UNITED WAY OF CLARK, CHAMPAIGN AND MADISON COUNTIES
FINANCIAL STATEMENTS
JUNE 30, 2024 AND 2023

CONTENTS

INDEPENDENT AUDITORS' REPORT

To the Board of Trustees
United Way of Clark, Champaign, and Madison Counties, Inc.
Springfield, OH 45502

Opinion

We have audited the accompanying financial statements of the **United Way of Clark, Champaign and Madison Counties** (the Organization) (a nonprofit organization), which comprise the balance sheet as of June 30, 2024 and the related statements of activities and changes in net assets, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Organization as of June 30, 2024 and the results of its operations and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

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

Prior Period Financial Statements

The financial statements of the Organization as of June 30, 2023 were audited by a predecessor auditor whose report dated October 17, 2023 expressed an unmodified opinion on those statements.

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control. Accordingly, no such opinion is expressed.

- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Organization's ability to continue as a going concern for a reasonable period of time.

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

Holbrook & Manter

Certified Public Accountants

January 29, 2025
Columbus, Ohio

UNITED WAY OF CLARK, CHAMPAIGN AND MADISON COUNTIES

STATEMENTS OF FINANCIAL POSITION

JUNE 30, 2024 AND 2023

ASSETS

		2024		2023
ASSETS:-				
Current Assets				
Cash and cash equivalents	$	1,191,119	$	1,382,327
Certificates of deposit		250,405		125,113
Pledges receivable, net of allowance for uncollectible accounts		213,297		220,463
Grants receivable		3,333		3,331
Interest receivable		7,089		2,168
Prepaid expenses		9,607		11,412
Total Current Assets		1,674,850		1,744,814
Beneficial assets held by others		198,734		197,589
Property and equipment, net		1,477		2,738
Other Assets				
Right-of-Use Assets		87,636		18,450
Deposits		0		90
Total Other Assets		87,636		18,540
Total assets	$	1,962,697	$	1,963,681

LIABILITIES AND NET ASSETS

		2024		2023
LIABILITIES:-				
Current liabilities				
Amounts raised on behalf of others	$	35,943	$	11,950
Current portion of operating lease liabilities		26,618		7,380
Accounts payable		3,366		10,319
Accrued payroll and related liabilities		16,382		10,112
Deferred revenue		213,278		150,480
Total current liabilities		295,588		190,241
Long-Term Liabilities				
Long-term portion of operating lease liabilities		61,018		11,070
Total liabilities		356,606		201,311
NET ASSETS:-				
Without Donor Restriction				
Operating		828,538		1,085,405
Board Designated		157,233		151,631
Total without donor restrictions		985,771		1,237,036
With donor restrictions		620,320		525,334
Total net assets		1,606,091		1,762,370
Total liabilities and net assets	$	1,962,697	$	1,963,681

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

UNITED WAY OF CLARK, CHAMPAIGN AND MADISON COUNTIES
STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS
FOR THE YEAR ENDED JUNE 30, 2024

	2024		
	Without donor restriction	**With donor restriction**	**Total**
PUBLIC SUPPORT:-			
Gross current year campaign revenue	$ 586,901	$ 574,362	$ 1,161,263
Less donor designations	(121,075)	(121,075)	(242,150)
Less provision for uncollectible pledges	0	(96,111)	(96,111)
Net current year campaign revenue	465,826	357,176	823,002
Net prior year campaign revenue	29,551	0	29,551
Total public support	495,377	357,176	852,553
OTHER REVENUE:-			
Interest and dividend income	51,452	0	51,452
Grants and contracts	139,849	0	139,849
Other contributions	54,311	0	54,311
Special events, net	34,989	0	34,989
Other services	9,982	0	9,982
Net assets released from restriction	262,190	(262,190)	0
Total other revenue	552,773	(262,190)	290,583
Total public support and other revenue	1,048,150	94,986	1,143,136
EXPENSES:-			
Functional Expenses;-			
Program services	1,052,825	0	1,052,825
Supporting services	246,590	0	246,590
Total functional expenses	1,299,415	0	1,299,415
Total expenses	1,299,415	0	1,299,415
Change in net assets	(251,265)	94,986	(156,279)
Net assets at beginning of year	1,237,036	525,334	1,762,370
Net assets at end of year	$ 985,771	$ 620,320	$ 1,606,091

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

UNITED WAY OF CLARK, CHAMPAIGN AND MADISON COUNTIES
STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS
FOR THE YEAR ENDED JUNE 30, 2023

	2023		
	Without donor restriction	**With donor restriction**	**Total**
PUBLIC SUPPORT:-			
Gross current year campaign revenue	$ 479,376	$ 479,376	$ 958,752
Less donor designations	(119,343)	(119,342)	(238,685)
Less provision for uncollectible pledges	0	(89,757)	(89,757)
Net current year campaign revenue	360,033	270,277	630,310
Net prior year campaign revenue	69,876	0	69,876
Total public support	429,909	270,277	700,186
OTHER REVENUE:-			
Interest and dividend income	31,837	0	31,837
Unrealized gains	5,777	1,759	7,536
Grants and contracts	123,791	0	123,791
Other contributions	22,443	0	22,443
Special events, net	20,266	0	20,266
Other services	7,030	0	7,030
Net assets released from restriction	329,369	(329,369)	0
Total other revenue	540,513	(327,610)	212,903
Total public support and other revenue	970,422	(57,333)	913,089
EXPENSES:-			
Program Expenses;-			
Gross funds awarded/distributed	719,912	0	719,912
less donor designations	(238,685)	0	(238,685)
Total program expenses	481,227	0	481,227
Functional Expenses;-			
Allocation services	258,820	0	258,820
Other program services	46,497	0	46,497
Supporting services	178,394	0	178,394
Total functional expenses	483,711	0	483,711
Total expenses	964,938	0	964,938
Change in net assets	5,484	(57,333)	(51,849)
Net assets at beginning of year	1,231,552	582,667	1,814,219
Net assets at end of year	$ 1,237,036	$ 525,334	$ 1,762,370

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

UNITED WAY OF CLARK, CHAMPAIGN AND MADISON COUNTIES
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2024

	2024				
	Program Services	**Supporting Services**			
	Program Services	**Organizational Administration**	**Fund-Raising**	**Supporting Services Subtotal**	**Total**
Gross funds awarded/distributed	$ 635,011	$ 0	$ 0	$ 0	$ 635,011
	635,011	0	0	0	635,011
Salaries	$ 145,819	$ 48,272	$ 48,272	$ 96,544	$ 242,363
Payroll taxes	10,115	3,280	3,280	6,560	16,675
Employee benefits	22,623	9,561	9,948	19,509	42,132
Total salaries and related benefits	178,557	61,113	61,500	122,613	301,170
Contract services	151,006	58,672	10,250	68,922	219,928
Supplies	4,636	1,464	1,364	2,828	7,464
Printing and copying	399	130	2,404	2,534	2,933
Postage and shipping	2,139	696	648	1,344	3,483
Telephone and networks	12,154	2,330	2,169	4,499	16,653
Occupancy	20,197	2,500	2,328	4,828	25,025
Travel	2,169	0	0	0	2,169
Board and staff development	893	291	271	562	1,455
Insurance	4,852	1,579	1,471	3,050	7,902
Advertising	0	0	570	570	570
Miscellaneous	624	203	189	392	1,016
Equipment	4,193	1,365	1,271	2,636	6,829
Special event expense	28,214	0	26,920	26,920	55,134
Depreciation expense	774	252	235	487	1,261
Total before United Way Worldwide Dues	$ 1,045,818	$ 130,595	$ 111,590	$ 242,185	$ 1,288,003
United Way Worldwide Dues	7,007	2,281	2,124	4,405	11,412
Total expenses	$ 1,052,825	$ 132,876	$ 113,714	$ 246,590	$ 1,299,415

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

UNITED WAY OF CLARK, CHAMPAIGN AND MADISON COUNTIES
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2023

	2023						
	Program Services			Supporting Services			
	Allocation Services	**All Other Programs**	**Subtotal**	**Organizational Administration**	**Fund-Raising**	**Subtotal**	**Total**
Allocations/Awards	$ 719,912	$ 0	$ 719,912	$ 0	$ 0	$ 0	$ 719,912
less donor designations	(238,685)	0	(238,685)	0	0	0	(238,685)
	481,227	0	481,227	0	0	0	481,227
Salaries	$ 116,459	$ 0	116,459	$ 35,354	$ 56,150	$ 91,504	$ 207,963
Payroll taxes	8,387	0	8,387	2,546	4,044	6,590	14,977
Employee benefits	21,520	0	21,520	6,532	10,376	16,908	38,428
Total salaries and related benefits	146,366	0	146,366	44,432	70,570	115,002	261,368
Contract services	67,743	33,370	101,113	19,430	0	19,430	120,543
Supplies	2,202	0	2,202	717	667	1,384	3,586
Printing and copying	1,901	0	1,901	618	577	1,195	3,096
Postage and shipping	2,106	0	2,106	686	638	1,324	3,430
Telephone and networks	1,214	1,387	2,601	867	0	867	3,468
Occupancy	17,382	0	17,382	5,659	5,268	10,927	28,309
Travel	2,687	0	2,687	875	815	1,690	4,377
Board and staff development	0	0	0	0	0	0	0
Insurance	6,109	0	6,109	1,989	1,851	3,840	9,949
Advertising	5,055	0	5,055	0	1,961	1,961	7,016
Miscellaneous	0	4,944	4,944	0	3,420	3,420	8,364
Equipment	5,536	0	5,536	1,802	1,678	3,480	9,016
Special event expense	0	0	0	0	9,734	9,734	9,734
Depreciation expense	519	376	895	163	239	402	1,297
						-	
Total before United Way Worldwide Dues	$ 112,454	40,077	$ 152,531	$ 32,806	$ 26,848	$ 59,654	$ 212,185
United Way Worldwide Dues	0	6,420	6,420	3,738	-	3,738	10,158
Total expenses	$ 740,047	$ 46,497	$ 786,544	$ 80,976	$ 97,418	$ 178,394	$ 964,938

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

UNITED WAY OF CLARK, CHAMPAIGN AND MADISON COUNTIES
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED JUNE 30, 2024 AND 2023

	2024	2023
CASH FLOWS FROM OPERATING ACTIVITIES:-		
Change in net assets	$ (156,279)	$ (51,849)
Adjustments to reconcile the change in net assets to net cash provided (used) by operating activities:		
Depreciation	1,261	1,297
Realized gain on investment	83	(2,177)
Changes in assets and liabilities		
Change in fair value of beneficial interest in assets held by others	(1,145)	(7,536)
Campaign receivables	7,166	(17,791)
Grants and other receivables	(4,923)	19,302
Prepaid expenses and deposits	1,805	1,103
Accounts payable and accrued expenses	(683)	(4,578)
Amounts raised on behalf of others	23,993	(1,641)
Deferred revenue	62,798	32,560
Net cash used by operating activities	(65,924)	(31,310)
CASH FLOWS FROM INVESTING ACTIVITIES:-		
Sales of investments	125,121	299,887
Purchase of investments	(250,405)	5,049
Net cash (used) provided by investing activities	(125,284)	304,936
Net change in cash and cash equivalents	(191,208)	273,626
Cash and cash equivalents - beginning of year	1,382,327	1,108,701
Cash and cash equivalents - end of year	$ 1,191,119	$ 1,382,327

SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION:-		
Cash paid for:		
Interest	$ 0	$ 0
Income taxes	$ 0	$ 0
SUPPLEMENTAL DISCLOSURE FOR NONCASH INVESTING AND FINANCING ACTIVITIES:-		
Assets acquired by operating lease	$ 98,667	$ 0

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization – The United Way of Clark, Champaign and Madison Counties, Inc. (United Way or the Organization) is a nonprofit organization, which engages in fundraising through annual pledge campaigns. Support received is then used to support various nonprofit agencies within Clark, Champaign and Madison Counties through its programs and grants.

The United Way of Clark, Champaign and Madison Counties, Inc. was incorporated on July 15, 2005, as a result of the merger of the United Way of Clark and Champaign Counties, Inc. and the United Way of Madison County. The mission of the United Way of Clark, Champaign and Madison Counties, Inc. is to increase the organized capacity of people to care for each other.

The United Way is governed by a volunteer Board of Directors.

Basis of Presentation - The Organization has adopted the Accounting Standards Codification (ASC) No. 958-205-45 and ASU 2016-02, Financial Statements of Not-for-Profit Organizations. Under ASC No. 958-205-45 and ASU 2016-02, the Organization is required to report information regarding its financial position and activities according to two classes of net assets: with donor restriction and without donor restriction. In addition, the Organization is required to present a statement of cash flows and a statement of functional expenses:

> Net Assets Without Donor Restrictions - Net assets are not subject to donor-imposed stipulations.
>
> Net Assets With Donor Restrictions - Net assets subject to donor-imposed stipulations that: a) restrict their use to a specific purpose which will be satisfied by actions of the Organization or the passage of time; or b) require that they be maintained in perpetuity by the Organization; generally, the donor of these assets permit the Organization to use all or part of the income earned, including capital appreciation, or related investments for purposes with or without donor restrictions.

Contributions - The Organization recognizes contributions received and contributions made in accordance with ASC No. 958-605-25, Accounting for Contributions Received and Contributions Made. Under ASC No. 958-605-25, a contribution received by the Organization is recognized when the donor makes an unconditional promise to give to the Organization. Conditional promises to give are not recognized by the Organization as contributions received until the conditions have been met. Contributions received are recorded as with or without donor restriction support depending on the existence and nature of any donor-imposed restrictions. Contributions received with donor-imposed restrictions that are met in the same reporting period are reported as unrestricted contributions.

Designated Contributions - The Organization recognizes donor designated contributions in accordance with ASC No. 958-605-25-24, Transfers of Assets to a Not-for-Profit Organization or Charitable Trust That Raises or Holds Contributions for Others. When a donor specifically designates a participating agency to receive his or her campaign contribution, the Organization excludes the designated pledge from campaign revenue. The Organization is considered an agent for the designated beneficiary and, as such, records cash or a receivable from the donor and a liability to the designated beneficiary.

Revenue Recognition Significant Accounting Policies under ASC 606 - The Organization's primary sources of revenue are contributions (pledges), which fall outside the scope of ASC 606.

Other Revenue Recognition Policies (outside of ASC 606)

(a) Contributions (pledges) are recorded as with donor restriction or without donor restriction, depending on the existence and nature of any donor-imposed restrictions at the time an unconditional promise to give is received. It is the policy of the Organization to report contributions received that have donor-imposed restrictions as without donor restriction support when the restrictions are met within the same reporting period in which the contributions are received. All contributions are considered to be available for without donor-restricted use unless specifically restricted by the donor. Pledges for contributions are recorded as income when the signed pledge is received. These contributions are considered nonreciprocal (contribution) transactions under accounting guidance ASU 2018-08.

Pledges Receivables - Pledges are promises to give from various donors that are considered unconditional promises to give. Pledges receivable primarily consist of pledges made during annual giving campaign appeals and are presented net of the allowance for doubtful accounts. Pledges receivables are considered past due when the pledge payment period has passed.

Allowance for Doubtful Accounts - The United Way uses the allowance method to estimate uncollectible receivables. The allowances are based on prior experience and management analysis of specific receivables and promises to give. Once the likelihood of collecting the receivable is determined to be remote, management writes off the specific account balance and relieves any related allowance. If collections are made in excess of this allowance, the funds are available to be allocated to the member agencies during the next campaign.

Cash and Cash Equivalents - For purposes of the statement of cash flows, cash and cash equivalents include cash on hand and on deposit and all highly liquid instruments, such as certificates of deposit, purchased with maturity of three months or less. The accounts at each institution are insured by the Federal Deposit Insurance Corporation up to $250,000. Therefore, from time to time, the Organization may have accounts in excess of insured limits.

Property and Equipment - Additions and improvements to property and equipment over $500 and with a useful life of more than two years are recorded at cost when purchased and at fair value when donated to the Organization. Depreciation is computed using the straight-line method over their estimated useful lives, which is a range of 3 to 7 years for office equipment.

Federal Income Taxes - The Organization has been determined, by the Internal Revenue Service, as exempt from Federal income taxes under Section 501(c)(3) of the Internal Revenue Code and classified by the Internal Revenue Service as other than a private foundation and, as a result, a provision for taxes is not required. The Organization records interest and penalties, if any, in interest expense and other expense, respectively, in operating expenses. During the year ended June 30, 2024 and 2023, the Organization did not have any interest or penalties related to taxes. Management believes there are no uncertain tax positions taken as of June 30, 2024 and 2023, respectively.

Use of Estimates - The financial statements of the Organization are presented in conformity with accounting principles generally accepted in the United States of America. This presentation requires the use of estimates and assumptions made by management that affect certain amounts and assumptions. Accordingly, actual results could differ from those estimates.

Donated Services - In-kind contributions of materials and property equipment are recorded as contributions at the estimated fair value on the date of receipt. Contributions of services that enhance the non-financial assets or require specialized skills, and are provided by individuals possessing those skills, are recorded as contributions at the estimated fair value of the service received. United Way makes extensive use of volunteers in conducting its campaign and various program activities. Such services are not reflected in the financial statement, as those services do not meet this definition.

Liquidity and Availability - The Organization regularly monitors the availability of resources required to meet its operating needs and other commitments, while also striving to maximize the investment of its available funds. For purposes of analyzing resources available to meet general expenditures over a 12-month period, the Organization considers all expenditures related to its ongoing activities as well as the conduct of services to support those activities to be general expenditures.

In addition to financial assets available to meet general expenditures over the next 12 months, the Organization operates with a balanced budget and anticipates collecting sufficient revenue to cover general expenditures. Refer to the statement of cash flows which identifies the sources and uses of the Organization's cash.

The following table reflects the Organization's financial assets as of June 30, 2024 and 2023 that are available to meet cash needs for operating expenditures within one year:

	2024	2023
Cash and cash equivalents	$ 1,191,119	$ 1,382,327
Certificates of deposit	250,405	125,113
Pledges receivable (net of allowance)	213,297	220,463
Other receivables	10,422	5,499
Spendable portion of endowments not distributed	8,010	10,534
	$ 1,673,253	$ 1,743,936

Functional Allocation - The costs of providing the program and various management and general activities have been summarized on a functional basis in the statement of functional expenses. Certain categories or expenses are attributed to Fundraising, Program Services and Management and General expenses. Therefore, these expenses require allocation on a reasonable basis that is consistently applied. The expenses that are allocated are allocated on the basis of estimated time and effort. Accordingly, certain estimates have been made to allocate costs among the program and supporting activities.

Advertising - The Organization expenses advertising costs as they are incurred. Advertising expense totaled $2,170 and $5,055 for the year ended June 30, 2024 and 2023, respectively.

Leases - The Organization determines if an arrangement is a lease at inception. Right of Use (ROU) assets represent the Association's right to use an underlying asset for the lease term and lease liabilities represent the Association's obligation to make lease payments arising from the lease. ROU assets and liabilities are recognized at the commencement date based on the present value of the lease payments over the lease term. Lease terms may include options to extend or terminate the lease when it is reasonably certain that the Association will exercise that option. Lease expense for operating lease payments is recognized on a straight-line basis over the lease term. The Association has elected to recognize payments for short term leases with a lease term of 12 months or less as an expense as incurred and these leases are not included as lease liabilities or right of use assets on the accompanying statement of financial position.

The individual lease contracts do not provide information about the discount rate implicit in the lease. Therefore, the Organization has elected to use the average borrowing rate when computing the present value of the lease liabilities.

Recent Accounting Pronouncements - In February 2016, the Financial Accounting Standards Board (the "FASB") issued Accounting Standards Update (ASU) No. 2016-02. Leases (*Topic 842*), which amends existing accounting standards for lease accounting, including by requiring lessees to recognize most leases on the balance sheet and making certain changes to lessor accounting. The new standard is effective for non-public entities for fiscal years beginning after December 15, 2021 and for interim periods therein with early adoption permitted.

The Organization has elected to adopt the package of practical expedients available in the year of adoption. The Organization has elected to adopt the available practical expedient to use hindsight in determining the lease term and in assessing impairment of the Organization's ROU assets.

NOTE 2 - CERTIFICATES OF DEPOSIT

During 2024 and 2023, the Organization held several certificates of deposit with annual interest rates ranging from 0.30% to 1.004%. with varying maturity dates.

NOTE 3 – PROPERTY AND EQUIPMENT

Property and equipment, net of depreciation is summarized as follows as of June 30, 2024 and 2023, respectively:

	2024	2023
Office Equipment	$ 119,308	$ 119,308
Leasehold Improvements	5,387	5,387
	124,695	124,695
Less: Accumulated Depreciation	(123,218)	(120,660)
Net property and equipment	$ 1,477	$ 4,035

Depreciation expense for the years ended June 30, 2024 and 2023 were $1,261 and $1,297, respectively.

NOTE 4 - FAIR VALUE MEASUREMENT

ASC 820, *Fair Value Measurement*, establishes a three-level valuation hierarchy for disclosure of fair value measurements. The valuation hierarchy is based upon the transparency of inputs to the valuation of an asset or liability as of the measurement date. The three levels are defined as follows:

- Level 1 – inputs to the valuation methodology are quoted prices (unadjusted) for identical assets or liabilities in active markets.
- Level 2 – inputs to the valuation methodology include quoted prices for similar assets and liabilities in active markets, and inputs that are observable for the asset or liability, either directly or indirectly, for substantially the full term of the financial instrument.
- Level 3 – inputs to the valuation methodology are unobservable and significant to the fair value measurement.

A financial instrument's categorization within the valuation hierarchy is based upon the lowest level of input that is significant to the fair value measurement.

The following is a description of the techniques and inputs used for each major class of assets measured at fair value. There have been no changes in the methodologies used at June 30, 2024 and 2023, respectively.

These methods may produce a fair value 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 table sets forth the Organization's investment assets at fair value as of June 30, 2024 and 2023, respectively, by level, within the fair value hierarchy:

	Assets at fair value as of June 30, 2024			
	Level 1	**Level 2**	**Level 3**	**Total**
Beneficial assets held by others	$ 0	$ 0	$ 198,734	$ 198,734
	$ 0	$ 0	$ 198,734	$ 198,734

	Assets at fair value as of June 30, 2023			
	Level 1	**Level 2**	**Level 3**	**Total**
Beneficial assets held by others	$ 0	$ 0	$ 197,589	$ 197,589
	$ 0	$ 0	$ 197,589	$ 197,589

The fair value of interest in assets held by the community foundation is based on the Organization's proportionate share of the community foundation's pooled investment portfolio. Further details of these investments can be found in Note 5.

The table below presents a reconciliation and statement of activities classification of gains and losses for all assets measured at fair value on a recurring basis using significant unobservable inputs (Level 3) for the years ended June 30, 2024 and 2023, respectively:

	2024	**2023**
Balance, beginning of year	$ 197,589	$ 192,925
Contributions	0	0
Net investment income	16,758	14,758
Distributions	(15,613)	(10,094)
Balance, end of year	$ 198,734	$ 197,589

NOTE 5 – BENEFICIAL INTEREST IN ASSETS HELD BY OTHERS

The Organization has transferred assets to Springfield Foundation and retained a beneficial interest in those assets. The Organization is allocating their funds' proportionate share of the pooled funds' investment returns on an annual basis. Distributions from the fund balances may be withdrawn each year in accordance with the terms of the fund agreements and undistributed earnings are retained in the funds.

Amounts invested in the Springfield Foundation's pooled investment funds are exposed to a variety of uncertainties, including interest rate, market and credit risks. Due to the level of risk associated with certain investments in the pooled fund, it is possible that changes in the values of these investments could occur in the near term. Such changes could materially affect the amounts reported in the Organization's financial statements.

The Organization has five endowment funds held by the Springfield Foundation. The first endowment fund is restricted with the fund's principal to be maintained in perpetuity with the net income from this fund being distributed to the Organization at least annually. The net income of this endowment is not restricted.

The other four endowments are board-designated endowment funds. The endowment agreements require the funds' principal to be maintained in perpetuity with the net income from this fund to be distributed to the Organization at least annually. The net income of the second endowment has been restricted by the Board to be used for supporting health and human services for the residents of Madison County. The net income of the third and fourth endowments has been restricted by the Board to be used for supporting health and human services for the residents of Clark County.

The net income of the fifth endowment has been restricted by the Board to be used for supporting health and human services for the residents of Champaign County.

The Board of Directors of the Organization has interpreted Ohio's adoption of UPMIFA (OUPMIFA) as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary. As a result of this interpretation, the Organization classifies and Net Assets with Donor Restriction (a) the original value of gifts donated to the permanent endowment, (b) the original value of subsequent gifts to the permanent endowment and (c) accumulations to the permanent endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund. The remaining portion of the donor-restricted endowment fund is classified as Net Assets with Donor Restriction until those amounts are appropriated for expenditure by the Organization in a manner consistent with the standard of prudence prescribed by OUPMIFA. In accordance with OUPMIFA, the Organization considers the following factors in making a determination to appropriate or accumulate donor-restricted 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 appreciation of investments
(6) Other resources of the Organization
(7) The investment policies of the Organization

The endowment net asset composition by type of fund consisted of the following as of June 30, 2024 and 2023, respectively:

June 30, 2024

	Without Donor Restrictions - Board Designated	With Donor Restriction	Total
Endowment #1	$	$ 47,650	$ 47,650
Endowment #2	79,655	0	79,655
Endowment #3	19,503	0	19,503
Endowment #4	26,355	0	26,355
Endowment #5	12,905	0	12,905
Endowment #6	12,666	0	12,666
Endowment net assets, end of year	$ 151,084	$ 47,650	$ 198,734

June 30, 2023

	Without Donor Restrictions - Board Designated	With Donor Restriction	Total
Endowment #1	$ 0	$ 45,958	$ 45,958
Endowment #2	76,828	0	76,828
Endowment #3	18,810	0	18,810
Endowment #4	30,879	0	30,879
Endowment #5	12,674	0	12,674
Endowment #6	12,440	0	12,440
Endowment net assets, end of year	$ 151,631	$ 45,958	$ 197,589

Changes in the endowment net assets consisted of the following for the years ended June 30, 2024 and 2023, respectively:

June 30, 2024

	Without Donor Restrictions - Board Designated	With Donor Restriction	Total
Endowment net assets, beginning of year	$ 151,631	$ 45,958	$ 197,589
Contributions	0	0	0
Investment income	3,184	969	4,153
New appreciation	4,305	3,182	7,487
Funds appropriated force expenditure	(7,040)	(2,145)	(9,185)
Administrative expenses	(995)	(315)	(1,310)
Endowment net assets, end of year	$ 151,085	$ 47,649	$ 198,734

June 30, 2023

	Without Donor Restrictions - Board Designated	With Donor Restriction	Total
Endowment net assets, beginning of year	$ 147,904	$ 45,021	$ 192,925
Contributions	0	0	0
Investment income	5,696	1526	7,222
New appreciation	5,777	1759	7,536
Funds appropriated force expenditure	(6,742)	(2,043)	(8,785)
Administrative expenses	(1,004)	(305)	(1,309)
Endowment net assets, end of year	$ 151,631	$ 45,958	$ 197,589

NOTE 6 - PLEDGES RECEIVABLE

Pledges receivables represent amounts due from donors for multiyear unconditional pledges. Pledges receivable as of June 30, 2024 and 2023, respectively, consist of the following:

	2024	2023
Gross pledges receivable	$ 309,408	$ 344,721
Less: Allowance for uncollectible pledges receivable	(96,111)	(124,258)
Total	213,297	220,463
Amounts due in:		
Less than one year	213,297	220,463
Total	$ 213,297	$ 220,463

NOTE 7 - NET ASSETS WITH DONOR RESTRICTION

Net assets with donor restrictions are restricted for the following purposes or period as of June 30, 2024 and 2023, respectively, as follows:

	2024	2023
Subject to expenditure for specified purpose or period:		
Pledges	$ 574,362	$ 479,376
Portion of beneficial interest that is required to be retained permanently by explicit donor stipulation	45,958	45,958
Total net assets with donor restriction:	$ 620,320	$ 525,334

NOTE 8 - OPERATING LEASES

The Organization has leasing arrangements where the Organization is the lessee. These arrangements create ROU assets and liabilities. These arrangements are described below. The Organization's policy is to not record ROU assets and lease liabilities for leases with terms less than one year.

Prior to January of 2024, the Organization held multiple leases for office space calling for monthly lease payments between $100 and $1,684.

In January 2024, the Organization signed a new lease for office space. The lease term is 36 months and calls for monthly lease payments of $1,786.

In January 2024, the Organization signed a new lease for office space. The lease term is 24 months and calls for monthly lease payments of $100.

In January 2024, the Organization signed a new lease for office space. The lease term is 36 months and calls for monthly lease payments of $100.

In March 2024, the Organization signed a new lease for a copier. The lease term is 72 months and calls for monthly lease payments of $534.

The following table provides quantitative information concerning the Organization's operating lease for the years ended June 30, 2024 and 2023, respectively:

Lease expense	**2024**	**2023**
Operating lease expense	$ 25,026	$ 34,929
Total	$ 25,026	$ 34,929

	2024	**2023**
Other Information		
Cash paid for amounts included in the measurement of lease liabilities		
Operating cash flows from operating leases	$ 12,068	$ 17,465
ROU assets obtained in exchange for new operating lease liabilities	$ 96,681	$ 0
Weighted-average remaining lease term in years for operating leases	3.64	0.73
Weighted-average discount rate for operating leases	5.00%	3.65%

A maturity analysis of annual discounted cash flows for lease liabilities as of June 30, 2024 is as follows:

2025	$	30,246
2026		29,646
2027		17,730
2028		6,414
2029		6,414
Thereafter		4,276
Total undiscounted cash flows		94,726
Less: present value discount	(	7,090)
Total lease liabilities	$	87,636

NOTE 9 – PENSION PLAN

The Organization maintains a 403(b)-thrift plan. The Organization contributes 4% of each employee's qualifying compensation into the plan. For the years ended June 30, 2024 and 2023, the Organization contributed $5,777 and $4,448, respectively.

NOTE 10 – DONATED PROFESSIONAL SERVICES

The Organization recognized the following contributions of nonfinancial assets to program services during years ended June 30, 2024 and 2023, respectively:

		2024		2023
Program Services				
Advertising	$	0	$	5,055

NOTE 11 – BOARD DESIGNATED NET ASSETS

The Organization's Board of Directors has designated a certain amount to be used for specific purposes:

		2024		2023
Madison County Health and Human Services	$	79,655	$	76,828
Clark County Charitable and Educational Purposes		51,285		49,689
Champaign County Charitable and Educational Purposes		12,905		12,674
Dolly Parton Imagination Library		13,388		12,440
	$	157,233	$	151,631

NOTE 12 – RISKS AND UNCERTAINTIES

The Organization self-insures for state unemployment purposes. In managements judgment, no material exposure exists related to the self-insurance, and, accordingly, no provision has been made in the accompanying financial statements.

The Organization invests in various investment securities. Investment securities are exposed to various risks such as interest rate, market, and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect net asset balances and the amounts reported in the statements of financial position.

NOTE 13 – CONCENTRATIONS

The Organization operated principally in the Clark, Champaign and Madison County geographic areas. The Organization's investments are not insured and are subject to market value fluctuation. The Organization's financial instruments that are potentially expose to concentrations of credit risk are primarily cash and pledges receivable.

The Organization's pledges receivable are primarily pledges made by businesses and their employees and, accordingly, the collection is subject to the economic stability of the supporting businesses and on the overall economic environment of the area.

NOTE 14 – RELATED PARTIES

Occasionally, the Organization uses the services of companies or individuals whose owners or employees also serve on the Board of Directors. During the years ended June 30, 2024 and 2023, the Organization maintained accounts at several local financial institutions. Officers of some of these institutions are members of the Organization's Board of Directors.

NOTE 15 - SUBSEQUENT EVENTS

The Organization evaluated subsequent events through January 29, 2025, the date which the financial statements were available to be issued.