



**United Way of
Muskingum, Perry &
Morgan Counties**

UNITED WAY OF MUSKINGUM, PERRY, AND MORGAN COUNTIES, INC.

Financial Statements

Year ended December 31, 2024



UNITED WAY OF MUSKINGUM, PERRY, AND MORGAN COUNTIES, INC.

CONTENTS

Page 1	Independent Auditors' Report. (2 pages)
Page 2	Statement of Financial Position as of December 31, 2024.
Page 3	Statement of Activities for the year ended December 31, 2024.
Page 4	Statement of Functional Expenses for the year ended December 31, 2024.
Page 5	Statement of Cash Flows for the year ended December 31, 2024.
Page 6	Notes to Financial Statements. (7 pages)

INDEPENDENT AUDITORS' REPORT

To the Board of Directors of
United Way of Muskingum, Perry, and Morgan Counties, Inc.
Zanesville, Ohio

Opinion

We have audited the financial statements of United Way of Muskingum, Perry, and Morgan Counties, Inc. (the Agency), which comprise the statement of financial position as of December 31, 2024, and the related statements of activities, functional expenses, and cash flows for the year 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 Muskingum, Perry, and Morgan Counties, Inc. as of December 31, 2024, and the changes in its net assets and its cash flows for the year 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 (GAAS). 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 Agency 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 these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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 Agency's ability to continue as a going concern within one year after the date that the financial statements are issued or available to be issued.

Auditors' Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Agency'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 Agency'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.

SEO CPA Group, LTD

SEO CPA Group, LTD
Zanesville, Ohio

June 17, 2025

United Way of Muskingum, Perry, and Morgan Counties, Inc.
Statement of Financial Position
As of December 31, 2024

ASSETS

	<u>2024</u>
Current Assets	
Cash and cash equivalents	\$ 490,923
Investments	507,301
Annual campaign pledges receivable, net	162,646
Grants and bequests receivable	34,092
Prepaid expenses	4,765
Agency endowment fund held by others	93,565
Total current assets	<u>1,293,292</u>
Fixed Assets	
Office furniture and equipment	29,131
Less: Accumulated depreciation	<u>(15,747)</u>
Net fixed assets	13,384
Other Assets	
Endowment fund held by others	67,609
Beneficial interest in perpetual trusts held by others	4,115,939
Total other assets	<u>4,183,548</u>
Total Assets	<u><u>\$ 5,490,224</u></u>

LIABILITIES AND NET ASSETS

Current Liabilities	
Accounts payable	\$ 985
Accrued expenses	15,824
Specific designations payable	19,423
Total current liabilities	<u>36,232</u>
Net assets	
Net assets without donor restriction	1,270,444
Net assets with donor restriction	4,183,548
Total net assets	<u>5,453,992</u>
Total Liabilities and Net Assets	<u><u>\$ 5,490,224</u></u>

See independent auditors' report and notes to the financial statements.

United Way of Muskingum, Perry, and Morgan Counties, Inc.

Statement of Activities

For the year ended December 31, 2024

	2024		
	Without Donor Restrictions	With Donor Restrictions	Total
Support and Revenue			
Campaign Support			
Gross campaign support	\$ 483,330	\$ -	\$ 483,330
Less: Provision for uncollectible pledges	(17,555)	-	(17,555)
Less: Specific designations by donors	(24,720)	-	(24,720)
Recovery (loss) of prior year uncollectible pledges	(54,485)	-	(54,485)
Net Campaign Support	386,570	-	386,570
Operating Revenue			
Non-campaign contributions	42,057	-	42,057
In-kind contributions	1,865	-	1,865
Administrative fees	2,733	-	2,733
Total Operating Revenue	46,655	-	46,655
Non-Operating Revenue and Gains			
Investment earnings, net of investment fees	70,925	4,443	75,368
Beneficial trust income	167,365	-	167,365
Change in value of beneficial interest in perpetual trusts	-	281,436	281,436
Total Non-Operating Revenue and Gains	238,290	285,879	524,169
Total Support and Revenue	671,515	285,879	957,394
Expenses			
Program services expenses	567,721	-	567,721
Supporting services expenses			
Management and general	221,143	-	221,143
Fundraising and development	102,927	-	102,927
Total supporting services expenses	324,070	-	324,070
Total Expenses	891,791	-	891,791
Change In Net Assets	(220,276)	285,879	65,603
Beginning Net Assets	1,494,046	3,675,626	5,169,672
Prior period adjustment	(3,326)	222,043	218,717
Ending Net Assets	\$ 1,270,444	\$ 4,183,548	\$ 5,453,992

See independent auditors' report and notes to the financial statements.

United Way of Muskingum, Perry, and Morgan Counties, Inc.
Statement of Functional Expenses
For the year ended December 31, 2024

	Program Services	Supporting Services		Total
		Management and General	Fundraising and Development	
Allocations and awards	\$ 331,711	\$ -	\$ -	\$ 331,711
Salaries	82,912	59,223	94,757	236,892
Payroll taxes and benefits	-	59,254	-	59,254
Marketing	-	-	4,030	4,030
Professional fees	20,014	35,756	2,697	58,467
Training and recruitment	451	24,380	451	25,282
Office rent	-	15,000	-	15,000
Office supplies	477	2,016	955	3,448
Telephone	-	3,179	-	3,179
Insurance	-	8,707	-	8,707
Dues and subscriptions	-	1,693	-	1,693
Impact council initiative	131,924	-	-	131,924
Miscellaneous	232	(19)	37	250
United Way of America dues	-	5,678	-	5,678
In-kind	-	1,865	-	1,865
Depreciation	-	4,411	-	4,411
Total Expenses on the Statement of Activities	\$ 567,721	\$ 221,143	\$ 102,927	\$ 891,791

See independent auditors' report and notes to the financial statements.

United Way of Muskingum, Perry, and Morgan Counties, Inc.
Statement of Cash Flows
For the Year Ended December 31, 2024

	<u>2024</u>
CASH FLOWS FROM OPERATING ACTIVITIES:	
Change in net assets	\$ 65,603
Adjustments to reconcile change in total net assets to net cash from operating activities:	
Depreciation	4,411
(Gain) loss on investments	(50,793)
Change in value of beneficial interest in perpetual trusts	(281,436)
(Increase) decrease in operating assets:	
Annual campaign pledges receivable, net	291,042
Grants and bequests receivable	(34,092)
Prepaid expenses	939
Increase (decrease) in operating liabilities:	
Accounts payable	(55)
Accrued expenses	2,465
Agency allocations payable	(2,543)
Specific designations payable	7,867
Net cash provided by operating activities	<u>3,408</u>
CASH FLOWS FROM INVESTING ACTIVITIES	
Investment proceeds	89,259
Investment purchases	<u>(105,033)</u>
Net cash (used for) investing activities	<u>(15,774)</u>
NET (DECREASE) IN CASH, CASH EQUIVALENTS AND RESTRICTED CASH	(12,366)
CASH, CASH EQUIVALENTS, AND RESTRICTED CASH AT BEGINNING OF PERIOD	<u>503,289</u>
CASH, CASH EQUIVALENTS, AND RESTRICTED CASH AT END OF PERIOD	<u>\$ 490,923</u>

See independent auditors' report and notes to the financial statements.

UNITED WAY OF MUSKINGUM, PERRY, AND MORGAN COUNTIES, INC.
NOTES TO FINANCIAL STATEMENTS

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature and Scope of Agency

United Way of Muskingum, Perry, and Morgan Counties, Inc. ("the Agency") is a tax-exempt Agency under section 501(c)(3) of the Internal Revenue Code. The mission of the Agency is to mobilize the caring power of communities to create lasting changes in conditions that improve lives. It accomplishes this through continual assessment of the need for service programs, development of financial resources, and investment of these resources in community programs.

The largest single source of funding for the Agency is the annual campaign that is conducted in the fall. Proceeds from this initiative are distributed to programs in the community through an application process in the subsequent year. Allocations are made to agencies monthly based on the Board approved allocations. Cash designations are paid out by February, and all other designated funds are distributed quarterly starting in April.

The Agency also receives additional sources of revenue through beneficial interests in trusts, foundation awards, and grants.

Basis of Accounting and Financial Statement Presentation

The financial statements of the Agency have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP).

Net Assets

The financial statements report net assets and changes in net assets in two classes that are based upon the existence or absence of restrictions on use that are placed by its donors, as follows:

Net Assets without Donor Restrictions – Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the Agency. These net assets may be used at the discretion of the Agency's management and the board.

Net Assets with Donor Restrictions – Net assets subject to stipulations imposed by donors. Some donor restrictions are temporary in nature and will be met by actions of the Agency or by the passage of time. Other donor restrictions are perpetual in nature, whereby the donor has stipulated the funds be maintained in perpetuity.

All revenues and net gains are reported as increases in net assets without donor restrictions in the statement of activities unless the donor specified the use of the related resources for a particular purpose or in a future period. When a restriction expires, net assets are reclassified from net assets with donor restrictions to net assets without donor restrictions in the statement of activities. Restricted revenues whose restrictions are met in the same reporting period are shown as unrestricted revenues. All expenses and net losses other than losses on donor-restricted endowment investments are reported as decreases in net assets without donor restrictions. Net gains on donor-restricted endowment investments increase net assets with donor restrictions, and net losses on endowment investments reduce that net asset class.

Financial Instruments

Substantially all of the Agency's current assets and liabilities are considered financial instruments. These assets and liabilities are reflected at fair value, or at carrying amounts that approximate fair value because of the short maturity of the instrument. Financial instruments, which potentially subject the Agency to concentrations of credit risk, consist of cash and cash equivalents, receivables, and investment accounts.

Cash and Cash Equivalents

For purposes of the statement of cash flows, the Agency considers all highly liquid investments with an initial maturity of three months or less to be cash equivalents. Cash and cash equivalents for purposes of the statement of cash flows excludes permanently restricted cash and cash equivalents.

Investments

Investments are stated at fair value based on quoted market values. Investments in cash management funds are stated at cost, which approximates fair value. Net realized and unrealized gains and losses on investments are reflected in the statement of activities.

UNITED WAY OF MUSKINGUM, PERRY, AND MORGAN COUNTIES, INC.
NOTES TO FINANCIAL STATEMENTS

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Pledge Receivable

Contributions are recognized when the donor makes a promise to give to the Agency that is, in substance, unconditional. Contributions that are restricted by the donor are reported as increases in unrestricted net assets if the restrictions expire in the fiscal year in which the contributions are recognized. Pledge receivables are shown at their net realizable value. Uncollectible accounts are charged to operations during the period in which they are determined to be uncollectible based on an average of actual uncollected accounts.

Beneficial Interests in Remainder Trust Held by Others

The Agency has been named as an irrevocable beneficiary of several perpetual trusts held and administered by independent trustees. Perpetual trusts provide for the distribution of the net income of the trust to the Agency and other beneficiaries; however, the Agency and other beneficiaries will never receive the assets of the trust. At the date the Agency receives notice of a beneficial interest, a contribution with donor restrictions of a perpetual nature is recorded in the statement of activities, and a beneficial interest in perpetual trust is recorded in the statement of financial position at the fair value of the underlying assets. Thereafter, beneficial interest in the trust is reported at the fair value of the trust's assets in the statement of financial position, with trust distributions and changes in fair value recognized in the statement of activities.

Fixed Assets

Property and equipment are recorded at cost. Repairs and maintenance are charged to operations when incurred, and additions and improvements are capitalized. Upon retirement or other disposition of property and equipment, the cost and related accumulated depreciation are removed from the accounts with the resulting gain or loss included in the statement of activities.

Depreciation is computed using the straight-line method over the estimated useful lives of the asset as follows:

Office furniture and equipment	3-7 years
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Depreciation expense for the year ended December 31, 2024 was \$4,411.

Revenue Recognition

Contributions, including unconditional promises to give, are recognized when received. All contributions are reported as increases in net assets without donor restrictions unless use of the contributed assets is specifically restricted by the donor. Amounts received that are restricted by the donor to use in future periods or for specific purposes are reported as increases in net assets with donor restrictions. Unconditional promises with payments due in future years have an implied restriction to be used in the year the payment is due, and therefore are reported as restricted until the payment is due, unless the contribution is clearly intended to support activities of the current fiscal year. Conditional promises, such as matching grants, are not recognized until they become unconditional, that is, until all conditions on which they depend are substantially met.

Annual campaign contributions are generally available for unrestricted use in the related campaign year unless specifically restricted by the donor.

Operating revenue is recognized in the period that services are rendered or associated costs are incurred.

Contributed Services and Nonfinancial Assets

Contributed nonfinancial assets are recorded at their estimated fair market value at the date of the donation. When sold, the fair market value at the date of the donation is used as the basis of the asset. Fair value estimates are based upon estimates of fair market or wholesale values that would be received for selling the goods in their principal market considering their condition and utility. The Agency utilizes or monetizes these nonfinancial assets depending on the circumstances. The Agency recognized \$1,865 of contributed nonfinancial assets, consisting of equipment and supplies, during the year ended December 31, 2024.

Individuals may volunteer their time and perform tasks that assist the Agency, but most services do not meet the criteria for recognition as contributed services in accordance with FASB Accounting Standards Codification, *Accounting for Contributions*. Contributed services that do meet the criteria for recognition are recorded at fair value in the period to which the underlying services related as in-kind contributions and expenses on the statement of activities. Fair value estimates are based upon estimates of fair market values that would be received for the services in their principal market. During the year ended December 31, 2024, the value of contributed services meeting the requirements for recognition in the financial statements was \$0.

UNITED WAY OF MUSKINGUM, PERRY, AND MORGAN COUNTIES, INC.
NOTES TO FINANCIAL STATEMENTS

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Advertising Costs

Advertising costs are expensed as incurred and totaled \$4,030 for the year ended December 31, 2024.

Leases

The Agency determines if an arrangement is or contains a lease at inception, which is the date on which the terms of the contract are agreed to, and the agreement creates an enforceable rights and obligations. A contract is or contains a lease when (i) explicitly or implicitly identified assets have been deployed in the contract and (ii) the customer obtains substantially all the economic benefits from the use of that underlying asset and directs how and for what purpose the asset is used during the term of the contract. The Agency also considers whether its service arrangements include the right to control the use of an asset.

The Agency made an accounting policy election available not to recognize right-of-use assets and lease liabilities for leases with a term of 12 months or less.

Functional Expenses

The costs of program and supporting services activities have been summarized on a functional basis in the statement of activities. The statement of functional expenses presents the natural classification detail of expenses by function. Accordingly, certain costs have been allocated among the programs and supporting services benefited, including salaries; professional fees; training and recruitment; office supplies; and miscellaneous, which are allocated on the basis of estimates of time and effort or usage.

Use of Estimates

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

Risks and Uncertainties

The Agency 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 such changes could materially affect the amounts reported in the statements of financial position.

Income Taxes

The Agency is a non-profit organization that is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code. Accordingly, no provision for federal or state income taxes is reflected in the accompanying financial statements.

Accounting principles generally accepted in the United States of America require management to evaluate tax positions taken by the Agency and recognize a tax liability (or asset) if the Agency has taken an uncertain tax position that more likely than not would not be sustained upon examination by the Internal Revenue Service. The Agency has analyzed the tax positions taken by the Agency, and has concluded that as of December 31, 2024, there are no uncertain positions taken or expected to be taken that would require recognition (or asset) or disclosure in the financial statements. The Agency is subject to routine audits by taxing jurisdictions; however, there are currently no audits for any tax periods in progress. The Agency believes it is no longer subject to income tax examinations for years prior to 2021.

Compensated Absences

Full-time and part-time employees of the Agency earn a vested right to compensation for unused paid time off. Accordingly, the Agency has accrued a liability for paid time off compensation that employees have earned but not yet taken.

Concentration of Credit Risk

The Agency's major funding sources are located in Muskingum, Perry, and Morgan counties. The Agency and funding sources are dependent upon the economic conditions of the area.

The Agency maintains its cash balances at financial institutions that may at various times exceed amounts covered by insurance provided by the U.S. Federal Deposit Insurance Corporation (FDIC). The Agency does not believe it is exposed to any significant credit risk on cash and cash equivalents.

UNITED WAY OF MUSKINGUM, PERRY, AND MORGAN COUNTIES, INC.
NOTES TO FINANCIAL STATEMENTS

NOTE B – LIQUIDITY AND AVAILABILITY

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

Cash and cash equivalents	\$ 490,923
Investments	507,301
Annual campaign pledges receivable, net	162,646
Grants and bequests receivable	34,092
Agency endowment fund	93,565
Total financial assets	<u>1,288,527</u>
Less:	
Board restricted investments	507,301
Board restricted endowment	93,565
Total available for general expenditures within one year	<u>\$ 687,661</u>

As part of the Agency's liquidity management, it invests cash in excess of daily requirements in certificates of deposits and money market accounts.

Donor restricted assets consist of the fair value of the Agency's beneficial interests in perpetual trusts of \$4,115,939 and the Agency's United Way Endowed account of \$67,609. See Notes D and E for additional details.

Board restricted assets consist of certain funds designated by the Board to be used either for specific programmatic purposes or for future operations.

NOTE C – ANNUAL CAMPAIGN PLEDGES RECEIVABLE

A summary of annual campaign pledges receivable due in one year and allowance for uncollectible pledges at December 31, 2024 is as follows:

	Pledges receivable	Allowance for uncollectible pledges	Net pledges receivable
Pledges from the:			
2024 Campaign	\$ 137,239	\$ (17,555)	\$ 119,684
2023 Campaign	59,416	(18,721)	40,695
2022 Campaign	13,886	(13,886)	-
Designations, other United Ways	2,267	-	2,267
	<u>\$ 212,808</u>	<u>\$ (50,162)</u>	<u>\$ 162,646</u>

NOTE D – BENEFICIAL INTEREST IN REMAINDER TRUST HELD BY OTHERS

The Agency is a named beneficiary in several irrevocable perpetual trusts, the assets of which are not in its possession. The principal is to remain under management of the trustees in perpetuity with the Agency to receive the following percentages of the annual net income from the trust:

Trust	% Share
Littick Charitable Trust	2.00%
M. Findeiss Trust	14.29%
R. Findeiss Trust	12.50%
Hagar Residual Trust	20.0%
Lewis Trust	100.00%
Sulsberger Trust	10.00%
Emmett France Trust	21.00%

The total fair value of all trust assets as of December 31, 2024 is \$21,842,779, of which the amount due to the Agency is \$4,115,939. This amount is included as beneficial interest in perpetual trusts held by others in the accompanying statement of financial position. During the year ended December 31, 2024, the Agency received distributions of \$167,365. The net increase in the fair value of the trusts was \$281,436 during the year ended December 31, 2024.

UNITED WAY OF MUSKINGUM, PERRY, AND MORGAN COUNTIES, INC.
NOTES TO FINANCIAL STATEMENTS

NOTE E – ENDOWMENT FUND

The Agency's endowments consist of funds designated by donors and the Agency's Board to function as endowments. As required by U.S. GAAP, net assets associated with endowment funds, including funds designated by the Board to function as endowments, are classified and reported based on the existence or absence of donor-imposed restrictions. The Agency's endowment funds are held by the Muskingum County Community Foundation.

The United Way Endowed Fund is donor restricted. The United Way Agency Endowment Fund is board restricted for charitable work of the Agency.

The Agency has adopted investment and spending policies, approved by the Board of Directors, that attempt to provide a predictable stream of funding for the Agency's operations while maintaining the purchasing power of those endowment assets over the long-term. Endowment assets held by Muskingum County Community Foundation are invested in a well-diversified mix that is intended to result in lower volatility and risk of loss of principal while providing adequate investment return and liquidity.

The following table represents the changes in endowment net assets at December 31, 2024:

	United Way Endowed Fund	United Way Agency Endowment Fund
Balance, December 31, 2023	\$ 63,166	\$ 85,097
Contributions	600	-
Interest and dividends	1,780	2,434
Draws	(2,443)	-
Fees	(833)	(1,134)
Gains (losses)	5,339	7,168
Balance, December 31, 2024	<u>\$ 67,609</u>	<u>\$ 93,565</u>

An allocation of types of investments, percentages held in each type, and approximate fair market value (FMV) amounts invested in each type at December 31, 2024 follows:

	United Way Endowed Fund		United Way Agency Endowment Fund	
	FMV	Percent	FMV	Percent
Cash equivalents	\$ 2,501	3.70%	\$ 3,462	3.70%
Fixed income	15,753	23.30%	21,801	23.30%
Equities	49,355	73.00%	68,302	73.00%
Total	<u>\$ 67,609</u>	<u>100.00%</u>	<u>\$ 93,565</u>	<u>100.00%</u>

NOTE F – FAIR VALUE MEASUREMENT

Generally accepted accounting principles define fair value, and establish a framework for measuring fair value that categorizes and prioritizes the sources used to measure and disclose fair values. Fair value is defined as 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 (an exit price). A fair value measurement assumes that the transaction to sell the asset or transfer the liability occurs in the principal market for the asset or liability or, in the absence of a principal market, the most advantageous market. Valuation techniques that are consistent with the market, income or cost approach are used to measure fair value.

UNITED WAY OF MUSKINGUM, PERRY, AND MORGAN COUNTIES, INC.
NOTES TO FINANCIAL STATEMENTS

NOTE F – FAIR VALUE MEASUREMENT (CONTINUED)

The fair value hierarchy prioritizes the inputs to valuation techniques used to measure fair value into three broad levels:

Level 1	Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Agency has the ability to access.
Level 2	Inputs to the valuation methodology include: <ul style="list-style-type: none"> • quoted prices for similar assets or liabilities in active markets; • quoted prices for identical or similar assets or liabilities in inactive markets; • inputs other than quoted prices that are observable market data for the asset or liability; • inputs that are derived principally from or corroborated by observable market data. If the asset or liability has a specified (contractual) term, the level 2 input must be observable for substantially the full term of the asset or liability.
Level 3	Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

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

The following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in the methodologies used at December 31, 2024.

Money markets, mutual funds, common stocks, equities, and REITs: Valued at the closing price reported on the active market on which the individual securities are traded.

Certificates of deposit: Valued at cost plus earnings accrued, which approximates fair value.

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

The following tables present the Agency's fair value hierarchy for those assets and liabilities measured at fair value on a recurring basis as of December 31, 2024. The Agency had no recurring Level 3 assets or liabilities during 2024.

	December 31, 2024		
	<u>Level 1</u>	<u>Level 2</u>	<u>Total</u>
Money market	\$ 22,358	\$ -	\$ 22,358
Certificates of deposit	-	25,108	25,108
Mutual funds – equities	154,257	-	154,257
Mutual funds – fixed income	182,563	-	182,563
Common stocks	113,110	-	113,110
ADR / foreign equities	8,370	-	8,370
REITs	1,535	-	1,535
Total	<u>\$ 482,193</u>	<u>\$ 25,108</u>	<u>\$ 507,301</u>

NOTE G – LEASES

On June 1, 2022, the Agency entered into a lease agreement for office space from the Grace United Methodist Church with an expiration of May 31, 2024. On June 1, 2024, the lease was extended for a one-year term expiring on May 31, 2025. Rent of \$1,250 is payable on the first day of each month. Due to the lease term, the Agency accounts for the lease as a short-term lease. Rent paid for short-term leases during the year ended December 31, 2024 was \$15,000, and is recorded as office rent on the statement of functional expenses.

UNITED WAY OF MUSKINGUM, PERRY, AND MORGAN COUNTIES, INC.
NOTES TO FINANCIAL STATEMENTS

NOTE H – RETIREMENT PLAN

The Agency offers a SIMPLE IRA to eligible employees. An employee is eligible to participate in the plan provided the employee is reasonably expected to earn at least \$5,000 in compensation for the calendar year. Participation in the Plan is voluntary. For each calendar year, the Agency contributes a matching contribution to participating employees up to 3% of the employee's compensation. Employer contributions were \$8,396 for the year ended December 31, 2024.

NOTE I – RELATED PARTY TRANSACTIONS

A member of the Board is employed by a financial institution that is utilized by the Agency. The Agency had bank and investment accounts with said financial institution with a cumulative balance of \$484,941 as of December 31, 2024.

The Agency contracts with United Way of Central Ohio for accounting services. Fees for services incurred by the Agency were \$26,400 for the year ended December 31, 2024.

The Agency pays quarterly dues to United Way Worldwide. Dues incurred by the Agency were \$5,678 for the year ended December 31, 2024.

The Agency received contributions from various Board members of \$4,630 during the year ended December 31, 2024.

The Agency's Board members may be employed by, or be Board members of, other organizations that make contributions to, or receive grant awards from, the Agency.

NOTE J – SUBSEQUENT EVENTS

The financial statements and related disclosures include evaluation of the events up through and including June 17, 2025, which is the date the statements were available for issue.