Consolidated Financial Statements
June 30, 2023 and 2022

United Way of Larimer County

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Independent Auditor's Report

The Board of Directors
United Way of Larimer County
Fort Collins, Colorado

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of United Way of Larimer County, which comprise the consolidated statements of financial position as of June 30, 2023 and 2022, and the related consolidated statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the consolidated financial statements.

In our opinion, the accompanying consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of United Way of Larimer County as of June 30, 2023 and 2022, and the changes in its consolidated 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 audits in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities of the Audit of the Consolidated Financial Statements section of our report. We are required to be independent of United Way of Larimer County and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. 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 Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated 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 consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated 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 Larimer County's ability to continue as a going concern for one year after the date that the consolidated financial statements are available to be issued.

Auditor's Responsibilities of the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated 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 consolidated 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 consolidated 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 consolidated 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 Larimer County'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 consolidated financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about United Way of Larimer County'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.

Eide Bailly LLP

Fort Collins, Colorado
October 25, 2023

	2023	2022
Assets		
Cash	$ 367,645	$ 1,933,928
Grants receivable	286,413	34,780
Promises to give, net	687,645	835,476
Certificates of deposit	2,382,072	1,914,270
Prepaid expenses and other assets	17,488	30,082
Cash held for others	201,413	240,804
Property and equipment, net	792,270	822,631
Operating right of use asset	977,603	-
Beneficial interest in assets held by community foundation	1,971,160	1,880,472
Total assets	$ 7,683,709	$ 7,692,443
Liabilities and Net Assets		
Accounts payable, accrued, and other liabilities	$ 86,115	$ 116,264
Accrued payroll and paid time off	121,482	175,361
Designations payable	389,710	523,208
Operating lease liability	1,070,815	-
Grants payable	-	245,000
Deferred lease arrangements	-	91,170
Total liabilities	1,668,122	1,151,003
Net Assets		
Without donor restrictions		
Undesignated	261,472	489,696
Board reserves	2,795,950	2,721,482
Invested in property and equipment, net of restrictions	167,270	197,631
	3,224,692	3,408,809
With donor restrictions	2,790,895	3,132,631
Total net assets	6,015,587	6,541,440
Total liabilities and net assets	$ 7,683,709	$ 7,692,443

	Without Donor Restrictions	With Donor Restrictions	Total
Support, Revenue, and Gains			
Support			
Gross public support	$ 3,367,310	$ 918,210	$ 4,285,520
Less amounts designated by donors for specific organizations	(1,163,499)	-	(1,163,499)
Adjustment for uncollectible promises to give	(121,860)	-	(121,860)
Net campaign revenue	2,081,951	918,210	3,000,161
Gross special events revenue			
Ticket sales, contributions, and sponsorships	186,677	77,846	264,523
In-kind contributions	38,009	-	38,009
Less costs of direct benefits to donors	(158,211)	-	(158,211)
Net special event revenue	66,475	77,846	144,321
Grants and sponsorships	150,841	585,006	735,847
In-kind contributions	68,999	-	68,999
Total support revenue	2,368,266	1,581,062	3,949,328
Revenue and Gains			
Net investment income	123,435	-	123,435
Net distributions and change in value of beneficial interest in assets held by community foundation	80,607	10,081	90,688
Service fees, rental, and other income	96,295	-	96,295
Net assets released from restrictions	1,932,879	(1,932,879)	-
Total revenue and gains	2,233,216	(1,922,798)	310,418
Total support, revenue, and gains	4,601,482	(341,736)	4,259,746
Expenses			
Program services	3,612,275	-	3,612,275
Management and general	610,529	-	610,529
Resource development	562,795	-	562,795
Total expenses	4,785,599	-	4,785,599
Change in Net Assets	(184,117)	(341,736)	(525,853)
Net Assets, Beginning of Year	3,408,809	3,132,631	6,541,440
Net Assets, End of Year	$ 3,224,692	$ 2,790,895	$ 6,015,587

	Without Donor Restrictions	With Donor Restrictions	Total
Support, Revenue, and Gains			
Support			
Gross public support	$ 4,257,448	$ 769,048	$ 5,026,496
Less amounts designated by donors for specific organizations	(1,668,352)	-	(1,668,352)
Adjustment for uncollectible promises to give	(53,686)	-	(53,686)
Net campaign revenue	2,535,410	769,048	3,304,458
Gross special events revenue			
Ticket sales, contributions, and sponsorships	62,904	54,730	117,634
In-kind contributions	974	31,240	32,214
Less costs of direct benefits to donors	(107,214)	-	(107,214)
Net special event revenue	(43,336)	85,970	42,634
Grants and sponsorships	326,807	938,121	1,264,928
In-kind contributions	68,484	-	68,484
Total support revenue	2,887,365	1,793,139	4,680,504
Revenue and Gains			
Net investment income	69,325	-	69,325
Net distributions and change in value of beneficial interest in assets held by community foundation	(251,093)	(21,579)	(272,672)
Service fees, rental, and other income	96,959	-	96,959
Net assets released from restrictions	2,315,216	(2,315,216)	-
Total revenue and gains	2,230,407	(2,336,795)	(106,388)
Total support, revenue, and gains	5,117,772	(543,656)	4,574,116
Expenses			
Program services	4,193,681	-	4,193,681
Management and general	653,500	-	653,500
Resource development	559,031	-	559,031
Total expenses	5,406,212	-	5,406,212
Change in Net Assets	(288,440)	(543,656)	(832,096)
Net Assets, Beginning of Year	3,697,249	3,676,287	7,373,536
Net Assets, End of Year	$ 3,408,809	$ 3,132,631	$ 6,541,440

	Program Services	Management and General	Resource Development	Cost of Sales	Total
Resources allocated to the community					
Gross funds awarded	$ 3,333,331	$ -	$ -	$ -	$ 3,333,331
Less amounts designated by donors for specific organizations	(1,334,652)	-	-	-	(1,334,652)
Total resources allocated to the community	1,998,679	-	-	-	1,998,679
Personnel costs					
Salaries	771,443	349,957	270,056	-	1,391,456
Employee benefits	103,936	55,384	39,955	-	199,275
Payroll taxes	60,977	27,485	21,459	-	109,921
Total personnel costs	936,356	432,826	331,470	-	1,700,652
Expenses					
Professional fees	287,876	46,494	51,393	-	385,763
Occupancy, insurance, and maintenance	198,595	52,697	44,500	-	295,792
Cost of direct benefits to donors	-	-	-	158,211	158,211
Information technology	46,950	25,996	22,804	-	95,750
Office supplies	35,907	17,601	23,136	-	76,644
Membership dues	34,354	19,575	18,717	-	72,646
Printing and publications	2,784	10,208	25,835	-	38,827
Donated advertising	38,076	-	-	-	38,076
Donor stewardship	-	-	36,090	-	36,090
Depreciation and amortization	25,653	2,597	2,111	-	30,361
Conferences and travel	7,045	2,535	6,739	-	16,319
	677,240	177,703	231,325	158,211	1,244,479
Total expenses by function	3,612,275	610,529	562,795	158,211	4,943,810
Less expenses included with revenues on the consolidated statement of activities	-	-	-	(158,211)	(158,211)
Total expenses included in the expenses section on the consolidated statement of activities	$ 3,612,275	$ 610,529	$ 562,795	$ -	$ 4,785,599

	Program Services	Management and General	Resource Development	Cost of Sales	Total
Resources allocated to the community					
Gross funds awarded	$ 4,136,208	$ -	$ -	$ -	$ 4,136,208
Less amounts designated by donors for specific organizations	(1,632,828)	-	-	-	(1,632,828)
Total resources allocated to the community	2,503,380	-	-	-	2,503,380
Personnel costs					
Salaries	737,090	354,130	307,530	-	1,398,750
Employee benefits	117,710	60,920	12,600	-	191,230
Payroll taxes	50,580	27,530	28,520	-	106,630
Total personnel costs	905,380	442,580	348,650	-	1,696,610
Expenses					
Professional fees	402,948	43,190	53,250	-	499,388
Occupancy, insurance, and maintenance	181,630	66,320	44,250	-	292,200
Cost of direct benefits to donors	-	-	-	107,214	107,214
Information technology	49,610	30,590	22,280	-	102,480
Office supplies	23,915	6,990	21,441	-	52,346
Membership dues	27,180	35,000	23,860	-	86,040
Printing and publications	13,792	21,670	24,970	-	60,432
Donated advertising	40,330	-	-	-	40,330
Donor stewardship	-	-	12,920	-	12,920
Depreciation and amortization	25,070	3,630	2,350	-	31,050
Conferences and travel	20,446	3,530	5,060	-	29,036
	784,921	210,920	210,381	107,214	1,313,436
Total expenses by function	4,193,681	653,500	559,031	107,214	5,513,426
Less expenses included with revenues on the consolidated statement of activities	-	-	-	(107,214)	(107,214)
Total expenses included in the expenses section on the consolidated statement of activities	$ 4,193,681	$ 653,500	$ 559,031	$ -	$ 5,406,212

	2023	2022
Operating Activities		
Change in net assets	$ (525,853)	$ (832,096)
Adjustments to reconcile change in net assets to net cash from (used for) operating activities		
Depreciation and amortization	30,361	31,050
Amortization of deferred lease arrangements	-	8,434
Net distributions and change in beneficial interest in assets held by community foundation	(90,688)	272,672
Adjustment for uncollectible promises to give	121,860	53,686
Realized/unrealized gain on certificates of deposit	(38,159)	(6,365)
Forgiveness of PPP loan	-	(299,893)
Changes in operating assets and liabilities		
Grants receivable	(251,633)	447,919
Promises to give, net	25,971	(135,918)
Prepaid expenses and other assets	12,594	(8,806)
Accounts payable, accrued, and other liabilities	(30,149)	62,086
Accrued payroll and paid time off	(53,879)	12,116
Designations payable	(133,498)	76,872
Grants payable	(245,000)	245,000
Operating lease assets and liabilities	2,042	-
Net cash used for operating activities	(1,176,031)	(73,243)
Investing Activities		
Purchases of certificates of deposit	(1,712,561)	(625,000)
Maturity of certificates of deposit	1,282,918	260,315
Purchases of property and equipment	-	(4,100)
Net cash used for investing activities	(429,643)	(368,785)
Net Change in Cash and Cash Held for Others	(1,605,674)	(442,028)
Cash and Cash Held for Others, Beginning of Year	2,174,732	2,616,760
Cash and Cash Held for Others, End of Year	$ 569,058	$ 2,174,732
Cash	$ 367,645	$ 1,933,928
Cash held for others	201,413	240,804
Total cash and cash held for others	$ 569,058	$ 2,174,732
Supplemental Disclosure of Cash Flow Information		
Cash paid during the year for		
Amounts included in the measurement of operating lease liabilities	$ 183,425	$ -

Note 1 - Principal Activity and Significant Accounting Policies

Organization

United Way of Larimer County (UWLC) is a Colorado nonprofit corporation. UWLC plays a vital role in connecting the community and ensuring that everyone in Larimer County has access to the resources they need to thrive. UWLC is supported primarily through public donations and is governed by a volunteer board of directors comprised of community leaders with a diverse array of industry, expertise, geography and experience. A predominant portion of the UWLC's revenue is allocated and granted to other nonprofit organizations. Through strategic partnerships and relationship building with donors, corporate partners, governments and nonprofit agencies, UWLC facilitates community solutions directed at creating systemic change and positive impact.

UWLC is the sole member of UWLC Holding, LLC which was organized in October 2011 for the purpose of receiving and liquidating significant in-kind property contributions on behalf of UWLC.

Principles of Consolidation

The consolidated financial statements include the accounts of UWLC and its wholly-owned subsidiary, UWLC Holding, LLC. All material intercompany accounts and transactions have been eliminated in consolidation. Unless otherwise noted, these consolidated entities are hereinafter referred to as "UWLC".

Cash and Cash Held for Other

UWLC considers demand deposits and sweep accounts to be cash. Cash held for others represents cash contributions received by UWLC and directed by donors to specific not-for-profit entities that has not yet been disbursed.

Grants Receivable and Promises to Give

UWLC records unconditional grants receivable and promises to give that are expected to be collected within one year at net realizable value. Unconditional grants receivable and promises to give expected to be collected in future years are initially recorded at fair value using present value techniques incorporating risk-adjusted discount rates designed to reflect the assumptions market participants would use in pricing the asset. In subsequent years, amortization of the discounts is included in grants and public support revenue in the consolidated statements of activities. As all grants receivable and promises to give are due within one year of June 30, 2023 and 2022, no discount has been recorded. Allowance for grants receivable and uncollectible promises to give is determined based on historical experience, an assessment of economic conditions, and a review of subsequent collections. Grants receivable and promises to give are written off when deemed uncollectible. At June 30, 2023 and 2022, no allowance for grants receivable was considered necessary. At June 30, 2023 and 2022, the allowance for promises to give was $21,267 and $25,839, respectively.

Promises to give for the years ended June 30, 2023 and 2022 that relate to donor contributions designated for other 501(c)(3) organizations totaled $188,297 and $282,404 respectively, and are recorded within designations payable in the accompanying consolidated statements of financial position.

During the years ended June 30, 2023 and 2022, total contributions by members of the Board of Directors totaled approximately $68,000 and $167,000, respectively. Contributions by members of the Board of Directors for the years ended June 30, 2023 and 2022 that are designated for other 501(c)(3) organizations totaled approximately $24,000 and $80,000, respectively.

Certificates of Deposit

UWLC holds certificates of deposit (CDs) in local financial institutions that are initially recorded at cost. Thereafter, CDs are reported at their fair values in the consolidated statements of financial position. Net investment return is reported in the consolidated statements of activities and consists of interest income, realized and unrealized capital gains and losses, less external and direct internal investment expenses.

Property and Equipment

Property and equipment additions over $1,000 are recorded at cost, or if donated, at fair value on the date of donation. Depreciation and amortization are computed using the straight-line method over the estimated useful lives of the assets ranging from 3 to 40 years, or in the case of leasehold improvements, the lesser of the useful life of the asset or the lease term. When assets are sold or otherwise disposed of, the cost and related depreciation or amortization are removed from the accounts, and any resulting gain or loss is included in the consolidated statements of activities. Costs of maintenance and repairs that do not improve or extend the useful lives of the respective assets are expensed currently.

The carrying values of property and equipment are reviewed for impairment whenever events or circumstances indicate that the carrying value of an asset may not be recoverable from the estimated future cash flows expected to result from its use and eventual disposition. When considered impaired, an impairment loss is recognized to the extent carrying value exceeds the fair value of the asset. UWLC has determined there were no indicators of asset impairment during the years ended June 30, 2023 and 2022.

Beneficial Interest in Assets Held by Community Foundation

Previously, UWLC established a Board-Designated Endowment Fund and a WomenGive Scholarship Fund with the Community Foundation of Northern Colorado (the Foundation) and named itself beneficiary in each agreement. UWLC granted variance power to the Foundation, which allows the Foundation to modify any condition or restriction on its distributions for any specified charitable purpose or to any specified organization if, in the sole judgment of the Foundation’s Board of Directors, such restriction or condition becomes unnecessary, incapable of fulfillment, or inconsistent with the charitable needs of the community. The funds are held and invested by the Foundation for UWLC’s benefit and are reported at fair value in the consolidated statements of financial position, with distributions and changes in fair value recognized in the consolidated statements of activities.

Designations Payable

Designations payable consist of contributions received and directed by donors to specific not-for-profit entities or programs that UWLC serves, and to other UWLC organizations that have not yet been disbursed.

Net Assets

Net assets, revenues, gains, and losses are classified based on the existence or absence of donor (or certain grantor) restrictions. Accordingly, net assets and changes therein are classified and reported as follows:

Net Assets Without Donor Restrictions – Net assets available for use in general operations and not subject to donor (or certain grantor) restrictions. The governing board has designated, from net assets without donor restrictions, net assets for various reserves (Note 6).

Net Assets With Donor Restrictions – Net assets subject to donor (or certain grantor) restrictions. Some donor (or grantor) 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 restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. UWLC reports contributions restricted by donors as increases in net assets with donor restrictions if they are received with donor stipulations that limit the use of the donated assets. When a donor 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 in the consolidated statements of activities as net assets released from restrictions. UWLC reports conditional contributions restricted by donors as increases in net assets without donor restrictions if the restrictions and conditions expire simultaneously in the reporting period. Gifts of long-lived assets and gifts of cash restricted for the acquisition of long-lived assets are released from restriction when the assets are placed in service.

Revenue and Revenue Recognition

Annual campaigns are conducted in the fall to raise support for allocation to participating agencies in the subsequent calendar year. The majority of workplace campaign promises to give are collected from payroll deductions during the following calendar year. Undesignated contributions, grants, sponsorships, and contributions received or promises to give for annual campaigns, are recognized when cash, securities or other assets, an unconditional promise to give, or notification of a beneficial interest is received. Conditional grants and promises to give, that is, those with a measurable performance or other barrier, and a right of return, are not recognized until the conditions on which they depend have been substantially met. UWLC federal grants are conditioned upon certain performance requirements and the incurrence of allowable qualifying expenses. Consequently, at June 30, 2023 and 2022, conditional contributions approximating $750,000 and $0, respectively, for which no amounts had been received in advance, have not been recognized in the accompanying consolidated financial statements.

UWLC allows donors to designate a portion of their contributions to other 501(c)(3) organizations. In these situations, the funds designated by the donor are deducted from gross public support to determine net campaign revenue. Designations create an obligation to pay donor funds to those specific non-profit organizations. Because funds are disbursed based on amounts collected, no allowance is deducted from individual designations. Some of UWLC's corporate donors direct their contributions to be used to underwrite administrative costs, allowing over 90% of individual contributions to be used to meet the mission and goals of UWLC.

Special events revenue is comprised of an exchange element based upon the direct benefits donors receive and a contribution element for the difference. UWLC recognizes special events revenue equal to the fair value of direct benefits to donors when the special event takes place. UWLC recognizes the contribution element of special event revenue immediately, unless there is a right of return if the special event does not take place.

In-Kind Contributions

In-kind contributions include donated advertising, professional services, printing and publications, and entertainment, which are recorded at the respective fair values of the goods or services received (Note 7). UWLC does not sell donated gifts-in-kind. In addition to in-kind contributions, volunteers contribute significant amounts of time to program services, administration, and fundraising and development activities; however, the consolidated financial statements do not reflect the value of these contributed services because they do not meet recognition criteria prescribed by generally accepted accounting principles. Contributed goods are recorded at fair value at the date of donation.

Functional Allocation of Expenses

The costs of program and supporting services activities have been summarized on a functional basis in the consolidated statements of activities. The consolidated statements of functional expenses present the natural classification detail of expenses by function. Accordingly, certain costs have been allocated among the programs and supporting services benefited. The consolidated financial statements report certain categories of expenses that are attributed to more than one program or supporting function. Therefore, expenses require allocation on a reasonable basis that is consistently applied. The expenses that are allocated include occupancy, insurance, and maintenance, information technology, office supplies, and depreciation and amortization, which are allocated on a time and effort basis, as well as salaries, employee benefits, and payroll taxes which are allocated based on program revenue.

Income Taxes

UWLC has been determined to be exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code. UWLC is annually required to file a Return of Organization Exempt from Income Tax (Form 990) with the IRS. In addition, UWLC is subject to income tax on net income that is derived from business activities that is unrelated to its exempt purpose. UWLC has determined it is not subject to unrelated business income tax and has not filed an Exempt Organization Business Income Tax Return (Form 990T) with the IRS. UWLC Holding, LLC is treated as a disregarded entity for tax purposes, and is incorporated into the UWLC tax filings.

UWLC believes that it has appropriate support for any tax positions taken affecting its annual filing requirements, and as such, does not have any uncertain tax positions that are material to the consolidated financial statements. UWLC would recognize future accrued interest and penalties related to unrecognized tax benefits and liabilities in income tax expense if such interest and penalties are incurred.

Estimates

The preparation of consolidated financial statements in conformity with generally accepted accounting principles requires UWLC to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates, and those differences could be material.

Financial Instruments and Credit Risk

Deposit concentration risk is managed by placing cash and certificates of deposit with financial institutions believed by UWLC to be creditworthy. At times, amounts on deposit may exceed insured limits. To date, no losses have been experienced in any of these accounts. Credit risk associated with grants receivable and promises to give is considered to be limited due to high historical collection rates and because substantial portions of the outstanding amounts are due from foundations and organizations whose employees are supportive of UWLC's mission.

UWLC maintains its cash in bank deposit accounts which exceed federally insured limits. Accounts are guaranteed by the Federal Deposit Insurance Corporation (FDIC) up to $250,000 per depositor, per insured bank, for each account ownership category. At June 30, 2023 and 2022, UWLC had approximately $0 and $54,000, respectively, in excess of FDIC-insured limits.

Subsequent Events

UWLC has evaluated subsequent events through October 25, 2023, the date the consolidated financial statements were available to be issued.

Note 2 - Liquidity and Availability

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the consolidated statements of financial position date, comprise the following:

	2023	2022
Cash	$ 183,777	$ 1,502,404
Grants receivable due in one year	286,413	34,780
Promises to give due in one year	499,348	553,072
Certificates of deposit maturating in one year	1,914,364	1,418,119
Distributions from beneficial interests in assets held by others	21,942	14,534
	$ 2,905,844	$ 3,522,909

At June 30, 2023 and 2022, promises to give exclude donor contributions of $188,297 and $282,404, respectively, which are designated for other 501(c)(3) organizations.

At June 30, 2023 and 2022, cash, grants receivable, and promises to give include donor restricted funds of $1,932,108 and $2,285,925 of which $1,748,240 and $1,854,401, respectively, is expected to be spent in the normal course of operations in the next 12 months, and therefore included in the table above.

As part of a liquidity management plan, cash in excess of daily requirements is invested in CDs. Occasionally, the Board designates portions of any operating surplus to its reserves (Note 6) and are available as necessary upon board approval.

Note 3 - Fair Value Measurements and Disclosures

Certain assets are reported at fair value in the consolidated financial statements. Fair value is the price that would be received to sell an asset in an orderly transaction in the principal, or most advantageous, market at the measurement date under current market conditions regardless of whether that price is directly observable or estimated using another valuation technique. Inputs used to determine fair value refer broadly to the assumptions that market participants would use in pricing the asset, including assumptions about risk. Inputs may be observable or unobservable. Observable inputs are inputs that reflect the assumptions market participants would use in pricing the asset based on market data obtained from sources independent of the reporting entity. Unobservable inputs are inputs that reflect the reporting entity's own assumptions about the assumptions market participants would use in pricing the asset based on the best information available.

A three-tier hierarchy categorizes the inputs as follows:

Level 1 – Quoted prices (unadjusted) in active markets for identical assets that can be accessed at the measurement date.

Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset, either directly or indirectly. These include quoted prices for similar assets in active markets, quoted prices for identical or similar assets in markets that are not active, inputs other than quoted prices that are observable for the asset, and market-corroborated inputs.

Level 3 – Unobservable inputs for the asset. In these situations, inputs are developed using the best information available in the circumstances.

In some cases, the inputs used to measure the fair value of an asset might be categorized within different levels of the fair value hierarchy. In those cases, the fair value measurement is categorized in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement. Assessing the significance of a particular input to entire measurement requires judgment, taking into account factors specific to the asset. The categorization of an asset within the hierarchy is based upon the pricing transparency of the asset and does not necessarily correspond to UWLC's assessment of the quality, risk, or liquidity profile of the asset.

UWLC invests in CDs traded in the financial markets which are valued by the custodians of the securities using pricing models based on credit quality, time to maturity, stated interest rates, and market-rate assumptions and are classified within Level 2. UWLC held $2,382,072 and $1,914,270 in CDs at June 30, 2023 and 2022, respectively. The fair value of beneficial interest in assets held by the Foundation is based on the fair value of underlying fund investments as reported by the Foundation. These are considered to be Level 3 measurements.

The following is a reconciliation of the beginning and ending balance of assets measured at fair value on a recurring basis using significant unobservable inputs (Level 3) for the years ended June 30, 2023 and 2022:

	2023	2022
Balance, beginning of the year	$ 1,880,472	$ 2,153,144
Contributions	2,000	-
Distributions	(70,874)	(60,984)
Net investment return (loss)	159,562	(211,688)
Balance, end of the year	$ 1,971,160	$ 1,880,472

Note 4 - Property and Equipment

Property and equipment consist of the following at June 30, 2023 and 2022:

	2023	2022
Land	$ 625,000	$ 625,000
Leasehold improvements	230,064	230,064
Equipment, furniture, and fixtures	116,550	116,550
	971,614	971,614
Less accumulated depreciation and amortization	(179,344)	(148,983)
	$ 792,270	$ 822,631

Note 5 - Paycheck Protection Program (PPP) Loan

UWLC was granted a loan of $299,893 and $297,362 under the PPP administered by a Small Business Administration (SBA) approved partner for the years ended June 30, 2021 and 2020, respectively. The loans were uncollateralized and were fully guaranteed by the Federal Government. UWLC was eligible for forgiveness of up to 100% of the loans, upon meeting certain requirements. UWLC had initially recorded the loans as a refundable advance and recorded the forgiveness in accordance with guidance for conditional contributions, that is, once the measurable performance or other barrier, and a right of return of the PPP loan no longer exists. Proceeds from the loans were eligible for forgiveness if they were used for certain payroll, rent, and utility expenses. Both loans have been fully forgiven and UWLC recorded $0 and $299,893 of grant revenue for the years ended June 30, 2023 and 2022 respectively.

Note 6 - Leases

Effective July 1, 2022, UWLC adopted the new lease accounting guidance in Accounting Standards Update No. 2016-02*, Leases (Topic 842)*. UWLC elected to apply the guidance as of July 1, 2022, the beginning of the adoption period. The comparative financial information and disclosures presented for the year ended June 30, 2022 are in accordance with the legacy standard, ASC 840. The standard requires the recognition of right-of-use assets and lease liabilities for lease contracts with terms greater than 12 months. Operating lease costs are recognized in the consolidated statements of activities as a single lease cost and finance lease costs are recognized in two components, interest expense and amortization expense. UWLC has elected the package of practical expedients permitted in ASC Topic 842.

Accordingly, UWLC accounted for its existing leases as either finance or operating lease under the new guidance, without reassessing (a) whether the contract contains a lease under ASC Topic 842, (b) whether classification of the operating lease would be different in accordance with ASC Topic 842, or (c) whether the unamortized initial direct costs before transition adjustments would have met the definition of initial direct costs in ASC Topic 842 at lease commencement. As a result of the adoption of the new lease accounting guidance, UWLC recognized on July 1, 2022, the beginning of the adoption period, with no cumulative effect adjustment to net assets, an operating lease liability of $1,220,593 and an operating right-of-use asset of $1,129,422. The adoption of the new standard did not materially impact our consolidated statements of activities or cash flows.

UWLC leases an office facility and equipment for various terms under long-term, non-cancelable operating lease agreements. The leases expire at various dates through 2029. The leases provide for increases in future minimum annual rental payments based on defined within the lease agreement.

The weighted average discount rate is based on the discount rate implicit in the lease. UWLC has elected the option to use the risk-free rate determined using a period comparable to the lease terms as the discount rate for leases where the implicit rate is not readily determinable.

UWLC has elected the short-term lease exemption for all leases with a term of 12 months or less for both existing and ongoing operating leases to not recognize the asset and liability for these leases. Lease payments for short-term leases are recognized on straight-line basis.

Additionally, the office space operating lease agreement requires UWLC to cover common area maintenance expenses for various operation, maintenance, and repair of the office space. UWLC is not including non-lease components in the calculation of the right-of-use asset and related lease liability.

Lease costs were $185,467 for the year ended June 30, 2023.

As of June 30, 2023, the weighted-average remaining lease term was 6.91 years and the weighted-average discount rate was 1.54%.

The future minimum lease payments under noncancelable operating leases with terms greater than one year are listed below as of June 30, 2023:

Years Ending June 30,	
2024	$ 189,252
2025	193,001
2026	192,600
2027	197,181
2028	202,506
Thereafter	194,561
Total lease payments	1,169,101
Less interest	(98,286)
Present value of lease liabilities	$ 1,070,815

Total rent expense recognized through Topic 840 for the year ended June 30, 2022 was $181,897. Future minimum lease payments determined under the guidance in Topic 840 are listed below at June 30, 2022:

Years Ending June 30,	
2023	$ 173,383
2024	178,584
2025	183,942
2026	189,460
2027	195,144
Thereafter	408,027
	$ 1,328,540

Note 7 - Net Assets with Donor Restrictions and Board-Designated Net Assets

Net assets with donor restrictions are restricted for the following purposes or periods:

	2023	2022
Subject to expenditure for specified purpose or time		
Land	$ 625,000	$ 625,000
Larimer fire fund	619,189	837,524
Colorado Child Care Tax Credit	431,146	401,971
WomenGive	320,333	283,036
Community Impact Center	242,742	-
Colorado Reading Corps / Readers as Leaders	183,516	223,918
Dolly Parton Imagination Library	53,451	-
Community emergency fund	42,840	42,580
Other grant funded projects and programs	37,284	76,067
Seasonal overflow shelter	1,607	11,704
Early Childhood Navigators / Be Ready	-	154,125
Larimer County childcare fund	-	150,000
Non-Profit Excellence	-	60,000
Estes Park summer programming	-	25,000
2-1-1 information and referral services	-	20,000
	2,557,108	2,910,925
Perpetual in nature, not subject to spending policy or appropriation		
Beneficial interest in assets held by community foundation, distributions from which are restricted for WomenGive	233,787	221,706
	$ 2,790,895	$ 3,132,631

Board-designated net assets represent net assets without donor restrictions, which the board of directors has earmarked for a specified purpose at June 30, 2023 and 2022:

	2023	2022
Endowment reserve	$ 1,737,373	$ 1,658,766
Operating reserve	939,318	943,457
Building reserve	119,259	119,259
	$ 2,795,950	$ 2,721,482

The endowment reserve includes the beneficial interest in assets held by community foundation. The operating reserve is to be used for long-term or unanticipated obligations. The building reserve is to be used only to fund major repairs and critical maintenance.

Net assets were released from donor restrictions by incurring expenses satisfying the restricted purpose or other events specified by the donors as follows for the years ended June 30, 2023 and 2022:

	2023	2022
Satisfaction of purpose and time restrictions		
Colorado Child Care Tax Credit	$ 407,923	$ 488,958
WomenGive	343,664	377,114
Larimer County childcare fund	322,994	100,000
Larimer fire recovery	218,335	524,720
Colorado Reading Corps / Readers as Leaders	190,000	205,173
Early Childhood Navigators / Be Ready	154,125	100,698
Other grant funded projects and programs	117,288	60,323
Seasonal overflow shelter	73,550	257,498
Non-Profit Excellence	60,000	16,681
Estes Park summer programming	25,000	25,000
2-1-1 information and referral services	20,000	20,000
Emergency aid	-	106,650
Shared services	-	32,401
	$ 1,932,879	$ 2,315,216

Note 8 - In-Kind Contributions

For the years ended June 30, 2023 and 2022, in-kind contributions recognized within the consolidated statements of activities included the following:

	2023	2022
Donated advertising	$ 38,076	$ 40,330
Professional services - information technology	18,000	18,330
Printing and publications	12,923	9,824
	68,999	68,484
Cost of direct benefits to donors - entertainment	38,009	32,214
	$ 107,008	$ 100,698

Contributed advertising, printing and publications, and entertainment are valued using estimated principal market of identical or similar products using pricing data under a “like-kind” methodology considering the utility for use at the time of the contribution. Contributed advertising and printing and publications are used in various program services and management and general activities.

Contributed professional services are received from information technology professionals who provide UWLC various consulting services. Contributed professional services are recognized at fair value based on current rates for similar information technology services.

All gifts-in-kind received during the year ended June 30, 2023 were unrestricted. Entertainment in-kind contributions totaling $31,240 received during the year-end June 30, 2022 were restricted for the WomenGive purpose restriction.

Note 9 - Employee Benefits

UWLC offers a 401(k) Plan covering eligible employees. Employees working 30 hours or more and 21 years of age are eligible immediately upon commencing employment. Traditional and Roth 401(k) options are available. Under the Roth 401(k) option, participants may make post-tax elective deferrals in addition to, or instead of, pre-tax elective deferrals under the traditional 401(k) option. A participant's combined elective deferrals cannot exceed the IRS limits for traditional 401(k) deferrals. UWLC has adopted Safe Harbor 401(k) provisions under which it matches participant contributions. During the years ended June 30, 2023 and 2022, UWLC's employer retirement contributions to the 401(k) plan totaled $64,759 and $61,849, respectively.