UNITED WAY OF MARATHON COUNTY, INC.

Financial Statements

For the Years Ended
December 31, 2025 and 2024

KerberRose

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UNITED WAY OF MARATHON COUNTY, INC.

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December 31, 2025 and 2024

KerberRose

Independent Auditors' Report

Board of Directors
United Way of Marathon County, Inc.
Wausau, Wisconsin

Opinion

We have audited the accompanying financial statements of United Way of Marathon County, Inc. (Organization), which comprise the statements of financial position as of December 31, 2025 and 2024, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Organization as of December 31, 2025 and 2024, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditors' 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 audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Organization's ability to continue as a going concern for one year after the date that the financial statements are 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 auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements 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.

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

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

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

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

KerberRose SC

KerberRose SC
Certified Public Accountants
Green Bay, Wisconsin
June 5, 2026

FINANCIAL STATEMENTS

UNITED WAY OF MARATHON COUNTY, INC.

Statements of Financial Position

As of December 31, 2025 and 2024

	2025	2024
ASSETS		
Current Assets		
Cash	$ 351,133	$ 469,465
Accounts Receivable - Other	74,370	75,723
Unconditional Promises to Give - Current Year Campaign, Net	1,143,594	1,538,887
Prepaid Expenses	26,748	24,398
Total Current Assets	1,595,845	2,108,473
Property and Equipment		
Leasehold Improvements	37,521	37,521
Furniture and Equipment	267,965	275,272
Total Property and Equipment	305,486	312,793
Less: Accumulated Depreciation	245,367	249,519
Net Property and Equipment	60,119	63,274
Other Assets		
Certificates of Deposit	1,224,116	1,184,983
Restricted Cash	20,640	37,141
Unconditional Promises to Give - Prior Year Campaign, Net	510,213	270,697
Right of Use Asset	814,389	554,612
Investments Held by Community Foundation	933,169	864,815
Total Other Assets	3,502,527	2,912,248
TOTAL ASSETS	$ 5,158,491	$ 5,083,995
LIABILITIES AND NET ASSETS		
Current Liabilities		
Accounts Payable	$ 14,589	$ 21,347
Impact Grants and Designations Payable	1,745,000	1,671,411
Designations Payable to United Way	112,398	112,258
Accrued Liabilities	57,664	54,536
Unearned Revenue	12,566	19,000
Agency Liability	20,640	37,141
Current Portion of Lease Liability	59,033	100,182
Total Current Liabilities	2,021,890	2,015,875
Long-Term Lease Liability	749,530	483,018
TOTAL LIABILITIES	2,771,420	2,498,893
NET ASSETS		
Without Donor Restrictions:		
Investment in Property and Equipment	60,119	63,274
Designated by the Governing Board - Endowment Fund	933,169	864,815
Undesignated	452,704	666,118
Total Without Donor Restrictions	1,445,992	1,594,207
With Donor Restrictions	941,079	990,895
Total Net Assets	2,387,071	2,585,102
TOTAL LIABILITIES AND NET ASSETS	$ 5,158,491	$ 5,083,995

See Accompanying Notes

UNITED WAY OF MARATHON COUNTY, INC.

Statement of Activities

For the Year Ended December 31, 2025

	Without Donor Restrictions	With Donor Restrictions	Total
OPERATING ACTIVITIES			
Public Support and Other Revenues			
Net Campaign	$ -	$ 2,354,399	$ 2,354,399
Miscellaneous Campaign	78,132	-	78,132
Grants	96,976	-	96,976
Contributions - Other	457,745	30,000	487,745
Contracted Services Revenue	199,821	-	199,821
Service Fees	21,729	-	21,729
Interest Income	46,381	-	46,381
Loss on Disposal of Equipment	(1,211)	-	(1,211)
Release of Restrictions	2,434,215	(2,434,215)	-
Total Public Support and Other Revenues	3,333,788	(49,816)	3,283,972
Expenses			
Program Services	2,949,804	-	2,949,804
Management and General	386,135	-	386,135
Fundraising	282,712	-	282,712
Total Expenses	3,618,651	-	3,618,651
CHANGE IN NET ASSETS FROM OPERATIONS	(284,863)	(49,816)	(334,679)
OTHER ITEM			
Change in Beneficial Interest in Assets Held by Foundation	136,648	-	136,648
CHANGE IN NET ASSETS	(148,215)	(49,816)	(198,031)
NET ASSETS - BEGINNING	1,594,207	990,895	2,585,102
NET ASSETS - ENDING	$ 1,445,992	$ 941,079	$ 2,387,071

UNITED WAY OF MARATHON COUNTY, INC.

Statement of Activities

For the Year Ended December 31, 2024

	Without Donor Restrictions	With Donor Restrictions	Total
OPERATING ACTIVITIES			
Public Support and Other Revenues			
Net Campaign	$ -	$ 2,744,676	$ 2,744,676
Miscellaneous Campaign	73,632	-	73,632
Grants	72,945	-	72,945
Contributions - Other	468,262	41,067	509,329
Contracted Services Revenue	152,387	-	152,387
Service Fees	20,859	-	20,859
Interest Income	40,392	-	40,392
Release of Restrictions	2,942,172	(2,942,172)	-
Total Public Support and Other Revenues	3,770,649	(156,429)	3,614,220
Expenses			
Program Services	2,806,012	-	2,806,012
Management and General	382,296	-	382,296
Fundraising	276,382	-	276,382
Total Expenses	3,464,690	-	3,464,690
CHANGE IN NET ASSETS FROM OPERATIONS	305,959	(156,429)	149,530
OTHER ITEM			
Change in Beneficial Interest in Assets Held by Foundation	91,021	-	91,021
CHANGE IN NET ASSETS	396,980	(156,429)	240,551
NET ASSETS - BEGINNING - RESTATED	1,197,227	1,147,324	2,344,551
NET ASSETS - ENDING	$ 1,594,207	$ 990,895	$ 2,585,102

See Accompanying Notes

UNITED WAY OF MARATHON COUNTY, INC.

Statement of Functional Expenses

For the Year Ended December 31, 2025

	Program Service								
	Impact Grants	Community Services	Community Impact	211	Volunteer Services	Total Program Services	Management and General	Fundraising	Total
EXPENSES									
Salaries and Wages	$ -	$ -	$ 380,690	$ 202,546	$ 15,520	$ 598,756	$ 189,967	$ 163,045	$ 951,768
Fringe Benefits	-	-	55,835	50,994	1,116	107,945	27,860	23,914	159,719
Payroll Taxes	-	-	27,476	13,830	1,551	42,857	13,712	11,768	68,337
Impact Grants to Agencies and Grantees	1,705,195	-	-	-	-	1,705,195	-	-	1,705,195
Campaign	-	4,400	8,849	3,885	-	17,134	4,416	3,790	25,340
Events and Fundraising	-	35,207	31,309	-	3,212	69,728	15,623	13,409	98,760
Professional Fees	-	-	-	-	-	-	65,822	7,793	73,615
Supplies	-	145,196	7,687	72	22,671	175,626	3,836	3,292	182,754
Telephone and Communications	-	-	4,447	2,979	466	7,892	2,219	1,905	12,016
Postage and Shipping	-	81	5,013	66	347	5,507	2,501	2,147	10,155
Printing and Publications	-	30,185	18,308	181	2,488	51,162	9,136	7,841	68,139
Occupancy	-	-	31,039	15,588	26,375	73,002	15,489	13,294	101,785
Travel	-	64	196	-	191	451	98	84	633
Conferences, Conventions, and Meetings	-	1,358	5,142	847	144	7,491	2,566	2,202	12,259
Insurance	-	-	5,270	2,007	-	7,277	2,630	2,257	12,164
Maintenance	-	175	30,181	10,521	7,006	47,883	15,060	12,926	75,869
United Way of America and Wisconsin Dues	-	-	20,018	-	-	20,018	9,989	8,573	38,580
Miscellaneous	-	430	3,421	-	1,008	4,859	1,707	1,465	8,031
Depreciation	-	-	7,021	-	-	7,021	3,504	3,007	13,532
TOTAL EXPENSES	$ 1,705,195	$ 217,096	$ 641,902	$ 303,516	$ 82,095	$ 2,949,804	$ 386,135	$ 282,712	$ 3,618,651

UNITED WAY OF MARATHON COUNTY, INC.

Statement of Functional Expenses

For the Year Ended December 31, 2024

	Program Service								
	Impact Grants	Community Services	Community Impact	211	Volunteer Services	Total Program Services	Management and General	Fundraising	Total
EXPENSES									
Salaries and Wages	$ -	$ -	$ 355,583	$ 180,046	$ 13,815	$ 549,444	$ 195,340	$ 161,615	$ 906,399
Fringe Benefits	-	-	47,231	41,315	687	89,233	25,947	21,467	136,647
Payroll Taxes	-	-	25,943	12,446	1,090	39,479	14,252	11,791	65,522
Impact Grants to Agencies and Grantees	1,628,350	-	-	-	-	1,628,350	-	-	1,628,350
Campaign	-	-	6,152	-	-	6,152	3,380	2,797	12,329
Events and Fundraising	-	56,112	28,061	118	1,471	85,762	15,415	12,754	113,931
Professional Fees	-	-	-	-	-	-	57,612	7,749	65,361
Supplies	-	155,453	10,379	10,984	22,601	199,417	5,701	4,718	209,836
Telephone and Communications	-	-	3,814	2,911	1,056	7,781	2,095	1,734	11,610
Postage and Shipping	-	32	4,015	31	71	4,149	2,205	1,825	8,179
Printing and Publications	-	884	12,357	5,527	1,040	19,808	6,788	5,616	32,212
Occupancy	-	-	36,236	23,831	32,240	92,307	19,907	16,470	128,684
Travel	-	367	226	-	299	892	124	103	1,119
Conferences, Conventions, and Meetings	-	1,549	2,922	112	26	4,609	1,606	1,328	7,543
Insurance	-	-	4,508	1,955	961	7,424	2,476	2,049	11,949
Maintenance	-	-	24,923	9,529	7,494	41,946	13,691	11,328	66,965
United Way of America and Wisconsin Dues	-	-	15,955	-	-	15,955	8,764	7,252	31,971
Miscellaneous	-	-	6,108	-	573	6,681	3,355	2,776	12,812
Depreciation	-	-	6,623	-	-	6,623	3,638	3,010	13,271
TOTAL EXPENSES	$ 1,628,350	$ 214,397	$ 591,036	$ 288,805	$ 83,424	$ 2,806,012	$ 382,296	$ 276,382	$ 3,464,690

UNITED WAY OF MARATHON COUNTY, INC.

Statements of Cash Flows

For the Years Ended December 31, 2025 and 2024

	2025	2024
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in Net Assets	$ (198,031)	$ 240,551
Adjustments to Reconcile Change in Net Assets to Net Cash Flows From Operating Activities:		
Depreciation	13,532	13,271
Net Change in Beneficial Interest in Assets Held by Foundation	(136,648)	(91,021)
Reinvested Interest Income on Certificates of Deposit	(39,133)	(33,865)
Loss on Disposal of Equipment	1,211	-
Change in Operating Assets and Liabilities:		
Accounts Receivable - Other	1,353	(25,305)
Prepaid Expenses	(2,350)	5,769
Unconditional Promises to Give	155,777	(337,139)
Accounts Payable	(6,758)	(53,070)
Impact Grants and Designations Payable	73,589	(44,091)
Designations Payable to United Way	140	42,931
Accrued Liabilities	3,128	10,902
Unearned Revenue	(6,434)	19,000
Operating Lease Assets and Liabilities	(34,414)	2,294
Agency Liability	(16,501)	(8,847)
Total Adjustments	6,492	(499,171)
Net Cash Flows From Operating Activities	(191,539)	(258,620)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of Property and Equipment	(11,588)	(3,086)
Deposits to Funds Held by Community Foundation	(206)	(12,390)
Distribution from Investments Held by Community Foundation	68,500	33,400
Net Cash Flows From Investing Activities	56,706	17,924
NET CHANGE IN CASH	(134,833)	(240,696)
CASH - BEGINNING	506,606	747,302
CASH - ENDING	$ 371,773	$ 506,606
RECONCILIATION OF CASH PER STATEMENT OF FINANCIAL POSITION TO STATEMENT OF CASH FLOWS		
Cash	$ 351,133	$ 469,465
Restricted Cash	20,640	37,141
Cash Per Statement of Financial Position	$ 371,773	$ 506,606

Note 1 - Summary of Significant Accounting Policies

This summary of significant accounting policies of United Way of Marathon County, Inc. (Organization) is presented to assist in understanding the Organization's financial statements. The financial statements and notes are representations of the Organization's management who is responsible for the integrity and objectivity of the financial statements. These accounting policies conform to accounting principles generally accepted in the United States of America and have been consistently applied in the preparation of the financial statements.

Nature of Operations

The Organization is a non-profit Wisconsin corporation organized under Chapter 181 of the Wisconsin Statutes and is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code. The entity is also exempt from Wisconsin income taxes. The Organization is a community-based volunteer Organization whose purpose is to provide leadership to maximize Marathon County's capacity to address the human care needs of its residents.

Basis of Accounting

The financial statements of the Organization have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America. Revenue is recognized when earned rather than received and expenses are recognized when incurred rather than when paid.

Cash

For purposes of reporting cash flows, cash is defined as cash on hand, amounts held in financial institutions and investments with a maturity of three months or less when purchased. The Organization maintains its bank accounts at one financial institution. Aggregate accounts at the institution are insured by the Federal Deposit Insurance Corporation (FDIC) up to $250,000. As of December 31, 2025, the Organization had uninsured cash of $369,514.

Certificates of Deposit

Certificates of deposit are stated at cost plus earnings as reported by the financial institutions.

Receivables and Credit Policy

Contributions, grants, accounts receivable – other, and interest receivables are stated at the amount management expects to collect from outstanding balances. Management provides for probable uncollectible amounts through a charge to earnings and a credit to a credit allowance based on a 10-year historical average adjusted by management estimates of current economic factors. Balances that are still outstanding after management has used reasonable collection efforts are written off through a charge to the credit allowance and a credit to contributions receivable.

Property, Equipment and Depreciation

Purchased property and equipment are recorded at cost or fair market value if donated. Major expenditures for equipment and those which substantially increase useful lives are capitalized. Maintenance, repairs, and minor renewals are expensed when incurred. When assets are retired or otherwise disposed of, their costs and related accumulated depreciation are removed from the accounts and resulting gains or losses are included in income. Depreciation is computed on a straight-line method over the estimated useful lives of the assets, as detailed below:

Assets	Years
Leasehold Improvements	15
Furniture and Equipment	5

Property and equipment and expenditures for major renewals and betterments over $1,000 that extend the useful lives of the assets are capitalized.

Note 1 - Summary of Significant Accounting Policies (Continued)

Revenue and Revenue Recognition

Contributions, including promises to give, are considered conditional or unconditional, depending on the nature and existence of any donor or grantor conditions. A contribution or promise to give contains a donor or grantor condition when both of the following are present:

- A barrier that is more than trivial and must be overcome before the revenue can be earned and recognized.
- An implicit right of return of assets transferred or a right of release of a donor's or grantor's obligation to transfer assets promised, if the condition is not met.

Conditional contributions are recognized when the barriers to entitlement are overcome. Unconditional contributions are recognized as revenue when received.

Unconditional contributions or conditional contributions in which the conditions have been substantially met or explicitly waived by the donor are recorded as support with or without donor restrictions, depending on the existence and nature of any donor restrictions. When a restriction expires, 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 recognizes revenue from contracted services revenue and service fees, which are nonrefundable, and are comprised of an exchange element based on the benefits received. The Organization recognizes the exchange of services at a point in time.

Public Support and Impact Grants to Organizations

Annual campaigns are conducted each fall to raise support for the following year's impact grants to participating agencies and grantees. All campaign contributions are considered net assets with donor restrictions for use in the following year and are released from restriction in the current year to the extent of impact grants approved for the following year. Unconditional promises to give are recorded as receivables in the year pledged. Conditional promises to give are recognized only when the conditions on which they depend are substantially met. Promises to give whose eventual uses are restricted by the donors are recorded as increases in with donor restrictions. Unconditional promises to give to be collected in future periods are also recorded as an increase to with donor restrictions and reclassified to without donor restrictions when received, unless the donor's intention is to support current-period activities. Contribution income is recognized in the year that the unconditional promise is received. Impact grants payable to agencies and grantees are recorded in the financial statements at the time of approval by the Board of Directors, which is usually in the year of the campaign, by recording an expense and a liability in equal amounts. The Organization may approve multi-year allocations and consider future allocations beyond two years to be conditional based on the success of the campaign.

Contributed marketable securities, materials, equipment, and services requiring specific expertise are recorded as contributions at their estimated fair values at the date of the donation. There were no such items for the years ended December 31, 2025 and 2024.

In addition, many individuals volunteer their time and perform a variety of tasks that assist the Organization with specific assistance programs, campaign solicitations, and various committee assignments. No amounts have been reflected in the financial statements for these donated services since they do not meet the criteria for recognition.

Note 1 - Summary of Significant Accounting Policies (Continued)

Financial Statements Presentation

The Organization presents its financial position and activities according to two classes of net assets:

> 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 organization. These net assets may be used at the discretion of United Way of Marathon County, Inc.'s management and the board of directors.
>
> Net assets with donor restrictions: Net assets subject to stipulations imposed by donors, and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of United Way of Marathon County, Inc. or by the passage of time. Other donor restrictions are perpetual in nature, whereby the donor has stipulated the funds be maintained in perpetuity. The Organization currently does not have any net assets with donor restrictions that are perpetual in nature.

Unemployment Compensation

The Organization has elected reimbursement financing under provisions of the Wisconsin unemployment compensation laws. The Organization maintains a $16,570 certificate of deposit in escrow to meet state funding requirements. The certificate of deposit expires December 1, 2026.

Income Taxes

The Organization is a charitable organization under Section 501(c)(3) of the Internal Revenue Code, and thus is exempt from income taxes. Gifts, grants and bequests are deductible by donors within limitations of the Internal Revenue Code. The Organization is subject to a tax on income from any unrelated activities. No unrelated activities were identified in the current year. The Organization continually evaluates its tax positions, changes in tax law and new authoritative rulings for potential implications to its tax status.

Leases

The Financial Accounting Standards Board (FASB) issued guidance (Accounting Standards Codification [ASC] 842, Leases) to increase transparency and comparability among organizations by requiring the recognition of right-of-use (ROU) assets and lease liabilities on the statement of financial position. Most prominent among the changes in the standard is the recognition of ROU assets and lease liabilities by lessees for those classified as operating leases. Under the standard, disclosures are required to meet the objective of enabling users of the financial statements to assess the amount, timing, and uncertainty of cash flows arising from leases.

As allowed under the standard, the Organization elects the discount rate practical expedient that allows for the use of a risk-free rate as the discount rate for all leases by asset class. The Organization also elects the practical expedient which allows the Organization to account for lease and non-lease components as a single lease. The Organization elects not to apply the recognition requirements to short-term leases.

Note 1 - Summary of Significant Accounting Policies (Continued)

Expense Allocation

Expenses are charged in these functional expense areas based on time studies of actual time incurred for the following categories:

Community Impact - Service projects, agency communications, and impact team process.

Management and general - All general office administration and procedures, including general purpose Board meetings and executive committee meetings.

Fundraising - Campaign and other fundraising activities.

Program expenses are charged directly to the following functions:

Community services - Community coalitions, initiatives, programs, and projects housed within the Organization such as: Early Years, Emerging Leaders, Housing and Homeless Coalition, Hunger Coalition, LIFE, Partnership in Youth, Ready to Read, Retire United, and Women United.

211 - Telephone referral service of professional service providers and sources of funding.

Volunteer services - Volunteer connection program.

Agency Fund

The Organization is holding funds for the Workplace Volunteer Council, which is not part of United Way of Marathon County, Inc. These funds do not belong to the Organization and are currently being held in a separate bank account. The funds will be provided to the Council upon request.

The Organization has restricted cash for the agency liability in the amount of $20,640 and $37,141 at December 31, 2025 and 2024, respectively.

Use of Estimates

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

Measure of Operations

The statements of activities report all changes in net assets, including changes in net assets from operating activities and other changes. Operating activities consist of those items attributable to United Way of Marathon County, Inc.'s ongoing services and interest earned on investments. Other changes are limited to resources that generate return from investments and other activities considered to be of a more unusual or nonrecurring nature.

Subsequent Events

The Organization has evaluated subsequent events through June 5, 2026, the date which the financial statements were available to be issued.

Note 2 - Availability and Liquidity

The following represents United Way of Marathon County, Inc.'s financial assets at December 31:

	2025	2024
Financial assets at year end:		
Cash	$ 351,133	$ 469,465
Certificates of Deposit	1,224,116	1,184,983
Investments	933,169	864,815
Accounts Receivable - Other	74,370	75,723
Unconditional Promises to Give	1,143,594	1,538,887
Total financial assets	3,726,382	4,133,873
Less amounts not available to be used within one year:		
Net assets with donor restrictions	941,079	990,895
Financial assets available to meet general expenditures over the next twelve months	$ 2,785,303	$ 3,142,978

The Organization’s goal is generally to maintain financial assets to meet 90 days of operating expenses. As part of its liquidity plan, excess cash is invested in certificates of deposits or investment accounts.

Note 3 - Fair Value Measurements

Financial Accounting Standards Board Codification of Accounting Pronouncements, *Fair Value Measurements,* establishes 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 – Quoted prices (unadjusted) for identical assets or liabilities in active markets that the Organization has the ability to access as of the measurement date.

Level 2 – Significant other observable inputs other than level 1 prices such as quoted prices for similar assets or liabilities; quoted prices in markets that are not active; or other inputs that are observable or can be corroborated by observable market data.

Level 3 – Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The assets 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 Organization classifies its beneficial interest in assets held by the Community Foundation as Level 3 because the assets are valued by the Community Foundation and it is not possible to determine a daily value of the Organization’s portion of the commingled investment portfolio.

Note 4 - Beneficial Interest in Assets Held by Others

The United Way Endowment Fund

On August 29, 1991, the Organization entered into an agreement with the Community Foundation of North Central Wisconsin to establish an endowment fund. Pursuant to the terms of the agreement, the Organization contributed donor-restricted funds to the Foundation on August 30, 1991. The purpose of the fund is to further carry out the charitable purposes of the Organization and the Foundation. The fund is designated by the Foundation as “The United Way Endowment Fund.” The Foundation has powers necessary to carry out the purposes of the fund, including the powers to invest and reinvest monies.

The Organization’s Board of Directors may recommend and request distribution of all or part of the endowment; however, ultimate expenditures are the responsibility of the Foundation. Upon the Organization’s written request, the Foundation shall distribute the funds of the endowment fund.

The Foundation receives an annual fee from 1% to 1.5% of the average value of assets managed under $100,000, depending on the fund, and 1% of the average value of assets managed over $100,000, regardless of the fund.

The Organization has recorded an asset for the fair value of the funds transferred by the Organization to the Foundation to establish the endowment for the benefit of the Organization. The endowment fund’s contribution income from other donors, where variance power is not granted to the Foundation, is recognized by the Organization, including the fund’s earnings and expenses.

An analysis of the activity of the endowment fund is as follows:

	2025	2024
Support and revenue:		
Contributions	$ 206	$ 12,390
Investment income	-	21,048
Net realized and unrealized gain on investments	142,357	76,058
Contributions and net investment gain	142,563	109,496
Expenses:		
Administrative fee	5,709	6,085
Distributions to the Organization	68,500	33,400
	74,209	39,485
Change in Fund	68,354	70,011
Fund at January 1	864,815	794,804
Fund at December 31	$ 933,169	$ 864,815

United Way Leave a Legacy Fund

On January 1, 2001, a donor contributed to the Foundation assets in the amount of $500,000 intended to establish the United Way Leave a Legacy Fund (the “Fund”). The Fund is established for the purpose of providing lasting support of the Organization’s annual fund-raising campaign. The Foundation has been granted variance power by the donor, which includes all powers necessary to carry out the purposes of the Fund, including the powers to invest, reinvest, and expend monies. As a result, these assets are not reflected on the financial statements of the Organization.

Note 4 - Beneficial Interest in Assets Held by Others (Continued)

The Organization's Board of Directors, based on operating needs, may recommend and request distribution from the Fund; however, ultimate expenditures are the responsibility of the Foundation. Distributions from the Fund will not normally exceed the income for any fiscal period unless there are unusual circumstances that justify a distribution of principal.

The Foundation receives an annual fee of 1.5% of the average value of assets managed under $100,000 and 1% of the average of assets managed over $100,000.

An analysis of the activity of the Fund maintained at the Foundation is as follows:

	2025	2024
Support and revenue:		
Net realized and unrealized gain on investments	$ 109,183	$ 73,386
Expenses:		
Administrative fee	6,821	6,374
Distributions to the Organization	27,000	53,700
	33,821	60,074
Change in Fund	75,362	13,312
Fund at January 1	651,800	638,488
Fund at December 31	$ 727,162	$ 651,800

Note 5 - Unconditional Promises to Give

Unconditional promises to give consisted of the following at December 31, 2025 and 2024, respectively:

	Without Donor Restrictions	With Donor Restrictions	Total
2025 Campaign	$ 476,643	$ 786,951	$ 1,263,594
Less - Allowance for uncollectibles	120,000	-	120,000
Totals	$ 356,643	$ 786,951	$ 1,143,594
2024 Campaign	$ 630,213	$ -	$ 630,213
Less - Allowance for uncollectibles	120,000	-	120,000
Totals	$ 510,213	$ -	$ 510,213

	Without Donor Restrictions	With Donor Restrictions	Total
2024 Campaign	$ 630,213	$ 1,028,674	$ 1,658,887
Less - Allowance for uncollectibles	120,000	-	120,000
Totals	$ 510,213	$ 1,028,674	$ 1,538,887
2023 Campaign	$ 390,697	$ -	$ 390,697
Less - Allowance for uncollectibles	120,000	-	120,000
Totals	$ 270,697	$ -	$ 270,697

Note 6 - Net Assets with Donor Restrictions

Net assets with donor restrictions at December 31 are as follows:

	2025	2024
Campaign Pledges	$ 786,951	$ 778,674
Adopt a Classroom	10,892	10,892
Early Years	13,536	13,536
Emerging Leaders	18,114	20,266
Hunger Coalition	13,326	33,294
LIFE Project	23,199	34,105
Mobile Closet	-	34,372
Retire United	27,540	30,287
Women United	17,521	35,469
Mobile Pantry Truck	30,000	-
Total	$ 941,079	$ 990,895

Net assets released from net assets with donor restrictions are as follows:

	2025	2024
PY Revenue used for CY Activities	$ 640,927	$ 910,188
CY Revenue Allocated to Agencies and Grantees	1,705,195	1,966,002
Emerging Leaders	2,152	7,158
Hunger Coalition	19,968	55,709
LIFE Project	10,906	-
Mobile Closet	34,372	-
Retire United	2,747	-
Women United	17,948	-
Workshops	-	3,115
Total	$ 2,434,215	$ 2,942,172

Note 7 - Net Campaign

Campaign support consisted of the following as of December 31:

	2025	2024
Current Year campaign	$ 2,459,876	$ 2,835,497
Less:		
Amounts raised on behalf of other organizations	-	(2,596)
Estimated uncollectible unconditional promises to give	105,477	95,363
Other Organizations Accounts designations to Pass Through	-	(1,946)
Net campaign support	$ 2,354,399	$ 2,744,676

Note 8 - Commitment

United Way of Marathon County, Inc. has an agreement with an IT services company for managed IT services. The services include backing up the Organization's data. The services were renewed on August 1, 2024 and are to be in effect for the next three years beginning January 1, 2025. The monthly fee is $3,010 with the total fee for three years being $108,360.

Note 9 - Retirement Plan

The Organization has a 403b Thrift Plan that covers substantially all of its employees. The Organization automatically contributes 2% of salary and up to an additional 2% match of an employee's contribution. The Organization's contribution to the retirement plan totaled $35,356 and $32,366 for the years ended December 31, 2025 and 2024, respectively.

Note 10 - Lease

Under the terms of a lease agreement for office space, total rental payments will start on October 1, 2019 and are to be paid monthly during the lease term ending October 31, 2035. Renegotiations of terms, lease extension, etc. shall be subject to agreement of both parties. During 2025, this lease was extended from an ending date of September 30, 2030 to October 31, 2035 with an updated monthly payment amount. Due to this lease extension, the lease was remeasured during 2025 to record the additional right-of-use asset and related lease liability. This remeasurement resulted in an increase in the right-of-use asset of $350,911 and lease liability of $333,736.

Additional information about United Way of Marathon County's lease for the years ended December 31, 2025 and 2024 are as follows:

Other Information:	2025	2024
Operating Cash Flows from Operating Leases	$ 100,316	$ 100,074
Remaining Lease Term	10.75 years	6.75 years
Risk-Free Discount Rate	4.12%	1.65%

Future minimum lease payments as of December 31, 2025 are:

2026	$ 91,323
2027	93,363
2028	95,454
2029	97,598
2030	99,795
Thereafter	422,269
Total Lease Payments	899,802
Less Present Value	(91,239)
Present Value of Lease Liability	$ 808,563

Note 11 - Restatement of Beginning Net Assets

During the year ended December 31, 2025, the Organization became aware that prior year financial statements improperly overstated pledge receivables and related net campaign revenues. This error was corrected as follows:

	Without Donor Restrictions	With Donor Restrictions	Total
Net Assets as Previously Reported, December 31, 2023	$ 1,447,227	$ 1,147,324	$ 2,594,551
Overstatement of Campaign Revenue	(250,000)	-	(250,000)
Net Assets as Restated, December 31, 2023	$ 1,197,227	$ 1,147,324	$ 2,344,551

There was a $250,000 effect on the Organization’s change in net assets from the amount previously reported for the year ended December 31, 2023 as a result of the correction.