

**UNITED WAY OF PIONEER VALLEY, INC.**  
***FINANCIAL STATEMENTS***  
***JUNE 30, 2025***  
***WITH SUMMARIZED FINANCIAL INFORMATION***  
***FOR THE YEAR ENDED JUNE 30, 2024***

**UNITED WAY OF PIONEER VALLEY, INC.  
FINANCIAL STATEMENTS**

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## MeyersBrothersKalicka , P.C.

CERTIFIED PUBLIC ACCOUNTANTS  
AND BUSINESS STRATEGISTS

### INDEPENDENT AUDITORS' REPORT

To the Board of Directors of  
United Way of Pioneer Valley, Inc.

#### *Opinion*

We have audited the accompanying financial statements of United Way of Pioneer Valley, Inc. (the "United Way") (a nonprofit organization), which comprise the statement of financial position as of June 30, 2025, and the related statements of activities, 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 the United Way as of June 30, 2025, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

#### *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 the United Way 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 these 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 United Way'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 the United Way'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 the United Way'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 the United Way's 2024 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated August 25, 2025. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2024, is consistent, in all material respects, with the audited financial statements from which it has been derived.

*Maureen Brothers Holistic, P.C.*

Holyoke, Massachusetts  
February 4, 2026

**UNITED WAY OF PIONEER VALLEY, INC.**

**STATEMENT OF FINANCIAL POSITION**

JUNE 30, 2025

**WITH COMPARATIVE TOTALS FOR 2024**

	2025			2024	
	Without Donor Restrictions	With Donor Restrictions	Total	Total	Total
<b>Assets</b>					
Cash	\$ 169,376	\$ -	\$ 169,376	\$ 169,376	\$ 309,150
Restricted cash	-	114,797	114,797	114,797	-
Prepaid expenses	5,516	-	5,516	5,516	14,165
Grants receivable	-	-	-	-	60,965
Contributions receivable, net	220,967	-	220,967	220,967	375,389
Investments	2,593,762	82,699	2,676,461	2,676,461	2,526,448
Leasehold improvements, vehicle, and equipment, net	6,858	-	6,858	6,858	15,635
Operating leases - right of use assets, net	387,641	-	387,641	387,641	463,522
Investments held at Community Foundation	-	142,103	142,103	142,103	130,513
Beneficial interest in perpetual trusts	-	1,608,103	1,608,103	1,608,103	1,513,412
<b>Total assets</b>	<u>\$ 3,384,120</u>	<u>\$ 1,947,702</u>	<u>\$ 5,331,822</u>	<u>\$ 5,331,822</u>	<u>\$ 5,409,199</u>
<b>Liabilities</b>					
Accounts payable	\$ 15,548	\$ -	\$ 15,548	\$ 15,548	\$ 48,738
Accrued compensation and related liabilities	62,768	-	62,768	62,768	51,601
Operating lease liability	405,463	-	405,463	405,463	484,167
<b>Total liabilities</b>	<u>483,779</u>	<u>-</u>	<u>483,779</u>	<u>483,779</u>	<u>584,506</u>
<b>Net assets</b>					
Without donor restrictions	2,900,341	-	2,900,341	2,900,341	3,098,069
With donor restrictions	-	1,947,702	1,947,702	1,947,702	1,726,624
<b>Total net assets</b>	<u>2,900,341</u>	<u>1,947,702</u>	<u>4,848,043</u>	<u>4,848,043</u>	<u>4,824,693</u>
<b>Total liabilities and net assets</b>	<u>\$ 3,384,120</u>	<u>\$ 1,947,702</u>	<u>\$ 5,331,822</u>	<u>\$ 5,331,822</u>	<u>\$ 5,409,199</u>

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

**UNITED WAY OF PIONEER VALLEY, INC.**

**STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2025  
WITH COMPARATIVE TOTALS FOR 2024**

	2025		2024
	Without Donor Restrictions	With Donor Restrictions	Total
<b>Campaign revenues and other support</b>			
Campaign contributions	\$ 826,454	\$ -	\$ 826,454
Less: provision for uncollectible pledges	<u>(132,353)</u>	<u>-</u>	<u>(132,353)</u>
Net campaign contributions	694,101	-	694,101
Investment income, net of fees	60,389	1,473	61,862
Administration fees	19,255	-	19,255
Grant income	10,000	353,741	363,741
Other income	5,603	-	5,603
In-kind support	1,048,813	-	1,048,813
Net assets released from restrictions	<u>241,944</u>	<u>(241,944)</u>	<u>-</u>
<b>Total campaign revenues and other support</b>	<u>2,080,105</u>	<u>113,270</u>	<u>2,193,375</u>
<b>Expenses</b>			
Programs	1,990,135	-	1,990,135
Management and general	285,616	-	285,616
Fundraising	<u>185,398</u>	<u>-</u>	<u>185,398</u>
<b>Total expenses</b>	<u>2,461,149</u>	<u>-</u>	<u>2,461,149</u>
<b>Changes in net assets from operations</b>	<u>(381,044)</u>	<u>113,270</u>	<u>(267,774)</u>
<b>Other changes</b>			
Realized and unrealized gain on investments	189,624	13,117	202,741
Change in value of split interest agreements	-	94,691	94,691
Loss on disposal of property and equipment	<u>(6,308)</u>	<u>-</u>	<u>(6,308)</u>
<b>Total other changes</b>	<u>183,316</u>	<u>107,808</u>	<u>291,124</u>
<b>Change in net assets</b>	<u>(197,728)</u>	<u>221,078</u>	<u>23,350</u>
Net assets, beginning of year	<u>3,098,069</u>	<u>1,726,624</u>	<u>4,824,693</u>
Net assets, end of year	<u>\$ 2,900,341</u>	<u>\$ 1,947,702</u>	<u>\$ 4,848,043</u>

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

**UNITED WAY OF PIONEER VALLEY, INC.**

**STATEMENT OF FUNCTIONAL EXPENSES  
FOR THE YEAR ENDED JUNE 30, 2025**

	Program Services					Supporting Services			Total
	Western Massachusetts Network to End Homelessness	Women's Leadership Council	Financial Success Center	Service Centers	Volunteer Connect	Total Programs	Management and General	Fund Raising	
Community Services	\$ 7,544	\$ -	\$ -	\$ -	\$ -	\$ 7,544	\$ -	\$ -	\$ 7,544
Passthrough grants	151,675	2,608	50,912	139,188	97,045	447,212	57,289	113,554	618,055
Salaries	7,298	102	2,218	6,122	4,714	20,743	15,446	5,072	41,261
Employee health and retirement benefits	16,230	324	5,875	15,007	10,846	48,811	4,997	11,865	65,673
Payroll taxes	175,203	3,034	59,005	160,317	112,605	516,766	77,732	130,491	724,989
Total salaries and related expenses	31,431	726	11,244	91,020	12,622	147,561	37,007	12,398	196,966
Occupancy costs	3,850	116	2,053	7,344	2,829	16,289	3,607	3,056	22,952
Telephone and internet	66	-	2,395	390	-	2,851	15,047	152	18,050
Membership and dues	4,267	16	280	810	464	5,906	18,081	29,672	53,659
Bank and grant fees	2,878	-	239	-	1,017	4,134	4,994	207	9,335
Postage and office supplies	920	13	189	11,317	55	12,944	1,601	1,164	15,709
Automobile expense	2,593	75	1,209	4,238	2,083	10,261	5,851	1,658	17,770
Insurance	1,557	39	733	4,324	1,200	7,902	1,183	946	10,031
Repairs and maintenance	5,897	2,297	-	288	3,348	11,830	4,399	22	16,251
Community training, meetings and events	27,564	-	4,750	1,425	-	97,862	112,842	2,400	213,104
Professional services	9,959	-	-	439	5,162	16,692	3,212	2,807	22,711
Publicity and promotion	16,384	-	-	25,188	36,204	77,776	-	-	77,776
Program supplies	3,000	-	-	-	-	3,000	-	-	3,000
Scholarships	4,500	-	-	1,044,313	-	1,048,813	-	-	1,048,813
In-kind (Note 2)	-	-	-	-	-	20	-	-	20
Miscellaneous	114,866	3,292	23,092	1,191,096	64,984	1,463,841	207,824	54,482	1,726,147
Total expenses before depreciation	297,613	6,326	82,097	1,351,413	177,589	1,988,151	285,556	184,973	2,458,680
Depreciation	425	142	283	850	227	1,984	60	425	2,469
Total expenses	\$ 298,038	\$ 73,170	\$ 82,380	\$ 1,352,263	\$ 177,816	\$ 1,990,135	\$ 285,616	\$ 185,398	\$ 2,461,149

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

**UNITED WAY OF PIONEER VALLEY, INC.**

**STATEMENT OF FUNCTIONAL EXPENSES  
FOR THE YEAR ENDED JUNE 30, 2024**

	Program Services						Supporting Services			Total
	Western Massachusetts Network to End Homelessness	Women's Leadership Council	Financial Success Center	Service Centers	Volunteer Connect	Total Programs	Management and General	Fund Raising	2024	
Passthrough grants	\$ 146,224	\$ -	\$ -	\$ -	\$ -	\$ 213,724	\$ -	\$ -	\$ 213,724	
Salaries	100,958	17,567	102,005	143,197	-	381,167	96,093	138,053	615,313	
Employee health and retirement benefits	828	2,002	6,674	13,669	-	24,508	30,770	3,337	58,615	
Payroll taxes	15,115	1,893	10,719	17,574	-	47,209	5,652	14,871	67,732	
Total salaries and related expenses	<u>116,901</u>	<u>21,462</u>	<u>119,398</u>	<u>174,440</u>	-	<u>452,884</u>	<u>132,515</u>	<u>156,261</u>	<u>741,660</u>	
Occupancy costs	26,269	6,602	22,007	122,175	-	182,642	960	11,219	194,821	
Telephone and internet	4,898	1,607	6,272	12,824	-	26,672	884	3,355	30,911	
Membership and dues	75	-	800	438	-	1,313	21,236	660	23,209	
Bank and grant fees	4,592	231	387	2,018	3,500	14,052	16,968	26,234	57,254	
Legal fees	2,942	-	-	-	-	2,942	-	-	2,942	
Postage and office supplies	1,644	659	582	1,449	-	4,450	2,811	291	7,552	
Automobile expense	355	7	164	10,075	-	11,141	798	459	12,398	
Insurance	2,630	750	5,350	5,000	-	14,230	3,074	1,250	18,554	
Repairs and maintenance	2,486	310	1,032	2,467	-	6,501	2,894	516	9,911	
Community training, meetings and events	21,453	13,524	2,240	112	-	37,329	2,369	6,093	45,791	
Professional services	23,498	-	-	6,135	-	25,985	89,462	6,638	122,085	
Publicity and promotion	4,559	2,226	-	843	-	7,628	4,138	9,478	21,244	
Program supplies	7,216	-	-	28,493	-	35,709	-	-	35,709	
Scholarships	2,900	-	-	-	-	2,900	-	-	2,900	
In-kind (Note 2)	4,500	-	-	860,200	-	864,700	-	-	864,700	
Miscellaneous	70	-	1,541	-	-	1,723	4,883	13,145	19,751	
	<u>110,087</u>	<u>25,916</u>	<u>40,375</u>	<u>1,052,229</u>	<u>3,500</u>	<u>1,239,917</u>	<u>150,477</u>	<u>79,338</u>	<u>1,469,732</u>	
Total expenses before depreciation	373,212	47,378	159,773	1,226,669	3,500	1,906,525	282,992	235,599	2,425,116	
Depreciation	528	198	2,596	1,322	-	4,776	132	330	5,238	
Total expenses	<u>\$ 373,740</u>	<u>\$ 47,576</u>	<u>\$ 162,369</u>	<u>\$ 1,227,991</u>	<u>\$ 3,500</u>	<u>\$ 1,911,301</u>	<u>\$ 283,124</u>	<u>\$ 235,929</u>	<u>\$ 2,430,354</u>	

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

**UNITED WAY OF PIONEER VALLEY, INC.**

**STATEMENTS OF CASH FLOWS  
FOR THE YEARS ENDED JUNE 30, 2025 AND 2024**

	<b>2025</b>	<b>2024</b>
<b>Cash flows from operating activities</b>		
Change in net assets	\$ 20,350	\$ 195,308
Adjustments to reconcile change in net assets to net cash used in operating activities		
Depreciation	2,469	5,238
Net realized and unrealized gain	(202,741)	(182,725)
Change in beneficial interest in perpetual trusts	(94,691)	(129,172)
Change in investments held at Community Foundation	(11,590)	(11,864)
Change in provision for uncollectible pledges	-	(2,128)
Amortization of operating lease - right of use assets	75,881	74,656
Amortization of operating lease liability	(78,704)	(75,496)
Loss on disposal of property and equipment	6,308	-
Change in operating assets and liabilities:		
Prepaid expenses	8,649	16,980
Grants	60,965	41,630
Contributions receivable	154,422	(75,136)
Accounts payable	(33,190)	31,272
Community grants payable	-	(45,472)
Accrued compensation and related liabilities	11,167	(12,618)
Net cash used in operating activities	(80,705)	(169,527)
<b>Cash flows from investing activities</b>		
Purchase of investments	(47,272)	(48,828)
Proceeds from the sales of investments	100,000	250,000
Net cash provided by investing activities	52,728	201,172
<b>Net change in cash and restricted cash</b>	(24,977)	31,645
<b>Cash and restricted cash, beginning of year</b>	309,150	277,505
<b>Cash and restricted cash, end of year</b>	\$ 284,173	\$ 309,150

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

# UNITED WAY OF PIONEER VALLEY, INC.

## NOTES TO FINANCIAL STATEMENTS JUNE 30, 2025 AND 2024

### 1. ORGANIZATION:

The United Way of Pioneer Valley, Inc. (the “United Way”) is a nonprofit fundraising, fund distribution, and community service agency. The United Way raises funds on an annual basis, primarily through employee payroll deductions at the workplace, corporate contributions and grants. The United Way provides direct basic need services to individuals in Hampden County and the towns of South Hadley and Granby in Hampshire County, Massachusetts.

### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

#### Basis of presentation

The accompanying financial statements of the United Way have been prepared on the accrual basis of accounting in conformity with accounting principles generally accepted in the United States of America.

#### Comparative financial information

The financial statements include certain prior year summarized comparative information in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with accounting principles generally accepted in the United States of America. Accordingly, such information should be read in conjunction with the United Way’s financial statements for the year ended June 30, 2024, from which the summarized information was derived.

#### Revenue

##### *Campaign contributions*

An annual campaign drive commences in the fall and continues through the end of the fiscal year, primarily in the Western Massachusetts area. Pledges received in connection with the current campaign are recorded as unrestricted assets and an allowance is provided for amounts estimated to be uncollectible. All pledges are typically due within one year or less, for which their net realizable value is a reasonable estimate of fair value. Consequently, all pledges are recorded without any discount to present value.

United Way’s revenue is generated from the following types of arrangements at June 30:

	<u>2025</u>	<u>2024</u>
Campaign contributions, net *	\$ 694,101	\$ 967,738
Investment income, net of fees *	61,862	63,592
Administration fees	19,255	47,479
Grant income *	363,741	326,698
Other income	5,603	43,558
In-kind support*	1,048,813	864,700
Realized and unrealized gain on investments *	202,741	182,725
Change in value of split interest agreements *	94,691	129,172
Total campaign and other support revenue	<u>\$ 2,490,807</u>	<u>\$ 2,625,662</u>

\*This revenue category is not subject to ASU 2014-09 Topic 606.

UNITED WAY OF PIONEER VALLEY, INC.

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2025 AND 2024

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (CONTINUED)

**Revenue (continued)**

*Administration fees*

Administrative fee revenue consists of fiscal sponsorships and program administration fees. Revenue is recognized at a point in time when fiscal sponsorships and program revenues are received.

*Grants*

Grants are recognized as support in the period in which they are received. Grants are presented as support with donor restrictions if they are received with donor stipulations that limit the use of the donated assets. When a donor 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 statement of activities as net assets released from restrictions. Revenue with donor-imposed restrictions is recognized in net assets without donor restrictions if the restriction is met in the year the revenue is received.

*Other income*

Other income consists of revenue earned from trainings and event sponsorships. Revenue is recognized at a point in time when the trainings occur, or when sponsorship events occur.

**Grants and contribution receivables**

The United Way provides for an allowance for uncollectible contributions and grants receivable based upon management's experience applied to the age and character of the receivables. Accounts are written off against the allowance when management has exhausted all reasonable collection efforts. Actual bad debt write offs amounted to \$132,353 and \$34,703 for the years ended June 30, 2025 and 2024, respectively. As of June 30, 2025 and 2024, all receivables are related to pledge contributions and grants. There were no receivables related to revenue from contracts with customers.

**In-kind contributions**

In-kind contributions are reflected as contributions at their fair value at date of donation and are reported as support without donor restrictions unless explicit donor stipulations specify how donated assets must be used.

In-kind contributions are summarized as follows at June 30:

	<u>2025</u>	<u>2024</u>
Donated food	\$ 955,156	\$ 784,115
Donated transportation	4,500	4,500
Donated space	89,157	76,085
Total in-kind contributions	<u>\$ 1,048,813</u>	<u>\$ 864,700</u>

The United Way pays for most services requiring specific expertise. However, many individuals volunteer their time and perform a variety of tasks that assist the United Way with specific assistance programs, campaign solicitations and various committee assignments. The United Way recognizes the fair value of contributed services received if such services a) create or enhance nonfinancial assets or b) require specialized skills that are provided by individuals possessing those skills and would typically need to be purchased if not contributed.

# UNITED WAY OF PIONEER VALLEY, INC.

## NOTES TO FINANCIAL STATEMENTS JUNE 30, 2025 AND 2024

### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (CONTINUED)

#### **In-kind contributions (continued)**

The United Way also receives services from a large number of volunteers who give significant amounts of their time to the United Way's programs and fund-raising campaigns. Volunteer hours totaling approximately 12,000 and 6,700 were donated to the United Way for the years ended June 30, 2025 and 2024, respectively. The services provided by these volunteers do not meet the requirements for being recognized and therefore are not reflected in these financial statements.

#### **Leasehold improvements, vehicle, and equipment**

Leasehold improvements, vehicle, and equipment are carried at cost less accumulated depreciation. The United Way capitalizes expenditures for leasehold improvements, vehicle, and equipment in excess of \$2,500. The fair value of donated equipment is similarly capitalized. Depreciation is calculated based on the estimated useful lives, ranging from 3 to 10 years, of the respective assets using the straight-line method. When assets are retired or otherwise disposed of, the cost and related accumulated depreciation are removed from the accounts and any resulting gain or loss is credited or charged to operations for the period. The cost of maintenance and repairs is charged to operations as incurred; significant renewals and betterments are capitalized. The United Way evaluated the carrying value of its long-lived assets and no impairment was recorded.

#### **Investments, including endowments**

Investments are recorded at fair value using methodologies discussed in Fair Value Measurements (Note 7). Gains and losses that result from market fluctuations are recognized in the period such fluctuations occur. Realized gains and losses resulting from sales or maturities are calculated on a specific identification basis. Investment activity is reported as increases or decreases in net assets without donor restrictions unless their use is restricted by explicit donor stipulation or by law. Dividend and interest income are accrued when earned and reported net of investment advisory fees.

Investment securities are exposed to various risks, such as interest rate, market and credit. Due to the level of uncertainty related to changes in interest rates, market volatility and credit risks, it is at least reasonably possible that changes in these risks could materially affect the fair value of investments and related activity reported on the financial statements.

United Way's investments include donor restricted endowment funds and funds functioning as quasi-endowment funds (Note 6). Donor restricted endowments consist of gifts received with a donor stipulation that require the funds to be invested in perpetuity. Quasi-endowment funds consist of board designated and donor restricted purpose funds. Board designated funds consist of monies internally designated. Donor restricted purpose funds consist of gifts received with a donor stipulation to be used for a particular purpose, but with no requirement for the funds to be invested in perpetuity and for which a fund was established to function as an endowment.

Professional accounting standards provide guidance on the net asset classification of donor restricted endowment funds for a not-for-profit organization that is subject to an enacted version of the Massachusetts "Uniform Prudent Management of Institutional Funds Act" statute ("UPMIFA"), which serves as a model act for states to modernize their laws governing donor restricted endowment funds.

# UNITED WAY OF PIONEER VALLEY, INC.

## NOTES TO FINANCIAL STATEMENTS JUNE 30, 2025 AND 2024

### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (CONTINUED)

#### **Investments, including endowments (continued)**

The Board of Directors of the United Way (the "Board") has interpreted UPMIFA, as adopted by the Commonwealth of Massachusetts, as requiring the preservation of the fair value of the original gift as of the gift date of the donor restricted endowment funds absent explicit donor stipulations to the contrary. As a result of this interpretation, the United Way classifies as net assets with donor restrictions the original value of gifts donated to the permanent endowment. The remaining portion of the donor restricted endowment fund that is not classified in net assets with donor restrictions is classified as net assets without donor restrictions as donor requests noted that liquid earnings on endowment be used annually for general use.

#### **Investments held at Community Foundation**

The Community Foundation of Western Massachusetts ("Community Foundation") holds investment funds transferred by the United Way. The fair value of the investments held at the Community Foundation have been recorded as investments with donor restrictions on the statement of financial position. Investments are stated at fair value using methodologies noted in Note 7. Dividends and interest are recorded as earned net of investment fees.

The Community Foundation has established a variety of different investment portfolios which are managed by their Investment Committee. The United Way chose to invest its funds in the Global Growth Portfolio, which includes a combination of equity securities, bonds, cash and alternative investments. The aim of this portfolio is maximum long-term return on assets within a prudent level of risk.

#### **Beneficial interest in perpetual trusts**

The United Way is the beneficiary of income from perpetual trusts held, administered, and controlled by outside fiscal agents. The principal of these funds is neither in the possession, nor under the control of the United Way and therefore, is not recorded in the accompanying financial statements.

The present values of the estimated future cash receipts from the trusts were recorded as assets with donor restrictions and contribution revenues at the dates the trusts were established. Distributions from the trusts are recorded as income in net assets without donor restrictions and the carrying value of the assets is adjusted for changes in estimates of future receipts. Distributions recorded as contributions during the years ended June 30, 2025 and 2024 totaled \$47,155 and \$46,972, respectively.

#### **Cash and restricted cash**

For the purposes of the statements of cash flows, cash consist of cash on hand, cash in the checking account and cash in a non-federally insured cash management fund.

At June 30, 2025, restricted cash comprised of donor restricted cash for program restricted grants of \$114,797. There was no restricted cash at June 30, 2024.

#### **Net assets**

In order to ensure observance of limitations and restrictions placed on the use of the resources available to the United Way, the accompanying financial statements are classified for accounting and reporting purposes into classes of net assets in accordance with the existence or absence of donor-imposed restrictions.

# UNITED WAY OF PIONEER VALLEY, INC.

## NOTES TO FINANCIAL STATEMENTS JUNE 30, 2025 AND 2024

### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (CONTINUED)

#### Net assets (continued)

Accordingly, net assets and changes therein are classified as follows:

#### Net assets without donor restrictions

Net assets are not subject to donor-imposed stipulations. Net assets without donor restrictions may be designated for specific purposes by action of the Board. Board designated net assets consist of assets without restrictions, designated by the Board for investment purposes. Board designated net assets represent a portion of the accumulation of unrestricted surpluses that are available for use at the discretion of the Board. The presence of Board designated net assets increases the United Way's ability to absorb or respond to temporary changes in its environment or circumstances, for example, the unanticipated event of unexpected or non-budgeted increases in operating expenses and/or losses on operating revenues.

#### Net assets with donor restrictions

Net assets subject to donor-imposed stipulations. Some donor-imposed stipulations 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 stipulations are perpetual in nature, where the donor stipulates that they be maintained permanently by the United Way. Generally, the donors of these assets permit the United Way to use all or part of the income earned on any related investments for general or specific purpose. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions. Realized and unrealized gains and losses on restricted purpose gifts are reported as net assets with donor restrictions in accordance with donor stipulations and Massachusetts law.

#### Functional allocation of expenses

The cost of providing the various programs and activities has been summarized on a functional basis in the statements of activities. Accordingly, certain costs have been allocated among the programs, special events and supporting services benefited. This allocation is based on actual employee time incurred, square footage or number of full-time employees in each respective functional expense category.

#### Advertising

The United Way uses advertising to promote its programs. Advertising costs are expensed as incurred. Advertising expense for the years ended June 30, 2025 and 2024 was \$3,498 and \$10,014, respectively.

#### Tax-exempt status

The United Way is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code and, accordingly, no provision for federal or state income taxes has been made.

#### Uncertain tax positions

A tax position is deemed to include such things as the United Way's tax-exempt status, unrelated business income and the methodologies for allocating expenses to unrelated business income streams. Management has evaluated significant tax positions against the criteria established by professional standards and believes there are no such tax positions requiring accounting recognition. The United Way's tax returns are subject to examination by taxing authorities for all years ending on or after June 30, 2022.

# UNITED WAY OF PIONEER VALLEY, INC.

## NOTES TO FINANCIAL STATEMENTS JUNE 30, 2025 AND 2024

### 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 reporting period. Actual results could differ from those estimates.

#### Leases

The United Way determines if an arrangement is a lease at inception. The United Way has lease agreements with lease and non-lease components, which are accounted for separately with amounts allocated to the lease and non-lease components based on stand-alone prices. The United Way's operating leases generally do not provide an implicit rate, therefore, the United Way made an accounting policy election to use a risk-free rate in determining the present value of future payments for its operating leases.

The United Way made an accounting policy election to account for short-term leases by recognizing the lease payments in the statement of activities on a straight-line basis over the term of the agreement.

The operating lease ROU assets are adjusted for any lease payments made and excludes lease incentives and initial direct costs incurred. The United Way's lease terms may include options to extend or terminate leases at certain dates, typically at the United Way's own discretion. The United Way regularly evaluates the renewal options and when they are reasonably certain of exercise, the United Way includes the renewal period in its lease term.

#### Reclassifications

Certain reclassifications have been made to the prior year financial statements to present the financial statements on a consistent basis with the current year presentation. The reclassifications moved unrealized/realized gains on investments to investment income, net of fees, moved revenue from campaign contributions to grant income, moved expenses from miscellaneous to bank and grant fees. Such reclassifications have not changed previously reported net assets or change in net assets.

### 3. LIQUIDITY AND AVAILABILITY OF RESOURCES:

Financial assets available for general expenditure as of June 30, that is, without donor or other restrictions limiting their use, within one year of the statement of financial position date, comprise the following:

	<u>2025</u>	<u>2024</u>
Cash	\$ 169,376	\$ 309,150
Grants receivable	-	60,965
Contributions receivable, net	220,967	375,389
Total	\$ <u>390,343</u>	\$ <u>745,504</u>

The United Way manages its liquidity by developing and adopting annual operating budgets that are designed to provide sufficient funds for general expenditures and allow the United Way to satisfy its liabilities and other obligations as they become due. The United Way maintains financial assets on hand to meet approximately three months of normal operating expenses. The United Way has Board Designated Investments available for use throughout the fiscal year (\$2,593,762 and \$2,443,749 at June 30, 2025 and 2024, respectively).

**UNITED WAY OF PIONEER VALLEY, INC.**

**NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2025 AND 2024**

**4. CONTRIBUTIONS RECEIVABLE:**

Contributions receivable are summarized as follows at June 30:

		<u>2025</u>		<u>2024</u>
Gross contribution receivable due within one year	\$	388,927	\$	543,349
Allowance for uncollectible accounts		(167,960)		(167,960)
Contributions receivable, net	\$	<u>220,967</u>	\$	<u>375,389</u>

**5. INVESTMENTS:**

The Board, as the governing Board, is responsible for oversight of the United Way's investments. Establishment and implementation of investment policy, including the establishment of investment guidelines and the selection of investment managers, has been delegated by the Board to its Finance Committee. Investments authorized by the Finance Committee include marketable equity and fixed income securities and other types of investments that may be made with the prior approval of the Finance Committee.

The United Way's investment portfolio consists of an investment pool in which a number of individual funds (donor restricted endowment funds and funds functioning as quasi-endowment funds) participate in order to benefit from the diversification and economies of scale. Funds added or withdrawn from the pool are recorded at their share of the then current value of the pool. Investment income is recognized and posted on a quarterly basis.

The primary investment objective of the investment portfolio is growth of principal sufficient to preserve purchasing power and to provide income to support current and future activities of the United Way. Long term, the total return on the portfolio should equal the rate of inflation, plus the payout rate which is used to support current activities, plus an amount reinvested to support future activities.

From time to time, the fair value of assets associated with individual donor restricted endowment funds may fall below the level that the donor requires to be retained for perpetual funds. The historic gift value of donor restricted endowment funds cannot be reduced for any excess losses. Any excess losses shall reduce net assets with donor restrictions. At June 30, 2025 and 2024, there were no cumulative losses on the investments of donor restricted endowment funds.

Investments at June 30 consist of:

		<u>2025</u>		<u>2024</u>
		<u>Fair Value</u>		<u>Fair Value</u>
Money market	\$	184,821	\$	213,378
Mutual funds		1,196,535		1,182,224
Common stocks		1,130,719		1,034,241
ETF's		164,386		96,605
	\$	<u>2,676,461</u>	\$	<u>2,526,448</u>

Investment advisory fees were \$22,443 and \$22,332 for the years ended June 30, 2025 and 2024, respectively.

**UNITED WAY OF PIONEER VALLEY, INC.**

**NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2025 AND 2024**

**6. ENDOWMENTS AND RESTRICTED NET ASSETS:**

Endowment investments and restricted net assets by net asset class and type at June 30, 2025 consists of:

	Without Donor Restrictions	With Donor Restrictions		Total
		Time or Purpose Restricted	Restricted in Perpetuity	
Board designated funds	\$ 2,593,762	\$ -	\$ -	\$ 2,593,762
Donor restricted purpose funds	-	142,103	-	142,103
Donor restricted endowment funds	-	-	82,699	82,699
Investments - June 30, 2025	<u>\$ 2,593,762</u>	<u>\$ 142,103</u>	<u>\$ 82,699</u>	<u>\$ 2,818,564</u>

Endowment investments and restricted net asset by net asset class and type at June 30, 2024 consists of:

	Without Donor Restrictions	With Donor Restrictions		Total
		Time or Purpose Restricted	Restricted in Perpetuity	
Board designated funds	\$ 2,443,749	\$ -	\$ -	\$ 2,443,749
Donor restricted purpose funds	-	130,513	-	130,513
Donor restricted endowment funds	-	-	82,699	82,699
Investments - June 30, 2024	<u>\$ 2,443,749</u>	<u>\$ 130,513</u>	<u>\$ 82,699</u>	<u>\$ 2,656,961</u>

The following schedule reconciles the change in endowments by net asset class for the years ended June 30, 2025 and 2024:

	Without Donor Restrictions	With Donor Restrictions		Total
		Time or Purpose Restricted	Restricted in Perpetuity	
Investments - June 30, 2023	\$ 2,462,196	\$ 118,649	\$ 82,699	\$ 2,663,544
Realized gains	5,783	1,763	-	7,546
Unrealized gains	163,472	11,707	-	175,179
Interest and dividends	82,997	2,927	-	85,924
Fees	(20,699)	(1,633)	-	(22,332)
Distributions	(250,000)	(2,900)	-	(252,900)
Investments - June 30, 2024	<u>2,443,749</u>	<u>130,513</u>	<u>82,699</u>	<u>2,656,961</u>
Realized gains	63,313	3,796	-	67,109
Unrealized gains	126,311	9,321	-	135,632
Interest and dividends	81,011	3,294	-	84,305
Fees	(20,622)	(1,821)	-	(22,443)
Distributions	(100,000)	(3,000)	-	(103,000)
Investments - June 30, 2025	<u>\$ 2,593,762</u>	<u>\$ 142,103</u>	<u>\$ 82,699</u>	<u>\$ 2,818,564</u>

**UNITED WAY OF PIONEER VALLEY, INC.**

**NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2025 AND 2024**

**7. FAIR VALUE MEASUREMENTS:**

The United Way follows established guidelines for a fair value hierarchy that prioritizes the inputs used to measure fair value. An asset or liability's classification within the hierarchy is determined based on the lowest level input that is significant to the fair value measurement. This hierarchy prioritizes the inputs into three broad levels as follows:

- Level 1 Quoted prices (unadjusted) in active markets for identical assets or liabilities. Market price is generally obtained from exchange or dealer markets.
- Level 2 Inputs other than Level 1 that are observable, either directly or indirectly, such as quoted prices for similar assets or liabilities; quoted prices in markets that are not active; or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities. Inputs are obtained from various sources including market participants, dealers and brokers.
- Level 3 Unobservable inputs that are supported by little or no market activity as they trade infrequently or not at all and that are significant to the fair value of the assets or liabilities.

Assets measured at fair value on a recurring basis at June 30, 2025 were as follows:

Assets	Total	Quoted Prices in Active Markets for Identical Assets Level 1	Significant Other Observable Inputs Level 2	Significant Unobservable Inputs Level 3
<b>Investments:</b>				
Money market	\$ 184,821	\$ 184,821	\$ -	\$ -
Mutual funds	1,196,535	1,196,535	-	-
Common stocks	1,130,719	1,130,719	-	-
ETF's	164,386	164,386	-	-
Investments at Community Foundation	142,103	-	-	142,103
<b>Beneficial interest in perpetual trusts</b>	<b>1,608,103</b>	<b>-</b>	<b>-</b>	<b>1,608,103</b>

Assets measured at fair value on a recurring basis at June 30, 2024 were as follows:

Assets	Total	Quoted Prices in Active Markets for Identical Assets Level 1	Significant Other Observable Inputs Level 2	Significant Unobservable Inputs Level 3
<b>Investments:</b>				
Money market	\$ 213,378	\$ 213,378	\$ -	\$ -
Mutual funds	1,182,224	1,182,224	-	-
Common stocks	1,034,241	1,034,241	-	-
ETF's	96,605	96,605	-	-
Investments at Community Foundation	130,513	-	-	130,513
<b>Beneficial interest in perpetual trusts</b>	<b>1,513,412</b>	<b>-</b>	<b>-</b>	<b>1,513,412</b>

**UNITED WAY OF PIONEER VALLEY, INC.**

**NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2025 AND 2024**

**7. FAIR VALUE MEASUREMENTS: (CONTINUED)**

Level 3 assets valued using net values at June 30, are as follows:

	<u>2025</u> <u>Fair Value</u>	<u>2024</u> <u>Fair Value</u>	<u>Unfunded</u> <u>Commitments</u>	<u>Redemption</u> <u>Frequency</u> <u>(if currently</u> <u>eligible)</u>	<u>Redemption</u> <u>Notice Period</u>
Community Foundation funds	\$ 142,103	\$ 130,513	\$ -	Not eligible	Not equivalent
Beneficial interest in perpetual trusts	\$ 1,608,103	\$ 1,513,412	\$ -	Not eligible	Not equivalent

**Valuation methodologies**

The following is a description of the valuation methodologies used for assets measured at fair value. There were no changes in the valuation methodologies at June 30, 2025 and 2024.

*Common stocks/ETF's:* Valued at the closing price reported on the active market on which the individual securities are traded.

*Mutual funds:* Valued at their daily closing price as reported by the fund. These funds are valued at the closing price recorded in the active market in which these individual securities are traded.

*Investments held at Community Foundation:* Investments held at Community Foundation are valued based upon the Community Foundation's pooled investment portfolio. These assets are classified within Level 3 of the valuation hierarchy, because the fair value is not quoted on a public or private market. The fair value is based upon the pooled investment portfolio at the Community Foundation that was determined by combining the fair market valuations for a combination of Level 1, Level 2 and Level 3 inputs.

The investments held at Community Foundation are valued monthly by the Community Foundation. The United Way receives a statement from the Community Foundation indicating the additions to the investment (via contributions), withdrawals from the investment (via grants), and the investment returns. The value is based on the estimated fair value of the underlying assets. The Community Foundation controls the investments and makes all management and investment decisions.

*Beneficial interest in perpetual trusts:* The fair value of perpetual trusts held, administered and controlled by third parties represents the present value of the estimated future cash receipts determined using the United Way's percentage interest in the current market value of the trust assets.

**UNITED WAY OF PIONEER VALLEY, INC.**

**NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2025 AND 2024**

**7. FAIR VALUE MEASUREMENTS: (CONTINUED)**

The following schedule reconciles fair value measurements using significant unobservable inputs (Level 3) as noted above for the year ended June 30, 2025:

	<b>Level 3 (Investments)</b>	<b>Level 3 (Trusts)</b>
<b>Assets</b>		
Balance, beginning of year	\$ 130,513	\$ 1,513,412
Change in present value of estimated receipts	-	94,691
Realized/unrealized gains	13,117	-
Interest and dividends	3,294	-
Fees	(1,821)	-
Distributions	(3,000)	-
Balance, end of year	\$ 142,103	\$ 1,608,103

The amount of total gains or losses for the year ended June 30, 2025 attributable to the change in unrealized gains or losses relating to assets still held at the reporting date. \$ 9,321

The following schedule reconciles fair value measurements using significant unobservable inputs (Level 3) as noted above for the year ended June 30, 2024:

	<b>Level 3 (Investments)</b>	<b>Level 3 (Trusts)</b>
<b>Assets</b>		
Balance, beginning of year	\$ 118,649	\$ 1,384,240
Change in present value of estimated receipts	-	129,172
Realized/unrealized gains	13,470	-
Interest and dividends	2,927	-
Fees	(1,633)	-
Distributions	(2,900)	-
Balance, end of year	\$ 130,513	\$ 1,513,412

The amount of total gains or losses for the year ended June 30, 2024 attributable to the change in unrealized gains or losses relating to assets still held at the reporting date. \$ 11,707

**Quantitative information about significant unobservable inputs used in level 3 fair value measurements**

Beneficial interests in perpetual trust are valued based upon the United Way's allocable share of the pooled investment portfolio. The allocable share is based on the value of the underlying assets owned by the fund, minus its liabilities. These assets are classified within Level 3 of the valuation hierarchy, because the fair value is not quoted on a public or private market. The fair value is based upon the allocable share of the pooled investment portfolio that was determined by combining the fair market valuations for a combination of Level 1, Level 2 and Level 3 inputs.

**UNITED WAY OF PIONEER VALLEY, INC.**

**NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2025 AND 2024**

**7. FAIR VALUE MEASUREMENTS: (CONTINUED)**

**Quantitative information about significant unobservable inputs used in level 3 fair value measurements (continued)**

The beneficial interests in investments are valued monthly by the investment managers and are allocated based upon each organization's calculated share of the pooled investment portfolio. Each entity with an interest within the pooled investments receives a statement indicating the additions to the investment (via contributions), withdrawals from the investment (via grants), and the investment returns allocated via a unitization process. The United Way calculates the fair value of its beneficial interest in the pooled investment assets held by the investment manager based on the estimated fair value of the underlying assets. The investment manager controls the investments and makes all management and investment decisions.

**8. LEASEHOLD IMPROVEMENTS, VEHICLE, AND EQUIPMENT**

Leasehold improvements, vehicle, and equipment are summarized as follows at June 30:

	<b>2025</b>	<b>2024</b>
Leasehold improvements	\$ -	\$ 156,238
Furniture, fixtures and equipment	110,307	180,207
Vehicle	-	11,968
	110,307	348,413
Accumulated depreciation	(103,449)	(332,778)
Leasehold improvements, vehicle, and equipment, net	\$ 6,858	\$ 15,635

Depreciation expense totaled \$2,469 and \$5,238 for the years ended June 30, 2025 and 2024, respectively. As of June 30, 2025, management disposed of assets with the cost of \$238,106 and accumulated depreciation of \$231,798 resulting in a loss of \$6,308 on the statement of activities for the year ended June 30, 2025.

**9. NET ASSETS WITH DONOR RESTRICTIONS:**

Time or purpose restricted net assets are summarized as follows at June 30:

	<b>2025</b>	<b>2024</b>
Investment held at Community Foundation	\$ 142,103	\$ 130,513
Financial Success Center	33,229	-
Community Leadership Connect	81,568	-
	256,900	130,513

Net assets held in perpetuity are summarized as follows at June 30:

Beneficial interest in perpetual trusts	1,608,103	1,513,412
Endowments	82,699	82,699
	1,690,802	1,596,111
Total with donor restrictions	\$ 1,947,702	\$ 1,726,624

**UNITED WAY OF PIONEER VALLEY, INC.**

**NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2025 AND 2024**

**9. NET ASSETS WITH DONOR RESTRICTIONS: (CONTINUED)**

Time or purpose restricted net assets that were released from donor restrictions by incurring expenses satisfying the purpose or time restrictions are as follows:

	<b>2025</b>
Purpose restrictions accomplished:	
Western Massachusetts Network to End Homelessness	\$ 45,000
Service Centers	43,133
Financial Success Center	82,379
Community Leadership Connect	68,432
Scholarships	3,000
Total restrictions released	\$ 241,944

**10. OPERATING LEASE AGREEMENTS:**

**Short-term leases**

The United Way leased facility space on a month to month basis through March 31, 2025. The lease provided for monthly installments of \$6,120. Rent expense totaled \$55,084 and \$73,445 for the years ended June 30, 2025 and 2024, respectively, and is included within occupancy costs on the statement of functional expenses.

**Operating leases**

*Service Center - Springfield*

The United Way leases its facility space in Springfield, Massachusetts from an unrelated party through October 31, 2026, with an option to renew for an additional five years. The United Way expects to exercise the five-year renewal option extending the lease through October 31, 2031, which has been included in the right of use asset and related liability. The lease provides for monthly installments ranging from \$5,296 to \$5,516 over the remaining term of the lease. Total rent expense was \$66,192 and \$65,313 for the years ended June 30, 2025 and 2024, respectively.

*Service Center - Chicopee*

The United Way leases its facility space in Chicopee, Massachusetts from an unrelated party. Effective August 1, 2023, the lease was amended to extend the lease through August 1, 2025. The lease provides for monthly installments ranging from \$1,350 to \$1,575 over the remaining term of the lease. Total rent expense was \$18,900 and \$18,675 for the years ended June 30, 2025 and 2024, respectively.

**UNITED WAY OF PIONEER VALLEY, INC.**

**NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2025 AND 2024**

**10. OPERATING LEASE AGREEMENTS: (CONTINUED)**

The following summarizes the amount, timing, and uncertainty of cash flows arising from leases as of June 30:

<b>Lease expense (included in occupancy costs)</b>	<u><b>2025</b></u>	<u><b>2024</b></u>
Operating lease expense	\$ 85,092	\$ 83,988
Short-term lease expense	55,084	73,445
<b>Total</b>	<u>\$ 140,176</u>	<u>\$ 157,433</u>

**Other information**

Cash paid for amounts included in the measurement of lease liabilities		
Operating cash flows from operating leases	\$ 82,269	\$ 83,148
Weighted-average remaining lease term in years for operating leases	6.31	7.07
Weighted-average discount rate for operating leases – risk free rate	1.21%	1.27%

Future maturities of lease liabilities for the years ending June 30, are as follows:

<b>Maturity analysis :</b>	<u>Operating</u>
2026	\$ 67,767
2027	66,192
2028	66,192
2029	66,192
2030	66,192
Thereafter	88,256
Total undiscounted cash flows	420,791
Less: present value discount	(15,328)
Total lease liabilities	<u>\$ 405,463</u>

Current and long-term lease liabilities as of June 30, 2025 are as follows:

Operating lease liability, current portion	\$ 63,322
Operating lease liability, non-current	342,141
Total lease liabilities	<u>\$ 405,463</u>

**11. RETIREMENT PLAN:**

The United Way maintains a 401(k) profit sharing plan for eligible employees. To be eligible to participate, an employee must meet specified age and service requirements. The United Way may make matching and profit-sharing contributions at its discretion. Contributions are fully vested to the benefit of eligible employees when incurred. The amounts charged to operations for the plan were \$23,193 and \$26,778 for the years ended June 30, 2025 and 2024, respectively, and is included within employee health and retirement benefits on the statements of functional expenses.

# UNITED WAY OF PIONEER VALLEY, INC.

## NOTES TO FINANCIAL STATEMENTS JUNE 30, 2025 AND 2024

### 12. RELATED PARTY TRANSACTIONS:

The United Way maintains its banking services, insurance policies and retirement plan with financial institutions and corporations, officers of which are also members of the Board or Committees of the Board.

The United Way received contributions from certain members of the Board or Committees totaling approximately \$2,200 and \$12,000 for the years ended June 30, 2025 and 2024, respectively.

### 13. CONCENTRATIONS:

#### Credit risk

The United Way maintains its cash balances in financial institutions. These balances are insured by the Federal Deposit Insurance Corporation ("FDIC") up to \$250,000. However, balances in excess of the FDIC insurance limits which are held at savings banks are also insured by the Depositors Insurance Fund. At various times during the period, cash balances may exceed insured amounts. The United Way has not experienced any losses on these accounts and management monitors any credit risk that may exist with respect to these cash balances.

#### Funding sources

For the years ended June 30, 2025 and 2024, campaign contribution revenue includes approximately 76% and 81% of payroll contributions and corporate matches, respectively. Although a significant percentage, there is no concentration risk.

The remaining campaign contribution revenue for the years ended June 30, 2025 and 2024, includes approximately 24% and 19% from corporate contributions, respectively. For the years ended June 30, 2025 and 2024, two corporations and three corporations, respectively, made up majority of the corporate contributions.

As of June 30, 2025 and 2024, approximately 38% and 23% of United Way's contributions receivable were from one corporate contribution, respectively.

For the years ended June 30, 2025 and 2024, 67% and 96% of United Way's grant revenues were from three entities, respectively.

### 14. CONTINGENCIES:

#### Compliance with contracts and agreements

Amounts received from grantor agencies are subject to audit and adjustment by grantor agencies. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds requiring repayment to the funding source. As of the date of these financial statements, the United Way has not been informed of any disallowed expenditures.

#### Employee retention credits

The United Way received employee retention credits ("ERC") refunds for 2021 and 2020. Under this program, the Internal Revenue Service ("IRS") has the right to audit these claims. Under current regulations, the IRS has extended the statute of limitations to review all claims to five years.

**UNITED WAY OF PIONEER VALLEY, INC.**

**NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2025 AND 2024**

**15. STATE SURPLUS REVENUE RETENTION:**

The Commonwealth of Massachusetts has regulations governing the excess of State revenues over expenses for not-for-profit organizations subject to the Operational Services Division's authority. Such a surplus, up to 20% of current year State revenues, shall be retained by the organization for its charitable purposes. If an organization has a surplus in excess of the 20%, the Commonwealth may stipulate the use of such excess by the agency, request the return of the surplus to the State, or reduce state funding in future years. For the year ended June 30, 2024, the United Way did not have a surplus in excess of the 20% rule.

For the year ended June 30, 2025, the United Way did not have state revenues subject to the Operational Services Division's authority.

**16. SUBSEQUENT EVENTS**

Management has evaluated subsequent events through February 4, 2026, the date of which the financial statements were available to be issued.