

UNITED WAY OF CHAMPAIGN COUNTY, ILLINOIS, INC.

Savoy, Illinois

Financial Statements

For the Years Ended

June 30, 2025 and 2024

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INDEPENDENT AUDITOR'S REPORT

To the Finance Committee and Board of Directors
United Way of Champaign County, Illinois, Inc.
Savoy, Illinois

Opinion

We have audited the accompanying financial statements of United Way of Champaign County, Illinois, Inc. (the Organization) (a nonprofit organization), which comprise the statements of financial position as of June 30, 2025 and 2024, and the related statements of activities, functional expenses, and cash flows for the years 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 Organization as of June 30, 2025 and 2024, and the changes in its net assets and its cash flows for the years then ended, in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP).

Basis for Opinion

We conducted our audits 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 Audits of the Financial Statements section of our report. We are required to be independent of the Organization and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with U.S. GAAP. Management is also responsible 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 within one year after the date that the financial statements are available to be issued.

Auditor's Responsibilities for the Audits 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.

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 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 audits.

MH CPA PLLC

Champaign, Illinois
October 16, 2025

UNITED WAY OF CHAMPAIGN COUNTY, ILLINOIS, INC.
 Statements of Financial Position
 June 30, 2025 and 2024

ASSETS

	<u>2025</u>	<u>2024</u>
Current Assets		
Cash and Cash Equivalents	\$ 1,184,324	\$ 1,382,741
Campaign Promises to Give, Net of Allowance of \$164,331 and \$165,428	730,020	787,367
Non-Campaign Promises to Give	256,046	503,600
Grants Receivable	71,847	25,414
Other Current Assets	89,038	71,476
Total Current Assets	<u>2,331,275</u>	<u>2,770,598</u>
Property and Equipment, Net	<u>699,253</u>	<u>727,277</u>
Other Assets		
Investments	5,358,494	4,299,025
Non-Campaign Promises to Give, Net of Current and Unamortized Discount of \$182,605 and \$264,065, Respectively	467,832	685,881
Beneficial Interest in Assets Held by Community Foundation	1,359,008	1,240,332
Total Other Assets	<u>7,185,334</u>	<u>6,225,238</u>
Total Assets	<u>\$ 10,215,862</u>	<u>\$ 9,723,113</u>

LIABILITIES AND NET ASSETS

Current Liabilities		
Accounts Payable and Accrued Expenses	\$ 80,410	\$ 48,820
Unearned Grant Revenue	-	26,756
Designations Payable	513,631	622,843
Allocations Payable	1,594,356	1,720,698
Total Current Liabilities	<u>2,188,397</u>	<u>2,419,117</u>
Net Assets		
Without Donor Restrictions	1,646,683	1,608,955
With Donor Restrictions	6,380,782	5,695,041
Total Net Assets	<u>8,027,465</u>	<u>7,303,996</u>
Total Liabilities and Net Assets	<u>\$ 10,215,862</u>	<u>\$ 9,723,113</u>

See Accompanying Notes

UNITED WAY OF CHAMPAIGN COUNTY, ILLINOIS, INC.
 Statements of Activities
 For the Years Ended June 30, 2025 and 2024

	2025			2024		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
Support and Revenue						
Campaign Contributions	\$ 2,502,154	\$ 116,442	\$ 2,618,596	\$ 2,467,627	\$ 88,450	\$ 2,556,077
Future Campaign Contributions	-	79,450	79,450	-	70,686	70,686
Provision for Uncollectible Promises to Give	(66,998)	(58,146)	(125,144)	(52,622)	(58,952)	(111,574)
Net Campaign Contributions	2,435,156	137,746	2,572,902	2,415,005	100,184	2,515,189
Non-Campaign Contributions	7,519	602,803	610,322	4,120	1,880,651	1,884,771
Management Fees - Designated Promises to Give	59,816	-	59,816	64,847	-	64,847
Sponsorships	-	73,666	73,666	-	79,564	79,564
Grant Support	140,447	569,049	709,496	139,208	533,692	672,900
Special Events, Net of Direct Costs of Donor Benefits	9,367	125,358	134,725	9,827	137,983	147,810
Other Income	5,879	-	5,879	2,050	-	2,050
Investment Income and Gain	487,680	54,631	542,311	368,282	89,335	457,617
Net Assets Released from Restrictions	877,512	(877,512)	-	1,002,822	(1,002,822)	-
Total Support and Revenue	4,023,376	685,741	4,709,117	4,006,161	1,818,587	5,824,748
Expenses						
Program Services	3,212,790	-	3,212,790	3,344,080	-	3,344,080
Supporting Services:						
Resource Development	518,240	-	518,240	447,130	-	447,130
Administration and General	254,618	-	254,618	228,878	-	228,878
Total Supporting Services	772,858	-	772,858	676,008	-	676,008
Total Expenses	3,985,648	-	3,985,648	4,020,088	-	4,020,088
Change in Net Assets	37,728	685,741	723,469	(13,927)	1,818,587	1,804,660
Net Assets, Beginning of Year	1,608,955	5,695,041	7,303,996	1,622,882	3,876,454	5,499,336
Net Assets, End of Year	\$ 1,646,683	\$ 6,380,782	\$ 8,027,465	\$ 1,608,955	\$ 5,695,041	\$ 7,303,996

See Accompanying Notes

UNITED WAY OF CHAMPAIGN COUNTY, ILLINOIS, INC.
 Statements of Functional Expenses
 For the Years Ended June 30, 2025 and 2024

	2025					2024				
	Supporting Services				Total	Supporting Services				Total
	Program Services	Resource Development	Administration and General	Supporting Services		Program Services	Resource Development	Administration and General	Supporting Services	
<i>Direct Program Costs</i>										
Program Funding Allocations	\$ 2,231,797	\$ -	\$ -	\$ -	\$ 2,231,797	\$2,420,961	\$ -	\$ -	\$ -	\$ 2,420,961
Special Projects	255,737	-	-	-	255,737	229,950	-	-	-	229,950
<i>Personnel Costs</i>										
Salaries	409,384	297,987	106,754	404,741	814,125	394,765	273,996	103,180	377,176	771,941
Employee Benefits	109,533	37,755	23,503	61,258	170,791	101,840	39,946	12,163	52,109	153,949
Payroll Taxes	30,489	22,223	7,788	30,011	60,500	29,943	20,802	8,077	28,879	58,822
Contractual Services	-	-	8,100	8,100	8,100	-	-	8,100	8,100	8,100
Workers Compensation	660	481	172	653	1,313	494	343	129	472	966
<i>Professional Services</i>										
Audit Services	-	-	16,625	16,625	16,625	-	-	16,256	16,256	16,256
Legal Services	-	-	703	703	703	-	-	5,123	5,123	5,123
<i>Office Expenses</i>										
Office Supplies	3,204	2,332	836	3,168	6,372	2,743	1,904	717	2,621	5,364
Postage	2,411	1,755	629	2,384	4,795	2,641	1,834	691	2,525	5,166
Stationery/Printing	886	645	231	876	1,762	468	325	122	447	915
Small Equipment Expense	-	-	-	-	-	2,515	1,745	657	2,402	4,917
<i>Occupancy Costs</i>										
Support Agreements	16,704	23,255	4,356	27,611	44,315	16,934	17,794	4,426	22,220	39,154
Depreciation	17,512	12,746	4,566	17,312	34,824	18,751	13,015	4,901	17,916	36,667
Utilities	8,101	5,897	2,112	8,009	16,110	7,732	5,366	2,021	7,387	15,119
Building Maintenance	8,046	5,856	2,098	7,954	16,000	9,029	6,267	2,360	8,627	17,656
Telephone	6,291	4,580	1,641	6,221	12,512	6,411	4,450	1,676	6,126	12,537
Building Insurance	4,698	3,419	1,225	4,644	9,342	4,540	3,152	1,187	4,339	8,879
Equipment Maintenance	1,613	1,173	420	1,593	3,206	1,280	888	335	1,223	2,503
<i>Marketing and Communication Costs</i>										
Events and Programs	46,080	47,152	-	47,152	93,232	37,620	3,957	-	3,957	41,577
Materials - Development and Production	13,871	13,304	-	13,304	27,175	18,283	20,746	-	20,746	39,029
Recognitions	958	2,100	-	2,100	3,058	1,195	1,836	-	1,836	3,031
<i>Other Expenses</i>										
Affiliation Dues	32,226	23,457	8,404	31,861	64,087	25,534	17,722	6,674	24,396	49,930
Service Charges	-	-	58,753	58,753	58,753	-	62	43,825	43,887	43,887
Meals and Events	5,678	5,924	3,106	9,030	14,708	3,526	6,181	3,332	9,513	13,039
Mileage	3,325	2,338	272	2,610	5,935	1,157	112	349	461	1,618
Directors/Officers/Programs Insurance	1,895	1,380	494	1,874	3,769	1,850	1,283	483	1,766	3,616
Dues and Subscriptions	480	1,049	1,492	2,541	3,021	1,089	1,088	1,552	2,640	3,729
Training and Conferences	1,106	1,355	310	1,665	2,771	2,808	2,301	536	2,837	5,645
Miscellaneous	105	77	28	105	210	21	15	6	21	42
Total Expenses	<u>\$ 3,212,790</u>	<u>\$ 518,240</u>	<u>\$ 254,618</u>	<u>\$ 772,858</u>	<u>\$ 3,985,648</u>	<u>\$ 3,344,080</u>	<u>\$ 447,130</u>	<u>\$ 228,878</u>	<u>\$ 676,008</u>	<u>\$ 4,020,088</u>

See Accompanying Notes

UNITED WAY OF CHAMPAIGN COUNTY, ILLINOIS, INC.
 Statements of Cash Flows
 For the Years Ended June 30, 2025 and 2024

	<u>2025</u>	<u>2024</u>
Cash Flows From Operating Activities		
Change in Net Assets	\$ 723,469	\$ 1,804,660
Adjustments to Reconcile Change in Net Assets to Net Cash Provided by Operating Activities		
Depreciation	34,824	36,667
Net Realized and Unrealized Gain on Investments	(208,627)	(115,443)
Net Realized and Unrealized Gain on Beneficial Interest in Assets Held by Community Foundation	(142,296)	(159,772)
Change in Fair Value of Endowment Promise to Give	-	17,000
Contributions Received in the Form of Investments	(248,290)	(251,667)
Contributions to Beneficial Interest in Assets Held by Community Foundation	(13,260)	(13,000)
Allowance for Campaign Promises to Give	(1,097)	4,204
Unamortized Discount for Non-Campaign Promises to Give	(81,460)	99,781
<i>(Increase) Decrease in Assets:</i>		
Campaign Promises to Give	58,444	(85,857)
Non-Campaign Promises to Give	547,063	(386,546)
Grants Receivable	(46,433)	(4,084)
Other Current Assets	(17,562)	(40,208)
<i>Increase (Decrease) in Liabilities:</i>		
Accounts Payable and Accrued Expenses	31,590	(18,005)
Unearned Grant Revenue	(26,756)	13,435
Designations Payable	(109,212)	202,673
Allocations Payable	(126,342)	(66,508)
Total Adjustments	<u>(349,414)</u>	<u>(767,330)</u>
Net Cash Provided by Operating Activities	<u>374,055</u>	<u>1,037,330</u>
Cash Flows From Investing Activities		
Purchases of Property and Equipment	(6,800)	(9,404)
Purchases of Investments	(739,296)	(991,616)
Reinvested Interest and Dividends	(55,682)	(8,593)
Proceeds From Sales and Maturities of Investments	192,426	222,854
Proceeds from Beneficial Interest in Assets Held by Community Foundation	36,880	35,504
Net Cash Used in Investing Activities	<u>(572,472)</u>	<u>(751,255)</u>
Net Increase (Decrease) in Cash and Cash Equivalents	(198,417)	286,075
Cash and Cash Equivalents, Beginning of Year	<u>1,382,741</u>	<u>1,096,666</u>
Cash and Cash Equivalents, End of Year	<u>\$ 1,184,324</u>	<u>\$ 1,382,741</u>

See Accompanying Notes

UNITED WAY OF CHAMPAIGN COUNTY, ILLINOIS, INC.
Notes to Financial Statements
June 30, 2025 and 2024

1. Description of Operations

United Way of Champaign County, Illinois, Inc. (the Organization) is a nonprofit corporation organized to bring people and resources together to create positive change and lasting impact for the community. The Organization focuses on the most pressing needs of Champaign County by mobilizing financial, volunteer, and informational resources.

The Organization focuses its resources on three investment areas based on the results of a local community-wide needs assessment. The investment areas are (listed in no particular priority order):

- a. Health – Building healthier, more resilient communities by promoting healthy eating and physical activity; expanding access to quality health care; and integrating health into early childhood development.
- b. Education – Focuses on lifelong education strategies that provide a firm foundation at an early age and continue to develop our children into successful adults who can contribute to their communities.
- c. Income – Empowers people to get on a stable financial ground with proven methods like job training, financial wellness classes, and more.

The Organization’s responsibility is to mobilize the Champaign County community to create sustained changes in community conditions, thereby improving lives on a long-term basis. The Organization’s primary means of positively impacting the community is through funding processes and program funding. Organizations must apply for funding each annual cycle for on-going program support. All funded programs are expected to provide measurable results through clearly defined outcomes.

The Organization’s major source of support and revenue is contributions from employer campaigns as well as individual donors. The Organization also receives support and revenue from special events, grants and sponsorships, and investments.

The Organization also utilizes several other strategies to strengthen the community. The Organization mobilizes volunteer resources, provides management assistance to funded programs, participates in community-wide organizations to develop alliances and networks, promotes public awareness of community needs, and advocates for issues on local, state, and national levels.

2. Significant Accounting Policies

Following is a summary of the significant accounting policies of the Organization:

- a. The financial statements of the Organization have been prepared on the accrual basis of accounting, in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP). Net assets and revenue, support, expenses, gains, and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets of the Organization and changes therein are classified and reported as follows:
 - *Net Assets Without Donor Restrictions* – Net assets that are not subject to donor-imposed stipulations. Net assets without donor restrictions may be designated for specific purposes by action of the Board of Directors.
 - *Net Assets With Donor Restrictions* – Net assets subject to donor-imposed stipulations. Purpose driven stipulations may be met, either by actions of the Organization and/or the passage of time. Other stipulations may require that the corpus of the contribution be invested in perpetuity and only the income be made available for program operations in accordance with donor restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions.
- b. For purposes of the statements of cash flows, the Organization considers all highly liquid investments with a maturity of three months or less when purchased to be cash and cash equivalents.
- c. The Organization's investments are recorded at fair value on the statements of activities in the other assets section, with the change in fair value during the period recorded in earnings.

Donated securities are valued at fair value at the time of donation.

Investments are exposed to various risks such as interest rate, market, and credit risks. Due to the level of risk associated with certain investments securities, it is at least reasonably possible that changes in the value of investment securities will occur in the near-term and that those changes could materially affect the amounts reported in the financial statements.

- d. Promises to give consist of unconditional promises to give to the Organization for operating and restricted activities. Long-term promises to give are discounted to present value based on expected payment schedules and effective interest rates, if applicable.

The carrying amount of promises to give may be reduced by a valuation allowance based on management's assessment of the collectability of specific promises to give. Campaign promises to give at June 30, 2025, consist of amounts due in the coming year.

Long-term non-campaign promises to give are discounted to present value based on expected payments and interest rates. The effective interest rate used to discount promises to give at June 30, 2025, was 8.50 percent. The unamortized discount for promises to give was \$182,605 and \$264,065 as of June 30, 2025 and 2024, respectively.

- e. Property and equipment are recorded at cost, or if donated, at the fair value at the time of donation. All property and equipment with a value exceeding \$1,500 is considered for capitalization. Depreciation is computed using the straight-line method over the estimated useful lives of the assets.
- f. Designations payable consist of pledges that have been directed to other organizations by the donor. The payable is recorded during the campaign year, and it is paid out as the pledges are collected the following fiscal year. The balance has been reduced by a provision for uncollectible promises to give in the amount of \$58,146 and \$58,952 as of June 30, 2025 and 2024, respectively.
- g. Allocations payable reflect the program funds that have been awarded to beneficiary organizations. Allocations payable are paid out the following fiscal year.
- h. All contributions are considered to be available for unrestricted use unless specifically restricted by the donor or by law. Amounts received which are designated for future periods or restricted by the donor for specific purposes are reported as net assets with donor restrictions and increase that net asset class.

Contributions of cash and other financial assets received with donor-imposed restrictions which require the corpus to be invested in perpetuity are classified as net assets with donor restrictions, restricted in perpetuity. Contributions of cash and other financial assets received with donor-imposed restrictions that limit their use are classified as net assets with donor restrictions, restricted by purpose or time. When a donor-imposed restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, net assets with donor restrictions, restricted by purpose or time, are reclassified to net assets without donor restrictions and reported as net assets released from restrictions.

- i. The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect reported amounts of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements, and revenue and expenses during the reporting period. Accordingly, actual results could differ from these estimates.

The Organization has estimated the amount of campaign promises to give that will not be collected based on experience gained from prior years' campaigns. The amount of the allowance is subject to some degree of uncertainty, and it is at least reasonably possible that the actual amount of uncollected campaign promises to give will differ from that estimated.

The Organization has estimated the amount of non-campaign promises to give that will not be collected. Due to the estimation of future collection of these balances, it is at least reasonably possible that the actual value of net realized non-campaign promises to give (including any discount) will be different from that estimated.

The Organization has also estimated the imputed rate to discount non-campaign promises to give based on the prime rate. The amount of the discount is subject to some degree of uncertainty, and it is at least reasonably possible that the actual amount of discount of non-campaign promises to give will differ from that estimated.

- j. 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 have been allocated among the program and supporting services benefited. Therefore, these expenses require allocation on a reasonable basis that is consistently applied. The following costs, as summarized on the statement of functional expenses, are the Organization’s expenses and allocation methodologies:

Expense Classification	Method of Allocation
Salaries Employee Benefits Payroll Taxes Workers Compensation Office Supplies Postage Small Equipment Expense Stationery/Printing Support Agreements Depreciation Building Maintenance Utilities Building Insurance Telephone Equipment Maintenance Affiliation Dues Directors/Officers/Programs Insurance Miscellaneous Events and Programs Recognitions	Time and Effort
Materials - Development and Production Meals and Events Dues and Subscriptions Training and Conferences Mileage	Purpose of Cost

- k. The Organization is exempt from income taxes under Section 501(c) (3) of the Internal Revenue Code.
- l. The Organization has evaluated subsequent events through October 16, 2025, the date which the financial statements were available to be issued.

3. Liquidity and Availability

The following reflects the Organization’s financial assets available to meet cash flow needs for general expenditures within one year of June 30:

	2025	2024
Financial Assets at Year-End:		
Cash and Cash Equivalents	\$ 1,184,324	\$ 1,382,741
Campaign Promises to Give, Net	730,020	787,367
Non-Campaign Promises to Give, Net	723,878	1,189,481
Grants Receivable	71,847	25,414
Investments	5,358,494	4,299,025
Beneficial Interest in Assets Held by Community Foundation	1,359,008	1,240,332
	9,427,571	8,924,360
Less those unavailable for general expenditures within one year due		
Long-Term Non-Campaign Promises to Give	(467,832)	(685,881)
Designations Payable	(513,631)	(622,843)
Restricted by Donors	(6,380,782)	(5,695,041)
Financial assets available to meet cash needs for general expenditures within one year	\$ 2,065,326	\$ 1,920,595

The Organization’s goal is generally to maintain financial assets sufficient to meet operating expenses. As part of its liquidity plan, excess cash is invested into highly liquid investment instruments, such as certificates of deposit and treasury securities, that can be liquidated upon sufficient notice. The Organization also maintains a line of credit.

4. Collateralization of Deposits

At June 30, 2025, the Organization had cash in financial institutions, which totaled \$1,282,277 adjusted for outstanding items to a book balance of \$1,184,324. Of the outstanding balance, \$1,256,605 was covered by federal deposit insurance. The remaining \$25,672 was uninsured and uncollateralized.

5. Campaign Promises to Give, Net

Campaign promises to give consist of amounts due in as of June 30:

	2025	2024
Less than One Year	\$ 894,351	\$ 952,795
One to Five Years	-	-
Gross Promises to Give	894,351	952,795
Less: Allowance for Doubtful Promises to Give	(164,331)	(165,428)
Total Promises to Give, Net	<u>\$ 730,020</u>	<u>\$ 787,367</u>

6. Non-Campaign Promises to Give, Net

Non-campaign promises to give consist of amounts due in as of June 30:

	2025	2024
Less than One Year	\$ 256,046	\$ 503,600
One to Five Years	650,437	524,946
Thereafter	-	425,000
Gross Promises to Give	906,483	1,453,546
Less: Discount on Long-Term Promises to Give at 8.50 Percent	(182,605)	(264,065)
Total Promises to Give, Net	<u>\$ 723,878</u>	<u>\$ 1,189,481</u>

7. Property and Equipment, Net

Property and equipment consist of the following as of June 30:

	2025	2024
Land	\$ 20,400	\$ 20,400
Buildings and Improvements	826,208	819,408
Furniture and Equipment	121,914	121,914
Software	20,681	20,681
Total Property and Equipment	989,203	982,403
Less: Accumulated Depreciation	(289,950)	(255,126)
Property and Equipment, Net	<u>\$ 699,253</u>	<u>\$ 727,277</u>

8. Investments

Fair Value Measurements

Financial Accounting Standards Board Accounting Standards Codification (ASC) 820, Fair Value Measurements, establishes a framework for measuring fair value under generally accepted accounting principles. ASC 820 defines fair value as the exchange price that would be received for an asset or paid to transfer a liability in an orderly transaction between market participants on the measurement date. ASC 820 requires that valuation techniques maximize the use of observable inputs and minimize the use of unobservable inputs. ASC 820 also establishes a fair value hierarchy, which prioritizes the valuation inputs into three broad levels.

- Level 1 Inputs to the valuation methodology are based on unadjusted quoted prices for identical assets or liabilities in active markets that the Organization has the ability to access.
- Level 2 Inputs to the valuation methodology include:
- Quoted prices for similar assets or liabilities in active markets
 - Quoted prices for identical or similar assets or liabilities in inactive markets
 - Inputs other than quoted prices that are observable for the asset or liability
 - Inputs that are derived principally from or corroborated by observable market data by correlation or other means

If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full-term of the asset or liability.

- Level 3 Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The asset's or liability's fair-value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs. There have been no changes in the methodologies used at June 30, 2025.

Investments are valued as follows:

Money Markets – valued at fair value, which is generally equal to the cash balance available to the Organization.

United States Treasury Securities and Corporate Bonds – valued at the closing price reported on the active market on which the individual securities are traded.

Equities and Mutual Funds – valued at unadjusted quoted prices for identical assets or liabilities in active markets that the Foundation has the ability to access.

Non-negotiable Certificates of Deposit – valued at the original cost plus reinvested interest.

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

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

	<u>Cost</u>	<u>Market</u>	<u>Fair Value Level</u>
Certificates of Deposit, Non-negotiable	\$ 949,858	\$ 952,127	Not Applicable
Money Market	200,074	200,074	1
Mutual Funds	2,198,204	2,389,883	1
Equities	1,316,754	1,469,934	1
United States Treasury Securities	343,041	346,476	1
	<u>\$ 5,007,931</u>	<u>\$ 5,358,494</u>	

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

	<u>Cost</u>	<u>Market</u>	<u>Fair Value Level</u>
Certificates of Deposit, Non-negotiable	\$ 869,827	\$ 868,504	Not Applicable
Money Market	283,244	283,244	1
Mutual Funds	1,663,577	1,766,114	1
Equities	991,259	1,043,540	1
Corporate Bonds	48,076	49,447	2
United States Treasury Securities	288,782	288,176	1
	<u>\$ 4,144,765</u>	<u>\$ 4,299,025</u>	

Custodial Credit Risk

Of the money market funds and equities noted above, at June 30, 2025, approximately \$1,505,758 is subject to custodial credit risk as their value exceeds coverage provided by the Securities Investor Protection Corporation. Non-negotiable certificates of deposit are held directly with financial institutions through the Company’s investment brokers and are covered by federal deposit insurance.

9. Beneficial Interest in Assets Held by Community Foundation

Beneficial interests in assets held by Community Foundation consists of endowed funds held and invested by the Community Foundation of Champaign County (the Foundation) on the behalf of the Organization. The endowed funds consist of common stock as well as other pooled investments of which income is distributed, at least annually, to the Organization. The value of the endowed funds is based on the value of the underlying investments as reported by the Foundation. The Organization does not have specific ownership in the underlying investments held by the Foundation. The Organization may terminate the agreement with the Foundation upon which the funds shall be delivered to the Organization or an appointed successor. The value of the Organization's assets as reported by the Foundation for the years ended June 30, 2025 and 2024 was \$1,359,008 and \$1,240,332, respectively.

10. Line of Credit

The Organization has an established line of credit of \$300,000, which matures November 13, 2025. The line of credit is secured by all assets of the Organization. The line of credit calls for interest payable monthly at the U.S. Prime Rate plus 0.25 percent with a minimum rate of 5.00 percent and a maximum rate at the legal limit in Illinois. The interest rate on the note was 7.75 percent and 8.75 percent as of June 30, 2025 and 2024, respectively. There was no balance outstanding as of June 30, 2025 and 2024.

11. Net Assets With Donor Restrictions

Net assets with donor restrictions consists of funds established by the donors restricted for the following purposes at June 30:

	<u>2025</u>	<u>2024</u>
Perpetually Restricted:		
Endowed Funds	\$ 4,981,572	\$ 4,541,216
Purpose Restricted:		
100th Campaign	741,995	624,679
Emergency Family Shelter	162,702	129,232
Kindergarten Readiness Initiative	82,780	64,326
Future Campaign Contributions	79,450	70,686
Volunteerism	67,894	53,023
Youth	59,506	45,888
Literacy Grants	50,000	-
Leadership	37,211	21,093
Women United	34,148	-
Dolly Parton Imagination Library	25,072	16,256
Power of the Purse	20,505	38,279
Farmers Feeding Families	19,369	19,539
Victory Over Violence	-	1,000
Other Program Designations	18,578	69,824
Total Net Assets With Donor Restrictions	<u>\$ 6,380,782</u>	<u>\$ 5,695,041</u>

During the years ended June 30, 2025 and 2024, net assets were released from donor restrictions by incurring expenses satisfying the restricted purposes set forth by the donors as follows:

	<u>2025</u>	<u>2024</u>
Healing Illinois	\$ 455,914	\$ 425,000
Birth to 5	100,000	108,692
Power of the Purse	80,918	60,962
100th Campaign	47,210	213,935
Farmers Feeding Families	39,311	41,703
Dolly Parton Imagination Library	37,700	16,144
Diaper Bank	27,362	12,868
Kindergarten Readiness Initiative	25,774	30,017
Leadership	2,704	15,057
Youth	2,500	4,500
Volunteerism	2,500	2,500
Victory Over Violence	1,000	3,000
Emergency Family Shelter	-	65,025
Other Program Designations	54,619	3,419
	<u>\$ 877,512</u>	<u>\$ 1,002,822</u>

12. Endowment Funds

The Organization has endowment funds established for the purpose of the operation and the implementation of the Organization's mission. The endowment consists of donor-restricted funds and funds designated by the Board of Directors to function as endowments. As required by U.S. GAAP, net assets associated with endowment funds, including funds designated by the Board of Directors to function as endowments, are classified and reported based on the existence or absence of donor-imposed restrictions. The Board of Directors of the Organization has interpreted the Uniform Prudent Management of Institutional Funds Act (UPMIFA), adopted by the State of Illinois, as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary.

As a result of this interpretation, the Organization classifies as perpetually restricted net assets (a) the original value of gifts donated to the permanent endowment, (b) the original value of subsequent gifts to the permanent endowment, and (c) accumulations to the permanent endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund. The remaining portion of the donor-restricted endowment fund that is not classified in perpetually restricted net assets is classified as purpose restricted net assets until those amounts are appropriated for expenditure by the Organization in a manner consistent with the standard prudence prescribed by UPMIFA. In accordance with UPMIFA, the Organization considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds: (1) the duration and preservation of the various funds, (2) the purposes of the donor-restricted endowment funds, (3) general

economic conditions, (4) the possible effect of inflation and deflation, (5) the expected total return from income and the appreciation of investments, (6) other resources of the Organization, and (7) the Organization's investment policies.

The objective of the Organization is to maintain the purchasing power of the endowment assets as well as to provide additional real growth through investment return. Endowment assets, other than the pooled endowment, are invested in a well-diversified asset mix, which includes targets of 65 percent equity and 35 percent fixed income securities that are intended to result in a consistent inflation-protected rate of return. Actual returns in any given year may vary. Investment risk is measured in terms of the total endowment fund; investment assets and allocation between asset classes and strategies are managed to expose the fund to acceptable levels of risk.

The Organization may distribute the earnings on endowed funds towards purposes designated by donor or Board stipulations. During the years ended June 30, 2025 and 2024, the Organization took a distribution equivalent to 4.00 percent of endowed funds held at one institution, based on the average fair value as of September 30 over the preceding 16 quarters, and 4.00 percent of endowed funds held at another institution, based on the average fair value as of December 31 over the preceding 12 quarters.

The composition of the endowment funds as of June 30, 2025 and 2024 is summarized as follows:

	2025		
	Without Donor Restrictions	With Donor Restrictions	Total
Donor-Restricted Endowment Funds:			
Original donor restricted gift amount and amount required to be retained by donor.	\$ -	\$ 4,981,572	\$ 4,981,572
Portion subject to appropriation under UPMIFA	751,949	185,025	936,974
	<u>\$ 751,949</u>	<u>\$ 5,166,597</u>	<u>\$ 5,918,546</u>
	2024		
	Without Donor Restrictions	With Donor Restrictions	Total
Donor-Restricted Endowment Funds:			
Original donor restricted gift amount and amount required to be retained by donor.	\$ -	\$ 4,541,216	\$ 4,541,216
Portion subject to appropriation under UPMIFA	501,259	146,568	647,827
	<u>\$ 501,259</u>	<u>\$ 4,687,784</u>	<u>\$ 5,189,043</u>

Changes in endowment funds by net asset composition as of June 30, 2025 and 2024:

	Without Donor Restrictions	With Donor Restriction		Total
		Purpose Restricted	Perpetually Restricted	
Balance, June 30, 2023	\$ 285,519	\$ 99,774	\$ 3,375,305	\$3,760,598
Appropriated For Expenditure	(18,396)	(17,108)	-	(35,504)
Contributions	-	-	1,155,978	1,155,978
Net Realized and Unrealized				-
Gain	234,136	63,902	9,933	307,971
Balance, June 30, 2024	<u>501,259</u>	<u>146,568</u>	<u>4,541,216</u>	<u>5,189,043</u>
Appropriated For Expenditure	(19,205)	(17,674)	-	(36,879)
Contributions	-	-	440,356	440,356
Net Realized and Unrealized				-
Gain	269,895	56,131	-	326,026
Balance, June 30, 2025	<u>\$ 751,949</u>	<u>\$ 185,025</u>	<u>\$ 4,981,572</u>	<u>\$5,918,546</u>

13. Special Events Revenue

The composition of the Organization's special events revenue, net of direct cost of donor benefits, for the year ended June 30 is as follows:

	2025		
	Without Donor Restrictions	With Donor Restrictions	Total
Gross Receipts	\$ 9,367	\$ 183,776	\$ 193,143
Direct Cost of Donor Benefits	-	(58,418)	(58,418)
Net Special Events Revenue	<u>\$ 9,367</u>	<u>\$ 125,358</u>	<u>\$ 134,725</u>

	2024		
	Without Donor Restrictions	With Donor Restrictions	Total
Gross Receipts	\$ 9,827	\$ 183,945	\$ 193,772
Direct Cost of Donor Benefits	-	(45,962)	(45,962)
Net Special Events Revenue	<u>\$ 9,827</u>	<u>\$ 137,983</u>	<u>\$ 147,810</u>

14. Related Party

The Organization pays affiliate dues to the national United Way Organization. Total dues paid for the years ended June 30, 2025 and 2024 were \$64,087 and \$49,930, respectively.

Contributions received from members of the Board of Directors during the years ended June 30, 2025 and 2024 were \$51,255 and \$33,381, respectively.

15. Employee Retirement Plan

The Organization has a noncontributory defined contribution plan. Contributions to the plan are made for all regular full-time employees who meet certain age and length-of-service requirements. The Organization contributed 6 percent of the annual compensation of participants to the retirement plan. Employee benefit expense under this plan was \$38,104 and \$37,269 for the years ended June 30, 2025 and 2024, respectively.

16. Concentrations

The Organization’s campaign results, reported as Campaign Contributions on Exhibit B, consist of the following for the year ended June 30:

	<u>2025</u>	<u>2024</u>
Gross Contributions	\$ 3,651,789	\$ 3,676,170
Less: Contributions Raised on Behalf of Others	<u>(1,033,193)</u>	<u>(1,120,093)</u>
Campaign Results	<u>\$ 2,618,596</u>	<u>\$ 2,556,077</u>

The Organization received gross campaign contributions from the employees of one employer of \$432,945 and \$461,095 during the year ended June 30, 2025 and June 30, 2024, respectively. These contributions represent 12 percent and 13 percent of the Organization’s gross campaign contributions for the year ended June 30, 2025 and June 30, 2024, respectively.

The Organization received gross campaign contributions from one individual of \$400,000 during the year ended June 30, 2025. This contribution represents 11 percent of the Organization’s gross campaign contributions for the year ended June 30, 2025.

The Organization received grant revenue from one grant of \$505,915 during the year ended June 30, 2025. This grant revenue represents 11 percent of the Organization’s support and revenue for the year ended June 30, 2025.