

**UNITED WAY OF
TARRANT COUNTY**

FINANCIAL STATEMENTS

**Year Ended June 30, 2022
(with Summarized Comparative Information
for the Year Ended June 30, 2021)
With Report of Independent Auditors**

**UNITED WAY OF
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(with Summarized Comparative Information
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REPORT OF INDEPENDENT AUDITORS

To the Board of Directors of
United Way of Tarrant County

Opinion

We have audited the financial statements of United Way of Tarrant County (the “Organization”), which comprise the statement of financial position as of June 30, 2022, and the related statements of activities and changes in net assets, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Organization as of June 30, 2022, and the results of its operations and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America (“GAAP”).

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (“GAAS”) and the standards applicable to the financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. 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 the Organization, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with GAAP, 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 for one year after the date that the financial statements are 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 GAAS and *Government 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.

In performing an audit in accordance with GAAS and *Government 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 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 our 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.

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 the Organization's financial statements as of and for the year ended June 30, 2021, and we expressed an unmodified audit opinion on those audited financial statements in our report dated January 7, 2022. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2021, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 1, 2022, on our consideration of the Organization's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Organization's internal control over financial reporting and compliance.

Whitley Penn LLP

Fort Worth, Texas
December 1, 2022

UNITED WAY OF TARRANT COUNTY
STATEMENTS OF FINANCIAL POSITION

	June 30,	
	2022	2021
<u>Assets:</u>		
Cash and cash equivalents	\$ 2,274,095	\$ 2,881,969
Restricted cash	417,427	259,178
Investments:		
Certificate of deposit	-	996,164
Mutual funds	354,787	1,504,234
Total investments, stated at fair value	354,787	2,500,398
Pledges receivable less allowance for uncollectible pledges of \$915,646 and \$1,706,870 at June 30, 2022 and 2021, respectively	2,594,722	1,897,303
Other receivables	1,629,796	1,530,905
Prepaid expenses	206,763	165,880
Beneficial interest in assets held by others	7,796,796	9,312,376
Property and equipment, net	194,359	204,792
Deposits and other assets	131,043	78,980
Total assets	\$ 15,599,788	\$ 18,831,781
 <u>Liabilities and net assets:</u>		
Liabilities:		
Accounts payable and accrued expenses	\$ 2,105,974	\$ 2,083,183
Due to designated organizations	1,325,721	1,502,725
Refundable advance	10,000	2,153,392
Funds held for Fatherhood Coalition of Tarrant County	4,283	-
Funds held for Early Learning Alliance	413,144	259,179
Accrued post-retirement benefits	159,838	159,838
Deferred revenue	137,542	305,604
Total liabilities	4,156,502	6,463,921
Net assets (deficiency):		
Without donor restrictions:		
Undesignated	(2,845,077)	(3,606,426)
Board designated	6,494,321	7,734,779
With donor restrictions	7,794,042	8,239,507
Total net assets	11,443,286	12,367,860
Total liabilities and net assets	\$ 15,599,788	\$ 18,831,781

See accompanying notes to financial statements.

UNITED WAY OF TARRANT COUNTY

STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS

YEAR ENDED JUNE 30, 2022 WITH COMPARATIVE TOTALS FOR 2021

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total Year Ended June 30, 2022</u>	<u>Comparative Total Year Ended June 30, 2021</u>
<u>Revenues, gains and other support</u>				
Gross campaign results	\$ 1,563,726	\$ 9,297,188	\$ 10,860,914	\$ 10,429,811
Less donor designations	-	(2,809,599)	(2,809,599)	(3,115,435)
Less allowance for uncollectible pledges	-	-	-	(811,792)
Net campaign contributions	1,563,726	6,487,589	8,051,315	6,502,584
Contributions of nonfinancial assets	132,612	-	132,612	182,439
Other contributions	-	-	-	862,537
Grants	11,393,548	984,954	12,378,502	11,380,700
Net investment return	(122,674)	-	(122,674)	428,091
Changes in market value of assets held by others	(996,471)	(102,441)	(1,098,912)	2,395,002
Rental income	501,015	-	501,015	489,959
Other	31,355	-	31,355	163,377
Net assets released for satisfaction of time restrictions	4,803,631	(4,803,631)	-	-
Net assets released for satisfaction of purpose restrictions	3,011,936	(3,011,936)	-	-
Total revenues, gains and other support	20,318,678	(445,465)	19,873,213	22,404,689
<u>Expenses</u>				
Program services:				
Community Impact	1,329,832	-	1,329,832	4,498,720
Economic Recovery	3,217,361	-	3,217,361	-
Emergency Response	-	-	-	2,200,304
Equity	890,991	-	890,991	-
Veterans	879,764	-	879,764	414,041
Area Agency on Aging	9,391,938	-	9,391,938	10,028,797
Service Centers	519,114	-	519,114	491,004
Total program services	16,229,000	-	16,229,000	17,632,866
Support services:				
Fund Raising	2,885,708	-	2,885,708	2,634,018
Management & General	1,683,079	-	1,683,079	1,594,651
Total support services	4,568,787	-	4,568,787	4,228,669
Total expenses	20,797,787	-	20,797,787	21,861,535
Change in net assets	(479,109)	(445,465)	(924,574)	543,154
Net assets at beginning of year	4,128,353	8,239,507	12,367,860	11,824,706
Net assets at end of year	<u>\$ 3,649,244</u>	<u>\$ 7,794,042</u>	<u>\$ 11,443,286</u>	<u>\$ 12,367,860</u>

UNITED WAY OF TARRANT COUNTY
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED JUNE 30, 2022 WITH COMPARATIVE TOTALS FOR 2021

	Community Impact	Economic Recovery	Equity	Veterans	Area Agency on Aging	Service Centers	Total Program Services	Fund Raising	Management & General	Total Supporting Services	June 30, 2022 TOTAL FUNCTIONAL EXPENSES	June 30, 2021 TOTAL FUNCTIONAL EXPENSES
Operating Expenses												
Salaries and wages	\$ 572,035	\$ 90,395	\$ -	\$ 348,346	\$ 2,011,145	\$ 54,161	\$ 3,076,082	\$ 972,967	\$ 785,280	\$ 1,758,247	\$ 4,834,329	\$ 4,583,451
Employee benefits	85,928	13,522	-	34,800	413,209	14,809	562,268	188,635	155,363	343,998	906,266	717,199
Payroll taxes	42,562	6,914	-	29,629	147,677	4,847	231,629	91,658	75,710	167,368	398,997	360,269
	<u>700,525</u>	<u>110,831</u>		<u>412,775</u>	<u>2,572,031</u>	<u>73,817</u>	<u>3,869,979</u>	<u>1,253,260</u>	<u>1,016,353</u>	<u>2,269,613</u>	<u>6,139,592</u>	<u>5,660,919</u>
Professional fees	129,271	55,317	92,532	39,770	391,213	10,892	718,995	1,149,638	19,712	1,169,350	1,888,345	1,697,605
Supplies	178	5,868	226	157	1,758	983	9,170	475	9,642	10,117	19,287	55,432
Telephone	6,582	2,653	-	2,405	36,304	24,976	72,920	11,425	33,863	45,288	118,208	127,384
Postage and shipping	307	76	105	178	1,333	23	2,022	2,274	3,551	5,825	7,847	14,235
Occupancy	58,330	15,651	7,441	-	223,373	190,916	495,711	145,798	213,850	359,648	855,359	675,896
Outside printing	-	9,049	5,147	662	29	-	14,887	12,662	679	13,341	28,228	40,495
Local transportation	1,266	303	28	5,542	14,273	123	21,535	5,223	2,392	7,615	29,150	14,353
Conferences and training	2,862	2,668	2,301	777	5,883	-	14,491	4,280	9,798	14,078	28,569	44,986
Meetings-community/agency	5,496	3,829	13,437	11,783	4,344	-	38,889	9,648	33,564	43,212	82,101	64,714
Community promotion	-	19,478	-	-	15,391	-	34,869	89,393	-	89,393	124,262	72,518
Subscriptions	350	8,377	2,832	-	-	1,040	12,599	27,191	5,451	32,642	45,241	43,359
Membership dues	756	225	-	-	5,315	-	6,296	1,212	41,555	42,767	49,063	41,967
Equipment/buldings-maintenance/rental	2,649	5,980	-	10,000	38,290	186,315	243,234	7,205	128,660	135,865	379,099	434,459
Insurance and miscellaneous	7,409	8,619	11,582	6,240	67,314	22,620	123,784	105,884	2,607	108,491	232,275	143,341
Payments to affiliated organizations	193,832	-	-	-	8,638	3,956	206,426	59,337	65,204	124,541	330,967	350,528
Depreciation	2,568	-	-	-	870	3,453	6,891	803	96,198	97,001	103,892	86,371
	<u>411,856</u>	<u>138,093</u>	<u>135,631</u>	<u>77,514</u>	<u>814,328</u>	<u>445,297</u>	<u>2,022,719</u>	<u>1,632,448</u>	<u>666,726</u>	<u>2,299,174</u>	<u>4,321,893</u>	<u>3,907,643</u>
Total operating expenses	<u>1,112,381</u>	<u>248,924</u>	<u>135,631</u>	<u>490,289</u>	<u>3,386,359</u>	<u>519,114</u>	<u>5,892,698</u>	<u>2,885,708</u>	<u>1,683,079</u>	<u>4,568,787</u>	<u>10,461,485</u>	<u>9,568,562</u>
Allocations/grants net of designations	217,451	2,968,437	755,360	389,475	6,005,579	-	10,336,302	-	-	-	10,336,302	12,292,973
	<u>\$ 1,329,832</u>	<u>\$ 3,217,361</u>	<u>\$ 890,991</u>	<u>\$ 879,764</u>	<u>\$ 9,391,938</u>	<u>\$ 519,114</u>	<u>\$ 16,229,000</u>	<u>\$ 2,885,708</u>	<u>\$ 1,683,079</u>	<u>\$ 4,568,787</u>	<u>\$ 20,797,787</u>	<u>\$ 21,861,535</u>

See accompanying notes to financial statements.

UNITED WAY OF TARRANT COUNTY

STATEMENTS OF CASH FLOWS

	Years ended June 30,	
	2022	2021
Cash flows from operating activities:		
Change in net assets	\$ (924,574)	\$ 543,154
Adjustments to reconcile change in net assets to net cash used in operating activities:		
Adjustment for accrued post-retirement benefits	-	(8,626)
Loss on disposal of property and equipment	1,484	-
Changes in market value of assets held by others	1,098,912	(2,395,002)
Depreciation	103,892	86,371
Realized and unrealized gain (loss) on investments	131,064	(416,275)
Allowance for uncollectible pledges expense	-	811,792
Refundable advance forgiveness	(2,143,392)	-
Changes in operating assets and liabilities:		
Pledges receivable	(697,419)	176,690
Other receivables	(98,891)	(323,859)
Prepaid expenses	(40,883)	(55,505)
Other assets	(52,063)	-
Accounts payable and accrued expenses	22,791	(45,246)
Due to designated organizations	(177,004)	(866,752)
Accrued post-retirement benefits	-	(9,816)
Deferred revenue	(168,062)	268,236
Refundable advance	-	1,073,080
Funds held for Early Learning Alliance	153,965	259,179
Funds held for Fatherhood Coalition of Tarrant County	4,283	-
Funds held for City of Fort Worth	-	(5,000,000)
Net cash used in operating activities	(2,785,897)	(5,902,579)
Investing activities:		
Purchase/disposal of property, equipment, CIP	(95,137)	(46,255)
Proceeds from disposal of property and equipment	194	-
Distributions from beneficial interest in assets held by others	416,668	390,238
Sale of investments	2,056,222	1,302,605
Purchase of investments	(41,675)	(21,603)
Net cash provided by investing activities	2,336,272	1,624,985
Net change in cash, cash equivalents, and restricted cash	(449,625)	(4,277,594)
Cash, cash equivalents, and restricted cash at beginning of year	3,141,147	7,418,741
Cash, cash equivalents, and restricted cash at end of year	\$ 2,691,522	\$ 3,141,147
Cash reconciliation:		
Cash and cash equivalents	\$ 2,274,095	\$ 2,881,969
Restricted cash	417,427	259,178
Cash, cash equivalents, and restricted cash at end of year	\$ 2,691,522	\$ 3,141,147

See accompanying notes to financial statements.

UNITED WAY OF TARRANT COUNTY

NOTES TO FINANCIAL STATEMENTS

Years Ended June 30, 2022 and 2021

NOTE A. NATURE OF BUSINESS

The United Way of Tarrant County (the “Organization” or “United Way”) is a not-for-profit organization whose mission is to improve lives across our diverse communities by prioritizing needs in education, income, and health, forming innovative and effective partnerships with other organizations, and strategically raising and investing resources to make lasting change. The Organization started in 1922, when a group of Fort Worth’s community leaders gathered to consolidate the fundraising efforts of several local charities.

Through an annual fundraising campaign conducted primarily by volunteers, the Organization raises money from individuals and organizations to make possible services provided both by the Organization and by other area partners and not-for-profit health and human service organizations. A significant portion of the Organization’s funds are derived from contributions of residents and businesses in the Tarrant County area. United Way community development volunteers allocate dollars without restrictions. Allocations are committed to community partner agencies and impact partners at the beginning of each fiscal year in July.

United Way of Tarrant County administers the following programs:

Community Fund

Contributions without donor restrictions are accumulated and divided into two main areas. The first benefits the Organization’s community partner agency core services. Since its inception, the Organization helped fundraise for partner agencies throughout the community. The Organization has dozens of partner agencies to which United Way volunteers allocate a portion of Community Fund dollars without donor restrictions for specific programs at each agency. The second area supports the Organization’s impact initiatives, which focus on education, financial stability, and healthy aging and independent living.

Donor-Designated Funds

Donors have the option to designate contributions to the agency of their choice, to a specific impact initiative, or to other United Ways and their partner agencies. The Organization remits collected contributions quarterly to the designated organizations.

Other Programs

The Organization also administers various programs consisting of local, state, and federal grants for veteran services, COVID-19 response and recovery, Volunteer Income Tax Assistance, and aging and disability services.

UNITED WAY OF TARRANT COUNTY

NOTES TO FINANCIAL STATEMENTS – CONTINUED

NOTE B. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A summary of the Organization’s significant accounting policies consistently applied in the preparation of the accompanying financial statements follows.

Basis of Accounting

The financial statements of the Organization have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America (“U.S. GAAP”) and, accordingly, reflect all significant receivables, payables, and other liabilities. Revenues are recognized when earned and expenditures are recognized when incurred.

Use of Estimates

The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Cash and Cash Equivalents

The Organization considers all certificates of deposit, commercial paper, money market funds, and U.S. government securities with original maturities of three months or less when purchased to be cash and cash equivalents.

The Organization maintains its operating bank accounts primarily at one financial institution. The Federal Deposit Insurance Corporation (“FDIC”) insures accounts at this financial institution. The Organization maintains its cash in bank deposit accounts which, at times, may exceed FDIC limits. The Organization has not experienced any losses in such accounts.

Restricted Cash

During 2021 and 2022, the Organization has restricted cash related to fiscal agent agreements with Early Learning Alliance (“ELA”) and Fatherhood Coalition of Tarrant County (“FCTC”). As of June 30, 2022 and 2021, the Organization held \$413,144 and \$259,178 for ELA and \$4,283 and \$0 for FCTC which is recorded as restricted cash. The offsetting liability is presented on the statement of financial position as funds held for Early Learning Alliance and funds held for Fatherhood Coalition of Tarrant County.

UNITED WAY OF TARRANT COUNTY

NOTES TO FINANCIAL STATEMENTS – CONTINUED

NOTE B. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

Investments

Investments are comprised of certificates of deposit and mutual funds and are reported at fair value with realized and unrealized gains and losses included in the accompanying statement of activities. See Note E for fair value of the Organization's investments.

Beneficial Interest in Assets Held by Others

Beneficial interests in assets held by others represent investments held by the North Texas Community Foundation ("NTCF") which are comprised of mutual funds and pooled accounts. The fair value of the mutual funds is determined primarily by reference to quoted market prices. Pooled accounts are comprised of broad asset category types, such as common stock, mutual funds, and cash equivalents. The underlying holdings are all based on unadjusted quoted market prices. Realized and unrealized gains and losses are included in the accompanying statements of activities as changes in market value of assets held by others.

Property and Equipment

The Organization capitalizes expenditures for property and equipment in excess of \$1,000 with useful lives of one year or more at cost. Depreciation is computed on the straight-line method with a pro-rated expense taken in the year of acquisition. Estimated useful lives for purposes of calculating depreciation vary from three to ten years.

Contributions and Revenue Recognition

The Organization 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 met.

Contributions received are recorded as with or without donor restriction depending on the existence and/or nature of any donor restrictions. Some donor restrictions are temporary in nature; those 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. Donor-restricted contributions are reported as increases in net assets with donor restrictions. When a restriction expires, net assets are reclassified from net assets with donor restrictions to net assets without donor restrictions in the statement of activities as net assets released from restrictions.

The most recent fund-raising campaign is restricted at June 30, 2022, and will be reclassified from net assets with donor restrictions to net assets without donor restrictions at July 1, 2022, to support operations throughout the fiscal year ending June 30, 2023.

UNITED WAY OF TARRANT COUNTY

NOTES TO FINANCIAL STATEMENTS – CONTINUED

NOTE B. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

Contributions and Revenue Recognition – continued

In establishing the annual allowance for uncollectible pledges, management evaluates the adequacy of the allowance for uncollectible pledges based on a several factors including collection history of previous fundraising campaigns, the aging of the accounts, and other specific information known to management that may affect collectability. Pledges not collected approximately twelve months after the Organization concludes its annual fundraising campaign become delinquent and are written off during the subsequent six to nine months.

A portion of the Organization’s revenue is derived from cost-reimbursable federal and state contracts and grants, which are conditioned upon certain performance requirements and/or 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. See Note O – *Payroll Protection Program* and *Economic Injury Disaster Loan Advance* for discussion of refundable advances recorded in the accompanying statements of financial position as of June 30, 2022 and 2021.

Endowment Funds and Spend Policies

The Alexis De Tocqueville Leadership Endowment Fund

The Organization established an endowment fund with the NTCF, the Alexis De Tocqueville Leadership Endowment Fund (“ADT Leadership Fund”), using the proceeds of a donor-restricted gift. The purpose of the gift was to establish a perpetual endowment to fund programs and services specified in the original gift instrument. The gift received is reported in net assets with donor restrictions and accumulated in investment funds managed by NTCF. Annual fund distributions made to the Organization from NTCF are expended on programs or services that fulfill the fund’s mission and satisfy donor restrictions. The annual distribution shall not be less than 3% nor more than 6% of the value of the Fund for the end of the fiscal year immediately past.

The Legacy Fund

The Organization established a quasi-endowment fund with the NTCF, the Legacy Fund, using net assets without donor restrictions previously held by the Organization. Gifts received for the fund are reported in net assets without donor restrictions and accumulated in investment funds managed by NTCF. Annual distributions made to the Organization from NTCF are expended on programs or services that fulfill the Organization’s initiatives. Annual distribution made to the Organization from NTCF shall not be less than 3% nor more than 6% of the value of the Fund for the end of the fiscal year immediately past.

UNITED WAY OF TARRANT COUNTY

NOTES TO FINANCIAL STATEMENTS – CONTINUED

NOTE B. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

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 U.S. GAAP. Accordingly, such information should be read in conjunction with the Organization’s financial statements for the year ended June 30, 2021, from which the summarized information was derived.

Contributed Nonfinancial Assets

The following represents the Organization’s contributed nonfinancial assets recognized within the statement of activities for the years ended June 30:

	<u>2022</u>	<u>2021</u>
Volunteer hours	\$ 131,416	\$ 86,038
Medical equipment	1,196	93,276
Professional fees	-	3,125
	<u>\$ 132,612</u>	<u>\$ 182,439</u>

The Organization recognized nonfinancial assets within revenue, gains and other support during the years ended June 30, 2022 and 2021. Unless otherwise noted, contributed nonfinancial assets did not have donor-imposed restrictions.

A substantial number of volunteers have donated significant amounts of their time and services to the activities of the Organization without compensation. For the year ended June 30, 2022 and 2021, approximately 19,000 hours were donated. With the exception of Volunteer Income Tax Assistance (“VITA”), the value of donated services is not recognized as a contribution since no objective basis is available to measure the value of such services and generally, they do not require specialized skills. For VITA in 2022 and 2021, 4,571 and 3,612 volunteer hours were donated and were recognized at \$28.75 and \$23.82 per hour, according to Internal Revenue Service guidelines.

Functional Allocation of Expenses

The costs of providing the various programs and other activities have been summarized on a functional basis in the accompanying statement of functional expenses. Salaries and related payroll expenses are recorded based on actual segregation of personnel by program or supporting services benefited. Distribution of all other expenses is based on actual usage or management’s estimates of usage applicable to the various programs and supporting services benefited. All salary, overhead, and miscellaneous costs attributable to fund-raising efforts are recorded as operating expenses in the period incurred.

UNITED WAY OF TARRANT COUNTY

NOTES TO FINANCIAL STATEMENTS – CONTINUED

NOTE B. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

Functional Allocation of Expenses – continued

Portions of management and general and technology expenses have been allocated to program expenses, within the statement of functional expenses, based upon the full-time equivalent employee method. The full-time equivalent employee method uses a premise that every employee has an associated overhead cost.

Advertising

Advertising costs are expensed as incurred. Advertising expense for the years ended June 30, 2022 and 2021, was \$124,262 and \$72,518, respectively.

Recent Accounting Pronouncements

The Financial Accounting Standards Board (“FASB”) Accounting Standards Update (“ASU”) No. 2020-07, *Not-for-Profit Entities* (Topic 958): *Presentation and Disclosures made by Not-for-Profit Entities for Contributed Nonfinancial Assets*, was announced during 2020 and became effective for annual periods beginning after June 15, 2021. This ASU aims to increase the transparency of contributed nonfinancial assets for not-for-profit entities through enhancements to presentation and disclosure. Specifically, this ASU requires non-for-profit entities: (1) to present contributed nonfinancial assets as a separate line item in the statement of activities, apart from contributions of cash and other financial assets; and (2) disclose a disaggregation of the amount of contributed nonfinancial assets recognized within the statement of activities by category that depicts the type of contributed nonfinancial assets. The Organization retroactively adopted this guidance on July 1, 2020.

Reclassifications

Certain prior year amounts have been reclassified to conform to the current year presentation.

Subsequent Events

Management has evaluated all subsequent events and transactions for potential recognition or disclosure through December 1, 2022, the date the financial statements were available for issuance.

In May of 2022, the Organization signed a new lease for the Fort Worth office to be relocated to 201 North Rupert Street, Suite 107, Fort Worth, Texas 76107. The lease starts on December 1, 2022 and continues for ten years. The Organization was able to occupy the new space as of October 15, 2022.

UNITED WAY OF TARRANT COUNTY

NOTES TO FINANCIAL STATEMENTS – CONTINUED

NOTE C. PLEDGES AND OTHER RECEIVABLES

All pledges receivable as of June 30 are expected to be received as follows:

	2022	2021
Within one year	\$ 3,510,368	\$ 3,604,173
Allowance for uncollectible pledges	(915,646)	(1,706,870)
Total pledges receivable	\$ 2,594,722	\$ 1,897,303

At June 30, 2022 and 2021, the Organization had other receivables of \$1,629,796 and \$1,530,905, respectively, which are primarily due from various agencies related to grant revenue earned during the fiscal year.

NOTE D. INVESTMENTS

The fair values and related costs of investments as of June 30 are summarized as follows:

	2022		2021	
	Fair Value	Cost	Fair Value	Cost
Certificates of deposit	\$ -	\$ -	\$ 996,164	\$ 996,164
Mutual funds	354,787	346,094	1,504,234	984,944
	\$ 354,787	\$ 346,094	\$ 2,500,398	\$ 1,981,108

UNITED WAY OF TARRANT COUNTY

NOTES TO FINANCIAL STATEMENTS – CONTINUED

NOTE E. FAIR VALUE MEASUREMENTS

U.S. GAAP establishes a framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1 measurements) and the lowest priority to unobservable inputs (level 3 measurements). The three levels of the fair value hierarchy are described below:

Level 1: Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Organization has the ability to access.

Level 2: Inputs to the valuation methodology include:

- Quoted prices for similar assets or liabilities in active markets;
- Quoted prices for identical or similar assets or liabilities in inactive markets;
- Inputs other than quoted prices that are observable for the asset or liability;
- Inputs that are derived principally from or corroborated by observable market data by correlation or other means.

Level 3: Inputs to the valuation methodology are unobservable and significant to the fair value measurement. The Organization had no level 3 assets or liabilities at June 30, 2022 or 2021.

The asset's or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

Following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in the methodologies used at June 30, 2022 and 2021.

Mutual funds – balanced funds: The fair value of the mutual funds is determined primarily by reference to quoted market prices. Pooled accounts are comprised of broad asset category types, such as common stock, mutual funds, and cash equivalents. The underlying holdings are all based on unadjusted quoted market prices.

Certificates of deposit: Valued at the principal plus accrued interest, which approximates fair value.

Mutual funds: Valued at unadjusted quoted market prices in an active market.

The methods described above may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, while 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.

UNITED WAY OF TARRANT COUNTY

NOTES TO FINANCIAL STATEMENTS – CONTINUED

NOTE E. FAIR VALUE MEASUREMENTS – CONTINUED

The following tables set forth by level, within the fair value hierarchy, the Organization’s assets at fair value as of June 30, 2022:

	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Balance as of June 30, 2022
Beneficial interest in assets held by others:			
Mutual funds – balanced funds	\$ -	\$ 7,796,796	\$ 7,796,796
Investments:			
Mutual funds	354,787	-	354,787
Total	<u>\$ 354,787</u>	<u>\$ 7,796,796</u>	<u>\$ 8,151,583</u>

The following tables set forth by level, within the fair value hierarchy, the Organization’s assets at fair value as of June 30, 2021:

	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Balance as of June 30, 2021
Beneficial interest in assets held by others:			
Mutual funds – balanced funds	\$ -	\$ 9,312,376	\$ 9,312,376
Investments:			
Certificates of deposit	-	996,164	996,164
Mutual funds	1,504,234	-	1,504,234
Total	<u>\$ 1,504,234</u>	<u>\$10,308,540</u>	<u>\$11,812,774</u>

UNITED WAY OF TARRANT COUNTY

NOTES TO FINANCIAL STATEMENTS – CONTINUED

NOTE F. PROPERTY AND EQUIPMENT

The following is a summary of property and equipment as of June 30,:

	<u>2022</u>	<u>2021</u>
Leasehold improvements	\$ 360,893	\$ 282,174
Equipment	471,957	457,775
Total property and equipment	832,850	739,949
Less accumulated depreciation	<u>(638,491)</u>	<u>(535,157)</u>
Property and equipment, net	<u>\$ 194,359</u>	<u>\$ 204,792</u>

The Organization had depreciation expense of approximately \$104,000 and \$86,000 for the years ended June 30, 2022 and 2021, respectively.

NOTE G. BENEFIT PLANS

Effective November 1, 2003, the Organization established a 403(b) plan available to all employees who worked at least 1,000 hours. The Organization has elected to make a base contribution of 4% of each employee's annual salary. In addition, the Organization elected to match employee contributions, dollar for dollar, up to a maximum of 4% of annual salary. The Organization made employer contributions of approximately \$330,000 and \$246,000 for the years ended June 30, 2022 and 2021, respectively.

NOTE H. POST-RETIREMENT BENEFITS OTHER THAN PENSION

The Organization sponsors an unfunded defined benefit post-retirement plan (the "Plan") that provides life insurance benefits to retirees who meet specific eligibility requirements upon termination of active service. Effective January 1, 2005, the Organization suspended the post-retirement life insurance benefit for employees hired after December 31, 2004.

UNITED WAY OF TARRANT COUNTY

NOTES TO FINANCIAL STATEMENTS – CONTINUED

NOTE H. POST-RETIREMENT BENEFITS OTHER THAN PENSION – CONTINUED

The Plan’s funded status and other pertinent information related to the plan as of June 30 is set forth in the following table:

	<u>2022</u>	<u>2021</u>
Benefit obligation	\$ (159,838)	\$ (159,838)
Fair value of Plan assets	-	-
Funded status	<u>\$ (159,838)</u>	<u>\$ (159,838)</u>
Accrued benefit obligation	<u>\$ (159,838)</u>	<u>\$ (159,838)</u>
Accumulated benefit cost recognized in the statements of financial position	<u>\$ 159,838</u>	<u>\$ 159,838</u>
Net periodic benefit costs	\$ (10,982)	\$ (10,982)
Employer contributions	9,816	9,816
Fair value of Plan assets	-	-
Weighted-average assumptions:		
Discount rate	2.17%	2.17%
Rate of compensation increase	3.00%	3.00%
Expected return on Plan assets	-	-
Actuarial (gain)/loss on benefit obligation	-	-
Benefit payments	9,816	9,816

The following benefit payments, which reflect expected future service, as appropriate, are expected to be paid according to the Plan year-end June 30,:

<u>Fiscal Year</u>	<u>Amount</u>
2023	\$ 10,055
2024	9,682
2025	9,301
2026	9,911
2027-2030	38,430

The Organization expects to make contributions to the Plan approximating \$10,000 for the next fiscal year.

UNITED WAY OF TARRANT COUNTY

NOTES TO FINANCIAL STATEMENTS – CONTINUED

NOTE I. FEDERAL INCOME TAXES

The Organization is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code, as an organization other than a private foundation. Therefore, no provision for income taxes is made in the accompanying financial statements. The Organization follows U.S. GAAP, which prescribes a comprehensive model for the financial statement recognition, measurement, presentation, and disclosure of uncertain tax positions taken or expected to be taken in income tax returns. Management believes that it has not taken a tax position that, if challenged, would have a material effect on the Organization's financial statements.

The Organization files a Form 990 in the United States federal jurisdiction and no tax returns are currently under examination by any tax authorities. The Organization has not incurred any penalties or interest during the years ended June 30, 2022 and 2021.

NOTE J. RELATED-PARTY TRANSACTIONS

From time to time, the Organization purchases goods or services from entities affiliated with various committee members or volunteers. Management believes these transactions have been conducted on an arms-length basis and no preferential treatment has been afforded the Organization or the vendors.

During 2021, the Organization contributed \$2,500, to a school district whose legal representative also serves on the Organization's Board of Directors. No such contribution occurred during 2022. During 2022 and 2021, the Organization contributed \$10,655 and \$50,000 to a partner agency whose board member also serves on the Organization's Board of Directors. During 2022, the Organization purchased services of \$171,659 from a partner agency whose board member serves on the Organization's Board of Directors. During 2022 and 2021, the Organization contributed \$53,856 and \$67,320, respectively, to a city whose board member also serves on the Organization's Board of Directors. During 2021, the Organization purchased services, primarily related to COVID-19 relief efforts, for \$640,757, from companies owned by a member of the Organization's Board of Directors. No such services were purchased during 2022. During 2022 and 2021, the Organization purchased services of \$51,250 and \$136,750, respectively, from a council whose employee serves on the Organization's Board of Directors. During 2021, the Organization purchased services of \$45,200 from an entity for which an executive officer of the Organization served as a board member. The relationship discontinued prior to 2022.

During 2022 and 2021, the Organization contributed \$75,689 and \$256,908 in continuing start-up costs to a not-for-profit, supporting organization for which three of the Organization's executive officers serve as board members. At June 30, 2022, the Organization had a receivable of \$28,628 on the accompanying statements of financial position, from a not-for-profit organization for which three of the Organization's executive officers serve as board members. There was no such payable at June 30, 2021. The Organization's former Executive Vice President and Chief Financial Officer also serves as the Treasurer for this not-for-profit organization.

UNITED WAY OF TARRANT COUNTY

NOTES TO FINANCIAL STATEMENTS – CONTINUED

NOTE K. LEASES

The Organization enters into various lease agreements for the use of office space and equipment. Rent expense under these lease agreements was approximately \$470,000 and \$491,000 for the years ended June 30, 2022 and 2021, respectively. Approximate future annual minimum lease payments due under these lease agreements at June 30, 2022, are as follows:

2023	\$ 421,393
2024	422,537
2025	420,837
2026	399,034
2027	379,341
Thereafter	<u>2,124,687</u>
Total	<u>\$ 4,167,829</u>

NOTE L. RENTAL INCOME

The Organization operates and maintains three outlying service centers, which are leased. The Board of Directors has designated the associated net assets for the purpose of operating and maintaining these facilities. The centers are leased from the City of Arlington under operating leases involving nominal consideration, none of which expire before the year 2024. The facilities are subleased to various benefit and service providers.

The Organization's rental revenues are received from not-for-profit organizations, herein referred to as tenants, under non-cancelable operating leases. During the years ended June 30, 2022 and 2021, approximately \$501,000 and \$490,000, respectively, of rental revenue was generated from tenants. The tenant leases typically provide for minimum rent, charges for all operating costs of the buildings, and are adjusted as building expenses increase from year to year. Future annual minimum rentals on non-cancelable tenant operating leases at June 30, 2022, are approximately as follows:

2023	\$ 482,000
2024	463,000
2025	347,000
2026	168,000
2027	157,000
Thereafter	<u>261,000</u>
Total	<u>\$ 1,878,000</u>

UNITED WAY OF TARRANT COUNTY

NOTES TO FINANCIAL STATEMENTS – CONTINUED

NOTE M. NET ASSETS

The Organization’s Board of Directors has designated net assets, from net assets without donor restrictions, for the following purposes as of June 30,:

	2022	2021
Board designated endowment fund:		
Legacy Fund	\$ 4,524,394	\$ 5,417,374
Other board designated amounts:		
Barnett Shale Fund	1,230,706	1,457,443
Women’s Fund	739,221	859,962
Total board designated net assets	\$ 6,494,321	\$ 7,734,779

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

	2022	2021
Subject to the passage of time:		
For periods after July 1, 2022 and 2021, respectively	\$ 4,461,387	\$ 4,803,631
Subject to purpose restrictions	1,693,282	1,668,443
Subject to spending policy and appropriation:		
Barnett Shale Fund	347,283	431,708
Women’s Fund	550,635	452,638
ADT Leadership Fund	241,330	382,962
Endowment – held in perpetuity		
ADT Leadership Fund	500,125	500,125
Total net assets with donor restrictions	\$ 7,794,042	\$ 8,239,507

UNITED WAY OF TARRANT COUNTY

NOTES TO FINANCIAL STATEMENTS – CONTINUED

NOTE M. NET ASSETS – CONTINUED

Net assets were released from time restrictions by the passage of time or released from donor restrictions by incurring expenses that satisfy the restricted purposes specified by the donors as follows for the years ended June 30,:

	<u>2022</u>	<u>2021</u>
Time restricted contributions	\$ 4,803,631	\$ 5,317,816
Barnet Shale Fund	84,425	74,890
Women’s Fund	49,066	43,728
ADT Leadership Fund	39,190	34,773
Purpose restricted contributions	<u>2,839,255</u>	<u>1,758,135</u>
	<u>\$ 7,815,567</u>	<u>\$ 7,229,342</u>

The Organization established two funds with NTCF, the Barnett Shale Fund and the Women’s Fund. Gifts received for both funds are reported in net assets with donor restrictions and accumulated in investment funds managed by NTCF. Annual fund distributions made to the Organization from NTCF are expended on programs or services that fulfill the funds’ mission and satisfy donor restrictions. The annual distribution shall not be less than 3% nor more than 6% of the value of the Fund for the end of the fiscal year immediately past

At June 30, 2022 and 2021, the beneficial interest in assets held by others is comprised of the following funds which are disclosed by board designation and donor restriction below:

	<u>2022</u>	<u>2021</u>
Board designated endowment fund:		
Legacy Fund	\$ 4,524,394	\$ 5,417,374
Other board designated amounts:		
Barnett Shale Fund	1,230,706	1,457,443
Women’s Fund	739,221	859,962
With donor restrictions:		
Barnett Shale Fund	347,283	431,708
Women’s Fund	213,737	262,802
ADT Leadership Fund	<u>741,455</u>	<u>883,087</u>
Total beneficial interest in assets held by others	<u>\$ 7,796,796</u>	<u>\$ 9,312,376</u>

UNITED WAY OF TARRANT COUNTY

NOTES TO FINANCIAL STATEMENTS – CONTINUED

NOTE N. ENDOWMENT FUNDS

The Organization’s endowments consist of a quasi-endowment fund, the Legacy Fund, and a donor-restricted endowment fund, the ADT Leadership Fund. As required by U.S. GAAP, net assets associated with endowment funds, including funds designated by the Board of Directors to function as endowments, are classified and reported based on the existence or absence of donor-imposed restrictions.

Interpretation of Relevant Law

The Organization operates under the Texas Uniform Prudent Management of Institution Funds Act (“TUPMIFA”). The Board of Directors has interpreted TUPMIFA 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 classifies as donor restricted the original value of the gift received to establish the ADT Leadership Fund, which is required to be held in perpetuity. The remaining portion of the donor-restricted endowment fund that is not to be held in perpetuity is classified as net assets with donor restrictions until those amounts are appropriated for expenditure by the Organization in a manner consistent with the standard of prudence prescribed by TUPMIFA. The Organization classifies the Legacy Fund as net assets without donor restrictions, as it has been designated as a quasi-endowment by the Board of Directors.

Investment Return Objectives

The Organization has adopted investment and spending policies, approved by the Board of Directors, for endowments and board designated funds which function as endowments that attempt to provide a predictable stream of funding for the Organization’s operations while maintaining the purchasing power of those endowment assets over the long term. The investment process seeks to achieve an after-cost total real rate of return, including investment income as well as capital appreciation, which meets the annual distribution requirements within acceptable levels of risk. Endowment assets are invested in a well-diversified asset mix, which includes equity and fixed securities within mutual funds, that is intended to result in a consistent, inflation-protected rate of return that has sufficient liquidity to make annual distributions for operations. The following table presents the endowment net assets composition by type and fund at June 30, 2022:

	Net assets without donor restrictions	Net assets with donor restrictions	Total
Donor-restricted endowment ADT Leadership Fund	\$ -	\$ 741,455	\$ 741,455
Board-designated endowment Legacy Fund	4,524,394	-	4,524,394
Endowment Net Assets, June 30, 2022	\$ 4,524,394	\$ 741,455	\$ 5,265,849

UNITED WAY OF TARRANT COUNTY

NOTES TO FINANCIAL STATEMENTS – CONTINUED

NOTE N. ENDOWMENT FUNDS – CONTINUED

Investment Return Objectives – continued

The following table represents the changes in endowment net assets at June 30:

	<u>Net assets without donor restrictions</u>	<u>Net assets with donor restrictions</u>	<u>Total</u>
Endowment Net Assets, June 30, 2020	\$ 4,277,809	\$ 687,864	\$ 4,965,673
Contributions	-	-	-
Changes in market value of assets held by others	1,376,411	229,996	1,606,407
Amounts appropriated for expenditure	<u>(236,846)</u>	<u>(34,773)</u>	<u>(271,619)</u>
Endowment Net Assets, June 30, 2021	\$ 5,417,374	\$ 883,087	\$ 6,300,461
Contributions	-	-	-
Changes in market value of assets held by others	(648,993)	(102,442)	(751,435)
Amounts appropriated for expenditure	<u>(243,987)</u>	<u>(39,190)</u>	<u>(283,177)</u>
Endowment Net Assets, June 30, 2022	<u>\$ 4,524,394</u>	<u>\$ 741,455</u>	<u>\$ 5,265,849</u>

NOTE O. COMMITMENTS AND CONTINGENCIES

Litigation

From time to time, the Organization may be involved in various suits and claims arising in the normal course of business. In management’s opinion, the ultimate outcome of these items will not have a material adverse effect on the Organization’s financial position or changes in net assets.

UNITED WAY OF TARRANT COUNTY

NOTES TO FINANCIAL STATEMENTS – CONTINUED

NOTE O. COMMITMENTS AND CONTINGENCIES – CONTINUED

Paycheck Protection Program

During 2020, the Organization entered into a loan agreement issued by the Small Business Administration (“SBA”) under the Paycheck Protection Program that consists of a forgivable loan that matures on April 5, 2022 and incurs interest at 0.98%. The Organization would not be liable for repayment of the loan provided that all SBA loan proceeds are used only for qualified expenditures as specified in the loan application. At June 30, 2021, the balance on the loan was \$1,070,312 and was recorded as a refundable advance in the accompanying statement of financial position. On July 2, 2021, the Organization received notification from JPMorgan Chase that the SBA had authorized full forgiveness of the loan in the amount of \$1,070,312. For the fiscal year ending on June 30, 2022, the loan proceeds were recorded as grant revenue on the statement of activities and changes in net assets, and refundable advances were reduced by the same amount on the statement of financial position.

During 2021, the Organization entered into a loan agreement issued by the SBA under the Paycheck Protection Program that consists of a forgivable loan. The Organization would not be liable for repayment of the loan provided that all SBA loan proceeds are used only for qualified expenditures as specified in the loan application. At June 30, 2021, the balance on the loan was \$1,073,080 and is recorded as a refundable advance in the accompanying statement of financial position. On April 8, 2022, the Organization received notification from JPMorgan Chase that the SBA had authorized full forgiveness of the loan in the amount of \$1,073,080. For the fiscal year ending on June 30, 2022, the loan proceeds were recorded as grant revenue on the statement of activities and changes in net assets, and refundable advances were reduced by the same amount on the statement of financial position.

Economic Injury Disaster Loan Advance

During 2020, the Organization received an Economic Injury Disaster Loan (“EIDL”) advance, which was a grant program offered together with the EIDL loan program by the SBA. The amount of the EIDL advance was determined by the number of employees indicated on the EIDL application: \$1,000/employee, up to a maximum of \$10,000. During the year ended June 30, 2020, the EIDL advance received by the Organization was \$10,000 and the balance is recorded as a refundable advance in the accompanying statements of financial position at June 30, 2022 and 2021.

UNITED WAY OF TARRANT COUNTY

NOTES TO FINANCIAL STATEMENTS – CONTINUED

NOTE P. AVAILABILITY AND LIQUIDITY

The following reflects the Organization’s financial assets which are available to meet general expenditures over the next twelve months at June 30,:

	2022	2021
Financial assets at year-end:		
Cash and cash equivalents and restricted cash	\$ 2,691,522	\$ 3,141,147
Investments	354,787	2,500,398
Pledges receivable, net	2,594,722	1,897,303
Other receivables	1,629,796	1,530,905
Beneficial interest in assets held by others	7,796,796	9,312,376
Total financial assets	15,067,623	18,382,129
Less amounts subject to contractual or donor-restriction:		
Restricted cash	417,427	259,178
Purpose restricted	1,693,282	1,668,443
Beneficial interest in assets held by others with donor restrictions:		
Barnett Shale Fund	347,283	431,708
Women’s Fund	213,737	262,802
ADT Leadership Fund	741,455	883,087
Financial assets available to meet general expenditures over the next twelve months	\$11,654,439	\$14,876,911

As part of the Organization’s liquidity management, it has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due. In addition, the Organization invests cash in excess of daily requirements in certificates of deposits and mutual funds. The board designated endowment, which is recorded within beneficial interest in assets held by others in the accompanying statements of financial position, of \$4,524,394 and \$5,417,374 at June 30, 2022 and 2021, respectively, is subject to an annual distribution which shall not be less than 3% nor more than 6% of the value of the Fund for the end of the fiscal year immediately past in as described in Note B or subject to board approval for extraordinary distributions. Although the Organization does not intend to spend from the board designated endowment (other than amounts appropriated for general expenditure as part of our Board’s annual budget approval and appropriation), these amounts could be made available if necessary and are therefore, included in the financial assets available above. Donor-restricted endowment funds and certain other net assets with time and purpose restrictions are generally not available for general expenditure and are therefore not included in the amount above.