UNITED WAY OF TARRANT COUNTY

FINANCIAL STATEMENTS

Year Ended June 30, 2025
(with Summarized Comparative Information for the Year Ended June 30, 2024)
With Report of Independent Auditors

UNITED WAY OF
TARRANT COUNTY

FINANCIAL STATEMENTS

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(with Summarized Comparative Information
for the Year Ended June 30, 2024)

Table of Contents

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REPORT OF INDEPENDENT AUDITORS

To the Board of Directors of
United Way of Tarrant County

Opinion

We have audited the financial statements of United Way of Tarrant County (the "Organization"), which comprise the statement of financial position as of June 30, 2025, and the related statements of activities and changes in net assets, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

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

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America ("GAAS") and the standards applicable to the financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Organization, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our 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 the financial statements in accordance with GAAP, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Organization's ability to continue as a going concern for one year after the date that the financial statements are issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control. Accordingly, no such opinion is expressed.

- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Organization's ability to continue as a going concern for a reasonable period of time.

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

Report on Summarized Comparative Information

We have previously audited the Organization's financial statements as of and for the year ended June 30, 2024, and we expressed an unmodified audit opinion on those audited financial statements in our report dated February 4, 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.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated February 18, 2026, on our consideration of the Organization's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Organization's internal control over financial reporting and compliance.

Whitley Penn LLP

Fort Worth, Texas
February 18, 2026

UNITED WAY OF TARRANT COUNTY

STATEMENTS OF FINANCIAL POSITION

	June 30, 2025	June 30, 2024
Assets:		
Cash and cash equivalents	$ 1,088,628	$ 1,012,803
Restricted cash	-	2,927,322
Investments, stated at fair value	-	1,178,586
Pledges receivable less allowance for uncollectible pledges of $321,114 and $536,067 at June 30, 2025 and 2024, respectively	2,898,830	2,442,170
Other receivables	1,762,837	2,373,830
Prepaid expenses	443	133,914
Beneficial interest in assets held by others	3,676,617	3,940,003
Property and equipment, net	415,670	577,957
Right-of-use assets - operating leases	2,623,491	2,911,287
Deposits and other assets	31,042	131,043
Total assets	$12,497,558	$ 17,628,915
Liabilities and net assets:		
Liabilities:		
Accounts payable and accrued expenses	$ 1,414,387	$ 2,412,408
Due to designated organizations	689,845	842,222
Funds held for Fatherhood Coalition of Tarrant County	-	4,760
Funds held for Early Learning Alliance	-	484,631
Funds held for National Juneteenth Museum	-	997,163
Operating lease liabilities	2,650,972	2,927,178
Deferred revenue	51	1,611,530
Total liabilities	4,755,255	9,279,892
Net assets:		
Without donor restrictions:		
Undesignated	(43,276)	(1,487,931)
Board designated	2,240,534	2,355,783
With donor restrictions:		
Donor restricted	5,545,045	7,481,171
Total net assets	7,742,303	8,349,023
Total liabilities and net assets	$ 12,497,558	$ 17,628,915

See accompanying notes to financial statements.

UNITED WAY OF TARRANT COUNTY

STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS

YEAR ENDED JUNE 30, 2025 WITH COMPARATIVE TOTALS FOR 2024

	Without Donor Restrictions	With Donor Restrictions	Total Year Ended June 30, 2025	Comparative Total Year Ended June 30, 2024
Revenues, gains, and other support				
Gross campaign results	$ 1,513,648	$ 7,492,194	$ 9,005,842	$ 9,299,079
Less donor designations	-	(1,417,872)	(1,417,872)	(1,767,532)
Net campaign contributions	1,513,648	6,074,322	7,587,970	7,531,547
Contributions of nonfinancial assets	168,968	-	168,968	152,400
Other contributions	-	-	-	450
Grants	13,761,781	-	13,761,781	15,474,288
Net investment return	44,050	-	44,050	81,558
Changes in market value of assets held by others	265,462	66,152	331,614	395,038
Rental income	12,210	-	12,210	475,170
Other	5,115	-	5,115	167,329
Net assets released for satisfaction of time restrictions	3,803,346	(3,803,346)	-	-
Net assets released for satisfaction of purpose restrictions	4,273,254	(4,273,254)	-	-
Total revenues, gains, and other support	23,847,834	(1,936,126)	21,911,708	24,277,780
Expenses				
Program services:				
Community impact	1,364,254	-	1,364,254	2,848,511
Economic recovery	4,510,971	-	4,510,971	5,015,601
Equity	1,956,036	-	1,956,036	1,914,147
Veterans	1,043,947	-	1,043,947	1,073,162
Area Agency on Aging	8,450,932	-	8,450,932	10,911,611
Service centers	-	-	-	625,473
Total program services	17,326,140	-	17,326,140	22,388,505
Support services:				
Fund raising	2,604,506	-	2,604,506	3,390,173
Management and general	2,587,782	-	2,587,782	1,052,125
Total support services	5,192,288	-	5,192,288	4,442,298
Total expenses	22,518,428	-	22,518,428	26,830,803
Changes in net assets	1,329,406	(1,936,126)	(606,720)	(2,553,023)
Net assets at beginning of year	867,852	7,481,171	8,349,023	10,902,046
Net assets at end of year	$ 2,197,258	$ 5,545,045	$ 7,742,303	$ 8,349,023

See accompanying notes to financial statements.

UNITED WAY OF TARRANT COUNTY

STATEMENT OF FUNCTIONAL EXPENSES

YEAR ENDED JUNE 30, 2025 WITH COMPARATIVE TOTALS FOR 2024

	Community Impact	Economic Recovery	Equity	Veterans	Area Agency on Aging	Total Program Services	Fund Raising	Management & General	Total Supporting Services	June 30, 2025 TOTAL FUNCTIONAL EXPENSES	June 30, 2024 TOTAL FUNCTIONAL EXPENSES
Operating Expenses											
Salaries and wages	$ 609,667	$ 955,448	$ -	$ 491,679	$ 1,827,651	$ 3,884,445	$ 1,177,588	$ 855,434	$ 2,033,022	$ 5,917,467	$ 5,907,315
Employee benefits	159,704	160,290	-	64,512	539,023	923,529	226,840	112,721	339,561	1,263,090	987,245
Payroll taxes	57,802	94,195	-	45,919	150,776	348,692	106,445	91,646	198,091	546,783	385,213
	827,173	1,209,933		602,110	2,517,450	5,156,666	1,510,873	1,059,801	2,570,674	7,727,340	7,279,773
Professional fees	99,573	220,553	(5,726)	90,457	359,093	763,950	497,231	476,117	973,348	1,737,298	2,481,092
Supplies	1,272	2,258	-	-	701	4,231	2,389	35,600	37,989	42,220	36,443
Telephone	6,986	5,718	-	4,869	17,015	34,588	6,653	42,999	49,652	84,240	86,649
Postage and shipping	-	-	-	-	29	29	219	4,830	5,049	5,078	7,530
Occupancy	21,908	78,242	-	16,142	142,981	259,273	58,863	248,763	307,626	566,899	818,059
Printing and photography	712	7,088	-	30	2,359	10,189	16,701	77	16,778	26,967	58,488
Local transportation	992	1,357	-	1,725	12,790	16,864	2,972	2,980	5,952	22,816	34,236
Conferences and training	14,359	67,372	-	1,893	7,419	91,043	3,219	36,305	39,524	130,567	122,363
Meetings-community/agency	6,704	6,955	18	2,029	3,406	19,112	45,089	30,155	75,244	94,356	309,811
Community promotion	612	19,265	-	2,645	-	22,522	36,837	2,111	38,948	61,470	47,686
Subscriptions	65	1,443	211	-	362	2,081	38,965	1,730	40,695	42,776	53,721
Membership dues	1,607	145	-	-	2,404	4,156	4,141	34,228	38,369	42,525	40,261
Equipment-maintenance/rental	320	8,627	-	6,607	2,227	17,781	41,486	177,598	219,084	236,865	437,648
Insurance and miscellaneous	4,093	36,664	1,059	5,440	2,539	49,795	252,778	86,185	338,963	388,758	346,239
Payments to affiliated organizations	-	-	-	-	-	-	-	182,083	182,083	182,083	219,773
Depreciation	-	-	-	-	-	-	-	166,220	166,220	166,220	186,083
	159,203	455,687	(4,438)	131,837	553,325	1,295,614	1,007,543	1,527,981	2,535,524	3,831,138	5,286,082
Total operating expenses	986,376	1,665,620	(4,438)	733,947	3,070,775	6,452,280	2,518,416	2,587,782	5,106,198	11,558,478	12,565,855
Allocations/grants net of designations	377,878	2,845,351	1,960,474	310,000	5,380,157	10,873,860	86,090	-	86,090	10,959,950	14,264,948
Total functional expenses	$ 1,364,254	$ 4,510,971	$ 1,956,036	$ 1,043,947	$ 8,450,932	$ 17,326,140	$ 2,604,506	$ 2,587,782	$ 5,192,288	$ 22,518,428	$ 26,830,803

See accompanying notes to financial statements.

UNITED WAY OF TARRANT COUNTY

STATEMENTS OF CASH FLOWS

	Years Ended June 30, 2025	Years Ended June 30, 2024
Cash flows from operating activities:		
Changes in net assets	$ (606,720)	$ (2,553,023)
Adjustments to reconcile changes in net assets		
to net cash used in operating activities:		
Gain on post-retirement benefits	-	(159,838)
Non-cash lease expense	483,548	445,944
Changes in fair value of assets held by others	(331,614)	(395,038)
Depreciation	166,220	186,083
Realized and unrealized gain on investments	-	(2,286)
Changes in operating assets and liabilities:		
Pledges receivable	(456,660)	205,658
Other receivables	610,993	(954,857)
Prepaid expenses	133,471	93,736
Other assets	100,001	-
Accounts payable and accrued expenses	(998,021)	350,735
Due to designated organizations	(152,377)	(524,994)
Deferred revenue	(1,611,479)	(440,987)
Funds held for Early Learning Alliance	(484,631)	24,518
Funds held for Fatherhood Coalition of Tarrant County	(4,760)	(269)
Funds held for National Juneteenth Museum	(997,163)	997,163
Operating lease liability	(471,958)	(434,355)
Net cash used in operating activities	(4,621,150)	(3,161,810)
Investing activities:		
Purchases of property and equipment	(3,933)	-
Distributions from beneficial interest in assets held by others	595,000	2,426,656
Proceeds from sale of investments	1,204,286	23,763
Purchase of investments	(25,700)	(1,043,022)
Net cash provided by investing activities	1,769,653	1,407,397
Net change in cash, cash equivalents, and restricted cash	(2,851,497)	(1,754,413)
Cash, cash equivalents, and restricted cash at beginning of year	3,940,125	5,694,538
Cash, cash equivalents, and restricted cash at end of year	$ 1,088,628	$ 3,940,125

See accompanying notes to financial statements.

UNITED WAY OF TARRANT COUNTY

STATEMENTS OF CASH FLOWS *(continued)*

	Years Ended June 30, 2025	2024
Cash reconciliation:		
Cash and cash equivalents	$ 1,088,628	$ 1,012,803
Restricted cash	-	2,927,322
Cash, cash equivalents, and restricted cash at end of year	$ 1,088,628	$ 3,940,125
Supplemental disclosure of non-cash information		
Right-of-use assets assumed through lease liabilities	$ -	$ 48,696
Leases assumed through lease liabilities	$ -	$ 48,696

See accompanying notes to financial statements.

A. Nature of Business

The United Way of Tarrant County (the "Organization" or "United Way") is a not-for-profit organization whose mission is to provide leadership and harness resources to solve Tarrant County's toughest challenges. The Organization started in 1922, when a group of Fort Worth's community leaders consolidated the fundraising efforts of several local charities to more effectively address the community's most urgent needs.

The Organization's work is driven by identifying issues through data-driven research; informing the community about those issues to develop solutions; inviting the community to engage in these solutions by advising, giving, and volunteering; and investing in systemic solutions that yield long-term change for all.

United Way raises funds from individuals, organizations, foundations, grants, and government funding sources to support various programs. The Organization also works with private, public, and nonprofit partners to boost education, financial stability, and health resources and respond in times of crisis.

United Way community volunteers allocate dollars targeting focus areas designated by the Organization's Community Assessment and other data sources. Allocations are committed to United Way direct service initiatives and funded agencies at the beginning of each fiscal year in July.

United Way of Tarrant County administers the following:

Community Fund

Contributions without donor restrictions are accumulated and divided into two primary areas. The first benefits the Organization's investment to supporting the Safety Net efforts of the non-profit community. The second area supports the Organization's direct service initiatives, which focus on community health, education and learning, community response, and financial empowerment.

Donor-Designated Funds

Donors can designate contributions to any non-profit of their choice, to other United Ways, or to the direct services provided to the community by United Way of Tarrant County. The Organization remits collected contributions quarterly to the designated organizations.

Other Programs

The Organization also administers various programs consisting of local, state, and federal grants for veteran services, Dolly Parton's Imagination Library, Volunteer Income Tax Assistance, aging and disability services, maternal health initiatives, the Affordable Connectivity Program, and youth gun violence intervention and prevention.

B. Summary of Significant Accounting Policies

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

Basis of Accounting

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

Use of Estimates

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

Cash and Cash Equivalents

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

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

Restricted Cash

During 2024, the Organization had restricted cash related to fiscal agent agreements with Early Learning Alliance ("ELA"), Fatherhood Coalition of Tarrant County ("FCTC"), and National Juneteenth Museum ("NJM"). As of June 30, 2024, the Organization held $484,631 for ELA, $4,760 for FCTC, and $997,163 for NJM which is recorded as restricted cash. The offsetting liability is presented on the statement of financial position as funds held for Early Learning Alliance, funds held for Fatherhood Coalition of Tarrant County, and funds held for National Juneteenth Museum. As of June 30, 2025, there was no restricted cash related to these fiscal agent agreements. During 2024, the Organization had restricted cash related to a grant agreement with the City of Fort Worth. As of June 30, 2024, the Organization held $1,440,768 in advanced funds. As of June 30, 2025, there was no restricted cash related to this grant agreement with the City of Fort Worth.

B. Summary of Significant Accounting Policies – continued

Leases

A lease provides the lessee the right to control the use of an identified asset for a period of time in exchange for consideration. Operating lease right-of-use assets ("ROU assets") represent the Organization's right to use an underlying asset for the lease term. Operating lease liabilities ("lease liabilities") represent the Organization's obligation to make lease payments arising from the lease. The Organization determines if an arrangement is a lease at inception. ROU assets and lease liabilities are recognized at the lease commencement date based on the present value of lease payments over the lease term. The Organization excludes short-term leases having initial terms of 12 months or less from ROU assets and lease liabilities and recognizes rent expense on a straight-line basis over the lease term.

The Organization has leases for its office spaces and certain equipment. Most operating leases contain renewal options that provide for rent increases based on prevailing market conditions. The Organization has lease extension terms for its office spaces that have either been extended or are likely to be extended. The terms used to calculate the ROU assets and lease liabilities for these properties include the renewal options that the Organization is reasonably certain to exercise. The discount rate used to determine the commencement date present value of lease payments is the interest rate implicit in the lease, or when that is not readily determinable, the Organization utilizes a risk-free rate. ROU assets include any lease payments required to be made prior to commencement. The Organization's lease agreements do not contain significant residual value guarantees, restrictions, or covenants.

Investments

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

Beneficial Interest in Assets Held by Others

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

Property and Equipment

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

B. Summary of Significant Accounting Policies – continued

Contributions and Revenue Recognition

The Organization recognizes contributions when cash, securities, or other assets; an unconditional promise to give; or a notification of a beneficial interest is received. Conditional promises to give – that is, those with a measurable performance or other barrier and a right of return – are not recognized until the conditions on which they depend have been met.

Contributions received are recorded as with or without donor restriction depending on the existence and/or nature of any donor restrictions. Some donor restrictions are temporary in nature; those will be met by actions of the Organization or by the passage of time. Other donor restrictions are perpetual in nature, whereby the donor has stipulated the funds be maintained in perpetuity. Donor-restricted contributions are reported as increases in net assets with donor restrictions. When a restriction expires, net assets are reclassified from net assets with donor restrictions to net assets without donor restrictions in the statement of activities as net assets released from restrictions.

The most recent fund-raising campaign is restricted at June 30, 2025, and will be reclassified from net assets with donor restrictions to net assets without donor restrictions at July 1, 2025, to support operations throughout the fiscal year ending June 30, 2026.

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

A portion of the Organization's revenue is derived from cost-reimbursable federal and state contracts and grants, which are conditioned upon certain performance requirements and/or the incurrence of allowable qualifying expenses. Amounts received are recognized as revenue when the Organization has incurred expenditures in compliance with specific contract or grant provisions. Amounts received prior to incurring qualifying expenditures are reported as refundable advances or deferred revenue in the statement of financial position.

Endowment Funds and Spend Policies

The Alexis De Tocqueville Leadership Endowment Fund

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

B. Summary of Significant Accounting Policies – continued

Endowment Funds and Spend Policies – continued

The Legacy Fund

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

Comparative Financial Statements

The financial statements include certain prior year summarized comparative information in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with U.S. GAAP. Accordingly, such information should be read in conjunction with the Organization's financial statements for the year ended June 30, 2024, from which the summarized information was derived.

Contributed Nonfinancial Assets

A substantial number of volunteers have donated significant amounts of their time and services to the activities of the Organization without compensation. For the years ended June 30, 2025 and 2024, approximately 4,000 and 18,000 hours were donated, respectively. With the exception of Volunteer Income Tax Assistance ("VITA"), the value of donated services is not recognized as a contribution since no objective basis is available to measure the value of such services and generally, they do not require specialized skills. For VITA in 2025 and 2024, 3,969 and 4,575 volunteer hours were donated, respectively, and were recognized at $28.75 per hour, according to Internal Revenue Service ("IRS") guidelines.

The Organization recognized nonfinancial assets within revenue, gains, and other support during the years ended June 30, 2025 and 2024. Unless otherwise noted, contributed nonfinancial assets did not have donor-imposed restrictions.

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

	2025	2024
Volunteer hours	$ 114,116	$ 131,520
Donated space	54,852	20,880
	$ 168,968	$ 152,400

B. Summary of Significant Accounting Policies – continued

Contributed Nonfinancial Assets – continued

	June 30, 2025			
	Revenue Recognized	**Utilization in Programs**	**Donor Restrictions**	**Valuation Techniques**
Volunteer hours	$ 114,116	VITA Volunteers	For VITA	Value provided by the IRS
Donated space	54,852	From the City of Fort Worth	For VITA	Fair value of rental space for given days
	$ 168,968			

	June 30, 2024			
	Revenue Recognized	**Utilization in Programs**	**Donor Restrictions**	**Valuation Techniques**
Volunteer hours	$ 131,520	VITA Volunteers	For VITA	Value provided by the IRS
Donated space	20,880	From the City of Fort Worth	For VITA	Fair value of rental space for given days
	$ 152,400			

Functional Allocation of Expenses

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

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

B. Summary of Significant Accounting Policies – continued

Advertising

Advertising costs are expensed as incurred. Advertising expense for the years ended June 30, 2025 and 2024, was $61,459 and $47,492, respectively.

C. Pledges and Other Receivables

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

	2025	2024
Within one year	$ 2,619,944	$ 2,778,237
One to five years	600,000	200,000
Allowance for uncollectible pledges	(321,114)	(536,067)
Total pledges receivable	$ 2,898,830	$ 2,442,170

At June 30, 2025 and 2024, the Organization had other receivables of $1,762,837 and $2,373,830, respectively, which are primarily due from various agencies related to grant revenue earned during the fiscal year.

D. Investments

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

	2025		2024	
	Fair Value	Cost	Fair Value	Cost
Mutual funds	$ -	$ -	$ 1,178,586	$ 1,177,984

E. Fair Value Measurements

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

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

E. Fair Value Measurements – continued

Level 2: Inputs to the valuation methodology include:

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

Level 3: Inputs to the valuation methodology are unobservable and significant to the fair value measurement. The Organization had no level 3 assets or liabilities at June 30, 2025 or 2024.

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

Following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in the methodologies used at June 30, 2025 or 2024.

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

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

The methods described above may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, while the Organization believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

E. Fair Value Measurements – continued

The following table sets forth by level, within the fair value hierarchy, the Organization's assets at fair value as of June 30, 2025:

	Significant Other Observable Inputs (Level 2)	Balance as of June 30, 2025
Beneficial interest in assets held by others:		
Mutual funds – balanced funds	$ 3,676,617	$ 3,676,617
Total	$ 3,676,617	$ 3,676,617

The following table sets forth by level, within the fair value hierarchy, the Organization's assets at fair value as of June 30, 2024:

	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Balance as of June 30, 2024
Beneficial interest in assets held by others:			
Mutual funds – balanced funds	$ -	$ 3,940,003	$ 3,940,003
Investments:			
Mutual funds	1,178,586	-	1,178,586
Total	$ 1,178,586	$ 3,940,003	$ 5,118,589

F. Property and Equipment

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

	2025	2024
Leasehold improvements	$ 230,245	$ 230,245
Equipment	882,833	878,663
Total property and equipment	1,113,078	1,108,908
Less accumulated depreciation	(697,408)	(530,951)
Property and equipment, net	$ 415,670	$ 577,957

The Organization had depreciation expense of approximately $166,000 and $186,000 for the years ended June 30, 2025 and 2024, respectively.

G. Line of Credit

On February 1, 2025, the Organization entered into a revolving line of credit agreement with a bank with an original maximum availability of $1,000,000. At June 30, 2025, there were no amounts outstanding under the line of credit. The line of credit bears interest, payable monthly, at the Secured Overnight Financing Rate ("SOFR") plus 2.25% (6.7% at June 30, 2025) and matures on February 1, 2026.

H. Benefit Plans

Effective November 1, 2003, the Organization established a 403(b) plan available to all employees who worked at least 1,000 hours. The Organization elected to make a base contribution of 4% of each employee's annual salary. In addition, the Organization elected to match employee contributions, dollar for dollar, up to a maximum of 4% of annual salary.

Effective January 1, 2024, the 403(b) Plan was terminated and all eligible employees were given the option to participate in a defined contribution plan sponsored by Insperity, Inc. ("Insperity"), a professional employer organization. There were no significant changes to benefits as a result of the adoption of the plan sponsored by Insperity.

The Organization made employer contributions of approximately $331,000 and $365,000 for the years ended June 30, 2025 and 2024, respectively.

I. Federal Income Taxes

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

The Organization files a Form 990 in the United States federal jurisdiction, and no tax returns are currently under examination by any tax authorities. The Organization has not incurred any penalties or interest during the years ended June 30, 2025 and 2024.

J. Related-Party Transactions

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

During 2025 and 2024, the Organization contributed $13,056 and $513,667, respectively, to a partner agency who has a board member that also serves on the Organization's Board of Directors. During 2025 and 2024, the Organization purchased services of $0 and $99,012, respectively, from a partner agency who has a board member that also serves on the Organization's Board of Directors. Of the $99,012 of services purchased during 2024, $9,176 was in accounts payable at June 30, 2024. No related party amounts resided in accounts payable at June 30, 2025.

During 2024, the Organization contributed $104, in continuing start-up costs from a not-for-profit, supporting organization for which three of the Organization's executive officers serve as board members. No such costs were incurred during 2025. At June 30, 2025 and 2024, the Organization had a receivable of $23,260 and $26,264, respectively, on the accompanying statements of financial position, from a not-for-profit organization for which three of the Organization's executive officers serve as board members.

K. Leases

The Organization has operating leases for its office spaces and certain equipment. The leases have remaining lease terms of up to seven years, some of which may include options to extend the leases, and some of which may include options to terminate the leases. Total operating lease costs were approximately $484,000 and $431,000 for the years ended June 30, 2025 and 2024, respectively.

K. Leases – continued

Weighted average lease term and discount rate are as follows as of June 30:

	2025	2024
Weighted average remaining lease term (years)	7.17	8.14
Weighted average discount rate	3.53%	3.49%

Cash paid for operating leases is as follows during the years ended June 30:

	2025	2024
Operating leases		
Operating cash flows	$ 471,958	$ 434,355

ROU assets obtained in exchange for lease liabilities are as follows during the years ended June 30:

	2025	2024
Operating leases	$ -	$ 48,696

Future annual minimum lease payments due under these lease agreements at June 30, 2025, are as follows:

2026	$ 442,591
2027	414,118
2028	403,651
2029	387,341
2030	391,480
Thereafter	962,662
Total lease payments	3,001,843
Less present value discount	(350,871)
Operating lease liability	$ 2,650,972

L. Rental Income

The Organization operated and maintained three outlying service centers, which were leased. The Board of Directors has designated the associated net assets for the purpose of operating and maintaining these facilities. The centers were leased from the City of Arlington under operating leases involving nominal consideration. The facilities were subleased to various benefit and service providers. The lease and sublease agreements were terminated effective May 31, 2024. The Organization then entered into a new lease and sublease agreement with the City of Arlington for space in one of the outlying service centers. The lease for this space is included within the ROU asset and lease liability balances as of June 30, 2025. The sublease for the space expires in September 2026.

The Organization's rental revenues are received from not-for-profit organizations, herein referred to as tenants, under non-cancelable operating leases. During the years ended June 30, 2025 and 2024, approximately $12,000 and $475,000, respectively, of rental revenue was generated from tenants. The tenant leases typically provide for minimum rent, charges for all operating costs of the buildings, and are adjusted as building expenses increase from year to year. Future annual minimum rentals on non-cancelable tenant operating leases at June 30, 2025, are approximately $43,000.

M. Net Assets

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

	2025	2024
Board-designated endowment fund:		
Legacy Fund	$ 965,419	$ 1,149,473
Other board-designated amounts:		
Barnett Shale Fund	173,732	240,079
Women's Fund	1,101,383	966,231
Total board-designated net assets	$ 2,240,534	$ 2,355,783

M. Net Assets – continued

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

	2025	2024
Subject to the passage of time:		
For periods after July 1, 2025 and 2024, respectively	$ 3,276,426	$ 3,736,589
Subject to purpose restrictions	832,536	2,149,273
Subject to spending policy and appropriation:		
Barnett Shale Fund	174,113	174,113
Women's Fund	442,263	628,298
ADT Leadership Fund	319,582	292,773
Endowment – held in perpetuity:		
ADT Leadership Fund	500,125	500,125
Total net assets with donor restrictions	$ 5,545,045	$ 7,481,171

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

	2025	2024
Time restricted contributions	$ 3,803,346	$ 4,615,602
Barnett Shale Fund	-	87,225
Women's Fund	186,035	51,026
ADT Leadership Fund	39,343	40,571
Purpose restricted contributions	4,047,876	4,271,772
	$ 8,076,600	$ 9,066,196

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

M. Net Assets – continued

At June 30, 2025 and 2024, the beneficial interest in assets held by others is comprised of the following funds which are disclosed by board designation and donor restriction below:

	2025	2024
Board-designated endowment fund:		
Legacy Fund	$ 965,419	$ 1,149,473
Other board-designated amounts:		
Barnett Shale Fund	173,732	240,079
Women's Fund	1,101,383	966,231
With donor restrictions:		
Barnett Shale Fund	174,113	174,113
Women's Fund	442,263	617,209
ADT Leadership Fund	819,707	792,898
Total beneficial interest in assets held by others	$ 3,676,617	$ 3,940,003

N. Endowment Funds

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

Interpretation of Relevant Law

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

N. Endowment Funds – continued

Investment Return Objectives

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

The following table presents the endowment net assets composition by type and fund at June 30, 2025 and 2024:

	Net Assets without Donor Restrictions	Net Assets with Donor Restrictions	Total
Donor-restricted endowment			
ADT Leadership Fund	$ -	$ 819,707	$ 819,707
Board-designated endowment			
Legacy Fund	965,419	-	965,419
Endowment net assets, June 30, 2025	$ 965,419	$ 819,707	$ 1,785,126

	Net Assets without Donor Restrictions	Net Assets with Donor Restrictions	Total
Donor-restricted endowment			
ADT Leadership Fund	$ -	$ 792,898	$ 792,898
Board-designated endowment			
Legacy Fund	1,149,473	-	1,149,473
Endowment net assets, June 30, 2024	$ 1,149,473	$ 792,898	$ 1,942,371

N. Endowment Funds – continued

Investment Return Objectives – continued

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

	Net Assets without Donor Restrictions	Net Assets with Donor Restrictions	Total
Endowment net assets, June 30, 2023	$ 2,727,880	$ 764,476	$ 3,492,356
Contributions	-	-	-
Changes in market value of assets held by others	139,428	68,993	208,421
Amounts appropriated for expenditure	(1,717,835)	(40,571)	(1,758,406)
Endowment net assets, June 30, 2024	1,149,473	792,898	1,942,371
Contributions	-	-	-
Changes in market value of assets held by others	95,773	66,152	161,925
Amounts appropriated for expenditure	(279,827)	(39,343)	(319,170)
Endowment net assets, June 30, 2025	$ 965,419	$ 819,707	$ 1,785,126

O. Commitments and Contingencies

Litigation

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

P. Availability and Liquidity

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

	2025	2024
Financial assets at year-end:		
Cash, cash equivalents, and restricted cash	$ 1,088,628	$ 3,940,125
Investments	-	1,178,586
Pledges receivable, net	2,898,830	2,442,170
Other receivables	1,762,837	2,373,830
Beneficial interest in assets held by others	3,676,617	3,940,003
Total financial assets	9,426,912	13,874,714
Less amounts subject to contractual or donor-restriction:		
Restricted cash	-	2,927,322
Purpose restricted	832,536	2,149,273
Beneficial interest in assets held by others with donor restrictions:		
Barnett Shale Fund	174,113	174,113
Women's Fund	442,263	628,298
ADT Leadership Fund	819,707	792,898
Financial assets available to meet general expenditures over the next twelve months	$ 7,158,293	$ 7,202,810

As part of the Organization's liquidity management, it has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due. The board-designated endowment, which is recorded within beneficial interest in assets held by others in the accompanying statements of financial position, of $965,419 and $1,149,473 at June 30, 2025 and 2024, respectively, is subject to an annual distribution which shall not be less than 3% nor more than 6% of the value of the Fund for the end of the fiscal year immediately past as described in Note B or subject to board approval for extraordinary distributions. Although the Organization does not intend to spend from the board-designated endowment (other than amounts appropriated for general expenditure as part of our Board's annual budget approval and appropriation), these amounts could be made available if necessary and are therefore included in the financial assets available above. Donor-restricted endowment funds and certain other net assets with time and purpose restrictions are generally not available for general expenditure and are therefore not included in the amount above.

Q. Subsequent Events

Management has evaluated all subsequent events and transactions for potential recognition or disclosure through February 18, 2026, the date the financial statements were available for issuance.