

CENTRE COUNTY UNITED WAY

REPORT ON AUDITS OF
FINANCIAL STATEMENTS

YEARS ENDED MARCH 31, 2025 AND 2024

Independent Auditors' Report

Board of Directors
Centre County United Way
State College, Pennsylvania

Opinion

We have audited the accompanying financial statements of Centre County United Way (the "Organization"), which comprise the statements of financial position as of March 31, 2025 and 2024, and the related statements of activities and changes in net assets, functional expenses and cash flows for the years then ended, and the related notes to the financial statements.

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

Basis for Opinion

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

Responsibilities of Management for the Financial Statements

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

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

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

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

From Fideli Snyder Leather, LLP

State College, Pennsylvania
November 12, 2025

CENTRE COUNTY UNITED WAY
STATEMENTS OF FINANCIAL POSITION

	MARCH 31,	
	2025	2024
<u>ASSETS</u>		
Current Assets:		
Cash and cash equivalents	\$ 489,219	\$ 805,535
Pledges receivable, net of allowance for uncollected pledges	353,452	460,909
Prepaid expenses and other current assets	2,877	8,593
Total Current Assets	845,548	1,275,037
Property and Equipment, net	13,218	7,799
Right to Use Assets, net	12,436	17,464
Certificates of Deposit	732,778	497,473
Investment in Assets Held by Others	200,411	201,040
Investments - Restricted	1,218,959	1,132,081
Total Assets	\$ 3,023,350	\$ 3,130,894
<u>LIABILITIES AND NET ASSETS</u>		
Current Liabilities:		
Allocations and designations payable	\$ 28,506	\$ 40,549
Accounts payable	2,124	10,936
Accrued expenses	12,864	14,533
Lease, current portion	3,575	5,373
Total Current Liabilities	47,069	71,391
Lease, less current portion	9,999	13,574
Total Liabilities	57,068	84,965
Net Assets:		
Without Donor Restrictions:		
Board designated	1,571,675	1,581,600
Undesignated	168,718	322,248
Total net assets without donor restrictions	1,740,393	1,903,848
With Donor Restrictions	1,225,889	1,142,081
Total Net Assets	2,966,282	3,045,929
Total Liabilities and Net Assets	\$ 3,023,350	\$ 3,130,894

See Accompanying Notes to Financial Statements

CENTRE COUNTY UNITED WAY
STATEMENTS OF ACTIVITIES AND CHANGES IN NET ASSETS

	<u>YEARS ENDED MARCH 31,</u>	
	<u>2025</u>	<u>2024</u>
Changes in Net Assets without Donor Restrictions		
Revenue and support		
Contributions	\$ 1,006,597	\$ 1,086,997
Special events, net of expenses of \$64,923 and \$72,020, respectively	208,109	199,111
Miscellaneous	1,074	5,194
(Depreciation)/appreciation in value of assets held by others	(629)	13,403
Interest income	<u>36,373</u>	<u>28,914</u>
Total revenue and support	1,251,524	1,333,619
Net assets released from restrictions	<u>33,356</u>	<u>10,338</u>
Total revenues and support and assets released from restrictions	1,284,880	1,343,957
Expenses		
Program Services		
Agency allocations	1,257,780	1,339,445
Other program expense	<u>22,242</u>	<u>31,572</u>
Total program services	<u>1,280,022</u>	<u>1,371,017</u>
Supporting Services		
Administration	32,185	29,961
Fundraising	<u>136,128</u>	<u>154,822</u>
Total supporting services	<u>168,313</u>	<u>184,783</u>
Total expenses	<u>1,448,335</u>	<u>1,555,800</u>
Decrease in unrestricted net assets	(<u>163,455</u>)	(<u>211,843</u>)
Changes in Net Assets with Donor Restrictions		
Contributions	10,286	--
Grants	20,000	10,000
Investment income	294,954	33,730
Unrealized (losses)/gains	(208,076)	109,970
Net assets released from restrictions due to payment	(<u>33,356</u>)	(<u>10,338</u>)
Increase/(decrease) in net assets with donor restrictions	<u>83,808</u>	<u>143,362</u>
Change in Net Assets	(79,647)	(68,481)
Net Assets, beginning	<u>3,045,929</u>	<u>3,114,410</u>
Net Assets, ending	\$ <u>2,966,282</u>	\$ <u>3,045,929</u>

See Accompanying Notes to Financial Statements

CENTRE COUNTY UNITED WAY
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED MARCH 31, 2025

	Program			Admini- stration	Fund- raising	Total
	Alloca- tions	Other	Total			
Agency allocations	\$ 945,000		\$ 945,000			\$ 945,000
Program payments	--	\$ 17,404	17,404			17,404
Total agency payments	<u>945,000</u>	<u>17,404</u>	<u>962,404</u>			<u>962,404</u>
Salaries and wages	120,243	2,215	122,458	\$ 8,005	\$ 85,894	216,357
Employee benefits	36,944	680	37,624	2,459	26,390	66,473
Payroll taxes	9,235	170	9,405	615	6,597	16,617
Total salaries and benefits	<u>166,422</u>	<u>3,065</u>	<u>169,487</u>	<u>11,079</u>	<u>118,881</u>	<u>299,447</u>
Dues/subscriptions	22,624	--	22,624	--	--	22,624
Professional fees	--	--	--	19,846	--	19,846
Campaign	--	--	--	--	1,932	1,932
Occupancy	24,020	442	24,462	400	2,147	27,009
Miscellaneous	4,978	92	5,070	83	445	5,598
Advertising	20,655	380	21,035	--	7,124	28,159
Equipment rent/maintenance	407	8	415	7	36	458
Interest expense	1,210	22	1,232	20	108	1,360
Postage	--	--	--	--	1,429	1,429
Program materials	27,401	--	27,401	--	--	27,401
Office supplies	8,370	154	8,524	139	748	9,411
Telephone	6,569	121	6,690	109	587	7,386
Information technology	13,439	247	13,686	224	1,201	15,111
Insurance	3,138	58	3,196	52	280	3,528
Conference/meetings	5,330	98	5,428	89	476	5,993
Travel	339	6	345	6	30	381
Depreciation & amortization	7,878	145	8,023	131	704	8,858
Total other expenses	<u>146,358</u>	<u>1,773</u>	<u>148,131</u>	<u>21,106</u>	<u>17,247</u>	<u>186,484</u>
Total functional expenses	<u>\$1,257,780</u>	<u>\$ 22,242</u>	<u>\$1,280,022</u>	<u>\$ 32,185</u>	<u>\$ 136,128</u>	<u>\$ 1,448,335</u>

See Accompanying Notes to Financial Statements

CENTRE COUNTY UNITED WAY
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED MARCH 31, 2024

	<u>Program</u>			<u>Admini- stration</u>	<u>Fund- raising</u>	<u>Total</u>
	<u>Alloca- tions</u>	<u>Other</u>	<u>Total</u>			
Agency allocations	\$1,028,539		\$1,028,539			\$ 1,028,539
Program payments	--	\$ 24,681	24,681			24,681
Total agency payments	<u>1,028,539</u>	<u>24,681</u>	<u>1,053,220</u>			<u>1,053,220</u>
Salaries and wages	138,744	3,329	142,073	\$ 9,287	\$ 99,652	251,012
Employee benefits	36,822	884	37,706	2,465	26,448	66,619
Payroll taxes	10,509	252	10,761	703	7,547	19,011
Total salaries and benefits	<u>186,075</u>	<u>4,465</u>	<u>190,540</u>	<u>12,455</u>	<u>133,647</u>	<u>336,642</u>
Dues/subscriptions	20,018	--	20,018	--	--	20,018
Professional fees	--	--	--	16,166	--	16,166
Campaign	--	--	--	--	2,893	2,893
Occupancy	12,934	310	13,244	216	1,163	14,623
Miscellaneous	3,401	82	3,483	57	306	3,846
Advertising	21,085	506	21,591	--	7,313	28,904
Equipment rent/maintenance	896	21	917	15	81	1,013
Interest expense	1,113	27	1,140	19	100	1,259
Postage	--	--	--	--	3,776	3,776
Program materials	3,702	--	3,702	--	--	3,702
Office supplies	13,144	315	13,459	220	1,181	14,860
Telephone	5,148	124	5,272	86	463	5,821
Information technology	15,755	378	16,133	264	1,416	17,813
Insurance	3,041	73	3,114	51	273	3,438
Conference/meetings	2,907	70	2,977	49	261	3,287
Travel	592	14	606	10	53	669
Depreciation & amortization	21,095	506	21,601	353	1,896	23,850
Total other expenses	<u>124,831</u>	<u>2,426</u>	<u>127,257</u>	<u>17,506</u>	<u>21,175</u>	<u>165,938</u>
Total functional expenses	<u>\$1,339,445</u>	<u>\$ 31,572</u>	<u>\$1,371,017</u>	<u>\$ 29,961</u>	<u>\$ 154,822</u>	<u>\$ 1,555,800</u>

See Accompanying Notes to Financial Statements

CENTRE COUNTY UNITED WAY
STATEMENTS OF CASH FLOWS

	<u>YEARS ENDED MARCH 31,</u>	
	<u>2025</u>	<u>2024</u>
CASH FLOWS FROM OPERATING ACTIVITIES:		
Cash received from benefactors and others	\$ 1,353,523	\$ 1,510,591
Interest received	8,948	10,208
Cash paid to agencies, employee & vendors	(1,461,658)	(1,536,578)
Net cash used in operating activities	(99,187)	(15,779)
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of assets	(9,250)	--
Proceeds from certificate of deposit	--	125,051
Purchase of certificate of deposit	(207,879)	(304,474)
Net cash used in investing activities	(217,129)	(179,423)
Decrease in cash and cash equivalents	(316,316)	(195,202)
Cash and cash equivalents, beginning	<u>805,535</u>	<u>1,000,737</u>
Cash and cash equivalents, ending	\$ <u><u>489,219</u></u>	\$ <u><u>805,535</u></u>
RECONCILIATION OF CHANGE IN NET ASSETS TO NET CASH USED IN OPERATING ACTIVITIES:		
Change in net assets	\$(79,647)	\$(68,481)
Adjustments to reconcile change in net assets to net cash used in operating activities:		
Depreciation and amortization	8,858	23,850
Change in investments	(86,878)	(143,700)
Change in certificates of deposit	(27,425)	(18,706)
Change in assets held by others	629	(13,403)
Payments on leases payable	(5,373)	(19,417)
(Increase)/decrease in assets:		
Pledges receivable	107,457	209,289
Prepaid expenses and other current assets	5,716	(1,293)
Increase/(decrease) in liabilities:		
Accounts payable	(8,812)	10,936
Allocations and designations payable	(12,043)	3,086
Accrued expenses	(1,669)	2,060
Net cash used in operating activities	\$ (<u><u>99,187</u></u>)	\$ (<u><u>15,779</u></u>)

See Accompanying Notes to Financial Statements

CENTRE COUNTY UNITED WAY
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED MARCH 31, 2025 AND 2024

A. Nature of Operations and Summary of Significant Accounting Principles

Nature of Operations

The Centre County United Way (the "Organization") is a non-profit organization formed to raise community funds and allocate money to a group of member service agencies providing health, welfare, and social services in Centre County, Pennsylvania.

Basis of Presentation

Financial statement presentation follows the recommendations of the Financial Accounting Standards Board (FASB) *Accounting Standards Codification* (ASC) 958-205, Not-for-Profit Entities Financial Statement Presentation. Under FASB ASC 958-205, Centre County United Way is required to report information regarding its financial position and activities according to two classes of net assets:

Net assets without donor restrictions - Net assets available for use in general operations and not subject to donor (or certain grantor) restrictions. The governing board has designated, from assets without donor restrictions, net assets for board-designated purposes.

Net assets with donor restrictions - Net assets subject to donor (or certain 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. 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.

Basis of Accounting

Centre County United Way prepares its financial statements on the accrual basis of accounting. Therefore, revenue is recognized when earned and expenses are recorded when the obligation incurred.

CENTRE COUNTY UNITED WAY
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED MARCH 31, 2025 AND 2024
(continued)

A. Nature of Operations and Summary of Significant Accounting Principles
(continued)

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements at the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Cash and Cash Equivalents

Cash and cash equivalents include investments in highly liquid instruments purchased with an original maturity of three months or less.

Certificates of Deposit

Certificates of deposit are recorded in the financial statements as long-term assets based on their long-term maturity date or management's intentions to rollover the certificates of deposit over a long-term maturity.

Pledges Receivable

Pledged support is considered available for unrestricted use unless specifically restricted by the donor. Unpaid pledges are written off a year and a half after the end of the campaign year.

Investments and Investment Risks

Investments in marketable equity securities with readily determinable fair values and all investments in debt securities are recorded at fair value. Investment income or loss (including realized and unrealized gains and losses on investments, interest and dividends) is included in the change in unrestricted net assets unless the income or loss is restricted by donor or law.

The Organization's investments are comprised of a variety of financial instruments and are managed by investment advisors. The fair values reported in the statement of financial position are exposed to various risks including changes in the equity markets, the interest rate environment and general economic conditions. Due to the level of risk associated with certain investment securities and the level of

CENTRE COUNTY UNITED WAY
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED MARCH 31, 2025 AND 2024
(continued)

A. Nature of Operations and Summary of Significant Accounting Principles
(continued)

Investments and Investment Risks (continued)

uncertainty related to changes in the fair value of investment securities, it is reasonably possible that the amount reported in the accompanying financial statements could change materially in the near term.

Contribution of Services

A substantial number of volunteers have contributed significant amounts of time to the Organization's program services and to its fundraising campaigns. These services are not recorded in the financial statements since they do not meet the criteria for recognition in accounting standards established for not-for-profit organizations.

Property and Equipment

The Organization capitalizes property and equipment purchases of \$1,000 or greater. Property and equipment are recorded at cost and depreciation using the straight-line method over the estimated useful lives of the assets ranging from three to thirty-nine years. Repairs and maintenance are expensed and major betterments are capitalized.

Depreciation expense during the years ended March 31, 2025 and 2024, was \$8,858 and \$23,850, respectively.

Functional Expenses

The costs of providing activities have been summarized on a functional basis in the statement of activities. Certain costs have been allocated among the programs and supporting services benefitted.

Restricted and Unrestricted Revenues and Contributions

Centre County United Way has adopted FASB ASC 958-605, Not-for-Profit Entities Revenue Recognition. Contributions are recognized when the donor makes an unconditional promise to give to the Organization. Contributions are recorded as without donor restrictions or with donor restrictions, depending on the existence and/or nature of any donor restrictions.

CENTRE COUNTY UNITED WAY
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED MARCH 31, 2025 AND 2024
(continued)

A. Nature of Operations and Summary of Significant Accounting Principles
(continued)

Restricted and Unrestricted Revenues and Contributions (continued)

All donor restricted contributions are reported as increases in net assets with donor restrictions. When a restriction expires (that is, when a stipulated restriction ends or purpose restriction is accomplished), net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restriction.

The Organization used the allowance method to determine uncollectible amounts of receivables resulting from unconditional promises to give. The allowance is based on prior years' experience and management analysis of specific promises made. The allowance for uncollectible pledges was \$30,886 and \$48,453 at March 31, 2025 and 2024, respectively.

Advertising

Advertising costs are charged to expense as incurred and were \$28,159 and \$28,904 for the years ended March 31, 2025 and 2024, respectively.

Member Agency Allocations

Allocations to member agencies are recorded based on the campaign allocation recommended by the Fund Distribution Committee and approved by the Board of Directors.

Income Taxes

The Organization is a not-for-profit corporation exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code. The Organization is not a private foundation within the meaning of Section 509(a) of the Internal Revenue Code.

The Organization accounts for uncertainty in income taxes using a recognition threshold of more-likely-than-not to be sustained upon examination by the appropriate taxing authority. Measurement of the tax uncertainty occurs if the recognition threshold is met. Management has determined that there were no tax uncertainties that met the recognition threshold as of March 31, 2025 or 2024.

The Organization's federal income tax returns for years subsequent to 2022 remain subject to examination by the Internal Revenue Service.

CENTRE COUNTY UNITED WAY
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED MARCH 31, 2025 AND 2024
(continued)

A. Nature of Operations and Summary of Significant Accounting Principles
(continued)

Net Assets With Donor Restrictions

Net assets with donor restrictions are those whose use by an organization has been limited to a specific time period or purpose.

Subsequent Events

The Organization evaluated subsequent events for recognition or disclosure through November 12, 2025, the date the financial statements were available to be issued.

B. Concentration of Credit Risk

The bank balances and certificates of deposit are held at various local banks and secured by federal deposit insurance coverage for interest bearing accounts. At March 31, 2025 and 2024, \$169,209 and \$221,456, respectively, of the Organization's accounts were exposed to credit risk.

C. Investments

Investments consist of the following at March 31:

	<u>2025</u>	<u>2024</u>
Vanguard Account:		
Cash and cash equivalents	\$ 8,818	\$ 8,402
Mutual Funds	<u>1,210,141</u>	<u>1,123,679</u>
Total held at Vanguard	1,218,959	1,132,081
Certificates of Deposit	<u>732,778</u>	<u>497,473</u>
Total investments	\$ <u><u>1,951,737</u></u>	\$ <u><u>1,629,554</u></u>

Total investment returns are as follows for the years ended March 31:

	<u>2025</u>	<u>2024</u>
Interest and dividend income	\$ 74,790	\$ 33,730
Realized gains	220,164	--
Change in unrealized (losses)/gains on investments other than trading securities	(<u>208,076</u>)	<u>109,970</u>
Investment gain	\$ <u><u>86,878</u></u>	\$ <u><u>143,700</u></u>

CENTRE COUNTY UNITED WAY
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED MARCH 31, 2025 AND 2024
(continued)

D. Fair Value Measurement of Assets

Financial assets measured at fair market value are categorized based upon the following characteristics or inputs to the valuation techniques:

Level 1 - Quoted prices are available in the active market for identical assets or liabilities as of the reported date.

Level 2 - Pricing inputs are other than quoted prices in active markets for identical assets, which are wither directly or indirectly observable as of the reported date. The nature of these assets and liabilities include items for which quoted prices are available but traded less frequently, and items that are fair valued using other financial instruments, the parameters of which can be directly observed.

Level 3 - Valuations derived from valuation techniques in which one or more significant inputs or significant value drivers are unobservable.

The hierarchy requires the use of observable market data when available.

Financial assets are classified in their entirety based on the lowest level of input that is significant to the fair value measurement. The following table presents those financial assets that are remeasured annually at their fair market value by level within the fair value heirarchy:

	Quoted Prices in Active Markets for Identical Assets (Level 1)	
	2025	2024
Investments:		
Cash and cash equivalents	\$ 8,818	\$ 8,402
Certificates of deposit	732,778	497,473
Global equity mutual funds	621,144	548,149
Domestic equity mutual funds	588,997	163,293
Domestic fixed income mutual funds	--	215,257
International equity mutual funds	--	160,116
International fixed income mutual funds	--	36,864
	<u>\$ 1,951,737</u>	<u>\$ 1,629,554</u>

CENTRE COUNTY UNITED WAY
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED MARCH 31, 2025 AND 2024
 (continued)

D. Fair Value Measurement of Assets (continued)

At March 31, 2025 and 2024, the Organization did not have any assets whose fair value was measured using Level 2 or 3 inputs.

Fair values of financial instruments were determined as follows:

Cash and cash equivalents and certificates of deposit: The carrying amounts approximate fair value because of the short maturity of those financial instruments.

Investments: Mutual funds, equities and ETFs in the investment portfolio are measured at fair value using quoted market prices for identical assets, which are considered Level 1 inputs.

E. Property and Equipment, Net

Property and equipment consist of the following at March 31:

	<u>2025</u>	<u>2024</u>
Equipment	\$ 45,449	\$ 36,845
Less accumulated depreciation	(32,231)	(29,046)
Property and equipment, net	<u>\$ 13,218</u>	<u>\$ 7,799</u>

F. Designated Payables

Donations received and designated specifically to an agency are classified as revenue for each agency and as accounts payable for the Organization. Designated payables amounted to \$28,506 and \$40,549 at March 31, 2025 and 2024, respectively.

G. Net Assets Without Donor Restrictions

Net assets without donor restrictions - board designated were available for the following purposes as of March 31:

	<u>2025</u>	<u>2024</u>
Agency Allocation	\$ 1,300,000	\$ 1,300,000
Board Revenue	264,325	274,250
Womens' Leadership Group	<u>7,350</u>	<u>7,350</u>
Total	<u>\$ 1,571,675</u>	<u>\$ 1,581,600</u>

CENTRE COUNTY UNITED WAY
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED MARCH 31, 2025 AND 2024
 (continued)

H. Net Assets With Donor Restrictions

Net assets with donor restrictions were available for the following purposes as of March 31:

	2025	2024
Disaster Fund	\$ 1,218,959	\$ 1,132,081
Imagination Library	6,930	10,000
Total	\$ 1,225,889	\$ 1,142,081

I. Employee Benefit Plans

On January 1, 2014, the Organization changed from a 403(b) voluntary savings plan to a SEP IRA available to all eligible employees. Pension expense was \$21,290 and \$24,004 for the years ended March 31, 2025 and 2024, respectively.

K. Interest in Assets Held by Others

During 1998 and 2023, endowment funds were established with Centre Foundation (the "Foundation") to benefit the Organization. The value of the Organization's interest in the funds, as reported by the Foundation at March 31, was:

	2025	2024
Centre County United Way Fund honoring Ellie Beaver	\$ 173,325	\$ 174,875
Live United Fund	27,086	26,165
	\$ 200,411	\$ 201,040

Since these transfers were made in exchange for returns of, or returns on, the amount transferred, they are reported in the statement of financial position.

At the time of the transfers, the Organization granted variance power to the Foundation. That power gives the Foundation the unilateral right to make payments to other qualified organizations, if, at any time in the future, it becomes unnecessary, impossible or inconsistent with the charitable need as determined by the Foundation, to make payments as originally intended at the inception of the Fund.

CENTRE COUNTY UNITED WAY
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED MARCH 31, 2025 AND 2024
(continued)

K. Interest in Assets Held by Others (continued)

The Organization's programs also benefit from endowment funds create at the Foundation by others. Distributions are recorded as contributions when received since the Organization is the beneficiary of the fund but not the resource provider.

L. Right to Use Assets/Liabilities and Operating Leases

In 2019 the Organization entered into leases for a copier and postage machine for its offices, the leases run through July 2024 and March 2025, respectively. Additionally, the Organization entered into a new monthly lease for office space in a downtown location in May 2023 that runs through December 2024. The lease is renewable for two additional three(3)-year terms. In accordance the Accounting Standards Update 2016-02 the Organization has capitalized the leases as right-to-use assets along with related long term liabilities. The Organization also leases storage space on a month to month basis. Lease expense for the storage was \$3,055 and \$2,947 for the years ended March 31, 2025 and 2024, respectively.

The right to use asset consists of the following at March 31:

	2025	2024
Right to use asset	\$ 26,434	\$ 58,153
Less accumulated amortization	(13,998)	(40,689)
Right to use asset, net	\$ 12,436	\$ 17,464

During the years ended March 31, 2025 and 2024 the Organization recognized \$5,028 and \$19,153 of amortization on the leased assets, respectively, and \$1,360 and \$1,259, respectively, of interest expense on the long term liabilities.

Future required payments on the leases are as follows:

2026	\$	3,575
2027		3,891
2028		4,235
2029		1,873
Total	\$	13,574

CENTRE COUNTY UNITED WAY
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(continued)

M. Liquidity and Availability

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

Cash and cash equivalents	\$ 489,219
Pledges receivable	353,452
Investments - certificates of deposit	<u>732,778</u>
	\$ <u>1,575,449</u>

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