UNITED WAY OF GREATER NEW BEDFORD, INC.

FINANCIAL STATEMENTS

AND REPORT ON INTERNAL CONTROL AND COMPLIANCE

YEAR ENDED JUNE 30, 2023

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INDEPENDENT AUDITOR'S REPORT

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

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of United Way of Greater New Bedford, Inc. (the "Organization"), which comprise the 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 Organization as of June 30, 2023, and the results of the changes in net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

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

Adoption of New Accounting Pronouncement

As discussed in Note 1 to the financial statements, the Organization adopted Accounting Standards Codification ("ASC") Topic 842, *Leases*, as of July 1, 2022, using the modified retrospective method. Our opinion is not modified with respect to this matter.

Correction of Error

As discussed in Note 2 to the financial statements, management of the Organization identified certain payables that should have been recognized within net assets in a prior period leading to a restatement of previously reported net assets. Our opinion is not modified with respect to that matter.

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

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

Auditor's Responsibilities for the Audit of Financial Statements (Continued)

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 October 19, 2023, on our consideration of the Organization's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Organization's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Organization's internal control over financial reporting and compliance.

Citrin Cooperman & Company, LLP

CERTIFIED PUBLIC ACCOUNTANTS

Providence, Rhode Island
October 19, 2023

UNITED WAY OF GREATER NEW BEDFORD, INC.
STATEMENT OF FINANCIAL POSITION
JUNE 30, 2023

ASSETS

Current assets:	
Cash and cash equivalents	$ 869,461
Short term investments	69,856
Accounts receivable	277,016
Campaign pledge receivable, net	234,799
Prepaid expenses	28,304
Total current assets	1,479,436
Other assets:	
Property and equipment, net	5,987
Operating lease right-of-use asset, net	151,115
Finance lease right-of-use asset, net	14,686
Long term investments	1,927,627
Total other assets	2,099,415
TOTAL ASSETS	$ 3,578,851

LIABILITIES AND NET ASSETS

Current liabilities:	
Current portion of operating lease liability	$ 51,765
Current portion of finance lease liability	7,760
Accounts payable	53,851
Accrued expenses	68,742
Deferred revenue	39,649
Grants and donor designated payables	512,217
Total current liabilities	733,984
Operating lease liability, less current portion	101,657
Finance lease liability, less current portion	7,052
Total liabilities	842,693
Commitments and contingency (Notes 7 and 12)	
Net assets:	
Without donor restrictions:	
Undesignated	1,989,782
Board designated	490,670
With donor restrictions	255,706
Total net assets	2,736,158
TOTAL LIABILITIES AND NET ASSETS	$ 3,578,851

See accompanying notes to financial statements.

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

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

See accompanying notes to financial statements.

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

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

See accompanying notes to financial statements.

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

Cash flows from operating activities:	
Changes in net assets	$ 103,869
Adjustments to reconcile changes in net assets to net cash used in operating activities:	
Depreciation and amortization	7,452
Realized and unrealized gains on investments, net	(162,561)
Bad debt expense	12,028
Loss on disposal of property and equipment	22,363
Non-cash lease expense	2,307
Changes in operating assets and liabilities:	
Accounts receivable	138,033
Campaign pledges receivable, net	6,771
Prepaid expenses	(10,571)
Accounts payable	17,914
Grants and donor designated payables	(134,987)
Accrued expenses	(19,547)
Deferred revenue	(53,562)
Net cash used in operating activities	(70,491)
Cash flows from investing activities:	
Purchases of investments and reinvested earnings	(525,426)
Proceeds from sale of investments	466,298
Net cash used in investing activities	(59,128)
Cash used in financing activities, payments on finance lease obligations	(5,797)
Net decrease in cash	(135,416)
Cash and cash equivalents - beginning	1,004,877
CASH AND CASH EQUIVALENTS - ENDING	$ 869,461
Supplemental disclosures for non-cash financing activities:	
Operating right-of-use asset and liability recognized in connection with implementation of ASC 842 on July 1, 2022	$ 198,698

See accompanying notes to financial statements.

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

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

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

Community Services Program

The Community Services program provides volunteer placement through its online volunteer matching database. The program enables individuals to engage in community service events, distribute donated food through the Hunger Commission and work with grassroots groups through the Changemaker Grants programs.

The Community Service program accounted for 36% of total program expenditures for the year ended June 30, 2023.

Community Investment Program

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

Through the 'Changemaker Grants program', for more than 25 years, United Way has been providing small grants — up to $2,500 — to help ordinary people accomplish extraordinary things to help their neighborhoods and their community. These grants go to all-volunteer groups with annual budgets of less than $40,000 and awarded on a reimbursement basis. Citizens Review Committee, a group of local volunteers who represent the communities United Way services, reads and scores applications. The Committee meets to deliberate and decide on allocations of funds.

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

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

Community Investment Program (continued)

'Women United funded initiatives', support projects and programs focused on early childhood success and literacy. It strives to provide families access to the necessary tools, resources, and opportunities to engage in quality early learning experiences.

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

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

The Diversity Equity and Inclusion "Together, United Fund" supports local nonprofits to strengthen and/or develop their own DEI agenda. The fund offers grants up to $5,000 to develop agency specific equity practices and guidelines in the areas of governance and operations. The Community Impact Committee, a sub-committee of the Board of Directors, reads and scores applications. The Committee meets to deliberate and decide on allocations of funds. The Organization seeks projects that experiment, pilot, or test new ideas and approaches that can lead to breakthroughs in the Organization's priorities in Health, Education, Financial Stability, and Basic Needs.

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

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

The Community Investment program accounted for 20% of total program expenditures for the year ended June 30, 2023.

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

Family Support Program

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

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

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

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

The New Bedford Strengthening Families (NBSF) AmeriCorps Program - An AmeriCorps State program led by United Way of Greater New Bedford. AmeriCorps is a national service program where members provide service to make people safer, stronger, and healthier to strengthen their communities. AmeriCorps members serving at different host sites implement evidence-based interventions that strengthen families, with a focus on preventing child abuse and neglect. The NBSF AmeriCorps program is based in the Strengthening Families Protective Factors Framework that centers on five interrelated family protective factors: knowledge of parenting and child development, concrete supports in times of need, social connections, social and emotional competence of children, and parental resilience.

Family Support Program accounted for 44% of total program expenditures for the year ended June 30, 2023.

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

Recently adopted accounting pronouncement

In February 2016, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") No. 2016-02, *Leases (Topic 842)* Accounting Standards Codification ("ASC") 842 as amended, which requires the recording of operating lease right-of-use assets and lease liabilities and the expanded disclosure for operating and finance leasing arrangements. Leases are classified as finance or operating, with classification affecting the pattern and classification of expense recognition in the statement of activities. The Organization adopted ASC 842 under the modified retrospective method at July 1, 2022, the beginning of the adoption year.

The Organization adopted the package of practical expedients available at transition that retained the lease classification under ASC 840 and initial direct costs for any leases that existed prior to adoption of the standard. Contracts entered into prior to adoption were not reassessed for leases or embedded leases. In addition, the Organization used hindsight in determining lease term and considerations for impairment. The Organization made the accounting policy elections to not recognize short-term leases on the statement of financial position and to utilize the risk-free discount rate when the rate implicit in the lease is not readily determinable.

The Organization performed an analysis of contracts containing leases as of July 1, 2022. At the date of initial application, the Organization recorded operating lease right of use assets and operating lease liabilities in the amount of $198,698.

Recently issued but not yet effective accounting pronouncement

In June 2016, the FASB issued ASU No. 2016-13, *Financial Instruments - Credit Losses (Topic 326)*, which requires entities to measure all expected credit losses for financial assets held at the reporting date based on historical experience, current conditions, and reasonable and supportable forecasts. This replaces the existing incurred loss model and is applicable to the measurement of credit losses on financial assets measured at amortized cost. ASU 2016-13 is effective for private companies for fiscal years beginning after December 15, 2022, including interim periods within those annual reporting periods. The Organization is currently evaluating the impact of the new standard on its financial statements and related disclosures.

Use of estimates

The preparation of financial statements in conformity with guidance in accounting principles generally accepted in the United States of America ("U.S. GAAP") requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, and disclosure of contingent assets and liabilities at the date of the financial statements. Estimates also affect the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

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

Basis of presentation

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

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

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

Measurement of operations

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

Cash and cash equivalents, and concentration of credit risk

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

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

Accounts receivables

The Organization reports its receivables at the amount it expects to collect. Management provides for probable uncollectible amounts through a charge to bad debt expense and a credit to the allowance for doubtful accounts based on its assessment of the current status of individual amounts. Balances that are still outstanding after management has used reasonable collection efforts are written off through a charge to the allowance for doubtful accounts and a credit to receivables. At June 30, 2023, and 2022 accounts receivable balances were $277,016 and $415,049, respectively. At June 30, 2023, and 2022 there was no allowance for doubtful accounts recorded.

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

Campaign pledge receivables

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

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

At June 30, 2023 and 2022, campaign pledge receivable balances were $265,146, $302,264, respectively. At June 30, 2023 and 2022 the allowance for uncollectible accounts recorded was $30,347 and $48,666, respectively.

Investments

The Organization's investments, which are comprised of both debt and equity securities, are stated at fair value. Unrealized holding gains and losses are reported as a component of net investment income. Total net unrealized gains recognized during 2023 on investments held at June 30, 2023 was $203,037. Realized gains and losses are computed based on the specific identification method for the securities sold.

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

Fair value measurements

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

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

Fair value measurements (continued)

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

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

Level 2 - inputs to the valuation methodology include: quoted prices for similar assets or liabilities in active markets; quoted prices for identical assets or liabilities in inactive markets; inputs other than quoted prices that are observable for the asset or liability; and, inputs that are derived principally from or corroborated by observable market data by correlation or other means. If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.

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

Property and equipment

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

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

Leases

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

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

Leases (continued)

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

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

Donor designated payables

The Organization offers a donor designation option to enable doors to specifically designate their contribution to specific agencies, programs, or targeted care areas. Contributions that have been designated by the donor to agencies and individuals amount to $512,217 for the year ended June 30, 2023, of which all is outstanding and included in grants and donor designated payables on the statement of financial position as of June 30, 2023, and will be paid within the coming year.

Revenue recognition and deferred revenue

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

Grants and contributions, government grants and contracts, and sponsorships are recognized as revenues in the period received or promised. Contributions without donor restrictions are recognized as revenue when received or unconditionally pledged. Contributions with donor restrictions are recorded as revenues and net assets with donor restrictions when received or unconditionally pledged. Transfers are made to net assets without donor restrictions as services performed and costs are incurred pro-rata over the period covered by the grant or contribution as time restrictions lapse. Contributions with donor restrictions received and satisfied in the same period are included in grants and contributions without donor restrictions.

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

Revenue recognition and deferred revenue (continued)

Contracts that are considered nonreciprocal transactions that further the programs of the Organization are recorded when the Organization receives notification of the contract, or if, conditions for performance are imposed, revenue is recognized when conditions have been met. All contracts consist of two types, unit-rate and cost-reimbursement contracts, all with ceiling amounts. Unit-rate contracts provide that revenue is to be earned and recognized at a negotiated or class rate for each unit-of-service that is provided under the terms of the contract. Under the cost-reimbursement contracts, revenue recognition takes place as costs related to the services provided are incurred. Billings on the contracts are subject to final approval by the governmental agencies. For the year ended June 30, 2023, predominately all program service fees of the Organization represent nonreciprocal transactions.

Deferred revenue represents program service fee income received prior to year-end. These amounts are deferred and recognized over the periods to which the fees relate.

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

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

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

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

Functional allocation of expenses

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

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

Income taxes

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

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

Subsequent events

The Organization has evaluated subsequent events through October 19, 2023, the date that the accompanying financial statements were available to be issued. There were no material subsequent events that required recognition or disclosure in these financial statements.

NOTE 2. RESTATEMENTS

During the year ended June 30, 2023, management of the Organization identified the following matters that resulted in the restatement of the previously reported net assets as of June 30, 2022:

1. The 'Help United Fund' and 'Women United Fund' were classified as payables instead of net assets, with donor restrictions in accordance with U.S. GAAP totaling $161,428.
2. The 'Impact Initiative Fund' and 'Innovation Fund' were classified as payables instead of board designated net assets in accordance with U.S. GAAP totaling $490,670.

The following summarizes the prior period adjustments referred to above:

	Without donor restriction	With donor restriction	Total
Net assets, at June 30, 2022, as previously reported	$ 1,938,776	$ 41,415	$ 1,980,191
Prior period adjustments	490,670	161,428	652,098
Net assets, at June 30, 2022, as restated	$ 2,429,446	$ 202,843	$ 2,632,289

NOTE 3. LIQUIDITY AND AVAILABILITY

The following represents the Organization's financial assets as of June 30, 2023:

Financial assets at year-end:		
Cash and cash equivalents	$	869,461
Accounts receivable		277,016
Campaign pledge receivable, net		234,799
Investments		1,997,483
Total financial assets at year-end		3,378,759
Less amounts not available to be used within one year:		
Net assets with donors restrictions		255,706
Financial assets available to meet general expenditures over the next twelve months	$	3,123,053

The Organization's goal is generally to maintain financial assets to meet 90 days of operating expenses (approximately $210,000).

NOTE 4. PLEDGES RECEIVABLE

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

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

Campaign pledges receivable	$	265,146
Less: allowance for uncollectible pledges		(30,347)
Campaign pledges receivable, net	$	234,799

NOTE 5. PROPERTY AND EQUIPMENT

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

Office equipment	$	28,685
Vehicles		70,355
		99,040
Less: accumulated depreciation		(93,053)
Property and equipment, net	$	5,987

NOTE 6. INVESTMENTS

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

(a) *Market approach*: Prices and other relevant information generated by market transactions involving identical or comparable assets or liabilities;

(b) *Cost approach*: Amount that would be required to replace the service capacity of an asset (replacement cost); and

(c) *Income approach*: Techniques to convert future amounts to a single present amount based on market expectations (including present value techniques, option-pricing and excess earnings models).

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

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

NOTE 6. INVESTMENTS (CONTINUED)

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

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

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

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

The preceding methods may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, although the Organization believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date. There have been no changes in the methodologies used for the year ended June 30, 2023.

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

NOTE 7. LEASES

As described in Note 1, the Organization adopted ASC 842 as of July 1, 2022.

Finance leases

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

Finance lease costs:		
Amortization of finance lease liability	$	5,923
Interest on lease liability		349
Total	$	6,272

Operating lease

In addition to the finance leases, the Organization has an operating lease for third floor office space in New Bedford, MA under a long-term lease agreement with the 128 Union Street. The operating lease expires June, 2026 and has monthly commitment payments of $4,188. The weighted average lease term is 4.00 years, and the weighted average discount rate is 2.87%.

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

NOTE 7. LEASES (CONTINUED)

As of June 30, 2023, the Organization's future minimum payments on operating and financing leases, including interest, are as follows:

Year ending June 30,	Operating	Financing	Total
2024	$ 51,765	$ 7,760	$ 59,525
2025	53,318	2,844	56,162
2026	54,918	2,195	57,113
2027	-	1,547	1,547
2028	-	1,290	1,290
Total lease payments	160,001	15,636	175,637
Less amount of lease payments representing interest	(6,579)	(824)	(7,403)
Present value of lease liabilities	153,422	14,812	168,234
Less current portion	(51,765)	(7,760)	(59,525)
Total	$ 101,657	$ 7,052	$ 108,709

NOTE 8. NET ASSETS WITH DONOR RESTRICTIONS

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

Subject to expenditure for specified purpose:	
Haitian Families Support	$ 432
Take This Child to Heart Fund	6,500
Carney Grant AmeriCorps support	2,845
Help United Fund	97,346
Women United	136,583
Sponsorships	12,000
	$ 255,706

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

Satisfaction of purpose restrictions:	
Move the World Foundation	$ 7,052
Take This Child to Heart Fund	3,637
Hawthorn Medical Associates Charitable Fund	5,000
Carney Family Charitable Foundation	22,449
Total	$ 38,138

NOTE 9. BOARD DESIGNATED NET ASSETS

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

Impact Initiative	$	312,467
Innovation Fund		178,203
Total	$	490,670

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

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

NOTE 10. LINE OF CREDIT

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

NOTE 11. DEFINED CONTRIBUTION PLAN

The Organization has a defined contribution plan (the "Plan") which funds individual tax deferred annuity contracts under Section 403 (b) of the IRC for the benefit of eligible employees who have attained one year of service and work at least twenty hours per week. There is a three-year vesting period for these participants. Under the provisions of the Plan, the Organization is required to make contributions equal to 2% of each participant's salary. Additionally, employees may make voluntary contributions to the plan. The Organization matches 100% of the participant's deferral up to 5% of their compensation. The Organization's contributions under the plan amounted to $9,782 for the year ended June 30, 2023.

NOTE 12. COMMITMENT AND CONTINGENCIES

Payment Protection Program

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

NOTE 12. COMMITMENT AND CONTINGENCIES (CONTINUED)

State funding

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

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

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

NOTE 13. IN-KIND DONATIONS

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

Recorded in the financial statements:		
Food	$	380,684
Donations, including items donated for special events		112,076
Total recorded in the financial statements	$	492,760

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

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

NOTE 14. PROGRAM INITIATIVES/GRANT AWARDS

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

Agency Allocation/CIG payable	$	400,000
Changemakers payable		31,018
Holidays Fund payable		20,000
Holiday Wishes payable		30,325
Other programs		30,874
Total	$	512,217

NOTE 15. RELATED PARTY TRANSACTIONS

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

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

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of United Way of Greater New Bedford, Inc. (a nonprofit organization), which comprise the statement of financial position as of June 30, 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, and have issued our report thereon dated October 19, 2023.

Report on Internal Control over Financial Reporting

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

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

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

Report on Compliance and Other Matters

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

Purpose of this Report

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

Citrin Cooperman & Company, LLP
CERTIFIED PUBLIC ACCOUNTANTS

Providence, Rhode Island
October 19, 2023