United Way of Southern Kentucky, Inc.

FINANCIAL STATEMENTS

June 30, 2026 and 2025

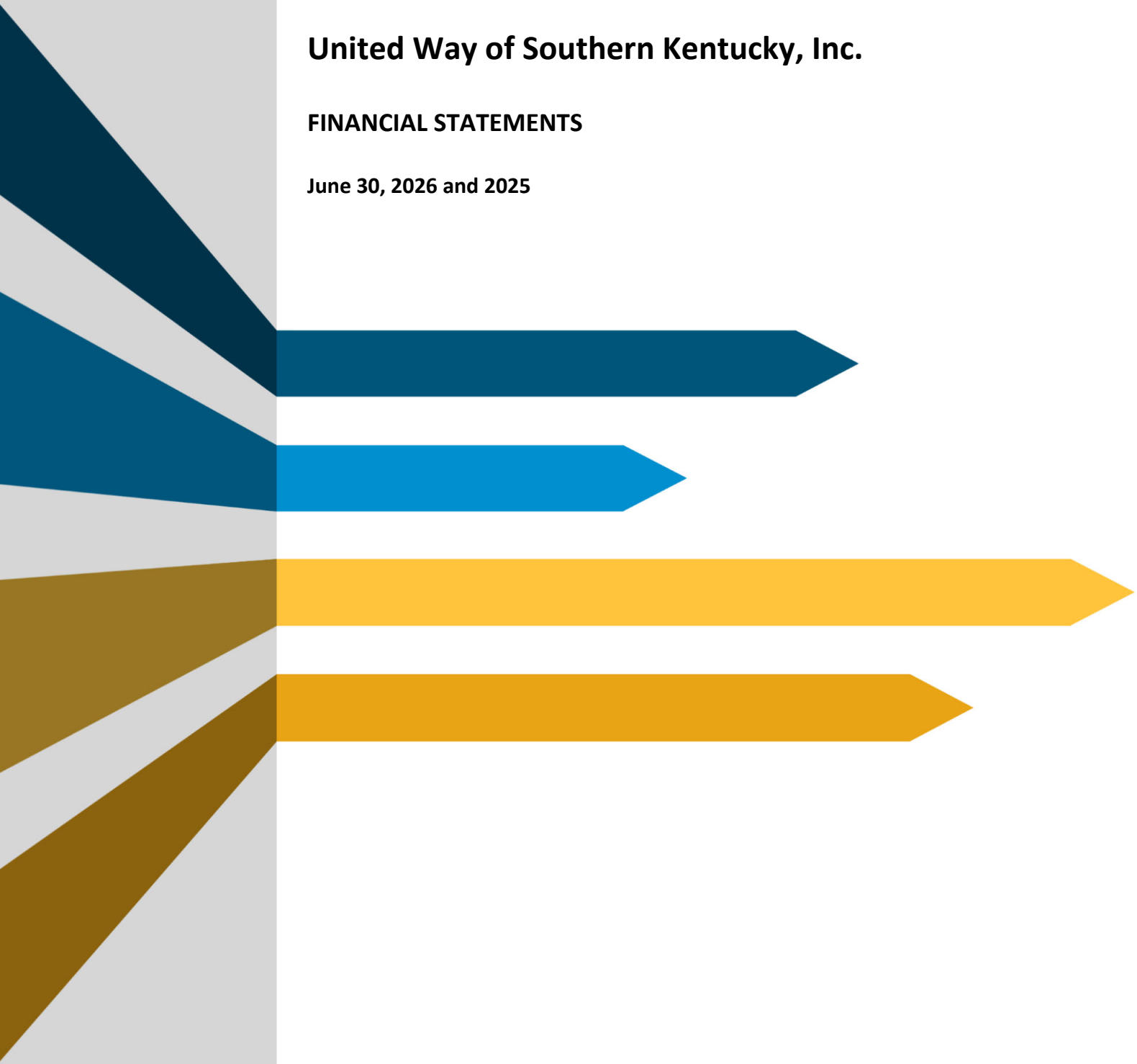


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REPORT

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Independent Auditor's Report

Board of Directors
United Way of Southern Kentucky, Inc.
Bowling Green, Kentucky

Opinion

We have audited the accompanying financial statements of United Way of Southern Kentucky, Inc. (a nonprofit organization), which comprise the statements of financial position as of June 30, 2026 and 2025, 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 United Way of Southern Kentucky, Inc. as of June 30, 2026 and 2025, 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 Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of United Way of Southern Kentucky, Inc. and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about United Way of Southern Kentucky Inc.'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 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.

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 United Way of Southern Kentucky 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 United Way of Southern Kentucky 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.

Carr, Riggs & Ingram, L.L.C.

CARR, RIGGS & INGRAM, L.L.C.
Bowling Green, Kentucky
October 22, 2026

FINANCIAL STATEMENTS

United Way of Southern Kentucky, Inc.
Statements of Financial Position

June 30,	**2026**			2025		
	Without Donor Restrictions	**With Donor Restrictions**	**Total**	Without Donor Restrictions	With Donor Restrictions	Total
Assets						
Current assets						
Cash and cash equivalents	**$ 252,394**	**$ 673,056**	**$ 925,450**	$ 532,055	$ 654,946	$ 1,187,001
Investments	**2,987,736**	**596,509**	**3,584,245**	2,517,674	631,347	3,149,021
2025/2026 contributions receivable, less allowance for credit losses of $98,598	**756,982**	**-**	**756,982**	-	-	-
2024/2025contributions receivable, less allowance for credit losses of $115,684	**-**	**-**	**-**	652,767	-	652,767
Grant receivables	**47,582**	**-**	**47,582**	64,658	-	64,658
Other receivables	**69,250**	**-**	**69,250**	25,728	-	25,728
Prepaid expenses	**26,547**	**-**	**26,547**	32,118	-	32,118
Total current assets	**4,140,491**	**1,269,565**	**5,410,056**	3,825,000	1,286,293	5,111,293
Property and equipment, net	**151,252**	**-**	**151,252**	167,597	-	167,597
Total assets	**$ 4,291,743**	**$ 1,269,565**	**$ 5,561,308**	$ 3,992,597	$ 1,286,293	$ 5,278,890

(Continued)

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

United Way of Southern Kentucky, Inc.
Statements of Financial Position (Continued)

June 30,	**2026**			2025		
	Without Donor Restrictions	**With Donor Restrictions**	**Total**	Without Donor Restrictions	With Donor Restrictions	Total
Liabilities and Net Assets						
Current liabilities						
Accounts payable	**$ 18,443**	**$ -**	**$ 18,443**	$ 52,245	$ -	$ 52,245
Accrued expenses	**65,475**	**-**	**65,475**	74,585	-	74,585
Allocations payable	**1,111,448**	**-**	**1,111,448**	1,097,875	-	1,097,875
Designations payable, net of allowance for uncollectibles of $3,071 and $3,454, respectively	**29,772**	**-**	**29,772**	32,634	-	32,634
Total current liabilities	**1,225,138**	**-**	**1,225,138**	1,257,339	-	1,257,339
Net Assets						
Without donor restrictions						
Endowments	**330,827**	**-**	**330,827**	277,615	-	277,615
Undesignated	**2,735,778**	**-**	**2,735,778**	2,457,643	-	2,457,643
With donor restrictions	**-**	**1,269,565**	**1,269,565**	-	1,286,293	1,286,293
Total net assets	**3,066,605**	**1,269,565**	**4,336,170**	2,735,258	1,286,293	4,021,551
Total liabilities and net assets	**$ 4,291,743**	**$ 1,269,565**	**$ 5,561,308**	$ 3,992,597	$ 1,286,293	$ 5,278,890

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

United Way of Southern Kentucky, Inc.
Statements of Activities

For the years ended June 30,	**2026**			2025		
	Without Donor Restrictions	**With Donor Restrictions**	**Total**	Without Donor Restrictions	With Donor Restrictions	Total
Public Support and Revenue						
Gross campaign results – current year	**$ 1,685,824**	**$ 8,772**	**$ 1,694,596**	$ 1,782,038	$ 13,068	$ 1,795,106
Less: donor designations – net of fees	**(29,772)**	**-**	**(29,772)**	(32,634)	-	(32,634)
Less: donor designations – paid by processor	**(1,600)**	**-**	**(1,600)**	(1,480)	-	(1,480)
Campaign revenue – current year	**1,654,452**	**8,772**	**1,663,224**	1,747,924	13,068	1,760,992
Allowance for uncollectible pledges	**(98,598)**	**-**	**(98,598)**	(115,684)	-	(115,684)
Net campaign revenue – current year	**1,555,854**	**8,772**	**1,564,626**	1,632,240	13,068	1,645,308
Additional campaign revenue – prior year	**63,756**	**-**	**63,756**	143,587	-	143,587
Early campaign results – next year	**500**	**-**	**500**	-	-	-
Total campaign revenue	**1,620,110**	**8,772**	**1,628,882**	1,775,827	13,068	1,788,895
Other Public Support and Revenue						
Kindergarten Readiness contributions	**-**	**374,062**	**374,062**	-	500,289	500,289
2-1-1 Center contributions	**49,996**	**445,834**	**495,830**	-	408,811	408,811
Major Gifts	**31,000**	**-**	**31,000**	31,000	-	31,000
Disaster response and recovery	**-**	**120**	**120**	-	16,153	16,153
Total other public support and revenue	**80,996**	**820,016**	**901,012**	31,000	925,253	956,253

(Continued)

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

United Way of Southern Kentucky, Inc.
Statements of Activities (Continued)

For the years ended June 30,	**2026**			2025		
	Without Donor Restrictions	**With Donor Restrictions**	**Total**	Without Donor Restrictions	With Donor Restrictions	Total
Handbags for Hope	**-**	**275,281**	**275,281**	-	199,318	199,318
Less: costs of Handbags for Hope	**-**	**(97,968)**	**(97,968)**	-	(85,276)	(85,276)
Other special events	**16,178**	**-**	**16,178**	13,683	-	13,683
Net revenue from special events	**16,178**	**177,313**	**193,491**	13,683	114,042	127,725
Grand total public support and revenue	**1,717,284**	**1,006,101**	**2,723,385**	1,820,510	1,052,363	2,872,873
Other Revenue						
Designations from other United Ways	**6,364**	**-**	**6,364**	8,415	-	8,415
Investment return (loss) designated for current operations	**475,000**	**-**	**475,000**	369,838	-	369,838
In-kind	**-**	**25,050**	**25,050**	-	100,105	100,105
Marketing sponsorships	**6,600**	**-**	**6,600**	7,475	-	7,475
Total other revenue (loss)	**487,964**	**25,050**	**513,014**	385,728	100,105	485,833
Released from restrictions	**1,047,879**	**(1,047,879)**	**-**	967,477	(967,477)	-
Total revenue	**3,253,127**	**(16,728)**	**3,236,399**	3,173,715	184,991	3,358,706

(Continued)

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

United Way of Southern Kentucky, Inc.
Statements of Activities (Continued)

For the years ended June 30,	**2026**			2025		
	Without Donor Restrictions	**With Donor Restrictions**	**Total**	Without Donor Restrictions	With Donor Restrictions	Total
Expenses						
Program services						
Fund distribution	**1,174,463**	**-**	**1,174,463**	1,125,788	-	1,125,788
Kindergarten Readiness	**497,061**	**-**	**497,061**	506,478	-	506,478
Volunteer program	**982**	**-**	**982**	1,189	-	1,189
2-1-1 Center	**479,916**	**-**	**479,916**	454,730	-	454,730
Community impact activities	**143,082**	**-**	**143,082**	221,164	-	221,164
Total program services	**2,295,504**	**-**	**2,295,504**	2,309,349	-	2,309,349
Supporting services						
Management and general	**329,103**	**-**	**329,103**	306,731	-	306,731
Fund raising	**163,380**	**-**	**163,380**	162,288	-	162,288
Marketing	**98,956**	**-**	**98,956**	95,376	-	95,376
United Way Worldwide dues	**34,837**	**-**	**34,837**	26,392	-	26,392
Total supporting services	**626,276**	**-**	**626,276**	590,787	-	590,787
Total expenses	**2,921,780**	**-**	**2,921,780**	2,900,136	-	2,900,136
Change in net assets	**331,347**	**(16,728)**	**314,619**	273,579	184,991	458,570
Net assets – beginning of year	**2,735,258**	**1,286,293**	**4,021,551**	2,461,679	1,101,302	3,562,981
Net assets – end of year	**$ 3,066,605**	**$ 1,269,565**	**$ 4,336,170**	$ 2,735,258	$ 1,286,293	$ 4,021,551

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

United Way of Southern Kentucky, Inc.
Statements of Functional Expenses

For the year ended June 30, 2026

	Program Services					
	Fund Distribution	Kindergarten Readiness	Volunteer Program	2-1-1 Center	Community Impact Activities	Total
Expenses						
Allocations	$ 1,115,965	$ 200,000	$ -	$ -	$ 70,012	$ 1,385,977
Less donor designations – net of fees and shrinkage	(29,772)	-	-	-	-	(29,772)
Subtotal	1,086,193	200,000	-	-	70,012	1,356,205
Salaries	57,382	60,232	292	268,853	41,666	428,425
Fringe benefits	16,438	17,255	84	77,017	11,936	122,730
Subtotal	73,820	77,487	376	345,870	53,602	551,155
Payments to affiliates	393	412	2	1,838	285	2,930
Dues/subscriptions	148	156	1	1,478	108	1,891
Supplies	660	130,973	2	3,088	478	135,201
Utilities	1,205	1,265	5	13,171	1,475	17,121
Marketing materials and programs	-	71,705	533	27,840	6,251	106,329
Training	-	-	-	2,030	805	2,835
Insurance	1,133	1,190	6	6,752	823	9,904
Purchased services	1,902	1,996	10	25,332	1,381	30,621
Repairs and maintenance	6,976	7,321	36	36,020	5,065	55,418
Travel	-	297	-	6,972	1,319	8,588
Miscellaneous	750	2,912	4	3,514	546	7,726
Depreciation expense	1,283	1,347	7	6,011	932	9,580
Subtotal	14,450	219,574	606	134,046	19,468	388,144
United Way Worldwide dues	-	-	-	-	-	-
Total expenses	$ 1,174,463	$ 497,061	$ 982	$ 479,916	$ 143,082	$ 2,295,504

(Continued)

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

United Way of Southern Kentucky, Inc.
Statements of Functional Expenses (Continued)

For the year ended June 30, 2026

	Supporting Services					
	Management and General	Fund Raising	Marketing	UWW Dues	Total	Total Program and Supporting Services
Expenses						
Allocations	$ -	$ -	$ -	$ -	$ -	$ 1,385,977
Less donor designations – net of fees and shrinkage	-	-	-	-	-	(29,772)
Subtotal	-	-	-	-	-	1,356,205
Salaries	188,014	93,199	21,710	-	302,923	731,348
Fringe benefits	53,753	26,698	6,219	-	86,670	209,400
Subtotal	241,767	119,897	27,929	-	389,593	940,748
Payments to affiliates	1,284	638	149	-	2,071	5,001
Dues/subscriptions	485	241	57	-	783	2,674
Supplies	2,155	1,070	249	-	3,474	138,675
Utilities	4,541	2,970	456	-	7,967	25,088
Marketing materials and programs	2,365	17,447	31,981	-	51,793	158,122
Training	792	217	-	-	1,009	3,844
Insurance	3,706	1,841	429	-	5,976	15,880
Purchased services	38,213	3,089	33,720	-	75,022	105,643
Repairs and maintenance	22,810	11,329	2,639	-	36,778	92,196
Travel	692	1,339	578	-	2,609	11,197
Miscellaneous	6,000	1,218	284	-	7,502	15,228
Depreciation expense	4,293	2,084	485	-	6,862	16,442
Subtotal	87,336	43,483	71,027	-	201,846	589,990
United Way Worldwide dues	-	-	-	34,837	34,837	34,837
Total expenses	$ 329,103	$ 163,380	$ 98,956	$ 34,837	$ 626,276	$ 2,921,780

(Continued)

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

United Way of Southern Kentucky, Inc.
Statements of Functional Expenses (Continued)

For the year ended June 30, 2025

	Program Services					
	Fund Distribution	Kindergarten Readiness	Volunteer Program	2-1-1	Community Impact Activities	Total
Expenses						
Allocations	$ 1,078,743	$ 200,000	$ -	$ -	$ 143,897	$ 1,422,640
Less donor designations – net of fees and shrinkage	(32,634)	-	-	-	-	(32,634)
Subtotal	1,046,109	200,000	-	-	143,897	1,390,006
Salaries	52,435	46,281	440	196,679	44,962	340,797
Fringe benefits	13,708	12,099	115	51,418	11,755	89,095
Subtotal	66,143	58,380	555	248,097	56,717	429,892
Payments to affiliates	434	383	4	1,629	372	2,822
Dues/subscriptions	156	137	1	1,368	133	1,795
Supplies	583	125,417	6	2,188	501	128,695
Utilities	1,339	1,182	12	11,035	1,748	15,316
Marketing materials and programs	-	104,542	518	103,741	6,080	214,881
Training	90	-	-	1,850	1,302	3,242
Insurance	1,048	925	10	5,237	898	8,118
Purchased services	1,875	1,655	16	34,852	1,608	40,006
Repairs and maintenance	6,188	5,462	52	27,876	5,307	44,885
Travel	-	641	-	10,018	1,037	11,696
Miscellaneous	529	6,612	4	1,984	454	9,583
Depreciation expense	1,294	1,142	11	4,855	1,110	8,412
Subtotal	13,536	248,098	634	206,633	20,550	489,451
United Way Worldwide dues	-	-	-	-	-	-
Total expenses	$ 1,125,788	$ 506,478	$ 1,189	$ 454,730	$ 221,164	$ 2,309,349

(Continued)

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

United Way of Southern Kentucky, Inc.
Statements of Functional Expenses (Continued)

For the year ended June 30, 2025

	Supporting Services					
	Management and General	Fund Raising	Marketing	UWW Dues	Total	Total Program and Supporting Services
Expenses						
Allocations	$ -	$ -	$ -	$ -	$ -	$ 1,422,640
Less donor designations – net of fees and shrinkage	-	-	-	-	-	(32,634)
Subtotal	-	-	-	-	-	1,390,006
Salaries	176,710	89,674	20,786	-	287,170	627,967
Fringe benefits	46,198	23,444	5,434	-	75,076	164,171
Subtotal	222,908	113,118	26,220	-	362,246	792,138
Payments to affiliates	1,463	742	172	-	2,377	5,199
Dues/subscriptions	524	266	61	-	851	2,646
Supplies	1,964	997	231	-	3,192	131,887
Utilities	5,113	3,379	531	-	9,023	24,339
Marketing materials and programs	1,530	22,744	30,500	-	54,774	269,655
Training	1,940	570	-	-	2,510	5,752
Insurance	3,528	1,791	416	-	5,735	13,853
Purchased services	37,110	3,206	33,701	-	74,017	114,023
Repairs and maintenance	20,856	10,584	2,453	-	33,893	78,778
Travel	924	1,773	368	-	3,065	14,761
Miscellaneous	4,509	904	210	-	5,623	15,206
Depreciation expense	4,362	2,214	513	-	7,089	15,501
Subtotal	83,823	49,170	69,156	-	202,149	691,600
United Way Worldwide dues	-	-	-	26,392	26,392	26,392
Total expenses	$ 306,731	$ 162,288	$ 95,376	$ 26,392	$ 590,787	$ 2,900,136

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

United Way of Southern Kentucky, Inc.
Statements of Cash Flows

For the years ended June 30,	**2026**	2025
Operating Activities		
Change in net assets	**$ 314,619**	$ 458,570
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	**16,442**	15,501
Unrealized (gain) loss on investment securities, net	**(243,860)**	(186,756)
Changes in operating assets and liabilities:		
(Increase) decrease in contributions receivable, net	**(104,215)**	81,425
(Increase) decrease in prepaid expenses	**5,571**	(9,421)
(Increase) decrease in grant receivables	**17,076**	7,695
(Increase) decrease in other receivables	**(43,522)**	12,183
Increase (decrease) in accounts payable	**(33,802)**	(150,161)
Increase (decrease) in accrued expenses	**(9,110)**	22,303
Increase (decrease) in allocations/designations payable	**10,711**	(14,916)
Net cash provided by (used in) operating activities	**(70,090)**	236,423
Investing Activities		
Purchase of property and equipment	**-**	(19,300)
Proceeds from redemption and sale of investment securities	**352,210**	634,417
Purchase of investment securities	**(543,671)**	(538,791)
Net cash provided by (used in) investing activities	**(191,461)**	76,326
Net change in cash and cash equivalents	**(261,551)**	312,749
Cash and cash equivalents – beginning of year	**1,187,001**	874,252
Cash and cash equivalents – end of year	**$ 925,450**	$ 1,187,001

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

NOTE 1: DESCRIPTION OF THE ORGANIZATION

The United Way of Southern Kentucky, Inc. (the "Organization") is a non-profit organization incorporated in the State of Kentucky in 1956 and governed by a volunteer Board of Directors. The Organization is a multi-county enterprise serving Allen, Barren, Logan, Simpson, Warren, Butler, Edmonson, Hart, Metcalfe, and Monroe Counties. The mission of the Organization is “to be the leader in bringing together the resources to build a stronger, more caring community.” Over the years, the Organization has evolved from that of a federated fund raiser or umbrella organization to one which identifies and addresses critical community problems. Shrinking financial resources and increased demand for human services have precipitated that change. Through a community-wide campaign, a local citizens’ review process, and a program of community education, the Organization acts as a catalyst to help the community identify and resolve health and human care problems.

NOTE 2: SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP). The Financial Accounting Standards Board (FASB) provides authoritative guidance regarding U.S. GAAP through the Accounting Standards Codification (ASC) and related Accounting Standards Updates (ASUs).

Use of Estimates

The preparation of U.S. GAAP financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and changes therein, and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates. Estimates that are particularly susceptible to significant change in the near term are related to the determination of the allowance for uncollectible contributions receivable, functional expense allocation, fair value of investments, donated items and gifts-in-kind.

Cash and Cash Equivalents

Cash and cash equivalents include bank deposits and highly liquid debt instruments with original maturities of 90 days or less. The carrying amount reported in the statement of financial position approximates fair value.

Contributions Receivable

Contributions receivable are stated at unpaid balances, less an allowance for credit losses. Contributions receivable are expected to be collected within a one year period.

NOTE 2: SIGNIFICANT ACCOUNTING POLICIES (Continued)

Allowance for Credit Losses

The Organization provides for losses on contributions receivable using the allowance method. The allowance is based on prior years' experience and management's analysis of contributions. The allowance for credit losses is management's best estimate of the amount of expected credit losses in the existing accounts based on current market conditions. Historically, losses on uncollectible accounts have been within management's expectations. The allowance for credit losses is reviewed on a periodic basis to ensure there is sufficient reserve to cover any potential credit losses. When receivables are considered uncollectible, they are charged against the allowance for credit losses. Collections on accounts previously written off are included in the change in net assets as received. The allowance for credit losses was $98,598 and $115,684 at June 30, 2026 and 2025, respectively.

Promises to Give

Conditional promises to give are not recognized in the financial statements until the conditions are substantially met or explicitly waived by the donor. Unconditional promises to give that are expected to be collected within one year are recorded at net realizable value. Unconditional promises to give that are expected to be collected in more than one year are recorded at fair value, which is measured as the present value of their future cash flows. In the absence of donor stipulations to the contrary, promises with payments due in future periods are restricted to use after the due date. Promises that remain uncollected more than one year after their due dates are written off unless the donors indicate that payment is merely postponed.

Investments

The Organization reports investments in equity securities with readily determinable fair values and all investments in debt securities at their fair values in the Statement of Financial Position. Unrealized gains and losses are included in the change in net assets in the accompanying Statement of Activities. Investment income and gains restricted by donors are reported as increases in net assets without donor restrictions if the restrictions are met (either a stipulated time period ends, or a purpose restriction is accomplished) in the reporting period in which the income and gains are recognized.

Property and Equipment

All acquisitions of property and equipment in excess of $1,500 and all expenditures for maintenance, renewals, and betterments that materially prolong the useful lives of assets are capitalized. Repairs and maintenance are expensed as incurred. Property and equipment are carried at cost or, if donated, at the approximate fair value at the date of donation. Depreciation is computed using the straight-line method. Estimated useful lives used in computing depreciation are as follows:

Land	Not depreciated
Building and grounds	15-40 years
Equipment	3-15 years

NOTE 2: SIGNIFICANT ACCOUNTING POLICIES (Continued)

Allocations and Grants Payable

Allocations and grants are recorded as expense during the year of approval.

Donor Designations

Donor-designated contributions are not revenue when pledged or received or expensed when allocated. Donor designations are considered agent transactions in which the Organization is the agent through which donors make contributions to specific donees.

Net Assets

The Organization reports information regarding its financial position and activities according to two classes of net assets that are based upon the existence or absence of restrictions on use that are placed by its donors: net assets without donor restrictions and net assets with donor restrictions.

Net assets without donor restrictions are resources available to support operations and not subject to donor restrictions. The only limits on the use of net assets without donor restrictions are the broad limits resulting from the nature of the Organization, the environment in which it operates, the purposes specified in its corporate documents and its application for tax-exempt status, and any limits resulting from contractual agreements with creditors and others that are entered into in the course of its operations. The governing board has designated, from net assets without donor restrictions, amounts for the endowment and Operation Ready Child. These net assets generally result from revenues generated by receiving contributions that have no donor restrictions, providing services, and receiving interest from operating investments, less expenses incurred in providing program-related services, raising contributions, and performing functions.

Net assets with donor restrictions are resources that are subject to donor-imposed restrictions. Some restrictions are temporary in nature, such as those that are restricted by a donor for use for a particular purpose or in a particular future period. These net assets result from gifts of cash and other assets that are received with donor stipulations that limit the use of the donated assets, either temporarily or permanently, until the donor restriction expires, that is until the stipulated time restriction ends or the purpose of the restriction is accomplished, the net assets are restricted.

When a donor's restriction is satisfied, either by using the resources in the manner specified by the donor or by the passage of time, the expiration of the restriction is reported in the financial statements by reclassifying the net assets from net assets with donor restrictions to net assets without donor restrictions.

NOTE 2: SIGNIFICANT ACCOUNTING POLICIES (Continued)

Revenue Recognition

Contributions, governmental support, and grants are recognized when cash, other assets, an unconditional promise to give, or notification of a beneficial interest is received. Conditional promises to give are not recognized until the conditions on which they depend have been substantially met or the donor has explicitly released the restriction. Contributions received with donor-imposed restrictions that are met in the same year in which the contributions are received are classified as net assets without donor restrictions.

The Organization reports gifts of cash and other assets as restricted support if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, with donor restrictions net assets are reclassified to without donor restrictions net assets and reported in the statement of activities as net assets released from restrictions.

The Organization reports land, buildings and equipment as unrestricted support unless explicit donor stipulations specify how the donated assets must be used. Gifts of long-lived assets with explicit restrictions that specify how the assets are to be used and gifts of cash or other assets that must be used to acquire long-lived assets are reported as restricted support. Absent explicit donor stipulations about how long those long-lived assets must be maintained, the Organization reports expirations of donor restrictions when the donated or acquired long-lived assets are placed in service. Donated assets are reported at fair market value as of the date of the gift.

All contributions are considered to be available for unrestricted use unless specifically restricted by the donor. Amounts received that are designated for future periods or restricted by the donor for specific purposes are reported as restricted support that increases that net asset class. However, if a restriction is fulfilled in the same time period in which the contribution is received, the Organization reports the support as unrestricted. Unconditional promises to give that are expected to be collected within one year are recorded at net realizable value.

Conditional promises to give are not recognized until the conditions on which they depend have been substantially met or the donor has explicitly released the restriction. Contributions, governmental, support, and grants received with donor-imposed restrictions that are met in the same year in which they are received are classified as net assets without donor restrictions. For conditional contributions, governmental support, and grants, any unused funds at June 30, 2026 and 2025 are recorded as a refundable advance if allowed to be retained and used in a future period, or recorded as due to the governmental department, agency, or grantor if required to be returned.

Donated Assets

Donated investments and other noncash donations are recorded as contributions at their estimated fair values at the date of donation. Noncash transactions include contributions in-kind recorded at fair value.

NOTE 2: 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 fund-raising services throughout the year that are not recognized as contributions in the financial statements since the recognition criteria were not met. Total in-kind contributions for the years ended June 30, 2026 and 2025 were $25,050 and $100,105 for media and $29,995 and $26,149 for donated auction items, respectively.

Functional Allocation of Expenses

The Organization will apply expenses to functional areas based on the best information possible. Most expenses will be allocated according to the functional time sheet. Other direct expenses will be allocated to the appropriate function. The Organization uses the following categories for reporting functional expenses:

Program Services

- **Fund Distribution** — Includes recruitment and training of volunteers to evaluate and make recommendations as to the level of funding specific nonprofit organizations receive, as well as consulting with boards of directors and staffs of community charities during the distribution of funds process. Evaluates programs to determine how the Organization's donor dollars will be invested; monitors programs to ensure accountability and measures results and outcomes; includes actual funding to non-profit organizations based on the policies and procedures mentioned above.

- **Kindergarten Readiness** — Program designed to minimize barriers that prevent children from reaching their greatest potential with focus on engaging the community around early childhood education, concentration on building skills young children need to enter school ready to succeed. Specifically, the program will collect and distribute age-appropriate books for children, through the Dolly Parton Imagination Library.

- **Volunteer Program** — Includes programming, which links individuals in each community with volunteer opportunities and coordinates activities and events to bring volunteer resources to community agencies and programs.

NOTE 2: SIGNIFICANT ACCOUNTING POLICIES (Continued)

Functional Allocation of Expenses (Continued)

- **2-1-1 Center** — Provides callers with quick, easy, confidential, and free access to information about health and human services in the 10-county BRADD region. Professional Information and Referral Specialists work with callers to assess their needs, determine their options, provide appropriate programs/services, give support, intervene in crisis situations, and advocate for the caller as needed. Instead of multiple calls leading to dead ends, with one call to 2-1-1 people can reach a trained specialist who assesses a caller's full scope of needs and matches them to the right services for everyday needs such as food, housing, utilities, or transportation.

- **Community Impact Activities** — Includes research aimed at identification and resolution of community problems that impact the quality of life in the community; provides information and education to the public regarding the community's most critical human needs; analyzes and reviews human services agencies and programs to ensure they are meeting the most critical community needs. Also includes funds for community capacity building activities either directly, or through partnership with other funders, to strengthen the community's ability to address service needs in the areas of Education (kindergarten readiness, college and career readiness), Income (workforce development), Health (access to affordable health care, safe home and community), and Safety Net (transportation, access to basic needs). Other activities include food drives and day of caring activities.

- **Disaster Response and Recovery Activities** — New in 2023 as a result of the tornadoes affecting the region during December 2021. Received additional funds specifically to address needs of the community impacted by the natural disaster.

Supporting Services

- **Management and General** — Includes oversight board meetings, business management, executive direction and planning, personnel and office management, accounting and bookkeeping, general record keeping and file maintenance, budgeting, financing, soliciting revenue from exchange transactions and all management and administration except for direct conduct of program services or fund raising activities.

- **Fund Raising** — Includes publicizing and conducting fund raising campaigns, maintaining donor mailing lists, conducting special fund raising events, preparing and distributing fund raising manuals, instructions and other materials, and conducting other activities involved with soliciting contributions from individuals, foundations, governments and others. Also includes the recruitment, training and development of volunteers to solicit donations from corporations and individuals to fund operating and allocation expenses.

NOTE 2: SIGNIFICANT ACCOUNTING POLICIES (Continued)

Supporting Services (Continued)

- **Marketing** — Includes general distribution of public information about United Way of Southern Kentucky and raises awareness of United Way's mission.

- **UWW Dues** — Includes the dues charged by the national office of the United Way Worldwide.

Advertising

The Organization uses advertising to promote its programs among the audiences it serves. The production costs of advertising are expensed as incurred. During the years ended, June 30, 2026 and 2025 advertising costs totaled $83,412 and $119,059, respectively.

Income Taxes

Under section 501(c)(3) of the Internal Revenue Code, the Organization is exempt from taxes on income other than unrelated business income. There was no unrelated business taxable income for the years ended June 30, 2026 and 2025.

The Organization utilizes the accounting requirements associated with uncertainty in income taxes using the provisions of Financial Accounting Standards Board (FASB) ASC 740, Income Taxes. Using that guidance, tax positions initially need to be recognized in the financial statements when it is more-likely-than-not the positions will be sustained upon examination by the tax authorities. It also provides guidance for de-recognition, classification, interest and penalties, accounting in interim periods, disclosure and transition. As of June 30, 2026 and 2025, the Organization has no uncertain tax provisions that qualify for recognition or disclosure in the financial statements.

Reclassifications

Certain reclassifications were made to prior year balances to conform with current year presentation.

Subsequent Events

The Organization has evaluated subsequent events through the date the financial statements were available to be issued, October 22, 2026 and determined there were no events that occurred that required disclosure. No subsequent events occurring after this date have been evaluated for inclusion in these financial statements.

NOTE 3: LIQUIDITY AND FINANCIAL ASSET AVAILABILITY

The Organization maintains its financial assets primarily in cash and cash equivalents and investments to provide liquidity to ensure funds are available as the Organization's expenditures come due. The following reflects the Organization's financial assets as of the statement of financial position date, reduced by amounts not available for general use within one year of the statement of financial position date because of contractual or donor-imposed restrictions.

June 30,	**2026**	2025
Total current assets, at year-end	**$ 5,410,056**	$ 5,111,293
Less non-financial assets		
Prepaid expenses	**(26,547)**	(32,118)
Financial assets, at year-end	**5,383,509**	5,079,175
Less those not available for general expenditures within one year, due to contractual or donor-imposed restrictions:		
Restricted by donor with time or purpose restrictions	**(1,269,565)**	(1,286,293)
Board designations - endowment	**(330,827)**	(277,615)
Financial assets available to meet cash needs for general expenditures within one year	**$ 3,783,117**	**$ 3,515,267**

Financial assets at year-end as noted in the above schedule exclude property and equipment and prepaid expenses.

NOTE 4: INVESTMENTS

Investments in marketable securities consist of the following:

June 30, 2026	Cost	Market Value	Net Unrealized Appreciation (Depreciation)
Cash management funds	**$ 166,021**	**$ 166,021**	**$ -**
Mutual funds - equities	**1,411,880**	**2,003,913**	**592,033**
Mutual funds - bonds	**1,485,986**	**1,414,311**	**(71,675)**
Total investments	**$ 3,063,887**	**$ 3,584,245**	**$ 520,358**

NOTE 4: INVESTMENTS (Continued)

June 30, 2025	Cost	Market Value	Net Unrealized Appreciation (Depreciation)
Cash management funds	$ 31,549	$ 31,549	$ -
Mutual funds - equities	1,370,647	1,728,050	357,403
Mutual funds - bonds	1,470,327	1,389,422	(80,905)
Total investments	$ 2,872,523	$ 3,149,021	$ 276,498

Investment return is recapped as follows:

For the years ended June 30,	**2026**	2025
Investment return is summarized as follows:		
Dividend/Interest income	**$ 161,855**	$ 146,354
Net realized/unrealized gains	**313,145**	223,484
Investment return designated for current operations	**$ 475,000**	$ 369,838

NOTE 5: PROPERTY AND EQUIPMENT

Property and equipment consist of the following:

June 30,	**2026**	2025
Land	**$ 26,000**	$ 26,000
Buildings and improvements	**370,500**	370,500
Equipment	**127,026**	127,026
Total property and equipment	**523,526**	523,526
Less: accumulated depreciation	**(372,274)**	(355,929)
Property and equipment, net	**$ 151,252**	$ 167,597

Depreciation expense for the years ended June 30, 2026 and 2025 was $16,345 and $15,501, respectively.

NOTE 6: PENSION PLAN

The Organization has established a defined contribution pension plan for the benefit of its employees. The plan is non-contributory and is administered by Mutual of America. Under the plan, 7% of the employee's salary is contributed to an account for each individual employee and accrued for their benefit. An employee must have one year of service with any non-profit Health and Human Service organization before they can participate in the plan and three years of United Way service to become fully vested under the plan. During the years ended June 30, 2026 and 2025, the Organization contributed $46,917 and $35,258 to the plan, respectively.

NOTE 7: UNITED WAY PARTNER AGENCIES

The Organization has entered into agreements with United Way Agencies in Southern Kentucky to provide funding to these approved agencies. During the years ended June 30, 2026 and 2025, the Organization made payments to these affiliated agencies of $1,086,193 and $1,046,109, respectively.

NOTE 8: NET ASSETS

A summary of net assets without donor restrictions follows:

June 30,	**2026**	2025
Undesignated	**$ 2,735,778**	$ 2,457,643
Board designated:		
Endowments	**330,827**	277,615
Total net assets without donor restrictions	**$ 3,066,605**	$ 2,735,258

A summary of net assets with donor restrictions follows:

June 30,	**2026**	2025
Time restricted	**$ -**	$ -
Purpose restricted		
Restricted for 2-1-1 Center	**170,918**	239,178
Restricted for Kindergarten Readiness	**1,098,647**	1,047,115
Total net assets with donor restrictions	**$ 1,269,565**	$ 1,286,293

NOTE 9: ENDOWMENT

The Organization has an Endowment Fund Agreement ("Agreement") originally established with the Community Foundation of South Central Kentucky, Inc. ("Foundation") to create the "United Way Endowment Fund". The objective of the Endowment Fund is to provide support for various services and programs of the Organization to be administered through the Board of Directors.

The Endowment Fund was established with an initial transfer of $10,000 from the Organization's without donor restrictions net assets and is intended to include any other properties that later may be transferred to the Endowment Fund from either without donor restrictions contributions or additional transfers of without donor restrictions net assets, as approved by the Board. Until July 2019, the assets were held by the Foundation, acting in a fiduciary capacity, and all investment decisions and services were provided by the Foundation. The Foundation invested in a variety of certificates of deposits, mutual funds, bonds, and common stocks. Beginning July 2019, the Endowment Fund was transferred to US Bank for management investment purposes.

Investments are exposed to various risks such as interest rate risk, credit risk, and market risk. Due to the level of risk associated with certain investments, it is at least reasonably possible that changes in the values of investments will occur in the near term and that such changes could materially affect the amounts reported in the accompanying statement of financial position. Income and principal from the Endowment Fund will be applied to any service, program or other need of the Organization, the application and expense of which will be at the sole discretion of the Organization's Board. Rate of return and spending policies have not been adopted by the Organization's Board. As of June 30, 2026 and 2025, the Organization is pursuing other funding sources to increase the endowment fund. The fair market value of the endowment fund at June 30, 2026 and 2025 was $330,827 and $277,615, respectively.

Investment Return Objectives, Risk Parameters and Strategies: The Organization has adopted investment and spending policies, approved by the Board of Directors, for endowment assets. That policy attempts 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 expressed purpose of the account is to meet core operating expenses so donors to the Organization can be confident that their contributions are being maximized.

Endowment assets are invested in a well-diversified asset mix, which includes equity mutual funds, fixed income funds, commodities and cash equivalents. Actual returns may vary year to year. Investment risk is measured in terms of the total endowment fund; investment assets and allocations between asset classes and strategies are managed to prevent exposing the fund to unacceptable levels of risk.

Spending Policy: The Organization's policy denotes that no expenditures will be made from the endowment account until the total value has reached specified thresholds.

NOTE 9: ENDOWMENT (Continued)

For the years ended June 30, 2026 and 2025, the Organization had the following Board designated endowment related activities all of which is Without Donor Restrictions:

For the years ended June 30,	**2026**	2025
Endowment fund, beginning balance	**$ 277,615**	$ 242,461
Investment income	**9,832**	8,142
Realized gain/(loss) on sale, net	**1,962**	5,723
Net appreciation (depreciation)	**41,418**	21,289
Total investment return (loss)	**53,212**	35,154
Endowment fund, ending balance	**$ 330,827**	$ 277,615

NOTE 10: FAIR VALUE MEASUREMENTS

Fair value is the exchange price that would be received for an asset or paid to transfer a liability (exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date. There are three levels of inputs that may be used to measure fair values:

Level 1: Quoted prices (unadjusted) for identical assets or liabilities in active markets that the entity 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 in active markets;
- Quoted prices for identical or similar assets or liabilities in inactive markets;
- Inputs, other than quoted prices, that are:
  - observable; or
  - can be corroborated by observable market data.

If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.

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

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

Following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in the methodologies used at June 30, 2026 and 2025.

NOTE 10: FAIR VALUE MEASUREMENTS (Continued)

Investment Securities

Valued primarily by independent third party pricing services under the market valuation approach that include, but not limited to, the following inputs:

- Marketable equity securities and mutual funds are priced utilizing real-time data feeds from active market exchanges for identical securities.

- Government-sponsored agency debt securities, obligations of states and political subdivisions, corporate bonds, and other similar investment securities are priced with available market information through processes using benchmark yields, matrix pricing, prepayment speeds, cash flows, live trading data, and market spreads sourced from new issues, dealer quotes, and trade prices, among others sources.

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

Investment securities are the Organization's only statement of financial position item that meets the disclosure requirements for instruments measured at fair value on a recurring basis.

As of June 30, 2026, fair value measurements were as follows:

		Fair Value Measurements at June 30, 2026 Using		
Description	Fair Value June 30, 2026	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Cash management funds	$ 166,021	$ 166,021	$ -	$ -
Mutual funds - equities	2,003,913	2,003,913	-	-
Mutual funds - bonds	1,414,311	1,414,311	-	-
Investments at fair value	$ 3,584,245	$ 3,584,245	$ -	$ -

NOTE 10: FAIR VALUE MEASUREMENTS (Continued)

As of June 30, 2025, fair value measurements were as follows:

		Fair Value Measurements at June 30, 2025 Using		
Description	Fair Value June 30, 2025	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Cash management funds	$ 31,549	$ 31,549	$ -	$ -
Mutual funds - equities	1,728,050	1,728,050	-	-
Mutual funds - bonds	1,389,422	1,389,422	-	-
Investments at fair value	$ 3,149,021	$ 3,149,021	$ -	$ -

Changes in Fair Value Levels

The availability of observable market data is monitored to assess the appropriate classification of financial instruments within the fair value hierarchy. Changes in economic conditions or model-based valuation techniques may require the transfer of financial instruments from one fair value level to another. In such instances, the transfer is reported at the beginning of the reporting period.

Management evaluated the significance of transfer between levels based upon the nature of the financial instrument and size of the transfer relative to total assets. For the year ended June 30, 2026, there were no significant transfers in or out of Levels 1, 2 or 3.

NOTE 11: CONCENTRATIONS OF CREDIT RISK

The Organization has concentrations of credit risk in contributions receivable. The collection of outstanding contributions is heavily dependent upon the economic stability of local industries.

The Organization has cash in financial institutions that is insured by the Federal Deposit Insurance Corporation (FDIC) up to $250,000 at each institution for the bank accounts. At various times throughout the year, the Organization may have cash balances at financial institutions that exceed the insured amount. Management does not believe this concentration of cash results in a high level of custodial credit risk for the Organization.

NOTE 12: CONTINGENCIES

The Organization receives funding from local government agencies and private contributions some which are designated for special purposes. For government agency contributions, if, based on the grantor's review, the funds were not used for their intended purposes, the grantors may request refunds of monies advanced. The amounts of such future refunds, if any, are not expected to be significant. Continuation of the Organization's programs is predicated upon the satisfaction of the various donors that the funds they provide are being spent as intended and upon their intent to continue their programs.

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