

*United Way of Lincoln and Lancaster County
and Controlled Foundation
Lincoln, Nebraska*

June 30, 2025 and 2024

*Consolidated Financial Statements
and
Independent Auditor's Report*



CPAs & Consultants | Wealth Management

United Way of Lincoln and Lancaster County and Controlled Foundation

Years ended June 30, 2025 and 2024

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INDEPENDENT AUDITOR'S REPORT

The Board of Directors
United Way of Lincoln and Lancaster County
and Controlled Foundation
Lincoln, Nebraska

Opinion

We have audited the consolidated financial statements of United Way of Lincoln and Lancaster County and Controlled Foundation, which comprise the consolidated statements of financial position as of June 30, 2025 and 2024, and the related consolidated statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the consolidated financial statements.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of United Way of Lincoln and Lancaster County and Controlled Foundation, as of June 30, 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 (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are required to be independent of United Way of Lincoln and Lancaster County and Controlled Foundation, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Consolidated Financial Statements

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

In preparing the consolidated financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about United Way of Lincoln and Lancaster County and Controlled Foundation's ability to continue as a going concern for one year after the date that the consolidated financial statements are issued.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS 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 consolidated financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated 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 Lincoln and Lancaster County and Controlled Foundation's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the consolidated financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about United Way of Lincoln and Lancaster County and Controlled Foundation's ability to continue as a going concern for a reasonable period of time.

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

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The supplementary consolidating statements and the schedules of agency allocations, grants, contracts, and designations are presented for purposes of additional analysis and are not a required part of the consolidated financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. The information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the consolidated financial statements as a whole.

HBG LHP

Lincoln, Nebraska
November 7, 2025

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United Way of Lincoln and Lancaster County and Controlled Foundation

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

June 30,

ASSETS

	2025	2024
CURRENT ASSETS		
Cash and cash equivalents (note A)	\$ 6,713,049	\$ 6,860,824
Certificates of deposit (notes A and B)	1,121,038	1,111,021
Investments (notes A, C and H)	2,770,450	1,660,942
Unconditional promises to give - campaigns, net (notes A and K)	2,150,761	2,112,290
Unconditional promises to give - other, current (notes A and N)	482,500	606,530
Endowment receivable	7,500	-
Accounts receivable (note A)	173,940	105,381
Prepaid expenses	<u>318,319</u>	<u>115,308</u>
Total current assets	<u>13,737,557</u>	<u>12,572,296</u>
PROPERTY AND EQUIPMENT, net (notes A and E)	<u>131,410</u>	<u>135,667</u>
OTHER ASSETS		
Unconditional promises to give - other, long-term (notes A and N)	833,521	1,369,809
Operating lease right-of-use assets (note A and P)	<u>845,523</u>	<u>922,665</u>
Total other assets	<u>1,679,044</u>	<u>2,292,474</u>
Total assets	<u><u>\$ 15,548,011</u></u>	<u><u>\$ 15,000,437</u></u>
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Accounts payable	\$ 188,338	\$ 130,544
Accrued vacation	50,394	53,344
Accrued expenses	-	192
Operations payable	1,845,776	1,769,489
Community collaboratives payable (note F)	1,052,988	1,383,936
Custodial funds	17,233	11,793
Contract liability (note A)	4,461	4,710
Deferred revenue (note A)	391,425	160,828
Allocations payable	1,990,812	1,997,236
Operating lease obligations, current (notes A and P)	107,501	105,912
Designations payable	<u>1,949,148</u>	<u>1,922,214</u>
Total current liabilities	<u>7,598,076</u>	<u>7,540,198</u>
OPERATING LEASE OBLIGATIONS, NET OF CURRENT MATURITIES (notes A and P)	<u>753,896</u>	<u>826,121</u>
Total liabilities	<u>8,351,972</u>	<u>8,366,319</u>
NET ASSETS (note A)		
Without donor restrictions		
Undesignated	561,654	572,416
Designated		
Reserve for operations	2,346,892	2,202,826
Board designated endowment (notes I and J)	2,480,645	1,399,254
With donor restrictions (note J)	<u>1,806,848</u>	<u>2,459,622</u>
Total net assets	<u>7,196,039</u>	<u>6,634,118</u>
Total liabilities and net assets	<u><u>\$ 15,548,011</u></u>	<u><u>\$ 15,000,437</u></u>

See accompanying notes to consolidated financial statements.

United Way of Lincoln and Lancaster County and Controlled Foundation

CONSOLIDATED STATEMENT OF ACTIVITIES

Year ended June 30, 2025

	Without Donor Restrictions	With Donor Restrictions	Total
CHANGE IN NET ASSETS			
Revenue and other support			
Annual campaign			
Total amounts raised	\$ 4,462,608	\$ 1,638,585	\$ 6,101,193
Provision for uncollectible	(230,799)	-	(230,799)
Amounts designated by donors for specific organizations	-	(1,638,585)	(1,638,585)
Total net contributions	<u>4,231,809</u>	<u>-</u>	<u>4,231,809</u>
Other revenue			
Bank depositary account interest	339,120	-	339,120
Investment performance, net (note C)	162,922	46,793	209,715
Service fees	116,353	-	116,353
Sponsorship and special events	137,294	-	137,294
Contributions of nonfinancial assets (notes A and O)	100,712	-	100,712
Endowment income	12,500	-	12,500
Foundation contributions	10,284	285,858	296,142
Grant income, contribution	2,651	-	2,651
Grant income, exchange transaction	404,868	-	404,868
Total other revenue	<u>1,286,704</u>	<u>332,651</u>	<u>1,619,355</u>
Net assets released from restrictions	<u>985,425</u>	<u>(985,425)</u>	<u>-</u>
Total revenue and other support	<u>6,503,938</u>	<u>(652,774)</u>	<u>5,851,164</u>
Program distributions			
Allocations distributed to affiliated agencies	1,742,444	-	1,742,444
Community initiatives and other funds distributed to affiliated agencies	2,129,961	-	2,129,961
Funds distributed to nonaffiliated agencies	548,647	-	548,647
Total program distributions	<u>4,421,052</u>	<u>-</u>	<u>4,421,052</u>
Less: distributions funded through donor designations	<u>(1,638,585)</u>	<u>-</u>	<u>(1,638,585)</u>
Net program distributions	<u>2,782,467</u>	<u>-</u>	<u>2,782,467</u>
Expenses			
Community impact and grant distribution	589,868	-	589,868
Management and general	555,773	-	555,773
Resource development - fund raising	1,117,391	-	1,117,391
Marketing and communications	153,995	-	153,995
Foundation operating expenses	29,897	-	29,897
Total functional expenses	<u>2,446,924</u>	<u>-</u>	<u>2,446,924</u>
Other program expense adjustments	<u>59,852</u>	<u>-</u>	<u>59,852</u>
Total expenses	<u>2,506,776</u>	<u>-</u>	<u>2,506,776</u>
INCREASE (DECREASE) IN NET ASSETS	<u>1,214,695</u>	<u>(652,774)</u>	<u>561,921</u>
Net assets, beginning of year	<u>4,174,496</u>	<u>2,459,622</u>	<u>6,634,118</u>
Net assets, end of year	<u>\$ 5,389,191</u>	<u>\$ 1,806,848</u>	<u>\$ 7,196,039</u>

See accompanying notes to consolidated financial statements.

United Way of Lincoln and Lancaster County and Controlled Foundation

CONSOLIDATED STATEMENT OF ACTIVITIES

Year ended June 30, 2024

	Without Donor Restrictions	With Donor Restrictions	Total
CHANGE IN NET ASSETS			
Revenue and other support			
Annual campaign			
Total amounts raised	\$ 4,696,368	\$ 1,636,128	\$ 6,332,496
Provision for uncollectible	(247,049)	-	(247,049)
Amounts designated by donors for specific organizations	-	(1,636,128)	(1,636,128)
Total net contributions	<u>4,449,319</u>	<u>-</u>	<u>4,449,319</u>
Other revenue			
Bank depositary account interest	367,570	-	367,570
Investment performance, net (note C)	107,263	50,953	158,216
Service fees	123,420	-	123,420
Sponsorship and special events	146,679	-	146,679
Contributions of nonfinancial assets (note P)	162,676	-	162,676
Foundation contributions	-	1,332,066	1,332,066
Grant income, exchange transaction	<u>522,571</u>	<u>-</u>	<u>522,571</u>
Total other revenue	<u>1,430,179</u>	<u>1,383,019</u>	<u>2,813,198</u>
Net assets released from restrictions	<u>817,920</u>	<u>(817,920)</u>	<u>-</u>
Total revenue and other support	<u>6,697,418</u>	<u>565,099</u>	<u>7,262,517</u>
Program distributions			
Allocations distributed to affiliated agencies	1,931,060	-	1,931,060
Community initiatives and other funds distributed to affiliated agencies	2,544,591	-	2,544,591
Funds distributed to nonaffiliated agencies	<u>512,733</u>	<u>-</u>	<u>512,733</u>
Total program distributions	<u>4,988,384</u>	<u>-</u>	<u>4,988,384</u>
Less: distributions funded through donor designations	<u>(1,636,128)</u>	<u>-</u>	<u>(1,636,128)</u>
Net program distributions	<u>3,352,256</u>	<u>-</u>	<u>3,352,256</u>
Expenses			
Community impact and grant distribution	604,400	-	604,400
Management and general	526,211	-	526,211
Resource development - fund raising	1,085,703	-	1,085,703
Marketing and communications	156,253	-	156,253
Foundation operating expenses	<u>9,310</u>	<u>-</u>	<u>9,310</u>
Total functional expenses	<u>2,381,877</u>	<u>-</u>	<u>2,381,877</u>
Other program expense adjustments	<u>39,101</u>	<u>-</u>	<u>39,101</u>
Total expenses	<u>2,420,978</u>	<u>-</u>	<u>2,420,978</u>
INCREASE IN NET ASSETS	<u>924,184</u>	<u>565,099</u>	<u>1,489,283</u>
Net assets, beginning of year	<u>3,250,312</u>	<u>1,894,523</u>	<u>5,144,835</u>
Net assets, end of year	<u>\$ 4,174,496</u>	<u>\$ 2,459,622</u>	<u>\$ 6,634,118</u>

See accompanying notes to consolidated financial statements.

United Way of Lincoln and Lancaster County and Controlled Foundation

CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES

Year ended June 30, 2025

	Program Services		Supporting Services			Other		Totals
	Community Impact and Grant Distribution	Management and General	Resource Development - Fund Raising	Marketing and Communications	Foundation Operating Expenses			
Salaries	\$ 323,668	\$ 353,716	\$ 515,161	\$ 50,070	\$ -	\$ 1,242,615		
Employee benefits	49,427	52,588	97,814	14,727	-	214,556		
Payroll taxes	24,392	26,500	39,222	3,738	-	93,852		
Total salaries and related expenses	397,487	432,804	652,197	68,535	-	1,551,023		
Professional fees	55,069	41,102	59,489	5,914	9,921	171,495		
Supplies	2,500	1,575	4,579	948	-	9,602		
Telephone	2,925	2,740	6,871	1,440	-	13,976		
Postage	930	2,648	11,530	9	1,137	16,254		
Occupancy	32,221	20,813	60,959	12,673	-	126,666		
Rental, purchase and maintenance of equipment	3,578	2,312	16,550	1,646	-	24,086		
Printing and advertising	28,956	2,686	67,040	42,601	395	141,678		
Campaign supplies	-	-	5,159	-	-	5,159		
Awards and recognition	262	1,344	2,467	33	-	4,106		
Duplicating	2,094	722	3,945	1	-	6,762		
Travel and meetings	3,370	2,015	7,223	382	467	13,457		
Conferences, conventions, and other training	5,317	2,114	983	1,935	-	10,349		
Membership dues	21,874	15,906	43,052	8,598	17,815	107,245		
Subscriptions and publications	1,859	464	1,470	283	-	4,076		
Insurance	3,215	2,076	6,078	1,265	-	12,634		
Miscellaneous	10,913	1,869	24,100	1,000	162	38,044		
Interviewing and relocation	5,837	4,170	11,035	4,359	-	25,401		
Program initiatives	3,696	-	-	-	-	3,696		
Special events	1,794	14,690	121,712	-	-	138,196		
Total before depreciation	583,897	552,050	1,106,439	151,622	29,897	2,423,905		
Depreciation of property and equipment	5,971	3,723	10,952	2,373	-	23,019		
TOTAL FUNCTIONAL EXPENSES	\$ 589,868	\$ 555,773	\$ 1,117,391	\$ 153,995	\$ 29,897	\$ 2,446,924		

See accompanying notes to consolidated financial statements.

United Way of Lincoln and Lancaster County and Controlled Foundation

CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES

Year ended June 30, 2024

	Program Services		Supporting Services			Other		<u>Totals</u>
	Community Impact and Grant Distribution	Management and General	Resource Development - Fund Raising	Marketing and Communications	Foundation Operating Expenses			
Salaries	\$ 332,448	\$ 302,058	\$ 530,754	\$ 63,393	\$ -	\$ 1,228,653		
Employee benefits	47,997	55,380	102,483	15,436	-	221,296		
Payroll taxes	25,187	23,112	40,102	4,079	-	92,480		
Total salaries and related expenses	405,632	380,550	673,339	82,908	-	1,542,429		
Professional fees	43,887	27,785	40,199	3,885	4,540	120,296		
Supplies	2,063	1,366	3,907	797	-	8,133		
Telephone	3,430	2,783	7,460	1,689	-	15,362		
Postage	1,287	2,528	7,517	6	549	11,887		
Occupancy	28,026	19,028	53,097	10,763	-	110,914		
Rental, purchase and maintenance of equipment	2,171	3,420	10,658	1,080	80	17,409		
Printing and advertising	73,424	2,819	76,722	42,325	1,710	197,000		
Campaign supplies	-	-	5,143	-	-	5,143		
Awards and recognition	254	456	3,221	35	-	3,966		
Duplicating	1,689	489	3,133	-	-	5,311		
Travel and meetings	4,014	1,544	7,031	155	865	13,609		
Conferences, conventions, and other training	1,458	399	1,169	258	-	3,284		
Membership dues	19,059	14,619	38,562	7,461	-	79,701		
Subscriptions and publications	1,481	407	1,192	248	-	3,328		
Insurance	3,212	2,074	6,072	1,263	-	12,621		
Miscellaneous	7,118	2,870	17,681	1,669	170	29,508		
Interviewing and relocation	-	42,116	-	-	19	42,135		
Program initiatives	225	-	-	-	-	225		
Special events	1,715	18,414	122,074	-	1,377	143,580		
Total before depreciation	600,145	523,667	1,078,177	154,542	9,310	2,365,841		
Depreciation of property and equipment	4,255	2,544	7,526	1,711	-	16,036		
TOTAL FUNCTIONAL EXPENSES	\$ 604,400	\$ 526,211	\$ 1,085,703	\$ 156,253	\$ 9,310	\$ 2,381,877		

See accompanying notes to consolidated financial statements.

United Way of Lincoln and Lancaster County and Controlled Foundation

CONSOLIDATED STATEMENTS OF CASH FLOWS

Years ended June 30,

	<u>2025</u>	<u>2024</u>
Cash flows from operating activities		
Cash received from donors and support	\$ 6,004,743	\$ 6,237,089
Cash paid for campaign distributions	(3,116,155)	(3,078,922)
Cash paid to employees and suppliers	(2,446,911)	(2,250,397)
Interest income	<u>373,777</u>	<u>382,541</u>
Net cash provided by operating activities	<u>815,454</u>	<u>1,290,311</u>
Cash flows from investing activities		
Purchase of property and equipment	(18,762)	(127,944)
Purchase of investments	(1,014,784)	(561,829)
Redemptions of investments	<u>70,317</u>	<u>55,607</u>
Net cash used by investing activities	<u>(963,229)</u>	<u>(634,166)</u>
Net increase (decrease) in cash and cash equivalents	(147,775)	656,145
Cash and cash equivalents, beginning of year	<u>6,860,824</u>	<u>6,204,679</u>
Cash and cash equivalents, end of year	<u>\$ 6,713,049</u>	<u>\$ 6,860,824</u>
Reconciliation of increase in net assets to net cash provided by operating activities		
Increase in net assets	<u>\$ 561,921</u>	<u>\$ 1,489,283</u>
Adjustments to reconcile increase in net assets to net cash provided by operating activities		
Depreciation	23,019	16,036
Reinvested interest	(10,017)	(9,105)
Decrease in the carrying amount of right-of-use assets	77,142	6,334
Realized and unrealized gains on investments	(165,041)	(134,140)
(Increase) decrease in assets		
Unconditional promises to give	621,847	(533,634)
Endowment receivable	(7,500)	-
Accounts receivable	(85,412)	18,174
Prepaid expenses	(203,011)	(38,429)
Increase (decrease) in liabilities		
Accounts payable	74,647	19,352
Accrued vacation	(2,950)	1,500
Accrued expenses	(192)	192
Operations payable	76,287	25,026
Community collaboratives payable	(330,948)	382,855
Custodial funds	5,440	(3,836)
Contract liability	(249)	4,710
Deferred revenue	230,597	98,094
Allocations payable	(6,424)	14,602
Designations payable	26,934	(69,737)
Operating lease obligations	<u>(70,636)</u>	<u>3,034</u>
Total adjustments to increase (decrease) in net assets	<u>253,533</u>	<u>(198,972)</u>
Net cash provided by operating activities	<u>\$ 815,454</u>	<u>\$ 1,290,311</u>
Supplemental disclosure of noncash activities:		
Right-of-use assets obtained in exchange for operating lease obligations post ASC 842 implementation	<u>\$ -</u>	<u>\$ 928,999</u>

See accompanying notes to consolidated financial statements.

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United Way of Lincoln and Lancaster County and Controlled Foundation

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

United Way of Lincoln and Lancaster County (United Way) provides an opportunity for all citizens and agencies, governmental and private, to join together in the delivery of efficient human service programs related to current community needs. The major functional divisions include Resource Development (Fund Raising), Community Impact and Grant Distribution, and Marketing and Communications. These divisions work together to produce maximum contributions from within the community and provide a system for distributing those resources to human programs in Lancaster County.

United Way of Lincoln and Lancaster County Foundation, Inc. (Foundation) is a not-for-profit corporation formed for the purpose of supporting the mission of United Way of Lincoln and Lancaster County.

NOTE A - SUMMARY OF ACCOUNTING POLICIES

A summary of significant accounting policies consistently applied in the preparation of the accompanying consolidated financial statements follows:

Principles of Consolidation. The accompanying consolidated financial statements include accounts of United Way of Lincoln and Lancaster County and United Way of Lincoln and Lancaster County Foundation, Inc., a controlled not-for-profit corporation (collectively referred to as the Organization). All significant intercompany accounts and transactions have been eliminated.

Method of Accounting. The accompanying consolidated financial statements of the Organization have been prepared on the accrual basis of accounting.

Cash and Cash Equivalents. For purposes of the consolidated statements of cash flows, the Organization considers all highly liquid investments with a maturity of three months or less to be cash equivalents. Cash and cash equivalents are measured at amortized cost, thus, evaluated for expected credit losses. Based on management's review of historical data in addition to current conditions and forecasts, the Organization has not recognized an expected credit loss.

Certificates of Deposit. Certificates of deposit are measured at amortized cost, thus, evaluated for expected credit losses. Based on management's review of historical data in addition to current conditions and forecasts, the Organization has not recognized an expected credit loss.

Investments. Investments in marketable securities, including equity and debt securities, with readily determinable fair values are reported at their fair values in the consolidated statement of financial position. Unrealized gains and losses are included in the consolidated statements of activities. Donated securities are recorded as contributions equal to the fair market value of the securities at the date of gift.

Fair Value Measurements. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at measurement date. The Organization utilizes a framework to prioritize the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1 measurements) and the lowest priority to unobservable inputs (level 3 measurements). The three levels of the fair value hierarchy are described as follows:

Level 1	Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Organization has the ability to access.
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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE A - SUMMARY OF ACCOUNTING POLICIES - CONTINUED

Fair Value Measurements. - Continued

Level 2 Inputs to the valuation methodology include:

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

If the asset or liability has a specified (contractual) term, the level 2 input must be observable for substantially the full term of the asset or liability.

Level 3 Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The asset or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

Unconditional Promises to Give. Contributions are recognized when the donor makes a promise to give that is, in substance, unconditional. Unconditional promises to give that are expected to be collected or paid in more than one year are recognized at the present value of estimated future cash flows. Management provides for probable uncollectible unconditional promises receivable through a charge to net assets and a credit to a valuation allowance based on prior years' experience and management's analysis of specific promises made. Balances that are still outstanding after management has used reasonable collection efforts are written off through a charge to the valuation allowance and a credit to unconditional promises receivable. Changes in the valuation allowance have not been material to the consolidated financial statements.

Accounts Receivable. Accounts receivable are reported at the amount management expects to collect on balances outstanding at year-end. Accounts receivable was \$173,940, \$105,381, and \$127,527 as of June 30, 2025, 2024, and 2023, respectively.

Allowance for credit losses is based on management's review of historical losses based on aging receivables. This estimate is adjusted for management's assessment of current conditions, reasonable and supportable forecasts regarding future events, and any other factors deemed relevant. The Organization believes historical loss information is a reasonable starting point in which to calculate the expected allowance for credit losses as the Organization's customers have remained consistent. Based on management's review, the Organization has not recognized an expected credit loss.

Property and Equipment and Depreciation. Property and equipment are carried at cost, if purchased and at fair market value at the date of contribution, if received by donation, less accumulated depreciation. Depreciation is provided for in amounts sufficient to relate the cost of depreciable assets to operations over their estimated useful lives computed primarily on the straight-line method. Furniture and equipment are depreciated over estimated useful lives from three to seven years. It is the Organization's policy to capitalize property and equipment over \$1,000. Lesser amounts are expensed.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE A - SUMMARY OF ACCOUNTING POLICIES - CONTINUED

Contract Balances. Contract assets represent the Organization's right to consideration in exchange for goods or services that have been transferred to the customer before payment is due. Contract liabilities include consideration due or paid by a customer prior to when the Organization transfers goods or services and represent the Organization's obligation to the customer.

Deferred Revenue. Campaign donations received in advance are revenues for the succeeding year and are recognized as income in the applicable year when earned.

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

Without donor restrictions. Net assets available for use in general operations and not subject to donor- or grantor-imposed restrictions. The governing board has designated, from net assets without donor restrictions, net assets for an operating reserve and board-designated endowment.

With donor restrictions. Net assets subject to donor- or grantor-imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. Gifts of long-lived assets and gifts of cash restricted for the acquisition of long-lived assets are recognized as revenue when the assets are placed in service. Donor-imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both, and are reported in the statements of activities as net assets released from restrictions.

The State of Nebraska adopted UPMIFA effective September 1, 2007. The Organization adopted the Financial Accounting Standards Board's guidance and required disclosures for the year ended June 30, 2010. The Board of Directors has interpreted UPMIFA as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds absent donor stipulations to the contrary. As a result of this interpretation, the Organization classifies as net assets with donor restrictions to be held in perpetuity, the original value of the gifts donated and subsequent gifts to the permanent endowment. The accumulations to the donor-restricted endowment that are not classified as net assets with donor restrictions to be held in perpetuity are classified as purpose restricted net assets with donor restrictions until those amounts are appropriated for expenditure by the Foundation in a manner consistent with the standard of prudence prescribed by UPMIFA. Purpose restricted net assets also include general limitation endowment funds with an unfulfilled restriction on the purpose for which the monies from the fund may be applied and the specific limitation endowment funds for which the donor allows some principal invasions in the gift instrument.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE A - SUMMARY OF ACCOUNTING POLICIES - CONTINUED

In accordance with UPMIFA, the Organization considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

- (1) The duration and preservation of the fund
- (2) The purposes of the Organization and the donor-restricted endowment fund
- (3) General economic conditions
- (4) The possible effect of inflation and deflation
- (5) The expected total return from income and the appreciation of investments
- (6) Other resources of the Organization
- (7) The investment policies of the Organization

Endowment Investment and Payout Policies. The Organization has adopted investment and payout policies for endowment assets that attempt to provide a predictable stream of funding to programs supported by its endowment funds while seeking to maintain the purchasing power of the endowment assets. The Organization's investment and payout policies, which have been approved by the Organization's Board of Directors, work together to achieve this objective. The investment policy establishes an achievable return objective through diversification of asset classes. The current investment objective is to achieve an annual rate of return to allow for distributions of up to 5% while growing the funds.

To satisfy its 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 between equity-based and fixed income investments to achieve its return objectives within prudent risk parameters.

The payout policy determines the amount of money distributable from the Organization's various endowment funds. The current payout policy is to allow distributions from each endowment in an amount up to 5% of the average net fair value for the last three years through the calendar year-end preceding the year in which the distribution is planned.

Revenue Recognition. The following is a description of the Organization's principal sources of revenue:

Annual Campaign: Contributions are recognized when a donor makes a promise to give that is, in substance, unconditional. Conditional promises to give, that is, those with a measurable performance or other barrier, and a right of return, are not recognized until the conditions on which they depend have been substantially met. The Organization has not received any conditional contributions.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE A - SUMMARY OF ACCOUNTING POLICIES - CONTINUED

Revenue Recognition. – Continued

Foundation Contributions: Contributions are recognized when a donor makes a promise to give that is, in substance, unconditional. Conditional promises to give, that is, those with a measurable performance or other barrier, and a right of return, are not recognized until the conditions on which they depend have been substantially met. The Organization has not received any conditional contributions.

Grant Revenue: The Organization receives grant funds to help facilitate a community response program from the granting organization to certain community beneficiaries. Grant revenue is recognized at a point in time when community response related expenditures are incurred.

Service Fees: The Organization receives service fee income when they distribute designated contributions to their beneficiary specified by the campaign donor. Service fee revenue is recognized at a point in time when the distribution is made.

Special Events and Sponsorship: The Organization holds special events for patrons to attend and/or organizations to sponsor. Special event and sponsorship revenue is recognized at a point in time when the event occurs.

Leases. At inception, the Organization determines if a contract is or includes a lease arrangement. The Organization's lease commitments includes office space. The following describes the Organization's accounting policies related to its leasing arrangements:

As lessee

Leased assets represent the right to control the use of an identified asset for the lease term and lease obligations represent the obligation to make lease payments arising from the lease. The Organization recognizes a right-of-use asset and related obligation at the commencement date, generally based on the present value of lease payments over the lease term using the Organization's risk free rate. Leases with an initial term of 12 months or less, including month to month leases, are not recorded on the balance sheet and are expensed on a straight-line basis.

Operating Leases

Operating lease assets and liabilities are recognized separately on the Organization's consolidated statement of financial position. The Organization recognizes a single lease expense on a straight-line basis over the lease term. Non-lease components are expensed as incurred.

Functional Expenses. Expenses are presented according to their functional classification of program, supporting services, and other in the statement of functional expenses. Allocable expenses are spread using the full-time equivalent method which is based on the number of full-time employees' work that is performed in each department. The expenses that are allocated include salaries, employee benefits, payroll taxes, supplies, occupancy, insurance, and depreciation. Program services consist of grant distribution, grant monitoring and grant outcomes. Supporting services consist of fundraising, marketing and communications, and management and general expenses. Other consists of United Way of Lincoln and Lancaster County Foundation activity.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE A - SUMMARY OF ACCOUNTING POLICIES – CONTINUED

Advertising. Advertising costs of the Organization are expensed as incurred. Advertising expense was \$99,739 and \$157,364 for the years ended June 30, 2025 and 2024, respectively.

Contributions of nonfinancial assets. Contributed nonfinancial assets are recorded as contributions at their estimated fair values at the date of donation. Donated services are recognized as contributions if the services (a) create or enhance non-financial assets or (b) require specialized skills, are performed by people with those skills, and would have otherwise been purchased by the Organization.

It is the Organization's policy to sell all contributed assets immediately upon receipt at auction or for salvage unless the asset is restricted for use in a specific program by the donor.

Income Taxes. The United Way and the Foundation are exempt from Federal income taxes under Section 501(c)(3) of the Internal Revenue Code. As such, income earned in the performance of their exempt purpose is not subject to income tax. Any income earned through unrelated business activities is subject to income tax at normal corporate rates. For the years ended June 30, 2025 and 2024, the United Way and Foundation had no tax liability on unrelated business activity. The United Way and the Foundation believe that they have appropriate support for any tax positions taken, and as such, do not have any uncertain tax positions that are material to the consolidated financial statements.

The United Way and the Foundation's Federal Returns of Organizations Exempt from Income Tax (Form 990) for June 30, 2025, 2024, and 2023 are subject to examination by the IRS, generally for three years after they were filed.

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

United Way of Lincoln and Lancaster County and Controlled Foundation

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE B - CERTIFICATES OF DEPOSIT

Certificates of deposit consist of:

	2025			
	Date of Purchase/Renewal	Amount	Interest Rate	Maturity Date
Union Bank & Trust Company	12/8/2024	\$ 98,000	4.04%	12/8/2025
West Gate Bank	12/30/2024	101,224	3.75%	12/30/2025
Cattle National Bank	5/24/2025	99,000	4.04%	8/25/2026
First Citizens Bank	6/25/2025	101,444	3.68%	11/25/2025
First State Bank	8/5/2024	106,527	3.94%	8/5/2026
Pinnacle Bank	4/3/2025	99,176	4.09%	4/3/2026
First Interstate Bank	1/23/2025	101,919	3.52%	2/23/2026
US Bank	3/16/2025	100,871	4.00%	8/16/2025
Cornhusker	3/9/2025	100,915	4.62%	4/9/2026
Nebraska Bank of Commerce	3/8/2025	55,981	4.35%	4/8/2026
Nebraska Bank of Commerce	3/8/2025	55,981	4.35%	4/8/2026
Security First Bank	10/5/2024	<u>100,000</u>	4.55%	10/4/2025
		<u><u>\$ 1,121,038</u></u>		
	2024			
	Date of Purchase/Renewal	Amount	Interest Rate	Maturity Date
Union Bank & Trust Company	6/9/2024	\$ 98,000	5.25%	12/8/2024
West Gate Bank	6/25/2024	100,000	2.25%	12/12/2024
Cattle National Bank	5/24/2024	99,000	4.91%	5/25/2025
First Citizens Bank	6/26/2024	101,444	4.88%	8/26/2024
First State Bank	10/5/2022	102,265	2.48%	8/5/2024
Pinnacle Bank	5/24/2023	99,176	5.00%	4/3/2025
First Interstate Bank	12/23/2023	97,388	4.25%	1/23/2025
US Bank	6/15/2024	100,871	4.64%	10/16/2024
Cornhusker	1/8/2024	100,915	4.70%	3/9/2025
Nebraska Bank of Commerce	6/6/2024	55,981	4.98%	3/8/2025
Nebraska Bank of Commerce	6/6/2024	55,981	4.98%	3/8/2025
Security First Bank	5/2/2024	<u>100,000</u>	5.09%	11/4/2024
		<u><u>\$ 1,111,021</u></u>		

United Way of Lincoln and Lancaster County and Controlled Foundation

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE C - INVESTMENTS

Investments consist of:

	2025		2024	
	Cost	Market	Cost	Market
Mutual funds	\$ 1,247,743	\$ 1,652,259	\$ 771,651	\$ 1,049,236
Bond funds	<u>1,132,482</u>	<u>1,118,191</u>	<u>647,883</u>	<u>611,706</u>
	<u><u>\$ 2,380,225</u></u>	<u><u>\$ 2,770,450</u></u>	<u><u>\$ 1,419,534</u></u>	<u><u>\$ 1,660,942</u></u>
Unrealized gains		<u><u>\$ 390,225</u></u>		<u><u>\$ 241,408</u></u>

Investment performance, net consists of the following:

	2025	2024
Dividends and interest	\$ 67,589	\$ 38,206
Realized gains (losses)	16,224	(2,411)
Unrealized gains	148,817	136,551
Investment expenses	<u>(22,915)</u>	<u>(14,130)</u>
	<u><u>\$ 209,715</u></u>	<u><u>\$ 158,216</u></u>

NOTE D - LIQUIDITY AND AVAILABILITY

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

Financial assets at year end:

Cash and cash equivalents	\$ 6,713,049	\$ 6,860,824
Certificates of deposit	1,121,038	1,111,021
Investments	2,770,450	1,660,942
Unconditional promises to give - campaigns, net	2,150,761	2,112,290
Unconditional promises to give - other, net	1,316,021	1,976,339
Endowment receivable	7,500	-
Accounts receivable	<u>173,940</u>	<u>105,381</u>
Total financial assets	14,252,759	13,826,797

Less amounts not available to be used within one year:

Donor designations payable	(368,720)	(381,123)
Board-designated operating reserve	(2,346,892)	(2,202,826)
Board-designated endowment funds	(2,480,645)	(1,399,254)
Unconditional promises to give, board-designated for endowment	(1,316,021)	(1,976,339)
Donor-restricted for charitable giving	(147,750)	(158,153)
Donor-restricted endowment funds	<u>(343,077)</u>	<u>(325,130)</u>

Financial assets available to meet general expenditures within one year

\$ 7,249,654 \$ 7,383,972

United Way of Lincoln and Lancaster County and Controlled Foundation

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE D - LIQUIDITY AND AVAILABILITY - CONTINUED

Allocations and community initiatives are appropriated and approved as part of the Board's annual budget process and are considered general expenditures for purposes of this analysis.

As part of the liquidity management plan, cash in excess of daily requirements is invested in short-term investments, CDs, and money market funds. Occasionally, the Board designates a portion of any operating surplus to its operating reserve, which was \$2,346,892 as of June 30, 2025. The operating reserve is a board-designated fund with the objective of setting funds aside to be drawn upon in the event of financial distress or an immediate liquidity need resulting from events outside the typical life cycle of converting financial assets to cash or settling financial liabilities. These funds can be made available, if necessary, upon Board approval.

The endowment funds consist of donor-restricted endowments and funds designated by the board as endowments. Income from donor-restricted endowments is restricted for specific purposes. Donor-restricted endowment funds are not available for general expenditure.

The board designated endowment of \$2,480,645 is subject to an annual spending rate of 5% as described in Note A. Although no spending from the board-designated endowment is intended (other than amounts appropriated for general expenditure as part of the Board's annual budget approval and appropriation), these amounts could be made available, if necessary, upon Board approval.

NOTE E - PROPERTY AND EQUIPMENT

Property and equipment consists of:

	2025	2024
Furniture and equipment	\$ 186,350	\$ 257,719
Leasehold improvements	<u>106,546</u>	<u>106,546</u>
Accumulated depreciation	<u>(161,486)</u>	<u>(228,598)</u>
	<u><u>\$ 131,410</u></u>	<u><u>\$ 135,667</u></u>

The consolidated financial statements include depreciation expense of \$23,019 and \$16,036 for the years ended June 30, 2025 and 2024, respectively.

United Way of Lincoln and Lancaster County and Controlled Foundation

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE F - COMMUNITY COLLABORATIVES

Community collaboratives are distributions of support which were approved by the Board of Directors but not drawn at the end of the year. Community collaboratives payable consist of:

	<u>2025</u>	<u>2024</u>
Planning/Needs Assessment	\$ 5,000	\$ -
Data Tracking Payable	8,542	7,752
Food and Hunger Initiatives	10,000	10,000
Community Impact	121,894	510,509
Engage.Empower.Graduate, Clinton Elementary	70,713	50,000
Ride United	1,648	-
Resettlement Initiative Payable	552	552
Book Drive	13,506	11,445
Women's Leadership Council	385,264	421,802
Women in Philanthropy	56,767	53,102
Community Response Payable	38,460	124,664
Engage.Empower.Graduate, Campbell Elementary	96,056	89,281
WingFest	18,996	24,522
Early Care Quality Initiative	-	5,531
Homeless & Shelter Initiative	7,556	56
Stable Strong Successful	38,847	31,776
Agency Technical Assistance	12,900	7,900
Financial Stability	15,000	15,000
Transportation	-	44
LPU Payable	31,287	-
Capacity Building	120,000	20,000
	<u><u>\$ 1,052,988</u></u>	<u><u>\$ 1,383,936</u></u>

NOTE G - RETIREMENT PLAN

The Organization has a 401(k) plan covering eligible employees. Under the plan, employer contributions are made to the account of each individual employee based on 3% of their annual compensation, with an additional matching contribution of up to 3%. An employee must be at least age twenty and have one year of service with the Organization before they can participate in the plan. Total expense incurred was \$66,378 and \$61,967 for the years ended June 30, 2025 and 2024, respectively.

NOTE H - FAIR VALUE MEASUREMENTS

Following is a description of the valuation methodologies used for assets and liabilities measured at fair value. There have been no changes in methodologies used during the years ended June 30, 2025 and 2024.

Mutual funds: Valued at the observable net asset value (NAV) of shares held by the Organization at year end.

Bond funds: Valued using independent pricing models.

United Way of Lincoln and Lancaster County and Controlled Foundation

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE H - FAIR VALUE MEASUREMENTS - CONTINUED

The preceding methods described may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, although the Organization believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

The following tables set forth the balances of assets and liabilities measured at fair value on a recurring basis as of June 30, 2025 and 2024.

		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
June 30, 2025	Fair Value			
Mutual funds				
Emerging	\$ 392,490	\$ 392,490	\$ -	\$ -
Large cap	906,514	906,514	-	-
Mid cap	159,702	159,702	-	-
Small cap	193,553	193,553	-	-
Bond funds				
Fixed income	1,118,191	-	1,118,191	-
	<u>\$ 2,770,450</u>	<u>\$ 1,652,259</u>	<u>\$ 1,118,191</u>	<u>\$ -</u>
June 30, 2024	Fair Value	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Mutual funds				
Emerging	\$ 228,271	\$ 228,271	\$ -	\$ -
Large cap	597,575	597,575	-	-
Mid cap	102,117	102,117	-	-
Small cap	121,272	121,272	-	-
Bond funds				
Fixed income	611,706	-	611,706	-
	<u>\$ 1,660,942</u>	<u>\$ 1,049,236</u>	<u>\$ 611,706</u>	<u>\$ -</u>

United Way of Lincoln and Lancaster County and Controlled Foundation

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE I - ENDOWMENT

Endowment net asset composition by type of fund as of June 30, 2025 is as follows:

	Without Donor Restrictions	With Donor Restrictions	Total
Board-designated endowment funds	\$ 2,480,645	\$ -	\$ 2,480,645
Donor-restricted endowment funds	\$ -	\$ 343,077	\$ 343,077

Changes in endowment net assets for the year ended June 30, 2025 are as follows:

	Without Donor Restrictions	With Donor Restrictions	Total
Balance June 30, 2024	\$ 1,399,254	\$ 325,130	\$ 1,724,384
Contributions	22,784	946,175	968,959
Investment performance, net	162,922	32,197	195,119
Released from restriction	946,175	(946,175)	-
Amounts appropriated for expenditure	(50,490)	(14,250)	(64,740)
Balance June 30, 2025	\$ 2,480,645	\$ 343,077	\$ 2,823,722

Endowment net asset composition by type of fund as of June 30, 2024 is as follows:

	Without Donor Restrictions	With Donor Restrictions	Total
Board-designated endowment funds	\$ 1,399,254	\$ -	\$ 1,399,254
Donor-restricted endowment funds	\$ -	\$ 325,130	\$ 325,130

Changes in endowment net asset for the year ended June 30, 2024 are as follows:

	Without Donor Restrictions	With Donor Restrictions	Total
Balance June 30, 2023	\$ 575,071	\$ 305,071	\$ 880,142
Contributions	-	778,670	778,670
Investment performance, net	107,263	34,309	141,572
Released from restriction	778,670	(778,670)	-
Amounts appropriated for expenditure	(61,750)	(14,250)	(76,000)
Balance June 30, 2024	\$ 1,399,254	\$ 325,130	\$ 1,724,384

United Way of Lincoln and Lancaster County and Controlled Foundation

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE J - NET ASSETS

Bequests and contributions without donor restrictions are designated for long-term support of the United Way (quasi-endowment). The quasi-endowment fund balance totaled \$2,480,645 and \$1,399,254 for the years ended, June 30, 2025 and 2024, respectively.

Net assets with donor restrictions consist of the following:

	<u>2025</u>	<u>2024</u>
Subject to time restrictions:		
Unconditional promises to give - other	<u>\$ 1,316,021</u>	<u>\$ 1,976,339</u>
Subject to purpose restrictions:		
Annual support for United Way	<u>147,750</u>	<u>158,153</u>
Endowed for annual charitable giving	<u>343,077</u>	<u>325,130</u>
	<u><u>\$ 1,806,848</u></u>	<u><u>\$ 2,459,622</u></u>

NOTE K - ANNUAL CAMPAIGN SUPPORT

Public support recorded as unconditional promises to give - campaigns consist of:

Total public support	<u>\$ 6,101,193</u>	<u>\$ 6,332,496</u>
Payments received prior to June 30	<u>(3,657,091)</u>	<u>(3,924,532)</u>
	<u>2,444,102</u>	<u>2,407,964</u>
Allowance for uncollectible promises to give	<u>(293,341)</u>	<u>(295,674)</u>
Unconditional promises to give - campaigns at June 30	<u><u>\$ 2,150,761</u></u>	<u><u>\$ 2,112,290</u></u>

Unconditional promises to give - campaigns are due in the following period:

<u>Year ending June 30,</u>	
2026	<u><u>\$ 2,150,761</u></u>

NOTE L - AFFILIATED AGENCIES

An affiliated agency is one who is currently receiving funding for a program that addresses one of the Organization's focus areas: Education, Income (Financial Stability), and Health. These agencies have applied through a fund distribution process that uses community volunteers to review and recommend to the Organization's Board approval for funding.

United Way of Lincoln and Lancaster County and Controlled Foundation

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE M - CONCENTRATIONS OF CREDIT RISK

Financial instruments which potentially subject the Organization to concentrations of credit risk consist principally of Short Term Federal Investment Trust (STFIT) accounts at a financial institution. The STFIT accounts are not federally insured but are backed by the U.S. government. At June 30, 2025 and 2024, the STFIT account balances totaled \$6,280,583 and \$6,419,796, respectively. The Organization has not experienced any losses on such accounts.

NOTE N - UNCONDITIONAL PROMISES TO GIVE - OTHER

Unconditional promises to give - other are due in the following periods:

	<u>2025</u>	<u>2024</u>
Receivable in less than one year	\$ 482,500	\$ 606,530
Receivable in one to five years	<u>966,250</u>	<u>1,665,500</u>
	1,448,750	2,272,030
Less discount to present value (4.2% to 5.8%)	<u>(132,729)</u>	<u>(295,691)</u>
	<u>\$ 1,316,021</u>	<u>\$ 1,976,339</u>

NOTE O – CONTRIBUTIONS OF NONFINANCIAL ASSETS

For the years ended June 30, 2025 and 2024, contributed nonfinancial assets recognized as revenue within the statements of activities consist of the following:

Advertising	\$ 35,393	\$ 103,184
Auction items	35,462	28,485
Fundraising supplies	29,799	30,867
Program supplies	<u>58</u>	<u>140</u>
	<u>\$ 100,712</u>	<u>\$ 162,676</u>

Unless otherwise noted, contributed nonfinancial assets did not have donor-imposed restrictions. Advertising services were valued at the current market rate based on the discount received for those services. Auction items were used as part of the Organization's fundraising activities and were valued at the cost of the underlying items. Fundraising supplies were used as part of the various fundraising events held by the Organization and were valued at the current retail value or prorated based on the discount received. Program supplies consisted of donated books and backpacks that were distributed within the community as part of the Organization's ongoing program services and were valued at the current retail value.

United Way of Lincoln and Lancaster County and Controlled Foundation

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE P – OPERATING LEASE

On December 14, 2023, the Organization entered into a 121-month operating lease for office space commencing June 1, 2024. Under the terms of the lease, annual rent payments are \$105,912, payable in equal monthly installments beginning July 1, 2024, and increase 1.5% annually.

Operating lease expenses for the years ended June 30, 2025 and 2024, was as follows:

	2025	2024
Operating lease expense	\$ 112,418	\$ 9,368
Non-lease components	698	966
Short-term leases	<u>13,550</u>	<u>100,580</u>
	<u><u>\$ 126,666</u></u>	<u><u>\$ 110,914</u></u>

Average operating lease terms and discount rate at June 30, 2025 and 2024 was as follows:

Weighted average remaining lease term (years):	8.93	10.00
Weighted average discount rate:	3.92%	3.92%

The aggregate future lease payments below summarize the remaining future undiscounted cash flows for operating leases as of June 30, 2025, and a reconciliation to operating lease obligations reported on the statement of financial position:

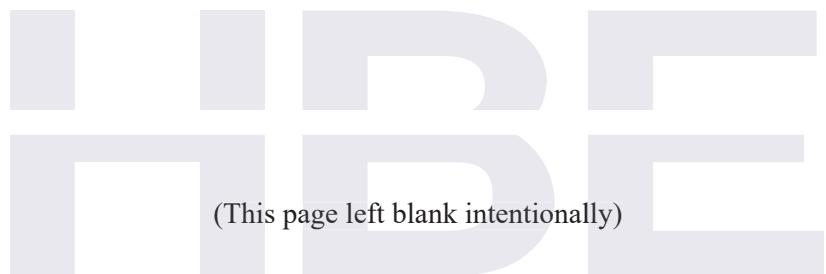
<u>Year ending December 31,</u>	
2026	\$ 107,501
2027	109,113
2028	110,750
2029	112,411
2030	114,097
Thereafter	<u>473,762</u>
 Total minimum lease payments	 1,027,634
Less: present value discount	(166,237)
 Total minimum lease payments	 <u><u>\$ 861,397</u></u>

NOTE Q - RECLASSIFICATIONS

Certain amounts in the year ended June 30, 2024 financial statements have been reclassified to conform with current year presentation. These reclassifications had no effect on the 2024 increase in net assets.

NOTE R - SUBSEQUENT EVENTS

Subsequent events have been evaluated through the audit report date, the date the consolidated financial statements were available to be issued.



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United Way of Lincoln and Lancaster County and Controlled Foundation

CONSOLIDATING STATEMENT OF FINANCIAL POSITION

June 30, 2025

ASSETS

	United Way of Lincoln and Lancaster County	United Way of Lincoln and Lancaster County Foundation, Inc.	Eliminations	Consolidated
CURRENT ASSETS				
Cash and cash equivalents	\$ 6,503,700	\$ 209,349	\$ -	\$ 6,713,049
Certificates of deposit	1,121,038	-	-	1,121,038
Investments	-	2,770,450	-	2,770,450
Unconditional promises to give - campaigns	2,444,102	-	-	2,444,102
Less allowance for uncollectible promises to give	(293,341)	-	-	(293,341)
Unconditional promises to give - other, current	-	482,500	-	482,500
Endowment receivable	7,500	-	-	7,500
Accounts receivable	194,767	-	(20,827)	173,940
Prepaid expenses	318,319	-	-	318,319
Total current assets	10,296,085	3,462,299	(20,827)	13,737,557
PROPERTY AND EQUIPMENT, net	131,410	-	-	131,410
OTHER ASSETS				
Unconditional promises to give - other, long-term	-	833,521	-	833,521
Operating lease right-of-use assets	845,523	-	-	845,523
Total other assets	845,523	833,521	-	1,679,044
Total assets	\$ 11,273,018	\$ 4,295,820	\$ (20,827)	\$ 15,548,011

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES				
Accounts payable	\$ 188,338	\$ 20,827	\$ (20,827)	\$ 188,338
Accrued vacation	50,394	-	-	50,394
Operations payable	1,845,776	-	-	1,845,776
Community collaboratives payable	1,052,988	-	-	1,052,988
Custodial funds	17,233	-	-	17,233
Contract liability	4,461	-	-	4,461
Deferred revenue	391,425	-	-	391,425
Allocations payable	1,990,812	-	-	1,990,812
Operating lease obligations, current	107,501	-	-	107,501
Designations payable	1,949,148	-	-	1,949,148
Total current liabilities	7,598,076	20,827	(20,827)	7,598,076
OPERATING LEASE OBLIGATIONS, NET OF CURRENT MATURITIES	753,896	-	-	753,896
Total liabilities	8,351,972	20,827	(20,827)	8,351,972
NET ASSETS				
Without donor restrictions				
Undesignated	561,654	-	-	561,654
Designated				
Reserve for operations	2,346,892	-	-	2,346,892
Board designated endowment	12,500	2,468,145	-	2,480,645
With donor restrictions	-	1,806,848	-	1,806,848
Total net assets	2,921,046	4,274,993	-	7,196,039
Total liabilities and net assets	\$ 11,273,018	\$ 4,295,820	\$ (20,827)	\$ 15,548,011

United Way of Lincoln and Lancaster County and Controlled Foundation

CONSOLIDATING STATEMENT OF FINANCIAL POSITION

June 30, 2024

ASSETS

	United Way of Lincoln and Lancaster County	United Way of Lincoln and Lancaster County Foundation, Inc.	Eliminations	Consolidated
CURRENT ASSETS				
Cash and cash equivalents	\$ 6,635,255	\$ 225,569	\$ -	\$ 6,860,824
Certificates of deposit	1,111,021	-	-	1,111,021
Investments	-	1,660,942	-	1,660,942
Unconditional promises to give - campaigns	2,407,964	-	-	2,407,964
Less allowance for uncollectible promises to give	(295,674)	-	-	(295,674)
Unconditional promises to give other	-	606,530	-	606,530
Accounts receivable	109,355	-	(3,974)	105,381
Prepaid expenses	115,308	-	-	115,308
Total current assets	10,083,229	2,493,041	(3,974)	12,572,296
PROPERTY AND EQUIPMENT, net	135,667	-	-	135,667
OTHER ASSETS				
Unconditional promises to give - other, long-term	-	1,369,809	-	1,369,809
Operating lease right-of-use assets	922,665	-	-	922,665
Total other assets	922,665	1,369,809	-	2,292,474
Total assets	\$ 11,141,561	\$ 3,862,850	\$ (3,974)	\$ 15,000,437

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES				
Accounts payable	\$ 130,544	\$ 3,974	\$ (3,974)	\$ 130,544
Accrued vacation	53,344	-	-	53,344
Accrued expenses	192	-	-	192
Operations payable	1,769,489	-	-	1,769,489
Community collaboratives payable	1,383,936	-	-	1,383,936
Custodial funds	11,793	-	-	11,793
Contract liability	4,710	-	-	4,710
Deferred revenue	160,828	-	-	160,828
Allocations payable	1,997,236	-	-	1,997,236
Operating lease obligations, current	105,912	-	-	105,912
Designations payable	1,922,214	-	-	1,922,214
Total current liabilities	7,540,198	3,974	(3,974)	7,540,198
OPERATING LEASE OBLIGATIONS, NET OF CURRENT MATURITIES	826,121	-	-	826,121
Total liabilities	8,366,319	3,974	(3,974)	8,366,319
NET ASSETS				
Without donor restrictions				
Undesignated	572,416	-	-	572,416
Designated				
Reserve for operations	2,202,826	-	-	2,202,826
Board designated endowment	-	1,399,254	-	1,399,254
With donor restrictions	-	2,459,622	-	2,459,622
Total net assets	2,775,242	3,858,876	-	6,634,118
Total liabilities and net assets	\$ 11,141,561	\$ 3,862,850	\$ (3,974)	\$ 15,000,437

United Way of Lincoln and Lancaster County and Controlled Foundation

CONSOLIDATING STATEMENT OF ACTIVITIES

Year ended June 30, 2025

	United Way of Lincoln and Lancaster County	United Way of Lincoln and Lancaster County Foundation, Inc.	Eliminations	Consolidated
CHANGE IN NET ASSETS				
Revenue and other support				
Annual campaign				
Total amounts raised	\$ 6,124,443	\$ -	\$ (23,250)	\$ 6,101,193
Provision for uncollectible	(230,799)	-	-	(230,799)
Amounts designated by donors for specific organizations	(1,638,585)	-	-	(1,638,585)
Total net contributions	4,255,059	-	(23,250)	4,231,809
Other revenue				
Bank depositary account interest	339,120	-	-	339,120
Investment performance, net	-	209,715	-	209,715
Service fees	136,946	-	(20,593)	116,353
Sponsorship and special events	137,294	-	-	137,294
Contributions of nonfinancial assets	100,712	-	-	100,712
Endowment income	12,500	-	-	12,500
Foundation contributions	-	296,142	-	296,142
Grant income, contribution	2,651	-	-	2,651
Grant income, exchange transaction	404,868	-	-	404,868
Total other revenue	1,134,091	505,857	(20,593)	1,619,355
Total revenue and support	5,389,150	505,857	(43,843)	5,851,164
Program distributions				
Allocations distributed to affiliated agencies	1,742,444	-	-	1,742,444
Community initiatives and other funds distributed to affiliated agencies	2,123,711	29,500	(23,250)	2,129,961
Funds distributed to nonaffiliated agencies	538,897	9,750	-	548,647
Total program distributions	4,405,052	39,250	(23,250)	4,421,052
Less: distributions funded through donor designations	(1,638,585)	-	-	(1,638,585)
Net program distributions	2,766,467	39,250	(23,250)	2,782,467
Expenses				
Community impact and grant distribution	589,868	-	-	589,868
Management and general	555,773	-	-	555,773
Resource development - fund raising	1,117,391	-	-	1,117,391
Marketing and communications	153,995	-	-	153,995
Foundation operating expenses	-	50,490	(20,593)	29,897
Total functional expenses	2,417,027	50,490	(20,593)	2,446,924
Other program expense adjustments	59,852	-	-	59,852
Total expenses	2,476,879	50,490	(20,593)	2,506,776
INCREASE IN NET ASSETS				
Net assets, beginning of year	145,804	416,117	-	561,921
Net assets, end of year	2,775,242	3,858,876	-	6,634,118
	\$ 2,921,046	\$ 4,274,993	\$ -	\$ 7,196,039

United Way of Lincoln and Lancaster County and Controlled Foundation

CONSOLIDATING STATEMENT OF ACTIVITIES

Year ended June 30, 2024

	United Way of Lincoln and Lancaster County	United Way of Lincoln and Lancaster County Foundation, Inc.	Eliminations	Consolidated
CHANGE IN NET ASSETS				
Revenue and other support				
Annual campaign				
Total amounts raised	\$ 6,386,882	\$ -	\$ (54,386)	\$ 6,332,496
Provision for uncollectible	(247,049)	-	-	(247,049)
Amounts designated by donors for specific organizations	(1,636,128)	-	-	(1,636,128)
Total net contributions	4,503,705	-	(54,386)	4,449,319
Other revenue				
Bank depositary account interest	367,570	-	-	367,570
Investment performance, net	-	158,216	-	158,216
Service fees	144,724	-	(21,304)	123,420
Sponsorship and special events	146,679	-	-	146,679
Contributions of nonfinancial assets	162,676	-	-	162,676
Foundation contributions	-	1,332,066	-	1,332,066
Grant income, exchange transaction	522,571	-	-	522,571
Total other revenue	1,344,220	1,490,282	(21,304)	2,813,198
Total revenue and support	5,847,925	1,490,282	(75,690)	7,262,517
Program distributions				
Allocations distributed to affiliated agencies	1,931,060	-	-	1,931,060
Community initiatives and other funds distributed to affiliated agencies	2,538,341	60,636	(54,386)	2,544,591
Funds distributed to nonaffiliated agencies	502,983	9,750	-	512,733
Total program distributions	4,972,384	70,386	(54,386)	4,988,384
Less: distributions funded through donor designations	(1,636,128)	-	-	(1,636,128)
Net program distributions	3,336,256	70,386	(54,386)	3,352,256
Expenses				
Community impact and grant distribution	604,400	-	-	604,400
Management and general	526,211	-	-	526,211
Resource development - fund raising	1,085,703	-	-	1,085,703
Marketing and communications	156,253	-	-	156,253
Foundation operating expenses	-	30,614	(21,304)	9,310
Total functional expenses	2,372,567	30,614	(21,304)	2,381,877
Other program expense adjustments	39,101	-	-	39,101
Total expenses	2,411,668	30,614	(21,304)	2,420,978
INCREASE IN NET ASSETS				
Net assets, beginning of year	100,001	1,389,282	-	1,489,283
Net assets, end of year	\$ 2,775,242	\$ 3,858,876	\$ -	\$ 6,634,118

United Way of Lincoln and Lancaster County and Controlled Foundation

CONSOLIDATING STATEMENT OF EXPENSES

Year ended June 30, 2025

	United Way of Lincoln and Lancaster County	United Way of Lincoln and Lancaster County Foundation, Inc.	Eliminations	Consolidated
Salaries	\$ 1,242,615	\$ 20,593	\$ (20,593)	\$ 1,242,615
Employee benefits	214,556	-	-	214,556
Payroll taxes	93,852	-	-	93,852
 Total salaries and related expenses	 1,551,023	 20,593	 (20,593)	 1,551,023
Professional fees	161,574	9,921	-	171,495
Supplies	9,602	-	-	9,602
Telephone	13,976	-	-	13,976
Postage	15,117	1,137	-	16,254
Occupancy	126,666	-	-	126,666
Rental, purchase and maintenance of equipment	24,086	-	-	24,086
Printing and advertising	141,283	395	-	141,678
Campaign supplies	5,159	-	-	5,159
Awards and recognition	4,106	-	-	4,106
Duplicating	6,762	-	-	6,762
Travel and meetings	12,990	467	-	13,457
Conferences, conventions, and other training	10,349	-	-	10,349
Membership dues	89,430	17,815	-	107,245
Subscriptions and publications	4,076	-	-	4,076
Insurance	12,634	-	-	12,634
Miscellaneous	37,882	162	-	38,044
Interviewing and relocation	25,401	-	-	25,401
Program initiatives	3,696	-	-	3,696
Special events	138,196	-	-	138,196
Other program expense adjustments	59,852	-	-	59,852
 Total before depreciation	 2,453,860	 50,490	 (20,593)	 2,483,757
Depreciation of property and equipment	23,019	-	-	23,019
 TOTAL EXPENSES	 \$ 2,476,879	 \$ 50,490	 \$ (20,593)	 \$ 2,506,776

United Way of Lincoln and Lancaster County and Controlled Foundation

CONSOLIDATING STATEMENT OF EXPENSES

Year ended June 30, 2024

	United Way of Lincoln and Lancaster County	United Way of Lincoln and Lancaster County Foundation, Inc.	Eliminations	Consolidated
Salaries	\$ 1,228,653	\$ 21,304	\$ (21,304)	\$ 1,228,653
Employee benefits	221,296	-	-	221,296
Payroll taxes	92,480	-	-	92,480
 Total salaries and related expenses	 1,542,429	 21,304	 (21,304)	 1,542,429
Professional fees	115,756	4,540	-	120,296
Supplies	8,133	-	-	8,133
Telephone	15,362	-	-	15,362
Postage	11,338	549	-	11,887
Occupancy	110,914	-	-	110,914
Rental, purchase and maintenance of equipment	17,329	80	-	17,409
Printing and advertising	195,290	1,710	-	197,000
Campaign supplies	5,143	-	-	5,143
Awards and recognition	3,966	-	-	3,966
Duplicating	5,311	-	-	5,311
Travel and meetings	12,744	865	-	13,609
Conferences, conventions, and other training	3,284	-	-	3,284
Membership dues	79,701	-	-	79,701
Subscriptions and publications	3,328	-	-	3,328
Insurance	12,621	-	-	12,621
Miscellaneous	29,338	170	-	29,508
Interviewing and relocation	42,116	19	-	42,135
Program initiatives	225	-	-	225
Special events	142,203	1,377	-	143,580
Other program expense adjustments	39,101	-	-	39,101
 Total before depreciation	 2,395,632	 30,614	 (21,304)	 2,404,942
Depreciation of property and equipment	16,036	-	-	16,036
 TOTAL EXPENSES	 \$ 2,411,668	 \$ 30,614	 \$ (21,304)	 \$ 2,420,978

United Way of Lincoln and Lancaster County and Controlled Foundation

SCHEDULE OF AGENCY ALLOCATIONS,
GRANTS, CONTRACTS AND DESIGNATIONS

Year ended June 30, 2025

AFFILIATED AGENCIES

American Red Cross, Capital Area and Eastern Nebraska	\$ 32,500
The Arc of Lincoln/Lancaster County	9,000
Asian Community and Cultural Center	23,000
Big Brothers Big Sisters Lincoln	60,000
Boys and Girls Clubs of Lincoln/Lancaster County	30,000
BraveBe Child Advocacy Center	75,575
CASA for Lancaster County (Court Appointed Special Advocates)	24,000
Catholic Social Services	61,700
CEDARS Youth Services	255,600
Center for People in Need	33,500
Community Action Partnership of Lancaster and Saunders County	185,000
Echo Collective	22,500
Educare of Lincoln	16,000
El Centro de las Americas	24,300
Family Service Association of Lincoln	74,000
Food Bank of Lincoln	41,913
Fresh Start Home	35,500
Friendship Home of Lincoln	80,000
Good Neighbor Community Center	49,343
HopeSpoke	135,280
The HUB - Central Access Point for Young Adults	56,500
League of Human Dignity, Inc.	7,500
Legal Aid of Nebraska	21,500
Lighthouse	91,500
Lincoln Literacy Council	22,500
Lincoln Medical Education Partnership	23,640
Lincoln Public Schools	14,000
Lutheran Family Services	12,640
Lux Center for the Arts	11,601
Malone Community Center	32,000
Matt Talbot Kitchen and Outreach	30,400
Mourning Hope Grief Center	21,440
Neighborhoods Inc.	7,500
Northeast Family Center	25,500
People's City Mission	9,000
Salvation Army Lincoln, Nebraska Corps.	76,000
St. Monica's Home Behavioral Health Services for Women	34,425
TeamMates Mentoring Program of LPS	58,803
Voices of Hope, Lincoln	77,400
Willard Community Center	28,500
Designations and other funds distributed to affiliated agencies	<u>2,129,961</u>
	4,061,021
NONAFFILIATED AGENCIES	
Designations and other funds distributed to nonaffiliated agencies	<u>548,647</u>
	<u><u>\$ 4,609,668</u></u>

United Way of Lincoln and Lancaster County and Controlled Foundation

SCHEDULE OF AGENCY ALLOCATIONS,
GRANTS, CONTRACTS AND DESIGNATIONS

Year ended June 30, 2024

AFFILIATED AGENCIES

American Red Cross, Capital Area and Eastern Nebraska	\$ 32,500
The Arc of Lincoln/Lancaster County	9,000
Asian Community and Cultural Center	23,000
Big Brothers Big Sisters Lincoln	60,000
Boys and Girls Clubs of Lincoln/Lancaster County	30,000
BraveBe Child Advocacy Center	75,575
CASA for Lancaster County (Court Appointed Special Advocates)	24,000
Catholic Social Services	61,700
CEDARS Youth Services	255,600
Center for People in Need	33,500
Community Action Partnership of Lancaster and Saunders County	185,000
Echo Collective	22,500
Educare of Lincoln	16,000
El Centro de las Americas	24,300
Family Service Association of Lincoln	74,000
Food Bank of Lincoln	41,913
Fresh Start Home	35,500
Friendship Home of Lincoln	80,000
Good Neighbor Community Center	49,343
HopeSpoke	135,280
The HUB - Central Access Point for Young Adults	56,500
League of Human Dignity, Inc.	7,500
Legal Aid of Nebraska	21,500
Lighthouse	91,500
Lincoln Literacy Council	22,500
Lincoln Medical Education Partnership	23,640
Lincoln Public Schools	14,000
Lutheran Family Services	12,640
Lux Center for the Arts	11,601
Malone Community Center	32,000
Matt Talbot Kitchen and Outreach	30,400
Mourning Hope Grief Center	21,440
Neighborhoods Inc.	7,500
Northeast Family Center	25,500
People's City Mission	9,000
Salvation Army Lincoln, Nebraska Corps.	76,000
St. Monica's Home Behavioral Health Services for Women	34,425
TeamMates Mentoring Program of LPS	58,803
Voices of Hope, Lincoln	77,400
Willard Community Center	28,500
Designations and other funds distributed to affiliated agencies	<u>2,544,591</u>
	4,475,651
NONAFFILIATED AGENCIES	
Designations and other funds distributed to nonaffiliated agencies	<u>512,733</u>
	<u>\$ 4,988,384</u>