

UNITED WAY OF GREATER NEW BEDFORD, INC.
FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2024 AND 2023
AND REPORT ON INTERNAL CONTROL AND
COMPLIANCE
YEAR ENDED JUNE 30, 2024

**UNITED WAY OF GREATER NEW BEDFORD, INC.
FOR THE YEARS ENDED JUNE 30, 2024 AND 2023**

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
United Way of Greater New Bedford, Inc.
New Bedford, Massachusetts

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of United Way of Greater New Bedford, Inc. (the "Organization"), which comprise the statements of financial position as of June 30, 2024 and 2023, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Organization as of June 30, 2024 and 2023, and the results of the changes in net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America ("GAAS") and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Organization and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government 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 GAAS and *Government Auditing Standards*, we:

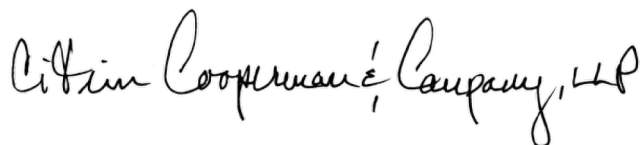
- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Organization'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 Organization'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.

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Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated October 17, 2024, on our consideration of the Organization's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Organization's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Organization's internal control over financial reporting and compliance.



Providence, Rhode Island
October 17, 2024

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UNITED WAY OF GREATER NEW BEDFORD, INC.
STATEMENTS OF FINANCIAL POSITION
JUNE 30, 2024 AND 2023

	<u>2024</u>	<u>2023</u>
<u>ASSETS</u>		
Current assets:		
Cash and cash equivalents	\$ 766,930	\$ 869,461
Short term investments	137,819	69,856
Accounts receivable	239,397	277,016
Campaign pledge receivable, net	230,032	234,799
Prepaid expenses	<u>19,490</u>	<u>28,304</u>
Total current assets	<u>1,393,668</u>	<u>1,479,436</u>
Other assets:		
Property and equipment, net	4,458	5,987
Operating lease right-of-use asset, net	102,194	151,115
Finance lease right-of-use asset, net	7,236	14,686
Long term investments	<u>2,179,087</u>	<u>1,927,627</u>
Total other assets	<u>2,292,975</u>	<u>2,099,415</u>
TOTAL ASSETS	<u>\$ 3,686,643</u>	<u>\$ 3,578,851</u>
<u>LIABILITIES AND NET ASSETS</u>		
Current liabilities:		
Current portion of operating lease liability	\$ 51,096	\$ 51,765
Current portion of finance lease liability	2,621	7,760
Accounts payable	14,220	53,851
Accrued expenses	36,180	68,742
Deferred revenue	17,120	39,649
Grants and donor designated payables	<u>441,475</u>	<u>512,217</u>
Total current liabilities	<u>562,712</u>	<u>733,984</u>
Operating lease liability, less current portion	52,682	101,657
Finance lease liability, less current portion	<u>4,817</u>	<u>7,052</u>
Total liabilities	<u>620,211</u>	<u>842,693</u>
Commitments and contingency (Notes 6 and 11)		
Net assets:		
Without donor restrictions:		
Undesignated	2,094,226	1,989,782
Board designated	463,255	490,670
With donor restrictions	<u>508,951</u>	<u>255,706</u>
Total net assets	<u>3,066,432</u>	<u>2,736,158</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 3,686,643</u>	<u>\$ 3,578,851</u>

See accompanying notes to financial statements.

UNITED WAY OF GREATER NEW BEDFORD, INC.
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2024

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Operating activities:			
Support and other revenue:			
Special events	\$ 70,620	\$ 112,673	\$ 183,293
Less: cost of direct benefits to donor	<u>(55,759)</u>	<u>-</u>	<u>(55,759)</u>
Net special events	14,861	112,673	127,534
Grants and contributions	86,119	104,433	190,552
Sponsorships	33,250	-	33,250
In-kind contributions	354,910	-	354,910
Program service revenue	1,113,085	-	1,113,085
Campaign revenue	883,963	-	883,963
Investment income, net	318,136	-	318,136
Other revenue	27,658	-	27,658
Net assets released from restrictions	<u>143,861</u>	<u>(143,861)</u>	<u>-</u>
Total support and other revenue	<u>2,975,843</u>	<u>73,245</u>	<u>3,049,088</u>
Expenses:			
Program services	1,989,418	-	1,989,418
Administrative	556,294	-	556,294
Fundraising	<u>353,102</u>	<u>-</u>	<u>353,102</u>
Total expenses	<u>2,898,814</u>	<u>-</u>	<u>2,898,814</u>
Changes in net assets from operating activities	77,029	73,245	150,274
Non-operating activity, contributions restricted for the purchase of property and equipment	<u>-</u>	<u>180,000</u>	<u>180,000</u>
Changes in net assets	77,029	253,245	330,274
Net assets - beginning	<u>2,480,452</u>	<u>255,706</u>	<u>2,736,158</u>
NET ASSETS - ENDING	<u><u>\$ 2,557,481</u></u>	<u><u>\$ 508,951</u></u>	<u><u>\$ 3,066,432</u></u>

See accompanying notes to financial statements.

UNITED WAY OF GREATER NEW BEDFORD, INC.
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2023

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Operating activities:			
Support and other revenue:			
Special events	\$ 239,795	\$ -	\$ 239,795
Less: cost of direct benefit to donor	<u>(203,788)</u>	<u>-</u>	<u>(203,788)</u>
Net special events	36,007	-	36,007
Grants and contributions	236,571	91,001	327,572
Sponsorships	38,250	-	38,250
In-kind contributions	492,760	-	492,760
Program service revenue	1,050,492	-	1,050,492
Campaign revenue	775,467	-	775,467
Investment income, net	203,037	-	203,037
Other revenue	27,310	-	27,310
Net assets released from restrictions	<u>38,138</u>	<u>(38,138)</u>	<u>-</u>
Total revenue, gains and other support	<u>2,898,032</u>	<u>52,863</u>	<u>2,950,895</u>
Expenses:			
Program services	2,112,676	-	2,112,676
Administrative	555,269	-	555,269
Fundraising	<u>156,718</u>	<u>-</u>	<u>156,718</u>
Total expenses	<u>2,824,663</u>	<u>-</u>	<u>2,824,663</u>
Changes in net assets from operating activities	73,369	52,863	126,232
Loss on disposal of equipment	<u>(22,363)</u>	<u>-</u>	<u>(22,363)</u>
Change in net assets	51,006	52,863	103,869
Net assets - beginning	<u>2,429,446</u>	<u>202,843</u>	<u>2,632,289</u>
NET ASSETS - ENDING	<u><u>\$ 2,480,452</u></u>	<u><u>\$ 255,706</u></u>	<u><u>\$ 2,736,158</u></u>

See accompanying notes to financial statements.

UNITED WAY OF GREATER NEW BEDFORD, INC.
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2024

	<u>Program Services</u>							
	<u>Community Service</u>	<u>Community Investment</u>	<u>Family Support</u>	<u>Total Program Services</u>	<u>Administrative</u>	<u>Fundraising</u>	<u>Direct Benefits to Donors</u>	<u>Total Expenses</u>
Employee compensation and related expenses	\$ 189,436	\$ -	\$ 449,635	\$ 639,071	\$ 312,613	\$ 191,878	\$ -	\$ 1,143,562
Occupancy	6,066	-	63,164	69,230	37,616	-	-	106,846
Other program/operating expense	31,032	-	96,249	127,281	4,604	2,613	-	134,498
Subcontract expense	-	-	138,079	138,079	-	-	-	138,079
Direct administrative expense	78,265	-	243,861	322,126	105,375	-	-	427,501
Other expenses	267,386	-	11,245	278,631	94,557	158,611	55,759	587,558
Grant expense	-	415,000	-	415,000	-	-	-	415,000
Depreciation	-	-	-	-	1,529	-	-	1,529
	<u>572,185</u>	<u>415,000</u>	<u>1,002,233</u>	<u>1,989,418</u>	<u>556,294</u>	<u>353,102</u>	<u>55,759</u>	<u>2,954,573</u>
Less: expenses included with revenues on the statement of activities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(55,759)</u>	<u>(55,759)</u>
	<u>\$ 572,185</u>	<u>\$ 415,000</u>	<u>\$ 1,002,233</u>	<u>\$ 1,989,418</u>	<u>\$ 556,294</u>	<u>\$ 353,102</u>	<u>\$ -</u>	<u>\$ 2,898,814</u>

See accompanying notes to financial statements.

UNITED WAY OF GREATER NEW BEDFORD, INC.
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2023

	<u>Program Services</u>							
	<u>Community Service</u>	<u>Community Investment</u>	<u>Family Support</u>	<u>Total Program Services</u>	<u>Administrative</u>	<u>Fundraising</u>	<u>Direct Benefits to Donors</u>	<u>Total Expenses</u>
Employee compensation and related expenses	\$ 196,496	\$ -	\$ 484,507	\$ 681,003	\$ 312,703	\$ 137,753	\$ -	\$ 1,131,459
Occupancy	12,308	-	57,634	69,942	36,263	-	-	106,205
Other program/operating expense	95,852	-	133,653	229,505	2,784	370	-	232,659
Subcontract expense	-	-	122,424	122,424	-	-	-	122,424
Direct administrative expense	3,493	4,875	118,769	127,137	107,615	1,050	-	235,802
Other expenses	451,824	-	10,841	462,665	94,375	17,545	203,788	778,373
Grant expense	-	420,000	-	420,000	-	-	-	420,000
Depreciation	-	-	-	-	1,529	-	-	1,529
	<u>759,973</u>	<u>424,875</u>	<u>927,828</u>	<u>2,112,676</u>	<u>555,269</u>	<u>156,718</u>	<u>203,788</u>	<u>3,028,451</u>
Less: expenses included with revenues on the statement of activities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(203,788)</u>	<u>(203,788)</u>
	<u><u>\$ 759,973</u></u>	<u><u>\$ 424,875</u></u>	<u><u>\$ 927,828</u></u>	<u><u>\$ 2,112,676</u></u>	<u><u>\$ 555,269</u></u>	<u><u>\$ 156,718</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 2,824,663</u></u>

See accompanying notes to financial statements.

UNITED WAY OF GREATER NEW BEDFORD, INC.
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED JUNE 30, 2024 AND 2023

	<u>2024</u>	<u>2023</u>
Cash flows from operating activities:		
Changes in net assets	\$ 330,274	\$ 103,869
Adjustments to reconcile changes in net assets to net cash used in operating activities:		
Contributions restricted for purchase of property and equipment	(180,000)	-
Depreciation and amortization	8,979	7,452
Realized and unrealized gains on investments, net	(261,316)	(162,561)
Bad debt expense	36,451	12,028
Loss on disposal of property and equipment	-	22,363
Non-cash lease expense	(723)	2,307
Changes in operating assets and liabilities:		
Accounts receivable	37,619	138,033
Campaign pledges receivable, net	(31,684)	6,771
Prepaid expenses	8,814	(10,571)
Accounts payable	(39,631)	17,914
Grants and donor designated payables	(70,742)	(134,987)
Accrued expenses	(32,562)	(19,547)
Deferred revenue	<u>(22,529)</u>	<u>(53,562)</u>
Net cash used in operating activities	<u>(217,050)</u>	<u>(70,491)</u>
Cash flows from investing activities:		
Purchases of investments and reinvested earnings	(301,662)	(525,426)
Proceeds from sale of investments	<u>243,555</u>	<u>466,298</u>
Net cash used in investing activities	<u>(58,107)</u>	<u>(59,128)</u>
Cash flows from financing activities:		
Payments on finance lease obligations	(7,374)	(5,797)
Contributions restricted for purchase of property and equipment	<u>180,000</u>	<u>-</u>
Net cash provided by (used in) financing activities	<u>172,626</u>	<u>(5,797)</u>
Net decrease in cash and cash equivalents	(102,531)	(135,416)
Cash and cash equivalents - beginning	<u>869,461</u>	<u>1,004,877</u>
CASH AND CASH EQUIVALENTS - ENDING	<u>\$ 766,930</u>	<u>\$ 869,461</u>
Supplemental disclosures for non-cash financing activities:		
Operating right-of-use asset and liability recognized in connection with implementation of ASC 842 on July 1, 2022	<u>\$ -</u>	<u>\$ 198,698</u>

See accompanying notes to financial statements.

UNITED WAY OF GREATER NEW BEDFORD, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024 AND 2023

NOTE 1. DESCRIPTION OF ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

United Way of Greater New Bedford, Inc. (the "Organization") is a not-for-profit corporation and a member of United Way Worldwide. The Organization's mission is to mobilize people, partnerships, and resources to catalyze change that strengthens the communities served. The geographic focus is the City of New Bedford and eight surrounding towns: Acushnet, Dartmouth, Fairhaven, Marion, Mattapoisett, Rochester and Wareham. Since its inception, it has encouraged local philanthropy at all levels and invested in quality programs. Unlike other traditional United Ways that focus on fundraising campaigns and the allocations of dollars raised, the Organization's approach is unique. In addition to grant-making with dollars raised, the Organization also operates its' own programs as well as supports strategic community partnerships, initiatives and cross sector collaboratives.

The majority of the Organization's services are provided to Greater New Bedford residents. The following program divisions are:

Community Services Program

The Community Services Program offers a range of critical resources to support individuals and families throughout the region.

Mass 211: A free, confidential referral service available 24/7, connecting residents to vital health and human services. By dialing 2-1-1 or visiting mass211.org, users can access assistance in over 150 languages, ensuring broad access to essential resources.

Hunger Commission: A food rescue and delivery initiative that partners with local vendors, suppliers, and farmers to provide nutritious food to pantries, shelters, soup kitchens, and Council on Aging centers. The program also operates mobile markets from July to October, delivering fresh produce to underserved neighborhoods, prioritizing access to healthy options.

Volunteer SouthCoast: A no-cost, online platform that connects volunteers with local organizations seeking assistance. Organizations can post volunteer opportunities free of charge, and volunteers can easily find and engage in causes that align with their interests.

Bright by Text: A free messaging service for caregivers of children (prenatal to age eight), delivering research-based tips, activities, and event notifications tailored to the child's developmental stage and local community. Caregivers receive 2-4 texts per week in English or Spanish, with content adapted to the child's age and zip code. The program highlights key developmental milestones and promotes local events like free summer lunches and preschool enrollment, in collaboration with libraries and nonprofits.

The Community Service program accounted for 29% and 36% of total program expenditures for the years ended June 30, 2024 and 2023, respectively.

UNITED WAY OF GREATER NEW BEDFORD, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024 AND 2023

NOTE 1. DESCRIPTION OF ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Community Investment Program

The 'Community Impact' grants invest local dollars into our communities by supporting projects that address targeted issues in the areas of health, education, financial stability, and basic needs. Citizens Review Committee, a group of local volunteers who represent the communities United Way services, reads and scores applications. The Committee meets to deliberate and decide on allocations of funds. New grantees are interviewed. These signature grants are approved at the June Board meeting for a one year funding commitment.

Through the 'Changemaker Grants program', United Way has been providing small grants — up to \$2,500 — to help ordinary people accomplish extraordinary things to help their neighborhoods and their community. These grants go to all-volunteer groups with annual budgets of less than \$40,000 and awarded on a reimbursement basis. Citizens Review Committee, a group of local volunteers who represent the communities United Way services, reads and scores applications. The Committee meets to deliberate and decide on allocations of funds.

The 'Innovation Fund' allows Organizations working on the most pressing issues affecting Greater New Bedford who are often focused on day-to-day operations and sustaining existing programs, and may not have time, opportunities, or resources to take a step back and consider new approaches to addressing those challenging problems or new ways to do their work with greater efficiency or impact. United Way of Greater New Bedford is looking to change that reality.

Women United Initiative supports projects and programs focused on early childhood success, literacy, and financial literacy for women. Donor designated funds are net proceeds from Women United members and donations.

The 'Emerging Needs & Opportunities fund' allows the Organization to respond to unexpected demands arising from crises or emergencies, and to take advantage of time-sensitive opportunities with the potential for high impact in the community. As of June 30, 2024, this fund was fully utilized.

Since 2015, United Way of Greater New Bedford and Fun 107 have partnered together to support families through 'Holiday Wishes Fund'. Through 'Holiday Wishes', the Organization strives to assist families and individuals who have fallen on hard times due to loss of job, death or severe medical conditions of spouse or child, unanticipated bills that arise due to natural/unplanned disasters, etc. The ideal nominee is someone who is active in the Greater New Bedford area, needs assistance beyond the services provided by traditional health and human service agencies, has realistic and obtainable needs, and is often reluctant to ask for help even in dire situations.

UNITED WAY OF GREATER NEW BEDFORD, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024 AND 2023

NOTE 1. DESCRIPTION OF ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Community Investment Program (continued)

The Diversity Equity and Inclusion "Together, United Fund" supports local nonprofits to strengthen and/or develop their own DEI agenda. The fund offers grants up to \$5,000 to develop agency specific equity practices and guidelines in the areas of governance and operations. The Community Impact Committee, a sub-committee of the Board of Directors, reads and scores applications. The Committee meets to deliberate and decide on allocations of funds. As of June 30, 2024, this fund was fully utilized.

All applications and proposals are reviewed for their articulation of the following:

- the importance of the challenge they are targeting in the community
- the appropriateness and credibility of the proposed strategy to address the challenge
- the compatibility and capacity of their organization or group to carry out the program strategy
- the measurable benefit per dollar invested.

The Community Investment program accounted for 21% and 20% of total program expenditures for the years ended June 30, 2024 and 2023, respectively.

Family Support Program

The program is funded through one cost reimbursement contract and one accommodation rate contract from the Commonwealth of Massachusetts Department of Children and Families (DCF); and a cost reimbursement grant with the Massachusetts Service Alliance.

Family Resource and Development Center ("FRC") - Offers an array of services for families whose children range from birth to 18 years of age. With behavioral health partner, Child and Family Services, the FRC provides a range of services and support for families in need, including assessment services and information and referral resources for such things as housing services, food and nutrition services, transportation and employment and child care. The FRC also provides parent educational groups, parent-child activities, educational classes and workshops for both parents and teens. In addition, the FRC provides specific services for parents and children who are dealing with serious problems at home and at school, known as Children Requiring Assistance (CRA). These services include access to a range of voluntary mental health services and wrap-around support services.

New Bedford Community Connections Coalition (NBCCC) - The main focus of the coalition is to facilitate the organization of a comprehensive family support system throughout the City of New Bedford while promoting a community centered child welfare best practices approach.

UNITED WAY OF GREATER NEW BEDFORD, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024 AND 2023

NOTE 1. DESCRIPTION OF ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Family Support Program (continued)

PATCH - Co-located in the Family Resource Center, along with the NBCCC staff, is the DCF PATCH Unit. PATCH is a team of DCF social workers working closely with our NBCCC staff to promote shared ownership of the problem of child protection within our community. Being co-located with NBCCC enables DCF social workers to connect families involved with DCF to community resources more quickly, minimizing the need for lengthy DCF intervention, and provides families access to an array of resources to help prevent repeat child maltreatment.

The New Bedford Strengthening Families (NBSF) AmeriCorps Program - An AmeriCorps State program led by United Way of Greater New Bedford. AmeriCorps is a national service program where members provide service to make people safer, stronger, and healthier to strengthen their communities. AmeriCorps members serving at different host sites implement evidence-based interventions that strengthen families, with a focus on preventing child abuse and neglect. The NBSF AmeriCorps program is based in the Strengthening Families Protective Factors Framework that centers on five interrelated family protective factors: knowledge of parenting and child development, concrete supports in times of need, social connections, social and emotional competence of children, and parental resilience. This program did not continue during fiscal year 2024.

Family Support Program accounted for 50% and 44% of total program expenditures for the years ended June 30, 2024 and 2023, respectively.

Recently adopted accounting pronouncement

In June 2016, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") No. 2016-13, *Financial Instruments—Credit Losses* (Topic 326) Accounting Standards Codification ("ASC") ("ASC 326"), along with subsequently issued related ASUs, which requires financial assets (or groups of financial assets) measured at amortized cost basis to be presented at the net amount expected to be collected, among other provisions. ASC 326 eliminates the probable initial threshold for recognition of credit losses for financial assets recorded at amortized cost, which could result in earlier recognition of credit losses. It utilizes a lifetime expected credit loss measurement model for the recognition of credit losses at the time the financial asset is originated or acquired.

The Organization adopted ASC 326 using the modified retrospective method at July 1, 2023, and it did not have a material impact on the financial statements and related disclosures as of and for the year ended June 30, 2024.

UNITED WAY OF GREATER NEW BEDFORD, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024 AND 2023

NOTE 1. **DESCRIPTION OF ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

Use of estimates

The preparation of financial statements in conformity with guidance in accounting principles generally accepted in the United States of America ("U.S. GAAP") 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. Estimates also affect the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

Basis of presentation

The financial statements have been prepared in accordance with U.S. GAAP, which require the Organization to report information regarding its financial position and activities according to the following net asset classifications:

Net Assets Without Donor Restrictions - Net assets available for use in general operations and not subject to donor (or certain grantor) restrictions. Net assets without donor restrictions may be designated for specific purposes by the Board of Directors.

Net Assets With Donor Restrictions - Net assets subject to donor-imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity.

Measurement of operations

The statement of activities and changes in net assets report the changes in net assets from operating and non-operating activities. Operating activities consist of those revenues and expenses related to campaign programs, service programs, sponsorships, and special events. Non operating activities include loss on disposals of equipment and contributions restricted for the purchase of property and equipment.

Cash and cash equivalents, and concentration of credit risk

The Organization considers all highly liquid investments purchased with an original maturity of three months or less, which are neither held for nor restricted by donors for long-term purposes, to be cash equivalents. Cash and highly liquid financial instruments restricted to building projects, endowments that are perpetual in nature, or other long-term purposes are excluded from this definition.

Cash is comprised of bank accounts and petty cash. The Organization maintains its cash accounts with two financial institutions whose deposits are insured by the Federal Deposit Insurance Corporation ("FDIC"). In addition, certain accounts are insured by the Depositors Insurance Fund ("DIF"). The DIF is a private industry-specific insurance fund that insures all deposits above the FDIC limits at Massachusetts chartered savings banks. At June 30, 2024 and 2023, the Organization had \$333,607 and \$646,091 respectively on deposit in excess of the amount insured by the FDIC, all of which was insured by DIF insurance.

UNITED WAY OF GREATER NEW BEDFORD, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024 AND 2023

NOTE 1. DESCRIPTION OF ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Accounts receivables

The Organization reports its receivables at the amount it expects to collect. Management provides for probable uncollectible amounts through a charge to bad debt expense and a credit to the allowance for credit losses accounts based on its assessment of the current status of individual amounts. Balances that are still outstanding after management has used reasonable collection efforts are written off through a charge to the credit losses account and a credit to receivables. At June 30, 2024, 2023, and 2022, accounts receivable balances were \$239,397, \$277,016, and \$415,019, respectively. At June 30, 2024, 2023, and 2022, there was no allowance for credit losses recorded.

Campaign pledge receivables

Conditional promises to give are not recognized in the financial statements until the conditions are substantially met. Unconditional promises to give that are expected to be collected within one year are recorded at net realizable value. Unconditional promises to give that are expected to be collected in more than one year are recorded at fair value, which is measured as the present value of their future cash flows. The discounts on those amounts are computed using risk-adjusted interest rates applicable to the years in which the promises are received. Amortization of the discounts is included in contribution revenue. In the absence of donor stipulations to the contrary, promises with payments due in future periods are restricted to use after the due date.

Unconditional promises to give are periodically reviewed to estimate an allowance for doubtful accounts. Management estimates the allowance by review of historical experience and a specific review of collections trends, applied as a percentage to gross campaign revenues.

Investments

The Organization's investments, which are comprised of both debt and equity securities, are stated at fair value. Unrealized holding gains and losses are reported as a component of net investment income. Unrealized losses for both the held-to-maturity and available-for-sale securities are evaluated to determine if any component is attributable to credit loss versus market factors. If a credit loss is determined, a provision for expected credit losses is recorded in the statements of activities. Subsequent improvement in credit may, unlike previous accounting, result in reversal of the credit charge in future periods. The Organization concluded that an allowance was not required to recognize credit losses in fiscal year 2024 based upon payment structure of the security. Under prior accounting rules which analyzed investment securities for other-than-temporary declines in value, the Organization did not recognize any other than temporary impairment ("OTTI") charges in fiscal year 2023, applicable to either available-for-sale or held-to-maturity securities. Total net unrealized gains recognized during 2024 and 2023, on investments held at June 30, 2024 and 2023, were \$318,136 and \$203,037, respectively. Realized gains and losses are computed based on the specific identification method for the securities sold.

UNITED WAY OF GREATER NEW BEDFORD, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024 AND 2023

NOTE 1. **DESCRIPTION OF ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

Investments (continued)

The Organization's investments are maintained in a professionally managed portfolio and are exposed to various risks such as interest rate, market and credit risk. Due to the level of risk associated with such investments and the level of uncertainty related to changes in the value of such investments, it is at least reasonably possible that changes in risk in the near term could materially affect investment balances and the amounts reported in the financial statements.

Fair value measurements

FASB ASC 820, *Fair Value Measurement*, establishes a framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3). Categorization within the valuation hierarchy is based upon the lowest level of input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs. Under the standard, fair value is defined as the exit price, or the amount that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants as of the measurement date.

The three levels of the fair value hierarchy are described as follows:

Level 1 - inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Organization has the ability to access.

Level 2 - inputs to the valuation methodology include: quoted prices for similar assets or liabilities in active markets; quoted prices for identical assets or liabilities in inactive markets; inputs other than quoted prices that are observable for the asset or liability; and, inputs that are derived principally from or corroborated by observable market data by correlation or other means. 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.

Property and equipment

Property and equipment is stated at cost, less accumulated depreciation. If donated, property and equipment is stated at fair market value on the date donated. Amortization of leasehold improvements is included in depreciation expense. Depreciation on leasehold improvements is computed on a straight-line basis over the life of the lease. Maintenance and repairs are charged to expense as incurred and major renewals and betterments are capitalized. Depreciation of furniture and equipment and vehicles is provided using the straight-line method over the estimated useful lives of the assets, which ranges from three to five years. Depreciation expense totaled \$1,529 for the years ended June 30, 2024 and 2023.

UNITED WAY OF GREATER NEW BEDFORD, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024 AND 2023

NOTE 1. **DESCRIPTION OF ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

Leases

The Organization has an operating lease for their third floor office space located in New Bedford, MA and three financing leases for their postage meter and copiers. The Organization determines if an arrangement is a lease at the inception of the contract. At the lease commencement date, each lease is evaluated to determine whether it will be classified as an operating or finance lease. For leases with a lease term of 12 months or less (a "short-term" lease), any fixed lease payments are recognized on a straight-line basis over such term, and are not recognized on the statements of financial position.

The lease terms include the noncancelable portion of the underlying leases along with any reasonably certain lease periods associated with available renewal periods, termination options and purchase options. The Organization uses the risk-free discount rate when the rate implicit in the lease is not readily determinable at the commencement date in determining the present value of lease payments.

The Organization recognizes rental expense under these leases on the straight-line basis over the lease term. The lease agreements do not contain any material residual value guarantees or material restrictive covenants.

Impairment of long-lived assets

The Organization evaluates long-lived assets held and used by the Organization, including the Organization's right-of-use assets, for impairment whenever events or changes in circumstances indicate that the carrying amounts of the assets may not be recoverable. An impairment loss is recognized if the sum of the expected undiscounted future cash flows from the use and disposition of the asset is less than its carrying amount. Generally, the amount of the impairment loss is measured as the difference between the carrying amount of the asset and the estimated fair value of the asset. The Organization did not record any impairment losses during the years ended June 30, 2024 and 2023.

Donor designated payables

The Organization offers a donor designation option to enable donors to specifically designate their contribution to specific agencies and programs. Contributions that have been designated by the donor to agencies and individuals amount to \$3,424 and \$4,044 for the years ended June 30, 2024 and 2023, respectively, of which all is outstanding and included in grants and donor designated payables on the statements of financial position as of June 30, 2024 and 2023, and will be paid within the coming year.

UNITED WAY OF GREATER NEW BEDFORD, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024 AND 2023

NOTE 1. **DESCRIPTION OF ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

Revenue recognition and deferred revenue

Revenues are reported as increases in net assets without donor restrictions unless use of the related asset is limited by donor-imposed restrictions. Expenses are reported as decreases in net assets without donor restrictions. Realized and unrealized gains and losses on investments and other assets or liabilities are reported as increases or decreases in net assets without donor restrictions unless their use is restricted by explicit donor stipulations or by law. Expirations of donor-imposed restrictions on net assets, such as the donor stipulated purposes has been fulfilled and/or the stipulated time period has elapsed, are reported as net assets released from restriction between the classes of net assets.

Grants and contributions, government grants and contracts, and sponsorships are recognized as revenues in the period received or promised. 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 performed and costs are incurred pro-rata over the period covered by the grant or contribution as time restrictions lapse. Contributions with donor restrictions received and satisfied in the same period are included in grants and contributions without donor restrictions.

Contracts that are considered nonreciprocal transactions that further the programs of the Organization are recorded when the Organization receives notification of the contract, or if, conditions for performance are imposed, revenue is recognized when conditions have been met. All contracts consist 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 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 agencies. For the years ended June 30, 2024 and 2023, predominately all program service fees of the Organization represent nonreciprocal transactions.

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.

Special event revenue is derived from contributions collected and fees charged for admission at various sponsored events. Special event revenue is recognized when earned.

UNITED WAY OF GREATER NEW BEDFORD, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024 AND 2023

NOTE 1. DESCRIPTION OF ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Revenue recognition and deferred revenue (continued)

The Organization recognizes in-kind contributions at their estimated fair value at the date of donation and are reported as support without donor restrictions unless explicit donor stipulations specify how donated assets must be used. The Organization recognizes the estimated fair value of contributed services if such services meet the following criteria:

- The services received either create or enhance nonfinancial assets, or
- The services received require special skills and are provided by individuals possessing those skills, and the services received would typically need to be purchased if not contributed.

Donated goods, materials and services are recognized in the financial statements if the services received required specialized skills provided by individuals possessing those skills and would typically need to be purchased if not provided by donation. Certain services donated to the Organization by community volunteers do not meet the above criteria and, therefore, are not recognized in the financial statements.

Functional allocation of expenses

The costs of program and supporting services activities have been summarized on a functional basis in the statement of functional expenses. The statement of functional expenses presents the natural classification detail of expenses by function. Accordingly, certain costs have been allocated among the programs and supporting services benefited. The expenses that are allocated are employee compensation and related expenses, and occupancy which are allocated on time and effort and salary allocations, respectively.

Income taxes

The Organization qualifies as a tax-exempt organization under Section 501(c)(3) of the Internal Revenue Code. In addition, the Organization has been determined by the Internal Revenue Service to not be a private foundation within the meaning of Section 509(a) of the Code. As a not-for-profit corporation, the Organization is subject to unrelated business income tax ("UBIT"), if applicable. In accordance with FASB ASC 740, *Income Taxes*, the Organization applies the "more likely than not" threshold to the recognition and derecognition of tax positions for its financial statements. Management has evaluated the Organization's tax positions and has concluded that there were no uncertain tax positions that qualified for either recognition or disclosure in these financial statements.

The Organization files an informational tax return in the U.S. federal jurisdiction.

Subsequent events

The Organization has evaluated subsequent events through October 17, 2024, the date that the accompanying financial statements were available to be issued. Aside from the matters identified in Note 6, there were not other material subsequent events that required recognition or disclosure in these financial statements.

UNITED WAY OF GREATER NEW BEDFORD, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024 AND 2023

NOTE 2. LIQUIDITY AND AVAILABILITY

The following represents the Organization's financial assets as of June 30, 2024:

Financial assets at year-end:	
Cash and cash equivalents	\$ 766,930
Accounts receivable	239,397
Campaign pledge receivable	230,032
Investments	<u>2,316,906</u>
Total financial assets at year-end	3,553,265
Less: amounts not available to be used within one year:	
Net assets with donors restrictions	(508,951)
Board designated net assets	<u>(463,255)</u>
Financial assets available to meet general expenditures over the next 12 months	<u>\$ 2,581,059</u>

The Organization's goal is generally to maintain financial assets to meet 90 days of operating expenses (approximately \$720,000).

NOTE 3. PLEDGES RECEIVABLE

The Organization has received unconditional pledges related to their annual fundraising campaigns. All unconditional pledges receivable are expected to be collected within one year and are recorded at net realizable value.

The following is an analysis of the pledges receivable as of June 30, 2024 and 2023:

	<u>2024</u>	<u>2023</u>
Campaign pledges receivable	\$ 263,431	\$ 265,146
Less: allowance for uncollectible pledges	<u>(33,399)</u>	<u>(30,347)</u>
Campaign pledges receivable, net	<u>\$ 230,032</u>	<u>\$ 234,799</u>

NOTE 4. PROPERTY AND EQUIPMENT

Property and equipment consist of the following at June, 30, 2024 and 2023:

	<u>2024</u>	<u>2023</u>
Office equipment	\$ 28,685	\$ 28,685
Vehicles	<u>70,355</u>	<u>70,355</u>
	99,040	99,040
Less: accumulated depreciation	<u>(94,582)</u>	<u>(93,053)</u>
Property and equipment, net	<u>\$ 4,458</u>	<u>\$ 5,987</u>

UNITED WAY OF GREATER NEW BEDFORD, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024 AND 2023

NOTE 5. INVESTMENTS

Investments are measured at fair value based on one or more of the following valuation techniques:

- (a) *Market approach*: Prices and other relevant information generated by market transactions involving identical or comparable assets or liabilities;
- (b) *Cost approach*: Amount that would be required to replace the service capacity of an asset (replacement cost); and
- (c) *Income approach*: Techniques to convert future amounts to a single present amount based on market expectations (including present value techniques, option-pricing and excess earnings models).

At June 30, 2024 and 2023, a summary of the Organization's investments is as follows:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total at June 30, 2024</u>	<u>Valuation Technique</u>
Money market funds	\$ 137,819	\$ -	\$ -	\$ 137,819	(a)
ETF, index fund	268,946	-	-	268,946	(a)
Fixed income:					
A1	-	73,087	-	73,087	(a)
A2	-	72,908	-	72,908	(a)
A3	-	49,183	-	49,183	(a)
Baa1	-	73,807	-	73,807	(a)
Baa2	-	216,970	-	216,970	(a)
NR	-	49,889	-	49,889	(a)
Total fixed income	-	535,844	-	535,844	(a)
Common stock:					
Consumer	116,487	-	-	116,487	(a)
Consumer discretionary	128,242	-	-	128,242	(a)
Consumer staples	82,982	-	-	82,982	(a)
Energy	47,094	-	-	47,094	(a)
Financial	135,030	-	-	135,030	(a)
Health care	148,310	-	-	148,310	(a)
Industrial	95,584	-	-	95,584	(a)
Information technology	364,844	-	-	364,844	(a)
Materials	17,552	-	-	17,552	(a)
Real estate	32,283	-	-	32,283	(a)
Utilities	33,859	-	-	33,859	(a)
Foreign equity	23,009	-	-	23,009	(a)
International equity	149,021	-	-	149,021	(a)
Total common stock	1,374,297	-	-	1,374,297	(a)
Total	\$ 1,781,062	\$ 535,844	\$ -	\$ 2,316,906	

UNITED WAY OF GREATER NEW BEDFORD, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024 AND 2023

NOTE 5. INVESTMENTS (CONTINUED)

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	Total at June 30, 2023	<u>Valuation Technique</u>
Money market funds	\$ 69,856	\$ -	\$ -	\$ 69,856	(a)
ETF, index funds	<u>366,432</u>	<u>-</u>	<u>-</u>	<u>366,432</u>	(a)
Corporate bonds:					
A1	-	70,900	-	70,900	(a)
A2	-	70,414	-	70,414	(a)
A3	-	48,910	-	48,910	(a)
Baa1	-	72,962	-	72,962	(a)
Baa2	-	213,138	-	213,138	(a)
NR	<u>-</u>	<u>48,679</u>	<u>-</u>	<u>48,679</u>	(a)
	<u>-</u>	<u>525,003</u>	<u>-</u>	<u>525,003</u>	(a)
Common stock:					
Consumer	80,939	-	-	80,939	(a)
Consumer discretionary	105,727	-	-	105,727	(a)
Consumer staple	71,089	-	-	71,089	(a)
Energy	47,988	-	-	47,988	(a)
Financial	129,154	-	-	129,154	(a)
Healthcare	155,847	-	-	155,847	(a)
Industrial	93,703	-	-	93,703	(a)
Information technology	276,270	-	-	276,270	(a)
Materials	19,054	-	-	19,054	(a)
Real estate	34,462	-	-	34,462	(a)
Utilities	<u>21,959</u>	<u>-</u>	<u>-</u>	<u>21,959</u>	(a)
Total common stock	<u>1,036,192</u>	<u>-</u>	<u>-</u>	<u>1,036,192</u>	
Total	<u>\$ 1,472,480</u>	<u>\$ 525,003</u>	<u>\$ -</u>	<u>\$ 1,997,483</u>	

Following is a description of the valuation methodologies used for the Organization's assets measured at fair value and included in the fair value hierarchy:

Money markets: Valued based on the daily closing prices reported.

Exchange-traded and common stock: Valued at the last recorded sales price as of the financial statement reporting date, or in the absence of recorded sales, at the last quoted bid price reported as of the financial statement reporting date.

Fixed income: Bonds are valued using pricing models maximizing the use of observable inputs for similar securities. This includes basing value on yields currently available on comparable securities of issuers with similar credit ratings.

The preceding methods may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, although the Organization 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. There have been no changes in the methodologies used for the years ended June 30, 2024 and 2023.

UNITED WAY OF GREATER NEW BEDFORD, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024 AND 2023

NOTE 5. INVESTMENTS (CONTINUED)

There were no transfers between levels of the fair value hierarchy nor any Level 3 investments for the years ended June 30, 2024 and 2023.

Investment gains (loss), net for the years ended June 30, is summarized as follows:

	<u>2024</u>	<u>2023</u>
Interest and dividends	\$ 73,157	\$ 54,523
Unrealized gains (losses) on investments, net	152,083	81,518
Realized gain (loss)	109,233	81,043
Investment fees	<u>(16,337)</u>	<u>(14,047)</u>
	<u>\$ 318,136</u>	<u>\$ 203,037</u>

NOTE 6. LEASES

Finance leases

The Organization has financing leases for their postage meter and two copiers. The postage meter expires in December 2025 and has quarterly commitment payments of \$324. The copier leases expire in June 2024 and April 2028, respectively. The weighted average lease term for 2024 and 2023, is 2.08 and 3.08 years, respectively. The weighted average discount rate is 1.17% for both years.

	<u>2024</u>	<u>2023</u>
Finance lease costs:		
Amortization of finance lease liability	\$ 7,450	\$ 5,923
Interest on lease liability	<u>387</u>	<u>349</u>
Total	<u>\$ 7,837</u>	<u>\$ 6,272</u>

Operating lease

In addition to the finance leases, the Organization has an operating lease for third floor office space in New Bedford, MA under a long-term lease agreement with the 128 Union Street. The operating lease expires June, 2026 and has monthly commitment payments of \$4,314. The weighted average lease term for 2024 and 2023, is 4.00 years, and the weighted average discount rate is 2.87%.

The Organization has short-term leases and the commitment for these leases in 2024 and 2023 is approximately \$49,134 and \$46,200, respectively. These other lease expenses are included within occupancy on the statement of functional expenses.

UNITED WAY OF GREATER NEW BEDFORD, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024 AND 2023

NOTE 6. LEASES (CONTINUED)

Operating lease (continued)

As of June 30, 2024, the Organization's future minimum payments on operating and financing leases, including interest, are as follows:

<u>Year ending June 30,</u>	<u>Operating</u>	<u>Financing</u>	<u>Total</u>
2025	\$ 53,318	\$ 2,844	\$ 56,162
2026	54,918	2,195	57,113
2027	-	1,547	1,547
2028	-	1,290	1,290
Total lease payments	108,236	7,876	116,112
Less: amount of lease payments representing interest	(4,458)	(438)	(4,896)
Present value of lease liabilities	103,778	7,438	111,216
Less: current portion	(51,096)	(2,621)	(53,717)
Total	<u>\$ 52,682</u>	<u>\$ 4,817</u>	<u>\$ 57,499</u>

Subsequent to year end, on October 1, 2024, the Organization entered into a lease agreement for operating space on the fourth floor of their current location. When entering into this lease, a lease modification for the 3rd floor also occurred. Both operating leases have a term date of June 30, 2030 and payments due monthly in the amounts of \$4,443 and \$3,966, with a 3.50% escalation factor yearly, respectively.

NOTE 7. NET ASSETS WITH DONOR RESTRICTIONS

At June 30, 2024 and 2023, net assets with donor restrictions are restricted for the following purposes:

	<u>2024</u>	<u>2023</u>
Subject to expenditure for specified purpose:		
Take This Child to Heart Fund	\$ 6,500	\$ 6,500
Haitian Families Support	-	432
AmeriCorps support	2,845	2,845
Help United Fund	77,346	97,346
Women United	200,283	136,583
Fiscal Sponsorships	24,000	-
Sponsorships	13,627	12,000
Technology	4,350	-
Hunger Commission Truck	180,000	-
Total	<u>\$ 508,951</u>	<u>255,706</u>

UNITED WAY OF GREATER NEW BEDFORD, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024 AND 2023

NOTE 7. NET ASSETS WITH DONOR RESTRICTIONS (CONTINUED)

Net assets were released from donor restrictions by incurring expenses satisfying the restricted purpose or by occurrence of the passage of time or other events specified by the donors as follows for the years ended June 30, 2024 and 2023:

	<u>2024</u>	<u>2023</u>
Satisfaction of purpose restrictions:		
Help United Fund	\$ 20,000	\$ -
Move the World Foundation	-	7,052
Women United	91,556	-
Haitian Families Support	432	-
Take This Child to Heart	6,500	3,637
Sponsorships	12,000	-
Hawthorn Medical Associates Charitable Fund	-	5,000
Carney Family Charitable Foundation	-	22,449
NB Math All-stars	<u>13,373</u>	<u>-</u>
Total	<u>\$ 143,861</u>	<u>\$ 38,138</u>

NOTE 8. BOARD DESIGNATED NET ASSETS

Board designated net assets include amounts which have been designated for various specified programs as follows:

	<u>2024</u>	<u>2023</u>
Impact initiative	\$ 285,720	\$ 312,467
Innovation fund	<u>177,535</u>	<u>178,203</u>
Total	<u>\$ 463,255</u>	<u>\$ 490,670</u>

The Impact Initiative fund was developed by the Organization to support its priorities in health, education, financial stability, and basic needs. This allows the Organization to fund, research, and convene different types of impact projects and approaches within the community.

Through the Innovation fund, the Organization is seeking projects that experiment, pilot, or test new ideas and approaches that can lead to breakthroughs in the Organization's priorities in Health, Education, Financial Stability, and Basic Needs.

NOTE 9. LINE OF CREDIT

At June 30, 2024 and 2023, the Organization has a demand line of credit arrangement (the "line") with a bank. Borrowings under the line are limited to a maximum of \$200,000. Interest with a rate of 5% is payable monthly. During 2024 and 2023, the Organization did not have an outstanding balance on their line of credit, but still has the ability to draw from it if necessary.

UNITED WAY OF GREATER NEW BEDFORD, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024 AND 2023

NOTE 10. DEFINED CONTRIBUTION PLAN

The Organization has a defined contribution plan (the "Plan") which funds individual tax deferred annuity contracts under Section 403(b) of the IRC for the benefit of all employees. There is a three-year vesting period for these participants. Under the provisions of the Plan, employees may make voluntary contributions to the plan. The Organization matches 100% of the participant's deferral up to 5% of their compensation. The Organization's contributions under the plan amounted to \$20,328 and \$9,782 for the years ended June 30, 2024 and 2023, respectively."

NOTE 11. COMMITMENT AND CONTINGENCIES

Payment Protection Program

In April 2020, the Organization received loan proceeds of \$221,454 under the Paycheck Protection Program ("PPP"). The Organization applied for PPP loan forgiveness and received approval from the Small Business Administration("SBA") in July 2021 and therefore recorded \$221,454 related to the forgiveness of debt during the year ended June 30, 2022. If it is determined that the Organization was not eligible to receive the PPP Loan or that the Organization has not adequately complied with the rules, regulations and procedures applicable to the SBA's Loan Program, the Organization could be subject to penalties and could be required to repay the amounts previously forgiven.

State funding

The Organization receives a portion of its funding from governmental agencies. The ultimate determination of amounts received under these programs generally is based upon allowable costs reported to and audited by the governmental agencies. Until such audits have been completed, if any, and final settlement reached, there exists a contingency to refund any amount received in excess of allowable costs. Management is of the opinion that no material liability will result from such audits.

The Organization's operations are concentrated in the social provider field. As such, the Organization operates in a heavily regulated environment. The operations of the Organization are subject to administrative directives, rules and regulations of federal, state and local regulatory agencies, including, but not limited to the Massachusetts Department of Children and Families and the City of New Bedford.

Such administrative directives, rules and regulations are subject to change by an act of Congress, act of the state and local legislature or an administrative change mandated by the Massachusetts Department of Children and Families. Such changes may occur with little notice or inadequate funding to pay for the related cost, including the additional administrative burden to comply with a change. Additionally, contractual funding may decrease or be withdrawn with little notice.

UNITED WAY OF GREATER NEW BEDFORD, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024 AND 2023

NOTE 12. IN-KIND DONATIONS

The value of in-kind donations for the year ended June 30, 2024 and 2023 are as follows:

	<u>2024</u>	<u>2023</u>
Recorded in the financial statements:		
Food	\$ 220,811	\$ 380,684
Donations, including items donated for special events	<u>134,099</u>	<u>112,076</u>
Total recorded in the financial statements	<u>\$ 354,910</u>	<u>\$ 492,760</u>

Donations of food are valued at the estimated by the U.S. standard dollar per pound rate for food related items. Any donated items for the Organization's special events were valued at the fair market value of the asset at the date of the donation.

The recorded amounts are presented as in-kind donations, other operating expenses, and direct benefit to donors in the accompanying financial statements.

NOTE 13. PROGRAM INITIATIVES/GRANT AWARDS

As described in Note 1, the Organization has multiple grants payable for various initiatives that give back to the surrounding community. Included within grants and donor designated payables on the statements of financial position as of June 30, 2024 and 2023, are the following grants payable:

	<u>2024</u>	<u>2023</u>
Agency Allocation/CIG payable	\$ 415,000	\$ 400,000
Changemakers payable	15,513	31,018
Holidays Fund payable	-	20,000
Holiday Wishes payable	7,538	30,325
Other programs	<u>-</u>	<u>26,830</u>
Total	<u>\$ 438,051</u>	<u>\$ 508,173</u>

NOTE 14. RELATED PARTY TRANSACTIONS

During the years ended June 30, 2024 and 2023, a board member worked for the insurance agency that brokers the health, liability, auto, workman's compensations, cyber liability, and accident insurance for the Organization. The Organization paid \$126,413 and \$127,425 in insurance premiums directly to the insurance providers for the years ended June 30, 2024 and 2023, respectively, of which \$3,117 and \$3,236 was paid directly to the board member's insurance agency.

**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN
ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS***

To the Board of Directors
United Way of Greater New Bedford, Inc.
New Bedford, Massachusetts

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of United Way of Greater New Bedford, Inc. (a nonprofit organization), which comprise the statement of financial position as of June 30, 2024, and the related statements of activities, functional expenses and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated October 17, 2024.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered United Way of Greater New Bedford, Inc.'s internal control over financial reporting ("internal control") as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of United Way of Greater New Bedford, Inc.'s internal control. Accordingly, we do not express an opinion on the effectiveness of United Way of Greater New Bedford, Inc.'s internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

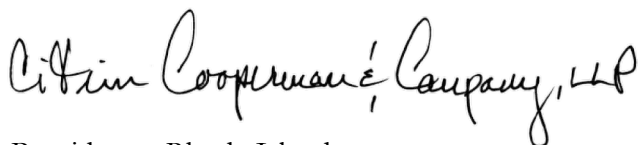
Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that have not been identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether United Way of Greater New Bedford, Inc.'s financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Organization's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the United Way of Greater New Bedford, Inc.'s internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



Providence, Rhode Island

October 17, 2024