

Independent Auditor's Report and Financial Statements

UNITED WAY OF UNION COUNTY, INC.

For the year ended DECEMBER 31, 2023

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INDEPENDENT AUDITOR'S REPORT

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

Opinion

We have audited the accompanying financial statements of the United Way of Union County, Inc. (a nonprofit organization), which comprise the statement of financial position as of December 31, 2023, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the United Way of Union County, Inc. as of December 31, 2023, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

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

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about The United Way of Union County, Inc.'s ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

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

Parks & Company PLC

El Dorado, Arkansas
October 1, 2024

**The United Way of Union County, Inc.
Statement of Financial Position
December 31, 2023**

ASSETS

Current Assets

Cash and cash equivalents	\$ 451,124
Distributions receivable - Endowment	312,578
Contributions receivable, net	<u>1,279,972</u>
Total current assets	<u>2,043,674</u>

Investments

Agency accounts, at fair value	2,945,457
Beneficial interest held in trust, at fair value	<u>10,189,442</u>
Total investments	<u>13,134,899</u>

Property and Equipment

Office equipment and property	48,645
Accumulated depreciation	<u>(45,219)</u>
Net property and equipment	<u>3,426</u>

TOTAL ASSETS

\$ 15,181,999

LIABILITIES AND NET ASSETS

Liabilities

Promises to give to others	\$ 1,370,521
Due to National Agency	12,440
Payroll taxes payable and other liabilities	<u>2,954</u>
Total liabilities	<u>1,385,915</u>

Net Assets

Without Donor Restrictions	
Undesignated	3,274,857
With Donor Restrictions	
Permanent Endowment	10,514,172
Time Restricted	<u>7,055</u>
Total net assets	<u>13,796,084</u>

TOTAL LIABILITIES AND NET ASSETS

\$ 15,181,999

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

The United Way of Union County, Inc.
Statement of Activities
For the Year Ended December 31, 2023

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Public support and revenues			
Campaign contributions and pledges	\$ 1,520,735	7,055	1,527,790
Less provision for uncollectible pledges	(153,277)	-	(153,277)
Net campaign contributions	<u>1,367,458</u>	<u>7,055</u>	<u>1,374,513</u>
Contributions - other	46,761	-	46,761
Total public support, revenues and reclassifications	<u>1,414,219</u>	<u>7,055</u>	<u>1,421,274</u>
Operating Expenses			
Program services			
Agency allocations	1,370,521		1,370,521
Other	34,138		34,138
Total program expenses	<u>1,404,659</u>	<u>-</u>	<u>1,404,659</u>
Supporting services expense			
Management and general	140,481		140,481
Fundraising	45,891		45,891
	<u>186,372</u>	<u>-</u>	<u>186,372</u>
Total program and supporting services	1,591,031	-	1,591,031
National United Way Dues	12,439		12,439
Total expenses	<u>1,603,470</u>	<u>-</u>	<u>1,603,470</u>
Operating income (loss)	(189,251)	7,055	(182,196)
Non-operating activities:			
Interest and dividend income	75,975	139,857	215,832
Net realized gains on investments	-	401,926	401,926
Net unrealized gains (losses) on investments	147,520	1,041,603	1,189,123
Investment advisory fees	(13,814)	-	(13,814)
Non-operating income (loss)	<u>209,681</u>	<u>1,583,386</u>	<u>1,793,067</u>
Net assets released from restrictions:			
Assets released for satisfaction of time restrictions	8,538	(8,538)	-
Change in net assets	28,968	1,581,903	1,610,871
Net assets beginning of year	<u>3,245,889</u>	<u>8,939,324</u>	<u>12,185,213</u>
Net assets end of year	<u>\$ 3,274,857</u>	<u>\$ 10,521,227</u>	<u>13,796,084</u>

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

The United Way of Union County, Inc.
Statement of Functional Expenses
For the Year Ended December 31, 2023

	Program Services	Supporting Services			Total Functional Expenses
		Management & General	Fund Raising	Total	
Salaries	\$ 5,808	75,509	34,850	110,360	116,168
Employee benefits	1,076	13,982	6,453	20,435	21,510
Payroll taxes	410	5,324	2,457	7,781	8,191
Total salaries, benefits and taxes	7,293	94,815	43,761	138,576	145,869
Agency allocations	1,370,521	-	-	-	1,370,521
Community Impact Grants	5,000			-	5,000
Professional fees		8,000		8,000	8,000
Office expense		6,982		6,982	6,982
Campaign supplies			1,569	1,569	1,569
Telephone		3,010		3,010	3,010
Postage		981		981	981
Occupancy		8,147		8,147	8,147
Insurance		3,818		3,818	3,818
Travel		572		572	572
Conference and conventions		581		581	581
Credit card fees			561	561	561
Repair and maintenance		767		767	767
Computer and computer programs		10,213		10,213	10,213
Website		342		342	342
Power of the Purse	1,100			-	1,100
Imagination library	17,501			-	17,501
Emergency Fund	3,244				3,244
Depreciation & amortization		2,253		2,253	2,253
	<u>\$ 1,404,659</u>	<u>140,481</u>	<u>45,891</u>	<u>186,372</u>	<u>1,591,031</u>

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

The United Way of Union County, Inc.
Statement of Cash Flows
For the Year Ended December 31, 2023

CASH FLOWS FROM OPERATING ACTIVITIES

Pledges collected -	
Current and prior year campaigns	\$ 978,408
Non-pledged contributions	46,761
	1,025,169
Cash paid for:	
Agency allocations and community impact grants	(1,190,968)
Salaries, employee insurance, payroll taxes and pension	(146,028)
Office operations	(22,856)
National United Way dues	(14,927)
Occupancy	(8,147)
Professional fees	(8,000)
Campaign supplies and expenses	(1,569)
Insurance	(3,818)
Travel, conferences and conventions	(1,153)
Imagination Library/Power of the Purse/Emergency Fund	(21,845)
	(1,419,311)
Net cash provided (used) by operating activities	(394,142)

CASH FLOWS FROM INVESTING ACTIVITIES

Dividends and interest from investments	215,832
Investment advisory fees	(13,814)
Distributions from endowment	284,140
Purchases of investments	(532,667)
Proceeds from maturities and sales of investments	477,204
	430,695
Net cash provided (used) by investing activities	430,695
Increase in cash and cash equivalents	36,553
Cash and cash equivalents, beginning of year	474,546
Cash and cash equivalents, end of year	\$ 511,099

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

Current assets	\$ 451,124
Investment accounts	59,975
Total cash and cash equivalents	\$ 511,099

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

The United Way of Union County, Inc.
Statement of Cash Flows
For the Year Ended December 31, 2023

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

Operating income (loss)	\$ (182,196)
Adjustments to reconcile change in net assets to net cash provided by operating activities:	
Depreciation	2,253
Increase in pledges receivable	(181,468)
Increase in distributions receivable	(217,125)
Increase in promises to give	184,553
Decrease in payroll taxes payable and accrued liabilities	<u>(159)</u>
Net cash provided (used) by operating activities	<u>\$ (394,142)</u>

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

The United Way of Union County, Inc.
Notes to Financial Statements
December 31, 2023

NOTE 1: PRINCIPAL ACTIVITY AND SIGNIFICANT ACCOUNTING POLICIES

Nature of the Organization

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

Cash and Cash Equivalents

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

Contributions Receivable

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

Property and Equipment

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

Furniture and equipment	5 -7 years
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Investments

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

Net Assets

Net assets, revenues, gains and losses are classified based on the existence or absence of donor or grantor-imposed restrictions. Accordingly, net assets and changes therein are classified and reported as follows:

Net Assets Without Donor Restrictions – Net assets available for use in general operations and not subject to donor restrictions.

The United Way of Union County, Inc.
Notes to Financial Statements
December 31, 2023

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Net Assets With Donor Restrictions – Net assets subject to donor-imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. Donor imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both.

Compensated Absences

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

Use of Estimates

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

Promises to Give to Others

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

Revenue and Revenue Recognition

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

The United Way recognizes contributions when cash, securities or other assets; an unconditional promise to give; or a notification of a beneficial interest is received. Conditional promises to give – that is, those with a measurable performance or other barrier and a right of return – are not recognized until the conditions on which they depend have been met.

Functional Allocation of Expenses

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

Income Taxes

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

United Way is subject to income tax on net income that is derived from business activities that are unrelated to its exempt purpose. United Way had no unrelated business income in 2023. Additionally, no tax accrual for uncertain tax positions was recorded as management believes there are no uncertain tax positions at December 31, 2023. The organization is generally no longer subject to examination by the Internal Revenue Service for fiscal years before 2020.

The United Way of Union County, Inc.
Notes to Financial Statements
December 31, 2023

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Subsequent Events

Management has evaluated events through October 1, 2024, the date the financial statements were available to be issued.

NOTE 2: LIQUIDITY AND AVAILABILITY

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

Cash and cash equivalents	\$ 451,124
Contributions and distributions receivable	1,592,550
Operating investment accounts	2,945,457
	\$ 4,989,131

NOTE 3: CONTRIBUTIONS RECEIVABLE

During 2023, the Board approved the closing of the 2021-22 fundraising campaign. As a result, all contributions receivable at December 31, 2023 relate to the prior and current year's fundraising periods. Management believes that contributions receivable, net of the reserve established for uncollectable accounts, will be fully collected during 2023.

Contributions receivable at December 31, 2023, includes the following:

	Campaign Period		Total
	2022-2023	2023-2024	
Contributions due in one year	\$ 206,647	1,320,836	1,527,483
Allowance for uncollectible pledges	(103,132)	(144,379)	(247,511)
Contributions receivable, net	\$ 103,515	1,176,457	1,279,972

NOTE 4: INVESTMENTS

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

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

The United Way of Union County, Inc.
Notes to Financial Statements
December 31, 2023

NOTE 4: INVESTMENTS (continued)

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

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

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

AGENCY ACCOUNTS

United Way maintains agency accounts with Wells Fargo Advisors to invest certain assets in accordance with the organization's investment policy. These accounts are classified as operating accounts of the United Way. The composition of these accounts at December 31, 2023, was as follows:

	#1493 Wells Fargo	#7814 Wells Fargo	Total
Cash equivalents	4,312	55,663	59,975
Certificates of deposit	977,615	-	977,615
Stocks & ETFs	21,030	1,255,155	1,276,185
Corporate bonds	-	84,125	84,125
U.S. government bonds	464,669	82,889	547,558
Account total	<u>1,467,626</u>	<u>1,477,832</u>	<u>2,945,458</u>

Unrealized gains and losses on agency accounts are as follows:

	Cost	Unrealized Gains	Unrealized Losses	Market Value
Certificates of deposit	999,007		(21,392)	977,615
Stocks & ETFs	1,232,230	43,955		1,276,185
Corporate bonds	86,997		(2,872)	84,125
U.S. government bonds	527,045	20,513		547,558
	<u>2,845,279</u>	<u>64,468</u>	<u>(24,264)</u>	<u>2,885,483</u>

**The United Way of Union County, Inc.
Notes to Financial Statements
December 31, 2023**

NOTE 4: INVESTMENTS (continued)

Maturity date of bonds:	Government	Corporate Bonds
2024	249,100	19,779
2025	66,073	11,764
2026	91,561	20,912
2027		11,463
2028		10,483
2030	124,008	
2034		9,724
2046	16,816	
Total	547,558	84,125

The Agency Account activity for the year ended December 31, 2022 is as follows:

	#1493 Wells Fargo	#7814 Wells Fargo	Total
Balance 12/31/22	1,442,517	1,339,249	2,781,766
Interest/dividends	34,978	40,997	75,975
Realized gains/losses	-	-	-
Unrealized gains/losses	1,689	145,831	147,520
Distributions	(11,557)	(34,433)	(45,990)
Investment fees	-	(13,814)	(13,814)
Balance 12/31/23	1,467,627	1,477,830	2,945,457

BENEFICIAL INTEREST IN PERPETUAL TRUST

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

The United Way of Union County, Inc.
Notes to Financial Statements
December 31, 2023

NOTE 4: INVESTMENTS (continued)

The composition of the Endowment at December 31, 2023, was as follows:

	Average Yield	Cost	Unrealized Gains	Unrealized Losses	Market Value
Cash equivalents	0.03%	\$ 25,357	-	-	25,357
Equity Securities:					
Common stock	1.33%	786,432	8,343,016	-	9,129,448
Mutual funds	1.24%	953,177	81,459	-	1,034,636
Total equity securities		<u>1,739,609</u>	<u>8,424,475</u>	-	<u>10,164,084</u>
Mutual funds - Fixed Income		-	-	-	-
Total beneficial interest in trust		<u>\$ 1,764,966</u>	<u>\$ 8,424,475</u>	<u>\$ -</u>	<u>\$ 10,189,441</u>

The endowment fund activity for the year ended December 31, 2023 is as follows:

Balance 12/31/22	8,930,786
Interest/dividends/capital gain distributions	139,857
Realized gains/losses	401,926
Unrealized gains/losses	1,041,603
Distributions	<u>(324,731)</u>
Balance 12/31/23	<u>10,189,441</u>

FAIR MARKET VALUE

The following table presents assets measured at fair value on a recurring basis at December 31, 2023:

Assets	Total	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs Level (2)
Operating investments			
Common stocks & ETFs	1,276,185	1,276,185	
Corporate Bonds	84,125		84,125
U.S. Government obligations	<u>547,558</u>		<u>547,558</u>
	<u>1,907,868</u>	<u>1,276,185</u>	<u>631,683</u>
Endowment Investments			
Common stocks & ETFs	9,129,448	9,129,448	
Mutual Funds	<u>1,034,636</u>	<u>1,034,636</u>	
	<u>10,164,084</u>	<u>10,164,084</u>	<u>-</u>

The United Way of Union County, Inc.
Notes to Financial Statements
December 31, 2023

NOTE 5: CONTRIBUTED SERVICES

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

NOTE 6: PENSION PLAN

The Organization maintains a Simplified Employee Pension plan (SEP) for all eligible employees. The organization contributed \$11,696 to the plan in 2023.

NOTE 7: PROPERTY AND EQUIPMENT

The following is a summary of property and equipment at December 31, 2023.

Furniture, equipment and software	\$ 48,645
Less accumulated depreciation	<u>(45,219)</u>
Furniture and equipment, net of accumulated depreciation	<u>\$ 3,426</u>

Depreciation expense for 2023 was \$2,253.

NOTE 8: RELATED PARTY TRANSACTIONS

Affiliation agreements require annual dues payments to the national United Way organization based on a percentage of gross campaign revenue for the previous year. Dues paid by December 31, 2023 for 2022/2023 campaign revenues were \$12,439.

NOTE 9: LEASES

The Organization leases office space on a month-to-month basis. Rent expense for 2023 was \$8,147.

NOTE 10: COMMITMENT TO AGENCY PROGRAMS

In December 2023, the United Way made unconditional pledges to agency programs for program initiative grant allocations to be paid January 1, 2024 through December 31, 2024. Accordingly, as of December 31, 2023, a liability of \$1,370,521 was recorded for the unconditional promises to give, and not yet paid, as of that date.

NOTE 11: NET ASSETS WITH DONOR RESTRICTIONS

In 1978, the Board of Directors of the United Way transferred assets gifted to the United Way, which were intended to provide a perpetual source of income for the United Way, into an irrevocable trust to establish an endowment. Subsequent to the establishment of the irrevocable trust, other donors contributed directly to the trust. By contributing directly to the trust instead of the United Way, the donors implicitly restricted the use of the funds due to the provisions of the trust agreement. The trust is required to distribute the net income of the trust to the United Way each year but principal is retained in accordance with the trust agreement. The balance of permanent endowment restricted net assets as of December 31, 2023 was \$10,522,710. Time restricted net assets occur due to contributions being received for the 2024 Campaign before December 31, 2023. The balance of time restricted net assets as of December 31, 2023 was \$7,055.

The United Way of Union County, Inc.
Notes to Financial Statements
December 31, 2023

NOTE 12: CONCENTRATIONS OF RISK

Financial instruments that potentially subject the Organization to concentrations of credit risk consist primarily of cash and contributions receivable. The Organization places its operating cash with local financial institutions. The Federal Deposit Insurance Corporation insures the balances in each financial institution up to \$250,000. At December 31, 2023, the Organization had uninsured deposits of \$25,258.

NOTE 13: PROGRAM EXPENSES

Program expenses are incurred for the following programs:

	Amount
Allocations to partner agencies	\$ 1,370,521
Community Initiatives	5,000
Education Focus Area	18,601
Emergency Fund	3,244
Total cost by program	<u>1,397,366</u>
Salaries and costs related to Program Activities	<u>7,293</u>
Total program costs	<u><u>\$ 1,404,659</u></u>