

UNITED WAY OF ETOWAH COUNTY, INC.

**AUDITED FINANCIAL STATEMENTS AND
SUPPLEMENTAL INFORMATION**

DECEMBER 31, 2024 AND 2023

Gerald G. Pentecost, Jr., CPA



Certified Public Accountants

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FINANCIAL SECTION

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
of United Way of Etowah County, Inc.

Opinion

We have audited the accompanying financial statements of United Way of Etowah County, Inc. (a nonprofit organization), which comprise the statements of financial position as of December 31, 2024 and 2023, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial positions of United Way of Etowah County, Inc. as of December 31, 2024 and 2023, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

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

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of 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 United Way of Etowah County, Inc.'s ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the

override of internal control. Misstatements, including omissions, are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

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

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

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

Michael R. Thompson, CPA

Gadsden, Alabama

August 20, 2025

UNITED WAY OF ETOWAH COUNTY, INC.
STATEMENTS OF FINANCIAL POSITION
DECEMBER 31, 2024 AND 2023

ASSETS	2024	2023
<u>Current Assets</u>		
Cash and Cash Equivalents	\$ 429,692	\$ 527,680
Certificate of Deposits	100,019	100,000
Marketable Securities	827,347	817,883
Prepaid Allocation Expense	12,860	-
Right of Use Asset	2,418	-
Unconditional Promises to Give (Net of Allowance of \$83,732 and \$179,147, respectively)	629,896	709,101
Total Current Assets	2,002,232	2,154,664
<u>Property and Equipment</u>		
Land	50,000	50,000
Building	456,402	361,702
Office Furniture and Equipment	74,955	191,587
Vehicles	27,235	27,235
(Less) Accumulated Depreciation	(144,576)	(264,855)
Total Property & Equipment	464,016	365,669
<u>Other Assets</u>		
Right of Use Asset (Net of Current Portion)	8,344	-
Total Assets	\$ 2,474,592	\$ 2,520,333
LIABILITIES AND NET ASSETS		
<u>Current Liabilities</u>		
Accounts Payable	\$ 4,595	\$ 10,785
Accrued Expenses	5,768	7,406
Settlement Liability	-	15,000
Operating Lease Liability	2,418	-
Due to Agencies and Grant Recipients	522,487	553,741
Total Current Liabilities	535,268	586,932
<u>Long-Term Liabilities</u>		
Operating Lease Liability (Net of Current Portion)	8,344	-
<u>Net Assets</u>		
Without Donor Restrictions	1,726,020	1,727,735
With Donor Restrictions	204,960	205,666
Total Net Assets	1,930,980	1,933,401
Total Liabilities and Net Assets	\$ 2,474,592	\$ 2,520,333

UNITED WAY OF ETOWAH COUNTY, INC.
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2024

	Without Donor Restrictions	With Donor Restrictions	Total
Revenues, Gains and Other Support			
Contributions Received in Current Period (Net of Allowance for Uncollectible Accounts)	\$ 593,019	\$ 204,960	\$ 797,979
Grants and Awards	93,586	-	93,586
Miscellaneous	23,290	-	23,290
Interest and Dividends	23,775	-	23,775
Gain on Casualty Loss	11,459	-	11,459
Gain on Disposal of Fixed Assets	11,119	-	11,119
Realized Gains (Losses) on Investments	(472)	-	(472)
Special Events, Net of Related Cost	50,825	-	50,825
Total Other Revenues	806,601	204,960	1,011,561
Net Assets Released From Restrictions			
Contributions received in prior periods released from restrictions	205,666	(205,666)	-
Total Revenues, Gains and Other Support	1,012,267	(706)	1,011,561
Functional Expenses and Losses			
Program Activities			
Information and Referral	64,889	-	64,889
Children's Initiative	116,911	-	116,911
Disaster Relief	15,606	-	15,606
Community Building	27,769	-	27,769
Support Services, Management and General	147,094	-	147,094
Fundraising	138,236	-	138,236
Allocations to Agencies and Grants	519,585	-	519,585
Donor Designations	4,390	-	4,390
United Way of America	11,626	-	11,626
Total Functional Expenses	1,046,106	-	1,046,106
Change in Net Assets - Current Operations	(33,839)	(706)	(34,545)
Nonoperating Activities			
Unrealized Gains on Investments	32,124	-	32,124
Total Nonoperating Activities	32,124	-	32,124
Increase (Decrease) in Net Assets	(1,715)	(706)	(2,421)
Net Assets, Beginning	1,727,735	205,666	1,933,401
Net Assets, Ending	\$ 1,726,020	\$ 204,960	\$ 1,930,980

UNITED WAY OF ETOWAH COUNTY, INC.
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2023

	Without Donor Restrictions	With Donor Restrictions	Total
Revenues, Gains and Other Support			
Contributions Received in Current Period (Net of Allowance for Uncollectible Accounts)	\$ 653,189	\$ 205,666	\$ 858,855
Grants and Awards	108,364	-	108,364
Miscellaneous	8,419	-	8,419
Interest and Dividends	14,669	-	14,669
Realized Gains (Losses) on Investments	(51,896)	-	(51,896)
Special Events, Net of Related Cost	39,627	-	39,627
Total Other Revenues	772,372	205,666	978,038
Net Assets Released From Restrictions			
Contributions received in prior periods released from restrictions	102,843	(102,843)	-
Total Revenues, Gains and Other Support	875,215	102,823	978,038
Functional Expenses and Losses			
Program Activities			
Information and Referral	74,624	-	74,624
Children's Initiative	126,051	-	126,051
Disaster Relief	12,683	-	12,683
Community Building	30,454	-	30,454
Support Services, Management and General	103,534	-	103,534
Fundraising	146,290	-	146,290
Allocations to Agencies and Grants	529,865	-	529,865
Donor Designations	6,955	-	6,955
Settlement Fee	15,000	-	15,000
United Way of America	12,109	-	12,109
Total Functional Expenses	1,057,565	-	1,057,565
Change in Net Assets - Current Operations	(182,350)	102,823	(79,527)
Nonoperating Activities			
Unrealized Gains on Investments	122,075	-	122,075
Total Nonoperating Activities	122,075	-	122,075
Increase (Decrease) in Net Assets	(60,275)	102,823	42,548
Net Assets, Beginning	1,788,010	102,843	1,890,853
Net Assets, Ending	\$ 1,727,735	\$ 205,666	\$ 1,933,401

See Notes To Financial Statements

**UNITED WAY OF ETOWAH COUNTY, INC.
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2024**

	Program Activities					Supporting Activities		
	Information & Referral	Children's Initiative	Disaster Relief	Community Building	Programs Totals	Fundraising	Management and General	Total
<u>Compensation and Related Expenses</u>								
Salaries & Wages	\$ 36,294	\$ 36,282	\$ 8,540	\$ 16,006	\$ 97,122	\$ 52,619	\$ 63,824	\$ 213,565
Contract Labor	180	-	-	6,187	6,367	20,965	7,217	34,549
Employee Benefits	7,819	7,886	-	3,743	19,448	12,682	4,366	36,496
Payroll Tax	3,163	3,221	-	1,833	8,217	6,207	2,137	16,561
Total Compensation and Related Expenses	47,456	47,389	8,540	27,769	131,154	92,473	77,544	301,171
<u>Occupancy Expenses</u>								
Telephone, Telecommunications, and Cable	3,065	1,180	-	-	4,245	2,362	2,886	9,493
Utilities	2,658	2,658	-	-	5,316	-	12,323	17,639
Total Occupancy Expenses	5,723	3,838	-	-	9,561	2,362	15,209	27,132
<u>Administrative Expenses</u>								
Bank Fees	-	-	-	-	-	-	2,519	2,519
Insurance	-	954	-	-	954	-	11,363	12,317
Equipment Rental & Maint	2,060	1,356	-	-	3,416	3,737	6,096	13,249
Miscellaneous	3,173	-	-	-	3,173	-	3,619	6,792
Office Supplies	528	1,231	-	-	1,759	6,677	9,814	18,250
Pacesetter Expense	-	-	-	-	-	6,649	-	6,649
Postage	75	75	-	-	150	-	1,025	1,175
Printing	-	-	-	-	-	6,327	210	6,537
Professional Fees	145	-	-	-	145	8,495	5,230	13,870
Total Administrative Expenses	5,981	3,616	-	-	9,597	31,885	39,876	81,358
<u>Program Services</u>								
Program Expense	5,562	61,852	7,066	-	74,480	-	359	74,839
Conferences & Meetings	50	-	-	-	50	675	180	905
Travel	117	-	-	-	117	4,923	4,066	9,106
Total Program Services	5,729	61,852	7,066	-	74,647	5,598	4,605	84,850
Total Expenses Before Depreciation	64,889	116,695	15,606	27,769	224,959	132,318	137,234	494,511
Depreciation	-	216	-	-	216	5,918	9,860	15,994
Total Functional Expenses	\$ 64,889	\$ 116,911	\$ 15,606	\$ 27,769	\$ 225,175	\$ 138,236	\$ 147,094	\$ 510,505

**UNITED WAY OF ETOWAH COUNTY, INC.
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2023**

	Program Activities					Supporting Activities		
	Information & Referral	Children's Initiative	Disaster Relief	Community Building	Programs Totals	Fundraising	Management and General	Total
<u>Compensation and Related Expenses</u>								
Salaries & Wages	\$ 46,369	\$ 34,472	\$ 258	\$ 17,636	\$ 98,735	\$ 59,326	\$ 19,965	\$ 178,026
Contract Labor	221	-	-	9,103	9,324	30,850	10,621	50,795
Employee Benefits	6,701	6,350	59	2,238	15,348	7,582	2,610	25,540
Payroll Tax	3,798	3,090	117	1,477	8,482	5,003	1,722	15,207
Total Compensation and Related Expenses	57,089	43,912	434	30,454	131,889	102,761	34,918	269,568
<u>Occupancy Expenses</u>								
Telephone, Telecommunications, and Cable	3,500	862	-	-	4,362	2,708	3,219	10,289
Utilities	2,134	2,209	-	-	4,343	-	10,414	14,757
Total Occupancy Expenses	5,634	3,071	-	-	8,705	2,708	13,633	25,046
<u>Administrative Expenses</u>								
Bank Fees	-	-	-	-	-	-	2,453	2,453
Insurance	-	875	-	-	875	-	9,704	10,579
Equipment Rental & Maint	806	713	-	-	1,519	2,454	4,003	7,976
Miscellaneous	-	-	-	-	-	-	6,184	6,184
Office Supplies	511	1,166	-	-	1,677	2,638	10,453	14,768
Pacesetter Expense	-	-	-	-	-	6,292	-	6,292
Postage	116	160	-	-	276	-	1,201	1,477
Printing	-	-	-	-	-	11,818	482	12,300
Professional Fees	464	-	108	-	572	5,294	3,245	9,111
Total Administrative Expenses	1,897	2,914	108	-	4,919	28,496	37,725	71,140
<u>Program Services</u>								
Program Expense	9,087	75,822	12,141	-	97,050	-	493	97,543
Conferences & Meetings	113	-	-	-	113	5,940	6,006	12,059
Travel	804	219	-	-	1,023	-	-	1,023
Total Program Services	10,004	76,041	12,141	-	98,186	5,940	6,499	110,625
Total Expenses Before Depreciation	74,624	125,938	12,683	30,454	243,699	139,905	92,775	476,379
Depreciation	-	113	-	-	113	6,385	10,759	17,257
Total Functional Expenses	\$ 74,624	\$ 126,051	\$ 12,683	\$ 30,454	\$ 243,812	\$ 146,290	\$ 103,534	\$ 493,636

UNITED WAY OF ETOWAH COUNTY, INC.
STATEMENTS OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2024 AND 2023

	<u>2024</u>	<u>2023</u>
Cash Flows From Operating Activities		
Change in Net Assets	\$ (2,421)	\$ 42,548
Adjustments to reconcile increase in net assets to net cash provided by operating activities:		
Depreciation	15,994	17,257
Gain on Disposal of Fixed Assets	(11,119)	-
Realized and Unrealized (gain) loss on sale of securities	(31,652)	(70,179)
Interest Accrued on Certificates of Deposit	(19)	-
(Increase) decrease in prepaid allocation expense	(12,860)	-
(Increase) decrease in unconditional promises to give	79,205	1,396
Increase (decrease) in accounts payable	(6,190)	(362)
Increase (decrease) in due to agencies and grant recipients	(31,254)	(25,737)
Increase (decrease) in accrued expenses	(1,638)	75
Increase (decrease) in settlement liability	<u>(15,000)</u>	<u>15,000</u>
Net cash provided (used) by operating activities	<u>(16,954)</u>	<u>(20,002)</u>
Cash Flows From Investing Activities		
Purchases of Fixed Assets	(114,341)	(7,870)
Proceeds from Disposal of Fixed Assets	11,119	-
Purchases of Marketable Securities	(151,024)	(668,099)
Proceeds from the Sale of Marketable Securities	<u>173,212</u>	<u>698,775</u>
Net cash provided (used) by investing activities	<u>(81,034)</u>	<u>22,806</u>
Net increase (decrease) in cash and cash equivalents	(97,988)	2,804
Beginning cash and cash equivalents	<u>527,680</u>	<u>524,876</u>
Ending cash and cash equivalents	<u>\$ 429,692</u>	<u>\$ 527,680</u>

UNITED WAY OF ETOWAH COUNTY, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024 and 2023

NOTE A – NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES

The United Way of Etowah County, Inc. (The Organization) is a fundraising organization which carries on an annual campaign to raise money for local members and charitable organizations. Volunteer then determine needs to allocate funds to these organizations, subject to approval of the Board of Directors.

Basis of Accounting

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with generally accepted accounting principles. Revenue is recognized when earned and expenses are recorded when incurred.

Basis of Presentation

The Organization has adopted FASB ASC 958-205, Not-for-Profit Entities – Presentation of Financial Statements for Not-For-Profit Entities. In accordance with FASB ASC 958-205, contributions are recorded with donor restrictions based on the existence or nature of any donor restrictions. Donor restricted support is reported as an increase in net assets with donor restrictions. As restrictions expire or are satisfied, they are recorded as net assets released from restrictions in the Statement of Activities. The Net Assets with donor restrictions as of December 31, 2024 and 2023 were \$204,960 and \$205,666, respectively.

Cash and Cash Equivalents

For purposes of the statement of cash flows, the Organization considers all unrestricted highly liquid investments with an initial maturity of three months or less to be cash equivalents. The cash balances are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000. At December 31, 2024 and 2023, all of the Organization's deposits were covered within FDIC insured limits.

Investments

Investments in marketable securities with readily determinable fair values and all investments in debt securities are reported at their fair values in the statement of financial position. Unrealized gains and losses are included in the change in net assets. Investment income and gains restricted by donor are reported as increases in unrestricted net assets if the restrictions are met (either by passage of time or by use) in the reporting period in which the income and gains are recognized.

UNITED WAY OF ETOWAH COUNTY, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024 and 2023

NOTE A – NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES – Continued

Promises to Give

Contributions are recognized when the donor makes a promise to give to the Organization that is in substance, unconditional. All unconditional promises to give that are expected to be collected within one year are recorded at their net realizable value. Unconditional promises to give that are expected to be collected in future years are recorded at the present value of estimated future cash flows. The discounts on those amounts are computed using a risk-free interest rate applicable to the year in which the promise is received. Amortization of the discount is included as support until such time as the conditions are substantially met.

Capital Assets

The capitalization policy is to capitalize assets with a life of over one year and a cost of \$500 or more. All fixed assets are recorded at historical cost, or if donated, fair market value at the date of donation. Depreciation is provided, using the straight-line method over the estimated useful life of the related asset. Repairs and maintenance are expensed as incurred. The following useful lives are used in determining depreciation:

	<u>Estimated Useful Life</u>
Building	40 years
Furniture, Fixtures, and Equipment	3 - 15 years
Vehicle	5 years

Planned Major Maintenance Activities

If major maintenance will extend the life of a capital asset, the cost of maintenance is then capitalized. If major maintenance will not extend the life of a capital asset, then the cost of maintenance is expensed.

Contributed Services

Donated services are recognized as contributions if the services (a) create or enhance nonfinancial assets or (b) require specialized skills, are performed by people with those skills, and would otherwise be purchased by the Organization.

Volunteers also provide their time and perform a variety of tasks to assist the Organization during the year that are not recognized as contributions in the financial statements since the recognition criteria were not met.

UNITED WAY OF ETOWAH COUNTY, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024 and 2023

**NOTE A – NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES –
Continued**

Contributions

The Organization's primary source of revenue is an annual fundraising campaign. The Organization has the administrative responsibility of collecting the pledges and distributing proceeds to or on behalf of member organizations. Pledges are recorded as received, and allowances are provided for amounts estimated to be uncollectible. In general, uncollected pledges are fully reserved by the end of the second year following the year in which payment is expected, and the pledges are recognized in revenues. Pledges designated for specific agencies and pledges for organizations out of the service area are reported as donor designations and a reduction to the applicable year campaign revenue, as they represent 'pass-through' funds and are not revenue for Organization.

Contributions that are restricted by the donor are reported as increases in net assets without donor restrictions if the restrictions expire (that is, when a stipulated time restriction ends or purpose restriction is accomplished) in the reporting period in which the revenue is recognized. All other donor restricted contributions are reported as increases in net assets with donor restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the Statement of Activities as net assets released from restrictions.

Contributions of non-cash assets are recorded at their fair values in the period received. Such donations are reported as without donor restrictions unless the donor has restrictions regarding their use for a specific purpose. Assets donated with explicit restrictions regarding their use and contributions of cash that must be used to acquire property and equipment are reported as support with donor restrictions.

Campaign Expenses

Campaign expenses are charged to expense as they are incurred.

Leases

The Organization leases certain office equipment. The determination of whether an arrangement is a lease is made at the lease's inception. Under ASC 842, a contract is (or contains) a lease if it conveys the right to control the use of an identified asset for a period of time in exchange for consideration. Control is defined under the standard as having both the right to obtain substantially all of the economic benefits from use of the asset and the right to direct the use of the asset. Management only reassesses its determination if the terms and conditions of the contract are changed.

UNITED WAY OF ETOWAH COUNTY, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024 and 2023

NOTE A – NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES – Continued

Leases- Continued

Operating leases are included in operating lease right-of-use (“ROU”) assets and operating lease liabilities in the statement of financial position. Finance leases are included in property and equipment, other current liabilities, and other long-term liabilities in the statement of financial position.

ROU assets represent the right to use an underlying asset for the lease term, and lease liabilities represent the obligation to make lease payments. Operating lease ROU assets and liabilities are recognized at the lease commencement date based on the present value of lease payments over the lease term.

The Organization uses the implicit rate when it is readily determinable. Since most of the Organization’s leases do not provide an implicit rate, to determine the present value of lease payments, management uses the Organization’s incremental borrowing rate based on the information available at lease commencement. Operating lease ROU assets also includes any lease payments made and excludes any lease incentives. Lease expense for lease payments is recognized on a straight-line basis over the lease term. The Organization’s lease terms may include options to extend or terminate the lease when it is reasonably certain that we will exercise the option.

The Organization has lease agreements with lease and non-lease components, which are generally accounted for separately with amounts allocated to the lease and non-lease components based on stand-alone prices. For certain office space leases, the Organization accounts for the lease and non-lease components as a single lease.

Use of Estimates

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

Advertising Costs

It is the policy of the Organization to expense all advertising costs when incurred.

Income Taxes

The Organization is incorporated under the laws of the State of Alabama as a non-profit corporation and is exempt from federal and state income taxes under Section 501(c)(3) of the Internal Revenue Code for not-for-profit entities. No provision for income taxes is reflected in the financial statements.

UNITED WAY OF ETOWAH COUNTY, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024 and 2023

NOTE A – NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES – Continued

Functional Expenses

The costs of providing the Organization's programs and the administration of the Organization have been summarized on a functional basis in the statement of activities. Certain categories of expenses are attributable to more than one program or supporting function and are allocated on a reasonable basis that is consistently applied. The expenses that are allocated are salaries, related taxes, and employee benefits, which are allocated on the basis of estimates of time and effort, occupancy expenses, which are allocated on management's estimates of square footage usage, and certain administrative expenses which are allocated based on benefits to each particular activity.

Date of Management's Review

Subsequent events have been reviewed through issuance date of the report.

NOTE B – LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS

The United Way of Etowah County, Inc. has as of December 31, 2024 and 2023, respectively, has \$1,781,994 of financial assets available within one year of the statement of financial position to meet cash needs for general operating expenditures consisting of unrestricted cash of \$224,732, highly liquid investments of \$827,347, certificates of deposit of \$100,019, and unconditional promises to give totaling \$629,896.

UNITED WAY OF ETOWAH COUNTY, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024 and 2023

NOTE C – FIXED ASSETS

Fixed asset activity for each of the years ending December 31, 2024 and 2023 is as follows:

	<u>Balance</u> <u>12/31/2023</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>12/31/2024</u>
Non- Depreciable Asset				
Land	\$ 50,000	\$ -	\$ -	\$ 50,000
Total Non- Depr Asset	50,000	-	-	50,000
Depreciable Asset				
Building & Improvement	361,702	94,700	-	456,402
Office Furniture & equip	191,587	19,641	(136,273)	74,955
Vehicles	27,235	-	-	27,235
Total Depreciable Assets	580,524	114,341	(136,273)	558,592
Less accumulated Depreciation	(264,855)	(15,994)	136,273	(144,576)
Total Fixed Assets, Net	<u>\$ 365,669</u>	<u>\$ 98,347</u>	<u>\$ -</u>	<u>\$ 464,016</u>
	<u>Balance</u> <u>12/31/2022</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>12/31/2023</u>
Non- Depreciable Asset				
Land	\$ 50,000	\$ -	\$ -	\$ 50,000
Total Non- Depr Asset	50,000	-	-	50,000
Depreciable Asset				
Building & Improvement	361,702	-	-	361,702
Office Furniture & equip	183,717	7,870	-	191,587
Vehicles	27,235	-	-	27,235
Total Depreciable Assets	572,654	7,870	-	580,524
Less accumulated Depreciation	(247,598)	(17,257)	-	(264,855)
Total Fixed Assets, Net	<u>\$ 375,056</u>	<u>\$ (9,387)</u>	<u>\$ -</u>	<u>\$ 365,669</u>

Depreciation expense for the years ended December 31, 2024 and 2023 were \$15,994 and \$17,257, respectively .

NOTE D- UNCONDITIONAL PROMISES TO GIVE

The Organization's unconditional promises to give and allowance for uncollectible accounts consist of the following for the year ended December 31, 2024:

	<u>2024</u>
Pledges Receivable 2024-2025	\$ 536,160
Pledges Receivable 2023-2024	177,468
Allowance for uncollectable pledges	(83,732)
	<u>\$ 629,896</u>

UNITED WAY OF ETOWAH COUNTY, INC.
NOTES TO FINANCIAL STATEMENTS
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NOTE D- UNCONDITIONAL PROMISES TO GIVE- (continued)

The Organization's unconditional promises to give and allowance for uncollectible accounts consist of the following for the year ended December 31, 2023:

	<u>2023</u>
Pledges Receivable 2023-2024	603,874
Pledges Receivable 2022-2023	185,059
Pledges Receivable 2021-2022	5,000
Allowance for uncollectible pledges	<u>(84,832)</u>
	<u><u>709,101</u></u>

NOTE E- FAIR VALUE MEASUREMENTS

As defined in FASB ASC 820, *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 the measurement date (exit price). The Organization utilized market data or assumptions that market participants would use in pricing the asset or liability, including assumptions about risk and the risks inherent in the inputs to the valuation technique.

The Organization's assessment of the significance of a particular input to the fair value measurement requires judgment and may affect the valuation of fair value of assets and liabilities and their placement within the fair value hierarchy levels.

FASB ASC 820 establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value, maximizes the use of observable inputs, and minimizes the use of unobservable inputs by requiring that the observable inputs be used when available. The hierarchy gives the highest priority to unadjusted quoted market prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to measurements involving significant unobservable inputs (Level 3 measurements).

The three levels of fair value hierarchy are as follows:

Level 1 inputs. Valuation based on quoted prices in active markets for identical assets or liabilities that a reporting entity has the ability to access at the measurement date, and where transactions occur with sufficient frequency and volume to provide pricing information on an ongoing basis.

UNITED WAY OF ETOWAH COUNTY, INC.
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NOTE E- FAIR VALUE MEASUREMENTS- Continued

Level 2 inputs. Valuation based on inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly. Inputs included quoted prices for similar assets or liabilities in active markets, quoted prices for identical or similar assets, or liabilities in markets that are not active, that is, markets in which there are few transactions, prices are not current, or prices may vary substantially over time.

Level 3 inputs. Valuation based on inputs that are unobservable for an asset or liability and should be used to measure fair value to the extent that observable inputs are not available, thereby allowing for situations in which there is little, if any, market activity for the asset or liability at the measurement date. This input, therefore, reflects the Organization's assumptions about what market participants would use in pricing the asset or liability developed based on the best information available in the circumstances.

The Organization's investment portfolio is exposed to various risks, such as interest rate, market risk, and credit risk. Because of the level of risk associated with such investments, changes in their fair values will occur, and such changes could materially affect the amount reported in the Organization's financial statements.

The following tables summarize investments by levels prescribed in FASB ASC 820, *Fair Value Measurement and Disclosures* as of December 31, 2024:

	Fair Value	Measurement Using: Quoted Prices in Active Markets for Identical Assets (Level 1)
Exchange Products	\$ 676,893	\$ 676,893
Mutual Equity Funds	<u>150,454</u>	<u>150,454</u>
	<u>\$ 827,347</u>	<u>\$ 827,347</u>

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NOTE E- FAIR VALUE MEASUREMENTS- Continued

The following tables summarize investments by levels prescribed in FASB ASC 820, *Fair Value Measurement and Disclosures* as of December 31, 2023:

		Measurement Using:
	Fair Value	Quoted Prices in Active Markets for Identical Assets (Level 1)
Exchange Products	\$ 767,471	\$ 767,471
Mutual Equity Funds	-	-
Bond Funds	50,412	50,412
	<u>\$ 817,883</u>	<u>\$ 817,883</u>

NOTE F- INVESTMENTS

Investments are stated at fair value and are summarized as follows as of December 31, 2024:

	Cost	Fair Value	Carrying Value
Exchange Products	\$ 635,707	\$ 676,893	\$ 676,893
Mutual Equity Funds	179,821	150,454	150,454
	<u>\$ 815,527</u>	<u>\$ 827,347</u>	<u>\$ 827,347</u>

Investments are stated at fair value and are summarized as follows as of December 31, 2023:

	Cost	Fair Value	Carrying Value
Exchange Products	\$ 741,955	\$ 767,471	\$ 767,471
Mutual Equity Funds	36,939	-	-
Bond Funds	59,821	50,412	50,412
	<u>838,715</u>	<u>817,883</u>	<u>817,883</u>

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NOTE F- INVESTMENTS - (continued)

The following schedule summarizes the investment income and its classification in that statement of activities for the year ended December 31, 2024:

	<u>Other Income</u>
Interest and Dividends	27,979
Realized/ Unrealized Gains (Loss)	31,652
Investment Fee	(6,537)
Other Interest Income	<u>2,333</u>
	<u>\$ 55,427</u>

The following schedule summarizes the investment income and its classification in that statement of activities for the year ended December 31, 2023:

	<u>Other Income</u>
Interest and Dividends	\$ 15,072
Realized/ Unrealized Gains (Loss)	73,460
Investment Fee	(4,600)
Other Interest Income	<u>916</u>
	<u>\$ 84,848</u>

NOTE G - RETIREMENT PLAN

The Organization participates in a defined contribution retirement plan covering qualified employees, as defined. Full- time employees who have reached a minimum of 21 years of age are eligible to participate in the plan beginning January 1 of the following year of the employee start date. The plan requires the Organization to contribute 5% of the base pay for all eligible participants. Contributions to the plan amounted to \$5,067 and \$2,979 for the years ended December 31, 2024 and 2023, respectively.