UNITED WAY OF PIONEER VALLEY, INC.

FINANCIAL STATEMENTS

JUNE 30, 2024
WITH SUMMARIZED FINANCIAL INFORMATION
FOR THE YEAR ENDED JUNE 30, 2023

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, 2024, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

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, 2024, 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.

Other Matter – Prior Period Adjustment

As discussed in Note 9, the net assets as of July 1, 2022 and the 2023 statement of activities were adjusted due to the United Way determining that the balances in community designations and agency distributions payable should have been written off in prior years when the corresponding receivables were written off. The United Way corrected these errors and wrote off the liabilities and adjusted net assets as of July 1, 2022 and restated the statement of activities for the year ended June 30, 2023. 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.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated August 25, 2025, on our consideration of United Way of Pioneer Valley, Inc.'s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of United Way of Pioneer Valley, Inc.'s internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering United Way of Pioneer Valley, Inc.'s internal control over financial reporting and compliance.

Report on Summarized Comparative Information

We have previously audited the United Way's 2023 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated May 9, 2024. In our opinion, except for the prior period adjustment (Note 9), the summarized comparative information presented herein as of and for the year ended June 30, 2023, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Melanson Heath & Co. P.C.

Holyoke, Massachusetts
August 25, 2025

UNITED WAY OF PIONEER VALLEY, INC.

STATEMENT OF FINANCIAL POSITION
JUNE 30, 2024
WITH COMPARATIVE TOTALS FOR 2023

	2024			(As restated) 2023
	Without Donor Restrictions	With Donor Restrictions	Total	Total
Assets				
Cash	$ 309,150	$ -	$ 309,150	$ 277,505
Prepaid expenses	14,165	-	14,165	31,145
Grants receivable	60,965	-	60,965	102,595
Contributions receivable, net	375,389	-	375,389	298,125
Investments	2,443,749	82,699	2,526,448	2,544,895
Leasehold improvements, vehicle, and equipment, net	15,635	-	15,635	20,873
Operating leases - right of use assets, net	463,522	-	463,522	538,178
Investments held at Community Foundation	-	130,513	130,513	118,649
Beneficial interest in perpetual trusts	-	1,513,412	1,513,412	1,384,240
Total assets	$ 3,682,575	$ 1,726,624	$ 5,409,199	$ 5,316,205
Liabilities				
Accounts payable	$ 48,738	$ -	$ 48,738	$ 17,466
Community designations payable	-	-	-	45,472
Accrued compensation and related liabilities	51,601	-	51,601	64,219
Operating lease liability	484,167	-	484,167	559,663
Total liabilities	584,506	-	584,506	686,820
Net assets				
Without donor restrictions (as restated - 2023)	3,098,069	-	3,098,069	3,043,797
With donor restrictions	-	1,726,624	1,726,624	1,585,588
Total net assets	3,098,069	1,726,624	4,824,693	4,629,385
Total liabilities and net assets	$ 3,682,575	$ 1,726,624	$ 5,409,199	$ 5,316,205

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, 2024
WITH COMPARATIVE TOTALS FOR 2023

	2024			(As restated) 2023
	Without Donor Restrictions	With Donor Restrictions	Total	Total
Campaign revenues and other support				
Current year campaign contributions				
Total campaign amounts raised	$ 1,143,387	$ -	$ 1,143,387	$ 966,060
Less: provision for uncollectible pledges	(80,549)	-	(80,549)	(78,421)
Net current year contributions	1,062,838	-	1,062,838	887,639
Investment income, net of fees	62,298	-	62,298	40,779
Administration fees	47,479	-	47,479	50,845
Grant income	153,624	77,974	231,598	404,957
Other income	43,558	-	43,558	14,169
In-kind support	864,700	-	864,700	96,020
Net assets released from restrictions	77,974	(77,974)	-	-
Total campaign revenues and other support	2,312,471	-	2,312,471	1,494,409
Program services and other expenses				
Community services	370,840	-	370,840	533,122
Special programs and supporting services				
Western Massachusetts Network to End Homelessness	96,125	-	96,125	118,180
Volunteer Connect	3,500	-	3,500	-
Women's Leadership Council	47,576	-	47,576	38,716
Financial Success Center	162,369	-	162,369	182,948
Service Centers	1,227,991	-	1,227,991	319,236
Management and general	283,124	-	283,124	139,035
Fundraising	235,929	-	235,929	266,742
Total special programs and supporting services	2,056,614	-	2,056,614	1,064,857
Total expenses	2,427,454	-	2,427,454	1,597,979
Changes in net assets from operations	(114,983)	-	(114,983)	(103,570)
Other changes				
Realized and unrealized gain on investments	169,255	11,864	181,119	233,893
Change in value of split interest agreements	-	129,172	129,172	56,851
Total other changes	169,255	141,036	310,291	290,744
Change in net assets	54,272	141,036	195,308	187,174
Net assets, beginning of year (restated 2023)	3,043,797	1,585,588	4,629,385	4,442,211
Net assets, end of year	$ 3,098,069	$ 1,726,624	$ 4,824,693	$ 4,629,385

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
	Community Services	Western Massachusetts Network to End Homelessness	Women's Leadership Council	Financial Success Center	Service Centers	Volunteer Connect	Management and General	Fund Raising	2024
Passthrough grants	$ 146,224	$ 67,500	$ -	$ -	$ -	$ -	$ -	$ -	$ 213,724
Salaries	100,958	17,440	17,567	102,005	143,197	-	96,093	138,053	615,313
Employee health and retirement benefits	828	1,335	2,002	6,674	13,669	-	30,770	3,337	58,615
Payroll taxes	15,115	1,908	1,893	10,719	17,574	-	5,652	14,871	67,732
Total salaries and related expenses	116,901	20,683	21,462	119,398	174,440	-	132,515	156,261	741,660
Occupancy costs	26,269	5,589	6,602	22,007	122,175	-	960	11,219	194,821
Telephone and internet	4,898	1,071	1,607	6,272	12,824	-	884	3,355	30,911
Membership and dues	75	-	-	800	438	-	21,236	660	23,209
Bank and grant fees	3,975	3,245	157	-	1,276	3,500	12,378	25,625	50,156
Legal fees	2,942	-	-	-	-	-	-	-	2,942
Postage and office supplies	1,644	116	659	582	1,449	-	2,811	291	7,552
Automobile expense	355	540	7	164	10,075	-	798	459	12,398
Insurance	2,630	500	750	5,350	5,000	-	3,074	1,250	18,554
Repairs and maintenance	2,486	206	310	1,032	2,467	-	2,894	516	9,911
Community training, meetings and events	21,453	-	13,524	2,240	112	-	2,369	6,093	45,791
Professional services	23,498	(3,648)	-	-	6,135	-	89,462	6,638	122,085
Publicity and promotion	4,559	-	2,226	-	843	-	4,138	9,478	21,244
Program supplies	7,216	-	-	-	28,493	-	-	-	35,709
In-kind (Note 2)	4,500	-	-	-	860,200	-	-	-	864,700
Miscellaneous	687	191	74	1,928	742	-	9,473	13,754	26,849
	107,187	7,810	25,916	40,375	1,052,229	3,500	150,477	79,338	1,466,832
Total expenses before depreciation	370,312	95,993	47,378	159,773	1,226,669	3,500	282,992	235,599	2,422,216
Depreciation	528	132	198	2,596	1,322	-	132	330	5,238
Total expenses	$ 370,840	$ 96,125	$ 47,576	$ 162,369	$ 1,227,991	$ 3,500	$ 283,124	$ 235,929	$ 2,427,454

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	Women's Leadership Council	Financial Success Center	Service Centers	Management and General	Fund Raising	2023
Passthrough grants	$ -	$ 29,120	$ -	$ -	$ -	$ -	$ -	$ 29,120
Salaries	150,379	22,032	19,169	102,043	114,140	61,217	137,014	605,994
Employee health and retirement benefits	15,100	1,917	2,829	34,506	8,307	2,767	11,391	76,817
Payroll taxes	17,107	2,095	1,841	11,748	12,432	4,618	7,046	56,887
Total salaries and related expenses	182,586	26,044	23,839	148,297	134,879	68,602	155,451	739,698
Occupancy costs	134,324	4,277	6,416	16,039	51,582	5,630	26,540	244,808
Telephone and internet	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	7,665	983	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, meetings and events	2,070	-	784	85	-	1,152	3,358	7,449
Professional services	40,234	56,366	5,076	12,930	15,007	14,183	19,847	163,643
Publicity and promotion	64,852	-	781	-	2,159	714	1,921	70,427
Program supplies	30,353	-	-	-	15,834	358	1,146	47,691
In-kind (Note 2)	16,550	-	-	-	79,470	-	-	96,020
Miscellaneous	30	-	-	-	-	703	-	733
	346,169	62,671	14,532	34,549	183,897	69,560	110,533	821,911
Total expenses before depreciation	528,755	117,835	38,371	182,846	318,776	138,162	265,984	1,590,729
Depreciation	4,367	345	345	102	460	873	758	7,250
Total expenses	$ 533,122	$ 118,180	$ 38,716	$ 182,948	$ 319,236	$ 139,035	$ 266,742	$ 1,597,979

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, 2024 AND 2023

	2024	(As restated) 2023
Cash flows from operating activities		
Change in net assets	$ 195,308	$ 187,174
Adjustments to reconcile change in net assets to net cash used in operating activities		
Depreciation	5,238	7,250
Net realized and unrealized gain	(181,119)	(233,893)
Change in beneficial interest in perpetual trusts	(129,172)	(56,851)
Change in provision for uncollectible pledges	(2,128)	4,463
Amortization of operating lease - right of use assets	74,656	72,225
Amortization of operating lease liability	(75,496)	(50,740)
Change in operating assets and liabilities:		
Prepaid expenses	16,980	-
Grants	41,630	(102,595)
Contributions receivable	(75,136)	46,377
Accounts payable	31,272	16,926
Community grants payable	(45,472)	(68,221)
Accrued compensation and related liabilities	(12,618)	3,530
Net cash used in operating activities	(156,057)	(174,355)
Cash flows from investing activities		
Purchase of investments	(50,434)	(32,591)
Proceeds from the sales of investments	250,000	200,000
Investments held at Community Foundation, net	(11,864)	(8,188)
Net cash provided by investing activities	187,702	159,221
Net change in cash	31,645	(15,134)
Cash, beginning of year	277,505	292,639
Cash, end of year	$ 309,150	$ 277,505
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, corporate contributions and grants. 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, 2023, from which the summarized information was derived.

Recent accounting standard adopted - Allowance for Credit Losses

The FASB issued ASU No. 2016-13, *Financial Instruments – Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments ("CECL"),* as amended. The standard was effective July 1, 2023 and introduced an expected credit loss model for the impairment of financial assets measured at amortized cost. The model replaces the probable, incurred loss model for those assets and broadens the information an entity must consider in developing its expected credit loss estimate for assets measured at amortized cost. This estimate must be based on all relevant information, such as historical information, current conditions, and reasonable and supportable forecasts that could impact the collectability of the amounts. The United Way adopted the standard effective July 1, 2023, however there are no financial assets held by the United Way that are subject to guidance in FASB ASC 326.

Revenue

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.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (CONTINUED)

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

	2024	2023
Contributions, net *	$ 1,062,838	$ 824,683
Investment income, net of fees *	62,298	40,779
Administration fees	47,479	50,845
Grant income *	231,598	404,957
Other income	43,558	14,169
In-kind support*	864,700	96,020
Realized and unrealized gain on investments *	181,119	233,893
Change in value of split interest agreements *	129,172	56,851
Total campaign and other support revenue	$ 2,622,762	$ 1,722,197

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

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 $57,080 and $67,880 for the years ended June 30, 2024 and 2023, respectively. As of June 30, 2024 and 2023, all receivables are related to pledge contributions and grants. There were no receivables related to revenue from contracts with customers.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (CONTINUED)

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:

	2024	2023
Donated food	$ 784,115	$ 80,151
Donated transportation	4,500	-
Donated space	76,085	-
Donated time – specialized services	-	15,869
Total in-kind contributions	$ 864,700	$ 96,020

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 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 6,700 and 3,200 were donated to the United Way for the years ended June 30, 2024 and 2023, respectively. The services provided by these volunteers do not meet the requirements for being recognized and therefore are not reflected in these financial statements.

Community designations payable

Community impact grants were awarded to agencies for specific programs and are contingent on satisfactory program performance, contract compliance, and available dollars. The grants were recommended by staff and community volunteers and approved by the Board of Directors. These expenses were recorded prior to fiscal year end and monthly distributions were made in the subsequent fiscal year. The United Way required grant recipients to provide all required reporting in order to receive their last payment. As of June 30, 2023 there were $45,472 of community designations payable that were distributed in fiscal year 2024. As of June 30, 2024, there were no community designations payable.

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.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (CONTINUED)

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.

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.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (CONTINUED)

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, 2024 and 2023 totaled $46,972 and $55,589, 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. 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.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (CONTINUED)

Advertising
The United Way uses advertising to promote its programs. Advertising costs are expensed as incurred. Advertising expense for the years ended June 30, 2024 and 2023 was $10,014 and $15,859, 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, 2021.

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 continues to assess new leases and modifications to existing leases annually. 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.

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.

Additional information and disclosures required by this standard are contained in "Note 11, Operating Lease Agreements."

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 restricted cash to cash, moved expenses from the Stay in School program to Community Services expense and moved expenses from Fundraising to Community Services and Service Centers. Such reclassifications have not changed previously reported net assets or change in unrestricted 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:

	2024	2023
Cash	$ 309,150	$ 277,505
Grants receivable	60,965	102,595
Contributions receivable, net	375,389	298,125
Total	$ 745,504	$ 678,225

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 ($2,443,749 and $2,462,196 at June 30, 2024 and 2023, respectively).

4. CONTRIBUTIONS RECEIVABLE:

Contributions receivable are summarized as follows at June 30:

	2024	2023
Gross contribution receivable due within one year	$ 455,938	$ 385,536
Allowance for uncollectible accounts	(80,549)	(87,411)
Contributions receivable, net	$ 375,389	$ 298,125

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.

5. INVESTMENTS: (CONTINUED)

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, 2024 and 2023, there were no cumulative losses on the investments of donor restricted endowment funds.

Investments at June 30 consist of:

	2024 Fair Value	2023 Fair Value
Money market	$ 213,378	$ 146,721
Mutual funds	1,182,224	1,172,841
Common stocks	1,034,241	1,199,302
ETF's	96,605	26,031
	$ 2,526,448	$ 2,544,895

Investment advisory fees were $20,699 and $20,446 for the years ended June 30, 2024 and 2023, respectively.

6. ENDOWMENTS AND RESTRICTED NET ASSETS:

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

		With Donor Restrictions		
	Without Donor Restrictions	Time or Purpose Restricted	Restricted in Perpetuity	Total
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	$ 2,443,749	$ 130,513	$ 82,699	$ 2,656,961

Endowment investments and restricted net asset 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

6. ENDOWMENTS AND RESTRICTED NET ASSETS: (CONTINUED)

The following schedule reconciles the change in endowments by net asset class for the years ended June 30, 2024 and 2023:

		With Donor Restrictions		
	Without Donor Restrictions	Time or Purpose Restricted	Restricted in Perpetuity	Total
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
Realized gains	5,783	-	-	5,783
Unrealized gains	163,472	11,864	-	175,336
Interest and dividends	82,997	-	-	82,997
Fees	(20,699)	-	-	(20,699)
Distributions	(250,000)	-	-	(250,000)
Investments - June 30, 2024	$ 2,443,749	$ 130,513	$ 82,699	$ 2,656,961

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.

7. FAIR VALUE MEASUREMENTS: (CONTINUED)

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
Investments:				
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
Beneficial interest in perpetual trusts	1,513,412	-	-	1,513,412

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 at Community Foundation	118,649	-	-	118,649
Beneficial interest in perpetual trusts	1,384,240	-	-	1,384,240

7. FAIR VALUE MEASUREMENTS: (CONTINUED)

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

	2024 Fair Value	2023 Fair Value	Unfunded Commitments	Redemption Frequency (if currently eligible)	Redemption Notice Period
Community Foundation funds	$ 130,513	$ 118,649	$ -	Not eligible	Not equivalent
Beneficial interest in perpetual trusts	$ 1,513,412	$ 1,384,240	$ -	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, 2024 and 2023.

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.

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, 2024:

	Level 3 (Investments)	Level 3 (Trusts)
Assets		
Balance, beginning of year	$ 118,649	$ 1,384,240
Change in present value of estimated receipts	-	129,172
Realized/unrealized gains	11,864	-
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.	$ 11,864	

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	

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:

	2024	2023
Leasehold improvements	$ 156,238	$ 156,238
Furniture, fixtures and equipment	180,207	248,423
Vehicle	11,968	11,968
	348,413	416,629
Accumulated depreciation	(332,778)	(395,756)
Leasehold improvements, vehicle, and equipment, net	$ 15,635	$ 20,873

Depreciation expense totaled $5,238 and $7,250 for the years ended June 30, 2024 and 2023, respectively.

9. PRIOR PERIOD ADJUSTMENT AND RESTATEMENT:

During the year ended June 30, 2024, management determined the balances in community designations and agency distributions payable should have been written off prior to 2023 at the time the corresponding contribution receivables were written off. This error was corrected by a prior period adjustment to net assets as of July 1, 2022 and the 2023 statement of activities was also restated. The effect is summarized as follows:

Statement of net assets:	**Net assets – without donor restrictions**
Balance at June 30, 2023, as previously reported	$ 2,755,997
Write-off of community designations payable	99,196
Write-off of agency distributions payable	188,604
Balance at June 30, 2023, as restated	$ 3,043,797

Statement of financial position:	**Payables**
As previously reported – June 30, 2023	$ 333,272
Community designations payable	(99,196)
Agency distributions payable	(188,604)
As adjusted – June 30, 2023	$ 45,472

Statement of activities for the year ended June 30, 2023:	
Change in net assets, as previously reported	$ 124,218
Write off of designations for 2023	63,956
Change in net assets, as restated	$ 187,174

10. NET ASSETS WITH DONOR RESTRICTIONS:

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

	2024	2023
Investment held at Community Foundation	$ 130,513	$ 118,649

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

Beneficial interest in perpetual trusts	1,513,412	1,384,240
Endowments	82,699	82,699
	1,596,111	1,466,939
Total with donor restrictions	$ 1,726,624	$ 1,585,588

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

	2024
Purpose restrictions accomplished:	
Western Massachusetts Network to End Homelessness	$ 67,500
Service Centers	10,474
OnBoard	-
Total restrictions released	$ 77,974

11. OPERATING LEASE AGREEMENTS:

Short-term leases

The United Way leases facility space on a month to month basis. The lease provides for monthly installments of $6,120. Rent expense totaled $73,445 for the years ended June 30, 2024 and 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 2 years to 7 years. 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.

11. OPERATING LEASE AGREEMENTS: (CONTINUED)

Service Center - Springfield
The United Way leases its facility space in Springfield, Massachusetts from an unrelated party. The lease has an initial term of five years with an option to renew for an additional five years. The United Way exercised the five-year renewal option until April 1, 2023. The United Way entered into a lease amendment in 2023, which extended the lease through October 31, 2026, and provided an additional renewal option of 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 $3,296 to $5,516 over the remaining term of the lease. Total rent expense was $65,313 and $63,555 for the years ended June 30, 2024 and 2023, respectively.

Service Center - Chicopee
The United Way leases its facility space in Chicopee, Massachusetts from an unrelated party. The United Way entered into an agreement commencing January 1, 2022 leasing the facility on a month to month basis. 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 $18,675 and $14,850 for the years ended June 30, 2024 and 2023, respectively.

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

Lease expense (included in occupancy expenses)	**2024**	**2023**
Operating lease expense	$ 81,390	$ 79,890
Short-term lease expense	73,445	73,445
Total	$ 154,835	$ 153,335
Other information		
Cash paid for amounts included in the measurement of lease liabilities		
Operating cash flows from operating leases	$ 82,230	$ 58,406
ROU assets obtained in exchange for operating lease liabilities	-	610,403
Weighted-average remaining lease term in years for operating leases	7.07	7.91
Weighted-average discount rate for operating leases – risk free rate	1.27%	1.31%

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

Maturity analysis :	Operating
2025	$ 84,213
2026	67,767
2027	66,192
2028	66,192
2029	66,192
Thereafter	154,448
Total undiscounted cash flows	505,004
Less: present value discount	(20,837)
Total lease liabilities	$ 484,167

11. OPERATING LEASE AGREEMENTS: (CONTINUED)

Current and long-term lease liabilities as of June 30, 2024 are as follows:

Operating lease liability, current portion	$	78,704
Operating lease liability, non-current		405,463
Total lease liabilities	$	484,167

12. 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 $26,778 and $34,843 for the years ended June 30, 2024 and 2023, respectively.

13. 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 $12,000 and $10,000 for the years ended June 30, 2024 and 2023, respectively.

14. 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 year ended June 30, 2024, approximately 22% of United Way's contribution revenues were from two corporations. No significant concentrations existed related to the United Way's contribution revenues for the year ended June 30, 2023.

As of June 30, 2024, approximately 55% of United Way's contributions receivable were from three corporations. As of June 30, 2023, approximately 24% of United Way's contributions receivable were from two corporations. 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, 2024, 94% of United Way's grant revenues were from two entities. For the year ended June 30, 2023, 81% of United Way's grant revenues were from three entities.

15. 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.

16. 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 Organization did not have a surplus in excess of the 20% rule.

17. SUBSEQUENT EVENTS

Management has evaluated subsequent events through August 25, 2025, the date of which the financial statements were available to be issued.

MeyersBrothersKalicka, P.C.
CERTIFIED PUBLIC ACCOUNTANTS
AND BUSINESS STRATEGISTS

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

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

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the United Way of Pioneer Valley, Inc. (the "United Way") (a nonprofit organization), which comprise the statement of financial position as of June 30, 2024, and the related statements of activities, functional expenses and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated August 25, 2025.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the United Way's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the United Way's internal control. Accordingly, we do not express an opinion on the effectiveness of the United Way's internal control.

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

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

Compliance and Other Matters

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

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Purpose of This Report

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

Mayer Beckler Kolicka, P.C.

Holyoke, Massachusetts
August 25, 2025