



United Way of
Central Illinois, Inc.

Financial Statements and
Independent Auditor's Report

For the Years Ended December 31, 2025 and 2024

UNITED WAY OF CENTRAL ILLINOIS, INC.
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INDEPENDENT AUDITOR'S REPORT

Board of Directors
United Way of Central Illinois, Inc.

Opinion

We have audited the accompanying financial statements of United Way of Central Illinois, Inc. (Organization), which comprise the statements of financial position as of December 31, 2025 and 2024, and the related statements of activities, functional expenses and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Organization as of December 31, 2025 and 2024, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

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 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 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

Springfield, Illinois
June 1, 2026

FINANCIAL STATEMENTS

UNITED WAY OF CENTRAL ILLINOIS, INC.

STATEMENTS OF FINANCIAL POSITION

December 31, 2025 and 2024

| | <u>2025</u> | <u>2024</u> |
|---|---------------------|---------------------|
| ASSETS | | |
| CURRENT ASSETS | | |
| Cash | \$ 885,837 | \$ 907,753 |
| Contributions receivable, net | 593,292 | 603,704 |
| Investments | <u>6,905,277</u> | <u>6,494,926</u> |
| Total current assets | <u>8,384,406</u> | <u>8,006,383</u> |
| NONCURRENT ASSETS | | |
| Cash held for others | 30,305 | 31,764 |
| Property and equipment, net | 67,494 | 73,709 |
| Operating right-of-use asset, net | 87,989 | 145,623 |
| Beneficial interest in perpetual trusts | <u>229,344</u> | <u>211,756</u> |
| Total noncurrent assets | <u>415,132</u> | <u>462,852</u> |
| TOTAL ASSETS | <u>\$ 8,799,538</u> | <u>\$ 8,469,235</u> |
| LIABILITIES AND NET ASSETS | | |
| CURRENT LIABILITIES | | |
| Accounts payable | \$ 12,940 | \$ 11,616 |
| Allocations payable | 432,403 | 522,337 |
| Funds held for others | 30,810 | 31,764 |
| Operating lease liability, current portion | <u>60,538</u> | <u>58,520</u> |
| Total current liabilities | <u>536,691</u> | <u>624,237</u> |
| NONCURRENT LIABILITIES | | |
| Operating lease liability, noncurrent | <u>30,888</u> | <u>91,427</u> |
| Total liabilities | <u>567,579</u> | <u>715,664</u> |
| NET ASSETS | | |
| Without donor restrictions | | |
| Designated for equipment replacement | 13,876 | 13,676 |
| Designated for Dolly Parton Imagination Library | 170,841 | 164,007 |
| Designated for Continuum of Learning Fund | 58,605 | 58,605 |
| Designated for Needs Assessment Fund | 5,006 | 5,003 |
| Designated for Venture Fund | 34,603 | 43,468 |
| Designated for Ace's Training | 2,314 | 2,314 |
| Designated for Student United Way | 3,000 | 3,000 |
| Undesignated | <u>7,037,078</u> | <u>6,648,038</u> |
| Total without donor restrictions | 7,325,323 | 6,938,111 |
| With donor restrictions | <u>906,636</u> | <u>815,460</u> |
| Total net assets | <u>8,231,959</u> | <u>7,753,571</u> |
| TOTAL LIABILITIES AND NET ASSETS | <u>\$ 8,799,538</u> | <u>\$ 8,469,235</u> |

See accompanying notes to financial statements.

UNITED WAY OF CENTRAL ILLINOIS, INC.

STATEMENT OF ACTIVITIES

For the Year Ended December 31, 2025

| | Without Donor Restrictions | With Donor Restrictions | Total |
|---|---|--|------------------|
| PUBLIC SUPPORT AND REVENUE | | | |
| Gross campaign results (2025) | \$ 888,010 | \$ 593,292 | \$ 1,481,302 |
| Less provision for uncollectible | (44,377) | - | (44,377) |
| Net assets released from restrictions | 603,704 | (603,704) | - |
| Total campaign revenue (2025) | 1,447,337 | (10,412) | 1,436,925 |
| Investment return, net | 782,892 | - | 782,892 |
| Change in beneficial interest in perpetual trusts | - | 17,588 | 17,588 |
| Grant revenue | 52,185 | - | 52,185 |
| Contributions | 113,947 | 84,000 | 197,947 |
| Miscellaneous income | 66,777 | - | 66,777 |
| Total | 1,015,801 | 101,588 | 1,117,389 |
| Total public support and revenue | 2,463,138 | 91,176 | 2,554,314 |
| EXPENSES | | | |
| Program services | | | |
| Gross funds allocated to human service agencies venture grants and community support | 1,081,717 | - | 1,081,717 |
| Less donor designations | (89,934) | - | (89,934) |
| Net funds allocated to human service agencies | 991,783 | - | 991,783 |
| Community impact/fund distribution | 683,815 | - | 683,815 |
| Total program services | 1,675,598 | - | 1,675,598 |
| Supporting services | | | |
| Fundraising | 136,018 | - | 136,018 |
| Marketing and communications | 9,899 | - | 9,899 |
| Finance and administration | 254,411 | - | 254,411 |
| Total supporting services | 400,328 | - | 400,328 |
| Total expenses | 2,075,926 | - | 2,075,926 |
| CHANGE IN NET ASSETS | 387,212 | 91,176 | 478,388 |
| NET ASSETS - BEGINNING OF YEAR | 6,938,111 | 815,460 | 7,753,571 |
| NET ASSETS - END OF YEAR | \$ 7,325,323 | \$ 906,636 | \$ 8,231,959 |

See accompanying notes to financial statements.

UNITED WAY OF CENTRAL ILLINOIS, INC.

STATEMENT OF ACTIVITIES

For the Year Ended December 31, 2024

| | <u>Without Donor Restrictions</u> | <u>With Donor Restrictions</u> | <u>Total</u> |
|---|---|--|------------------|
| PUBLIC SUPPORT AND REVENUE | | | |
| Gross campaign results (2024) | \$ 756,366 | \$ 704,647 | \$ 1,461,013 |
| Less provision for uncollectible | (84,597) | - | (84,597) |
| Net assets released from restrictions | 706,954 | (706,954) | - |
| Total campaign revenue (2024) | 1,378,723 | (2,307) | 1,376,416 |
| Investment return, net | 687,165 | - | 687,165 |
| Change in beneficial interest in perpetual trusts | - | 7,977 | 7,977 |
| Grant revenue | 57,870 | - | 57,870 |
| Contributions | 97,866 | - | 97,866 |
| Miscellaneous income | 38,409 | - | 38,409 |
| Total | 881,310 | 7,977 | 889,287 |
| Total public support and revenue | 2,260,033 | 5,670 | 2,265,703 |
| EXPENSES | | | |
| Program services | | | |
| Gross funds allocated to human service agencies venture grants and community support | 1,163,112 | - | 1,163,112 |
| Less donor designations | (7,707) | - | (7,707) |
| Net funds allocated to human service agencies | 1,155,405 | - | 1,155,405 |
| Community impact/fund distribution | 675,072 | - | 675,072 |
| Total program services | 1,830,477 | - | 1,830,477 |
| Supporting services | | | |
| Fundraising | 130,766 | - | 130,766 |
| Marketing and communications | 12,126 | - | 12,126 |
| Finance and administrating | 239,997 | - | 239,997 |
| Total supporting services | 382,889 | - | 382,889 |
| Total expenses | 2,213,366 | - | 2,213,366 |
| CHANGE IN NET ASSETS | 46,667 | 5,670 | 52,337 |
| NET ASSETS - BEGINNING OF YEAR | 6,891,444 | 809,790 | 7,701,234 |
| NET ASSETS - END OF YEAR | \$ 6,938,111 | \$ 815,460 | \$ 7,753,571 |

See accompanying notes to financial statements.

UNITED WAY OF CENTRAL ILLINOIS, INC.

STATEMENT OF FUNCTIONAL EXPENSES

For the Year Ended December 31, 2025

| | Program Services | | | Other Functional Expenses (or Supporting Services) | | | | |
|---|---------------------|------------------------------------|------------------------|--|------------------------------|----------------------------|-------------------|---------------------|
| | Allocation Services | Community Impact/Fund Distribution | Total Program Services | Fund Raising | Marketing and Communications | Finance and Administration | Total | Total |
| EXPENSES: | | | | | | | | |
| Salaries | \$ - | \$ 420,335 | \$ 420,335 | \$ 65,949 | \$ 6,296 | \$ 106,919 | \$ 179,164 | \$ 599,499 |
| Payroll taxes | - | 30,572 | 30,572 | 5,092 | 402 | 8,328 | 13,822 | 44,394 |
| Employee benefits | - | 69,929 | 69,929 | 10,796 | 1,243 | 18,760 | 30,799 | 100,728 |
| Personnel search | - | - | - | - | - | 25 | 25 | 25 |
| Professional fees | - | 5,554 | 5,554 | 1,246 | - | 69,608 | 70,854 | 76,408 |
| Office supplies | - | 1,584 | 1,584 | 402 | 60 | 663 | 1,125 | 2,709 |
| SECA budget | - | - | - | 11,074 | - | - | 11,074 | 11,074 |
| Telephone | - | 3,076 | 3,076 | 1,230 | - | 1,286 | 2,516 | 5,592 |
| Postage | - | 2,475 | 2,475 | 2,078 | - | 463 | 2,541 | 5,016 |
| Occupancy | - | 33,035 | 33,035 | 13,214 | - | 13,814 | 27,028 | 60,063 |
| Occupancy maintenance and real estate taxes | - | 25,019 | 25,019 | 10,007 | - | 10,462 | 20,469 | 45,488 |
| Equipment maintenance | - | 951 | 951 | 382 | - | 3,964 | 4,346 | 5,297 |
| Subscriptions | - | 60 | 60 | - | - | - | - | 60 |
| Marketing and advertising | - | 19,270 | 19,270 | 2,855 | 1,751 | 2,964 | 7,570 | 26,840 |
| Travel | - | 828 | 828 | - | - | - | - | 828 |
| Meetings | - | 2,597 | 2,597 | 273 | 60 | 528 | 861 | 3,458 |
| Conference and trainings | - | 849 | 849 | - | - | 169 | 169 | 1,018 |
| Campaign and supplies/printing | - | 6,492 | 6,492 | 100 | - | - | 100 | 6,592 |
| Special events - venue and food | - | 39,893 | 39,893 | 1,927 | 45 | 1,934 | 3,906 | 43,799 |
| Award supplies | - | 206 | 206 | - | - | - | - | 206 |
| Local organization dues | - | 855 | 855 | - | 42 | - | 42 | 897 |
| State and national dues | - | 1,914 | 1,914 | 766 | - | 800 | 1,566 | 3,480 |
| United Way Worldwide dues | - | 10,410 | 10,410 | 4,164 | - | 4,354 | 8,518 | 18,928 |
| Software licenses | - | 2,123 | 2,123 | 1,226 | - | 708 | 1,934 | 4,057 |
| Insurance expense | - | 4,671 | 4,671 | 1,868 | - | 1,953 | 3,821 | 8,492 |
| Bank and filing fees | - | 1,117 | 1,117 | 1,369 | - | 494 | 1,863 | 2,980 |
| Depreciation expense | - | - | - | - | - | 6,215 | 6,215 | 6,215 |
| Allocations to agencies, venture grants and community support | 1,081,717 | - | 1,081,717 | - | - | - | - | 1,081,717 |
| Less donor designations | (89,934) | - | (89,934) | - | - | - | - | (89,934) |
| TOTAL EXPENSES | \$ 991,783 | \$ 683,815 | \$ 1,675,598 | \$ 136,018 | \$ 9,899 | \$ 254,411 | \$ 400,328 | \$ 2,075,926 |

See accompanying notes to financial statements.

UNITED WAY OF CENTRAL ILLINOIS, INC.

STATEMENT OF FUNCTIONAL EXPENSES

For the Year Ended December 31, 2024

| | Program Services | | | Other Functional Expenses (or Supporting Services) | | | | |
|---|---------------------|------------------------------------|------------------------|--|------------------------------|----------------------------|-------------------|---------------------|
| | Allocation Services | Community Impact/Fund Distribution | Total Program Services | Fund Raising | Marketing and Communications | Finance and Administration | Total | Total |
| EXPENSES: | | | | | | | | |
| Salaries | \$ - | \$ 397,507 | \$ 397,507 | \$ 62,411 | \$ 6,509 | \$ 103,075 | \$ 171,995 | \$ 569,502 |
| Payroll taxes | - | 30,239 | 30,239 | 4,868 | 422 | 8,101 | 13,391 | 43,630 |
| Employee benefits | - | 59,190 | 59,190 | 8,413 | 1,110 | 16,965 | 26,488 | 85,678 |
| Personnel search | - | 11,350 | 11,350 | 2,925 | - | 350 | 3,275 | 14,625 |
| Professional fees | - | 5,983 | 5,983 | 1,088 | - | 64,919 | 66,007 | 71,990 |
| Office supplies | - | 1,625 | 1,625 | 711 | 220 | 607 | 1,538 | 3,163 |
| SECA budget | - | - | - | 5,904 | - | - | 5,904 | 5,904 |
| Telephone | - | 3,140 | 3,140 | 1,256 | - | 1,313 | 2,569 | 5,709 |
| Postage | - | 1,464 | 1,464 | 936 | - | 462 | 1,398 | 2,862 |
| Occupancy | - | 32,775 | 32,775 | 12,993 | - | 13,584 | 26,577 | 59,352 |
| Occupancy maintenance and real estate taxes | - | 21,715 | 21,715 | 8,686 | - | 9,081 | 17,767 | 39,482 |
| Equipment maintenance | - | 984 | 984 | 393 | - | 1,216 | 1,609 | 2,593 |
| Subscriptions | - | 253 | 253 | 170 | - | - | 170 | 423 |
| Marketing and advertising | - | 21,917 | 21,917 | 2,132 | 3,110 | 2,028 | 7,270 | 29,187 |
| Travel | - | 1,901 | 1,901 | - | - | - | - | 1,901 |
| Meetings | - | 2,055 | 2,055 | 168 | 5 | 228 | 401 | 2,456 |
| Conference and trainings | - | 4,360 | 4,360 | - | - | - | - | 4,360 |
| Campaign and supplies/printing | - | 6,221 | 6,221 | 3,564 | - | 587 | 4,151 | 10,372 |
| Special events - venue and food | - | 43,334 | 43,334 | 2,568 | 750 | 2,254 | 5,572 | 48,906 |
| Award supplies | - | 505 | 505 | - | - | - | - | 505 |
| Local organization dues | - | 1,080 | 1,080 | - | - | - | - | 1,080 |
| State and national dues | - | 1,677 | 1,677 | 672 | - | 702 | 1,374 | 3,051 |
| United Way Worldwide dues | - | 11,967 | 11,967 | 4,787 | - | 5,004 | 9,791 | 21,758 |
| Software licenses | - | 7,284 | 7,284 | 1,907 | - | 525 | 2,432 | 9,716 |
| Insurance expense | - | 4,693 | 4,693 | 1,877 | - | 1,962 | 3,839 | 8,532 |
| Bank and filing fees | - | 1,853 | 1,853 | 2,337 | - | 819 | 3,156 | 5,009 |
| Depreciation expense | - | - | - | - | - | 6,215 | 6,215 | 6,215 |
| Allocations to agencies, venture grants and community support | 1,163,112 | - | 1,163,112 | - | - | - | - | 1,163,112 |
| Less donor designations | (7,707) | - | (7,707) | - | - | - | - | (7,707) |
| TOTAL EXPENSES | \$ 1,155,405 | \$ 675,072 | \$ 1,830,477 | \$ 130,766 | \$ 12,126 | \$ 239,997 | \$ 382,889 | \$ 2,213,366 |

See accompanying notes to financial statements.

UNITED WAY OF CENTRAL ILLINOIS, INC.

STATEMENTS OF CASH FLOWS

For the Years Ended December 31, 2025 and 2024

| | <u>2025</u> | <u>2024</u> |
|--|--------------------|--------------------|
| CASH FLOWS FROM OPERATING ACTIVITIES | | |
| Change in net assets | \$ 478,388 | \$ 52,337 |
| Adjustments to reconcile change in net assets used in operating activities: | | |
| Depreciation | 6,215 | 6,215 |
| (Cash paid in) non-cash operating lease expense | (887) | 293 |
| Net realized and unrealized (gain) on investments | (586,046) | (507,066) |
| Change in beneficial interest in perpetual trusts | (17,588) | (7,977) |
| (Decrease) in funds held for others | (1,459) | (3,880) |
| Reserve for uncollectible pledges | 44,377 | 84,597 |
| Changes in assets and liabilities: | | |
| (Increase) decrease in: | | |
| Contributions receivable | (33,965) | (82,290) |
| Increase (decrease) in: | | |
| Accrued expenses | - | (798) |
| Accounts payable | 1,324 | 3,148 |
| Allocations payable | (89,934) | (7,708) |
| Funds held for others | 505 | - |
| Net cash from operating activities | <u>(199,070)</u> | <u>(463,129)</u> |
| CASH FLOWS FROM INVESTING ACTIVITIES | | |
| Proceeds from sales of investments | 5,280,833 | 2,325,497 |
| Purchases of investments | <u>(5,105,138)</u> | <u>(1,772,148)</u> |
| Net cash from investing activities | <u>175,695</u> | <u>553,349</u> |
| CHANGE IN CASH AND FUNDS HELD FOR OTHERS | <u>(23,375)</u> | <u>90,220</u> |
| CASH AND FUNDS HELD FOR OTHERS, BEGINNING OF YEAR | <u>939,517</u> | <u>849,297</u> |
| CASH AND FUNDS HELD FOR OTHERS, END OF YEAR | <u>\$ 916,142</u> | <u>\$ 939,517</u> |
| RECONCILIATION OF CASH AND FUNDS HELD FOR OTHERS | | |
| Cash | \$ 885,837 | \$ 907,753 |
| Cash held for others | <u>30,305</u> | <u>31,764</u> |
| | <u>\$ 916,142</u> | <u>\$ 939,517</u> |

See accompanying notes to financial statements.

UNITED WAY OF CENTRAL ILLINOIS, INC.

NOTES TO FINANCIAL STATEMENTS

December 31, 2025 and 2024

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Operations

The United Way of Central Illinois, Inc. (the Organization) is a not-for-profit corporation organized to promote community planning by developing and allocating human and financial resources that meet priority health and human service needs. The stated mission of the Organization is "... mobilizing resources to meet community needs." The Organization also provides services directly to the community and certified agencies through its staff and group of volunteers.

Basis of Accounting

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with U.S. generally accepted accounting principles (USGAAP). Net assets, support and revenues, and expenses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets and changes therein are classified and reported as follows:

Net Assets Without Donor Restrictions: Net assets that are not subject to donor - imposed restrictions and may be expended for any purpose in performing the primary objectives of the Organization. These net assets may be used at the discretion of the Organization's management and the Board of Directors.

Net Assets With Donor Restrictions: Net assets subject to stipulations imposed by donors. Some donor restrictions are temporary in nature, those restrictions will be met by actions of the Organization or by the passage of time. Other donor restrictions are perpetual in nature, where by the donor has stipulated the funds to be maintained in perpetuity.

Use of Estimates

The preparation of financial statements in conformity with USGAAP 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 the revenue, expenses, gains, losses and other changes in net assets during the reporting period. Accordingly, actual results could differ from those estimates.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Contributions Receivable and Allocations Payable

Unconditional promises to give to a campaign are recorded as assets when the promises are received. Balances are carried at original pledged amounts less an estimate made for uncollectible pledges based on management's review of all outstanding amounts. Management determines the allowance for uncollectible pledges by using historical experience applied to the campaign total. Pledge receivables are written off when deemed uncollectible. All contributions receivable are due within one year. Allocations to member agencies are recognized as expenses in the period such allocations are made. Allocations are unconditional and generally paid on a monthly installment basis throughout the year.

Donor-Designated Contributions Receivable

Unconditional promises to give to a campaign for which the donor stipulates the agency to receive the donation are recorded as assets (contributions receivable) and liabilities (designations payable) when the pledges are received.

Investments

The Organization carries all investments in debt and equity securities with readily determinable values at fair value, with changes in fair value reported as investment return in the statements of activities. Investment return is reported net of external and direct internal investment expenses. Gains and investment income that are limited to specific uses by donor - imposed restrictions are reported in without donor restrictions net assets when the restrictions are met in the same reporting period as the gains and income are recognized.

Property and Equipment

Expenditures for property and equipment and items which substantially increase the useful lives of existing assets are capitalized at cost. The Organization capitalizes assets with individual costs of \$1,000 or more and with useful lives greater than one year. The Organization provides for depreciation on the straight-line method at rates designed to depreciate the costs of assets over estimated useful lives as follows:

| | <u>Years</u> |
|--------------------------|---|
| Leasehold improvements | life of lease or useful life of improvement, whichever is shorter |
| Furnishing and equipment | 3-10 |

Leases

The Organization leases office space. The Organization determines if an arrangement is a lease at inception. As an accounting policy election, the Organization chose not to apply the standard to short-term leases (term of 12 months or less). Operating leases are included in operating lease right-of-use (ROU) assets and operating lease liabilities on the statement of financial position. The Organization does not have any financing leases.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Leases (Continued)

ROU assets represent the Organization's right to use an underlying asset for the lease term and lease liabilities represent the obligation to make lease payments arising from the lease. Operating lease ROU assets and liabilities are recognized at commencement date based on the present value of lease payments over the lease term. Discount rates implicit in the lease are not readily determinable, and the Organization has elected to apply a risk-free rate to determine the present value of lease payments. The operating lease ROU asset is based on remaining future lease payments and excludes lease incentives. The Organization's lease terms may include options to extend or terminate the lease when it is reasonably certain that the Organization will exercise that option. Lease expense is recognized on a straight-line basis over the lease term.

The Organization's lease agreements do not contain any material residual value guarantees or material restrictive covenants.

The Organization's lease agreements contain lease and non-lease components. For the office space lease, the Organization accounts for the lease and non-lease components as a single lease component. For arrangements accounted for as a single lease component, there may be variability in future lease payments as the amount of the non-lease components is typically revised from one period to the next. These variable lease payments, which are primarily comprised of common area maintenance, real estate taxes and insurance that are passed on from the lessor in proportion to the space leased, are recognized as expenses in the period in which the obligation for those payments was incurred.

Beneficial Interest in Perpetual Trusts

The Organization is the beneficiary of a donor-established perpetual trust, which is administered by a third party. Under the terms of the trust, the Organization has the irrevocable right to receive the income earned on the assets held in the third-party trust in perpetuity, but never receives the assets held in trust. The beneficial interest is reported as net assets with donor restrictions. The trust annually makes distributions of income to the Organization. The Organization's beneficial interest in the trust is carried at the fair value of the underlying assets as provided by the third-party administrator. Subsequent changes in the carrying value of the beneficial interests are reported in the statement of activities for that period.

Support and Revenue

The Organization reports contributions and grants as with donor restriction support if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statements of activities as net assets released from restrictions.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Support and Revenue (Continued)

If a restriction is fulfilled in the same time period in which the contribution or grant is received, the Organization reports the support as without donor restriction. No restrictions are implied on the use of long-lived assets received without donor stipulations concerning how long the assets must be used.

A portion of the Organization's grant revenue is derived from cost-reimbursable grants, which are conditioned upon certain performance requirements and/or the incurrence of allowable qualifying expenses. Amounts received are recognized as revenue when the Organization has incurred expenditures in compliance with specific grant conditions and provisions. Amounts received prior to meeting specific grant provisions are reported as unearned grant advances on the statements of financial position. As of December 31, 2025 and 2024, the Organization did not have any conditional grant awards and had not received any grant funds that had not yet been recognized.

Contributions and grants are recognized when cash, an unconditional promise to give, or notification of a beneficial interest is received. Conditional grants and promises to give are not recognized until the conditions on which they depend have been substantially met.

Contributed services are recognized, at their fair value, when the Organization would typically purchase such services if they require specialized skills and the contributor possesses such skills. The Organization received no contributed services for the years ended December 31, 2025 and 2024.

Functional Expenses

The costs of providing program and other activities have been summarized on a functional basis in the statements of activities. The statements of functional expenses present the natural classification detail of expenses by function. Accordingly, certain costs have been allocated amongst program services and other functional expenses. Such allocations are determined by management. Salaries, payroll taxes, employee benefits, office supplies, telephone, occupancy and insurance are allocated on the basis of estimates of time and effort.

Income Taxes

The Organization is exempt from federal income taxes under Section 501(c)(3) of the U.S. Internal Revenue Code. The Organization is not considered to be a private foundation. The Organization is no longer subject to U.S. federal or state examinations by tax authorities for tax years prior to 2022.

Subsequent Events

The Organization has evaluated subsequent events through June 1, 2026, the date on which the financial statements were available for issuance and determined there were no significant non-recognized subsequent events through that date.

UNITED WAY OF CENTRAL ILLINOIS, INC.
NOTES TO FINANCIAL STATEMENTS (Continued)

2. CONCENTRATION OF CREDIT RISK

Financial instruments that potentially subject the Organization to concentrations of credit risk consist principally of cash, investments, and contributions receivable. The Organization maintains cash deposits with major banks which, from time to time, may exceed federally insured limits. As of December 31, 2025 and 2024, the Organization exceeded the federally insured limits by \$194,113 and \$208,955, respectively. The Organization periodically assesses the financial condition of the institutions and believes the risk of any loss is minimal. Concentration of credit risk with respect to its investments is reduced as a result of the diversity of the underlying securities. Concentration of credit risk associated with contributions receivables is considered to be limited due to high historical collection rates.

3. AVAILABILITY AND LIQUIDITY

The following represents the Organization's financial assets at December 31, 2025 and 2024. General expenditures include operating expenses not financed through debt or otherwise restricted for use by donor or other limitations.

| | <u>2025</u> | <u>2024</u> |
|--|----------------------------|----------------------------|
| Financial assets at year-end: | | |
| Cash | \$ 885,837 | \$ 907,753 |
| Contributions receivable, net | 593,292 | 603,704 |
| Investments | 6,905,277 | 6,494,926 |
| Beneficial interest in perpetual trusts | 229,344 | 211,756 |
| Cash held for others | 30,305 | 31,764 |
| | <u>8,644,055</u> | <u>8,249,903</u> |
| Less amounts not available to be used within one year: | | |
| Beneficial interest in perpetual trusts | 229,344 | 211,756 |
| Cash held for others | 30,305 | 31,764 |
| With donor restrictions - programs | 84,000 | - |
| Board designations | 288,245 | 290,073 |
| | <u>631,894</u> | <u>533,593</u> |
| FINANCIAL ASSETS AVAILABLE TO MEET GENERAL EXPENDITURES OVER THE NEXT TWELVE MONTHS | <u><u>\$ 8,012,161</u></u> | <u><u>\$ 7,716,310</u></u> |

The Organization has various sources of liquidity at its disposal, including cash, contributions receivable and a line of credit. Income from investments is available for general use. The Organization considers general expenditures to be those not limited by or used to meet donor or other restrictions.

UNITED WAY OF CENTRAL ILLINOIS, INC.
NOTES TO FINANCIAL STATEMENTS (Continued)

4. CONTRIBUTIONS RECEIVABLE

Contributions receivable as of December 31, 2025 and 2024, are as follows:

| | 2025 | | | 2024 | | |
|---|------------------------------------|--------------------------------------|-------------------|------------------------------------|--------------------------------------|-------------------|
| | Prior year campaign | Current year campaign | Total | Prior year campaign | Current year campaign | Total |
| Contributions receivable | \$ 117,925 | \$ 680,367 | \$ 798,292 | \$ 162,228 | \$ 676,476 | \$ 838,704 |
| Allowance for uncollectible pledges | <u>(105,000)</u> | <u>(100,000)</u> | <u>(205,000)</u> | <u>(130,000)</u> | <u>(105,000)</u> | <u>(235,000)</u> |
| TOTAL | <u>\$ 12,925</u> | <u>\$ 580,367</u> | <u>\$ 593,292</u> | <u>\$ 32,228</u> | <u>\$ 571,476</u> | <u>\$ 603,704</u> |

5. PROPERTY AND EQUIPMENT

The Organization's property and equipment as of December 31, 2025 and 2024, are as follows:

| | 2025 | 2024 |
|-------------------------------|------------------|------------------|
| Furnishings and equipment | \$ 41,905 | \$ 41,905 |
| Leasehold improvements | <u>112,625</u> | <u>112,625</u> |
| | 154,530 | 154,530 |
| Less accumulated depreciation | <u>87,036</u> | <u>80,821</u> |
| TOTAL | <u>\$ 67,494</u> | <u>\$ 73,709</u> |

Depreciation expense was \$6,215 for the years ended December 31, 2025 and 2024, respectively.

6. LINE OF CREDIT

On April 5, 2023, the Organization entered into a line of credit agreement with a bank for \$250,000, secured by their investment account with a maturity date of April 5, 2025 and bears an interest rate of 6.75%. The agreements require the Organization to comply with certain non-financial covenants. There was no balance outstanding as of December 31, 2025 and 2024. The line of credit was renewed with a maturity date of April 5, 2027.

7. FUNCTIONAL EXPENSE

The Organization allocates certain costs among its program and supporting services. Such allocations are determined by management. Salaries, payroll taxes, employee benefits and other expenses are allocated on the basis of estimates of time and effort.

UNITED WAY OF CENTRAL ILLINOIS, INC.
NOTES TO FINANCIAL STATEMENTS (Continued)

7. FUNCTIONAL EXPENSE (Continued)

In 2025, the Organization incurred joint costs of \$13,658 for informational materials and activities, including fund-raising appeals. Of these costs, \$2,014 was allocated to fund-raising expense, \$60 was allocated to marketing, \$5,671 was allocated to program service expense and \$5,913 was allocated to finance and administration.

In 2024, the Organization incurred joint costs of \$11,889 for informational materials and activities, including fund-raising appeals. Of these costs, \$2,531 was allocated to fund-raising expense, \$220 was allocated to marketing, \$6,001 was allocated to program service expense and \$3,137 was allocated to finance and administration.

8. LEASES

The Organization has one operating lease for office space. The lease agreement does not include any renewal options. The components of the lease expense were operating lease cost of \$59,255 for the years ended December 31, 2025 and 2024. The Organization incurred expenditures related to variable costs of \$45,488 and \$39,482, for the years ended December 31, 2025 and 2024, respectively.

Future minimum lease payments under non-cancellable operating leases as of December 31, 2025 were as follows:

| | |
|--|------------------|
| 2026 | \$ 61,344 |
| 2027 | <u>30,976</u> |
| Total future undiscounted lease payments | 92,320 |
| Less interest | <u>(894)</u> |
| PRESENT VALUE OF LEASE LIABILITIES | <u>\$ 91,426</u> |

For the years ended December 31, 2025 and 2024, the weighted-average remaining lease term (years) for the operating lease is 1.4 and 2.4, respectively, and the weighted-average discount rate is 1.37% for the years ending December 31, 2025 and 2024.

The following table summarizes supplemental cash flow information at December 31, 2025 and 2024:

Cash paid for amounts included in the measurement of lease liabilities:

| | |
|---|------------------|
| Operating cash flows from operating leases, December 31, 2025 | <u>\$ 60,141</u> |
| Operating cash flows from operating leases, December 31, 2024 | <u>\$ 58,962</u> |

UNITED WAY OF CENTRAL ILLINOIS, INC.
NOTES TO FINANCIAL STATEMENTS (Continued)

9. COMMITMENTS

On October 21, 2024, the Organization entered into an agreement with a separate third party for pledge processing, which requires a quarterly payment of \$9,035 for the services provided. The agreement ends in December 2025. The agreement was renewed on November 3, 2025 for services through December 2026. During the years ended December 31, 2025 and 2024, service fees paid to third parties for accounting related services were \$36,140 and \$39,681, respectively.

10. NET ASSETS WITH DONOR RESTRICTIONS

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

| | <u>2025</u> | <u>2024</u> |
|---|-------------------|-------------------|
| Subject to the passage of time: | | |
| Campaign results (2025) (2024) | \$ 593,292 | \$ 603,704 |
| Not subject to spending policy or appropriation: | | |
| Programs | 84,000 | - |
| Beneficial interest in perpetual trusts | 229,344 | 211,756 |
| Total purpose restricted | <u>313,344</u> | <u>211,756</u> |
| TOTAL NET ASSETS WITH DONOR RESTRICTIONS | <u>\$ 906,636</u> | <u>\$ 815,460</u> |

For the years ended December 31, 2025 and 2024, net assets of \$715,216 and \$706,954, respectively, were released from donor restrictions by the occurrence of the passage of time.

11. EMPLOYEE BENEFIT PLAN

The Organization has a 401(k) plan covering substantially all of its employees. The Organization makes an annual minimum contribution equal to 10% of eligible participant wages. Employees are eligible for participation in the plan after one year of employment with the Organization or are immediately eligible if they had one year of employment at a nonprofit organization as their previous employer. The value of each participant's account is fully and immediately vested from the date of participation. Total expense for the plan amounted to \$44,466 and \$44,929 for the years ended December 31, 2025 and 2024, respectively.

12. CASH HELD FOR OTHERS

The Organization maintains bank accounts for the accumulation of funds to be disbursed only for the benefit of (or upon the instructions of) other organizations. These accounts had a total cash balance held for others of \$30,305 and \$31,764 at December 31, 2025 and 2024, respectively.

UNITED WAY OF CENTRAL ILLINOIS, INC.
NOTES TO FINANCIAL STATEMENTS (Continued)

13. ALLOCATIONS TO HUMAN SERVICES AGENCIES AND COMMUNITY SUPPORT

The following allocations were made for the years ended December 31, 2025 and 2024:

| | <u>2025</u> | <u>2024</u> |
|--|-------------------|---------------------|
| Program allocations | | |
| American Red Cross | \$ 20,000 | \$ 20,000 |
| Big Brothers Big Sisters of Central Illinois | 45,000 | 102,346 |
| Boys and Girls Clubs of Central Illinois | 85,000 | 85,000 |
| Catholic Charities of the Diocese of Springfield in Illinois | 48,000 | 48,000 |
| Compass for Kids, Inc. | 168,024 | 168,024 |
| Contact Ministries | 28,000 | 28,000 |
| Girl Scouts of Central Illinois, Inc. | 5,000 | 5,000 |
| Helping Hands of Springfield Inc. | 83,079 | 83,079 |
| Hope | 9,500 | 9,500 |
| Lutheran Child and Family Services | - | 30,000 |
| Memorial Behavioral Health | 35,000 | 35,000 |
| M.E.R.C.Y. Communities, Inc. | 79,964 | 79,964 |
| Mini O'Beirne Crisis Nursery | 23,900 | 23,900 |
| Senior Services of Central Illinois, Inc. | 93,720 | 93,720 |
| SIU Center for Family Medicine | 45,000 | 45,000 |
| Sojourn Shelter & Services | 50,000 | 50,000 |
| Springfield Public Schools, District 186 | 10,000 | 40,841 |
| Springfield Urban League | 78,400 | 78,400 |
| Wooden It Be Lovely | 18,900 | 18,900 |
| | <u>926,487</u> | <u>1,044,674</u> |
| Venture grants | - | 20,100 |
| Community support | <u>65,296</u> | <u>90,631</u> |
| NET FUNDS ALLOCATED TO HUMAN SERVICE AGENCIES AND COMMUNITY SUPPORT | <u>\$ 991,783</u> | <u>\$ 1,155,405</u> |

14. FAIR VALUE MEASUREMENTS

USGAAP establishes a framework for measuring fair value. That framework uses a hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. USGAAP requires the Organization to maximize the use of observable inputs when measuring fair value. The hierarchy describes three levels of inputs, which are as follows:

Level 1: Quoted prices in active markets for identical assets or liabilities.

14. FAIR VALUE MEASUREMENTS (Continued)

Level 2: Quoted prices for similar assets or liabilities in active markets; quoted prices for identical assets or liabilities in inactive markets; or inputs that are derived principally from or corroborated by observable market data by correlation or other means.

Level 3: Significant unobservable inputs.

In many cases, a valuation technique used to measure fair value includes inputs from more than one level of the fair value hierarchy. The lowest level of significant input determines the placement of the entire fair value measurement in the hierarchy. The categorization of an investment within the hierarchy reflects the relative ability to observe the fair value measure and does not necessarily correspond to the perceived risk of that investment.

If an investment that is measured using net asset value (NAV) has a readily determinable fair value (that is, it can be traded at the measurement date at its published NAV), it is included in Level 1 of the hierarchy. Otherwise, investments measured using NAVs are not included in Level 1, 2, or 3, but are separately reported.

Valuation Techniques

Following is a description of the valuation techniques used for assets measured at fair value on a recurring basis. There have been no changes to the techniques used during the years ended December 31, 2025 and 2024.

- Mutual and money market funds: Valued at the NAV of shares on the last trading day of the fiscal year.
- U.S. government securities: U.S. Treasury bonds and notes in which the Organization invests are usually “off the run” on the measurement date. Thus, they are valued by a pricing service using a model that incorporates market observable data such as reported sales of similar securities, broker quotes, yields, bids, offers, and reference data. U.S. Treasury bonds and notes that are “on the run” are measured at quoted prices in active markets for the same security.
- Beneficial interest in perpetual trusts: Valued using the fair value of assets held in the trust reported by the trustee as of December 31, 2025 and 2024. The Organization considers the measurement of its beneficial interest in the perpetual trust to be a Level 3 measurement within the hierarchy because even though that measurement is based on the unadjusted fair value of trust assets reported by the trustee, the Organization will never receive those assets or have the ability to direct the trustee to redeem them.

UNITED WAY OF CENTRAL ILLINOIS, INC.
NOTES TO FINANCIAL STATEMENTS (Continued)

14. FAIR VALUE MEASUREMENTS (Continued)

Recurring Measurements

Assets measured at fair value on a recurring basis as of December 31, 2025, are as follows:

| | <u>Level 1</u> | <u>Level 2</u> | <u>Level 3</u> | <u>Total</u> |
|--|---------------------|---------------------|-------------------|----------------------------|
| Mutual and money market funds | \$ 4,561,538 | \$ - | \$ - | \$ 4,561,538 |
| U.S. government securities | - | 2,338,503 | - | 2,338,503 |
| Beneficial interest in perpetual trust | - | - | 229,344 | 229,344 |
| Total investments at fair value | <u>\$ 4,561,538</u> | <u>\$ 2,338,503</u> | <u>\$ 229,344</u> | 7,129,385 |
| Cash* | | | | <u>5,236</u> |
| TOTAL | | | | <u>\$ 7,134,621</u> |

*Investments valued at cost, which approximates fair value

Assets measured at fair value on a recurring basis as of December 31, 2024, are as follows:

| | <u>Level 1</u> | <u>Level 2</u> | <u>Level 3</u> | <u>Total</u> |
|--|---------------------|---------------------|-------------------|----------------------------|
| Mutual and money market funds | \$ 4,238,090 | \$ - | \$ - | \$ 4,238,090 |
| U.S. government securities | - | 2,255,378 | - | 2,255,378 |
| Beneficial interest in perpetual trust | - | - | 211,756 | 211,756 |
| Total investments at fair value | <u>\$ 4,238,090</u> | <u>\$ 2,255,378</u> | <u>\$ 211,756</u> | 6,705,224 |
| Cash* | | | | <u>1,458</u> |
| TOTAL | | | | <u>\$ 6,706,682</u> |

*Investments valued at cost, which approximates fair value

UNITED WAY OF CENTRAL ILLINOIS, INC.
NOTES TO FINANCIAL STATEMENTS (Continued)

14. FAIR VALUE MEASUREMENTS (Continued)

Recurring Measurements (Continued)

The following table presents a reconciliation of Level 3 assets measured at fair value on a recurring basis for the years ended December 31, 2025 and 2024.

| | Beneficial Interest in Perpetual Trusts 2025 | Beneficial Interest in Perpetual Trusts 2024 |
|--------------------------------|---|---|
| Balance, beginning of the year | \$ 211,756 | \$ 203,779 |
| Change in value | 17,588 | 7,977 |
| BALANCE, END OF YEAR | \$ 229,344 | \$ 211,756 |

15. RELATED PARTY

Private gifts include contributions from Board members of approximately \$51,500 and \$72,000 during the years ending December 31, 2025 and 2024, respectively. At December 31, 2025 and 2024, amounts outstanding and included in contributions receivable was approximately \$21,000 and \$600, respectively.