

**UNITED WAY OF THE
CONCHO VALLEY, INC.**

Financial Statements

March 31, 2024 and 2023

Together with Auditor's Report

UNITED WAY OF THE CONCHO VALLEY, INC.
March 31, 2024 and 2023

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
of the United Way of the Concho Valley, Inc.
San Angelo, Texas

Opinion

We have audited the accompanying financial statements of United Way of the Concho Valley, Inc. (a nonprofit organization) which comprise the statements of financial position as of March 31, 2024 and 2023, and the related statements of activities and changes in net assets, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of United Way of the Concho Valley, Inc. as of March 31, 2024 and 2023, and the changes in net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. 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 United Way of the Concho Valley, Inc. and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about United Way of the Concho Valley, Inc.'s ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards 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 generally accepted auditing standards, 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 United Way of the Concho Valley'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 United Way of the Concho Valley'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.

Oliver, Rainey & Wojtek, LLP

September 26, 2024

UNITED WAY OF THE CONCHO VALLEY, INC.
STATEMENTS OF FINANCIAL POSITION
March 31, 2024 and 2023

ASSETS

	2024	2023
Current Assets		
Cash	\$ 95,030	\$ 269,275
Restricted Cash	64,614	-
Certificates of Deposit	463,880	457,344
Pledges Receivable, Net	312,823	347,330
Other Receivables	-	143
Prepaid Expenses	-	387
Total Current Assets	936,347	1,074,479
Endowment Assets		
Cash Surrender Value of Life Insurance	34,272	33,126
Endowment Investments	2,379,589	2,142,481
Total Endowment Assets	2,413,861	2,175,607
Property and Equipment, Net	28,886	39,866
Right of Use Finance Lease Asset, Net	28,093	38,968
TOTAL ASSETS	\$ 3,407,187	\$ 3,328,920

LIABILITIES AND NET ASSETS

Current Liabilities		
Accounts Payable	\$ 5,497	\$ 11,896
Designations Payable	61,693	54,482
Accrued Liabilities	8,916	6,322
Total Current Liabilities	76,106	72,700
Long term Liabilities		
Right of Use Finance Lease Liability	29,782	40,319
Total Long Term Liabilities	29,782	40,319
Total Liabilities	105,888	113,019
Net Assets		
Without Donor Restrictions		
Undesignated	129,612	208,686
Board Designated	2,333,589	2,096,481
Building Reserve	1,000	1,000
Property and Equipment, Including Finance Lease	56,978	78,834
Total Without Donor Restrictions	2,521,179	2,385,001
With Donor Restrictions		
Restricted by Purpose or Time	734,120	784,900
Restricted in Perpetuity	46,000	46,000
Total With Donor Restrictions	780,120	830,900
Total Net Assets	3,301,299	3,215,901
TOTAL LIABILITIES AND NET ASSETS	\$ 3,407,187	\$ 3,328,920

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

UNITED WAY OF THE CONCHO VALLEY, INC.
STATEMENTS OF ACTIVITIES AND CHANGES IN NET ASSETS
For the Years Ended March 31, 2024 and 2023

	March 31, 2024			March 31, 2023		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
Support and Revenue						
Gross Campaign Result - Current	\$ -	\$ 726,911	\$ 726,911	\$ -	\$ 877,227	\$ 877,227
Less Donor Designations	-	(61,693)	(61,693)	-	(54,482)	(54,482)
Less Provision for Uncollectible	-	4,288	4,288	-	(37,845)	(37,845)
Net Campaign Revenue- Current	-	669,506	669,506	-	784,900	784,900
Gross Campaign Results - Prior	877,227	(877,227)	-	888,737	(888,737)	-
Additional Campaign Revenue from Prior Campaigns	44,319	-	44,319	39,408	-	39,408
Less Donor Designations	(54,482)	54,482	-	(41,717)	41,717	-
Less Provision for Uncollectible	(84,439)	37,845	(46,594)	(81,870)	26,331	(55,539)
Net Campaign Revenue - Prior	782,625	(784,900)	(2,275)	804,558	(820,689)	(16,131)
Campaign Sponsorships	15,388	-	15,388	9,475	-	9,475
Fundraising Revenue	116,222	-	116,222	79,792	-	79,792
Gift in Kind Revenue	25,300	-	25,300	216,665	-	216,665
Grant Income	-	157,650	157,650	-	61,411	61,411
Investment Income	85,042	-	85,042	56,999	-	56,999
Realized Gain (Loss) on Investments	2,674	-	2,674	(51,321)	-	(51,321)
Unrealized Gain (Loss) on Investments	281,139	-	281,139	(171,688)	-	(171,688)
Increase in Cash Surrender						
Value of Life Insurance	1,146	-	1,146	1,192	-	1,192
Miscellaneous Income	1,064	-	1,064	5,495	-	5,495
Other Contributions	8,468	-	8,468	4,302	-	4,302
Assets Released from Restrictions	93,036	(93,036)	-	79,824	(79,824)	-
TOTAL SUPPORT AND REVENUE	\$ 1,412,104	\$ (50,780)	\$ 1,361,324	\$ 1,035,293	\$ (54,202)	\$ 981,091

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

UNITED WAY OF THE CONCHO VALLEY, INC.
STATEMENTS OF ACTIVITIES AND CHANGES IN NET ASSETS - CONTINUED
For the Years Ended March 31, 2024 and 2023

	March 31, 2024			March 31, 2023		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
Expenses						
Program Services						
Gross Funds Awarded/Distributed	\$ 700,081	\$ -	\$ 700,081	\$ 735,875	\$ -	\$ 735,875
Less Donor Designations	(61,693)	-	(61,693)	(54,482)	-	(54,482)
Net Funds Awarded/Distributed	638,388	-	638,388	681,393	-	681,393
Allocation Services	208,536	-	208,536	185,185	-	185,185
Other Program Services	89,978	-	89,978	74,429	-	74,429
Total Program Services	936,902	-	936,902	941,007	-	941,007
Supporting Services						
Supporting Services - Allocated	323,865	-	323,865	484,967	-	484,967
Unallocated Payments to National Organizations	15,159	-	15,159	18,868	-	18,868
Total Supporting Services	339,024	-	339,024	503,835	-	503,835
TOTAL EXPENSES	1,275,926	-	1,275,926	1,444,842	-	1,444,842
Change in Net Assets	136,178	(50,780)	85,398	(409,549)	(54,202)	(463,751)
Net Assets - Beginning of Year	2,385,001	830,900	3,215,901	2,794,550	885,102	3,679,652
Net Assets - End of Year	\$ 2,521,179	\$ 780,120	\$ 3,301,299	\$ 2,385,001	\$ 830,900	\$ 3,215,901

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

UNITED WAY OF THE CONCHO VALLEY, INC.
STATEMENT OF FUNCTIONAL EXPENSES
For the Year Ended March 31, 2024

	Allocation Services			Other Program Services			Supporting Services			2024 Total
	Marketing & Communication	Community Impact	Total	United We Read	Into the Warmth	Total	Organizational Administration	Fundraising	Total	
Operating Expenses										
Salaries	\$ 25,058	\$ 94,195	\$ 119,253	\$ -	\$ -	\$ -	\$ 12,073	\$ 78,112	\$ 90,185	\$ 209,438
Payroll Taxes	1,838	7,119	8,957	-	-	-	907	5,911	6,818	15,775
Employee Benefits	2,408	2,805	5,213	-	-	-	824	4,881	5,705	10,918
Total Compensation	29,304	104,119	133,423	-	-	-	13,804	88,904	102,708	236,131
Advertising	-	-	-	-	-	-	-	25,300	25,300	25,300
Allocation Expense	-	638,388	638,388	-	-	-	-	-	-	638,388
Conferences and Meetings	2,094	2,605	4,699	-	-	-	1,023	4,343	5,366	10,065
Community Impact	376	1,297	1,673	-	300	300	581	763	1,344	3,317
Dues and Subscriptions	3,487	4,061	7,548	-	-	-	7,273	7,068	14,341	21,889
Equipment Maintenance	8,500	9,782	18,282	-	-	-	3,633	16,467	20,100	38,382
Event Catering/Food	-	-	-	-	-	-	-	10,398	10,398	10,398
Event Supplies	-	-	-	76	-	76	-	34,715	34,715	34,791
Event Speakers	-	-	-	-	-	-	-	8,703	8,703	8,703
Event Venue	-	-	-	-	-	-	-	10,501	10,501	10,501
Grant Expense	-	-	-	1,110	66,986	68,096	-	-	-	68,096
Insurance	5,957	6,938	12,895	-	-	-	2,424	11,434	13,858	26,753
Interest Expense	742	864	1,606	(23)	-	(23)	409	3,241	3,650	5,233
Miscellaneous/Finance Charges	43	50	93	-	115	115	1,434	225	1,659	1,867
Occupancy	2,845	3,314	6,159	-	2,018	2,018	1,273	5,728	7,001	15,178
Office Supplies	2,084	2,428	4,512	-	-	-	594	4,384	4,978	9,490
Postage and Shipping	346	268	614	-	-	-	79	467	546	1,160
Printing and Copying	11,639	465	12,104	-	455	455	136	1,825	1,961	14,520
Professional Fees	-	-	-	-	-	-	43,018	-	43,018	43,018
Supplies	372	433	805	-	-	-	127	7,157	7,284	8,089
Telephone and Networks	742	864	1,606	-	-	-	254	1,503	1,757	3,363
Travel	52	61	113	-	-	-	18	367	385	498
United We Read Books	-	-	-	18,941	-	18,941	-	-	-	18,941
Total Other Expenses	39,279	671,818	711,097	20,104	69,874	89,978	62,276	154,589	216,865	1,017,940
Depreciation and Amortization	1,093	1,311	2,404	-	-	-	3,278	16,173	19,451	21,855
TOTAL OPERATING EXPENSES	\$ 69,676	\$ 777,248	\$ 846,924	\$ 20,104	\$ 69,874	\$ 89,978	\$ 79,358	\$ 259,666	\$ 339,024	\$ 1,275,926

The accompanying notes are an integral part of these financial statements

UNITED WAY OF THE CONCHO VALLEY, INC.
STATEMENT OF FUNCTIONAL EXPENSES
For the Year Ended March 31, 2023

	Allocation Services			Other Program Services				Supporting Services			2023 Total
	Marketing & Communication	Community Impact	Total	United We Read	HT Awareness Summit	Into the Warmth	Total	Organizational Administration	Fundraising	Total	
Operating Expenses											
Salaries	\$ 24,051	\$ 86,621	\$ 110,672	\$ -	\$ -	\$ -	\$ -	\$ 11,325	\$ 72,846	\$ 84,171	\$ 194,843
Payroll Taxes	1,665	6,451	8,116	-	-	-	-	822	5,356	6,178	14,294
Employee Benefits	1,663	1,937	3,600	-	-	-	-	569	3,370	3,939	7,539
Total Compensation	27,379	95,009	122,388	-	-	-	-	12,716	81,572	94,288	216,676
Advertising	-	-	-	-	-	-	-	-	216,665	216,665	216,665
Allocation Expense	-	681,393	681,393	-	-	-	-	-	-	-	681,393
Awards	-	-	-	-	-	-	-	-	1,600	1,600	1,600
Conferences & Meetings	2,028	2,554	4,582	-	-	-	-	694	4,162	4,856	9,438
Community Impact	9	3,629	3,638	-	-	26	26	483	19	502	4,166
Dues and Subscriptions	4,173	4,860	9,033	-	-	-	-	2,085	8,458	10,543	19,576
Equipment Maintenance	7,495	8,896	16,391	-	-	-	-	2,838	15,220	18,058	34,449
Event Catering/Food	-	-	-	-	-	-	-	-	5,028	5,028	5,028
Event Supplies	-	-	-	-	1,096	-	1,096	-	20,069	20,069	21,165
Event Speakers	-	-	-	-	-	-	-	-	1,928	1,928	1,928
Event Venue	-	-	-	-	-	-	-	-	10,631	10,631	10,631
Grant Expense	-	-	-	-	2,045	49,443	51,488	127	11,710	11,837	63,325
Insurance	4,866	5,528	10,394	-	-	-	-	3,065	9,178	12,243	22,637
Interest Expense	569	644	1,213	-	-	-	-	184	3,350	3,534	4,747
Miscellaneous/Finance Charges	12	14	26	-	-	-	-	2,616	(170)	2,446	2,472
Occupancy	2,562	3,097	5,659	-	-	-	-	942	5,211	6,153	11,812
Office Supplies	1,347	1,570	2,917	-	-	-	-	633	2,731	3,364	6,281
Postage and Shipping	257	299	556	-	-	-	-	127	520	647	1,203
Printing and Copying	2,193	988	3,181	-	-	-	-	290	1,718	2,008	5,189
Professional Fees	-	-	-	-	-	-	-	46,000	-	46,000	46,000
Supplies	341	397	738	-	-	-	-	116	9,279	9,395	10,133
Telephone and Networks	788	918	1,706	-	-	-	-	269	1,597	1,866	3,572
Travel	161	188	349	478	-	-	478	55	589	644	1,471
United We Read Books	-	-	-	21,341	-	-	21,341	-	-	-	21,341
Total Other Expenses	26,801	714,975	741,776	21,819	3,141	49,469	74,429	60,524	329,493	390,017	1,206,222
Depreciation and Amortization	1,097	1,317	2,414	-	-	-	-	3,292	16,238	19,530	21,944
TOTAL OPERATING EXPENSES	\$ 55,277	\$ 811,301	\$ 866,578	\$ 21,819	\$ 3,141	\$ 49,469	\$ 74,429	\$ 76,532	\$ 427,303	\$ 503,835	\$ 1,444,842

The accompanying notes are an integral part of these financial statements

UNITED WAY OF THE CONCHO VALLEY, INC.
STATEMENTS OF CASH FLOWS
For the Years Ended March 31, 2024 and 2023

	2024	2023
Cash Flows from Operating Activities		
Change in Net Assets	\$ 85,398	\$ (463,751)
Adjustments to Reconcile Change in Net Assets to Net Cash from Operating Activities		
Amortization	10,875	10,875
Depreciation	10,980	11,069
Realized (Gain) Loss on Investments	(2,674)	51,321
Unrealized (Gain) Loss on Investments	(281,139)	171,688
Changes in Assets and Liabilities		
Pledges Receivable	34,507	25,404
Other Receivables	143	(143)
Prepaid Expenses	387	15,402
Accounts Payable	(6,399)	(2,890)
Accrued Vacation Payable	2,594	3,470
Allocations Payable	7,211	12,440
Net Cash Used in Operating Activities	(138,117)	(165,115)
Cash Flows From Investing Activities		
Proceeds from Maturities of Certificates of Deposit	457,162	705,340
Purchase of Certificates of Deposit	(463,698)	(457,344)
Proceeds from Sale of Investments	118,037	116,167
Purchases of Investments	(71,332)	(56,153)
Endowment Contributions	-	(248,610)
Increase in Cash Surrender Value of Life Insurance	(1,146)	(1,192)
Net Cash Provided by Investing Activities	39,023	58,208
Cash Flows From Financing Activities		
Principal Payments on Finance Lease	(10,537)	(10,024)
Net Cash Used in Financing Activities	(10,537)	(10,024)
Net Decrease in Cash, Cash Equivalents, and Restricted Cash	(109,631)	(116,931)
Cash, Cash Equivalents, and Restricted Cash at Beginning of Year	269,275	386,206
Cash, Cash Equivalents, and Restricted Cash at End of Year	\$ 159,644	\$ 269,275
Supplemental Disclosures of Cash Flows Information		
Cash Paid During the Period for:		
Interest	\$ 5,233	\$ 4,747
Federal Income Taxes	\$ -	\$ -

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

UNITED WAY OF THE CONCHO VALLEY, INC.
NOTES TO THE FINANCIAL STATEMENTS
March 31, 2024 and 2023

Note 1 -Summary of Significant Accounting Policies

Organization and Nature of Activities

United Way of the Concho Valley, Inc. (the Organization) is an independent not-for-profit organization exempt from income tax under Section 501(c)(3) of the Internal Revenue Code. The Organization was formed to support community based human service programs. The stated mission of the Organization is "to increase the organized capacity of people to care for one another." This is accomplished by raising funds through a community-wide campaign and distributing funds to local non-profit organizations.

Basis of Accounting

The financial statements of the Organization have been prepared on the accrual basis of accounting and accordingly reflect all significant receivables, payables, and other liabilities.

Basis of Presentation

The Organization reports information regarding its financial position and activities according to two classes of net assets that are based upon the existence or absence of restrictions on use that are placed by its donors: net assets without donor restrictions and net assets with donor restrictions.

The governing board has designated, from net assets without donor restrictions, net assets for a board-designated endowment. Net assets with donor restrictions are subject to donor-imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, such as those that the donor stipulates the resources be maintained in perpetuity.

Net assets without donor restrictions are resources available to support operations and not subject to donor restrictions. The only limits on the use of net assets without donor restrictions are the broad limits resulting from the nature of the Organization, the environment in which it operates, the purposes specified in its corporate documents and its application for tax-exempt status, and any limits resulting from contractual agreements with creditors and others that are entered into in the course of its operations.

The Organization's unspent contributions are reported in net assets with donor contributions if the donor limited their use, as are promised contributions that are not yet due. Contributions of property and equipment or cash restricted for acquisition of property and equipment are reported as net assets with donor restrictions if the donor has restricted the use of the property or equipment to a particular program. These restrictions expire when the assets are placed in service.

The Organization's donor-restricted endowment funds, including the unspent appreciation of the endowment fund and the portion of the Organization's donor-restricted endowment funds that the Organization is committed to maintaining in perpetuity are classified in net assets with donor restrictions.

When a donor's restriction is satisfied, either by using the resources in the manner specified by the donor or by the passage of time, the expiration of the restriction is reported in the financial statements by reclassifying the net assets from net assets with donor restrictions to net assets without donor restrictions.

Certificates of Deposit

Certificates of deposit bear interest rates ranging from 0.29% to 5.55% (0.20% to 3.31% at March 31, 2023) and will all mature during the next fiscal year. Any penalties for early withdrawal would not have a material effect on the financial statements. See also Note 4.

Income Tax Status

The Organization is exempt from federal income tax under the provisions of Section 501(c)(3) of the Internal Revenue Code except on net income derived from unrelated business activities. In addition, the Organization qualifies for the charitable contribution deduction under Section 170 (b)(1)(A) and has been classified as an organization other than a private foundation under Section 509 (a)(1). The Organization's Form 990s, Return of Organization Exempt from Income Tax, are subject to examination by the IRS, generally for three years after they are filed. As of March 31, 2024 and 2023, the Organization has no uncertain tax positions that qualify for either recognition or disclosure in the financial statements.

UNITED WAY OF THE CONCHO VALLEY, INC.
NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
March 31, 2024 and 2023

Note 1 - Summary of Significant Accounting Policies - Continued

Concentration of Credit Risk

Pledges receivable are due from contributors concentrated in San Angelo, Texas, and the immediate surrounding area.

During the years ended March 31, 2024 and 2023, the Organization had pledges from one company that accounted for 17% and 15%, respectively, of pledges receivable. Pledge contributions from this company were less than 10% of total pledges. There were no companies that contributed more than 10% of total pledges during the year ended March 31, 2024. During the year ended March 31, 2023, one company (not the same one that accounted for pledge receivable percentages) made up 10% of total pledges.

The Organization maintains its cash and short-term investments in bank deposit accounts at various financial institutions. The balances, at times, may exceed federally insured limits. At March 31, 2024 and 2023, the Organization's deposits exceeded the insured limit by approximately \$46,410 and \$157,931, respectively.

Pledges Receivable

Unconditional promises to give are recorded as pledge receivables and contribution revenue when the promise is made. Pledge receivables and related contributions are recorded at their net realizable value based on amounts expected to be collected from donors. The valuation reflects net pledge balances at a level which, in the judgment of management, is adequate to meet the present and potential risks of collectability of the pledge receivable. Management's judgment is based on a variety of factors, which include experience related to charge offs and recoveries, previous collection history and scrutiny of individual accounts. Specific accounts are written off only upon notification from donors that the pledges are no longer collectible. For the annual campaign, any remaining uncollectible pledge balances are written off after one year. Conditional promises to give are not included as support until the conditions are substantially met.

Donated Services

The Organization receives services from a large number of volunteers who give significant amounts of their time to the Organization's programs, fund-raising campaigns, and management. No amounts have been reflected in the financial statements for these volunteer services. Donated services are recognized as contributions if the services (a) create or enhance nonfinancial assets or (b) require specialized skills, are performed by people with those skills, and would otherwise be purchased if not donated. For the years ended March 31, 2024 and 2023, the Organization received donated advertising services in the amount of \$25,300 and \$216,665, respectively. These advertising services are expensed as incurred.

Donor Designations

Annual campaign gifts in which the Organization agrees to transfer the gift to another beneficiary as designated by the donor constitute agency transactions and are deducted from gross campaign results to arrive at contribution revenue. In accordance with the United Way Worldwide membership requirements, these designations are presented as part of gross campaign results and gross agency distributions on the statement of activities but are then deducted to arrive at the Organization's actual revenue and expense under accounting principles generally accepted in the United States of America (US GAAP).

The Organization allocates amounts to agencies April through March of the year following the balance sheet date. Therefore, the allocation expense related to the 2023 campaign will be recognized during the year ended March 31, 2024. In contrast, donor designations for the 2023 campaign are recognized as expense for the year ended March 31, 2024.

Property and Equipment

Property and equipment are recorded at cost. Expenditures for major betterments and additions are charged to the asset accounts while replacements, maintenance, and repairs, which do not improve or extend the lives of the respective assets, are charged to expense currently. Purchases of property and equipment that cost more than \$5,000 shall be capitalized. Depreciation of property and equipment is determined using the straight-line method, based on estimated useful lives of 3 to 39 years.

UNITED WAY OF THE CONCHO VALLEY, INC.
NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
March 31, 2024 and 2023

Note 1 - Summary of Significant Accounting Policies - Continued

Donated Assets

Donated marketable securities and other noncash donations are recorded as contributions at their estimated fair values at the date of donation.

Estimates

Management uses estimates and assumptions in preparing financial statements. These estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported revenues and expenses. On an ongoing basis, management evaluates the estimates and assumptions based on new information. Management believes that the estimates and assumptions are reasonable in the circumstances; however, actual results could differ from those estimates.

Functional Allocation of Expenses

The costs of providing various programs and other activities have been summarized on a functional basis in the Statement of Activities. The Statements of Functional Expenses presents the natural classification of expenses by function. Accordingly, certain costs have been allocated among the programs and supporting services benefited. The expenses that are allocated include occupancy and depreciation, which are allocated on a square footage basis, as well as personnel costs, professional services, office expenses, information technology, insurance, and other, which are allocated on the basis of estimates of time and effort. Directly identifiable expenses are charged to programs and supporting services.

Investments

Investments in marketable equity securities with readily determinable fair values and all investments in debt securities are reported at their fair values in the Statements of Financial Position. Realized and unrealized investment gains and losses are included in the change in net assets. These gains and losses and other investment income are reflected in the Statements of Activities as changes in net assets without donor restrictions.

The fair values of the investments, as reported in the Statements of Financial Position, are based on the quoted market prices for those investments as reported on their year-end fund statements. Market risk could occur and is dependent on the future changes in market prices of the various investments held.

Compensated Absences

Employees accrue vacation and sick leave based on their anniversary date. If an employee is unable to use all earned vacation in a twelve-month period based on their anniversary date, the employee may request a carry forward of up to 40 hours of vacation to the next twelve-month period with the signed approval of the Chief Executive Officer. Sick leave is earned at a rate of one day per month of service beginning the month of hire. A maximum of 120 days of sick leave may be accrued for any employee. Unused sick leave is not payable on termination of employment and therefore not accrued in the financial statements.

Advertising Costs

Advertising costs are expensed as incurred.

UNITED WAY OF THE CONCHO VALLEY, INC.
NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
March 31, 2024 and 2023

Note 2 - Cash and Cash Equivalents

For purposes of the Statements of Cash Flows, the Organization considers all highly liquid investments with an initial maturity of three months or less to be cash and cash equivalents. The following table provides a reconciliation of cash, cash equivalents, and restricted cash reported within the Statements of Financial Position that sum to the amounts shown in the Statements of Cash Flows:

	<u>2024</u>	<u>2023</u>
Cash	\$ 95,030	\$ 269,275
Cash Restricted for Into the Warmth	56,866	-
Cash Restricted for United We Read	7,748	-
	<u>\$ 159,644</u>	<u>\$ 269,275</u>

Note 3 - Pledges Receivable

The Organization conducts annual fundraising campaigns to raise funds for allocations to be paid to participating health and human care agencies during the succeeding calendar year. Pledges receivable as of March 31, 2024 and 2023 are as follows:

	<u>2024</u>	<u>2023</u>
Pledges Receivable	\$ 353,441	\$ 392,236
Allowance for Uncollectible Amounts	(40,618)	(44,906)
Pledges Receivable - Net	<u>\$ 312,823</u>	<u>\$ 347,330</u>

Note 4 - Investments

Investment return for the years ended March 31, 2024 and 2023 is summarized as follows:

	<u>2024</u>	<u>2023</u>
Interest & Dividends-Endowment	\$ 71,332	\$ 56,153
Interest Income-Certificates of Deposit & Other	21,961	8,823
Management Fees	(8,251)	(7,977)
Total Investment Income	85,042	56,999
Net Realized Gains (Losses)	2,674	(51,321)
Net Unrealized Gains (Losses)	281,139	(171,688)
Total Investment Gain (Loss) on Income Without Donor Restrictions	<u>\$ 368,855</u>	<u>\$ (166,010)</u>

Note 5 - Property and Equipment

Property and equipment at March 31, 2024 and 2023 consisted of the following:

	<u>2024</u>	<u>2023</u>
Land	\$ 7,500	\$ 7,500
Building and Improvements	140,196	140,196
Furniture and Equipment	99,543	99,543
Software	6,838	6,838
	254,077	254,077
Less: Accumulated Depreciation	(225,191)	(214,211)
Property and Equipment, Net	<u>\$ 28,886</u>	<u>\$ 39,866</u>

UNITED WAY OF THE CONCHO VALLEY, INC.
NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
March 31, 2024 and 2023

Note 6 - Liquidity and Availability

The following reflects the Organization's financial assets as of the Statements of Financial Position date, reduced by amounts not available for general use because of contractual or donor-imposed restrictions within one year of the Statements of Financial Position date.

	2024	2023
Financial Assets:		
Cash and Restricted Cash	\$ 159,644	\$ 269,275
Certificates of Deposit	463,880	457,344
Pledges Receivable - Net	312,823	347,330
Other Receivables	-	143
Endowment Investments	2,379,589	2,142,481
Cash Surrender Value of Life Insurance	34,272	33,126
Financial Assets At Year-end	3,350,208	3,249,699
Less Those Unavailable For General Expenditures Within One Year, Due To:		
Donor-restricted From United We Read	7,748	-
Donor-restricted For Into the Warmth	56,866	-
Donor-restricted From Campaign Pledges	669,506	784,900
Donor-restricted For Endowment Funds Held In Perpetuity	46,000	46,000
Board Designated Endowments	2,333,589	2,096,481
Board Designated Building Reserve	1,000	1,000
Cash Surrender Value of Life Insurance	34,272	33,126
Financial Assets Available To Meet Cash Needs For General Expenditure Within One Year	\$ 201,227	\$ 288,192

The Organization's Board of Directors has designated the endowments, less the endowment funds held in perpetuity, for operating purposes as specified by the board. Because of the Board of Directors designation, those endowment funds are not available for general expenditure within the next year; however, the board could make them available, if necessary. Management considers a general expenditure to be any expense not directly tied to one of the programs.

Note 7 - Restrictions/Limitations on Net Assets

Board Designated Net Assets

The governing board of the Organization has designated the following as net assets without donor restrictions funds which represent resources currently available for use, both corpus and accumulated investment return, but expendable only for those operating purposes as specified by the Board of Directors. See also Note 10. Designated funds consisted of the following at March 31, 2024 and 2023:

	2024	2023
Hirschfeld Endowment	\$ 467,669	\$ 422,526
Keener Endowment	393,835	355,819
United Way Endowment	802,774	713,431
Mary June Beck Endowment	669,311	604,705
Total	\$ 2,333,589	\$ 2,096,481

UNITED WAY OF THE CONCHO VALLEY, INC.
NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
March 31, 2024 and 2023

Note 7 - Restrictions/Limitations on Net Assets - Continued

Net Assets with Donor Restrictions

Net assets with donor restrictions are restricted for the following purposes as of March 31, 2024 and 2023:

	<u>2024</u>	<u>2023</u>
Campaign Pledges	\$ 669,506	\$ 784,900
Grants	64,614	-
Total	<u>\$ 734,120</u>	<u>\$ 784,900</u>

Also included in net assets with donor restrictions is an endowment corpus to be held in perpetuity, the income of which is expendable to support general operations. In accordance with the Alice Ward Endowment Trust agreement, the initial contribution of \$46,000 should remain in perpetuity and is therefore reflected as a net asset with donor restrictions at March 31, 2024 and 2023 in the accompanying Statements of Financial Position, as well as in accordance with donor specific allocation directions.

Note 8 - Allocations to Agencies

Once the annual campaign is completed, the Board of Directors allocates campaign receipts to member agencies based upon requests, needs, and available resources. Below is a summary of amounts allocated to the individual agencies for the years ended March 31, 2024 and 2023:

	<u>2024</u>	<u>2023</u>
Alcohol and Drug Abuse Council	\$ 62,929	\$ 68,351
Boys & Girls Club of Menard	-	20,024
Boys & Girls Club of San Angelo	-	34,465
Boys & Girls Club of the Concho Valley	45,310	-
Children's Advocacy Center	88,233	102,558
Concho Valley Community Action Association	57,118	49,884
Concho Valley Regional Food Bank	47,922	37,963
Galilee Community Development Corporation	30,510	28,976
Girl Scouts of Central Texas	701	4,357
ICD Family Shelter	30,131	23,640
Ozona Community Center	38,887	36,059
San Angelo Clubhouse	27,018	36,879
San Angelo Early Childhood Center	45,267	48,776
Sonrisas Therapeutic Riding, Inc.	4,276	15,509
West Texas Counseling & Guidance Center	99,563	100,859
YMCA	60,523	73,093
Net Allocations to Agencies	<u>\$ 638,388</u>	<u>\$ 681,393</u>

Note 9 - Fair Value Measured on Recurring Basis

Financial Accounting Standards Board (FASB) ASC 820, *Fair Value Measurements*, establishes a framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1 measurements) and the lowest priority to unobservable inputs (level 3 measurements). The Organization's investments are valued on a recurring basis using Level 2 measurements.

UNITED WAY OF THE CONCHO VALLEY, INC.
NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
March 31, 2024 and 2023

Note 9 - Fair Value Measured on Recurring Basis - Continued

Fair values of assets and liabilities measured on a recurring basis at March 31, 2024 and 2023 are as follows:

	<u>Fair Value</u>	<u>Significant Other Observable Inputs (Level 2)</u>
<u>March 31, 2024</u>		
Endowment Investments	\$ 2,379,589	\$ 2,379,589
Cash Value of Life Insurance	34,272	34,272
<u>March 31, 2023</u>		
Endowment Investments	\$ 2,142,481	\$ 2,142,481
Cash Value of Life Insurance	33,126	33,126

Note 10 - Endowments

Board-Designated Endowments

As of March 31, 2024 and 2023, the Board of Directors had designated \$2,333,589 and \$2,096,481 of net assets without donor restrictions as general endowment funds to support the mission of the Organization. Since these amounts resulted from an internal designation and are not donor-restricted, they are classified and reported as net assets without donor restrictions.

The Board of Directors may withdraw 5% annually of the Endowment Fund's value at a specified date. Any withdrawal in excess of 5% must have a 90% majority vote of the Board of Directors. In establishing the spending policy, the Organization considered the long-term expected investment return on its endowments. Accordingly, over the long term, the Organization expects the spending policy to allow its general endowment funds to grow at an average of 5% annually.

To achieve this objective, the Organization has adopted an investment policy that attempts to maximize total return consistent with an acceptable level of risk. Endowment assets are invested with the San Angelo Area Foundation. Actual returns in any given year may vary.

Composition of and changes in endowment net assets for the years ended March 31, 2024 and 2023 are as follows:

	<u>2024</u>	<u>2023</u>
Board-Designated Endowment Net Assets, Beginning of Year	\$ 2,096,481	\$ 2,130,894
Net Investment Income	71,332	56,153
Net Appreciation (Depreciation)	283,813	(223,009)
Contributions	-	248,610
Amounts Appropriated for Expenditure	(118,037)	(116,167)
Board-Designated Endowment Net Assets, End of Year	<u>\$ 2,333,589</u>	<u>\$ 2,096,481</u>

Donor-Designated Endowment

The Board of Directors of the Organization has interpreted the Uniform Prudent Management of Institutional Funds Act (UPMIFA) as requiring the Organization to follow the donor's instructions. As mentioned in Note 7, the Alice Ward Endowment Trust agreement requires the Organization to maintain the initial contribution of \$46,000 in perpetuity. The earnings on this endowment fund are included in the Board-Designated Endowments.

UNITED WAY OF THE CONCHO VALLEY, INC.
NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
March 31, 2024 and 2023

Note 11 - Retirement Plan

United Way of the Concho Valley, Inc. has a defined contribution plan as permitted under Section 408(k) of the Internal Code which is available to all eligible participants. Employees become eligible after one year of service or January 1st of the following year, whichever comes sooner. During the year ended March 31, 2024 and 2023, the Organization contributed 6% of each eligible participant's base salary into the plan. Total retirement expense for 2024 and 2023 was \$10,917 and \$7,539, respectively.

Note 12 - Leasing Activities

During November of 2021, the Organization entered into a capital lease for the purchase of a copier with a term of five years. The current lease meets the requirements of a finance lease and, accordingly, has been recorded as such.

The following summarizes the line items in the statements of financial position which include amounts for finance leases as of March 31, 2024 and 2023:

	2024	2023
Lease Assets:		
Finance Right of Use Lease Asset	\$ 28,093	\$ 38,968
Lease Liabilities:		
Finance Right of Use Lease Liability	\$ 29,782	\$ 40,319

Amortization expenses of the lease are reflected in depreciation and amortization expenses on the Statements of Functional Expenses. The following summarizes lease costs for the years ended March 31, 2024 and 2023:

	2024	2023
Lease Costs:		
Finance Lease Costs:		
Amortization of Right of Use Asset	\$ 10,875	\$ 10,875
Interest on Lease Liability	1,777	2,290
Total Finance Lease Costs	\$ 12,652	\$ 13,164

The following summarizes the weighted average remaining lease terms and discount rates as of March 31, 2024 and 2023:

	2024	2023
Weighted-Average Discount Rate		
Finance Lease	5.00%	5.00%
Weighted-Average Remaining Lease Term		
Finance Lease	2.42 years	3.27 years

UNITED WAY OF THE CONCHO VALLEY, INC.
NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
March 31, 2024 and 2023

Note 12 - Leasing Activities - Continued

The following is a schedule by year of future minimum payments required under the capital leases together with the present value of the leases as of March 31, 2024.

Years Ending March 31,	
2025	\$ 12,313
2026	12,313
2027	7,183
Thereafter	-
	31,809
Less: Imputed Interest	(2,028)
Present Value of Minimum Mease Liability	\$ 29,782

Note 13 - Evaluation of Subsequent Events

Management evaluates events occurring subsequent to the statement of financial position date, through the date the financial statements are eligible to be issued, to determine whether the events require recognition or disclosure in the financial statements. If a subsequent event evidences conditions existing at the statement of financial position date, the effects are recognized in the financial statements (recognized subsequent event). If a subsequent event evidences conditions arising after the statement of financial position date, the effects are not recognized in the financial statements but rather disclosed in the notes to the financial statements (non-recognized subsequent events). The effects of subsequent events are only recognized if material, or disclosed if the financial statements would otherwise be misleading. The Company has evaluated subsequent events for recognition and disclosure through September 26, 2024, which is the date the financial statements were available to be issued.