



UNITED WAY OF ADDISON COUNTY, INC.

**FINANCIAL STATEMENTS
AND SUPPLEMENTARY INFORMATION**

JUNE 30, 2024 AND 2023

**JMM & ASSOCIATES
CERTIFIED PUBLIC ACCOUNTANTS**

UNITED WAY OF ADDISON COUNTY, INC.

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JUNE 30, 2024 AND 2023

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VT License #92-0000171

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of
United Way of Addison County, Inc.
Middlebury, Vermont

Opinion

We have audited the accompanying financial statements of United Way of Addison County, Inc. (a nonprofit organization) which comprise the statements of financial position as of June 30, 2024 and 2023, 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 United Way of Addison County, Inc. as of June 30, 2024 and 2023, 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 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 United Way of Addison 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 these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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 United Way of Addison 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, including omissions, 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 United Way of Addison 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 United Way of Addison 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.

Report on Supplementary Information

Our audits were conducted for the purpose of forming an opinion on the financial statements as a whole. The Schedule of Fiscal Agent Activity on page 29 is presented for purposes of additional analysis and is not a required part of the 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 financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements, and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the 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 stated fairly in all material aspects in relation to the financial statements as a whole.

A handwritten signature in dark ink that reads "Jmm & Associates". The signature is written in a cursive, flowing style.

June 27, 2025

UNITED WAY OF ADDISON COUNTY, INC.

STATEMENTS OF FINANCIAL POSITION

JUNE 30, 2024 AND 2023

A S S E T S

	2024	2023
CURRENT ASSETS		
Cash - operating	\$ 156,326	\$ 185,792
Cash - fiscal agent funds	28,299	38,200
Campaign pledges receivable, net of allowance	74,716	66,704
Grants receivable	93,105	92,321
Accounts receivable	136	191
Prepaid expenses	8,611	6,990
	<hr/>	<hr/>
TOTAL CURRENT ASSETS	361,193	390,198
	<hr/>	<hr/>
PROPERTY AND EQUIPMENT		
Leasehold improvements	18,326	18,326
Office equipment and furniture	25,106	25,106
	<hr/>	<hr/>
	43,432	43,432
Less accumulated depreciation	(29,917)	(21,911)
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TOTAL PROPERTY AND EQUIPMENT	13,515	21,521
	<hr/>	<hr/>
OTHER ASSETS		
Investments	1,714,175	1,563,137
Beneficial interest in assets held by others	175,424	174,933
Beneficial interest - fiscal agent funds	72,510	53,350
Pledges receivable - other, net of discount	93,525	107,742
Right-of-use asset, net of accumulated amortization	274,680	300,713
	<hr/>	<hr/>
TOTAL OTHER ASSETS	2,330,314	2,199,875
	<hr/>	<hr/>
TOTAL ASSETS	\$ 2,705,022	\$ 2,611,594
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See accompanying notes.

LIABILITIES AND NET ASSETS

	2024	2023
CURRENT LIABILITIES		
Accounts payable and accrued expenses	\$ 13,818	\$ 20,131
Accrued payroll and related costs	32,833	17,563
Accrued vacation	14,105	11,565
Deferred revenue	75	3,000
Designated donations payable	43,421	40,717
Current portion of lease liability	40,000	38,000
	<hr/>	<hr/>
TOTAL CURRENT LIABILITIES	144,252	130,976
	<hr/>	<hr/>
LONG-TERM LIABILITIES		
Fiscal agent funds	100,809	91,550
Annuity payable	577	1,397
Lease liability, net of current portion	241,140	262,713
	<hr/>	<hr/>
TOTAL LONG-TERM LIABILITIES	342,526	355,660
	<hr/>	<hr/>
TOTAL LIABILITIES	486,778	486,636
	<hr/>	<hr/>
NET ASSETS		
Net assets without donor restrictions:		
Undesignated	(390,558)	(347,970)
Board-designated	1,188,250	1,111,817
Total net assets without donor restrictions	797,692	763,847
	<hr/>	<hr/>
Net assets with donor restrictions:		
Restricted by time or purpose	818,129	778,462
Restricted in perpetuity	602,423	582,649
Total net assets with donor restrictions	1,420,552	1,361,111
	<hr/>	<hr/>
TOTAL NET ASSETS	2,218,244	2,124,958
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TOTAL LIABILITIES AND NET ASSETS	\$ 2,705,022	\$ 2,611,594
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See accompanying notes.

UNITED WAY OF ADDISON COUNTY, INC.

STATEMENT OF ACTIVITIES - 2024

**FOR THE YEAR ENDED JUNE 30, 2024
(WITH COMPARATIVE TOTALS FOR 2023)**

	Net Assets Without Donor Restrictions	Net Assets With Donor Restrictions	Total 2024	Total 2023
SUPPORT AND REVENUE				
Gross campaign results - prior:	\$ -	\$ -	\$ -	\$ -
Released from restriction	639,342	(639,342)	-	-
	<u>639,342</u>	<u>(639,342)</u>	<u>-</u>	<u>-</u>
Gross campaign results - current:	-	833,892	833,892	730,251
Donor designations - partners and others	-	(130,971)	(130,971)	(46,548)
Amounts from other United Ways	-	(9,903)	(9,903)	(10,135)
Amounts raised from events	-	-	-	(12,318)
Provision for uncollectible pledges	-	(25,743)	(25,743)	(21,908)
	<u>-</u>	<u>667,275</u>	<u>667,275</u>	<u>639,342</u>
Net campaign results	639,342	27,933	667,275	639,342
Event revenue	-	-	-	13,418
Contributions designated UWAC	120,014	19,283	139,297	173,200
Grants	881,028	-	881,028	850,032
Contributed services	1,706	-	1,706	6,426
Recovery of prior year write-offs	6,740	-	6,740	20,220
Program revenue	23,888	-	23,888	9,368
Investment income	110,853	27,694	138,547	109,506
Change in beneficial interest	-	491	491	14,588
Other income	5,990	-	5,990	11,291
Subtotal - support and revenue	<u>1,789,561</u>	<u>75,401</u>	<u>1,864,962</u>	<u>1,847,391</u>
Net assets released from restrictions programs	15,960	(15,960)	-	-
TOTAL SUPPORT AND REVENUE	<u>1,805,521</u>	<u>59,441</u>	<u>1,864,962</u>	<u>1,847,391</u>
EXPENSES				
Program services:				
Funding & agency relations	354,101	-	354,101	323,037
Organizational development	374,698	-	374,698	375,008
Community leadership & initiatives	681,548	-	681,548	577,364
Volunteer programs	60,075	-	60,075	59,103
Total program services	<u>1,470,422</u>	<u>-</u>	<u>1,470,422</u>	<u>1,334,512</u>
Support services:				
General and administrative	185,687	-	185,687	159,950
Fundraising	115,567	-	115,567	131,954
Total support services	<u>301,254</u>	<u>-</u>	<u>301,254</u>	<u>291,904</u>
TOTAL EXPENSES	<u>1,771,676</u>	<u>-</u>	<u>1,771,676</u>	<u>1,626,416</u>
TOTAL CHANGE IN NET ASSETS	33,845	59,441	93,286	220,975
BEGINNING NET ASSETS	<u>763,847</u>	<u>1,361,111</u>	<u>2,124,958</u>	<u>1,903,983</u>
ENDING NET ASSETS	<u>\$ 797,692</u>	<u>\$ 1,420,552</u>	<u>\$ 2,218,244</u>	<u>\$ 2,124,958</u>

See accompanying notes.

UNITED WAY OF ADDISON COUNTY, INC.

STATEMENT OF ACTIVITIES - 2023

FOR THE YEAR ENDED JUNE 30, 2023

	Net Assets Without Donor Restrictions	Net Assets With Donor Restrictions	Total 2023
SUPPORT AND REVENUE			
Gross campaign results - prior:	\$ -	\$ -	\$ -
Released from restriction	624,266	(624,266)	-
	<u>624,266</u>	<u>(624,266)</u>	<u>-</u>
Gross campaign results - current:	-	730,251	730,251
Donor designations - partners and others	-	(46,548)	(46,548)
Amounts from other United Ways	-	(10,135)	(10,135)
Amounts raised from events	-	(12,318)	(12,318)
Provision for uncollectible pledges	-	(21,908)	(21,908)
	<u>-</u>	<u>639,342</u>	<u>639,342</u>
Net campaign results	624,266	15,076	639,342
Event revenue	13,418	-	13,418
Contributions designated UWAC	32,908	140,292	173,200
Grants	850,032	-	850,032
Contributed services	6,426	-	6,426
Recovery of prior year write-offs	20,220	-	20,220
Program revenue	9,368	-	9,368
Investment income	97,198	12,308	109,506
Change in beneficial interest	-	14,588	14,588
Other income	11,291	-	11,291
Subtotal - support and revenue	<u>1,665,127</u>	<u>182,264</u>	<u>1,847,391</u>
Net assets released from restrictions programs	<u>34,577</u>	<u>(34,577)</u>	<u>-</u>
TOTAL SUPPORT AND REVENUE	<u>1,699,704</u>	<u>147,687</u>	<u>1,847,391</u>
EXPENSES			
Program services:			
Funding & agency relations	323,037	-	323,037
Organizational development	375,008	-	375,008
Community leadership & initiatives	577,364	-	577,364
Volunteer programs	59,103	-	59,103
Total program services	<u>1,334,512</u>	<u>-</u>	<u>1,334,512</u>
Support services:			
General and administrative	159,950	-	159,950
Fundraising	131,954	-	131,954
Total support services	<u>291,904</u>	<u>-</u>	<u>291,904</u>
TOTAL EXPENSES	<u>1,626,416</u>	<u>-</u>	<u>1,626,416</u>
TOTAL CHANGE IN NET ASSETS	<u>\$ 73,288</u>	<u>\$ 147,687</u>	<u>\$ 220,975</u>
BEGINNING NET ASSETS	<u>690,559</u>	<u>1,213,424</u>	<u>1,903,983</u>
ENDING NET ASSETS	<u>\$ 763,847</u>	<u>\$ 1,361,111</u>	<u>\$ 2,124,958</u>

See accompanying notes.

UNITED WAY OF ADDISON COUNTY, INC.

STATEMENT OF FUNCTIONAL EXPENSES - 2024

**FOR THE YEAR ENDED JUNE 30, 2024
(WITH COMPARATIVE TOTALS FOR 2023)**

	Funding & Agency Relations	Organizational Development	Community Leadership & Initiatives	Volunteer Programs	Total Program Services
Salaries and wages	\$ 8,323	\$ -	\$ 250,828	\$ 36,977	\$ 296,128
Employee benefits	339	-	33,263	1,574	35,176
Payroll taxes	618	-	19,966	2,766	23,350
Subtotal - personnel	9,280	-	304,057	41,317	354,654
Community investment	341,745	374,698	158,663	3,000	878,106
Professional fees	348	-	62,248	1,571	64,167
Program supplies	-	-	63,012	-	63,012
Occupancy	1,276	-	25,334	5,670	32,280
Advertising and promotion	59	-	15,054	685	15,798
Information technology	511	-	8,803	4,179	13,493
Travel	98	-	18,645	-	18,743
Payments to affiliate	372	-	7,371	1,651	9,394
Office expenses	153	-	6,202	849	7,204
Depreciation	138	-	3,456	615	4,209
Conferences and training	-	-	6,272	-	6,272
Insurance	121	-	2,401	538	3,060
Bank fees	-	-	30	-	30
TOTAL EXPENSES	\$ 354,101	\$ 374,698	\$ 681,548	\$ 60,075	\$ 1,470,422

See accompanying notes.

	General and Administrative	Fundraising	Total Support Expenses	Total 2024	Total 2023
Salaries and wages	\$ 90,859	\$ 64,753	\$ 155,612	\$ 451,740	\$ 394,866
Employee benefits	49,132	2,820	51,952	87,128	72,691
Payroll taxes	4,047	4,991	9,038	32,388	29,272
Subtotal - personnel	144,038	72,564	216,602	571,256	496,829
Community investment	-	-	-	878,106	800,846
Professional fees	5,691	2,737	8,428	72,595	57,525
Program supplies	-	-	-	63,012	71,255
Occupancy	19,599	9,929	29,528	61,808	54,872
Advertising and promotion	1,858	12,543	14,401	30,199	38,586
Information technology	3,218	8,018	11,236	24,729	20,218
Travel	34	-	34	18,777	33,092
Payments to affiliate	3,825	2,890	6,715	16,109	15,209
Office expenses	2,947	4,197	7,144	14,348	16,506
Depreciation	2,721	1,076	3,797	8,006	7,098
Conferences and training	-	-	-	6,272	7,513
Insurance	1,246	942	2,188	5,248	5,180
Bank fees	510	671	1,181	1,211	1,687
TOTAL EXPENSES	\$ 185,687	\$ 115,567	\$ 301,254	\$ 1,771,676	\$ 1,626,416

See accompanying notes.

UNITED WAY OF ADDISON COUNTY, INC.

STATEMENT OF FUNCTIONAL EXPENSES - 2023

FOR THE YEAR ENDED JUNE 30, 2023

	Funding & Agency Relations	Organizational Development	Community Leadership & Initiatives	Volunteer Programs	Total Program Services
Salaries and wages	\$ 12,907	\$ 140	\$ 192,974	\$ 28,071	\$ 234,092
Employee benefits	525	4	25,389	1,268	27,186
Payroll taxes	962	10	16,454	2,212	19,638
Subtotal - personnel	14,394	154	234,817	31,551	280,916
Community investment	303,063	374,698	120,085	3,000	800,846
Program supplies	-	-	71,131	124	71,255
Professional fees	611	20	44,710	4,464	49,805
Occupancy	2,225	76	23,352	9,031	34,684
Advertising and promotion	501	-	19,404	763	20,668
Travel	485	-	32,603	-	33,088
Information technology	370	13	5,224	4,163	9,770
Office expenses	270	9	6,933	1,472	8,684
Payments to affiliate	621	21	6,419	2,518	9,579
Conferences and training	-	-	7,513	-	7,513
Depreciation	286	10	2,987	1,159	4,442
Insurance	211	7	2,186	858	3,262
Bank fees	-	-	-	-	-
TOTAL EXPENSES	\$ 323,037	\$ 375,008	\$ 577,364	\$ 59,103	\$ 1,334,512

See accompanying notes.

	General and Administrative	Fundraising	Total Support Expenses	Total 2023
Salaries and wages	\$ 87,942	\$ 72,832	\$ 160,774	\$ 394,866
Employee benefits	42,420	3,085	45,505	72,691
Payroll taxes	4,090	5,544	9,634	29,272
Subtotal - personnel	134,452	81,461	215,913	496,829
Community investment	-	-	-	800,846
Program supplies	-	-	-	71,255
Professional fees	3,930	3,790	7,720	57,525
Occupancy	9,352	10,836	20,188	54,872
Advertising and promotion	2,109	15,809	17,918	38,586
Travel	-	4	4	33,092
Information technology	1,553	8,895	10,448	20,218
Office expenses	2,835	4,987	7,822	16,506
Payments to affiliate	2,608	3,022	5,630	15,209
Conferences and training	-	-	-	7,513
Depreciation	1,265	1,391	2,656	7,098
Insurance	889	1,029	1,918	5,180
Bank fees	957	730	1,687	1,687
TOTAL EXPENSES	\$ 159,950	\$ 131,954	\$ 291,904	\$ 1,626,416

See accompanying notes.

UNITED WAY OF ADDISON COUNTY, INC.

STATEMENTS OF CASH FLOWS

FOR THE YEARS ENDED JUNE 30, 2024 AND 2023

	2024	2023
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash received from grants	\$ 877,319	\$ 795,149
Cash received from contributions	797,980	710,912
Interest and dividends received	57,800	44,972
Other miscellaneous receipts	29,933	20,692
Cash paid for personnel	(555,986)	(491,123)
Cash paid for goods and services	<u>(1,198,642)</u>	<u>(1,101,825)</u>
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	<u>8,404</u>	<u>(21,223)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from sales of investments	390,276	531,149
Purchases of investments	(470,727)	(574,439)
Purchases of fixed assets	<u>-</u>	<u>(6,915)</u>
NET CASH USED BY INVESTING ACTIVITIES	<u>(80,451)</u>	<u>(50,205)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Endowment gifts received	3,500	2,550
Scholarship endowment gifts received	30,000	30,000
Annuity paid	<u>(820)</u>	<u>(774)</u>
NET CASH PROVIDED BY FINANCING ACTIVITIES	<u>32,680</u>	<u>31,776</u>
DECREASE IN CASH	(39,367)	(39,652)
BEGINNING CASH	<u>223,992</u>	<u>263,644</u>
ENDING CASH	<u><u>\$ 184,625</u></u>	<u><u>\$ 223,992</u></u>
REPORTED ON THE STATEMENTS OF FINANCIAL POSITION AS:		
Cash - operating	\$ 156,326	\$ 185,792
Cash - fiscal agent funds	<u>28,299</u>	<u>38,200</u>
	<u><u>\$ 184,625</u></u>	<u><u>\$ 223,992</u></u>

See accompanying notes.

UNITED WAY OF ADDISON COUNTY, INC.

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2024 AND 2023

1) SUMMARY OF OPERATIONS AND SIGNIFICANT ACCOUNTING POLICIES

Operations

United Way of Addison County, Inc. (UWAC or the Organization) is a nonprofit organization serving Addison County. The Organization's support comes from local individuals and businesses with additional support from non-campaign grants and contributions. The Organization fulfills its mission "to be a leader and catalyst, mobilizing and supporting the caring power of individuals and organizations to improve lives and strengthen the community" through the following programs: Funding & Agency Relations, Organizational Development, Community Leadership & Initiatives, and Volunteer Programs. The Organization focuses its efforts around three community impact areas: health, education and financial stability. In addition to granting funds directly to local health and human service organizations, the Organization also facilitates collaborative efforts and manages specific initiatives. Examples of Community Initiatives related to these impact areas include:

Health

Distribution of *Familywize* discount prescription cards which can help individuals and families save 30% or more on prescription costs.

Building on past facilitation of the 5-Town Drug and Safety Alliance, and years of collaboration with the Vermont Department of Health under the Regional Prevention Partnership Grant, the Organization is now engaging in additional substance and alcohol abuse prevention initiatives in cooperation with the Substance Abuse and Mental Health Services Administration (SAMHSA) and the Centers for Disease Control (CDC). In fiscal year 2024, the Organization received the fifth year funding for two, five-year federal awards under the Partners for Success (PFS) and Drug Free Communities (DFC) grants. These conditions will continue to bring together other nonprofits, businesses, individuals, medical providers, faith communities, and local law enforcement to inspire and implement innovative approaches to substance abuse prevention.

Education

Partnering with Addison County Readers to help facilitate early childhood literacy by the distribution of books to Addison County households with young children.

Financial Stability

Working with local employers to provide workplace financial literacy programs to low and moderate wage earners at the workplace to learn about and encourage budgeting skills, financial goal setting, increased savings, proper use of credit, and improving credit scores.

Partnering with United Way Worldwide to promote an online self-preparation option named *MyFreeTaxes* in an effort to provide a free tax filing option to Addison County residents, to build awareness and improve utilization of the Earned Income Tax Credit by working families, and to empower low and moderate income earners to learn how to prepare their own returns.

UNITED WAY OF ADDISON COUNTY, INC.

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2024 AND 2023

1) SUMMARY OF OPERATIONS AND SIGNIFICANT ACCOUNTING POLICIES (continued)

Basis of accounting

The financial statements of the United Way of Addison County, Inc. have been prepared on the accrual basis of accounting and, accordingly, reflect all significant receivables, payables and other liabilities.

Income taxes

United Way of Addison County, Inc. is a nonprofit organization as described in Section 501(c)(3) of the Internal Revenue Code, and is exempt from federal income taxes on income related to its exempt purpose as a public charity pursuant to Section 501(a) of the Code. The Organization believes that it has appropriate support for any tax positions taken and, as such, does not have any uncertain tax positions that are material to the financial statements.

Financial statement presentation

United Way of Addison County, Inc. reports information regarding its financial position and activities according to two classes of net assets: net assets without donor restrictions and net assets with donor restrictions. Support that is restricted by the donor is reported as an increase in net assets without donor restrictions if the restriction expires in the reporting period in which the support is recognized. All other donor-restricted support is reported as an increase in net assets with donor restrictions. When a restriction expires, 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.

Leases

If a contract provides the Organization the right to substantially all the economic benefits and the right to direct the use of the identified asset, it is considered to be a or contain a lease. Right-of-use (ROU) assets and lease liabilities are recognized at the lease commencement date based on the present value of the future lease payments over the expected lease term. ROU assets are also adjusted for any lease prepayments made, lease incentives received, and initial direct costs incurred.

Lease liabilities are initially and subsequently recognized based on the present value of their future lease payments. Variable payments are included in the future lease payments when those variable payments depend on an index or a rate. Increases (decreases) to variable lease payments due to subsequent changes in an index or rate are recorded as variable lease expense (income) in the future period in which they are incurred.

ROU assets for operating leases are subsequently measured throughout the lease term at the amount of the remeasured lease liability (i.e., present value of the remaining lease payments), plus unamortized initial direct costs, plus (minus) any prepaid (accrued) lease payments, less the unamortized balance of lease incentives received, and any impairment recognized.

UNITED WAY OF ADDISON COUNTY, INC.

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2024 AND 2023

1) SUMMARY OF OPERATIONS AND SIGNIFICANT ACCOUNTING POLICIES (continued)

Leases (continued)

ROU assets for finance leases are amortized on a straight-line basis over the lease term. For operating leases with lease payments that fluctuate over the lease term, the total lease costs are recognized on a straight-line basis over the lease term.

The Organization has elected the short-term lease exemption for equipment leases with a term of 12 months or less for both existing and ongoing operating leases to not recognize the asset and liability for these leases. Lease payments for short-term leases are recognized on a straight-line basis.

The Organization has elected to use the practical expedient to not separate lease and non-lease components for all leases. The Organization has elected to use the risk-free-rate to determine the discount rate for all leases.

The Organization has established a capitalization threshold of \$20,000 for lease accounting.

The Organization has elected the option to separate right-of-use assets and liabilities for operating leases from right-of-use assets and lease liabilities for financing leases on the Statements of Financial Position.

Cash and cash equivalents

For purposes of the Statements of Cash Flows, the Organization considers all highly-liquid investments with an initial maturity of three months or less to be cash equivalents. Amounts on deposit are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000 per depositor per bank. Amounts on deposit in excess of the FDIC limit were \$0 as of June 30, 2024 and 2023.

Provision for credit losses and adoption of new accounting standard

On July 1, 2023, UWAC adopted Accounting Standards Update (ASU) 2016-13 *Financial Instruments – Credit Losses* (Topic 326): *Measurement of Credit Losses on Financial Instruments* (ASC 326). This standard replaced the incurred loss methodology with an expected loss methodology that is referred to as the current expected credit loss (“CECL”) methodology. ASU 2016-13 requires an estimate of credit losses for the remaining estimated life of the financial asset using historical experience, current conditions, and reasonable and supportable forecasts and generally applies to financial assets measured at amortized cost, including accounts receivable and some off-balance sheet credit exposures such as unfunded commitments to extend credit. Financial assets measured at amortized cost will be presented at the net amount expected to be collected by using an allowance for credit losses.

It is the Organization's policy to charge off uncollectible accounts receivable when management determines the receivable will not be collected.

Credit losses on accounts receivable as of June 30, 2024 and 2023 were not material to the financial statements. As a result, there was no material cumulative effect on net assets as of July 1, 2022 resulting from the adoption of ASU 2016-13.

UNITED WAY OF ADDISON COUNTY, INC.

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2024 AND 2023

1) SUMMARY OF OPERATIONS AND SIGNIFICANT ACCOUNTING POLICIES (continued)

Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the U.S. requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Campaign pledges receivable

The Organization uses the allowance method to determine net pledges receivable. The allowance amount for pledges receivable is based on prior years' experience, management's analysis of specific promises to give and currently known economic conditions. The uncollectible rate is applied to the total campaign goal. The campaign and the related allowance for uncollectible pledges are closed two years after the close of the campaign, regardless of collection date.

Pledges receivable - other

Pledges receivable - other are stated at the amount management expects to collect from outstanding balances, less a discount to present value.

Grants receivable

Grants receivable represent amounts due from the grantor in less than one year. No allowance is deemed necessary.

Accounts receivable

Accounts receivable is comprised of amounts receivable from a fiscal agency. Receivables are stated at the amount management expects to collect from outstanding balances. Management has deemed these amounts to be fully collectible.

Property and equipment

Property and equipment is stated at cost. The Organization capitalizes any item with an original value of \$1,000 or more and with a useful life greater than one year. Donations of property and equipment are recorded as support at their estimated market value. Such donations are reported as support without donor restrictions unless the donor has restricted the donated asset to a specific purpose. Assets donated with explicit restrictions regarding their use, and contributions of cash that must be used to acquire property and equipment, are reported as support with donor restrictions. Absent donor stipulations regarding how long those donated assets must be maintained, the Organization reports the expiration of donor restrictions when donated assets are placed into service as instructed by the donor, and reclassifies net assets with restrictions to net assets without donor restrictions at that time. Depreciation is computed using the straight-line method over the estimated useful lives.

UNITED WAY OF ADDISON COUNTY, INC.

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2024 AND 2023

1) SUMMARY OF OPERATIONS AND SIGNIFICANT ACCOUNTING POLICIES (continued)

Investments and fair value measurements

Investments in marketable securities with readily determinable fair values and all investments in debt securities are reported at fair value in the Statements of Financial Position, and changes in fair value are reported as investment return in the Statements of Activities. Investment income and gains restricted by a donor are reported as increases in net assets without donor restrictions if the restrictions are met (either by passage of time or by use) in the reporting period in which the income and gains are recognized.

Fair value is defined as the price that would be received to sell an asset in the principal, or most advantageous, market for the asset in an orderly transaction between market participants on the measurement date. Fair value should be based on assumptions market participants would use when pricing an asset. Accounting principles in the United States of America establish a fair value hierarchy that prioritizes investments based on those assumptions. The fair value hierarchy gives the highest priority to quoted prices in active markets (observable inputs) and the lowest priority to an entity's assumptions (unobservable inputs). The three levels of the fair value hierarchy are described below:

Level 1 - inputs are unadjusted quoted prices for identical assets or liabilities in active markets.

Level 2 - inputs include quoted prices for similar assets or liabilities in active markets; identical or similar assets or liabilities in inactive markets; inputs other than quoted prices that are observable for the asset or liability; or inputs that are derived principally from or corroborated by observable market data by correlation or by other means.

Level 3 - inputs are unobservable and significant to the fair value measurement.

Reclassifications

Certain amounts in the prior year financial statements have been reclassified for comparative purposes to conform with the presentation in the current year financial statements.

Contributed services and nonfinancial assets

The Organization receives various types of in-kind support including professional services and unskilled labor. Contributed professional services are recognized at fair value if the services rendered (a) create or enhance long-lived assets or (b) require specialized skills, and would typically need to be purchased if not provided by donation. Donated services that met this criteria were \$1,706 and \$6,426 for the years ended June 30, 2024 and 2023, respectively. Fair value of the contributed services was determined by market price for those services. Contributed nonfinancial assets are valued at fair value.

Advertising and promotion

The Organization uses advertising to promote its programs among the audiences it serves. Costs of advertising are expensed as incurred. Amounts included in advertising included donated media of \$1,706 and \$6,426 for the years ended June 30, 2024 and 2023, respectively. Other advertising consisted of promotional supplies, food, catering, printing, and publications.

UNITED WAY OF ADDISON COUNTY, INC.

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2024 AND 2023

1) SUMMARY OF OPERATIONS AND SIGNIFICANT ACCOUNTING POLICIES (continued)

Revenue recognition

A portion of the Organization's revenue is derived from cost-reimbursable contracts and 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 the specific contract or grant provisions. Amounts received prior to incurring qualifying expenditures are reported as deferred revenue in the Statements of Financial Position.

Revenues from contracts with customers are immaterial to the financial statements. United Way of Addison County, Inc. did not have any contract assets or liabilities as of the beginning or end of fiscal years 2024 or 2023.

Functional expenses

The costs of providing various programs and activities have been summarized on a functional basis in the Statements of Activities. The Statements of Functional Expenses present expenses by function and natural classification. Expenses directly attributable to a specific functional area are reported as expenses of those functional areas, while indirect costs that benefit multiple functional areas have been allocated among the various functional areas. Indirect salaries have been allocated to the various programs based on estimated time spent by each person. Other indirect costs are allocated based on the payroll allocation percentages.

2) LIQUIDITY

The Organization regularly monitors liquidity required to meet its operating needs and other contractual commitments, while also striving to maximize the investment of its available funds. The Organization has various sources of liquidity at its disposal, including cash and cash equivalents and marketable investments.

For purposes of analyzing resources available to meet general expenditures over a 12-month period, United Way of Addison County, Inc. considers all expenditures related to its ongoing activities of community investment and community impact and volunteer mobilization, as well as the conduct of services undertaken to support those activities to be general expenditures.

In addition to financial assets available to meet general expenditures over the next 12 months, the Organization operates with a balanced budget and anticipates collecting sufficient revenue to cover general expenditures not covered by donor-restricted resources.

Management and the Board are aware of the impact that board-designated net assets have on liquidity and are taking steps to address the issue.

UNITED WAY OF ADDISON COUNTY, INC.

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2024 AND 2023

2) LIQUIDITY (continued)

As of June 30, the following tables show the total financial assets held by United Way of Addison County, Inc., and the amounts of those financial assets that could readily be made available within one year of the Statements of Financial Position dates to meet general expenditures:

	2024	2023
Financial assets at year-end:		
Cash - operating	\$ 156,326	\$ 185,792
Cash - fiscal agent funds	28,299	38,200
Campaign pledges receivable, net of allowance	74,716	66,704
Pledges receivable - other, net of discount	93,525	107,742
Grants receivable	93,105	92,321
Accounts receivable	136	191
Investments	1,714,175	1,563,137
Beneficial interest in assets held by others	175,424	174,933
Beneficial interest - fiscal agent funds	72,510	53,350
Total financial assets at year-end	<u>2,408,216</u>	<u>2,282,370</u>
Less amounts not available to meet general expenditures over the next 12 months:		
Fiscal agent funds	(100,809)	(91,550)
Net assets with donor restrictions	(1,420,552)	(1,361,111)
Board-designated net assets	<u>(1,188,250)</u>	<u>(1,111,817)</u>
Financial assets available to meet general expenditures over the next 12 months	<u><u>\$ (301,395)</u></u>	<u><u>\$ (282,108)</u></u>

3) CAMPAIGN PLEDGES RECEIVABLE

Campaign pledges receivable consisted of the following unconditional promises to give at June 30:

	2024	2023
Current campaign	\$ 90,361	\$ 81,870
Prior campaigns	10,098	6,742
	<u>100,459</u>	<u>88,612</u>
Less allowance for uncollectible pledges	<u>(25,743)</u>	<u>(21,908)</u>
	<u><u>\$ 74,716</u></u>	<u><u>\$ 66,704</u></u>

All campaign promises to give are due in less than one year.

UNITED WAY OF ADDISON COUNTY, INC.

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2024 AND 2023

4) PLEDGES RECEIVABLE - OTHER

Pledges receivable - other are comprised of a multi-year pledge for the Youth Scholarship Fund.

Pledges receivable - other consisted of the following at June 30:

	<u>2024</u>	<u>2023</u>
Receivable in less than one year	\$ 30,000	\$ 30,000
Receivable in more than five years	<u>110,000</u>	<u>140,000</u>
	140,000	170,000
Less discount to present value	<u>(46,475)</u>	<u>(62,258)</u>
	<u>\$ 93,525</u>	<u>\$ 107,742</u>

Pledges receivable - other have been discounted at 4%. Management believes the amount is fully collectible and no allowance is considered necessary.

5) BENEFICIAL INTEREST IN ASSETS HELD BY OTHERS

The Vermont Community Foundation (VCF) holds funds for the benefit of the Organization with fair values totaling \$175,424 and \$174,933 at June 30, 2024 and 2023, respectively. The Organization received distributions of \$9,181 and \$9,225 from VCF for the years ended June 30, 2024 and 2023, respectively.

VCF also holds funds for the benefit of Addison County Readers with fair values totaling \$72,510 and \$53,350 at June 30, 2024 and 2023, respectively. The Organization maintains this asset as the fiscal agent for Addison County Readers.

The Board of Directors of Vermont Community Foundation shall have the power to modify any restriction or condition on the distribution of funds for any specified charitable purpose or to a specified organization if, in the sole judgment of the Board, such restriction or condition becomes, in effect, unnecessary, incapable of fulfillment, or inconsistent with the charitable needs of the community served.

UNITED WAY OF ADDISON COUNTY, INC.

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2024 AND 2023

6) INVESTMENTS

The Organization's investments include both funds with donor restrictions and without donor restrictions. All investments have readily determinable fair values, and are carried at fair value as determined by reference to quoted market prices and other relevant information generated by market transactions (Level 1 inputs).

The fair value of UWAC's investments consisted of the following at June 30:

	2024	2023
Exchange-traded funds:		
Real estate ETF	\$ 877	\$ -
Utilities ETF	681	-
Banking ETF	-	10,208
Subtotal - exchange-traded funds	<u>1,558</u>	<u>10,208</u>
Mutual funds:		
Short-term bond funds	12,681	24,253
Floating rate loan fund	<u>14,748</u>	<u>14,689</u>
Subtotal - mutual funds	<u>27,429</u>	<u>38,942</u>
Other alternative funds:		
Real estate investment trusts	117,964	69,324
Preferred convertible stock	<u>22,966</u>	<u>33,399</u>
Subtotal - other alternative funds	<u>140,930</u>	<u>102,723</u>
Cash and equivalents	157,245	196,725
Equity securities	929,466	839,185
Fixed income	<u>457,547</u>	<u>375,354</u>
Total investments measured at fair value	<u><u>\$ 1,714,175</u></u>	<u><u>\$ 1,563,137</u></u>

UNITED WAY OF ADDISON COUNTY, INC.

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2024 AND 2023

6) INVESTMENTS (continued)

An analysis of UWAC's investments consisted of the following at:

	Fair Value	Cost	Unrealized Appreciation (Depreciation)
<u>June 30, 2024</u>			
Cash and equivalents	\$ 157,245	\$ 157,245	\$ -
Equity securities	929,466	693,469	235,997
Fixed income	457,547	474,384	(16,837)
Alternative investments	169,917	191,460	(21,543)
	<u>\$ 1,714,175</u>	<u>\$ 1,516,558</u>	<u>\$ 197,617</u>
<u>June 30, 2023</u>			
Cash and equivalents	\$ 196,725	\$ 196,725	\$ -
Equity securities	839,185	688,543	150,642
Fixed income	375,354	402,444	(27,090)
Alternative investments	151,873	157,218	(5,345)
	<u>\$ 1,563,137</u>	<u>\$ 1,444,930</u>	<u>\$ 118,207</u>

Investment return consisted of the following for the years ended June 30:

	2024	2023
Interest and dividends	\$ 57,800	\$ 44,972
Realized gain	10,527	28,335
Change in unrealized gain	79,410	45,974
Investment fees	<u>(9,190)</u>	<u>(9,775)</u>
	<u>\$ 138,547</u>	<u>\$ 109,506</u>

UNITED WAY OF ADDISON COUNTY, INC.

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2024 AND 2023

7) ENDOWMENT FUNDS

FASB staff position

In August 2008, the Financial Accounting Standards Board issued FASB Staff Position "Endowments of Not-for-Profit Organizations Net Asset Classification of Funds Subject to an Enacted Version of the Uniform Prudent Management of Institutional Funds Act, and Enhanced Disclosures for All Endowment Funds." The Staff Position provides guidance on the net asset classification of donor-restricted endowment funds for a nonprofit organization that is subject to an enacted version of the Uniform Prudent Management of Institutional Funds Act of 2006 (UPMIFA). The Staff Position also requires additional disclosures about an organization's endowment funds (both donor-restricted endowment funds and board-designated endowment funds), whether or not the organization is subject to UPMIFA.

Interpretation of relevant law

The State of Vermont enacted UPMIFA effective May 5, 2009, the provisions of which apply to endowment funds existing or established after that date. The Organization adopted the FASB Staff Position for the year ended June 30, 2009. The Board of Directors determined that the Organization's net assets with donor restrictions meet the definition of endowment funds under UPMIFA.

The Board of Directors of the Organization has interpreted State of Vermont law as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary. As a result of this interpretation, the Organization classifies as net assets with donor restrictions in perpetuity (a) the original value of gifts donated to the permanent endowment, and (b) the original value of subsequent gifts to the permanent endowment. There are no explicit donor stipulations that govern the Organization's permanently restricted endowment funds. The Organization considers the duration and preservation of the fund, general economic conditions, the possible effect of inflation or deflation, the expected total return of the fund, the availability of other resources, and the general investment policies of the Organization when establishing the investment allocation of the fund.

Return objectives and risk parameters

The Organization adopted investment and spending policies for endowment assets that attempt to provide a predictable stream of funding to programs supported by its endowment while seeking to maintain the purchasing power of the endowment assets. Endowment assets include those assets of donor-restricted funds that the Organization must hold in perpetuity or for a donor-specified period, as well as Board-designated funds. Under this policy, as approved by the Board of Directors, the endowment assets are invested in a manner that is intended to produce sufficient earnings to meet the Organization's current and future operational needs.

Strategies employed for achieving objectives

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 a diversified asset allocation that places a greater emphasis on equity-based investments to achieve its long-term return objectives within prudent risk constraints.

UNITED WAY OF ADDISON COUNTY, INC.

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2024 AND 2023

7) ENDOWMENT FUNDS (continued)

Spending policy and how the investment objectives relate to spending policy

The spending policy for endowment funds is based on striking the balance between protection of donor designations, growth and meeting a portion of annual operating, program and capital needs of the Organization. An annual distribution is made based on a range of 3 - 6% of a trailing twelve-quarter average of the year-end balances.

Funds with deficiencies

From time to time, certain donor-restricted endowment funds may have fair values less than the amount required to be maintained by donors or by law (underwater endowments). The Organization complies with UPMIFA and has interpreted UPMIFA to permit spending from underwater endowment funds in accordance with prudent measures required under the law. There were no such deficiencies as of June 30, 2024 or 2023.

Endowment net asset composition was as follows as of:

	Without Donor Restrictions	With Donor Restrictions Un- appropriated Earnings	To be Held in Perpetuity	Total
<u>June 30, 2024</u>				
Board-designated endowment funds	\$ 653,996	\$ -	\$ -	\$ 653,996
Donor-restricted endowment funds	-	110,789	273,474	384,263
Donor-restricted scholarship endowment	-	2,739	153,525	156,264
	<u>\$ 653,996</u>	<u>\$ 113,528</u>	<u>\$ 426,999</u>	<u>\$ 1,194,523</u>
<u>June 30, 2023</u>				
Board-designated endowment funds	\$ 595,767	\$ -	\$ -	\$ 595,767
Donor-restricted endowment funds	-	85,834	269,974	355,808
Donor-restricted scholarship endowment	-	-	137,742	137,742
	<u>\$ 595,767</u>	<u>\$ 85,834</u>	<u>\$ 407,716</u>	<u>\$ 1,089,317</u>

UNITED WAY OF ADDISON COUNTY, INC.

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2024 AND 2023

7) ENDOWMENT FUNDS (continued)

Changes in endowment net assets were as follows for the years ended June 30, 2024 and 2023:

	Without Donor Restrictions	With Donor Restrictions		
		Un- appropriated Earnings	To be Held in Perpetuity	Total
Balance - July 1, 2022	\$ 527,046	\$ 73,526	\$ 267,424	\$ 867,996
Additional contributions	-	-	140,292	140,292
Investment income	68,721	22,262	-	90,983
Appropriated for operations	-	(9,954)	-	(9,954)
Balance - June 30, 2023	<u>\$ 595,767</u>	<u>\$ 85,834</u>	<u>\$ 407,716</u>	<u>\$ 1,089,317</u>
Balance - July 1, 2023	\$ 595,767	\$ 85,834	\$ 407,716	\$ 1,089,317
Additional contributions	-	-	19,283	19,283
Investment income	58,229	27,694	-	85,923
Appropriated for operations	-	-	-	-
Balance - June 30, 2024	<u>\$ 653,996</u>	<u>\$ 113,528</u>	<u>\$ 426,999</u>	<u>\$ 1,194,523</u>

8) CHILD CARE CONSORTIUM

United Way of Addison County, Inc. entered into a Memorandum of Understanding (MOU) on June 22, 2000 between Middlebury College and the Child Care Consortium (Bristol Family Center, Inc., Otter Creek Child Center, Inc. and Mary Johnson Children's Center), wherein the Organization will receive annual grants from Middlebury College, and distribute the funds in equal quarterly installments to the MOU Project Operator. For the period September 1, 2023 through August 31, 2024, the grant amount and distribution was \$374,698. For the period September 1, 2022 through August 31, 2023, the grant amount and distribution was \$374,698.

9) SPLIT-INTEREST AGREEMENT

In 2003, United Way of Addison County, Inc. received a donation to establish a charitable gift annuity. Under the terms of the agreement, the beneficiary is to receive quarterly annuity payments of \$222 throughout the beneficiary's life.

UNITED WAY OF ADDISON COUNTY, INC.

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2024 AND 2023

10) RIGHT-OF-USE ASSET AND LEASE LIABILITY

In April 2020, the Organization entered into a five-year lease agreement for office space, commencing on April 1, 2020. The agreement requires monthly payments of \$4,139 for all five years. At the end of the lease term, the Organization has the option to renew for an additional five years, with rental expense increased by the cumulative Consumer Price Index increase over the entire initial term. The Organization exercised that renewal option in fiscal year 2025. Rent expenses were \$49,662 for the years ended June 30, 2024 and 2023.

Right-of-use asset for the operating lease consisted of the following as of June 30:

	<u>2024</u>	<u>2023</u>
Cost	\$ 364,958	\$ 344,325
Less accumulated amortization	<u>(90,278)</u>	<u>(43,612)</u>
	<u><u>\$ 274,680</u></u>	<u><u>\$ 300,713</u></u>

Future minimum operating lease commitments are as follows for the years ending June 30:

2025	\$ 51,000
2026	54,000
2027	54,000
2028	54,000
2029	54,000
Thereafter	<u>41,000</u>
	308,000
Less discount to net present value	<u>(26,860)</u>
	281,140
Less current portion of lease liability	<u>(40,000)</u>
	<u><u>\$ 241,140</u></u>

The lease liability has been discounted using a discount rate of 2.90%.

In March 2025, the Organization exercised the option to renew the office lease for another five years. The agreement requires monthly payments of \$4,539 and expires on March 31, 2030.

11) EMPLOYEE BENEFIT PLAN

United Way of Addison County, Inc. sponsors a SIMPLE retirement plan under which the Organization matches each eligible employee's contributions up to 3% of the employee's salary. Total employer contributions were \$13,011 and \$11,341 for the years ended June 30, 2024 and 2023, respectively.

UNITED WAY OF ADDISON COUNTY, INC.

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2024 AND 2023

12) NET ASSETS

United Way of Addison County, Inc.'s net assets consisted of the following at June 30:

	<u>2024</u>	<u>2023</u>
Net assets without donor restrictions:		
Board-designated:		
Endowment fund	\$ 653,996	\$ 595,767
Special Operations fund	471,952	449,901
Building reserve fund	48,787	44,628
Net investment in property and equipment	13,515	21,521
Subtotal - board-designated	<u>1,188,250</u>	<u>1,111,817</u>
Undesignated	<u>(390,558)</u>	<u>(347,970)</u>
	<u><u>\$ 797,692</u></u>	<u><u>\$ 763,847</u></u>
Net assets with donor restrictions:		
Restricted to time or purpose:		
Current year campaign	\$ 667,275	\$ 639,342
Housing Solutions	28,663	44,623
Funder's Collaborative	901	901
Charitable gift annuity	7,762	7,762
Unappropriated endowment earnings	<u>113,528</u>	<u>85,834</u>
Subtotal - restricted to time or purpose	<u>818,129</u>	<u>778,462</u>
Restricted in perpetuity:		
Donor-restricted endowment	273,474	269,974
Donor-restricted scholarship endowment	153,525	137,742
Beneficial interest in assets held by others	<u>175,424</u>	<u>174,933</u>
Subtotal - restricted in perpetuity	<u>602,423</u>	<u>582,649</u>
	<u><u>\$ 1,420,552</u></u>	<u><u>\$ 1,361,111</u></u>

13) AFFILIATION

Under an annual agreement with United Way Worldwide (UWW), UWAC is bound to certain governance, financial reporting and operational standards and is subject to periodic monitoring by UWW. UWAC must also remit annual dues equal to 1% of its gross campaign receipts plus certain other receipts and adjustments, per UWW reporting standards. Annual dues paid to UWW were \$16,109 and \$15,209 for the years ended June 30, 2024 and 2023, respectively.

UNITED WAY OF ADDISON COUNTY, INC.

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2024 AND 2023

14) FISCAL AGENT FUNDS

The Organization is acting as a fiscal agent for certain local projects. Balances consisted of the following at June 30:

	<u>2024</u>	<u>2023</u>
Addison County Readers	\$ 98,053	\$ 88,832
Addison County Foster Fund	<u>2,756</u>	<u>2,718</u>
	<u>\$ 100,809</u>	<u>\$ 91,550</u>

Addison County Readers - an early literacy program that makes age-appropriate books available to all children in Addison County aged 0 - 5 through the Dolly Parton Imagination Library program.

Addison County Foster Fund - a fund for summer camp and extracurricular activities for children and youth in the foster care system.

In fiscal year 2017, Addison County Readers moved some of their funds to a beneficial interest account with the Vermont Community Foundation.

Fiscal agent funds are reported on the Statements of Financial Position as:

	<u>2024</u>	<u>2023</u>
Cash - fiscal agent funds	\$ 28,299	\$ 38,200
Beneficial interest - fiscal agent funds	<u>72,510</u>	<u>53,350</u>
	<u>\$ 100,809</u>	<u>\$ 91,550</u>

15) SUBSEQUENT EVENTS

As disclosed in Note 10, in March 2025, the Organization exercised the option to extend the lease for office space for an additional five years.

United Way of Addison County, Inc. has evaluated events and transactions for potential recognition or disclosure through June 27, 2025, the date the financial statements were available to be issued.

SUPPLEMENTARY INFORMATION

UNITED WAY OF ADDISON COUNTY, INC.

SCHEDULE OF FISCAL AGENT ACTIVITY

FOR THE YEAR ENDED JUNE 30, 2024
(WITH COMPARATIVE TOTALS FOR 2023)

	Addison County Readers	Addison County Foster Fund	Total 2024	Total 2023
SUPPORT AND REVENUE				
Contributions	\$ 8,854	\$ 2,043	\$ 10,897	\$ 12,460
Events	1,711	-	1,711	1,733
Grants	25,245	-	25,245	25,600
Contributed services	1,500	-	1,500	1,500
Miscellaneous income	-	25	25	10
Investment gain	5,412	-	5,412	4,257
TOTAL SUPPORT AND REVENUE	<u>42,722</u>	<u>2,068</u>	<u>44,790</u>	<u>45,560</u>
EXPENSES				
Program supplies	26,961	74	27,035	24,711
Professional fees	2,000	136	2,136	2,191
Community investment	-	1,629	1,629	2,273
Bank charges	1,287	-	1,287	28
Advertising	1,240	-	1,240	375
Office expenses	640	-	640	826
Web subscription services	373	-	373	25
TOTAL EXPENSES	<u>32,501</u>	<u>1,839</u>	<u>34,340</u>	<u>30,429</u>
NET INCOME	<u>\$ 10,221</u>	<u>\$ 229</u>	<u>\$ 10,450</u>	<u>\$ 15,131</u>