

UNITED WAY OF THE YAMPA VALLEY

Financial Statements

August 31, 2024

UNITED WAY OF THE YAMPA VALLEY

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Independent Auditor's Report

The Board of Directors
United Way of the Yampa Valley
Routt County, Colorado

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of the United Way of the Yampa Valley (the Organization), which comprise the statement of financial position as of August 31, 2024, 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, 2024, 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, 2023 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated May 9, 2024. In our opinion, the summarized comparative financial information presented herein as of and for the fiscal year ended August 31, 2023 is consistent, in all material respects, with the audited financial statements from which it has been derived.

A handwritten signature in blue ink that reads "Cullison + Company, P.C.".

Steamboat Springs, Colorado
June 27, 2025

UNITED WAY OF THE YAMPA VALLEY
Statement of Financial Position
August 31, 2024
(with summarized financial information as of August 31, 2023)

	2024	2023
Assets:		
Current assets:		
Cash and cash equivalents	\$ 101,358	\$ 55,233
Certificates of deposit	70,675	70,422
Pledges receivable, net	46,905	25,138
Other current assets	-	16,330
	<hr/>	<hr/>
Total current assets	218,938	167,123
	<hr/>	<hr/>
Noncurrent assets:		
Investments	483,499	376,896
Property and equipment, net	11,603	15,329
Right-of-use asset	43,958	-
Equity investment in LLC	652,734	668,276
Endowment investments	351,300	291,431
	<hr/>	<hr/>
Total noncurrent assets	1,543,094	1,351,932
	<hr/>	<hr/>
Total assets	<u>\$ 1,762,032</u>	<u>\$ 1,519,055</u>
	<hr/>	<hr/>
Liabilities and net assets:		
Current liabilities:		
Accounts payable and accrued expenses	\$ 17,710	\$ 18,104
Allocations payable	356,712	259,250
Event sponsorship received in advance	-	19,500
Current portion of operating lease liability	8,427	-
Current portion of note payable	9,000	9,000
	<hr/>	<hr/>
Total current liabilities	391,849	305,854
	<hr/>	<hr/>
Noncurrent liabilities:		
Operating lease liability, net of current portion	35,611	-
Note payable, net of current portion	59,250	68,250
	<hr/>	<hr/>
Total liabilities	486,710	374,104
	<hr/>	<hr/>
Net assets:		
Without donor restrictions:		
Undesignated	361,648	403,257
Board designated reserve fund	483,499	376,896
Board designated endowment fund	351,300	291,431
With donor restrictions	78,875	73,367
	<hr/>	<hr/>
Total net assets	1,275,322	1,144,951
	<hr/>	<hr/>
Total liabilities and net assets	<u>\$ 1,762,032</u>	<u>\$ 1,519,055</u>
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See accompanying notes to the financial statements.

UNITED WAY OF THE YAMPA VALLEY
Statement of Activities
For the Fiscal Year Ended August 31, 2024
(with summarized financial information for the fiscal year ended August 31, 2023)

	2024			2023
	Without Donor Restrictions	With Donor Restrictions	Total	Total
Public support and operating revenues:				
Gross campaign results	\$ 997,054	\$ 27,011	\$ 1,024,065	\$ 780,945
Less donor designations	(12,558)	-	(12,558)	(13,634)
Less provision for uncollectible pledges	(46,145)	-	(46,145)	(9,294)
Net campaign revenue	938,351	27,011	965,362	758,017
Other contributions	99,750	-	99,750	52,317
Investment return, net	116,954	-	116,954	37,029
Net assets released from restrictions	62,218	(62,218)	-	-
Total operating revenues and public support	1,217,273	(35,207)	1,182,066	847,363
Operating Expenses:				
Program services:				
Gross allocations awarded	595,719	-	595,719	364,529
Less donor designations	(12,558)	-	(12,558)	(13,634)
Other allocation services	188,487	-	188,487	90,677
Net allocation services	771,648	-	771,648	441,572
Other program services	375,514	-	375,514	246,187
Total program services	1,147,162	-	1,147,162	687,759
Supporting services:				
Organizational administration	119,943	-	119,943	122,543
Fundraising	113,790	-	113,790	63,486
Total supporting services	233,733	-	233,733	186,029
Total operating expenses	1,380,895	-	1,380,895	873,788
Change in net assets before changes related to acquisition	(163,622)	(35,207)	(198,829)	(26,425)
Excess of assets acquired over liabilities assumed in acquisition of Moffat County United Way (MCUW)	288,485	40,715	329,200	-
Net assets, beginning of year	1,071,584	73,367	1,144,951	1,171,376
Net assets, end of year	\$ 1,196,447	\$ 78,875	\$ 1,275,322	\$ 1,144,951

See accompanying notes to the financial statements.

UNITED WAY OF THE YAMPA VALLEY
Statement of Functional Expenses
For the Fiscal Year Ended August 31, 2024
(with summarized financial information for the fiscal year ended August 31, 2023)

	2024							2023 Total
	Program Services			Supporting Services				
	Allocation Services	All Other Programs	Total Program Services	Organizational Administration	Fundraising	Total Supporting Services	Total	
Expenses:								
Allocations awarded	\$ 595,719	\$ -	\$ 595,719	\$ -	\$ -	\$ -	\$ 595,719	\$ 364,529
Less donor designations	(12,558)	-	(12,558)	-	-	-	(12,558)	(13,634)
Allocations awarded, net	583,161	-	583,161	-	-	-	583,161	350,895
Wages and benefits	152,859	229,288	382,147	34,905	36,265	71,170	453,317	289,448
Contract labor	-	-	-	3,830	4,850	8,680	8,680	7,879
Women United	-	14,396	14,396	-	-	-	14,396	24,408
Imagination Library	-	8,080	8,080	-	-	-	8,080	5,949
Holiday giving	-	31,371	31,371	-	-	-	31,371	21,625
Community dashboard	-	7,500	7,500	-	-	-	7,500	3,000
Financial literacy	-	13,476	13,476	-	-	-	13,476	7,258
Marketing and advertising	-	2,518	2,518	2,805	10,205	13,010	15,528	27,236
Office expenses	18,182	27,273	45,455	5,163	4,314	9,477	54,932	33,657
Occupancy	10,917	16,375	27,292	2,493	2,590	5,083	32,375	13,100
Professional fees	-	-	-	47,379	-	47,379	47,379	25,686
Donor cultivation	-	-	-	-	53,485	53,485	53,485	17,730
Staff development	3,579	5,369	8,948	817	849	1,666	10,614	2,482
Insurance	1,578	2,367	3,945	(365)	448	83	4,028	4,316
Credit card processing	-	-	-	6,393	-	6,393	6,393	7,636
UWW dues	-	-	-	9,940	-	9,940	9,940	10,106
Other	60	15,533	15,593	6,283	473	6,756	22,349	17,651
Depreciation	1,312	1,968	3,280	300	311	611	3,891	3,726
Total expenses	\$ 771,648	\$ 375,514	\$ 1,147,162	\$ 119,943	\$ 113,790	\$ 233,733	\$ 1,380,895	\$ 873,788

See accompanying notes to the financial statements.

UNITED WAY OF THE YAMPA VALLEY
Statement of Cash Flows
For the Fiscal Year Ended August 31, 2024
(with summarized financial information for the fiscal year ended August 31, 2023)

	<u>2024</u>	<u>2023</u>
Cash flows from operating activities:		
Change in operations	\$ (198,829)	\$ (26,425)
Adjustments to reconcile change in operations to net cash provided by operating activities:		
Depreciation	3,891	3,726
Noncash investment contributions	(13,087)	(34,874)
Interest and dividends on investments	(20,706)	(18,144)
Realized and unrealized (gains) losses on investments	(94,607)	(40,181)
(Increase) decrease in:		
Pledges receivable, net	(21,767)	(2,666)
Other current assets	16,330	(15,742)
Operating lease right-of-use asset	(43,958)	-
Increase (decrease) in:		
Accounts payable and accrued expenses	(394)	13,534
Allocations payable	97,462	(30,558)
Event sponsorship received in advance	(19,500)	19,500
Operating lease liability	44,038	-
Net cash provided (used) by operating activities	<u>(251,127)</u>	<u>(131,830)</u>
Cash flows from investing activities:		
Net sales (purchases) of investments	(2,137)	106,235
Capital contributions for investment in LLC	(2,825)	(12,126)
Cash paid for equipment	-	(2,800)
Cash received in acquisition of MCUW	<u>311,214</u>	<u>-</u>
Net cash provided by investing activities	<u>306,252</u>	<u>91,309</u>
Cash flows from financing activities:		
Principal payments on note payable	(9,000)	(8,250)
Capital campaign pledges received	<u>-</u>	<u>9,374</u>
Net cash provided (used) by financing activities	<u>(9,000)</u>	<u>1,124</u>
Net change in cash and cash equivalents	46,125	(39,397)
Cash and cash equivalents, beginning of year	<u>55,233</u>	<u>94,630</u>
Cash and cash equivalents, end of year	<u><u>\$ 101,358</u></u>	<u><u>\$ 55,233</u></u>

See accompanying notes to the financial statements.

UNITED WAY OF THE YAMPA VALLEY
Notes to Financial Statements
August 31, 2024
(with summarized financial information as of and for the fiscal year ended August 31, 2023)

Note 1: Description of the Organization

The Routt County United Way (RCUW) was incorporated in 1984 as a Colorado not-for-profit corporation and entered into an Agreement and Plan of Merger with Moffat County United Way (MCUW) effective September 1, 2023. RCUW was the surviving corporation and thereafter became the United Way of the Yampa Valley (the Organization). The Organization's mission is to improve every life by mobilizing the caring powers of our communities to advance education, financial stability, and health.

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 is recorded net of an estimated allowance for uncollectible pledges as of August 31, 2024 and 2023:

	2024	2023
Pledges receivable	\$ 71,905	\$ 30,138
Allowance for uncollectible pledges	(25,000)	(5,000)
	<u>\$ 46,905</u>	<u>\$ 25,138</u>

Investments

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

UNITED WAY OF THE YAMPA VALLEY
Notes to Financial Statements
August 31, 2024
(with summarized financial information as of and for the fiscal year ended August 31, 2023)

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 input 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.

UNITED WAY OF THE YAMPA VALLEY
Notes to Financial Statements
August 31, 2024
(with summarized financial information as of and for the fiscal year ended August 31, 2023)

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.

Leases

The Organization determines if an arrangement is or contains a lease at inception. Leases are included in right-of-use (ROU) assets and lease liabilities in the statement of financial position. ROU assets and lease liabilities reflect the present value of the future minimum lease payments over the lease term using a risk-free rate of return. Operating lease expense is recognized on a straight-line basis over the lease term. The Organization does not report ROU assets and lease liabilities for its short-term leases (leases with a term of 12 months or less). Instead, the lease payments of those leases are reported as lease expense on a straight-line basis over the lease term.

Revenue Recognition

Contributions

Contributions are recognized when cash, securities or other assets and unconditional promises to give are received. Conditional promises to give, defined as 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.

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.

UNITED WAY OF THE YAMPA VALLEY
Notes to Financial Statements
August 31, 2024
(with summarized financial information as of and for the fiscal year ended August 31, 2023)

Note 2: Summary of Significant Accounting Policies (continued)

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, Financial Literacy Classes, Imagination Library, Supplies for Success, Skilled Trades Scholarship, Youth United Way, Food Gift Card Drive, Day of Caring, Thanksgiving Community Dinner, 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.

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, 2024.

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, 2023, from which the summarized information was derived.

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

UNITED WAY OF THE YAMPA VALLEY
Notes to Financial Statements
August 31, 2024
(with summarized financial information as of and for the fiscal year ended August 31, 2023)

Note 3: Liquidity and Availability of Financial Assets

Financial assets available for general expenditure within one year as of August 31, 2024:

Cash and cash equivalents	\$ 101,358
Certificates of deposit	70,675
Pledges receivable, net	46,905
Investments	834,799
	<u>1,053,737</u>
Less amounts subject to restrictions and board designations:	
Net assets with donor restrictions	(78,875)
Board-designated endowment funds	(351,300)
Board-designated reserve funds	<u>(483,499)</u>
Financial assets available to meet general expenditures, liabilities, and other obligations within one year	<u><u>\$ 140,063</u></u>

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 disbursed in the following July, October, December and April.

Note 4: Investments

The following is a summary of investments as of August 31, 2024 and 2023:

	2024			2023
	Level 1	Level 2	Total	
Money market funds	\$ 36,578	\$ -	\$ 36,578	\$ 26
Certificates of deposit	-	70,675	70,675	70,422
Mutual funds:				
Growth and income	668,900	-	668,900	564,966
Equity	129,321	-	129,321	103,335
	<u>\$ 834,799</u>	<u>\$ 70,675</u>	<u>\$ 905,474</u>	<u>\$ 738,749</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.

UNITED WAY OF THE YAMPA VALLEY
Notes to Financial Statements
August 31, 2024
(with summarized financial information as of and for the fiscal year ended August 31, 2023)

Note 5: Property and Equipment, Net

Property and equipment, net consisted of the following as of August 31, 2024 and 2023:

	<u>2024</u>	<u>2023</u>	<u>Estimated Useful Life</u>
Office equipment	\$ 17,977	\$ 16,542	5 years
Trailer	<u>6,260</u>	<u>6,260</u>	15 years
	24,237	22,802	
Less accumulated depreciation	<u>(12,634)</u>	<u>(7,473)</u>	
	<u><u>\$ 11,603</u></u>	<u><u>\$ 15,329</u></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, 2024 and 2023 was \$652,734 and \$668,276, respectively.

Note 7: Endowment Fund

Changes in board-designated endowment net assets for the fiscal years ended August 31, 2024 and 2023 were as follows:

	<u>2024</u>	<u>2023</u>
Endowment net assets, beginning of fiscal year	\$ 291,431	\$ 254,998
Contributions	-	10,000
Investment return, net	<u>59,869</u>	<u>26,433</u>
Endowment net assets, end of fiscal year	<u><u>\$ 351,300</u></u>	<u><u>\$ 291,431</u></u>

UNITED WAY OF THE YAMPA VALLEY
Notes to Financial Statements
August 31, 2024
(with summarized financial information as of and for the fiscal year ended August 31, 2023)

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, 2024 were as follows:

Fiscal Year Ended August 31,

2025	\$	9,000
2026		9,000
2027		9,000
2028		9,000
2029		9,000
Thereafter		23,250
		<hr/>
	\$	68,250
		<hr/>

Note 9: Leases

The Organization leases its facilities under the following operating lease agreements:

- Operating lease for offices in Craig, Colorado requiring monthly rent of \$850 through April 30, 2027 then monthly rent of \$900 through April 30, 2029.
- Operating lease with the LLC for offices in Steamboat Springs, Colorado effective June 15, 2015 for a 15-year period through June 14, 2030. The annual base rent is \$1 and the Organization is required to pay its pro rata portion of common area expenses for the LLC's building.

The obligation associated with the office lease in Craig has been recognized as a liability in the statement of financial position based on future lease payments, discounted to present value by the risk-free rate at the date of inception of the lease. The right-of-use asset and corresponding operating lease liability associated with future operating lease payments as of August 31, 2024 are as follows:

Right-of-use asset	\$	43,958
Operating lease liability	\$	44,038
Discount rate		4.60%
Remaining lease term (years)		4.67

For the fiscal year ended August 31, 2024, the Organization recognized rent expense associated with these leases as follows:

Short-term lease expense	\$	3,985
Operating lease expense		3,480
		<hr/>
	\$	7,465
		<hr/>

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Note 9: Leases (continued)

Future payments due under operating leases as of August 31, 2024 are as follows:

Fiscal year ended August 31,

2025	\$	10,200
2026		10,200
2027		10,400
2028		10,800
2029		<u>7,200</u>
		48,800
Discount to present value		<u>(4,762)</u>
Operating lease liability	\$	<u>44,038</u>

Note 10: Net Assets With Donor Restrictions

Net assets with donor restrictions were as follows as of August 31, 2024 and 2023:

	<u>2024</u>	<u>2023</u>
Purpose restrictions:		
Imagination Library program	\$ 55,741	\$ 53,321
Emergency support fund	<u>23,134</u>	<u>20,046</u>
	<u>\$ 78,875</u>	<u>\$ 73,367</u>

Net assets released from net assets with donor restrictions were as follows for the fiscal year ended August 31, 2024:

Satisfaction of purpose restrictions:	
Imagination Library program	\$ 8,080
Emergency support	10,153
Moffat HRC funds	25,930
Others	<u>18,055</u>
	<u>\$ 62,218</u>

Note 11: 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, 2024 and 2023:

	<u>2024</u>	<u>2023</u>
Arthur Anderson fund	\$ 483,499	\$ 376,896
	<u>\$ 483,499</u>	<u>\$ 376,896</u>

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Note 12: Acquisition of Moffat County United Way (MCUW)

On September 1, 2023, the Organization acquired the net assets of MCUW, a not-for-profit organization, through an Agreement and Plan of Merger. The fair value of MCUW's assets and liabilities at the date of merger were as follows:

Cash and cash equivalents	\$ 311,214
Pledges receivable	40,491
Grant reimbursement receivable	13,551
Other assets	235
Allocations payable	<u>(36,291)</u>
Net assets acquired	<u><u>\$ 329,200</u></u>

Note 13 : 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 \$5,516 and \$4,936, respectively, for the fiscal years ended August 31, 2024 and 2023.

Note 14: 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 15: Subsequent Events

The Organization has evaluated subsequent events through June 27, 2025, which is the date the financial statements were available to be issued.