



Financial Statements

Pikes Peak United Way
For the year ended June 30, 2025

PIKES PEAK UNITED WAY

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INDEPENDENT AUDITORS' REPORT

The Board of Directors
Pikes Peak United Way
Colorado Springs, Colorado

Opinion

We have audited the accompanying financial statements of Pikes Peak United Way (the Organization), which comprise the statement of financial position as of June 30, 2025 and the related statements of activities, functional expenses and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Organization as of June 30, 2025 and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

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

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of 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 the Organization's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditors' Responsibility 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 auditors' 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 the Organization's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Organization's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Report on Summarized Comparative Information

We have previously audited the Organization's 2024 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated March 20, 2025. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2024 is consistent, in all material respects, with the audited financial statements from which it has been derived.

Report on Supplemental Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying supplemental information on pages 18 and 19 is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements.

The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Sorren CPAs P.C.
January 15, 2026

PIKES PEAK UNITED WAY

STATEMENT OF FINANCIAL POSITION JUNE 30, 2025 (with comparative totals for 2024)

	2025	2024
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	\$ 194,067	\$ 483,472
Investments	4,994,320	5,421,381
Pledges receivable, net	506,893	654,529
Grants and other receivables	213,790	543,683
Prepaid expenses and other current assets	<u>38,673</u>	<u>53,587</u>
Total current assets	5,947,743	7,156,652
RIGHT-OF-USE ASSETS, NET	22,344	35,130
PROPERTY AND EQUIPMENT, NET	4,879,403	5,395,454
BENEFICIAL INTEREST IN PERPETUAL TRUSTS	<u>459,163</u>	<u>436,040</u>
TOTAL ASSETS	<u>\$ 11,308,653</u>	<u>\$ 13,023,276</u>
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Accounts payable and accrued expenses	\$ 173,063	\$ 163,138
Allocations and designations payable	813,469	915,690
Deferred revenue	310,172	870,899
Current portion of operating lease obligation	8,753	8,546
Current portion of note payable	28,921	27,986
Retainage payable	<u>674,499</u>	<u>674,499</u>
Total current liabilities	1,334,378	2,660,758
OPERATING LEASE OBLIGATION	14,820	26,049
LONG-TERM NOTE PAYABLE	<u>122,947</u>	<u>151,867</u>
TOTAL LIABILITIES	<u>1,472,145</u>	<u>2,838,674</u>
NET ASSETS		
Without donor restrictions:		
Invested in property and equipment	2,943,541	3,208,250
Board designated fund for future use	591,264	591,264
Available for operations	<u>1,521,467</u>	<u>1,474,292</u>
Total net assets without donor restrictions	5,056,272	5,273,806
With donor restrictions	<u>4,780,236</u>	<u>4,910,796</u>
Total net assets	<u>9,836,508</u>	<u>10,184,602</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 11,308,653</u>	<u>\$ 13,023,276</u>

See notes to financial statements.

PIKES PEAK UNITED WAY

STATEMENT OF ACTIVITIES FOR THE YEAR ENDED JUNE 30, 2025 (with comparative totals for 2024)

	2025			2024 Total
	Without Donor Restrictions	With Donor Restrictions	Total	
REVENUES				
Gross campaign revenue	\$ 1,739,116	\$ 622,617	\$ 2,361,733	\$ 2,783,110
Less donor designations to agencies	(604,325)		(604,325)	(730,368)
Less provision for uncollectable contributions	(168,621)		(168,621)	(101,281)
Net campaign revenue	966,170	622,617	1,588,787	1,951,461
Grants and contributions	165,945	1,350,218	1,516,163	3,397,931
Contributions - non-financial	408,853		408,853	590,757
Investment income	232,627	76,106	308,733	353,755
Change in value of beneficial interest in perpetual trusts		23,123	23,123	30,536
Special events (net of costs of direct benefit to donors of \$67,915)	35,560		35,560	48,191
Other revenues	291,280		291,280	243,929
Net assets released from restrictions	2,202,624	(2,202,624)		
Total revenues	4,303,059	(130,560)	4,172,499	6,616,560
EXPENSES				
Program services:				
Gross funds awarded	1,892,504		1,892,504	2,332,441
Less donor designation to agencies	(604,325)		(604,325)	(730,368)
Net funds awarded	1,288,179	—	1,288,179	1,602,073
Other program services	1,844,606		1,844,606	1,576,451
Total program services	3,132,785	—	3,132,785	3,178,524
General and administrative	931,910		931,910	872,965
Fundraising	455,898		455,898	477,360
Total expenses	4,520,593	—	4,520,593	4,528,849
Change in net assets	(217,534)	(130,560)	(348,094)	2,087,711
NET ASSETS, Beginning of year	5,273,806	4,910,796	10,184,602	8,096,891
NET ASSETS, End of year	\$ 5,056,272	\$ 4,780,236	\$ 9,836,508	\$ 10,184,602

See notes to financial statements.

PIKES PEAK UNITED WAY

STATEMENT OF FUNCTIONAL EXPENSES FOR THE YEAR ENDED JUNE 30, 2025 (with comparative totals for 2024)

	2025										2024 Expenses Total	
	Program Services						Supporting Services			Expenses Total		
	Community Investment	Family Success Center	2-1-1 Info & Referral	Community Impact	Community Investment	Co Springs Promise	Total	General and Administrative	Fundraising			
Gross distributions to agencies	\$ 1,618,589						\$ 1,618,589				\$ 1,618,589	\$ 1,660,253
Gross distributions to individuals	273,915						273,915				273,915	672,188
Less donor designations to agencies	(604,325)						(604,325)				(604,325)	(730,368)
Net allocation granted to agencies	1,288,179	\$ —	\$ —	\$ —	\$ —	\$ —	1,288,179	\$ —	\$ —		1,288,179	1,602,073
Salaries and benefits		253,845	309,939	145,939	23,488		733,211	651,170	278,133		1,662,514	1,681,456
Facilities and occupancy		748,979	44,654	21,404	2,759		817,796	54,416	44,785		916,997	663,493
Contract services		51,669	64,881	41,026	11,633		169,209	171,620	95,066		435,895	339,485
United Way Worldwide dues		10,705	13,411	6,607	959		31,682	15,315	11,996		58,993	50,412
Insurance		9,192	8,509	6,794	494		24,989	12,563	8,132		45,684	40,877
Printing and promotions		5,379	4,031	1,100	52		10,562	1,834	19,157		31,553	38,028
Supplies		11,059	2,027	4,157	100		17,343	24	2,455		19,822	28,676
Staff development		1,090	1,729	3,653	14		6,486	6,314	6,059		18,859	9,791
Meetings		2,927	1,379	2,941	1,130		8,377	1,731	4,247		14,355	13,094
Other dues		1,001	4,253	26	3		5,283	4,735	3,553		13,571	14,771
Travel		738	5,994	541	281		7,554	2,548	2,087		12,189	15,346
In-kind advertising and promotion			7,761				7,761				7,761	34,372
Postage and shipping		252	341	299	20		912	1,872	727		3,511	91
Miscellaneous		652	613	1,283	893		3,441	7,768	47,416		58,625	64,328
TOTAL EXPENSES BY FUNCTION	1,288,179	1,097,488	469,522	235,770	41,826	—	3,132,785	931,910	523,813		4,588,508	4,596,293
Less expenses included with revenues on the statement of activities: Cost of direct benefit to donors									(67,915)		(67,915)	(67,444)
TOTAL EXPENSES INCLUDED IN THE EXPENSE SECTION ON THE STATEMENT OF ACTIVITIES	\$ 1,288,179	\$ 1,097,488	\$ 469,522	\$ 235,770	\$ 41,826	\$ —	\$ 3,132,785	\$ 931,910	\$ 455,898		\$ 4,520,593	
PERCENTAGE	28%	24%	10%	5%	1%	0%	69%	21%	10%		100%	
COMPARATIVE TOTALS - 2024	\$ 1,055,584	\$ 817,716	\$ 454,106	\$ 814,597	\$ 31,010	\$ 5,511	\$ 3,178,524	\$ 872,965	\$ 477,360		\$ 4,528,849	
PERCENTAGE OF TOTAL - 2024	23%	18%	10%	18%	1%	0%	70%	19%	11%		100%	

See notes to financial statements.

PIKES PEAK UNITED WAY

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED JUNE 30, 2025 (with comparative totals for 2024)

	2025	2024
OPERATING ACTIVITIES		
Change in net assets	\$ (348,094)	\$ 2,087,711
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:		
Depreciation and amortization	627,617	425,350
Net realized and unrealized gains on investments	(59,479)	(226,479)
Change in value of beneficial interest in perpetual trusts	(23,123)	(30,536)
Changes in operating assets and liabilities:		
Pledges receivable, net	147,636	171,750
Grants and other receivables	329,893	(300,216)
Prepaid expenses and other current assets	16,678	(18,344)
Accounts payable and accrued expenses	(664,574)	8,512
Allocations and designations payable	(102,221)	(86,478)
Deferred revenue	<u>(560,727)</u>	<u>(514,671)</u>
Net cash flows provided by (used in) operating activities	<u>(636,394)</u>	<u>1,516,599</u>
INVESTING ACTIVITIES		
Purchases of property and equipment	(111,566)	(1,321,746)
Proceeds from sales of investments	5,796,109	668,814
Purchases of investments	<u>(5,309,569)</u>	<u>(1,363,474)</u>
Net cash provided by (used in) investing activities	<u>374,974</u>	<u>(2,016,406)</u>
FINANCING ACTIVITIES		
Net cash flows used in financing activities—		
Payments on notes payable	<u>(27,985)</u>	<u>(27,064)</u>
Net change in cash and cash equivalents	(289,405)	(526,871)
CASH AND CASH EQUIVALENTS, Beginning of year	<u>483,472</u>	<u>1,010,343</u>
CASH AND CASH EQUIVALENTS, End of year	<u>\$ 194,067</u>	<u>\$ 483,472</u>
SUPPLEMENTARY DISCLOSURE		
Interest paid	<u>\$ 6,640</u>	<u>\$ 5,914</u>
Right-of-use asset obtained in exchange for new operating lease obligation	<u>\$ —</u>	<u>\$ 26,916</u>
Purchase of property and equipment through retainage payable	<u>\$ —</u>	<u>\$ 674,499</u>

See notes to financial statements.

PIKES PEAK UNITED WAY

NOTES TO FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Pikes Peak United Way (the Organization) is a non-profit organization incorporated in the State of Colorado with a mission to improve the quality of life in their community. The Organization's vision statement states, "Through strengthened collaboration, we will achieve measurable improvements in education, income stability, and health for the residents of El Paso and Teller Counties," and the Organization's values statement states, "Community Focused, Inclusive, Collaborative."

In 1922, the Pikes Peak Social Welfare Fund was established. In 1924, it became the Community Chest. In 1962, the United Fund of the Pikes Peak Region was incorporated and in 1973, it was renamed to Pikes Peak United Way. Since 1922, the Organization's name and the needs of the community have changed, but its ability to reach out and provide a helping hand has not.

United Way Worldwide — As part of the Organization's commitment to community excellence and measurable impact, the Organization's work is guided by United Way Worldwide's Standards of Excellence. These standards are designed to enhance the effectiveness of the approximately 1,800 United Way affiliates in 41 countries through shared best practices and benchmarks. The Organization is certified in compliance with all membership requirements, including compliance in the areas of governance, accounting standards, and presentation. The Organization is governed by its own volunteer board of directors and pays annual dues to United Way Worldwide totaling \$58,993 and \$50,412 for the years ended June 30, 2025 and 2024, respectively.

Basis of Presentation — The accompanying financial statements have been prepared using the accrual basis of accounting in accordance with the accounting principles generally accepted in the United States of America (US GAAP).

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 the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Cash and Cash Equivalents — The Organization considers all liquid investments with an original maturity of three months or less, which are not held for long-term investment purposes, to be cash equivalents. Cash and liquid financial instruments held for long-term investment purposes, regardless of length to maturity, are reported as investments and excluded from this definition. The Organization maintains its cash and equivalents in financial institutions that, at times, may exceed federally insured limits. The risk is managed by maintaining deposits with high-quality financial institutions. The Organization does not anticipate non-performance by these institutions.

Pledges Receivable — Unconditional pledges receivable are recognized in the period received. Pledges receivable are recorded at net realizable value if expected to be collected within one year and at the present value of estimated future cash flows if expected to be collected in more than one year. All pledges receivable are due within one year. Conditional pledges receivable are recognized when the conditions on which they depend are substantially met. The Organization uses the allowance method to account for uncollectible pledges receivable. The allowance is based on historical experience, management's periodic review of outstanding pledges and existing economic conditions. Pledges receivable are recorded net of an allowance for uncollectible pledges totaling \$114,035 and \$101,281 as of June 30, 2025 and 2024, respectively.

Investments — Investments are reported at fair value. Realized and unrealized gains and losses are included as revenue without donor restrictions in the statements of activities. Donated investments are recorded at fair market value on the date of donation. See Note 4 for information on fair value measurements.

Property and Equipment — Property and equipment are recorded at cost, or if donated, at the estimated fair value at the date of donation. The Organization's policy is to capitalize acquisitions of property and equipment costing in excess of \$1,000 and having a useful life exceeding one year. Depreciation is provided using the straight-line method over estimated useful lives, which range from three to forty years.

Deferred Revenue — Deferred revenue consists of conditional grant funding for programs in which the expenses will be incurred in a future period or for sponsorships of future fundraising events. The Organization recognizes income when the related expenses are incurred or when the event takes place.

Net Assets — The financial statements present information regarding the financial position and activities according to two classes of net assets: net assets without donor restrictions, which represent the expendable resources that are available for operations at managements discretion; and net assets with donor restrictions, which represent resources restricted by donors as to purpose or by the passage of time and resources for which use by the Organization is limited by donor-imposed stipulations that neither expire by passage of time, nor can be fulfilled or otherwise removed by actions of the Organization. Board-designated net assets as of June 30, 2025 and 2024 consist of a board reserve to be used for potential disasters or other unforeseen events.

Donor Designations — Certain contributions and pledges received in fundraising campaigns are designated by individuals for specific agencies or for United Way organizations in areas other than the Pikes Peak region.

To promote philanthropy, the board policy allows donors to designate to any qualified 501 (c)(3) organization in the United States. Annual campaign gifts, in which the Organization agrees to transfer the gift to another beneficiary as designated by the donor, are deducted from gross campaign results to arrive at net campaign results. In accordance with United Way Worldwide membership requirements, these designations are presented as part of gross campaign results and gross agency distributions in the statements of activities but are then deducted to arrive at the Organization's profits under US GAAP.

Contributions and Grants — Contribution and grant income includes contributions and grants from the fundraising campaign conducted each year to help support agency allocations, program services and operations of the Organization. Contributions and grant income are recorded when cash is received, when unconditional promises are made, or when ownership of contributed assets is transferred to the Organization. In accordance with US GAAP, contributions received are recorded as without donor restrictions or with donor restrictions depending on the existence and / or nature of donor restrictions.

Donated Services and Materials — Donated services and materials are recorded as both revenues and expenditures in the accompanying statements of activities at their estimated fair values. Contributions of services are recognized if the services received (a) create or enhance nonfinancial assets or (b) require specialized skills, are provided by individuals possessing those skills and would typically need to be purchased if not provided by donations.

Many individuals volunteer their time and perform a variety of tasks that assist the Organization. The Organization received approximately 13,350 and 10,575 volunteer hours during the years ended June 30, 2025 and 2024, respectively, with an estimated fair value of approximately \$447,125 and \$336,285, respectively. These donated services are not reflected in the accompanying financial statements since they do not meet the criteria for recognition under US GAAP.

Income Taxes — The Organization is exempt from income tax under Section 501(c)(3) of the Internal Revenue Code (the Code) and is not a private foundation under Section 509(a)(2) of the Code. The Organization evaluates the effect of uncertain tax positions, if any, and provides for those positions in accordance with the provisions of FASB ASC 450, Contingencies. No tax accrual for uncertain tax positions has been recorded as management believes there are no uncertain tax positions for the Organization. The Organization has no unrelated business taxable income. Accordingly, no provision for income taxes is made in the financial statements.

Functional Allocation of Expenses — Expenses are recognized when incurred in accordance with the accrual basis of accounting. The financial statements report certain categories of expenses that are attributable to one or more program or supporting function. Therefore, these expenses require allocation on a reasonable basis that is consistently applied. The expenses that are allocated include occupancy and contractors, which are allocated based upon the average departmental full-time employees (i.e., headcount); depreciation is allocated on a square footage basis; and salaries, benefits, payroll taxes, and professional fees, allocated on the basis of estimates of time and effort. Other expenses that could be directly assigned to a specific function are allocated to that function.

Subsequent Events — The Organization has evaluated subsequent events for recognition or disclosure through the date of the Independent Auditors' Report, which is the date the financial statements were available for issuance.

2. LIQUIDITY AND AVAILABILITY

The following table reflects the Organization's financial assets as of June 30, 2025 and 2024, reduced by amounts that are not available to meet general expenditures within one year of the statement of financial position date because of contractual restrictions or internal board designations. Amounts not available include net assets with donor restrictions and board designated funds that are not considered in the annual operating budget. While the Organization does not intend to spend these for purposes other than those identified, the amounts could be made available for current operations, if necessary.

	2025	2024
Cash and cash equivalents	\$ 194,067	\$ 483,472
Investments	4,994,320	5,421,381
Beneficial interest in perpetual trusts	459,163	436,040
Pledges receivable, net	506,893	654,529
Grants and other receivables	<u>213,790</u>	<u>543,683</u>
Total financial assets	<u>6,368,233</u>	<u>7,539,105</u>
Less amounts unavailable for general expenditures within one year due to:		
Restricted by donors with purpose restrictions	(1,091,012)	(1,147,405)
Restricted by donors in perpetuity	<u>(1,905,230)</u>	<u>(1,756,040)</u>
Total amounts unavailable for general expenditures within one year	<u>(2,996,242)</u>	<u>(2,903,445)</u>
Less amounts unavailable to management without board's approval:		
Board designated for future use	<u>(591,264)</u>	<u>(591,264)</u>
Total financial assets available to meet cash needs for general expenditures within one year	<u>\$ 2,780,727</u>	<u>\$ 4,044,396</u>

As part of the Organization's liquidity management plan, it has a policy to structure its financial assets to be available as its general expenditures, liabilities and other obligations come due. In addition to the above, the Organization operates in accordance with a board-approved budget and anticipates collecting sufficient revenue to cover general expenditures.

3. PROPERTY AND EQUIPMENT

Property and equipment consists of the following at June 30:

	2025	2024
Building and improvements	\$ 6,314,869	\$ 6,233,332
Furniture and equipment	824,624	794,595
Land	511,992	511,992
Land improvements	<u>82,840</u>	<u>82,840</u>
Total	7,734,325	7,622,759
Less accumulated depreciation	<u>(2,854,922)</u>	<u>(2,227,305)</u>
Property and equipment, net	<u>\$ 4,879,403</u>	<u>\$ 5,395,454</u>

Depreciation expense totaled \$627,617 and \$425,350 for the years ended June 30, 2025 and 2024, respectively.

During 2022, the Organization entered into a 10 year building lease that has below market rates. The Organization recognized the building at the estimated fair value at the time of the lease in excess of the actual lease payments totaling \$2,432,894. The building is depreciated over the term of the lease.

4. FAIR VALUE DISCLOSURES

The Organization is required to use a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy are described below:

Level 1: Unadjusted quoted prices in active markets for identical assets or liabilities that the Organization has the ability to access.

Level 2: Prices determined using significant other observable inputs. Inputs to the valuation methodology include:

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

If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.

Level 3: Prices determined using significant unobservable inputs.

The 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.

The following is a description of the valuation methodologies used for the Organization's assets measured at fair value. There have been no changes in the methodologies used for the years ended June 30, 2025 and 2024.

Money Market and Mutual Funds: Valued at quoted prices in active markets.

Certificates of Deposit: Values determined based on cost, maturity dates and interest rates.

See Note 5 regarding the fair value methodology of beneficial interest in perpetual trusts held by the Organization.

The following table sets forth by level, within the fair value hierarchy, the Organization's assets stated at fair value as of June 30:

	Fair Value	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
2025:				
Money market funds	\$ 808,588	\$ 808,588		
Certificates of deposit	2,265,216		\$ 2,265,216	
Equity and fixed-income mutual funds	<u>1,190,516</u>	<u>1,190,516</u>		
Total investments	4,994,320	2,729,104	\$ 2,265,216	\$ —
Beneficial interest in perpetual trusts	<u>459,163</u>		<u>459,163</u>	
Total	<u>\$ 5,453,483</u>	<u>\$ 2,729,104</u>	<u>\$ 2,724,379</u>	<u>\$ —</u>
2024:				
Money market funds	\$ 681,918	\$ 681,918		
Certificates of deposit	2,934,354		\$ 2,934,354	
Equity and fixed-income mutual funds	<u>1,805,109</u>	<u>1,805,109</u>		
Total investments	5,421,381	2,487,027	\$ 2,934,354	\$ —
Beneficial interest in perpetual trusts	<u>436,040</u>		<u>436,040</u>	
Total	<u>\$ 5,857,421</u>	<u>\$ 2,487,027</u>	<u>\$ 3,370,394</u>	<u>\$ —</u>

Net investment income was composed of the following for the years ended June 30:

	2025	2024
Interest and dividends	\$ 262,942	\$ 140,299
Net realized and unrealized gains	59,479	226,479
Investment management and custodial fees	<u>(13,688)</u>	<u>(13,023)</u>
Investment income, net	<u>\$ 308,733</u>	<u>\$ 353,755</u>

5. BENEFICIAL INTEREST IN PERTEPTUAL TRUSTS

The Organization is an income beneficiary of two separate trusts whose principal is held at various financial institutions in perpetuity. The Organization's share of the fair value of the trusts totaled \$459,163 and \$436,040 at June 30, 2025 and 2024, respectively.

The fair value of the Organization's interest in the trusts is determined primarily based on the Organization's proportionate share of the fair value of the underlying assets of the trusts. Fair value of the underlying assets is determined using quoted market prices and pricing services. The Organization received \$8,908 and \$8,358 in distributions from the trusts during the years ended June 30, 2025 and 2024, respectively. The change in the beneficial interest in the trusts was \$23,123 and \$30,536 in 2025 and 2024, respectively.

6. ALLOCATIONS AND DESIGNATIONS PAYABLE

Allocations approved by the Organization’s Board of Directors are recorded as an expense and a payable. Annual fundraising campaign revenue includes amounts designated by donors for specified agencies. The amounts raised on behalf of others are reflected as reductions of gross campaign results in the statements of activities.

Allocations and designations payable was composed of the following for the years ended June 30:

	2025	2024
Allocations approved by the Board of Directors	\$ 550,000	\$ 598,564
Designations payable	<u>263,469</u>	<u>317,126</u>
Total	<u>\$ 813,469</u>	<u>\$ 915,690</u>

7. NOTE PAYABLE

On May 28, 2020, the Organization refinanced a previously issued bond/swap with a note payable in the amount of \$285,000. The note bears interest at a fixed rate of 3.25% per annum and is secured by the Organization’s building. The note matures on May 28, 2030. The note is payable in monthly installments of \$2,791 with one irregular final payment of \$2,847.

Future payments related to the note payable are as follows:

2026	\$ 28,921
2027	29,889
2028	30,888
2029	31,922
2030	<u>30,248</u>
Total	<u>\$ 151,868</u>

8. LINE OF CREDIT

The Organization had a revolving line of credit with a financial institution in the amount of \$300,000. Borrowings under the line of credit bore interest at the institution's index less 0.50% with a floor of 3% per annum and was secured by the Organization's building. The line of credit matures on June 1, 2028. There was no balance outstanding on the line of credit as of June 30, 2025 and 2024.

9. LEASES

The Organization leases office equipment. The Organization determines if an arrangement is a lease at the inception of a contract. Leases with an initial term of twelve months or less (short-term lease) are not recorded on the statement of financial position.

For leases that commenced before the effective date of ASU 2016-02, the Organization elected the permitted practical expedients to not reassess the following: (i) whether any expired or existing contracts contain leases; (ii) the lease classification for any expired or existing leases; and (iii) initial direct costs for any existing leases. Operating lease right-of-use-assets and liabilities are presented separately in the balance sheet. As the Organization's operating lease does not provide the implicit rate, the Organization elected to use the risk-free rate as of the commencement date in determining the present value of lease payments. The Organization considers publicly available data for instruments with similar characteristics when calculating its risk-free rate.

Operating lease costs totaled \$9,276 during the years ended June 30, 2025 and 2024.

	2025	2024
Other information		
Cash paid for amounts included in the measurement of lease liability:		
Operating cash flows from operating leases	\$ 9,276	\$ 9,276
Weighted average remaining lease term	2.81 years	3.76 years
Weighted average discount rate	2.61%	2.60%

Undiscounted future cash flows for the operating lease as of June 30, 2025 are as follows:

2026	\$ 9,276
2027	8,904
2028	6,255
2029	<u>1,203</u>
Future minimum lease payments	25,638
Lease amount representing interest	<u>(2,065)</u>
Operating lease liability recognized on the balance sheet	<u>\$ 23,573</u>

10. ENDOWMENT FUNDS

Net assets with donor restrictions as of June 30, 2025 and 2024 include several endowment funds for which the total investment return on such net assets may be used for the purposes of the Organization.

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. The state of Colorado has adopted the Uniform Prudent Management of Institutional Funds Act (UPMIFA). The Organization has interpreted the state of Colorado's UPMIFA as permitting preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds, absent explicit donor stipulations to the contrary.

As a result of this interpretation, the Organization classifies as net assets with donor restrictions to be held in perpetuity (a) the original value of gifts donated to the permanent endowment, and (b) accumulations to the permanent endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund.

The remaining portion of the donor-restricted endowment fund that is not classified in net assets with donor restrictions to be held in perpetuity is classified as net assets with donor restrictions restricted for a specified purpose or the passage of time until those amounts are appropriated for expenditure by the Organization in a manner consistent with the standard of prudence prescribed by UPMIFA.

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

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

The Organization has investment and spending policies for endowment assets that emphasize long-term growth and income. The Organization's endowment assets are invested in a manner that is intended to produce future income and stabilized returns. Changes in endowment net assets with donor restrictions for the years ended June 30, are as follows:

	2025	2024
Endowment net assets, beginning of year	\$ 2,699,836	\$ 2,459,677
Contributions	126,687	
Investment return, net	<u>85,229</u>	<u>240,159</u>
Endowment net assets, end of year	<u>\$ 2,911,752</u>	<u>\$ 2,699,836</u>

Net assets with donor restrictions:

The portion of endowment funds that is required to be retained permanently either by explicit donor stipulation or by UPMIFA	\$ 1,905,230	\$ 1,756,040
Accumulated investment gains	<u>1,006,522</u>	<u>943,796</u>
Total	<u>\$ 2,911,752</u>	<u>\$ 2,699,836</u>

From time to time, the fair value of assets associated with individual donor-restricted endowment funds may fall below the level that the donor or UPMIFA requires the Organization to retain as a fund of perpetual duration. No deficiency existed as of June 30, 2025 and 2024.

The Organization has adopted investment and spending policies for endowment assets that attempt to provide a predictable stream of funding to programs supported by its endowment 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 as well as board-designated funds. Under this policy, the endowment assets are invested in a manner that is intended to produce maximum results while assuming a moderate level of investment risk.

The Organization expects its endowment funds, over time, to provide an average rate of return of approximately the sum of 5.00% plus the Consumer Price Index (CPI) annually. Actual returns in any given year may vary from this amount.

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 that places a great emphasis on equity-based investments to achieve its long-term return objectives within prudent risk constraints.

The Organization has a policy of appropriating for distribution each year 5.00% of its board- designated endowment fund's end-of-year fair value. The Organization also has a policy that suspends distribution from its donor-restricted funds to allow the fund to grow to a critical mass. In establishing these policies, the Organization considered the long-term expected return on its endowment. This is consistent with the Organization's objective to maintain the original 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.

11. NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions consist of the following as of June 30:

	2025	2024
Contributed family success center building, net	\$ 1,783,994	\$ 2,007,351
El Pomar Emergency Grant Fund	1,004,509	942,403
El Pomar Emergency Grant Fund, held in perpetuity	1,000,000	1,000,000
Beneficial interest in perpetual trusts	459,163	436,040
Nelson Reiger Estate Gift, held in perpetuity	446,067	320,000
CS Promise	53,193	67,930
Dolly Parton Imagination Library	20,032	52,481
Women United	11,265	11,265
Family Success Center		58,319
Community Investment Joy Scholarship Fund		13,614
Other endowed gifts	<u>2,013</u>	<u>1,393</u>
Total net assets with donor restrictions	<u>\$ 4,780,236</u>	<u>\$ 4,910,796</u>

12. RETIREMENT PLAN

The Organization has a defined contribution pension plan (403(b) Thrift Plan) covering all employees, except those who are nonresident aliens. Participants are eligible for employer matching contributions after one year of service. The Organization's contribution consists of a 4.00% matching contribution of eligible employee gross salaries based on employee individual contributions. The Organization contributed \$27,216 and \$29,790 to the defined contribution plan for the years ended June 30, 2025 and 2024, respectively.

13. CONTRIBUTIONS — NON-FINANCIAL ASSETS

Contributions of non-financial assets consist of the following for the years ended June 30:

	Revenue Recognized	Utilization in Programs / Activities	Donor Restriction	Valuation Techniques / Inputs
2025:				
Food and beverages	\$ 256,275	Programs	None	Market prices for comparable products
Supplies and other	144,817	Programs	None	Market prices for comparable products
Printing and promotion	<u>7,761</u>	Programs	None	Market prices for comparable services
Total	<u>\$ 408,853</u>			
2024:				
Food and beverages	\$ 546,689	Programs	None	Market prices for comparable products
Printing and promotion	34,372	Programs	None	Market prices for comparable services
Supplies and other	<u>9,696</u>	Programs	None	Market prices for comparable products
Total	<u>\$ 590,757</u>			

PIKES PEAK UNITED WAY

SUPPLEMENTAL INFORMATION

PIKES PEAK UNITED WAY

SCHEDULE OF FUNDS AWARDED FOR YEAR ENDED JUNE 30, 2025 (with comparative totals for 2024)

	2025	2024
ALLOCATIONS TO PARTNER AGENCIES		
Archway Communities (ArchwayHS)	\$ 15,000	
Assistance League of Colorado Springs	13,000	\$ 11,039
Big Brothers Big Sisters of Colorado	10,000	21,580
Care and Share Food Bank	25,000	11,039
CASA of the Pikes Peak Region	15,000	24,900
Catholic Charities	15,000	10,000
Community of Caring Foundation	20,000	15,770
CPCD	70,000	81,380
Court Care of the Pikes Peak Region		12,450
Crossfire Ministries	20,000	16,600
Dream Centers	10,000	10,000
Early Connections	80,000	117,860
Envida	10,000	
Forge Evolution		10,000
Fostering Hope Foundation	15,000	24,900
Friends of the Children	12,000	
Greccio Housing	15,000	11,454
Home Front Military Network	20,000	
Homeward Pikes Peak	25,000	10,000
Hope & Home		12,408
Junior Achievement of Southern Colorado		10,000
Lutheran Social Services		23,431
Mercy's Gate	15,000	
Mt Carmel Veterans Service Center	10,000	10,000
Partners in Housing	25,000	26,975
Peak Education	10,000	24,900
Ronald McDonald House of Charities	10,000	10,000
Safe Passage	15,000	11,039
Serenity Recovery Connection		10,000
Silver Key	20,000	16,600
TESSA	15,000	12,450
The Resource Exchange		10,000
The Place	25,000	20,750
Tri-Lakes Cares	15,000	11,039
Total partner allocations	<u>550,000</u>	<u>598,564</u>
OTHER GROSS FUNDS AWARDED		
Donor designations	604,325	730,368
Catholic Charities, Siemer Grants and Match	95,500	177,000
Care and Share Food Bank, Sunnyside Market	50,000	15,667
Care and Share Food Bank, Cooking Matters Classes	7,500	
Colorado Springs Sports Corp, Youth Programming		77,040

(Continued)

PIKES PEAK UNITED WAY

SCHEDULE OF FUNDS AWARDED FOR YEAR ENDED JUNE 30, 2025 (with comparative totals for 2024)

	2025	2024
Forge Evolution, Emergency Building Repairs	63,000	
Imagination Libraries of Colorado	192,253	56,362
University of Colorado Foundation, Scholarship Fund	55,511	
Other agency awards and distributions	500	5,252
Non-cash awards to individuals (food distributions)	255,951	546,489
Awards to individuals	<u>17,964</u>	<u>125,699</u>
Total other gross funds awarded	<u>1,342,504</u>	<u>1,733,877</u>
Total gross funds awarded to agencies	1,892,504	2,332,441
Less designation	<u>(604,325)</u>	<u>(730,368)</u>
NET FUNDS AWARDED	<u>\$ 1,288,179</u>	<u>\$ 1,602,073</u>

(Concluded)