

ROUTT COUNTY UNITED WAY

Financial Statements

August 31, 2023

ROUTT COUNTY UNITED WAY

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Independent Auditor's Report

The Board of Directors
Routt County United Way
Routt County, Colorado

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Routt County United Way (the Organization), which comprise the statement of financial position as of August 31, 2023, and the related statements of activities, functional expenses and cash flows for the fiscal 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 the Organization as of August 31, 2023, and the changes in its net assets and its cash flows for the fiscal year then ended in accordance with U.S. generally accepted accounting principles (GAAP).

Basis for Opinion

We conducted our audit in accordance with U.S. generally accepted auditing standards (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 audit. We believe that the audit evidence 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 GAAP, 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 for one year after the date that the financial statements are 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.

Report on Summarized Comparative Financial Information

We have previously audited the Organization's August 31, 2022 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated January 14, 2023. In our opinion, the summarized comparative financial information presented herein as of and for the fiscal year ended August 31, 2022 is consistent, in all material respects, with the audited financial statements from which it has been derived.

Catterson + Company, P.C.

Steamboat Springs, Colorado
May 9, 2024

ROUTT COUNTY UNITED WAY
Statement of Financial Position
August 31, 2023
(with summarized financial information as of August 31, 2022)

	2023	2022
Assets:		
Current assets:		
Cash and cash equivalents	\$ 55,233	\$ 94,630
Certificates of deposit	70,422	69,975
Pledges receivable, net	25,138	22,472
Other current assets	16,330	588
Total current assets	167,123	187,665
Noncurrent assets:		
Investments	376,896	391,596
Capital campaign pledges receivable, net	-	9,374
Property and equipment, net	15,329	16,255
Equity investment in LLC	668,276	691,366
Endowment investments	291,431	254,998
Total noncurrent assets	1,351,932	1,363,589
Total assets	\$ 1,519,055	\$ 1,551,254
Liabilities and net assets:		
Current liabilities:		
Accounts payable and accrued expenses	\$ 18,104	\$ 4,570
Allocations payable	259,250	289,808
Event sponsorship received in advance	19,500	-
Current portion of note payable	9,000	9,000
Total current liabilities	305,854	303,378
Noncurrent liabilities:		
Note payable, net of current portion	68,250	76,500
Total liabilities	374,104	379,878
Net assets:		
Without donor restrictions:		
Undesignated	403,257	439,613
Board designated reserve fund	376,896	391,596
Board designated endowment fund	291,431	254,998
With donor restrictions	73,367	85,169
Total net assets	1,144,951	1,171,376
Total liabilities and net assets	\$ 1,519,055	\$ 1,551,254

See accompanying notes to the financial statements.

ROUTT COUNTY UNITED WAY
Statement of Activities
For the Fiscal Year Ended August 31, 2023
(with summarized financial information for the fiscal year ended August 31, 2022)

	2023			2022 Total
	Without Donor Restrictions	With Donor Restrictions	Total	
Public support and operating revenues:				
Gross campaign results	\$ 767,115	\$ 13,830	\$ 780,945	\$ 812,651
Less donor designations	(13,634)	-	(13,634)	(16,540)
Less provision for uncollectible pledges	(9,294)	-	(9,294)	(14,245)
Net campaign revenue	744,187	13,830	758,017	781,866
Other contributions	52,317	-	52,317	33,143
Investment return, net	37,029	-	37,029	(132,128)
Net assets released from restrictions	25,632	(25,632)	-	-
Total operating revenues and public support	859,165	(11,802)	847,363	682,881
Operating Expenses:				
Program services:				
Gross allocations awarded	364,529	-	364,529	402,198
Less donor designations	(13,634)	-	(13,634)	(16,540)
Other allocation services	90,677	-	90,677	117,020
Net allocation services	441,572	-	441,572	502,678
Other program services	246,187	-	246,187	236,200
Total program services	687,759	-	687,759	738,878
Supporting services:				
Organizational administration	122,543	-	122,543	38,487
Fundraising	63,486	-	63,486	63,421
Total supporting services	186,029	-	186,029	101,908
Total operating expenses	873,788	-	873,788	840,786
Change in net assets	(14,623)	(11,802)	(26,425)	(157,905)
Net assets, beginning of year	1,086,207	85,169	1,171,376	1,329,281
Net assets, end of year	<u>\$ 1,071,584</u>	<u>\$ 73,367</u>	<u>\$ 1,144,951</u>	<u>\$ 1,171,376</u>

See accompanying notes to the financial statements.

ROUTT COUNTY UNITED WAY
Statement of Functional Expenses
For the Fiscal Year Ended August 31, 2023
(with summarized financial information for the fiscal year ended August 31, 2022)

	2023							2022 Total
	Program Services			Supporting Services			Total	
	Allocation Services	All Other Programs	Total Program Services	Organizational Administration	Fundraising	Total Supporting Services		
Expenses:								
Allocations awarded	\$ 364,529	\$ -	\$ 364,529	\$ -	\$ -	\$ -	\$ 364,529	\$ 402,198
Less donor designations	(13,634)	-	(13,634)	-	-	-	(13,634)	(16,540)
Allocations awarded, net	350,895	-	350,895	-	-	-	350,895	385,658
Wages and benefits	53,259	115,200	168,459	91,176	29,813	120,989	289,448	218,049
Contract labor	2,679	4,018	6,697	473	709	1,182	7,879	51,774
Women United	-	24,171	24,171	-	237	237	24,408	20,352
Imagination Library	-	5,949	5,949	-	-	-	5,949	10,096
Holiday giving	-	21,625	21,625	-	-	-	21,625	15,599
Marketing and advertising	5,903	8,854	14,757	839	11,640	12,479	27,236	16,303
Office expenses	14,915	22,372	37,287	836	3,170	4,006	41,293	36,732
Occupancy	4,404	6,606	11,010	2,090	-	2,090	13,100	9,420
Professional fees	3,121	4,682	7,803	17,057	826	17,883	25,686	7,200
Donor cultivation	-	2,515	2,515	178	15,037	15,215	17,730	28,611
Insurance	1,693	2,540	4,233	(365)	448	83	4,316	4,214
UWW dues	3,436	5,154	8,590	606	910	1,516	10,106	10,800
Other	-	20,601	20,601	9,429	361	9,790	30,391	23,777
Depreciation	1,267	1,900	3,167	224	335	559	3,726	2,201
Total expenses	<u>\$ 441,572</u>	<u>\$ 246,187</u>	<u>\$ 687,759</u>	<u>\$ 122,543</u>	<u>\$ 63,486</u>	<u>\$ 186,029</u>	<u>\$ 873,788</u>	<u>\$ 840,786</u>

See accompanying notes to the financial statements.

ROUTT COUNTY UNITED WAY
Statement of Cash Flows
For the Fiscal Year Ended August 31, 2023
(with summarized financial information for the fiscal year ended August 31, 2022)

	2023	2022
Cash flows from operating activities:		
Change in operations	\$ (26,425)	\$ (157,905)
Adjustments to reconcile change in operations to net cash provided by operating activities:		
Depreciation	3,726	2,201
Noncash investment contributions	(34,874)	(52,465)
Interest and dividends on investments	(18,144)	(24,594)
Realized and unrealized (gains) losses on investments	(40,181)	133,291
(Increase) decrease in:		
Pledges receivable, net	(2,666)	2,376
Other current assets	(15,742)	1,622
Increase (decrease) in:		
Accounts payable and accrued expenses	13,534	520
Allocations payable	(30,558)	9,327
Event sponsorship received in advance	19,500	-
	(131,830)	(85,627)
Cash flows from investing activities:		
Net sales (purchases) of investments	106,235	37,406
Capital contributions for investment in LLC	(12,126)	(3,000)
Cash paid for equipment	(2,800)	(10,922)
	91,309	23,484
Cash flows from financing activities:		
Principal payments on note payable	(8,250)	(9,000)
Capital campaign pledges received	9,374	-
	1,124	(9,000)
Net cash provided (used) by investing activities	(39,397)	(71,143)
Cash and cash equivalents, beginning of year	94,630	165,773
Cash and cash equivalents, end of year	\$ 55,233	\$ 94,630

See accompanying notes to the financial statements.

ROUTT COUNTY UNITED WAY
Notes to Financial Statements
August 31, 2023

(with summarized financial information as of and for the fiscal year ended August 31, 2022)

Note 1: Description of the Organization

The Routt County United Way (the Organization) was incorporated in 1984 as a Colorado not-for-profit corporation to offer support and raise funds for the health and human service needs of the residents of Routt County, Colorado. The Organization’s mission is to unite people, ideas, and resources to advance the common good in education, financial stability, and health. The Organization is the collaborative community leader in health and human services. The Organization supports over 40 local agencies and human service programs throughout Routt County.

The Organization is governed by a volunteer board of directors and is a dues-paying member of United Way Worldwide (UWW).

Note 2: Summary of Significant Accounting Policies

Basis of Presentation

The financial statements of the Organization have been prepared on the accrual basis of accounting in accordance with U.S. generally accepted accounting principles (GAAP) and the financial statement standards of UWW. The accounting policies of the Organization have been designed to conform to GAAP as applicable to not-for-profit organizations.

Net assets and revenue, expenses, gains, and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, the net assets of the Organization and changes therein are classified and reported as follows:

Without donor restrictions: Net assets that are not subject to donor-imposed stipulations.

With donor restrictions: Net assets 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.

Cash and Cash Equivalents

The Organization considers all highly liquid investments with a maturity of three months or less when purchased to be cash equivalents.

Pledges Receivable, Net

Pledges receivable, all of which are due within one year, are unconditional and are recognized as assets and support in the period the pledge is made. The Organization provides an allowance for uncollectible pledges based upon management’s periodic review of outstanding receivables, historical collection information and existing economic conditions. Pledges receivable are recorded net of an estimated allowance for uncollectible pledges as of August 31, 2023 and 2022:

	2023	2022
Pledges receivable	\$ 30,138	\$ 27,472
Allowance for uncollectible pledges	(5,000)	(5,000)
	\$ 25,138	\$ 22,472

Investments

Investments are carried at fair value, with changes in fair value being recorded as investment return in the statement of activities.

ROUTT COUNTY UNITED WAY
Notes to Financial Statements
August 31, 2023
(with summarized financial information as of and for the fiscal year ended August 31, 2022)

Note 2: Summary of Significant Accounting Policies (continued)

Fair Value Measurements

Fair value is defined as the exchange price that would be received for an asset or paid to transfer a liability in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants at the measurement date. Fair value should be based on the assumptions market participants would use when pricing an asset. GAAP establishes a fair value hierarchy that prioritizes investments based on those assumptions. This hierarchy requires entities to maximize the use of observable inputs and minimize the use of unobservable inputs. The three levels of inputs used to measure fair value are as follows:

Level 1 – Unadjusted quoted market prices for identical assets or liabilities in active markets as of the measurement date.

Level 2 – Inputs other than quoted market prices that are observable for the asset/liability, either directly or indirectly.

Level 3 – Unobservable inputs that cannot be corroborated by market data.

Endowment Net Assets

The Organization's endowment consists of the Mount Zirkel Legacy Endowment Fund which was established in February 2019 with funds designated by the board of directors to function as an endowment. The main objective of the endowment fund is to substantially grow the endowment to a level of sustainability to offset the Organization's operations. Net assets associated with endowment funds, including funds designated by the board of directors to function as endowments, are classified and reported based on the existence or absence of donor-imposed restrictions. The Organization's net assets associated with the endowment fund are classified as net assets without donor restrictions in the statement of financial position.

The Organization is subject to the State of Colorado's Uniform Prudent Management of Institutional Funds Act (UPMIFA). UPMIFA establishes law for the management and investment of endowment funds.

UPMIFA permits an organization to appropriate for expenditure or accumulate so much of an endowment fund as it determines is prudent for the uses, benefits, purposes, and duration for which the endowment fund is established. In making its determination to appropriate or accumulate, the organization must act in good faith, with the care that an ordinarily prudent person in a like position would exercise under similar circumstances, and it must consider, if relevant, the following factors:

- The duration and preservation of the endowment fund
- The purposes of the organization and the endowment fund
- General economic conditions
- The possible effect of inflation and deflation
- The expected total return from income and appreciation of investments
- Other resources of the organization
- The investment policy of the organization

Endowment Investment and Spending Policies

The Organization has adopted investment and spending policies for its endowment assets and is committed to preserving capital, with an appropriate level of risk tolerance and a balanced diversification between equity and fixed income investments. To satisfy its long-term rate-of-return objectives, the Organization relies on a strategy using an asset class mix within established ranges that is monitored on an ongoing basis by comparison to appropriate performance benchmarks.

No distributions can be made from the endowment fund until either (a) two years have passed from establishment of the endowment or (b) fair value of the endowment's assets exceeds \$400,000. Thereafter, distributions cannot exceed 5% of the endowment's assets as of August 31st each fiscal year. Additionally, the annual distribution is limited to one-third of the trailing three years realized income.

ROUTT COUNTY UNITED WAY
Notes to Financial Statements
August 31, 2023
(with summarized financial information as of and for the fiscal year ended August 31, 2022)

Note 2: Summary of Significant Accounting Policies (continued)

Property and Equipment, Net

Property and equipment are stated at cost at the date of acquisition or fair value if acquired through donation. Depreciation is calculated using the straight-line method over the applicable estimated useful lives.

Revenue Recognition

Contributions

Contributions are recognized when cash, securities or other assets and unconditional promises to give are received. Conditional promises to give, that is, those with a measurable performance barrier and a right of return are not recognized until the conditions on which they depend are substantially met. Payments received in advance of the conditions being met are recorded as refundable advances in the statement of financial position.

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. 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 contribution is recognized. All other donor restricted contributions are reported as an increase in net assets with donor restrictions. 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 as net assets released from restrictions in the statement of activities.

Contributions of assets other than cash are recorded at their estimated fair value at the date of the gift.

Many individuals volunteer their time and perform a variety of tasks within the Organization's programs. However, these services do not meet the criteria for recognition as contributed services in accordance with GAAP.

Donor Designations

Certain contributions/pledges received in fundraising campaigns are designated by donors for specific agencies or for organizations outside Routt County, Colorado. In accordance with UWW reporting guidelines, these designations are presented as part of gross campaign results and gross agency distributions in the statement of activities but are then deducted to arrive at the Organization's actual revenue and expense per GAAP.

Functional Allocation of Expenses

The Organization reports expenses within the following programs:

- Program Allocations: Allocation services include all Human Resource Coalition activity and all communications and initiatives with agencies on community impact.
- Program Other: Includes Women United affinity group strategic initiatives, Day of Caring, Thanksgiving Community Dinner, Holiday Food Card program, volunteer program and smaller initiatives.

The costs of providing program and supporting services have been summarized on a functional basis in the accompanying statement of functional expenses. The Organization incurs expenses that directly relate to, and can be assigned to, a specific program or supporting activity. The Organization also incurs expenses that are attributable to more than one function. These costs, which are not specifically attributable to a specific program or supporting activity, are allocated by management on a consistent basis among program and supporting services benefited. The expenses allocated include wages and benefits, marketing and advertising, office expenses, occupancy, and insurance that are based on estimates of time and effort incurred by personnel.

ROUTT COUNTY UNITED WAY
Notes to Financial Statements
August 31, 2023
(with summarized financial information as of and for the fiscal year ended August 31, 2022)

Note 2: Summary of Significant Accounting Policies (continued)

Advertising

The Organization expenses the costs of advertising when incurred.

Use of Estimates

The preparation of financial statements in accordance with GAAP requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Actual results could differ from those estimates.

Tax Status

The Organization is exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code. Accordingly, the Organization qualifies for the charitable contribution deduction. Income from activities not directly related to the Organization's tax-exempt purpose is subject to taxation as unrelated business income. There was no unrelated business income during the fiscal year ended August 31, 2023.

The Organization is subject to routine audits by tax jurisdictions; however, there are currently no audits for any tax periods in progress. The three previous tax years remain subject to examination by the IRS.

Comparative Financial Statements

The financial statements include certain prior year summarized comparative information in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with GAAP. Accordingly, such information should be read in conjunction with the Organization's audited financial statements for the fiscal year ended August 31, 2022, from which the summarized information was derived.

Certain prior year amounts have been reclassified to conform to the current fiscal year presentation.

Adoption of New Accounting Policies

Effective September 1, 2022, the Organization adopted Accounting Standards Update (ASU) No. 2016-02, *Leases (Topic 842)*, and its related amendments. The standard requires lessees to recognize in the statement of financial position the assets and liabilities that arise from leases. Adoption of ASU 2016-02 did not result in the recognition of any operating right-to-use assets or operating lease liabilities. No cumulative effect adjustment to the beginning net assets was required with the implementation of ASU 2016-02.

Note 3: Liquidity and Availability of Financial Assets

Financial assets available for general expenditure within one year as of August 31, 2023:

Cash and cash equivalents	\$	55,233
Certificates of deposit		70,422
Pledges receivable, net		25,138
Investments		668,327
		819,120
Less amounts subject to restrictions and board designations:		
Net assets with donor restrictions		(73,367)
Board-designated endowment funds		(291,431)
Board-designated reserve funds		(376,896)
		(741,694)
Financial assets available to meet general expenditures, liabilities, and other obligations within one year	\$	77,426

ROUTT COUNTY UNITED WAY
Notes to Financial Statements
August 31, 2023
(with summarized financial information as of and for the fiscal year ended August 31, 2022)

Note 3: Liquidity and Availability of Financial Assets (continued)

As part of the Organization's liquidity management, it structures its financial assets to be available as general expenditures, liabilities, and other obligations come due. In addition, the Organization invests cash in excess of short-term requirements in mutual fund investments.

The Organization's annual campaign is collected primarily between September and March. Allocations awarded are then paid in the following July, October, December and April.

Note 4: Investments

The following is a summary of investments as of August 31, 2023 and 2022:

	2023			2022
	Level 1	Level 2	Total	
Money market funds	\$ 26	\$ -	\$ 26	\$ 59
Certificates of deposit	-	70,422	70,422	69,975
Mutual funds:				
Growth and income	564,966	-	564,966	558,922
Equity	103,335	-	103,335	87,613
	<u>\$ 668,327</u>	<u>\$ 70,422</u>	<u>\$ 738,749</u>	<u>\$ 716,569</u>

The Organization's investment in growth and income mutual fund maintains at least 45% of its value in common stocks and other equities and at least 25% of its value in bonds and other debt securities.

Note 5: Property and Equipment, Net

Property and equipment, net consisted of the following as of August 31, 2023 and 2022:

	2023	2022	Estimated Useful Life
Office equipment	\$ 16,542	\$ 13,742	5 years
Trailer	6,260	6,260	15 years
	22,802	20,002	
Less accumulated depreciation	<u>(7,473)</u>	<u>(3,747)</u>	
	<u>\$ 15,329</u>	<u>\$ 16,255</u>	

Note 6: Equity Investment in LLC

The Organization holds a 50% membership interest in 443 Oak Nonprofit Center, LLC (the LLC), a Colorado limited liability company. The sole purpose of the LLC is to hold title to real estate located at 443 Oak Street in Steamboat Springs, Colorado used exclusively for programming and related activities of nonprofit organizations. The other 50% membership interest in the LLC is held by Integrated Community (CIIC), a Colorado nonprofit corporation.

Terms of the operating agreement of the LLC require the LLC to maintain individual capital accounts for each member and establish the Executive Directors of the Organization and CIIC as managers of the LLC.

The Organization accounts for its 50% membership interest using the equity method of accounting in accordance with GAAP. The Organization's investment in LLC as of August 31, 2023 and 2022 was \$668,276 and \$691,366, respectively.

ROUTT COUNTY UNITED WAY
Notes to Financial Statements
August 31, 2023

(with summarized financial information as of and for the fiscal year ended August 31, 2022)

Note 7: Endowment Fund

Changes in endowment net assets for the fiscal years ended August 31, 2023 and 2022 were as follows:

	2023	2022
Endowment net assets, beginning of fiscal year	\$ 254,998	\$ 295,035
Contributions	10,000	10,000
Investment return, net	26,433	(50,037)
Endowment net assets, end of fiscal year	\$ 291,431	\$ 254,998

Note 8: Note Payable

On June 15, 2015, the Organization entered into a \$300,000 promissory note with an individual. The Organization is a co-borrower with CIIC and each entity is responsible for \$150,000 of the loan. Proceeds from the note were used to acquire real estate held by the LLC. The note carries a 0% interest rate and is unsecured. The Organization is required to pay \$750 of monthly principal only payments through maturity on February 15, 2032.

Scheduled principal repayments for the note payable as of August 31, 2023 were as follows:

Fiscal Year Ended August 31,

2024	\$	9,000
2025		9,000
2026		9,000
2027		9,000
2028		9,000
Thereafter		32,250
	\$	77,250

Note 9: Net Assets With Donor Restrictions

Net assets with donor restrictions were as follows as of August 31, 2023 and 2022:

	2023	2022
Purpose restrictions:		
Imagination Library program	\$ 53,321	\$ 51,192
Emergency support fund	20,046	24,603
Capital campaign pledges	-	9,374
	\$ 73,367	\$ 85,169

ROUTT COUNTY UNITED WAY
Notes to Financial Statements
August 31, 2023

(with summarized financial information as of and for the fiscal year ended August 31, 2022)

Note 9: Net Assets With Donor Restrictions (continued)

Net assets released from net assets with donor restrictions were as follows for the fiscal year ended August 31, 2023:

Satisfaction of purpose restrictions:	
Imagination Library program	\$ 5,951
Emergency support	10,307
Capital campaign pledges received	9,374
	\$ 25,632

Note 10: Board Designated Net Assets

The Organization's board of directors has designated net assets without donor restrictions of certain funds in order to preserve principal and use investment earnings as needs demand. The Organization has the following board designated net assets as of August 31, 2023 and 2022:

	2023	2022
Arthur Anderson fund	\$ 376,896	\$ 391,596
	\$ 376,896	\$ 391,596

Note 11: Retirement Plan

The Organization offers its employees the opportunity for participation in a SIMPLE retirement plan. The Organization covers the administrative costs of the plan and matches employee contributions up to 3% of participating employee wages. The Organization's matching contributions to the plan were \$4,936 and \$3,076, respectively, for the fiscal years ended August 31, 2023 and 2022.

Note 12: Lease Agreement

The Organization entered into an office lease agreement with the LLC effective June 15, 2015 for a 15-year period through June 14, 2030. The annual base rent is \$1 and the Organization is also required to pay its pro rata portion of common area expenses for the LLC's building. The pro rata portion of common area expenses paid to the LLC during the fiscal years ended August 31, 2023 and 2022 were \$13,100 and \$9,420, respectively.

Note 13: Intentions to Give

The Organization has received indications of gifts in the form of bequests which are revocable during the donors' lifetime or if irrevocable for which a donation amount cannot be determined. Due to the uncertain nature of these intentions, the Organization has not recognized any asset or contributions revenue for these gifts.

Note 14: Subsequent Events

The Organization entered into an Agreement and Plan of Merger with Moffat County United Way (MCUW) effective September 1, 2023 requiring MCUW to merge into the Organization. The Organization is the surviving corporation and thereafter known as United Way of the Yampa Valley. The Organization's board as of the date of the merger shall be comprised of 19 members, including 5 appointed by MCUW.

The Organization has evaluated subsequent events through May 9, 2024, which is the date the financial statements were available to be issued.