

UNITED WAY OF WAYNE & HOLMES COUNTIES, INC.

FINANCIAL STATEMENTS
WITH
INDEPENDENT AUDITOR'S REPORT

December 31, 2024

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MEADEN & MOORE

INDEPENDENT AUDITOR'S REPORT

Board of Directors
United Way of Wayne & Holmes Counties, Inc.
Wooster, Ohio

Opinion

We have audited the financial statements of United Way of Wayne & Holmes Counties, Inc. (a not-for-profit organization), which comprise the statement of financial position as of December 31, 2024 and 2023, and the related statements of changes in net assets, activities, functional expenses and cash flows for the years 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 December 31, 2024 and 2023, and the results of its operations 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 (GAAS). 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 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 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 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.

Meaden & Moore, Ltd.

(A Meaden & Moore Affiliate Company)

In performing an audit in accordance with GAAS, 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.

A handwritten signature in blue ink that reads "Meaden & Moore Ltd." in a cursive, flowing script.

Meaden & Moore, Ltd.
Cleveland, Ohio

October 27, 2025

STATEMENT OF FINANCIAL POSITION

United Way of Wayne & Holmes Counties, Inc.

	December 31, 2024		
	Without Donor Restrictions	With Donor Restrictions	Total
ASSETS			
Cash, restricted cash, and cash equivalents	\$ 28,722	\$ 563,411	\$ 592,133
Beneficial interest investment	877,352	-	877,352
Accounts receivable - net	2,128	-	2,128
Campaign pledges receivable - net	-	317,886	317,886
Prepaid expenses and deposits	7,728	-	7,728
Property and equipment - net	273,628	-	273,628
	<u>\$ 1,189,558</u>	<u>\$ 881,297</u>	<u>\$ 2,070,855</u>
Total Assets			
LIABILITIES			
Allocations and membership fees payable	\$ 72,875	\$ -	\$ 72,875
Other United Way designations	25,491	-	25,491
Accrued expenses	34,657	-	34,657
Other liabilities - custodial funds	2,330	-	2,330
	<u>135,353</u>	<u>-</u>	<u>135,353</u>
Total Liabilities			
NET ASSETS			
Without Donor Restrictions:			
Non-designated	581,438	-	581,438
Board designated	472,767	-	472,767
With Donor Restrictions:			
Time and purpose restricted	-	881,297	881,297
	<u>1,054,205</u>	<u>881,297</u>	<u>1,935,502</u>
Total Net Assets			
Total Liabilities and Net Assets	<u>\$ 1,189,558</u>	<u>\$ 881,297</u>	<u>\$ 2,070,855</u>

See accompanying notes.

	December 31, 2023		
	Without Donor Restrictions	With Donor Restrictions	Total
ASSETS			
Cash, restricted cash, and cash equivalents	\$ 175,784	\$ 746,409	\$ 922,193
Beneficial interest investment	799,358	-	799,358
Campaign pledges receivable - net	-	455,169	455,169
Prepaid expenses and deposits	6,364	-	6,364
Property and equipment - net	313,189	-	313,189
	<u>1,294,695</u>	<u>1,201,578</u>	<u>2,496,273</u>
Total Assets	<u>\$ 1,294,695</u>	<u>\$ 1,201,578</u>	<u>\$ 2,496,273</u>
LIABILITIES			
Allocations and membership fees payable	\$ 25,863	\$ -	\$ 25,863
Other United Way designations	27,431	-	27,431
Accrued expenses	29,954	-	29,954
Other liabilities - custodial funds	6,339	-	6,339
	<u>89,587</u>	<u>-</u>	<u>89,587</u>
Total Liabilities	<u>89,587</u>	<u>-</u>	<u>89,587</u>
NET ASSETS			
Without Donor Restrictions:			
Non-designated	690,408	-	690,408
Board designated	514,700	-	514,700
With Donor Restrictions:			
Time and Purpose restricted	<u>-</u>	<u>1,201,578</u>	<u>1,201,578</u>
	<u>1,205,108</u>	<u>1,201,578</u>	<u>2,406,686</u>
Total Net Assets	<u>1,205,108</u>	<u>1,201,578</u>	<u>2,406,686</u>
Total Liabilities and Net Assets	<u>\$ 1,294,695</u>	<u>\$ 1,201,578</u>	<u>\$ 2,496,273</u>

STATEMENT OF CHANGES IN NET ASSETS

United Way of Wayne & Holmes Counties, Inc.

Year Ended December 31, 2024 and 2023

	<u>Without Restrictions</u>	<u>With Restrictions</u>	<u>Total</u>
Net Assets - January 1, 2023	\$ 1,180,482	\$ 1,237,050	\$ 2,417,532
Change in net assets - 2023	<u>24,626</u>	<u>(35,472)</u>	<u>(10,846)</u>
Net Assets - December 31, 2023	1,205,108	1,201,578	2,406,686
Change in net assets - 2024	<u>(150,903)</u>	<u>(320,281)</u>	<u>(471,184)</u>
Net Assets - December 31, 2024	<u>\$ 1,054,205</u>	<u>\$ 881,297</u>	<u>\$ 1,935,502</u>

See accompanying notes.

STATEMENT OF ACTIVITIES

United Way of Wayne & Holmes Counties, Inc.

Year Ended December 31

	2024		Total
	Without Donor Restrictions	With Donor Restrictions	
SUPPORT AND REVENUE:			
Gross 2023 campaign contributions	\$ 221,148	\$ -	\$ 221,148
Gross campaign results in prior year released from restriction	1,231,507	(1,231,507)	-
Total Campaign Results 2023	1,452,655	(1,231,507)	221,148
Less: Campaign designations released from restriction	(35,840)	35,840	-
Less: Special event revenue released from restriction	(15,588)	15,588	-
Less: Donor designations	(27,431)	27,431	-
Less: Provision for uncollectible	(34,328)	13,391	(20,937)
Net Campaign Revenue 2023	1,339,468	(1,139,257)	200,211
Gross 2024 campaign contributions	-	1,055,956	1,055,956
Less: Campaign designations released from restriction	148,374	(148,374)	-
Less: Special event revenue released from restriction	11,209	(11,209)	-
Less: Donor designations	-	(25,491)	(25,491)
Less: Provision for uncollectible	-	(20,729)	(20,729)
Net Campaign Revenue 2024	159,583	850,153	1,009,736
Total Public Support	1,499,051	(289,104)	1,209,947
Other Revenue:			
Special initiatives	-	27,230	27,230
Information and referral contract	4,370	-	4,370
Rental income	23,256	-	23,256
Investment income	102,363	-	102,363
Other income	3,309	-	3,309
Total Other Revenue	133,298	27,230	160,528
Other revenue released from restriction	58,407	(58,407)	-
Total Support and Revenue	1,690,756	(320,281)	1,370,475
EXPENSES:			
Program Services:			
Community problem solving	1,556,158	-	1,556,158
Supporting Services:			
Management and general	230,244	-	230,244
Fundraising	37,692	-	37,692
Total Supporting Services	267,936	-	267,936
United Way Worldwide dues	17,565	-	17,565
Total Expenses	1,841,659	-	1,841,659
Change in Net Assets	\$ (150,903)	\$ (320,281)	\$ (471,184)

See accompanying notes.

	2023		
	Without Donor Restrictions	With Donor Restrictions	Total
SUPPORT AND REVENUE:			
Gross 2022 campaign contributions	\$ 221,438	\$ -	\$ 221,438
Gross campaign results in prior year released from restriction	1,258,191	(1,258,191)	-
Total Campaign Results 2022	1,479,629	(1,258,191)	221,438
Less: Campaign designations released from restriction	(57,053)	57,053	-
Less: Special event revenue released from restriction	(14,523)	14,523	-
Less: Donor designations	(25,929)	25,929	-
Less: Provision for uncollectible	(16,766)	13,387	(3,379)
Net Campaign Revenue 2022	1,365,358	(1,147,299)	218,059
Gross 2023 campaign contributions	-	1,231,507	1,231,507
Less: Campaign designations released from restriction	35,840	(35,840)	-
Less: Special event revenue released from restriction	15,588	(15,588)	-
Less: Donor designations	-	(27,431)	(27,431)
Less: Provision for uncollectible	-	(13,391)	(13,391)
Net Campaign Revenue 2023	51,428	1,139,257	1,190,685
Total Public Support	1,416,786	(8,042)	1,408,744
Other Revenue:			
Special initiatives	-	40,432	40,432
Information and referral contract	4,190	-	4,190
Rental income	23,256	-	23,256
Investment income	109,383	-	109,383
Other loss	(108)	-	(108)
Total Other Revenue	136,721	40,432	177,153
Other revenue released from restriction	67,862	(67,862)	-
Total Support and Revenue	1,621,369	(35,472)	1,585,897
EXPENSES:			
Program Services:			
Community problem solving	1,232,967	-	1,232,967
Supporting Services:			
Management and general	235,888	-	235,888
Fundraising	112,894	-	112,894
Total Supporting Services	348,782	-	348,782
United Way Worldwide dues	14,994	-	14,994
Total Expenses	1,596,743	-	1,596,743
Change in Net Assets	\$ 24,626	\$ (35,472)	\$ (10,846)

STATEMENT OF FUNCTIONAL EXPENSES

United Way of Wayne & Holmes Counties, Inc.

Year Ended December 31

	2024				
	Program Services	Support Services			
	Community Problem Solving	Management and General	Fundraising	Total Support Services	Total Expenses
Allocation to agencies	\$ 1,116,488	\$ -	\$ -	\$ -	\$ 1,116,488
Less: Donor designations	(25,491)	-	-	-	(25,491)
Total Net Allocation to Agencies	<u>1,090,997</u>	-	-	-	<u>1,090,997</u>
Salaries	171,770	108,626	14,072	122,698	294,468
Employee benefits	15,357	12,609	1,215	13,824	29,181
Payroll taxes and fringes	<u>13,341</u>	<u>7,664</u>	<u>1,124</u>	<u>8,788</u>	<u>22,129</u>
Total Salaries and Related Expenses	<u>200,468</u>	<u>128,899</u>	<u>16,411</u>	<u>145,310</u>	<u>345,778</u>
Grant expense - board venture	51,710	-	-	-	51,710
Community initiative expense	80,784	-	-	-	80,784
Registration fees	1,135	27	-	27	1,162
Professional fees	18,365	2,743	2,743	5,486	23,851
Supplies	4,030	1,285	544	1,829	5,859
Telephone	3,290	1,566	491	2,057	5,347
Postage and shipping	3,081	247	1,873	2,120	5,201
Rental and maintenance of equipment	28,084	25,127	4,230	29,357	57,441
Printing and publications	11,075	1,563	2,470	4,033	15,108
Travel	11,923	3,614	1,041	4,655	16,578
Insurance	-	7,145	-	7,145	7,145
Membership dues	3,404	11,666	626	12,292	15,696
Awards and recognition	1,559	1,550	2,571	4,121	5,680
Occupancy	20,619	7,446	2,970	10,416	31,035
Special event	-	-	1,703	1,703	1,703
Miscellaneous	<u>20,126</u>	<u>3,313</u>	<u>19</u>	<u>3,332</u>	<u>23,458</u>
Total Operating Expenses	<u>259,185</u>	<u>67,292</u>	<u>21,281</u>	<u>88,573</u>	<u>347,758</u>
Total Expenses before Depreciation	<u>1,550,650</u>	<u>196,191</u>	<u>37,692</u>	<u>233,883</u>	<u>1,784,533</u>
Depreciation	<u>5,508</u>	<u>34,053</u>	<u>-</u>	<u>34,053</u>	<u>39,561</u>
Total Functional Expenses	<u>\$ 1,556,158</u>	<u>\$ 230,244</u>	<u>\$ 37,692</u>	<u>\$ 267,936</u>	<u>\$ 1,824,094</u>

See accompanying notes.

2023

	Program Services		Support Services		Total Expenses
	Community Problem Solving	Management and General	Fundraising	Total Support Services	
Allocation to agencies	\$ 900,391	\$ -	\$ -	\$ -	\$ 900,391
Less: Donor designations	(27,431)	-	-	-	(27,431)
Total Net Allocation to Agencies	872,960	-	-	-	872,960
Salaries	135,662	101,841	21,045	122,886	258,548
Employee benefits	15,661	10,709	2,144	12,853	28,514
Payroll taxes and fringes	10,737	7,999	1,667	9,666	20,403
Total Salaries and Related Expenses	162,060	120,549	24,856	145,405	307,465
Grant expense - board venture	16,925	-	-	-	16,925
Community Initiative Expense	117,497	-	-	-	117,497
Registration fees	1,000	27	2,275	2,302	3,302
Professional fees	2,780	11,120	-	11,120	13,900
Supplies	2,592	6,363	1,429	7,792	10,384
Telephone	1,710	2,672	855	3,527	5,237
Postage and shipping	4,053	421	6,712	7,133	11,186
Rental and maintenance of equipment	16,822	25,885	35,279	61,164	77,986
Printing and publications	761	867	19,050	19,917	20,678
Travel	10,621	3,652	1,207	4,859	15,480
Insurance	1,255	5,635	-	5,635	6,890
Membership dues	570	2,671	1,572	4,243	4,813
Awards and recognition	150	455	1,587	2,042	2,192
Occupancy	4,526	12,796	4,073	16,869	21,395
Special event	-	-	13,973	13,973	13,973
Miscellaneous	10,302	8,259	26	8,285	18,587
Total Operating Expenses	191,564	80,823	88,038	168,861	360,425
Total Expenses before Depreciation	1,226,584	201,372	112,894	314,266	1,540,850
Depreciation	6,383	34,516	-	34,516	40,899
Total Functional Expenses	\$ 1,232,967	\$ 235,888	\$ 112,894	\$ 348,782	\$ 1,581,749

STATEMENT OF CASH FLOWS

United Way of Wayne & Holmes Counties, Inc.

Years Ended December 31

	2024	2023
RECONCILIATION OF CHANGE IN NET ASSETS TO NET CASH USED IN OPERATING ACTIVITIES:		
Change in Net Assets	\$ (471,184)	\$ (10,846)
Adjustments to Reconcile Change in Net Assets to Net Cash Provided by (Used in) Operating Activities:		
Depreciation	39,561	40,899
Change in fair value of beneficial interest investment	(77,994)	(104,874)
Increase (Decrease) in Cash from Changes in:		
Accounts receivable - net	(2,128)	2,275
Campaign pledges receivable - net	137,283	552
Prepaid expenses and deposits	(1,364)	2,685
Allocations and membership fees payable	47,012	10,143
Other United Way designations	(1,940)	1,502
Accrued expenses	4,703	4,339
Other liabilities - custodial funds	(4,009)	1,059
	141,124	(41,420)
Total Adjustments		
	(330,060)	(52,266)
Cash Used in Operating Activities		
CASH FLOWS FROM INVESTING ACTIVITIES:		
Capital expenditures	-	(42,800)
Decrease in Cash, Restricted Cash, and Cash Equivalents	(330,060)	(95,066)
Cash, Restricted Cash, and Cash Equivalents - Beginning of Year	922,193	1,017,259
Cash, Restricted Cash, and Cash Equivalents - End of Year	\$ 592,133	\$ 922,193

See accompanying notes.

NOTES TO FINANCIAL STATEMENTS

United Way of Wayne & Holmes Counties, Inc.

1 Summary of Significant Accounting Policies

Nature of the Organization:

United Way of Wayne & Holmes Counties, Inc. ("United Way" or "Organization") was incorporated in the state of Ohio in 1957 as a local, private not-for-profit United Way governed by a volunteer board of directors. The United Way was originally established to collect and distribute public donations to various local non-profits.

United Way's mission is "Uniting people and resources in a community-wide effort to improve lives". The Organization believes that by bringing the strengths and resources of cross sector partners, and by building a "Culture of Shared Accountability", we can transform our community's outcomes in a measurable and lasting way.

The Organization has spent the last few years working with the community to assess current community needs. Using that information, the Organization will now bring community volunteers together to work with agency partners to set community-wide goals with measurable outcomes. These goals will drive the investment of community raised dollars. By working with community volunteers, the Organization conducts its "Community Problem Solving Program". This is accomplished using public donations which are distributed to local, not-for-profit organizations through grants directed to specific programs which address the outcomes identified by the volunteers.

The Wayne Holmes Information Referral Exchange ("WHIRE") resource line provides residents a local resource number to get connected with a network of services and local agencies to meet their needs.

The United Way is committed to complying with the United Way of America's Reporting Standards.

Use of Estimates:

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

Classification of Net Assets:

Net assets, contributions, revenue, gains, and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets and changes therein are classified and reported as follows:

Net Assets Without Donor Restrictions – Net assets available for use in continuing activities, grants, and operations of the Organization at the discretion of the governing body. Designations by the Board of Trustees ("Board"), while separately stated, are considered without donor restrictions.

NOTES TO FINANCIAL STATEMENTS

United Way of Wayne & Holmes Counties, Inc.

1 Summary of Significant Accounting Policies, Continued

Classification of Net Assets, Continued:

Net Assets with Donor Restrictions – Net assets subject to donor-imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or purpose specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. Donor-imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both.

Cash and Cash Equivalents:

For the purposes of the Statement of Cash Flows, the United Way considers all highly liquid debt instruments purchased with a maturity of three months or less to be cash equivalents.

At times during the year, the United Way maintained funds on deposit at its banks in excess of FDIC insurance limits. The United Way closely monitors its bank deposit accounts on a regular basis and believes it is not exposed to any significant financial risk on cash.

Beneficial Interest Investments:

The United Way has invested funds with the Wayne County Community Foundation ("WCCF" or "Foundation") and has specified itself as the sole beneficiary of these assets. The United Way has an unconditional right to these funds, which are classified as an Agency Fund at the Foundation in an identifiable pool. As a result, the beneficial interest has been recorded at fair market value based on the fair market value of the underlying assets (see Note 2). The underlying investments are valued based on published market prices through a commercial quotation service. The fair value of the investments is allocated among the contract holders based on a unit value. The change in fair market value is recorded as a component of investment income in the Statement of Activities.

Campaign Pledge Receivables:

Campaign pledge receivables consist of amounts due from individuals, corporations and their employees and are stated at the amount management expects to collect from the balances outstanding at year-end. The allowance for uncollectible pledges is calculated based on historical collections from previous campaigns. All pledges outstanding at year-end are deemed collectible within one year.

Pledges receivable are net of allowance for credit losses of \$9,457 (2024) and \$13,391 (2023).

Pledges receivable balance at January 1, 2023, December 31, 2023, and December 31, 2024 was \$455,721, \$455,169, and \$317,886.

NOTES TO FINANCIAL STATEMENTS

United Way of Wayne & Holmes Counties, Inc.

1 Summary of Significant Accounting Policies, Continued

Revenue Recognition:

Campaign contributions without donor restrictions, as shown on the Statement of Activities, reflect the prior year campaign revenue distributed during the current calendar year for agency allocations. Without donor restricted campaign contributions include campaign receipts or pledges that were received during the current year, in addition to amounts pledged or collected during the prior year that were released from restriction.

Time and purpose restricted campaign contributions, as shown on the Statement of Activities, represent the current year campaign to be distributed through board approved allocations in the following year. Only pledges that were supported by documentation substantiating both the donor's unconditional promise to give and instructions on the use of those campaign funds, were recorded as of December 31, 2024 and 2023.

Campaign efforts include amounts raised on behalf of others. Pledges received where the donor designates that the gift is for a specific United Way or not-for-profit agency are accounted for as agency transactions. Accordingly, while such amounts raised on behalf of others are included in total campaign revenue in the Statement of Activities, they are deducted prior to reporting net campaign revenue and included as a liability on the Statement of Financial Position.

The WHIRE program is funded through private grants and campaign allocations, which are used to provide referral services.

Donated Services:

The United Way received donated services (general assistance, fundraising events, etc.) which do not meet the criteria for recognition under FASB ACS 958-605 or cannot be objectively measured. These donations, while not recognized in the financial statements, provide valuable resources to the United Way.

Property and Equipment:

Property and equipment purchased by the United Way are carried at cost. Donated property and equipment are recorded at estimated fair value at the date of donation. Expenditures for maintenance and repairs are charged to expense as incurred. Additions and betterments that extend the useful lives of assets beyond one year and are in excess of \$500, are capitalized. The cost and related accumulated depreciation of properties sold or otherwise disposed of are removed from the accounts and any gain or loss is reflected in the current year's activities.

NOTES TO FINANCIAL STATEMENTS

United Way of Wayne & Holmes Counties, Inc.

1 Summary of Significant Accounting Policies, Continued

Property and Equipment, Continued:

	<u>2024</u>	<u>2023</u>
Land, buildings and improvements	\$ 552,848	\$ 552,848
Equipment	<u>197,018</u>	<u>198,565</u>
	749,866	751,413
Less: Accumulated depreciation	<u>(476,238)</u>	<u>(438,224)</u>
	<u>\$ 273,628</u>	<u>\$ 313,189</u>
Depreciation Expense	<u>\$ 39,561</u>	<u>\$ 40,899</u>

The United Way primarily follows the straight-line method of depreciation utilizing the following lives:

<u>Class</u>	<u>Years</u>
Buildings and improvements	7 - 40
Equipment	3 - 10

Allocations to Agencies:

Allocations to local agencies are determined by an outside volunteer committee and are based on a percentage of the total funds raised in the annual campaign. The actual dollar allocations are calculated once total proceeds from the campaign are determined, which is typically in the following calendar year of the campaign. The allocations are recorded as a liability once the board has approved the recommendations of the allocations committee and paid to the agencies during the same calendar year.

Functional Expense Allocations:

The financial statements report certain categories of expenses that are attributable to one or more programs or supporting functions of United Way. The costs of providing the various program and supporting services have been summarized on a functional basis. Those expenses include employee salaries and benefits, facility and general administrative expenditures. Salaries and benefits are allocated based on estimates of time and effort utilized. Facility and general administrative expenditures are allocated based on time spent by employees and square footage of space used for various programs. Allocations to agencies, grant expense and community initiatives and contract fees are considered all as program expense.

Income Taxes:

The United Way is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code and operates as a public charity. The United Way is required to operate in conformity with the Code to maintain its tax-exempt status.

NOTES TO FINANCIAL STATEMENTS

United Way of Wayne & Holmes Counties, Inc.

1 Summary of Significant Accounting Policies, Continued

Accounting for Uncertainty in Income Taxes:

Accounting principles generally accepted in the United States of America require management to evaluate tax positions taken by the United Way and recognize a tax liability if the United Way has taken certain tax positions that more-likely-than-not would not be sustained upon examination by applicable taxing authorities. The United Way would recognize interest and penalties accrued, if any, related to unrecognized tax uncertainties in income tax expense. Management has analyzed tax positions taken and has concluded that there are no material uncertain tax positions taken, or expected to be taken, that would require recognition of a liability or disclosure in the financial statements.

Vacation, Personal Annual Leave Policy:

Vacation and personal leave compensation is expensed when paid. Accrual of these benefits as earned would not have a material effect on the financial statements.

Subsequent Events:

Management evaluates events occurring subsequent to the date of the financial statements in determining the accounting for and disclosure of transactions and events that affect the financial statements.

Subsequent events have been evaluated through October 27, 2025 which is the date the financial statements were available to be issued.

Reclassifications:

Certain prior year amounts have been reclassified to conform with the current year presentation.

2 Beneficial Interest

	December 31	
	<u>2024</u>	<u>2023</u>
Fair Value at NAV:		
Beneficial interest - WCCF	<u>\$ 877,352</u>	<u>\$ 799,358</u>
	<u>2024</u>	<u>2023</u>
Investment income consists of the following:		
Change in fair value of beneficial interests	\$ 77,994	\$ 104,874
Interest income - cash and beneficial interests	<u>24,369</u>	<u>4,509</u>
Investment Income	<u>\$ 102,363</u>	<u>\$ 109,383</u>

NOTES TO FINANCIAL STATEMENTS

United Way of Wayne & Holmes Counties, Inc.

2 Beneficial Interest, Continued

The following is a description of the valuation methodologies used for instruments measured at fair value:

Beneficial Interest - WCCF:

The value of the beneficial interest is recorded at fair value based on the fair value of the underlying assets held at the Wayne County Community Foundation (“WCCF”). The fair value is allocated among the contract holders based on a unit value of the Organization’s ownership percentage of the value of the underlying assets, as confirmed by WCCF. These investments are measured at fair value using the NAV per share (or its equivalent) practical expedient. There were no unfunded commitments and no specific redemption restrictions, or time restrains at December 31, 2024 and 2023.

3 Revocable Trust – Gault Fund

The Organization receives distributions from the Gault Fund which are held at the Wayne County Community Foundation. These funds are in a revocable trust, and the value of these trusts are not recorded on the Organization’s Statement of Financial Position, as WCCF holds variance power over the trust. While variance power exists, WCCF has not currently given any indication that the distributions would be directed away from the Organization. The fair market value of the revocable trust is \$322,617 (2024) and \$303,542 (2023).

The Organization received their portion of the annual spendable income from the trust in the amount of \$13,640 (2024) and \$13,725 (2023) which record on the investments on the Statement of Activities.

4 Liquidity and Availability

The Organization manages its cash available to meet general expenditures following three guiding principles:

- Operating within a prudent range of financial soundness and stability,
- Maintaining adequate liquid assets, and
- Maintaining sufficient reserves to provide reasonable assurance that long term grant commitments and obligations under endowments with donor restrictions and quasi-endowments that support mission fulfillment will continue to be met, ensuring the sustainability of the Organization.

NOTES TO FINANCIAL STATEMENTS

United Way of Wayne & Holmes Counties, Inc.

4 Liquidity and Availability, Continued

The table below presents financial assets available for general expenditures within one year.

	<u>2024</u>	<u>2023</u>
Financial Assets at Year-End:		
Cash and cash equivalents	\$ 592,133	\$ 922,193
Beneficial interest investment	877,352	799,358
Accounts receivable - net	2,128	-
Campaign pledges receivable - net	<u>317,886</u>	<u>455,169</u>
Total Financial Assets	1,789,499	2,176,720
Less: Amount with donor restrictions - Purpose and time restriction	(881,297)	(1,201,578)
Special initiative restricted cash	<u>(31,144)</u>	<u>(62,321)</u>
	<u>(912,441)</u>	<u>(1,263,899)</u>
Financial assets available to meet general expenditures within one year	<u>\$ 877,058</u>	<u>\$ 912,821</u>

The Organization maintains a policy of structuring its financial assets to be available as its general expenditures, liabilities, and other obligations come due. Included in cash and cash equivalents is \$563,411 (2024) and \$746,409 (2023) of donor restricted cash. These funds represent campaign contributions that are time/purpose restricted and will be expended in 2025 for allocations to agencies and support services. Due to the availability of the funds for expenditure within one year, they are included in the Organizations presentation of current liquidity.

5 Leases

The United Way leases various office equipment with agreements through 2028. Rent expense was \$22,455 (2024) and \$23,247 (2023). Based on the terms of the agreements, the impact of ASC 842 was not material.

Minimum lease payments due under these obligations are as follows:

2025	\$ 18,725
2026	4,064
2027	2,108
2028	<u>527</u>
Total	<u>\$ 25,424</u>

NOTES TO FINANCIAL STATEMENTS

United Way of Wayne & Holmes Counties, Inc.

6 Time and Purpose Restricted Net Assets

Time and Purpose restricted net assets consist of the following:

	2024	2023
Specific Time and Purpose:		
Campaign	\$ 793,990	\$ 1,109,932
Campaign - Imagination Library	56,163	29,325
Special initiatives	31,144	62,321
Total	\$ 881,297	\$ 1,201,578

Net assets released from net assets with donor restrictions are as follows:

Satisfaction of Specific Purpose:		
Campaign	\$ 1,139,257	\$ 1,147,299
Campaign - Imagination Library	148,374	35,840
Special initiatives	58,407	67,862
Special event	11,209	15,588
Total	\$ 1,357,247	\$ 1,266,589

7 Board-Designated Funds

United Way maintains a Board-restricted reserve fund to provide for future program development or meet specific operating needs. The Board maintains an operating reserve fund, which approximates 90 days of United Way's operating expenses (which includes a component for 90-day agency allocation obligations). The fund is reviewed annually and adjusted through a reclassification from Without donor restriction - non-designated funds. In addition, the Board has designated a building and equipment fund to cover capital expenditures. These funds are replenished based on annual depreciation. In addition, the board has allocated funds to be transferred into a venture projects board designated fund.

	2024	2023
90-day operating reserve	\$ 356,602	\$ 422,693
Board venture projects	46,165	31,553
Building fund (\$60,000 cap)	60,000	50,454
Equipment fund (\$10,000 cap)	10,000	10,000
	\$ 472,767	\$ 514,700

8 Retirement Plan

The United Way has a 403(b) Defined Contribution Plan covering substantially all employees with at least 1,000 hours of service. The United Way contributed an amount equal to 4.0% of each participant's gross pay in 2024 and 2023.

The United Way contributions to this Plan amounted to \$8,976 (2024) and \$8,632 (2023).

NOTES TO FINANCIAL STATEMENTS

United Way of Wayne & Holmes Counties, Inc.

9 Special Events

The United Way conducts one fundraising event during the year, which the net proceeds are restricted to and included in the current year campaign revenue. Revenues and expenses related to the event is as follows:

	2024		
	Revenue	Expenses	Net Income
Heart & Sole Race	<u>\$ 34,218</u>	<u>\$ 11,218</u>	<u>\$ 23,000</u>
	2023		
	Revenue	Expenses	Net Income
Heart & Sole Race	<u>\$ 39,084</u>	<u>\$ 13,973</u>	<u>\$ 25,111</u>

10 Rental Income

The United Way rents a portion of its building under a 3-year term, beginning January 1, 2023, with a month-to-month agreement, unless either party gives 30 days' notice of non-renewal. The rental payments are \$1,938 per month. The lease income was \$23,256 (2024) and \$23,256 (2023).

11 Support Services

The United Way calculates its overhead ratio in accordance with standards established by the United Way of America as membership criteria. These standards provide a uniform method of calculating the overhead ratio for all United Ways.

The uniform overhead calculation uses prescribed lines from United Way's federal tax return, Form 990. It should be noted that certain items of revenue are reported differently on Form 990 than as required by accounting principles generally accepted in the United States of America in the financial statements. The overhead allocation percentage is approximately 15% (2024) and 22% (2023).