

UNITED WAY OF THE YAMPA VALLEY

Financial Statements

August 31, 2025

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, 2025, 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, 2025, 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, 2024 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated June 27, 2025. In our opinion, the summarized comparative financial information presented herein as of and for the fiscal year ended August 31, 2024 is consistent, in all material respects, with the audited financial statements from which it has been derived.



Steamboat Springs, Colorado
May 27, 2026

UNITED WAY OF THE YAMPA VALLEY
Statement of Financial Position
August 31, 2025
(with summarized financial information as of August 31, 2024)

	2025	2024
Assets:		
Current assets:		
Cash and cash equivalents	\$ 175,797	\$ 101,358
Certificates of deposit	71,473	70,675
Pledges receivable, net	30,038	46,905
Total current assets	277,308	218,938
Noncurrent assets:		
Investments	307,749	483,499
Property and equipment, net	7,877	11,603
Right-of-use asset	35,291	43,958
Equity investment in LLC	635,754	652,734
Endowment investments	399,684	351,300
Total noncurrent assets	1,386,355	1,543,094
Total assets	\$ 1,663,663	\$ 1,762,032
Liabilities and net assets:		
Current liabilities:		
Accounts payable and accrued expenses	\$ 6,104	\$ 17,710
Allocations payable	-	356,712
Current portion of operating lease liability	8,815	8,427
Current portion of note payable	9,000	9,000
Total current liabilities	23,919	391,849
Noncurrent liabilities:		
Operating lease liability, net of current portion	26,796	35,611
Note payable, net of current portion	50,250	59,250
Total liabilities	100,965	486,710
Net assets:		
Without donor restrictions:		
Undesignated	529,225	361,648
Board designated reserve fund	483,499	483,499
Board designated endowment fund	399,684	351,300
With donor restrictions	150,290	78,875
Total net assets	1,562,698	1,275,322
Total liabilities and net assets	\$ 1,663,663	\$ 1,762,032

See accompanying notes to the financial statements.

UNITED WAY OF THE YAMPA VALLEY
Statement of Activities
For the Fiscal Year Ended August 31, 2025
(with summarized financial information for the fiscal year ended August 31, 2024)

	2025			2024 Total
	Without Donor Restrictions	With Donor Restrictions	Total	
Public support and operating revenues:				
Gross campaign results	\$ 808,580	\$ 99,058	\$ 907,638	\$ 936,486
Less donor designations	(11,690)	-	(11,690)	(12,558)
Less provision for uncollectible pledges	(34,334)	-	(34,334)	(46,145)
Less direct benefit costs of fundraisers	(11,380)	-	(11,380)	-
Net campaign revenue	751,176	99,058	850,234	877,783
Grants and sponsorships	45,010	33,900	78,910	114,829
Other contributions	10,954	-	10,954	72,500
Contributed goods	12,300	-	12,300	-
Investment return, net	73,022	-	73,022	116,954
Net assets released from restrictions	61,543	(61,543)	-	-
Total operating revenues and public support	954,005	71,415	1,025,420	1,182,066
Operating Expenses:				
Program services	494,666	-	494,666	1,147,162
Supporting services:				
Organizational administration	145,179	-	145,179	119,943
Fundraising	98,199	-	98,199	113,790
Total supporting services	243,378	-	243,378	233,733
Total operating expenses	738,044	-	738,044	1,380,895
Change in net assets before changes related to acquisition	215,961	71,415	287,376	(198,829)
Excess of assets acquired over liabilities assumed in acquisition of Moffat County United Way (MCUW)	-	-	-	329,200
Net assets, beginning of year	1,196,447	78,875	1,275,322	1,144,951
Net assets, end of year	<u>\$ 1,412,408</u>	<u>\$ 150,290</u>	<u>\$ 1,562,698</u>	<u>\$ 1,275,322</u>

See accompanying notes to the financial statements.

UNITED WAY OF THE YAMPA VALLEY
Statement of Functional Expenses
For the Fiscal Year Ended August 31, 2025
(with summarized financial information for the fiscal year ended August 31, 2024)

	2025			Total	2024 Total
	Program Services	Organizational Administration	Fundraising		
Expenses:					
Grants awarded	\$ 70,229	\$ -	\$ -	\$ 70,229	\$ 490,133
Less donor designations	(11,690)	-	-	(11,690)	(12,558)
Net grants awarded	58,539	-	-	58,539	477,575
Other assistance distributed	61,909	-	-	61,909	143,924
Grants and other assistance, net	120,448	-	-	120,448	621,499
Wages and benefits	205,257	70,662	60,568	336,487	453,318
Contract labor	55,884	-	-	55,884	9,766
Food	15,935	103	2,127	18,165	5,824
Supplies	9,903	-	-	9,903	20,418
Marketing and advertising	1,599	-	5,187	6,786	17,184
Office expenses	31,623	7,906	6,976	46,505	54,931
Occupancy	17,797	4,449	3,926	26,172	32,374
Professional fees	-	51,604	-	51,604	47,379
Donor cultivation	-	-	15,858	15,858	53,485
Staff development	6,981	1,745	1,540	10,266	10,614
Membership fees and dues	10,332	3,995	-	14,327	15,558
Other	16,373	4,082	1,458	21,913	34,654
Depreciation	2,534	633	559	3,726	3,891
Total expenses	<u>\$ 494,666</u>	<u>\$ 145,179</u>	<u>\$ 98,199</u>	<u>\$ 738,044</u>	<u>\$ 1,380,895</u>

See accompanying notes to the financial statements.

UNITED WAY OF THE YAMPA VALLEY
Statement of Cash Flows
For the Fiscal Year Ended August 31, 2025
(with summarized financial information for the fiscal year ended August 31, 2024)

	2025	2024
Cash flows from operating activities:		
Change in operations	\$ 287,376	\$ (198,829)
Adjustments to reconcile change in operations to net cash provided by operating activities:		
Depreciation	3,726	3,891
Noncash investment contributions	(58,916)	(13,087)
Interest and dividends on investments	(29,734)	(20,706)
Realized and unrealized (gains) losses on investments	(41,205)	(94,607)
(Increase) decrease in:		
Pledges receivable, net	16,867	(21,767)
Other current assets	-	16,330
Operating lease right-of-use asset	8,667	(43,958)
Increase (decrease) in:		
Accounts payable and accrued expenses	(11,606)	(394)
Allocations payable	(356,712)	97,462
Event sponsorship received in advance	-	(19,500)
Operating lease liability	(8,815)	44,038
Net cash provided (used) by operating activities	(190,352)	(251,127)
Cash flows from investing activities:		
Net sales (purchases) of investments	276,191	(2,137)
Capital contributions for investment in LLC	(2,400)	(2,825)
Cash received in acquisition of MCUW	-	311,214
Net cash provided by investing activities	273,791	306,252
Cash flows from financing activities:		
Principal payments on note payable	(9,000)	(9,000)
Net cash provided (used) by financing activities	(9,000)	(9,000)
Net change in cash and cash equivalents	74,439	46,125
Cash and cash equivalents, beginning of year	101,358	55,233
Cash and cash equivalents, end of year	\$ 175,797	\$ 101,358

See accompanying notes to the financial statements.

UNITED WAY OF THE YAMPA VALLEY
Notes to Financial Statements
August 31, 2025
(with summarized financial information as of and for the fiscal year ended August 31, 2024)

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, 2025 and 2024:

	2025	2024	
Pledges receivable	\$ 44,038	\$ 71,905	
Allowance for uncollectible pledges	(14,000)	(25,000)	
	\$ 30,038	\$ 46,905	

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, 2025
(with summarized financial information as of and for the fiscal year ended August 31, 2024)

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 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, 2025
(with summarized financial information as of and for the fiscal year ended August 31, 2024)

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, 2025
(with summarized financial information as of and for the fiscal year ended August 31, 2024)

Note 2: Summary of Significant Accounting Policies (continued)

Functional Allocation of Expenses

The Organization reports the following as grants and assistance distributed:

- Grants awarded: These are grants awarded to nonprofit applicants through the Organization's grant-making process. The Organization shifted grant award timing to align expense recognition with funds distribution in the same fiscal year.
- Other assistance distributed: These amounts were distributed to nonprofit organizations for the benefit of individuals in need under various programs, including holiday giving, Imagination Library, emergency support, and disaster assistance.

The costs of conducting these programs as well as the costs of other service programs are reported in program services. Other service programs include financial literacy training, community Thanksgiving dinner and other community gatherings, Day of Caring, Human Resources Councils (HRC) coordination, Women United, and Youth United Way.

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, 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, 2025.

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, 2024, 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, 2025
(with summarized financial information as of and for the fiscal year ended August 31, 2024)

Note 3: Liquidity and Availability of Financial Assets

Financial assets available for general expenditure within one year as of August 31, 2025:

Cash and cash equivalents	\$ 175,797
Certificates of deposit	71,473
Pledges receivable, net	30,038
Investments	707,433
	984,741
Less amounts subject to restrictions and board designations:	
Net assets with donor restrictions	(150,290)
Board-designated endowment funds	(399,684)
Board-designated reserve funds	(307,749)
	(857,723)
Financial assets available to meet general expenditures, liabilities, and other obligations within one year	\$ 127,018

As part of the Organization's liquidity management, there is a streamlined process where future grant awards follow the campaign fundraising season, while keeping availability to pay general expenditures, liabilities, and other obligations as they come due. In addition, the Organization invests cash in excess of short-term requirements in mutual fund investments.

Note 4: Investments

The following is a summary of investments as of August 31, 2025 and 2024:

	2025			2024
	Level 1	Level 2	Total	
Money market funds	\$ 59,315	\$ -	\$ 59,315	\$ 36,578
Certificates of deposit	-	71,473	71,473	70,675
Equities	743	-	743	-
Mutual funds:				
Growth and income	495,125	-	495,125	668,900
Equity	152,250	-	152,250	129,321
	\$ 707,433	\$ 71,473	\$ 778,906	\$ 905,474

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, 2025

(with summarized financial information as of and for the fiscal year ended August 31, 2024)

Note 5: Property and Equipment, Net

Property and equipment, net consisted of the following as of August 31, 2025 and 2024:

	<u>2025</u>	<u>2024</u>	<u>Estimated Useful Life</u>
Office equipment	\$ 17,977	\$ 17,977	5 years
Trailer	<u>6,260</u>	<u>6,260</u>	15 years
	24,237	24,237	
Less accumulated depreciation	<u>(16,360)</u>	<u>(12,634)</u>	
	<u>\$ 7,877</u>	<u>\$ 11,603</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, 2025 and 2024 was \$636,354 and \$652,734, respectively.

Note 7: Endowment Fund

Changes in board-designated endowment net assets for the fiscal years ended August 31, 2025 and 2024 were as follows:

	<u>2025</u>	<u>2024</u>
Endowment net assets, beginning of fiscal year	\$ 351,300	\$ 291,431
Contributions	-	-
Investment return, net	<u>48,384</u>	<u>59,869</u>
Endowment net assets, end of fiscal year	<u>\$ 399,684</u>	<u>\$ 351,300</u>

UNITED WAY OF THE YAMPA VALLEY
Notes to Financial Statements
August 31, 2025
(with summarized financial information as of and for the fiscal year ended August 31, 2024)

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, 2025 were as follows:

Fiscal Year Ended August 31,	
2026	\$ 9,000
2027	9,000
2028	9,000
2029	9,000
2030	9,000
Thereafter	<u>14,250</u>
	<u><u>\$ 59,250</u></u>

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, 2025 are as follows:

Right-of-use asset	\$ 35,291
Operating lease liability	\$ 35,611
Discount rate	4.60%
Remaining lease term (years)	3.67

For the fiscal year ended August 31, 2025, the Organization recognized rent expense associated with this lease as follows:

Operating lease expense	<u>\$ 10,440</u>
	<u><u>\$ 10,440</u></u>

UNITED WAY OF THE YAMPA VALLEY
Notes to Financial Statements
August 31, 2025
(with summarized financial information as of and for the fiscal year ended August 31, 2024)

Note 9: Leases (continued)

Future payments due under operating leases as of August 31, 2025 are as follows:

Fiscal year ended August 31,	
2026	\$ 10,200
2027	10,400
2028	10,800
2029	<u>7,200</u>
	38,600
Discount to present value	<u>(2,989)</u>
Operating lease liability	<u><u>\$ 35,611</u></u>

Note 10: Net Assets With Donor Restrictions

Net assets with donor restrictions were as follows as of August 31, 2025 and 2024:

	2025	2024
Purpose restrictions:		
Imagination Library program	\$ 53,285	\$ 55,741
Emergency support fund	914	23,134
Trade scholarship program	20,000	-
Early childhood education	59,054	-
Preschool teacher development	8,046	-
HRC funds	<u>8,991</u>	<u>-</u>
	<u><u>\$ 150,290</u></u>	<u><u>\$ 78,875</u></u>

Net assets released from net assets with donor restrictions were as follows for the fiscal year ended August 31, 2025:

Satisfaction of purpose restrictions:	
Imagination Library program	\$ 8,306
Early childhood education	19,004
Emergency support fund	26,220
Preschool teacher development	7,954
HRC funds	<u>59</u>
	<u><u>\$ 61,543</u></u>

UNITED WAY OF THE YAMPA VALLEY
Notes to Financial Statements
August 31, 2025
(with summarized financial information as of and for the fiscal year ended August 31, 2024)

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, 2025 and 2024:

	2025	2024
Arthur Anderson fund	\$ 307,749	\$ 483,499
	\$ 307,749	\$ 483,499

Note 12 : 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 \$3,057 and \$5,516, respectively, for the fiscal years ended August 31, 2025 and 2024.

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 has evaluated subsequent events through May 27, 2026, which is the date the financial statements were available to be issued.