

GREATER GALLATIN UNITED WAY, INC.

AUDITED FINANCIAL STATEMENTS

June 30, 2023 and 2022



AMATICS
CPA GROUP

**GREATER GALLATIN UNITED WAY, INC.
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INDEPENDENT AUDITOR'S REPORT

Board of Directors
Greater Gallatin United Way, Inc.
Bozeman, MT

Opinion

We have audited the accompanying financial statements of Greater Gallatin United Way, Inc. (a nonprofit organization), which comprise the statements of financial position as of June 30, 2023 and 2022, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Greater Gallatin United Way, Inc. 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. 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 Greater Gallatin United Way, Inc. 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 these 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 Greater Gallatin United Way, Inc.'s ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

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



The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Greater Gallatin United Way, Inc.'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 Greater Gallatin United Way, Inc.'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.



Bozeman, Montana
January 11, 2024

**GREATER GALLATIN UNITED WAY, INC.
STATEMENTS OF FINANCIAL POSITION**

ASSETS

	June 30	
	2023	2022
CURRENT ASSETS		
Cash and cash equivalents	\$ 131,928	\$ 702,885
Investments	36,464	67,398
Grants receivable	174,492	236,241
Pledges receivable, net of uncollectible allowance of \$15,000 for both 2023 and 2022	105,040	163,606
Other current assets	464	4,020
	448,388	1,174,150
OTHER ASSETS		
Endowment investments	555,787	611,736
Beneficial interest in agency endowment	45,446	45,689
Right-of-use asset	76,424	-
	677,657	657,425
Total assets	\$ 1,126,045	\$ 1,831,575

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES		
Accrued liabilities	\$ 153,043	\$ 245,573
Accrued compensated absences	13,760	14,075
Current portion of lease liability	36,194	-
	202,997	259,648
LEASE LIABILITY, net of current portion	39,249	-
NET ASSETS		
Without donor restrictions	(37,740)	(19,361)
With donor restrictions	921,539	1,591,288
	883,799	1,571,927
Total liabilities and net assets	\$ 1,126,045	\$ 1,831,575

See notes to financial statements.

GREATER GALLATIN UNITED WAY, INC.
STATEMENT OF ACTIVITIES
Year ended June 30, 2023

	Without Donor Restrictions	With Donor Restrictions	Totals
SUPPORT			
Contributions	\$ 440,933	\$ 91,671	\$ 532,604
Grants	171,862	638,071	809,933
Less: uncollected pledges	(18,568)	-	(18,568)
Special events, net of \$59,646 in expenses	38,640	-	38,640
In-kind donations	28,545	-	28,545
Southwest Montana flood funds	-	2,302,634	2,302,634
Total support	661,412	3,032,376	3,693,788
REVENUE			
kidsLINK parent fees	588,377	-	588,377
Other income	839	-	839
Proceeds from Montana Community Foundation	15,385	-	15,385
Change in FMV of beneficial interest in agency endowment	-	(243)	(243)
Investment return, net	(395)	69,051	68,656
Total revenue	604,206	68,808	673,014
SATISFACTION OF PROGRAM RESTRICTIONS	3,645,933	(3,645,933)	-
RELEASE OF ENDOWMENT FUNDS FOR SPENDING	125,000	(125,000)	-
	3,770,933	(3,770,933)	-
TOTAL SUPPORT, REVENUE, AND SATISFACTION OF RESTRICTIONS	5,036,551	(669,749)	4,366,802
EXPENSES			
Functional expenses			
Program	4,605,473	-	4,605,473
Management	134,619	-	134,619
Fundraising	314,838	-	314,838
Total expenses	5,054,930	-	5,054,930
CHANGE IN NET ASSETS	(18,379)	(669,749)	(688,128)
Net assets at beginning of year	(19,361)	1,591,288	1,571,927
NET ASSETS AT END OF YEAR	\$ (37,740)	\$ 921,539	\$ 883,799

See notes to financial statements.

GREATER GALLATIN UNITED WAY, INC.
STATEMENT OF ACTIVITIES
Year ended June 30, 2022

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Totals</u>
SUPPORT			
Contributions	\$ 636,695	\$ 93,143	\$ 729,838
Grants	519,594	202,253	721,847
Less: uncollected pledges	(8,014)	-	(8,014)
Special events, net of \$609 in expenses	31,091	750	31,841
In-kind donations	8,146	-	8,146
Southwest Montana flood funds	<u>-</u>	<u>846,879</u>	<u>846,879</u>
Total support	<u>1,187,512</u>	<u>1,143,025</u>	<u>2,330,537</u>
REVENUE			
kidsLINK parent fees	381,806	-	381,806
Other income	2,780	-	2,780
Proceeds from Montana Community Foundation	14,910	-	14,910
Change in FMV of beneficial interest in agency endowment	-	(6,446)	(6,446)
Investment return, net	<u>(4,268)</u>	<u>(75,017)</u>	<u>(79,285)</u>
Total revenue	<u>395,228</u>	<u>(81,463)</u>	<u>313,765</u>
SATISFACTION OF PROGRAM RESTRICTIONS	<u>409,072</u>	<u>(409,072)</u>	<u>-</u>
TOTAL SUPPORT, REVENUE, AND SATISFACTION OF RESTRICTIONS	<u>1,991,812</u>	<u>652,490</u>	<u>2,644,302</u>
EXPENSES			
Functional expenses			
Program	1,583,345	-	1,583,345
Management	167,624	-	167,624
Fundraising	<u>338,816</u>	<u>-</u>	<u>338,816</u>
Total expenses	<u>2,089,785</u>	<u>-</u>	<u>2,089,785</u>
CHANGE IN NET ASSETS	<u>(97,973)</u>	<u>652,490</u>	<u>554,517</u>
Net assets at beginning of year	<u>78,612</u>	<u>938,798</u>	<u>1,017,410</u>
NET ASSETS AT END OF YEAR	<u>\$ (19,361)</u>	<u>\$ 1,591,288</u>	<u>\$ 1,571,927</u>

See notes to financial statements.

GREATER GALLATIN UNITED WAY, INC.
STATEMENT OF FUNCTIONAL EXPENSES
Year ended June 30, 2023

	<u>Programs</u>				<u>Management</u>	<u>Fundraising</u>	<u>Total Expenses</u>
	<u>kidsLINK Program</u>	<u>Community Support</u>	<u>Southwest MT Flood</u>	<u>Total Programs</u>			
Allocations	\$ 85,696	\$ 4,659	\$ 3,012,821	\$ 3,103,176	\$ -	\$ -	\$ 3,103,176
Bank charges	17,506	-	-	17,506	2,221	3,559	23,286
Contract services	504,297	41,641	-	545,938	48	24,806	570,792
Curriculum	-	8,311	-	8,311	-	-	8,311
Fair share	7,580	2,366	-	9,946	1,041	4,165	15,152
Fiscal sponsorship funds	-	22,972	-	22,972	-	-	22,972
Insurance	4,109	1,287	-	5,396	97	2,216	7,709
Marketing	5,691	24,284	-	29,975	434	16,786	47,195
Meetings	384	21	-	405	3,626	553	4,584
Personnel costs	510,430	97,400	-	607,830	113,395	213,143	934,368
Postage	-	-	-	-	1,176	672	1,848
Professional development	24,883	-	-	24,883	1,076	-	25,959
Professional fees	6,450	2,017	-	8,467	1,411	3,547	13,425
Rent and utilities	48,562	10,557	-	59,119	4,487	26,568	90,174
Supplies	72,727	53,730	86	126,543	3,880	14,378	144,801
Technology and maintenance	19,788	6,943	-	26,731	1,599	3,801	32,131
Travel and training	8,228	43	4	8,275	128	644	9,047
Total	\$ <u>1,316,331</u>	\$ <u>276,231</u>	\$ <u>3,012,911</u>	\$ <u>4,605,473</u>	\$ <u>134,619</u>	\$ <u>314,838</u>	\$ <u>5,054,930</u>
% of total expenses	<u>26.04</u> %	<u>5.46</u> %	<u>59.60</u> %	<u>91.11</u> %	<u>2.66</u> %	<u>6.23</u> %	<u>100.00</u> %

See notes to financial statements.

GREATER GALLATIN UNITED WAY, INC.
STATEMENT OF FUNCTIONAL EXPENSES
Year ended June 30, 2022

	<u>Programs</u>				<u>Management</u>	<u>Fundraising</u>	<u>Total Expenses</u>
	<u>kidsLINK Program</u>	<u>Community Support</u>	<u>Southwest MT Flood</u>	<u>Total Programs</u>			
Allocations	\$ 68,838	\$ 68,461	\$ 121,150	\$ 258,449	\$ -	\$ 107,587	\$ 366,036
Bank charges	8,096	252	-	8,348	-	3,341	11,689
Contract services	647,149	78,781	1,486	727,416	105	575	728,096
Curriculum	-	14,536	-	14,536	609	9,509	24,654
Fair share	4,159	3,234	-	7,393	3,234	4,775	15,402
Insurance	1,880	1,339	-	3,219	1,389	1,970	6,578
Marketing	6,012	10,405	-	16,417	380	9,426	26,223
Meetings	693	-	-	693	488	43	1,224
Personnel costs	311,815	60,517	1,082	373,414	122,451	174,648	670,513
Postage	41	158	348	547	684	2,911	4,142
Professional development	32,022	1,576	-	33,598	3,663	2,007	39,268
Professional fees	3,219	2,266	-	5,485	4,458	2,981	12,924
Rent and utilities	19,237	11,909	-	31,146	15,204	15,648	61,998
Supplies	30,887	42,664	580	74,131	7,117	1,479	82,727
Technology and maintenance	7,304	12,232	-	19,536	7,786	1,849	29,171
Travel and training	<u>8,306</u>	<u>76</u>	<u>635</u>	<u>9,017</u>	<u>56</u>	<u>67</u>	<u>9,140</u>
Total	\$ <u>1,149,658</u>	\$ <u>308,406</u>	\$ <u>125,281</u>	\$ <u>1,583,345</u>	\$ <u>167,624</u>	\$ <u>338,816</u>	\$ <u>2,089,785</u>
% of total expenses	<u>55.01 %</u>	<u>14.76 %</u>	<u>5.99 %</u>	<u>75.77 %</u>	<u>8.02 %</u>	<u>16.21 %</u>	<u>100.00 %</u>

See notes to financial statements.

**GREATER GALLATIN UNITED WAY, INC.
STATEMENTS OF CASH FLOWS**

	Years ended June 30	
	2023	2022
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from donors and grantors	\$ 3,785,558	\$ 2,043,893
Other cash receipts	593,406	171,450
Payments for salaries and related costs	(934,683)	(667,126)
Payments for allocations and designations	(3,103,176)	(366,036)
Payments to vendors	(1,078,796)	(898,542)
Net cash provided (used) by operating activities	(737,691)	283,639
CASH FLOWS PROVIDED BY INVESTING ACTIVITIES		
Net proceeds from sales of investments	166,734	230,124
NET CHANGE IN CASH AND CASH EQUIVALENTS	(570,957)	513,763
Cash and cash equivalents at beginning of year	702,885	189,122
CASH AND CASH EQUIVALENTS AT END OF YEAR	\$ 131,928	\$ 702,885

See notes to financial statements.

GREATER GALLATIN UNITED WAY, INC.
NOTES TO FINANCIAL STATEMENTS
June 30, 2023 and 2022

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization and Nature of Operations

Greater Gallatin United Way, Inc. (the Organization) is a nonprofit agency organized to identify and prioritize human service issues; to garner and distribute resources to make an impact on those issues. *Greater Gallatin United Way fights for the health, education, and financial stability of every person in the greater Gallatin community.* The Organization takes a collective approach to community problem solving and serves people in Park, Madison, Meagher and Gallatin County, Montana. The Agency was incorporated with the State of Montana on December 19, 1978. The governing board consists of an elected board chair, and elected members of the board of directors. The Organization is supported primarily through contributions from an annual campaign, other programmatic fundraising efforts such as disaster relief fund for kidsLINK Afterschool scholarship funds, as well as grant funds.

Program Services

Greater Gallatin United Way (GGUW) is local, well-governed by volunteers, and has been an essential and vibrant supporter of the community. *Greater Gallatin United Way fights for the health, education, and financial stability of every person in the greater Gallatin community.* GGUW is a community leader in collective impact-driven work.

As a centralized philanthropy, we believe that real long-term change is best generated by a **united** effort, working collectively through a common agenda. When nonprofits are equipped to effectively collaborate, duplication is reduced and each partner's contribution multiplies to deliver greater results for the community.

No one organization alone in isolation can solve complex community problems. The only way we can create real, lasting positive change is by working together through Collective Impact. Collective Impact requires that everyone work together in partnership – businesses, cities, government, schools, faith communities, foundations, and non-profit organizations – to tackle our most pressing challenges and develop lasting solutions.

Greater Gallatin United Way focuses on 4 Community Impact Areas:

- I. Basic Needs - Ensuring basic needs are met, including during times of disaster/crisis
- II. Children and Youth Success – Ensuring all children have the opportunity to reach their full potential
- III. Senior Stability – Promoting healthy aging
- IV. Mental Well-Being – Ensuring every individual realizes his or her own potential and can contribute to the community

We believe that no problem is so big that we can't solve it together, but it takes all of us: fundraisers, hand-raisers, change-makers, partners, and each of our donors to create lasting change through advocacy, fundraising, and volunteerism.

GREATER GALLATIN UNITED WAY, INC.
NOTES TO FINANCIAL STATEMENTS
June 30, 2023 and 2022

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

GGUW Program Services Successes

- **Community Investment/Impact** - Funds raised in GGUW's annual fundraising campaign are invested, "Community Investment/Impact," into local partner programs aimed at combating poverty and supporting education and health initiatives. Supporting seniors to reduce isolation and loneliness and supporting basic needs to lift up all those who are homeless, hungry or struggling financially are prioritized areas for GGUW funding. Centralized fundraising benefits our community by allowing donors to easily support multiple well-vetted organizations with one donation; providing local organizations an efficient method to access community dollars through an open and stringent grant process; and, mobilizing businesses, their workforce and community members to get involved. The community participates at all levels through giving, advocating, and volunteering.
- **kidsLINK Afterschool** – A GGUW initiative that was established in 1997, the program is a fun, safe environment for K-8th graders that provides rich opportunities for learning, personal growth, and building relationships. With autonomy provided so that each school or district may use their community or neighborhood assets, the overall initiative objectives are to support working families, enhance children’s emotional/social well-being, improve children’s physical well-being, supplement children’s academic success, and spark their interest in learning through varied enrichment activities offered through the program. kidsLINK Afterschool is the result of partnerships with school districts, MSU, libraries, non-profits and other local organizations and businesses.
- **Dolly Parton Imagination Library (DPIL)** – GGUW launched DPIL in partnership with Dolly Parton’s foundation to provide free books to children to promote childhood early literacy skills-development and a love reading and learning. Children 0-4 years old may enroll and receive 1 book delivered to their mailbox each month; for children starting at birth they build a personal library of 60 books by the time they enter Kindergarten. GGUW promotes recruitment of the program for all children in Gallatin and Park Counties and raises funds for the costs of shipping the books to each child enrolled.
- **The Resilience Project** – The Resilience Project is a behavioral health and mental well-being initiative of Greater Gallatin United Way. Launched in 2016, The Resilience Project of Greater Gallatin United Way aims to build a healthier and more resilient community through a shift to a new collective mindset about behavioral health and mental well-being and how to improve whole-person health. The Resilience Project is a collaboration of nonprofits, schools, government agencies, foundations, law enforcement, medical professionals, businesses, faith organizations, and individuals working together to improve lives and strengthen communities through learning opportunities.

GREATER GALLATIN UNITED WAY, INC.
NOTES TO FINANCIAL STATEMENTS
June 30, 2023 and 2022

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

- **Volunteer Connections / Volunteermt.org** - This GGUW initiative is to build volunteer engagement by providing a central resource for non-profit organizations to share quality volunteer opportunities with community members. The goals are to build the capacity for local volunteering, raise awareness of the value volunteers bring to our communities, and to mobilize volunteers to effectively and efficiently meet local needs.
- **Earth Day Festival** – GGUW serves as the fiscal sponsor for the Gallatin Valley Earth Day Festival Committee which aims to build on the 50-year legacy of Earth Day by promoting clean air, clean water, and a healthier world and to inspire communities to be part of the solution to the challenges and opportunities we face from a changing climate.
- **Disaster Fund** – In June 2022, Park County experienced extreme and unprecedented flooding causing catastrophic damage to the community, residential and businesses. On June 16, 2022 GGUW and Park County Community Foundation established the Southwest Montana Flood Relief Fund to support families, individuals, and businesses experiencing structural and financial devastation. From the inception of the fund through December 2023 over \$3.1 million in donations have been received and \$2.99 million has been paid out for direct assistance to the flood victims or to agencies assisting those affected by the flood.

Use of Estimates

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

Basis of Accounting

The financial statements of the Organization have been prepared on the accrual basis of accounting in accordance with generally accepted accounting principles. The basis of accounting recognizes revenues and related receivables when they are earned and expenses and related liabilities when incurred.

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:

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

GREATER GALLATIN UNITED WAY, INC.
NOTES TO FINANCIAL STATEMENTS
June 30, 2023 and 2022

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Net Assets (Continued)

- *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, where the donor stipulates that resources be maintained in perpetuity. Gifts of long-lived assets and gifts of cash restricted for the acquisition of long-lived assets are recognized as revenue when the assets are placed in service. 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.

Income Taxes

The Organization is exempt from income taxes under Internal Revenue Code Section 501(c)(3) and therefore, has made no provision for income taxes in the accompanying financial statements. The Organization has also been classified as an entity that is not a private foundation within the meaning of Section 509(a) and qualifies for deductible contributions as provided in Section 170(b)(1)(A)(ii). The Organization's tax returns are open for examination by taxing authorities, generally, for three years after the due date of the return or the date the return was filed, whichever is later.

Cash and Cash Equivalents

For purposes of the cash flow statement, cash and cash equivalents includes amounts held in checking and savings accounts as well as certificates of deposit with an original maturity of three months or less. Account balances held in financial institutions are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000 per bank, per depositor. As of June 30, 2023 and 2022, cash and cash equivalent balances exceeded federally insured limits by \$0 and \$190,954 respectively.

Compensated Absences

The Organization accrues annual leave based upon the employee's anniversary date. An employee which separates from the Organization is paid for all granted and unused annual leave.

Donated Services, Materials, and Facilities

The financial statements of the Organization reflect in-kind donations as revenues in the period received and as assets, expenses, or decreases of liabilities depending on the type of benefit received. Donations are measured at estimated fair market values. Donations received with donor restrictions for future periods are reported as an increase in net assets with donor restrictions. Contributions of services are recognized in the financial statements if the services enhance or create nonfinancial assets or require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation.

Investments

Investments at Northfork Financial, LLC in marketable securities with readily determinable fair values and all investments in debt securities are reported at fair value in the statement of financial position. Unrealized gains and losses are included in the change in net assets. Investment income and gains restricted by a donor are reported as increases in net assets without donor restrictions if the restrictions are met in the reporting period in which the income and gains are recognized.

GREATER GALLATIN UNITED WAY, INC.
NOTES TO FINANCIAL STATEMENTS
June 30, 2023 and 2022

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Functional Expenses

The financial statements report certain categories of expenses that are attributed to more than one program or supporting function. Therefore, expenses require allocation on a reasonable basis that is consistently applied. The Organization tracks and allocates all direct expenses (including staff time and efforts) to specific programs, projects, and funding sources (where appropriate) and has an Indirect Cost Allocation (IDC) policy which is updated annually for all indirect expenses. Indirect costs (such as rent, utilities, office supplies, insurance, accounting, audit, and technology services) are determined on the basis of staff time and effort. GGUW's Indirect Cost Allocation is approved by the GGUW Board of Directors at the same time as the budget approval.

Receivables

Grants receivable and unconditional promises to give (i.e. pledges receivable) are measured at fair value on the date a written unconditional promise to give is received from the donor. The fair value is measured using an income approach which incorporates inputs including estimated timing of cash receipts and an appropriate present value discount factor if receivables are expected to be collected in future years. Conditional grants and pledges receivable are not recognized until they become unconditional, as in, when the conditions are substantially met (see Note 12). Intentions to give do not have legally enforceable documentation and, as such, are considered conditional and are not recognized until payment is received by Greater Gallatin United Way, Inc. Management considers all grants receivable to be collectible. The Organization uses an allowance method to estimate uncollectible pledges receivable. The allowance is based on prior years' experience and management's analysis of specific promises made. All campaign pledges receivable are expected to be received within one year from the end of the campaign year. Receivables still outstanding after that period are written off one year after the campaign year has ended.

Revenue Recognition

Contributions

Contributions are recognized when the donor makes a promise to give to the Organization that is, in substance, unconditional. Unconditional donor promises to give (i.e. pledges receivable) are reported at fair value at the date there is sufficient verifiable evidence documenting that a promise was made by the donor and received by the Organization. Contributions of donor-restricted gifts are recognized at the time of the gift.

The gifts are reported either as net assets without donor restrictions or net assets with donor restrictions if they were received with donor stipulations that sufficiently limit the use of the donated assets. When a donor restriction expires, through the passage of time or when the purpose is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions.

Grants

The Organization receives grants from public agencies, as well as private organizations and individuals, to be used for specific programs or purposes, which may include general operations. Unconditional grant awards are recorded as grant revenue in the period in which they are awarded. Grants having the existence of a condition, but lacking in both the existence of a barrier and right of return to the resource provider, are classified as restricted grant revenue until the conditions are met. Conditional grant awards, having both the existence of a barrier and right of return to the resource provider, are classified as refundable advances when received as a cash advance and are recognized as revenue when the awards are expended or other conditions are satisfied.

GREATER GALLATIN UNITED WAY, INC.
NOTES TO FINANCIAL STATEMENTS
June 30, 2023 and 2022

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Revenue Recognition (Continued)

kidsLINK Revenues

kidsLINK revenues consist of parent fees for the afterschool and out-of-school-time programs. Parent fees are recognized as revenue when received by the Organization; the result of recognizing these revenues when received is not materially different from when the revenues are earned.

Fundraising Events

Revenue from fundraising events consist of ticket sales, sponsorships, and auction item sales. Ticket sales are comprised of an exchange element based on the values of benefits provided, and a contribution element for the difference between the amount paid for the ticket and the exchange element. Sponsorships are a contribution but for some events they may entitle the sponsor to a specified number of event tickets, in which case a portion of the sponsorship is an exchange transaction similar to a ticket sale and the remainder is a contribution. Auction item sales are an exchange transaction. Management has deemed the exchange element not material to the overall financial statements. Ticket sales and sponsorships are recognized as event revenue when money is received as the majority of the transaction is considered to be a contribution. Auction item sales are not recognized as revenues until the event occurs.

Property and Equipment

Property and equipment are recorded at their historical cost, or if donated, at the estimated fair market values at the date of donation based on independent appraisals. Such donations are reported as unrestricted contributions unless the donor has restricted the donated asset to a specific purpose. The Organization capitalizes assets purchased with a useful life of more than one year and purchase price greater than \$2,500. Property and equipment is depreciated using the straight-line method over their estimated useful lives.

Reclassifications

Certain reclassifications of amounts previously reported have been made to the accompanying financial statements to maintain consistency between periods presented. The reclassifications had no impact on previously reported total net assets.

Adoption of New Accounting Standards

Effective July 1, 2022, the Organization adopted FASB ASC 842, *Leases*. The Organization determines if an arrangement contains a lease at inception based on whether the Organization has the right to control the asset during the contract period and other facts and circumstances. The new standard establishes a right-of-use (ROU) model that requires a lessee to record an ROU asset and a lease liability on the statement of financial position for all leases with terms longer than 12 months. Leases are classified as either finance or operating, with classification affecting the pattern of expense recognition in the statement of activities. Leases with a term of less than 12 months will not record a right-of-use asset and lease liability and the payments will be recognized into revenue or expense on a straight-line basis over the lease term. The Organization adopted the new lease standard utilizing the modified retrospective transition method, under which amounts presented in prior periods were not restated. See Note 7.

GREATER GALLATIN UNITED WAY, INC.
NOTES TO FINANCIAL STATEMENTS
June 30, 2023 and 2022

2. CONCENTRATION OF CREDIT RISK

The Organization receives a significant portion of its annual revenue from several local entities. If the funds from those groups were not provided it would adversely affect the operations of the Organization. However, the Organization does not feel the support will be withheld based on the positive ongoing relationships.

3. LIQUIDITY AND AVAILABILITY

Financial assets available for general expenditure, that is, without donor restrictions or other restrictions limiting their use, within one year of the statement of financial position date, comprise the following:

	2023	2022
Financial assets		
Cash and cash equivalents	\$ 131,928	\$ 702,885
Investments	36,464	67,398
Grants receivable	174,492	236,241
Pledges receivable	105,040	163,606
Endowment investments	<u>555,787</u>	<u>611,736</u>
	<u>1,003,711</u>	<u>1,781,866</u>
Unavailable for general expenditure in one year		
Contractual or donor-imposed restrictions		
Purpose restriction by donors	-	(2,430)
Endowment investments	<u>(555,787)</u>	<u>(611,736)</u>
	<u>(555,787)</u>	<u>(614,166)</u>
Available endowment funds per spending policy	<u>-</u>	<u>30,587</u>
Total financial resources available for general expenditure	<u>\$ 447,924</u>	<u>\$ 1,198,287</u>

Greater Gallatin United Way accepts and honors various kinds of donor-restricted funds to GGUW-specified and promoted campaigns throughout the year. All donor-restricted funds are spent according to the specified wishes of the donor/grantor and are considered “unavailable to support general expenditures” with the exception of GGUW’s Community Impact funds. GGUW Community Impact funds are typically allocated each year through our funded-partner grants allocations process.

Typically within any given year, the Organization does not have excess cash because as many funds as possible are invested back into the community each year through GGUW’s Community Investment funded-partners grant allocations process.

The Organization will maintain a strong financial position to ensure continuity of operations and long term sustainability. To that effect, net assets without donor restrictions will accumulate based on both current and historical performance. On an annual basis, the finance committee will assess the organization’s liquidity, financial position, and long term strategies, as well as the community’s ongoing needs. The results of this assessment will be reflected in the annual budget, whereas any excess of unrestricted revenues and support over allocable expenses will automatically increase net assets without donor restrictions to be carried over to future years.

GREATER GALLATIN UNITED WAY, INC.
NOTES TO FINANCIAL STATEMENTS
June 30, 2023 and 2022

3. LIQUIDITY AND AVAILABILITY (Continued)

This carryover will be considered the Organization’s operating reserves by default and is available, by Board resolution, to fund emerging needs within the community, strategic endeavors, and other needs. In addition, without Board resolution, it is available to fund budgetary shortfalls in any given year.

GGUW has the following resources/lines of credit available:

- Operating Investment Account – Stock donations and checking account transfers over time have accumulated in this account and these funds are used periodically to support GGUW cash flow or Board-identified expenditures.
- Endowment Investment Account – Permanent endowment funds in the amount of \$283,149 have been invested/maintained/grown since its original investment.
- Two investment accounts managed by the Montana Community Foundation for GGUW
- Credit Card - GGUW has an available line of credit of \$13,100 on its credit card issued through GGUW's bank of business.

4. INVESTMENTS

Investments consist of the following as of June 30:

	2023	2022
Marketable securities - Operating:		
Bank insured deposit	\$ 1,289	\$ 32,884
Mutual bond funds	35,175	34,514
	36,464	67,398
Marketable securities - Endowment:		
Bank insured deposit	-	2,081
Money market funds	77,242	-
Mutual bond funds	478,545	609,655
	555,787	611,736
	\$ 592,251	\$ 679,134

5. ENDOWMENT

As required by generally accepted accounting principles, net assets associated with endowment funds are classified and reported based on the existence or absence of donor-imposed restrictions. During both the years ended June 30, 2023 and 2022, fees paid for management of endowment funds were \$4,620 and \$3,895, respectively.

GREATER GALLATIN UNITED WAY, INC.
NOTES TO FINANCIAL STATEMENTS
June 30, 2023 and 2022

5. ENDOWMENT (Continued)

Interpretation of Relevant Law

The Board of Directors has interpreted the Montana Uniform Prudent Management of Institutional Funds Act ("MUPMIFA") as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary. As a result of this interpretation, the Organization retains in perpetuity (a) the original value of gifts donated to the endowment, (b) the original value of subsequent gifts to the endowment, and (c) any accumulations to the endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund.

Donor restricted amounts not retained in perpetuity are subject to appropriation for expenditure by us in a manner consistent with the standard of prudence prescribed by MUPMIFA. In accordance with MUPMIFA, the Organization considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

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

As of June 30, 2023 and 2022, endowment net asset composition by type of fund is as follows:

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
June 30, 2023:			
Donor-restricted endowment funds			
Original donor-restricted gift amounts to be maintained in perpetuity	\$ -	\$ 283,149	\$ 283,149
Accumulated investment earnings	<u>-</u>	<u>272,638</u>	<u>272,638</u>
	<u>-</u>	<u>555,787</u>	<u>555,787</u>
Beneficial interest in agency endowment			
Original donor-restricted gift amounts to be maintained in perpetuity	-	32,251	32,251
Accumulated investment earnings	<u>-</u>	<u>13,195</u>	<u>13,195</u>
	<u>-</u>	<u>45,446</u>	<u>45,446</u>
	<u>\$ -</u>	<u>\$ 601,233</u>	<u>\$ 601,233</u>

GREATER GALLATIN UNITED WAY, INC.
NOTES TO FINANCIAL STATEMENTS
June 30, 2023 and 2022

5. ENDOWMENT (Continued)

As of June 30, 2022, endowment net asset composition by type of fund is as follows:

	Without Donor Restrictions	With Donor Restrictions	Total
June 30, 2022:			
Donor-restricted endowment funds			
Original donor-restricted gift amounts to be maintained in perpetuity	\$ -	\$ 283,149	\$ 283,149
Accumulated investment earnings	-	328,587	328,587
	-	611,736	611,736
Beneficial interest in agency endowment			
Original donor-restricted gift amounts to be maintained in perpetuity	-	35,251	35,251
Accumulated investment earnings	-	10,438	10,438
	-	45,689	45,689
	\$ -	\$ 657,425	\$ 657,425

Funds with Deficiencies

From time to time, the fair value of assets associated with individual donor-restricted endowment funds may fall below the level that the donor of MUPMIFA requires the Organization to retain as a fund of perpetual direction. As of June 30, 2023 and 2022, the endowment fund had no such deficiency.

Return Objectives and Risk Parameters

The Organization has adopted investment and spending policies for endowment assets that attempt to provide a predictable stream of funding to operations while seeking to maintain the purchasing power of the endowment assets. Endowment assets include those assets of donor-restricted funds that the Organization must hold in perpetuity or for a donor-specified period(s).

The Organization expects its endowment funds, over time, to provide a reasonable level of current income to support the spending policy authorized by the Board of Directors and to grow equity assets. Actual returns in any given year may vary from this amount.

Strategies Employed for Achieving Objectives

To satisfy its long-term rate-of-return objectives, the Organization relies on a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends). The Organization targets a diversified asset allocation including cash equivalents, fixed income, and equity securities to achieve its long-term return objectives within prudent risk constraints.

GREATER GALLATIN UNITED WAY, INC.
NOTES TO FINANCIAL STATEMENTS
June 30, 2023 and 2022

5. ENDOWMENT (Continued)

Spending Policy and How the Investment Objectives Relate to Spending Policy

The Endowment and Investment Committee shall review the fiscal year end account statements and returns of the endowment account and may transfer, to the general operating account, so much of the net income, but not more than five percent (5%) of the total portfolio balance of the account as valued on the last business day of the fiscal year, as they deem necessary and appropriate. Income shall be defined as dividends from stocks and interest from bond funds. In addition, the Board may set aside and transfer to the general operating account or can designate for a project so much of the net appreciation, realized and unrealized, in fair market value of the assets of the endowment funds over historic value. The historic value is the value of all gifts and transfer to the fund as of the date of such transfer. In establishing this policy, the Organization considered the long-term expected return on its endowment. Accordingly, over the long term, the Organization expects the current spending policy to allow its endowment to grow. This is consistent with the Organization's objective to preserve the fair value of the endowment assets held in perpetuity or for a specified term as well as to provide additional real growth through new gifts and investment return.

Changes in endowment net assets for the years ended June 30, 2023 and 2022 are as follows:

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Endowment net assets, June 30, 2021	\$ -	\$ 738,888	\$ 738,888
2022 investment return:			
Change in FMV of beneficial interest in agency endowment	-	(6,446)	(6,446)
Investment return, net	<u>-</u>	<u>(75,017)</u>	<u>(75,017)</u>
Endowment net assets, June 30, 2022	-	657,425	657,425
2023 investment return:			
Change in FMV of beneficial interest in agency endowment	-	(243)	(243)
Allocation for spending	-	(125,000)	(125,000)
Investment return, net	<u>-</u>	<u>69,051</u>	<u>69,051</u>
Endowment net assets, June 30, 2023	<u>\$ -</u>	<u>\$ 601,233</u>	<u>\$ 601,233</u>

The beneficial interest in agency endowment (agency fund) is held at the Montana Community Foundation (the Foundation). The agency fund is comprised of funds contributed by the Organization to the Foundation. This fund is reflected on the accompanying financial statements as an asset and related earnings are included in revenue. The amount held by the Montana Community Foundation in the agency fund as of June 30, 2023 and 2022 was \$45,446 and \$45,689, respectively.

The Organization has additional endowments held by the Foundation in a donor advised fund. The donor advised fund is comprised of contributions from third-party donors to the Foundation. This fund does not qualify to be recorded on the Organization's Statement of Financial Position. However, earnings from this fund are reported on the statement of activities. The amount held by the Montana Community Foundation in the donor advised fund as of June 30, 2023 and 2022 was \$328,929 and \$330,685, respectively.

GREATER GALLATIN UNITED WAY, INC.
NOTES TO FINANCIAL STATEMENTS
June 30, 2023 and 2022

6. FAIR VALUE MEASUREMENTS

Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 820, *Fair Value Measurements and Disclosures* defines fair value and establishes a framework for measuring fair value in generally accepted accounting principles. 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 and the lowest priority to unobservable inputs.

The three levels of the fair value hierarchy under ASC 820 are described as follows:

Level 1 - Quoted market prices in active markets for identical assets or liabilities.

Level 2 - Inputs other than Level 1 that are observable, either directly or indirectly, such as quoted market prices for similar assets or liabilities; quoted prices in markets that are not active; or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities.

Level 3 - Unobservable inputs for the asset or liability. Unobservable inputs shall be used to measure fair value to the extent that the observable inputs are not available, thereby allowing for situations in which there is little, if any, market activity for the asset or liability at the measurement date.

The asset 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.

Fair values of assets measured on a recurring basis at June 30, 2023 are as follows:

	<u>Fair Value</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
Marketable securities	\$ 592,251	\$ 592,251	\$ -	\$ -
Beneficial interest in agency endowment	<u>45,446</u>	<u>-</u>	<u>-</u>	<u>45,446</u>
	<u>\$ 637,697</u>	<u>\$ 592,251</u>	<u>\$ -</u>	<u>\$ 45,446</u>

Fair values of assets measured on a recurring basis at June 30, 2022 are as follows:

	<u>Fair Value</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
Marketable securities	\$ 679,134	\$ 679,134	\$ -	\$ -
Beneficial interest in agency endowment	<u>45,689</u>	<u>-</u>	<u>-</u>	<u>45,689</u>
	<u>\$ 724,823</u>	<u>\$ 679,134</u>	<u>\$ -</u>	<u>\$ 45,689</u>

GREATER GALLATIN UNITED WAY, INC.
NOTES TO FINANCIAL STATEMENTS
June 30, 2023 and 2022

6. FAIR VALUE MEASUREMENTS (Continued)

The beneficial interest in agency endowment held at Montana Community Foundation has been valued, as a practical expedient, at the fair value of the Organization's share of the Foundation's investment pool as of the measurement date. The Foundation values securities and other financial instruments on a fair value basis of accounting. The estimated fair values of certain investments of the Foundation are determined by the management of the Foundation and may not reflect amounts that could be realized upon immediate sale, nor amounts that ultimately may be realized. Accordingly, the estimated fair values may differ significantly from the values that would have been used had a ready market existed for these investments. The beneficial interest in assets held at the Montana Community Foundation is not redeemable by the Organization.

Financial instruments classified as Level 3 in the fair value hierarchy represent the Organization's investments in financial instruments in which management has used at least one significant unobservable input in the valuation model. The following table represents a reconciliation of the activities for Level 3 financial instruments (beneficial interest in agency endowment funds) for the years ended June 30, 2023 and 2022:

	2023	2022
Beginning balance	\$ 45,689	\$ 52,135
Share of appreciation (depreciation)	(243)	(6,446)
Ending balance	\$ 45,446	\$ 45,689

7. LEASES

The Organization leases office space under an operating lease with a commencement date of July 1, 2022 and a term of 36 months through June 30, 2025. This agreement provides for fixed minimum lease payments with no variable components. Lease costs associated with payments on the Organization's operating lease were \$40,223 for fiscal year 2023. The Organization made \$38,004 of cash payments related to operating leases in fiscal year 2023. Noncash activities involving right-of-use ("ROU") assets obtained in exchange for lease liabilities were \$111,965 for fiscal year 2023.

The following table shows ROU assets and lease liabilities as of June 30, 2023:

Right-of-use assets:	
Operating leases	\$ 76,424
Lease liabilities:	
Operating leases	\$ 75,443

GREATER GALLATIN UNITED WAY, INC.
NOTES TO FINANCIAL STATEMENTS
June 30, 2023 and 2022

7. LEASES (Continued)

Future lease liability payments for the years following June 30, 2023 are as follows:

2024	\$	39,144	
2025		<u>40,320</u>	
Total undiscounted liability	\$		79,464
Less: Imputed interest			<u>(4,021)</u>
Total lease liability			75,443
Less: current portion			<u>(36,194)</u>
Lease liability net of current portion	\$		<u><u>39,249</u></u>

The weighted-average remaining lease term related to the Organization's lease liabilities as of June 30, 2023 was 24 months. The discount rate related to the Organization's lease liabilities as of June 30, 2023 was 5%, based on estimates of the Organization's incremental borrowing rate as of the lease commencement date, as the discount rates implicit in the Organization's lease cannot be readily determined.

8. RETIREMENT PLAN

In January 2004, with revisions in 2015, the Organization adopted an employer invested Savings Incentive Match Plan for Employees (SIMPLE) retirement plan with eligibility beginning the 1st day of the month following employment (amended January 15, 2015). This plan was incorporated into the fully revised and updated GGUW Personnel Policy and Procedures Manual which was approved by the GGUW BOD on April 6, 2017. Full-time employees are eligible to participate in the plan pursuant to the terms of the plan. The employer contribution is a dollar for dollar match of the employee's salary deferral, up to 3% of compensation. The 3% employer match can be reduced to no less than 1% for two out of five years. Notification of the reduction must be given to the employees. The employer cannot contribute more than what is outlined above. Participants may direct their investments among the funds offered by the plan. During the years ended June 30, 2023 and 2022, the Organization made matching contributions of \$14,563 and \$11,335, respectively, to the SIMPLE plan.

9. DONATED SERVICES, MATERIALS, AND FACILITIES

The fair value of donated services and goods included as contributions in the financial statements for the year ended June 30, 2023, are as follows:

	<u>Programs</u>	<u>Management</u>	<u>Fundraising</u>	<u>Total</u>
Contract services	\$ 719	\$ -	\$ 24,806	\$ 25,525
Marketing	1,400	-	-	1,400
Rent and utilities	-	600	-	600
Special events	<u>400</u>	<u>-</u>	<u>620</u>	<u>1,020</u>
	<u>\$ 2,519</u>	<u>\$ 600</u>	<u>\$ 25,426</u>	<u>\$ 28,545</u>

GREATER GALLATIN UNITED WAY, INC.
NOTES TO FINANCIAL STATEMENTS
June 30, 2023 and 2022

9. DONATED SERVICES, MATERIALS, AND FACILITIES (Continued)

The fair value of donated services and goods included as contributions in the financial statements for the year ended June 30, 2022, are as follows:

	<u>Programs</u>	<u>Management</u>	<u>Fundraising</u>	<u>Total</u>
Legal and professional	\$ -	\$ 1,000	\$ -	\$ 1,000
Marketing	5,606	-	-	5,606
Rent and utilities	-	600	-	600
Supplies	<u>940</u>	<u>-</u>	<u>-</u>	<u>940</u>
	<u>\$ 6,546</u>	<u>\$ 1,600</u>	<u>\$ -</u>	<u>\$ 8,146</u>

Special Events

Contributed special events are valued at estimated fair value based on the retail cost of gifted goods and services.

Contract Services

Contributed contract services are valued at estimated fair value based on the rates provided by the professionals gifting their services to GGUW.

Supplies

Contributed supplies are valued at estimated fair value based on their retail cost provided by the vendor.

Legal and Professional

Contributed legal and professional fees are valued at estimated fair value based on the rates provided by the professionals gifting their services to GGUW.

Marketing

Contributed marketing is valued at the estimated fair value based on the rates or retail cost, depending on the marketing medium, provided by marketing agency or vendor.

Rent and Utilities

Contributed rent and utilities are valued at their estimated fair valued based on their retail costs provided by the vendor.

GREATER GALLATIN UNITED WAY, INC.
NOTES TO FINANCIAL STATEMENTS
June 30, 2023 and 2022

10. OVERHEAD RATIO

The following overhead (fundraising) ratio is equal to fundraising, management, and general expenses divided by total campaign support and all other revenue sources. The ratio is calculated below using the net method recommended in functional expenses and overhead reporting guidelines for United Ways, United Way of America, 2003.

	2023	2022
Numerator: Fundraising and management expense, including payments to affiliates	\$ <u>449,457</u>	\$ <u>506,440</u>
Denominator: Total support and revenue, excluding in-kind donations and unrealized gains (losses) on investments	\$ <u>4,244,321</u>	\$ <u>2,740,682</u>
Numerator/denominator expressed as a percentage	<u>10.6 %</u>	<u>18.5 %</u>

11. NET ASSETS WITH DONOR RESTRICTIONS

The Organization's Board of Directors may choose to place limitations on a portion of the net assets without donor restrictions. Net assets with donor restrictions is comprised of the following as of June 30:

	2023	2022
Subject to expenditure for specific purpose:		
CCLC	\$ 79,601	\$ 106,504
Community Impact	56,792	-
Disaster response	5,507	5,079
DPIL/ECCC	12,167	31,024
Earth Day festival	12,552	8,653
Flood relief fund	21,378	715,283
kidsLINK	69,824	956
Mental health	4,280	66,364
The Resilience project	<u>58,205</u>	<u>-</u>
	<u>320,306</u>	<u>933,863</u>
Endowments:		
Accumulated income on donor-restricted endowment funds	272,638	328,587
Donor-restricted investments held in perpetuity	<u>283,149</u>	<u>283,149</u>
	<u>555,787</u>	<u>611,736</u>
Not subject to spending policy or appropriation:		
Beneficial interest in assets held by community foundation	<u>45,446</u>	<u>45,689</u>
	<u>\$ 921,539</u>	<u>\$ 1,591,288</u>

GREATER GALLATIN UNITED WAY, INC.
NOTES TO FINANCIAL STATEMENTS
June 30, 2023 and 2022

12. CONDITIONAL CONTRIBUTIONS

At June 30, 2023 and 2022, GGUW had the following conditional promises related to grants, which are not recognized as revenue until the conditions are substantially met.

In 2021-2022, AMB West Philanthropies announced a three-year grant award of \$180,000 for GGUW's Resilience Project - \$60,000 for Year 1 (FY21-22), \$60,000 for Year 2 (FY22-23), and \$60,000 for Year 3 (FY23-24), pending the Organization's successful completion of Year 1 Resilience Project goals. The Year 2 grant was recognized as revenue in fiscal year 2022-23 as the conditions were met. The year 3 grant was not recognized as revenue as of June 30, 2023 as the conditions had not yet been met.

In 2019-2020, MT Office of Public Instruction awarded GGUW the first year of a five-year 21st Century Community Learning Centers (21st CCLC) Consortium II reimbursable grant in the amount of \$196,175 per year for afterschool and summer programming in Gallatin County. In fiscal years 2021-22 and 2022-23, additional funding was made available through COVID exceptions. In the fifth year (2023-24) of the 2019-20 Consortium II grant, two of the participating consortium schools, Hyalite and Irving, were dropped from Consortium II. GGUW applied for the MT Office of Public Instruction's competitive grant and refused the fifth year of the 2019-2020 five-year grant award due to the decreased future funding available from OPI from competitive grants after the close of the original 2019-20 grant. The 2023-24 funding of \$95,000 was not recognized as revenue in fiscal year 2022-23, as the conditions of expending the funds for reimbursement within restricted time periods had not been met. These annually approved grant funds are restricted for operating afterschool programs and reimbursements for these expenses are expected to be fully received in the fiscal year 2023-24.

In 2019-2020, MT Office of Public Instruction awarded GGUW the first year of a five-year 21st Century Community Learning Centers (21st CCLC) Consortium I reimbursable grant in the amount of \$100,000 per year for afterschool and summer programming in Bozeman and Belgrade. In fiscal years 2021-22 and 2022-23, additional funding was made available through COVID exceptions. In the fifth year (2023-24) of the 2019-20 Consortium I grant, GGUW refused the fifth year funds, totaling \$100,000 for Consortium I, as GGUW was awarded funds in a new 21st CCLC competitive five-year grant in 2023-24. The new five year award for 2023-24 is \$225,000 for years one through three, \$180,000 in year four, and \$157,000 in year five. Future five years of funding totaling \$1,012,000 were not recognized as revenue in fiscal year 2022-23, as the conditions of expending the funds for reimbursement within the restricted time periods had not been met. These annually approved grant funds are restricted for operating afterschool programs and reimbursements for these expenses are expected to be fully received in fiscal years 2023-24 through 2027-28.

In 2021-22, Gallatin County awarded GGUW the American Rescue Plan Act (ARPA) Grant in the amount of \$309,000. This is a reimbursable grant. Future years of funds totaling \$12,708 have not been recognized as of June 30, 2023, as the conditions of expending the funds for reimbursement within the restricted time periods had not been met. The remaining funds are expected to be fully received in 2023-24.

13. GRANTS

21st Century Community Learning Centers Grant

During the year ended June 30, 2023 the Organization was awarded two grants from the Montana Office of Public Instruction (MTOPI) in the amounts of \$245,519 and \$119,753 to fund staff and support for kidsLINK Afterschool and summer programs, in partnership with Bozeman School District #7, Belgrade Public Schools District, Gallatin Valley YMCA, Three Forks, and West Yellowstone.

GREATER GALLATIN UNITED WAY, INC.
NOTES TO FINANCIAL STATEMENTS
June 30, 2023 and 2022

13. GRANTS (Continued)

MT OPI ESSR Summer Enrichment Grant

During the year ended June 30, 2023, the Organization received a grant award in the amount of \$25,000 from the MT Office of Public Instruction (MTOPI) for the Belgrade Summer Program. The funds were expended in the summer of 2023 in accordance with the grant award.

MT OPI After School Grant

During the year ended June 30, 2023, the Organization received a grant award in the amount of \$64,500 from the MT Office of Public Instruction (MTOPI) to support direct program costs of kidsLINK Afterschool Programs. Afterschool programs in Belgrade, Gardiner, Bozeman, and Shields Valley received this funding. The funds were expended in accordance with the grant award.

MT OPI ESSR EELO Grant

During the year ended June 30, 2023, the Organization received a grant award in the amount of \$15,000 from the MT Office of Public Instruction (MTOPI) to support direct program costs of kidsLINK Afterschool Programs. Afterschool programs in Belgrade, Bozeman, and Shields Valley received this funding. The funds were expended in accordance with the grant award.

AMB West Community Fund

During the year ended June 30, 2023, the Organization received a grant award in the amount of \$60,000 from AMB West for The Resilience Project. The funds were received on May 26 and will be expended in FY 2023-24 in accordance with the grant award.

Gianforte Family Foundation

During the year ended June 30, 2023, the Organization received a grant award in the amount of \$10,000 from the Gianforte Family Foundation. The funds were to be allocated towards scholarships for the kidsLINK Afterschool program.

Rieschel Foundation

During the year ended June 30, 2023, the Organization received one grant from Rieschel Foundation in the amount of \$20,000 to support direct program costs of kidsLINK Afterschool Programs. Afterschool programs at Anderson School and West Yellowstone received this funding. The funds were expended in accordance with the grant award.

Town Pump

During the year ended June 30, 2023, the Organization received a grant award in the amount of \$1,000 from Town Pump Charitable Foundation. The \$1,000 award was to be used to assist in children's literacy programs. The funds were spent on books from the Dolly Parton Imagination Library program. The funds were expended in accordance with the grant award.

Yellowstone Club Community Foundation (YCCF)

During the year ended June 30, 2023, the Organization received a grant award in the amount of \$17,500 from YCCF. The \$17,500 award was to be used to support mental health support services for the flood victims in Park County from the flooding that occurred in June 2022. The funds were expended in accordance with the grant award.

During the year ended June 30, 2023, the Organization received a grant award in the amount of \$25,000 from YCCF. The \$25,000 award was to be used to support kidsLINK Afterschool programs. Afterschool programs in Belgrade received this funding. The funds were expended in accordance with the grant award.

GREATER GALLATIN UNITED WAY, INC.
NOTES TO FINANCIAL STATEMENTS
June 30, 2023 and 2022

13. GRANTS (Continued)

Yellowstone Club Community Foundation (YCCF) (Continued)

During the year ended June 30, 2023, the Organization received a grant award in the amount of \$10,000 from YCCF. The \$10,000 award was to be used to support Elevate Behavioral Health, a public awareness campaign centered on Health Coping. The funds were expended in accordance with the grant award.

During the year ended June 30, 2023, the Organization received a grant award in the amount of \$20,000 from YCCF. The \$20,000 award was to be used to support kidsLINK summer program in Big Sky. The grant was awarded in June 2023 and was partially expended in the summer of 2023 and remaining funds will be used in the summer of 2024.

Bozeman Health

During the year ended June 30, 2023, the Organization received a grant in the amount of \$25,000 from Bozeman Health for GGUW's general operating expenses. The funds were expended in accordance with the grant award.

During the year ended June 30, 2023, the Organization received a grant in the amount of \$15,000 from Bozeman Health for GGUW's kidsLINK Afterschool program. Afterschool programs Bozeman received this funding. The funds were expended in accordance with the grant award.

Gilhousen Family Foundation

During the year ended June 30, 2023, the Organization received a grant in the amount of \$23,000 from Gilhousen Family Foundation for GGUW's general operating expenses. The funds were expended in accordance with the grant award.

During the year ended June 30, 2023, the Organization received a grant in the amount of \$8,000 from Gilhousen Family Foundation for GGUW's kidsLINK afterschool program. Afterschool programs in Shields Valley received this funding. The funds were expended in accordance with the grant award.

Otto Bremer Foundation

During the year ended 2023, the Organization received a grant in the amount of \$60,000 to expand GGUW's Community Impact model by creating a new position at GGUW, Director of Community Impact. The funds were expended according to the grant award.

First Security Bank

During the year ended June 30, 2023, the Organization received a grant award in the amount of \$10,000 from First Security Bank Foundation for the kidsLINK Afterschool program. Afterschool programs in Shields Valley and Belgrade received this funding. The funds were expended in accordance with the grant award.

First Interstate Bank

During the year ended June 30, 2023, the Organization received a grant award of \$10,000 from First Interstate Bank for GGUW's kidsLINK Afterschool Program. Afterschool programs at Monforton and Manhattan received this funding. The funds were expended in accordance with the grant award.

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NOTES TO FINANCIAL STATEMENTS
June 30, 2023 and 2022

13. GRANTS (Continued)

Foundant

During the year ended June 30, 2023, the Organization received two grant awards totaling \$4,800 from Foundant for GGUW's kidsLINK Summer Program in the summer of 2023. The summer programs in Belgrade received this funding. The funds were expended in accordance with the grant award.

Bozeman NAMI

During the year ended June 30, 2023, the Organization received a grant award in the amount of \$4,000 from Bozeman NAMI. The \$4,000 award was to be used to support Elevate Behavioral Health, a public awareness campaign centered on Health Coping. The funds were expended in accordance with the grant award.

Western MT Mental Health Center

During the year ended June 30, 2023, the Organization received a grant award in the amount of \$5,000 from Western MT Mental Health Center. The \$5,000 award was to be used to support Elevate Behavioral Health, a public awareness campaign centered on Health Coping. The funds were expended in accordance with the grant award.

14. SUBSEQUENT EVENTS

Date of Management Evaluation

Management has evaluated subsequent events through January 11, 2024, the date on which the financial statements were available to be issued.