

United Way of Kaw Valley, Inc.

**Financial Statements
As of June 30, 2024
and For the Year Then Ended**

With Report by Independent Auditor



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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
United Way of Kaw Valley, Inc.

Opinion

I have audited the accompanying financial statements of United Way of Kaw Valley, Inc. (the 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 my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Organization as of June 30, 2024, and the changes in 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

I conducted my audit in accordance with auditing standards generally accepted in the United States of America. My responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of my report. I am required to be independent of the Organization and to meet my other ethical responsibilities in accordance with the relevant ethical requirements relating to my audit. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my 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 the Organization'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

My 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 my opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.



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In performing an audit in accordance with generally accepted auditing standards, I:

- 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 the Organization'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 my judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Organization's ability to continue as a going concern for a reasonable period of time.

I am 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 I identified during the audit.

Report on Supplementary Information

My audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying supplementary information presented in the table of contents is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In my opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Report on Summarized Comparative Information

I have previously audited the Organization's 2023 financial statements, and I expressed an unmodified audit opinion on those audited financial statements in my report dated January 12, 2024. In my 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.

Shiple CPA, LLC

Shiple CPA, LLC
Topeka, Kansas
December 3, 2024

United Way of Kaw Valley, Inc.

**Statement of Financial Position
June 30, 2024
(with Summarized Financial Information for June 30, 2023)**

ASSETS

	2024	2023
Current Assets		
Cash and cash equivalents	\$ 414,408	\$ 321,428
Certificate of deposits	286,871	161,517
Contributions receivable:		
2023-2024 campaign, less allowance of \$108,225	603,083	-
2022-2023 campaign, less allowance of \$136,238	-	908,593
Grants receivable	361,282	532,825
Other receivables	19,981	19,417
Prepaid expenses	52,376	50,024
Total Current Assets	1,738,001	1,993,804
Property and Equipment		
Furniture and equipment, net of accumulated depreciation of \$193,782 and \$187,433, respectively	9,453	15,802
Total Property and Equipment	9,453	15,802
Other Assets		
Right-of-use assets	403,953	471,157
Long-term investments	912,594	891,079
Beneficial interests in assets held by Community Foundations	925,973	825,631
Total Other Assets	2,242,520	2,187,867
Total Assets	\$ 3,989,974	\$ 4,197,473

LIABILITIES AND NET ASSETS

Current Liabilities		
Accounts and grants payable	\$ 604,740	\$ 564,283
Accrued expenses	106,504	101,942
Due to participating agencies and other communities	80,324	116,891
Refundable advances	82,875	183,795
Operating lease	88,950	87,963
Total Current Liabilities	963,393	1,054,874
Noncurrent Liabilities		
Operating lease	315,003	383,194
Total Liabilities	1,278,396	1,438,068
Net Assets		
Without donor restrictions	1,561,828	1,701,790
With donor restrictions	1,149,750	1,057,615
Total Net Assets	2,711,578	2,759,405
Total Liabilities and Net Assets	\$ 3,989,974	\$ 4,197,473

United Way of Kaw Valley, Inc.

**Statement of Activities
For the Year Ended June 30, 2024
(with Summarized Financial Information for June 30, 2023)**

	2024			2023
	Without Donor Restrictions	With Donor Restrictions	Total	Total
Support and Revenue				
Campaign applicable to current year:				
Contributions	\$ 2,211,644	\$ 19,352	\$ 2,230,996	\$ 2,496,519
Less: donor designations - United Way campaign	(161,682)	-	(161,682)	(213,015)
Less: allowance for uncollectible contributions	(184,079)	-	(184,079)	(53,604)
Net campaign applicable to current year	1,865,883	19,352	1,885,235	2,229,900
Private and public grants	3,216,106	-	3,216,106	3,245,019
Special grants and contributions	94,371	-	94,371	98,086
Net investment income (loss)	118,391	-	118,391	93,213
Change in value of beneficial interest in assets held by Community Foundations	-	92,777	92,777	72,771
Memorial and trust income	595	-	595	-
In-kind contributions	15,807	-	15,807	58,917
Hostsite income	51,218	-	51,218	41,538
Net assets released from restrictions	19,994	(19,994)	-	-
Total Support and Revenue	5,382,365	92,135	5,474,500	5,839,444
Expenses				
Program services	3,888,340	-	3,888,340	3,774,007
Community impact	763,864	-	763,864	922,861
Management and general	554,300	-	554,300	633,762
Resource development	315,823	-	315,823	330,174
Total Expenses	5,522,327	-	5,522,327	5,660,804
Other Changes in Net Assets				
Equity transfer	-	-	-	302,143
Change in Net Assets	(139,962)	92,135	(47,827)	480,783
Net Assets, Beginning of Year	1,701,790	1,057,615	2,759,405	2,278,622
Net Assets, End of Year	\$ 1,561,828	\$ 1,149,750	\$ 2,711,578	\$ 2,759,405

United Way of Kaw Valley, Inc.

Statement of Functional Expenses For the Year Ended June 30, 2024 (with Summarized Financial Information for June 30, 2023)

	2024						2023 Total
	Program Expense	Community Impact	Support Services		Total		
			Management and General	Resource Development			
Expenses							
Salaries	\$ 327,407	\$ -	\$ 347,381	\$ 193,845	\$ 868,633	\$ 820,105	
Payroll taxes	22,602	-	25,729	13,771	62,102	64,342	
Employee benefits and retirement	33,416	-	33,771	13,429	80,616	77,073	
Operating lease and office maintenance	46,090	-	37,217	19,867	103,174	94,386	
External printing	1,057	-	772	23,829	25,658	17,562	
Public relations	694	-	-	2,458	3,152	1,897	
Campaign ambassador	-	-	-	3,425	3,425	3,737	
Professional fees	240	-	15,578	359	16,177	42,039	
Insurance	3,205	-	2,569	1,381	7,155	9,695	
Technology expenses	51,034	-	51,177	15,297	117,508	108,367	
Office supplies	7,670	-	5,913	4,565	18,148	19,812	
Telephone	4,222	-	4,250	1,790	10,262	9,145	
Postage and shipping	3,370	-	2,729	4,339	10,438	8,800	
Local transportation	1,460	-	2,074	1,553	5,087	3,880	
Educational conferences and instruction	1,157	-	321	394	1,872	-	
Meetings	1,275	-	1,601	3,007	5,883	11,367	
Subscriptions and reference publications	129	-	252	54	435	330	
Organizational dues	1,363	-	2,215	1,141	4,719	3,194	
Volunteer recognition	3,086	-	199	-	3,285	466	
National dues	23,995	-	19,228	10,337	53,560	36,674	
Junior Leader Reader	9,455	-	-	-	9,455	10,628	
Volunteer expo	25	-	-	-	25	-	
Mengel swim passes	2,400	-	-	-	2,400	2,400	
Lawrence KS Pride	-	-	-	-	-	8,616	
Dolly Parton Library	39,069	-	-	-	39,069	31,585	
Day of Caring	13,497	-	-	-	13,497	15,070	
Roger Hill Volunteer Center	-	-	-	-	-	350	
9-1-1 grant	-	-	-	-	-	430	
Miscellaneous volunteer events	-	-	-	-	-	560	
Grants	3,225,502	-	-	-	3,225,502	3,246,713	
Christmas Bureau	22,468	-	-	-	22,468	5,410	
Women United	3,490	-	-	-	3,490	2,361	
WU Student Allocation	13,075	-	-	-	13,075	10,000	
Young Leaders Society	8	-	-	-	8	-	
Campaign expenses	-	-	-	-	-	390	
Sales tax	181	-	145	78	404	153	
Early education	-	-	-	-	-	243,596	
On grade achievement	-	-	-	-	-	158,219	
Financial stability	-	-	-	-	-	118,490	
Food	-	7,200	-	-	7,200	105,594	
Rent and utilities assistance	-	6,300	-	-	6,300	114,800	
Safety	-	-	-	-	-	54,287	
Healthcare	-	4,500	-	-	4,500	92,875	
VITA	-	5,000	-	-	5,000	5,000	
Access to healthcare	-	124,991	-	-	124,991	-	
Childhood success	-	106,000	-	-	106,000	-	
Family success	-	155,573	-	-	155,573	-	
Food security	-	88,908	-	-	88,908	-	
Housing supports	-	79,029	-	-	79,029	-	
Services for RVTS	-	36,293	-	-	36,293	-	
Family stabilization	-	150,070	-	-	150,070	-	
Racial equity	-	-	-	-	-	30,000	
Depreciation and amortization	6,349	-	-	-	6,349	1,405	
In-kind	15,807	-	-	-	15,807	58,917	
Miscellaneous	3,542	-	1,179	904	5,625	10,084	
Total Expenses	\$ 3,888,340	\$ 763,864	\$ 554,300	\$ 315,823	\$ 5,522,327	\$ 5,660,804	

United Way of Kaw Valley, Inc.

Statement of Cash Flows
For the Year Ended June 30, 2024
(with Summarized Financial Information for June 30, 2023)

	<u>2024</u>	<u>2023</u>
Cash Flows from Operating Activities		
Change in net assets	\$ (47,827)	\$ 480,783
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation and amortization	6,349	1,405
Net unrealized and realized (gains) losses on investments	(85,038)	(67,794)
Change in value of beneficial interest in assets held by Community Foundations	(92,777)	(72,771)
Changes in assets and liabilities:		
Contributions receivable	305,510	(316,798)
Grants receivable	171,543	(85,061)
Other receivables	(564)	8,465
Prepaid expenses	(2,352)	(6,094)
Accounts and grants payable	40,457	100,348
Accrued expenses	4,562	24,317
Due to participating agencies and other communities	(36,567)	(63,801)
Refundable advances	<u>(100,920)</u>	<u>14,506</u>
Net Cash Provided by Operating Activities	<u>162,376</u>	<u>17,505</u>
Cash Flows from Investing Activities		
Purchase of property and equipment	-	(17,207)
Purchases of long-term investments	(40,442)	(251,384)
Change in certificates of deposit	(125,354)	5,228
Proceeds from sale of long-term investments	<u>96,400</u>	<u>177,400</u>
Net Cash Used in Investing Activities	<u>(69,396)</u>	<u>(85,963)</u>
Net Change in Cash, Cash Equivalents and Restricted Cash	92,980	(68,458)
Cash, Cash Equivalents, and Restricted Cash – Beginning	<u>321,428</u>	<u>389,886</u>
Cash, Cash Equivalents, and Restricted Cash – Ending	<u>\$ 414,408</u>	<u>\$ 321,428</u>

United Way of Kaw Valley, Inc.

Notes to the Financial Statements June 30, 2024

Note 1 – Summary of Significant Accounting Policies

A. Nature of Activities

United Way of Kaw Valley, Inc. (the Organization) creates and cultivates an unbreakable network of support for strong, healthy and equitable communities in Shawnee, Douglas, Jackson and Jefferson counties in northeast Kansas. The Organization serves as a grant maker, community convenor, volunteer organizer and strategic partner for the nonprofit sector. Donor dollars are invested locally and support a broad range of initiatives that benefit the whole family in education, financial stability and health, as well as racial equity and family supports/basic needs. The Organization seeks to remove barriers to individual, family and community health and quality of life. The Organization also increases the capacity of the nonprofit community by connecting volunteers to rewarding and impactful service opportunities.

The Organization recognizes that disparities affect our community. Alleviating those disparities is the very core of the work supported by contributions to United Way. The Organization's work mandates that it advocate for the racial and social justice of everyone it serves. The Organization connects individual and workplace donors throughout the community with nonprofits that are committed to long-term change. These investments help ensure that regardless of a person's zip code:

- Children are ready to learn when they start school.
- Individuals and families, in all their forms, have access to resources and support to help each other thrive, including nutritious and affordable food, safe and connected communities, and opportunities to be active and healthy.
- Individuals and families have a path to financial stability and are able to save and plan for the future.
- Everyone has the opportunity to contribute to the success of their community through volunteering, advocacy and philanthropic giving.

During fiscal year 2023, the Organization, formerly known as United Way of Greater Topeka, Inc., voted and approved to merge with the United Way of Douglas County under a new name, United Way of Kaw Valley, Inc., as of September 30, 2022. The United Way of Douglas County information from October 1, 2022 through June 30, 2023 has been included as part of the Organization as of June 30, 2023 on the statement of financial position and statement of activities with a beginning equity transfer amount of \$302,143.

B. Basis of Accounting

The financial statements of the Organization have been prepared on the accrual basis in accordance with accounting principles generally accepted (GAAP) in the United States of America. The financial statements are presented in accordance with Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 958 and the provisions of the American Institute of Certified Public Accountants (AICPA) Audit and Accounting Guide for Not-for-Profit Organizations (the Guide).

United Way of Kaw Valley, Inc.

**Notes to the Financial Statements
June 30, 2024**

Note 1 – Summary of Significant Accounting Policies (continued)

B. Basis of Accounting (continued)

Under the provisions of the Guide, net assets and revenues, and gains and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, the net assets of the Organization and changes therein are classified as follows:

Net assets without donor restrictions: Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the Organization. The Organization's board may designate assets without restrictions for specific operational purposes from time to time.

Net assets with donor restrictions: Net assets subject to stipulations imposed by donors and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of the Organization or by the passage of time. Other donor restrictions are perpetual in nature, whereby the donor has stipulated the funds be maintained in perpetuity. Contributions restricted by donors are reported 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. Donor restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both. When 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 restriction.

In accordance with ASC 958-605, Not-For-Profit Revenue Recognition, contributions designated to specific recipient organizations are reflected as a reduction to campaign contributions and recorded as a liability.

C. Use of Estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

D. Cash, Cash Equivalents and Restricted Cash

For purposes of the statements of cash flows, the Organization generally considers all highly liquid investments purchased with an original maturity of three months or less to be cash equivalents.

E. Concentrations of Credit Risk

The Organization manages deposit concentration risk by placing cash, money market accounts, and certificates of deposit with financial institutions believed by management to be creditworthy. At times, amounts on deposit may exceed insured limits or include uninsured investments in mutual funds. To date, the Organization has not experienced losses in any of these accounts. However, at June 30, 2024, one financial institution exceeded FDIC coverage and was under secured by \$10,790. Credit risk associated with accounts 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 governmental agencies supportive of the Organization's mission.

United Way of Kaw Valley, Inc.

**Notes to the Financial Statements
June 30, 2024**

Note 1 – Summary of Significant Accounting Policies (continued)

E. Concentrations of Credit Risk (continued)

The Organization maintains a significant portion of its total assets in a combination of stocks, bonds, fixed income securities, and other investment securities. Investment securities are exposed to various risks, such as interest rate, market fluctuation, and credit risk. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in risks in the near term would materially affect investments and the amounts reported in the statement of financial position.

F. Investments

The Organization invests in mutual funds which are reported at fair value. The Organization also invests in pooled funds at the Topeka and Douglas County Community Foundations (the Foundations). The pooled shares at the Foundations are recorded at net asset value (NAV) as described in Note 3. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

G. Beneficial Interest in Assets Held by Community Foundations

The Organization has established funds under agreements with the Foundations and named itself as beneficiary. The Foundations grant variance power to the Organization, which allows the Organization 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 Organization'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 the Organization's benefit and are reported at fair value in the Foundation's statement of financial position, with changes separately reported on the statement of activities.

H. Contributions Receivable

Contributions receivable represent legally enforceable contributions which are recorded at their net realizable value in the period made. The allowance for uncollectible contributions estimated at 6.8% and 7.0% for the years ended June 30, 2024 and 2023, respectively, is based on an analysis of historical trends, current levels of campaign revenue, and other factors. Contributions for each campaign year are expected to be collected within one year. Contributions not collected by June 30 of the following year are deemed uncollectible.

I. Property and Equipment

Property and equipment are carried at cost. Property and equipment with a cost of more than \$1,000 and an estimated useful life of more than one year are capitalized. Donated furniture and equipment are recorded at fair value at the date of donation. Depreciation is calculated on a straight-line basis over the estimated useful lives of the assets, generally three to five years. When assets are sold or otherwise disposed of, the cost and related depreciation are removed from the accounts, and any resulting gain or loss is included in the statements of activities. Costs of maintenance and repairs that do not improve or extend the useful lives of the respective assets are expensed currently.

The Organization reviews the carrying values of property and equipment 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.

United Way of Kaw Valley, Inc.

**Notes to the Financial Statements
June 30, 2024**

Note 1 – Summary of Significant Accounting Policies (continued)

J. Compensated Absences

The Organization's vacation policy states that full-time employees are entitled to carryover a maximum of 176 hours (22 days). Any amount above that will be forfeited on January 1st of each year.

K. Income Taxes

The Organization is a not-for-profit corporation as described in Section 501(c)(3) of the Internal Revenue Code, is exempt from federal income taxes pursuant to Section 501(a) of the Code and has been classified as other than a private foundation. The Organization's policy is to evaluate uncertain tax positions annually. Management evaluated the Organization's tax positions and concluded that the Organization had taken no uncertain tax positions that require adjustment to the financial statements. Forms 990 filed by the Organization are subject to examination by the Internal Revenue Service (IRS) up to three years from the extended due date of each return. The Organization is no longer subject to tax examinations by tax authorities for Forms 990, Return of Organization Exempt from Income Tax, for fiscal years before 2021.

L. Functional Expenses

The costs of providing program and other activities have been summarized on a functional basis in the statements of activities. Accordingly, certain costs have been allocated among program services and supporting services benefited. Such allocations are determined by management on an equitable basis. Certain expenses are allocated based on time and effort.

M. Revenue Recognition – Public Support

Contributions are recognized when cash, securities or other assets, an unconditional promise to give, or notification of a beneficial interest is received. Conditional promises to give are not recognized until the conditions on which they depend have been substantially met. Public support is derived from cost-reimbursable federal and state contracts and grants, which are conditioned upon certain performance requirements and the incurrence of allowable qualifying expenses. Amounts received are recognized as revenue when the Organization has incurred expenditures in compliance with specific contract or grant provisions. Amounts received prior to incurring qualifying expenditures are reported as refundable advances in the statement of financial position.

Note 2 – In-Kind Contributions

The Organization receives donated materials, facilities, and services, such as advertising and professional services. These services and in-kind contributions have been recognized at fair value in the financial statements. The related expenses have been included in other functional expenses. A substantial number of volunteers have donated significant amounts of their time on the Organization's fund-raising campaign and other activities. No amounts have been reflected in the statements for such services.

United Way of Kaw Valley, Inc.

**Notes to the Financial Statements
June 30, 2024**

Note 2 – In-Kind Contributions (continued)

For the year ended June 30, 2024 and 2023, contributed nonfinancial assets recognized within the statement of activities included the following:

	<u>2024</u>	<u>2023</u>
Advertising services	\$ 13,607	\$ 54,492
Christmas Bureau	700	-
Training	-	375
Facilities	<u>1,500</u>	<u>4,050</u>
	<u>\$ 15,807</u>	<u>\$ 58,917</u>

Contributed facilities are provided by the lessor for various dates to be used by the Organization for the Topeka Volunteers event. Contributed facilities are used for program activities and are recognized at fair value based on current rates and contract provided for similar facility rental services. The Christmas Bureau donations were gifted to recipients registered in the Christmas Bureau.

Contributed advertising services are valued using estimated U.S. wholesale prices (principal market) of identical or similar products using pricing data under a “like-kind” methodology considering utility for use at the time of the contribution. A large portion of contributed advertising are used for promoting the mission of the Organization and are considered a program expense.

Note 3 – Investments

Long-term investments consisted of the following at June 30:

	<u>2024</u>	
	<u>Cost</u>	<u>Fair Value</u>
Mutual funds	<u>\$ 661,992</u>	<u>\$ 912,594</u>

	<u>2023</u>	
	<u>Cost</u>	<u>Fair Value</u>
Mutual funds	<u>\$ 691,411</u>	<u>\$ 891,079</u>

Other long-term investments, which are held in trust at the Foundation in the amount of \$925,973 and \$825,631 at June 30, 2024 and 2023, respectively, are pooled with other funds at the Foundation.

Note 4 – Fair Value Measurement

Financial reporting standards establish a three-level valuation hierarchy for disclosure of fair value measurements. The valuation hierarchy is based upon the transparency of inputs to the valuation of an asset or liability as of the measurement date. A financial instrument's categorization within the valuation hierarchy is based upon the lowest level of input that is significant to the fair value measurement.

United Way of Kaw Valley, Inc.

**Notes to the Financial Statements
June 30, 2024**

Note 4 – Fair Value Measurement (continued)

The three levels are defined as follows:

Level 1 - Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets.

Level 2 - Inputs to the valuation methodology include quoted prices for similar assets and liabilities in active markets, and inputs that are observable for the asset or liability, either directly or indirectly, for substantially the full term of the financial instrument.

Level 3 - Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The asset or liability's fair value measurement level within the fair value hierarchy is based on the lowest level or any input that is significant to the fair value measurement. Valuation techniques maximize the use of relevant observable inputs and minimize the use of unobservable inputs. The following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in methodologies used at June 30, 2024 or 2023.

Mutual funds: Valued at the closing price reported on the active market on which the individual securities are traded.

Pooled Funds: The fair value is based on quoted market prices or at estimated fair value as reported by the fund manager. The fair value of the Organization's position is the same as the pool value of the shares as reported by the fund manager. The Foundation invests in various other investments including private equity funds, fixed income, and other alternative investments.

The preceding methods described may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, although the Organization believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

The availability of observable market data is monitored to assess the appropriate classification of financial instruments within the fair value hierarchy. Changes in economic conditions or model-based valuation techniques may require the transfer of financial instruments from one fair value level to another. In such instances, the transfer is reported at the beginning of the reporting period. In estimating fair value of the investments measured at NAV, management monitors the Foundation's investment activity by analyzing the Foundation's investment statements. The Foundation's valuation policies and procedures are determined reasonable by management of the Foundation on a quarterly basis. These valuation procedures are to allocate the Foundation's portion of earnings based on its pro rata ownership percentage in the pool. The valuation of earnings in the pool is based on the earnings of the pooled assets, which are tracked to price indices. The Organization reconciles investment accounts on a quarterly basis. The Organization's Board of Directors monitors the financial reports, which provide detailed information for the Foundation.

There were no transfers of assets or liabilities between levels 1, 2, or 3 of the fair value hierarchy during the years ended June 30, 2024 and 2023. The Organization's policy is to only recognize transfers in and out of the levels at the end of the reporting period; interim changes in the fair value inputs are not recognized.

United Way of Kaw Valley, Inc.

Notes to the Financial Statements
June 30, 2024

Note 4 – Fair Value Measurement (continued)

The following hierarchy table presents information about the Organization's assets measured at fair value as of June 30, 2024:

Fair Value Measurements at Reporting Date				
	Level 1	Level 2	Level 3	Total
Mutual funds:				
Blended funds	\$ 654,204	\$ -	\$ -	\$ 654,204
Bond fund	258,390	-	-	258,390
	<u>\$ 912,594</u>	<u>\$ -</u>	<u>\$ -</u>	
Investments measured at net asset value (a)				<u>925,973</u>
		Total		<u>\$ 1,838,567</u>

The following hierarchy table presents information about the Organization's assets measured at fair value as of June 30, 2023:

Fair Value Measurements at Reporting Date				
	Level 1	Level 2	Level 3	Total
Mutual funds:				
Blended funds	\$ 622,529	\$ -	\$ -	\$ 622,529
Bond fund	268,550	-	-	268,550
	<u>\$ 891,079</u>	<u>\$ -</u>	<u>\$ -</u>	
Investments measured at net asset value (a)				<u>825,631</u>
		Total		<u>\$ 1,716,710</u>

- (a) In accordance with Subtopic 820-10, certain investments that are measured at NAV per share (or its equivalent) have not been classified in the fair value hierarchy. The fair value amounts presented in this table are intended to permit reconciliation of the fair value hierarchy to the line items presented in the statement of financial position. This investment's objective is to earn a rate of return, net of all fees, in excess of 80% S&P 500 Index/20% Barclays Capital Aggregate Government/Corporate Bond Index benchmark over rolling five-year and ten-year periods.

United Way of Kaw Valley, Inc.

**Notes to the Financial Statements
June 30, 2024**

Note 4 – Fair Value Measurement (continued)

The following table summarizes investments measured at fair value based on the NAV per share as of June 30, 2024 and 2023:

	Fair Value June 30, 2024	Unfunded Commitment	Redemption Frequency	Redemption Notice Period
Beneficial interests in assets held by Community Foundations	\$ 925,973	None	Daily	None
	Fair Value June 30, 2023	Unfunded Commitment	Redemption Frequency	Redemption Notice Period
Beneficial interests in assets held by Community Foundations	\$ 825,631	None	Daily	None

The following table presents the changes in the investments measured at NAV, which are measured on a recurring basis using level 3 inputs to the measurement of fair value:

	2024	2023
Beginning of year	\$ 825,631	\$ 525,867
Equity transfer	-	224,149
Net investment income (loss)	96,101	75,764
Additions to investments	6,641	2,251
Sale of investments	(2,400)	(2,400)
Total	<u>\$ 925,973</u>	<u>\$ 825,631</u>

Note 5—Refundable Advances

The Organization has been awarded grants to provide services. The grants are recognized as the required services are performed, and expenses are recognized as incurred. Grant activity for the years ended June 30, 2024 and 2023, was as follows:

	2024	2023
Refundable advances, beginning of year	\$ 183,795	\$ 169,289
Grant receipts	349,690	296,260
Grant expenditures	(450,610)	(281,754)
Refundable advances, end of year	<u>\$ 82,875</u>	<u>\$ 183,795</u>

United Way of Kaw Valley, Inc.

Notes to the Financial Statements
June 30, 2024

Note 6 – Net Assets with Donor Restrictions

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

	2024	2023
Time restrictions - endowment earnings	\$ 341,491	\$ 279,197
Women United	89,199	74,594
Christmas Bureau	56,487	65,490
Young Leaders Society - Born Learning Trail	2,396	2,396
Community Impact	145,168	117,823
Washburn University Venture Grant Program	21,807	21,201
Campaign for Grade Level Reading	4,280	4,280
Back Snack	-	1,000
Disaster Relief	4,458	11,393
Lawrence KS Pride	5,100	5,100
Roger Hill Volunteer Center	19,472	22,527
Technology (Peggy Beecher Memorial Fund)	5,232	5,232
Mengel - pool passes	12,396	9,259
Impact funding - health	17,651	17,651
Total	<u>\$ 725,137</u>	<u>\$ 637,143</u>

The Organization has additional net assets with donor restrictions required to be maintained in perpetuity in the amount of \$424,613 and \$420,472 for June 30, 2024 and 2023, respectively. This amount represents the portion of perpetual endowment funds that are required to be retained in perpetuity either by explicit stipulation or by Uniform Prudent Management of Institutional Funds Act (UPMIFA). Net assets with donor restrictions to be maintained in perpetuity are included in long-term investments on the statement of financial position.

United Way of Kaw Valley, Inc.

**Notes to the Financial Statements
June 30, 2024**

Note 6 – Net Assets with Donor Restrictions (continued)

The following net assets with donor restrictions were released from restriction for their restricted purposes or time restrictions during the years ended June 30:

	2024	2023
Disaster Relief	\$ 6,936	\$ 254
Christmas Bureau	9,003	2,070
Lawrence Pride	1,000	-
NOW Program	-	2,994
Douglas County Campaign	-	16,700
Roger Hill Volunteer Center	3,055	1,083
Campaign for Grade Level Reading	-	341
Total	<u>\$ 19,994</u>	<u>\$ 23,442</u>

Note 7 – Endowment

The Organization's endowment consists of donor-restricted endowment funds and the earnings on those funds. As required by GAAP, net assets associated with endowment funds are classified and reported based on the existence or absence of donor-imposed restrictions.

The Board of Directors has interpreted the UPMIFA as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary. As a result of this interpretation, the Organization retains in perpetuity (a) the original value of gifts donated to the endowment, (b) the original value of subsequent gifts to the endowment, and (c) accumulations to the endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund. Donor-restricted amounts not retained in perpetuity are subject to appropriation for expenditure by the Organization in a manner consistent with the standard of prudence prescribed by UPMIFA.

In accordance with UPMIFA, the Organization considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

- (1) The duration and preservation of the fund
- (2) The purposes of the Organization and the donor-restricted endowment fund
- (3) General economic conditions
- (4) The possible effect of inflation and deflation
- (5) The expected total return from income and the appreciation of investments
- (6) Other resources of the Organization
- (7) The investment policies of the Organization.

United Way of Kaw Valley, Inc.

**Notes to the Financial Statements
June 30, 2024**

Note 7 – Endowment (continued)

The endowment net assets composition at June 30, 2024 and 2023 was:

	2024		
	Without Donor Restrictions	With Donor Restrictions	Total
Donor-restricted net assets	\$ -	\$ 917,175	\$ 917,175

	2023		
	Without Donor Restrictions	With Donor Restrictions	Total
Donor-restricted net assets	\$ -	\$ 817,757	\$ 817,757

Changes in endowment net assets for the years ended June 30, 2024 and 2023 were:

	2024		
	Without Donor Restrictions	With Donor Restrictions	Total
Endowment net assets, beginning of year	\$ -	\$ 817,757	\$ 817,757
Investment return:			
Net appreciation (realized and unrealized)	-	95,177	95,177
Contributions	-	6,641	6,641
Amounts appropriated for expenditure	-	(2,400)	(2,400)
Endowment net assets, end of year	\$ -	\$ 917,175	\$ 917,175

	2023		
	Without Donor Restrictions	With Donor Restrictions	Total
Endowment net assets, beginning of year	\$ -	\$ 518,586	\$ 518,586
Investment return:			
Net appreciation (realized and unrealized)	-	75,171	75,171
Equity transfer	-	224,149	224,149
Contributions	-	2,251	2,251
Amounts appropriated for expenditure	-	(2,400)	(2,400)
Endowment net assets, end of year	\$ -	\$ 817,757	\$ 817,757

United Way of Kaw Valley, Inc.

**Notes to the Financial Statements
June 30, 2024**

Note 7 – Endowment (continued)

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 UPMIFA requires the Organization to retain as a fund of perpetual duration. These deficiencies result from unfavorable market fluctuations after the investment of restricted contributions and continued appropriation for certain programs that was deemed prudent by the Board of Directors. There were no such deficiencies as of June 30, 2024 or 2023.

The Organization's endowment assets are invested at the Foundation; therefore, the Organization uses the Foundation's growth portfolio investment policy for investment of its endowment assets. This investment policy is designed to provide for the preservation of capital and for the preservation of purchasing power of the endowment assets by striving for long-term returns that either match or exceed the Foundation's spending policy, the rate of inflation, and investment fees. Endowment assets include those assets of donor-designated funds that the Organization should hold in perpetuity. Under the Foundation's investment policy, the long-term investment objective is to earn a rate of return, net of all fees, in excess of an 80% S&P 500 Index/20% Barclays Aggregate Government/Corporate Bond Index benchmark over rolling five- and ten- year periods.

The Organization's endowment funds are pooled with other funds at the Foundation. Investment gains and losses of the Foundation's investments are then allocated to the Organization by the Foundation in proportion to the Organization's portion of the investment pool. The Organization has not implemented a formal spending policy as of June 30, 2024, as the endowment income is generally being allowed to accumulate. The Organization's informal spending policy is to appropriate for expenditure the endowment earnings on a case-by-case basis in accordance with donor restrictions and/or as approved by the Board of Directors.

Note 8 – Pension Plan

The Organization has a defined contribution retirement plan which covers all employees at least 21 years of age with one year of service. Effective January 1, 2017, the Organization began contributing two percent of the employees' wages to the plan and will match up to two percent of an elective employee contribution. The plan employs a five-year vesting schedule for the employer match, to apply to all participants hired after April 1, 2015:

<u>Years of employment</u>	<u>Percent matched</u>
1 year	20%
2 years	40%
3 years	60%
4 years	80%
5 years	100%

Pension cost was approximately \$23,600 and \$25,400 for the years ended June 30, 2024 and 2023, respectively.

United Way of Kaw Valley, Inc.

**Notes to the Financial Statements
June 30, 2024**

Note 9 – Liquidity

The Organization's financial assets available within one year of the balance sheet date for general expenses are as follows:

Financial assets:	
Cash and cash equivalents	\$ 414,408
Certificate of deposit	286,871
Contributions receivable	603,083
Grants receivable	361,282
Other receivables	<u>19,981</u>
 Total financial assets	 1,685,625
 Less financial assets held to meet donor-imposed restrictions:	
Portion of donor-restricted funds not held in long-term investments	(232,575)
 Less board-designated net assets	 <u>(1,021,221)</u>
 Amount available for general expenditures within one year	 <u>\$ 431,829</u>

The Organization has established two reserve funds in order to preserve the financial health and allow the Organization to respond to unanticipated needs or funding requests in support of the strategic plan and operational goals of the Organization. These funds are board designated. An Operating Reserve Fund consisting of a minimum of four months of direct operating expenses for the current fiscal year is maintained to meet short-term cash flow requirements during the operating cycle. In addition, an Economic Stabilization Reserve Fund is maintained with net assets without donor restrictions at a minimum level of 50% of the total dollars committed to investment in the community for the current fiscal year. Community investments include, but are not limited to, funds from donor designations, funds allocated to impact goals and basic needs, funds designated by donors to other United Ways, funds used to support community efforts, and funds used in times of disaster.

Net assets in the amount of \$1,021,221 and \$1,070,320 as of June 30, 2024 and 2023, respectively, are designated by the Board of Directors to be used for community impact, working capital and other operational needs and contingencies.

Note 10 – Right-of-Use Asset and Finance Lease

The Organization leases office facilities under long-term operating lease agreements expiring December 31, 2029 and November 1, 2027. The weighted-average discount rate is based on the discount rate implicit in the lease. The Organization 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. The Organization has applied the risk-free rate option to the office facilities classes of assets.

United Way of Kaw Valley, Inc.

**Notes to the Financial Statements
June 30, 2024**

Note 10 – Right-of-Use Asset and Finance Lease (continued)

The Organization 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.

Total right-of-use assets and lease liabilities at June 30 are as follows:

	<u>2024</u>	<u>2023</u>
<u>Lease Assets - Classification in Statement of Financial Position</u>		
Operating right-of-use assets - Other assets	<u>\$ 403,953</u>	<u>\$ 471,157</u>
<u>Lease Liabilities - Classification in Statement of Financial Position</u>		
Operating lease liability	<u>\$ 403,953</u>	<u>\$ 471,157</u>

Total lease costs for the years ended June 30 are as follows:

	<u>2024</u>	<u>2023</u>
Operating lease cost	\$ 87,963	\$ 77,742

The following table summarizes the supplemental cash flow information for the years ended June 30:

	<u>2024</u>	<u>2023</u>
Cash paid for amounts included in the measurement of lease liabilities:		
Operating cash flows from operating leases	\$ 67,288	\$ 58,132
Right-of-use assets obtained in exchange for lease liabilities:		
Operating leases	\$ 471,156	\$ 527,849

The following table summarizes the weighted-average remaining lease term and weighted-average discount rate:

Weighted-average remaining lease term in years:	
Operating leases	4.7
Weighted-average discount rate:	
Operating leases	4.96%

United Way of Kaw Valley, Inc.

**Notes to the Financial Statements
June 30, 2024**

Note 10 – Right-of-Use Asset and Finance Lease (continued)

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

2025	\$ 88,950
2026	89,951
2027	90,967
2028	79,049
2029	70,846
Thereafter	<u>35,687</u>
Total lease payments	\$ 455,450
Less interest	<u>(51,497)</u>
Present value of lease liabilities	<u><u>\$ 403,953</u></u>

Note 11 – Comparative Financial Statements

The 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 GAAP. Accordingly, such information should be read in conjunction with the Organization's financial statements for the year ended June 30, 2023 from which the summarized information was derived. In addition, certain amounts in the prior period presented have been reclassified to conform to the current period financial statement presentation. These reclassifications have no effect on previously reported net assets.

Note 12 – Evaluation of Subsequent Events

The Organization has evaluated subsequent events and transactions for potential recognition or disclosure through the date of the independent auditor's report, the date the financial statements were available to be issued.

SUPPLEMENTARY INFORMATION

United Way of Kaw Valley, Inc.
Topeka, Kansas

Community Impact
June 30, 2024 and 2023

	<u>2024</u>	<u>2023</u>
Basic needs grants	\$ 352,221	\$ 491,046
Early education grants	106,000	243,596
On-grade Achievement Grants	-	158,219
Family grants	155,573	-
Family Stabilization	150,070	-
Racial equity grants	-	30,000
	<u>\$ 763,864</u>	<u>\$ 922,861</u>

**United Way of Kaw Valley, Inc.
Topeka, Kansas**

**Private and Public Grant Revenues
June 30, 2024 and 2023**

	<u>2024</u>	<u>2023</u>
Pre-K Pilot Program	\$ 252,068	\$ 501,716
Early Childhood Block Grant	2,530,491	2,328,512
Other Grants	433,547	414,791
	<u>\$ 3,216,106</u>	<u>\$ 3,245,019</u>