

**BOLINGER, SEGARS, GILBERT & MOSS, L.L.P.**

**CERTIFIED PUBLIC ACCOUNTANTS**

**PHONE: (806) 747-3806**

**FAX: (806) 747-3815**

**8215 NASHVILLE AVENUE**

**LUBBOCK, TEXAS 79423-1954**

April 20, 2023

Board of Directors  
Lubbock Area United Way, Inc.  
Lubbock, Texas

We have audited the financial statements of Lubbock Area United Way, Inc. (the Organization) for the year ended December 31, 2022, and have issued our report thereon dated April 20, 2023. 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 engagement letter to you dated June 16, 2022. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Matters

*Qualitative Aspects of Accounting Practices*

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the Organization are described in the notes to the financial statements. As described in Note 9, the Organization adopted Financial Accounting Standards Codification Section 842, Leases (FASB ASC 842), during the year ended December 31, 2022. The application of existing policies was not changed during the year ended December 31, 2022. 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 on 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 estimate affecting the financial statements was:

Management's estimate of the allowance for pledge loss is based on historical collections. We evaluated the key factors and assumptions used to develop the allowance in determining that it is reasonable in relation to the financial statements taken as a whole.

*Difficulties Encountered 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. Management has corrected all such misstatements. Adjusting entries are attached to this letter.

### *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 April 20, 2023.

### *Management Consultations 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 and 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.

### Other Matters

With respect to the accompanying information accompanying the financial statements, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with U.S. generally accepted accounting principles, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the accompanying information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

Board of Directors  
Lubbock Area United Way, Inc.  
April 20, 2023  
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This information is intended solely for the use of the Board of Directors and management of Lubbock Area United Way, Inc. and is not intended to be and should not be used by anyone other than these specified parties.

Very truly yours,

*Balinger, Segars, Gilbert & Moss LLP*

Certified Public Accountants

Client: **46600 - Lubbock Area United Way**  
Engagement: **2022 United Way**  
Period Ending: **12/31/2022**  
Trial Balance: **017 - United Way Trial Balance**  
Workpaper: **017 - Adjusting Journal Entry Report - 2**

<b>Account</b>	<b>Description</b>	<b>W/P Ref</b>	<b>Debit</b>	<b>Credit</b>
<b>Adjusting Journal Entry JE # 1</b>				
To correct beginning equity to match PY audit report.				
1-1604-000	DUE FROM FUND 4		7,188.34	
1-3100-000	UNALLOCATED FUND BALANCE			7,188.34
<b>Total</b>			<b>7,188.34</b>	<b>7,188.34</b>

**Adjusting Journal Entry JE # 2**

To record fixed asset disposals and depreciation expense.

3-1801-000	ACCUM DEPR-COMPUTER S/WARE		4,694.10	
3-1803-000	ACCUM DEPR-FURNITURE & FIXTURES		18,007.13	
3-1815-000	ACCUM DEPR - BLDG (CASA)		227,188.20	
3-1818-000	ACCUM DEPR - BLDG (NTCSB)		12,069.44	
3-6502-300	GAIN ON SALE OF ASSETS		26,000.00	
3-6502-300	GAIN ON SALE OF ASSETS		29,034.05	
3-9501-300	DEPN - FURN, EQUIP, & SOFTWARE		25,724.29	
3-9504-300	DEPN - BUILDINGS		992.14	
3-9504-300	DEPN - BUILDINGS		19,560.64	
3-1800-000	COMPUTER SOFTWARE			4,694.10
3-1802-000	FURNITURE, FIXTURES, & EQUIPMENT			18,007.13
3-1802-000	FURNITURE, FIXTURES, & EQUIPMENT			26,000.00
3-1803-000	ACCUM DEPR-FURNITURE & FIXTURES			25,724.29
3-1804-000	LAND (PARKING LOT-19TH)			20,000.00
3-1810-000	CASA RENOVATIONS			61,514.36
3-1814-000	BUILDING (CASA)			174,524.01
3-1815-000	ACCUM DEPR - BLDG (CASA)			992.14
3-1817-000	BUILDING (NTCSB)			12,253.32
3-1818-000	ACCUM DEPR - BLDG (NTCSB)			19,560.64
<b>Total</b>			<b>363,269.99</b>	<b>363,269.99</b>

**Adjusting Journal Entry JE # 3**

To reverse PY entry for Worldwide Dues and adjust AP for void check entry.

1-2000-000	ACCOUNTS PAYABLE		21,259.01	
1-6920-020	INCOME-OTHER		2,704.12	
1-2000-000	ACCOUNTS PAYABLE			2,704.12
1-9612-006	UNITED WAY WORLDWIDE DUES			21,259.01
<b>Total</b>			<b>23,963.13</b>	<b>23,963.13</b>

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Account	Description	W/P Ref	Debit	Credit
<b>Adjusting Journal Entry JE # 4</b>				
To true up prepaid expenses at 12/31/22.				
1-1500-000	PREPAID VISA BALANCE		1,453.98	
1-1501-000	PREPAID STATEMENTS		192.50	
3-9301-300	INS - PROPERTY & CASUALTY		1,327.33	
1-6920-020	INCOME-OTHER			1,453.98
1-9407-050	IT SUPPORT - E/PRISE MAINTENANCE			192.50
3-1504-000	PREPAID INSURANCE			1,327.33
<b>Total</b>			<b>2,973.81</b>	<b>2,973.81</b>

**Adjusting Journal Entry JE # 5**

To adjust pledge receivables and allowance at 12/31/22.

1-1300-000	PLEDGES RECEIVABLE-CURRENT		8,960.17	
1-1303-000	UNCOLLECTABLE RESERVE-1 YEAR		71,106.00	
1-1304-000	AGENCY PLEDGES REC FROM SECC		143,999.58	
1-4002-001	CAMPAIGN INCOME - 2 YRS AGO		28,209.70	
1-1310-000	PLEDGES TO LAUW FROM SECC			8,885.85
1-4001-001	CAMPAIGN INCOME-1 YEAR AGO			8,960.17
1-7401-001	PLEDGE LOSS EXPENSE			71,106.00
1-9604-004	SECC LAUW AGY DESIGNATIONS			163,323.43
<b>Total</b>			<b>252,275.45</b>	<b>252,275.45</b>

**Adjusting Journal Entry JE # 6**

To adjustment payables on Fund 1.

1-2204-000	DUE LAUW AGY ON BEHALF OF SECC		32,955.60	
1-9603-002	DONOR CHOICE DESIGNATIONS			32,955.60
<b>Total</b>			<b>32,955.60</b>	<b>32,955.60</b>

**Adjusting Journal Entry JE # 7**

To adjust investments to statements at 12/31/22 and record receivable for Helens Jones pledge.

2-1102-000	ORIGINAL ENDOWMENT TRUST-PCB		921,824.29	
2-1160-000	CASH VALUE (LIFE INSURANCE)		1,373.95	
2-1202-000	A/R-ENDOWMENT GIFTS (FD2)		750,000.00	
2-6505-200	UNREAL GAIN (LOSS)-INVESTMENTS		91,397.78	
2-6510-200	REAL GAIN (LOSS)-INVESTMENTS		375,398.30	
2-8000-200	PROFESSIONAL SERVICES		15,070.05	
2-8200-200	BANK SERVICE CHARGES		1,079.40	
2-8802-200	ENDOW FUND DISTRIBUTIONS		160,663.93	
2-1122-000	CH FNDN OPERATING ENDOWMENT			425,810.81
2-1151-000	LAF AGENCY ENDOW (UWAY)			12,523.53
2-1153-000	LAF AGENCY ENDOW (UWAC)			23,617.01
2-6500-200	INCOME-INTEREST			3,335.71
2-6501-200	INCOME-DIVIDEND			46,520.64
2-6902-200	INCOME-ENDOWMENT			750,000.00
2-6902-200	INCOME-ENDOWMENT			1,055,000.00
<b>Total</b>			<b>2,316,807.70</b>	<b>2,316,807.70</b>

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<b>Account</b>	<b>Description</b>	<b>W/P Ref</b>	<b>Debit</b>	<b>Credit</b>
<b>Adjusting Journal Entry JE # 8</b>				
To record right-of-use asset and lease liability due to implementation of new lease standard.				
1-1901-000	RIGHT-OF-USE ASSET		15,942.55	
1-2010-000	LEASE LIABILITY			15,942.55
<b>Total</b>			<b>15,942.55</b>	<b>15,942.55</b>
<b>Adjusting Journal Entry JE # 9</b>				
To adjust Tax Deferred Annuity withholding account to zero.				
1-2003-000	TAX DEFERRED ANNUITY WITHHELD		1,863.79	
1-7205-020	PAYROLL RELATED BENEFITS			931.90
1-7205-040	PAYROLL RELATED BENEFITS			149.10
1-7205-050	PAYROLL RELATED BENEFITS			596.41
1-7205-060	PAYROLL RELATED BENEFITS			186.38
<b>Total</b>			<b>1,863.79</b>	<b>1,863.79</b>
<b>Adjusting Journal Entry JE # 10</b>				
To record closing of CASA bank account and reclassify amount to transfer line item.				
3-6502-300	GAIN ON SALE OF ASSETS		10,325.41	
6-7400-000	XFER TO LAND, BLDG, & EQUIP FND		10,325.41	
3-9000-300	Transfer from GF			10,325.41
6-1006-000	CASH-FUND 6-CASA-ASB			10,248.00
6-6920-600	INCOME-OTHER			77.41
<b>Total</b>			<b>20,650.82</b>	<b>20,650.82</b>