



Consolidated Financial Statements
June 30, 2024 and 2023

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, 2024 and 2023, 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, 2024 and 2023, 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 for 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 for 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 23, 2024

United Way of Larimer County
Consolidated Statements of Financial Position
June 30, 2024 and 2023

	2024	2023
Assets		
Cash	\$ 969,829	\$ 367,645
Grants receivable	728,458	286,413
Promises to give, net	604,666	687,645
Certificates of deposit	1,444,557	2,382,072
Prepaid expenses	15,686	17,488
Cash held for others	199,785	201,413
Land held for sale	200,000	-
Property and equipment, net	174,037	792,270
Operating right of use assets	821,279	977,603
Beneficial interest in assets held by community foundation	1,596,462	1,971,160
	<u>\$ 6,754,759</u>	<u>\$ 7,683,709</u>
Liabilities and Net Assets		
Accounts payable and accrued liabilities	\$ 80,245	\$ 86,115
Accrued payroll and paid time off	142,733	121,482
Grants payable	236,652	-
Refundable advances	92,454	-
Designations payable	358,392	389,710
Operating lease liabilities	910,707	1,070,815
	<u>1,821,183</u>	<u>1,668,122</u>
Net Assets		
Without donor restrictions		
Undesignated	505,572	261,472
Board reserves	2,355,804	2,795,950
Invested in property and equipment, net of restrictions	174,037	167,270
	<u>3,035,413</u>	<u>3,224,692</u>
With donor restrictions	1,898,163	2,790,895
	<u>4,933,576</u>	<u>6,015,587</u>
	<u>\$ 6,754,759</u>	<u>\$ 7,683,709</u>

United Way of Larimer County
Consolidated Statement of Activities
Year ended June 30, 2024

	Without Donor Restrictions	With Donor Restrictions	Total
Support, Revenue, and Gains			
Support			
Gross public support	\$ 3,139,207	\$ 924,465	\$ 4,063,672
Less amounts designated by donors for specific organizations	(1,247,539)	-	(1,247,539)
Adjustment for uncollectible promises to give	(109,460)	-	(109,460)
Net campaign revenue	1,782,208	924,465	2,706,673
Gross special events revenue			
Ticket sales, contributions, and sponsorships	198,860	111,538	310,398
In-kind contributions	31,764	-	31,764
Less costs of direct benefits to donors	(195,209)	-	(195,209)
Net special event revenue	35,415	111,538	146,953
Grants and sponsorships	3,906,079	2,266,746	6,172,825
In-kind contributions	39,185	-	39,185
Net assets released from restrictions	4,214,358	(4,214,358)	-
Total support	9,977,245	(911,609)	9,065,636
Revenue and gains			
Net investment income	98,346	-	98,346
Change in value of beneficial interest in assets held by community foundation	210,816	18,877	229,693
Service fees, rental, and other income	105,663	-	105,663
Total revenue and gains	414,825	18,877	433,702
Total support, revenue, and gains	10,392,070	(892,732)	9,499,338
Expenses and Losses			
Program services	8,982,523	-	8,982,523
Management and general	654,485	-	654,485
Resource development	519,341	-	519,341
Total expenses	10,156,349	-	10,156,349
Impairment loss on land held for sale	425,000	-	425,000
Total expenses and losses	10,581,349	-	10,581,349
Change in Net Assets	(189,279)	(892,732)	(1,082,011)
Net Assets, Beginning of Year	3,224,692	2,790,895	6,015,587
Net Assets, End of Year	\$ 3,035,413	\$ 1,898,163	\$ 4,933,576

United Way of Larimer County
Consolidated Statement of Activities
Year ended June 30, 2023

	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
Net assets released from restrictions	1,932,879	(1,932,879)	-
Total support	4,301,145	(351,817)	3,949,328
Revenue and gains			
Net investment income	54,561	-	54,561
Change in value of beneficial interest in assets held by community foundation	149,481	10,081	159,562
Service fees, rental, and other income	96,295	-	96,295
Total revenue and gains	300,337	10,081	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

United Way of Larimer County
Consolidated Statement of Functional Expenses
Year Ended June 30, 2024

	Program Services	Management and General	Resource Development	Cost of Sales	Total
Resources Allocated to The Community					
Gross funds awarded	\$ 8,413,918	\$ -	\$ -	\$ -	\$ 8,413,918
Less amounts designated by donors for specific organizations	(1,296,897)	-	-	-	(1,296,897)
Total resources allocated to the community	<u>7,117,021</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>7,117,021</u>
Personnel Costs					
Salaries	899,716	337,203	251,766	-	1,488,685
Employee benefits	142,806	67,493	43,154	-	253,453
Payroll taxes	68,613	26,231	19,387	-	114,231
Total personnel costs	<u>1,111,135</u>	<u>430,927</u>	<u>314,307</u>	<u>-</u>	<u>1,856,369</u>
Expenses					
Professional fees	368,280	83,541	48,563	-	500,384
Occupancy, insurance, and maintenance	218,190	49,007	41,823	-	309,020
Cost of direct benefits to donors	-	-	-	195,209	195,209
Information technology	51,966	36,183	31,207	-	119,356
Office supplies	36,082	15,499	21,814	-	73,395
Membership dues	33,797	19,743	18,776	-	72,316
Printing and publications	1,136	14,028	19,249	-	34,413
Depreciation and amortization	24,950	2,180	1,801	-	28,931
Donor stewardship	-	-	16,229	-	16,229
Donated advertising	14,994	-	-	-	14,994
Conferences and travel	4,972	3,377	5,572	-	13,921
Total expenses by function	<u>754,367</u>	<u>223,558</u>	<u>205,034</u>	<u>195,209</u>	<u>1,378,168</u>
Total expenses by function	<u>8,982,523</u>	<u>654,485</u>	<u>519,341</u>	<u>195,209</u>	<u>10,351,558</u>
Less expenses included with revenues on the consolidated statement of activities	-	-	-	(195,209)	(195,209)
Total expenses included in the expenses section on the consolidated statement of activities	<u>\$ 8,982,523</u>	<u>\$ 654,485</u>	<u>\$ 519,341</u>	<u>\$ -</u>	<u>\$ 10,156,349</u>

United Way of Larimer County
Consolidated Statement of Functional Expenses
Year Ended June 30, 2023

	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	<u>1,998,679</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,998,679</u>
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	<u>936,356</u>	<u>432,826</u>	<u>331,470</u>	<u>-</u>	<u>1,700,652</u>
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
Depreciation and amortization	25,653	2,597	2,111	-	30,361
Donor stewardship	-	-	36,090	-	36,090
Donated advertising	38,076	-	-	-	38,076
Conferences and travel	7,045	2,535	6,739	-	16,319
Total expenses by function	<u>677,240</u>	<u>177,703</u>	<u>231,325</u>	<u>158,211</u>	<u>1,244,479</u>
Total expenses by function	<u>3,612,275</u>	<u>610,529</u>	<u>562,795</u>	<u>158,211</u>	<u>4,943,810</u>
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	<u>\$ 3,612,275</u>	<u>\$ 610,529</u>	<u>\$ 562,795</u>	<u>\$ -</u>	<u>\$ 4,785,599</u>

United Way of Larimer County
Consolidated Statements of Cash Flows
Years Ended June 30, 2024 and 2023

	2024	2023
Operating Activities		
Change in net assets	\$ (1,082,011)	\$ (525,853)
Adjustments to reconcile change in net assets to net cash from (used for) operating activities		
Depreciation and amortization	28,931	30,361
Amortization of right of use operating lease assets	156,324	143,737
Change in value of beneficial interest in assets held by community foundation	(229,693)	(159,562)
Adjustment for uncollectible promises to give	109,460	121,860
Impairment loss on land held for sale	425,000	-
Changes in operating assets and liabilities		
Grants receivable	(442,045)	(251,633)
Promises to give, net	(26,481)	25,971
Prepaid expenses	1,802	12,594
Accounts payable and accrued liabilities	(5,870)	(30,149)
Accrued payroll and paid time off	21,251	(53,879)
Grants payable	236,652	(245,000)
Refundable advances	92,454	-
Designations payable	(31,318)	(133,498)
Operating lease liabilities	(160,108)	(141,695)
Net Cash used for Operating Activities	(905,652)	(1,206,746)
Investing Activities		
Purchases of certificates of deposit	(2,436,867)	(1,750,720)
Maturity of certificates of deposit	3,374,382	1,282,918
Purchases of property and equipment	(35,698)	-
Net withdrawal from beneficial interest in assets held by community foundation	604,391	68,874
Net Cash from (used for) Investing Activities	1,506,208	(398,928)
Net Change in Cash and Cash Held for Others	600,556	(1,605,674)
Cash and Cash Held for Others, Beginning of Year	569,058	2,174,732
Cash and Cash Held for Others, End of Year	\$ 1,169,614	\$ 569,058
Cash	\$ 969,829	\$ 367,645
Cash Held for Others	199,785	201,413
Total cash and cash held for others	\$ 1,169,614	\$ 569,058
Supplemental Disclosure of Cash Flow Information		
Cash paid during the year for		
Amounts included in the measurement of operating lease liabilities	\$ 189,251	\$ 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 have 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 substantially within one year of June 30, 2024 and 2023, 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, 2024 and 2023, no allowance for grants receivable was considered necessary; the allowance for promises to give was \$32,934 and \$21,267, respectively.

Promises to give for the years ended June 30, 2024 and 2023 that relate to donor contributions designated for other 501(c)(3) organizations totaled \$158,607 and \$188,297 respectively, and are recorded within designations payable in the accompanying consolidated statements of financial position.

During the years ended June 30, 2024 and 2023, total contributions by members of the Board of Directors totaled approximately \$38,000 and \$68,000, respectively. Contributions by members of the Board of Directors for the years ended June 30, 2024 and 2023 that are designated for other 501(c)(3) organizations totaled approximately \$21,000 and \$24,000, 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 income 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 and Land Held for Sale

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 held for sale, 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.

Right of Use Leased Assets and Liabilities

Right to use leased assets and the related liabilities are recognized at the lease commencement date and represent UWLC's right to use an underlying asset and lease obligations for the lease term. Right to use leased assets are measured at the initial value of the lease liability plus any payments made to the lessor before the commencement of the lease term, less any lease incentives received from the lessor at or before the commencement of the lease term, plus any initial direct costs necessary to place the lease asset into service. Right to use leased assets are amortized over the shorter of the lease term or the useful life of the underlying asset using the straight-line method. The amortization period varies among the leases.

Impairment of Long-Lived Assets

The carrying values of property and equipment, land held for sale, and leased assets 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 that land held for sale was impaired during the year ended June 30, 2024, and has recorded an impairment loss of \$425,000 at June 30, 2024 (Notes 3 and 4). There were no indicators of asset impairment during the year ended June 30, 2023.

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 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.

Grants and Grant Payable

UWLC recognizes grants paid as expenses at the time recipients are entitled to receive them. Generally, this occurs when the Board of Directors approves a specific grant or when management, pursuant to grant authorization policies established by the Board of Directors, determines that a grant payment should be made. Grants approved but not disbursed are recorded as grants payable in the consolidated statements of financial position. Grants approved but contingent upon fulfillment of certain specified conditions are not recorded until such time as the conditions are substantially met. There were no such conditional grants outstanding at June 30, 2024 and 2023.

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, and sponsorships 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.

A portion of the UWLC's revenue is derived from cost-reimbursable federal, local, and county grants, which are conditioned upon certain performance requirements and/or the incurrence of allowable qualifying expenses. Amounts received are recognized as revenue when UWLC has incurred expenditures in compliance with specific grant provisions. Amounts received prior to incurring qualifying expenditures are reported as refundable advances in the consolidated statements of financial position. UWLC received cost-reimbursable grants approximating \$197,600 and \$750,000 that have not been recognized at June 30, 2024 and 2023, respectively, because qualifying expenditures have not yet been incurred. At June 30, 2024 and 2023, \$92,454 and \$0, respectively, has been received in advance under federal grants.

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 rent, 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. 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, 2024 and 2023, UWLC had no amounts in excess of FDIC-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.

Reclassifications

Certain reclassifications of amounts previously reported have been made to the accompanying consolidated financial statements to maintain consistency between periods presented. The reclassifications had no impact on previously reported net assets.

Subsequent Events

UWLC has evaluated subsequent events through October 23, 2024, 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:

	2024	2023
Cash	\$ 930,050	\$ 183,777
Grants receivable due in one year	698,458	286,413
Promises to give due in one year	446,059	499,348
Certificates of deposit maturing in one year	1,444,557	1,914,364
Distributions from beneficial interests in assets held by others	-	21,942
	\$ 3,519,124	\$ 2,905,844

At June 30, 2024 and 2023, promises to give exclude donor contributions of \$158,607 and \$188,297, respectively, which are designated for other 501(c)(3) organizations.

At June 30, 2024 and 2023, cash, grants receivable, and promises to give include donor restricted funds of \$1,395,499 and \$1,932,108 of which \$1,355,720 and \$1,748,240, 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. The fair values of land held for sale is determined using market pricing established by real estate broker based on recent comparable transactions. These are considered to be Level 2 measurements. The fair value of beneficial interest in assets held by the community foundation is based on the fair value of fund investments as reported by the community foundation. These are considered Level 3 measurements.

The following table presents assets measured at fair value on a recurring basis at June 30, 2024:

	Total	Fair Value Measurements at Report Date Using		
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Certificates of deposit	\$ 1,444,557	\$ -	\$ 1,444,557	\$ -
Land held for sale	\$ 200,000	\$ -	\$ 200,000	\$ -
Beneficial interest in assets held by community foundation	\$ 1,596,462	\$ -	\$ -	\$ 1,596,462

The following table presents assets measured at fair value on a recurring basis at June 30, 2023:

	Total	Fair Value Measurements at Report Date Using		
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Certificates of deposit	\$ 2,382,072	\$ -	\$ 2,382,072	\$ -
Beneficial interest in assets held by community foundation	\$ 1,971,160	\$ -	\$ -	\$ 1,971,160

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, 2024 and 2023:

	2024	2023
Balance, Beginning of The Year	\$ 1,971,160	\$ 1,880,472
Contributions	-	2,000
Distributions	(604,391)	(70,874)
Change in value	229,693	159,562
Balance, End of The Year	\$ 1,596,462	\$ 1,971,160

Note 4 - Property and Equipment and Land Held for Sale

Property and equipment and land held for sale consist of the following at June 30, 2024 and 2023:

	2024	2023
Leasehold improvements	\$ 230,064	\$ 230,064
Equipment, furniture, and fixtures	114,351	116,550
Work in progress	35,882	-
Land	-	625,000
	380,297	971,614
Less accumulated depreciation and amortization	(206,260)	(179,344)
	\$ 174,037	\$ 792,270
Land held for sale	\$ 200,000	\$ -

During the year ended June 30, 2024, UWLC engaged with a real estate agent to sell land which was appraised at a fair value below its carrying value. Accordingly, an impairment loss of \$425,000 was recorded in the consolidated statements of activities at June 30, 2024, and the carrying value of the property was reduced to its estimated fair value (Note 3).

Note 5 - Leases

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 terms 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 years ended June 30, 2024 and 2023.

As of June 30, 2024 and 2023, the weighted-average remaining lease term was 4.96 and 5.93 years and the weighted-average discount rate was 1.55% and 1.54%, respectively.

The future minimum lease payments under noncancelable operating leases with terms greater than one year are listed below as of June 30, 2024:

Years Ending June 30,	
2025	\$ 193,001
2026	192,600
2027	197,181
2028	202,506
2029	194,561
Total lease payments	979,849
Less interest	(69,142)
Present value of lease liabilities	\$ 910,707

Note 6 - Net Assets with Donor Restrictions and Board-Designated Net Assets

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

	2024	2023
Subject to Passage of Time		
Grant receivable that is not restricted by donor but which is unavailable for expenditure until due	\$ 250,000	\$ -
Land	-	625,000
	250,000	625,000
Subject to Expenditure for Specified Purpose		
Larimer fire fund	473,744	619,189
WomenGive	339,193	320,333
Early Childhood Navigators / Be Ready	163,511	-
Colorado Reading Corps / Readers as Leaders	155,061	183,516
Community Impact Center	99,542	242,742
Dolly Parton Imagination Library	79,779	53,451
Other grant funded projects and programs	55,500	37,284
Collaborative - Local school districts	40,000	-
2-1-1 information and referral services	20,000	-
Seasonal overflow shelter	557	1,607
Colorado Child Care Tax Credit	-	431,146
Community emergency fund	-	42,840
	1,426,887	1,932,108
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	221,276	233,787
	\$ 1,898,163	\$ 2,790,895

Board-designated net assets represent net assets without donor restrictions, which the Board of Directors has earmarked for a specified purpose at June 30, 2024 and 2023:

	2024	2023
Endowment reserve	\$ 1,375,186	\$ 1,737,373
Operating reserve	961,359	939,318
Building reserve	19,259	119,259
	\$ 2,355,804	\$ 2,795,950

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, 2024 and 2023:

	2024	2023
Subject to Passage of Time		
Land	\$ 625,000	\$ -
Satisfaction of Purpose Restrictions		
Colorado Child Care Tax Credit	855,768	407,923
Loveland Youth Campus	841,313	-
WomenGive	457,012	343,664
Colorado Reading Corps / Readers as Leaders	295,000	190,000
Community Impact Center	284,944	-
Larimer County childcare fund	200,000	322,994
Early Childhood Navigators / Be Ready	158,748	154,125
Larimer fire recovery	145,445	218,335
Collaborative - Local school districts	131,000	-
Other grant funded projects and programs	66,579	117,288
Community emergency fund	42,840	-
2-1-1 information and referral services	36,296	20,000
Dolly Parton Imagination Library	33,363	-
Seasonal overflow shelter	21,050	73,550
Non-Profit Excellence	20,000	60,000
Estes Park summer programming	-	25,000
	\$ 4,214,358	\$ 1,932,879

Note 7 - In-Kind Contributions

For the years ended June 30, 2024 and 2023, in-kind contributions recognized within the consolidated statements of activities included the following:

	2024	2023
Donated advertising	\$ 19,650	\$ 38,076
Professional services - information technology	14,994	18,000
Printing and publications	4,541	12,923
	39,185	68,999
Cost of direct benefits to donors - entertainment	31,764	38,009
	\$ 70,949	\$ 107,008

Contributed advertising, printing and publications, and entertainment are valued using an 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 and used in management and general activities. Contributed professional services are recognized at fair value based on current rates for similar information technology services.

All gifts-in-kind received during the years ended June 30, 2024 and 2023 were unrestricted.

Note 8 - 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, 2024 and 2023, UWLC’s employer retirement contributions to the 401(k) plan totaled \$61,907 and \$64,759, respectively.