



**FRANKLIN COUNTY AREA
UNITED WAY, INC.**

**FINANCIAL STATEMENTS AND
INDEPENDENT AUDITOR'S REPORT**

For the Years Ended June 30, 2024 and 2023

The lower half of the cover features a complex, abstract background of overlapping, semi-transparent geometric shapes in various shades of gray, creating a sense of depth and architectural structure.

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FRANKLIN COUNTY AREA UNITED WAY, INC.
FINANCIAL REPORT

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8555 N. River Rd., Suite 300
Indianapolis, IN 46240
317.842.4466

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INDEPENDENT AUDITOR'S REPORT

Board of Directors

FRANKLIN COUNTY AREA UNITED WAY, INC.

Opinion

We have audited the accompanying financial statements of **FRANKLIN COUNTY AREA UNITED WAY, INC.**, a nonprofit organization ("the Organization"), which comprise the statement of financial position as of June 30, 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 Organization as of June 30, 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 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.

Prior Period Financial Statements

The financial statements of **FRANKLIN COUNTY AREA UNITED WAY, INC.**, as of June 30, 2023 were audited by Sikich LLP, whose report dated April 29, 2024 expressed an unmodified opinion of those financial statements. Effective as of April 30, 2024, Sikich LLP reorganized and transferred its attest practice to Sikich CPA LLC, a Virginia limited liability company.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Organization's ability to continue as a going concern 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.

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 audit.

Sikich CPA LLC

Indianapolis, Indiana
May 15, 2025

FRANKLIN COUNTY AREA UNITED WAY, INC.
STATEMENTS OF FINANCIAL POSITION

	June 30	
	2024	2023
ASSETS		
Current Assets		
Cash and cash equivalents	\$ 442,552	\$ 570,899
Investments	298,631	285,617
Pledges receivable, net	293,004	261,873
Accrued interest receivable	2,795	2,224
Prepaid insurance	3,657	3,110
Restricted cash	85,311	56,312
Total Current Assets	<u>1,125,950</u>	<u>1,180,035</u>
Fixed Assets		
Equipment	13,579	13,579
Less - Accumulated depreciation	13,056	12,031
Total Fixed Assets	<u>523</u>	<u>1,548</u>
TOTAL ASSETS	<u><u>\$ 1,126,473</u></u>	<u><u>\$ 1,181,583</u></u>
LIABILITIES AND NET ASSETS		
Current Liabilities		
Allocations payable	\$ 534,726	\$ 528,584
Payable to United Way of Greater St. Louis	58,338	60,539
Compensated absences	3,656	792
Deferred revenue	7,227	14,429
Total Current Liabilities	<u>603,947</u>	<u>604,344</u>
Net Assets		
Without donor restrictions:		
Board designated reserves	91,202	112,797
Undesignated	45,435	146,257
Total Net Assets Without Donor Restrictions	<u>136,637</u>	<u>259,054</u>
With donor restrictions	<u>385,889</u>	<u>318,185</u>
Total Net Assets	<u>522,526</u>	<u>577,239</u>
TOTAL LIABILITIES AND NET ASSETS	<u><u>\$ 1,126,473</u></u>	<u><u>\$ 1,181,583</u></u>

See notes to financial statements

FRANKLIN COUNTY AREA UNITED WAY, INC.
STATEMENT OF ACTIVITIES

	For The Year Ended June 30, 2024		
	Without Donor Restrictions	With Donor Restrictions	Total
REVENUES			
Donations and pledges	\$ 1,186,805	\$ 85,311	\$ 1,272,116
Less - Uncollectible pledges	62,541	-	62,541
Net Donations	1,124,264	85,311	1,209,575
Contributions of nonfinancial assets	58,962	-	58,962
Fundraising events, less cost of direct benefit to donors of \$30,454	110,841	-	110,841
Other revenue	6,891	-	6,891
Net investment return	25,883	-	25,883
Net assets released from restrictions	17,607	(17,607)	-
Total Revenues	1,344,448	67,704	1,412,152
ALLOCATIONS AND EXPENSES			
Program services:			
Funds awarded	1,137,333	-	1,137,333
Other program services:			
Allocations to agencies	36,350	-	36,350
Community services	63,023	-	63,023
Total Program Services	1,236,706	-	1,236,706
Supporting services:			
Management and general	100,628	-	100,628
Fund raising expenses	129,531	-	129,531
Total Supporting Services	230,159	-	230,159
Total Allocations And Expenses	1,466,865	-	1,466,865
CHANGE IN NET ASSETS	(122,417)	67,704	(54,713)
NET ASSETS, JULY 1, 2023	259,054	318,185	577,239
NET ASSETS, JUNE 30, 2024	\$ 136,637	\$ 385,889	\$ 522,526

See notes to financial statements

FRANKLIN COUNTY AREA UNITED WAY, INC.
STATEMENT OF ACTIVITIES

	For The Year Ended June 30, 2023		
	Without Donor Restrictions	With Donor Restrictions	Total
REVENUES			
Donations and pledges	\$ 1,181,643	\$ 47,999	\$ 1,229,642
Less - Uncollectible pledges	62,339	-	62,339
Net Donations	1,119,304	47,999	1,167,303
Contributions of nonfinancial assets	60,746	-	60,746
Fundraising events, less cost of direct benefit to donors of \$43,428	130,503	-	130,503
Other revenue	8,026	-	8,026
Net investment return	14,531	-	14,531
Net assets released from restrictions	135,413	(135,413)	-
Total Revenues	1,468,523	(87,414)	1,381,109
ALLOCATIONS AND EXPENSES			
Program services:			
Funds awarded	1,090,858	-	1,090,858
Other program services:			
Allocations to agencies	27,200	-	27,200
Community services	64,960	-	64,960
Total Program Services	1,183,018	-	1,183,018
Supporting services:			
Management and general	86,314	-	86,314
Fund raising expenses	109,622	-	109,622
Total Supporting Services	195,936	-	195,936
Total Allocations And Expenses	1,378,954	-	1,378,954
CHANGE IN NET ASSETS	89,569	(87,414)	2,155
NET ASSETS, JULY 1, 2022	169,485	405,599	575,084
NET ASSETS, JUNE 30, 2023	<u>\$ 259,054</u>	<u>\$ 318,185</u>	<u>\$ 577,239</u>

See notes to financial statements

FRANKLIN COUNTY AREA UNITED WAY, INC.
STATEMENT OF FUNCTIONAL EXPENSES

For The Year Ended June 30, 2024							
	Program Services			Supporting Services			Total
	Allocations to Agencies	Community Services	Total Program	Management And General	Fundraising	Direct Benefit To Donors	Total Support
Funds awarded:							
To agencies	\$ 1,103,500	\$ -	\$ 1,103,500	\$ -	\$ -	\$ -	\$ -
For community services	-	33,833	33,833	-	-	-	-
Total Funds Awarded	1,103,500	33,833	1,137,333	-	-	-	-
Personnel costs:							
Salaries	23,089	39,694	62,783	50,407	31,231	-	81,638
Employee benefits & FICA	6,776	11,650	18,426	14,791	9,162	-	23,953
Total Personnel Costs	29,865	51,344	81,209	65,198	40,393	-	105,591
Other expenses:							
Administrative services - contract fees	1,847	3,176	5,023	4,033	2,499	-	6,532
Advertising	-	-	-	-	12,051	-	12,051
Printing, materials, and supplies	1,753	3,289	5,042	6,866	3,433	-	10,299
Dues & subscriptions	-	-	-	59	800	-	859
Depreciation	115	218	333	461	231	-	692
Equipment maintenance	47	90	137	190	95	-	285
General office	-	-	-	2,669	-	-	2,669
Insurance	609	1,151	1,760	2,437	1,219	-	3,656
Local travel & staff development	674	1,265	1,939	924	872	-	1,796
Campaign related expenses:							
Entertainment and prizes	-	-	-	-	53,766	3,832	57,598
Food	-	-	-	-	3,210	17,852	21,062
Supplies	-	-	-	-	2,883	-	2,883
Occupancy	1,022	1,748	2,770	3,701	1,851	8,770	14,322
Postage	-	-	-	98	1,867	-	1,965
Professional fees	-	-	-	12,600	3,665	-	16,265
Telephone	418	742	1,160	1,392	696	-	2,088
Total Other Expenses	6,485	11,679	18,164	35,430	89,138	30,454	155,022
Less - Expenses included with revenues on the statement of activities	-	-	-	-	-	30,454	30,454
TOTAL EXPENSES INCLUDED IN THE EXPENSE SECTION OF THE STATEMENT OF ACTIVITIES	\$ 1,139,850	\$ 96,856	\$ 1,236,706	\$ 100,628	\$ 129,531	\$ -	\$ 230,159
							\$ 1,466,865

See notes to financial statements

FRANKLIN COUNTY AREA UNITED WAY, INC.
STATEMENT OF FUNCTIONAL EXPENSES

	For The Year Ended June 30, 2023							
	Program Services			Supporting Services				
	Allocations to Agencies	Community Services	Total Program	Management And General	Fundraising	Direct Benefit To Donors	Total Support	Total
Funds awarded								
To agencies	\$ 1,066,404	\$ -	\$ 1,066,404	\$ -	\$ -	\$ -	\$ -	\$ 1,066,404
For community services	-	24,454	24,454	-	-	-	-	24,454
Total Funds Awarded	1,066,404	24,454.00	1,090,858	-	-	-	-	1,090,858
Personnel costs:								
Salaries	20,849	50,686	71,535	52,682	22,561	-	75,243	146,778
Employee benefits	3,212	7,810	11,022	8,118	3,476	-	11,594	22,616
Total Personnel Costs	24,061	58,496	82,557	60,800	26,037	-	86,837	169,394
Other expenses:								
Advertising	-	-	-	-	10,777	-	10,777	10,777
Printing, materials, and supplies	358	716	1,074	1,639	16,192	-	17,831	18,905
Dues & subscriptions	-	-	-	59	1,216	-	1,275	1,275
Depreciation	127	254	381	575	215	-	790	1,171
Equipment maintenance	121	243	364	551	206	-	757	1,121
General office	-	-	-	3,560	-	-	3,560	3,560
Insurance	615	1,231	1,846	2,792	1,041	-	3,833	5,679
Local travel	582	1,347	1,929	636	881	-	1,517	3,446
Campaign related expenses:								
Entertainment and prizes	-	-	-	-	36,579	11,162	47,741	47,741
Food	-	-	-	-	3,593	23,487	27,080	27,080
Supplies	-	-	-	-	4,592	-	4,592	4,592
Occupancy	893	1,785	2,678	4,051	1,511	8,779	14,341	17,019
Postage	-	-	-	71	1,353	-	1,424	1,424
Professional fees	-	-	-	10,000	4,790	-	14,790	14,790
Telephone	443	888	1,331	1,580	639	-	2,219	3,550
Total Other Expenses	3,139	6,464	9,603	25,514	83,585	43,428	152,527	162,130
Less - Expenses included with revenues on the statement of activities	-	-	-	-	-	43,428	43,428	43,428
TOTAL EXPENSES INCLUDED IN THE EXPENSE SECTION OF THE STATEMENT OF ACTIVITIES	\$ 1,093,604	\$ 89,414	\$ 1,183,018	\$ 86,314	\$ 109,622	\$ -	\$ 195,936	\$ 1,378,954

See notes to financial statements

FRANKLIN COUNTY AREA UNITED WAY, INC.
STATEMENTS OF CASH FLOWS

	For The Years Ended June 30	
	2024	2023
INCREASE IN CASH, CASH EQUIVALENTS, AND RESTRICTED CASH		
Cash flows from operating activities:		
Change in net assets	\$ (54,713)	\$ 2,155
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:		
Depreciation	1,025	1,171
(Increase) decrease in:		
Pledges receivable	(31,131)	71,439
Accrued interest receivable	(571)	(2,081)
Prepaid insurance	(547)	(3,110)
Increase (decrease) in:		
Allocations payable	6,142	49,883
Payable to United Way of Greater St. Louis	(2,201)	17,639
Deferred revenue	(7,202)	14,429
Compensated absences	2,864	(3,058)
Total Adjustments	(31,621)	146,312
Net Cash From Operating Activities	(86,334)	148,467
Cash flows from investing activities:		
Maturity of certificates of deposit	200,594	22,206
Purchase of certificates of deposit	(200,594)	(60,023)
Reinvestment of interest on certificates of deposit	(13,014)	(2,608)
Net Cash From Investing Activities	(13,014)	(40,425)
NET CHANGE IN CASH, CASH EQUIVALENTS, AND RESTRICTED CASH	(99,348)	108,042
CASH, CASH EQUIVALENTS, AND RESTRICTED CASH, JULY 1	627,211	519,169
CASH, CASH EQUIVALENTS, AND RESTRICTED CASH, JUNE 30	\$ 527,863	\$ 627,211
Reconciliation of cash, cash equivalents, and restricted cash to specific assets on the statements of financial position:		
Cash and cash equivalents	\$ 442,552	\$ 570,899
Restricted cash	85,311	56,312
TOTAL	\$ 527,863	\$ 627,211

See notes to financial statements

FRANKLIN COUNTY AREA UNITED WAY, INC.

NOTES TO FINANCIAL STATEMENTS

1. NATURE OF THE ORGANIZATION

FRANKLIN COUNTY AREA UNITED WAY, INC. (Organization) is a not-for-profit corporation organized under the laws of the State of Missouri. The mission of the Organization is to seek to enhance the quality of life in the expanding community by uniting and inspiring people to contribute time, talent, and resources that facilitate and support the widespread delivery of essential health and human services. The Organization's goal is to build better communities by providing health and human services in four core areas: 1) Providing emergency assistance to those in need, 2) nurturing and protecting children and young people, 3) caring for the elderly and disabled, and 4) strengthening families. These services improve the quality of life for all of the citizens of the Franklin County Area. Our communities become stronger and healthier, our neighborhoods safer, and our residents better citizens.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

The accompanying financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America (USGAAP). Net assets and revenues, expenses, gains and losses are classified based on the existence or absence of donor-imposed restrictions.

Accordingly, net assets of the Organization and changes herein are classified and reported as follows:

Without Donor Restrictions

Undesignated: Net assets available for use in general operations and not subject to donor-imposed restrictions or board-imposed stipulations.

Board-Designated Reserves: Net assets subject to stipulations imposed by the Board of Directors and determined to be unavailable for general use.

With Donor Restrictions

Net assets subject to donor-imposed restrictions that either expire by the passage of time or can be fulfilled and removed by actions of the Organization pursuant to those restrictions. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates those resources be maintained in perpetuity. Donor restricted support is reported as an increase in net assets with donor restrictions. When restrictions expire, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both, net assets with donor restrictions are reclassified to net assets without donor restrictions. As of June 30, 2024 and 2023, the Organization had net assets with donor restrictions in the amounts of \$385,889 and \$318,185, respectively.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Cash, Cash Equivalents, and Restricted Cash

The Organization considers all investments with an original maturity of three months or less to be cash equivalents.

The Organization maintains its cash and cash equivalent balances at financial institutions, which at times may exceed the Federal Deposit Insurance Corporation (FDIC) insurance limit of \$250,000. As of June 30, 2024 and 2023, the balances were fully secured. The Organization has not experienced any losses in such accounts and believes it is not exposed to any significant credit risk on cash.

Cash and cash equivalents designated for long-term purposes or received with donor-imposed restrictions limiting their use to long-term purposes are considered restricted cash.

Investments

Investments are recorded at cost, or if donated, at fair value on the date of donation. Net investment return is reported in the statements of activities and consists of interest income.

Investments consist entirely of certificates of deposit held at various local banks. These certificates of deposit all have original maturity dates of more than three months and are stated at cost when purchased by the Organization. In addition, all certificates of deposit are insured by the FDIC.

Allowance for Credit Losses - Investments

The Organization measures expected credit losses on its investments on a collective basis by major security type. The Organization invests of certificate of deposits with maturity dates greater than 90 days. FDIC coverage is applicable to certificates of deposit. As of June 30, 2024 and 2023, the certificate of deposit balances were fully secured. The Organization has not experienced any losses in such investments and the Organization believes it is not exposed to any significant credit risk on certificate of deposit balances and therefore expects zero credit loss and believes no allowance for credit loss is appropriate.

Fixed Assets

Property and equipment over \$1,500 are carried at cost or, if donated, at fair values on the date of donation. Depreciation is computed on the straight-line method using asset lives ranging from 5 to 10 years for equipment.

Depreciation for the years ended 2024 and 2023 amounted to \$1,025 and \$1,171, respectively.

FRANKLIN COUNTY AREA UNITED WAY, INC.

NOTES TO FINANCIAL STATEMENTS

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Revenue Recognition

Donations: Donations and pledges are recognized when cash, securities, or other assets; an unconditional promise to give; or notification of beneficial interest is received. Conditional promises to give are not recognized until the conditions on which they depend have been substantially met. There were no conditional contributions as of June 30, 2024 or 2023.

Donations are recognized as revenue when they are received or unconditionally pledged. Revenues are reported in net assets without donor restrictions, unless use of the related assets is limited by the donor-imposed restrictions. Donor-restricted contributions and grants whose restrictions are met within the same year as received are reflected in the change in net assets with donor restrictions. Contributions to be received after one year are discounted at a rate commensurate with the risk involved. Amortization of the discount is recorded as additional contribution revenue and used in accordance with donor-imposed restrictions, if any, on the donations.

Allowances are provided for pledges estimated to be uncollectible. Management considers all pledges to be collectible. Collection is expected within 12 months from the date the gift was pledged and consist of the following:

	June 30	
	2024	2023
Pledges receivable	\$ 355,545	\$ 324,212
Less - Allowance for uncollectible pledges	<u>62,541</u>	<u>62,339</u>
PLEDGES RECEIVABLE, NET	<u>\$ 293,004</u>	<u>\$ 261,873</u>

Contributed Nonfinancial Assets: The Organization receives donations of nonfinancial goods and services. It is the policy of the Organization to record the estimated fair value of certain non-financial contributions as an expense or asset in its financial statements and similarly increase contribution revenue by a like amount. All donations were utilized by the Organization's programs and supporting services or monetized.

Contributed services are recognized as revenue at their estimated fair value when they create or enhance nonfinancial assets, or they require specialized skills which would need to be purchased if they were not donated. The Organization received donated services from a variety of unpaid volunteers assisting the Organization in providing management and programmatic services. However, no amounts have been recognized in the accompanying statement of activities because the criteria for recognition of such volunteer effort under accounting standards has not been satisfied.

The Organization received the use of donated facilities for its program operations and supporting services. The Organization received the use of the donated facilities without donor restrictions, which were utilized in program operations and supporting services.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Revenue Recognition (Continued)

Contributed Nonfinancial Assets (Continued):

Donated facilities are valued at the cost charged to a third-party in an arm's length transaction as reported by the landlord.

The Organization receives items restricted for prizes for its annual golf tournament. These items are monetized at the face value as most are gift certificates. The Organization also received purses restricted to be auctioned at the power of the purse events. Contributed auction items are monetized at the gross selling price received.

For the year ended, June 30, 2023, the Organization also received donated consulting services without donor restrictions for its supporting services. These services were recorded at fair value based on a quote from the consultant using current rates and estimated time spent and are reported as contributed nonfinancial assets.

Fundraising: The Organization conducts special events in which a portion of the gross proceeds paid by the participants represents payments for the direct costs of the benefits received by the participant at the event - the exchange component, and a portion represents a contribution to the Organization. The fair value of the benefits received by the participants at special events is measured at the actual cost to the Organization. The contribution component is the excess of the gross proceeds over the fair value of the direct donor benefit. The performance obligation is satisfied upon the commencement of the special event. The event fee is set by the Organization.

Significant Judgments: There are no significant judgments involved in the recognition of revenue at a point in time based on the delivery of services.

Contract Assets and Liabilities: The timing of revenue recognition, billings and cash collections result in billed accounts receivable (contract assets) and deferred revenue (contract liabilities) on the statement of financial position. Contract liabilities are released as the performance obligations are met.

Program Services

Allocations - Provides for the judicious allocation of United Way resources to member agencies and to assist those agencies in providing needed social services to the region.

Community services - Provides direct assistance to the community for individuals and nonprofit social service organizations in the procurement and delivery of human services and provide direct management and advisory assistance to United Way member agencies.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**Functional Expenses**

The Organization allocates its expenses on a functional basis among its program services (allocations to agencies and community services) and supporting services (management and general and fundraising). Expenses that can be identified with a specific program and support service are charged directly according to their natural expense classification. Administrative services and other expenses that are common to several functions are allocated by various methods used in conjunction with the Organization's cost allocation plan.

The expenses that are allocated include the following:

<u>Expense</u>	<u>Method Of Allocation</u>
Administrative services - contract fees	Time and effort
Salaries and employee benefits	Time and effort
Occupancy	Square footage
Insurance	Square footage
Depreciation	Time and effort
Equipment maintenance	Time and effort
Local travel	Time and effort
Printing, materials, and supplies	Time and effort
Telephone	Time and effort

Advertising

Advertising is expensed in the period incurred. Advertising amounted to \$12,051 and \$10,777 for the years ended June 30, 2024, and 2023, respectively.

Compensated Absences

The Organization's full-time employees generally earn vacation monthly based upon their length of service to the Organization. Employees who are separated from service are compensated for vacation accrued up to the date of separation, up to a maximum of 120 hours. Sick leave is accumulated based on length of service and is available only to provide compensation during periods of illness. No portion of sick leave is payable to the employee upon termination therefore, no liability is reported for sick leave.

Income Taxes

The Organization is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code. Accordingly, no provision for income taxes has been included in the accompanying financial statements. The Organization has been classified as an entity that is not a private foundation.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Income Taxes (Continued)

The Organization files various federal and state non-profit tax returns. The Organization is no longer subject to U.S. federal or state examinations by tax authorities for tax years prior to June 30, 2020.

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 reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from these estimates.

Management considers the estimates of the allowances for uncollectible pledges to be a critical accounting policy requiring extensive subjective judgments. Management bases these estimates on historical experience and other assumptions believed to be reasonable under the circumstances. Because of the inherent uncertainties in estimating the allowance for uncollectible pledges, it is at least reasonably possible that the estimates used will change within the near term.

Recently Accounting Guidance

In June 2016, the Financial Accounting Standards Board (“FASB”) issued new guidance, Accounting Standards Update (“ASU”) 2016-13 that created Topic 326, *Financial Instruments - Credit Losses*, in the Accounting Standards Codification (“ASC”). Topic 326 significantly changes how entities measure credit losses for most financial assets and certain other instruments that aren’t measured at fair value through changes in net assets. The most significant change in this standard is the shift from the incurred loss model to the expected loss model. Financial assets held by the organization that are subject to the guidance in Topic 326 were investments.

The Organization adopted the standard as of July 1, 2023, utilizing the modified retrospective method. The adoption of this new accounting pronouncement did not have a material impact on the financial statements and primarily resulted in new/enhanced disclosures only.

FRANKLIN COUNTY AREA UNITED WAY, INC.

NOTES TO FINANCIAL STATEMENTS

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Subsequent Events

Subsequent events are events or transactions that occur after year end but before financial statements are available to be issued. These events and transactions either provide additional evidence about conditions that existed at year end, including the estimates inherent in the process of preparing financial statements (that is, recognized subsequent events), or provide evidence about conditions that did not exist at year end but arose after that date (that is, non-recognized subsequent events).

The Organization has evaluated subsequent events through May 15, 2025, which was the date that these financial statements were available for issuance noting no additional disclosures required.

3. LIQUIDITY AND AVAILABILITY

Financial assets available for general expenditures, that is, without donor or other restrictions limiting their use, within one year of the statement of financial position date, are comprised of the following:

	June 30	
	2024	2023
Cash and cash equivalents	\$ 442,552	\$ 570,899
Investments	298,631	285,617
Pledges receivable, net	293,004	261,873
Accrued interest receivable	2,795	2,224
Restricted cash	85,311	56,312
Total Financial Assets	1,122,293	1,176,925
Less - amounts not available to be used within one year:		
Amounts restricted by donor	385,889	318,185
Amounts designated by the Board for specific purposes	91,202	112,797
Total amounts not available to be used within one year	477,091	430,982
FINANCIAL ASSETS AVAILABLE TO MEET CASH NEEDS FOR GENERAL EXPENDITURES WITHIN ONE YEAR	\$ 645,202	\$ 745,943

It is the policy of the Organization to develop and maintain a targeted operational reserve of net assets without restrictions that represent 35% of unrestricted community distributions and operating expenses, within an operating range of 25% to 45%. For June 30, 2024, the projected reserves without restrictions amounted to \$314,816 which was 20.11% of operating expenses. For June 30, 2023, the projected reserves without restrictions amounted to \$431,158 which was 27.14% of operating expenses.

FRANKLIN COUNTY AREA UNITED WAY, INC.

NOTES TO FINANCIAL STATEMENTS

4. PROGRAM SERVICES

Following is a list of funds awarded to the Organization's member agencies:

	For The Years Ended June 30	
	2024	2023
Agencies:		
Loving Hearts Outreach	\$ 100,000	\$ 100,000
Washington Emergency Relief Fund	76,500	76,000
Catholic Family Svs (Family Wellness)	70,000	69,400
Four Rivers Area Family YMCA	55,000	55,000
OATS, Inc.	55,500	55,000
Exceptional Equestrians	52,000	50,000
Agape House	45,000	48,000
Empac Group (Sheltered Workshops)	41,250	40,700
Union Food Pantry	37,500	37,000
Meramec Community Mission	35,500	35,000
Crider Health Center (Compass Health)	50,500	34,500
Community Outreach	32,500	32,000
Aging Ahead (MEAAA)	30,500	30,000
Dental Network	30,000	30,000
Rainbow Activity Center	30,000	30,000
Boy Scouts of America	26,000	26,000
ALIVE	25,000	25,000
Grace's Place	26,550	24,000
Legal Services of Eastern Missouri	23,000	21,500
Tri-County Community Senior Center, Inc.	20,500	20,000
TEMCO, Inc.	20,000	20,000
CASA	18,924	17,204
Meals-on-Wheels	18,000	17,000
Childrens Advocacy Program	-	15,500
Heartland Independent Living Center	15,000	15,000
Girl Scouts of Eastern Missouri	15,000	15,000
Buddies Not Bullies (Portals)	15,626	15,000
St. Peter's UCC Food Pantry	15,000	15,000
Lutheran Family & Childrens Services of MO	12,000	12,300
VOYCE (Long-term Care Ombudsman)	12,500	12,000
ABiLITY	12,000	11,400
Franklin County Foster Closet	12,000	10,900
New Haven Senior Center	10,000	10,000
Franklin County 4-H Clubs	9,450	9,250
Prevent Ed	9,000	8,050
Turning Point	8,000	7,800
Summer Reading Program	5,000	5,000
Camp Washington	4,600	4,600
Literacy Council	5,500	3,300

FRANKLIN COUNTY AREA UNITED WAY, INC.

NOTES TO FINANCIAL STATEMENTS

4. PROGRAM SERVICES (Continued)

	For The Years Ended June 30	
	2024	2023
To Agencies (Continued):		
New Haven Community Center	\$ 5,000	\$ 3,000
Hanani House	4,500	-
CHADS Coalition for Mental Health	4,500	-
County Seat Senior Center	4,500	-
Union Summer Camp	4,600	-
	<u>1,103,500</u>	<u>1,066,404</u>
Total Agency Funds Awarded		
	<u>1,103,500</u>	<u>1,066,404</u>
For Community Services - Board Designated:		
Community Grant - Internal Fund	-	6,500
Community Response For Children - Internal Fund	12,000	8,300
Henry Hartbauer Award - Internal Fund	2,000	1,000
Back Pack Program - Internal Fund	16,000	7,000
Emergency Funding - Internal Fund	3,833	1,654
	<u>33,833</u>	<u>24,454</u>
Total Community Services - Board Designated Awarded		
	<u>33,833</u>	<u>24,454</u>
TOTAL FUNDS AWARDED	<u>\$ 1,137,333</u>	<u>\$ 1,090,858</u>

Approximately one-half of the current year allocation was paid by June 30, 2024. The balance of the allocations are payable in September 2024 and December 2024. The total to be paid after June 30, 2024 and 2023, amounted to \$534,726 and \$528,584, respectively, and is shown as allocations payable on the accompanying statements of financial position.

5. ADMINISTRATIVE SERVICES AGREEMENT

The Organization entered into an administrative services agreement with the United Way of Greater of St. Louis, Inc. (UWGSL) on June 1, 1995 and subsequently renewed it on June 1, 2020. The agreement will continue for a period of ten years. UWGSL provides certain administrative services to the Organization in connection with the fundraising efforts of the Organization in exchange for a percentage of monthly receipts. Following is a summary of transactions related to this administrative services agreement:

	For The Years Ended June 30,	
	2024	2023
Expenses paid by UWGSL on behalf of the Organization	\$ 131,373	\$ 150,722
Collections paid to UWGSL for administrative services	<u>(142,928)</u>	<u>(136,826)</u>
CONTRIBUTED SERVICES (CONTRACT FEE)	<u>\$ (11,555)</u>	<u>\$ 13,896</u>

FRANKLIN COUNTY AREA UNITED WAY, INC.

NOTES TO FINANCIAL STATEMENTS

5. ADMINISTRATIVE SERVICES AGREEMENT (Continued)

Since the collections paid to UWGSL for administrative services were greater than the expenses paid by UWGSL on behalf of the Organization, there were no contributed services for the year ended June 30, 2024. There were contributed services included in the contributions of nonfinancial assets on the statement of activities in the amount of \$13,896 for the year ended June 30, 2023 as the collections paid to UWGSL for administrative services were less than the expenses paid by UWGSL on behalf of the Organization.

6. NET ASSETS

Net assets with donor restrictions are available for the following purposes or periods:

	For The Years Ended June 30	
	2024	2023
Flood campaign	\$ 7,575	\$ 7,575
COVID campaign	-	738
For subsequent year's activities	<u>378,314</u>	<u>309,872</u>
TOTAL BOARD DESIGNATED RESERVES	<u>\$ 385,889</u>	<u>\$ 318,185</u>

Certain amounts of net assets without donor restrictions have been set aside by the Organization's Board of Directors for distinct purposes. The amounts of these Board commitments are as follows:

	For The Years Ended June 30	
	2024	2023
Emergencies	\$ 42,485	\$ 42,485
Backpack program	16,000	24,000
Community grants	2,997	497
Emergency fund	3,104	6,199
Community response for children	25,616	37,616
Henry Hartbauer Award	<u>1,000</u>	<u>2,000</u>
TOTAL	<u>\$ 91,202</u>	<u>\$ 112,797</u>

FRANKLIN COUNTY AREA UNITED WAY, INC.

NOTES TO FINANCIAL STATEMENTS

7. REVENUE FROM CONTRACTS WITH CUSTOMERS

The Organization recognizes revenue from contracts with customers through special events. The disaggregated revenue based on timing of revenue recognition for the years ended June 30, 2024 and 2023 are as follows:

	For The Years Ended June 30,	
	2024	2023
Revenue recognized at a point in time:	\$ 30,454	\$ 43,428
Revenue recognized over time:	-	-
TOTAL	\$ 30,454	\$ 43,428

The portion of special events revenue that represents contributions from donors was \$110,841 and \$130,503 as of June 30, 2024 and 2023, respectively, and has not been included in the table above. The Organization has determined the nature, amount, timing and uncertainty of revenue and cash flows are affected by the general economy.

The timing of revenue recognition, billings, and cash collections results in billed accounts receivable and deferred revenue (contract liabilities) on the statements of financial position. Contract liabilities are released as the performance obligations are met. Deferred revenue consists of amounts collected in advance of fundraising events being held. There were contract liabilities of \$14,429 and \$0 as of July 1, 2023 and 2022, respectively. There were no contract assets as of July 1, 2023 and 2022.

8. CONTRIBUTED NONFINANCIAL ASSETS

The Organization received the following contributions of nonfinancial assets:

	June 30	
	2024	2023
Auction items for golf tournament	\$ 2,864	\$ 2,540
Donated purses	48,898	37,110
Subtotal	51,762	39,650
Occupancy	7,200	7,200
Consulting	-	13,896
TOTAL CONTRIBUTIONS OF NONFINANCIAL ASSETS	\$ 58,962	\$ 60,746

9. BENEFIT PLAN

The Organization has a 403(b) plan. For those participants who are no longer accruing benefits, the Executive Committee approved an increase in the Organization's contributions to the 403(b) plan effective January 1, 2019. The Organization provides a matching contribution of 100% of Elective Deferrals up to 3% of compensation. The Organization will also make qualified nonelective contributions equal to 4% of eligible compensation to active participants plus an additional contribution of \$21 each pay date. Beginning January 1, 2020, the \$21 per pay period contribution was eliminated, and an annual contribution of \$500 was added for eligible employees. The Organization contributed \$8,229 and \$9,086 to this plan for the years ended June 30, 2024 and 2023, respectively.

10. RELATED PARTY TRANSACTIONS

Contributions from Board members for the years ended June 30, 2024 and 2023 totaled \$4,325 and \$5,101, respectively.