

Independent Auditor's Report and Financial Statements

UNITED WAY OF UNION COUNTY, INC.

For the year ended DECEMBER 31, 2024

CONTENTS

	<u>Page</u>
Independent Auditor's Report	1-2
Financial Statements	
Statement of Financial Position	3
Statement of Activities	4
Statement of Functional Expenses	5
Statement of Cash Flows	6-7
Notes to Financial Statements	8-15

PARKS & COMPANY PLC

A PROFESSIONAL LIMITED COMPANY
CERTIFIED PUBLIC ACCOUNTANTS

441 NORTH WASHINGTON AVENUE
EL DORADO, AR 71730

(870) 862-3401
FAX (870) 862-0936

MEMBER
AMERICAN INSTITUTE OF CPAS

MEMBER
ARKANSAS SOCIETY OF CPAS

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
United Way of Union County, Inc.

Opinion

We have audited the accompanying financial statements of the United Way of Union County, Inc. (a nonprofit organization), which comprise the statement of financial position as of December 31, 2024, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the United Way of Union County, Inc. as of December 31, 2024, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of The United Way of Union County, Inc. 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 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 United Way of Union County, Inc.'s ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements 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.

United Way of Union County, Inc.
Independent Auditor's Report
(Continued)

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of The United Way of Union County, Inc.'s internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about The United Way of Union County, Inc.'s ability to continue as a going concern for a reasonable period of time.

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

Parks & Company PLC

El Dorado, Arkansas
November 29, 2025

The United Way of Union County, Inc.
Statement of Financial Position
December 31, 2024

ASSETS

Current Assets

Cash and cash equivalents	\$ 1,048,470
Contributions receivable, net	1,286,696
Total current assets	<u>2,335,166</u>

Investments

Agency accounts, at fair value	3,176,207
Beneficial interest held in trust, at fair value	11,361,245
Total investments	<u>14,537,452</u>

Property and Equipment, net

2,695

TOTAL ASSETS

\$ 16,875,313

LIABILITIES AND NET ASSETS

Liabilities

Promises to give to others	\$ 1,398,900
Due to National Agency	18,686
Payroll taxes payable and other liabilities	4,225
Total liabilities	<u>1,421,811</u>

Net Assets

Without Donor Restrictions	
Undesignated	3,891,209
With Donor Restrictions	
Permanent Endowment	11,361,245
Time Restricted	201,048
Total net assets	<u>15,453,502</u>

TOTAL LIABILITIES AND NET ASSETS

\$ 16,875,313

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

The United Way of Union County, Inc.
Statement of Activities
For the Year Ended December 31, 2024

	Without Donor Restrictions	With Donor Restrictions	Total
Revenue, support and gains			
Campaign contributions and pledges	\$ 1,309,450	201,148	1,510,598
Contributions - other	48,764		48,764
Net investment return	251,147	1,528,434	1,779,581
Net assets released from restrictions:			
Assets released for purpose restrictions	356,630	(356,630)	-
Assets released for satisfaction of time restrictions	7,055	(7,055)	-
Total public support, revenues and reclassifications	<u>1,973,046</u>	<u>1,365,897</u>	<u>3,338,943</u>
Expenses			
Program services			
Agency allocations	1,398,900		1,398,900
Other	39,412		39,412
Total program expenses	<u>1,438,312</u>	<u>-</u>	<u>1,438,312</u>
Supporting services expense			
Management and general	142,552		142,552
Fundraising	48,218		48,218
	<u>190,770</u>	<u>-</u>	<u>190,770</u>
Total program and supporting services expenses	1,629,082	-	1,629,082
National United Way dues	19,538		19,538
Total expenses	<u>1,648,620</u>	<u>-</u>	<u>1,648,620</u>
Loss on uncollectible promises to give	32,905		32,905
Total expenses and losses	<u>1,681,525</u>	<u>-</u>	<u>1,681,525</u>
Change in net assets	291,521	1,365,897	1,657,418
Net assets beginning of year, as restated	<u>3,599,688</u>	<u>10,196,396</u>	<u>13,796,084</u>
Net assets end of year	<u>\$ 3,891,209</u>	<u>11,562,293</u>	<u>\$ 15,453,502</u>

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

The United Way of Union County, Inc.
Statement of Functional Expenses
For the Year Ended December 31, 2024

	Program Services	Supporting Services			Total Functional Expenses
		Management & General	Fund Raising	Total	
Salaries	\$ 6,740	87,617	40,439	128,055	134,795
Employee benefits	708	9,203	4,247	13,450	14,158
Payroll taxes	516	6,703	3,094	9,796	10,312
Total salaries, benefits and taxes	7,963	103,522	47,780	151,302	159,265
Agency allocations	1,398,900			-	1,398,900
Community impact grants	8,250			-	8,250
Advertising		3,544		3,544	3,544
Professional fees		8,000		8,000	8,000
Office expense		2,447		2,447	2,447
Information technology	3,462	3,461	438	3,899	7,361
Telephone		3,264		3,264	3,264
Occupancy		10,513		10,513	10,513
Insurance		4,196		4,196	4,196
Power of the Purse	497			-	497
Imagination library	19,240			-	19,240
Annual meeting		2,874		2,874	2,874
Depreciation & amortization		731		731	731
	<u>\$ 1,438,312</u>	<u>142,552</u>	<u>48,218</u>	<u>190,770</u>	<u>1,629,082</u>

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

The United Way of Union County, Inc.
Statement of Cash Flows
For the Year Ended December 31, 2024

CASH FLOWS FROM OPERATING ACTIVITIES

Contributions	\$ 1,519,733
Investments	<u>689,605</u>
	<u>2,209,338</u>
Cash paid for:	
Agency allocations and related grants	(1,398,508)
Salaries, employee insurance, payroll taxes and pension	(157,994)
Office operations	(8,585)
Occupancy	(10,513)
Professional fees	(8,000)
Information technology	(7,361)
Insurance	(4,196)
Advertising	(3,544)
Investment advisory fees	(13,335)
National United Way dues	<u>(13,292)</u>
	<u>(1,625,328)</u>
Net cash provided (used) by operating activities	584,010

CASH FLOWS FROM INVESTING ACTIVITIES

Proceeds from the sale of investments	2,658,938
Purchases of investments	<u>(2,645,602)</u>
Net cash provided (used) by investing activities	<u>13,336</u>
Increase (decrease) in cash equivalents	597,346
Cash and cash equivalents, beginning of year	<u>451,124</u>
Cash and cash equivalents, end of year	<u><u>\$ 1,048,470</u></u>

Cash and cash equivalents are included in the following categories in the statement of financial position:

Current assets	<u><u>\$ 1,048,470</u></u>
----------------	----------------------------

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

The United Way of Union County, Inc.
Statement of Cash Flows
For the Year Ended December 31, 2024

**Reconciliation of operating income (loss) to net cash provided
(used) by operating activities:**

Change in net assets	\$ 1,657,418
Adjustments to reconcile change in net assets to net cash provided by operating activities:	
Depreciation	731
Loss on uncollectible promises to give	32,905
Realized (gain) loss on sale of securities	(2,692,323)
Net depreciation in fair value of investments	1,174,153
Distributions from endowment	356,630
Reinvestment of interest and dividends	(254,349)
Changes in operating assets and liabilities	
Increase in pledges receivable	(39,629)
Decrease in distributions receivable from endowment	312,578
Increase in promises to give	28,379
Increase in amount due to National United Way	6,246
Increase in payroll taxes payable and accrued liabilities	1,271
Net cash provided (used) by operating activities	<u><u>\$ 584,010</u></u>

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

The United Way of Union County, Inc.
Notes to Financial Statements
December 31, 2024

NOTE 1: PRINCIPAL ACTIVITY AND SIGNIFICANT ACCOUNTING POLICIES

Nature of the Organization

The United Way of Union County, Inc. (United Way) is a non-profit, voluntary health and welfare organization governed by a volunteer Board of Directors (the "Board"). The purposes of United Way are to stimulate interest and participation of the citizens of Union County, Arkansas on behalf of the worthy charitable, health and welfare organizations; to promote efficiency by providing a means through which annual contributions can be made in one gift or pledge by reducing to a minimum multiple fund-raising efforts; and to promote cooperation not only among participating agencies but among all such organizations in Union County, Arkansas.

Basis of accounting

The financial statements of United Way have been prepared using the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP).

Cash and Cash Equivalents

Cash and cash equivalents include demand deposits, mutual fund money market accounts and all short-term investments with maturity dates of three months or less.

Contributions Receivable

Contributions receivable are unconditional promises to give that are recognized as contributions when the promise is received. Contributions receivable that are expected to be collected in less than one year are reported at net realizable value. Contributions receivable that are expected to be collected in more than one year are recorded at fair value at the date of promise. That fair value is computed using a present value technique applied to anticipated cash flows. Amortization of the resulting discount is recognized as additional contribution revenue. Promises that remain uncollected more than one year after their due dates are written off unless the donors indicate that payment is merely postponed.

Property and Equipment

Property and equipment purchased by the United Way are recorded at cost at the date of acquisition. Contributed assets are capitalized at their fair values at the date of contribution. United Way typically capitalizes fixed asset purchases in excess of \$500. Depreciation of property and equipment is provided over the estimated useful lives of the respective assets on a straight-line basis. Following is a summary of the estimated useful lives of the different classes of assets:

Furniture and equipment	5 -7 years
-------------------------	------------

Investments

Investments are carried at fair value, which is determined based on quoted market prices. Realized and unrealized gains and losses are reflected in the statement of activities. Gains and losses on sales transactions are recorded when realized based on the original cost (amortized in the case of bonds) of the investments sold based on the specific identification method. Earnings from investments are recorded as interest and dividends and are reflected in the statement of activities.

Net Assets

Net assets, revenues, gains and losses are classified based on the existence or absence of donor or grantor-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 general operations and not subject to donor restrictions.

The United Way of Union County, Inc.
Notes to Financial Statements
December 31, 2024

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (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 other events 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.

Compensated Absences

The United Way has not accrued compensated absences because the amount is considered to be immaterial to the financial statements.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates.

Promises to Give to Others

Promises to give to others are allocations to other beneficiary agencies. The United Way records the promises to give when the Board of Directors provides its approval and the agencies are notified of their respective allocations. The recording constitutes a current liability and current expense during the year in which the allocations were approved.

Revenue and Revenue Recognition

The United Way's primary source of revenue is from donations received throughout the year from its annual pledge drive in the fall of each year.

The United Way 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.

Functional Allocation of Expenses

The costs of programs and supporting services activities have been summarized on a functional basis in the statement of activities. The statement of functional expenses presents the natural classification of detail of expenses by function. Accordingly, certain costs have been allocated among the programs and supporting services benefited based on direct costs of the program or service or on management's analysis of time devoted to the respective activities for costs shared between programs and services.

Income Taxes

The United Way is organized as a nonprofit corporation and has been recognized by the Internal Revenue Service as exempt from federal income taxes under IRC Section 501(a) as an organization described in IRC Section 501(c)(3), qualify for the charitable contribution deduction under IRC Sections 170(b)(1)(A)(vi) and (viii), and have been determined not to be private foundations under IRC Sections 509(a)(1) and (3), respectively.

United Way is subject to income tax on net income that is derived from business activities that are unrelated to its exempt purpose. United Way had no unrelated business income in 2024. Additionally, no tax accrual for uncertain tax positions was recorded as management believes there are no uncertain tax positions at December 31, 2024. The organization is generally no longer subject to examination by the Internal Revenue Service for fiscal years before 2021.

The United Way of Union County, Inc.
Notes to Financial Statements
December 31, 2024

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Subsequent Events

Management has evaluated events through November 29, 2025, the date the financial statements were available to be issued.

Restatement of beginning net assets

Beginning net assets were restated to reflect a prior year classification error. Net assets without donor restrictions were increased by \$324,831 and net assets with donor restrictions were reduced by the same amount.

NOTE 2: LIQUIDITY AND AVAILABILITY

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the balance sheet date, comprise the following:

Cash and cash equivalents	\$ 1,048,470
Contributions receivable	1,286,696
Operating investment accounts	3,176,207
	<u>\$ 5,511,373</u>

NOTE 3: CONTRIBUTIONS RECEIVABLE

During 2024, the Board approved the closing of the 2022-23 fundraising campaign. As a result, all contributions receivable at December 31, 2024 relate to the prior and current year's fundraising periods. Management believes that contributions receivable, net of the reserve established for uncollectable accounts, will be fully collected during 2024.

Contributions receivable at December 31, 2024, includes the following:

	<u>Campaign Period</u>		
	<u>2023-2024</u>	<u>2024-2025</u>	<u>Total</u>
Contributions due in one year	\$ 233,211	1,307,689	1,540,900
Allowance for uncollectible pledges	<u>(144,379)</u>	<u>(109,825)</u>	<u>(254,204)</u>
Contributions receivable, net	<u>\$ 88,832</u>	<u>1,197,864</u>	<u>1,286,696</u>

NOTE 4: INVESTMENTS

United Way reports certain assets at fair value in the financial statements. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal, or most advantageous, market at the measurement date under current market conditions regardless of whether that price is directly observable or estimated using another valuation technique. Inputs used to determine fair value refer broadly to the assumptions that market participants would use in pricing the asset or liability, including assumptions about risk. Inputs may be observable or unobservable. Observable inputs are inputs that reflect the assumptions market participants would use in pricing the asset or liability based on market data obtained from sources independent of the reporting entity. Unobservable inputs are inputs that reflect the reporting entity's own assumptions about the assumptions market participants would use in pricing the asset or liability based on the best information available. A three-tier hierarchy categorizes the inputs as follows:

Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities that can be accessed at the measurement date.

The United Way of Union County, Inc.
Notes to Financial Statements
December 31, 2024

NOTE 4: INVESTMENTS (continued)

Level 2 - Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly. These include quoted prices for similar assets or liabilities in active markets, quoted prices for identical or similar assets or liabilities in markets that are not active, inputs other than quoted prices that are observable for the asset or liability, and market-corroborated inputs.

Level 3 - Unobservable inputs for the asset or liability. In these situations, inputs are developed using the best information available in the circumstances.

A significant portion of the United Way's investment assets are classified within Level 1 because they comprise common stocks, mutual funds or exchange traded funds with readily determinable fair values based on daily redemption values. Bonds are valued by the custodians of the securities using pricing models based on credit quality, time to maturity, stated interest rates, and market-rate assumptions and are classified within Level 2.

AGENCY ACCOUNTS

United Way maintains agency accounts with Wells Fargo Advisors to invest certain assets in accordance with the organization's investment policy. These accounts are classified as operating accounts of the United Way. The composition of these accounts at December 31, 2024, was as follows:

	#1493 Wells Fargo	#7814 Wells Fargo	Total
Cash equivalents	5,621	11,628	17,249
Certificates of deposit	1,075,130	-	1,075,130
Stocks & ETFs		1,293,888	1,293,888
U.S. government bonds	789,940		789,940
Account total	<u>1,870,691</u>	<u>1,305,516</u>	<u>3,176,207</u>

Unrealized gains and losses on agency accounts are as follows:

	Cost	Unrealized Gains	Unrealized Losses	Market Value
Certificates of deposit	1,065,000	10,130		1,075,130
Stocks & ETFs	1,173,621	120,267		1,293,888
U.S. government bonds	825,580		(35,640)	789,940
	<u>3,064,201</u>	<u>130,397</u>	<u>(35,640)</u>	<u>3,158,958</u>

The United Way of Union County, Inc.
Notes to Financial Statements
December 31, 2024

NOTE 4: INVESTMENTS (continued)

The maturity date of United Way's bonds are as follows:

Maturity date of bonds:	<u>Government</u>
2025	100,000
2026	
2027	262,813
2028	
2029	114,376
2030	348,391
Total	<u><u>825,580</u></u>

The Agency Account activity for the year ended December 31, 2024 is as follows:

	#1493 <u>Wells Fargo</u>	#7814 <u>Wells Fargo</u>	<u>Total</u>
Balance 12/31/23	1,467,626	1,477,831	2,945,457
Interest/dividends	48,999	30,187	79,186
Realized gains/losses	1,263	54,143	55,406
Unrealized gains/losses	22,803	86,690	109,493
Transfers	330,000	(330,000)	-
Distributions	-	-	-
Investment fees	-	(13,335)	(13,335)
Balance 12/31/24	<u><u>1,870,691</u></u>	<u><u>1,305,516</u></u>	<u><u>3,176,207</u></u>

BENEFICIAL INTEREST IN PERPETUAL TRUST

In 1978 The United Way Board of Directors transferred assets in trust to establish an Endowment Fund (Endowment). The Organization is the beneficiary of annual income distributions from the Endowment. The trustee was not granted variance power, that is, the unilateral power to redirect the use of transferred assets to another beneficiary. Because the trust was established by the United Way, the value of the United Way's beneficial interest in the trust is reported in these financial statements at the fair market value of the trust assets.

The United Way of Union County, Inc.
Notes to Financial Statements
December 31, 2024

NOTE 4: INVESTMENTS (continued)

The composition of the Endowment at December 31, 2024, was as follows:

	Average Yield	Cost	Unrealized Gains	Unrealized Losses	Market Value
Cash equivalents	4.18%	\$ 909,633	-	-	\$ 909,633
Equity Securities:					
Common stocks	1.93%	3,311,032	7,140,580	-	10,451,612
Total beneficial interest in trust		<u>\$ 4,220,665</u>	<u>\$ 7,140,580</u>	<u>\$ -</u>	<u>\$ 11,361,245</u>

The endowment fund activity for the year ended December 31, 2024 is as follows:

Balance 12/31/23	\$ 10,189,442
Interest/dividends/capital gain distributions	191,851
Realized gains/losses	2,636,916
Unrealized gains/losses	(1,283,646)
Distributions	(356,630)
Advisory fees	(16,688)
Balance 12/31/24	<u>\$ 11,361,245</u>

FAIR MARKET VALUE

The following table presents assets measured at fair value on a recurring basis at December 31, 2024:

Fair Value Measurements at Report Date Using

Assets	Total	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs Level (2)
Operating investments			
Common stocks & ETFs	1,293,888	1,293,888	
U.S. Government obligations	<u>789,940</u>		<u>789,940</u>
	<u>2,083,828</u>	<u>1,293,888</u>	<u>789,940</u>
Endowment Investments			
Common stocks	<u>10,451,612</u>	<u>10,451,612</u>	

NOTE 5: CONTRIBUTED SERVICES

Contributed services are not recorded due to the lack of specialization of the labor, difficulty of placing a monetary value on them and the absence of control over them. However, a substantial number of volunteers have donated significant amounts of their time in the Organization's program services and in its fundraising.

The United Way of Union County, Inc.
Notes to Financial Statements
December 31, 2024

NOTE 6: PENSION PLAN

The Organization maintains a Simplified Employee Pension plan (SEP) for all eligible employees. The organization contributed \$12,085 to the plan in 2024.

NOTE 7: PROPERTY AND EQUIPMENT

The following is a summary of property and equipment at December 31, 2024.

Furniture, equipment and software	\$ 48,645
Less accumulated depreciation	<u>(45,950)</u>
Furniture and equipment, net of accumulated depreciation	<u>\$ 2,695</u>

Depreciation expense for 2024 was \$731.

NOTE 8: RELATED PARTY TRANSACTIONS

Affiliation agreements require annual dues payments to the national United Way organization based on a percentage of gross campaign revenue for the previous year. Dues paid by December 31, 2024 for 2023/2024 campaign revenues were \$19,538.

NOTE 9: LEASES

The Organization leases office space on a month-to-month basis. Rent expense for 2024 was \$9,603.

NOTE 10: COMMITMENT TO AGENCY PROGRAMS

In December 2024, the United Way made unconditional pledges to agency programs for program initiative grant allocations to be paid January 1, 2025 through December 31, 2025. Accordingly, as of December 31, 2024, a liability of \$1,398,900 was recorded for the unconditional promises to give, and not yet paid, as of that date.

NOTE 11: NET ASSETS WITH DONOR RESTRICTIONS

In 1978, the Board of Directors of the United Way transferred assets gifted to the United Way, which were intended to provide a perpetual source of income for the United Way, into an irrevocable trust to establish an endowment. Subsequent to the establishment of the irrevocable trust, other donors contributed directly to the trust. By contributing directly to the trust instead of the United Way, the donors implicitly restricted the use of the funds due to the provisions of the trust agreement. The trust is required to distribute the net income of the trust to the United Way each year but principal is retained in accordance with the trust agreement. The balance of permanent endowment restricted net assets as of December 31, 2024 was \$11,361,245. Time restricted net assets occur due to contributions being received for the 2024 Campaign before December 31, 2024. The balance of time restricted net assets as of December 31, 2024 was \$201,048.

NOTE 12: CONCENTRATIONS OF RISK

Financial instruments that potentially subject the Organization to concentrations of credit risk consist primarily of cash and contributions receivable. The Organization places its operating cash with local financial institutions. The Federal Deposit Insurance Corporation insures balances in each financial institution up to \$250,000. At December 31, 2024, the Organization had uninsured deposits of \$392,010.

The United Way of Union County, Inc.
Notes to Financial Statements
December 31, 2024

NOTE 13: PROGRAM EXPENSES

Program expenses are incurred for the following programs:

Allocations to partner agencies	\$ 1,398,900
Community Initiatives	8,250
Education Focus Area	<u>19,737</u>
Total cost by program	1,426,887
Information technology related to Program Activities	3,462
Salaries and costs related to Program Activities	<u>7,963</u>
Total program costs	<u>\$ 1,438,312</u>