

UNITED WAY OF NORMAN, INC.
AUDIT OF FINANCIAL STATEMENTS
JUNE 30, 2025

UNITED WAY OF NORMAN, INC.
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AS OF AND FOR THE YEAR ENDING
JUNE 30, 2025

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INDEPENDENT AUDITORS' REPORT

December 16, 2025

To the Board of Directors
United Way of Norman, Inc.
Norman, Oklahoma

Opinion

We have audited the accompanying financial statements of United Way of Norman, Inc. (a nonprofit corporation), which comprise the statement of financial position as of June 30, 2025, and the related statements of activities and changes in net assets, functional expenses, and cash flows for the year 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 Norman, Inc., as of June 30, 2025, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. 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 United Way of Norman, Inc. and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with generally accepted accounting principles; 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 Norman, Inc.'s ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

To the Board of Directors
United Way of Norman, Inc.
December 16, 2025

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 it 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, including omissions, 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 Norman, 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 Norman, Inc.'s ability to continue as a going concern for a reasonable period of time.

To the Board of Directors
United Way of Norman, Inc.
December 16, 2025

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.

GRAY, BLODGETT & COMPANY, PLLC

Gray, Blodgett & Company, PLLC

UNITED WAY OF NORMAN, INC.
STATEMENT OF FINANCIAL POSITION
JUNE 30, 2025

ASSETS	
	<u>2025</u>
Current Assets	
Cash, cash equivalents, and restricted cash	\$ 781,589
Promises to give, net of allowance for uncollectible pledges of \$79,797	418,503
Investments	<u>594,884</u>
Total Current Assets	1,794,976
Other Assets	
Operating lease right-of-use assets, net	164,392
Fixed assets, net	<u>48,289</u>
Total Other Assets	<u>212,681</u>
Total Assets	<u>\$ 2,007,657</u>

LIABILITIES AND NET ASSETS	
Current Liabilities	
Accounts payable	\$ 5,272
Payroll taxes payable	5,010
Accrued vacations	6,047
Other accrued liabilities	1,186
Operating lease current portion	15,869
Campaign allocations and designations payable	<u>950,160</u>
Total Current Liabilities	<u>983,544</u>
Long-term Liabilities	
Operating lease liability	<u>150,923</u>
Total Long-term Liabilities	<u>150,923</u>
Total Liabilities	<u>1,134,467</u>
Net Assets	
Without donor restrictions	771,404
With donor restrictions	<u>101,786</u>
Total Net Assets	<u>873,190</u>
Total Liabilities and Net Assets	<u>\$ 2,007,657</u>

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

UNITED WAY OF NORMAN, INC.
STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS
FOR THE YEAR ENDED JUNE 30, 2025

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Revenues			
Campaign revenue	\$ 1,464,811	\$ -	\$ 1,464,811
Less: Donor designations	(147,107)	-	(147,107)
Uncollected pledges expense	<u>(72,476)</u>	<u>-</u>	<u>(72,476)</u>
Net campaign revenue	1,245,228	-	1,245,228
Contract income	37,000	-	37,000
Other donations	-	85,556	85,556
In-kind donations	109,847	-	109,847
Interest income	<u>47,405</u>	<u>-</u>	<u>47,405</u>
	1,439,480	85,556	1,525,036
Satisfaction of time and program restrictions	<u>78,767</u>	<u>(78,767)</u>	<u>-</u>
Total revenues and other support	<u>1,518,247</u>	<u>6,789</u>	<u>1,525,036</u>
Expenses			
Functional expenses			
Net funds allocated to agencies	809,524	-	809,524
Community outreach	215,174	-	215,174
Resource development	249,116	-	249,116
Financial stability	54,265	-	54,265
Education council	54,631	-	54,631
Health council	83,477	-	83,477
Management and general	<u>171,304</u>	<u>-</u>	<u>171,304</u>
Total expenses	<u>1,637,491</u>	<u>-</u>	<u>1,637,491</u>
Change in net assets	(119,244)	6,789	(112,455)
Net assets, beginning of year	<u>890,648</u>	<u>94,997</u>	<u>985,645</u>
Net assets, end of year	<u>\$ 771,404</u>	<u>\$ 101,786</u>	<u>\$ 873,190</u>

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

UNITED WAY OF NORMAN, INC.
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2025

	Funds Allocated to Agencies	Programs						Management and General	Totals
		Community Outreach	Resource Development	Financial Stability	Education Council	Health Council	Total Program		
Gross funds awarded to agencies	\$ 950,160	-	-	-	-	-	\$ -	\$ 950,160	
Less: Donor designations	(140,636)	-	-	-	-	-	-	(140,636)	
Net agency allocations	809,524	-	-	-	-	-	-	809,524	
Salaries	-	128,827	72,762	32,835	32,835	45,840	83,474	396,573	
Payroll taxes	-	9,645	5,436	2,478	2,478	3,461	6,166	29,664	
Total personnel costs	-	138,472	78,198	35,313	35,313	49,301	89,640	426,237	
Accounting fees	-	1,010	1,515	1,515	1,515	3,031	38,515	47,101	
Campaign sponsorships	-	-	16,826	-	-	-	-	16,826	
Celebrity Sing	-	-	11,536	-	-	-	-	11,536	
Depreciation expense	-	-	-	-	-	-	6,264	6,264	
Dues - United Way of America	-	1,785	2,678	2,678	2,678	5,356	2,678	17,853	
Dues and subscriptions	-	55	82	82	82	164	82	547	
Equipment and repair	-	3,923	3,923	1,569	2,032	2,676	1,569	15,692	
Emergency fund disbursements	-	1,846	-	-	-	-	-	1,846	
In-kind donations	-	-	102,860	-	-	-	-	102,860	
Insurance-health	-	8,676	6,752	2,276	2,177	3,068	6,987	109,847	
Insurance-director liability	-	-	-	-	-	-	11,509	34,458	
Insurance-other	-	393	417	293	293	587	2,065	2,065	
Meeting expense	-	63	212	63	63	127	435	2,418	
Miscellaneous expense	-	12,622	3,048	13	13	26	-	528	
Office supplies	-	106	158	168	158	317	46	15,768	
Postage	-	279	1,916	279	279	558	158	1,065	
Public relations and marketing	-	3,413	7,875	1,927	1,937	3,873	174	3,485	
Rent	-	2,520	3,780	3,780	3,780	7,560	3,780	19,025	
Retirement	-	8,006	6,132	3,219	3,219	4,654	6,961	25,200	
School supplies	-	31,437	-	-	-	-	-	32,191	
Staff training and conferences	-	-	414	414	414	828	-	31,437	
Telephone	-	190	285	285	285	570	-	2,070	
Travel	-	353	471	353	355	705	285	1,900	
Volunteer training and recognition	-	25	38	38	38	76	118	2,355	
Total other expenses	-	76,702	170,918	18,952	19,318	34,176	38	253	
Total expenses	\$ 809,524	\$ 215,174	\$ 249,116	\$ 54,265	\$ 54,631	\$ 83,477	\$ 171,304	\$ 1,637,491	

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

UNITED WAY OF NORMAN, INC.
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2025

	<u>2025</u>
Cash Flows From Operating Activities	
Change in net assets	\$ (112,455)
Adjustments to reconcile change in net assets to cash provided (used) by operating activities:	
Depreciation	6,264
(Increase) decrease in operating right-of-use costs	1,200
(Increase) decrease in pledges receivable	89,730
Increase (decrease) in allowance for doubtful accounts	(14,339)
Increase (decrease) in accounts payable	4,498
Increase (decrease) in accrued salaries	(241)
Increase (decrease) in deferred revenue	(37,000)
Increase (decrease) in allocations payable	29,871
Increase (decrease) in other accrued liabilities	<u>2,252</u>
Total adjustments	<u>82,235</u>
Net Cash Provided (Used) by Operating Activities	<u>(30,220)</u>
Cash Flows From Investing Activities	
Purchases of investments	<u>(594,884)</u>
Net Cash Provided (Used) by Investing Activities	<u>(594,884)</u>
Net Increase (Decrease) in Cash	(625,104)
Cash, Cash Equivalents, and Restricted Cash at Beginning of Year	<u>1,406,693</u>
Cash, Cash Equivalents, and Restricted Cash at End of Year	<u>\$ 781,589</u>
<u>Supplemental Information</u>	
Cash	\$ 679,803
Restricted cash	<u>101,786</u>
Total cash, cash equivalents, and restricted cash	<u>\$ 781,589</u>

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

United Way of Norman, Inc.
Notes to Financial Statements
June 30, 2025

Note 1 - Description

United Way of Norman, Inc. (the Organization) began in 1957 as The United Fund of Norman, Inc. United Way of Norman, Inc. was incorporated as a non-profit organization under the laws of the State of Oklahoma on July 31, 1969. The organization is affiliated with United Way Worldwide. The mission of United Way of Norman, Inc. is to act as a fund-raising agent for social agencies serving the Norman, Oklahoma area to assist those agencies in the effective planning and execution of the social services provided to the community.

Note 2 - Summary of Significant Accounting Policies:

Basis of Accounting

The financial statements of United Way of Norman, Inc. have been prepared on the accrual basis of accounting in accordance with generally accepted accounting principles (GAAP).

Basis of Presentation

Financial statements presentation follows the recommendations of the Financial Accounting Standards Board Accounting Standards Codification 958 (FASB ASC 958), *Financial Statements of Not-for-Profit Organizations*. Under FASB ASC 958, United Way of Norman, Inc. is required to report information regarding its financial position and activities according to the following net asset classifications:

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 the Organization's management and may be designated for specific purposes by 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 the Organization or by the passage of time. Other donor restrictions are perpetual in nature, whereby the donor has stipulated the funds be maintained in perpetuity. Donor-imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both.

There were no net assets with perpetual donor restrictions held during the years ended June 30, 2025.

Cash and Cash Equivalents

Cash and cash equivalents include cash in bank accounts, petty cash, and all short-term investments with original maturities of three months or less.

Promises to Give

Promises to give are stated at unpaid principal balances net of any allowance for doubtful accounts. The allowance is based on a five year actual percentage off written of pledges. All promises to give are collectible within one year. At June 30, 2025, the organization estimated the allowance to be \$79,797.

Investments

The Organization reports investments at fair values. Gains and losses on investments are reported in the statement of activities as increases or decreases in net assets without donor restrictions.

Fair Market Value Measurement

Fair value is defined as "the price that would be received to sell an asset, or paid to transfer a liability in an orderly transaction between market participants at a measurement date." Accounting standards set a framework for measuring fair value using a three tier hierarchy based on the extent to which inputs used in measuring fair value are observable in the market.

Level 1 – Values are unadjusted quoted prices for identical assets and liabilities in active markets that are accessible at the measurement date.

Level 2 – Inputs other than quoted prices for identical assets or liabilities that are observable in the marketplace. For example, Level 2 inputs include quoted prices for similar assets or liabilities in active markets, quoted prices for identical or similar assets or liabilities in markets that are not active, inputs other than quoted prices are observable for the asset or liability (such as interest rates and yield curves, volatilities, prepayment speeds, loss severities, credit risks, and default rates), and market-corroborated inputs.

Level 3 – Inputs that are unobservable (supported by little or no market value activity) and are significant to the fair value measurement. Unobservable inputs reflect the Ministry's best estimate of what hypothetical market participants would use to determine a transaction price for the asset or liability at the reporting date.

Financial assets and liabilities carried at fair value on a recurring basis include certificates of deposits held at banks with maturities greater than 3 months. The Organization had no financial assets or liabilities carried at fair value on a non-recurring basis in 2025.

Property and Equipment

Acquisitions of property and equipment greater than \$500 are carried at cost or, if donated, at the approximate fair value at the date of donation. Depreciation is computed using primarily the straight-line method over the life of the equipment, which varies from 5-10 years.

Leases

The Organization leases office space. The Organization determines if an arrangement is a lease at inception. Under ASC 842, a contract is (or contains) a lease if it conveys the right to control the use of an identified asset for a period of time in exchange for consideration. Control is defined under the standard as having both the right to obtain substantially all of the economic benefits from use of the asset and the right to direct the use of the asset. Management only reassesses its determination if the terms and conditions of the contract are changed.

As allowed by the standards, management has elected the practical expedient to exclude short-term leases, those leases with a term of twelve months or less. Management has also elected the practical expedient to not separate lease and non-lease components for all leases and to use the risk-free rate as of the commencement date of the lease as the discount rate. Management has elected to use \$500 as a minimum threshold to record right-of-use (ROU) assets. Any lease that would result in a ROU asset of less than \$500 will be expensed as payments are made.

Operating leases are included in operating lease ROU assets, other current liabilities, and operating lease liability in the statements of financial position.

Operating lease ROU assets and liabilities are recognized at the commencement date based on the present value of lease payments over the lease term. Lease terms may include options to extend or terminate the lease. Management takes these options into account when recording ROU assets and liabilities when it is reasonably certain that the option will or will not be exercised. Lease expense for short-term lease payments will be recognized on the straight-line basis over the term of the lease.

Revenue Recognition

Contributions received are recorded as without or with donor restrictions, depending on the existence and/or nature of any donor restrictions.

All donor-restricted support is reported as an increase in net assets with donor restrictions. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), restricted net assets are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions. If restrictions on net assets with donor restrictions are met in the reporting period, they are reported as unrestricted support. The Organization uses restricted funds prior to the use of unrestricted funds when both are available for the same purpose.

As the majority of the Organization's income is derived from contributions, the Organization does not typically have performance obligations related to contracts with customers.

The Organization does not imply time restrictions on gifts of long-lived assets. In the absence of explicit donor stipulation as to how long an asset must be held, the Organization releases any purpose restrictions when the asset is placed in service for the use stipulated by the donor.

Grant revenues are recognized in revenue when earned based on performing conditional requirements as stated in the related grant agreement, if any.

Revenues from contracts with customers are recognized as the contractual performance obligations are satisfied.

Contributed Services and Materials

Contributed services are reported at fair value in the financial statements for voluntary donations of services when those services (1) create or enhance nonfinancial assets or (2) require specialized skills provided by

individuals possessing those skills and are services which would typically be purchased if not provided by donation. Donated services received from unpaid volunteers assisting the Organization in its programs do not typically meet the criteria for recognition.

Donated materials are recorded at their fair value at the date of the gift. The Organization utilizes donated materials primarily for fundraising and programs and has a policy to monetize contributed nonfinancial assets such as equity securities.

Functional Allocation of Expenses

United Way of Norman, Inc. allocates its expenses on a functional basis among its program activities, fund-raising activities, and support services. Expenses and support services that can be identified with a specific program are allocated directly to the program. Expenses that benefit multiple programs are allocated based on an analysis of the relevant amount of time expended on each function.

Advertising Expense

All advertising costs, which totaled \$19,025 for the year ending June 30, 2025, are expensed as incurred or the first time the advertising takes place. The advertising costs are included in public relations and marketing expense in the statement of functional expenses.

Income Tax Status

The Organization is a not-for-profit organization that is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code. The Organization has also been classified as an entity that is not a private foundation within the meaning of Section 509(a)(1) and qualifies for deductible contributions. No provision for federal or state income taxes has been recorded. There was no interest or penalties to the Internal Revenue Service included in these financial statements. The Organization's tax returns are generally subject to examination by the Internal Revenue Service and the State of Oklahoma for a period of three years from the date they are to be filed.

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.

United Way of Norman, Inc.
Notes to Financial Statements
June 30, 2025

The allowance for uncollectible pledges is a significant estimate. The determination of the balance in this account is an estimate based on United Way's historical experience, review of significant account balances, and expectations relative to current economic conditions. Uncollected pledges in excess of the allowance for uncollectible pledges are written off in the following fiscal year.

Date of Management's Review

Subsequent events have been evaluated through the issuance date of the report on the financial statement.

Note 3 - Liquidity and Availability

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

	<u>2025</u>
Cash and cash equivalents	\$ 781,589
Pledges receivable, net	418,503
Certificates of deposit	<u>594,884</u>
Total Financial Assets	1,794,976
Less: Amounts not available to be used within one year:	
Restricted by donors for purpose	(101,786)
Less: Amounts not available without Board approval:	
Board-designated net assets	<u>(581,155)</u>
Financial Assets available to meet general expenditures over the next 12 months	<u>\$ 1,112,035</u>

Except as noted above, none of the Organization's financial assets are subject to donor or other contractual restrictions that make them unavailable for general expenditure within one year of the statement of financial position date. The pledges receivable balances are subject to implied time restrictions but are expected to be collected within one year.

As part of their liquidity management plan, the Organization maintains a policy of structuring its financial assets to be available as its general expenditures, liabilities, and other obligations come due. In addition, the Organization invests cash in excess of daily requirements in interest-bearing, fully-insured financial instruments and certificates of deposit.

The Board of Directors has established a 3-month minimum operating reserve going forward. Currently the reserve is approximately \$559,000. Also, in the event of unanticipated liquidity needs, the Board can vote to release any Board designated funds to be used for operating purposes. The Organization intends to spend these funds only for contingency purposes as identified in Note 7 rather than for general expenditures.

Note 4 - Promises to Give

Promises to give and changes in the allowance for uncollectible amounts during the year ended June 30, 2025, are summarized as follows:

	<u>2025</u>
Promises to give, due within one year	\$ 498,300
Allowance for uncollectible accounts	<u>(79,797)</u>
Net promises to give	<u>\$ 418,503</u>

Note 5 - Investments at Fair Market Value

The following methods and assumptions were used to estimate the fair value of the beneficial interest in assets held by others reported at fair market value in the accompanying financial statements.

The certificates of deposit is included in investments and is valued at amortized cost, which approximates fair value. It is considered to be a Level 3 investment.

Net investment performance includes realized and unrealized gains (losses) on investments, investment income and administrative fees and is included in investment income (loss), net in the statement of activities.

United Way of Norman, Inc.
Notes to Financial Statements
June 30, 2025

The following table presents assets measured at fair value on a recurring basis at June 30, 2025:

	<u>Fair Value</u>	<u>Other Observable Inputs (Level 3)</u>
Certificates of deposit	\$ 594,884	\$ 594,884
Total	<u>\$ 594,884</u>	<u>\$ 594,884</u>

Note 6 - Property and Equipment

Property and equipment at June 30, 2025, consists of the following:

	<u>2025</u>
Furniture and Equipment	\$ 63,481
Lease hold Improvements	60,377
Less: Accumulated Depreciation	<u>(75,569)</u>
Total Property and Equipment	<u>\$ 48,289</u>

Note 7 - Campaign Allocations Payable

As a part of the annual United Way campaign, all donors have the choice of designating directly to agencies. The Campaign Allocation Payable to these recipient agencies is \$950,160 as of June 30, 2025.

The allocation payable also includes donor designations to specific agencies of \$140,636 as of June 30, 2025. United Way does not have title or ownership of these designated assets, nor do they have the right of variance and, as such, acts as an agent for the donors. Designated pledges are paid out equally over 12 months to the designated agencies once collected.

Note 8 - Net Assets Without Donor Restrictions

Included in net assets without donor restrictions are designations by the board of directors for contingencies, supplemental funding, emergency funding, new agencies, and capital improvements. The contingency funds

United Way of Norman, Inc.
Notes to Financial Statements
June 30, 2025

are maintained to offset the effects of a possible future shortfall in an annual campaign. Emergency funds are set aside to make additional appropriations in emergency situations. The Council impact funds are designated for funding new agencies by supplementing campaign achievement.

Net assets without donor restrictions at June 30, 2025, are comprised of the following:

Net Assets Without Donor Restrictions:	<u>2025</u>
Contingencies	\$ 558,666
Emergency	5,000
Innovative grant	10,000
Council impact	<u>7,489</u>
Total board designated	581,155
Undesignated	<u>190,249</u>
Total Net Assets Without Donor Restrictions	<u>\$ 771,404</u>

Note 9 - Net Assets With Donor Restrictions

The amounts included in the temporarily restricted net assets at June 30, 2025, are as follows:

Purpose Restrictions:	<u>2025</u>
Community outreach – tool box	\$ 535
Development fund	7,080
School supplies	12,879
Campaign sponsor	40,727
Day of caring	7,099
Financial Alliance	22,595
UWW Grant	2,988
Other	<u>7,883</u>
Total Net Assets With Donor Restrictions	<u>\$ 101,786</u>

United Way of Norman, Inc.
Notes to Financial Statements
June 30, 2025

Net assets were released from donor restrictions in 2025, by incurring expenses specified by donors as follows:

Purpose Restrictions Released:	<u>2025</u>
School supplies	\$ 31,437
Campaign sponsor	16,826
Financial Alliance	21,846
UWW Grant	855
Other	<u>7,803</u>
Total Net Assets With Donor Restrictions	<u>\$ 78,767</u>

Note 10 - In-Kind Donations

In-kind donations received by the Organization for the years ended June 30, 2025, are as follows:

<u>Donated Asset</u>	<u>Usage</u>	<u>2025</u>
Auction items	Resource Development	\$ 97,562
Media for campaign	Resource Development	3,500
Meals for volunteers	Management and General	5,650
Professional services	Management and General	<u>3,135</u>
		<u>\$ 109,847</u>

All in-kind donations received by the Organization for the years ended June 30, 2025, were considered without donor restrictions and were able to be used by the Organization as determined by the board of directors and management. The fair value of each asset received was provided by the donor or was estimated based on similar products or services.

Note 11 - Operating Lease right-of-use assets

United Way of Norman, Inc. had a lease agreement for office space, which was accounted for as an operating lease.

The building lease agreement has a lease term of ten years starting July 1, 2023, with a maturity date of June 30, 2033. Monthly lease expense is \$2,000 beginning July 2023 through June 2028 and \$2,200 beginning July 2028 through June 2033.

United Way of Norman, Inc.
Notes to Financial Statements
June 30, 2025

The following summarized the line items in the statement of net assets:

Operating Lease	<u>2025</u>
Operating right-of-use Building	\$ 196,181
Amortization of right-of-use asset	<u>(31,789)</u>
Total Operating lease right-of-use assets, net	<u>\$ 164,392</u>
Operating lease current portion	\$ 15,869
Operating lease liability	<u>150,923</u>
Total operating lease liabilities	<u>\$ 166,792</u>

The following summarizes the weighted average remaining lease term and discount rate as of June 30,2025:

Weighted average remaining lease term of operating lease (months)	96
Weighted average discount rate	5.00%

Future minimum annual lease payments are as follows:

2026	\$ 24,000
2027	24,000
2028	24,000
2029	26,400
2030	26,400
Thereafter	<u>79,200</u>
Total lease payments	204,000
Less: interest	<u>37,208</u>
Present value of lease liability	<u>\$ 166,792</u>

Other lease information for the year ended June 30, 2025:

Operating lease expense	<u>\$ 25,200</u>
Operating cash flows from operating leases	<u>\$ 24,000</u>

United Way of Norman, Inc.
Notes to Financial Statements
June 30, 2025

Note 12 - Concentrations

United Way of Norman, Inc. receives contributions from individuals and corporations in the Norman and Southern Cleveland County area. The loss of one or more of the major contributors could cause an impact in operations.

United Way of Norman, Inc. maintains cash balances at various financial institutions. The Federal Deposit Insurance Corporation insures accounts at each institution up to \$250,000.

At June 30, 2025, the Organization had no uninsured cash. The Organization believes it is not exposed to any significant credit risk on its cash balances.

Note 13 - Retirement Fund

Effective January 1, 1993, the Organization established a Simplified Employee Pension Plan using Individual Retirement Accounts. Employees are eligible for participation upon attaining age 21, earning compensation of \$450 per year and performing services for the employer in at least 2 years of the preceding 5 years. The Organization contributes five percent of the base salary for each eligible employee.

The contributions made to the plan by the Organization for the period ended June 30, 2025, totaled \$32,191.

Note 14 - Special Event

The organization annually holds a fundraising event named Celebrity Sing. Special event revenues and expenses are included in the financial statement categories:

Campaign revenues	\$ 61,215
In-kind donations	97,562
Resource development	<u>(109,098)</u>
Net special event revenue	<u>\$ 49,679</u>

UNITED WAY OF NORMAN, INC.

MANAGEMENT LETTER

JUNE 30, 2025



Gray, Blodgett & Company, PLLC

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December 16, 2025

To Management of
United Way of Norman, Inc.

In planning and performing our audit of the financial statements of United Way of Norman, Inc. (the Organization) as of and for the year ended June 30, 2025, in accordance with auditing standards generally accepted in the United States of America, we considered the Organization's internal control over financial reporting (internal control) as a basis for designing auditing procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control. Accordingly, we do not express an opinion on the effectiveness of the Organization's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies in internal control, such that there is a reasonable possibility that a material misstatement of the Organization's financial statements will not be prevented, or detected and corrected, on a timely basis.

Our consideration of internal control was for the limited purpose described in the first paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses. Given those limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Following are other matters involving internal control that we are reporting to management.

OTHER COMMENTS AND RECOMMENDATIONS

Prior Audit Adjustment

Finding: During our audit, we noted the audit entry from the prior year had not been entered into the General Ledger. We confirmed with the predecessor auditor that the entry had not been provided to the Organization. This resulted in an understatement of revenues and an overstatement of net assets for the year. There was no review by management, or the board of directors, of the Organization's trial balance after the conclusion of the previous audit to ensure that the trial balance matched the audit.

Recommendation: We recommend management, or the board of directors, review the Organization's trial balance each year at the conclusion of the audit to ensure The Organization's trial balance agrees to the audited financial statements.

To the Board of Directors
United Way of Norman, Inc.
December 16, 2025

This communication is intended solely for the information and use of the Board of Directors, management, and others within the organization and is not intended to be and should not be used by anyone other than these specified parties.

We would like to take this opportunity to acknowledge the courtesy and assistance extended to us by the personnel of United Way of Norman, Inc. during the course of our audit.

GRAY, BLODGETT & COMPANY, PLLC
Gray, Blodgett & Company, PLLC