



United Way of San Antonio
and Bexar County

Consolidated Financial Statements

June 30, 2023 and 2022

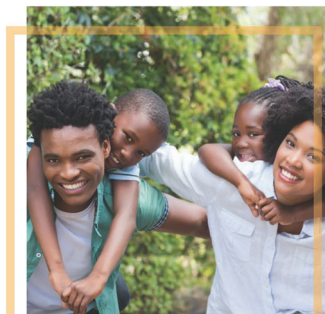


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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
United Way of San Antonio and Bexar County
San Antonio, Texas

Opinion

We have audited the accompanying consolidated financial statements of United Way of San Antonio and Bexar County ("UWSA"), which comprise the consolidated statements of financial position as of June 30, 2023 and 2022 and the related consolidated statements of activities, functional expenses and cash flows for the years then ended, and the related notes to the consolidated financial statements and have issued our separate report thereon dated November 6, 2023.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of United Way of San Antonio and Bexar County as of June 30, 2023 and 2022, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to 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 UWSA and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to your audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of 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 UWSA'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 Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards 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 consolidated financial statements.

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Auditor's Responsibilities for the Audit of the Consolidated Financial Statements – continued

In performing an audit in accordance with generally accepted auditing standards 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 UWSA'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 UWSA'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.

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The accompanying schedule of distributions to agencies and programs and the consolidating statements of financial position and activities are presented for purposes of additional analysis and is not a required part of the consolidated 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 consolidated financial statements. The information has been subjected to the auditing procedures applied, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with U. S. generally accepted auditing standards. In our opinion, the information is fairly stated in all material respects in relation to the consolidated financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our reports dated November 6, 2023 on our consideration of UWSA'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 solely 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 the effectiveness of UWSA's internal control over financial reporting or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering UWSA's internal control over financial reporting and compliance.

ADKF, PC

ADKF, P.C.

San Antonio, Texas

November 6, 2023

UNITED WAY OF SAN ANTONIO AND BEXAR COUNTY
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

June 30, 2023 and 2022

	<u>2023</u>	<u>2022</u>
ASSETS		
Current Assets:		
Cash and cash equivalents	\$ 12,603,067	\$ 14,913,984
Investments	45,757,911	39,192,520
Receivables:		
Pledges, net of allowance for uncollectible pledges	13,811,287	12,491,946
Grants and other receivables	1,037,995	889,508
Prepaid expenses and other assets	176,292	128,078
Total Current Assets	<u>73,386,552</u>	<u>67,616,036</u>
Noncurrent Assets:		
Endowment and Legacy Fund:		
Restricted cash	75,700	25,000
Investments	17,682,983	15,649,271
Beneficial Interests in Perpetual Trusts	2,195,959	2,078,328
Property and Equipment, at cost, net of accumulated depreciation	<u>1,407,517</u>	<u>1,495,681</u>
Total Noncurrent Assets	<u>21,362,159</u>	<u>19,248,280</u>
TOTAL ASSETS	<u><u>\$ 94,748,711</u></u>	<u><u>\$ 86,864,316</u></u>
LIABILITIES AND NET ASSETS		
Current Liabilities:		
Accounts payable and accrued expenses	\$ 5,946,744	\$ 5,759,875
Donor designations payable	7,279,327	6,709,204
TOTAL LIABILITIES	<u>13,226,071</u>	<u>12,469,079</u>
Commitments - Note 9		
Net Assets:		
Without donor restrictions	36,034,670	30,820,388
With donor restrictions:		
Temporary in nature	32,617,372	30,953,132
Perpetual in nature	<u>12,870,598</u>	<u>12,621,717</u>
TOTAL NET ASSETS	<u>81,522,640</u>	<u>74,395,237</u>
TOTAL LIABILITIES AND NET ASSETS	<u><u>\$ 94,748,711</u></u>	<u><u>\$ 86,864,316</u></u>

The accompanying notes are an integral part of these consolidated financial statements.

UNITED WAY OF SAN ANTONIO AND BEXAR COUNTY

CONSOLIDATED STATEMENT OF ACTIVITIES

For The Year Ended June 30, 2023

	Without Donor Restrictions	With Donor Restrictions	Total 2023
<u>PUBLIC SUPPORT AND OTHER REVENUE</u>			
Community campaign	\$ -	\$ 48,260,007	\$ 48,260,007
Non-UWSA designations	-	(10,357,979)	(10,357,979)
Donor designations	-	(7,774,531)	(7,774,531)
Provision for uncollectible pledges	-	(1,756,626)	(1,756,626)
Net carryover pledges	-	104,287	104,287
Net amount available to UWSA	-	28,475,158	28,475,158
Net assets released from restrictions	28,835,732	(28,835,732)	-
Collection of prior year campaign contributions in excess of amount anticipated	486,711	-	486,711
Contributions (non-campaign)	8,453	677,986	686,439
Grants and contracts	7,523,841	-	7,523,841
Investment earnings/(loss), net of fees	3,512,897	1,595,709	5,108,606
In-kind revenue	319,165	-	319,165
Other income	396,479	-	396,479
TOTAL PUBLIC SUPPORT AND OTHER REVENUE	41,083,278	1,913,121	42,996,399
<u>EXPENSES</u>			
Program Services:			
Distributions to Agencies and Programs	33,517,148	-	33,517,148
Less donor designations	(7,297,248)	-	(7,297,248)
Net funds distributed	26,219,900	-	26,219,900
Other program services	4,757,911	-	4,757,911
Total Program Services	30,977,811	-	30,977,811
Support Services:			
Fund-raising	3,443,738	-	3,443,738
Management & general	1,447,447	-	1,447,447
Total Support Services	4,891,185	-	4,891,185
TOTAL EXPENSES	35,868,996	-	35,868,996
CHANGE IN NET ASSETS	5,214,282	1,913,121	7,127,403
Net assets at beginning of year	30,820,388	43,574,849	74,395,237
NET ASSETS AT END OF YEAR	\$ 36,034,670	\$ 45,487,970	\$ 81,522,640

The accompanying notes are an integral part of these consolidated financial statements.

UNITED WAY OF SAN ANTONIO AND BEXAR COUNTY

CONSOLIDATED STATEMENT OF ACTIVITIES

For The Year Ended June 30, 2022

	Without Donor Restrictions	With Donor Restrictions	Total 2022
<u>PUBLIC SUPPORT AND OTHER REVENUE</u>			
Community campaign	\$ -	\$ 46,336,667	\$ 46,336,667
Non-UWSA designations	-	(10,318,283)	(10,318,283)
Donor designations	-	(7,297,248)	(7,297,248)
Provision for uncollectible pledges	-	(1,386,265)	(1,386,265)
Net carryover pledges	-	(149,230)	(149,230)
Net amount available to UWSA	-	27,185,641	27,185,641
Net assets released from restrictions	26,294,335	(26,294,335)	-
Collection of prior year campaign contributions in excess of amount anticipated	806,361	-	806,361
Contributions (non-campaign)	3,095,149	1,009,166	4,104,315
Grants and contracts	5,570,969	-	5,570,969
Investment earnings/(loss), net of fees	(5,167,796)	(1,853,587)	(7,021,383)
In-kind revenue	326,549	-	326,549
Other income	443,775	-	443,775
TOTAL PUBLIC SUPPORT AND OTHER REVENUE	31,369,342	46,885	31,416,227
<u>EXPENSES</u>			
Program Services:			
Distributions to Agencies and Programs	34,428,003	275,000	34,703,003
Less donor designations	(9,085,540)	-	(9,085,540)
Net funds distributed	25,342,463	275,000	25,617,463
Other program services	5,109,561	-	5,109,561
Total Program Services	30,452,024	275,000	30,727,024
Support Services:			
Fund-raising	3,330,044	-	3,330,044
Management & general	1,357,773	-	1,357,773
Total Support Services	4,687,817	-	4,687,817
TOTAL EXPENSES	35,139,841	275,000	35,414,841
CHANGE IN NET ASSETS	(3,770,499)	(228,115)	(3,998,614)
Net assets at beginning of year	34,590,887	43,802,964	78,393,851
NET ASSETS AT END OF YEAR	\$ 30,820,388	\$ 43,574,849	\$ 74,395,237

The accompanying notes are an integral part of these consolidated financial statements.

UNITED WAY OF SAN ANTONIO AND BEXAR COUNTY

CONSOLIDATED STATEMENTS OF CASH FLOWS

For the Years Ended June 30, 2023 and 2022

	<u>2023</u>	<u>2022</u>
Cash Flows from Operating Activities:		
Changes in net assets	\$ 7,127,403	\$ (3,998,614)
Adjustments to Reconcile Changes in Net Assets to Net Cash Provided By Operating Activities:		
Net realized and unrealized (gain)/loss on investments	(4,795,840)	6,931,440
Contributions received restricted to permanent endowment	(131,250)	(37,062)
Depreciation expense	201,816	160,459
Increase in receivables, net	(1,467,829)	(1,138,778)
Decrease (increase) in prepaid expenses and other assets	(48,214)	51,095
Decrease (increase) in beneficial interests in perpetual trusts	(117,631)	137,596
Increase (decrease) in accounts payable and accrued expenses	186,869	2,624,846
Increase (decrease) in donor designations payable	570,123	(1,901,237)
Net Cash Provided by Operating Activities	<u>1,525,447</u>	<u>2,829,745</u>
Cash Flows from Investing Activities:		
Proceeds from the sale and maturity of investments	12,906,129	12,220,469
Purchases of investments	(16,709,180)	(11,945,469)
Purchases of property and equipment	(113,863)	(475,956)
Net Cash Used by Investing Activities	<u>(3,916,914)</u>	<u>(200,956)</u>
Cash Flows from Financing Activities:		
Proceeds from contributions permanently restricted by donor	131,250	37,062
Net Cash Provided by Financing Activities	<u>131,250</u>	<u>37,062</u>
Net Increase (Decrease) in Cash and Cash Equivalents, and Restricted Cash	(2,260,217)	2,665,851
Cash, Cash Equivalents, and Restricted Cash at Beginning of Year	<u>14,938,984</u>	<u>12,273,133</u>
CASH, CASH EQUIVALENTS, AND RESTRICTED CASH AT END OF YEAR	<u><u>\$ 12,678,767</u></u>	<u><u>\$ 14,938,984</u></u>
As presented on the Statements of Financial Position		
Cash and cash equivalents	\$ 12,603,067	\$ 14,913,984
Endowment and Legacy Fund restricted cash	75,700	25,000
Cash, cash equivalents and restricted cash at end of year	<u><u>\$ 12,678,767</u></u>	<u><u>\$ 14,938,984</u></u>

The accompanying notes are an integral part of these consolidated financial statements.

UNITED WAY OF SAN ANTONIO AND BEXAR COUNTY

CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES

For The Year Ended June 30, 2023

	Program	Support Services		Total	Total Expenses
	Services	Fund	Management	Support	
		Raising	And General	Services	2023
Salaries and employee benefits	\$ 3,628,878	\$ 2,803,354	\$ 1,032,880	\$ 3,836,234	\$ 7,465,112
Advertising and public relations	415	18,278	6,508	24,786	25,201
Advertising In-Kind - UWW	207,499	-	-	-	207,499
Building repairs and maintenance	70,879	23,438	18,368	41,806	112,685
Campaign events	-	63,087	-	63,087	63,087
Computer technology	71,774	147,250	45,520	192,770	264,544
Conferences and seminars	4,633	3,163	8,108	11,271	15,904
Copier	17,160	4,691	1,566	6,257	23,417
Insurance	19,314	6,825	40,592	47,417	66,731
Meetings	29,311	17,594	6,290	23,884	53,195
Membership dues - affiliates	256,902	198,451	73,144	271,595	528,497
Postage and shipping	2,917	6,563	5,408	11,971	14,888
Printing and publications	5,588	28,693	2,215	30,908	36,496
Professional fees	21,000	-	108,802	108,802	129,802
Supplies and other	135,592	43,945	9,855	53,800	189,392
Supplies-Computer In-Kind - Chase	79,805	-	31,861	31,861	111,666
Telephone	23,739	7,825	6,317	14,142	37,881
Transportation	4,945	11,865	4,000	15,865	20,810
Utilities	50,618	16,738	13,117	29,855	80,473
Depreciation	126,942	41,978	32,896	74,874	201,816
TOTAL	4,757,911	3,443,738	1,447,447	4,891,185	9,649,096
Program Services - Net Funds Distributed	26,219,900	-	-	-	26,219,900
TOTAL FUNCTIONAL EXPENSES 2023	\$ 30,977,811	\$ 3,443,738	\$ 1,447,447	\$ 4,891,185	\$ 35,868,996

The accompanying notes are an integral part of these consolidated financial statements.

UNITED WAY OF SAN ANTONIO AND BEXAR COUNTY

CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES

For The Year Ended June 30, 2022

	Program	Support Services		Total	Total Expenses
	Services	Fund	Management	Support	
		Raising	And General	Services	2022
Salaries and employee benefits	\$ 3,804,049	\$ 2,712,362	\$ 985,342	\$ 3,697,704	\$ 7,501,753
Advertising and public relations	1,563	47,966	542	48,508	50,071
Advertising In-Kind - UWW	208,349	-	-	-	208,349
Building repairs and maintenance	70,629	24,528	22,272	46,800	117,429
Campaign events	-	41,664	-	41,664	41,664
Computer technology	96,480	87,822	35,522	123,344	219,824
Computer technology In-Kind - Qlik	118,200	-	-	-	118,200
Conferences and seminars	1,785	1,075	1,926	3,001	4,786
Copier	11,927	4,955	877	5,832	17,759
Insurance	21,333	7,877	29,738	37,615	58,948
Meetings	20,041	5,739	3,302	9,041	29,082
Membership dues - affiliates	393,844	280,840	101,976	382,816	776,660
Postage and shipping	2,622	4,493	4,398	8,891	11,513
Printing and publications	2,830	7,583	4,622	12,205	15,035
Professional fees	21,000	-	77,659	77,659	98,659
Supplies and other	167,565	39,398	32,905	72,303	239,868
Telephone	23,305	8,119	8,988	17,107	40,412
Transportation	3,111	6,162	3,163	9,325	12,436
Utilities	44,653	15,765	14,053	29,818	74,471
Depreciation	96,275	33,696	30,488	64,184	160,459
TOTAL	5,109,561	3,330,044	1,357,773	4,687,817	9,797,378
Program Services - Net Funds Distributed	25,617,463	-	-	-	25,617,463
TOTAL FUNCTIONAL EXPENSES 2022	\$ 30,727,024	\$ 3,330,044	\$ 1,357,773	\$ 4,687,817	\$ 35,414,841

The accompanying notes are an integral part of these consolidated financial statements.

UNITED WAY OF SAN ANTONIO AND BEXAR COUNTY

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

June 30, 2023 and 2022

NOTE 1: ORGANIZATION, MISSION, AND SIGNIFICANT ACCOUNTING POLICIES

Organization and Mission – United Way of San Antonio and Bexar County (UWSA) is a not-for-profit organization with over 81 years of experience caring for and helping children, families and individuals. The Organization’s mission statement is, “We unite the community to identify and solve our most critical issues.” UWSA is the largest private health and human services organization in Bexar County, supporting 114 outcome-based programs at 63 agencies.

UWSA strives to achieve its mission through community service programs, community initiatives, and the investment of funds raised from community campaigns. The following are some of the program services:

- UWSA manages a series of public sector and private foundation grants that align with United Way’s priority focus areas. For the fiscal year ended June 30, 2023, UWSA received \$428,760 in private foundation grants, and \$5.9 million was awarded to UWSA to support 20 programs operated by 17 agency partners.
- 2-1-1 Texas is a twenty-four hour, seven day-a-week telephone information and referral service.
- The Volunteer Center matches skills, abilities, and interests of prospective volunteers with the needs of nonprofit agencies.
- The work of the Community Impact Department (CID) includes the annual investment of contributed funds in health and social services, management of subcontracts for grant funds awarded, and the regular monitoring of these programs, services, and agencies. CID also analyzes social problems and health issues that affect the community. As issues are identified and prioritized, CID, in partnership with other community stakeholders, develops, plans, and executes initiatives and strategies to address the underlying causes of these problems.
- Mission United Information and Referral program was formed to help the military and veteran community achieve and maintain self-sufficiency to the greatest extent possible. This veteran peer-to-peer support model facilitates conversation about needs and resources available to veterans and their families.

The United Way of San Antonio and Bexar County Endowment and Legacy Fund (the Endowment) was established in 2016. The Endowment is a perpetual fund for the support of the charitable efforts of UWSA. The Endowment will make distributions to UWSA that will enhance allocations to UWSA programs and agencies.

Significant Accounting Policies – The following is a summary of significant accounting policies used in the preparation of these consolidated financial statements:

Consolidation Policy – These consolidated financial statements include the accounts of UWSA and the Endowment because UWSA has both control and an economic interest in the Endowment. All significant intercompany accounts and transactions have been eliminated in consolidation. Unless otherwise noted, these consolidated entities are hereinafter referred to as “the Organization”. The consolidated financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America.

Cash and Cash Equivalents - Cash and cash equivalents include cash in operating and money-market accounts and all investments with an original maturity of three months or less.

Pledges Receivable – Pledges receivable consist of unconditional promises to give that are received in the fiscal year the promise is made. Unconditional promises to give are generally expected to be collected within one year of the pledge and are recorded at their net realizable value. An allowance for uncollectible pledges receivable is provided based on management’s judgment, including such factors as prior collection history, an assessment of economic conditions, and a review of subsequent collections. The allowance totaled \$1,888,539 as of June 30, 2023, and \$1,799,457 as of June 30, 2022, for the 2022 and 2021 campaigns, respectively. These allowances are further adjusted

UNITED WAY OF SAN ANTONIO AND BEXAR COUNTY

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

June 30, 2023 and 2022

NOTE 1: SIGNIFICANT ACCOUNTING POLICIES (continued)

by actual results of the prior year for presentation purposes.

Grants and Other Receivables - At June 30, 2023 and 2022, no allowance for bad debts was established for grants and other receivables as it is management's opinion that losses, if incurred, would not materially affect the financial statements.

Investments – Investments are reported at fair value based on quoted market prices. Realized and unrealized gains and losses for the reporting period are included in the consolidated statement of activities. Investment expenses are netted against investment return in the consolidated statement of activities. Investments available to fund operations are segregated from Endowment investments which are restricted by donors in perpetuity.

Fair Value of Financial Instruments - GAAP establishes a three-level valuation hierarchy for disclosure of fair value measurements. An instrument's categorization within the hierarchy is based upon the lowest level of input that is significant to the fair value measurement.

Level 1 - Inputs that utilize quoted prices (unadjusted) in active markets for identical assets that the Organization can access.

Level 2 - Inputs that 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. Fair values for these instruments are estimated using pricing models, quoted prices of securities with similar characteristics, or discounted cash flows.

Level 3 - Inputs that are unobservable inputs for the asset or liability. Inputs are typically based on an entity's own assumptions, as there is little, if any, related market activity.

Restricted Cash – Restricted cash represents cash collected for, and restricted to the Endowment and Legacy Fund, and pending transfer to Endowment investment accounts.

Beneficial Interests in Perpetual Trusts – UWSA has been named as an irrevocable beneficiary of perpetual trusts held and administered by independent trustees. Perpetual trusts provide for the distribution of the net income to UWSA; however, UWSA will never receive the assets of the trusts. At the date UWSA receives notice of a beneficial interest, a contribution with donor restrictions of a perpetual nature is recorded in the statement of activities, and a beneficial interest in perpetual trust is recorded in the statement of financial position at the fair value of the underlying trust assets. Thereafter, beneficial interests in the trusts are reported at the fair value of the trusts' assets in the statement of financial position, with trust distributions and changes in fair value recognized in the statement of activities.

Property and Equipment – The Organization follows the practice of capitalizing expenditures in excess of \$5,000 for land, buildings, and equipment at the cost of acquisition, or if donated, at fair value on the date of donation. Depreciation is provided on a straight-line basis over the estimated useful lives of the assets, which range from 3 to 40 years. When assets are sold or otherwise disposed of, the cost and related depreciation or amortization are removed from the accounts, and any resulting gain or loss is included in the statement of activities. Costs of maintenance and repairs that do not improve or extend the useful lives of the respective assets are expensed.

Net Assets – Net assets, revenues, gains, and losses are classified based on the existence or absence of donor or grantor-imposed restrictions. Accordingly, net assets and changes therein are classified and reported as follows:

UNITED WAY OF SAN ANTONIO AND BEXAR COUNTY

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

June 30, 2023 and 2022

NOTE 1: SIGNIFICANT ACCOUNTING POLICIES (continued)

Net Assets Without Donor Restrictions – Net assets available for use in general operations and not subject to donor or certain grantor restrictions.

Net Assets With Donor Restrictions – Net assets subject to donor or certain grantor-imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, such as gifts to the Endowment, where the donor stipulates those resources be maintained in perpetuity. Donor-imposed 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.

Revenue 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. No conditional promises to give have been received.

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, if any, would therefore be reported as deferred grant revenue within accounts payable and accrued expenses in the statement of financial position. Deferred grant revenue from federal and state grants totaled \$1,669,232 as of June 30, 2023, and \$0 as of June 30, 2022.

Volunteers contribute significant amounts of time to our program services, administration, and fundraising campaigns; however, the financial statements do not reflect the value of these contributed services because they do not meet recognition criteria prescribed by generally accepted accounting principles.

Expenses – Expenses are recognized by the Organization on an accrual basis. Expenses paid in advance are recorded as prepaid assets until the applicable period to which the expense applies.

Functional Allocation of Expenses – The costs of providing various program and supporting activities have been summarized on a functional basis in the consolidated statements of activities. The consolidated statements of functional expenses present expenses by function and natural classification. Expenses directly attributable to specific functional areas of the Organization are reported as expenses of those functional areas while indirect costs that benefit multiple functional areas have been allocated among the various functional areas based on the number of employees involved or the amount of time spent. Functional expenses, including advertising costs, are an expense of the year in which incurred and accordingly, are charged to operations on a current basis.

Federal Income Tax Status - UWSA and the Endowment are exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code (IRC); therefore, no provision for income taxes has been made in these consolidated financial statements. GAAP requires recognition and disclosure of uncertain tax positions in the financial statements. Management believes that it has appropriate support for any tax positions taken and that it has no material uncertain tax positions. Accordingly, it has not recognized any liability for uncertain tax positions. For the years ended June 30, 2023, and 2022, UWSA and the Endowment did not recognize any tax related interest or penalties in the financial statements. Tax years 2022-2020 remain open to examination by the taxing jurisdictions that the Organization is subject to, and these periods have not been extended beyond the applicable statute of limitations.

Estimates - The process of preparing financial statements in conformity with GAAP requires the use of estimates and assumptions regarding certain types of assets, liabilities, revenue, and expenses. Such estimates primarily relate to unsettled transactions and events as of the date of the financial statements. Accordingly, upon settlement, actual results may differ from estimated amounts, and those differences could be material.

UNITED WAY OF SAN ANTONIO AND BEXAR COUNTY

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

June 30, 2023 and 2022

NOTE 1: SIGNIFICANT ACCOUNTING POLICIES (continued)

Financial Instruments and Credit Risk – The Organization manages deposit concentration risk by placing cash, money market accounts and investment securities with creditworthy financial institutions. Amounts on deposit may exceed insured limits. To date, the Organization has not experienced losses in any of these accounts due to institutional losses that exceed insured limits. Credit risk associated with grants receivable and promises to give is considered to be limited due to high historical collection rates and because grants receivable are from government agencies and private foundations supportive of our mission. Diversified investment managers whose performance is monitored by UWSA and the endowment and finance committees of the Boards of Directors make investment allocations. Although the total fair value of investments is subject to fluctuation, UWSA's endowment and finance committees believe that the investment policies and guidelines are prudent for the long-term welfare of the Organization.

New Accounting Pronouncements – In June 2016, the FASB issued ASU No. 2016-13 *Financial Instruments-Credit Losses (Topic 326): Measurement of Credit Losses on financial Instruments* which requires the application of a current expected credit loss (CECL) impairment model to financial assets measured at amortized cost, including trade accounts receivable. Under the CECL model, lifetime expected credit losses on such financial assets are measured and recognized at each reporting date based on historical, current, and forecasted information. Furthermore, financial assets with similar risk characteristics are analyzed on a collective basis. This ASU, as amended, is effective for periods beginning after December 15, 2022 with early adoption permitted. Management does not expect the new standard to have a significant impact on its financial position, results of operations and related disclosures.

Recently Adopted Accounting Pronouncements – In February 2016, the FASB issued ASU No. 2016-02, "Leases (Topic 842)," for reporting periods beginning after December 15, 2021. A lessee is required to recognize on the balance sheet right-of-use assets, representing the right to use the underlying asset for the lease term, and a lease liability for all leases with terms greater than 12 months. The guidance also requires qualitative and quantitative disclosures designed to assess the amount, timing, and uncertainty of cash flows arising from leases.

The Organization adopted the new standard effective July 1, 2022. Consistent with the optional transition method allowed as part of the modified retrospective transition approach provided in ASU No. 2018-11, the Organization did not adjust comparative periods. The Organization also elected to apply the package of practical expedients allowed in ASC 842-10-65-1 whereby the Organization need not reassess whether any expired or existing contracts are, or contain, leases; the Organization need not reassess the lease classification for any expired or existing leases; and the Organization need not reassess initial costs for any existing leases. The Organization's adoption of the ASU did not result in the addition of operating lease right-of-use assets nor lease liabilities on the statement of financial position. For all asset classes, the Organization elected not to recognize a right-of-use asset and lease liability for leases with a term of twelve months or less. The adoption of this ASU did not require an adjustment to the statement of financial position or statement of activities since the Organization did not have significant leases in effect during the year.

In September 2020, the FASB issued ASU No. 2020-07 Not-for-Profit (Topic 958): Presentation and Disclosures by Not-for-Profit entities for Contributed Nonfinancial Assets to increase the transparency of contributed non-financial assets by enhancing the presentation and disclosures. The update includes the presentation of contributed non-financial assets as a separate line item in the statement of activities while disclosing disaggregated information about the types of contributed non-financial assets, how the contribution was used and various other disclosures. Adoption of the new standard did not have a significant impact on the statement of activities and related disclosures.

Reclassifications – Certain reclassifications of amounts previously reported have been made to the accompanying financial statements to maintain consistency between reporting periods presented.

Public Sector Campaigns and CFC - UWSA manages public sector campaigns for the State Employee Charitable Campaign, the Combined School Districts Charitable Campaign, the City of San Antonio Charitable Campaign, the Bexar County Charitable Campaign, and the San Antonio Water System Campaign. UWSA does not include cash held on behalf of those campaigns on the statement of financial position as part of cash and cash equivalents, as UWSA has no discretion as to how those funds are distributed. Cash held on behalf of these campaigns at June 30, 2023 and 2022 was \$732,982 and \$721,942, respectively.

UNITED WAY OF SAN ANTONIO AND BEXAR COUNTY

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

June 30, 2023 and 2022

NOTE 1: SIGNIFICANT ACCOUNTING POLICIES (continued)

UWSA participates in the Combined Federal Campaign (CFC) as a local federation and receives designations for its member agencies. UWSA honors those designations by distributing a proportionate share of receipts based on donor designations to each member.

NOTE 2: LIQUIDITY AND AVAILABILITY OF RESOURCES

The Organization's financial assets available within one year of the consolidated statements of financial position date for general expenditure, including distributions to partner agencies, are as follows:

	<u>2023</u>	<u>2022</u>
Cash and Cash Equivalents – UWSA Operating	\$ 12,546,156	\$ 14,532,301
Cash and Cash Equivalents – Special Gifts Fund	56,911	381,683
UWSA Investments – Operating	30,666,652	24,660,155
UWSA Investments – Special Gifts Fund	15,091,259	14,532,365
UWSA Pledges Receivable	13,810,037	12,441,946
Grants and Other Receivables	1,037,995	889,508
Less: Gifts Restricted by Donors	(1,344,430)	(1,546,991)
Less: Amount Restricted for Donor Designations	<u>(7,279,327)</u>	<u>(6,709,204)</u>
Net Financial Assets Available Within One Year	<u>\$ 64,585,253</u>	<u>\$ 59,181,763</u>

Endowment funds consist of donor-restricted contributions to the Endowment. Income from endowment investments, net of investment fees, is restricted for distribution to UWSA. Endowment funds, including earnings, are not available for general expenditure.

NOTE 3: INVESTMENTS AND FAIR VALUE OF FINANCIAL INSTRUMENTS

The cost and estimated fair market value of investments at June 30, 2023 are as follows:

UNITED WAY OF SAN ANTONIO AND BEXAR COUNTY

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

June 30, 2023 and 2022

NOTE 3: INVESTMENTS AND FAIR VALUE OF FINANCIAL INSTRUMENTS (continued)

	<u>Cost</u>	<u>Unrealized Gain (Loss)</u>	<u>Fair Value</u>
UWSA:			
Raymond James – Cash Equivalents	\$ 1,452,128	\$ -	\$ 1,452,128
Raymond James – Fixed Income	14,532,776	(1,279,124)	13,253,652
Raymond James – Equities	8,548,023	1,569,024	10,117,047
Frost Investments– Cash Equivalents	1,351,703	-	1,351,703
Frost Investments – Fixed Income	11,963,763	(543,161)	11,420,602
Frost Investments – Equities	7,105,549	1,057,230	8,162,779
Sub-Total UWSA	<u>\$ 44,953,942</u>	<u>\$ 803,969</u>	<u>\$ 45,757,911</u>
Endowment and Legacy Fund:			
Broadway Bank – Cash Equivalents	\$ 519,167	\$ -	\$ 519,167
Broadway Bank – Fixed Income	6,043,816	(524,090)	5,519,726
Broadway Bank – Equities	8,317,023	1,953,040	10,270,063
Broadway Bank – Real Estate Mutual Funds and Other Investments	1,354,838	(5,297)	1,349,541
Steward Partners – Real Estate Investment Trust	25,000	(514)	24,486
Sub-Total Endowment	<u>\$ 16,259,844</u>	<u>\$ 1,423,139</u>	<u>\$ 17,682,983</u>
Consolidated	<u><u>\$ 61,213,786</u></u>	<u><u>\$ 2,227,108</u></u>	<u><u>\$ 63,440,894</u></u>

The cost and estimated fair market value of investments at June 30, 2022 are as follows:

	<u>Cost</u>	<u>Unrealized Gain (Loss)</u>	<u>Fair Value</u>
UWSA:			
Raymond James Money Market	\$ 280,572	\$ -	\$ 280,572
Raymond James Fixed Income	10,789,468	(1,325,894)	9,463,574
Raymond James Equities	9,581,504	269,423	9,850,927
Frost Investments – Money Market	1,040,319	-	1,040,319
Frost Investments – Fixed Income	11,846,489	(484,148)	11,362,341
Frost Investments – Equities	7,014,956	179,831	7,194,787
Sub-Total UWSA	<u>\$ 40,553,308</u>	<u>\$ (1,360,788)</u>	<u>\$ 39,192,520</u>
Endowment and Legacy Fund:			
Broadway Bank – Cash Equivalents	\$ 247,172	\$ -	\$ 247,172
Broadway Bank – Fixed Income	5,905,555	(491,678)	5,413,877
Broadway Bank – Equities	7,885,585	740,510	8,626,095
Broadway Bank – Real Estate Mutual Funds and Other Investments	1,345,421	16,706	1,362,127
Sub-Total Endowment	<u>\$ 15,383,733</u>	<u>\$ 265,538</u>	<u>\$ 15,649,271</u>
Consolidated	<u><u>\$ 55,937,041</u></u>	<u><u>\$ (1,095,250)</u></u>	<u><u>\$ 54,841,791</u></u>

UNITED WAY OF SAN ANTONIO AND BEXAR COUNTY

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

June 30, 2023 and 2022

NOTE 3: INVESTMENTS AND FAIR VALUE OF FINANCIAL INSTRUMENTS (continued)

The Organization uses fair value measurements to record fair value adjustments to certain assets and liabilities to determine fair value disclosures. For additional information on how the Organization measures fair value, refer to Note 1, Significant Accounting Policies.

The following is a description of the valuation methods and assumptions used in estimating the fair value disclosures for financial investments:

- UWSA investments – Valued at the fair value of instruments held at fiscal year-end at quoted market prices.
- Endowment investments – Valued at the fair value of instruments held at fiscal year-end at quoted market prices.
- Interests held in perpetual trusts – Marketable Securities are valued at the fair value of instruments held at fiscal year-end at quoted market prices. Trust investments also include mineral interests and real estate holdings that are not traded regularly, and valuation inputs are not observable.

Assets measured at fair value as of June 30, 2023, are as follows:

	Total	Level 1	Level 2	Level 3
UWSA:				
Raymond James – Cash Equivalents	\$ 1,452,128	\$ 1,452,128	\$ -	\$ -
Raymond James – Fixed Income	13,253,652	13,253,652	-	-
Raymond James – Equities	10,117,047	10,117,047	-	-
Frost Investments – Cash Equivalents	1,351,703	1,351,703	-	-
Frost Investments – Fixed Income	11,420,602	11,420,602	-	-
Frost Investments – Equities	8,162,779	8,162,779	-	-
Sub-Total UWSA	\$ 45,757,911	\$ 45,757,911	\$ -	\$ -
Endowment and Legacy Fund:				
Broadway Bank – Cash Equivalents	\$ 519,167	\$ 519,167	\$ -	\$ -
Broadway Bank – Fixed Income	5,519,726	5,519,726	-	-
Broadway Bank – Equities	10,270,063	10,270,063	-	-
Broadway Bank – Real Estate Mutual Funds and Other Investments	1,349,541	1,349,541	-	-
Steward Partners – Real Estate Investment Trust	24,486	24,486	-	-
Sub-Total Endowment	\$ 17,682,983	\$ 17,682,983	\$ -	\$ -
Total Investments	\$ 63,440,894	\$ 63,440,894	\$ -	\$ -
Beneficial Interests in Perpetual Trusts	\$ 2,195,959	\$ -	\$ -	\$ 2,195,959
	\$ 65,636,853	\$ 63,440,894	\$ -	\$ 2,195,959

UNITED WAY OF SAN ANTONIO AND BEXAR COUNTY

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
June 30, 2023 and 2022

NOTE 3: INVESTMENTS AND FAIR VALUE OF FINANCIAL INSTRUMENTS (continued)

Assets measured at fair value as of June 30, 2022, are as follows:

	Total	Level 1	Level 2	Level 3
UWSA:				
Raymond James – Cash Equivalents	\$ 280,572	\$ 280,572	\$ -	\$ -
Raymond James – Fixed Income	9,463,574	9,463,574	-	-
Raymond James – Equities	9,850,927	9,850,927	-	-
Frost Investments – Cash Equivalents	1,040,319	1,040,319	-	-
Frost Investments – Fixed Income	11,362,341	11,362,341	-	-
Frost Investments – Equities	7,194,787	7,194,787	-	-
Sub-Total UWSA	\$ 39,192,520	\$ 39,192,520	\$ -	\$ -
Endowment and Legacy Fund:				
Broadway Bank – Cash Equivalents	\$ 247,172	\$ 247,172	\$ -	\$ -
Broadway Bank – Fixed Income	5,413,877	5,413,877	-	-
Broadway Bank – Equities	8,626,095	8,626,095	-	-
Broadway Bank – Real Estate Mutual Funds and Other Investments	1,362,127	1,362,127	-	-
Sub-Total Endowment	\$ 15,649,271	\$ 15,649,271	\$ -	\$ -
Total Investments	\$ 54,841,791	\$ 54,841,791	\$ -	\$ -
Beneficial Interests in Perpetual Trusts	\$ 2,078,328	\$ -	\$ -	\$ 2,078,328
	\$ 56,920,119	\$ 54,841,791	\$ -	\$ 2,078,328

NOTE 4: BENEFICIAL INTERESTS IN PERPETUAL TRUSTS

Beneficial Interests in Perpetual Trusts represent UWSA's interests in trusts established by Marrs & Verna McLean and Ruth Chapman & Andrew G. Cowles. Trust assets are held by a third-party trustee and are invested primarily in marketable securities, real estate, and mineral interests. UWSA's interest in the corpus of the trusts, capital transactions, and fluctuation in value of the corpus are reported as net assets with donor restrictions – perpetual in nature, while distributable interest and dividend income are reported as net assets without donor restrictions when distributed by the trustee.

As of June 30, 2023, and 2022, UWSA's interest in the fair value of the perpetual trusts was as follows:

	2023	2022
Marrs & Verna McLean Trust	\$ 943,241	\$ 893,122
Ruth Chapman & Andrew G. Cowles Trust	1,252,718	1,185,206
Interest in Perpetual Trusts	<u>\$ 2,195,959</u>	<u>\$ 2,078,328</u>

UNITED WAY OF SAN ANTONIO AND BEXAR COUNTY

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
June 30, 2023 and 2022

NOTE 5: PROPERTY AND EQUIPMENT

Property and equipment consist of the following at June 30:

	2023	2022
Land and improvements	\$ 610,693	\$ 610,693
Buildings	2,351,657	2,351,657
Computer equipment	361,561	415,767
Office and other equipment	599,471	557,348
Software	92,520	-
Less: accumulated depreciation	(2,608,385)	(2,439,784)
Net Land, Buildings and Equipment	\$ <u>1,407,517</u>	\$ <u>1,495,681</u>

NOTE 6: DONOR DESIGNATIONS PAYABLE

Donors to the Organization's campaign may designate all or part of their contributions to specific agencies. For accounting purposes, these specific designations are not considered to be part of the amount allocated to agencies and are deducted from the campaign amount available to UWSA. Donor designations deducted from the community campaign on the statement of activities (\$7,774,531 and \$7,297,248) represent total designations, including restricted gifts, for Campaigns 2022 and 2021, respectively; the statement of financial position amounts (\$7,279,327) and (\$6,709,204) represent the designations payable, less prepaid designations for Campaigns 2022 and 2021, respectively.

NOTE 7: COMMITMENTS

Annual campaigns are conducted from June to January (campaign period) to raise support for programs. Program funds are distributed to participating agencies in the fiscal year that begins July 1 following the campaign period. Allocations, restricted gifts and grants payable to agencies and programs in fiscal year 2024 are estimated to total \$27,143,409.

NOTE 8: UNSOLICITED NON-CAMPAIGN CONTRIBUTION

In November of 2020, UWSA was notified that it was the recipient of a \$20,000,000 unrestricted gift from the National Philanthropic Trust. The gift is unrestricted as to use and imposes no significant reporting or performance requirements. The proceeds were recorded as a contribution without donor restrictions in the statement of activities for the year ended June 30, 2021.

As of June 30, 2023, the board of directors had committed \$15,107,736 of the funds to be spent as follows:

- \$3,000,000 for the UWSA Endowment and Legacy Fund (Note 10).
- \$6,330,000 for the UWSA Dual Generation program.
- \$600,000 for technology upgrades and capital improvements.
- \$200,000 as the initial funding for the "United with Uvalde" fund.
- \$70,000 to conduct a Bexar County veteran and military family needs assessment.
- Up to \$4,807,736 over 5 years for implementation of Family Resource Center(s) within the community
- Up to \$100,000 over 2 years to host an Annual Community Impact Event & Report

As of June 30, 2023, the Special Gifts fund had net assets without donor restrictions of \$15,541,127.

UNITED WAY OF SAN ANTONIO AND BEXAR COUNTY

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS June 30, 2023 and 2022

NOTE 9: 403(b) THRIFT PLAN

UWSA sponsors a 403(b)-thrift plan to enable employees to accumulate long-term savings for their retirement in a tax-deferred plan. Employer matching contributions are available to employees who have completed 12 months of service and are at least 21 years of age. UWSA provides a base contribution of 3% of an eligible employee's compensation and matches employee contributions up to 6% of salary. For the years ended June 30, 2023, and 2022, UWSA's contributions totaled \$450,727 and \$458,521, respectively.

NOTE 10: UNITED WAY OF SAN ANTONIO AND BEXAR COUNTY ENDOWMENT AND LEGACY FUND

General Information

The Organization's donor restricted endowment is known as United Way of San Antonio and Bexar County Endowment and Legacy Fund (the Endowment; see Note 1). The Endowment consists of donor-restricted endowment contributions and accumulated earnings on those funds not yet appropriated for expenditure. The Endowment was established to provide funds to support UWSA programs and agency allocations.

Endowment "Principal" Interpretation

The Organization's Board of Directors has interpreted the Texas Uniform Prudent Management of Institutional Funds Act (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 of the date of these financial statements, there were no such donor stipulations. As a result of this interpretation, the Endowment will retain in perpetuity (a) the original value of initial and subsequent gift amounts (including promises to give at fair value) donated to the Endowment and (b) any accumulations to the endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added. Donor-restricted amounts not retained in perpetuity are subject to appropriation for expenditure by the Endowment in a manner consistent with the standard of prudence prescribed by TUPMIFA.

Endowment "Income" Appropriation (Spending Policy)

When the fair market value of the fund exceeds the endowment principal, up to 4% of the fair market value may be appropriated for expenditure in any year. This is calculated on the basis of market values determined at least quarterly and averaged over a period of three years immediately preceding the year in which the appropriation for expenditure is to be made. These funds may only be appropriated and distributed in accordance with donor use restrictions.

In accordance with TUPMIFA, in all its endowment spending activity, the Endowment will consider the following factors in making a determination to appropriate (spend) or accumulate donor-restricted endowment funds:

- The duration and preservation of the fund
- The purposes of the Endowment and the donor-restricted endowment fund
- General economic and investment market conditions
- The possible effect of inflation and deflation
- The expected total return from income and the appreciation of investments
- Other resources of the Endowment, and
- The investment policies of the Endowment

UNITED WAY OF SAN ANTONIO AND BEXAR COUNTY

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

June 30, 2023 and 2022

NOTE 10: UNITED WAY OF SAN ANTONIO AND BEXAR COUNTY ENDOWMENT AND LEGACY FUND (continued)

Endowment Investment Policy

The Endowment has adopted an investment policy that attempts to provide a predictable stream of funds for UWSA programs while seeking to maintain the purchasing power of the Endowment assets. Over time, long-term rates of return should be equal to an amount sufficient to maintain the purchasing power of the Endowment assets, to provide the necessary capital to fund the spending policy, and to cover the costs of managing the Endowment investments. To satisfy these objectives, the investment portfolio is structured on a total-return approach through which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends). Substantially all of the funds are invested to seek growth of principal over time.

Endowment Net Asset Composition by Type of Fund:

		<u>Year Ended June 30, 2023</u>		<u>Year Ended June 30, 2022</u>
With Donor Restrictions:				
Donor-restricted endowment - Principal	\$	10,674,639	\$	10,543,389
Accumulated investment earnings		4,273,464		2,795,387
Total	\$	<u>14,948,103</u>	\$	<u>13,338,776</u>
Without Donor Restrictions:				
Without Donor Restrictions - Principal	\$	3,075,700	\$	3,075,000
Accumulated investment earnings		(183,831)		(412,443)
Total	\$	<u>2,891,869</u>	\$	<u>2,662,557</u>

Changes in Endowment Net Assets:

		<u>Year Ended June 30, 2023</u>		<u>Year Ended June 30, 2022</u>
With Donor Restrictions:				
Endowment net assets, beginning of year	\$	13,338,776	\$	15,292,705
Investment earnings, net		1,478,077		(1,715,991)
Contributions		131,250		37,062
Distributions		-		(275,000)
Total	\$	<u>14,948,103</u>	\$	<u>13,338,776</u>
Without Donor Restrictions:				
Endowment net assets, beginning of year	\$	2,662,557	\$	-
Investment earnings, net		228,612		(412,443)
Contributions		700		3,075,000
Total	\$	<u>2,891,869</u>	\$	<u>2,662,557</u>

Underwater Endowment Funds

The Organization considers an endowment fund to be underwater if the fair value of the fund is less than the sum of (a) the original value of initial and subsequent gift amounts donated to the fund and (b) any accumulations to the fund that are required to be maintained in perpetuity in accordance with the direction of the applicable donor gift instrument. The Organization complies with the TUPMIFA and has interpreted that law to permit spending from underwater funds in accordance with the prudent measures required under the law. The Organization's endowment fund was not underwater as of June 30, 2023 or 2022. The endowment appropriated \$275,000 for distribution for the year ended June 30, 2023.

UNITED WAY OF SAN ANTONIO AND BEXAR COUNTY

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

June 30, 2023 and 2022

NOTE 11: NET ASSETS WITH DONOR RESTRICTIONS

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

	<u>2023</u>	<u>2022</u>
Subject to the passage of time and purpose:		
Pledges, uncollected and collected	\$ 28,343,908	\$ 27,156,409
United with Uvalde Fund	<u>-</u>	<u>1,001,336</u>
Total Subject to the Passage of Time and Purpose	28,343,908	28,157,745
Endowments:		
Subject to endowment spending policy and appropriation:		
Contributions to perpetually restricted endowment	10,674,639	10,543,389
Endowment earnings subject to appropriation	<u>4,273,464</u>	<u>2,795,387</u>
Total Endowments	14,948,103	13,338,776
Not subject to spending policy or appropriation:		
Beneficial interests in perpetual trusts	<u>2,195,959</u>	<u>2,078,328</u>
Total Net Assets with Donor Restrictions	<u>\$ 45,487,970</u>	<u>\$ 43,574,849</u>

Net assets were released from donor restrictions by incurring expenses satisfying the restricted purpose or by occurrence of the passage of time or other events specified by the donors in the amounts of \$27,185,641 and \$26,294,335 for the years ended June 30, 2023, and 2022, respectively. These amounts primarily represent releases of promises to give restricted for future campaigns.

NOTE 12: RELATED PARTY TRANSACTIONS

UWSA pays annual affiliation fees for membership in United Ways of Texas (\$73,034 and \$72,934 for the years ended June 30, 2023, and 2022, respectively) and United Way Worldwide (\$455,463 and \$703,726 for the years ended June 30, 2023, and 2022, respectively) for which UWSA receives the right to use the national brand in charitable endeavors, national advocacy of issues, member education, training and other support.

NOTE 13: IN-KIND REVENUE

United Way Worldwide maintains relationships with the National Football League (NFL), the Ad Council and other organizations on behalf of the local United Ways and underwrites the cost to produce Public Service Announcements (PSAs) that promote the programs of United Way. The NFL, the Ad Council and other organizations provide the media space such as television and radio airtime, newspaper and magazine print space, billboards, etc. throughout the year at no cost to United Ways. The Organization's share of the combined value of the donated media was estimated to be \$207,499 and \$208,349 for the years ended June 30, 2023, and 2022, respectively, and are included as in-kind revenue and expense in the statements of activities and functional expenses.

UWSA received a non-cash donation of 300 monitors and 40 laptops from J.P. Morgan Chase to end the digital divide within the community and to support sustainability efforts to ensure used technology does not end up in landfills. J.P. Morgan Chase partnered with United Way of San Antonio and Bexar County in this endeavor because of our reach in the community and our ability to assess where the largest needs are. A portion of the monitors were donated to impact partners to utilize for their programming efforts, and the remainder were utilized by staff of United Way of San Antonio and Bexar County. The laptops will be used as part of the United Way Dual Generation Program and Family Resource Center. The Organization's share of the combined value of the donated products was estimated to be

UNITED WAY OF SAN ANTONIO AND BEXAR COUNTY

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

June 30, 2023 and 2022

NOTE 13: IN-KIND REVENUE (continued)

\$111,666 and \$0 for the years ended June 30, 2023 and 2022, respectively, and these amounts are included as in-kind revenue and expense in the statement of activities and functional expenses.

UWSA received a non-cash grant from Qlik, a business intelligence software company, to provide a platform that allows UWSA to bring together two types of data—community indicator data that describes community conditions that are measurable proxies for the results we want to see in the community and program performance data from our impact council partner agencies. The use of Qlik products aims to tie together these sources of data to tell a visual story about the type, scale, and progression of community impact over time of investments made to the programs, and to allow for ongoing analysis of the data to be fed into UWSA’s decision making process.

The Organization’s share of the combined value of the donated products and services was estimated to be \$0 and \$118,200 for the years ended June 30, 2023 and 2022, respectively and these amounts included as in-kind revenue and expense in the statement of activities and functional expenses.

For the years ended June 30, 2023 and 2022, the in-kind revenue was \$319,165 and \$326,549, respectively, and all the in-kind was unrestricted. The in-kind was valued using estimated prices of identical or similar services provided by the donor at the time of the contribution. The Organization does not sell donated in-kind and only used the in-kind for program use.

NOTE 14: UNITED WITH UVALDE FUND

In response to the violent act at Robb Elementary School in Uvalde, Texas, United Way of San Antonio and Bexar County created the “United with Uvalde” fund. Financial support from the “United with Uvalde” fund was used to support immediate and long-term mental health services for the Uvalde community. The funds will also address any emerging needs that develop in the future. 100% of the fund supported the students, teachers and families in Uvalde. For the year ended June 30, 2023, \$1,853,432 in funds were distributed to nonprofit organizations working in Uvalde with experience and expertise in providing direct mental health services for communities impacted by trauma.

NOTE 15: SUBSEQUENT EVENTS

Management has evaluated events subsequent to year end and through November 6, 2023, which is the date the financial statements were available to be issued.

UNITED WAY OF SAN ANTONIO AND BEXAR COUNTY

SCHEDULE OF DISTRIBUTIONS TO AGENCIES AND PROGRAMS

For The Years Ended June 30, 2023 and 2022

	Totals	
	2023	2022
Alamo Colleges Foundation, Inc.	\$ 156,663	\$ 156,665
Alpha Home, Inc.	130,311	130,311
American Heart Association, S.A. Division	82,288	118,266
American Indians in Texas	97,500	97,500
American Red Cross, S.A. Area Chapter	58,771	179,749
Any Baby Can of San Antonio	374,599	374,599
ARC of San Antonio, The	62,804	58,597
Ascension DePaul Services	68,278	68,278
Autism Community Network	230,494	231,508
AVANCE - San Antonio, Inc.	574,472	574,980
Bexar County Community Health Collaborative	412,000	412,800
Big Brothers Big Sisters of South Texas	323,934	325,255
Blessed Sacrament Academy	130,459	130,459
Boys and Girls Clubs of San Antonio	287,500	287,500
Boysville, Inc.	154,432	567,641
Brighton Center	239,338	239,839
Catholic Charities, Archdiocese of San Antonio, Inc.	321,276	442,361
Child Advocates San Antonio	195,277	168,051
Children's Association for Maximum Potential	41,065	47,717
Children's Bereavement Center	136,250	136,250
Children's Hospital of San Antonio	109,521	130,091
Children's Shelter, The	269,844	307,576
ChildSafe	533,052	533,632
Christian Assistance Ministry	130,000	151,413
Chrysalis Ministries, Inc.	236,855	236,855
City Year	182,000	182,000
Clarity Child Guidance Center	348,197	350,197
Communities in Schools of San Antonio	620,129	620,709
Corazon Ministries	123,750	-
Crosspoint, Inc.	17,277	15,100
DePelchin Children's Center	129,421	129,421
Education Investment Foundation	276	4,855
Ella Austin Community Center	18	66,683
Empower House	219,004	172,510
Endeavors	164,962	178,290

UNITED WAY OF SAN ANTONIO AND BEXAR COUNTY

SCHEDULE OF DISTRIBUTIONS TO AGENCIES AND PROGRAMS

For The Years Ended June 30, 2023 and 2022

	Totals	
	2023	2022
Family Service Association of San Antonio, Inc.	\$ 2,752,642	\$ 2,457,319
Family Violence Prevention Services, Inc.	927,588	846,354
Girl Scouts of Southwest Texas	51,954	47,368
Good Samaritan Community Services	598,396	469,988
Goodwill Industries of San Antonio	663,626	660,590
Greater Randolph Area Services Program, Inc.	137,240	112,270
Guardian House	48,791	50,391
Haven for Hope	1,329,526	1,437,221
Healy-Murphy Center	406,461	406,961
Jefferson Outreach for Older People	8,151	9,525
Lifetime Recovery	184,395	184,395
Madonna Neighborhood Center	24,177	18,203
Meals on Wheels	495,375	235,436
Mission Road Ministries	342,100	343,193
Northeast Senior Assistance (NESA)	8,999	6,433
Presa Community Center	230,684	211,047
Rape Crisis Center, The	225,404	342,647
Respite Care of San Antonio	240,000	90,000
Restore Education	464,515	464,515
Ride Connect Texas	7,429	5,205
Rise Recovery	466,560	468,582
Roy Mass' Youth Alternatives, Inc.	320,754	320,754
SA Hope Center	348,999	116,375
SA Youth	10,140	7,850
Salvation Army, The	405,750	581,561
San Antonio AIDS Foundation	51,164	52,270
San Antonio Council on Alcohol and Drug Awareness	28,972	22,849
San Antonio Food Bank	872,362	1,537,101
SAMMinistries	340,137	121,276
San Antonio Public Library	40,468	40,463
San Antonio Sports	19,612	22,627
Seton Home	80,573	95,843
St. Paul Lutheran Child Development Center	417,968	417,968
St. Peter - St. Joseph Children's Home	137,371	143,557
Texas Diaper Bank	87,039	27,139

UNITED WAY OF SAN ANTONIO AND BEXAR COUNTY

SCHEDULE OF DISTRIBUTIONS TO AGENCIES AND PROGRAMS

For The Years Ended June 30, 2023 and 2022

	Totals	
	2023	2022
ThriveWell Cancer Foundation	\$ 70,098	\$ 57,630
Thru Project	75,000	-
U.S.O. Council of San Antonio	71,592	60,362
Urban Strategies	178,768	178,768
Young Men's Christian Association of Greater San Antonio	1,319,173	1,320,181
Young Women's Christian Association	763,879	649,272
Youth Centers on Military Installations:		
Joint Base San Antonio - Fort Sam Houston Youth Programs	150,011	150,276
Joint Base San Antonio - Lackland Youth Programs	75,015	75,386
Joint Base San Antonio - Randolph Youth Programs	75,013	75,318
United Way Initiatives and Grant Distributions:		
Community Building & Investment	5,645	1,018,486
Developing Successful Children	2,023,219	2,238,319
Dual Generation	1,303,493	1,271,304
Eastside Promise Neighborhood	49,649	16,786
Emergency Food and Shelter Program	1,121,812	-
Family Resource Center	98,981	-
Military Information and Referral	-	2,196
Strengthening Families Partnership	2,895,253	2,313,809
Students Succeeding in School	382,469	254,955
Safety Net	4,985	19,135.00
Other United Ways and Organizations	1,062,322	4,647,886
Special Contributions for Hurricane Harvey:		
United Way of Southeast Louisiana	-	100,000
United Way of St. Charles Parish	-	50,000
Special Contributions for Uvalde:		
Avance- San Antonio, Inc	194,500	-
Big Brothers Big Sisters of South Texas	15,000	-
Bluebonnet Childrens Center	118,862	-
Communities in Schools San Antonio	257,625	-
Community Health Development Inc	253,000	-
Endeavors	128,438	-
Family Service Association	138,500	-
Girl Scouts of Southwest Texas	50,000	-
Greater San Antonio After-School All-Stars	3,000	-
Hill Country MHDD Centers	226,118	-
Ka Boom	178,438	-

UNITED WAY OF SAN ANTONIO AND BEXAR COUNTY

SCHEDULE OF DISTRIBUTIONS TO AGENCIES AND PROGRAMS

For The Years Ended June 30, 2023 and 2022

	Totals	
	2023	2022
The Ecumenical Center	\$ 100,052	\$ -
West Texas Counseling & Guidance Inc	189,899	-
<i>TOTAL DISTRIBUTION</i>	\$ 33,517,148	\$ 34,703,003
<i>TO AGENCIES / PROGRAMS</i>		

Public Sector Campaigns

The United Way of San Antonio and Bexar County has been appointed by the State Employee Charitable Campaign (SECC) Local Employee Committee as the Local Campaign Manager. Additionally, UWSA conducts the Combined School District Charitable Campaign, the City of San Antonio Charitable Campaign, the Bexar County Charitable Campaign and the San Antonio Water Systems Charitable Campaign. UWSA is responsible for managing these campaigns and acting as fiscal agent for all financial activity. UWSA participates in the Combined Federal Campaign (CFC) as a local federation and receives designations for its member agencies. UWSA honors those designations by distributing a proportionate share of receipts based on donor designations to each member.

UNITED WAY OF SAN ANTONIO AND BEXAR COUNTY

CONSOLIDATING SCHEDULE FOR STATEMENT OF FINANCIAL POSITION

As of June 30, 2023

	UWSA	Endowment & Legacy Fnd	Special Gifts Fund	Eliminations	Consolidated
ASSETS					
Current Assets:					
Cash and cash equivalents	\$ 12,546,156	\$ -	\$ 56,911	\$ -	\$ 12,603,067
Investments	30,666,652	-	15,091,259	-	45,757,911
Receivables:					
Pledges, net of allowance for uncollectible pledges	13,810,037	1,250	-	-	13,811,287
Grants and other receivables	1,073,940	105,000	-	\$ (140,945)	1,037,995
Prepaid expenses and other assets	176,292	-	-	-	176,292
Total Current Assets	58,273,077	106,250	15,148,170	(140,945)	73,386,552
Noncurrent Assets:					
Endowment and Legacy Fund:					
Restricted Cash	-	75,700	-	-	75,700
Investments	-	17,682,983	-	-	17,682,983
Beneficial Interests in Perpetual Trusts	2,195,959	-	-	-	2,195,959
Property and Equipment, at cost, net of accumulated depreciation	941,312	-	466,205	-	1,407,517
Total Noncurrent Assets	3,137,271	17,758,683	466,205	-	21,362,159
TOTAL ASSETS	\$ 61,410,348	\$ 17,864,933	\$ 15,614,375	\$ (140,945)	\$ 94,748,711
LIABILITIES AND NET ASSETS					
Current Liabilities:					
Accounts payable and accrued expenses	\$ 5,989,479	\$ 24,961	\$ 73,249	\$ (140,945)	\$ 5,946,744
Donor designations payable	7,279,327	-	-	-	7,279,327
TOTAL LIABILITIES	13,268,806	24,961	73,249	(140,945)	13,226,071
Net Assets:					
Without donor restrictions	17,601,675	2,891,869	15,541,126	-	36,034,670
With donor restrictions:					
Temporary in nature	28,343,908	4,273,464	-	-	32,617,372
Perpetual in nature	2,195,959	10,674,639	-	-	12,870,598
TOTAL NET ASSETS	48,141,542	17,839,972	15,541,126	-	81,522,640
TOTAL LIABILITIES AND NET ASSETS	\$ 61,410,348	\$ 17,864,933	\$ 15,614,375	\$ (140,945)	\$ 94,748,711

UNITED WAY OF SAN ANTONIO AND BEXAR COUNTY

CONSOLIDATING SCHEDULE FOR STATEMENT OF ACTIVITIES

For The Year Ended June 30, 2023

	Without Donor Restrictions			With Donor Restrictions		
	UWSA Operations	UWSA Endowment & Legacy Fund	Special Gifts Fund	UWSA Operations	UWSA Endowment & Legacy Fund	Consolidated 2023
PUBLIC SUPPORT AND OTHER REVENUE						
Community campaign	\$ -	\$ -	\$ -	\$ 48,128,757	\$ 131,250	\$ 48,260,007
Non-UWSA designations	-	-	-	(10,357,979)	-	(10,357,979)
Donor designations	-	-	-	(7,774,531)	-	(7,774,531)
Provision for uncollectible pledges	-	-	-	(1,756,626)	-	(1,756,626)
Net carryover pledges	-	-	-	104,287	-	104,287
Net amount available to UWSA	-	-	-	28,343,908	131,250	28,475,158
Net assets released from restrictions	28,835,732	-	-	(28,835,732)	-	-
Collection of prior year campaign contributions in excess of amount anticipated	486,711	-	-	-	-	486,711
Contributions (non-campaign)	7,753	700	-	677,986	-	686,439
Grants and contracts	7,523,841	-	-	-	-	7,523,841
Investment earnings/(loss), net of fees	2,191,670	228,612	1,092,615	117,632	1,478,077	5,108,606
In-kind revenue	319,165	-	-	-	-	319,165
Other income	396,479	-	-	-	-	396,479
TOTAL PUBLIC SUPPORT AND OTHER REVENUE	39,761,351	229,312	1,092,615	303,794	1,609,327	42,996,399
EXPENSES						
Program Services:						
Distributions to Agencies and Programs	33,179,916	-	337,232	-	-	33,517,148
Less donor designations	(7,297,248)	-	-	-	-	(7,297,248)
Net funds distributed	25,882,668	-	337,232	-	-	26,219,900
Other program services	4,717,411	-	40,500	-	-	4,757,911
Total Program Services	30,600,079	-	377,732	-	-	30,977,811
Support Services:						
Fund-raising	3,443,738	-	-	-	-	3,443,738
Management & general	1,359,354	-	88,093	-	-	1,447,447
Total Support Services	4,803,092	-	88,093	-	-	4,891,185
TOTAL EXPENSES	35,403,171	-	465,825	-	-	35,868,996
CHANGE IN NET ASSETS	4,358,180	229,312	626,790	303,794	1,609,327	7,127,403
Net assets at beginning of year	13,243,495	2,662,557	14,914,336	30,236,073	13,338,776	74,395,237
NET ASSETS AT END OF YEAR	\$ 17,601,675	\$ 2,891,869	\$ 15,541,126	\$ 30,539,867	\$ 14,948,103	\$ 81,522,640