

UNITED WAY OF NORTHERN NEVADA AND THE SIERRA

AUDITED FINANCIAL STATEMENTS

JUNE 30, 2024 AND 2023



UNITED WAY OF NORTHERN NEVADA AND THE SIERRA

JUNE 30, 2024 AND 2023

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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, 2024, 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, 2024, 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, 2023 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated November 17, 2023. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2023, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Houldsworth, Russo & Company, P.C.

Reno, Nevada
February 3, 2025

UNITED WAY OF NORTHERN NEVADA AND THE SIERRA
STATEMENTS OF FINANCIAL POSITION
JUNE 30, 2024 AND 2023

	2024	2023
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	\$ 521,410	\$ 49,857
Cash and cash equivalents, with donor restrictions	346,923	26,000
Investments	312,529	-
Grants receivable	648,310	2,743,773
Pledges receivable, net of allowance	121,209	183,450
Prepaid expenses	20,936	25,135
Total current assets	1,971,317	3,028,215
OTHER ASSETS		
Property and equipment, net	72,196	36,746
Investments, with donor restrictions	606,443	-
Endowment investments held in cash	21,695	19,409
Investments held for endowments	398,613	371,561
Operating lease right-of-use assets	434,826	264,357
Total other assets	1,533,773	692,073
Total assets	\$ 3,505,090	\$ 3,720,288
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Accounts payable	\$ 53,898	\$ 21,767
Program accounts payable	412,517	270,754
Accrued compensated absences and payroll related expenses	85,765	27,318
Due to donor designated agencies, net of allowance	135,851	84,773
Operating lease liabilities	111,038	69,015
	799,069	473,627
OTHER LIABILITIES		
Operating lease liabilities, net of current	325,255	199,148
Total liabilities	1,124,324	672,775
NET ASSETS		
Without donor restrictions		
Invested in property and equipment	72,196	36,746
Board designated endowment for reserves	244,759	228,416
Operating, undesignated	934,896	193,797
Total net assets without donor restrictions	1,251,851	458,959
With donor restrictions		
Time-restricted for future periods or purposes	-	2,400,000
Purpose restrictions	1,029,746	89,385
Perpetual in nature	99,169	99,169
Total net assets with donor restrictions	1,128,915	2,588,554
Total net assets	2,380,766	3,047,513
Total liabilities and net assets	\$ 3,505,090	\$ 3,720,288

See accompanying notes to financial statements

UNITED WAY OF NORTHERN NEVADA AND THE SIERRA
STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2024
(WITH COMPARATIVE TOTALS FOR THE YEAR ENDED JUNE 30, 2023)

	2024			2023
	Without Donor Restrictions	With Donor Restrictions	Total	Total
Support, revenue, and gains (losses):				
Current campaign contributions				
Contributions	\$ 663,507	\$ -	\$ 663,507	\$ 705,430
Less donor designations	(151,080)	-	(151,080)	(205,197)
Total campaign results for current period	512,427	-	512,427	500,233
Allowance for uncollectible pledges	(4,078)	-	(4,078)	(45,931)
Total campaign revenue	508,349	-	508,349	454,302
Special events	58,540	-	58,540	-
Less: direct benefits to donors	(28,705)	-	(28,705)	-
Net special events	29,835	-	29,835	-
Grants	2,108,772	325,000	2,433,772	4,042,753
In-kind contributions	-	-	-	26,792
Investment return, net	39,202	12,995	52,197	9,966
Other income	807	-	807	9,808
Net assets released from restrictions	1,797,634	(1,797,634)	-	-
Total support, revenue, and gains (losses)	4,484,599	(1,459,639)	3,024,960	4,543,621
Expenses:				
Program services:				
Education engagement	1,555,070	-	1,555,070	1,440,963
Literacy and safety net services	1,482,983	-	1,482,983	594,833
Supporting services:				
Accountability operations	502,131	-	502,131	116,660
Resource development	151,523	-	151,523	170,556
	3,691,707	-	3,691,707	2,323,012
Change in net assets	792,892	(1,459,639)	(666,747)	2,220,609
Net assets, beginning of year	458,959	2,588,554	3,047,513	826,904
Net assets, end of year	<u>\$ 1,251,851</u>	<u>\$ 1,128,915</u>	<u>\$ 2,380,766</u>	<u>\$ 3,047,513</u>

See accompanying notes to financial statements

UNITED WAY OF NORTHERN NEVADA AND THE SIERRA
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED JUNE 30, 2024
(WITH COMPARATIVE TOTALS FOR THE YEAR ENDED JUNE 30, 2023)

	2024						2023
	Program Services			Supporting Services			
	Education Engagement	Literacy and Safety Net Services	Program Total	Accountability Operations	Resource Development	Total	Total
Salaries	\$ 283,780	\$ 863,620	\$ 1,147,400	\$ 87,468	\$ 100,089	\$ 1,334,957	\$ 680,360
Payroll taxes	20,444	67,218	87,662	6,474	7,408	101,544	50,823
Employee benefits	19,286	51,692	70,978	9,824	6,940	87,742	45,145
Retirement benefits	8,000	22,917	30,917	2,514	2,877	36,308	25,538
Total salaries and related expenses	331,510	1,005,447	1,336,957	106,280	117,314	1,560,551	801,866
Community impact projects	1,204,218	406,920	1,611,138	72,122	358	1,683,618	1,202,521
Contract services	1,512	3,528	5,040	155,713	1,236	161,989	62,296
Depreciation	-	-	-	14,556	-	14,556	9,319
Insurance	357	1,057	1,414	5,519	513	7,446	5,780
Marketing	2,670	6,065	8,735	4,937	550	14,222	9,844
Membership dues	-	6,045	6,045	4,400	-	10,445	8,064
Miscellaneous	-	3,266	3,266	9,189	-	12,455	8,144
National dues	169	576	745	4,863	-	5,608	16,372
Occupancy	9,301	18,575	27,876	57,566	37,725	123,167	78,899
Repairs and maintenance	459	2,029	2,488	4,044	661	7,193	8,956
Software	-	-	-	-	-	-	23,678
Supplies	3,808	25,300	29,108	43,415	21,572	94,095	25,953
Training and conference	1,066	1,563	2,629	6,956	299	9,884	37,971
Travel	-	2,612	2,612	12,571	-	15,183	23,349
	1,555,070	1,482,983	3,038,053	502,131	180,228	3,720,412	2,323,012
Less: direct benefit to donors	-	-	-	-	(28,705)	(28,705)	-
Total expenses	\$ 1,555,070	\$ 1,482,983	\$ 3,038,053	\$ 502,131	\$ 151,523	\$ 3,691,707	\$ 2,323,012

See accompanying notes to financial statements

UNITED WAY OF NORTHERN NEVADA AND THE SIERRA
STATEMENT OF CASH FLOWS
YEAR ENDED JUNE 30, 2024
(WITH COMPARATIVE TOTALS FOR THE YEAR ENDED JUNE 30, 2023)

	2024	2023
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ (666,747)	\$ 2,220,609
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:		
Depreciation	14,556	9,319
Loss on disposal of asset	-	2,700
Unrealized (gain)/loss on investments	(36,167)	(2,818)
Amortization of right of use asset	75,572	69,593
Change in allowance for uncollectible pledges	9,597	(115,622)
Change in allowance on due to donor designated agencies	59,849	(8,975)
(Increase) decrease in operating assets:		
Grants receivable	2,095,463	(2,345,153)
Pledges receivable	52,644	162,974
Prepaid expenses	4,199	(3,912)
Increase (decrease) in operating liabilities:		
Accounts payable	32,131	11,775
Program accounts payable	141,763	19,630
Accrued compensated absences and payroll related expenses	58,447	4,273
Due to donor designated agencies	(8,771)	(10,568)
Operating lease liabilities	(77,911)	(65,787)
Net cash provided by (used in) operating activities	1,754,625	(51,962)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property and equipment	(50,006)	-
Sales of investments	1,798,144	2,017
Purchases of investments	(2,710,287)	(8,120)
Net cash used in investing activities	(962,149)	(6,103)
NET CHANGE IN CASH AND CASH EQUIVALENTS	792,476	(58,065)
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	75,857	133,922
CASH AND CASH EQUIVALENTS, END OF YEAR	\$ 868,333	\$ 75,857
SUMMARY OF CASH ACCOUNTS		
Cash and cash equivalents	\$ 521,410	\$ 49,857
Cash and cash equivalents, with donor restrictions	346,923	26,000
	\$ 868,333	\$ 75,857
SUPPLEMENTAL DISCLOSURE		
Operating lease right-of-use assets obtained for operating lease liabilities	\$ 246,041	\$ 333,950

See accompanying notes to financial statements

UNITED WAY OF NORTHERN NEVADA AND THE SIERRA
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2024 AND 2023

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 engagement 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.

Literacy and safety net services includes critical Safety Net 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.

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, 2023, 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. Cash and highly liquid financial instruments restricted to endowments that are perpetual in nature, or other long-term purpose are excluded from this definition.

UNITED WAY OF NORTHERN NEVADA AND THE SIERRA
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2024 AND 2023

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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. At June 30, 2023, grants receivable also included \$2,400,000 in funding from the state of Nevada, which was considered an unconditional promise to give. 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, 2024, UWNNS donor designated gifts totaled \$151,080 of which \$61,035 was paid by UWNNS. During the year ended June 30, 2023, UWNNS donor designated gifts totaled \$205,197 of which \$89,961 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. 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.

UNITED WAY OF NORTHERN NEVADA AND THE SIERRA
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2024 AND 2023

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Contributions and Pledges Receivable – 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 2022-2023 campaign have been deemed uncollectible and reserved accordingly. However, if any campaign pledges prior to the 2022-2023 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, 2024 and 2023, 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. 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.

UNITED WAY OF NORTHERN NEVADA AND THE SIERRA
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2024 AND 2023

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Net Asset Designations – The members of the Board of Directors have designated reserve funds of \$244,759 and \$228,416 at June 30, 2024 and 2023, respectively. The Board members, at their discretion, can revise the intended use of net assets as they deem necessary.

UWNNS has \$72,196 and \$36,746 invested in property and equipment at June 30, 2024 and 2023, 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 536 hours of direct services during the fiscal year. The value of these volunteer services is estimated to be \$29.76 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 \$15,936.

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. 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.

UNITED WAY OF NORTHERN NEVADA AND THE SIERRA
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2024 AND 2023

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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 February 3, 2025 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:

	2024	2023
Cash and cash equivalents	\$ 521,410	\$ 49,857
Investments	918,972	-
Grants receivable	648,310	343,773
Pledges receivable, net of allowance	121,209	183,450
	<u>\$ 2,209,901</u>	<u>\$ 577,080</u>

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.

UNITED WAY OF NORTHERN NEVADA AND THE SIERRA
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2024 AND 2023

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, 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>

The fair value of investments at June 30, 2023 was as follows:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Exchange traded funds	<u>\$ 371,561</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 371,561</u>

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

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NOTE 4. PLEDGES RECEIVABLE

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

	2024	2023
2021-2022 Campaign	\$ -	\$ 49,392
2022-2023 Campaign	58,608	231,560
2023-2024 Campaign	<u>169,700</u>	<u>-</u>
	228,308	280,952
Less: allowance for uncollectible accounts	<u>(107,099)</u>	<u>(97,502)</u>
Pledge receivable, net of allowance	<u>\$ 121,209</u>	<u>\$ 183,450</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, 2024 and 2023.

NOTE 5. PROPERTY AND EQUIPMENT

Property and equipment consist of the following at June 30:

	2024	2023
Leasehold improvements	\$ 25,432	\$ 25,432
Equipment	44,877	28,805
Office furniture and fixtures	<u>87,300</u>	<u>53,368</u>
	157,609	107,605
Less: accumulated depreciation	<u>(85,413)</u>	<u>(70,859)</u>
Property and equipment, net	<u>\$ 72,196</u>	<u>\$ 36,746</u>

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NOTE 6. NET ASSETS WITH DONOR RESTRICTIONS

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

	<u>2024</u>	<u>2023</u>
Subject to expenditure for specific purposes:		
Ride United	\$ 21,923	\$ 26,000
Emergency Assistance Fund	325,000	-
United Readers	606,443	-
Subject to passage of time and purpose:		
Unconditional promise to give	-	2,400,000
Endowment:		
Subject to endowment spending policy and appropriation	76,380	63,385
Perpetual in nature, earnings from which are subject to endowment spending policy appropriations	<u>99,169</u>	<u>99,169</u>
	<u>\$ 1,128,915</u>	<u>\$ 2,588,554</u>

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

	<u>2024</u>	<u>2023</u>
Cash and cash equivalents	\$ 346,923	\$ 26,000
Grants receivable	-	2,400,000
Investments	<u>781,992</u>	<u>162,554</u>
	<u>\$ 1,128,915</u>	<u>\$ 2,588,554</u>

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

	<u>2024</u>	<u>2023</u>
Subject to expenditure for specific purposes:		
Ride United	\$ 4,077	\$ -
Subject to passage of time and purpose:		
Unconditional promise to give	<u>1,793,557</u>	<u>-</u>
	<u>\$ 1,797,634</u>	<u>\$ -</u>

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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>2024</u>	<u>2023</u>
Cash	\$ 21,695	\$ 19,409
Investments	<u>398,613</u>	<u>371,561</u>
	<u>\$ 420,308</u>	<u>\$ 390,970</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>

The following is a summary of the changes in endowment fund net assets for the year ended June 30, 2023:

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Endowment net assets, beginning of year	\$ 226,394	\$ 155,655	\$ 382,049
Investment return, net	<u>2,022</u>	<u>6,899</u>	<u>8,921</u>
Endowment net assets, end of year	<u>\$ 228,416</u>	<u>\$ 162,554</u>	<u>\$ 390,970</u>

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NOTE 7. ENDOWMENTS

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.

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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, 2024 and 2023, UWNNS contributed \$36,308 and \$25,538, respectively.

NOTE 9. OPERATING LEASES

UWNNS leases a copier under agreements for \$299 per month which expires in May 2027. In addition, UWNNS leases office space for \$10,212 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 3.6 years.

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

2025	\$	127,676
2026		131,399
2027		134,933
2028		<u>78,114</u>
		472,122
Less: imputed interest		<u>(35,829)</u>
Operating lease liabilities	\$	<u>436,293</u>

Total expenses under operating leases were \$87,067 and \$77,872 during the years ended June 30, 2024 and 2023, respectively.

NOTE 10. IN-KIND CONTRIBUTIONS

In-kind contributions include the following at June 30:

	<u>2024</u>	<u>2023</u>
Media	\$ -	\$ 800
Books	-	10,000
Bikes	-	1,000
Donated auction items	<u>-</u>	<u>14,992</u>
	<u>\$ -</u>	<u>\$ 26,792</u>

Contributed media was provided by specially trained professionals who assist on various needs. Contributed books and bikes were valued using estimated U.S. wholesale prices (principal market) of identical or similar products using pricing data under a “like-kind” methodology considering the goods’ condition and utility for use at the time of the contribution. Contributed books and bikes were used in program services.

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

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NOTES TO FINANCIAL STATEMENTS
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NOTE 11. 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 12. 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, 2024 and 2023 were \$6,386 and \$4,493, 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 \$15,936 and \$15,137 at June 30, 2024 and 2023, respectively, in trust reserve to cover the liability and this amount is reflected as prepaid expenses in the accompanying financial statements.