

UNITED WAY OF BARTHOLOMEW COUNTY, INC.

CONSOLIDATED FINANCIAL STATEMENTS

AND

SUPPLEMENTARY INFORMATION

DECEMBER 31, 2024 AND 2023

CPAs / ADVISORS



UNITED WAY OF BARTHOLOMEW COUNTY, INC.

TABLE OF CONTENTS
DECEMBER 31, 2024 AND 2023

	Page
Report of Independent Auditors	1
 Consolidated Financial Statements	
Consolidated Statements of Financial Position	4
Consolidated Statements of Activities	5
Consolidated Statements of Functional Expenses.....	7
Consolidated Statements of Cash Flows	9
Notes to Consolidated Financial Statements	10
 Supplementary Information	
Consolidated Schedules of Allocations to Agencies.....	25
Consolidating Statement of Financial Position (2024 only)	26
Consolidating Statement of Activities (2024 only)	27



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REPORT OF INDEPENDENT AUDITORS

Board of Directors
United Way of Bartholomew County, Inc.
Columbus, Indiana

Opinion

We have audited the accompanying consolidated financial statements of United Way of Bartholomew County, Inc. (the "Organization"), a nonprofit organization, and affiliate, which comprise the consolidated statements of financial position as of December 31, 2024 and 2023, and the related consolidated statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the consolidated financial statements.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of the Organization and its affiliate as of December 31, 2024 and 2023, and changes in their net assets and their cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Organization and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated 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 consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated 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 consolidated 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 consolidated 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 substantial likelihood that, individually or in the aggregate, they would influence the judgement made by a reasonable user based on the consolidated 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 consolidated 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 consolidated 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.

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The Consolidated Schedules of Allocations to Agencies is presented for purposes of additional analysis and is not a required part of the consolidated financial statements. The Consolidating Statement of Financial Position and the Consolidating Statement of Activities are presented for purposes of additional analysis of the consolidated financial statements rather than to present the financial position, results of operations, and cash flows of the individual organizations and are not a required part of the consolidated financial statements. Such information is the

responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. The information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the consolidated financial statements as a whole.

Blue & Co., LLC

Seymour, Indiana

August 28, 2025

UNITED WAY OF BARTHOLOMEW COUNTY, INC.

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION DECEMBER 31, 2024 AND 2023

ASSETS

	<u>2024</u>	<u>2023</u>
Cash	\$ 1,273,488	\$ 1,022,010
Restricted cash	66,268	44,254
Accounts receivable	13,817	7,859
Pledges receivable, net	2,814,295	2,984,085
Other receivable	100,009	21,709
Other assets	45,022	22,906
Assets held by Heritage Fund of Bartholomew County, Inc.	83,845	74,580
Property and equipment, net	<u>3,766,298</u>	<u>3,950,806</u>
	<u>\$ 8,163,042</u>	<u>\$ 8,128,209</u>

LIABILITIES AND NET ASSETS

Liabilities		
Accounts payable and accrued expenses	\$ 33,482	\$ 17,960
Assets held for others	66,268	44,254
Designations payable	2,341,606	2,207,809
Debt	<u>738,798</u>	<u>780,207</u>
Total liabilities	3,180,154	3,050,230
Net assets		
Without donor restrictions	3,271,252	3,165,964
With donor restrictions	<u>1,711,636</u>	<u>1,912,015</u>
Total net assets	<u>4,982,888</u>	<u>5,077,979</u>
	<u>\$ 8,163,042</u>	<u>\$ 8,128,209</u>

See accompanying notes to consolidated financial statements.

UNITED WAY OF BARTHOLOMEW COUNTY, INC.

CONSOLIDATED STATEMENT OF ACTIVITIES YEAR ENDED DECEMBER 31, 2024

(WITH COMPARATIVE TOTALS FOR THE YEAR ENDED DECEMBER 31, 2023)

	2024			2023
	Without Donor Restrictions	With Donor Restrictions	Total	Totals
Support and revenues				
Gross campaign results	\$ 372,188	\$ 3,437,752	\$ 3,809,940	\$ 4,289,216
Less donor designations	(76,635)	(1,758,808)	(1,835,443)	(1,996,842)
Less provision for uncollectible accounts	41,783	(190,000)	(148,217)	10,167
Net campaign results	<u>337,336</u>	<u>1,488,944</u>	<u>1,826,280</u>	<u>2,302,541</u>
Grant and contribution revenue				
Cash and other financial assets	874,892	677,054	1,551,946	577,615
Nonfinancial assets	-0-	-0-	-0-	101,392
Interest income	25,330	-0-	25,330	8,301
Rent income	644,542	-0-	644,542	614,814
Miscellaneous	9,888	-0-	9,888	7,604
Net assets released from restrictions	<u>2,366,377</u>	<u>(2,366,377)</u>	<u>-0-</u>	<u>-0-</u>
Total support and revenues	<u>4,258,365</u>	<u>(200,379)</u>	<u>4,057,986</u>	<u>3,612,267</u>
Expenses				
Program services	3,602,544	-0-	3,602,544	3,154,120
Management and general	169,280	-0-	169,280	205,883
Fundraising	<u>381,253</u>	<u>-0-</u>	<u>381,253</u>	<u>362,557</u>
Total expenses	<u>4,153,077</u>	<u>-0-</u>	<u>4,153,077</u>	<u>3,722,560</u>
Change in net assets	105,288	(200,379)	(95,091)	(110,293)
Net assets, beginning of year	<u>3,165,964</u>	<u>1,912,015</u>	<u>5,077,979</u>	<u>5,188,272</u>
Net assets, end of year	<u>\$ 3,271,252</u>	<u>\$ 1,711,636</u>	<u>\$ 4,982,888</u>	<u>\$ 5,077,979</u>

See accompanying notes to consolidated financial statements.

UNITED WAY OF BARTHOLOMEW COUNTY, INC.

CONSOLIDATED STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2023

	Without Donor Restrictions	With Donor Restrictions	Total
Support and revenues			
Gross campaign results	\$ 505,235	\$ 3,783,981	\$ 4,289,216
Less donor designations	(60,711)	(1,936,131)	(1,996,842)
Less provision for uncollectible accounts	225,167	(215,000)	10,167
Net campaign results	669,691	1,632,850	2,302,541
Grant and contribution revenue			
Cash and other financial assets	76,836	500,779	577,615
Nonfinancial assets	101,392	-0-	101,392
Interest income	8,301	-0-	8,301
Rent income	614,814	-0-	614,814
Miscellaneous	7,604	-0-	7,604
Net assets released from restrictions	1,920,644	(1,920,644)	-0-
Total support and revenues	3,399,282	212,985	3,612,267
Expenses			
Program services	3,154,120	-0-	3,154,120
Management and general	205,883	-0-	205,883
Fundraising	362,557	-0-	362,557
Total expenses	3,722,560	-0-	3,722,560
Change in net assets	(323,278)	212,985	(110,293)
Net assets, beginning of year	3,489,242	1,699,030	5,188,272
Net assets, end of year	\$ 3,165,964	\$ 1,912,015	\$ 5,077,979

See accompanying notes to consolidated financial statements.

UNITED WAY OF BARTHOLOMEW COUNTY, INC.

CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES
 YEAR ENDED DECEMBER 31, 2024
 (WITH COMPARATIVE TOTALS FOR THE YEAR ENDED DECEMBER 31, 2023)

	2024							2023	
	Program				Management and General	Fundraising	Total	Total	
	Agency & Community Services	United Way Center	Volunteer Action Center	Total					
Agency allocations	\$ 1,554,500	\$ -0-	\$ -0-	\$ 1,554,500	\$ -0-	\$ -0-	\$ 1,554,500	\$ 1,554,469	
Salaries	498,330	257,739	63,103	819,172	51,315	246,817	1,117,304	973,333	
Payroll taxes and employee benefits	135,455	66,275	9,569	211,299	17,287	64,187	292,773	281,623	
Agency development	21,020	-0-	-0-	21,020	-0-	-0-	21,020	14,500	
Professional fees	212,646	10,601	960	224,207	20,074	29,116	273,397	140,042	
Advertising	2,825	-0-	-0-	2,825	-0-	-0-	2,825	146	
Supplies	8,251	16,316	483	25,050	5,414	14,013	44,477	35,320	
Dues and subscriptions	5,542	591	1,390	7,523	36,680	12,712	56,915	66,449	
Printing and postage	377	20	-0-	397	12	3,090	3,499	3,338	
Telephone	842	-0-	432	1,274	4,109	-0-	5,383	4,911	
Equipment rent	5,047	-0-	1,423	6,470	2,281	2,201	10,952	10,986	
Utilities	-0-	119,484	-0-	119,484	-0-	-0-	119,484	150,955	
Insurance	-0-	31,771	1,311	33,082	9,081	-0-	42,163	35,678	
Conferences and meetings	25,508	830	168	26,506	12,864	1,189	40,559	33,295	
Miscellaneous	1,105	540	-0-	1,645	652	5,988	8,285	6,448	
Repairs and maintenance	-0-	38,993	-0-	38,993	-0-	-0-	38,993	44,896	
Travel	4,339	474	245	5,058	2,697	1,940	9,695	5,229	
Interest	-0-	35,533	-0-	35,533	-0-	-0-	35,533	37,316	
Depreciation	-0-	216,000	-0-	216,000	6,814	-0-	222,814	241,787	
Special projects	38,394	-0-	-0-	38,394	-0-	-0-	38,394	4,008	
Special events	-0-	-0-	825	825	-0-	-0-	825	472	
School supply expenses	64,273	-0-	-0-	64,273	-0-	-0-	64,273	13,923	
Insurance premium assistance	92,949	-0-	-0-	92,949	-0-	-0-	92,949	27,464	
Partner/initiative investments	56,065	-0-	-0-	56,065	-0-	-0-	56,065	35,972	
	<u>\$ 2,727,468</u>	<u>\$ 795,167</u>	<u>\$ 79,909</u>	<u>\$ 3,602,544</u>	<u>\$ 169,280</u>	<u>\$ 381,253</u>	<u>\$ 4,153,077</u>	<u>\$ 3,722,560</u>	

See accompanying notes to consolidated financial statements.

UNITED WAY OF BARTHOLOMEW COUNTY, INC.

CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED DECEMBER 31, 2023

	Program			Total	Management and General	Fundraising	Total
	Agency & Community Services	United Way Center	Volunteer Action Center				
Agency allocations	\$ 1,554,469	\$ -0-	\$ -0-	\$ 1,554,469	\$ -0-	\$ -0-	\$ 1,554,469
Salaries	372,986	243,309	63,939	680,234	65,912	227,187	973,333
Payroll taxes and employee benefits	111,740	69,008	10,792	191,540	23,696	66,387	281,623
Agency development	14,500	-0-	-0-	14,500	-0-	-0-	14,500
Professional fees	52,924	21,336	4,675	78,935	25,266	35,841	140,042
Advertising	-0-	-0-	-0-	-0-	10	136	146
Supplies	3,052	16,110	1,232	20,394	8,180	6,746	35,320
Dues and subscriptions	16,303	364	562	17,229	38,634	10,586	66,449
Printing and postage	267	20	-0-	287	153	2,898	3,338
Telephone	482	-0-	432	914	3,997	-0-	4,911
Equipment rent	4,835	-0-	1,171	6,006	2,460	2,520	10,986
Utilities	-0-	150,955	-0-	150,955	-0-	-0-	150,955
Insurance	-0-	26,479	598	27,077	8,601	-0-	35,678
Conferences and meetings	14,328	541	326	15,195	13,185	4,915	33,295
Miscellaneous	1,112	603	-0-	1,715	789	3,944	6,448
Repairs and maintenance	-0-	44,896	-0-	44,896	-0-	-0-	44,896
Travel	3,065	564	203	3,832	-0-	1,397	5,229
Interest	-0-	37,316	-0-	37,316	-0-	-0-	37,316
Depreciation	-0-	226,787	-0-	226,787	15,000	-0-	241,787
Special projects	4,008	-0-	-0-	4,008	-0-	-0-	4,008
Special events	-0-	-0-	472	472	-0-	-0-	472
School supply expenses	13,923	-0-	-0-	13,923	-0-	-0-	13,923
Insurance premium assistance	27,464	-0-	-0-	27,464	-0-	-0-	27,464
Partner/initiative investments	35,972	-0-	-0-	35,972	-0-	-0-	35,972
	<u>\$ 2,231,430</u>	<u>\$ 838,288</u>	<u>\$ 84,402</u>	<u>\$ 3,154,120</u>	<u>\$ 205,883</u>	<u>\$ 362,557</u>	<u>\$ 3,722,560</u>

See accompanying notes to consolidated financial statements.

UNITED WAY OF BARTHOLOMEW COUNTY, INC.

CONSOLIDATED STATEMENTS OF CASH FLOWS YEARS ENDED DECEMBER 31, 2024 AND 2023

	2024	2023
Operating activities		
Change in net assets	\$ (95,091)	\$ (110,293)
Adjustments to reconcile change in net assets to net cash flows from operating activities:		
Depreciation	222,814	241,787
Non-cash contribution of property	-0-	(101,392)
Property donated	9,400	-0-
Provision for uncollectible accounts	148,217	(10,167)
Unrealized gain on assets held by Heritage Fund of Bartholomew County, Inc.	(9,265)	(6,723)
Changes in assets and liabilities:		
Accounts receivable	(5,958)	9,919
Pledges receivable	21,573	(125,107)
Other receivable	(78,300)	251,772
Other assets	(22,116)	1,793
Accounts payable and accrued expenses	15,522	(963)
Assets held for others	22,014	(14,921)
Designations payable	133,797	7,302
Net cash flows from operating activities	362,607	143,007
Investing activities		
Purchase of property and equipment	(47,706)	(23,915)
Net cash flows from investing activities	(47,706)	(23,915)
Financing activities		
Principal payments of debt	(41,409)	(39,627)
Net cash flows from financing activities	(41,409)	(39,627)
Net change in cash and restricted cash	273,492	79,465
Cash and restricted cash, beginning of year	1,066,264	986,799
Cash and restricted cash, end of year	\$ 1,339,756	\$ 1,066,264
Supplemental disclosure of cash flow information		
Cash paid during the year for interest	\$ 35,533	\$ 37,316

See accompanying notes to consolidated financial statements.

UNITED WAY OF BARTHOLOMEW COUNTY, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS DECEMBER 31, 2024 AND 2023

1. NATURE OF OPERATIONS AND SIGNIFICANT ACCOUNTING POLICIES

Nature of Operations

United Way of Bartholomew County, Inc. (the "United Way") was formed in 1967 to continually assess the needs of the people of Bartholomew County and improve their quality of life by raising and allocating funds for human care and developmental programs. Substantially all support is received from various individuals and businesses in Bartholomew County and surrounding areas.

During 2002, a building was donated to the United Way. In 2010, United Way Center of Bartholomew County, Inc. (the "Center") was formed as a supporting organization. The purpose of the Center is to own, manage, and maintain these facilities for the benefit of the United Way and its member agencies. The Center leases office space to several United Way member agencies, as well as the United Way for its headquarters.

Consolidated Financial Statements

The United Way appoints the majority of the board of directors and provides administrative services for the Center. The United Way and the Center also are co-makers of the mortgage held on the Center. The Center's net assets, if the Center is ever dissolved, will also revert to the United Way. Based on these factors, these entities (collectively referred to as the "Organization") present consolidated financial statements with any inter-entity transactions and balances eliminated as part of the consolidated financial statements for the years ended December 31, 2024 and 2023.

Management's Estimates

Management uses estimates and assumptions in preparing consolidated financial statements in accordance with accounting principles generally accepted in the United States of America. Those estimates and assumptions affect the reported amounts of assets and liabilities and the reported support, revenues and expenses. Actual results could vary from the estimates that were used.

Basis of Presentation

The accompanying financial statements have been prepared on the accrual basis, and have been prepared with a focus on the entity as a whole. Net assets, support, revenues, gains, and losses are classified based on the existence or absence of donor restrictions. Accordingly, the net assets of the Organization are classified and reported as follows:

Net assets without donor restrictions: Net assets that are currently available for operating purposes under the direction of the board of directors (Board) or designated by the Board for specific use.

UNITED WAY OF BARTHOLOMEW COUNTY, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS DECEMBER 31, 2024 AND 2023

Operating – used to fund current operations of the Organization

Operating reserve – established with the intent to reserve for future operations of the Organization at the Board’s discretions

Board designated endowment – established with the expectation that the principal be maintained in perpetuity to support the general operations of the Organization

Net assets with donor restrictions: Net assets subject to donor stipulations for specific operating purposes or time restrictions.

Cash and Restricted Cash

Restricted cash includes money held for the benefit of others and is also included as a liability on the Consolidated Statements of Financial Position.

The following table provides a reconciliation of cash and restricted cash reported within the Consolidated Statements of Financial Position that sum to the total of the same such amounts shown in the Consolidated Statements of Cash Flows:

	2024	2023
Cash	\$ 1,273,488	\$ 1,022,010
Restricted cash	<u>66,268</u>	<u>44,254</u>
Total cash and restricted cash	<u>\$ 1,339,756</u>	<u>\$ 1,066,264</u>

Accounts Receivable

Accounts receivable are carried at their estimated collectible amounts. These receivables relate to rent payments to be received from the tenants of the Center. Management estimates an allowance for credit losses based on an evaluation of historical losses, current economic conditions, and financial stability of its tenants. Management has determined that no allowance for accounts receivable is necessary at December 31, 2024 and 2023.

Pledges Receivable

Contributions are recognized when the donor makes a promise to give to the Organization that is, in substance, unconditional. Pledges and contributions received and committed for subsequent years from the annual fund drive held late in the calendar year are recorded as net assets with donor restrictions due to time restriction. These amounts are reflected as net assets released from restrictions during the program year for which the funds were designated.

UNITED WAY OF BARTHOLOMEW COUNTY, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS DECEMBER 31, 2024 AND 2023

The Organization uses the allowance method to determine the uncollectible, unconditional pledges receivable. The allowance is based on prior years' experience and management's analysis of specific promises made. Receivables are considered uncollectible if (1) over two years outstanding or (2) management has reasons to believe specified amounts will not be collected, usually based on confirmation from donors.

Assets Held by Heritage Fund of Bartholomew County, Inc.

The Organization has placed certain amounts in custodial funds with the Heritage Fund of Bartholomew County, Inc. ("Heritage Fund") and retains a beneficial interest in those assets. The Organization has granted variance power to the Heritage Fund to carry out the purpose of the funds. The investment with the Heritage Fund is measured at fair value in the Consolidated Statements of Financial Position.

Investment income or loss, including realized and unrealized gains and losses on investments, interest, and dividends, is included in miscellaneous revenue in the Consolidated Statements of Activities. The funds are invested in fixed income and equity mutual funds. At December 31, 2024 and 2023, these assets were \$83,845 and \$74,580, respectively.

Property and Equipment

Property and equipment, including expenditures that substantially increase the useful lives of existing assets, are recorded at cost except for donations, which are recorded at fair value at the date of the donation. Costs of ordinary maintenance and repairs are expensed as incurred.

Property and equipment of the Organization are being depreciated over their estimated useful lives ranging from three to thirty-nine years using the straight-line method.

Assets Held for Others

The Organization administers the Individual Development Account (IDA) Program as developed by the Indiana Housing and Community Development Authority (IHCDA). IDAs are matched savings accounts that enable low to moderate-income individuals to save money and build financial assets for specified purposes. These accounts total \$21,511 and \$21,426 at December 31, 2024 and 2023, respectively, and are reported as restricted cash and assets held for others in the Consolidated Statements of Financial Position.

The Organization also serves as fiscal agent of funds for certain organizations. These amounts are reported as restricted cash and assets held for others in the Consolidated Statements of Financial Position and were \$44,757 and \$22,828 at December 31, 2024 and 2023, respectively.

Support, Revenues and Expense Recognition

Contributions are recognized as support in the period the promise is made.

UNITED WAY OF BARTHOLOMEW COUNTY, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS DECEMBER 31, 2024 AND 2023

Support and revenues are reported as increases in net assets without donor restrictions unless use of the related assets is limited by donor-imposed restrictions. Expenses are reported as decreases in net assets without donor restrictions. Gains and losses on investments and other assets or liabilities are reported as increases or decreases in net assets without donor restrictions unless their use is restricted by explicit donor stipulation or by law.

All other revenues are recorded when earned.

Contributed Nonfinancial Assets

Contributed nonfinancial assets recognized in the Consolidated Statement of Activity for the year ended December 31, 2023, include donated materials and labor for new carpet in the Doug Otto Center building. Donated building improvements are valued using estimated U.S. wholesale prices of identical or similar products and services using pricing data under a "like-kind" methodology considering the goods' condition and utility for use at the time of the contribution.

Functional Allocation of Expenses

The costs of providing the various programs and supporting services have been summarized on a functional basis in the Consolidated Statements of Activities and Consolidated Statements of Functional Expenses. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

The consolidated financial statements report expenses that are attributed to more than one program or supporting function. Those expenses include salaries, payroll taxes, employee benefits, insurance, and supplies. Therefore, expenses require allocation on a reasonable basis that is consistently applied. All expenses are allocated on the basis of estimates of time, effort, and usage. While the methods of allocation are considered appropriate, other methods could produce different results.

Income Taxes

The United Way and the Center are not-for-profit corporations as described in Section 501(c)(3) of the Internal Revenue Code and are exempt from federal taxes on related income pursuant to Section 501(a) of the Code. However, the Organization is subject to income tax on any unrelated business taxable income.

Accounting principles generally accepted in the United States of America require management to evaluate tax positions taken by the Organization and recognize a tax liability if the Organization has taken an uncertain position that more likely than not would not be sustained upon examination by various federal and state taxing authorities. Management has analyzed the tax positions taken by the Organization, and has concluded that as of December 31, 2024 and 2023, there are no uncertain positions taken or expected to be taken that would require recognition of a liability or disclosure in the accompanying consolidated financial statements. The Organization is subject to routine audits by taxing jurisdictions; however, there are currently no audits for any

UNITED WAY OF BARTHOLOMEW COUNTY, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS DECEMBER 31, 2024 AND 2023

tax periods in progress.

As such, the Organization is generally exempt from income taxes. However, the Organization is required to file Federal Form 990 – Return of Organization Exempt from Income Tax which is an informational return only.

Subsequent Events

The Organization has evaluated events or transactions occurring subsequent to the Consolidated Statement of Financial Position date for recognition and disclosure in the accompanying consolidated financial statements through the date the consolidated financial statements are available to be issued, which is August 28, 2025.

2. PLEDGES RECEIVABLE, NET

An analysis of pledges receivable at December 31, 2024 and 2023 is as follows:

	<u>2024</u>	<u>2023</u>
2022 Campaign due during the year ended December 31, 2023	\$ -0-	\$ 316,349
2023 Campaign due during the year ended December 31, 2024	482,542	3,108,040
2024 Campaign due during the year ended December 31, 2025	<u>2,863,557</u>	<u>-0-</u>
Totals	3,346,099	3,424,389
Less allowance for uncollectible pledges	<u>531,804</u>	<u>440,304</u>
	<u>\$ 2,814,295</u>	<u>\$ 2,984,085</u>

The campaign conducted during the fall of 2023 with pledges due in 2024 is referred to as the 2023 campaign, and the campaign conducted during the fall of 2024 with pledges due in 2025 is referred to as the 2024 campaign.

UNITED WAY OF BARTHOLOMEW COUNTY, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS DECEMBER 31, 2024 AND 2023

3. ASSETS HELD BY HERITAGE FUND OF BARTHOLOMEW COUNTY, INC.

The Organization has assets held at the Heritage Fund as discussed in Note 1.

The framework for measuring fair value provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1) and the lowest priority to unobservable inputs (level 3).

The three levels of the fair value hierarchy are described as follows:

- Level 1 – Inputs to the valuation methodology are 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 market 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 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 maximize the use of relevant observable inputs and minimize the use of unobservable inputs.

Following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in the methodologies used at December 31, 2024 and 2023.

- *Assets held by Heritage Fund of Bartholomew County, Inc.:* Valued at fair value as reported by Heritage Fund, which represents the Organization's pro-rata interest in the Heritage Fund's investment pool, substantially all of which are valued on a mark-to-market basis.

The fair value of these assets are measured on a recurring basis using significant unobservable inputs (Level 3) and included in the Consolidated Statements of Financial Position at \$83,845 and \$74,580 at December 31, 2024 and 2023, respectively.

UNITED WAY OF BARTHOLOMEW COUNTY, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS DECEMBER 31, 2024 AND 2023

The following is a reconciliation of activity for 2024 and 2023 for assets measured at fair value based upon significant unobservable inputs (Level 3):

	2024	2023
Beginning balance	\$ 74,580	\$ 67,857
Investment return, net	10,008	7,333
Administrative fees	(743)	(610)
	<u>\$ 83,845</u>	<u>\$ 74,580</u>

4. PROPERTY AND EQUIPMENT

A summary of property and equipment at December 31, 2024 and 2023 is as follows:

	2024	2023
Land	\$ 60,931	\$ 70,331
Buildings	4,438,742	4,438,742
Building improvements	2,067,193	2,034,720
Office furniture and equipment	316,430	302,445
	<u>6,883,296</u>	<u>6,846,238</u>
Less accumulated depreciation	(3,116,998)	(2,895,432)
	<u>\$ 3,766,298</u>	<u>\$ 3,950,806</u>

5. DESIGNATIONS PAYABLE

Designations payable as of December 31, 2024 and 2023 were \$2,341,606 and \$2,207,809, respectively. These amounts consist of donor designations payable to multiple not-for-profit agencies both within and outside of Bartholomew County to assist them in their operations and cause. The total amount recorded as payable as of December 31, 2024 is expected to be paid in 2025 or 2026.

UNITED WAY OF BARTHOLOMEW COUNTY, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2024 AND 2023

6. DEBT

Debt consists of the following at December 31, 2024 and 2023:

	<u>2024</u>	<u>2023</u>
Mortgage payable with Main Source Bank; monthly payments of \$6,412 including interest at 4.59% through August 2027; balloon payment of \$620,599 due September 1, 2027; secured by real estate with a net book value of \$2,799,619 at December 31, 2024 and assignment of rents	\$ <u>738,798</u>	\$ <u>780,207</u>

Maturities of debt subsequent to December 31, 2024, are as follows:

<u>Year Ending December 31,</u>	
2025	\$ 44,193
2026	46,265
2027	<u>648,340</u>
	\$ <u>738,798</u>

7. NET ASSETS WITHOUT DONOR RESTRICTIONS

At December 31, 2024 and 2023, net assets without donor restrictions consist of the following:

	<u>2024</u>	<u>2023</u>
Operating	\$ 2,678,257	\$ 2,776,009
Operating reserve - United Way of Bartholomew County	307,728	260,012
Operating reserve - United Way Center	93,422	55,363
Board designated endowment	<u>191,845</u>	<u>74,580</u>
	\$ <u>3,271,252</u>	\$ <u>3,165,964</u>

UNITED WAY OF BARTHOLOMEW COUNTY, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2024 AND 2023

8. NET ASSETS WITH DONOR RESTRICTIONS AND NET ASSETS RELEASED FROM DONOR RESTRICTIONS

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

	2024	2023
	<u> </u>	<u> </u>
Time restrictions related to:		
Annual fund drive	\$ 1,488,944	\$ 1,632,850
Endowed fund	10,000	10,000
Designated purpose restriction related to:		
School supplies program	51,347	51,891
Community impact (UnitedIN22)	-0-	2,163
Community impact (UnitedIN24)	2,700	-0-
Poverty	6,365	162,000
PremiumLink	147,528	41,234
Other	4,752	11,877
	<u>\$ 1,711,636</u>	<u>\$ 1,912,015</u>

Net assets released from donor restrictions consist of the following during the years ended December 31, 2024 and 2023:

	2024	2023
	<u> </u>	<u> </u>
Purpose restrictions related to:		
School supplies program	\$ 64,273	\$ 13,923
Community impact (UnitedIN22)	2,163	-0-
Community impact (UnitedIN24)	202,195	268,719
Poverty	339,065	30,000
PremiumLink	118,706	55,682
Other	7,125	3,743
Time restrictions related to:		
Annual fund drive	1,632,850	1,548,577
	<u>\$ 2,366,377</u>	<u>\$ 1,920,644</u>

UNITED WAY OF BARTHOLOMEW COUNTY, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS DECEMBER 31, 2024 AND 2023

9. ENDOWMENT

The Organization's endowment consists of one board designated fund and one fund that consists of donor restricted and board designated funds. Both funds have been established to support general operations. As required by accounting principles generally accepted in the United States of America (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 has interpreted the Uniform Prudent Management of Institutional Funds Act (UPMIFA) 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 the interpretation, The Organization retains in perpetuity (a) the original value of gifts donated to the endowment, (b) the original value of subsequent gifts to the endowment, and (c) accumulation to the endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulations are added to the fund.

Donor-restricted endowment funds are subject to appropriation for expenditure by the Organization in a manner consistent with the standard of 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 fund
- (2) The purposes of the Organization and the donor-restricted endowment fund
- (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
- (7) The investment policies of the Organization

From time to time, due to unfavorable market fluctuations, the fair value of assets associated with the donor-restricted endowment funds may fall below the level that the donor or UPMIFA requires to be retained as a fund of perpetual duration. Both Heritage Fund and the Organization internally have policies that do not preclude spending from underwater endowment funds, unless otherwise not permitted by donor intent or relevant laws and regulations. There were no deficiencies of this nature at December 31, 2024 and 2023.

The Organization has adopted investment and spending policies for assets held for endowment that attempt to provide a predictable stream of funding to programs supported by its endowment while seeking to maintain the original fair value of the endowment assets. Assets held for endowment include those assets of donor-restricted funds that the Organization must hold in perpetuity, as well as board-designated funds.

UNITED WAY OF BARTHOLOMEW COUNTY, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS DECEMBER 31, 2024 AND 2023

Under this policy, the Organization has funds held at Heritage Fund. The assets held at Heritage Fund are invested in a manner that is intended to produce long-term growth of capital without undue exposure to risk and provide a rate of return sufficient to support the spending policy. The spending rate is based on a percentage of the previous three-year rolling quarterly average of the fund's fair value and is determined annually by Heritage Fund's Board of Directors. The approved spending percentage in effect during 2024 and 2023 was 5%.

The Organization internally manages a portion of its board designated endowment funds. The internally managed funds are invested in a manner that is intended to produce a total return which protects the purchasing power of the endowed investments, but which allows an annual spending rate of 5% of the fund value.

To satisfy its long-term rate-of-return objectives, the Organization relies on a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends). The Organization targets an asset allocation to achieve the target allocation and income distribution with market performance considered.

The composition of endowment net assets is as follows at December 31, 2024 and 2023:

	2024		
	Without Donor Restrictions	With Donor Restrictions	Total
Board designated	\$ 191,845	\$ -0-	\$ 191,845
Donor restricted	-0-	10,000	10,000
	\$ 191,845	\$ 10,000	\$ 201,845
	2023		
	Without Donor Restrictions	With Donor Restrictions	Total
Board designated	\$ 74,580	\$ -0-	\$ 74,580
Donor restricted	-0-	10,000	10,000
	\$ 74,580	\$ 10,000	\$ 84,580

UNITED WAY OF BARTHOLOMEW COUNTY, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS DECEMBER 31, 2024 AND 2023

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

	2024		
	Without Donor Restrictions	With Donor Restrictions	Total
Endowment net assets, beginning of year	\$ 74,580	\$ 10,000	\$ 84,580
Contributions	104,500	-0-	-0-
Investment return, net	13,508	-0-	136,042
Appropriation of endowment assets for expenditure	(743)	-0-	(13,287)
Endowment net assets, end of year	\$ 191,845	\$ 10,000	\$ 207,335
	2023		
	Without Donor Restrictions	With Donor Restrictions	Total
Endowment net assets, beginning of year	\$ 67,857	\$ -0-	\$ 67,857
Contributions	-0-	10,000	10,000
Investment return, net	7,332	-0-	7,332
Appropriation of endowment assets for expenditure	(609)	-0-	(609)
Endowment net assets, end of year	\$ 74,580	\$ 10,000	\$ 84,580

10. LEASES AS LESSOR

The Organization leases office space to agencies that occupy the main building. These lease terms vary depending on the size and nature of the leases and may include certain renewal options and payment escalation schedules as stated in each lease agreement.

The Organization elected the available practical expedients to account for its existing operating leases as operating leases under the new guidance, without reassessing (a) whether any expired or existing contracts contain a lease, (b) whether classification of capital leases or operating leases would be different in accordance with the new guidance, or (c) whether the unamortized initial direct costs, if any, before transition adjustments would have met the definition of initial direct costs in the new guidance at lease commencement. In addition, the Organization elected the hindsight practical expedient to determine the lease term for existing leases. The Organization also has made a policy election to not separate the lease and non-lease components related to lease agreements, where applicable.

Total rental income under these leases was \$644,542 and \$614,814 for the years ended December 31, 2024 and 2023, respectively, and is included with rent income on the consolidated statements of activities. The Organization leases substantially all of the main building to other organizations.

UNITED WAY OF BARTHOLOMEW COUNTY, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2024 AND 2023

A summary of the related land, building and building improvements being leased at December 31, 2024 and 2023 is as follows:

	<u>2024</u>	<u>2023</u>
Gross value	\$ 5,981,361	\$ 5,949,289
Less accumulated depreciation	<u>(2,721,448)</u>	<u>(2,529,474)</u>
	<u>\$ 3,259,913</u>	<u>\$ 3,419,815</u>

Future minimal rent income through these leases is as follows:

<u>Year Ending December 31,</u>	
2025	\$ 530,216
2026	341,381
2026	170,635
2027	<u>2,450</u>
	<u>\$ 1,044,682</u>

UNITED WAY OF BARTHOLOMEW COUNTY, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS DECEMBER 31, 2024 AND 2023

11. LIQUIDITY

As a fundraising entity, the Organization receives significant contributions each year from donors, which are available to meet annual cash needs for general expenditures. Allocations to agencies are paid monthly over a 12-month period. During that same 12-month period, additional contributions are received from donors.

Financial assets available for general expenditures within one year of the Consolidated Statement of Financial Position date comprise the following:

	2024	2023
Cash	\$ 1,273,488	\$ 1,022,010
Accounts receivable	13,817	7,859
Pledges receivable, net	2,814,295	2,984,085
Other receivable	100,009	21,709
	4,201,609	4,035,663
Less restricted for specified purpose	(212,692)	(269,165)
Less restricted for donor endowment	(10,000)	(10,000)
Less board designated endowment (excludes \$83,845 and \$74,580, respectively, held at Heritage Fund)	(108,000)	-0-
Total financial assets available	<u>\$ 3,870,917</u>	<u>\$ 3,756,498</u>

The pledges receivable are subject to implied time restrictions but are expected to be collected within one year. None of the financial assets above are subject to donor or other contractual restrictions that make them unavailable.

The United Way has a reserve goal of \$350,000 to fund the Organization's funded programs. Funds may only be withdrawn from the reserve account by the authority of the full Board of Directors. The Center also maintains a reserve of at least \$50,000 for future expenditures. At December 31, 2024 and 2023, the aggregate reserve accounts included in the financial assets above are \$401,150 and \$315,375, respectively.

The Organization's endowment funds consist of donor restricted and board designated endowments. Both endowments are to support certain future expenditures as more fully described in Note 9. Based on Heritage Fund's spending policy and balance of the fund, the Organization could receive a distribution from this endowment fund of approximately \$4,000 in the next year. The internally managed board designated endowment has a spending rate of 5%. Although the Organization does not intend to spend from this board designated endowment (other than amounts appropriated for general expenditures as part of the Board's annual budget approval and appropriation), these amounts could be made available, if necessary.

UNITED WAY OF BARTHOLOMEW COUNTY, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS DECEMBER 31, 2024 AND 2023

12. CONCENTRATIONS

The Organization is exposed to concentrations of credit risk for pledge amounts due to the vast majority of donors residing in Bartholomew County, Indiana. Although the Organization is directly affected by the well-being of the economy of Bartholomew County, management does not believe significant credit risk exists at December 31, 2024.

The Organization maintains its cash in bank deposit accounts insured by the Federal Deposit Insurance Corporation at its current coverage levels. The Organization has not experienced any losses in such accounts. The Organization believes it is not exposed to any significant credit risk on cash.

The Organization has one employer that accounted for approximately 92% and 87% of pledges receivable as of December 31, 2024 and 2023, respectively, and accounted for approximately 71% and 72% of total gross campaign results revenue during the years ended December 31, 2024 and 2023, respectively.

SUPPLEMENTARY INFORMATION

UNITED WAY OF BARTHOLOMEW COUNTY, INC.

CONSOLIDATED SCHEDULES OF ALLOCATIONS TO AGENCIES
YEARS ENDED DECEMBER 31, 2024 AND 2023

Agency	2024 Allocations	2023 Allocations
Aging and Community Services	\$ 9,000	\$ 9,609
Children, Inc.	158,000	158,417
Columbus Regional Shelter for Victims of Domestic Violence (Turning Point)	201,500	201,269
Community Center of Hope	60,000	56,268
Court Appointed Special Advocates (CASA)	116,000	110,806
Family Services	160,000	145,432
Family School Partners	40,000	40,686
Foundation for Youth	227,500	268,357
Human Services, Inc.	212,500	187,850
Just Friends	20,000	15,582
Lincoln Central Neighborhood Center	115,000	108,283
Mill Race Center, Inc. (Formerly Retirement Foundation)	40,000	50,209
Sans Souci	135,000	125,522
Su Casa	60,000	76,179
	\$ 1,554,500	\$ 1,554,469

See report of independent auditors on pages 1 through 3.

UNITED WAY OF BARTHOLOMEW COUNTY, INC.

**CONSOLIDATING STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2024**

	United Way of Bartholomew County, Inc.	United Way Center of Bartholomew County, Inc.	Total	Eliminating Entries	Consolidated
Assets					
Cash	\$ 1,117,252	\$ 156,236	\$ 1,273,488	\$ -0-	\$ 1,273,488
Restricted cash	66,268	-0-	66,268	-0-	66,268
Accounts receivable	-0-	13,817	13,817	-0-	13,817
Pledges receivable, net	2,814,295	-0-	2,814,295	-0-	2,814,295
Due from related party	28,046	-0-	28,046	(28,046)	-0-
Other receivable	100,009	-0-	100,009	-0-	100,009
Other assets	32,451	12,571	45,022	-0-	45,022
Assets held by Heritage Fund of Bartholomew County, Inc.	83,845	-0-	83,845	-0-	83,845
Property and equipment, net	9,115	3,757,183	3,766,298	-0-	3,766,298
Total assets	\$ 4,251,281	\$ 3,939,807	\$ 8,191,088	\$ (28,046)	\$ 8,163,042
Liabilities					
Accounts payable and accrued expenses	\$ 20,921	\$ 12,561	\$ 33,482	\$ -0-	\$ 33,482
Assets held for others	66,268	-0-	66,268	-0-	66,268
Due to related party	-0-	28,046	28,046	(28,046)	-0-
Designations payable	2,341,606	-0-	2,341,606	-0-	2,341,606
Debt	-0-	738,798	738,798	-0-	738,798
Total liabilities	2,428,795	779,405	3,208,200	(28,046)	3,180,154
Net assets					
Without donor restrictions	110,850	3,160,402	3,271,252	-0-	3,271,252
With donor restrictions	1,711,636	-0-	1,711,636	-0-	1,711,636
Total net assets	1,822,486	3,160,402	4,982,888	-0-	4,982,888
	\$ 4,251,281	\$ 3,939,807	\$ 8,191,088	\$ (28,046)	\$ 8,163,042

See report of independent auditors on pages 1 through 3.

UNITED WAY OF BARTHOLOMEW COUNTY, INC.

CONSOLIDATING STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2024

	Without Donor Restrictions			With Donor	
	United Way of Bartholomew County, Inc.	United Way Center of Bartholomew County, Inc.	Eliminating Entries	Restrictions United Way of Bartholomew County, Inc.	
			Total		
Support and revenues					
Gross campaign results	\$ 372,188	\$ -0-	\$ -0-	\$ 372,188	\$ 3,437,752
Less donor designations	(76,635)	-0-	-0-	(76,635)	(1,758,808)
Less provision for uncollectible accounts	41,783	-0-	-0-	41,783	(190,000)
Net campaign revenue	337,336	-0-	-0-	337,336	1,488,944
Grant and contribution revenue					
Cash and other financial assets	874,892	-0-	-0-	874,892	677,054
Interest income	24,944	386	-0-	25,330	-0-
Rent income	-0-	700,222	(55,680)	644,542	-0-
Miscellaneous	9,265	623	-0-	9,888	-0-
Net assets released from restrictions	2,366,377	-0-	-0-	2,366,377	(2,366,377)
Total support and revenues	3,612,814	701,231	(55,680)	4,258,365	(200,379)
Expenses					
Program services	2,824,792	795,167	(17,415)	3,602,544	-0-
Management and general	207,545	-0-	(38,265)	169,280	-0-
Fundraising	381,253	-0-	-0-	381,253	-0-
Total expenses	3,413,590	795,167	(55,680)	4,153,077	-0-
Change in net assets	199,224	(93,936)	-0-	105,288	(200,379)
Net assets, beginning of year	(88,374)	3,254,338	-0-	3,165,964	1,912,015
Net assets, end of year	\$ 110,850	\$ 3,160,402	\$ -0-	\$ 3,271,252	\$ 1,711,636

See report of independent auditors on pages 1 through 3.