METROWEST NONPROFIT NETWORK, INC.

FINANCIAL STATEMENTS AND

INDEPENDENT ACCOUNTANTS' REVIEW REPORT

FOR THE YEAR ENDED DECEMBER 31, 2022

Murphy,
Edwards,
Goncalves
&
Ferrera, PC

METROWEST NONPROFIT NETWORK, INC.

CONTENTS

DECEMBER 31, 2022

	PAGE(S)
Independent Accountants' Review Report	1 - 2
Statement of Financial Position	3
Statement of Activities	4
Statement of Functional Expenses	5
Statement of Cash Flows	6
Notes to Financial Statements	7 - 13

Murphy,
Edwards,
Goncalves
&
Ferrera, PC

Certified Public Accountants
and Business Advisors

INDEPENDENT ACCOUNTANTS' REVIEW REPORT

To the Board of Directors of
Metrowest Nonprofit Network, Inc.

We have reviewed the accompanying financial statements of Metrowest Nonprofit Network, Inc. (a nonprofit organization), which comprise the statement of financial position as of December 31, 2022, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements. A review includes primarily applying analytical procedures to management's financial data and making inquiries of management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, we do not express such an opinion.

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.

Accountants' Responsibility

Our responsibility is to conduct the review engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. These standards require us to perform procedures to obtain limited assurance as a basis for reporting whether we are aware of any material modifications that should be made to the financial statements for them to be in accordance with accounting principles generally accepted in the United States of America. We believe that the results of our procedures provide a reasonable basis for our conclusion.

We are required to be independent of Metrowest Nonprofit Network, Inc., Inc. and to meet our ethical responsibilities, in accordance with the relevant ethical requirements to our review.

INDEPENDENT ACCOUNTANTS' REVIEW REPORT

(Continued)

Accountants' Conclusion

Based on our review, we are not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in accordance with accounting principles generally accepted in the United States of America.

Summarized Comparative Information

We previously reviewed Metrowest Nonprofit Network, Inc.'s December 31, 2021 financial statements, and in our conclusion dated June 28, 2022, we stated that based on our review, we were not aware of any material modifications that should be made to the December 31, 2021 financial statements in order for them to be in accordance with accounting principles generally accepted in the United States of America. We are not aware of any material modifications that should be made to the summarized comparative information presented herein as of and for the year ended December 31, 2021, for it to be consistent with the reviewed financial statements from which it has been derived.

Murphy, Edwards, Goncalves & Ferreira, PC
Southborough, Massachusetts
February 23, 2023

METROWEST NONPROFIT NETWORK, INC.

STATEMENT OF FINANCIAL POSITION

AS OF DECEMBER 31, 2022

(With Comparative Totals as of December 31, 2021)

ASSETS

	2022	2021
CURRENT ASSETS:		
Cash and Cash Equivalents (Notes 2 and 3)	$ 151,743	$ 149,788
Total Current Assets	151,743	149,788
TOTAL ASSETS	$ 151,743	$ 149,788

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES:		
Accrued Expenses	$ -	$ 12,551
Total Current Liabilities	-	12,551
NET ASSETS:		
Without Donor Restrictions (Note 2)	135,960	108,510
With Donor Restrictions (Notes 2 and 4)	15,783	28,727
Total Net Assets	151,743	137,237
TOTAL LIABILITIES AND NET ASSETS	$ 151,743	$ 149,788

See Accompanying Notes and Independent Accountants' Review Report

METROWEST NONPROFIT NETWORK, INC.

STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED DECEMBER 31, 2022

(With Comparative Totals for the Year Ended December 31, 2021)

	Without Donor Restrictions	With Donor Restrictions	2022 Total	2021 Total
SUPPORT & REVENUE (Note 2)**:**				
Grant and Contract Income (Note 7)	$ 237,674	$ 15,783	$ 253,457	$ 197,612
Contributions	47,960	-	47,960	41,553
Program Tuition	20,700	-	20,700	21,000
Consulting Income	4,000	-	4,000	6,350
Administrative Fees	1,700	-	1,700	1,650
In-Kind Contributions	1,000	-	1,000	-
Net Assets Released from Restrictions (Note 5)	28,727	(28,727)	-	-
Total Support & Revenue	341,761	(12,944)	328,817	268,165
FUNCTIONAL EXPENSES (Note 2)**:**				
Program Services:				
Nonprofit Leadership Development	37,867	-	37,867	28,889
Community Building	238,298	-	238,298	142,176
Total Program Services	276,165	-	276,165	171,065
Supporting Services:				
General and Administrative	28,429	-	28,429	25,846
Fundraising	9,717	-	9,717	7,707
Total Supporting Services	38,146	-	38,146	33,553
TOTAL FUNCTIONAL EXPENSES	314,311	-	314,311	204,618
INCREASE (DECREASE) IN NET ASSETS	27,450	(12,944)	14,506	63,547
NET ASSETS - BEGINNING OF YEAR	108,510	28,727	137,237	73,690
NET ASSETS - END OF YEAR	$ 135,960	$ 15,783	$ 151,743	$ 137,237

See Accompanying Notes and Independent Accountants' Review Report

METROWEST NONPROFIT NETWORK, INC.

STATEMENT OF FUNCTIONAL EXPENSES

FOR THE YEAR ENDED DECEMBER 31, 2022

(With Comparative Totals for the Year Ended December 31, 2021)

	Program Services			Supporting Services			
	Nonprofit Leadership Development	Community Building	Total Program Services	General & Administrative	Fund-Raising	2022 Total	2021 Total
Salaries and Wages	$ 26,196	$ 33,681	$ 59,877	$ 7,485	$ 7,485	$ 74,847	$ 66,456
Payroll Taxes	2,405	3,091	5,496	687	687	6,870	4,328
Total Payroll and Related Expenses	28,601	36,772	65,373	8,172	8,172	81,717	70,784
Contractors (Note 2)	4,000	161,562	165,562	-	-	165,562	92,718
Professional Fees	-	-	-	14,995	-	14,995	3,675
Occupancy (Note 6)	200	12,552	12,752	525	-	13,277	13,351
Office Supplies and Expenses	3,803	6,337	10,140	1,268	1,268	12,676	1,161
Bookkeeping and Support Services	-	4,800	4,800	5,325	-	10,125	13,763
Program Materials and Supplies	293	10,073	10,366	-	-	10,366	-
Training and Meetings Expense	-	4,958	4,958	-	-	4,958	-
Insurance	807	1,036	1,843	231	231	2,305	653
Bank and Credit Processing Fees	163	208	371	46	46	463	3,154
Technology	-	-	-	-	-	-	2,775
Miscellaneous	-	-	-	(2,133)	-	(2,133)	2,584
Total Functional Expenses	$ 37,867	$ 238,298	$ 276,165	$ 28,429	$ 9,717	$ 314,311	$ 204,618

See Accompanying Notes and Independent Accountants' Review Report

METROWEST NONPROFIT NETWORK, INC.

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED DECEMBER 31, 2022

(With Comparative Totals for the Year Ended December 31, 2021)

	2022	2021
CASH FLOWS FROM OPERATING ACTIVITIES:		
Increase in Net Assets	$ 14,506	$ 63,547
Adjustments to Reconcile Change in Net Assets to Net Cash Provided by Operating Activities:		
Paycheck Protection Program Loan Forgiveness	-	(7,500)
Increase (Decrease) in Current Liabilities:		
Accrued Expenses	(12,551)	12,551
Net Cash Provided by Operating Activities	1,955	68,598
INCREASE IN CASH AND CASH EQUIVALENTS	1,955	68,598
CASH AND CASH EQUIVALENTS - BEGINNING OF YEAR	149,788	81,190
CASH AND CASH EQUIVALENTS - END OF YEAR	$ 151,743	$ 149,788

See Accompanying Notes and Independent Accountants' Review Report

METROWEST NONPROFIT NETWORK, INC.

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2022

NOTE 1 ORGANIZATION AND NATURE OF ACTIVITIES

Metrowest Nonprofit Network, Inc. (MWNN) was incorporated in Massachusetts in 2010 as a nonprofit organization. The purpose of the Organization is to strengthen and support the Metrowest nonprofit community by connecting people and their organizations to resources, expertise, and each other. The Organization receives support and revenue from program fees, grants and contributions.

The Organization's programs include:

Nonprofit Leadership Development:

Certificate for Nonprofit Management – A course designed for individuals seeking to change careers and enter the nonprofit sector. The course supports the professional development of next-generation leaders and provides pathways for emerging leaders.

Community Building:

Lunch and Learn and Lone Ranger– A series to connect local nonprofits to each other and invited guests to dig deeper on topics that are timely and relevant. The informal facilitated group meets each month and offers a sense of community that diminishes the isolation that "lone rangers" sometimes feel, especially in a climate of growing demands and shrinking resources.

Volunteer Action Nonprofit Network– An affinity group to connect local nonprofits leaders who are building, implementing, or managing volunteer programs to each other to share issues, exchange ideas, discuss challenges and strategies.

Service Enterprise– The Service Enterprise Initiative is a holistic and customized change management approach to help organizations gain a greater return on volunteer investment and have greater impact in their communities.

Voices of the Community (VTC)– The VTC Initiative is to create systemic change by focusing its efforts on impacting the social determinants of health including access to health care, education, neighborhood and built environment, economic stability, and the social and community context. VTC centers its work on listening to resident voices and responding to community needs. MWNN serves as the backbone organization providing infrastructure support and fiscal oversight.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Financial Presentation

The financial statements of the Organization have been prepared on the accrual basis of accounting in conformity with generally accepted accounting principles. The Organization reports information regarding its financial position and activities according to two classes of net assets: net assets without donor restrictions and net assets with donor restrictions. A description of the two net asset classes follows:

Without Donor Restriction - Net assets that are not subject to donor-imposed restrictions. Net assets without donor restrictions may be designated for specific purposes by action of the Board of Directors.

With Donor Restriction - Net assets whose use by the Organization is subject to donor-imposed restrictions that can be fulfilled by actions of the Organization pursuant to those restrictions or that expire by the passage of time or which are subject to donor-imposed restrictions such that they be maintained permanently by the Organization.

Summarized Comparative Financial Statements

The financial statements include certain prior-year summarized comparative information in total but not in sufficient detail to constitute a presentation in conformity with generally accepted accounting principles. Accordingly, such information should be read in conjunction with the Organization's financial statements for the prior year, from which the summarized totals were derived.

Use of Estimates

The presentation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures 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.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

New Accounting Pronouncement

The Financial Accounting Standards Board (FASB) issued Accounting Standards Codification (ASC) 842, Leases. Under this new standard, the Organization determines if an arrangement is a lease, or contains a lease, at inception of a contract and when the terms of an existing contract are changed. At the commencement date of the lease, the company recognizes a lease liability and a right of use (ROU) asset based on the present value of its future lease payments. The Organization has adopted the provisions of the new ASC during the year ended December 31, 2022, and has retrospectively applied the codification to the year ended December 31, 2021. The retrospective application had no effect on the 2021 net income or the beginning net assets balance on January 1, 2021.

The Organization also adopted the provisions of FASB ASU 2020-07, *Not-for-Profit Entities (Topic 958) Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets.* This update applies to nonprofit organizations that receive contributed nonfinancial assets (also referred to as gifts-in-kind) and address presentation and disclosure of those contributed nonfinancial assets. The term "nonfinancial assets" includes fixed assets, use of fixed assets or utilities, materials and supplies, intangible assets, cryptocurrency, services, and unconditional promises of those assets. Under ASU 2020-07, organizations must present gifts-in-kind as a separate line item in the statement of activities, apart from gifts of cash and other financial assets. In addition to this presentation requirement, the gifts-in-kind must be further broken down into categories (fixed assets, supplies, contributed services, etc.) in the notes to the financial statements. For each category of contributed nonfinancial assets recognized in the financial statements, further footnote disclosures are required under the ASU, including whether the gifts-in-kind were sold or used, among other disclosures. The provisions of ASU 2020-07 must be applied on a retrospective basis. Adoption of this standard had no effect on net assets for the years ending December 31, 2022 and 2021.

Cash and Cash Equivalents

For the purpose of these financial statements, the Organization considers equivalent to cash all money market funds and other deposits with a maturity of three months or less from the date of purchase. Cash equivalents are stated at cost which approximates market.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Public Support

Public support is recorded as without donor restriction or with donor restriction depending on the existence and/or nature of any donor restrictions. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), net assets with donor restriction are reclassified to net assets without donor restriction and reported in the statement of activities as net assets released from restrictions. Support that is restricted by the donor is reported as an increase in net assets without donor restriction, if the restriction expires in the same reporting period in which the support is recognized.

Donated Services

In-kind contributions of donated non-cash assets are recorded at their fair values in the period received. In-kind contributions of donated services requiring specialized skills are recognized at fair value with an expense for the same amount reported in the appropriate functional category in the period received. During the year ended December 31, 2022, in-kind contributions consisted of $1,000 in teacher stipends for the Nonprofit Leadership Development Program.

Fiscal Sponsorship

During the year ended December 31, 2022, the Organization acted as the fiscal sponsor for a local non-profit organization. The Organization received a donation and passed the donation on to the local non-profit, net of a five percent administrative fee retained by the Organization. The pass-through portion of the donation is not recognized in these financial statements.

Functional Expenses

The Organization classifies its expenses on a functional basis among its program and support services. Expenses that can be identified with a specific program or support service are charged directly according to their expenditure classification. Other expenses that are common to all functions are allocated using various statistical bases, primarily based on estimates of time and effort.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Revenue Recognition

The Organization recognizes revenue in accordance with Financial Accounting Standards Board (FASB) Accounting Standards Update (ASU) 2014-09, Revenue from Contracts with Customers, as amended. ASU 2014-09 applies to exchange transactions with customers that are bound by contracts or similar arrangements and establishes a performance obligation approach to revenue recognition. The Organization records the following exchange transaction in its statement of activities.

Program Tuition

The Organization derives income from the Nonprofit Certificate Program. The tuition price is established by the Organization and is paid at the point of registration. This revenue is recognized over the twelve week course which ends in December. Tuition received in advance of the course beginning is recorded as deferred revenue. The Organization awards scholarships to students, which are not included as part of gross tuition or an expense. In 2022, scholarship awards were $24,300.

Grant and Contract Income

The Organization also derives income through a mix of foundation and government grants and contracts. Grant and contract income that is considered to be an exchange transaction is recognized based on the terms of the grant or contract as the performance obligation is met. Consulting revenues are also recognized in this manner.

Leases

The Organization has elected, for all underlying classes of assets, to not recognize right of use assets and lease liabilities for short-term leases that have a lease term of twelve months or less at lease commencement, and do not include an option to purchase the underlying asset that the Organization is reasonably certain to exercise. The Organization recognizes the lease cost associated with short-term leases as an expense on a straight-line basis over the term of the lease, and the variable lease payments as an expense in the period in which the obligation for the payments is incurred.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Income Taxes and Tax Status

Under the *Income Taxes* accounting standard, an organization should recognize the tax benefit associated with uncertain tax positions taken for tax return purposes only when it is more likely than not the position will be sustained. Management does not believe there are any material uncertain tax positions and, accordingly, it has not recognized any liability for unrecognized tax benefits, interest or penalties. Metrowest Nonprofit Network, Inc. qualifies as a tax-exempt entity and operates as a nonprofit organization under Section 501(c)(3) of the Internal Revenue Code, and as such, is not required to pay income taxes.

Subsequent Events

Management has evaluated subsequent events through February 23, 2023, the date the financial statements were available to be issued. No significant subsequent events have been identified.

NOTE 3 LIQUIDITY AND RESERVES

The Organization's primary source of support is grant and contribution income. The Organization has a policy to manage its liquidity and reserves within two principle guidelines, which include operating within a prudent range of financial stability, and maintaining adequate liquidity to fund near-term operations. The financial assets available to meet cash needs for general expenditures are outlined below for the year ended December 30, 2022.

Cash and Cash Equivalents	$ 151,743
Less Donor Restrictions	(15,783)
Total Financial Assets Available to Meet Cash Needs for General Expenditures within One Year	$ 135,960

NOTE 4 NET ASSETS WITH DONOR RESTRICTIONS

As of December 31, net assets with donor restrictions consist of the following:

Voices of the Community Program	$ 15,783

NOTE 5 NET ASSETS RELEASED FROM RESTRICTIONS

Net assets were released from donor restrictions by incurring expenses satisfying the restricted purpose or use specified by donors as follows during the year ended December 31, 2022:

Voices of the Community Program	$ 15,727
Food Program Support	10,000
Certificate Program Scholarships	3,000
Total Net Assets Released from Restriction	$ 28,727

NOTE 6 OPERATING LEASES

The Organization incurred rent in the amount of $13,277 for the year ended December 31, 2022. The Organization has no lease commitments as of December 31, 2022.

NOTE 7 CONCENTRATIONS OF RISK

For the year ended December 31, 2022, one grant comprised 68% of total support and revenue.