

# **New England Legal Foundation**

## Financial Statements December 31, 2021

(With Comparative Totals for the  
Year ended December 31, 2020)

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## INDEPENDENT AUDITORS' REPORT

To the Board of Directors of  
New England Legal Foundation:

### **Opinion**

We have audited the accompanying financial statements of New England Legal Foundation (a nonprofit organization), which comprise the statement of financial position as of December 31, 2021, and the related statements of activities and changes in net assets, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of New England Legal Foundation as of December 31, 2021, and the changes in net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### **Basis for Opinion**

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of New England Legal Foundation and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### **Responsibilities of Management for the Financial Statements**

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about New England Legal Foundation's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

### **Auditors' Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of



not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of New England Legal Foundation's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about New England Legal Foundation's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

### Report on Summarized Comparative Information

We have previously audited New England Legal Foundation's 2020 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated September 15, 2021. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2020, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Braintree, Massachusetts  
July 29, 2022

**New England Legal Foundation**  
**Statement of Financial Position**  
**December 31, 2021**  
**(With Comparative Totals as of December 31, 2020)**

ASSETS	<u>2021</u>	<u>2020</u>
Cash and cash equivalents	\$ 285,089	\$ 179,379
Contributions receivable	45,616	20,600
Interest receivable	958	1,155
Investments	578,778	559,788
Prepaid expenses	35,291	12,672
Property and equipment-net	<u>62,635</u>	<u>567</u>
 TOTAL ASSETS	 <u><u>\$ 1,008,367</u></u>	 <u><u>\$ 774,161</u></u>
 LIABILITIES AND NET ASSETS		
LIABILITIES		
Accounts payable and accrued expenses	\$ 52,837	\$ 36,103
Note payable	<u>62,349</u>	<u>-</u>
 TOTAL LIABILITIES	 115,186	 36,103
 NET ASSETS		
Without donor restrictions	<u>893,181</u>	<u>738,058</u>
 TOTAL NET ASSETS	 <u><u>893,181</u></u>	 <u><u>738,058</u></u>
 TOTAL LIABILITIES AND NET ASSETS	 <u><u>\$ 1,008,367</u></u>	 <u><u>\$ 774,161</u></u>

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

**New England Legal Foundation**  
**Statement of Activities and Changes in Net Assets**  
**For the Year Ended December 31, 2021**  
**(With Comparative Totals for the Year Ended December 31, 2020)**

	<u>2021</u>	<u>2020</u>
<b>CHANGES IN NET ASSETS WITHOUT DONOR RESTRICTIONS:</b>		
Revenues and other support:		
Contributions	\$ 343,095	\$ 277,410
Gala	644,500	-
Conference fees and sponsorships	10,000	-
Interest and dividend income	12,826	15,802
Net investment gain	68,689	9,809
Other income	94,283	94,300
	<u>1,173,393</u>	<u>397,321</u>
Expenses:		
Litigation programs	345,998	324,604
Fundraising	440,068	218,643
Organizational support	232,204	138,350
	<u>1,018,270</u>	<u>681,597</u>
Total expenses	<u>1,018,270</u>	<u>681,597</u>
Increase (decrease) in net assets without donor restrictions	<u>155,123</u>	<u>(284,276)</u>
NET ASSETS-Beginning of year	<u>738,058</u>	<u>1,022,334</u>
NET ASSETS-End of year	<u>\$ 893,181</u>	<u>\$ 738,058</u>

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

**New England Legal Foundation**  
**Statement of Functional Expenses**  
**For the Year Ended December 31, 2021**  
**(With Comparative Totals for the Year Ended December 31, 2020)**

	<u>Litigation Programs</u>	<u>Fund Raising</u>	<u>Organizational Support</u>	<u>2021 Total</u>	<u>2020 Total</u>
Expenses					
Salaries and wages	\$ 229,682	\$ 172,943	\$ 94,329	\$ 496,954	\$ 507,182
Employee benefits	19,463	14,655	7,993	42,111	36,851
Payroll taxes	18,933	14,256	7,776	40,965	38,617
Gala expense	-	179,224	-	179,224	-
Donated services	2,590	10,819	10,028	23,437	5,000
Professional fees	-	666	82,440	83,106	13,425
Office expenses	28,679	4,934	2,819	36,432	24,946
Contracted personnel	5,094	2,691	16,946	24,731	5,392
Communication fees	12,500	-	-	12,500	-
Marketing	-	17,652	-	17,652	-
Meetings/conferences					
travel/entertainment	92	11,925	2,338	14,355	923
Condo fees	7,194	5,416	2,954	15,564	15,558
Utilities	4,762	3,586	1,955	10,303	10,062
Insurance	8,058	1,053	575	9,686	9,831
Interest expense	-	-	1,916	1,916	-
Dues and subscriptions	8,621	-	-	8,621	8,020
Bad debt	-	-	-	-	5,000
Depreciation	330	248	135	713	790
Total Expenses	<u>\$ 345,998</u>	<u>\$ 440,068</u>	<u>\$ 232,204</u>	<u>\$ 1,018,270</u>	<u>\$ 681,597</u>

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

**New England Legal Foundation**  
**Statement of Cash Flows**  
**For the Year Ended December 31, 2021**  
**(With Comparative Totals for the Year Ended December 31, 2020)**

	<u>2021</u>	<u>2020</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Increase (decrease) in net assets	\$ 155,123	\$ (284,276)
Adjustments to reconcile increase (decrease) in net assets to net cash used by operating activities:		
Depreciation	713	790
Net investment gain	(68,689)	(9,809)
Change in assets and liabilities:		
Contributions receivable	(25,016)	24,617
Interest receivable	197	1,843
Prepaid expenses	(22,619)	1,059
Accounts payable and accrued expenses	16,734	253
	<u>56,443</u>	<u>(265,523)</u>
Net cash provided (used) by operating activities		
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>		
Purchases of property and equipment	(5,575)	-
Proceeds from sale of investments	144,229	243,371
Purchases of investments	(94,528)	(12,340)
	<u>44,126</u>	<u>231,031</u>
Net cash provided by investing activities		
<b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>		
Principal payments on note payable	(3,531)	-
Proceeds from note payable	8,672	-
	<u>5,141</u>	<u>-</u>
Net cash provided by financing activities		
<b>INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	<b>105,710</b>	<b>(34,492)</b>
<b>CASH AND CASH EQUIVALENTS-Beginning of year</b>	<b>179,379</b>	<b>213,871</b>
<b>CASH AND CASH EQUIVALENTS-End of year</b>	<b><u>\$ 285,089</u></b>	<b><u>\$ 179,379</u></b>
<b>SUPPLEMENTAL CASH FLOW DISCLOSURE:</b>		
Cash paid for interest	<u>\$ 1,916</u>	<u>\$ -</u>
<b>NON-CASH OPERATING AND FINACING ACTIVITIES</b>		
In-kind contributions and expenses	<u>\$ 23,437</u>	<u>\$ 5,000</u>
Financed portion of property and equipment	<u>\$ 57,206</u>	<u>\$ -</u>

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

**New England Legal Foundation**  
**Notes to Financial Statements**  
**December 31, 2021**

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**1. DESCRIPTION OF THE ORGANIZATION**

New England Legal Foundation (the Foundation) was organized on December 3, 1976, and commenced operations on January 27, 1977. The Foundation's mission is to protect the economic rights of persons and to use the legal system to advance free enterprise principles and regional economic development. Management believes that it is the leading not-for-profit law firm in New England concentrating primarily on economic and property rights. The Foundation works to help create significant precedents at all levels of state and federal courts and agencies, either on behalf of a party or as a friend of the court. The Foundation also undertakes projects to improve judicial and administrative systems in New England when it can make a positive contribution to the economic well being of the region.

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Basis of Presentation** – The accompanying financial statements have been presented in conformity with accounting principles generally accepted in the United States of America (GAAP) in accordance with not-for-profit entities. The financial statements include certain prior year summarized comparative information in total but not by functional expense class. Such information does not include sufficient detail to constitute a presentation in conformity with generally accepted accounting principles. Accordingly, such information should be read in conjunction with the Foundation's financial statements for the year ended December 31, 2020, from which the summarized information was derived. GAAP requires the Foundation to report information regarding its financial position and activities according to the following net asset classifications:

**Net assets without donor restrictions:** Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the organization. These net assets may be used at the discretion of the Foundation's management and the board of directors.

**Net assets with donor restrictions:** Net assets subject to stipulations imposed by donors, and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of the Foundation or by the passage of time. Other donor restrictions are perpetual in nature, whereby the donor has stipulated the funds be maintained in perpetuity.

Donor restricted contributions are reported as increases in net assets with donor restrictions. When a restriction expires, net assets are reclassified from net assets with donor restrictions to net assets without donor restrictions in the statements of activities.



**New England Legal Foundation**  
**Notes to Financial Statements**  
**December 31, 2021**

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**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

***Use of Estimates*** – The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reported period. Actual results could differ from those estimates. Management considered the impact of the COVID-19 pandemic on the assumptions and estimates used and determined that there were no material adverse impacts on the financial statements for the year ended December 31, 2021.

***Cash and Cash Equivalents*** – Cash and cash equivalents include cash and money market accounts in financial institutions. All cash and cash equivalents are recorded at cost, which approximates market value. During the year the Foundation maintains balances in excess of FDIC insured limits at certain financial institutions which management believes are financially sound. The money market accounts at December 31, 2021 and 2020 totaled approximately \$107,000 and \$149,000, respectively.

***Investments*** – Investments are reported at cost, if purchased, or at fair value, if donated. Thereafter, investments are reported at their fair values in the statements of financial position, and changes in fair value are reported as investment return in the statements of activities.

Purchases and sales of investments are recorded on a trade-date basis. Interest income is accrued when earned. Dividend income is recorded on the ex-dividend date. Capital gain distributions are included in interest and dividend income. Net investment gain or loss is reported in the statement of activities and consists of realized and unrealized capital gains and losses, less external and direct internal investment expenses.

***Property and Equipment*** – Property and equipment are recorded at cost or, if received by gift or donation, at fair market value at the date of the gift. Depreciation is provided over the estimated useful life of each class of depreciable assets and is computed on the straight-line-method. Significant renewals and betterments are capitalized; the cost of normal repairs and maintenance is expensed as incurred. Depreciation expense was \$713 and \$790 for the years ended December 31, 2021 and 2020, respectively.

***Impairment of Long-Lived Assets*** – Long-lived assets to be held and used are reviewed for impairment whenever circumstances indicate that the carrying amount of an asset may not be recoverable. Long-lived assets to be disposed of are reported at the lower of carrying amount or fair value less cost to sell.

**New England Legal Foundation**  
**Notes to Financial Statements**  
**December 31, 2021**

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**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Contributions** – 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. 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 contribution is recognized. All other donor restricted 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.

When individuals or entities acquire tickets (Customers) to the gala or other events, revenue is recognized in the amount that reflects the consideration the Foundation expects to be entitled to in exchange for goods or services.

Sponsored support is considered contribution revenue in accordance with ASU 2018-08, *Contributions Received and Contributions Made*, which is recognized when any donor-imposed conditions (if any) have been met. There were no significant conditional contributions or advance payments from sponsored support at December 31, 2021 and 2020.

Contributed property and equipment are recorded at fair value at the date of donation. Contributions with donor-imposed stipulations regarding how long the contributed assets must be used are recorded as net assets with donor restrictions; otherwise, the contributions are recorded as net assets without donor restrictions.

**In-kind contributions** –Such amounts, which are based upon information provided by third-party service providers, are recorded at their estimated fair value determined on the date of contribution and are reported as contributions revenue and donated services in the accompanying statements of activities and statements of functional expenses.

Every now and then volunteers may contribute their time in furtherance of the Foundation's mission. These services are not reflected in the accompanying statements of activities because they do not meet the necessary criteria for recognition under GAAP.

**Contributions Receivable** – Contributions receivable are stated at the amount management expects to collect. Management considers all remaining contributions receivable to be fully collectible; accordingly, there is no allowance for doubtful accounts.

**Functional Expenses** – The financial statements report certain categories of expenses that are attributed to more than one program or supporting function. Therefore, expenses require allocation on a reasonable basis that is consistently applied. The expenses that are allocated include salaries and wages, employee benefits, payroll taxes, donated services, office expenses, contracted personnel, meetings and conferences, condo fees, utilities, insurance, and depreciation, which are allocated on the basis of estimates of time and effort.

**New England Legal Foundation**  
**Notes to Financial Statements**  
**December 31, 2021**

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**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Tax Status** – The Foundation is a not-for-profit organization that is exempt from income taxes under section 501(c)(3) of the Internal Revenue Code (the Code), and is classified by the Internal Revenue Service as other than a private foundation. The Foundation is annually required to file a Return of Organization Exempt from Income Tax (Form 990) with the IRS. In addition, the entities are subject to income tax on net income that is derived from business activities that are unrelated to their exempt purposes. Management has determined that the Foundation is not subject to unrelated business income tax and is not required to file an Exempt Organization Business Income Tax Return (Form 990-T) with the IRS. The Foundation has also determined that there are no material uncertain tax positions that require recognition or disclosure in the financial statements

**Subsequent Events** – Management has evaluated subsequent events through July 29, 2022, the date the financial statements were available to be issued.

**3. LIQUIDITY AND AVAILABILITY**

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the balance sheet date, comprise the following:

	2021	2020
Cash and cash equivalents	\$ 285,089	\$ 179,379
Contributions receivable	45,616	20,600
Interest receivable	958	1,155
Investments	<u>578,778</u>	<u>559,788</u>
Financial assets available to meet cash needs for general expenditure within one year	<u>\$ 910,441</u>	<u>\$ 760,922</u>

As part of the organization’s liquidity management plan, it invests cash in excess of daily requirements in short-term investments and money market funds.

**4. INVESTMENTS**

Investments are stated at fair value and consisted of the following at December 31:

	2021		2020	
	<u>Cost</u>	<u>Fair Value</u>	<u>Cost</u>	<u>Fair Value</u>
Exchange Traded Funds	\$ 234,575	\$ 475,627	\$ 195,855	\$ 438,165
Corporate Bonds	98,215	103,151	121,447	121,623
Total investments	<u>\$ 332,790</u>	<u>\$ 578,778</u>	<u>\$ 317,302</u>	<u>\$ 559,788</u>

## **5. FAIR VALUE MEASUREMENTS**

Fair value is defined as the price that would be received to sell an asset in the principal or most advantageous market for the asset in an orderly transaction between market participants on the measurement date. Fair value should be based on the assumptions market participants would use when pricing an asset. GAAP establishes a fair value hierarchy that prioritizes investments based on those assumptions. The fair value hierarchy gives the highest priority to quoted prices in active markets (observable inputs) and the lowest priority to an entity's assumptions (unobservable inputs). The Foundation groups assets at fair value in three levels, based on the markets in which the assets and liabilities are traded and the reliability of the assumptions used to determine fair value. These levels are:

Level 1 - Unadjusted quoted market prices for identical assets or liabilities in active markets as of the measurement date.

Level 2 - Other observable inputs either directly or indirectly, including:

- quoted prices for similar assets or liabilities in active markets;
- quoted prices for identical or similar assets or liabilities in non-active markets;
- inputs other than quoted prices that are observable for the asset or liability;
- inputs that are derived principally from or corroborated by observable market data.

If the asset or liability has a specified (contractual) term, the level 2 input must be observable for substantially the full term of the asset or liability.

Level 3 - Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The asset's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of the observable inputs and minimize the use of unobservable inputs.

The following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in the methodologies used at December 31, 2021 and 2020.

*Exchange Traded Fund (ETF)*: ETF's are investment companies that trade like stocks. Shares of ETF's may trade at prices above or below the value of their underlying portfolios. The price of an ETF is derived from and based upon the securities held by the ETF. The level of risk involved in the purchase or sale of an ETF is similar to the risk involved in the purchase or sale of a traditional common stock, except that the pricing mechanism for an ETF is based on a basket of securities. Thus, the risk of owning an ETF generally reflect the risks of owning the underlying securities they are designed to track, although lack of liquidity in an ETF could result in it being more volatile than the underlying securities. ETF's are subject to management fees and other fees that may increase their costs versus the costs of owning the underlying securities directly.

**New England Legal Foundation**  
**Notes to Financial Statements**  
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**5. FAIR VALUE MEASUREMENTS (CONTINUED)**

*Corporate Bonds:* Are valued using proprietary methodology that is designed to reflect current market conditions, receiving quotes from as many sources as possible including trades and listed markets, or are valued based on yields currently available on comparable securities of issuers with similar credit ratings.

The preceding methods described may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, although the Foundation believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

The following table sets forth by level, within the fair value hierarchy, the Foundation's investments measured at fair value on a recurring basis as of December 31, 2021 and 2020:

Investments at Fair Value as of December 31, 2021:

	<u>Level 1</u>	<u>Level 2</u>	<u>Total</u>
Exchange Traded Funds	\$ 475,627	\$ -	\$ 475,627
Corporate Bonds	-	103,151	103,151
Total investments at fair value	\$ 475,627	\$ 103,151	\$ 578,778

Investments at Fair Value as of December 31, 2020:

	<u>Level 1</u>	<u>Level 2</u>	<u>Total</u>
Exchange Traded Funds	\$ 438,165	\$ -	\$ 438,165
Corporate Bonds	-	121,623	121,623
Total investments at fair value	\$ 438,165	\$ 121,623	\$ 559,788

**Transfers Between Levels** – The availability of observable market data is monitored to assess the appropriate classification of financial instruments within the fair value hierarchy. Changes in economic conditions or model-based calculation techniques may require the transfer of financial instruments from one fair value level to another. In such instances, the transfer is reported at the beginning of the reporting period.

Management evaluated the significance of transfers between levels based upon the nature of the financial instrument and size of the transfer relative to total net assets. For the years ended December 31, 2021 and 2020 there are no significant transfers in or out of levels 1, 2, or 3.

The Foundation did not have any investments measured at fair value on a recurring basis using significant unobservable inputs (level 3) for the years ended December 31, 2021 and 2020.

**New England Legal Foundation**  
**Notes to Financial Statements**  
**December 31, 2021**

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**6. PROPERTY AND EQUIPMENT**

Following is a summary of the Foundation's property and equipment at December 31:

	<b>Estimated Life</b>	<u>2021</u>	<u>2020</u>
Condominium	30 years	\$ 691,322	\$ 691,322
Condominium improvements	10 years	66,725	9,519
Equipment	5-10 years	43,538	37,963
		801,585	738,804
Less: Accumulated depreciation		(738,950)	(738,237)
Total		\$ 62,635	\$ 567

**7. NOTE PAYABLE**

The Foundation's condominium is part of a condominium association which has established a reserve fund. To the extent such reserve funds are not adequate to fund required improvements the Foundation may be subject to special assessments from the condominium association. The condominium association replaced the building's cooling tower in September 2020 and was planning to replace the building's elevator in 2021. The Foundation was assessed a \$65,880 special assessment with interest rate of 4.375% that can be repaid over 10-years. Monthly payments of \$680.85 began on May 2021. The balance at December 31, 2021 was \$62,349.

**8. ALLOCATION OF JOINT COSTS**

During 2021 and 2020, the Foundation conducted activities that included requests for contributions, as well as litigation and organizational support. Those activities include direct mail campaigns, special events and direct solicitation. During 2021 and 2020 the costs of conducting those activities include a total of approximately \$659,000 and \$631,000, respectively, of joint costs, which are not specifically attributable to particular components of the activities (joint costs). These joint costs were allocated as follows:

	<u>2021</u>	<u>2020</u>
Fundraising	\$ 231,000	\$ 219,000
Litigation programs	295,000	287,000
Organizational support	133,000	125,000
Total	\$ 659,000	\$ 631,000

**New England Legal Foundation**  
**Notes to Financial Statements**  
**December 31, 2021**

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**9. IN-KIND DONATIONS**

During 2021 and 2020, services in the amount of \$23,437 and \$5,000, respectively, were donated to the Foundation. Services were for certain professional skills including financial statement review (\$5,000 for 2021 and 2020), website design and other various expenses (\$18,157 for 2021), and legal internships (\$280 and zero for 2021 and 2020, respectively). The estimated fair market value of these services has been recorded in the accompanying financial statements as contribution revenue and donated services.

**10. RISKS AND UNCERTAINTIES**

The Foundation invests in various investment securities which may be exposed to various risks, such as interest rate, market, and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and those changes could materially affect the amounts reported in the statement of financial position and the statement of activities and changes in net assets.

The COVID-19 pandemic has impacted and could further impact the Foundation's operations and the operations of the Foundation's donors as a result of quarantines, closures, and travel and logistics restrictions. The extent to which the COVID-19 pandemic impacts the Foundation's operations and financial condition will depend on future developments, which are highly uncertain and cannot be predicted, including, but not limited to the duration, spread, severity, and impact of the COVID-19 pandemic, the effects of the COVID-19 pandemic on the Foundation's donors and the remedial actions and stimulus measures adopted by local and federal governments, and to what extent normal economic and operating conditions can resume. Therefore, the Foundation cannot reasonably estimate the future impact of COVID-19 at this time.

**11. PAYCHECK PROTECTION PROGRAM**

In May 2020, the Foundation qualified for and received a loan pursuant to the Paycheck Protection Program, a program implemented by the U.S. Small Business Administration under the Coronavirus Aid, Relief, and Economic Security Act, from a qualified lender, for an aggregate principal amount of \$94,300 (the PPP Loan). This loan was fully forgiven in November 2020 and reported as other income. In February 2021, the Foundation received a second PPP loan in the amount of \$94,283. This loan was fully forgiven in June 2021 and reported as other income.

**12. SUBSEQUENT EVENTS**

In April 2022, the Foundation sold its condominium located in a residential building in the Leather District of Boston, MA for \$1,341,000, which resulted in a gain of approximately \$1,200,000. Net proceeds from the sale were approximately \$1,185,000. Subsequently, the Foundation purchased a commercial condominium in downtown Boston, MA for \$1,100,000, from which it will operate.