



United Way of Central Oklahoma, Inc.

Independent Auditor's Report and Consolidated Financial Statements

December 31, 2024



United Way of Central Oklahoma, Inc.
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Independent Auditor's Report

Board of Directors
United Way of Central Oklahoma, Inc.
Oklahoma City, Oklahoma

Opinion

We have audited the consolidated financial statements of United Way of Central Oklahoma, Inc. (United Way), which comprise the consolidated statement of financial position as of December 31, 2024 and the related consolidated statements of activities, functional expenses, and cash flows for the year then ended and the related notes to the consolidated financial statements.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of United Way 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 Consolidated Financial Statements section of our report. We are required to be independent of United Way 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 Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated 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 consolidated financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about United Way's ability to continue as a going concern within one year after the date that these consolidated financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated 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 consolidated 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 consolidated 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 consolidated 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'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 consolidated financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about United Way'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.

Report on Summarized Comparative Information

We have previously audited the December 31, 2023 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated September 13, 2024. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2023 is consistent, in all material respects, with the audited financial statements from which it has been derived.

Forvis Mazars, LLP

**Oklahoma City, Oklahoma
August 19, 2025**

United Way of Central Oklahoma, Inc.
Consolidated Statement of Financial Position
(With Summarized Consolidated Financial Information for December 31, 2023)
December 31, 2024

	Without Donor Restrictions	With Donor Restrictions	Total	
			2024	2023
ASSETS				
Cash and cash equivalents	\$ 14,539,536	\$ 798,899	\$ 15,338,435	\$ 16,490,031
Pledges receivable, net	8,787,694	78,806	8,866,500	7,662,571
Certificates of deposit	1,526,340	-	1,526,340	1,196,212
Beneficial interest in assets held by others	3,517,700	144,357	3,662,057	3,148,368
Property and equipment, net	2,450,205	-	2,450,205	2,631,327
Other assets	184,613	626	185,239	213,582
Total Assets	\$ 31,006,088	\$ 1,022,688	\$ 32,028,776	\$ 31,342,091
LIABILITIES AND NET ASSETS				
Liabilities				
Accounts payable and accrued expenses	\$ 590,177	\$ 152,980	\$ 743,157	\$ 960,356
Allocations and designations payable	5,603,820	10,000	5,613,820	5,257,768
Total Liabilities	6,193,997	162,980	6,356,977	6,218,124
Net Assets	24,812,091	859,708	25,671,799	25,123,967
Total Liabilities and Net Assets	\$ 31,006,088	\$ 1,022,688	\$ 32,028,776	\$ 31,342,091

United Way of Central Oklahoma, Inc.
Consolidated Statement of Activities
(With Summarized Consolidated Financial Information for December 31, 2023)
Year Ended December 31, 2024

	Without	With Donor	Total	
	Donor Restrictions	Restrictions	2024	2023
Support and Other Revenue				
Public support	\$ 17,964,109	\$ 88,266	\$ 18,052,375	\$ 18,044,987
Public support – in-kind	376,641	-	376,641	448,829
Less designations	3,797,274	-	3,797,274	3,852,100
Net public support	14,543,476	88,266	14,631,742	14,641,716
Administrative fees	298,053	-	298,053	244,871
Less uncollectible pledges	384,609	-	384,609	376,400
Net support revenue	14,456,920	88,266	14,545,186	14,510,187
Interest income	550,788	10,000	560,788	453,204
Endowment investment income	302,645	16,689	319,334	353,138
Miscellaneous	76,009	-	76,009	186,135
Grants	-	197,540	197,540	249,866
Total other revenue	929,442	224,229	1,153,671	1,242,343
Net assets released from restrictions	914,043	(914,043)	-	-
Total Support and Other Revenue	16,300,405	(601,548)	15,698,857	15,752,530
Allocations and Expenses				
Allocations to agencies	9,870,219	-	9,870,219	9,387,536
Community investments and services	1,770,539	-	1,770,539	1,627,537
Disaster relief	71,530	-	71,530	81,200
Leadership	318,869	-	318,869	273,405
Volunteer services	191,529	-	191,529	153,610
Resource development	1,531,408	-	1,531,408	2,568,789
Organization administration	1,396,931	-	1,396,931	1,763,462
Total Allocations and Expenses	15,151,025	-	15,151,025	15,855,539
Increase (Decrease) in Net Assets	1,149,380	(601,548)	547,832	(103,009)
Net Assets, Beginning of Year	23,662,711	1,461,256	25,123,967	25,226,976
Net Assets, End of Year	\$ 24,812,091	\$ 859,708	\$ 25,671,799	\$ 25,123,967

United Way of Central Oklahoma, Inc.
Consolidated Statement of Cash Flows
(With Summarized Consolidated Financial Information for December 31, 2023)
Year Ended December 31, 2024

	<u>2024</u>	<u>2023</u>
Operating Activities		
Increase (decrease) in net assets	\$ 547,832	\$ (103,009)
Items not requiring (providing) cash		
Depreciation	252,178	273,388
Provision for uncollectible pledges	384,609	376,400
Change in value of beneficial interest	(331,315)	(359,435)
Loss on disposal of property and equipment	-	7,715
Contributed property and equipment	(1,330)	(11,752)
Changes in operating assets and liabilities		
Pledges receivable	(1,588,538)	324,071
Other assets	28,343	763,249
Accounts payable and accrued expenses	(217,199)	(971,748)
Allocations and designations payable	356,052	1,198
Net Cash Provided by (Used in) Operating Activities	<u>(569,368)</u>	<u>300,077</u>
Investing Activities		
Proceeds from maturities of certificates of deposit	1,622,357	942,309
Purchase of certificates of deposit	(1,923,258)	(1,192,309)
Reinvestment of certificates of deposit interest	(29,227)	(6,365)
Funds transferred to beneficial interest in assets held by others	(182,374)	(548,721)
Purchase of property and equipment	(69,726)	(61,394)
Net Cash Used in Investing Activities	<u>(582,228)</u>	<u>(866,480)</u>
Change in Cash and Cash Equivalents	(1,151,596)	(566,403)
Cash and Cash Equivalents, Beginning of Year	<u>16,490,031</u>	<u>17,056,434</u>
Cash and Cash Equivalents, End of Year	<u>\$ 15,338,435</u>	<u>\$ 16,490,031</u>

United Way of Central Oklahoma, Inc.
Consolidated Statement of Functional Expenses
Year Ended December 31, 2024

	<u>Allocations to Agencies</u>	<u>Community Investments and Services</u>	<u>Disaster Relief</u>	<u>Leadership</u>	<u>Volunteer Services</u>	<u>Total Program Services</u>	<u>Resource Development</u>	<u>Organization Administration</u>	<u>Total Supporting Services</u>	<u>Total</u>
Salaries – employees	\$ -	\$ 620,774	\$ 2,571	\$ 139,465	\$ 90,661	\$ 853,471	\$ 667,285	\$ 667,168	\$ 1,334,453	\$ 2,187,924
Payroll taxes	-	48,162	199	10,820	7,034	66,215	51,771	51,761	103,532	169,747
Employee benefits	-	119,274	494	26,797	17,419	163,984	128,211	128,188	256,399	420,383
Total salaries and related expenses	-	788,210	3,264	177,082	115,114	1,083,670	847,267	847,117	1,694,384	2,778,054
Professional fees	-	37,791	130	7,068	9,595	54,584	72,407	186,351	258,758	313,342
Supplies	-	5,328	16	2,101	683	8,128	7,404	7,892	15,296	23,424
Telephone	-	7,513	31	1,688	1,098	10,330	8,076	8,075	16,151	26,481
Postage and shipping	-	359	1	5,272	247	5,879	11,194	4,910	16,104	21,983
Occupancy	-	42,157	175	9,471	6,157	57,960	45,316	49,111	94,427	152,387
Campaign expense, printing, and awards	-	16,129	13	15,715	1,667	33,524	231,179	3,536	234,715	268,239
Local travel	-	4,303	14	777	505	5,599	6,848	3,716	10,564	16,163
Training and development	-	2,425	5	350	188	2,968	3,752	1,411	5,163	8,131
Membership dues	-	91,565	207	11,400	11,533	114,705	63,551	88,119	151,670	266,375
Equipment maintenance	-	31,728	120	12,107	4,470	48,425	32,286	36,635	68,921	117,346
Miscellaneous	-	41,159	125	59,763	29,823	130,870	80,741	38,692	119,433	250,303
State Campaign expense	-	-	-	-	-	-	15,003	15,001	30,004	30,004
City Campaign expense	-	-	-	-	-	-	29,473	29,468	58,941	58,941
Support provided to partner agencies	9,870,219	155,235	67,133	-	-	10,092,587	-	-	-	10,092,587
Support provided to other beneficiaries	-	475,087	-	-	-	475,087	-	-	-	475,087
Depreciation	-	71,550	296	16,075	10,449	98,370	76,911	76,897	153,808	252,178
Total allocations and expenses	<u>\$ 9,870,219</u>	<u>\$ 1,770,539</u>	<u>\$ 71,530</u>	<u>\$ 318,869</u>	<u>\$ 191,529</u>	<u>\$ 12,222,686</u>	<u>\$ 1,531,408</u>	<u>\$ 1,396,931</u>	<u>\$ 2,928,339</u>	<u>\$ 15,151,025</u>

Note 1. Nature of Operations and Summary of Significant Accounting Policies

Nature of Operations

United Way of Central Oklahoma, Inc. (United Way of Central Oklahoma or United Way) is a charitable organization that provides funding to more than 70 nonprofit organizations located in multiple counties in central Oklahoma. These organizations, called partner agencies, provide programs and services in United Way of Central Oklahoma's five focus areas: strong families, successful kids, healthy citizens, independent living, and community preparedness. United Way of Central Oklahoma also serves as a community convener, bringing together business and community leaders, nonprofit organizations, representatives of government, and stakeholders to address health and social service issues.

In addition to its annual fundraising campaign, United Way of Central Oklahoma manages (*i.e.*, receives and processes donor pledges and payments, providing the appropriate tax receipting to the donor) the annual campaigns for United Way of Canadian County, LLC and United Way of Logan County, LLC (both single-member LLCs, of which United Way of Central Oklahoma is the sole member) and Embrace OKC, as well as the Oklahoma State Employee Charitable Contribution Campaign (State Campaign) and the Oklahoma City Municipal Employee Charitable Contribution Campaign (City Campaign). United Way of Central Oklahoma also participates (*i.e.*, receives funds as a federation from a third party rather than from the donor) in the Combined Federal Campaign (CFC).

A summary of significant accounting policies applied in the preparation of the accompanying consolidated financial statements follows:

Basis of Presentation

The accompanying consolidated financial statements have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) for nonprofit entities. The accompanying consolidated financial statements consist of the consolidated financial statements of United Way of Central Oklahoma, which include the accounts of United Property Acquisition LLC; United Way of Canadian County, LLC; and United Way of Logan County, LLC since United Way of Central Oklahoma is the sole member of these LLCs.

All significant intercompany accounts and transactions have been eliminated in the accompanying consolidated financial statements. Under the accrual method of accounting, support and revenue are recognized when a promise is made, and expenses are recorded as liabilities when incurred, without regard to the timing of receipt or payment of cash.

Under these provisions, net assets and revenues, expenses, gains, and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets of United Way and changes therein are classified and reported as follows:

- Net assets without donor restrictions are not restricted by donors or the donor-imposed restrictions have expired. These net assets represent funds that are fully available, at the discretion of management and the Board of Directors, for United Way to utilize in any of its programs or supporting services.
- Net assets with donor restrictions are comprised of funds subject to stipulations imposed by donors. Some donor restrictions are temporary in nature and will be met by actions of United Way or by the passage of time. Other donor restrictions may be perpetual in nature, *i.e.*, the donor having stipulated the funds be maintained in perpetuity. The related income generated by those perpetual funds may be expended for purposes, as determined by United Way.
- Donor-restricted contributions are reported as increases in net assets with donor restrictions. When a restriction expires, net assets are reclassified from net assets with donor restrictions to net assets without donor restrictions in the accompanying consolidated statement of activities. Conditional contributions having donor stipulations that are satisfied in the period the gift is received are recorded as revenue with donor restrictions and then released from restriction.

United Way of Central Oklahoma, Inc.
Notes to Consolidated Financial Statements
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Use of Estimates

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

Prior Year Comparative Totals

The accompanying consolidated financial statements include certain prior year summarized consolidated comparative information. Such information does not include complete information required by Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 958, *Not-for-Profit Entities*, such as activity by net asset classification. Accordingly, such information should be read in conjunction with United Way's consolidated financial statements for the year ended December 31, 2023, from which the summarized information was derived.

Cash and Cash Equivalents and Certificates of Deposit

United Way considers all certificates of deposit with a maturity of three months or less and money market funds to be cash equivalents.

At December 31, 2024, United Way's cash and certificates of deposit accounts held at its banks cumulatively exceeded federally insured limits by approximately \$74,700. United Way reviewed independent assessments of the financial strength of these financial institutions and believes it is not exposed to any significant credit risk on cash and cash equivalents.

Investments and Investment Return

United Way holds certificates of deposit issued by various financial institutions. Certificates of deposit are recorded at cost, which approximates fair value. The certificates of deposit bear interest at rates ranging from 3.70% to 5.25% and have remaining maturity dates ranging from 3 to 12 months as of December 31, 2024. Investment return is reflected in the accompanying consolidated statement of activities as with donor restrictions and without donor restrictions based upon the existence and nature of any donor or legally imposed restrictions.

Pledges Receivable

Pledges receivable are derived from the annual campaign, State Campaign, and City Campaign and represent amounts from donor pledges received by United Way through the end of a calendar year. As a result, annual public support revenue reflected in the accompanying consolidated financial statements may not align with total amounts ultimately raised during each annual campaign since annual campaigns are not based on the calendar year. Pledges received in 2024 related to the 2023 campaign were approximately \$1,070,000, and pledges received in 2023 related to the 2022 campaign were approximately \$963,000. Pledges receivable include one-time as well as recurring pledges. Pledges may be remitted through cash, check, credit card, publicly traded stock, or payroll deduction.

United Way estimates that a significant portion of the pledges receivable will be collected within a 15-month period. Therefore, United Way has not discounted its pledges receivable because the carrying value approximates fair value, except when pledges extend into future years. In cases such as this, the pledges are shown net of the discounted amount. United Way's pledges receivable, which are not restricted as to purpose or time by the donor, are reported in net assets without donor restrictions. Pledges that are restricted as to purpose or time by the donor are reported as net assets with donor restrictions.

Allowance for Uncollectible Pledges

United Way's allowance for uncollectible pledges is based on historical losses incurred from uncollectible pledges adjusted, if necessary, for unusual circumstances that may affect the ultimate collection of pledges and specific accounts identified as collectible or uncollectible by management. When United Way becomes aware a pledge is uncollectible, it immediately charges off the pledge.

United Way of Central Oklahoma, Inc.
Notes to Consolidated Financial Statements
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Property and Equipment

Purchased property and equipment of \$1,000 or more and a useful life greater than one year are recorded at cost, while donated equipment and art are recorded at fair value at the date of receipt. Depreciation is charged to expense using the straight-line method over the estimated useful life of each asset. Donated art is not depreciated.

The estimated useful lives for each major depreciable classification of property and equipment are as follows:

Buildings and improvements	30 years
Furniture and equipment	3–7 years
Computer software	1–3 years

Long-Lived Asset Impairment

United Way evaluates the recoverability of the carrying value of long-lived assets whenever events or circumstances indicate the carrying amount may not be recoverable. If a long-lived asset is tested for recoverability and the undiscounted estimated future cash flows expected to result from the use and eventual disposition of the asset are less than the carrying amount of the asset, the asset cost is adjusted to fair value and an impairment loss is recognized as the amount by which the carrying amount of a long-lived asset exceeds its fair value.

No asset impairment was recognized during the year ended December 31, 2024.

Contributions

Revenues include contributions (pledges and amounts received) from the annual fundraising campaigns. Contributions are considered available for unrestricted use unless they are specifically restricted by the donor. Pledges and donations are recorded in the year they are received as either with donor restrictions revenue or without donor restrictions revenue. Contributions are recorded as received at their net realizable value. As restrictions on net assets with donor restrictions are satisfied, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported as net assets released from restrictions in the accompanying consolidated statement of activities. Contributions originally restricted by the donor and for which the restriction is met in the same year are recorded initially as net assets with donor restrictions and then subsequently released from restriction. Contributions that are conditioned on the United Way meeting certain requirements are not recorded until the conditions have been met. Allocations to agencies are recognized in the year the related commitments are made by United Way.

Certain contributions received in fundraising campaigns are designated by individuals for specific agencies. Accounting standards require that organizations who received contributions that are designated by donors for other organizations exclude such designated contributions from the amount recognized as contributions received and made. United Way classifies and reports such designations in its accompanying consolidated statement of activities as a reduction of public support (see Note 8 for more information on contributions received as part of a governmental campaign).

Relationship With United Way Worldwide

United Way is a member of United Way Worldwide. As a member of United Way Worldwide, United Way may utilize the United Way Worldwide brand, including logo, merchandise, name recognition, and credibility as a reputable nonprofit organization. With membership, United Way must adhere to required standards of reporting to United Way Worldwide. Dues paid represent approximately 1% of the amount raised in the prior year annual campaign. Approximately \$219,000 was expensed in 2024, which will be paid to United Way Worldwide in 2025, and is included in accounts payable and accrued expenses.

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Notes to Consolidated Financial Statements
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Contributed Services

During the 2024 annual campaign, contributed services in the amount of approximately \$73,000 (determined by the number of weeks of service multiplied by the person’s estimated weekly salary) were received in connection with the loaned executive program, a program whereby various businesses in the community loan their executives to United Way to perform various administrative and fundraising duties in connection with the annual campaign. In addition to contributed services related to the loaned executive program, United Way received approximately \$1,813,000 of contributed advertising services related to various campaign efforts during 2024. The services contributed to United Way, which demonstrate a broad level of community support, have not been recognized in the accompanying consolidated financial statements, as they represent services of a nonprofessional nature or because United Way would not have purchased such services if they were not contributed. In addition, a substantial number of volunteers annually contribute significant amounts of their time to United Way’s fundraising campaigns, community investment process, and various community projects. However, there is no objective basis available to measure the value of these services; therefore, these services have not been recognized in the accompanying consolidated financial statements.

Contributed Nonfinancial Assets

In addition to receiving cash contributions, United Way receives in-kind contributions of goods and services from various donors. It is the policy of United Way to record the estimated fair value of certain in-kind donations as an expense in its consolidated financial statements and similarly increase contribution revenue by a like amount. For donated capital assets, United Way records an in-kind donation and capital asset. Fair value is determined based on market prices and information received from the donor. Unless otherwise noted, contributed nonfinancial assets did not have donor-imposed restrictions.

In-kind contributions of \$376,641 was received and used by United Way in various programmatic and support services and consisted of the following for the year ended December 31, 2024:

Production, advertising, video, and creative design	\$ 200,000
Computers, equipment, and technology services	71,230
Food, beverage, venue, and fundraising-related items	58,354
Professional services	41,185
Miscellaneous items	<u>5,872</u>
	<u>\$ 376,641</u>

Income Taxes

The Internal Revenue Service has determined United Way is exempt from federal income taxes under Section 501(a) of the Internal Revenue Code as organizations described in Section 501(c)(3). Taxes may be assessed at the normal corporate rates on income derived from unrelated business activities not substantially related to United Way’s exempt function. There was no unrelated business taxable income in 2024.

Management has reviewed United Way’s tax positions and concluded there are no uncertain tax positions that require adjustments in order for the accompanying consolidated financial statements to be in compliance with authoritative guidance. Any penalties or interest expense, if incurred, would be charged to miscellaneous expense in the accompanying consolidated statement of functional expenses.

Designated Pledges Held for Other Agencies

United Way provides campaign donors with the option to designate pledges to United Way partner agencies in the annual campaign. The State Campaign and the City Campaign (each managed by United Way) and the CFC require donors to designate their pledges. United Way does not have title or ownership of these designated assets, nor

United Way of Central Oklahoma, Inc.
Notes to Consolidated Financial Statements
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does it have the right of variance and, as such, these gifts constitute agency transactions. United Way honors all designations, including those of federal employees who participate in the CFC, by distributing a proportionate share of receipts based on donor designations to each participating United Way partner agency. Designated pledges are paid out in accordance with United Way policy or the applicable governmental campaign guidelines (see Note 8).

In accordance with United Way Worldwide membership standards, these designations are included in gross public support on the accompanying consolidated statement of activities but are then deducted to arrive at United Way's net public support revenue.

Allocations and Commitments to Agency Programs

In June 2024, United Way made awards to partner agency programs to allocate funds raised in the 2023 campaign to be paid for the period from July 1, 2024 through June 30, 2025. Accordingly, as of December 31, 2024, a liability was recorded for the unpaid balance of the awards payable as of that date.

In addition, allocation amounts to be paid to agency programs from pledges made for the 2024 campaign are conditional until approved by the Board of Directors. Accordingly, no allocations payable related to the 2024 campaign have been recorded in the accompanying consolidated financial statements because a binding commitment had not been made at December 31, 2024.

In June 2025, the Board of Directors approved allocations and designations of approximately \$11,608,000 for the 2024 campaign funds for which payouts were set to begin on July 1, 2025.

Functional Allocation of Expenses

Except for certain expenses that are directly allocable, all expenses have been allocated to program and supporting functions based upon the estimated time spent by each employee for each function.

Joint Costs

The costs of joint activities (involving fundraising) that are identifiable with a particular function are charged to that function, and joint costs are allocated between fundraising and the appropriate program or supporting function if the purpose, audience, and content criteria are met. If the purpose, audience, and content criteria are not met, all costs of the activity are charged to fundraising, as set forth in ASC 958-720.

Resource Development Expenses

United Way engages in certain fundraising activities for the purpose of generating funds to support partner agency programs and overall operations of United Way. Expenses associated with these activities totaled \$1,531,408 for the year ended December 31, 2024.

Administrative Fees

Administrative fees are earned and recognized over the term of the City Campaign, State Campaign, and annual campaign as United Way provides administrative services to the City Campaign and State Campaign and as designations are received during the annual campaign. Revenue is reported at the amount of consideration to which United Way expects to be entitled in exchange for providing administrative services. The transaction price for the City Campaign and the State Campaign is 10% of contributions based on regulations established by these entities indicating that administrative costs are the lesser of actual administrative costs or 10%. The transaction price for administrative fees on designations within the United Way campaign is based on the overhead rate incurred by United Way to manage the campaign.

United Way of Central Oklahoma, Inc.
Notes to Consolidated Financial Statements
December 31, 2024

Note 2. Pledges Receivable

Amounts included in pledges receivable are as follows at December 31, 2024:

2024 campaign	\$ 8,646,933
2023 campaign	769,322
Future campaign years (net of \$28,482 discount)	<u>203,657</u>
	9,619,912
Less allowance for uncollectible pledges	<u>753,412</u>
Pledges receivable, net	<u><u>\$ 8,866,500</u></u>

Pledges for the campaigns are typically collected within 15 months of the end of the campaign. Pledges for future campaign years will be collected in 1 to 3 years.

Note 3. Property and Equipment

Property and equipment are summarized as follows at December 31, 2024:

Buildings and improvements	\$ 4,469,438
Land and improvements	85,000
Furniture and equipment	1,080,416
Computer software	527,454
Art	<u>24,200</u>
	6,186,508
Less accumulated depreciation	<u>3,736,303</u>
Property and equipment, net	<u><u>\$ 2,450,205</u></u>

Note 4. Interest in Assets and Funds Held by Others

United Way of Central Oklahoma is the beneficiary of donated funds in an account with the Oklahoma City Community Foundation, Inc. (OCCF). The funds are invested by OCCF. The investment income received by United Way of Central Oklahoma from the account is reinvested in the account. Donors to OCCF may designate their contributions to United Way of Central Oklahoma's account. The funds had a balance of \$2,232,105 as of December 31, 2024.

United Way of Central Oklahoma is the beneficiary of donated funds in an account with the Communities Foundation of Oklahoma (CFO). The funds are invested by CFO. The investment income received by United Way of Central Oklahoma from the account is reinvested in the account. Donors to CFO may designate their contributions to United Way of Central Oklahoma's account. The funds had a balance of \$408,815 as of December 31, 2024.

The assets of these funds are not included in the accompanying consolidated financial statements, as the trustees of the foundations state they retain the right of variance.

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United Way of Central Oklahoma has transferred assets from designated donor contributions to OCCF as well as to CFO (collectively, Foundations) and retained a beneficial interest in those assets. United Way of Central Oklahoma is eligible to receive annual distributions from these assets according to both Foundations' spending policies but has chosen to reinvest these distributions in the funds. Investment gains and losses are recorded in endowment investment income. The fair value of the retained beneficial interest in the Foundations included in the accompanying consolidated financial statements was \$3,662,057 as of December 31, 2024. Funds transferred to OCCF are considered to be either donor restricted or without donor restrictions depending on the express intent of the donor and are to be held in perpetuity, and the funds transferred to CFO are board-designated for endowment purposes. The funds at OCCF may not be returned to United Way of Central Oklahoma. The funds at CFO may be returned to United Way of Central Oklahoma in the form of a grant at the sole discretion of CFO and subject to the variance power of CFO and must be approved by two-thirds of the governing body of United Way of Central Oklahoma.

Note 5. Endowment

United Way of Central Oklahoma's governing body is subject to the *State of Oklahoma Prudent Management of Institutional Funds Act* (SPMIFA). As a result, United Way classifies amounts in its donor-restricted endowment funds as net assets with donor restrictions because those net assets are time-restricted until the governing body appropriates such amounts for expenditure.

Additionally, in accordance with SPMIFA, United Way considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

1. Duration and preservation of the fund
2. Purposes of the organization and the fund
3. General economic conditions
4. Possible effect of inflation and deflation
5. Expected total return from investment income and appreciation or depreciation of investments
6. Other resources of the organization
7. Investment policies of the organization

United Way's endowment consists of two funds held at two different community foundations as well as funds set aside at United Way to act as an endowment. The endowment includes both donor-restricted endowment funds and funds designated by the governing body to function as endowments (board-designated endowment funds). As required by GAAP, net assets associated with endowment funds, including board-designated endowment funds, are classified and reported based on the existence or absence of donor-imposed restrictions.

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The composition of net assets by type of endowment fund was as follows at December 31, 2024:

	Without Donor Restrictions	With Donor Restrictions	Total
Board-designated endowment funds	\$ 2,725,367	\$ 58,334	\$ 2,783,701
Donor-restricted endowment funds			
Original donor-restricted gift amount and amounts required to be maintained in perpetuity by donor	-	56,000	56,000
Accumulated investment gains	792,333	88,358	880,691
Total endowment funds	<u>\$ 3,517,700</u>	<u>\$ 202,692</u>	<u>\$ 3,720,392</u>

Changes in endowment net assets were as follows for the year ended December 31, 2024:

	Without Donor Restrictions	With Donor Restrictions	Total
Endowment net assets, beginning of year	\$ 3,050,699	\$ 272,121	\$ 3,322,820
Investment return, net	302,645	16,689	319,334
Pledges and contributions receivable	-	10,666	10,666
Transfer to create board-designated endowment	164,356	(96,784)	67,572
Endowment net assets, end of year	<u>\$ 3,517,700</u>	<u>\$ 202,692</u>	<u>\$ 3,720,392</u>

Investment and Spending Policies

United Way is subject to the investment and spending policies established by the Foundations holding the funds.

Note 6. Net Assets

Net Assets Without Donor Restrictions

Net assets without donor restrictions represent funds over which United Way retains full control of use in achieving United Way's objectives. Funds that have been designated by the Board of Directors for certain purposes have been included in net assets without donor restrictions in the accompanying consolidated financial statements.

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Net assets without donor restrictions are as follows as of December 31, 2024:

Undesignated	\$ 19,088,044
Board-designated	
Building Maintenance/Renovation Fund	508,333
Community Impact Fund	584,573
Emergency relief	540,649
Endowment Fund	3,517,700
Future land acquisition	572,791
WayFinder grant	<u>1</u>
 Total net assets without donor restrictions	 <u><u>\$ 24,812,091</u></u>

Net Assets With Donor Restrictions

Net assets with donor restrictions were available for the following purposes at December 31, 2024:

Embrace OKC	\$ 657,016
Contributions with time restrictions	58,334
Beneficial interest in assets held by others to be held in perpetuity	<u>144,358</u>
 Total net assets with donor restrictions	 <u><u>\$ 859,708</u></u>

Net Assets Released From Restrictions

Purpose restrictions on net assets with donor restrictions are generally satisfied when expenses are incurred on the donor-restricted program or function. Net assets with donor restrictions released from restrictions were related to the following during the year ended December 31, 2024:

Embrace OKC	\$ 475,087
Telelanguage	100,320
Tornado relief	67,133
OKC Tax Help	82,220
Siemer	82,500
Endowment pledges collected	96,783
Beneficial interest in assets held by others	<u>10,000</u>
 Total net assets released from restrictions	 <u><u>\$ 914,043</u></u>

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Note 7. Liquidity and Reserves

Total financial assets	
Cash and cash equivalents	\$ 15,338,435
Pledges receivable, net	8,866,500
Certificates of deposit	<u>1,526,340</u>
Total financial assets available within one year	<u>25,731,275</u>
Less amounts unavailable for general expenditure within one year	
Restricted by donors with purpose and time restrictions	(877,705)
Donor designations payable related to governmental campaigns	(233,489)
Donor designations payable	<u>(205,898)</u>
Total amounts restricted or designated by donors	<u>(1,317,092)</u>
Less amounts unavailable to management without board approval	
Agency allocations payable	(5,174,433)
Board-designated for Building Maintenance/Renovation Fund	(508,333)
Board-designated for Community Impact Fund	(584,573)
Board-designated for emergency relief	(540,649)
Board-designated for future land acquisition	(572,791)
Board-designated for Wayfinder grant	<u>(1)</u>
Total amounts unavailable to management without board approval	<u>(7,380,780)</u>
Total financial assets available to management for general expenditure within one year	<u><u>\$ 17,033,403</u></u>

United Way manages its liquidity and reserves following three guiding principles: focusing on prudent financial management ensuring long-term financial strength and stability, maintaining adequate liquid assets to fund near-term operating needs, and maintaining sufficient reserves to provide reasonable assurance that long-term obligations will be discharged. United Way has a policy to maintain current financial assets less current liabilities at a minimum of six months of operating expenses. During the year ended December 31, 2024, the level of liquidity and reserves was managed within the policy requirements.

Note 8. Combined Federal Campaign, State Campaign, and City Campaign

In addition to conducting the annual United Way campaign, United Way of Central Oklahoma serves, under contractual arrangement, as the Principal Combined Fundraising Organization (PCFO) for the State and City Campaigns. These campaign donors are required to designate their gifts to eligible charitable organizations (including United Way) throughout the country. A list of the eligible charitable organizations is provided to the donors by their employer. Many of these organizations are not partner agencies directly supported by United Way. In accordance with its contractual obligation, United Way of Central Oklahoma distributes these donations in accordance with the donor's designation. Because United Way of Central Oklahoma acts as an agent for these campaigns, contribution revenue and allocation expense on the accompanying consolidated statement of activities are reduced by these amounts (see designated pledges held for other agencies in Note 1).

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United Way of Central Oklahoma retains an administrative fee for the cost of the PCFO campaigns, which totaled \$30,004 for the State Campaign and \$58,940 for the City Campaign in 2024. United Way and its partner agencies are also eligible participants in the CFC and State and City Campaigns and receive donor-designated pledges from the CFC and State and City Campaigns. These pledges totaled approximately \$59,000 for the CFC, \$96,000 for the State Campaign, and \$172,000 for the City Campaign.

As of December 31, 2024, cash balances held on behalf of governmental campaigns are maintained in separate bank accounts totaling approximately \$322,000. Donor designations payable related to governmental campaigns are approximately \$233,000 as of December 31, 2024.

Note 9. Defined Contribution Plan

United Way of Central Oklahoma allows any employee who is 21 years and older with a minimum one year of service to participate in its 403(b) Thrift Plan. United Way of Central Oklahoma will contribute a 3% base contribution of an employee's salary per plan year whether or not that employee has elected to make voluntary salary reduction contributions to the plan. If an employee chooses to make salary reduction contributions, United Way of Central Oklahoma will match those contributions equal to the lesser of 50% of the salary reduction contributions or 1.5% of that employee's salary during the plan year. Total United Way of Central Oklahoma contributions to the 403(b) Thrift Plan were \$61,885 in 2024.

Note 10. Disclosures About Fair Value of Assets and Liabilities

FASB ASC 820, *Fair Value Measurements and Disclosures*, provides the framework for measuring fair value. FASB ASC 820 defines fair value 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 and establishes a three-level hierarchy for measuring fair value. The statement requires fair value measurements be classified and disclosed in one of three categories.

FASB ASC 820 establishes a fair value hierarchy for valuation inputs that gives the highest priority to quoted prices in active markets for identical assets or liabilities and the lowest priority to unobservable inputs. The fair value hierarchy is as follows:

- Level 1** Inputs to the valuation methodology are quoted prices for identical assets or liabilities in active markets.
- Level 2** Inputs to the valuation methodology include quoted prices for similar assets and liabilities in active markets and inputs that are observable for the asset and liability, either directly or indirectly, for substantially the full term of the financial instrument.
- Level 3** Unobservable inputs supported by little or no market activity and significant to the fair value of the assets or liabilities.

The valuation methodologies and inputs used for assets measured at fair value on a recurring basis and recognized in the accompanying consolidated statement of financial position, as well as the general classification of such assets pursuant to the valuation hierarchy, are below. There have been no significant changes in the valuation methodologies used during the year ended December 31, 2024.

Beneficial Interest in Assets Held by Others

United Way does not have the ability to redeem the funds held at OCCF but may redeem the funds held at CFO with approval by CFO and a two-thirds vote of the Board of Directors of United Way. Based on the methodology of

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determining the fair value of beneficial interest in assets held by others and the nonredeemable nature of the assets at OCCF, the assets at CFO of \$2,140,085 are categorized as Level 2 and the assets at OCCF of \$1,521,972 are categorized as Level 3.

Uncertainty of Fair Value Measurements

The uncertainty of the fair value measurement at the reporting date from the use of significant unobservable inputs, if those inputs reasonably could have been different at the reporting date, the inter-relationships among the unobservable inputs used in the recurring fair value measurement, and how those inputs might magnify or mitigate the effect of changes in the unobservable inputs on the fair value measurement are described below.

Beneficial Interest in Assets Held by Others

The significant unobservable input used in the fair value measurement of United Way’s beneficial interest is the perpetual nature of the underlying assets. Significant increases (decreases) in those underlying assets would result in a significantly higher (lower) fair value measurement.

Note 11. Disaster Relief

The financial impact of disaster relief efforts is outlined below. All funds related to disaster relief are included in net assets with donor restrictions in the accompanying consolidated financial statements.

	May 2013 Tornado Relief
Funds available as of January 1, 2024	\$ 67,133
Less payments to agencies during 2024	(67,133)
Remaining funds available as of December 31, 2024	\$ -

Note 12. Appointment as Receiver

United Way was appointed by the District Court of Pittsburg County Oklahoma in November 2020 to serve as the receiver over United Way of Southeastern Oklahoma (UWSO). The Attorney General of the State of Oklahoma has asserted in court documents that UWSO ceased all operations in 2017 and has failed to execute any of the charitable program services to fulfill or administer its organizational purpose. Moreover, upon the termination of its operations, UWSO failed to distribute any of the substantial assets that it holds for the benefit of the local community. As receiver, United Way is charged with ensuring that UWSO’s business undertakings are properly wound up and its assets are distributed in accordance with donor intentions and all applicable laws.

The assets of UWSO remain in UWSO’s name under UWSO’s federal identification number and, accordingly, are not reflected in the accompanying consolidated financial statements of United Way of Central Oklahoma. Additionally, no assets of United Way have been offered as a pledge or guarantee related to United Way of Central Oklahoma’s role as receiver. United Way began the three-year process of distributing all remaining assets of UWSO during 2022.

Note 13. Conditional Grant

United Way is the recipient of two conditional grants that are not recorded in the accompanying consolidated financial statements as of December 31, 2024:

- Grant to support emergence from poverty in the amount of \$142,500. Revenue can be recognized when eligible expenses have been incurred.
- Grant to support families with tax help in the amount of \$125,580. Revenue can be recognized when eligible expenses have been incurred.

Note 14. Subsequent Events

Subsequent events have been evaluated for potential recognition or disclosure in the consolidated financial statements through August 19, 2025, which is the date the consolidated financial statements were available to be issued, and it has been determined that there are no other material or significant events to be reported other than as reported in Note 1.