

UNITED WAY OF HUNTINGTON COUNTY, INC.
INDEPENDENT ACCOUNTANT'S REVIEW REPORT
DECEMBER 31, 2024 AND 2023
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INDEPENDENT ACCOUNTANT'S REVIEW REPORT

To the Board of Directors
United Way of Huntington County, Inc.
Huntington, Indiana

We have reviewed the accompanying financial statements of United Way of Huntington County, Inc. (a non-profit organization) which comprise the statements of financial position as of December 31, 2024 and 2023, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements. A review includes primarily applying analytical procedures to managements financial data and making inquiries of company management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, we do not express such an opinion.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free of material misstatement whether due to fraud or error.

Accountant's Responsibility

Our responsibility is to conduct the review engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. Those standards require us to perform procedures to obtain limited assurance as a basis for reporting whether we are aware of any material modifications that should be made to the financial statements for them to be in accordance with accounting principles generally accepted in the United States of America. We believe that the results of our procedures provide a reasonable basis for our conclusion.

Accountant's Conclusion

Based on our reviews, we are not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in accordance with accounting principles generally accepted in the United States of America.



Culp CPA Group
Certified Public Accountants

Huntington, Indiana
June 27, 2025

UNITED WAY OF HUNTINGTON COUNTY, INC.**STATEMENTS OF FINANCIAL POSITION****DECEMBER 31, 2024 AND 2023****ASSETS**

	<u>2024</u>	<u>2023</u>
<u>Current assets:</u>		
Restricted cash - Note 1	\$ 135,455	\$ 85,923
Grants receivable	41,811	57,279
Pledges receivable - 2024 Campaign, due within one year, net of allowance for uncollectible pledges of \$10,179 - Note 1	104,906	-
Pledges receivable - 2023 Campaign, due within one year, net of allowance for uncollectible pledges of \$32,301 in 2024 and \$20,517 in 2024 - Note 1	18,488	109,993
Prepaid expenses	4,878	4,033
Property and equipment - Net of accumulated depreciation of \$4,910 in 2024 and \$17,387 in 2023 - Notes 1 and 2	1,480	1,956
Right of Use Asset - Operating lease - Note 8	4,504	7,425
United Way Endowment Fund - Notes 4 and 12	295,802	276,014
United Way Impact Fund - Notes 5 and 12	14,574	-
Investments - Notes 1, 3 and 12	625,013	673,516
	<u>\$ 1,246,911</u>	<u>\$ 1,216,139</u>
Total assets		

LIABILITIES AND NET ASSETS

<u>Liabilities:</u>		
Accounts payable	\$ 2,233	\$ 1,923
Accrued expenses	1,646	962
Designations payable - 2024 Campaign	14,024	-
Designations payable - 2023 Campaign	8,888	19,214
Designations payable - 2022 Campaign	29	1,666
Operating lease liability - Note 8	4,504	7,425
	<u>31,324</u>	<u>31,190</u>
Total liabilities		
<u>Net assets - Notes 1 and 6:</u>		
Without donor restrictions	664,276	654,439
With donor restrictions	551,311	530,510
	<u>1,215,587</u>	<u>1,184,949</u>
Total net assets		
Total liabilities and net assets	<u>\$ 1,246,911</u>	<u>\$ 1,216,139</u>

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

UNITED WAY OF HUNTINGTON COUNTY, INC.**STATEMENT OF ACTIVITIES****FOR THE YEAR ENDED DECEMBER 31, 2024**

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
<u>Support and revenue - Note 1:</u>			
Gross campaign results	\$ 121,621	\$ 157,999	\$ 279,620
Donor designations	(11,028)	(14,329)	(25,357)
(Provision) for uncollectible pledges	(2,653)	(10,179)	(12,832)
Net campaign results	<u>107,940</u>	<u>133,491</u>	<u>241,431</u>
Designations from other United Ways	3,298	-	3,298
Service fees	1,189	304	1,493
Dollywood Imagination Lab	-	6,203	6,203
Grants -			
Door Dash	-	13,858	13,858
United IN24	-	41,961	41,961
CenterPoint Energy	-	6,000	6,000
Duke-Drive Through Fan	-	2,500	2,500
In-kind contributions	4,642	-	4,642
Gain on disposal of asset	415	-	415
Miscellaneous	782	-	782
Investment return, net - Note 3	70,260	-	70,260
Gain on beneficial interest in United Way Endowment Fund	-	19,788	19,788
Change in United Way Impact Fund	14,574	-	14,574
Net assets released from restrictions	<u>203,304</u>	<u>(203,304)</u>	<u>-</u>
Total support and revenue	<u>406,404</u>	<u>20,801</u>	<u>427,205</u>
<u>Program and support services:</u>			
Program services -			
Gross funds distributed	202,639	-	202,639
Other program services	83,469	-	83,469
Total program services	<u>286,108</u>	<u>-</u>	<u>286,108</u>
Support services -			
Management and general	58,758	-	58,758
Fundraising	46,401	-	46,401
Unallocated payments to affiliated organization - UWA dues	5,300	-	5,300
Total support services	<u>110,459</u>	<u>-</u>	<u>110,459</u>
Total expenses	<u>396,567</u>	<u>-</u>	<u>396,567</u>
Change in net assets	9,837	20,801	30,638
<u>Net assets</u> , beginning of year	<u>654,439</u>	<u>530,510</u>	<u>1,184,949</u>
<u>Net assets</u> , end of year	<u>\$ 664,276</u>	<u>\$ 551,311</u>	<u>\$ 1,215,587</u>

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

UNITED WAY OF HUNTINGTON COUNTY, INC.
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2023

	Without Donor Restrictions	With Donor Restrictions	Total
<u>Support and revenue - Note 1:</u>			
Gross campaign results	\$ 291,765	\$ 179,488	\$ 471,253
Donor designations	(13,968)	(19,998)	(33,966)
(Provision) for uncollectible pledges	(3,817)	(20,517)	(24,334)
	273,980	138,973	412,953
Net campaign results			
Designations from other United Ways	330	-	330
Service fees	793	783	1,576
Grants -			
Health Department COVID Funds	20,859	-	20,859
Door Dash	-	1,100	1,100
United IN Grants	-	57,279	57,279
In-kind contributions	1,925	-	1,925
Miscellaneous	1,137	-	1,137
Investment return, net - Note 3	73,811		73,811
Gain on beneficial interest in United Way Endowment Fund	-	26,565	26,565
Distribution from United Way Impact Fund	28,619	-	28,619
Net assets released from restrictions	86,124	(86,124)	-
	487,578	138,576	626,154
Total support and revenue			
<u>Program and support services:</u>			
Program services -			
Gross funds distributed	305,375	-	305,375
Other program services	59,901	-	59,901
	365,276	-	365,276
Total program services			
Support services -			
Management and general	56,222	-	56,222
Fundraising	54,027	-	54,027
Unallocated payments to affiliated organization - UWA dues	3,104	-	3,104
	113,353	-	113,353
Total support services			
Total expenses	478,629	-	478,629
Change in net assets	8,949	138,576	147,525
<u>Net assets, beginning of year</u>	645,490	391,934	1,037,424
<u>Net assets, end of year</u>	\$ 654,439	\$ 530,510	\$ 1,184,949

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

UNITED WAY OF HUNTINGTON COUNTY, INC.**STATEMENT OF FUNCTIONAL EXPENSES****FOR THE YEAR ENDED DECEMBER 31, 2024**

	<u>Program Services</u>	<u>Management and General</u>	<u>Fundraising</u>	<u>UWA Dues</u>	<u>Total</u>
Gross distributions	\$ 218,075	\$ -	\$ -	\$ -	\$ 218,075
Donor designations	(19,316)	-	-	-	(19,316)
Special grants and allocations	3,880	-	-	-	3,880
Net funds distributed	202,639	-	-	-	202,639
Salaries and wages	12,191	10,867	29,098	-	52,156
Payroll taxes and benefits	1,423	1,047	2,435	-	4,905
Total personnel	13,614	11,914	31,533	-	57,061
Processing and accounting services	-	31,599	-	-	31,599
Professional fees	78	11,161	238	-	11,477
Campaign	-	-	1,806	-	1,806
Bank fees	125	125	376	-	626
Contract service fees	230	230	689	-	1,149
Postage	155	193	619	-	967
Office supplies	246	246	738	-	1,230
Office rent - Note 7	590	620	1,790	-	3,000
Telephone and utilities	109	114	331	-	554
Repairs and maintenance	744	782	2,262	-	3,788
Insurance	770	809	2,336	-	3,915
Conferences, training and meetings	119	68	327	-	514
Travel	434	456	1,316	-	2,206
Grants -					
United IN22	28,571	-	-	-	28,571
United IN24	420	-	-	-	420
Door Dash	15,708	-	-	-	15,708
Health and wellness	2,790	-	-	-	2,790
Dollywood Imagination Library	13,873	-	-	-	13,873
Learning Center	100	-	-	-	100
Web page	3,126	-	-	-	3,126
Local and state organization dues	297	297	891	-	1,485
Depreciation - Note 1	254	57	165	-	476
Miscellaneous	1,116	87	984	-	2,187
Subtotal	83,469	58,758	46,401	-	188,628
UWA - Dues	-	-	-	5,300	5,300
Total functional expenses	\$ 286,108	\$ 58,758	\$ 46,401	\$ 5,300	\$ 396,567

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

UNITED WAY OF HUNTINGTON COUNTY, INC.
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2023

	<u>Program Services</u>	<u>Management and General</u>	<u>Fundraising</u>	<u>UWA Dues</u>	<u>Total</u>
Gross distributions	\$ 313,600	\$ -	\$ -	\$ -	\$ 313,600
Donor designations	(9,466)	-	-	-	(9,466)
Special grants and allocations	1,241	-	-	-	1,241
Net funds distributed	<u>305,375</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>305,375</u>
Salaries and wages	12,284	10,950	29,320	-	52,554
Payroll taxes and benefits	1,220	898	2,087	-	4,205
Total personnel	<u>13,504</u>	<u>11,848</u>	<u>31,407</u>	<u>-</u>	<u>56,759</u>
Processing and accounting services	-	30,599	-	-	30,599
Professional fees	57	8,120	173	-	8,350
Campaign	-	-	5,764	-	5,764
Bank fees	152	152	454	-	758
Postage	153	192	613	-	958
Office supplies	149	149	447	-	745
Office rent - Note 7	2,686	2,820	8,144	-	13,650
Telephone and utilities	59	62	179	-	300
Equipment rent	714	751	2,169	-	3,634
Insurance	888	933	2,692	-	4,513
Conferences, training and meetings	63	37	175	-	275
Travel	199	209	605	-	1,013
Web page	1,151	-	-	-	1,151
Special marketing	145	-	-	-	145
Grants -					
United IN20	700	-	-	-	700
United IN22	2,000	-	-	-	2,000
Door Dash	6,471	-	-	-	6,471
Other	1,806	-	-	-	1,806
Dollywood Imagination Library	18,600	-	-	-	18,600
Health and wellness	2,635	-	-	-	2,635
Learning Center	1,993	-	-	-	1,993
Charity tracker	5,000	-	-	-	5,000
Local and state organization dues	273	273	821	-	1,367
Depreciation - Note 1	254	57	165	-	476
Miscellaneous	249	20	219	-	488
Subtotal	<u>59,901</u>	<u>56,222</u>	<u>54,027</u>	<u>-</u>	<u>170,150</u>
UWA - Dues	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,104</u>	<u>3,104</u>
Total functional expenses	<u>\$ 365,276</u>	<u>\$ 56,222</u>	<u>\$ 54,027</u>	<u>\$ 3,104</u>	<u>\$ 478,629</u>

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

UNITED WAY OF HUNTINGTON COUNTY, INC.
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023

	2024	2023
<u>Cash flows from operating activities:</u>		
Change in net assets	\$ 30,638	\$ 147,525
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities -		
Depreciation	476	476
Interest added to investments - Certificates of deposit	15	(136)
Reinvestment of earnings on investments - Mutual funds	82,940	(16,927)
Change in Endowment Fund	(19,788)	(26,565)
Change in Impact Fund	(14,574)	-
Unrealized (gain) on investments	(46,851)	(55,748)
(Increase) Decrease in -		
Pledges receivable - Net	(13,401)	(82,193)
Grant receivable	15,468	(57,279)
Prepaid expenses	(845)	1,022
Increase (Decrease) in -		
Accounts payable	310	658
Accrued expenses	684	(830)
Designations payable - Net	2,061	12,935
Net cash provided by (used in) operating activities	37,133	(77,062)
<u>Cash flows from investing activities:</u>		
Proceeds from redemption or sale of investments	12,399	116,891
Net cash provided by investing activities	12,399	116,891
<u>Net increase in cash and cash equivalents and restricted cash</u>	49,532	39,829
<u>Cash and cash equivalents and restricted cash at beginning of year</u>	85,923	46,094
<u>Cash and cash equivalents and restricted cash at end of year</u>	\$ 135,455	\$ 85,923
<u>Supplemental cash flow information:</u>		
Non-cash investing activity -		
Recording Right of Use Asset	\$ -	\$ -
Amortization of Right of Use Asset	\$ 2,921	\$ 2,724
Non-cash financing activity -		
Lease liability for Right of Use Asset	\$ -	\$ -
Reduction of lease liability for Right of Use Asset	\$ (2,921)	\$ (2,724)

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

UNITED WAY OF HUNTINGTON COUNTY, INC.

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2024 AND 2023

Note 1: Organization and summary of significant accounting policies -

Nature of activities - The United Way of Huntington County, Inc. (the Organization), was formed in 1956 as a voluntary not-for-profit organization benefiting the Huntington County, Indiana community. The mission of the Organization is to unite the community through visionary leadership, assessment of needs and the mobilization and dispersion of resources to enhance the quality of life for the citizens of Huntington County. The Organization is governed by a volunteer board of directors and solicits donations from the public in Huntington County and grants monies to various not-for-profit agencies.

Basis of presentation - The Organization records revenues and expenses using the accrual method of accounting and accordingly reflects all significant receivables, payables and other liabilities. Financial statement presentation follows Financial Accounting Standards Board Accounting Standards Update (ASU) No. 2016-14, *Presentation of Financial Statements of Not-for-Profit Entities*. Under the Standard, the Organization is required to report information regarding its financial position and activities according to two classes of net assets: net assets without donor restrictions and net assets with donor restrictions.

Net assets without donor restrictions - Include expendable resources over which the Organization’s Board of Directors has discretionary control and are used to carry out the Organization’s operations in accordance with its by-laws.

Net assets with donor restrictions - Include resources expendable only for those purposes specified by the donor or grantor. The restrictions are satisfied either by the passage of time or by actions of the Organization. Also, included are resources subject to donor-imposed stipulations that are maintained permanently by the Organization.

Cash and cash equivalents and restricted cash - For the purposes of the statements of cash flows, the Organization considers all highly liquid debt instruments purchased with an original maturity of three months or less to be cash equivalents.

Restricted cash – The Organization’s restricted cash accounts consist of the collected 2023 and 2024 campaign pledges.

Fixed assets - Property and equipment are stated at cost or, if donated, at the approximate fair market value at the date of donation. Such donations are reported as unrestricted support unless the donor has restricted the donated asset to a specific purpose. Maintenance and repairs are expensed as they are incurred. Depreciation expense is computed using the straight-line method over the estimated useful lives of the respective assets as follows:

<u>Assets</u>	<u>Years</u>
Office furniture and equipment	5-7 years

Depreciation expense totaled \$476 for both years ended December 31, 2024 and 2023, respectively.

Revenue recognition - Revenues from non-exchange transactions, contributions and grants, may be subject to conditions in the form of both a barrier to entitlement and a refund of amounts paid (or a release from obligation to make future payments) and are included in campaign contributions, private grants and foundation revenue in the statements of activities. Unconditional contributions and grants are recognized when cash, other assets or an unconditional promise to give is received. Conditional contributions and grants are recognized

UNITED WAY OF HUNTINGTON COUNTY, INC.
NOTES TO FINANCIAL STATEMENTS (CONTINUED)

DECEMBER 31, 2024 AND 2023

Note 1: Organization and summary of significant accounting policies (Continued) -

Revenue recognition (Continued) -

when the barrier is satisfied. All unconditional contributions and grants are considered to be without donor restriction unless specifically restricted by the donor or grantor for a specific program, purpose or time period.

Amounts received that are restricted by the donor or grantor for a specific program, purpose or for future periods are reported as increases to net assets with donor restrictions. Contributions and grants that are restricted by the donor or grantor are reported as increases in net assets without restrictions if the restrictions expire in the fiscal year in which the contributions are recognized.

Contributions of assets other than cash are recorded at their estimated fair value and are reported as contribution revenues without donor restrictions unless specifically restricted by the donor. Gifts specified for the acquisition or construction of long-lived assets are reported as net assets without restrictions when the assets are placed in service.

Sponsorships for special events are treated as contributions and recognized when received or promised. Amounts received in advance of sponsored events are time restricted and reported as net assets with donor restrictions until the events occur.

Pledges receivable - The majority of pledges receivable are received from a broad base of Wells County contributors as a result of the annual United Way Campaign. All pledges will be received in the next fiscal year.

The allowance for uncollectible pledges is maintained at a level which, in management's judgment, is adequate to absorb potential bad debts inherent with pledges receivable. The amount of the allowance is based on management's evaluation of the collectability of the pledges receivable, trends in historical bad debt experience and economic conditions, applied to gross campaign, including donor designations.

The allowance is increased by a provision for uncollectible pledges, which is charged to expense and reduced by charge-offs, net of recoveries. Because of uncertainties inherent in the estimation process, management's estimate of bad debts and the related allowance may change in the near term. However, the amount of the change that is reasonably possible cannot be estimated.

Investments - The Organization's investments consist of certificates of deposit and mutual funds. The certificates of deposit are with local financial institutions with maturity dates that exceed three months. The mutual funds are held with local broker dealers in two separate accounts. The Organization's investments are recorded at fair value. The fair value of investments is generally determined based on quoted market prices of estimated fair values provided by external investment managers or other sources. Investment transactions are recorded on the trade date. Realized gains and losses on the sale of investments are calculated on the basis of specific identification of the securities sold. Realized and unrealized gains and losses are reflected in the statements of activities.

The Organization's investments are exposed to various risks, such as interest rate, market, and credit risks. Due to the level of risk associated with certain investments and the level of uncertainty related to the changes in the values of investments, it is at least reasonably possible that changes in risks in the near term would materially affect the amounts reported in the statements of financial position and the statements of activities.

UNITED WAY OF HUNTINGTON COUNTY, INC.
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2024 AND 2023

Note 1: Organization and summary of significant accounting policies (Continued) -

Compensated absences - Employees of the Organization are entitled to paid vacation, paid sick days and personal days off, depending on job classification, length of service, and other factors. It is impractical to estimate the amount of compensation for future absences and, accordingly, no liability has been recorded in the accompanying financial statements. The Organization's policy is to recognize the costs of compensated absences when actually paid to employees.

Cost deduction - The Organization is committed to compliance with United Way of America's cost deduction requirements for recovering actual costs associated with processing and transferring designated funds.

Functional allocation of expenses - The costs of providing the various programs and other activities have been summarized on a functional basis in the statements of activities. Accordingly, certain costs for personnel and other overhead costs have been allocated among the programs and supporting services based upon the distribution of staff time.

In-kind contributions - During the years ended December 31, 2024 and 2023, the Organization has recorded the value of contributions meeting the requirements for recognition in the financial statements totaling \$4,642 and \$1,925, respectively. In-kind contributions revenue is recognized as accounting services and campaign expenses.

Contributed services - During the years ended December 31, 2024 and 2023 a substantial number of volunteers have contributed significant amounts of their time to the Organization and its fundraising campaigns. These services do not meet the requirements for recognition in the financial statements in accordance with FASB ASC 958-605-50-1, *Accounting for Contributions Received and Contributions Made*, and are not included in the financial statements.

Use of estimates - The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Income tax status - The Organization is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code, and state income taxes under corresponding provisions of Indiana tax law. Additionally, the Organization is not considered a private foundation under Section 509(a) of the Internal Revenue Code.

The Organization has adopted the accounting standard on accounting for uncertainty in income taxes. This standard addresses the determination of whether tax benefits claimed, or expected to be claimed, on a tax return should be recorded in the financial statements. Under this guidance, the Organization may recognize the tax benefit from an uncertain tax position only if it is more likely than not that the tax position will be sustained on examination by taxing authorities, based on the technical merits of the position. The tax benefits that could be recognized in the financial statements from such positions would be measured based on the largest benefit that has a greater than 50 percent likelihood of being realized upon ultimate settlement. The guidance on accounting for uncertainty in income taxes also addresses derecognition, classification, interest and penalties on income taxes, and accounting in interim periods. At December 31, 2024 and 2023, there were no unrecognized tax benefits identified or recorded as liabilities. The Organization files Form 990 and the related state of Indiana return.

UNITED WAY OF HUNTINGTON COUNTY, INC.
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2024 AND 2023

Note 1: Organization and summary of significant accounting policies (Continued) -

Liquidity and funds available - The Organization monitors its liquidity so that it is able to meet its operating needs and other contractual commitments while maximizing the investment of its excess operating cash. The mutual funds and the certificates of deposit are available to meet cash needs for general expenditures within one year.

Note 2: Property and equipment - The Organization's property and equipment consists of the following:

	2024	2023
Furniture and equipment	\$ 6,390	\$ 18,002
Leasehold improvements	-	1,341
	6,390	19,343
<u>Less: Accumulated depreciation</u>	4,910	17,387
Total property and equipment - Net	\$ 1,480	\$ 1,956

Note 3: Investments - The Organization's investments are as follows:

	2024 Fair Value	2023 Fair Value
Certificate of deposit	\$ -	\$ 12,414
Mutual funds	625,014	661,102
Total investments	\$ 625,014	\$ 673,516

Investment return is summarized below:

	2024	2023
Interest	\$ 2,774	\$ 694
Dividends	18,895	19,824
Unrealized gain on investments	46,851	55,748
Realized gain (loss) on investments	1,740	(2,455)
Total return on investments	\$ 70,260	\$ 73,811

Note 4: Beneficial interest in United Way Endowment Fund - The Organization retains a beneficial interest in an endowment fund held by the Huntington County Community Foundation (Foundation). The designated endowment was established by the Organization's Board of Directors in 1997. Under the agreement with the Foundation, the Foundation has retained variance authority of these funds and therefore the beneficial interest is recorded as a permanently restricted net asset.

UNITED WAY OF HUNTINGTON COUNTY, INC.
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2024 AND 2023

Note 4: Beneficial interest in United Way Endowment Fund (Continued) - The Organization's Board has the ability to accept allocations or leave with the Foundation. The beneficial interest is reported at its fair value. Any change in the fair value of the beneficial interest in the fund is reported as an increase or decrease in permanently restricted net assets.

Change in endowment net assets for the years ended December 31, 2024 and 2023 is as follows:

	2024	2023
Net assets, beginning of year	\$ 276,014	\$ 249,449
Investment return	21,985	28,734
Administrative fees	(2,197)	(2,169)
Net assets, end of year	\$ 295,802	\$ 276,014

Note 5: Community Foundation Fund - The Huntington County Community Foundation, Inc. holds funds donated on behalf of the Organization totaling \$393,632 and \$367,118 at December 31, 2024 and 2023, respectively. These balances have not been recorded as assets of the Organization because the Huntington County Community Foundation, Inc. has maintained variance power over these funds. The annual available distribution is 4%. Available distributions of \$14,632 were available at December 31, 2024 and were invested in the United Way Impact Fund. Available distributions of \$28,619 were distributed in 2023.

Note 6: Net assets without donor restrictions and with donor restrictions - The Board has designated net assets without restrictions at December 31, 2024 and 2023 for the following purposes:

	2024	2023
Board designated -		
Leadership Forever Circle	\$ 625,014	\$ 661,103
Six month reserve	96,000	96,000
Emergency fund	15,000	15,000
Total board designated	736,014	772,103
Without donor restrictions	(71,738)	(117,664)
Total net assets without donor restrictions	\$ 664,276	\$ 654,439

UNITED WAY OF HUNTINGTON COUNTY, INC.
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2024 AND 2023

Note 6: Net assets without donor restrictions and with donor restrictions (Continued) -

Net assets with donor restrictions at December 31, 2024 and 2023 are available for the following purposes:

	<u>2024</u>	<u>2023</u>
United IN20	\$ 1,287	\$ 15,160
United IN22	26,708	64,234
United IN24	41,541	-
Health and wellness	12,006	14,795
Learning Center	970	2,863
United Way Worldwide	32,704	34,695
Duke-Drive Through Fan	403	-
CenterPoint Energy	6,000	-
United Way Endowment Fund	295,803	276,014
Time restriction - Campaign	<u>133,888</u>	<u>122,749</u>
 Total net assets with donor restrictions	 <u>\$ 551,310</u>	 <u>\$ 530,510</u>

Net assets were released from donor restrictions by incurring expenses satisfying the purpose or time restrictions specified by donors as follows:

	<u>2024</u>	<u>2023</u>
United IN20	\$ 13,873	\$ 19,300
United IN22	28,571	2,000
United IN24	420	-
Safe kids program	-	4,231
Financial stability	-	1,220
Health and wellness	2,790	2,635
Learning Center	100	-
Duke-Drive Through Fan	2,097	-
United Way Worldwide	15,848	5,668
Time restriction - Campaign	<u>139,605</u>	<u>51,070</u>
 Total restrictions released	 <u>\$ 203,304</u>	 <u>\$ 86,124</u>

Note 7: Operating leases - The Organization leased office space in Huntington, Indiana under a noncancelable two-year operating lease which started on January 1, 2022, with monthly lease payments of \$1,050. The monthly payments include utilities, internet and cleaning. The Organization terminated the lease at lease end. The Organization signed a month-to-month lease beginning on January 1, 2024 with monthly payments of \$250. Rent expense for the years ended December 31, 2024 and 2023 was \$3,000 and \$13,650, respectively.

UNITED WAY OF HUNTINGTON COUNTY, INC.
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2024 AND 2023

Note 8: Right of Use Asset - Operating lease - In February 2016, the FASB issued 2016-02. This update recognizes the capitalization of operating leases of more than 12 months beginning in January 2023. An organization is required to record a “right of use” asset and a lease liability payable for the present value of the lease payments. At December 31, 2023, the present value was calculated on the remaining lease payments of a five-year copier lease using an incremental borrowing rate of 7% at the lease inception of June 11, 2023. Monthly lease payments are \$279 per month for 60 months. Rent expense for the years ended December 31, 2024 and 2023 was \$3,348 for both years.

At December 31, 2024, future minimum lease payments under the capital lease obligations and the net present value of the future minimum lease payments are as follows:

Years ending December 31:

	2025		\$ 3,348
	2026		<u>1,395</u>
	Total future minimum lease payments		4,743
	<u>Less:</u> Amount representing interest		<u>(239)</u>
	Present value of future minimum lease payments		<u><u>\$ 4,504</u></u>

The Organization has elected the optional transition method to apply the transition provisions from the effective date of adoption, which requires the Organization to recognize a cumulative-effect adjustment to the opening balance of net assets as of the adoption date of the standard, with no changes to the prior period balances. As a result, the current period is reported under ASC 842 and the comparative period under ASC 840.

Note 9: Pension plan - On February 24, 2009, the Organization approved converting from a retirement plan under Section 403(b) of the Internal Revenue Code to an Employer Sponsored IRA. All full-time employees are eligible to participate in the Plan. Pension plan expense was \$951 for the year ended December 31, 2024.

Note 10: Description of major program services - The Organization supports other not-for-profit agencies in Huntington County, Indiana serving three impact areas; Education, Financial Stability and Health & Wellness.

Note 11: Concentration of campaign pledges - During the years ended December 31, 2024 and 2023, campaign pledges were received from contributors which exceeded ten percent of the Organization’s total gross campaign results for the years as follows:

	<u>2024</u>	<u>Percent</u>
Bendix Commercial Vehicle Systems, LLC	<u>\$ 19,149</u>	<u>11.34%</u>
	<u>2023</u>	<u>Percent</u>
	<u>\$ -</u>	<u>0.00%</u>

UNITED WAY OF HUNTINGTON COUNTY, INC.
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2024 AND 2023

Note 12: Fair value of financial instruments - Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at a particular date. Generally accepted accounting principles establishes a fair value hierarchy which requires an organization to maximize observable inputs when measuring fair value. Three levels of inputs may be used to measure fair value as follows:

Level 1: Quoted market prices in active markets for identical assets or liabilities.

Level 2: Significant other observable inputs, other than quoted market prices included in Level 1 prices, for similar assets or liabilities; quoted prices in markets that are not active; or other inputs that are observable or can be corroborated by observable market data.

Level 3: Significant unobservable inputs that reflect the Organization's assumptions about assumptions that market participants would use in pricing an asset or liability.

The Organization values mutual funds at fair value based upon quoted market prices for the respective fund in active markets (Level 1). The Organization values certificates of deposit at fair value based upon similar investments with the same terms (Level 2). The beneficial interest in United Way of Huntington County Endowment Fund is based upon a valuation model that calculates the present value of estimated future distributable income (Level 3).

Assets measured at fair value on a recurring basis are summarized below by the three levels of hierarchy:

	2024		
	Level 1	Level 2	Level 3
Certificates of deposit	\$ -	\$ -	\$ -
Mutual funds - By category -			
World allocation	104,089	-	-
Conservative allocation	244,977	-	-
Moderate allocation	275,940	-	-
Beneficial interest in United Way Endowment Fund	-	-	295,802
United Way Impact Fund	-	-	14,574
	<u>\$ 625,006</u>	<u>\$ -</u>	<u>\$ 310,376</u>
	2023		
	Level 1	Level 2	Level 3
Certificates of deposit	\$ -	\$ 12,414	\$ -
Mutual funds - By category -			
World allocation	111,845	-	-
Conservative allocation	253,004	-	-
Moderate allocation	296,248	-	-
Beneficial interest in United Way Endowment Fund	-	-	276,014
	<u>\$ 661,097</u>	<u>\$ 12,414</u>	<u>\$ 276,014</u>

UNITED WAY OF HUNTINGTON COUNTY, INC.
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2024 AND 2023

Note 12: Fair value of financial instruments (Continued) -

The table below represents a reconciliation of activities reflected in the statements of activities of gains and losses for all assets measured at fair value on a recurring basis using significant unobservable inputs (Level 3) for the years ended December 31, 2024 and 2023:

United Way Endowment Fund		
	<u>2024</u>	<u>2023</u>
Beginning of year	\$ 276,014	\$ 249,449
Change in beneficial interest	<u>19,788</u>	<u>26,565</u>
End of year	<u>\$ 295,802</u>	<u>\$ 276,014</u>

United Way Impact Fund	
	<u>2024</u>
Beginning of year	\$ -
Available distributions	<u>14,574</u>
End of year	<u>\$ 14,574</u>

Note 13: Concentration of credit risks - The Organization maintains several cash accounts at a local financial institution which is insured by the Federal Deposit Insurance Company (FDIC). At times, during the year ended December 31, 2024, the balances in those accounts may have exceeded the maximum insurable amount of \$250,000. Only interest-bearing accounts with FDIC insured financial institutions have an insurable balance restriction of \$250,000. At December 31, 2024, the Organization's cash accounts did not exceed \$250,000. The Organization has not experienced any losses.

Note 14: Subsequent events - Management has evaluated the activities and transactions subsequent to December 31, 2024 for potential recognition and/or disclosure within the financial statements for the year ended December 31, 2024. This analysis was performed through June 27, 2025, the date the financial statements were available to be issued.