



**United Way  
of Racine County**

**UNITED WAY OF RACINE COUNTY, INC.**

FINANCIAL STATEMENTS WITH  
SUPPLEMENTARY INFORMATION

December 31, 2025 and 2024

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## INDEPENDENT AUDITOR'S REPORT

To the Board of Directors  
United Way of Racine County, Inc.  
Racine, Wisconsin

### ***Opinion***

We have audited the financial statements of United Way of Racine County, Inc., 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 accompanying financial statements present fairly, in all material respects, the financial position of United Way of Racine County, Inc. 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 (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 United Way of Racine County, 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 Racine County, 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 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 United Way of Racine 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 United Way of Racine 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.

#### ***Supplementary Information***

Our audits were conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of allocations is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with GAAS. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.



Wegner CPAs, LLP  
Waukesha, Wisconsin  
March 25, 2026

**UNITED WAY OF RACINE COUNTY, INC.**  
**STATEMENTS OF FINANCIAL POSITION**  
December 31, 2025 and 2024

	<u>2025</u>	<u>2024</u>
<b>ASSETS</b>		
<b>CURRENT ASSETS</b>		
Cash	\$ 539,168	\$ 1,383,443
Current portion of certificates of deposit	1,164,766	1,262,973
Investments	4,831,240	4,718,539
Interest receivable	8,175	3,918
Grants receivable	45,204	111,416
Unconditional promises to give	1,687,895	701,887
Prepaid expenses	<u>56,964</u>	<u>88,242</u>
Total current assets	8,333,412	8,270,418
<b>PROPERTY AND EQUIPMENT, NET</b>	13,924	12,972
<b>OTHER ASSETS</b>		
Certificates of deposit less current portion	128,973	-
Operating lease right-of-use assets	275,849	353,204
Beneficial interest in assets held by Racine Community Foundation	<u>1,887,811</u>	<u>1,802,793</u>
Total other assets	<u>2,292,633</u>	<u>2,155,997</u>
<b>Total assets</b>	<u><u>\$ 10,639,969</u></u>	<u><u>\$ 10,439,387</u></u>
<b>LIABILITIES AND NET ASSETS</b>		
<b>CURRENT LIABILITIES</b>		
Accounts payable	\$ 63,135	\$ 59,548
Accrued liabilities	86,099	92,279
Agency designations payable	538,290	538,467
Agency allocations payable	762,500	764,990
Current portion of operating lease liabilities	80,779	77,354
Agency fund liability	<u>546,563</u>	<u>640,000</u>
Total current liabilities	2,077,366	2,172,638
<b>OTHER LIABILITIES</b>		
Operating lease liabilities less current portion	<u>195,071</u>	<u>275,849</u>
Total liabilities	2,272,437	2,448,487
<b>NET ASSETS</b>		
Without donor restrictions	4,741,093	4,928,500
With donor restrictions	<u>3,626,439</u>	<u>3,062,400</u>
Total net assets	<u>8,367,532</u>	<u>7,990,900</u>
<b>Total liabilities and net assets</b>	<u><u>\$ 10,639,969</u></u>	<u><u>\$ 10,439,387</u></u>

See accompanying notes.

**UNITED WAY OF RACINE COUNTY, INC.**  
**STATEMENTS OF ACTIVITIES**  
Years Ended December 31, 2025 and 2024

	2025			2024		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
<b>SUPPORT AND REVENUE</b>						
Current year campaign	\$ -	\$ 2,350,220	\$ 2,350,220	\$ -	\$ 1,783,639	\$ 1,783,639
Less donor designations	-	(571,659)	(571,659)	-	(567,633)	(567,633)
Less provision for uncollectible amounts	-	(117,364)	(117,364)	-	(88,951)	(88,951)
Net current year campaign	-	1,661,197	1,661,197	-	1,127,055	1,127,055
Prior year campaigns	1,541,404	-	1,541,404	372,590	-	372,590
Less donor designations	-	-	-	(175,842)	-	(175,842)
Net prior year campaigns	1,541,404	-	1,541,404	196,748	-	196,748
Other contributions	131,529	733,304	864,833	428,086	754,552	1,182,638
Grants	665,964	-	665,964	908,690	-	908,690
Administration fees	98,467	-	98,467	27,066	-	27,066
Investment return, net	561,597	-	561,597	561,299	-	561,299
Change in value of beneficial interest in assets held by Racine Community Foundation	61,914	174,000	235,914	29,669	84,886	114,555
Total support and revenue	3,060,875	2,568,501	5,629,376	2,151,558	1,966,493	4,118,051
<b>EXPENSES</b>						
Program services	4,123,251	-	4,123,251	4,341,794	-	4,341,794
Management and general	584,359	-	584,359	697,860	-	697,860
Fundraising	545,134	-	545,134	444,637	-	444,637
Total expenses	5,252,744	-	5,252,744	5,484,291	-	5,484,291
<b>NET ASSETS RELEASED FROM RESTRICTIONS</b>						
Satisfaction of purpose restrictions and expiration of time restrictions	2,004,462	(2,004,462)	-	3,050,775	(3,050,775)	-
<b>Change in net assets</b>	(187,407)	564,039	376,632	(281,958)	(1,084,282)	(1,366,240)
Net assets at beginning of year	4,928,500	3,062,400	7,990,900	5,210,458	4,146,682	9,357,140
<b>Net assets at end of year</b>	<u>\$ 4,741,093</u>	<u>\$ 3,626,439</u>	<u>\$ 8,367,532</u>	<u>\$ 4,928,500</u>	<u>\$ 3,062,400</u>	<u>\$ 7,990,900</u>

See accompanying notes.

**UNITED WAY OF RACINE COUNTY, INC.**  
**STATEMENT OF FUNCTIONAL EXPENSES**  
Year Ended December 31, 2025

	Program Services								Supporting Activities		Total Expenses	
	Campaign and Grants	Community Impact	Schools of Hope	Imagination Library	Link and Inspire for Tomorrow	Volunteer Income Tax Assistance	Full-Service Community School	Employee of Record	United Horizons	Management and General		Fundraising
Grants and allocations	\$ 2,606,782	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,606,782
Salaries	-	159,243	32,636	7,560	92,456	60,277	180,553	42,204	31,144	242,106	257,564	1,105,743
Payroll taxes and benefits	-	67,893	6,913	1,510	49,652	11,505	56,749	18,182	12,342	91,626	66,622	382,994
Professional fees	-	267	41	13	489	1,115	-	-	45	53,363	15,586	70,919
Contracted services	-	68,475	4,546	1,282	57,522	10,037	169,160	-	13,541	33,227	38,586	396,376
Supplies	-	1,379	2,388	155,528	6,517	3,425	17,910	-	2,058	19,822	3,876	212,903
Telephone	-	4,487	811	191	5,490	1,934	1,375	-	427	7,102	6,573	28,390
Postage	-	325	73	16	152	152	-	-	-	3,442	3,066	7,226
Occupancy	-	23,106	3,572	1,147	32,774	7,222	-	-	21,838	31,266	31,188	152,113
Repairs and maintenance	-	-	-	-	-	-	-	-	-	7,310	-	7,310
Printing and publications	-	388	404	-	-	385	-	-	-	12,020	86,401	99,598
Travel and training	-	4,753	67	-	3,639	1,073	9,946	240	5,380	15,420	19,660	60,178
Meeting expenses	-	35	13	-	699	337	-	-	683	4,619	399	6,785
Membership dues	-	705	71	23	834	145	-	-	77	10,751	1,705	14,311
Liability insurance	-	624	98	31	1,143	200	-	-	105	942	858	4,001
National dues	-	9,420	1,455	461	16,976	2,967	-	-	1,443	12,541	12,770	58,033
Bank fees	-	-	-	-	-	-	-	-	-	28,280	-	28,280
Depreciation	-	-	-	-	-	-	-	-	-	10,522	-	10,522
Miscellaneous	-	-	-	-	-	-	-	-	-	-	280	280
<b>Total expenses</b>	<u>\$ 2,606,782</u>	<u>\$ 341,100</u>	<u>\$ 53,088</u>	<u>\$ 167,762</u>	<u>\$ 268,343</u>	<u>\$ 100,774</u>	<u>\$ 435,693</u>	<u>\$ 60,626</u>	<u>\$ 89,083</u>	<u>\$ 584,359</u>	<u>\$ 545,134</u>	<u>\$ 5,252,744</u>

See accompanying notes.

**UNITED WAY OF RACINE COUNTY, INC.**  
**STATEMENT OF FUNCTIONAL EXPENSES**  
Year Ended December 31, 2024

	Program Services									Supporting Activities		Total Expenses	
	Campaign and Grants	Community Impact	Schools of Hope	Imagination Library	Link and Inspire for Tomorrow	Volunteer Income Tax Assistance	Full-Service Community School	CSI Skill Set	Employee of Record	United Horizons	Management and General		Fundraising
Grants and allocations	\$ 2,886,195	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,886,195
Salaries	-	172,625	31,163	7,406	90,662	59,534	165,818	-	8,948	22,044	232,863	244,990	1,036,053
Payroll taxes and benefits	-	87,391	7,691	1,819	26,385	10,924	75,970	-	702	1,644	97,154	59,752	369,432
Professional fees	-	2,100	119	33	2,360	1,483	-	-	-	-	49,176	20,657	75,928
Contracted services	-	31,109	675	-	3,545	1,035	290,577	-	90	11,434	133,818	425	472,708
Supplies	-	3,472	2,045	149,163	6,210	1,454	14,700	-	5,640	253	15,109	3,042	201,088
Telephone	-	4,119	864	125	6,202	2,241	2,548	-	-	-	6,412	5,535	28,046
Postage	-	313	46	10	398	115	-	-	-	-	2,630	859	4,371
Occupancy	-	23,562	3,351	979	35,771	6,121	-	-	-	-	34,813	27,403	132,000
Repairs and maintenance	-	-	-	-	-	-	-	-	-	-	9,616	-	9,616
Printing and publications	-	3,950	-	-	118	247	-	2,055	-	41	12,240	66,489	85,140
Travel and training	-	1,469	(91)	-	7,287	2,000	12,290	597	91	16,802	16,496	4,193	61,134
Meeting expenses	-	-	-	-	299	169	5	-	-	-	3,318	703	4,494
Membership dues	-	-	-	-	11	-	-	-	-	-	14,320	1,449	15,780
Liability insurance	-	671	92	26	1,011	183	-	-	-	-	775	781	3,539
National dues	-	7,177	985	271	10,877	1,978	-	-	-	-	11,227	8,359	40,874
Bank fees	-	-	-	-	-	-	-	-	-	-	31,187	-	31,187
Depreciation	-	-	-	-	-	-	-	-	-	-	10,732	-	10,732
Miscellaneous	-	-	-	-	-	-	-	-	-	-	15,974	-	15,974
<b>Total expenses</b>	<b>\$ 2,886,195</b>	<b>\$ 337,958</b>	<b>\$ 46,940</b>	<b>\$ 159,832</b>	<b>\$ 191,136</b>	<b>\$ 87,484</b>	<b>\$ 561,908</b>	<b>\$ 2,652</b>	<b>\$ 15,471</b>	<b>\$ 52,218</b>	<b>\$ 697,860</b>	<b>\$ 444,637</b>	<b>\$ 5,484,291</b>

See accompanying notes.

**UNITED WAY OF RACINE COUNTY, INC.**  
**STATEMENTS OF CASH FLOWS**  
Years Ended December 31, 2025 and 2024

	2025	2024
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Change in net assets	\$ 376,632	\$ (1,366,240)
Adjustments to reconcile change in net assets to net cash flows from operating activities		
Depreciation	10,522	10,732
Amortization of operating lease right-of-use assets	77,355	68,120
Net realized and unrealized gains on investments	(410,501)	(238,699)
Change in value of beneficial interest in assets held by Racine Community Foundation	(235,914)	(114,555)
(Increase) decrease in assets		
Interest receivable	(4,257)	325
Grants receivable	66,212	(36,612)
Unconditional promises to give	(986,008)	660,377
Prepaid expenses	31,278	(42,382)
Increase (decrease) in liabilities		
Accounts payable	3,587	(284,064)
Accrued liabilities	(6,180)	26,175
Agency designations payable	(177)	69,717
Deferred revenue	-	(256,476)
Agency allocations payable	(2,490)	68,900
Operating lease liabilities	(77,353)	(68,121)
Agency fund liability	(93,437)	40,000
Net cash flows from operating activities	(1,250,731)	(1,462,803)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Interest and dividends reinvested	(138,159)	(306,546)
Purchases of property and equipment	(11,474)	(10,001)
Purchases of investments	(22,151)	(1,390,945)
Proceeds from sales of investments	427,344	2,476,142
Distributions from beneficial interest in assets held by Racine Community Foundation	150,896	70,000
Net cash flows from investing activities	406,456	838,650
<b>Change in cash</b>	(844,275)	(624,153)
Cash at beginning of year	1,383,443	2,007,596
<b>Cash at end of year</b>	<u>\$ 539,168</u>	<u>\$ 1,383,443</u>

See accompanying notes.

**UNITED WAY OF RACINE COUNTY, INC.**  
NOTES TO FINANCIAL STATEMENTS  
December 31, 2025 and 2024

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NOTE 1—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

**Nature of Activities**

United Way of Racine County, Inc. (UWRC) is a human resources organization in the Racine, Wisconsin, community through which volunteers can channel their concern for people in need. UWRC promotes social work by the coordination of the work of supported agencies, as well as other local public and private organizations, to deal with social welfare problems, and to promote cooperation and economy in the operation of such organizations. UWRC is primarily supported by contributions.

**Promises to Give**

Unconditional promises to give are recognized as revenues in the period received and as assets, decreases of liabilities, or expenses depending of the form of the benefits received. Conditional promises to give are recognized only when the conditions on which they depend are substantially met and the promises become unconditional.

**Investments**

UWRC 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 securities are exposed to various risks such as interest rate, market, and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and that such change could materially affect the amounts reported in the statement of financial position.

**Property and Equipment**

All acquisitions of property and equipment in excess of \$1,000 are capitalized. 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.

**Beneficial Interest in Assets Held by Racine Community Foundation**

UWRC's beneficial interest in assets held by Racine Community Foundation represents agreements between UWRC and the Foundation in which UWRC transfers assets to the Foundation in exchange for future distributions. The beneficial interest is not actively traded and significant other observable inputs are not available. The fair value of the beneficial interest is based on the fair value of the underlying assets as reported to UWRC by the Foundation. Little information about those assets is released publicly. The estimated fair value does not necessarily represent the amounts that may be ultimately realized due to the occurrence of future circumstances that cannot be reasonably determined.

**UNITED WAY OF RACINE COUNTY, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
December 31, 2025 and 2024

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NOTE 1—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

**Contributions**

Contributions that are restricted by the donor are reported as increases in net assets without donor restrictions if the restrictions expire (that is, when a stipulated time restriction ends or purpose restriction is accomplished) in the reporting period in which the revenue is recognized. All other donor-restricted contributions are reported as increases in net assets with donor restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions.

Amounts designated for member and non-member agencies are not included in campaign revenue as reported in the statement of activities. In accordance with requirements for accounting for contributions received and contributions made, such amounts are included only on the statement of financial position as payable to the agency as designated.

**Grants**

UWRC receives grants from government agencies and others that are conditioned upon UWRC incurring qualifying expenses. Revenue from these grants is generally recognized on a reimbursement basis, that is, when qualifying expenses are incurred by UWRC, both a receivable from the grantor agency and revenue are recorded. Grants are also generally restricted by the grantor for a specified purpose. Grants whose conditions and restrictions are met in the same reporting period that the revenue is recognized are reported as increases in net assets without donor restrictions.

Grants are subject to financial and compliance reviews and audits by the agencies providing direct or indirect funding pursuant to authority given by law or regulation. Such reviews and audits could result in claims against UWRC for disallowed costs or noncompliance with the provisions of contracts and agreements. In management's opinion, it is highly unlikely that an adverse material outcome will result from those reviews and audits.

**Leases**

UWRC does not recognize short-term leases in the statement of financial position. For these leases, UWRC recognizes the lease payments in the change in net assets on a straight-line basis over the lease term and variable lease payments in the period in which the obligation for those payments is incurred. UWRC also does not separate nonlease components from lease components for all classes of underlying assets and instead accounts for each separate lease component and the nonlease components associated with that lease component as a single lease component. If the rate implicit in the lease is not readily determinable, UWRC uses a risk-free rate as the discount rate for the lease for all classes of underlying assets.

**Income Tax Status**

UWRC is exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code.

**UNITED WAY OF RACINE COUNTY, INC.**  
NOTES TO FINANCIAL STATEMENTS  
December 31, 2025 and 2024

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NOTE 1—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

The following program services and supporting activities are included in the accompanying financial statements:

*Campaign and Grants* – UWRC raises and distributes funds to prioritized agencies and other community partners to help address Racine County needs.

*Community Impact* – UWRC's central activity allocates funds to agencies that promote social work in the Racine County area.

*Schools of Hope* – This program is in partnership with Racine Unified School District using volunteer tutors to address early grade reading proficiency.

*Imagination Library* – This a program to provide books to children from birth to age five.

*Link and Inspire for Tomorrow (LIFT)* – LIFT is a place-based strategy that creates partnerships between neighborhoods and resources. LIFT is based on the Community School Model found in 5,000 communities across the nation, and it has an integrated focus on academics, health and social services, community engagement, and development.

*Volunteer Income Tax Assistance (VITA)* – VITA is a national program staffed by local volunteers to provide free preparation and electronic filing of tax returns.

*Full-Service Community School (FSCS)* – FSCS is a national program to provide support to improve educational outcomes for children.

*CSI Skill Set* - In collaboration with Microsoft, UWRC launched an AI Skill-A-Thon, a free skilling competition to help local professionals, jobseekers, students and employers learn basic knowledge, skills, and competencies in AI to help them in their chosen career path. This program ended during 2025.

*Employee of Record* - UWRC partnered with Racine County to become its employee of record for a Literacy Coordinator Position, furthering UWRC's focus on early literacy.

*United Horizons* - United Horizons Board Training Program helps to prepare community members to serve on nonprofit boards. The program is available to Racine County residents and free to all participants.

*Management and General* – Includes accounting and production of financial reports, advertising, oversight of the annual budget, supervision of departments and programs, maintenance of personnel records, attending general board and committee meetings, and any other administrative and office services necessary for UWRC.

*Fundraising* – Provides the structure necessary to encourage and secure private financial support from individuals, foundations, and corporations.

**UNITED WAY OF RACINE COUNTY, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
December 31, 2025 and 2024

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NOTE 1—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

**Expense Allocation**

The financial statements report certain categories of expenses that are attributable to more than one program service or supporting activity. Therefore, these expenses require allocation on a reasonable basis that is consistently applied. The expenses that are allocated include salaries, payroll taxes and benefits, supplies, telephone, postage, and occupancy, which are allocated on the basis of estimates of time and effort.

**Estimates**

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities 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.

**Reclassifications**

Certain accounts in the prior-year financial statements have been reclassified for comparative purposes to conform with the presentation in the current-year financial statements.

**Date of Management's Review**

Management has evaluated subsequent events through March 25, 2026, the date which the financial statements were available to be issued.

NOTE 2—CONCENTRATIONS

**Credit Risk**

UWRC maintains its cash balances at several financial institutions located in Racine, Wisconsin. Accounts at each institution are insured by the Federal Deposit Insurance Corporation for up to \$250,000. At December 31, 2025 and 2024, UWRC's uninsured cash balances total approximately \$289,000 and \$1,133,000, respectively.

**Concentration of Contributions**

Due to the limited number of large companies in the Racine, Wisconsin, area, one company and its employees represent approximately 25% of the total contributions pledged for both the campaign years ended December 31, 2025 and 2024.

**UNITED WAY OF RACINE COUNTY, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
December 31, 2025 and 2024

**NOTE 3—INVESTMENTS**

Investments are comprised of the following:

	2025	2024
Cash and equivalents held by investment managers	\$ 63,715	\$ 75,261
Equity securities	623,455	628,650
Fixed income funds	2,029,655	2,166,004
Index mutual funds	2,114,415	1,848,624
	\$ 4,831,240	\$ 4,718,539

Fair values of equity securities are based on the closing prices reported on the active market where the individual securities are traded. Fixed income funds are valued at the daily closing price as reported by the fund. These funds are required to publish their daily value and to transact at that price. Equity securities and fixed income funds held by UWRC are considered to be actively traded and are valued using Level 1 fair value measurements. Index mutual funds are valued at the closing price reported by the investment company and are valued using Level 2 fair value measurements.

**NOTE 4—PROPERTY AND EQUIPMENT**

Property and equipment is comprised of the following:

	2025	2024
Equipment	\$ 50,545	\$ 39,070
Accumulated depreciation	(36,621)	(26,098)
Property and equipment, net	\$ 13,924	\$ 12,972

**NOTE 5—RETIREMENT PLAN**

UWRC sponsors a defined contribution plan covering all employees. UWRC matches participants' contributions to the plan up to 8% of the individual participant's compensation. Total expense for the years ended December 31, 2025 and 2024, was \$119,725 and \$112,367, respectively.

**NOTE 6—CONDITIONAL GRANTS**

UWRC has several grants that are conditioned upon UWRC incurring qualifying expenses under the grant programs. At December 31, 2025, these conditional grants total approximately \$165,000. These conditional grants will be recognized as revenue when the respective conditions are met in future years.

**UNITED WAY OF RACINE COUNTY, INC.**  
NOTES TO FINANCIAL STATEMENTS  
December 31, 2025 and 2024

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NOTE 7—ENDOWMENT

UWRC's endowment consists of two individual funds established for a variety of purposes. The endowment includes both donor-restricted endowment funds and funds designated by the board of directors to function as endowments. As required by generally accepted accounting principles, net assets associated with endowment funds are classified and reported based on the existence or absence of donor-imposed restrictions.

UWRC is subject to the Uniform Prudent Management of Institutional Funds Act (UPMIFA) and thus, classifies amounts in its donor-restricted endowment funds as net assets with donor restrictions because those net assets are time restricted until the board of directors appropriates such amounts for expenditures. Most of those net assets are also subject to purpose restrictions that must be met before reclassifying those net assets to net assets without donor restrictions. The board of directors has interpreted UPMIFA as not requiring the maintenance of purchasing power of the original gift amount contributed to an endowment fund unless a donor stipulates the contrary. As a result of this interpretation, when reviewing its donor-restricted endowment funds, UWRC considers a fund to be underwater if the fair value of the fund is less than the sum of (a) the original value of initial and subsequent gift amounts donated to the fund and (b) any accumulations to the fund that are required to be maintained in perpetuity in accordance with the direction of the applicable donor gift instrument. UWRC has interpreted UPMIFA to permit spending from underwater funds in accordance with the prudent measures required under the law.

In accordance with UPMIFA, UWRC considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds: (1) the duration and preservation of the fund, (2) the purposes of the donor-restricted endowment fund, (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 UWRC, and (7) UWRC's investment policies.

UWRC established funds at Racine Community Foundation (Foundation) to invest its endowment assets. The agreement between UWRC and the Foundation states that the transfer of assets is irrevocable and that the transferred assets will not be returned to UWRC. However, the Foundation will make annual distributions of the income earned on the fund subject to UWRC's spending policy.

*Investment Return Objectives, Risk Parameters, and Strategies:* UWRC's primary investment goal is to deliver long-term investment returns sufficient to cover both spending and inflation to preserve the purchasing power of the investment portfolio. The Foundation seeks to achieve this goal through cost-effective implementation at an appropriate level of risk, diversification of asset classes and strategies to provide consistent returns, capital preservation in down market cycles to provide stability in spending support, and long-term capital appreciation through the incorporation of risk-based assets, including non-marketable, illiquid alternatives.

*Spending Policy:* At year end, UWRC has a policy of distributing up to 4% of the moving average of the past 12 quarters' closing market value of the endowment investment. In establishing this policy, UWRC considered the long-term expected return of its endowment.

**UNITED WAY OF RACINE COUNTY, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
December 31, 2025 and 2024

NOTE 7—ENDOWMENT (continued)

Endowment net asset composition by type of fund at December 31, 2025 and 2024, are as follows:

	2025		
	Without Donor Restrictions	With Donor Restrictions	Total
Board-designated endowment	\$ 524,831	\$ -	\$ 524,831
Donor-restricted endowment funds:			
Original donor-restricted gift amount and amounts required to be maintained in perpetuity by donor	-	566,818	566,818
Accumulated investment gains	-	796,162	796,162
Total endowment funds	\$ 524,831	\$ 1,362,980	\$ 1,887,811
	2024		
	Without Donor Restrictions	With Donor Restrictions	Total
Board-designated endowment	\$ 462,917	\$ -	\$ 462,917
Donor-restricted endowment funds:			
Original donor-restricted gift amount and amounts required to be maintained in perpetuity by donor	-	566,818	566,818
Accumulated investment gains	-	773,058	773,058
Total endowment funds	\$ 462,917	\$ 1,339,876	\$ 1,802,793

**UNITED WAY OF RACINE COUNTY, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
December 31, 2025 and 2024

NOTE 7—ENDOWMENT (continued)

Changes in endowment net assets for the years ended December 31, 2025 and 2024, are as follows:

	Without Donor Restrictions	With Donor Restrictions	Total
Balance, December 31, 2023	\$ 453,248	\$ 1,304,990	\$ 1,758,238
Change in value	29,669	84,886	114,555
Appropriated for expenditure	<u>(20,000)</u>	<u>(50,000)</u>	<u>(70,000)</u>
Balance, December 31, 2024	462,917	1,339,876	1,802,793
Change in value	61,914	174,000	235,914
Appropriated for expenditure	<u>-</u>	<u>(150,896)</u>	<u>(150,896)</u>
Balance, December 31, 2025	<u>\$ 524,831</u>	<u>\$ 1,362,980</u>	<u>\$ 1,887,811</u>

NOTE 8—CONDITIONAL GRANTS PAYABLE

At December 31, 2025, UWRC has awarded \$2,066,670 of multi-year grants to various organizations under Community Initiatives funding. These grants are conditioned upon the recipients meeting the requirements in the respective agreements. These conditional grants will be considered unconditional when the requirements are met.

NOTE 9—NET ASSETS

UWRC's board of directors has designated net assets without donor restrictions for the following purposes:

	2025	2024
Operating reserves	\$ 2,137,917	\$ 1,930,703
Board-designated endowment funds	524,831	462,917
Community initiatives	2,066,669	2,385,098
Investment in property and equipment	<u>13,924</u>	<u>12,972</u>
	<u>\$ 4,743,341</u>	<u>\$ 4,791,690</u>

**UNITED WAY OF RACINE COUNTY, INC.**  
NOTES TO FINANCIAL STATEMENTS  
December 31, 2025 and 2024

NOTE 9—NET ASSETS (continued)

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

	2025	2024
Subject to the passage of time:		
Campaign revenue for the next allocation period	\$ 1,486,363	\$ 534,916
Subject to expenditure for specified purpose:		
Community Allocation funding	-	50,000
Education	40,020	33,677
Health	9,487	6,773
Income	3,052	4,437
Western Racine County	28,649	28,238
Essential services basic needs	80,563	46,730
Imagination Library	66,098	114,862
Johnathan Delgrave memorial	285	8,140
United Way Leadership event	-	27,260
VITA	1,207	964
Women United Brighter Future Fund	7,347	40,012
Equity Innovation Fund	3,763	83
Equity Through Technology	136,750	190,000
Community schools	3,317	34,791
Schools of Hope	3,725	6,171
Food insecurity	6,039	-
STRIVE	380,794	595,470
Growing minds	6,000	-
Subject to UWRC's spending policy and appropriation:		
Emergency capital needs	425,997	466,105
Success by Six	936,983	873,771
	\$ 3,626,439	\$ 3,062,400

NOTE 10—LIQUIDITY AND AVAILABILITY

UWRC monitors its liquid financial assets sufficient to meet its program and initiative funding and operating needs, while also striving to maximize the investment of its available funds. In addition, UWRC anticipates collecting sufficient revenue to cover general expenditures not covered by donor-restricted resources. UWRC has a stabilization fund which enables it to support participating agency programs and services during highly unusual circumstances. This fund is targeted to equal or exceed the greater of \$1,000,000 or three months of allocations and operating costs.

**UNITED WAY OF RACINE COUNTY, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
December 31, 2025 and 2024

NOTE 10—LIQUIDITY AND AVAILABILITY (continued)

The following table reflects UWRC's financial assets as of the date of the statement of financial position, reduced by amounts not available for general expenditures within one year of the date of the statement of financial position because of donor-imposed restrictions or board designations:

	<u>2025</u>	<u>2024</u>
Financial assets at year-end:		
Cash	\$ 539,168	\$ 1,383,443
Current portion of certificates of deposit	1,164,766	1,262,973
Investments	4,831,240	4,718,539
Interest receivable	8,175	3,918
Grants receivable	45,204	111,416
Unconditional promises to give	1,687,895	701,887
Beneficial interest in assets held by Racine Community Foundation	<u>1,887,811</u>	<u>1,802,793</u>
Total financial assets at year-end	10,164,259	9,984,969
Less those unavailable for general expenditures within one year:		
Board designated operating reserves	(2,137,917)	(1,930,703)
Board-designated endowment funds	(524,831)	(462,917)
Board-designated for community initiatives	(2,066,669)	(2,385,098)
Invested in property and equipment	(13,925)	-
Restricted by donor to maintain as an endowment	(1,362,980)	(1,339,876)
Restricted by donor with purpose restrictions	<u>(777,096)</u>	<u>(1,187,608)</u>
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 3,280,841</u>	<u>\$ 2,678,767</u>

NOTE 11—LEASES

UWRC leases building space under an operating lease that expires on March 31, 2029. Total operating lease cost was \$128,573 and \$128,068 for the years ended December 31, 2025 and 2024, respectively.

Other information related to operating leases is as follows:

	<u>2025</u>	<u>2024</u>
Cash payments classified as part of operating cash flows for amounts included in the measurement of lease liabilities	\$ 90,828	\$ 68,121
Right-of-use assets obtained in exchange for new operating lease liabilities	-	409,059
Weighted-average remaining lease term	3.3 years	4.3 years
Weighted-average discount rate	4.34%	4.34%

**UNITED WAY OF RACINE COUNTY, INC.**  
NOTES TO FINANCIAL STATEMENTS  
December 31, 2025 and 2024

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NOTE 11—LEASES (continued)

The maturities of operating lease liabilities as of December 31, 2025, are as follows:

Year ending December 31:		
2026	\$	90,828
2027		90,828
2028		90,828
2029		<u>22,707</u>
Total minimum lease payments		295,191
Imputed interest		<u>(19,341)</u>
Total lease liabilities	\$	<u><u>275,850</u></u>

**UNITED WAY OF RACINE COUNTY, INC.**  
**SCHEDULE OF ALLOCATIONS**  
Years Ended December 31, 2025 and 2024

	<u>2025</u>	<u>2024</u>
Alliance on Mental Illness	\$ 39,720	\$ 33,600
BeLEAF Survivors, Inc.	134,050	123,806
Board of Regents of University of Wisconsin	73,625	61,940
Burlington Senior Center	53,154	29,220
Burlington Transitional Living Center	12,000	12,000
Catherine Marian Housing, Inc.	-	18,500
Children's Service Society of Wisconsin	65,066	81,600
Create Wisconsin	25,587	22,050
Focus on Community	247,520	196,710
Girl Scouts of Wisconsin Southeast	12,274	14,713
HALO, Inc.	102,469	102,469
Health Care Network	6,500	81,500
Hospitality Center, Inc.	33,657	28,343
Housing Resources, Inc.	61,736	49,050
Lovingkindness Transitional Services	38,991	-
Racine County Project Emergency	63,628	88,372
Racine County Public Health Division	79,803	84,000
Racine County Vocational Ministry	55,237	58,500
Racine County YMCA	77,118	85,360
Racine Friendship Clubhouse	21,440	20,250
Racine Literacy Council	43,639	32,500
Racine Zoological Society	20,472	26,226
SAFE Haven of Racine, Inc.	71,803	77,536
Sonnenberg Schools	14,417	-
St. Patrick's Parish	31,560	33,605
The ARC of Racine County, Inc	19,474	17,526
Three Harbors Council	14,183	32,500
Union Grove High School	49,877	-
Women's Resource Center of Racine, Inc.	56,000	37,500
YWCA Southeast Wisconsin	-	50,125
	<u>\$ 1,525,000</u>	<u>\$ 1,499,501</u>