collaborative educational partnerships that offer high quality learning opportunities to professionals and volunteers in the community development field, encourage innovation, and promote and institutionalize systemic success. In addition to offering courses and workshops, the Institute operates a number of programs, including, a mentoring program, a training program for Public Housing tenants called the Resident Leadership Academy, the Alliance for Racial Equity and the Community Development Innovation Forum.

Community Development Policy - The Community Development Policy Program aims to help Community Development Corporations (CDCs) with their housing, economic development, and community development activities by creating a supportive policy environment. This includes working with local, state, and federal agencies and elected officials to design and fund various programs and it also includes working with private intermediaries, banks, foundations, and corporations to develop programs and establish partnerships.

(1) Summary of Significant Accounting Policies - continued

(a) Nature of Activities - continued

Member Initiatives - The Member Initiatives Program seeks to strengthen the capacity of the Association's member organizations to meet the various needs of their communities in such areas as affordable housing, economic development, small business development, asset development, youth development, and job training. As part of this program, the Association conducts peer groups to serve as learning and networking opportunities for practitioners; collaborates with other organizations to offer trainings and develop partnerships; provides technical assistance to local organizations; collects and shares information about best practices in the field; and provides group sponsored insurance.

(b) Basis of Presentation

The statement of activities reports all changes in net assets, including changes in net assets without donor restrictions from operating activities. Operating revenues consist of those monies received and other contributions attributable to the Association's ongoing efforts.

(c) Standards of Accounting and Reporting

The Association'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 Association 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 With Donor Restrictions - Net assets that are subject to donor-imposed stipulations that may or will be met, either by actions of the Association 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.

Net assets with donor restrictions also includes the original amount of gifts and investment earnings required by the donor to be permanently retained. Generally, the donors of these assets permit the Association to use all or part of the income earned on related investments for general or specific purposes.

(1) Summary of Significant Accounting Policies - continued

(d) Cash and Cash Equivalents

The Association 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 Association maintains its cash balances at 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 Association 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 Association earns revenue as follows:

The Association generally measures revenue based on the amounts of consideration it expects to be entitled for the transfers of goods and services to a customer, then recognizes its revenue as performance obligations are satisfied under a contract, except in transactions where U.S. GAAP provides other applicable guidance. The Association evaluates its revenue contracts with customers 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.

<u>Contracts</u> – Federal and state contracts that are considered reciprocal transactions or purchases of services, the results of which are turned over to the grantor, are recognized as the work under the contract is performed. Contracts that are considered nonreciprocal transactions that further the programs of the Association are recorded when the Association receives notification of the contract, or if, conditions for performance are imposed, revenue is recognized when conditions have been met. All contracts consists of two types, unit-rate and cost reimbursement contracts, all with ceiling amounts. Unit-rate contracts provide that revenue is to be earned and recognized at a negotiated or class rate for each unit-of-service that is provided for under the terms of the contract. Under the cost-reimbursement contracts, revenue recognition takes place as costs related to the services provided are incurred. Billings on the contracts are subject to final approval by the governmental agency.

(1) Summary of Significant Accounting Policies - continued

(e) Revenue Recognition - continued

Grants - The Association receives funding from federal and state governmental agencies and various other grantors for direct and indirect program costs associated with specific programs and projects. Various grants are subject to certain barriers as outlined in the agreement. Revenue is recognized as the barrier is met. For unconditional grants, revenue is recognized as contribution revenue that increases net assets with donor restrictions at the time the grant is received or pledged and the funds are released from restriction when the restriction has been met.

Membership Dues - Membership dues are on an annual basis that coincide with the Association's fiscal year. Revenue is recognized by the Association in the applicable membership period.

Sponsorship - Sponsorship revenue is earned and recognized by the Association at the time of the sponsored event.

Mel King Tuition and Events - Mel King tuition and event revenue is earned and recognized by the Association at the time of the event or training session.

Contributions - In accordance with ASC Sub Topic 958-605, *Revenue Recognition*, the Association 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 Association 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.

For the year ended June 30, 2021, 65% of contributions was from one donor.

Insurance Program Fees - Insurance program fees revenue is earned and recognized by the Association over the contract term.

Deferred revenue represents program service fee income received prior to year-end. These amounts are deferred and recognized over the periods to which the fees relate.

(1) Summary of Significant Accounting Policies - continued

(e) Revenue Recognition - continued

Substantially all of the Association's revenue is derived from its activities in Massachusetts. All revenue is recorded at the estimated net realizable amounts.

(f) Grants and Contracts Receivable

Grants and contracts 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 grants and contracts receivable. No balances were written off during the year ended June 30, 2021 and as of June 30, 2021, management has determined any allowance would be immaterial.

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

(g) Property and Equipment

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

The Association computes depreciation using the straight-line method over the following estimated lives:

Office equipment	3-5 years
Computer software	5 years

Property and equipment are reviewed for impairment if the use of the asset significantly changes or another indicator or possible impairment is noted. If the carrying amount for the asset is not recoverable, the value is written down to the asset's fair value.

(h) Fundraising Expense

Fundraising expense relates to the activities of raising general and specific contributions to the Association.

(1) Summary of Significant Accounting Policies - continued

(i) 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 Association. Costs are allocated to functions based upon time charges.

(j) Use of Estimates

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

(k) Income Taxes

The Association 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 Association's tax-exempt purpose is subject to taxation as unrelated business income. In addition, the Association is not a private foundation under Section 509(a)(1) of the IRC.

(l) Donated Services

The Association receives donated services from a variety of unpaid volunteers which make significant contributions of their time. Only the amounts that have met the criteria for recognition of such volunteer effort are recognized by the Association. Donated services in the amount of $15,411 were recognized by the Association for the year ended June 30, 2021 and reported with contributions on the statement of activities. The corresponding expense is reported in consulting on the statement of functional expenses.

(m) Summarized Financial Information for 2020

The financial statements include certain prior year summarized comparative information in total but not by net asset class. Also, the financial statements do not include a full presentation of the statement of functional expenses, as certain prior year summarized comparative information is presented in total but not by functional classification. In addition, the financial statements do not include full financial statement disclosures for the prior year.

Such information does not include sufficient detail to constitute a presentation in conformity with U.S. GAAP. Accordingly, such information should be read in conjunction with the Association's financial statements for the year ended June 30, 2020, from which the summarized information was derived.

(1) Summary of Significant Accounting Policies - continued

(n) Recent Accounting Standards Adopted

On July 1, 2020, the Association adopted ASU 2014-09, *Revenue from Contracts with Customers* and all subsequent amendments to the ASU (collectively, ASC 606). ASC 606 supersedes the revenue recognition requirements in Topic 605, Revenue Recognition, and requires the reporting entity to recognize revenues when control of promised goods or services is transferred to customers and at an amount that reflects the consideration to which the Association expects to be entitled in exchange for those goods or services. On July 1 2020, the Association adopted ASC 606 using the modified retrospective method applied to those contracts which were not competed as of July 1, 2020 (the practical expedient elected). Results for reporting periods beginning after July 1, 2020, are presented under ASC 606, while prior period amounts are not adjusted and continue to be reported in accordance with the Association's historic accounting under ASC 605.

There were no material changes in the timing of recognition of revenue and, therefore, there were no adjustments to the opening balance of net assets without donor restrictions. The Association does not expect the adoption of the new revenue standard to have a significant impact on its changes in net assets on an ongoing basis.

On July 1, 2020, the Association adopted ASU 2018-13, *Fair Value Measurement (Topic 820), Disclosure Framework - Changes to the Disclosure Requirements for Fair Value Measurement*. The amendments in this update removed the following disclosure requirements from Topic 820: (1) the amount of and reasons for transfers between Level 1 and Level 2 of the fair value hierarchy, (2) the policy for timing of transfers between levels, (3) the valuation processes for Level 3 fair value measurements and (4) the changes in unrealized gains and losses for the period included in earnings for recurring Level 3 fair value measurements held at the reporting period. The following disclosure requirements were modified in Topic 820: (1) in lieu of a roll forward for Level 3 fair value measurements, a nonpublic entity is required to disclose transfers into and out of Level 3 of the fair value hierarchy and purchases and issues of Level 3 assets and liabilities, (2) for investments in certain entities that calculate net asset value, an entity is required to disclose the timing of liquidation of an investee's assets and the date when restrictions from redemption might lapse only if the investee has communicated the timing to the entity or announced the timing publicly and (3) the amendments clarity that the measurement uncertainty disclosure is to communicate information about the uncertainty in measurement as of the reporting date. The disclosures to the financial statements were updated to reflect the amendments in this update.

(1) Summary of Significant Accounting Policies - continued

(o) Recent Accounting Standards

In June 2020, FASB issued ASU 2020-05, Revenue from Contracts with Customers (Topic 606) and Leases (Topic 842). ASU 2020-05 deferred the implementation date of ASU 2016-02 and ASU 2014-09 by one year. The Association has adopted ASU 2014-09. ASU 2016-02 is described below.

In February 2016, FASB issued ASU 2016-02, *Leases (Topic 842)* which sets out the principles for the recognition, measurement, presentation and disclosure of leases for both parties to a contract (i.e., lessees and lessors). The new standard requires lessees to apply a dual approach, classifying leases as either finance or operating leases based on the principle of whether or not the lease is effectively a financed purchase by the lessee. This classification will determine whether lease expense is recognized based on an effective interest method or on a straight line basis over the term of the lease, respectively. A lessee is also required to record a right-of-use asset and a lease liability for all leases with a term of greater than 12 months regardless of their classification. Leases with a term of 12 months or less will be accounted for similar to existing guidance for operating leases today.

The new standard requires lessors to account for leases using an approach that is substantially equivalent to existing guidance for sales-type leases, direct financing leases and operating leases. The ASU was set to be effective on January 1, 2021, with early adoption permitted. The effective date was extended to fiscal years beginning after December 15, 2021. The Association is currently evaluating the impact the adoption of this new standard will have on its financial statements.

In September 2020, FASB issued ASU 2020-07, Not-for-Profit Entities (Topic 958), Presentation and Disclosures by Not-for Profit Entities for Contributed Nonfinancial Assets. The amendments in this update address presentation and disclosure of contributed nonfinancial assets. The ASU is effective for annual periods beginning after June 15, 2021. The Association is currently evaluating the impact the adoption of this new standard will have on its financial statements.

(2) Conditional Grants

As of June 30, 2021, the Association has received approximately $360,000 of conditional commitments to contributions and grants that have not been recognized in these financial statements. Revenues on these grants and contributions will be recognized by the Association in future periods as the conditions are met.

As of June 30, 2021, future conditional commitments is as follows:

2022	$ 120,000
2023	120,000
2024	120,000

(3) Property and Equipment

Property and equipment consists of the following as of June 30, 2021:

Office equipment	$ 89,753
Website design	32,868
	$ 122,621

Depreciation expense for the year ended June 30, 2021 was $15,628.

(4) Note Payable

The Association received a Paycheck Protection Plan loan from Eastern Bank during the fiscal year ended June 30, 2020 in the original amount of $122,500 with a maturity date of April 15, 2022. The loan bore interest at a rate of 1%, which was deferred for the first six months. The Small Business Administration (SBA) disclosed criteria for forgiveness which included but was not limited to maintaining the full-time equivalent number of employees over certain time period and expending the funds on eligible expenses over the covered period. During the year ended June, 30, 2021, the loan was forgiven.

(5) Operating Lease Commitments

The Association occupies office space in Boston, Massachusetts under a non-cancelable operating lease agreement through September 30, 2021. During the year ended June 30, 2021, the Organization entered into a new non-cancelable lease agreement for office space in Boston, Massachusetts, the term of which commences of October 1, 2021. The minimum annual operating non-cancelable lease commitments on property leased by the Association are as follows:

2022	$ 104,455
2023	108,366
2024	111,126
2025	113,886
2026	116,655
Thereafter	282,552

Rent expense for the year ended June 30, 2021 was $100,962.

(6) Defined Contribution Plan

The Association has a defined contribution pension plan that qualifies as a tax-sheltered account under Section 403(b)(7) of the IRC for the benefit of eligible employees. All full time employees with more than 3 months of service are eligible to participate in this plan. Under the plan, benefit eligible employees can invest pre-tax dollars. The employees are not taxed on contributions or earnings until they receive distributions from the account. The Association's contributions under this plan amounted to $22,665 for the year ended June 30, 2021.

(7) Net Assets With Donor Restrictions

Net assets with donor restrictions consist of resources available to meet future obligations, but only in compliance with the restrictions specified by donors. As of June 30, 2021, net assets with donor restrictions are restricted for the following purposes or periods:

Member Initiatives	$	108,530
Time restriction		40,000
	$	148,530

Net assets released from restrictions during the year ended June 30, 2021 were $127,502, all of which was from program restrictions.

(8) Liquidity and Availability of Resources

The following reflects the Association's financial assets as of June 30, 2021, 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 year end:		
Cash and cash equivalents	$	605,219
Grants receivable		131,340
	$	736,559
Less those unavailable for general expenditure within one year, due to:		
Net assets with donor restrictions	$	148,530
Financial assets available to meet cash need for general expenditures within one year	$	588,029

(8) Liquidity and Availability of Resources - continued

The Association is supported by restricted contributions. Because a donor's restriction requires resources to be used in a particular manner or in a future period, the Association must maintain sufficient resources to meet those responsibilities to its donors. Thus, financial assets may not be available for general expenditure within one year. As part of the Association's liquidity management, it has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due.

(9) COVID-19 - *Risks and Uncertainties*

In early 2020, an outbreak of a novel strain of coronavirus (COVID-19) emerged globally. As a result, events have occurred including mandates from federal, state and local authorities leading to an overall decline in economic activity. As described in Note 4, the Association received a PPP loan. The Association is not able to estimate the length or severity of this outbreak and the related financial impact. Management plans to adjust its operations accordingly and will continue to assess and monitor the situation as it evolves. If the length of the outbreak and related effects on the Association's operations continue for an extended period of time the Association may have to seek alternative measures to finance its operations. The Association does not believe that the impact of COVID-19 would have a material adverse effect on its financial condition or liquidity.

(10) Subsequent Events

The Association has performed an evaluation of subsequent events through December 23, 2021 which is the date the Association'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.

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