



Financial Statements

June 30, 2025 and 2024

United Way of Central Iowa Table of Contents

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Independent Auditor's Report

To the Board of Directors
United Way of Central Iowa
Des Moines, Iowa

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of United Way of Central Iowa, which comprise the statements of financial position as of June 30, 2025 and 2024, 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 accompanying financial statements present fairly, in all material respects, the financial position of United Way of Central Iowa as of June 30, 2025 and 2024, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. 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 Central Iowa 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 United Way of Central Iowa's ability to continue as a going concern for one year after the date the financial statements were 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 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 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 GAAS and *Government 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 Central Iowa'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 judgement, there are conditions or events, considered in the aggregate, that raise substantial doubt about United Way of Central Iowa'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.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 10, 2025, on our consideration of United Way of Central Iowa's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of United Way of Central Iowa's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering United Way of Central Iowa's internal control over financial reporting and compliance.

BerganKDV, Ltd.

Waterloo, Iowa
December 10, 2025

**United Way of Central Iowa
Statements of Financial Position
As of June 30, 2025 and 2024**

	<u>2025</u>	<u>2024</u>
Assets		
Cash and cash equivalents	\$ 6,830,735	\$ 4,968,202
Receivables		
Annual campaign, net	5,283,443	6,167,826
Grants	752,256	3,297,939
Other	92,749	54,460
Other assets	143,274	202,101
Investments	7,156,929	7,413,536
Land, building and equipment, net	1,911,012	2,150,290
Beneficial interest in community foundation fund	15,367,652	14,311,522
	<u>\$ 37,538,050</u>	<u>\$ 38,565,876</u>
Liabilities and Net Assets		
Liabilities		
Accounts payable	\$ 811,002	\$ 962,082
Refundable advances and deferred revenue		
Polk County Early Childhood Iowa	241,887	444,165
Other	13,506	9,875
Community investments and donor choice payable	1,449,757	1,653,140
Accrued expenses	243,819	261,774
	<u>2,759,971</u>	<u>3,331,036</u>
Net assets		
Without donor restrictions		
Designated by the governing board		
Land, building, and equipment	1,911,012	2,150,290
Endowment fund	10,693,181	9,973,748
Undesignated	10,615,930	11,406,515
Total net assets without donor restrictions	<u>23,220,123</u>	<u>23,530,553</u>
With donor restrictions		
Restricted due to time	4,055,389	4,837,289
Restricted due to purpose	3,847,395	3,225,451
Perpetual in nature	3,655,172	3,641,547
Total net assets with donor restrictions	<u>11,557,956</u>	<u>11,704,287</u>
	<u>34,778,079</u>	<u>35,234,840</u>
	<u>\$ 37,538,050</u>	<u>\$ 38,565,876</u>

See notes to financial statements.

**United Way of Central Iowa
Statements of Activities
Years Ended June 30, 2025 and 2024**

	2025			2024		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
Revenues, Grants, and Other Support						
Current year campaign results	\$ 16,844,214	\$ 3,740,208	\$ 20,584,422	\$ 18,259,466	\$ 4,162,471	\$ 22,421,937
Future campaign pledges	-	101,000	101,000	-	759,274	759,274
Prior year's campaign results released from time restrictions	4,162,471	(4,162,471)	-	3,766,797	(3,766,797)	-
Donor designations	(4,178,693)	(101,000)	(4,279,693)	(4,959,544)	(105,000)	(5,064,544)
Undesignated campaign contributions	16,827,992	(422,263)	16,405,729	17,066,719	1,049,948	18,116,667
Less estimated uncollectable pledges	(333,120)	-	(333,120)	(664,156)	-	(664,156)
Net campaign contributions	16,494,872	(422,263)	16,072,609	16,402,563	1,049,948	17,452,511
Grants, sponsorships, and other non-campaign contributions	1,695,438	1,480,139	3,175,577	1,739,148	959,347	2,698,495
Investment return, net	536,876	-	536,876	540,116	-	540,116
Change in value of beneficial interest in community foundation fund, net	719,183	323,072	1,042,255	730,688	323,446	1,054,134
Service fees	424,299	-	424,299	442,629	-	442,629
Operation of Human Service Campus, net of expenses 2025 \$967,366; 2024 \$984,368	(520,316)	-	(520,316)	(394,531)	-	(394,531)
Other revenue	101,600	-	101,600	82,626	-	82,626
	19,451,952	1,380,948	20,832,900	19,543,239	2,332,741	21,875,980
Satisfaction of restrictions	1,527,279	(1,527,279)	-	1,300,981	(1,300,981)	-
Total revenues, grants, and other support	20,979,231	(146,331)	20,832,900	20,844,220	1,031,760	21,875,980
Expenses						
Program services						
Community investments						
Early childhood success	2,858,471	-	2,858,471	2,820,381	-	2,820,381
Education success	3,413,854	-	3,413,854	3,373,816	-	3,373,816
Health and well-being	2,781,178	-	2,781,178	3,003,065	-	3,003,065
Economic opportunity	3,665,648	-	3,665,648	3,639,753	-	3,639,753
Essential needs	1,469,825	-	1,469,825	1,525,143	-	1,525,143
Other	90,396	-	90,396	130,810	-	130,810
Total community investments	14,279,372	-	14,279,372	14,492,968	-	14,492,968
Community service programs	3,397,866	-	3,397,866	3,657,636	-	3,657,636
Total program services	17,677,238	-	17,677,238	18,150,604	-	18,150,604
Supporting services	3,612,423	-	3,612,423	3,563,389	-	3,563,389
Total expenses	21,289,661	-	21,289,661	21,713,993	-	21,713,993
Change in net assets	(310,430)	(146,331)	(456,761)	(869,773)	1,031,760	161,987
Net assets, beginning of year	23,530,553	11,704,287	35,234,840	24,400,326	10,672,527	35,072,853
Net assets, end of year	\$ 23,220,123	\$ 11,557,956	\$ 34,778,079	\$ 23,530,553	\$ 11,704,287	\$ 35,234,840

See notes to financial statements.

**United Way of Central Iowa
Statement of Functional Expenses
Year Ended June 30, 2025**

	Program Services						Supporting Services				
	Community Service Programs					Total Program Services	Fundraising	Organizational Administration	Total Supporting Services	Human Services Campus	Total Expenses
	Community Investments	United 55+	United Way 2-1-1	Volunteer Engagement	Other Community Services						
Salaries	\$ 398,491	\$ 78,589	\$ -	\$ 173,822	\$ 1,565,676	\$ 2,216,578	\$ 1,004,268	\$ 1,359,563	\$ 2,363,831	\$ 53,458	\$ 4,633,867
Employee benefits and payroll tax	54,358	17,743	10,000	26,415	237,871	346,387	160,767	193,553	354,320	6,585	707,292
Total salaries and employee benefits	452,849	96,332	10,000	200,237	1,803,547	2,562,965	1,165,035	1,553,116	2,718,151	60,043	5,341,159
Community investment grants	13,036,243	-	-	-	-	13,036,243	-	-	-	-	13,036,243
Specific assistance to individuals	519,520	9,749	-	-	-	529,269	-	-	-	-	529,269
Professional fees and contract services	66,812	-	700,000	1,188	125,067	893,067	4,079	221,016	225,095	-	1,118,162
Technology fees	86,594	7,533	-	12,318	105,468	211,913	48,531	119,279	167,810	-	379,723
Marketing	1,729	16,095	-	9,570	29,354	56,748	87,379	33,100	120,479	-	177,227
Conferences, conventions, meetings	17,068	3,307	74	-	24,217	44,666	16,767	21,681	38,448	-	83,114
Community events & organizational meetings	7,784	1,834	413	45,419	(4,280)	51,170	33,972	26,468	60,440	-	111,610
Occupancy	11,550	4,242	-	1,310	9,922	27,024	4,505	19,421	23,926	583,629	634,579
Depreciation	7,815	-	-	3,683	21,561	33,059	12,679	20,157	32,836	291,700	357,595
Organization dues	349	375	-	570	28,669	29,963	5,125	6,652	11,777	-	41,740
Supplies, postage, and miscellaneous	71,059	1,878	-	23,751	2,725	99,413	17,268	33,413	50,681	31,994	182,088
Subtotal	14,279,372	141,345	710,487	298,046	2,146,250	17,575,500	1,395,340	2,054,303	3,449,643	967,366	21,992,509
United Way Worldwide dues	-	-	-	-	101,738	101,738	101,738	61,042	162,780	-	264,518
Total functional expenses	14,279,372	141,345	710,487	298,046	2,247,988	17,677,238	1,497,078	2,115,345	3,612,423	967,366	22,257,027
Less expenses included with revenues on the statement of activities											
Human Services Campus	-	-	-	-	-	-	-	-	-	(967,366)	(967,366)
Total expenses included in expense section on the statement of activities	\$ 14,279,372	\$ 141,345	\$ 710,487	\$ 298,046	\$ 2,247,988	\$ 17,677,238	\$ 1,497,078	\$ 2,115,345	\$ 3,612,423	\$ -	\$ 21,289,661

**United Way of Central Iowa
Statement of Functional Expenses
Year Ended June 30, 2024**

	Program Services						Supporting Services				
	Community Service Programs					Total Program Services	Fundraising	Organizational Administration	Total Supporting Services	Human Services Campus	Total Expenses
	Community Investments	United 55+	United Way 2-1-1	Volunteer Engagement	Other Community Services						
Salaries	\$ 341,172	\$ 74,356	\$ 12,373	\$ 152,679	\$ 1,676,588	\$ 2,257,168	\$ 960,757	\$ 1,242,987	\$ 2,203,744	\$ 49,589	\$ 4,510,501
Employee benefits and payroll tax	40,011	17,366	7,184	22,907	248,084	335,552	155,174	190,925	346,099	6,279	687,930
Total salaries and employee benefits	381,183	91,722	19,557	175,586	1,924,672	2,592,720	1,115,931	1,433,912	2,549,843	55,868	5,198,431
Community investment grants	13,120,996	-	-	-	-	13,120,996	-	-	-	-	13,120,996
Specific assistance to individuals	724,810	9,828	-	-	-	734,638	-	-	-	-	734,638
Professional fees and contract services	94,464	1,278	675,000	895	76,932	848,569	2,150	309,517	311,667	-	1,160,236
Technology fees	77,577	6,449	182	11,292	92,104	187,604	46,361	109,467	155,828	-	343,432
Marketing	11,614	14,436	-	8,342	34,292	68,684	53,168	35,630	88,798	-	157,482
Conferences, conventions, meetings	14,979	-	167	114	24,159	39,419	6,769	2,977	9,746	-	49,165
Community events & organizational meetings	5,213	1,143	20,183	23,462	151,678	201,679	39,934	19,861	59,795	-	261,474
Occupancy	11,550	4,232	-	5,219	68,326	89,327	34,921	82,063	116,984	589,889	796,200
Depreciation	-	-	-	5,077	40,660	45,737	18,789	27,763	46,552	282,675	374,964
Organization dues	249	375	-	650	29,532	30,806	9,123	7,543	16,666	-	47,472
Supplies, postage, and miscellaneous	50,333	2,484	4,212	21,544	7,537	86,110	23,803	35,124	58,927	55,936	200,973
Subtotal	14,492,968	131,947	719,301	252,181	2,449,892	18,046,289	1,350,949	2,063,857	3,414,806	984,368	22,445,463
United Way Worldwide dues	-	-	-	-	104,315	104,315	86,720	61,863	148,583	-	252,898
Total functional expenses	14,492,968	131,947	719,301	252,181	2,554,207	18,150,604	1,437,669	2,125,720	3,563,389	984,368	22,698,361
Less expenses included with revenues on the statement of activities											
Human Services Campus	-	-	-	-	-	-	-	-	-	(984,368)	(984,368)
Total expenses included in expense section on the statement of activities	\$ 14,492,968	\$ 131,947	\$ 719,301	\$ 252,181	\$ 2,554,207	\$ 18,150,604	\$ 1,437,669	\$ 2,125,720	\$ 3,563,389	\$ -	\$ 21,713,993

See notes to financial statements.

**United Way of Central Iowa
Statements of Cash Flows
Years Ended June 30, 2025 and 2024**

	<u>2025</u>	<u>2024</u>
Cash Flows - Operating Activities		
Change in net assets	\$ (456,761)	\$ 161,987
Adjustments to reconcile change in net assets to net cash flows - operating activities		
Depreciation	357,595	374,964
Net amortization of investment premiums (accretion of discounts)	(46,154)	(90,526)
Net realized and unrealized gain on investments	(31,250)	(127,119)
Change in value of beneficial interest in community foundation fund	(1,714,757)	(1,673,603)
Contributions restricted for endowment	(13,875)	(20,000)
Changes in operating assets and liabilities		
Annual campaign receivables	884,383	(1,160,037)
Grants and other receivables	2,507,394	584,306
Other assets	58,827	63,034
Accounts payable	(151,080)	262,992
Refundable advances and deferred revenue	(198,647)	(11,622)
Community investments and donor choice payable	(203,383)	202,767
Accrued expenses	(17,955)	20,037
Net cash flows - operating activities	<u>974,337</u>	<u>(1,412,820)</u>
Cash Flows - Investing Activities		
Proceeds from sales and maturities of investments	4,720,000	7,150,653
Purchases of investments	(4,385,989)	(4,161,657)
Purchases of land, building and equipment	(118,317)	(414,594)
Funds received from community foundation fund appropriations	<u>672,502</u>	<u>619,470</u>
Net cash flows - investing activities	<u>888,196</u>	<u>3,193,872</u>
Net change in cash and cash equivalents	1,862,533	1,781,052
Cash and Cash Equivalents		
Beginning of year	<u>4,968,202</u>	<u>3,187,150</u>
End of year	<u>\$ 6,830,735</u>	<u>\$ 4,968,202</u>

See notes to financial statements.

United Way of Central Iowa Notes to Financial Statements

NOTE 1 - ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES

Nature of Organization

United Way of Central Iowa (United Way) plays a unique role by bringing together people from every part of our community - donors, volunteers, advocates, nonprofit organizations, community leaders, elected officials, and people with lived experience.

UNITED to THRIVE is the organization's strategic focus. It guides the organization as it aims to unite central Iowans to foster a thriving community - one that is equitable, engaged, and empowered.

United Way's mission statement is: "to improve lives by uniting the caring power of our community." United Way is a charitable organization, incorporated on March 21, 1918 and is governed by a volunteer board of directors.

Description of Program Services

United Way has determined that for purposes of recording expenses in the statement of functional expenses there are community investments and community services programs. Community investments are strategic programmatic investments designed to advance initiatives that support our mission and positively impact our community. These include investments in external agencies as well as investments in United Way-led programs. Community service programs include other programmatic support.

The strategies for each of the five elements of a thriving community are focused on growth. Progress and impact across these interdependent strategies are measured and tracked through multiple community metrics. All initiatives emphasize equity and the removal of barriers so every Central Iowan can thrive. The five elements of a thriving community are as follows:

Early Childhood Success - Early intervention is critical to lifelong learning and development. UWCI invests in programs that support young children during their formative years, ensuring they enter school healthy, ready to learn and prepared to thrive.

Education Success - Academic success is foundational to future stability and prosperity. UWCI collaborates with local school districts and community partners to improve student outcomes, enhance literacy and provide comprehensive support services that help Central Iowa's youth plan and prepare for their future.

Health and Well-Being - Access to quality healthcare - including physical, mental, and dental services - is essential to overall well-being and allows Central Iowans to thrive.

Economic Opportunity - Economic opportunity goes beyond simply earning a paycheck—it involves securing a livable wage and building pathways to wealth that break the cycle of poverty for future generations.

Essential Needs - Stability starts with access to life's most essential needs — safe housing and nutritious food. When Central Iowans can live in stable, healthy environments with reliable supports, they have the foundation to truly thrive.

United Way of Central Iowa Notes to Financial Statements

NOTE 1 - ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Description of Program Services (Continued)

Community service programs are as follows:

United 55+ - Matches the interests of individuals 55 years and older with volunteer opportunities focused on the 5 elements of a thriving community. This program is primarily federally funded, with supplemental funding and administrative support provided by United Way.

United Way 2-1-1 - A centralized referral service for individuals needing human services assistance. The program is a 24/7 telephone helpline and website which connects individuals with agencies and organizations that can provide needed resources, support or direction.

Volunteer Engagement - Mobilizes volunteers in our community to foster a thriving community. Activities include linking prospective volunteers to strategic initiatives; developing training for volunteers; supporting business partners' efforts to reach corporate social responsibility goals; mobilizing volunteers to address emerging community needs; and coordinating volunteer crisis preparedness and response.

Other Community Services - Provides strategic leadership, tactical support and technology platforms to drive long-term community change and unite central Iowans. Priorities include developing comprehensive community impact plans using research-based and evidence-based strategies; mobilizing and connecting a diverse set of individuals/organizations/partners to implement strategies; leading volunteer knowledge experts in alignment of investments and activities; obtaining, tracking and analyzing data on progress and results, and correcting course when warranted; engaging in statewide advocacy and public policy collaboration.

United Way partners with the South-Central Iowa Federation of Labor, AFL-CIO, to build relationships between United Way, the local labor council, and its members and arranging for participation with workforce training programs.

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 certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Cash Equivalents

United Way considers all highly liquid cash investments (including savings and money market accounts) to be cash equivalents. Cash equivalents are recorded at cost plus accrued interest, which approximates fair value.

Annual Campaign Receivable and Revenue

A campaign is conducted to raise financial support for United Way activities. Pledges, generally from individuals and corporations in the Central Iowa area, are recorded in the statement of activities in the year the pledge is made.

**United Way of Central Iowa
Notes to Financial Statements**

NOTE 1 - ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Annual Campaign Receivable and Revenue (Continued)

United Way collects pledges that are specifically designated to be directed to eligible agencies during the campaign. United Way honors designations made to each organization that qualifies based upon policy. United Way has no discretion as to how the donor designated pledges from the campaign are distributed; therefore, United Way does not include these contributions in its net campaign contributions total. These designations are recorded in community investments and donor choice payable on the statement of financial position. The expenses associated with processing donor designated pledges are recovered by an assessment for both fundraising and organizational administration fees based on actual historical costs in accordance with United Way Worldwide Standards.

The estimated uncollectible pledges are generally based on historical collection rates and current economic factors applied to gross campaign results, including donor designations. Substantially all pledges are received within one year, however, estimates could fluctuate significantly based on changing economic conditions in the future.

Grants and Other Receivables

The receivables are stated at the amount management expects to collect from balances outstanding at year-end. Management has concluded that realization losses on balances outstanding at year-end will be immaterial.

Investments

Investments include brokered certificates of deposit and U.S. treasury notes. These are carried at fair value with realized and unrealized gains and losses reflected in the statement of activities as part of investment return. For brokered certificates of deposit, given the nature of these instruments and their duration, fair value is assumed to be equivalent to cost plus interest accrued. Interest income is recorded on the accrual basis. Debt securities purchased at a discount or a premium will amortize or accrete the related discount or premium over the life of the security on a straight-line method.

Land, Building, and Equipment

Land, building, and equipment is recorded at cost, if purchased, or at fair market value, if donated. Depreciation is computed by the straight-line method over estimated useful lives of 10-40 years for building and 3-10 years for furniture and equipment. United Way follows the practice of capitalizing expenditures for the Human Services Campus in excess of \$2,500 and expenditures for all other categories in excess of \$1,000. Costs of maintenance and repairs that do not improve or extend assets lives are charged to expense.

Long-Lived Assets

United Way records impairment losses on long-lived assets used in operations when events and circumstances indicate that the assets might be impaired and the undiscounted cash flows estimated to be generated by those assets are less than the carrying amounts of those assets. There were no impairment losses for the years ended June 30, 2025 and 2024.

Refundable Advances and Deferred Revenue

Grant funds received prior to incurring certain expenditures are recorded as refundable advances and deferred revenue. Revenue is subsequently recognized as expenses are incurred over time.

**United Way of Central Iowa
Notes to Financial Statements**

NOTE 1 - ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Net Assets

Net assets and revenue, grants and other support are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets and changes therein are classified and reported as follows:

Without Donor Restrictions - Net assets without donor restrictions are available for use at the discretion of United Way for general operating purposes. From time to time the board may designate a portion of these net assets for a specific purpose. For example, the board has designated a portion of net assets without donor restrictions as a quasi-endowment (an amount to be treated by management as if it were part of the donor restricted endowment) for the purpose of securing United Way's long-term financial viability.

With Donor Restrictions - Net assets with donor restrictions consists of assets whose use is limited by donor-imposed time and/or purpose restrictions.

United Way reports gifts of cash and other assets as revenue with donor restrictions if they are received with donor stipulations that limit the use of the donated asset. Once the restriction has been met, the net assets are reclassified as net assets without donor restrictions.

Some net assets with donor restrictions include a stipulation that assets must be maintained in perpetuity while permitting United Way to expend a portion of the income generated by the assets in accordance with the donor-imposed provisions.

Income Taxes

United Way is a charitable organization and has been granted tax-exempt status under Section 501(c)(3) of the Internal Revenue Code. United Way files a Form 990 tax return in the U.S. federal jurisdiction.

Contributions Received

Contributions, which are defined as unconditional transfers of cash or other assets including unconditional promises to give those items in the future, are measured at fair value on the date received and recognized as revenue. The imposition of restrictions on how a contribution is to be used does not delay recognition. However, the recognition of conditional gifts as revenue is delayed until the conditions are met.

United Way distinguishes between contributions received with donor restrictions and those without donor-imposed restrictions. Contributions with donor-imposed restrictions are reported as increases in net assets with donor restrictions unless United Way meets the donor-imposed restriction on all, or a portion of the amount contributed in the same reporting period in which the contribution was received. In those cases, the contributions are reported as increases in net assets without donor restrictions. Receipts of unconditional promises to give with payments due in future periods are reported as restricted unless it is clear that the donor intended the gift to be used to support activities in the current or in a past period. Gifts of long-lived assets received without donor-imposed restrictions are considered unrestricted.

**United Way of Central Iowa
Notes to Financial Statements**

NOTE 1 - ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Contributions Received (Continued)

A substantial number of volunteers and "loaned executives" have donated significant amounts of their time in United Way's governance oversight, community engagement, fund-raising campaigns and other activities. Since the services provided do not require specialized skills, no amounts have been recorded in the financial statements.

Revenue Recognition

Services fees are collected to offset costs related to collecting and redistributing campaign contributions that have been designated by donors to other agencies. Revenue is recognized when the services are provided.

Functional Expense Allocations

The costs of program and supporting service activities have been summarized on a functional basis in the statement of activities. The statement of functional expenses presents expenses by function and natural classification. Expenses directly attributable to a specific functional area of United Way are reported as expenses of those functional areas. A portion of general and administrative costs that benefit multiple functional areas are allocated across program services and supporting services using a basis that results in a ratable distribution.

The expense lines for technology fees, depreciation, and supplies, postage, and miscellaneous, are allocated based on the number of full-time equivalent staff. Occupancy expenses are allocated to grants that allow overhead or indirect cost recovery, subject to the terms of the grant agreements. Phone expenses are allocated based on the number of phone lines per department. United Way Worldwide dues are allocated based on staff's involvement and the potential benefit from United Way Worldwide's technical assistance.

Subsequent Events

Management of United Way has evaluated subsequent events through December 10, 2025, the date the financial statements were available to be issued.

**United Way of Central Iowa
Notes to Financial Statements**

NOTE 2 - LIQUIDITY AND AVAILABILITY

United Way's financial assets available for general expenditure within one year of the statement of financial position date are as follows as of June 30, 2025 and 2024:

	2025	2024
Cash and cash equivalents	\$ 6,830,735	\$ 4,968,202
Receivables		
Annual campaign, net	5,283,443	6,167,826
Grants	752,256	3,297,939
Other	92,749	54,460
Investments	7,156,929	7,413,536
Beneficial interest in community foundation fund	15,367,652	14,311,522
Total financial assets	<u>35,483,764</u>	<u>36,213,485</u>
Less		
Amounts unavailable for general expenditures within one year, due to		
Restricted by donors with purpose restrictions	3,847,395	3,225,451
Less amounts to be appropriated	(225,852)	(212,107)
Restricted by donors for endowment	3,655,172	3,641,547
Amounts unavailable without board approval		
Quasi-endowment fund, primarily for long-term investing	10,693,181	9,973,748
Less amounts to be appropriated	(498,528)	(471,704)
Total	<u>17,471,368</u>	<u>16,156,935</u>
Total financial assets available for general expenditures within one year	<u>\$ 18,012,396</u>	<u>\$ 20,056,550</u>

As of June 30, 2025 and 2024, United Way had financial assets of \$18,012,396 and \$20,056,550, respectively, available to meet its commitments and obligations. These totals include cash and investments balances of \$13,987,664 and \$12,381,738, with a portion held in liquid, low risk securities, consistent with the organization's investment policy. To support long-term sustainability, United Way also holds \$10,693,181 and \$9,973,748 in a board-designated quasi-endowment at the Community Foundation as of June 30, 2025 and 2024, respectively. The organization monitors its liquidity through an internal fund's guideline, targeting three to six months of operating and program expenses.

**United Way of Central Iowa
Notes to Financial Statements**

NOTE 3 - INVESTMENTS

The fair value measurement accounting literature establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. This hierarchy prioritizes the inputs into three broad levels as follows:

- Level 1: Inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: Inputs are quoted prices for similar assets and liabilities in active markets or inputs that are observable, either directly or indirectly through corroboration, for substantially the full term of the financial instrument.
- Level 3: Inputs are unobservable inputs based on United Way's own assumptions used to measure assets and liabilities at fair value.

United Way's investments consist of the following as of June 30, 2025 and 2024:

	2025	2024
Brokered certificates of deposit (level 2)	\$ 3,920,000	\$ 3,185,000
U.S. treasury notes (level 2)	<u>3,236,929</u>	<u>4,228,536</u>
Total investments	<u>\$ 7,156,929</u>	<u>\$ 7,413,536</u>

United Way 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 the investment balance. For liquidity purposes, all of United Way's investment holdings are due to mature within a three-year period.

NOTE 4 - LAND, BUILDING, AND EQUIPMENT

Land, building, and equipment consists of the following as of June 30, 2025 and 2024:

	2025	2024
Land	\$ 98,275	\$ 98,275
Human Service Campus building	8,629,184	8,489,609
Furniture and equipment	1,230,558	1,283,498
Projects in progress	-	60,638
Total	<u>9,958,017</u>	<u>9,932,020</u>
Less accumulated depreciation		
Human Service Campus building	6,946,325	6,673,777
Furniture and equipment	<u>1,100,680</u>	<u>1,107,953</u>
Total	<u>8,047,005</u>	<u>7,781,730</u>
Land, building, and equipment, net	<u>\$ 1,911,012</u>	<u>\$ 2,150,290</u>

**United Way of Central Iowa
Notes to Financial Statements**

NOTE 5 - BENEFICIAL INTEREST IN COMMUNITY FOUNDATION FUND

United Way records a beneficial interest in the United Way of Central Iowa Endowment Fund, United Way of Central Iowa Endow Iowa Fund, and United Way of Central Iowa Endow Iowa Maureen Tiffany Education Fund (collectively referred to as the Fund) held by the Community Foundation of Greater Des Moines.

The Fund was originally formed by the merger of the United Way Foundation of Central Iowa and the Greater Des Moines Community Foundation. Subsequent to the merger, contributions and bequests have been added to the Fund's balance. Under the governing agreement, United Way can recommend distributions of income from the principal of the Fund, but no more frequently than quarterly. These distributions are limited to 5% of the prior December 31st balance. In cases where the Community Foundation of Greater Des Moines reviews activities and determines a charity is not fulfilling the functions and purposes specified by United Way, the Community Foundation of Greater Des Moines Board has the ability to determine that compliance with the designations is impractical or impossible and thereby may decide not to honor such recommendations. The agreement does not allow the Community Foundation of Greater Des Moines the ability to redirect the designation to a beneficiary of its choice.

The Community Foundation of Greater Des Moines 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 the investment balance held at the Foundation.

The beneficial interest in community foundation fund is measured using level 3 inputs and is valued at estimated pro rata share of the Community Foundation of Greater Des Moines's investment pool. All items of income and expense are recorded on the statement of activities in change in value of beneficial interest in community foundation fund.

**United Way of Central Iowa
Notes to Financial Statements**

NOTE 6 - HUMAN SERVICE CAMPUS OPERATIONS

Summarized operating results for the years ended June 30, 2025 and 2024 of the Human Service Campus are:

	<u>2025</u>	<u>2024</u>
Revenue		
Occupancy cost reimbursements - third parties	\$ 446,000	\$ 409,233
Occupancy cost reimbursements - United Way	-	179,912
Interest and miscellaneous income	1,050	692
	<u>447,050</u>	<u>589,837</u>
Expenses		
Salaries and employee benefits	60,043	55,868
Security and insurance	185,395	148,013
Janitorial	118,123	137,899
Utilities	142,615	146,574
Supplies	161	151
Repairs and maintenance	137,496	157,403
Communications and other expenses	31,780	55,785
Depreciation	291,700	282,675
Miscellaneous	53	-
	<u>967,366</u>	<u>984,368</u>
Net expenses over revenue	<u>\$ (520,316)</u>	<u>\$ (394,531)</u>

United Way has a property management agreement with a company that collects occupancy payments and makes expenditures relating to the Human Service Campus in exchange for a monthly fee. United Way may have future obligations for Human Service Campus repair or replacement expenditures and monitors its net assets without donor restrictions to make sure the balances are sufficient to meet these needs.

United Way owns the Human Service Campus building and shares occupancy of the building with other qualified charitable organizations. Occupancy costs to be reimbursed by third parties to United Way under occupancy agreements as of June 30, 2025 are as follows:

<u>Year Ending June 30,</u>	
2026	\$ 315,859
2027	159,179
2028	84,412
2029	77,525
2030	<u>45,223</u>
Total	<u>\$ 682,198</u>

United Way of Central Iowa Notes to Financial Statements

NOTE 7 - RETIREMENT PLAN

United Way sponsors a multiemployer defined contribution retirement plan (the Plan) in which United Way employees and other agencies participate. The Plan generally covers all employees of United Way, plus other participating agencies, that have attained the age of 21 and have completed one full year of employment in which 1,000 hours are worked. Participating employees agree to contribute a percentage of their compensation through a salary reduction. There is no minimum or maximum deferral percentage. United Way matches up to 4% of each eligible participant's salary contribution. Total expenses relating to United Way's contribution to the Plan was \$177,291 and \$105,385 for the years ended June 30, 2025 and 2024, respectively.

NOTE 8 - POLK COUNTY EARLY CHILDHOOD IOWA

United Way acts as a fiscal agent for the Polk County Early Childhood Iowa (PCECI), an Early Childhood Iowa area created by Polk County pursuant to the provisions of Chapter 256I.5 of the Code of Iowa. Unspent funds of this entity are included as a liability within the statement of financial position because of their fiduciary relationship with PCECI. No revenue or expense has been recognized within the statement of activities.

The following financial data is for the years ended June 30, 2025 and 2024:

	2025			2024		
	Early Childhood Program	School Ready Children Services	Total	Early Childhood Program	School Ready Children Services	Total
Additions						
State of Iowa grants						
Early Childhood	\$ 925,316	\$ -	\$ 925,316	\$ 920,893	\$ -	\$ 920,893
Quality improvement	-	133,176	133,176	-	132,336	132,336
Allocation for administration	48,676	148,716	197,392	48,468	147,684	196,152
Other program services	-	2,693,801	2,693,801	-	2,685,040	2,685,040
Total State of Iowa grants	973,992	2,975,693	3,949,685	969,361	2,965,060	3,934,421
Interest	12,831	37,224	50,055	6,657	19,119	25,776
Total additions	986,823	3,012,917	3,999,740	976,018	2,984,179	3,960,197
Deductions						
Program services						
Early Childhood	966,152	-	966,152	914,189	-	914,189
Quality improvement	-	154,048	154,048	-	203,039	203,039
Other program services	-	2,853,630	2,853,630	-	2,650,431	2,650,431
Total program services	966,152	3,007,678	3,973,830	914,189	2,853,470	3,767,659
Administration	56,140	172,048	228,188	48,576	145,742	194,318
Total deductions	1,022,292	3,179,726	4,202,018	962,765	2,999,212	3,961,977
Net change	(35,469)	(166,809)	(202,278)	13,253	(15,033)	(1,780)
Balances - beginning of year	154,723	289,442	444,165	141,470	304,475	445,945
Balances - end of year	\$ 119,254	\$ 122,633	\$ 241,887	\$ 154,723	\$ 289,442	\$ 444,165

United Way of Central Iowa Notes to Financial Statements

NOTE 9 - COMMITMENTS

In July 2025, the Board of Directors approved agency partner program investments in the amount of \$11,856,119 for the fiscal year July 1, 2025 through June 30, 2026 as part of its approval of the 2025/2026 operating budget.

NOTE 10 - ENDOWMENT FUNDS

United Way's donor restricted endowments consist of two funds, one established for the purpose of administering community investments and the other for the purpose of Early Childhood Initiatives. In addition, the United Way Board of Directors has established a quasi-endowment for the purpose of providing general operational support for the organization. As required by generally accepted accounting principles, net assets associated with endowment funds are classified and reported based on the existence or absence of donor-imposed restrictions.

The Board of Directors of United Way has interpreted Iowa Uniform Prudent Management of Institutional Funds Act (UPMIFA) as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary. As a result of this interpretation, United Way retains in perpetuity (a) the original value of gifts donated to the endowment, (b) the original value of subsequent gifts to the endowment, and (c) accumulations to the 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 that is not retained in perpetuity is subject to appropriation by United Way in a manner consistent with the standard of prudence prescribed by UPMIFA. Further, the governing board has internally designated a portion of the without donor restricted net assets as a board-designated endowment. In accordance with UPMIFA, United Way considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds: (1) duration and preservation of the various funds, (2) the purpose of the donor-restricted endowment funds, (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 to United Way, and (7) United Way's policy pertaining to the investment and distribution of endowment funds.

United Way has adopted an investment management policy for endowment assets. The investment management policy sets forth that the responsibility for investment management of endowed funds has been delegated, by contract, solely to the Community Foundation of Greater Des Moines. The Community Foundation of Greater Des Moines and its Board of Directors have adopted a Statement of Investment Policy providing direction for the investment of endowed funds. The underlying investment policy of the endowment funds is with the objective of achieving long-term asset appreciation. The policy establishes an achievable return objective through diversification of asset classes. The diversified asset allocation is targeted, and it places an emphasis on fixed income, equity, and alternative investments to achieve its long-term return objectives within prudent risk parameters. The current performance expectations of the endowment fund's assets are a long-term, total rate of return on assets that is equal to or in excess of a 5% spending rate, anticipated inflation, investment management fee, administrative costs, and a growth factor as established from time to time.

**United Way of Central Iowa
Notes to Financial Statements**

NOTE 10 - ENDOWMENT FUNDS (CONTINUED)

United Way has adopted a distribution and spending policy to ensure adherence to donor restrictions and to allow use of a portion of the endowment as a funding source toward making and administering community investments (agency program, community impact, and community services spending) where appropriate and not in violation of donor restrictions. The policy protects United Way from year-to-year fluctuations in market returns and investment results by providing a predictable amount in the funds made available from endowment. United Way generally limits total appropriations to 5% of the previous calendar year-end value for expenditure from any endowment fund unless a larger amount is required to address donor stipulations. The level of appropriation with the current performance expectations for investments is generally consistent with United Way's objective to maintain the original value of the endowment gifts in perpetuity.

From time to time, certain donor-restricted endowment funds may have fair values less than the amount required to be maintained by donors or by law (underwater endowments). United Way has interpreted UPMIFA to permit spending from underwater endowments. Distributions from the endowment will be handled on a case-by-case basis when an endowment is underwater. A review of the donor's intent as to both the purpose and accumulation of funds, investment return expectations, organizational needs and resources, and other factors will determine if it is acceptable to continue distributions from the endowment or if it is advisable to suspend distributions for a period of time. No deficiencies were reported as of June 30, 2025 and 2024.

Endowment net asset composition by type of fund as of June 30, 2025 and 2024 are as follows:

	2025			
	Without Donor Restrictions	With Donor Restrictions		Total Endowment Net Assets
		Earnings	Perpetual	
Board designated for quasi-endowment	\$ 10,693,181	\$ -	\$ -	\$ 10,693,181
Donor-restricted endowment funds	<u>-</u>	<u>1,019,299</u>	<u>3,655,172</u>	<u>4,674,471</u>
Total funds	<u>\$ 10,693,181</u>	<u>\$ 1,019,299</u>	<u>\$ 3,655,172</u>	<u>\$ 15,367,652</u>
	2024			
	Without Donor Restrictions	With Donor Restrictions		Total Endowment Net Assets
		Earnings	Perpetual	
Board designated for quasi-endowment	\$ 9,973,748	\$ -	\$ -	\$ 9,973,748
Donor-restricted endowment funds	<u>-</u>	<u>696,227</u>	<u>3,641,547</u>	<u>4,337,774</u>
Total funds	<u>\$ 9,973,748</u>	<u>\$ 696,227</u>	<u>\$ 3,641,547</u>	<u>\$ 14,311,522</u>

**United Way of Central Iowa
Notes to Financial Statements**

NOTE 10 - ENDOWMENT FUNDS (CONTINUED)

Changes in endowment net assets for the years ended June 30, 2025 and 2024 are as follows:

	2025		
	Without Donor Restrictions	With Donor Restrictions	Total Endowment Net Assets
Endowment net assets, beginning of year	\$ 9,973,748	\$ 4,337,774	\$ 14,311,522
Contributions	250	13,625	13,875
Investment return, net	1,190,887	523,870	1,714,757
Appropriations	(471,704)	(200,798)	(672,502)
Total endowment funds	<u>\$ 10,693,181</u>	<u>\$ 4,674,471</u>	<u>\$ 15,367,652</u>

	2024		
	Without Donor Restrictions	With Donor Restrictions	Total Endowment Net Assets
Endowment net assets, beginning of year	\$ 9,243,060	\$ 3,994,328	\$ 13,237,388
Contributions	-	20,000	20,000
Investment return, net	1,160,428	513,176	1,673,604
Appropriations	(429,740)	(189,730)	(619,470)
Total endowment funds	<u>\$ 9,973,748</u>	<u>\$ 4,337,774</u>	<u>\$ 14,311,522</u>

NOTE 11 - NET ASSETS

Net Assets Without Donor Restrictions

United Way's net assets without donor restrictions are comprised of Board designated and undesignated amounts for the following purposes as of June 30, 2025 and 2024:

Board Designated Quasi-Endowment - United Way's Board has designated funds to be set aside to establish and maintain a quasi-endowment for the purposes of securing United Way's long-term financial viability and continuing to meet the needs of United Way. The endowment funds totaled \$10,693,181 and \$9,973,748 as of June 30, 2025 and 2024, respectively.

Undesignated - The Board has established a guideline to reserve the undesignated net assets to provide financial stability and minimize financial disruption. The amount undesignated is a targeted dollar range representing three to six months' budgeted program and operating expenses for the next fiscal year. The targeted range established was \$5,792,000 to \$11,584,000, with the fund's guideline balance being \$10,659,764 as of June 30, 2025.

**United Way of Central Iowa
Notes to Financial Statements**

NOTE 11 - NET ASSETS (CONTINUED)

Net Assets With Donor Restrictions

Net assets with donor restrictions as of June 30, 2025 and 2024 are as follows:

	2025	2024
Restricted due to time		
Annual campaign receivable - undesignated	\$ 4,054,058	\$ 4,816,745
Charitable remainder unitrusts	1,331	20,544
Total restricted due to time	<u>4,055,389</u>	<u>4,837,289</u>
Restricted due to purpose		
Endowment earnings supporting community investments	1,019,299	696,227
Polk County Early Childhood	1,905,799	2,245,990
2-1-1	75,000	-
Food Insecurity	286,971	-
5-2-1-0	5,922	5,922
Safe and Thriving Youth	274,819	35,618
LE Sponsors	-	18,000
Oral Health Coalition	6,934	1,717
National Skills Coalition	7,308	23,395
National Fund Childcare	111,386	195,503
National Fund Workforce Education	139,513	-
Others restricted for specific program/project	14,444	3,079
Total restricted due to purpose	<u>3,847,395</u>	<u>3,225,451</u>
Perpetual in nature		
Supporting community investments	3,290,385	3,289,785
Early childhood initiative	364,787	351,762
Total perpetual in nature	<u>3,655,172</u>	<u>3,641,547</u>
Total net assets with donor restrictions	<u>\$ 11,557,956</u>	<u>\$ 11,704,287</u>