



United Way of Tri-County, Inc.

Financial Statements
June 30, 2025 and 2024

United Way of Tri-County, Inc.

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June 30, 2025 and 2024

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Independent Auditor's Report

To the Board of Directors of
United Way of Tri-County, Inc.:

Opinion

We have audited the financial statements of United Way of Tri-County, Inc. (a Massachusetts nonprofit corporation) (the Organization), which comprise the statements of financial position as of June 30, 2025 and 2024, and the related statements of activities, changes in net assets, cash flows, and functional expenses for the years 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 Tri-County, Inc. as of June 30, 2025 and 2024, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). 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 audits. 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 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 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 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 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 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 the Organization'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.

AAFCPAs, Inc.

Boston, Massachusetts
March 18, 2026

Basic Financial Statements

United Way of Tri-County, Inc.
Statements of Financial Position
June 30, 2025 and 2024

	2025	2024
Assets		
Current Assets:		
Cash	\$ 917,086	\$ 733,399
Pledges receivable, net of allowances for uncollectible pledges of approximately \$9,000 and \$54,000 at June 30, 2025 and 2024, respectively	257,092	254,154
Designations receivable, net of allowances for uncollectible designations of approximately \$212,000 and \$227,000 at June 30, 2025 and 2024, respectively	386,383	390,556
Accounts receivable	11,259	10,200
Grants receivable	183,332	275,001
Due from related party	-	31,667
Current portion of contribution receivable - charitable lead trust	25,000	25,000
Prepaid expenses	7,457	7,371
Total current assets	1,787,609	1,727,348
Investments	512,931	568,277
Property and Equipment, net	2,563,267	2,486,615
Contribution Receivable - Charitable Lead Trust, net of current portion	47,119	67,545
Construction in Progress	573,983	340,293
Right-of-Use Assets - Finance	200,898	258,218
Right-of-Use Assets - Operating	81,854	204,748
Security Deposits	12,115	12,115
Total assets	\$ 5,779,776	\$ 5,665,159
Liabilities and Net Assets		
Current Liabilities:		
Current portion of long-term debt	\$ 70,167	\$ 66,705
Current portion of deferred revenue	21,500	21,500
Current portion of finance lease liabilities	64,381	64,381
Current portion of operating lease liabilities	83,876	129,588
Accounts payable, accrued expenses and other	158,076	101,515
Designations payable and accrued	672,745	652,630
Due to related party	678,333	-
Total current liabilities	1,749,078	1,036,319
Long-Term Debt, net of current portion	693,476	764,870
Finance Lease Liabilities, net of current portion	141,230	198,551
Operating Lease Liabilities, net of current portion	4,320	81,502
Deferred Revenue, net of current portion	-	21,500
Conditional Grant Advance	320,390	180,615
Total liabilities	2,908,494	2,283,357
Net Assets:		
Without donor restrictions:		
Operating	333,801	1,221,769
Property and equipment	2,341,052	1,941,277
Total without donor restrictions	2,674,853	3,163,046
With donor restrictions	196,429	218,756
Total net assets	2,871,282	3,381,802
Total liabilities and net assets	\$ 5,779,776	\$ 5,665,159

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

United Way of Tri-County, Inc.
Statement of Activities
For the Year Ended June 30, 2025

	Without Donor Restrictions	With Donor Restrictions	Total
Public Support and Revenues:			
Gross campaign results	\$ 1,789,872	\$ -	\$ 1,789,872
Less - donor designations, net of service fees of \$240,962	672,745	-	672,745
Less - provision for uncollectible pledges and designations	220,949	-	220,949
Net campaign revenue	<u>896,178</u>	<u>-</u>	<u>896,178</u>
Product Philanthropy:			
Other sales	137,043	-	137,043
Other public support and revenues:			
Donated goods and services	4,930,441	-	4,930,441
Grants and contributions	2,358,434	-	2,358,434
Management fees	808,000	-	808,000
Special events	464,692	-	464,692
Service fees	240,962	-	240,962
Miscellaneous income	97,827	-	97,827
Investment earnings used for operations under the spending policy	7,284	-	7,284
Net assets released from program restrictions	1,901	(1,901)	-
Net assets released from time restrictions	25,000	(25,000)	-
Total other public support and revenues	<u>8,934,541</u>	<u>(26,901)</u>	<u>8,907,640</u>
Total public support and revenues	<u>9,967,762</u>	<u>(26,901)</u>	<u>9,940,861</u>
Operating Expenses:			
Program services:			
Call center	1,613,641	-	1,613,641
Food Security	7,153,740	-	7,153,740
Other program services	702,571	-	702,571
Total program services	<u>9,469,952</u>	<u>-</u>	<u>9,469,952</u>
Supporting services:			
General and administrative	481,845	-	481,845
Fundraising	553,556	-	553,556
Total supporting services	<u>1,035,401</u>	<u>-</u>	<u>1,035,401</u>
Total operating expenses	<u>10,505,353</u>	<u>-</u>	<u>10,505,353</u>
Changes in net assets from operations	(537,591)	(26,901)	(564,492)
Non-Operating Revenue (Expenses):			
Investment return, net	49,398	7,284	56,682
Change in value of charitable lead trust	-	4,574	4,574
Investment earnings used for operations under the spending policy	-	(7,284)	(7,284)
Changes in net assets	<u>\$ (488,193)</u>	<u>\$ (22,327)</u>	<u>\$ (510,520)</u>

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

United Way of Tri-County, Inc.
Statement of Activities
For the Year Ended June 30, 2024

	Without Donor Restrictions	With Donor Restrictions	Total
Public Support and Revenues:			
Gross campaign results	\$ 2,176,431	\$ -	\$ 2,176,431
Less - donor designations, net of service fees of \$364,199	1,040,800	-	1,040,800
Less - provision for uncollectible pledges and designations	352,220	-	352,220
Net campaign revenue	<u>783,411</u>	<u>-</u>	<u>783,411</u>
Product Philanthropy:			
Donated products	438,754	-	438,754
Less - cost of goods donated to the community	438,684	-	438,684
	70	-	70
Portage fees and other sales	219,630	-	219,630
Net product philanthropy	<u>219,700</u>	<u>-</u>	<u>219,700</u>
Other public support and revenues:			
Donated goods and services	5,674,213	-	5,674,213
Grants and contributions	1,896,081	-	1,896,081
Management fees	1,403,000	-	1,403,000
Special events	207,110	-	207,110
Service fees	364,199	-	364,199
Miscellaneous income	102,484	-	102,484
Investment earnings used for operations under the spending policy	7,028	-	7,028
Net assets released from purpose restrictions	1,632	(1,632)	-
Net assets released from time restrictions	25,000	(25,000)	-
Total other public support and revenues	<u>9,680,747</u>	<u>(26,632)</u>	<u>9,654,115</u>
Total public support and revenues	<u>10,683,858</u>	<u>(26,632)</u>	<u>10,657,226</u>
Operating Expenses:			
Program services:			
United Way distribution services	1,340,603	-	1,340,603
Call center	1,712,167	-	1,712,167
Food Security	6,746,018	-	6,746,018
Other program services	552,507	-	552,507
Total program services	<u>10,351,295</u>	<u>-</u>	<u>10,351,295</u>
Supporting services:			
General and administrative	419,245	-	419,245
Fundraising	503,607	-	503,607
Total supporting services	<u>922,852</u>	<u>-</u>	<u>922,852</u>
Total operating expenses	<u>11,274,147</u>	<u>-</u>	<u>11,274,147</u>
Changes in net assets from operations	(590,289)	(26,632)	(616,921)
Non-Operating Revenue (Expenses):			
Investment return, net	74,012	13,717	87,729
Change in value of charitable lead trust	-	7,342	7,342
Investment earnings used for operations under the spending policy	-	(7,028)	(7,028)
Changes in net assets	<u>\$ (516,277)</u>	<u>\$ (12,601)</u>	<u>\$ (528,878)</u>

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

United Way of Tri-County, Inc.
 Statements of Changes in Net Assets
 For the Years Ended June 30, 2025 and 2024

	Without Donor Restrictions	With Donor Restrictions	Total
	<u> </u>	<u> </u>	<u> </u>
Balance, at June 30, 2023	\$ 3,679,323	\$ 231,357	\$ 3,910,680
Changes in net assets	<u>(516,277)</u>	<u>(12,601)</u>	<u>(528,878)</u>
Balance, at June 30, 2024	3,163,046	218,756	3,381,802
Changes in net assets	<u>(488,193)</u>	<u>(22,327)</u>	<u>(510,520)</u>
Balance, at June 30, 2025	<u>\$ 2,674,853</u>	<u>\$ 196,429</u>	<u>\$ 2,871,282</u>

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

United Way of Tri-County, Inc.
Statements of Cash Flows
For the Years Ended June 30, 2025 and 2024

	2025	2024
Cash Flows from Operating Activities:		
Changes in net assets	\$ (510,520)	\$ (528,878)
Adjustments to reconcile changes in net assets to net cash provided by (used in) operating activities:		
Provision for uncollectible pledges and designations	220,949	352,220
Depreciation and amortization	302,278	244,352
Investment return, net	(56,682)	(87,729)
Deferred revenue	(21,500)	(21,500)
Non-cash lease expense	-	382
Change in value of charitable lead trust	(4,574)	(7,342)
Changes in operating assets and liabilities:		
Pledges receivable	(2,938)	128,552
Designations receivable	(216,776)	(267,728)
Accounts receivable	(1,059)	(5,942)
Grants receivable	91,669	44,415
Due from related party	31,667	(31,667)
Contribution receivable - charitable lead trust	25,000	25,000
Inventory	-	7,595
Prepaid expenses	(86)	21,906
Accounts payable, accrued expenses and other	56,561	(32,324)
Designations payable and accrued	20,115	(53,381)
Due to related party	678,333	-
Conditional grant advance	139,775	180,615
Net cash provided by (used in) operating activities	752,212	(31,454)
Cash Flows from Investing Activities:		
Proceeds from sale of investments	112,028	164,628
Purchase of investments	-	(139,088)
Increase in construction in progress	(233,690)	(264,733)
Purchase of property and equipment	(321,610)	(79,050)
Net cash used in investing activities	(443,272)	(318,243)
Cash Flows from Financing Activities:		
Principal payments on long-term debt	(67,932)	(64,624)
Payments on finance lease obligations	(57,321)	(39,466)
Net cash used in financing activities	(125,253)	(104,090)
Net Change in Cash	183,687	(453,787)
Cash:		
Beginning of year	733,399	1,187,186
End of year	\$ 917,086	\$ 733,399
Supplemental Disclosure of Cash Flow Information:		
Cash paid for interest	\$ 54,330	\$ 52,634
Unrealized gain on investments	\$ 10,704	\$ 27,258

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

United Way of Tri-County, Inc.
Statement of Functional Expenses
For the Year Ended June 30, 2025
(With Summarized Comparative Totals for the Year Ended June 30, 2024)

	2025							2024
	Call Center	Food Security	Other Program Services	Total Program Services	General and Administration	Fundraising	Total Expenses	Total Expenses
Personnel and Related Costs:								
Salaries and wages	\$ 649,100	\$ 1,168,917	\$ 130,967	\$ 1,948,984	\$ 57,602	\$ 195,420	\$ 2,202,006	\$ 2,247,336
Employee benefits	87,371	134,346	34,049	255,766	25,592	60,119	341,477	405,184
Payroll taxes	47,705	101,389	10,055	159,149	520	16,004	175,673	188,138
Total personnel and related costs	784,176	1,404,652	175,071	2,363,899	83,714	271,543	2,719,156	2,840,658
Donated goods and services	-	4,748,103	32,338	4,780,441	-	-	4,780,441	5,524,213
Grant expense	610,000	-	62,789	672,789	-	-	672,789	735,451
Occupancy	61,069	364,109	133,822	559,000	71,441	4,989	635,430	595,514
Depreciation and amortization	15,491	182,350	68,225	266,066	21,347	14,865	302,278	244,352
Professional fees and temporary labor	9,000	54,116	-	63,116	117,961	31,395	212,472	172,634
Food	689	135,237	28,417	164,343	5,036	32,473	201,852	124,270
Communications and information technology	56,058	50,288	6,865	113,211	73,944	12,776	199,931	154,065
Advertising and promotion	5,030	11,605	150,142	166,777	2,026	8,470	177,273	156,263
Office supplies	27,083	68,659	-	95,742	22,866	9,277	127,885	224,541
Insurance	33,149	76,911	-	110,060	5,816	6,295	122,171	112,407
Campaign expenses	30	30	-	60	-	89,194	89,254	118,091
Special events	100	15,717	11,529	27,346	252	42,176	69,774	30,662
Transportation	10,808	36,076	1,091	47,975	9,142	8,491	65,608	113,012
Interest	-	-	14,261	14,261	40,069	-	54,330	52,634
Other operating expenses	958	5,887	180	7,025	28,231	3,772	39,028	38,340
United Way dues	-	-	17,841	17,841	-	17,840	35,681	37,040
Total expenses	\$ 1,613,641	\$ 7,153,740	\$ 702,571	\$ 9,469,952	\$ 481,845	\$ 553,556	\$ 10,505,353	\$ 11,274,147

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

United Way of Tri-County, Inc.
Statement of Functional Expenses
For the Year Ended June 30, 2024

	Program Services								Total Expenses
	United Way Distribution Services	Call Center	Food Security	Other Program Services	Total Program Services	General and Administration	Fundraising		
Personnel and Related Costs:									
Salaries and wages	\$ 655,475	\$ 621,555	\$ 572,001	\$ 138,332	\$ 1,987,363	\$ 55,660	\$ 204,313	\$ 2,247,336	
Employee benefits	69,104	117,085	112,530	30,574	329,293	25,386	50,505	405,184	
Payroll taxes	58,149	47,341	53,675	11,210	170,375	2,489	15,274	188,138	
Total personnel and related costs	782,728	785,981	738,206	180,116	2,487,031	83,535	270,092	2,840,658	
Donated goods and services	-	-	5,508,802	15,411	5,524,213	-	-	5,524,213	
Grant expense	-	610,000	-	125,451	735,451	-	-	735,451	
Occupancy	343,474	44,842	102,884	8,251	499,451	90,796	5,267	595,514	
Depreciation and amortization	80,976	14,495	112,912	10,692	219,075	13,105	12,172	244,352	
Professional fees and temporary labor	38,434	27,500	12,400	-	78,334	94,300	-	172,634	
Food	3,174	-	65,208	15,850	84,232	864	39,174	124,270	
Communications and information technology	24,091	44,916	13,188	7,024	89,219	48,706	16,140	154,065	
Advertising and promotion	-	-	-	150,000	150,000	1,497	4,766	156,263	
Office supplies	24,135	115,862	42,007	2,743	184,747	28,212	11,582	224,541	
Insurance	14,900	21,440	55,619	5,500	97,459	10,145	4,803	112,407	
Campaign expenses	-	-	-	-	-	-	118,091	118,091	
Special events	14,776	1,687	2,200	4,605	23,268	800	6,594	30,662	
Transportation	1,163	856	82,600	2,131	86,750	12,323	13,939	113,012	
Interest expense	-	43,376	9,258	-	52,634	-	-	52,634	
Other operating expenses	12,752	1,212	734	6,213	20,911	16,442	987	38,340	
United Way dues	-	-	-	18,520	18,520	18,520	-	37,040	
Total expenses	\$ 1,340,603	\$ 1,712,167	\$ 6,746,018	\$ 552,507	\$ 10,351,295	\$ 419,245	\$ 503,607	\$ 11,274,147	

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

United Way of Tri-County, Inc.

Notes to Financial Statements

June 30, 2025 and 2024

1. Nature of Organization

United Way of Tri County, Inc. (the "Organization") was incorporated through the merging of five United Way organizations: the United Way of Assabet Valley, United Way of Neponset Valley, the United Way of Metro-West, the Westborough United Way, and the Clinton Community United Way. The Organization is one of 1,340 locally managed and operated United Way organizations in America. Today the Organization provides services to thousands of our neighbors and friends in thirty-four communities throughout Norfolk, Middlesex, and Worcester Counties, better known as the Metro-West/495 Corridor. Community investment is made through the funding of trusted community partner agencies and through direct service programming in the areas of Food Security, Information and Referral, Product Philanthropy, and Call2Talk, our Mental Health and Suicide and Prevention program. Specifically, the Organization operates three food pantries and two congregate meal programs in Framingham, Marlborough and Clinton, Massachusetts; operates the state-wide Mass 2-1-1 Information and Referral Hotline for the Commonwealth of Massachusetts (the Commonwealth) and operated the United Way Distribution Services Product warehouse in Framingham, Massachusetts through fiscal year 2024. Day-to-day management of the Organization is the responsibility of the President and Chief Professional Officer who reports directly to the Board of Directors.

The Organization is exempt from Federal income taxes as an organization (not a private foundation) formed for charitable purposes under Section 501(c)(3) of the Internal Revenue Code (IRC). The Organization is also exempt from state income taxes. Donors may deduct contributions made to the Organization within IRC requirements.

2. Significant Accounting Policies

Basis of Accounting

The Organization prepares its financial statements in accordance with generally accepted accounting principles (U.S. GAAP) established by the Financial Accounting Standards Board (FASB). References to U.S. GAAP in these notes are to the FASB Accounting Standards Codification (ASC).

Estimates

The preparation of financial statements in accordance with 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 and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Cash

The Organization considers all cash balances not included in its investment portfolio to be cash for purposes of the statements of cash flows.

United Way of Tri-County, Inc.

Notes to Financial Statements

June 30, 2025 and 2024

2. Significant Accounting Policies (Continued)

Allowance for Credit Losses

The allowance for credit losses is recorded based on management's analysis of specific accounts and their estimate of amounts that may be uncollectible.

Grants Receivable

Grants receivable are reviewed by management and an allowance for doubtful accounts is established based on management's analysis of specific grants and their estimate of amounts that may become uncollectible, if any. There was no allowance for uncollectible grants recorded as of June 30, 2025 or 2024.

Investments

Interest and dividends are recorded as investment return when earned. Gains and losses are recognized as incurred or based on fair value changes during the period.

Property and Equipment, Construction in Progress and Depreciation

Purchased property and equipment are recorded at cost, if purchased, or at fair value at the time of donation (see Note 4). Renewals and betterments are capitalized as additions to the related asset accounts, while repairs and maintenance are expensed as incurred.

Depreciation is computed using the straight-line method over estimated useful lives as follows:

Building	40 years
Leasehold improvements	10 years of life of lease
Furniture and equipment	3 - 7 years
Vehicles	5 years
Website development	3 years

Land is not depreciated.

Construction in progress of \$573,983 and \$340,293 at June 30, 2025 and 2024, respectively, consists of a project that was underway at year-end. This asset will begin to be depreciated when placed in service.

United Way of Tri-County, Inc.

Notes to Financial Statements

June 30, 2025 and 2024

2. Significant Accounting Policies (Continued)

Grants and Allocations Payable

The Organization reserves the right to exercise variance authority over all grants and, as such, has no legal liability to pay the balance of any grant. Accordingly, grants and allocations are expensed based on predetermined payment schedules. Any grants and allocations that are due and not paid as of year-end in accordance with the predetermined payment schedule are recorded as a liability by the Organization.

Description of Net Assets

Net Assets Without Donor Restrictions

Net assets without donor restrictions are those net resources that bear no external restrictions and are generally available for use by the Organization. The Organization has grouped its net assets without donor restrictions into the following categories:

- **Operating** - represents funds available to carry on the operations of the Organization.
- **Property and Equipment** - represents the net book value of the Organization's property and equipment, construction in progress and right-of-use (ROU) assets, net of related deferred revenue, debt, and lease liabilities.

Net Assets with Donor Restrictions

The Organization receives contributions and grants that are subject to stipulations imposed by donors and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of the Organization or by the passage of time. Other donor restrictions are perpetual in nature, whereby the donor has stipulated the funds be maintained in perpetuity and only the investment income can be spent. Perpetually restricted net assets consist of donor contributions to the Success by Six Endowment Fund. Net assets with donor restrictions consist of the following at June 30:

Description	2025	2024
Perpetually restricted	\$ 115,338	\$ 115,338
Time restricted	72,119	92,545
Appreciation on endowment	8,393	8,393
Purpose restricted	579	2,480
	<u>\$ 196,429</u>	<u>\$ 218,756</u>

United Way of Tri-County, Inc.

Notes to Financial Statements

June 30, 2025 and 2024

2. Significant Accounting Policies (Continued)

Endowment Spending Policy

The Organization follows the Uniform Prudent Management of Institutional Funds Act (UPMIFA). Subject to the intent of a donor, the Organization may appropriate for expenditure or accumulate so much of an endowment fund as the Organization determines is prudent for the uses, benefits, purposes, and duration for which the endowment fund is established. The assets in an endowment fund are donor-restricted assets until appropriated for expenditure by the Organization.

The Board of Directors is in the process of implementing an investment policy to address specific returns and risk parameters as well as a spending policy to allow the Organization to designate a portion of the Organization's cumulative investment return for support of operations. Under the Organization's proposed spending policy, the Board of Directors may appropriate up to 5.40% of the fair value of the endowment to support operations. The Board of Directors has made appropriations totaling \$7,284 and \$7,028 to support operations for the years ended June 30, 2025 and 2024, respectively, based on the proposed spending policy.

Leases

The Organization assesses whether an arrangement qualifies as a lease (i.e., conveys the right to control the use of an identified asset for a period of time in exchange for consideration) and determines lease classification as operating or finance at inception. The Organization only reassesses its determination if the terms and conditions of the arrangement are changed. Leases with an initial term of twelve months or less are not recorded in the statements of financial position.

The Organization's leases are presented as a ROU asset with a corresponding current and long-term lease liability in the accompanying statements of financial position. The ROU assets represent the Organization's right to use an underlying asset during its lease term, and lease liabilities represent the obligation to make lease payments.

Operating lease liabilities are recognized at the lease commencement date based on the present value of lease payments over the lease term. The ROU assets equal the lease liabilities adjusted for any initial direct costs, prepaid or deferred rent, and lease incentives. The Organization uses the implicit discount rate when it is readily determinable. Since most of the Organization's leases do not provide an implicit rate, the Organization uses the risk-free discount rate at the lease commencement date to determine the present value of the lease payments.

United Way of Tri-County, Inc.

Notes to Financial Statements

June 30, 2025 and 2024

2. Significant Accounting Policies (Continued)

Leases (Continued)

Variable rent payments, if included in the lease agreement and not determinable at the lease commencement, are not included in the measurement of the lease liabilities. Lease expense is recognized on a straight-line basis over the lease term. The Organization's lease terms do not include options to extend the lease.

The Organization has lease agreements with lease and non-lease components, which are generally accounted for as a single component.

Revenue Recognition, Pledges and Designations Receivable/Payable

The Organization generally measures earned revenue based on the amount of consideration the Organization expects to be entitled for the transfer of goods or services to a customer, then recognizes this revenue when or as the Organization satisfies its performance obligations under a contract, except in transactions where U.S. GAAP provides other applicable guidance. The Organization evaluates its revenue contracts with customers (i.e., management and service fee contracts) based on the five-step model under ASU 2014-09, *Revenue from Contracts with Customers (Topic 606)*: (1) Identify the contract with the customer; (2) Identify the performance obligations in the contract; (3) Determine the transaction price; (4) Allocate the transaction price to separate performance obligations; and (5) Recognize revenue when (or as) each performance obligation is satisfied. Contracts with state and local agencies are recorded as services are provided and costs are incurred.

Management fees are recognized by the Organization for services provided (see Note 11), which consist of comprehensive operational and management services. Services are generally provided on an annual basis and the agreements specify the compensation arrangements for each annual period. Each service is considered a single performance obligation as each service is distinct. The performance obligations under these agreements are satisfied evenly over the year as the respective parties receive the benefits provided as the Organization performs. Management fees are generally recognized in one fiscal year.

Portage fees and other sales are recognized at the time of product distribution. Service fees are recognized by the Organization based on a percentage of campaigns outside of the Organization's service area for services provided around managing these campaigns during the fiscal year. Service fees of \$240,962 and \$364,199 were deducted from donor designations to cover the costs incurred by the Organization in raising and processing them for the years ended June 30, 2025 and 2024, respectively. Donor designations include \$42,593 and \$41,525 in donor contributions from campaigns managed by the Organization that were designated to specific agencies and paid directly to third parties for the years ended June 30, 2025 and 2024, respectively. The Organization does not earn service fees on contributions that are paid in this manner. All other revenue is recognized as earned.

United Way of Tri-County, Inc.

Notes to Financial Statements

June 30, 2025 and 2024

2. Significant Accounting Policies (Continued)

Revenue Recognition, Pledges and Designations Receivable/Payable (Continued)

Contributed income may include gifts of cash or promises to give. Grants and contributions, including unconditional promises to give, are recognized as revenues in the period received and are recorded in the appropriate net asset category in accordance with donor-imposed restrictions. Conditional promises to give are not recognized until they become unconditional, that is, at the time when the conditions are substantially met. When considered material, grants and contributions to be received after one (1) year are discounted at an appropriate discount rate commensurate with the risk involved. Multi-year commitments are recorded during the year of the initial pledge.

In accordance with ASC Subtopic 958-605, *Revenue Recognition*, the Organization must determine whether a contribution (or a promise) is conditional or unconditional for transactions deemed to be a contribution. A contribution is considered to be a conditional contribution if an agreement includes a barrier that must be overcome and either a right of return of assets or a right of release of a promise to transfer assets exists. Indicators of a barrier include a measurable performance-related barrier or other measurable barriers, a stipulation that limits discretion by the recipient on the conduct of an activity, and stipulations that are related to the purpose of the agreement. Topic 958 prescribes that the Organization should not consider probability of compliance with the barrier when determining if such awards are conditional and should be reported as conditional grant advance liabilities until such conditions are met (see Note 17).

Grants and contributions, including gross campaign results and donated products, goods and services, are recorded when received or unconditionally committed. Unconditional grants and contributions received are recorded as net assets without donor restrictions or net assets with donor restrictions, depending on the existence and/or nature of any donor-imposed restrictions. Grants and contributions that are restricted by the donor are reported as an increase in net assets without donor restrictions if the restriction expires in the reporting period in which the grant or contribution is recognized. All other donor restricted grants and contributions are reported as an increase in net assets with donor restrictions, depending on the nature of restriction. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statements of activities as net assets released from restrictions. Special event revenue is recognized in the period in which the event takes place.

United Way of Tri-County, Inc.

Notes to Financial Statements

June 30, 2025 and 2024

2. Significant Accounting Policies (Continued)

Revenue Recognition, Pledges and Designations Receivable/Payable (Continued)

Pledges and designations receivable are recorded at their net present value when unconditionally committed (see Note 3). Collectability of pledges and designations receivable is analyzed by management based on the history of collections and management's judgment. The risk of not collecting the pledges and designations is mitigated by the Organization's policy to reduce payments of donor designations and allocations in the event that actual collections are lower than estimated amounts. Accordingly, accrued designations have been reduced by the same amount as the reserve amount on the designations receivable.

Donors to the campaign may designate all or part of their contributions to specific agencies. Such amounts made within the Organization's service area are not included as allocations to agencies and are recorded as designations to nonprofits and United Ways in the accompanying statements of functional expenses. Designations made by donors outside of the Organization's service area are recorded as a deduction from gross campaign results in the accompanying statements of activities as donor designations, net of service fees. The balances of donor designations to specific agencies that remain unpaid at year-end are reflected as designations payable in the accompanying statements of financial position.

Expense Allocation

Expenses related directly to a program are distributed to that program, while other expenses are allocated to programs based upon management's estimate of the percentage attributable to each function.

Certain categories of expenses are attributable to more than one program or supporting function and are allocated on a reasonable basis that is consistently applied. The expenses that are allocated are personnel and related costs, which are allocated on the basis of estimates of time and effort; occupancy and depreciation, which are allocated on a square footage basis; and certain other costs, which are allocated based on usage studies conducted annually.

Grant Expense

Grant expense is recorded when awarded by the Organization as the conditions of the grant are met by the grantee.

Advertising Costs

The Organization expenses advertising costs as they are incurred.

United Way of Tri-County, Inc.

Notes to Financial Statements

June 30, 2025 and 2024

2. Significant Accounting Policies (Continued)

Fair Value Measurements

The Organization follows the accounting and disclosure standards pertaining to ASC Topic, *Fair Value Measurements*, for qualifying assets and liabilities. Fair value is defined as the price that the Organization would receive upon selling an asset or pay to settle a liability in an orderly transaction between market participants.

The Organization uses a framework for measuring fair value that includes a hierarchy that categorizes and prioritizes the sources used to measure and disclose fair value. This hierarchy is broken down into three levels based on inputs that market participants would use in valuing the financial instruments based on market data obtained from sources independent of the Organization. Inputs refer broadly to the assumptions that market participants would use in pricing the financial instrument, including assumptions about risk. Inputs may be observable or unobservable. Observable inputs are inputs that reflect the assumptions market participants would use in pricing the financial instrument developed based on market data obtained from sources independent of the reporting entity. Unobservable inputs are inputs that reflect the reporting entity's own assumptions about the assumptions market participants would use in pricing the asset developed based on the best information available.

The three-tier hierarchy of inputs is summarized in the three broad levels as follows:

- Level 1: Inputs that reflect unadjusted quoted prices in active markets for identical assets at the measurement date.
- Level 2: Inputs other than quoted prices that are observable for the asset either directly or indirectly, including inputs in markets that are not considered to be active.
- Level 3: Inputs that are unobservable and which require significant judgment or estimation.

An asset or liability's level within the framework is based upon the lowest level of any input that is significant to the fair value measurement.

Investments

Investments are recorded in the financial statements at fair value. If an investment is directly held by the Organization and an active market with quoted prices exists, the market price of an identical security is used to report fair value. Reported fair values of shares in mutual funds are based on share prices reported by the funds as of the last business day of the fiscal year. Investments are valued using Level 1 inputs as of June 30, 2025 and 2024.

United Way of Tri-County, Inc.

Notes to Financial Statements

June 30, 2025 and 2024

2. Significant Accounting Policies (Continued)

Fair Value Measurements (Continued)

All Other Assets and Liabilities

The carrying value of all other qualifying assets and liabilities, including contribution receivable - charitable lead trust and long-term debt, does not differ materially from its estimated fair value and are considered Level 1 in the fair value hierarchy.

Statements of Activities

Transactions deemed by management to be ongoing, major, or central to the provision of program services are reported as public support and revenues and operating expenses in the accompanying statements of activities. Non-operating revenue (expenses) includes capital and investment activity.

Income Taxes

The Organization accounts for uncertainty in income taxes in accordance with ASC Topic, *Income Taxes*. This standard clarifies the accounting for uncertainty in tax positions and prescribes a recognition threshold and measurement attribute for the financial statements regarding a tax position taken or expected to be taken in a tax return. The Organization has determined that there are no uncertain tax positions which qualify for either recognition or disclosure in the financial statements at June 30, 2025 and 2024. The Organization's information returns are subject to examination by the Federal and state jurisdictions.

Subsequent Events

Subsequent events have been evaluated through March 18, 2026, which is the date the financial statements were available to be issued. See Note 12 for an event that met the criteria for recognition or disclosure in the financial statements.

United Way of Tri-County, Inc.

Notes to Financial Statements

June 30, 2025 and 2024

3. Pledges and Designations Receivable

Pledges and designations receivable were comprised of the following as of June 30:

2025	Pledges	Designations
Pledges and designations receivable	\$ 266,541	\$ 597,883
Less - allowance for uncollectible accounts	9,449	211,500
Pledges and designations receivable, net	<u>\$ 257,092</u>	<u>\$ 386,383</u>
2024	Pledges	Designations
Pledges and designations receivable	\$ 308,257	\$ 617,943
Less - allowance for uncollectible accounts	54,103	227,387
Pledges and designations receivable, net	<u>\$ 254,154</u>	<u>\$ 390,556</u>

All pledges and designations receivable are expected to be collected within one year.

4. Property and Equipment

Property and equipment consist of the following at June 30:

	2025	2024
Land	\$ 342,520	\$ 342,520
Building	2,036,593	2,036,593
Leasehold improvements	524,243	476,148
Furniture and equipment	905,670	820,655
Vehicles	611,759	423,259
Website development	43,242	43,242
	<u>4,464,027</u>	<u>4,142,417</u>
Less - accumulated depreciation	<u>1,900,760</u>	<u>1,655,802</u>
	<u>\$ 2,563,267</u>	<u>\$ 2,486,615</u>

United Way of Tri-County, Inc.

Notes to Financial Statements

June 30, 2025 and 2024

4. Property and Equipment (Continued)

For the years ended June 30, 2025 and 2024, depreciation expense totaled \$244,958 and \$203,504, respectively, and is included in depreciation and amortization in the accompanying statements of functional expenses.

On June 29, 2016, the Organization purchased the building it had previously leased for programmatic and administrative space. As part of completing this deal, the Organization purchased the building at a discount of \$215,000 and entered into a ten-year lease agreement with its former landlord to leaseback office space in the Organization's facility at a discounted price of \$100 per month (see Note 10). The property was recorded at fair value and the difference between fair value and the property's purchase price is recorded as deferred revenue in the accompanying statements of financial position. The Organization records rental income at fair value and amortizes the deferred revenue over the life of the lease. The Organization recognized \$21,500 of related rental income for the years ended June 30, 2025 and 2024, which is included in miscellaneous income in the accompanying statements of activities.

5. Investments

Investments consist of the following at June 30:

	<u>2025</u>	<u>2024</u>
Cash and money market funds	\$ 3,530	\$ 29,437
Stocks	4,719	4,844
Mutual funds:		
Bond funds	158,546	164,453
Stock funds	97,285	114,685
Equity exchange traded products	248,851	254,858
	<u>\$ 512,931</u>	<u>\$ 568,277</u>

Investments have been classified as non-current assets as it is management's intent to invest these funds for long-term purposes. Investments are not insured and are subject to market fluctuations.

United Way of Tri-County, Inc.

Notes to Financial Statements

June 30, 2025 and 2024

6. Donated Goods and Services

Donated services are recognized if the services create or enhance non-financial assets or require specialized skills that would typically need to be purchased if not provided by donation.

The financial statements do not include amounts for donated services for which an objective basis of measurement of the value of such services is not available, and these services are not specialized as defined in the standard for *Contributions Received* under U.S. GAAP. However, volunteers have donated significant amounts of their time and energy to the Organization. Based on management's estimate, volunteers donated approximately 91,800 and 91,500 hours to the Organization during the years ended June 30, 2025 and 2024, respectively.

Those goods and services that are able to be valued are reflected in the accompanying financial statements based upon the estimated value (donation value) assigned to them by the donating agencies or by management. Donated services and assets were utilized by the Organization's programs services and fundraising operations. There were no donor-imposed restrictions associated with the donated services and assets.

The value of donated goods and services was as follows for the years ended June 30:

	Donated Goods	Donated Services
2025		
Food security	\$ 4,748,103	\$ -
Other program services	32,338	150,000
	<u>\$ 4,780,441</u>	<u>\$ 150,000</u>
2024		
Food security	\$ 5,508,802	\$ -
Other program services	15,411	150,000
	<u>\$ 5,524,213</u>	<u>\$ 150,000</u>

United Way of Tri-County, Inc.

Notes to Financial Statements

June 30, 2025 and 2024

7. Product Philanthropy

Product Philanthropy represents donated goods received by the Organization for its United Way Distribution Services (see Note 2). This program ended during fiscal year 2024 and, therefore, there was no activity during fiscal year 2025. During fiscal year 2024, \$372,881 of the Product Philanthropy goods received were distributed to community partner agencies. These amounts are included in cost of goods donated to the community in the accompanying 2024 statement of activities.

8. Long-Term Debt

Long-term debt consists of the following at June 30:

	<u>2025</u>	<u>2024</u>
5% note payable to a realty trust (seller-financed note), due in monthly installments of principal and interest of \$9,000. This note matures on April 1, 2034. This note is secured by a first mortgage on the property.	\$ 763,643	\$ 831,575
Less - current portion	<u>70,167</u>	<u>66,705</u>
	<u>\$ 693,476</u>	<u>\$ 764,870</u>

Maturities of long-term debt over the next five years are as follows:

	<u>Amount</u>
2026	\$ 70,167
2027	\$ 73,808
2028	\$ 77,637
2029	\$ 81,666
2030	\$ 85,904

United Way of Tri-County, Inc.

Notes to Financial Statements

June 30, 2025 and 2024

9. Retirement Plans

The Organization sponsors a Simplified Employee Pension – Individual Retirement Account (SEP – IRA) plan for all full-time employees. For the years ended June 30, 2025 and 2024, the Organization’s contributions based on a percentage of employee salaries totaled \$153,583 and \$121,186, respectively, and are included in fringe benefits in the accompanying statements of functional expenses.

The Organization also maintains an IRC Section 403(b) Tax-Deferred Annuity Plan. The Tax-Deferred Annuity Plan covers all eligible employees as defined in the plan. The Organization does not contribute to this plan.

10. Lease Agreements

Nature of Leases

The Company has entered into the following lease arrangements:

Finance Leases

Three financing leases, two for vehicles and one for a copier, for the use in operations under operating lease agreements that expire through July 31, 2029. Termination of the leases generally is prohibited unless there is a violation under the lease agreement.

Operating Leases

The Organization maintains an agreement to lease programmatic space through April 30, 2026. The Organization also leases various equipment and vehicles under operating lease agreements that expire through June 2027.

Short-Term Leases

In addition, the Organization leases additional program space and one vehicle under several tenant-at-will agreements for aggregate payments ranging between approximately \$500 and \$6,600 per month. Total short term lease expense for the years ended June 30, 2025 and 2024, was \$113,347, which is included occupancy expense in the accompanying statements of functional expenses.

United Way of Tri-County, Inc.
Notes to Financial Statements
June 30, 2025 and 2024

10. Lease Agreements (Continued)

Supplemental Statements of Activities Information

The following summarizes the line items in the accompanying statements of functional expenses which include the components of lease expense for the years ended June 30:

	2025	2024
Operating lease expense included in occupancy expense	\$ 127,744	\$ 164,612
Finance lease costs:		
Amortization of lease assets included in depreciation and amortization expense	57,320	40,848
Interest on finance lease liabilities included in interest expense	9,952	9,258
Total finance lease expense	\$ 67,272	\$ 50,106

Supplemental Statements of Cash Flow Information

The following summarizes cash flow information related to leases for the years ended June 30:

	2025	2024
Cash paid for amounts included in measurement of lease liabilities:		
Operating cash flows from operating leases	\$ 129,931	\$ 164,229
Operating cash flows from finance leases	\$ 64,381	\$ 48,725
ROU assets obtained in exchange for lease obligations:		
Finance leases	\$ -	\$ 126,045

United Way of Tri-County, Inc.
Notes to Financial Statements
June 30, 2025 and 2024

10. Lease Agreements (Continued)

Weighted-Average Information

The following summarizes the weighted-average remaining lease term and discount rate as of June 30:

Weighted-Average Remaining Lease Term:	2025	2024
Operating leases	0.82 years	1.67 years
Finance leases	3.67 years	4.61 years

Weighted-Average Discount Rate	2025	2024
Operating leases	2.90%	3.10%
Finance leases	4.28%	4.28%

Maturities of Lease Liability Disclosure

The maturities of lease liabilities as of June 30, 2025, are as follows:

Fiscal Year	Operating	Finance
2026	\$ 83,876	\$ 64,381
2027	5,319	59,519
2028	-	54,657
2029	-	43,863
2030	-	2,756
Total future undiscounted lease payments	<u>89,195</u>	<u>225,176</u>
Less - present value discount/interest	(999)	(19,565)
Present value of lease liabilities	<u>88,196</u>	<u>205,611</u>
Less - current portion	<u>(83,876)</u>	<u>(64,381)</u>
Lease liabilities - net of current portion	<u>\$ 4,320</u>	<u>\$ 141,230</u>

United Way of Tri-County, Inc.

Notes to Financial Statements

June 30, 2025 and 2024

10. Lease Agreements (Continued)

Rental Income

The Organization maintains a ten-year lease agreement with its former landlord to lease office space in the Organization's facility. Monthly payments of \$100 are due through June 30, 2026. Future minimum rental receipts are \$1,200 for fiscal year 2026.

11. Commitment

The Organization entered into an agreement to provide comprehensive operational and management services to the United Way of Pioneer Valley, Inc. effective October 1, 2018, through June 30, 2024, at a management fee equal to 10% of gross revenues as defined in the agreement. There was no management fee revenue recognized during fiscal year 2025. The Organization recognized \$33,000 of management fee revenue for the fiscal year 2024, which is included in management fees in the accompanying 2024 statement of activities.

12. Related Party Transactions

The Organization and Mass211, Inc. (Mass211) share certain management positions and other costs and, as a result, Mass211 pays an operational and management fee to the Organization. The formal agreement has expired and management was working to formalize a new agreement with Mass211 as June 30, 2025. During fiscal years 2025 and 2024, approximately \$808,000 and \$1,370,000, respectively, were billed to Mass211 for the years ended June 30, 2025 and 2024. These fees are included in management fees in the accompanying statements of activities. These fees comprised 8% and 13% of total public support and revenues for the years ended June 30, 2025 and 2024, respectively.

During fiscal years 2025 and 2024, the Organization passed-thru grant funding recognized during each year totaling \$610,000 to Mass211 to support call center operations. The amount is presented as grant expense in the accompanying statements of functional expenses.

As of June 30, 2025, \$678,333 is owed to Mass211 and is shown as due to related party in the accompanying 2025 statement of financial position. As of June 30, 2024, \$31,667 is owed from Mass211 and is shown as due from related party in the 2024 accompanying statement of financial position.

United Way of Tri-County, Inc.

Notes to Financial Statements

June 30, 2025 and 2024

12. Related Party Transactions (Continued)

In October 2025, the Organization's Board of Directors approved a new Service Agreement with Mass211 that will go into effect on July 1, 2026. In connection with this agreement, Mass211 and the Organization will no longer share management positions and the relationship will align more with the Organization being a vendor of Mass211. Additionally, as part of this agreement, Mass211 will be purchasing the Call2Talk contract from the Organization for \$1,000,000, payable over three years.

13. Endowment

A reconciliation of endowment activities for fiscal years 2025 and 2024 is as follows:

	<u>2025</u>	<u>2024</u>
Endowment net assets, beginning of year	\$ 123,731	\$ 117,042
Investment return, net	7,284	13,717
Appropriations to operations	<u>(7,284)</u>	<u>(7,028)</u>
Endowment net assets, end of year	<u>\$ 123,731</u>	<u>\$ 123,731</u>

14. Charitable Lead Trust

The Organization is a beneficiary of a charitable lead annuity trust. The Organization is entitled to one-third of the fair value of the trust. The Organization received distributions of \$25,000 during fiscal years 2025 and 2024 and will receive annual distributions of \$25,000 until the trust is exhausted. The Organization's share of the trust of \$72,119 and \$92,545 is included in net assets with donor restrictions and contribution receivable - charitable lead trust in the accompanying statements of financial position as of June 30, 2025 and 2024, respectively. The Organization recorded a change in value of charitable lead trust of \$4,574 and \$7,342 in the accompanying statements of activities for the years ended June 30, 2025 and 2024, respectively.

United Way of Tri-County, Inc.

Notes to Financial Statements

June 30, 2025 and 2024

15. Liquidity and Availability of Financial Assets

Financial assets available for use by the Organization within one year from the statements of financial position date as of June 30, 2025 and 2024, are as follows:

	<u>2025</u>	<u>2024</u>
Cash	\$ 917,086	\$ 733,399
Pledges receivable, net	257,092	254,154
Accounts receivable	11,259	10,200
Grants receivable	183,332	275,001
Current portion of contribution receivable - charitable lead trust	25,000	25,000
Less - donor contributions restricted for specific purposes	(579)	(2,480)
	<u> </u>	<u> </u>
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 1,393,190</u>	<u>\$ 1,295,274</u>

The Organization holds enough funds to meet daily operating needs in cash. In the event of an unanticipated liquidity need, management could utilize non-endowment investments which totaled \$389,200 and \$444,546 at June 30, 2025 and 2024, respectively.

16. Conditional Grants

A nonprofit agency awarded the Organization a \$550,000 grant, which is conditional upon the Organization meeting goals and certain criteria and is to be paid over three years. The Organization received \$325,000 of the grant during fiscal year 2025 and met the conditions, and accordingly, is included in grants and contributions without donor restrictions in the accompanying 2025 statement of activities. The balance of the grant has not been recorded as the remaining conditions have not been met.

17. Employee Retention Tax Credit

The Employee Retention Tax Credit (ERTC) was first established by the Coronavirus Aid, Relief, and Economic Security (CARES) Act and was extended and expanded by the Consolidated Appropriations Act (CAA) and the American Rescue Plan Act (ARPA). ERTC provides a refundable tax credit against certain employment taxes equal to 50% of the first \$10,000 in qualified wages between March 12, 2020 and December 31, 2020 (2020 ERTC) and 70% of the first \$10,000, per quarter, in qualified wages paid to each employee between January 1, 2021 and September 30, 2021 (2021 ERTC). To be eligible, the Organization must meet certain conditions as described in applicable laws and regulations.

United Way of Tri-County, Inc.

Notes to Financial Statements

June 30, 2025 and 2024

17. Employee Retention Tax Credit (Continued)

The Organization has determined that it qualifies for the 2020 and 2021 ERTCs and has applied for both. This grant is conditional upon certain requirements. These conditions were not met as of June 30, 2025 or 2024. The Organization received \$139,775 and \$180,615 of funds during fiscal years 2025 and 2024, respectively, which are shown as a conditional grant advance in the accompanying statements of financial position.

18. Concentration of Credit Risk

The Organization maintains its cash balances in multiple banks in Massachusetts. The Federal Deposit Insurance Corporation (FDIC) insures balances at each bank up to certain amounts. At certain times during the year, cash balances exceeded the insured amounts at certain banks. The Organization has not experienced any losses in such accounts. The Organization believes it is not exposed to any significant credit risk on cash.

19. Reclassifications

Certain amounts in the fiscal year 2024 financial statements have been reclassified to conform with the fiscal year 2025 presentation.