UNITED WAY OF PIONEER VALLEY, INC.

FINANCIAL STATEMENTS

JUNE 30, 2023
WITH COMPARATIVE TOTALS FOR JUNE 30, 2022

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, 2023, 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, 2023, 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.

Emphasis of Matter – Leases

As discussed in Notes 2 and 12 to these financial statements, on July 1, 2022, the United Way adopted FASB Topic 842, "Leases," using the modified retrospective transition approach. The United Way has elected to use a transition alternative whereby amounts in the financial statements have been adjusted as of the beginning of the period of adoption. The 2022 comparative information has not been restated and continues to be reported under the accounting standards in effect for those periods. Our opinion is not modified with respect to this matter.

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 2022 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated February 16, 2023. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2022, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Meyers Brothers Kalicka, P.C.

Holyoke, Massachusetts
May 9, 2024

UNITED WAY OF PIONEER VALLEY, INC.

STATEMENT OF FINANCIAL POSITION
JUNE 30, 2023
WITH COMPARATIVE TOTALS FOR 2022

	2023			2022
	Without Donor Restrictions	With Donor Restrictions	Total	Total
Assets				
Cash	$ 88,901	$ -	$ 88,901	$ 166,991
Restricted cash - donor choice	-	188,604	188,604	125,648
Prepaid expenses and deposits	31,145	-	31,145	31,145
Grants receivable	102,595	-	102,595	-
Contributions receivable, net	298,125	-	298,125	348,965
Investments	2,462,196	82,699	2,544,895	2,478,411
Leasehold improvements, vehicle, and equipment, net	20,873	-	20,873	28,123
Operating lease - right of use assets, net	538,178	-	538,178	-
Investments held at Community Foundation	-	118,649	118,649	110,461
Beneficial interest in perpetual trusts	-	1,384,240	1,384,240	1,327,389
Total assets	$ 3,542,013	$ 1,774,192	$ 5,316,205	$ 4,617,133
Liabilities				
Accounts payable	$ 17,466	$ -	$ 17,466	$ 540
Community designations payable	144,668	-	144,668	212,889
Agency distributions payable	-	188,604	188,604	125,648
Accrued compensation and related liabilities	64,219	-	64,219	60,689
Obligation under operating lease	559,663	-	559,663	-
Total liabilities	786,016	188,604	974,620	399,766
Net assets				
Without donor restrictions	2,755,997	-	2,755,997	2,696,818
With donor restrictions	-	1,585,588	1,585,588	1,520,549
Total net assets	2,755,997	1,585,588	4,341,585	4,217,367
Total liabilities and net assets	$ 3,542,013	$ 1,774,192	$ 5,316,205	$ 4,617,133

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, 2023
WITH COMPARATIVE TOTALS FOR 2022

	2023			2022
	Without Donor Restrictions	With Donor Restrictions	Total	Total
Campaign revenues and other support				
Current year campaign contributions				
Total campaign amounts raised	$ 980,180	$ -	$ 980,180	$ 1,098,897
Less: donor designations	(77,076)	-	(77,076)	(78,823)
Less: provision for uncollectible pledges	(78,421)	-	(78,421)	(82,884)
Net current year contributions	824,683	-	824,683	937,190
Investment income, net of fees	40,779	-	40,779	32,686
Administration fees	50,845	-	50,845	2,043
Grant income	321,904	83,053	404,957	102,700
Other income	14,169	-	14,169	9,610
In-kind support	96,020	-	96,020	19,765
Net assets released from restrictions	83,053	(83,053)	-	-
Total campaign revenues and other support	1,431,453	-	1,431,453	1,103,994
Program services and other expenses				
Community services	481,660	-	481,660	505,056
Special programs and supporting services				
Western Massachusetts Network to End Homelessness	118,180	-	118,180	113,711
Stay in School	34,912	-	34,912	10,929
Women's Leadership Council	38,716	-	38,716	38,455
Financial Success Center	182,948	-	182,948	239,054
Chicopee Pantry	239,766	-	239,766	226,293
Management and general	139,035	-	139,035	126,896
Fundraising	362,762	-	362,762	205,452
Total special programs and supporting services	1,116,319	-	1,116,319	960,790
Total expenses	1,597,979	-	1,597,979	1,465,846
Changes in net assets from operations	(166,526)	-	(166,526)	(361,852)
Other changes				
Gain on extinguishment of Paycheck Protection Program debt	-	-	-	116,665
Realized and unrealized gain (loss) on investments	225,705	8,188	233,893	(471,471)
Change in value of split interest agreements	-	56,851	56,851	(319,431)
Total other changes	225,705	65,039	290,744	(674,237)
Change in net assets	59,179	65,039	124,218	(1,036,089)
Net assets, beginning of year	2,696,818	1,520,549	4,217,367	5,253,456
Net assets, end of year	$ 2,755,997	$ 1,585,588	$ 4,341,585	$ 4,217,367

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, 2023

	Program Services						Supporting Services		Total
	Community Services	Western Massachusetts Network to End Homelessness	Stay in School	Women's Leadership Council	Financial Success Center	Chicopee Pantry	Management and General	Fund Raising	2023
Community impact grants to organizations	$ -	$ 29,120	$ -	$ -	$ -	$ -	$ -	$ -	$ 29,120
Salaries	144,831	22,032	5,548	19,169	102,043	114,140	61,217	137,014	605,994
Employee health and retirement benefits	14,618	1,917	482	2,829	34,506	8,307	2,767	11,391	76,817
Payroll taxes	16,539	2,095	568	1,841	11,748	12,432	4,618	7,046	56,887
Total salaries and related expenses	175,988	26,044	6,598	23,839	148,297	134,879	68,602	155,451	739,698
Occupancy costs	133,255	4,277	1,069	6,416	16,039	51,582	5,630	26,540	244,808
Telephone	5,091	-	-	-	1,502	1,396	8,998	791	17,778
Membership and dues	14,042	-	-	-	-	125	3,534	1,035	18,736
Bank and grant fees	1,755	1,045	-	-	-	1,499	11,360	18,583	34,242
Legal fees	2,222	-	-	-	-	-	14,275	20,542	37,039
Postage and office supplies	9,601	-	-	-	-	2,957	3,432	1,215	17,205
Automobile expense	9,725	-	-	-	305	6,819	94	55	16,998
Insurance	7,419	983	246	1,475	3,688	4,179	2,705	5,900	26,595
Repairs and maintenance	7,655	-	-	-	-	2,870	2,422	9,600	22,547
Community training and meetings	2,070	-	-	784	85	-	1,152	3,358	7,449
Professional services	39,418	56,366	816	5,076	12,930	15,007	14,183	19,847	163,643
Publicity and promotion	39,044	-	25,808	781	-	2,159	714	1,921	70,427
Food	30,353	-	-	-	-	15,834	358	1,146	47,691
In-kind (Note 2)	-	-	-	-	-	-	-	96,020	96,020
Miscellaneous	-	-	30	-	-	-	703	-	733
	301,650	62,671	27,969	14,532	34,549	104,427	69,560	206,553	821,911
Total expenses before depreciation	477,638	117,835	34,567	38,371	182,846	239,306	138,162	362,004	1,590,729
Depreciation	4,022	345	345	345	102	460	873	758	7,250
Total expenses	$ 481,660	$ 118,180	$ 34,912	$ 38,716	$ 182,948	$ 239,766	$ 139,035	$ 362,762	$ 1,597,979

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, 2022

	Program Services						Supporting Services		Total
	Community Services	Western Massachusetts Network to End Homelessness	Stay in School	Women's Leadership Council	Financial Success Center	Chicopee Pantry	Management and General	Fund Raising	2022
Community impact grants to organizations	$ -	$ 78,612	$ -	$ -	$ -	$ -	$ -	$ -	$ 78,612
Salaries	109,407	22,400	6,783	16,737	144,084	123,552	48,068	56,239	527,270
Employee health and retirement benefits	21,407	2,582	66	1,495	13,428	12,356	6,981	9,183	67,498
Payroll taxes	12,077	1,953	711	1,700	15,873	9,286	3,773	11,713	57,086
Total salaries and related expenses	142,891	26,935	7,560	19,932	173,385	145,194	58,822	77,135	651,854
Occupancy costs	69,091	2,412	603	3,618	13,264	30,276	6,067	14,473	139,804
Telephone	6,158	-	-	-	1,699	714	4,782	561	13,914
Membership and dues	3,898	-	-	-	-	125	26,642	1,150	31,815
Bank and grant fees	1,531	942	235	1,413	4,945	4,003	4,975	16,486	34,530
Postage and office supplies	40,177	-	-	-	-	2,089	1,145	1,875	45,286
Automobile expense	521	-	-	-	1,139	1,508	41	413	3,622
Insurance	9,452	1,020	255	1,530	5,356	4,336	1,531	6,121	29,601
Repairs and maintenance	15,728	-	-	-	-	-	4,389	6,021	26,138
Community training and meetings	31,505	-	-	770	65	-	1,372	490	34,202
Professional services	119,633	3,166	1,652	9,910	34,683	28,077	9,910	39,638	246,669
Publicity and promotion	37,425	-	-	658	1,500	5,081	671	36,096	81,431
Food	-	-	-	-	-	4,058	-	-	4,058
In-kind (Note 2)	19,765	-	-	-	-	-	-	-	19,765
Miscellaneous	-	-	-	-	-	-	1,348	-	1,348
	354,884	7,540	2,745	17,899	62,651	80,267	62,873	123,324	712,183
Total expenses before depreciation	497,775	113,087	10,305	37,831	236,036	225,461	121,695	200,459	1,442,649
Depreciation	7,281	624	624	624	3,018	832	5,201	4,993	23,197
Total expenses	$ 505,056	$ 113,711	$ 10,929	$ 38,455	$ 239,054	$ 226,293	$ 126,896	$ 205,452	$ 1,465,846

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, 2023 AND 2022

	2023	2022
Cash flows from operating activities		
Change in net assets	$ 124,218	$ (1,036,089)
Adjustments to reconcile change in net assets to net cash used in operating activities		
Depreciation	7,250	23,197
Net realized and unrealized (gain) loss	(233,893)	471,471
Change in beneficial interest in perpetual trusts	(56,851)	319,431
Change in provision for uncollectible pledges	4,463	1,612
Gain on extinguishment of debt	-	(116,665)
Adjustment to right of use assets (ROU)	21,485	-
Change in operating assets and liabilities:		
Prepaid expenses	-	(10,302)
Grants	(102,595)	6,125
Contributions receivable	46,377	(19,930)
Accounts payable	16,926	(13,748)
Community grants payable	(68,221)	(137,111)
Agency distributions payable	62,956	59,216
Amounts held on behalf of others	-	(100,000)
Accrued compensation and related liabilities	3,530	14,107
Net cash used in operating activities	(174,355)	(538,686)
Cash flows from investing activities		
Purchase of investments	(32,591)	(50,334)
Proceeds from the sales of investments	200,000	100,000
Investments held at Community Foundation, net	(8,188)	17,648
Net cash provided by investing activities	159,221	67,314
Net change in cash and restricted cash	(15,134)	(471,372)
Cash and restricted cash, beginning of year	292,639	764,011
Cash and restricted cash, end of year	$ 277,505	$ 292,639
Cash included in:		
Unrestricted cash	$ 88,901	$ 166,991
Restricted cash - donor choice	188,604	125,648
Cash and restricted cash, end of year	$ 277,505	$ 292,639
Supplemental data for non-cash investing and financing activities		
ROU assets obtained in exchange for operating lease liability	$ 610,403	$ -

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

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 and corporate contributions. The United Way awards funds raised through program and agency reviews conducted by community volunteers or distributes those funds as stipulated by individual donors. In addition, the United Way provides community services such as referral services. The United Way serves all communities throughout Hampden County, and the towns of South Hadley and Granby in Hampshire County, Massachusetts.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

Accounting method

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, 2022, from which the summarized information was derived.

Liquidity information

In order to provide information about liquidity, assets have been sequenced according to their nearness to conversion to cash and liabilities have been sequenced according to the nearness of their resulting use of cash. Note 3 contains a qualitative and quantitative analysis of the United Way's liquidity.

Revenue and receivables

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.

The United Way offers donors a choice of options as part of an ongoing effort to ensure that funding policies match the needs of the donor and the community it serves. The options consist of the following:

Community impact fund

The amount of these pledges, net of expected bad debt expenses and administrative costs, are awarded through the United Way to community agencies. The allocation amount is determined by the Community Impact Committee and approved by the Board.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (CONTINUED)

Revenue and receivables (continued)

Specific designations

These pledges are designated by the donor for specific agencies or other United Way organizations. The United Way distributes specific designations when collected, net of a 12% administrative charge.

The United Way acts as an agent as it has no discretion in distributing designated amounts raised. Designations are included in amounts raised on behalf of others, as a deduction from total campaign amounts raised, in determining net campaign revenue on the statement of activities and changes in net assets.

Designations receivable are deducted from total contributions receivable, in determining net contributions receivable on the statements of financial position. Specific designation amounts collected and not distributed at June 30, 2023 and 2022 are reflected on the statements of financial position as a liability, agency distributions payable.

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:

	2023	2022
Donated food	$ 80,151	$ -
Public service announcements	-	3,215
Volunteer time	15,869	16,550
Total in-kind contributions	$ 96,020	$ 19,765

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. The value of volunteer time recorded as both in-kind support and in-kind expense on the statements of activities and functional expenses was $16,550 for the years ended June 30, 2023 and 2022. 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, but which do not meet the criteria for financial statement recognition.

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

	2023	2022
Contributions, net *	$ 824,683	$ 937,190
Investment income, net of fees *	40,779	32,686
Administration fees	50,845	2,043
Grant income *	404,957	102,700
Other income	14,169	9,610
In-kind support	96,020	19,765
Gain on extinguishment of debt *	-	116,665
Realized and unrealized gain (loss) on investments *	233,893	(471,471)
Change in value of split interest agreements *	56,851	(319,431)
Total campaign and other support revenue	$ 1,722,197	$ 429,757

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (CONTINUED)

Revenue and receivables (continued)
Pledge contributions are recognized in the period in which the pledge is made, provided there is supporting documentation for the pledge. 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. Contributions receivable related to the current campaign are recorded as assets without donor restrictions.

Administrative fees are amounts earned by the United Way for processing donor designated funds. Administrative fee revenue is recognized over time as funds are collected. The amount of administrative fee revenue earned in a given period is calculated by applying a percentage to the total funds collected from the donor.

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 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.

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 $67,880 and $79,969 for the years ended June 30, 2023 and 2022, respectively. As of June 30, 2023 and 2022, all receivables are related to pledge contributions and grants. There were no receivables related to revenue from contract with customers.

Restricted cash
Restricted cash consists of cash received with specific designations that has not been distributed to the specified organizations.

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.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (CONTINUED)

Investments, including endowments (continued)
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 was effective June 2009 which serves as a model act for states to modernize their laws governing donor restricted endowment funds.

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.

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.

Community designations payable
Community impact grants are awarded to agencies for specific programs and are contingent on satisfactory program performance, contract compliance, and available dollars. The grants are recommended by staff and community volunteers and approved by the Board of Directors. These expenses are recorded prior to fiscal year end and monthly distributions will be made in the subsequent fiscal year. The United Way requires grant recipients to provide all required reporting in order to receive their last payment.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (CONTINUED)

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 2023 and 2022 totaled $55,589 and $60,927, respectively.

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.

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.

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.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (CONTINUED)

Net assets (continued)

Net assets with donor restrictions (continued)
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.

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, 2023 and 2022 was $15,859 and $39,145, 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, 2020.

Forgivable loans - Paycheck Protection Program
The United Way's policy is to account for forgivable loans received through the Small Business Administration ("SBA") under the Coronavirus Aid, Relief and Economic Security Act (CARES Act) Paycheck Protection Program ("PPP"), as debt in accordance with Accounting Standards Codification ("ASC") 470, Debt, and other related accounting pronouncements. The forgiveness of debt, in whole or in part, is recognized once the debt is extinguished, which occurs when the United Way is legally released from the liability by the SBA. The United Way was legally released from the liability associated with its second PPP loan in the amount of $116,665 on December 16, 2021 and recorded a gain on the extinguishment of this debt for the year ended June 30, 2022 (see Note 9).

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.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (CONTINUED)

Recent accounting standard adopted - Leases

The FASB previously issued ASU No. *2016-02, Leases*. The FASB also subsequently issued additional ASUs, which amend and clarify this topic. The most significant change in the new leasing guidance is the requirement to recognize right-of-use ("ROU") assets and lease liabilities for operating leases on the statement of financial position.

The United Way adopted the new standard using the modified retrospective approach with July 1, 2022 as the date of initial adoption. The cumulative effect of the initial recognition of ROU assets and corresponding lease liabilities was $610,403 on the United Way's statement of financial position at July 1, 2022, with no retrospective adjustments to prior periods. The United Way elected the package of practical expedients permitted under the transition guidance within the new standard which, among other things, allowed the United Way to carryforward the historical lease classification. The United Way determines if an arrangement is a lease at inception.

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 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 made an accounting policy election to use a risk-free rate in determining the present value of future payments for its operating leases.

Additional information and disclosures required by this new standard are contained in "Note 12, Operating Lease Agreements."

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:

	2023	2022
Cash	$ 88,901	$ 166,991
Grants receivable	102,595	-
Contributions receivable, net	298,125	348,965
Total	$ 489,621	$ 515,956

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 ($2,462,196 and $2,395,712 at June 30, 2023 and 2022, respectively). As further described in Note 10, the United Way also has a line of credit in the amount of $200,000, which it could draw upon in the event of an unanticipated liquidity need. The available balance on the line was $200,000 at June 30, 2023 and 2022.

4. CONTRIBUTIONS RECEIVABLE:

Contributions receivable are summarized as follows at June 30:

	2023	2022
Gross contribution receivable due within one year	$ 385,536	$ 436,376
Allowance for doubtful accounts	(87,411)	(87,411)
Contributions receivable, net	$ 298,125	$ 348,965

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, 2023 and 2022, there were no cumulative losses on the investments of donor restricted endowment funds.

Certain investments included in the board designated endowments are pledged as collateral on the line of credit (see Note 10).

Investments at June 30, 2023 and 2022 consist of:

	2023 Fair Value	2022 Fair Value
Money market	$ 146,721	$ 257,133
Mutual funds	1,172,841	1,156,498
Common stocks	1,199,302	1,041,002
ETF's	26,031	23,778
	$ 2,544,895	$ 2,478,411

Investment advisory fees were $20,446 and $23,546 for the years ended June 30, 2023 and 2022, respectively.

6. ENDOWMENTS:

Endowment by net asset class and type at June 30, 2023 consists of:

		With Donor Restrictions		
	Without Donor Restrictions	Time or Purpose Restricted	Restricted in Perpetuity	Total
Board designated funds	$ 2,462,196	$ -	$ -	$ 2,462,196
Donor restricted purpose funds	-	118,649	-	118,649
Donor restricted endowment funds	-	-	82,699	82,699
Investments - June 30, 2023	$ 2,462,196	$ 118,649	$ 82,699	$ 2,663,544

Endowment by net asset class and type at June 30, 2022 consists of:

		With Donor Restrictions		
	Without Donor Restrictions	Time or Purpose Restricted	Restricted in Perpetuity	Total
Board designated funds	$ 2,395,712	$ -	$ -	$ 2,395,712
Donor restricted purpose funds	-	110,461	-	110,461
Donor restricted endowment funds	-	-	82,699	82,699
Investments - June 30, 2022	$ 2,395,712	$ 110,461	$ 82,699	$ 2,588,872

The following schedule reconciles the change in endowments by net asset class for the years ended June 30, 2023 and 2022:

		With Donor Restrictions		
	Without Donor Restrictions	Time or Purpose Restricted	Restricted in Perpetuity	Total
Investments - June 30, 2021	$ 2,916,849	$ 128,109	$ 82,699	$ 3,127,657
Realized gains	56,695	-	-	56,695
Unrealized losses	(510,518)	(17,648)	-	(528,166)
Interest and dividends	51,536	-	-	51,536
Fees	(18,850)	-	-	(18,850)
Distributions	(100,000)	-	-	(100,000)
Investments - June 30, 2022	2,395,712	110,461	82,699	2,588,872
Realized losses	(2,226)	-	-	(2,226)
Unrealized gains	227,931	8,188	-	236,119
Interest and dividends	61,225	-	-	61,225
Fees	(20,446)	-	-	(20,446)
Distributions	(200,000)	-	-	(200,000)
Investments - June 30, 2023	$ 2,462,196	$ 118,649	$ 82,699	$ 2,663,544

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, 2023 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
Investments:				
Money market	$ 146,721	$ 146,721	$ -	$ -
Mutual funds	1,172,841	1,172,841	-	-
Common stocks	1,199,302	1,199,302	-	-
ETF's	26,031	26,031	-	-
Investments held at Community Foundation	118,649	-	-	118,649
Beneficial interest in perpetual trusts	1,384,240	-	-	1,384,240

7. FAIR VALUE MEASUREMENTS: (CONTINUED)

Assets measured at fair value on a recurring basis at June 30, 2022 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
Investments:				
Money market	$ 257,133	$ 257,133	$ -	$ -
Mutual funds	1,156,498	1,156,498	-	-
Common stocks	1,041,002	1,041,002	-	-
ETF's	23,778	23,778	-	-
Investments held at Community Foundation	110,461	-	-	110,461
Beneficial interest in perpetual trusts	1,327,389	-	-	1,327,389

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

	2023 Fair Value	2022 Fair Value	Unfunded Commitments	Redemption Frequency (if currently eligible)	Redemption Notice Period
Community Foundation funds	$ 118,649	$ 110,461	$ -	Not eligible	Not equivalent
Beneficial interest in perpetual trusts	$ 1,384,240	$ 1,327,389	$ -	Not eligible	Not equivalent

Investments

The following is a description of the valuation methodologies used for assets measured at fair value.

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.

7. FAIR VALUE MEASUREMENTS: (CONTINUED)

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.

Beneficial interest in perpetual trusts

The following schedule reconciles fair value measurements using significant unobservable inputs (Level 3) as noted above for the year ended June 30, 2023:

	Level 3 (Investments)	Level 3 (Trusts)
Assets		
Balance, beginning of year	$ 110,461	$ 1,327,389
Change in present value of estimated receipts	-	56,851
Realized/unrealized gains	8,188	-
Balance, end of year	$ 118,649	$ 1,384,240
The amount of total gains or losses for the year ended June 30, 2023 attributable to the change in unrealized gains or losses relating to assets still held at the reporting date.	$ 8,188	

7. FAIR VALUE MEASUREMENTS: (CONTINUED)

Beneficial interest in perpetual trusts (continued)
The following schedule reconciles fair value measurements using significant unobservable inputs (Level 3) as noted above for the year ended June 30, 2022:

	Level 3 (Investments)	Level 3 (Trusts)
Assets		
Balance, beginning of year	$ 128,109	$ 1,646,820
Change in present value of estimated receipts	-	(319,431)
Realized/unrealized losses	(17,648)	-
Balance, end of year	$ 110,461	$ 1,327,389
The amount of total gains or losses for the year ended June 30, 2022 attributable to the change in unrealized gains or losses relating to assets still held at the reporting date.	$ (17,648)	

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.

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:

	2023	2022
Leasehold improvements	$ 156,238	$ 156,238
Furniture, fixtures and equipment	248,423	248,423
Vehicle	11,968	11,968
	416,629	416,629
Accumulated depreciation	(395,756)	(388,506)
Leasehold improvements, vehicle, and equipment, net	$ 20,873	$ 28,123

Depreciation expense totaled $7,250 and $23,197 for the years ended June 30, 2023 and 2022, respectively.

9. PAYCHECK PROTECTION PROGRAM:

On February 16, 2021, the United Way received a second PPP loan with proceeds in the amount of $116,665. The note included interest of 1% and commenced after the 24-week covered period, ending August 2021, plus an additional 10 months after this date or until after the SBA has made a decision on the forgiveness. The note payable matures 60 months after payments commence. This note was unsecured. PPP Round 2 was authorized under the Consolidated Appropriations Act of 2021 in December 2020. Subject to certain eligibility and certification requirements under the PPP, some or all of the loan may be forgiven. On December 16, 2021, this loan was forgiven in full by the SBA. The United Way recognized the forgiveness as a gain on extinguishment of debt on the statement of activities for the year ended June 30, 2022.

10. LINE OF CREDIT:

The United Way has a commercial line of credit agreement with a local bank. The maximum amount available on the line of credit is $200,000. The line of credit is secured by the pledge of certain investments and a first security interest in all assets of the United Way. The interest rate is adjusted on the first day of each month to a rate equal to one-half of a percentage point (.5%) above the New York Prime Rate as published in the Wall Street Journal (8.75% and 5.25% at June 30, 2023 and 2022, respectively). There was no balance outstanding at June 30, 2023 and 2022. Effective November 29, 2023 the line of credit was closed.

11. NET ASSETS WITH DONOR RESTRICTIONS:

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

	2023	2022
Investment held at Community Foundation	$ 118,649	$ 110,461

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

Beneficial interest in perpetual trusts	1,384,240	1,327,389
Endowments	82,699	82,699
	1,466,939	1,410,088
Total with donor restrictions	$ 1,585,588	$ 1,520,549

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

	2023	2022
Purpose restrictions accomplished:		
Western Massachusetts Network to End Homelessness	$ 83,003	$ 94,260
Women United	-	250
Thrive	-	250
OnBoard	50	7,891
Total restrictions released	$ 83,053	$ 102,651

12. OPERATING LEASE AGREEMENTS:

Short-term leases

The United Way leases facility space on a month to month basis which is included in short-term lease expenses. Short-term lease expense totaled $73,445 for the year ended June 30, 2023, and is included within occupancy costs on the statement of functional expenses.

Operating leases

The United Way leases its facilities under the terms of noncancelable operating leases with unrelated parties. The United Way's leases have remaining lease terms of 3 years to 8 years.

1441 Main St Suit 137 – Service Center

The United Way leases its facility space in Springfield, Massachusetts from an unrelated party. The lease commenced on October 1, 2011 and is for an initial term of five years (through September 30, 2016). The United Way exercised the 5 year renewal option included as part of the original lease agreement and effective April 1, 2023, through a second amendment, extended the lease through October 31, 2026. The United Way expects to exercise the 5 year renewal option included as part of the original lease agreement, extending the lease through October 31, 2031. The lease provides for monthly installments ranging from $3,296 to $5,516 over the remaining term of the lease.

260 Exchange St – Chicopee Cupboard

The United Way leases its facility space in Chicopee, Massachusetts from an unrelated party. The lease commenced on January 1, 2021 and was for an initial term of one year (through December 31, 2022). The United Way signed a new agreement commencing January 1, 2022 leasing the facility on a month to month basis which was amended effective August 1, 2023 extending 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.

Obligations under ASC 842

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.

The following summarizes the amount, timing, and uncertainty of cash flows arising from leases as of June 30, 2023:

Lease expense (included in occupancy expenses)		
Operating lease expense	$	79,890
Short-term lease expense		73,445
Total	$	153,335
Other information		
Cash paid for amounts included in the measurement of lease liabilities		
Operating cash flows from operating leases	$	58,406
ROU assets obtained in exchange for operating lease liabilities		610,403
Weighted-average remaining lease term in years for operating leases		7.91
Weighted-average discount rate for operating leases – risk free rate		1.31%

12. OPERATING LEASE AGREEMENTS: (CONTINUED)

Maturity analysis – June 30th:		Operating
2024	$	82,230
2025		84,213
2026		67,767
2027		66,192
2028		66,192
Thereafter		220,640
Total undiscounted cash flows		587,234
Less: present value discount		(27,571)
Total lease liabilities	$	559,663
Operating lease liability, current portion	$	75,496
Operating lease liability, non-current		484,167
Total lease liabilities	$	559,663

Rent expense prior to adoption of ASC 842 - Leases
Prior to adoption of ASC 842, rent expense for the Center was $106,693 for the year ended June 30, 2022.

13. 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 $34,843 and $19,858 for the years ended June 30, 2023 and 2022, respectively.

14. RELATED PARTY TRANSACTIONS:

The United Way maintains its 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 $10,170 and $7,200 for the years ended June 30, 2023 and 2022, respectively.

15. CONCENTRATIONS OF 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.

No significant concentrations existed related to the United Way's contribution revenues for the year ended June 30, 2023. For the year ended June 30, 2022, approximately 20% of United Way's contribution revenues were from two corporations.

As of June 30, 2023 and 2022, approximately 24% and 33% of United Way's corporate contributions receivable were from two corporations, respectively. The United Way considers the pledges receivable from these donors to be collectible and considers the credit risk to be low.

For the year ended June 30, 2023, 81% of United Way's grant revenues were from three entities. For the year ended June 30, 2022, 93% of United Way's grant revenues were from two entities.

16. CONTINGENCIES:

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.

The Company 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.

17. SUBSEQUENT EVENTS

Management has evaluated subsequent events through May 9, 2024, the date of which the financial statements were available to be issued.