

MONADNOCK UNITED WAY

FINANCIAL STATEMENTS

DECEMBER 31, 2023

AND

INDEPENDENT AUDITORS' REPORT



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## INDEPENDENT AUDITORS' REPORT

To the Board of Directors  
Monadnock United Way:

### **Report on the Audit of the Financial Statements**

#### **Opinion**

We have audited the accompanying financial statements of Monadnock United Way (a New Hampshire nonprofit organization) which comprise the statement of financial position as of December 31, 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 Monadnock United Way as of December 31, 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). 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 Monadnock United Way and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

#### **Responsibilities of Management for the Financial Statements**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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 Monadnock United Way's ability to continue as a going concern for one year after the date that the financial statements are issued.

## **Auditors' Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with 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 Monadnock United Way's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Monadnock United Way's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

## **Report on Summarized Comparative Information**

We have previously audited the Monadnock United Way's 2022 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated June 28, 2023. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2022, is consistent, in all material respects, with the audited financial statements from which it has been derived.

## Other Matter

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The schedule of Allocations to Agencies is presented for the purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

*Oster & Wheeler, P.C.*

Keene, New Hampshire  
June 24, 2024

MONADNOCK UNITED WAY, INC.  
STATEMENT OF FINANCIAL POSITION  
DECEMBER 31, 2023  
(WITH COMPARATIVE TOTALS AS OF DECEMBER 31, 2022)

	<u>2023</u>	<u>2022</u>
<u>ASSETS</u>		
CURRENT ASSETS:		
Cash and cash equivalents	\$ 1,263,937	\$ 2,417,474
Investments	779,088	-
Grants receivable	38,722	5,631
Pledges receivable, less allowance for uncollectible pledges of \$75,000 as of December 31, 2023 and 2022	539,135	491,292
Other current assets	2,940	5,573
Total current assets	<u>2,623,822</u>	<u>2,919,970</u>
PROPERTY, PLANT AND EQUIPMENT, at cost:		
Building and improvements	109,500	107,697
Office furniture and equipment	102,849	102,849
Land	4,430	4,430
	<u>216,779</u>	<u>214,976</u>
Less - Accumulated depreciation	187,182	180,902
Net property, plant and equipment	<u>29,597</u>	<u>34,074</u>
OTHER ASSETS:		
Beneficial interest in foundation assets	318,299	297,938
Total other assets	<u>318,299</u>	<u>297,938</u>
Total assets	\$ <u>2,971,718</u>	\$ <u>3,251,982</u>
<u>LIABILITIES AND NET ASSETS</u>		
CURRENT LIABILITIES:		
Designations payable	\$ 35,255	\$ 38,216
Accounts payable and accrued expenses	42,126	69,417
Total current liabilities	<u>77,381</u>	<u>107,633</u>
Total liabilities	<u>77,381</u>	<u>107,633</u>
NET ASSETS:		
Without donor restriction		
Board designated	281,999	281,999
Undesignated	1,058,539	1,080,280
	<u>1,340,538</u>	<u>1,362,279</u>
With donor restriction	1,553,799	1,782,070
Total net assets	<u>2,894,337</u>	<u>3,144,349</u>
Total liabilities and net assets	\$ <u>2,971,718</u>	\$ <u>3,251,982</u>

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

MONADNOCK UNITED WAY, INC.  
STATEMENTS OF ACTIVITIES AND NET ASSETS  
FOR THE YEAR ENDED DECEMBER 31, 2023  
(WITH COMPARATIVE TOTALS FOR THE YEAR ENDED DECEMBER 31, 2022)

	2023			2022
	Without Donor Restriction	With Donor Restriction	Totals	Totals
CAMPAIGN, OTHER PUBLIC SUPPORT AND REVENUE:				
General campaign	\$ -	\$ 1,251,248	\$ 1,251,248	\$ 1,193,528
Less: Donor designations	-	(40,377)	(40,377)	(44,652)
Less: Uncollectible pledges	28,927	(75,000)	(46,073)	(55,278)
Recovery of uncollectible pledges	1,794	-	1,794	5,743
Net general campaign revenue	30,721	1,135,871	1,166,592	1,099,341
Other contributions and bequests	35,726	-	35,726	43,776
Grant revenue	174,480	-	174,480	38,125
Community impact fundraising	71,111	-	71,111	99,226
Multi-year pledges	8,000	-	8,000	113,500
Grant admin fee revenue	20,963	-	20,963	37,977
Net assets released from restriction	1,384,504	(1,384,504)	-	-
Total campaign support and revenue	1,725,505	(248,633)	1,476,872	1,431,945
CAMPAIGN DISTRIBUTIONS AND FUNCTIONAL EXPENSES:				
Distributions:				
Agency allocations and designations	632,571	-	632,571	628,472
Total distributions	632,571	-	632,571	628,472
Program services:				
Grants	418,086	-	418,086	443,113
Community and relationship building	484,671	-	484,671	435,721
Total program services	902,757	-	902,757	878,834
Support services:				
Management and general	55,981	-	55,981	50,156
Fundraising	216,905	-	216,905	243,872
Total support services	272,886	-	272,886	294,028
Total functional expenses	1,175,643	-	1,175,643	1,172,862
Total campaign distributions and functional expenses	1,808,214	-	1,808,214	1,801,334
Net income (loss) from campaign activities	(82,709)	(248,633)	(331,342)	(369,389)
OTHER REVENUES AND EXPENSES:				
Change in fair market value of beneficial interest in foundation assets	33,712	-	33,712	(45,343)
Gifts in kind	21,190	-	21,190	22,336
COVID-19 fund contributions	-	-	-	615
ERTC revenues	-	-	-	60,346
Investment income	20,977	-	20,977	500
Realized gain (loss) on investments	13	-	13	99
Other revenue	5,438	-	5,438	10,602
Change in foundation assets restricted	(20,362)	20,362	-	-
Net other revenues and expenses	60,968	20,362	81,330	49,155
Change in net assets	(21,741)	(228,271)	(250,012)	(320,234)
Net assets, beginning of year	1,362,279	1,782,070	3,144,349	3,464,583
Net assets, end of year	\$ 1,340,538	\$ 1,553,799	\$ 2,894,337	\$ 3,144,349

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

MONADNOCK UNITED WAY  
STATEMENT OF FUNCTIONAL EXPENSES  
FOR THE YEAR ENDED DECEMBER 31, 2023  
(WITH COMPARATIVE TOTALS FOR THE YEAR ENDED DECEMBER 31, 2022)

	Program Services				Supporting Services			Totals	
	Essential Programs and Services	Grants	Community and Relationship Building	Total	Management and General	Fundraising	Total	2023	2022
Agency allocations and designations	\$ 667,826	\$ -	\$ -	\$ 667,826	\$ -	\$ -	\$ -	\$ 667,826	\$ 667,558
Less: donor designations	(35,255)	-	-	(35,255)	-	-	-	(35,255)	(39,086)
Total distributions	<u>632,571</u>	<u>-</u>	<u>-</u>	<u>632,571</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>632,571</u>	<u>628,472</u>
Salaries and wages	-	103,256	200,740	303,996	26,765	107,062	133,827	437,823	412,017
Employee benefits	-	1,906	23,536	25,442	3,138	12,553	15,691	41,133	28,970
Payroll taxes	-	2,918	18,878	21,796	2,517	10,069	12,586	34,382	32,759
Total salaries and related expenses	-	108,080	243,154	351,234	32,420	129,684	162,104	513,338	473,746
Payments to affiliated organizations	-	-	14,522	14,522	1,517	5,636	7,153	21,675	18,241
Community impact	-	79,176	16,599	95,775	-	-	-	95,775	243,654
Grant disbursements	-	181,215	-	181,215	-	-	-	181,215	99,103
Contracted services	-	46,888	97,713	144,601	10,209	37,919	48,128	192,729	184,203
Professional fees	-	325	12,244	12,569	1,279	4,751	6,030	18,599	15,267
Strategic planning	-	-	-	-	-	-	-	-	4,725
Supplies	-	1,189	14,104	15,293	1,474	5,473	6,947	22,240	20,117
Telephone and telecommunications	-	-	2,512	2,512	262	975	1,237	3,749	3,487
Postage and shipping	-	305	1,298	1,603	136	504	640	2,243	2,578
Occupancy	-	-	10,796	10,796	1,128	4,189	5,317	16,113	16,659
Marketing, printing and publications	-	20	29,887	29,907	3,122	11,598	14,720	44,627	36,653
Meetings, travel, and staff development	-	888	12,826	13,714	1,402	4,916	6,318	20,032	11,364
Gifts in-kind	-	-	14,197	14,197	1,483	5,510	6,993	21,190	22,336
Bank fees	-	-	5,358	5,358	560	2,079	2,639	7,997	6,777
Other	-	-	5,253	5,253	549	2,038	2,587	7,840	8,187
Operating expense subtotal	-	418,086	480,463	898,549	55,541	215,272	270,813	1,169,362	1,167,097
Depreciation	-	-	4,208	4,208	440	1,633	2,073	6,281	5,766
Total operating expenses	-	418,086	484,671	902,757	55,981	216,905	272,886	1,175,643	1,172,863
Total	\$ <u>632,571</u>	\$ <u>418,086</u>	\$ <u>484,671</u>	\$ <u>1,535,328</u>	\$ <u>55,981</u>	\$ <u>216,905</u>	\$ <u>272,886</u>	\$ <u>1,808,214</u>	\$ <u>1,801,335</u>

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

MONADNOCK UNITED WAY  
STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED DECEMBER 31, 2023  
(WITH COMPARATIVE TOTALS FOR THE YEAR ENDED DECEMBER 31, 2022)

	<u>2023</u>	<u>2022</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Contributions and bequests	\$ 1,175,665	\$ 1,325,442
Grant income	241,463	833,164
Investment income	20,977	500
Other income	5,438	10,602
Cash paid to other organizations	(635,532)	(641,808)
Cash paid to employees and suppliers	<u>(1,194,021)</u>	<u>(1,194,114)</u>
Net cash flows from operating activities	<u>(386,010)</u>	<u>333,786</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of fixed assets	(1,803)	(10,511)
Proceeds from sale of investments	1,994	2,120
Purchase of investments	(779,088)	-
Distributions from beneficial interest in foundation assets	<u>11,370</u>	<u>13,006</u>
Net cash flows from investing activities	<u>(767,527)</u>	<u>4,615</u>
NET CHANGE IN CASH AND CASH EQUIVALENTS	(1,153,537)	338,401
CASH AND CASH EQUIVALENTS, beginning of year	<u>2,417,474</u>	<u>2,079,073</u>
CASH AND CASH EQUIVALENTS, end of year	\$ <u>1,263,937</u>	\$ <u>2,417,474</u>
RECONCILIATION OF CHANGE IN NET ASSETS TO NET CASH FLOWS FROM OPERATING ACTIVITIES:		
Change in net assets	\$ <u>(250,012)</u>	\$ <u>(320,234)</u>
Adjustments to reconcile change in net assets to net cash flows from operating activities		
Depreciation	6,281	5,766
Realized gain on investments	(13)	(99)
(Increase) decrease in fair market value of beneficial interest in foundation assets	(33,712)	45,343
(Increase) decrease in the following assets:		
Grants receivable	(33,091)	544,336
Pledges receivable	(47,843)	99,028
Other current assets	2,632	(1,373)
Increase (decrease) in the following liabilities:		
Designations payable	(2,961)	(13,336)
Accounts payable and accrued expenses	<u>(27,291)</u>	<u>(25,645)</u>
Total adjustments	<u>(135,998)</u>	<u>654,020</u>
Net cash flows from operating activities	\$ <u>(386,010)</u>	\$ <u>333,786</u>

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



MONADNOCK UNITED WAY, INC.  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2023

1. Summary of significant accounting policies:

The Monadnock United Way (the Agency) is dedicated to improving lives by mobilizing diverse partners and investing in programs and people to create long-lasting measurable change.

Key objectives:

- Evaluate the extent and priority of regional human service needs
- Develop financial and non-monetary resources to meet those needs to the extent feasible
- Allocate these resources effectively
- Foster the spirit of volunteerism
- Facilitate community initiatives and problem solving
- Promote public awareness and understanding through education and communication
- Plan and provide for the continuity and evolution of the organization

Accounting for contributions and financial statements presentation – The Agency 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 Agency'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 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 Agency to expend the income generated by the assets in accordance with the provisions of additional donor-imposed stipulations or a board-approved spending policy. Restricted contributions that are received and utilized in accordance with donor stipulations in the same year are reported as contributions without donor restrictions. The Agency follows a similar policy for investment return on these funds.

MONADNOCK UNITED WAY, INC.  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2023

Basis of accounting - Revenues and expenses are reported on the accrual basis of accounting. Under this basis, revenues, other than contributions, and expenses are reported when incurred without regard to the date of receipt or payment of cash. Contributions are reported in accordance with FASB ASC Topic 958 *Accounting for Contributions Received and Contributions Made*.

Cash equivalents – For the purpose of the Statement of Cash Flows, the Agency considers cash equivalents to be all highly liquid securities with an original maturity of three months or less.

Investments – Investments represent certificates of deposit with initial maturities of three to twelve months. The Agency carries these investments at cost in the accompanying Statement of Financial Position.

Public support/revenue recognition – Annual campaigns are conducted to raise support for the subsequent calendar year. Campaign contributions and pledges are reported as net assets with donor restriction for use in the subsequent year unless specifically restricted by the donor. Pledges are recognized as contributions when received.

Allowance for uncollectible pledges – The Agency maintains an allowance for uncollectible pledges based on an analysis of the most recent five-year collection rate. The pledges receivable, including donor designations receivable, are written off in the subsequent year when there is a reasonable expectation that the previous campaign pledges will not be received.

Donated services and equipment – During the current fiscal year the Agency received in-kind professional services related to legal, accounting and computer support. Donated services with an estimated fair value of \$21,190 and \$22,336 for the years ended December 31, 2023 and 2022, respectively, are included in other revenues in the Statement of Activities. In connection with the annual fundraising campaign, various companies in the region donate employees' services to the Agency to coordinate campaign volunteers. Approximately 2,754 and 3,635 hours, for which no value has been assigned, were contributed in 2023 and 2022.

Depreciation – The Agency charges to functional expenses annual amounts of depreciation which allocate the cost of property, plant and equipment over their estimated useful lives. The Agency uses the straight-line method for computing depreciation. The ranges of the estimated useful lives used are:

	<u>Years</u>
Building and improvements	15 – 39
Office furniture and equipment	5 – 15

MONADNOCK UNITED WAY, INC.  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2023

Repairs and maintenance are expensed when incurred while improvements are capitalized. Assets sold or otherwise disposed of are removed from the accounts, along with the related depreciation allowances, and any gain or loss is recognized. Assets donated to the Agency are capitalized at fair market value at the date of gift. The depreciation expense was \$6,281 and \$5,766 for the years 2023 and 2022, respectively.

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 for either 2023 or 2022.

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

Contributions and grant income – 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, or are recorded as part of net assets with donor restriction on the Statement of Financial Position. 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 December 31, 2023 and 2022.

Income taxes – The Agency qualifies as exempt from income tax under Section 501(c)(3) of the Internal Revenue Code. The Agency 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. Accordingly, no provision for income taxes is required. The Agency's annual federal return filing (Form 990) and state filing (Form NHCT-12) remain subject to examination by major tax jurisdictions for the standard three-year statute of limitations.

MONADNOCK UNITED WAY, INC.  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2023

Functional allocation of expense - 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 allocated to both programs and support services. Salaries and wages are allocated based on estimates of time spent by members of the staff. Expenses that are not directly attributable to one category are allocated based on a time study allocation method.

2. 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:

	<u>2023</u>	<u>2022</u>
Financial assets:		
Cash and cash equivalents	\$ 1,263,937	\$ 2,417,474
Investments	779,088	-
Grants receivable	38,722	5,631
Pledges receivable	539,135	491,292
Beneficial interest in foundation assets	<u>318,299</u>	<u>297,938</u>
Total financial assets available within one year	2,939,181	3,212,335
Less:		
Amounts unavailable for general expenditures within one year, due to:		
Restricted by donors with purpose restrictions	(1,553,799)	(1,782,070)
Amounts unavailable to management without board's approval:		
Board designated for operational and program support	<u>(281,999)</u>	<u>(281,999)</u>
	\$ <u><u>1,103,383</u></u>	\$ <u><u>1,148,266</u></u>

The Agency maintains a policy of structuring its financial assets to be available as its general expenditures, liabilities and other obligations come due.

MONADNOCK UNITED WAY, INC.  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2023

3. Net assets without donor restriction – board designated:

The Agency's directors have designated a portion of the net assets without donor restriction for specific purposes. The designated balances at December 31 are as follows:

	<u>2023</u>	<u>2022</u>
Operating and program reserve	\$ 201,999	\$ 201,999
Equipment and capital expenditures	<u>80,000</u>	<u>80,000</u>
	<u>\$ 281,999</u>	<u>\$ 281,999</u>

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

As of December 31, 2023, the carrying amount of the Agency's deposits was \$1,392,905 (\$411,360 in 2022) and the bank balances totaled \$2,012,889 (\$2,401,734 in 2022). Deposit balances not covered by federal depository insurance (current FDIC limit of \$250,000) totaled \$0 and \$6 as of December 31, 2023 and 2022, respectively.

5. Pledges receivable, net:

Pledges receivable consisted of the following as of December 31:

	<u>2023</u>	<u>2022</u>
Pledges receivable:		
Prior year campaign	\$ 39,127	\$ 24,875
Current year campaign	<u>575,008</u>	<u>541,417</u>
	614,135	566,292
Less: allowance for uncollectible pledges	<u>(75,000)</u>	<u>(75,000)</u>
Total	<u>\$ 539,135</u>	<u>\$ 491,292</u>

The pledges receivable are due as follows:

2024	\$ <u>614,135</u>
Total pledges receivable	\$ <u>614,135</u>

Pledges of \$46,073 related to the prior campaign have been written off and adjusted against the allowance for uncollectable pledges.

MONADNOCK UNITED WAY, INC.  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2023

6. Beneficial interest in assets held by others:

The Agency has a beneficial interest in assets held by the New Hampshire Charitable Foundation (NHCF). These assets are divided into two categories of funds referred to as donor designated funds and agency funds. The NHCF is the owner of these funds and by agreement maintains variance power over them. In accordance with *ASC 958-605-25 Recognition*, the source of these funds dictates how the Agency recognizes their interest in these assets.

Donor designated funds result from irrevocable contributions from unaffiliated donors to the NHCF for the benefit of the Agency. In accordance with accounting standards, the Agency does not report the fair market value of their interest in these funds on the Statement of Financial Position, but rather recognizes distributions from the funds as investment income when received. The NHCF distributes income based on historical investment performance. The approximate fair market value of donor designated funds held by NHCF on behalf of the Monadnock United Way was \$971,214 and \$909,085, as of December 31, 2023 and 2022, respectively. Disbursements received from these funds totaled \$34,692 and \$39,685, for the years ended December 31, 2023 and 2022, respectively.

Agency funds were irrevocably transferred from the Agency to the NHCF, and the Agency designated itself as the beneficiary. In accordance with accounting standards, the Agency reports an asset on the Statement of Financial Position for the fair market value of their interest in these funds, and the NHCF reports a corresponding liability. This is due to the fact that the Agency is the source and beneficiary of the funds. The Agency reduces the value of their interest in the agency fund when distributions are received, and reports the changes in fair market value of the fund on the Statement of Activities. The NHCF distributes income based on historical investment performance. The approximate fair market value of agency funds held by NHCF on behalf of the Monadnock United Way was \$318,299 and \$297,938, as of December 31, 2023 and 2022, respectively. Disbursements received from these funds totaled \$11,370 and \$13,006 for the years ended December 31, 2023 and 2022, respectively.

The beneficial interest in perpetual trusts is valued based on the present value of expected cash flows using quoted market prices of assets in the trust multiplied by the Agency's share of the trust. This is considered to be a level 3 fair value measurement in accordance with FASB *ASC Topic 820*.

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7. Net assets with donor restriction:

Net assets with donor restrictions consist of contributions and pledges designated for future allocation periods, funds reserved for collaborative projects with other Monadnock Region agencies, and Agency investments held by the New Hampshire Charitable Foundation. The designated balances at December 31 are as follows:

	<u>2023</u>	<u>2022</u>
Subject to expenditure for specified purposes:		
Contributions and pledges for future allocation periods	\$ 1,176,248	\$ 1,118,528
Beneficial interest in assets held by NHCF	318,299	297,938
Multi-year pledges	35,000	85,000
Afterschool program	14,701	14,701
Other restricted	9,551	29,697
Special funds grants	<u>-</u>	<u>236,206</u>
Total net assets with donor restriction	\$ <u>1,553,799</u>	\$ <u>1,782,070</u>

8. Retirement plan:

The Agency maintains a section 403(b) retirement plan covering all employees with at least six months of service. Employees may defer any amount from one to six percent of compensation. The Agency matches 33% of employee elective deferrals. These matching contributions amounted to \$422 in 2023 (\$664 in 2022).

9. Fundraising expenditures:

The Monadnock United Way made total fundraising expenditures of \$216,905 and \$243,872 for the years ended December 31, 2023 and 2022, respectively.

10. Fair values of financial instruments:

The Agency 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.

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- 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 Agency's financial instruments is presented in the following table at December 31:

2023

	Carrying <u>Value</u>	Fair <u>Value</u>	Level <u>One</u>	Level <u>Two</u>	Level <u>Three</u>
Beneficial interest	\$ <u>318,299</u>	\$ <u>318,299</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>318,299</u>

2022

	Carrying <u>Value</u>	Fair <u>Value</u>	Level <u>One</u>	Level <u>Two</u>	Level <u>Three</u>
Beneficial interest	\$ <u>297,938</u>	\$ <u>297,938</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>297,938</u>

The beneficial interest in foundation assets 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 December 31, 2023 and 2022.



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11. Gifts in kind:

For the years ended December 31, 2023 and 2022, contributed nonfinancial assets recognized within the Statement of Activities consisted of the following:

Professional services	\$ <u>21,190</u>	\$ <u>22,336</u>
	\$ <u>21,190</u>	\$ <u>22,336</u>

The Agency recognizes contributed nonfinancial assets within revenue, consisting of professional services. Unless otherwise noted, contributed nonfinancial assets did not have donor-imposed restrictions.

Contributed professional services consisted of services from accounting and consulting professionals, broadcasting and newspaper organizations related to advertising, and other services related to the Agency's program services in the fiscal years ended December 31, 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.

12. Subsequent events:

In preparing these financial statements, the Agency has evaluated events and transactions for potential recognition or disclosure through June 24, 2024, the date the financial statements were available to be issued. No events were noted for disclosure.

13. Reclassifications:

Certain items in the prior year financial statements have been reclassified to conform to the current year presentation. Net assets and changes in net assets are unchanged due to these reclassifications.

MONADNOCK UNITED WAY, INC.  
SCHEDULE OF ALLOCATIONS TO AGENCIES  
FOR THE YEAR ENDED DECEMBER 31, 2023  
(WITH COMPARATIVE TOTALS FOR THE YEAR ENDED DECEMBER 31, 2022)

	<u>2023</u>	<u>2022</u>
AGENCY ALLOCATIONS:		
The Community Kitchen	\$ 90,000	\$ 73,625
Home Away From Home, LLC	-	2,400
Keene Day Care Center	30,000	28,500
Monadnock Community Early Learning Center	29,400	28,500
RISE...For Baby and Family	223,650	213,000
Southern New Hampshire Services	14,250	14,250
Southwestern Community Services	90,559	90,425
Walpole Village School	4,987	4,750
Winchester Learning Center	133,975	171,000
Other	4,500	147
2-1-1	11,250	1,875
Donor - designated agencies	<u>35,255</u>	<u>39,086</u>
 Total agency allocations	 \$ <u>667,826</u>	 \$ <u>667,558</u>