

Certified Public Accountants
& Consultants



River Region United Way
September 30, 2025
Financial Statements

River Region United Way

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Independent Auditor's Report

The Board of Directors
River Region United Way
Montgomery, Alabama

Opinion

We have audited the financial statements of River Region United Way (the Organization), which comprise the statement of financial position as of September 30, 2025, 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 the Organization as of September 30, 2025, 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 Organization and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with 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 Organization's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Organization's ability to continue as a going concern for a reasonable period of time.

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

Jackson Thornton & Co. PC

Montgomery, Alabama
March 30, 2026

**River Region United Way
Statement of Financial Position
At September 30, 2025**

Assets

Cash and cash equivalents	\$ 4,847,910
Certificates of deposit	1,586,821
Receivables	
Contributions, net of allowance of \$252,519	590,284
Prepaid expense	12,924
Investment securities	1,608,537
Property and equipment, net	1,977,237
Cash surrender value of life insurance	6,912
Total assets	\$ 10,630,625

Liabilities and Net Assets

Liabilities

Accounts payable and accrued expenses	\$ 57,643
Allocations and designations payable	1,597,871
Other liabilities	44,100
Total liabilities	1,699,614

Net Assets

Net assets without donor restrictions	
Undesignated	3,942,488
Investment in property and equipment	1,977,237
Board designated	1,000,000
Total net assets without donor restrictions	6,919,725
Net assets with donor restrictions	2,011,286
Total net assets	8,931,011
Total liabilities and net assets	\$ 10,630,625

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

River Region United Way
Statement of Activities
For the Year Ended September 30, 2025

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Public Support and Other Revenues			
Public support			
Campaign pledges for next allocation period		\$ 291,903	\$ 291,903
Change in provision for uncollectible pledges		(9,777)	(9,777)
Net campaign pledges for next allocation period		282,126	282,126
Campaign pledges for current allocation period	\$ 1,908,241		1,908,241
Change in provision for uncollectible pledges	(35,138)		(35,138)
Pledges released for current allocation period	277,167	(277,167)	
Net campaign pledges for current allocation period	2,150,270	(277,167)	1,873,103
Other contributions	155,774		155,774
Other contributions released from restrictions	59,949	(59,949)	
Total public support, net	2,365,993	(54,990)	2,311,003
Other revenues			
Investment return, net	69,042	88,319	157,361
Loss on sale of property and equipment	(179)		(179)
Rent Income	10,800		10,800
Total other revenues	79,663	88,319	167,982
Total public support and other revenues	2,445,656	33,329	2,478,985
Expenses			
Program services	2,074,717		2,074,717
Supporting services			
Management and general	301,320		301,320
Fundraising	221,042		221,042
Total supporting services	522,362		522,362
Total expenses	2,597,079		2,597,079
Change in Net Assets	(151,423)	33,329	(118,094)
Net Assets, Beginning of Year	7,071,148	1,977,957	9,049,105
Net Assets, End of Year	<u>\$ 6,919,725</u>	<u>\$ 2,011,286</u>	<u>\$ 8,931,011</u>

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

**River Region United Way
Statement of Functional Expenses
For the Year Ended September 30, 2025**

	Program Services	Management and General	Fundraising	Total
Advertising and events	\$ 14,771		\$ 5,034	\$ 19,805
Allocations to agencies	1,377,733			1,377,733
Bank fees	3,150	\$ 1,896	1,328	6,374
Campaign expenses	1,887	377	5,283	7,547
Depreciation	21,718	13,297	9,308	44,323
Dues and memberships	39,469	1,257	880	41,606
Employee benefits	43,079	25,930	18,160	87,169
Grants and other program expenses	146,012			146,012
Insurance	2,849	1,744	1,221	5,814
Interest	285	172	120	577
Meetings	8,411	5,150	3,605	17,166
Occupancy and equipment	44,558	27,278	19,095	90,931
Other	2,534	1,552	1,086	5,172
Outsourcing fees	40,583	24,847	17,393	82,823
Payroll taxes	19,253	11,589	8,116	38,958
Postage and shipping	990	606	424	2,020
Printing	1,316	806	564	2,686
Professional and legal fees	38,017	23,236	16,266	77,519
Promotional materials	6,262	3,834	2,684	12,780
Publications and subscriptions	195	119	84	398
Salaries	247,826	149,170	104,469	501,465
Supplies	5,146	3,150	2,205	10,501
Travel and conferences	8,673	5,310	3,717	17,700
	<u>\$ 2,074,717</u>	<u>\$ 301,320</u>	<u>\$ 221,042</u>	<u>\$ 2,597,079</u>

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

**River Region United Way
Statement of Cash Flows
For the Year Ended September 30, 2025**

Cash Flows From (Used For) Operating Activities	
Change in net assets	\$ (118,094)
Adjustments to reconcile change in net assets to net cash provided by operating activities	
Depreciation	44,323
Provision for uncollectible pledges	(367,469)
Realized and unrealized gains on investments	(16,534)
Loss on sale of property	179
(Increase) decrease in current assets	
Pledges receivable	311,818
Other receivable	2,842
Prepaid expense	3,558
Certificates of deposit	(559,747)
Increase (decrease) in current liabilities	
Accounts payable and accrued expenses	(226,491)
Allocations and designations payable	(35,059)
Net cash used for operating activities	<u>(960,674)</u>
 Cash Flows From (Used For) Investing Activities	
Purchase of property and equipment	(1,070,798)
Purchase of investments	<u>(458,871)</u>
Net cash used for investing activities	<u>(1,529,669)</u>
 Net Decrease in Cash and Cash Equivalents	 (2,490,343)
 Cash and Cash Equivalents at Beginning of Year	 <u>7,338,253</u>
Cash and Cash Equivalents at End of Year	<u><u>\$ 4,847,910</u></u>
 Supplemental Information	
Interest paid in cash during the year	\$ 577

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

River Region United Way
Notes to Financial Statements
September 30, 2025

Note 1 - Summary of Significant Accounting Policies

Nature of organization - The River Region United Way (the Organization) is a non-profit voluntary health and welfare organization made up of public and private health and welfare agencies, community organizations, and representatives of the general public, providing administrative and other central services for carrying out its charitable and educational purposes in the river region. The majority of revenue consists of contributions from the general public in Montgomery, Autauga, Elmore, Macon, and Lowndes counties.

Basis of presentation - The financial statements of the Organization have been prepared on the accrual basis of accounting and accordingly reflect all significant receivables, payables, and other liabilities at year end. Net assets, revenues, expenses, gains, and losses are recorded based on the existence or absence of donor-imposed restrictions. Accordingly, the net assets of the Organization and changes therein are classified and reported as follows:

Without Donor Restrictions - Net assets that are not subject to donor-imposed restrictions.

- *Undesignated* - Assets not designated by the Board or by external donors.
- *Investment in property and equipment, net* - Assets invested by the Organization in property and equipment, net of accumulated depreciation and any related debt.
- *Board designated* - Assets set aside by the Board for specific purposes.

With Donor Restrictions - Net assets subject to donor-imposed stipulations. Some donor-imposed stipulations are temporary in nature, such as those that will be met by actions of the Organization and/or the passage of time. Other donor-imposed stipulations are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. Generally, the donors of these assets permit the Organization to use all, or part of the income earned on related investments for operations or for specific purposes.

Cash and cash equivalents - Cash and cash equivalents include cash and all highly liquid investments with an original maturity of 90 days or less. Additionally, the Organization invests in certificates of deposit and values them at amortized cost.

Contributions - Contributions received are recorded as net assets without donor restrictions or net assets with donor restrictions, depending on the existence and/or nature of any donor restrictions. Support that is restricted by the donor is reported as an increase in net assets without donor restrictions if the restriction expires in the reporting period in which the support is recognized. All other donor restricted support is reported as an increase in net assets with donor restrictions, depending on the nature of the restriction. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statements of activities as net assets released from restrictions.

The Organization uses the allowance method to recognize uncollectible contributions and other receivables. Accordingly, the Organization estimates uncollectible accounts based on historical actual bad debts and current economic conditions and records a provision for uncollectible pledges and other receivables based on this estimate.

Investments - Investments in marketable securities are carried at fair value in the statement of financial position. Donated investments are recorded at the fair market value of the asset on the date it was donated. Unrealized and realized gains and losses on marketable securities are included in investment return in the statement of activities.

River Region United Way
Notes to Financial Statements
September 30, 2025

Note 1 - Summary of Significant Accounting Policies (continued)

Fair value measurements - Accounting principles generally accepted in the United States of America establish a framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1 measurements) and the lowest priority to unobservable inputs (level 3 measurements). The three levels of the fair value hierarchy are described below:

Level 1 - Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Organization has the ability to access.

Level 2 - Inputs to the valuation methodology include:

- 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 for the asset or liability;
- inputs that are derived principally from or corroborated by observable market data by correlation or by other means.

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 maximize the use of observable inputs and minimize the use of unobservable inputs.

Property and equipment - Property and equipment purchased by the Organization are carried at historical cost. Donated assets are recorded at their estimated fair market values at the date of donation. Depreciation is provided on a straight-line basis over the estimated useful lives of the related assets. Estimated useful lives are three to 39 years. Expenditures for major renewals and betterments that extend the useful lives of property and equipment are capitalized. Expenditures for maintenance and repairs are charged to expense as incurred.

Revenue recognition - Contributions received are recorded as with donor restriction or without donor restriction depending on the existence or nature of any donor restrictions. Contributions received in the year prior to the year in which they are available to be allocated are reported as net assets with donor restrictions and are then reclassified to net assets without donor restrictions upon expiration of the time restriction. Support that is restricted by the donor is reported as an increase in net assets without donor restrictions if the restriction expires in the same reporting period in which the support was received. Support that is restricted by the donor for a specific program or time period is reported as an increase in net assets with donor restrictions if the restriction expires in a later reporting period. Amounts are reclassified or released upon satisfaction of the donor restrictions.

Contributions received that are designated for a specific agency are recorded as designations payable due to agencies. The Organization receives and disburses these funds directly to the designated agency. The Organization honors these designations by contributors and has no variance power related to the underlying pledge. Therefore, they are not included in public support or allocations to agencies. See Note 13.

River Region United Way
Notes to Financial Statements
September 30, 2025

Note 1 - Summary of Significant Accounting Policies (continued)

Donated services - Donated services are recognized as contributions if the services (a) create or enhance nonfinancial assets or (b) require specialized skills, are performed by people with those skills, and would otherwise be purchased by the Organization. Volunteers also provided fundraising and other services throughout the year that are not recognized as contributions in the financial statements since the recognition criteria were not met.

Functional allocation of expenses - The costs of providing various programs and other activities have been summarized on a functional basis in the statement of activities. The statement of functional expenses presents the natural classification of expenses by function. Accordingly, certain costs have been allocated among the programs and supporting services benefited. Directly identifiable expenses are charged to programs and supporting services. Payroll, occupancy, and related expenditures are distributed on a percentage basis determined from estimates of time and effort developed in preceding years that are adjusted for significant changes affecting a particular function. Management and general expenses include those expenses that are not directly identifiable with any other specific function but provide for the overall support and direction of the Organization.

Use of 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.

Advertising - The Organization expenses advertising costs incurred. For the year ended September 30, 2025, advertising costs were \$8,755.

Income taxes - The Organization qualifies as a tax-exempt organization under Section 501(c)(3) of the Internal Revenue Code; accordingly, no provision for income taxes is made in the financial statements. Additionally, the Organization has been classified as a publicly supported organization that is not a private foundation under Section 509(a) of the Internal Revenue Code.

Management has evaluated the Organization's tax positions and concluded that the Organization had taken no uncertain tax positions that require adjustment to the financial statements.

Subsequent events - The Organization has evaluated subsequent events through March 30, 2026, which is the date these financial statements were available to be issued. All subsequent events requiring recognition as of September 30, 2025, have been incorporated into these financial statements.

River Region United Way
Notes to Financial Statements
September 30, 2025

Note 2 - Liquidity and Availability of Resources

The Organization regularly monitors liquidity required to meet operating needs and other contractual commitments, while also striving to maximize the investment of available funds. The Organization has various sources of liquidity at their disposal, including cash and cash equivalents and certificates of deposit. The Organization manages liquidity and reserves following three guiding principles: operating within a prudent range of financial soundness and stability, maintaining adequate liquid assets to fund near-term operating needs, and maintaining sufficient reserves. The Organization operates with a cash positive budget and anticipates collecting sufficient revenues to meet current expenditures.

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

Financial Assets

Cash and cash equivalents	\$ 4,847,910
Certificates of deposit	1,586,821
Receivables	590,284
Investment securities	<u>1,608,537</u>
Financial assets, at year end	<u>8,633,552</u>
Less those unavailable for general expenditure within one year, due to	
Donor or other designated restrictions beyond one year	<u>(2,729,159)</u>
Financial assets, available to meet cash needs for general expenditures within one year	<u>\$ 5,904,393</u>

Contributions receivable, as shown in the accompanying statements of financial position, reflects pledges received during the current year for the current allocation period and pledges received in advance for the next allocation period.

The governing board of the Organization has designated \$1,000,000 of net assets without donor restrictions as an emergency reserve fund. Although these amounts are not subject to donor restrictions, they are not available for general expenditure without approval from the Board. See Note 9.

Note 3 - Contributions Receivable

The following is an analysis of contributions receivable at September 30, 2025:

	Amount Pledged to be Collected	Allowance of Uncollectible Receivables	Net Contributions Receivable
Fiscal year 2023-24 campaign	\$ 126,535	\$ (126,535)	
Fiscal year 2024-25 campaign	553,318	(116,207)	\$ 437,111
Fiscal year 2025-26 campaign	<u>162,950</u>	<u>(9,777)</u>	<u>153,173</u>
Totals	<u>\$ 842,803</u>	<u>\$ (252,519)</u>	<u>\$ 590,284</u>

**River Region United Way
Notes to Financial Statements
September 30, 2025**

Note 4 - Investments

Investments are carried at fair value, and as of September 30, 2025, consisted of the following:

Mutual funds - fixed income	\$ 1,290,655
Mutual funds - equities	317,882
Total investments in marketable securities	<u>\$ 1,608,537</u>

Investment return, net of expenses, were as follows for the year ended September 30, 2025:

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Interest and dividends	\$ 69,042	\$ 40,402	\$ 109,444
Net realized and unrealized gain		59,102	59,102
Investment expenses		(11,185)	(11,185)
Total investment return, net	<u>\$ 69,042</u>	<u>\$ 88,319</u>	<u>\$ 157,361</u>

Note 5 - Fair Value Measurements

The fair value of assets measured on a recurring basis at September 30, 2025, were as follows:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
Certificates of deposit	\$ 1,586,821		
Mutual funds - fixed income	1,290,655		
Mutual funds - equities	317,882		
	<u>\$ 3,195,358</u>		

Note 6 - Property and Equipment

Property and equipment consist of the following at September 30, 2025:

Furniture and equipment	\$ 101,717
Land	175,405
Building	1,771,671
Total cost	2,048,793
Accumulated depreciation	71,556
Property and equipment, net	<u>\$ 1,977,237</u>

Depreciation expense was \$44,323 for the year ended September 30, 2025.

Note 7 - Pension Plan

The Organization began a defined contribution plan on October 1, 1999, in which all employees who have reached the age of 21 and have completed one year of service are eligible to participate in the plan. Employer contributions to the plan are equal to 10% of eligible employees' salaries. Contributions to the plan for the year ended September 30, 2025 were \$46,025.

**River Region United Way
Notes to Financial Statements
September 30, 2025**

Note 8 - Concentration of Credit Risk

The Organization maintains its cash in bank deposit accounts at financial institutions in Montgomery, Alabama, which at times may exceed federally insured limits. The Organization has not experienced any losses in such accounts. The Organization's management believes it is not exposed to any significant credit risk on cash and cash equivalents. The Organization had uninsured cash of approximately \$5,056,000 as of September 30, 2025.

The Organization is economically dependent on contributions received from corporations and their employees. Any significant sales, mergers or economic downturns could affect the contributions received from these groups.

Note 9 - Board Designated Net Assets

The governing board of the Organization has designated net assets without donor restrictions for the following purposes:

Emergency Reserve Fund	<u><u>\$ 1,000,000</u></u>
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Note 10 - Net Assets With Donor Restrictions

Amounts included in the next allocation period on the statements of activities are donor restricted net assets related to the 2025-2026 campaign allocation period. They include cash, contributions receivable (net of allowance for uncollectible pledges) and designations payable. The Organization considers this a donor restriction as to time.

Net assets with donor restrictions are restricted for the following purpose or periods:

Subject to Expenditure for Specified Purpose

River Region United Way Annual Giving Fund	\$ 779,018
Dolly Parton Imagination Library Fund	<u>496,449</u>
Total	<u><u>1,275,467</u></u>

Restricted for Future Periods (No Purpose Restriction)

	<u>282,126</u>
	<u><u>1,557,593</u></u>

Endowments

Subject to expenditure for specified purpose	
Myron J. Rothschild Fund	213,569
Restricted by donors in perpetuity for	
Myron J. Rothschild Fund	<u>240,124</u>
Total endowments	<u>453,693</u>
Total net assets with donor restrictions	<u><u>\$ 2,011,286</u></u>

River Region United Way
Notes to Financial Statements
September 30, 2025

Note 10 - Net Assets With Donor Restrictions (continued)

Expenditures policy - The Organization's expenditures from these funds are restricted by donor request at the time the funds are received and are adhered to as follows:

The *River Region United Way Annual Giving Fund* was established by gift to the Organization in 2001 with the purpose of encouraging other bequests to the endowment. The conditions under the trust agreement are as follows: income earned on the investments is restricted from use for the first 10 years after the date of the gift, and the principal of the investment is restricted from use for 50 years after the date of the gift. The trust is held at Regions Bank. The trust allows for the payment of investment management fees annually.

The Organization received restricted funding to support participation in the *Dolly Parton's Imagination Library* (DPIL) program, which provides free books to children from birth to age five. In accordance with the funding agreement, these funds are used exclusively to cover the cost of books, mailing, and allowable program outreach directly related to DPIL. The Organization maintains separate accounting records to ensure that expenditures are in compliance with program guidelines, and no portion of the funds is used for general administrative or unrelated operating costs.

The *Myron J. Rothschild Fund* for Emergency Relief was established during the fiscal year ended September 30, 1983. Initial contributions to the Fund are to be held for the purpose of assisting families and individuals in need as a result of situations of hardship and suffering not covered by organized relief agencies. The Fund is under the management and control of a three-person committee that makes all determinations concerning the investment of the principal and the disbursement of the income. The assets of the Fund were moved to a financial institution trust fund in September 2014. These funds are classified as donor-designated net assets. See Note 11.

Note 11 - Endowment

Relevant law - Absent explicit donor stipulations to the contrary, the Board of Directors of the Organization has interpreted the Alabama 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. As a result of this interpretation, the Organization retains in perpetuity and classifies as net assets with donor restrictions (1) the original value of gifts donated to the perpetual endowment, (2) the original value of subsequent gifts to the perpetual endowment, and (3) accumulations to the perpetual 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 are subject to appropriation for expenditure by the Organization in a manner consistent with the standard of prudence prescribed by UPMIFA. In accordance with UPMIFA, the Organization considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

- (1) the duration and preservation of the various funds,
- (2) the purposes 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 the appreciation of investments,
- (6) other resources of the Organization, and
- (7) the Organization's investment policies.

River Region United Way
Notes to Financial Statements
September 30, 2025

Note 11 - Endowment (continued)

Investment return objectives, risk parameters, and strategies - The Organization has adopted investment and spending policies, approved by the Board of Directors, for endowment assets. Those policies attempt to provide a predictable stream of funding to programs supported by its endowment funds while also maintaining the purchasing power of those endowment assets over the long-term. Accordingly, the investment process seeks to achieve an after-cost total real rate of return, including investment income as well as capital appreciation, which exceeds the annual distribution with acceptable levels of risk. Endowment assets are invested in a well-diversified asset mix, which includes equity and debt securities. Investment risk is measured in terms of the total endowment fund; investment assets and strategies are managed to prevent exposing the fund to unacceptable levels of risk.

Change in endowment net assets for the years ended September 30 is as follows:

	With Donor Restrictions	Total
September 30, 2025		
Endowment net assets, beginning of year	\$ 457,341	\$ 457,341
Investment return	(3,648)	(3,648)
Endowment net assets, end of year	\$ 453,693	\$ 453,693

Note 12 - Annual Campaign

The annual fundraising campaign is conducted to raise support to invest in community program services and strategic initiatives. Each year, the Organization reports to the public the total estimated annual campaign funds raised. Actual results may differ from estimated amounts publicly reported due to timing differences on multi-year pledges and receipts for future campaigns, among other things. The fiscal year 2025 commitments to programs and agencies are based on the results of the 2024 campaign and are reflected as net allocations to agencies expense in the statement of functional expenses for the year ended September 30, 2025.

Note 13 - Donor Designations

The Organization receives funds from various donors with explicit instructions to distribute those funds to designated third-party beneficiary organizations. In these arrangements, the Organization serves solely as an intermediary and does not have the power to redirect the use of the funds. Therefore, the Organization acts as an agent rather than a principal in these transactions. Consequently, funds received and subsequently disbursed under these arrangements are not recognized as contribution revenue or program expense in the statements of activities. During the year ended September 30, 2025, the Organization disbursed \$196,301 in donor designated contributions to the specified recipient organizations. Designations payable at September 30, 2025 were \$168,471.