UNITED WAY OF GREATER NASHUA, INC.

FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2023

INDEPENDENT AUDITORS’ REPORT

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors of
United Way of Greater Nashua, Inc.:

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of United Way of Greater Nashua, Inc. (a not-for-profit New Hampshire organization) which comprise the statement of financial position as of September 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 accompanying financial statements present fairly, in all material respects, the financial position of United Way of Greater Nashua, Inc. as of September 30, 2023, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (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 Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of United Way of Greater Nashua, Inc. and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about United Way of Greater Nashua, Inc.'s ability to continue as a going concern for one year after the date that the financial statements are issued.

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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 GAAS 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, 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 United Way of Greater Nashua, Inc.'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 United Way of Greater Nashua, Inc.'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 April 17, 2024 on our consideration of United Way of Greater Nashua, 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 Greater Nashua, 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 Greater Nashua, Inc.'s internal control over financial reporting and compliance.

Report on Summarized Comparative Information

We have previously audited United Way of Greater Nashua, Inc.'s September 30, 2022 financial statements and we expressed an unmodified audit opinion on those audited finanical statements in our report dated March 29, 2023. In our opinion, the summarized comparative information presented herein as of and for the year ended September 30, 2022, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Oster & Wheeler, P.C.

Keene, New Hampshire
April 17, 2024

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UNITED WAY OF GREATER NASHUA, INC.
STATEMENT OF FINANCIAL POSITION
SEPTEMBER 30, 2023
(WITH COMPARATIVE TOTALS AS OF SEPTEMBER 30, 2022)

	2023	2022
ASSETS		
CURRENT ASSETS:		
Cash	$ 215,104	$ 537,210
Investments	153,750	-
Accounts receivable	103,761	3,500
Employee retention grant receivable	138,592	-
Pledges receivable, net	40,464	62,534
Grant receivable	61,874	61,184
Prepaid expenses	13,710	24,837
Total current assets	727,255	689,265
OTHER ASSETS:		
Other assets	3,430	3,297
Restricted cash	477,578	720,261
Beneficial interest - NHCF	205,864	196,505
Property and equipment, net	317,370	335,812
Total other assets	1,004,242	1,255,875
Total assets	$ 1,731,497	$ 1,945,140
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES:		
Current portion of long-term debt	$ 3,460	$ 5,497
Accounts payable	78,429	142,203
Community impact grants payable	94,875	93,000
Designations payable	18,612	17,724
Funds held for others	3,845	4,270
Security deposits and accrued expenses	46,430	56,165
Refundable advances	3,310	-
Total current liabilities	248,961	318,859
LONG-TERM DEBT, net of current portion	174,651	177,528
Total liabilities	423,612	496,387
NET ASSETS:		
Without donor restrictions:		
Board designated	116,268	97,398
Undesignated	479,688	537,707
	595,956	635,105
With donor restrictions	711,929	813,648
Total net assets	1,307,885	1,448,753
Total liabilities and net assets	$ 1,731,497	$ 1,945,140

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

UNITED WAY OF GREATER NASHUA, INC.
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED SEPTEMBER 30, 2023
(WITH COMPARATIVE TOTALS FOR THE YEAR ENDED SEPTEMBER 30, 2022)

	2023			2022
	Without Donor Restriction	With Donor Restriction	Totals	Totals
REVENUE AND SUPPORT:				
Campaign	$ 389,334	$ 18,050	$ 407,384	$ 561,204
Less: provision for uncollectible pledges	(17,286)	-	(17,286)	(32,346)
Net campaign	372,048	18,050	390,098	528,858
COVID-19 fund	51,730	-	51,730	53,989
Total campaign revenue	423,778	18,050	441,828	582,847
Grant income:				
Federal Drug Free Community	-	92,750	92,750	103,654
Preschool Development grant	-	127,360	127,360	405,698
EL GEER grant	-	518,898	518,898	267,766
Employee retention grant	138,592	-	138,592	-
Microsoft Transportation grant	-	25,000	25,000	-
Americorps grant	-	-	-	11,765
GUW grant	-	-	-	10,000
UWW grant	-	-	-	10,000
VITA grant	-	200	200	10,000
Other	4,645	-	4,645	5,340
Special events:				
Over the Edge	83,505	110,445	193,950	157,402
Sleepout	77,228	218	77,446	80,257
Skydive United	43,697	-	43,697	16,714
Cornhole tournament	289	-	289	8,430
Community fun run	20,556	1,236	21,792	28,439
Charitable gaming	70,438	-	70,438	192,809
Care-E-Oke	16,816	-	16,816	-
Other	18,174	-	18,174	8,090
Corporate sponsorships	77,410	-	77,410	75,759
Community services	2,180	16,315	18,495	18,126
Gifts in kind	27,307	-	27,307	123,090
Gain (loss) on beneficial interest	-	10,727	10,727	(40,145)
Investment income	20,207	-	20,207	9,425
Rental income	58,200	-	58,200	59,700
Other income	7,983	-	7,983	32,918
Fiscal agent revenue and support	-	462,506	462,506	424,675
Net assets released from restriction	1,485,424	(1,485,424)	-	-
Total revenue and support	2,576,429	(101,719)	2,474,710	2,602,759
EXPENSES:				
Program services	2,315,578	-	2,315,578	2,244,445
Management and general	176,133	-	176,133	179,889
Fundraising	123,867	-	123,867	128,294
Total expenses	2,615,578	-	2,615,578	2,552,628
CHANGES IN NET ASSETS	(39,149)	(101,719)	(140,868)	50,131
NET ASSETS - beginning of period	635,105	813,648	1,448,753	1,398,622
NET ASSETS - end of period	$ 595,956	$ 711,929	$ 1,307,885	$ 1,448,753

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

UNITED WAY OF GREATER NASHUA, INC.
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED SEPTEMBER 30, 2023
(WITH COMPARATIVE TOTALS FOR THE YEAR ENDED SEPTEMBER 30, 2022)

	2023				2022
	Program Services	Management and General	Fundraising	Totals	Totals
Designations for other organizations	$ 18,050	$ -	$ -	$ 18,050	$ 79,289
Community impact grants	379,500	-	-	379,500	372,000
Community services:					
Blizzard Blast	-	-	-	-	5,055
Over the Edge	153,873	-	-	153,873	129,472
Day of Caring	4,850	-	-	4,850	4,028
Sleepout	2,469	-	-	2,469	1,998
Federal Drug Free Community	92,750	-	-	92,750	103,654
One Greater Nashua	2,260	-	-	2,260	3,961
Fiscal agencies	445,570	-	-	445,570	370,800
Santa Fund	16,315	-	-	16,315	15,276
Skydive United	7,594	-	-	7,594	2,870
COVID-19 expenditures and grants	22,418	-	-	22,418	19,010
Preschool Development	273,841	-	-	273,841	484,814
EL GEER	518,898	-	-	518,898	267,766
Community fun run	5,651	-	-	5,651	11,136
Community service expense	50,675	-	-	50,675	45,993
Salaries and wages	178,537	59,512	59,512	297,561	271,876
Gifts in kind	13,654	8,192	5,461	27,307	119,793
Professional services	74,894	44,936	29,958	149,788	114,440
Dues	18,129	3,399	1,133	22,661	18,729
Supplies and expenses	6,623	6,623	13,246	26,492	27,244
Insurance	3,651	5,216	1,564	10,431	10,171
Occupancy	12,356	29,654	7,414	49,424	39,117
Depreciation	8,391	11,987	3,595	23,973	21,164
Bank fees	4,629	6,614	1,984	13,227	12,972
Total expenses	$ 2,315,578	$ 176,133	$ 123,867	$ 2,615,578	$ 2,552,628

UNITED WAY OF GREATER NASHUA, INC.
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED SEPTEMBER 30, 2023
(WITH COMPARATIVE TOTALS FOR THE YEAR ENDED SEPTEMBER 30, 2022)

	2023	2022
CASH FLOWS FROM OPERATING ACTIVITIES:		
Change in net assets	$ (140,868)	$ 50,131
Adjustments to reconcile change in net assets to net cash flows from operating activities		
Depreciation	23,973	21,164
Loss on disposal of fixed assets	663	-
Change in beneficial interest	(9,364)	41,537
Provision for uncollectible pledges	17,286	32,346
Decrease (increase) in:		
Pledges receivable	4,784	(41,518)
Accounts receivable	(100,261)	5,833
Employee retention grant receivable	(138,592)	-
Grant receivable	(690)	121,736
Prepaid expenses	11,127	(10,945)
Other assets	(133)	(3,297)
Increase (decrease) in:		
Accounts payable	(63,774)	30,202
Community impact grants payable	1,875	-
Designations payable	888	491
Funds held for others	(425)	1,036
Security deposits and accrued expenses	(9,735)	9,113
Refundable advances	3,310	-
Net cash flows from operating activities	(399,936)	257,829
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of property and equipment	(6,192)	(23,800)
Net sale (purchase) of investments	(153,750)	-
Net cash flows from investing activities	(159,942)	(23,800)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Payment on principal of long-term debt	(4,911)	(6,485)
Net cash flows from financing activities	(4,911)	(6,485)
CHANGE IN CASH AND RESTRICTED CASH	(564,789)	227,544
CASH AND RESTRICTED CASH - beginning of year	1,257,471	1,029,927
CASH AND RESTRICTED CASH - end of year	$ 692,682	$ 1,257,471
RECONCILIATION OF CASH AND RESTRICTED CASH:		
Cash	$ 215,104	$ 537,210
Restricted cash	477,578	720,261
Total cash and restricted cash shown in the statement of cash flows	$ 692,682	$ 1,257,471
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION:		
Cash paid during the year for interest	$ 9,250	$ 8,919
In-kind donations received	$ 27,307	$ 123,090

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

1. Organization:

United Way of Greater Nashua, Inc. (the Organization) is a New Hampshire nonprofit organization managed through the efforts of both a professional and volunteer staff to provide financial support to local human services programs. The Organization relies on the financial support of the local population in order to meet its financial distributions to local member agencies. The Organization benefits from the efforts of over 800 volunteers that donate approximately 5,000 hours annually to the Organization, allowing them to provide important programs to the community. As per the terms of the respective agreements, some additional activities are performed by the Organization on behalf of other agencies.

2. Summary of significant accounting policies:

The following is a summary of significant accounting policies of the Organization used in preparing and presenting the accompanying financial statements.

Accounting for contributions and financial statement presentation - The Organization follows *Accounting for Contributions Received and Contributions Made and Financial Statements of Not-for-Profit Organizations as required by the Financial Accounting Standards Board Accounting Standards Codification (FASB ASC).* Under these guidelines, the Organization is required to distinguish between contributions that increase net assets without donor restrictions and net assets with donor restrictions. It also requires recognition of contributions, including contributed services meeting certain criteria, at fair values. These reporting standards establish standards for financial statements of not-for-profit organizations and require a Statement of Financial Position, a Statement of Activities, a Statement of Functional Expenses and a Statement of Cash Flows.

Basis of accounting - The Organization presents its financial statements in accordance with *Financial Accounting Standards Board* (FASB) *Accounting Standards Codification* (ASC) *Topic 958 Not-For-Profit Entities*. The accompanying financial statements have been prepared on the accrual basis of accounting. All contributions are considered to be available for unrestricted use unless specifically restricted by the donor. Non-cash contributions are recorded at fair market value on the date of donation. Income earned on net assets, including net realized appreciation on investments, is reflected as a change in net assets without donor restrictions or net assets with donor restrictions in accordance with donor stipulations.

Amounts related to the Organization's financial position and activities are reported in two classes of net assets: net assets without donor restrictions and net assets with donor restrictions.

Net assets without donor restrictions are available for use in general operations and not subject to donor or certain grantor restrictions.

Net assets with donor restrictions consist of assets whose use is limited by donor-imposed, time and/or purpose restrictions. Donor-imposed restrictions are released when a restriction expires, that is, when a stipulated time restriction ends, or purpose restriction is accomplished. When a donor restriction expires the net assets are reclassified as net assets without donor restrictions and reported in the Statement of Activities as net assets released from restrictions. Some net assets with donor restrictions include a stipulation that assets provided be maintained permanently (perpetual in nature) while permitting the Organization to expend the income generated by the assets in accordance with the provisions of additional donor-imposed stipulations or a board-approved spending policy. The Organization follows a similar policy for investment return on these funds.

Cash and cash equivalents - For the purpose of reporting cash flows, the Organization considers all unrestricted highly liquid investments with an initial maturity of six months or less to be cash equivalents.

Investments – Investments represent certificates of deposit with initial maturities of six to twelve months.

Restricted cash – Amounts included in restricted cash represent funds held by the United Way of Greater Nashua in their capacity as the fiscal agent for several small not for profit organizations (Note 11). These restrictions will lapse when the organizations appropriate the funds for expenditure.

Restricted cash balances as of September 30, 2023 and 2022 were comprised of the following:

	2023	2022
Fiscal agencies	$ 296,844	$ 403,159
Early childhood initiative	40,434	11,872
One Greater Nashua	21,407	17,660
Preschool development grant	18,163	164,644
Board designated funds	56,268	97,398
Other	44,462	25,528
Total	$ 477,578	$ 720,261

Allowance for doubtful accounts - The Organization utilizes the allowance method to provide for uncollectible pledges. The adequacy of the allowance for doubtful accounts for pledges receivables is reviewed on an ongoing basis by the Organization's management and adjusted as required through the provision for uncollectible pledges (bad debt expense). Management estimates the allowance based on experience with prior year campaign collections.

Property and equipment - Property and equipment is recorded at cost or, if donated, at estimated fair market value at the date of donation. Major additions and improvements are capitalized, while ordinary maintenance and repairs are charged to expense. Depreciation is provided using the straight-line method over the estimated useful lives of the related assets. Assets not in service are not depreciated. No depreciation is charged on land owned.

Conditions which might impact the fair market value of the assets are reviewed from time to time to assess the need to record any impairment to the value of the assets. No impairment allowance has been recognized during the current or prior year.

Functional expenses - The costs of providing the various program and supporting services have been summarized on a functional basis in the Statements of Activities. The Statements of Functional Expenses present the natural classification detail of expenses by function. Expenses are charged to programs and supporting services on the basis of periodic expense reviews and management estimates. Expenses directly attributable to a specific functional area of the Organization are reported as expenses of those functional areas. Management and general expenses include those expenses that are not directly identifiable with any other specific function but provide for the overall support and direction of the Organization.

Donations in-kind – Contributions of nonfinancial assets and materials are recorded as contributions at their estimated fair values at the date of donation. Contributions of services are recognized when they are received if the services (a) create or enhance nonfinancial assets or (b) required specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not donated. The Organization pays for most services requiring specific expertise. However, some individuals may volunteer their time and perform a variety of tasks that assist the Organization with specific programs and various committee assignments. The Organization received contributions of nonfinancial assets totaling $27,307 and $123,090 for the years ended September 30, 2023 and 2022, respectively.

Use of estimates – The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect reported amounts of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenue and expenses during the reporting period. Accordingly, actual results could differ from those estimates.

Program revenue – Revenues from program fees are recognized over time in the period in which the fees are earned. Deferred revenue results from fees received in advance of the period in which they were earned.

Contributions and grant revenues – Contributions, including promises to give, are considered conditional or unconditional, depending on the nature and existence of any donor or grantor conditions. A contribution or promise to give contains a donor or grantor condition when both of the following are present: (1) An explicit identification of a barrier, that is more than trivial, that must be overcome before the revenue can be earned and recognized (2) An implicit right of return of assets transferred or a right of release of a donor or grantor's obligation to transfer assets promised, if the condition is not met. Conditional contributions are recognized when the barrier(s) to entitlement are overcome. Unconditional contributions are recognized as revenue when received.

Grants are either recorded as contributions or exchange transactions based on criteria contained in the grant award. Grant awards that are contributions are evaluated for conditions and recognized as revenue when conditions in the award are satisfied. Unconditional awards are recognized as revenue when the award is received. Amounts received in which conditions have not been met are reported as a refundable advance liability. Grant awards that are exchange transactions are those in which the resource provider or grantor receives a commensurate value in exchange for goods or services transferred. There were no grants or awards that were considered exchange transactions during the years ended September 30, 2023 and 2022.

Operating leases – Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made or received under the operating leases are charged or recognized in the Statement of Activities on a straight-line basis over the period of the lease.

Income tax status – The Organization is exempt from Federal and State income tax under Section 501(c)(3) of the Internal Revenue Code. In addition, the Organization qualifies for the charitable contribution deduction under Section 170(b)(1)(A) and has been classified as an organization that is not a private foundation under Section 509(a)(2). Though the Organization is exempt from income tax, it is subject to tax on income unrelated to its exempt purpose, unless that income is otherwise excluded by the Internal Revenue Code. The Organization has calculated an income tax provision that is immaterial for financial statement purposes, and has evaluated its significant tax positions, including their tax-exempt status, and determined that they do not need to recognize a liability for any uncertain tax positions for interest, penalties or potential taxes. The Organization has processes presently in place to ensure the maintenance of its tax-exempt status, identify and report unrelated income, determine its filing and tax obligations in jurisdictions for which it has nexus, and identify and evaluate other matters that may be considered tax positions. The Organization has determined that there are no material uncertain tax positions that require recognition or disclosure in the financial statements.

Accounting pronouncements adopted – In February 2016, the FASB issued ASU No. 2016-02, *Leases (Topic 842)*. ASU 2016-02 establishes a comprehensive new lease accounting model. The new standard clarifies the definitions of a lease, requires a dual approach to lease classification similar to current lease classifications, and causes lessees to recognize leases on the Statement of Financial Position as a lease liability with a corresponding right-of-use asset for leases with a lease term of more than twelve months. In June 2020, the FASB issued 2020-05 which provided nonpublic companies with a one-year deferral of the effective date of ASC 842. The Organization elected to adopt this deferral and ASU 2016-02 is effective for the Organization's year ended September 30, 2023. The new standard originally required a modified retrospective transition for capital or operating leases existing at or entered into after the beginning of the earliest comparative period presented in the financial statements, but it does not require transition accounting for leases that expire prior to the date of the initial application. In July 2018, the FASB issued ASU No. 2018-11 *Leases (Topic 842)* which provided another transition method in addition to the existing transition method by allowing entities to initially apply the new leases standard at the adoption date and recognize a cumulative-effect adjustment to the opening balance of net assets in the period of adoption. The Organization had no material leases in which they are the lessee for the year ended September 30, 2023.

Accounting pronouncements to be adopted in future periods - In June 2016, the FASB issued ASU No. 2016-13, *Measurement of Credit Losses on Financial Instruments (Topic 326)*. ASU 2016-13 requires a financial asset measured at amortized cost basis to be presented at the net amount expected to be collected. Thus, the Statement of Activities will reflect the measurement of credit losses for newly recognized financial assets as well as the expected increases or decreases of expected credit losses that have taken place during the period. ASU 2016-13 will be effective for the Organization's year ending September 30, 2024. The Organization has not yet determined the effects, if any, that the adoption of ASU 2016-13 may have on its financial position, results of operations, cash flows, or disclosures.

3. Liquidity:

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the Statement of Financial Position date, comprise the following:

	2023	2022
Financial assets:		
Cash	$ 215,104	$ 537,210
Investments	153,750	-
Accounts receivable	242,353	3,500
Pledges receivable, net	40,464	62,534
Grants receivable	61,874	61,184
Total financial assets available within one year	$ 713,545	$ 664,428

The Organization maintains a policy of structuring its financial assets to be available as its general expenditures, liabilities, and other obligations come due. To manage liquidity and monitor the availability of resources to meet these operating needs, the Organization produces an annual budget which outlines the anticipated financial needs to maintain the Organization within the next fiscal year. The budget is analyzed and compared to actual results throughout the year to manage current cash flow needs.

4. Concentration of credit risk – cash and cash equivalents:

Financial instruments that potentially subject the Organization to concentrations of credit risk consist primarily of cash and cash equivalents. The Organization places its cash and cash equivalents with high credit quality financial institutions. The Organization has not experienced any losses in such accounts and believes it is not exposed to any significant credit risk. During the fiscal year ended September 30, 2022, the Organization established a sweep account with their primary bank which diversifies their cash holdings among other participating FDIC insured banks, ensuring that their deposits do not exceed the $250,000 federally insured limit.

5. Pledges receivable, net:

Pledges receivable consisted of the following as of September 30:

	2023	2022
Pledges receivable:		
Current year campaign	$ 41,900	$ 96,236
Prior years campaigns	50,063	28,184
	91,963	124,420
Less: allowance for uncollectible pledges	(51,499)	(61,886)
Total	$ 40,464	$ 62,534

6. Beneficial interest:

United Way of Greater Nashua, Inc. has a beneficial interest in a fund at the New Hampshire Charitable Foundation (NHCF).

Pursuant to the terms of the resolution establishing the fund with NHCF, property contributed to the foundation is held as a separate fund designated for the benefit of United Way of Greater Nashua, Inc. In accordance with its spending policy NHCF makes distributions from the fund to United Way of Greater Nashua, Inc. The annual distributions allowable from the fund are based on five percent of a twenty-quarter moving average of the fund's market value. The funds are included in net assets with donor restrictions. The market value of the fund assets was $205,864 and $196,505, as of September 30, 2023 and 2022, respectively.

7. Designated fund:

United Way of Greater Nashua, Inc. is the beneficiary of the Nashua Fire Relief Fund. The Fund is held and administered by the U.S. Trust Company. Distributions of $8,071 and $9,659 were received for the years ended September 30, 2023 and 2022, respectively. The market value of the fund was approximately $172,000 for the years ended September 30, 2023 and 2022.

8. Property and equipment, net:

The following is a summary of property and equipment as of September 30:

	2023	2022
Building and land	$ 502,500	$ 502,500
Building improvements	242,546	241,939
Furniture, fixtures and equipment	72,274	68,159
Total	817,320	812,598
Less: accumulated depreciation	(499,950)	(476,786)
Property and equipment, net	$ 317,370	$ 335,812

Depreciation expense for the years ended September 30, 2023 and 2022 was $23,973 and $21,164, respectively.

9. Community impact grants payable:

United Way of Greater Nashua, Inc. had total community impact grants payable in the amounts of $94,875 and $93,000, as of September 30, 2023 and 2022, respectively. These funds are subject to the Organization's ability to collect the total funds pledged.

10. Long-term debt:

The Organization has a note payable to a bank, payable in monthly installments of $1,180, including interest. The interest rate is based on the FHLB 5 Year Classic Advance Rate plus 2.00%, currently at 6.24%, adjusted every five years, never dropping below 4.50%. Monthly payments are to be made through June 2028, with a final balloon payment due upon maturity. The note is secured by land and the building, and all rents received on the real property.

Interest expense for the years ended September 30, 2023 and 2022 was $9,250 and $8,919, respectively.

The following is a summary of future principal payments:

Fiscal Year End		
2024 (current portion)	$	3,460
2025		3,302
2026		3,514
2027		3,740
2028		164,095
Total	$	178,111

11. Net assets with donor restrictions:

The Organization holds net assets with donor restrictions. Net assets with donor restrictions are comprised of the following at September 30:

	2023	2022
Subject to expenditures for specified purpose:		
Fiscal agencies	$ 390,595	$ 403,159
New Hampshire Charitable Foundation	205,864	196,505
Early Childhood Initiative	40,434	11,872
One Greater Nashua	21,407	17,660
Preschool development grant	18,163	164,644
Other	35,466	19,808
Total net assets with donor restrictions	$ 711,929	$ 813,648

Net assets released from restriction were as follows for the year ended September 30:

	2023	2022
Fiscal agencies	$ 428,343	$ 341,577
Grants	910,818	903,313
Designations to others	146,263	207,852
Total net assets released from restriction	$ 1,485,424	$ 1,452,742

12. Fair values of financial instruments:

The Organization reports its fair value measures using a three-level hierarchy that prioritizes the inputs used to measure fair value. This hierarchy, established by GAAP, requires that entities maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. The three levels of inputs used to measure fair value are as follows:

- Level 1. Quoted prices for identical assets or liabilities in active markets to which the Organization has access at the measurement date.

- Level 2. Inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly. Level 2 inputs include:

- Quoted prices for similar assets or liabilities in active markets;
- Quoted prices for identical or similar assets in markets that are not active;
- Observable inputs other than quoted prices for the asset or liability (for example, interest rates and yield curves); and
- Inputs derived principally from, or corroborated by, observable market data by correlation or by other means.

- Level 3. Unobservable inputs for the asset or liability. Unobservable inputs should be used to measure the fair value to the extent that observable inputs are not available.

The estimated fair value of the Organization's financial instruments is presented in the following table at September 30:

2023

	Carrying Value	Fair Value	Level One	Level Two	Level Three
Investments	$ 153,750	$ 153,750	$ 153,750	$ -	$ -
Beneficial interest	$ 205,864	$ 205,864	$ -	$ -	$ 205,864

2022

	Carrying Value	Fair Value	Level One	Level Two	Level Three
Beneficial interest	$ 196,505	$ 196,505	$ -	$ -	$ 196,505

The beneficial trust interest is reported at the fair value of the underlying assets held by the New Hampshire Charitable Foundation, which approximates the present value of the estimated expected future cash flows at September 30, 2023 and 2022.

Investments represent certificates of deposit. The carrying amounts of the certificates of deposit approximate fair value because of the short maturity of those financial instruments.

13. Gifts in kind:

For the years ended September 30, 2023 and 2022, contributed nonfinancial assets recognized within the Statement of Activities consisted of the following:

	2023	2022
Professional services	$ 26,307	$ 29,143
Other goods	1,000	1,000
School laptops	-	89,650
Vehicle	-	3,297
	$ 27,307	$ 123,090

The Organization recognizes contributed nonfinancial assets within revenue, including school laptops, professional services, a vehicle, and other goods. Unless otherwise noted, contributed nonfinancial assets did not have donor-imposed restrictions.

Contributed school laptops were given to the Nashua School district for students to use as part of one of the Organization's programs. The contributed vehicle was sold by the Organization and the funds were used towards operational needs. Contributed other goods and PPE were used in the Organization's programs benefiting those in the community. In valuing the laptops, vehicle, goods and PPE, the Organization estimated the fair market value on the basis of estimates of wholesale values that would be received for selling similar products in the United States.

Contributed professional services recognized comprise of services from landscapers, cleaning services, information technology, and other services related to events put on by the Organization in the fiscal years ended September 30, 2023 and 2022. Contributed professional services are valued and are reported at the estimated fair market value in the financial statements based on the current rates for similar services.

14. Lease of building:

The Organization rents separate offices within their building to other local businesses, representing 56% of the total building area. Initial lease terms vary, with all current leases being renewed on a month-to-month basis. Total rental income for the years ended September 30, 2023 and 2022 was $58,200 and $59,700, respectively.

Depreciation expense for assets subject to operating leases is calculated on the straight-line method over the asset's estimated useful life (Note 2). Depreciation expense relating to these assets held was $18,424 and $18,418 for the years ended September 30, 2023 and 2022, respectively.

The cost and accumulated depreciation of the building being leased at September 30:

	2023	2022
Land	$ 108,788	$ 108,788
Building	393,712	393,712
Building improvements	242,546	241,939
Total cost	745,046	744,439
Less: accumulated depreciation	(448,984)	(431,361)
Net book value of building	$ 296,062	$ 313,078

15. Contracted services:

The Organization entered into a service level agreement with an accounting firm on May 26, 2017. This is a yearly contract that is renewed every twelve months in October and can be terminated by either party with 30 days written notice, or for cause.

During the years ended September 30, 2023 and 2022, the Organization was provided management support services including but not limited to bookkeeping and maintaining financial records.

During the years ended September 30, 2023 and 2022, the Organization has incurred expenses of $98,338 and $105,095, respectively, on the above mentioned management support services.

16. Related-party transactions:

There were transactions for program services totaling $54,978 and $50,704 with businesses or individuals related to current board members and management for the years ended September 30, 2023 and 2022, respectively. The following transactions occurred between the Organization and related parties:

Summary of related-party transactions:

	2023	2022
Expenses:		
Payroll-related expense	$ 54,574	$ 47,236
Miscellaneous program expense	404	3,468
Total related-party expenses	$ 54,978	$ 50,704

17. Subsequent events:

In accordance with the provisions set forth by FASB ASC, *Subsequent Events*, events and transactions from October 1, 2023 through April 17, 2024, the date the financial statements were available to be issued, have been evaluated by management for disclosure.

Management has determined that there were no material events that would require disclosure in the Organization's financial statements through this date.