

UNITED WAY OF GREATER NASHUA, INC.
FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2017
AND
INDEPENDENT AUDITORS' REPORT



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INDEPENDENT AUDITORS' REPORT

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

We have audited the accompanying financial statements of United Way of Greater Nashua, Inc. (a not-for-profit New Hampshire corporation) which are comprised of the statement of financial position as of September 30, 2017 and the related statements of activities, functional expenses and cash flows for the year then ended, and the related notes to the financial statements.

Management's Responsibility 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.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of United Way of Greater Nashua, Inc. as of September 30, 2017, and the results of its operations and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Report on Summarized Comparative Information

We have previously audited United Way of Greater Nashua, Inc.'s September 30, 2016 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated March 28, 2017. In our opinion, the summarized comparative information presented herein as of and for the year ended September 30, 2016, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Oster & Wheeler, P.C.

Keene, New Hampshire
January 25, 2018

UNITED WAY OF GREATER NASHUA, INC.
STATEMENT OF FINANCIAL POSITION
SEPTEMBER 30, 2017
(WITH COMPARATIVE TOTALS AS OF SEPTEMBER 30, 2016)

<u>ASSETS</u>	<u>Note</u>	<u>2017</u>	<u>2016</u>
CURRENT ASSETS:			
Cash and cash equivalents	3	\$ 116,692	\$ 118,565
Pledges receivable, net	4	111,567	205,732
Accounts receivable		13,573	2,250
Grant receivable		-	38,095
Prepaid expenses		<u>12,764</u>	<u>10,496</u>
Total current assets		<u>254,596</u>	<u>375,138</u>
OTHER ASSETS:			
Beneficial interest	5	192,627	179,889
Restricted cash		191,014	109,148
Property and equipment, net	7	<u>409,450</u>	<u>426,578</u>
Total other assets		<u>793,091</u>	<u>715,615</u>
 Total assets		 <u>\$ 1,047,687</u>	 <u>\$ 1,090,753</u>
<u>LIABILITIES AND NET ASSETS</u>			
CURRENT LIABILITIES:			
Accounts payable		\$ 16,117	\$ 19,247
Security deposits and accrued expenses		24,241	14,945
Current portion of long-term debt		21,093	20,227
Funds held for others		4,803	-
Pledges payable		45,516	48,711
Community impact grants payable	8	<u>75,061</u>	<u>115,350</u>
Total current liabilities		186,831	218,480
 LONG-TERM DEBT, net of current portion	9	 <u>193,653</u>	 <u>214,859</u>
Total liabilities		<u>380,484</u>	<u>433,339</u>
NET ASSETS:			
Unrestricted net assets		265,153	322,608
Temporarily restricted net assets	10	<u>402,050</u>	<u>334,806</u>
Total net assets		<u>667,203</u>	<u>657,414</u>
 Total liabilities and net assets		 <u>\$ 1,047,687</u>	 <u>\$ 1,090,753</u>

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

UNITED WAY OF GREATER NASHUA, INC.
STATEMENTS OF ACTIVITIES AND CHANGES IN NET ASSETS
FOR THE YEAR ENDED SEPTEMBER 30, 2017
(WITH COMPARATIVE TOTALS FOR THE YEAR ENDED SEPTEMBER 30, 2016)

	2017			2016
	Unrestricted	Temporarily Restricted	Totals	Totals
SUPPORT AND REVENUE:				
Current campaign	\$ 610,479	\$ -	\$ 610,479	\$ 662,706
Less: Allowance for uncollectible pledges	<u>(45,360)</u>	-	<u>(45,360)</u>	<u>(66,026)</u>
Available to UWGN, net of pledge reserve	565,119	-	565,119	596,680
Interest income	338	-	338	232
Gains (losses) on beneficial interest	-	21,498	21,498	12,241
Event and sponsorship income	131,756	-	131,756	49,150
Over the edge	60,098	102,438	162,536	-
Sleep out revenue	46,529	7,583	54,112	66,803
Gifts in kind	24,000	-	24,000	1,800
Fiscal agents revenue	-	117,951	117,951	54,980
Rental income	60,634	-	60,634	42,012
Grant income	8,830	144,254	153,084	181,987
Other income	4,483	-	4,483	5,472
Net assets released:				
Due to satisfaction of program restrictions	<u>326,480</u>	<u>(326,480)</u>	-	-
Total support and revenue	1,228,267	67,244	1,295,511	1,011,357
Less: Revenue designated for other organizations	<u>(152,683)</u>	-	<u>(152,683)</u>	<u>(54,464)</u>
Net support and revenue	<u>1,075,584</u>	<u>67,244</u>	<u>1,142,828</u>	<u>956,893</u>
DISTRIBUTIONS AND EXPENSES:				
Program services	1,063,723	-	1,063,723	1,028,146
Management and general	140,513	-	140,513	191,417
Fundraising	<u>81,486</u>	-	<u>81,486</u>	<u>83,962</u>
Total distributions and expenses	1,285,722	-	1,285,722	1,303,525
Less: Distributions of revenue for other organizations	<u>(152,683)</u>	-	<u>(152,683)</u>	<u>(54,464)</u>
Net distributions and expenses	<u>1,133,039</u>	-	<u>1,133,039</u>	<u>1,249,061</u>
Change in net assets	(57,455)	67,244	9,789	(292,168)
Net assets, beginning of year	<u>322,608</u>	<u>334,806</u>	<u>657,414</u>	<u>949,582</u>
Net assets, end of year	\$ <u>265,153</u>	\$ <u>402,050</u>	\$ <u>667,203</u>	\$ <u>657,414</u>

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

UNITED WAY OF GREATER NASHUA, INC.
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED SEPTEMBER 30, 2017
(WITH COMPARATIVE TOTALS FOR THE YEAR ENDED SEPTEMBER 30, 2016)

	2017				2016
	Program Services	Management and General	Fundraising	Totals	Totals
Salaries and wages	\$ 116,570	\$ 38,857	\$ 38,857	\$ 194,284	\$ 194,006
Contracted management services	59,726	29,863	9,954	99,543	87,454
Community benefit expenses	737,523	-	-	737,523	637,403
Fiscal agent expenses	62,016	-	-	62,016	197,517
Repairs and maintenance	8,387	11,416	3,494	23,297	24,684
Depreciation	8,685	11,822	3,619	24,126	26,801
Professional fees	20,710	10,355	3,452	34,517	22,178
Campaign supplies	-	-	8,785	8,785	22,945
Utilities	9,878	7,360	2,131	19,369	15,292
Mortgage interest	3,410	4,642	1,421	9,473	10,557
Insurance	3,403	4,632	1,419	9,454	10,219
Real estate taxes	3,035	4,131	1,264	8,430	8,241
Telephone	3,435	3,515	1,038	7,988	7,071
Bank fees	3,969	5,402	1,653	11,024	6,754
Miscellaneous	5,277	54	54	5,385	3,176
Postage and printing	4,234	5,493	1,716	11,443	6,617
Organizational dues	12,875	2,508	748	16,131	15,902
Promotion and advertising	177	-	1,786	1,963	2,784
Meetings	387	463	95	945	2,545
Travel	26	-	-	26	1,379
Total functional expenses	\$ <u>1,063,723</u>	\$ <u>140,513</u>	\$ <u>81,486</u>	\$ <u>1,285,722</u>	\$ <u>1,303,525</u>

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

UNITED WAY OF GREATER NASHUA, INC.
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED SEPTEMBER 30, 2017
(WITH COMPARATIVE TOTALS FOR THE YEAR ENDED SEPTEMBER 30, 2016)

	<u>2017</u>	<u>2016</u>
CASH FLOWS FROM OPERATING ACTIVITIES:		
Change in net assets	\$ 9,789	\$ (292,168)
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities		
Depreciation	24,126	26,801
Change in fair market value of beneficial interest in foundation assets	(21,498)	(12,241)
Allowance for uncollectible pledges	(130,581)	69,963
Decrease (increase) in:		
Pledges receivable	224,746	(48,468)
Accounts receivable	(11,323)	49,388
Grant receivable	38,095	(10,095)
Prepaid expenses	(2,268)	(6,898)
Increase (decrease) in:		
Accounts payable	(3,130)	(38,883)
Security deposits and accrued expenses	9,296	9,006
Funds held for others	4,803	-
Pledges payable	(3,195)	(31,508)
Agency allocations payable	<u>(40,289)</u>	<u>750</u>
Net cash provided by (used in) operating activities	<u>98,571</u>	<u>(284,353)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Distributions from beneficial interest in foundation assets	8,760	8,657
Purchase of property and equipment	(6,998)	-
Sale (purchase) of investments	<u>-</u>	<u>985</u>
Net cash provided by (used in) investing activities	<u>1,762</u>	<u>9,642</u>
CASH FLOWS FROM FINANCING ACTIVITIES:		
Payment on principal of long-term debt	<u>(20,340)</u>	<u>(19,255)</u>
Net cash provided by (used in) financing activities	<u>(20,340)</u>	<u>(19,255)</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	79,993	(293,966)
CASH AND CASH EQUIVALENTS, beginning of year	<u>227,713</u>	<u>521,679</u>
CASH AND CASH EQUIVALENTS, end of year	\$ <u><u>307,706</u></u>	\$ <u><u>227,713</u></u>
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION:		
Cash paid during the year for interest	\$ <u>9,473</u>	\$ <u>10,557</u>
In-kind donation of facilities received	\$ <u>24,000</u>	\$ <u>1,800</u>

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

UNITED WAY OF GREATER NASHUA, INC.
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2017

1. Organization:

United Way of Greater Nashua, Inc. (the Organization) is a New Hampshire nonprofit organization managed through the efforts of both a professional and volunteer staff to provide financial support to local human services programs. The Organization relies on the financial support of the local population in order to meet its financial distributions to local member agencies. As per the terms of the respective agreements, some additional activities are performed by the Organization on behalf of other agencies.

2. Summary of significant accounting policies:

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

Accounting for contributions and financial statement presentation - The Organization follows *Accounting for Contributions Received and Contributions Made and Financial Statements of Not-for-Profit Organizations as required by the Financial Accounting Standards Board Accounting Standards Codification (FASB ASC)*. Under these guidelines, the Organization is required to distinguish between contributions that increase permanently restricted net assets, temporarily restricted net assets, and unrestricted net assets. It also requires recognition of contributions, including contributed services meeting certain criteria, at fair values. These reporting standards establish standards for financial statements of not-for-profit organizations and require a Statement of Financial Position, a Statement of Activities, and a Statement of Cash Flows.

The Organization acts as an agent for other members/affiliates and United Way organizations. Donations are received by the Organization, which are designated to the other organizations. These donations are not considered contributions to the Organization under *Accounting for Contributions Received and Contributions Made*. Thus, the Organization has reduced both the revenues and expenses reported in the Statement of Activities by the amount designated for other organizations. The amount received on behalf of members/affiliates was \$152,683 and \$54,464 for the years ended September 30, 2017 and 2016 respectively.

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 *Accounting for Contributions Received and Contributions Made*.

UNITED WAY OF GREATER NASHUA, INC.
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2017

Recognition of donor restricted contributions - Contributions that are restricted by the donor are reported as increases in unrestricted net assets if the restrictions expire (that is, when a stipulated time restriction ends or purpose restriction is accomplished) in the reporting period in which the revenue is recognized. All other donor-restricted contributions are reported as increases in temporarily or permanently restricted net assets, depending on the nature of the restrictions. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the Statement of Activities as net assets released from restrictions.

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

Restricted cash – The funds which have been allocated for specific activities as per donor restrictions have been maintained in separate bank accounts and classified as restricted cash.

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

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

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

Functional expenses - The costs of providing various programs and activities have been summarized on a functional basis in the Statement of Activities and in the Statement of Functional Expenses. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

Donated services - The Organization receives donated services from a variety of unpaid volunteers assisting the Organization in its programs. Donated services recognized in the Statement of Activities were \$24,000 and \$1,800 for the years ended September 30, 2017 and 2016 respectively.

Contributions of donated services that create or enhance nonfinancial assets or that require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation, are recorded at their fair values in the period received.

UNITED WAY OF GREATER NASHUA, INC.
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2017

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

Grants – Grants are recognized at their fair value when there is a reasonable assurance that the grant will be received and the organization will comply with all stipulated conditions.

Grants are recognized as income in the year of receipt except for grants which are disbursed on a cost-reimbursement basis. Such grants are accrued to the extent related costs are incurred. Grants receivable are recognized based on actual cost incurred if the work as per the grant agreement has been performed and the cost is yet to be reimbursed.

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

Income tax status – The Organization is exempt from Federal and State income tax under Section 501(c)(3) of the Internal Revenue Code. In addition, the Organization qualifies for the charitable contribution deduction under Section 170(b)(1)(A) and has been classified as an organization that is not a private foundation under Section 509(a)(2). The Organization 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.

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

Financial instruments that potentially subject the Organization to concentrations of credit risk consist primarily of cash and cash equivalents. The Organization places its cash and cash equivalents with high credit quality financial institutions. At September 30, 2017 cash deposits exceeded federally insured limits of \$250,000 by approximately \$93,976. The cash deposits were below the federally insured limits at September 30, 2016. The Organization has not experienced any losses in such accounts and believes it is not exposed to any significant credit risk.

UNITED WAY OF GREATER NASHUA, INC.
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2017

4. Pledges receivable, net:

Pledges receivable consisted of the following as of September 30:

	<u>2017</u>	<u>2016</u>
Pledges receivable:		
Current year campaign	\$ 176,190	\$ 264,137
Prior years campaigns	<u>64,292</u>	<u>201,091</u>
	240,482	465,228
Less: allowance for uncollectible pledges	<u>(128,915)</u>	<u>(259,496)</u>
Total	<u>\$ 111,567</u>	<u>\$ 205,732</u>

Pledges receivable related to 2015 and 2014 campaigns amounting to \$170,562 have been written off in 2017 by the Board. 100% of the allowance was available for the balance, therefore resulting in no net impact.

5. Beneficial interest:

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

Pursuant to the terms of the resolution establishing the fund with NHCF, property contributed to the foundation is held as a separate fund designated for the benefit of United Way of Greater Nashua, Inc. In accordance with its spending policy NHCF makes distributions from the fund to United Way of Greater Nashua, Inc. The annual distributions allowable from the fund are based on five percent of a twenty-quarter moving average of the fund's market value. The funds are included in temporarily restricted net assets. The market value of the fund assets was \$192,627 and \$179,889, as of September 30, 2017 and 2016, respectively.

6. Designated fund:

United Way of Greater Nashua, Inc. is the beneficiary of the Nashua Fire Relief Fund. The Fund is held and administered by the U.S. Trust Company. Distributions of \$5,736 and \$5,772 were received for the years ended September 30, 2017 and 2016. The market value of the fund was approximately \$165,000 and \$163,985 for the years ended September 30, 2017 and 2016, respectively.

UNITED WAY OF GREATER NASHUA, INC.
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2017

7. Property and equipment, net:

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

	<u>2017</u>	<u>2016</u>
Building and land	\$ 502,500	\$ 502,500
Building improvements	238,392	238,392
Furniture, fixtures and equipment	<u>64,323</u>	<u>182,256</u>
Total	805,215	923,148
Less: accumulated depreciation	<u>(395,765)</u>	<u>(496,570)</u>
Property and equipment, net	\$ <u>409,450</u>	\$ <u>426,578</u>

Depreciation expense for the years ended September 30, 2017 and 2016 was \$24,126 and \$26,801, respectively. Assets amounting to \$126,383 were not in use and have been disposed of during the year ended September 30, 2017. These assets were fully depreciated prior to disposal, resulting in no change to net assets.

8. Community impact grants payable:

As of September 30, 2017 and 2016, United Way of Greater Nashua, Inc. had total community impact grants payable in the amount of \$75,061 and \$115,350, respectively. These funds, which are subject to the Organization's ability to collect the total funds pledged, are payable in quarterly installments beginning in June of the fiscal year.

9. Long-term debt:

The Organization has a note payable to a bank in monthly payments of \$2,484, including principal and interest, at a variable interest rate based on the Prime rate, but no lower than 4.25%, currently at 4.25%, fixed for the first seven years, then revised annually through April, 2026. The note is secured by land and the building, and all rents received on the real property.

UNITED WAY OF GREATER NASHUA, INC.
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2017

The following is a summary of future principal payments:

<u>Fiscal Year</u>	
2018 (current portion)	\$ 21,093
2019	22,008
2020	22,961
2021	23,956
2022	24,995
2023 and thereafter	<u>99,733</u>
Total	\$ <u>214,746</u>

The loan requires the Organization to maintain its operating account at the issuing bank and provide audited financial statements within four months after its year-end.

10. Temporarily restricted net assets:

Temporarily restricted net assets are available for the following purposes at September 30:

	<u>2017</u>	<u>2016</u>
New Hampshire Charitable Foundation	\$ 192,627	\$ 179,889
Employees Helping Employees	104,404	104,704
One Greater Nashua	28,442	29,870
Sinfonietta	43,769	15,841
West Hollis Street Fire	-	284
LHFA	16,772	2,581
Mojave Memorial	-	1,587
Other funds	<u>16,036</u>	<u>50</u>
Total	\$ <u>402,050</u>	\$ <u>334,806</u>

The employees of BAE have an initiative called “Employees Helping Employees” that target certain areas in the United States where BAE employees live that have recently experienced natural disasters. Funds raised but not yet disbursed for that purpose are considered temporarily restricted.

UNITED WAY OF GREATER NASHUA, INC.
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2017

11. Fair values of financial instruments:

The Organization reports its fair value measures using a three-level hierarchy that prioritizes the inputs used to measure fair value. This hierarchy, established by GAAP, requires that

entities maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. The three levels of inputs used to measure fair value are as follows:

- Level 1. Quoted prices for identical assets or liabilities in active markets to which the Organization has access at the measurement date.
- Level 2. Inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly. Level 2 inputs include:
 - Quoted prices for similar assets or liabilities in active markets;
 - Quoted prices for identical or similar assets in markets that are not active;
 - Observable inputs other than quoted prices for the asset or liability (for example, interest rates and yield curves); and
 - Inputs derived principally from, or corroborated by, observable market data by correlation or by other means.
- Level 3. Unobservable inputs for the asset or liability. Unobservable inputs should be used to measure the fair value to the extent that observable inputs are not available.

When available, the Organization measures fair value using Level 1 inputs because they generally provide the most reliable evidence of fair value. However, Level 1 inputs are not available for many of the assets and liabilities that the Organization is required to measure at fair value (for example, unconditional promises to give and in-kind contributions).

UNITED WAY OF GREATER NASHUA, INC.
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2017

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

	<u>2017</u>				
	<u>Carrying</u> <u>Value</u>	<u>Fair</u> <u>Value</u>	<u>Level</u> <u>One</u>	<u>Level</u> <u>Two</u>	<u>Level</u> <u>Three</u>
Beneficial interest	\$ <u>192,627</u>	\$ <u>192,627</u>	\$ <u> </u> -	\$ <u> </u> -	\$ <u>192,627</u>
	<u>2016</u>				
	<u>Carrying</u> <u>Value</u>	<u>Fair</u> <u>Value</u>	<u>Level</u> <u>One</u>	<u>Level</u> <u>Two</u>	<u>Level</u> <u>Three</u>
Beneficial interest	\$ <u>179,889</u>	\$ <u>179,889</u>	\$ <u> </u> -	\$ <u> </u> -	\$ <u>179,889</u>

The carrying amounts of cash and cash equivalents approximate fair value because of the short maturity of those financial instruments.

12. Lease of building:

The Organization rents separate offices within their building representing 56% of the total area with varying lease terms. Total rental income for the years ended September 30, 2017 and 2016 was \$60,634 and \$42,012, respectively.

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

	<u>2017</u>	<u>2016</u>
Land	\$ 108,788	\$ 108,788
Building	393,712	393,712
Building improvements	<u>238,392</u>	<u>238,392</u>
Total cost	740,892	740,892
Less: accumulated depreciation	<u>(341,292)</u>	<u>(321,706)</u>
Net book value of building	\$ <u>399,600</u>	\$ <u>419,186</u>

UNITED WAY OF GREATER NASHUA, INC.
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2017

13. Contracted services:

The Organization entered into a service level agreement with Howe, Riley & Howe, PLLC on May 26, 2017. The contract expired on September 30, 2017 and renewed under new terms on October 1, 2017. This new contract expires on September 30, 2018 and can be terminated by either party with 30 days written notice, or for cause. It is renewable in 12 month increments.

During the year ended September 30, 2017, Howe, Riley & Howe PLLC and SquareTail Advisors LLC, (previously 501hub, Inc.) provided management support services including but not limited to bookkeeping and maintaining financial records. The contract with SquareTail Advisors LLC, was terminated effective June 30, 2017.

During the years ended September 30, 2017 and 2016, the Organization has incurred expenses of \$99,543 and \$87,454 respectively on the above mentioned management support services.

14. Related-party transactions:

There were transactions for program services totaling \$17,060 with businesses or individuals related to current board members for the year ended September 30, 2017. During the year ended September 30, 2016 the President of SquareTail Advisors LLC, was a related party of the Organization due to his previous relationship with the Organization. The following transactions occurred between the Organization and related parties:

Summary of related-party transactions:

	<u>2017</u>	<u>2016</u>
Revenues:		
Rent of space & supplies	\$ _____ -	\$ <u>14,430</u>
Total related-party revenues	\$ <u>_____ -</u>	\$ <u>14,430</u>
Expenses:		
Professional services	\$ -	\$ 82,500
IT services	-	4,954
Miscellaneous program expense	<u>17,060</u>	-
Total related-party expenses	\$ <u>17,060</u>	\$ <u>87,454</u>

UNITED WAY OF GREATER NASHUA, INC.
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2017

15. Subsequent events:

In accordance with the provisions set forth by FASB ASC, *Subsequent Events*, events and transactions from October 1, 2017 through January 25, 2018, the date the financial statements were available to be issued, have been evaluated by management for disclosure. Management has determined that there were no material events that would require disclosure in the Organization's financial statements through this date.

16. Reclassifications:

Certain amounts in the prior year financial statements have been reclassified to improve comparability between the two years.