

UNITED WAY OF NORTHERN NEVADA AND THE SIERRA

AUDITED FINANCIAL STATEMENTS

JUNE 30, 2025 AND 2024

The logo for HRC (Hatch Resource Company) is located in the bottom right corner. It consists of the letters "HRC" in a white, sans-serif font, centered within a dark blue square. The square has a white border and is set against a background of green curved shapes that frame the page.

HRC

UNITED WAY OF NORTHERN NEVADA AND THE SIERRA

JUNE 30, 2025 AND 2024

TABLE OF CONTENTS

	<u>Page</u>
INDEPENDENT AUDITOR’S REPORT	1-2
STATEMENTS OF FINANCIAL POSITION	3
STATEMENT OF ACTIVITIES	4
STATEMENT OF FUNCTIONAL EXPENSES	5
STATEMENTS OF CASH FLOWS	6
NOTES TO FINANCIAL STATEMENTS	7-17

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
United Way of Northern Nevada and the Sierra
Reno, Nevada

Opinion

We have audited the accompanying financial statements of United Way of Northern Nevada and the Sierra (a nonprofit organization), which comprise the statement of financial position as of June 30, 2025, and the related statements of activities, functional expenses, and cash flows for the year 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 Northern Nevada and the Sierra as of June 30, 2025, and the changes in its net assets and its cash flows for the year 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 Northern Nevada and the Sierra 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 Northern Nevada and the Sierra'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, including omissions, 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 Northern Nevada and the Sierra'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 Northern Nevada and the Sierra's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Report on Summarized Comparative Information

We have previously audited United Way of Northern Nevada and the Sierra's June 30, 2024 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated February 3, 2025. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2024, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Houldsworth, Russo & Company, P.C.

Reno, Nevada
January 29, 2026

UNITED WAY OF NORTHERN NEVADA AND THE SIERRA
STATEMENTS OF FINANCIAL POSITION
JUNE 30, 2025 AND 2024

	2025	2024
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	\$ 265,030	\$ 521,410
Cash and cash equivalents, with donor restrictions	269,820	346,923
Investments	-	312,529
Grants receivable	858,911	648,310
Pledges receivable, net of allowance	122,035	121,209
Prepaid expenses	24,679	20,936
Total current assets	<u>1,540,475</u>	<u>1,971,317</u>
OTHER ASSETS		
Property and equipment, net	68,303	72,196
Investments, with donor restrictions	-	606,443
Endowment investments held in cash	18,014	21,695
Investments held for endowments	370,564	398,613
Operating lease right-of-use assets, net of amortization	319,449	434,826
Total other assets	<u>776,330</u>	<u>1,533,773</u>
Total assets	<u>\$ 2,316,805</u>	<u>\$ 3,505,090</u>
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Accounts payable	\$ 95,057	\$ 53,898
Program accounts payable	527,248	412,517
Accrued compensated absences and payroll related expenses	64,089	85,765
Due to donor designated agencies, net of allowance	127,999	135,851
Operating lease liabilities	119,700	111,038
	<u>934,093</u>	<u>799,069</u>
OTHER LIABILITIES		
Operating lease liabilities, net of current	205,555	325,255
Total liabilities	<u>1,139,648</u>	<u>1,124,324</u>
NET ASSETS		
Without donor restrictions		
Invested in property and equipment	68,303	72,196
Board designated endowment for reserves	198,552	244,759
Operating, undesignated	450,456	934,896
Total net assets without donor restrictions	<u>717,311</u>	<u>1,251,851</u>
With donor restrictions		
Purpose restrictions	360,677	1,029,746
Perpetual in nature	99,169	99,169
Total net assets with donor restrictions	<u>459,846</u>	<u>1,128,915</u>
Total net assets	<u>1,177,157</u>	<u>2,380,766</u>
Total liabilities and net assets	<u>\$ 2,316,805</u>	<u>\$ 3,505,090</u>

See accompanying notes to financial statements

UNITED WAY OF NORTHERN NEVADA AND THE SIERRA
STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2025
(WITH COMPARATIVE TOTALS FOR THE YEAR ENDED JUNE 30, 2024)

	2025			2024
	Without Donor Restrictions	With Donor Restrictions	Total	Total
Support, revenue, and gains (losses):				
Current campaign contributions				
Contributions	\$ 964,093	\$ -	\$ 964,093	\$ 663,507
Less donor designations	(193,714)	-	(193,714)	(151,080)
Total campaign results for current period	770,379	-	770,379	512,427
Allowance for uncollectible pledges	(155,319)	-	(155,319)	(4,078)
Total campaign revenue	615,060	-	615,060	508,349
Special events	13,257	-	13,257	58,540
Less: direct benefits to donors	(7,468)	-	(7,468)	(28,705)
Net special events	5,789	-	5,789	29,835
Grants	3,142,684	826,325	3,969,009	2,433,772
Investment return, net	44,493	14,477	58,970	52,197
Other income	6,484	-	6,484	807
Net assets released from restrictions	1,509,871	(1,509,871)	-	-
Total support, revenue, and gains (losses)	5,324,381	(669,069)	4,655,312	3,024,960
Expenses:				
Program services:				
Education and Literacy Services	3,834,498	-	3,834,498	2,264,520
Community Safety Net Services	1,579,971	-	1,579,971	828,527
Supporting services:				
Accountability operations	206,392	-	206,392	447,101
Resource development	238,060	-	238,060	151,559
	5,858,921	-	5,858,921	3,691,707
Change in net assets	(534,540)	(669,069)	(1,203,609)	(666,747)
Net assets, beginning of year	1,251,851	1,128,915	2,380,766	3,047,513
Net assets, end of year	\$ 717,311	\$ 459,846	\$ 1,177,157	\$ 2,380,766

See accompanying notes to financial statements

UNITED WAY OF NORTHERN NEVADA AND THE SIERRA
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED JUNE 30, 2025
(WITH COMPARATIVE TOTALS FOR THE YEAR ENDED JUNE 30, 2024)

	2025						2024
	Program Services			Supporting Services			Total
	Education and Literacy Services	Community Safety Net Services	Program Total	Accountability Operations	Resource Development	Total	
Salaries	\$ 1,150,831	\$ 509,045	\$ 1,659,876	\$ 24,878	\$ 91,503	\$ 1,776,257	\$ 1,334,957
Payroll taxes	87,659	38,049	125,708	4,501	6,773	136,982	101,544
Employee benefits	53,465	55,153	108,618	11,302	22,115	142,035	87,742
Retirement benefits	23,627	16,786	40,413	11,481	13,651	65,545	36,308
Total salaries and related expenses	1,315,582	619,033	1,934,615	52,162	134,042	2,120,819	1,560,551
Community impact projects	2,367,478	708,758	3,076,236	1,432	723	3,078,391	1,654,147
Contract services	23,453	83,204	106,657	92,160	37,132	235,949	161,988
Depreciation	-	-	-	15,209	-	15,209	14,556
Insurance	1,264	3,172	4,436	257	1,291	5,984	7,445
Marketing	19,049	8,310	27,359	5,316	1,263	33,938	14,221
Membership dues	-	11,345	11,345	-	844	12,189	16,053
Miscellaneous	809	13,742	14,551	4,602	7,806	26,959	25,763
National dues	3,422	15,275	18,697	5,316	7,418	31,431	15,803
Occupancy	45,374	63,147	108,521	13,271	26,342	148,134	94,462
Repairs and maintenance	1,231	3,447	4,678	1,484	1,415	7,577	7,194
Supplies	13,685	21,221	34,906	12,071	26,675	73,652	123,162
Training and conference	1,230	4,108	5,338	3,006	535	8,879	9,884
Travel	41,921	25,209	67,130	106	42	67,278	15,183
	3,834,498	1,579,971	5,414,469	206,392	245,528	5,866,389	3,720,412
Less: direct benefit to donors	-	-	-	-	(7,468)	(7,468)	(28,705)
Total expenses	\$ 3,834,498	\$ 1,579,971	\$ 5,414,469	\$ 206,392	\$ 238,060	\$ 5,858,921	\$ 3,691,707

See accompanying notes to financial statements

UNITED WAY OF NORTHERN NEVADA AND THE SIERRA
STATEMENTS OF CASH FLOWS
YEAR ENDED JUNE 30, 2025

	2025	2024
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ (1,203,609)	\$ (666,747)
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:		
Depreciation	15,209	14,556
Unrealized (gain)/loss on investments	(24,061)	(36,167)
Amortization of right of use asset	115,377	75,572
Change in allowance for uncollectible pledges	94,659	9,597
Change in allowance on due to donor designated agencies	348	59,849
(Increase) decrease in operating assets:		
Grants receivable	(210,601)	2,095,463
Pledges receivable	(95,485)	52,644
Prepaid expenses	(3,743)	4,199
Increase (decrease) in operating liabilities:		
Accounts payable	41,159	32,131
Program accounts payable	114,731	141,763
Accrued compensated absences and payroll related expenses	(21,676)	58,447
Due to donor designated agencies	(8,200)	(8,771)
Operating lease liabilities	(111,038)	(77,911)
Net cash provided by (used in) operating activities	<u>(1,296,930)</u>	<u>1,754,625</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property and equipment	(11,316)	(50,006)
Sales of investments	1,853,108	1,798,144
Purchases of investments	(878,345)	(2,710,287)
Net cash provided by (used in) in investing activities	<u>963,447</u>	<u>(962,149)</u>
NET CHANGE IN CASH AND CASH EQUIVALENTS	(333,483)	792,476
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	868,333	75,857
CASH AND CASH EQUIVALENTS, END OF YEAR	<u>\$ 534,850</u>	<u>\$ 868,333</u>
SUMMARY OF CASH ACCOUNTS		
Cash and cash equivalents	\$ 265,030	\$ 521,410
Cash and cash equivalents, with donor restrictions	269,820	346,923
	<u>\$ 534,850</u>	<u>\$ 868,333</u>
SUPPLEMENTAL DISCLOSURE		
Operating lease right-of-use assets obtained for operating lease liabilities	<u>\$ -</u>	<u>\$ 246,041</u>

See accompanying notes to financial statements

**UNITED WAY OF NORTHERN NEVADA AND THE SIERRA
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2025 AND 2024**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Principal Activities – United Way of Northern Nevada and the Sierra (UWNNS) was incorporated in 1961 as a nonprofit corporation in the state of Nevada. UWNNS develops and distributes resources to address human service needs in Northern Nevada and the Lake Tahoe Basin. On a continuing basis, UWNNS identifies and assesses the most pressing community issues and deploys resources or operates programs that address these needs.

Education and Literacy Services includes the Nevada Ready! State Pre-K program, which provides 3 to 4-year-old children with a high-quality early education to children who otherwise would not have access to it. In addition, the United Readers program, provides foundational literacy skills through mentoring with specially trained AmeriCorps members focusing on phonemic awareness. Finally, UWNNS serves as the facilitator for the Northern Nevada Reading Coalition, which collaborates with local literacy-focused organizations to support grade-level reading by the end of third grade including programs like Dolly Parton’s Imagination Library.

Community Safety Net Services includes critical services such as the Emergency Food and Shelter Program (EFSP), which collaborates with local community organizations to ensure families and individuals have their basic needs met. In addition, the SAFE Program provides energy assistance to households who have confirmed financial need to catch up on their energy bills. Finally the Ride United program which assists clients with critical transportation and delivers life-sustaining supplies to their homes.

Comparative Financial Information – The accompanying financial statements include certain prior-year summarized comparative information in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with accounting principles generally accepted in the United States of America (GAAP). Accordingly, such information should be read in conjunction with the UWNNS’s audited financial statements for the year ended June 30, 2024, from which the summarized information was derived.

Basis of Accounting – The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America and, accordingly, reflect all significant receivables, payables and other liabilities.

Basis of Presentation – UWNNS presents its financial statements in accordance with the Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC). Under the FASB ASC, UWNNS is required to report information regarding its financial position and changes in financial position according to two classes of net assets: net assets without donor restrictions and net assets with donor restrictions.

Use of Estimates – The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Cash and Cash Equivalents – Cash and cash equivalents include general checking accounts. For purposes of the statement of cash flows, UWNNS considers all highly liquid investments purchased with original maturities of three months or less, which are neither held for nor restricted by donors for long-term purposes, to be cash and cash equivalents.

UNITED WAY OF NORTHERN NEVADA AND THE SIERRA
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2025 AND 2024

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Cash and Cash Equivalents (continued) – Cash and highly liquid financial instruments restricted to endowments that are perpetual in nature, or other long-term purpose are excluded from this definition.

Investments – Investments consist of exchange traded funds that are valued at their fair values in the statement of financial position. Net appreciation or depreciation in the fair value of investments, which consists of realized and unrealized gains or losses on these investments, are reflected in the statement of activities.

Grants Receivable – Grants receivable include grant funds, which have eligible expenses but have not yet been reimbursed at year-end. Grants receivable are considered fully collectible by management; therefore, no allowance for doubtful accounts is included in the financial statements.

Contributions and Pledges Receivable – UWNNS conducts an annual fundraising campaign between March 1 and February 28 to raise support for allocation to participating agencies in the subsequent year. Contributions are recognized when the donor makes an unconditional promise to give to UWNNS.

All contributions are considered to be available for use without donor restrictions unless specifically restricted by the donor. Amounts received that are restricted for future periods or are restricted by the donor for specific purposes are reported in the net asset class with donor restrictions.

When a donor-stipulated time restriction ends, or a purpose restriction is accomplished, the restricted net assets are reclassified to the net asset class without donor restrictions net assets and are reported in the statement of activities as net assets released from restriction.

The UWNNS campaign allows for both corporate designations and individual designations to fields of service in addition to the traditional designations to specific agencies or organizations. All agencies are required to provide UWNNS with documentation of tax-exempt status and compliance with anti-terrorism legislation. Donor designations to specific agencies are not included as revenue or allocations in the accompanying statement of activities. Designations raised from donors in each campaign are recorded as a liability. Designations eventually paid are net of fundraising and administrative costs charged, if applicable.

Designations are recorded based on pledges that will be received directly by UWNNS and also by third-party processors. The third-party processors will pay the designations directly to the appropriate agencies designated. During the year ended June 30, 2025, UWNNS donor designated gifts totaled \$193,714 of which \$0 was paid by UWNNS. During the year ended June 30, 2024, UWNNS donor designated gifts totaled \$151,080 of which \$61,035 was paid by UWNNS.

Donors typically pay total pledges in installments within a twelve-month period. The commencement date of payments will vary among donors. Pledges, therefore, are usually collected within an 18-month cycle (campaign collection cycle). Pledges receivable that are expected to be collected within the campaign collection cycle are recorded at their net realizable value.

**UNITED WAY OF NORTHERN NEVADA AND THE SIERRA
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2025 AND 2024**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Contributions and Pledges Receivable (continued) – Pledges receivable collected after the expected period are recorded as net cash flow if material. Conditional promises to give are not included as support until such time as the conditions are substantially met and both the timing and the value of the promise are known with reasonable certainty.

An allowance for uncollectible pledges relating to annual campaigns has been provided based on prior years' experience and expectations of management as to collectability. Campaign pledges prior to the 2023-2024 campaign have been deemed uncollectible and reserved accordingly. However, if any campaign pledges prior to the 2023-2024 campaign are collected, they will be recorded as income in the year received.

Property and Equipment – Property and equipment are recorded at cost or fair market value, if donated. Depreciation is calculated based on the estimated service lives of assets from five to thirty-seven years on a straight-line basis. UWNNS's capitalization policy requires individual assets with an estimated useful life beyond one year to be capitalized if the original cost or fair value at the date of donation exceeds \$1,000.

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. There were no indicators of asset impairment during the years ended June 30, 2025 and 2024, respectively.

Compensated Absences – UWNNS's policy is to provide for the accumulation of up to 80 hours earned vacation leave which is fully vested when earned. UWNNS recognizes the expenses and liability for compensated absences as the leave is earned. Sick days and other accumulated paid absences are not vested, and therefore, UWNNS recognizes the costs for sick days and other absences when paid.

Net Assets – Net assets, revenues, gains, and losses are classified based on the existence or absence of donor or 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 a board-designated endowment from net assets without donor restrictions.

Net Assets With Donor Restrictions – Net assets subject to donor (or certain grantor) restrictions. Some donor imposed (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. UWNNS reports contributions restricted by donors as increases in net assets without donor restrictions if the restrictions expire (that is, when a stipulated time restriction ends or purpose restriction is accomplished) in the reporting period in which the revenue is recognized.

**UNITED WAY OF NORTHERN NEVADA AND THE SIERRA
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2025 AND 2024**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Net Assets (continued) – All other donor-restricted contributions are reported as increases in net assets with donor restrictions, depending on the nature of the restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions.

Net Asset Designations – The members of the Board of Directors have designated reserve funds of \$198,552 and \$244,759 at June 30, 2025 and 2024, respectively. The Board members, at their discretion, can revise the intended use of net assets as they deem necessary.

UWNNS has \$68,303 and \$72,196 invested in property and equipment at June 30, 2025 and 2024, respectively.

Revenue and Revenue Recognition – UWNNS recognizes contributions when cash, securities or other assets; an unconditional promise to give; or a notification of a beneficial interest is received. Conditional 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.

Contributed Materials and Services – Contributed materials are reflected as contributions in the accompanying financial statements at their estimated values at the date of receipt. Contributed professional services are recognized if the services received (a) create or enhance long-lived assets or (b) require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation.

A substantial number of volunteers have donated a significant amount of services. The services donated do not meet the criteria for recognition as defined above. Accordingly, the financial statements do not reflect the value of these services. UWNNS's annual fund-raising campaigns are significantly dependent upon the support provided by volunteers. Such volunteers provided approximately 1,100 hours of direct services during the fiscal year. The value of these volunteer services is estimated to be \$33.49 per hour, based upon an independent hourly rate estimate from the Independent Sector for the State of Nevada. If these services were included, revenue and program expenses would increase by approximately \$36,839.

Advertising – UWNNS expenses all advertising costs as they are incurred.

Income Taxes – UWNNS is organized as a Nevada nonprofit corporation and has been recognized by the IRS as exempt from federal income taxes under IRC Section 501(a) as an organization described in IRC Section 501(c)(3), qualifies for the charitable contribution deduction, and has been determined not to be a private foundation. UWNNS is annually required to file a Return of Organization Exempt from Income Tax (Form 990) with the IRS. In addition, UWNNS is subject to income tax on net income that is derived from business activities that are unrelated to their exempt purposes. UWNNS determined that the entity is not subject to unrelated business income tax and has not filed an Exempt Organization Business Income Tax Return (Form 990-T) with the IRS.

Management believes that UWNNS 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 financial statements.

UNITED WAY OF NORTHERN NEVADA AND THE SIERRA
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2025 AND 2024

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Income Taxes (continued) –UWNNS 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.

Functional Allocation of Expenses – The costs of program and supporting services activities have been summarized on a functional basis in the statement of activities. The statement of functional expenses presents the natural classification detail of expenses by function. Accordingly, certain costs have been allocated among the programs and supporting services benefited. The 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 salaries and related expenses, insurance, marketing, occupancy, and supplies based upon time and effort.

Leases – UWNNS leases office space and a copier for which a determination of whether an arrangement is a lease is made at inception. Operating leases are included as operating lease ROU assets and operating lease liabilities on the statement of financial position.

ROU assets represent the Organization’s right to use an underlying asset for the lease term and lease liabilities represent the obligation to make lease payments arising from the lease. Lease ROU assets and liabilities are recognized at commencement date based on the present value of lease payments over the lease term. As UWNNS’s leases do not provide an implicit rate, a risk-free rate based on the information available at commencement date is utilized in determining the present value of lease payments. Lease terms may include options to extend or terminate the lease when it is reasonably certain that UWNNS will exercise that option. Lease expense for lease payments is recognized on a straight-line basis over the lease term. UWNNS’s lease agreements do not contain material residual value guarantees or material restrictive covenants.

Date of Management’s Review – Subsequent events have been evaluated through January 29, 2026 which is the date the financial statements were available to be issued.

NOTE 2. INFORMATION REGARDING LIQUIDITY AND AVAILABILITY

UWNNS manages its liquidity and reserves following three guiding principles: operating within a prudent range of financial soundness and stability, maintaining adequate liquid assets to fund near-term operating needs, and maintaining sufficient reserves to provide reasonable assurance that long-term obligations will be discharged. Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the financial statement date, comprise the following at June 30:

	<u>2025</u>	<u>2024</u>
Cash and cash equivalents	\$ 265,030	\$ 521,410
Investments	-	918,972
Grants receivable	858,911	648,310
Pledges receivable, net of allowance	<u>122,035</u>	<u>121,209</u>
	<u>\$ 1,245,976</u>	<u>\$ 2,209,901</u>

**UNITED WAY OF NORTHERN NEVADA AND THE SIERRA
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2025 AND 2024**

NOTE 2. INFORMATION REGARDING LIQUIDITY AND AVAILABILITY (CONTINUED)

As part of UWNNS’s liquidity management plan, they may invest cash in excess of daily requirements in short-term investments, certificates of deposit, and money market funds.

NOTE 3. INVESTMENTS AND FAIR VALUE MEASUREMENTS

Certain assets are reported at fair value in the 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 or liability 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 or liabilities that can be accessed at the measurement date. The fair value of money market funds and ETFs are based on quoted market prices when available.

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

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

The fair value of investments at June 30, 2025 was as follows:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Exchange traded funds	<u>\$ 370,564</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 370,564</u>

The fair value of investments at June 30, 2024 was as follows:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Exchange traded funds	<u>\$ 1,317,585</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,317,585</u>

Gains and losses (realized and unrealized), interest and dividend income, and investment fees are reported investment return, net in the statement of activities.

UNITED WAY OF NORTHERN NEVADA AND THE SIERRA
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2025 AND 2024

NOTE 4. PLEDGES RECEIVABLE

The following unconditional promises to give are included in pledges receivable at June 30:

	<u>2025</u>	<u>2024</u>
2022-2023 Campaign	\$ -	\$ 58,608
2023-2024 Campaign	93,426	169,700
2024-2025 Campaign	<u>230,367</u>	<u>-</u>
	323,793	228,308
Less: allowance for uncollectible accounts	<u>(201,758)</u>	<u>(107,099)</u>
Pledge receivable, net of allowance	<u>\$ 122,035</u>	<u>\$ 121,209</u>

The balance of the net pledges receivable from the current campaigns would be expected to be received over eleven months from the date of the statement of financial position. The balance of the net pledges receivable from the future campaigns would be expected to be received over twenty-three months from the date of the statement of financial position.

Pledges receivable are unsecured and concentrated throughout northern Nevada and the surrounding areas. The ability to collect these pledges may be dependent on economic conditions. Management closely monitors the collection history of large companies and large employee-based pledges as they represent a significant percent of the pledges receivable at June 30, 2025 and 2024.

NOTE 5. PROPERTY AND EQUIPMENT

Property and equipment consist of the following at June 30:

	<u>2025</u>	<u>2024</u>
Leasehold improvements	\$ 25,432	\$ 25,432
Equipment	56,192	44,877
Office furniture and fixtures	<u>87,300</u>	<u>87,300</u>
	168,924	157,609
Less: accumulated depreciation	<u>(100,621)</u>	<u>(85,413)</u>
Property and equipment, net	<u>\$ 68,303</u>	<u>\$ 72,196</u>

UNITED WAY OF NORTHERN NEVADA AND THE SIERRA
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2025 AND 2024

NOTE 6. NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions are restricted for the following purposes and periods at June 30:

	<u>2025</u>	<u>2024</u>
Subject to expenditure for specific purposes:		
Ride United	\$ -	\$ 21,923
Emergency Assistance Fund	-	325,000
United Readers	-	606,443
SAFE	168,036	-
Davis Fire	101,784	-
Endowment:		
Subject to endowment spending policy and appropriation	90,857	76,380
Perpetual in nature, earnings from which are subject to endowment spending policy appropriations	<u>99,169</u>	<u>99,169</u>
	<u>\$ 459,846</u>	<u>\$ 1,128,915</u>

Net assets with donor restrictions are held in the assets as follows at June 30:

	<u>2025</u>	<u>2024</u>
Cash and cash equivalents	\$ 269,820	\$ 346,923
Investments	<u>190,026</u>	<u>781,992</u>
	<u>\$ 459,846</u>	<u>\$ 1,128,915</u>

Net assets were released from restriction for the following purposes and periods at June 30:

	<u>2025</u>	<u>2024</u>
Subject to expenditure for specific purposes:		
Ride United	\$ 21,923	\$ 4,077
Emergency Assistance Fund	325,000	-
United Readers	606,443	-
SAFE	433,607	-
Davis Fire	122,898	-
Subject to passage of time and purpose:		
Unconditional promise to give	<u>-</u>	<u>1,793,557</u>
	<u>\$ 1,509,871</u>	<u>\$ 1,797,634</u>

UNITED WAY OF NORTHERN NEVADA AND THE SIERRA
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2025 AND 2024

NOTE 7. ENDOWMENTS

UWNNS receives certain contributions from fundraising efforts to an endowment fund to be held in perpetuity. The principal is restricted and may not be expended for operations or programs, nor can it be used as a loan fund to UWNNS or any partner agencies. The principal shall be invested in accordance with the investment objectives, providing for a balanced total return with capital preservation. It is the intent to have the operating costs of UWNNS paid by the investment earnings. When that goal is achieved, all of the campaign proceeds (pledges) will be distributed 100% to programs meeting community needs.

In addition, UWNNS has funds designated by the Board of Directors to function as endowments. Such endowments are established for a variety of purposes related to UWNNS's operations and collections.

As required by accounting principles generally accepted in the United States of America, net assets associated with endowment funds, including funds designated by the Board of Directors to function as endowments, are classified and reported as net assets without donor restrictions and with donor restriction based solely on the absence or existence of donor-imposed restrictions.

UWNNS's endowment funds consist of the following assets at June 30:

	<u>2025</u>	<u>2024</u>
Cash	\$ 18,014	\$ 21,695
Investments	<u>370,564</u>	<u>398,613</u>
	<u>\$ 388,578</u>	<u>\$ 420,308</u>

The following is a summary of the changes in endowment fund net assets for the year ended June 30, 2025:

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Endowment net assets, beginning of year	\$ 244,759	\$ 175,549	\$ 420,308
Withdrawal	60,000	(60,000)	-
Investment return, net	<u>13,793</u>	<u>(45,523)</u>	<u>(31,730)</u>
Endowment net assets, end of year	<u>\$ 198,552</u>	<u>\$ 190,026</u>	<u>\$ 388,578</u>

The following is a summary of the changes in endowment fund net assets for the year ended June 30, 2024:

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Endowment net assets, beginning of year	\$ 228,416	\$ 162,554	\$ 390,970
Investment return, net	<u>16,343</u>	<u>12,995</u>	<u>29,338</u>
Endowment net assets, end of year	<u>\$ 244,759</u>	<u>\$ 175,549</u>	<u>\$ 420,308</u>

**UNITED WAY OF NORTHERN NEVADA AND THE SIERRA
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2025 AND 2024**

NOTE 7. ENDOWMENTS (CONTINUED)

Interpretation of Relevant Law – In the absence of explicit donor stipulations to the contrary, the Prudent Management of Institutional Funds Act (Uniform Act) as set forth in Chapter 164 of the Nevada Revised Statutes requires the preservation of the fair value of the gift as of the gift date for net assets with donor restrictions.

As a result of this interpretation, UWNNS classifies as net assets with donor restrictions to be held in perpetuity (a) the original value of gifts donated to the endowment held in perpetuity, (b) the original value of subsequent gifts to the endowment held in perpetuity, and (c) accumulations to the endowment to be held in perpetuity made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund. The remaining portion of the donor-restricted endowment fund that is not classified in net assets with donor restrictions is classified as net assets with donor restrictions until those amounts are appropriated for expenditure by UWNNS in a manner consistent with the standard of prudence described in Uniform Act.

UWNNS takes into consideration the following factors in its determination to appropriate or accumulate donor-restricted endowment funds in accordance with Uniform Act:

- The duration and preservation of the fund
- The purposes of UWNNS and the donor-restricted endowment funds
- General economic conditions, including the possible effect of inflation and deflation
- The expected total return from income and the appreciation of investments
- Other resources of UWNNS
- From time to time, the fair value of assets associated with individual donor-restricted endowment funds may fall below the level that the donor or Uniform Act requires to be retained as perpetual fund. Such deficiencies are reflected as decreases in without donor restrictions or with donor restricted net assets for the period.

Return Objectives and Risk Parameters – The investment policy includes the review of funds to include short-term, intermediate and long-term objectives. The short-term objectives will emphasize liquidity and safety; the intermediate objectives will emphasize capital preservation; and the long-term objectives will balance total return with capital preservation.

Strategies Employed for Achieving Objectives – To satisfy its long-term rate of return objectives, UWNNS relies on a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends). UWNNS targets a diversified asset allocation plan within prudent risk constraints. The Finance Committee of the Board of Directors reviews this plan periodically with its investment advisors.

Spending Policy and How the Investment Objectives Relate to the Spending Policy – The designated funds have been set aside for future purposes and will be spent at a time the Board deems necessary for the purpose as originally designated.

**UNITED WAY OF NORTHERN NEVADA AND THE SIERRA
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2025 AND 2024**

NOTE 8. RETIREMENT PLAN

UWNNS contributes to the Fidelity Simplified Employee Pension Plan Individual Retirement Account, which covers substantially all employees. Contributions by UWNNS are fully vested to the employees on the contribution date. For the years ended June 30, 2025 and 2024, UWNNS contributed \$65,545 and \$36,308, respectively.

NOTE 9. OPERATING LEASES

UWNNS leases a copier under an agreement for \$299 per month which expires in May 2027. In addition, UWNNS leases office space for \$10,519 per month, with an annual 3% increase, which expires in January 2028.

The weighted average risk free interest rates for the leases is 4.31%. The weighted average remaining lease term for the leases is 2.6 years.

Future minimum rental payments on the above noncancelable operating leases as of June 30:

2026	\$ 131,399
2027	134,933
2028	<u>78,114</u>
	344,446
Less: imputed interest	<u>(19,191)</u>
Operating lease liabilities	<u>\$ 325,255</u>

Total expenses under operating leases were \$142,692 and \$87,067 during the years ended June 30, 2025 and 2024, respectively.

NOTE 10. CONCENTRATION OF CREDIT RISK

UWNNS's cash balances are maintained in financial institutions in which the bank accounts are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000. UWNNS has not experienced any losses in such accounts and believes it is not exposed to any significant credit risk to cash.

NOTE 11. SELF-INSURED STATE UNEMPLOYMENT TAX

UWNNS is self-insured for state unemployment tax and participates in the 501(c) Agencies Trust (Trust). The annual deposits required for the program years ending June 30, 2025 and 2024 were \$11,798 and \$6,386, respectively. The Trust seeks to reduce the loss that may occur and maintains reinsurance for claims in excess of approximately \$10,000. The fact that the Trust maintains excess insurance does not change the fact that the primary liability for unemployment remains with UWNNS. UWNNS has \$24,679 and \$15,936 at June 30, 2025 and 2024, respectively, in trust reserve to cover the liability and this amount is reflected as prepaid expenses in the accompanying financial statements.