



**GREATER LONGVIEW UNITED WAY, INC.
LONGVIEW, TEXAS**

FINANCIAL STATEMENTS

As of August 31, 2023 and 2022

Draft

GREATER LONGVIEW UNITED WAY, INC.

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Draft



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Independent Auditor's Report

The Board of Directors
Greater Longview United Way, Inc.
Longview, Texas

Opinion

We have audited the accompanying financial statements of Greater Longview United Way, Inc. (a nonprofit organization), which comprise the statements of financial position as of August 31, 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 Longview United Way, Inc. as of August 31, 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 Longview 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 the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Greater Longview 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, including omissions, are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

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In performing an audit in accordance with generally accepted auditing standards, 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 Longview 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 Longview 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.

Longview, Texas

*** [MONTH, DAY]***, 2024

GREATER LONGVIEW UNITED WAY, INC.
Statements of Financial Position
August 31

	Assets	
	<u>2023</u>	<u>2022</u>
Current Assets:		
Cash and cash equivalents	\$ 210,094	\$ 93,183
Investments, at fair value	315,979	286,485
Certificates of deposit	316,241	316,118
Pledges receivable, net of allowances	492,458	369,440
Prepaid expenses	<u>27,780</u>	<u>17,867</u>
Total Current Assets	<u>1,362,552</u>	<u>1,083,093</u>
Fixed Assets:		
Land	12,500	12,500
Buildings	121,992	121,992
Property and equipment	<u>92,499</u>	<u>92,499</u>
Total Fixed Assets	<u>226,991</u>	<u>226,991</u>
Less: Accumulated depreciation	<u>(145,426)</u>	<u>(136,472)</u>
Net Fixed Assets	<u>81,565</u>	<u>90,519</u>
Total Assets	<u>\$ 1,444,117</u>	<u>\$ 1,173,612</u>
	Liabilities and Net Assets	
Current Liabilities:		
Accounts payable	\$ 8,688	\$ 20,066
Accrued liabilities	218,300	20,943
Deferred revenue	<u>132,417</u>	<u>83,122</u>
Total Current Liabilities	<u>359,405</u>	<u>124,131</u>
Net Assets:		
Without donor restrictions	<u>1,084,712</u>	<u>1,049,481</u>
Total Liabilities and Net Assets	<u>\$ 1,444,117</u>	<u>\$ 1,173,612</u>

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

GREATER LONGVIEW UNITED WAY, INC.
Statements of Activities
For the Years Ended August 31

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>2023 Total</u>	<u>2022 Total</u>
SUPPORT:				
Fundraising	\$ 28,668	\$ -0-	\$ 28,668	\$ 27,042
Contributions	1,102,432		1,102,432	1,031,520
Grants		87,961	87,961	77,267
In-kind contributions		5,950	5,950	14,247
Interest	753		753	1,511
Investment income	33,982		33,982	(64,817)
Other income	16,864		16,864	445
Funds released from donor restrictions	<u>93,911</u>	<u>(93,911)</u>	<u>-0-</u>	<u>-0-</u>
Total Support	<u>1,276,610</u>	<u>-0-</u>	<u>1,276,610</u>	<u>1,087,215</u>
EXPENSES:				
Program Services	943,085		943,085	937,892
Support Services:				
Management and general	257,513		257,513	278,934
Fundraising	<u>40,781</u>		<u>40,781</u>	<u>38,854</u>
Total Support Services	<u>298,294</u>	<u>-0-</u>	<u>298,294</u>	<u>317,788</u>
Total Expenses	<u>1,241,379</u>	<u>-0-</u>	<u>1,241,379</u>	<u>1,255,680</u>
Change in Net Assets	35,231	-0-	35,231	(168,465)
Net Assets at Beginning of Year	<u>1,049,481</u>		<u>1,049,481</u>	<u>1,217,946</u>
Net Assets at End of Year	<u>\$ 1,084,712</u>	<u>\$ -0-</u>	<u>\$ 1,084,712</u>	<u>\$ 1,049,481</u>

(See accompanying notes and accountant's report.)

GREATER LONGVIEW UNITED WAY, INC.
Statement of Functional Expenses
For the Year Ended August 31, 2023

	<u>Support Services</u>			Total
	<u>Program Services</u>	<u>Management and General</u>	<u>Fund-raising</u>	
Salaries	\$ 7,433	\$ 130,083	\$ 11,150	\$ 148,666
Payroll taxes	598	10,459	896	11,953
Total Salaries and Related Expenses	8,031	140,542	12,046	160,619
Distributions to agencies	872,277			872,277
Fundraising			19,168	19,168
Uncollectible pledges	59,179			59,179
In-kind expenses			5,950	5,950
Consultants		10,264		10,264
Supplies and printing	1,186	3,799		4,985
Utilities		9,125		9,125
Insurance	1,181	20,662	1,771	23,614
Retirement contribution	547	9,580	821	10,948
Depreciation		8,954		8,954
Accounting		10,906		10,906
Publicity and promotion	684	11,961	1,025	13,670
Investment expense		4,488		4,488
Repair and maintenance		3,297		3,297
Miscellaneous		23,935		23,935
Total Expenses	\$ 943,085	\$ 257,513	\$ 40,781	\$ 1,241,379

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

GREATER LONGVIEW UNITED WAY, INC.
Statement of Functional Expenses
For the Year Ended August 31, 2022

	<u>Support Services</u>			Total
	<u>Program Services</u>	<u>Management and General</u>	<u>Fund- raising</u>	
Salaries	\$ 8,581	\$ 150,168	\$ 12,872	\$ 171,621
Payroll taxes	671	11,736	1,006	13,413
Total Salaries and Related Expenses	9,252	161,904	13,878	185,034
Distributions to agencies	871,199			871,199
Fundraising			14,836	14,836
Uncollectible pledges	36,963			36,963
In-kind expenses	7,547		6,532	14,079
Consultants	4,288			4,288
Supplies and printing	6,237	9,223		15,460
Utilities		9,060		9,060
Insurance	1,910	33,420	2,865	38,195
Retirement contribution	496	8,671	743	9,910
Depreciation		7,599		7,599
Accounting		12,134		12,134
Investment expense		4,285		4,285
Repair and maintenance		3,309		3,309
Miscellaneous		29,329		29,329
Total Expenses	<u>\$ 937,892</u>	<u>\$ 278,934</u>	<u>\$ 38,854</u>	<u>\$ 1,255,680</u>

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

GREATER LONGVIEW UNITED WAY, INC.
Statements of Cash Flows
For the Years Ended August 31

	<u>2023</u>	<u>2022</u>
Cash Flows from Operating Activities:		
Change in Net Assets	\$ 35,231	\$ (168,465)
Adjustments to reconcile change in net assets to net cash used in operating activities:		
Depreciation	8,954	7,599
Interest on certificates of deposit	(123)	(730)
Investment income	(29,494)	69,315
Change in Operating Assets and Liabilities:		
Accounts receivable	75	2,400
Pledges receivable, net	(123,092)	35,463
Prepays	(9,913)	4,158
Accounts payable	(11,379)	13,465
Accrued expenses	197,357	(9,464)
Deferred revenue	49,295	(63,857)
	<u>116,911</u>	<u>(110,116)</u>
Net Cash Provided by (Used in) Operating Activities		
Cash Flows from Investing Activities:		
Purchases of property and equipment	-0-	(4,875)
	<u>-0-</u>	<u>(4,875)</u>
Net Cash Used in Investing Activities		
Net Increase (Decrease) in Cash and Cash Equivalents	116,911	(114,991)
Cash and Cash Equivalents at Beginning of Year	93,183	208,174
	<u>93,183</u>	<u>208,174</u>
Cash and Cash Equivalents at End of Year	\$ 210,094	\$ 93,183
	<u>210,094</u>	<u>93,183</u>

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

GREATER LONGVIEW UNITED WAY, INC.
NOTES TO FINANCIAL STATEMENTS
August 31, 2023 and 2022

Note 1 – Summary of Significant Accounting Policies:

Basis of Presentation

Greater Longview United Way, Inc. (the “Organization”, “GLUW” or “we”) was organized pursuant to the Texas Non-Profit Corporation Act and is operated exclusively for non-profit purposes. The Organization primarily conducts an annual fundraising campaign in Gregg County, Texas. The funds are allocated to publicly known qualified charitable organizations that serve the people of the greater Longview area.

GLUW also partners with the federal, state, and local organizations in a variety of capacities, providing services to the local community.

Basis of Accounting

The financial statements of GLUW have been prepared on the accrual basis of accounting in accordance with generally accepted accounting principles.

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 amounts reported in the financial statements and accompanying notes. Actual results could differ from these estimates.

Functional Allocation of Expenses

GLUW allocates its expenses on a functional basis among its various programs and support services. Expenses that can be identified with a specific program or support service are allocated directly according to their natural expenditure classification. General and management expenses include those expenses that are not directly identifiable with any specific function but provide for the overall support and direction of GLUW.

Cash and Cash Equivalents

For purposes of the Statements of Cash Flows, we consider all demand deposits, money market funds, and certificates of deposit with original maturities of three months or less to be cash equivalents.

Management of Liquidity

GLUW financial assets available within one year of the Statements of Financial Position for general expenditures is \$1,334,772 and \$1,065,226 as of August 31, 2023 and 2022, respectively. As part of our liquidity management, our policy is to structure financial assets to be available as its general expenditures and other obligations come due. In addition, GLUW invests excess cash in certificates of deposit and marketable securities. There are no reductions of financial assets for contractual or donor-imposed restrictions.

Contributions

Contributions received are recorded as support with or without donor restrictions depending on the existence and/or nature of any donor restrictions and contributions made are recorded as liabilities and expenses in the year the contribution is approved.

**GREATER LONGVIEW UNITED WAY, INC.
NOTES TO FINANCIAL STATEMENTS
August 31, 2023 and 2022**

Note 1 – Summary of Significant Accounting Policies: (continued)

Financial Statement Presentation

GLUW follows the guidance of FASB Codification (FASC) Topic 958. Under FASC Topic 958, we are required to report information regarding our financial position and activities according to two classes of net assets: net assets without donor restrictions and net assets with donor restrictions.

Net assets without donor restrictions represent revenues and expenses no longer restricted by the donor in which the Board of Directors have discretionary control to carry out operations of the organization in accordance with its by-laws.

Net assets with donor restrictions represent resources currently available for use or receivable from the donor, but expendable only for those operating purposes specified by the donor.

There were no net assets with donor restrictions as of August 31, 2023.

Revenue and Revenue Recognition

Revenue is recognized when earned. Program service fees, if any, and payments under cost-reimbursable contracts received in advance are deferred to the applicable period in which the related services are performed, or expenditures are incurred, respectively. Contributions are recognized when cash, securities or other assets, an unconditional promise to give, or notification of a beneficial interest is received; however, pledges or contributions received prior to year-end that are for the subsequent year are recorded as deferred revenue. Conditional promises to give are not recognized until the conditions on which they depend have been substantially met. We have no revenue from contracts with customers.

Donated Goods and Services

Donated goods and services are recorded and reflected in the accompanying financial statements at their fair values at the date of receipt. See Note 2 for additional information.

Pledges Receivable

Pledges receivable, less a provision for estimated uncollectible amounts, is recorded as revenue when pledges are made. A provision for uncollectible pledges is recorded when deemed appropriate based on, among other things, the Organization's past collection experience and the impact of changes in the current economic conditions. Uncollected pledges receivable allowance was \$65,672 and \$67,489 for the years ended August 31, 2023 and 2022, respectively.

Distributions of Agency Allocations

The Organization honors donor designations to other nonprofit agencies. To be eligible to receive a donation, the agency must be an active 501(c)(3) organization. During the fiscal year ending August 31, 2023, GLUW allocated funding to 21 organizations in the amount of \$804,066. During the fiscal year ended August 31, 2022, GLUW allocated funding to 20 organizations in the amount of \$791,977.

Federal Income Taxes

GLUW is a not-for-profit organization that is exempt from federal income tax under Internal Revenue Code Section 501(c)(3). As a tax-exempt entity, GLUW is required to file Forms 990 and 990-T and pay federal income tax only on unrelated business income. GLUW qualifies for the charitable contribution deduction and has been classified as an organization that is not a "private foundation" within the meaning of Section 509(a) of the Internal Revenue Code. GLUW is also exempt from state income taxes.

GREATER LONGVIEW UNITED WAY, INC.
NOTES TO FINANCIAL STATEMENTS
August 31, 2023 and 2022

Note 1 – Summary of Significant Accounting Policies: (continued)

We have not identified any uncertain tax positions requiring recognition in our financial statements and we believe that the positions taken would not require settlement at an amount less than full recognition. We file an information tax return in the U.S. federal jurisdiction. We generally are no longer subject to U.S. federal income tax examinations by tax authorities for years before 2019.

Property and Equipment

Acquisitions of property and equipment are recorded at cost. Expenditures for betterments are capitalized and expenditures for maintenance and repairs are charged to expense as incurred. The fair value of donated fixed assets is similarly capitalized. Depreciation is computed using the straight-line method over a period of estimated useful lives.

Depreciation expense for the years ended August 31, 2023 and 2022 was \$8,954 and \$7,599, respectively.

Property and equipment are reviewed for impairment whenever events or circumstances indicate their carrying value may not be recoverable. When such events or circumstances arise, an estimate of the future undiscounted cash flows produced by the asset, or the appropriate grouping of assets, is compared to the asset's carrying value to determine if any impairment exists pursuant to the requirements of FASC Topic 360 – Property & Equipment. If the asset is determined to be impaired, the impairment loss is measured based on the excess of its carrying value over its fair value.

Fair Value Measurements

We measure fair value at the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants in the market in which the reporting entity transacts. We apply a hierarchy that prioritizes the information used to develop assumptions used in determining fair value. The hierarchy contains three levels of inputs: Level 1 – quoted prices in active markets for identical assets or liabilities; Level 2 – observable inputs, such as, quoted market prices of similar assets or liabilities in active markets or for identical assets or liabilities in markets that are not active; and Level 3 – unobservable inputs obtained from our own data. Fair value measurement applies whenever other standards require or permit assets or liabilities to be measured at fair value; however, it does not expand the use of fair value in any new circumstances. Fair value measurement does not apply to lower of cost or market determinations for inventory and does not eliminate the practicability exceptions to fair value measurements. We have not chosen to use fair value measurements unless required to do so by applicable accounting standards.

Recent Accounting Pronouncement

Credit Losses

In June 2016, the FASB issued ASU 2016-13, *Management of Credit Losses on Financial Instruments*. The primary impact of ASU 2016-13 is a change in the model for the recognition of credit losses related to financial instruments from an incurred loss model, which recognized credit losses only if it was probable that a loss had been incurred, to an expected loss model, which requires management to estimate the total credit losses expected on the portfolio of financial instruments. We adopted this standard in 2023 and the adoption of this standard did not have a material impact on our financial statements.

Leases

In February 2016, the FASB issued ASU 2016-02, *Leases*. The core principle of ASU 2016-02 will require lessees to present right-of-use assets and lease liabilities on their balance sheet for operating leases, which are currently not reflected on their balance sheet.

GREATER LONGVIEW UNITED WAY, INC.
NOTES TO FINANCIAL STATEMENTS
August 31, 2023 and 2022

Note 1 – Summary of Significant Accounting Policies: (continued)

ASU 2016-02 is effective for annual and interim periods beginning January 1, 2022. Upon adoption of ASU 2016-02, we are required to recognize and measure leases either at the beginning of the earliest period presented in our financial statements using a modified retrospective approach, or through a cumulative effect adjustment to equity as of the date of adoption. There are several optional practical expedients that we may elect to apply.

We adopted the standard when it became effective for us beginning September 1, 2022. We have completed our assessment of contracts and agreements that could possibly meet the lease criteria contained in the new standard. The impact of adopting ASU 2016-02, did not have a material impact on our financial statements.

Note 2 – Nonfinancial Contributions:

GLUW receives substantial community support in the fulfillment of Organizational objectives in the form of volunteers. Untrained volunteers lack the specialized skills required for revenue recognition, as a result, these volunteer hours have not been reflected within our financial statements. However, volunteers assisting with our VITA program do meet the criteria for revenue recognition due to the nature of the services being provided. VITA volunteers are trained to facilitate the filing of income tax returns for low-income individual and families. \$-0- and \$6,602 were recorded as in-kind revenues for the years ended August 31, 2023 and 2022, respectively.

Volunteer efforts are unable to be monetized; however, all efforts are utilized for the benefit of the community serviced by GLUW.

In addition, GLUW, in conjunction with fundraising efforts receives nonfinancial contributions. These contributions are received in many forms such as usage of equipment, auction items, etc. For the years ended August 31, 2023 and 2022, the value of these nonfinancial contributions were \$5,950 and \$7,645, respectively. These contributions are monetized with fundraising efforts.

It is the intention of GLUW to monetize all non-financial contributions, unless otherwise restricted by the donor.

Note 3 – Pledges Receivable:

Unconditional promises to give as of August 31, consists of the following:

	<u>2023</u>	<u>2022</u>
Unrestricted promises	<u>\$ 558,130</u>	<u>\$ 436,855</u>
Amounts due in:		
Less than one year	\$ 478,989	\$ 424,141
One-to-five years	<u>79,141</u>	<u>12,714</u>
	558,130	436,855
Allowance for uncollectible promises to give	<u>(65,672)</u>	<u>(67,489)</u>
Net Pledges Receivable	<u>\$ 492,458</u>	<u>\$ 369,366</u>

GREATER LONGVIEW UNITED WAY, INC.
NOTES TO FINANCIAL STATEMENTS
August 31, 2023 and 2022

Note 4 – Investments:

The GLUW's investments are carried at fair value and held in investment accounts managed by the East Texas Communities Foundation (ETCF). The contributions to ETCF are to establish a nonprofit endowment and advisory funds for the sole benefit of the Organization.

One of the funds managed by ETCF is an endowment fund, in which contributions are irrevocable and ETCF is the exclusive manager of the fund. GLUW can request annual ordinary distributions from the fund of up to 5 percent of the fund value. Additional request for extraordinary distributions can be made at any time for any amount if requested by GLUW's governing board and approved by a majority vote of ETCF's board. The investment balance of the endowment fund at August 31, 2023 and 2022 was \$56,158 and \$50,916, respectively.

The second fund managed by ETCF is an advisory fund, in which ETCF is the exclusive manager of the fund. GLUW may request the entirety of the funds balance at any time. The investment balance of the advisory fund at August 31, 2023 and 2022 was \$259,821 and \$235,569, respectively.

The Organization's investment income net of expenses was as follows:

	<u>2023</u>	<u>2022</u>
Interest and dividends	\$ 9,529	\$ 6,484
Realized (losses) gains	(10,077)	9,794
Unrealized gains (losses)	<u>35,095</u>	<u>(80,650)</u>
	<u>\$ 34,547</u>	<u>\$ (64,372)</u>

Note 5 – Fair Value Measurements:

The following are the major categories of assets and liabilities measured at fair value on a recurring basis for the year ended August 31, 2023:

ASSETS	<u>Total</u>	<u>Level 1: Quoted Prices in Active Markets for Identical Assets</u>	<u>Level 2: Significant Other Observable Inputs</u>	<u>Level 3: Significant Unobservable Inputs</u>
Equities	\$ 189,587	\$ -0-	\$ 189,587	\$ -0-
Fixed income	<u>126,392</u>	<u>-0-</u>	<u>126,392</u>	<u>-0-</u>
	<u>\$ 315,979</u>	<u>\$ -0-</u>	<u>\$ 315,979</u>	<u>\$ -0-</u>

The following are the major categories of assets and liabilities measured at fair value on a recurring basis for the year ended August 31, 2022:

ASSETS	<u>Total</u>	<u>Level 1: Quoted Prices in Active Markets for Identical Assets</u>	<u>Level 2: Significant Other Observable Inputs</u>	<u>Level 3: Significant Unobservable Inputs</u>
Equities	\$ 171,891	\$ -0-	\$ 171,891	\$ -0-
Fixed income	<u>114,594</u>	<u>-0-</u>	<u>114,594</u>	<u>-0-</u>
	<u>\$ 286,485</u>	<u>\$ -0-</u>	<u>\$ 286,485</u>	<u>\$ -0-</u>

GREATER LONGVIEW UNITED WAY, INC.
NOTES TO FINANCIAL STATEMENTS
August 31, 2023 and 2022

Note 6 – Employee Benefits:

GLUW purchases health insurance for full-time employees. During the fiscal year ending August 31, 2023 and 2022, \$17,440 and \$33,478, respectively, was paid on behalf of the employees for health insurance benefits. We have a Simplified Employee Pension (SEP) plan covering eligible employees in which, we make matching contributions according to Plan provisions. Contributions of \$10,948 and \$9,910 were made for the years ended August 31, 2023 and 2022, respectively.

Note 7 – Concentrations of Credit Risk:

Financial instruments that subject GLUW to concentrations of credit risk consist primarily of temporary cash investments, certificates of deposit, marketable securities and pledges receivable. GLUW's policy is to place temporary cash investments with major federally insured financial institutions, to limit the amount of credit exposure to any one financial institution and, to invest in highly rated marketable securities using brokerage accounts. Management believes the risk of credit loss due to nonperformance by counter parties or permanent declines in market value are remote and any losses would not be material to the results of operations or financial condition.

We received approximately 31 percent and 30 percent of our contributions from one source in 2023 and 2022, respectively. The sources donations consist of a multitude of individual employee contributions and company matching contributions.

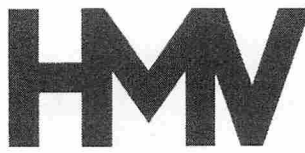
In addition, approximately 52 percent of our pledge receivables are from two sources for both 2023 and 2022, with each representing an excess of 10 percent of gross pledge receivables individually. The pledge receivables consist of a multitude of individual pledges and company matching pledges.

Note 8 – Risk and Uncertainty:

GLUW holds various investments in equities, debt instruments, and interest-bearing cash options. In general, all investments are exposed to various risks, such as interest rate risk, credit risk, and overall market volatility. Market volatility can be impacted by both domestic and global economic conditions. Due to the level of risk associated with certain investments, it is reasonably possible that changes in the values of investments will occur in the near term and such changes could materially impact the amounts reported on the financial statements. Due to the nature of domestic and global economic conditions, it is difficult to forecast these condition's future impact on GLUW's assets with any certainty.

Note 9 – Subsequent Events:

We have evaluated subsequent events through *** [MONTH, DAY]***, 2024, the date which the financial statements were available to be issued.



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Communication of Internal Control Related Matters

The Board of Directors
Greater Longview United Way, Inc.
Longview, Texas

In planning and performing our audit of the financial statements of Greater Longview United Way, Inc., (a nonprofit Texas organization) as of and for the year ended August 31, 2023 and 2022, in accordance with auditing standards generally accepted in the United States of America, we considered the Organization's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control. Accordingly, we do not express an opinion on the effectiveness of the Organization's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be significant deficiencies or material weaknesses and therefore there can be no assurance that all such deficiencies have been identified. However, as discussed below, we identified a certain deficiency in internal control that we consider to be a significant deficiency.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency or combination of deficiencies in internal control, such that there is a reasonable possibility that a material misstatement of the Organization's financial statements will not be prevented or detected and corrected on a timely basis. We did not identify any deficiencies in internal controls that we consider to be material weaknesses.

A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the following deficiency in the Organization's internal control to be a significant deficiency:

Deficiency 1

Due to the relatively small size of the Organization's staff, ideal internal controls cannot be achieved. This is not unusual in an Organization of your size. Management and the Board of Directors should constantly be aware of this condition. Under these circumstances, the most effective controls lie in (1) striving to obtain as much segregation of duties as possible so that no one person has complete control of any type of financial transaction, and (2) knowledge of the financial operations by management and the Board of Directors.

Potential Effects

Future misstatements may occur and go undetected.

Management Views and Response

Management agrees with the finding and has implemented compensating controls to reduce the possibility of material misstatement, including oversight by management and those charged with governance. We have not audited management's response and, accordingly, we express no opinion on it.

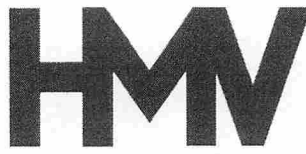
This deficiency was reported in the prior period.

This communication is intended solely for the information of the Board of Directors and management and is not intended to be and should not be used by anyone other than these specified parties.

Longview, Texas

*** [MONTH, DAY]***, 2024

Draft



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The Board of Directors
Greater Longview United Way, Inc.
Longview, Texas

We have audited the financial statements of Greater Longview United Way, Inc. (a nonprofit Texas organization) for the year ended August 31, 2023 and 2022 and have issued our report thereon dated [MONTH, DAY]***, 2024. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated October 24, 2023. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Findings

Qualitative Aspects of Accounting Practices

Management has the responsibility for selection and use of appropriate accounting policies. The significant accounting policies used by Greater Longview United Way, Inc. ("the Organization") are described in Note 1 to the financial statements. We have determined that the quality of these policies is adequate considering compliance with standards and making appropriate choices. No new accounting policies were adopted in 2023 that had a significant impact on the Organization and the application of existing policies was not changed during 2023. We noted no transactions entered into by the Organization during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based upon management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimates affecting the financial statements were:

Management has allocated expenses on a functional basis among the various programs and support services. Expenses that are common to several functions are allocated based on estimates made by management. We evaluated the key factors and assumptions used in allocating the related expenses in determining that the allocation of expenses is reasonable in relation to the financial statements of the Organization taken as a whole.

The financial statements disclosures are neutral, consistent, and clear.

Difficulties in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are trivial, and communicate them to the appropriate level of management. Misstatements are proposed corrections that may not have been detected except through auditing procedures. Management has made all proposed adjustments. The adjustments proposed and accepted by management mainly included recording payables and adjusting of deferred revenue. The net effect of all adjustments was a \$64,775 increase in net assets for 2023 and a \$49,485 decrease in net assets for 2022.

HEARD, MCELROY & VESTAL, LLC

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Disagreements with Management

For purposes of this letter, professional standards define a disagreement with management as a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated ***** [MONTH, DAY]***, 2024**.

Management Consultation with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the Organization's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the Organization's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

This report is intended solely for the information of the Board of Directors and management and is not intended to be and should not be used by anyone other than these specified parties.

Longview, Texas

***** [MONTH, DAY]***, 2024**