



**United Way  
of Racine County**

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

FINANCIAL STATEMENTS WITH  
SUPPLEMENTARY INFORMATION

December 31, 2024 and 2023

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## INDEPENDENT AUDITOR'S REPORT

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

### **Report on the Audit of the Financial Statements**

#### ***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, 2024 and 2023, 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, 2024 and 2023, 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) and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*). 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 and *Government 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 GAAS and *Government 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 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 schedules of revenue and expenses by function, restricted program revenue and expenses, and allocations, and schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, are presented for purposes of additional analysis and are 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.

#### ***Other Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated March 26, 2025, on our consideration of United Way of Racine County, Inc.'s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of United Way of Racine County, Inc.'s internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering United Way of Racine County, Inc.'s internal control over financial reporting and compliance.

*Wegner CPAs LLP*

Wegner CPAs, LLP  
Waukesha, Wisconsin  
March 26, 2025

**UNITED WAY OF RACINE COUNTY, INC.**  
**STATEMENTS OF FINANCIAL POSITION**  
December 31, 2024 and 2023

	2024	2023
<b>ASSETS</b>		
<b>CURRENT ASSETS</b>		
Cash	\$ 1,383,443	\$ 2,007,596
Certificates of deposit	1,262,973	1,240,714
Investments	4,718,539	5,280,750
Interest receivable	3,918	4,243
Grants receivable	111,416	74,804
Unconditional promises to give	701,887	1,322,264
Prepaid expenses	88,242	45,860
Total current assets	8,270,418	9,976,231
<b>PROPERTY AND EQUIPMENT, NET</b>	12,972	13,703
<b>OTHER ASSETS</b>		
Operating lease right-of-use assets	353,204	29,817
Unconditional promises to give	-	40,000
Beneficial interest in assets held by Racine Community Foundation	1,802,793	1,758,238
Total other assets	2,155,997	1,828,055
<b>Total assets</b>	<b>\$ 10,439,387</b>	<b>\$ 11,817,989</b>
<b>LIABILITIES AND NET ASSETS</b>		
<b>CURRENT LIABILITIES</b>		
Accounts payable	\$ 59,548	\$ 343,612
Accrued liabilities	92,279	66,104
Agency designations payable	538,467	468,750
Deferred grant revenue	-	256,476
Agency allocations payable	764,990	696,090
Current portion of operating lease liabilities	77,354	29,817
Agency fund liability	640,000	600,000
Total current liabilities	2,172,638	2,460,849
<b>OTHER LIABILITIES</b>		
Operating lease liabilities less current portion	275,849	-
Total liabilities	2,448,487	2,460,849
<b>NET ASSETS</b>		
Without donor restrictions	4,928,500	5,210,458
With donor restrictions	3,062,400	4,146,682
Total net assets	7,990,900	9,357,140
<b>Total liabilities and net assets</b>	<b>\$ 10,439,387</b>	<b>\$ 11,817,989</b>

See accompanying notes.

**UNITED WAY OF RACINE COUNTY, INC.**  
**STATEMENTS OF ACTIVITIES**  
Years Ended December 31, 2024 and 2023

	2024			2023		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
<b>SUPPORT AND REVENUE</b>						
Current year campaign	\$ -	\$ 2,538,191	\$ 2,538,191	\$ -	\$ 3,518,838	\$ 3,518,838
Less donor designations	-	(567,633)	(567,633)	-	(468,750)	(468,750)
Less provision for uncollectible amounts	-	(88,951)	(88,951)	-	(139,466)	(139,466)
Net current year campaign	-	1,881,607	1,881,607	-	2,910,622	2,910,622
Prior year campaigns	372,590	-	372,590	432,588	-	432,588
Less donor designations	(175,842)	-	(175,842)	(108,169)	-	(108,169)
Net prior year campaigns	196,748	-	196,748	324,419	-	324,419
Other contributions	428,086	-	428,086	242,764	30,578	273,342
Grants	908,690	-	908,690	1,252,891	-	1,252,891
Administration fees	27,066	-	27,066	37,211	-	37,211
Investment return, net	561,299	-	561,299	636,901	-	636,901
Change in value of beneficial interest in assets held by Racine Community Foundation	29,669	84,886	114,555	42,740	123,057	165,797
Total support and revenue	2,151,558	1,966,493	4,118,051	2,536,926	3,064,257	5,601,183
<b>EXPENSES</b>						
Program services	4,341,794	-	4,341,794	4,525,993	-	4,525,993
Management and general	697,860	-	697,860	656,092	-	656,092
Fundraising	444,637	-	444,637	488,110	-	488,110
Total expenses	5,484,291	-	5,484,291	5,670,195	-	5,670,195
<b>NET ASSETS RELEASED FROM RESTRICTIONS</b>						
Satisfaction of purpose restrictions and expiration of time restrictions	3,050,775	(3,050,775)	-	3,182,622	(3,182,622)	-
<b>Change in net assets</b>	(281,958)	(1,084,282)	(1,366,240)	49,353	(118,365)	(69,012)
Net assets at beginning of year	5,210,458	4,146,682	9,357,140	5,161,105	4,265,047	9,426,152
<b>Net assets at end of year</b>	<u>\$ 4,928,500</u>	<u>\$ 3,062,400</u>	<u>\$ 7,990,900</u>	<u>\$ 5,210,458</u>	<u>\$ 4,146,682</u>	<u>\$ 9,357,140</u>

See accompanying notes.

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

	Program Services										Supporting Activities		
	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	Total Expenses
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.**  
**STATEMENT OF FUNCTIONAL EXPENSES**  
Year Ended December 31, 2023

	Program Services						Supporting Activities			
	Campaign and Grants	Community Impact	Schools of Hope	Imagination Library	Link and Inspire for Tomorrow	Volunteer Income Tax Assistance	Full-Service Community School	Management and General	Fundraising	Total Expenses
Grants and allocations	\$ 3,235,789	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,235,789
Salaries	-	178,154	30,956	6,549	89,974	36,439	148,184	232,910	250,567	973,733
Temporary help	-	-	-	-	-	9,601	-	-	-	9,601
Payroll taxes and benefits	-	72,085	5,308	1,261	29,922	7,519	42,832	109,967	61,795	330,689
Professional fees	-	3,646	489	131	4,485	728	238	22,214	20,082	52,013
Contracted services	-	37,188	742	-	12,893	937	206,860	107,879	-	366,499
Supplies	-	2,569	1,649	145,159	9,196	6,434	37,755	14,043	4,029	220,834
Telephone	-	3,930	1,083	114	5,392	1,259	3,098	8,557	5,659	29,092
Postage	-	533	79	20	656	199	-	2,118	2,626	6,231
Occupancy	-	23,539	3,081	859	28,961	4,437	-	43,113	26,989	130,979
Repairs and maintenance	-	-	-	-	-	-	-	3,026	-	3,026
Printing and publications	-	-	96	910	-	1,141	249	9,703	84,083	96,182
Travel and training	-	789	11	-	8,348	1,744	16,825	21,988	8,113	57,818
Meeting expenses	-	159	219	-	1,265	-	27	3,152	765	5,587
Membership dues	-	1,515	-	-	-	-	-	12,534	1,323	15,372
Liability insurance	-	622	82	20	775	118	-	3,444	726	5,787
National dues	-	18,623	2,438	670	22,913	3,522	-	27,983	21,353	97,502
Bank fees	-	-	-	-	-	-	-	21,503	-	21,503
Depreciation	-	-	-	-	-	-	-	11,958	-	11,958
<b>Total expenses</b>	<b>\$ 3,235,789</b>	<b>\$ 343,352</b>	<b>\$ 46,233</b>	<b>\$ 155,693</b>	<b>\$ 214,780</b>	<b>\$ 74,078</b>	<b>\$ 456,068</b>	<b>\$ 656,092</b>	<b>\$ 488,110</b>	<b>\$ 5,670,195</b>

See accompanying notes.



**UNITED WAY OF RACINE COUNTY, INC.**  
**STATEMENTS OF CASH FLOWS**  
Years Ended December 31, 2024 and 2023

	2024	2023
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Change in net assets	\$ (1,366,240)	\$ (69,012)
Adjustments to reconcile change in net assets to net cash flows from operating activities		
Depreciation	10,732	11,958
Amortization of operating lease right-of-use assets	(68,121)	119,847
Net realized and unrealized gains on investments	(238,699)	(396,928)
Change in value of beneficial interest in assets held by Racine Community Foundation	(114,555)	(165,797)
(Increase) decrease in assets		
Interest receivable	325	(3,747)
Grants receivable	(36,612)	62,475
Unconditional promises to give	660,377	551,841
Prepaid expenses	(42,382)	(2,252)
Increase (decrease) in liabilities		
Accounts payable	(284,064)	268,576
Accrued liabilities	26,175	4,389
Agency designations payable	69,717	59,687
Deferred grant revenue	(256,476)	(743,524)
Agency allocations payable	68,900	(41,244)
Operating lease liabilities	68,120	(119,847)
Agency fund liability	40,000	200,000
Net cash flows from operating activities	(1,462,803)	(263,578)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Interest and dividends reinvested	(306,546)	(217,175)
Purchases of property and equipment	(10,001)	-
Purchases of investments	(1,390,945)	(3,539,683)
Proceeds from sales of investments	2,476,142	3,552,562
Distributions from beneficial interest in assets held by Racine Community Foundation	70,000	-
Net cash flows from investing activities	838,650	(204,296)
<b>Change in cash</b>	(624,153)	(467,874)
Cash at beginning of year	2,007,596	2,475,470
<b>Cash at end of year</b>	<u>\$ 1,383,443</u>	<u>\$ 2,007,596</u>

See accompanying notes.

**UNITED WAY OF RACINE COUNTY, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
December 31, 2024 and 2023

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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, 2024 and 2023

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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, 2024 and 2023

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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.

*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, 2024 and 2023

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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.

**Date of Management's Review**

Management has evaluated subsequent events through March 26, 2025, 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, 2024 and 2023, UWRC's uninsured cash balances total approximately \$1,133,000 and \$1,125,000, respectively.

**Concentration of Contributions**

Due to the limited number of large companies in the Racine, Wisconsin, area, one company and its employees represent approximately 24% and 40%, respectively, of the total contributions pledged for the campaign years ended December 31, 2024 and 2023.

**NOTE 3—UNCONDITIONAL PROMISES TO GIVE**

Unconditional promises to give at the end of the year are as follows:

	2024	2023
Receivable in less than one year	\$ 701,887	\$ 1,322,264
Receivable in one to five years	-	40,000
	<u>\$ 701,887</u>	<u>\$ 1,362,264</u>

**UNITED WAY OF RACINE COUNTY, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
December 31, 2024 and 2023

**NOTE 4—INVESTMENTS**

Investments are comprised of the following:

	2024	2023
Cash and equivalents held by investment managers	\$ 75,261	\$ 88,967
Equity securities	628,650	916,998
Fixed income funds	2,166,004	2,752,814
Index mutual funds	1,848,624	1,521,971
	<u>\$ 4,718,539</u>	<u>\$ 5,280,750</u>

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 5—PROPERTY AND EQUIPMENT**

Property and equipment is comprised of the following:

	2024	2023
Equipment	\$ 39,070	\$ 210,755
Leasehold improvements	-	75,000
Accumulated depreciation	<u>(26,098)</u>	<u>(272,052)</u>
Property and equipment, net	<u>\$ 12,972</u>	<u>\$ 13,703</u>

**NOTE 6—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, 2024 and 2023, was \$112,367 and \$100,504, respectively.

**NOTE 7—CONDITIONAL GRANTS**

UWRC has several grants that are conditioned upon UWRC incurring qualifying expenses under the grant programs. At December 31, 2024, these conditional grants total approximately \$493,000. 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, 2024 and 2023

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**NOTE 8—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, 2024 and 2023

NOTE 8—ENDOWMENT (continued)

Endowment net asset composition by type of fund at December 31, 2024 and 2023, are as follows:

	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	<u>\$ 462,917</u>	<u>\$ 1,339,876</u>	<u>\$ 1,802,793</u>

2023

	Without Donor Restrictions	With Donor Restrictions	Total
Board-designated endowment	\$ 453,248	\$ -	\$ 453,248
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	-	738,172	738,172
Total endowment funds	<u>\$ 453,248</u>	<u>\$ 1,304,990</u>	<u>\$ 1,758,238</u>



**UNITED WAY OF RACINE COUNTY, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
December 31, 2024 and 2023

**NOTE 8—ENDOWMENT (continued)**

Changes in endowment net assets for the years ended December 31, 2024 and 2023, are as follows:

	<u>Donor Restrictions</u>	<u>Donor Restrictions</u>	<u>Total</u>
Balance, December 31, 2022	\$ 410,508	\$ 1,181,933	\$ 1,592,441
Change in value	<u>42,740</u>	<u>123,057</u>	<u>165,797</u>
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	<u>\$ 462,917</u>	<u>\$ 1,339,876</u>	<u>\$ 1,802,793</u>

**NOTE 9—CONDITIONAL GRANTS PAYABLE**

At December 31, 2024, UWRC has awarded \$3,079,044 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 10—NET ASSETS**

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

	<u>2024</u>	<u>2023</u>
Operating reserves	\$ 1,930,703	\$ 1,175,893
Board-designated endowment funds	462,917	453,248
Community initiatives	2,385,098	3,082,588
Investment in property and equipment	<u>12,972</u>	<u>13,703</u>
	<u>\$ 4,791,690</u>	<u>\$ 4,725,432</u>

**UNITED WAY OF RACINE COUNTY, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
December 31, 2024 and 2023

NOTE 10—NET ASSETS (continued)

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

	2024	2023
Subject to the passage of time:		
Campaign revenue for the next allocation period	\$ 534,916	\$ 1,709,449
Subject to expenditure for specified purpose:		
Community Allocation funding	50,000	-
Education	33,677	61,847
Health	6,773	28,935
Income	4,437	18,574
Western Racine County	28,238	7,388
Essential services basic needs	46,730	32,475
Imagination Library	114,862	17,061
Johnathan Delgrave memorial	8,140	-
United Way Leadership event	27,260	54,821
VITA	964	2,000
Women United Brighter Future Fund	40,012	41,662
United Ways	-	360
Equity Innovation Fund	83	483
Equity Through Technology	190,000	200,000
Community schools	34,791	7,312
Schools of Hope	6,171	23,266
STRIVE	595,470	636,059
Subject to UWRC's spending policy and appropriation:		
Emergency capital needs	466,105	437,510
Success by Six	873,771	867,480
	<u>\$ 3,062,400</u>	<u>\$ 4,146,682</u>

NOTE 11—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, 2024 and 2023

**NOTE 11—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:

	2024	2023
Financial assets at year-end:		
Cash	\$ 1,383,443	\$ 2,007,596
Certificates of deposit	1,262,973	1,240,714
Investments	4,718,539	5,280,750
Interest receivable	3,918	4,243
Grants receivable	111,416	74,804
Unconditional promises to give	701,887	1,362,264
Beneficial interest in assets held by Racine Community Foundation	1,802,793	1,758,238
Total financial assets at year-end	9,984,969	11,728,609
Less those unavailable for general expenditures within one year:		
Board designated operating reserves	(1,930,703)	(1,175,893)
Board-designated endowment funds	(462,917)	(453,248)
Board-designated for community initiatives	(2,385,098)	(3,082,588)
Restricted by donor to maintain as an endowment	(1,339,876)	(1,304,990)
Restricted by donor with purpose restrictions	(1,187,608)	(1,132,243)
Unconditional promises to give to be collected in more than one year	-	(40,000)
Financial assets available to meet cash needs for general expenditures within one year	\$ 2,678,767	\$ 4,539,647

**NOTE 12—LEASES**

UWRC leases building space under an operating lease that expires on March 31, 2029. UWRC also leased a copier under an operating lease that expired during the year ended December 31, 2024. Total operating lease cost was \$128,068 and \$127,168 for the years ended December 31, 2024 and 2023, respectively.

**UNITED WAY OF RACINE COUNTY, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
December 31, 2024 and 2023

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NOTE 12—LEASES (continued)

Other information related to operating leases is as follows:

	<u>2024</u>	<u>2023</u>
Cash payments classified as part of operating cash flows for amounts included in the measurement of lease liabilities	\$ 454,140	\$ 119,428
Right-of-use assets obtained in exchange for new operating lease liabilities	409,059	-
Weighted-average remaining lease term	4.3 years	0.2 years
Weighted-average discount rate	4.34%	1.63%

The maturities of operating lease liabilities as of December 31, 2024, are as follows:

Year ending December 31:	
2025	\$ 90,828
2026	90,828
2027	90,828
2028	90,828
2029	<u>22,707</u>
Total minimum lease payments	386,019
Imputed interest	<u>(32,815)</u>
Total lease liabilities	<u><u>\$ 353,204</u></u>

**UNITED WAY OF RACINE COUNTY, INC.**  
**SCHEDULE OF REVENUE AND EXPENSES BY FUNCTION**  
Year Ended December 31, 2024

	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	Total
<b>SUPPORT AND REVENUE</b>													
Net assets released from restrictions:													
Current year campaign contributions	\$ 3,050,775	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,050,775
Net prior year campaigns	196,748	-	-	-	-	-	-	-	-	-	-	-	196,748
Other contributions	428,086	-	-	-	-	-	-	-	-	-	-	-	428,086
Grants	908,690	-	-	-	-	-	-	-	-	-	-	-	908,690
Administration fees	27,066	-	-	-	-	-	-	-	-	-	-	-	27,066
Investment return, net	561,299	-	-	-	-	-	-	-	-	-	-	-	561,299
Change in value of beneficial interest in assets held by Racine Community Foundation	29,669	-	-	-	-	-	-	-	-	-	-	-	29,669
Support and revenue before allocation	5,202,333	-	-	-	-	-	-	-	-	-	-	-	5,202,333
Allocation of revenue to support functions	(2,598,096)	337,958	46,940	159,832	191,136	87,484	561,908	2,652	15,471	52,218	697,860	444,637	-
Total support and revenue	2,604,237	337,958	46,940	159,832	191,136	87,484	561,908	2,652	15,471	52,218	697,860	444,637	5,202,333
<b>EXPENSES</b>													
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
Total expenses	2,886,195	337,958	46,940	159,832	191,136	87,484	561,908	2,652	15,471	52,218	697,860	444,637	5,484,291
<b>Change in net assets without donor restrictions</b>	<u>\$ (281,958)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (281,958)</u>

**UNITED WAY OF RACINE COUNTY, INC.**  
**SCHEDULE OF REVENUE AND EXPENSES BY FUNCTION**  
Year Ended December 31, 2023

	Campaign and Grants	Community Impact	Schools of Hope	Imagination Library	Link and Inspire for Tomorrow	Volunteer Income Tax Assistance	Full Service Community School	Management and General	Fundraising	Total
<b>SUPPORT AND REVENUE</b>										
Net assets released from restrictions:										
Current year campaign contributions	\$ 3,182,622	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,182,622
Net prior year campaigns	324,419	-	-	-	-	-	-	-	-	324,419
Other contributions	242,764	-	-	-	-	-	-	-	-	242,764
Grants	1,252,891	-	-	-	-	-	-	-	-	1,252,891
Administration fees	37,211	-	-	-	-	-	-	-	-	37,211
Investment return, net	636,901	-	-	-	-	-	-	-	-	636,901
Change in value of beneficial interest in assets held by Racine Community Foundation	42,740	-	-	-	-	-	-	-	-	42,740
Support and revenue before allocation	5,719,548	-	-	-	-	-	-	-	-	5,719,548
Allocation of revenue to support functions	(2,434,406)	343,352	46,233	155,693	214,780	74,078	456,068	656,092	488,110	-
Total support and revenue	3,285,142	343,352	46,233	155,693	214,780	74,078	456,068	656,092	488,110	5,719,548
<b>EXPENSES</b>										
Grants and allocations	3,235,789	-	-	-	-	-	-	-	-	3,235,789
Salaries	-	178,154	30,956	6,549	89,974	36,439	148,184	232,910	250,567	973,733
Temporary help	-	-	-	-	-	9,601	-	-	-	9,601
Payroll taxes	-	72,085	5,308	1,261	29,922	7,519	42,832	109,967	61,795	330,689
Professional fees	-	3,646	489	131	4,485	728	238	22,214	20,082	52,013
Contracted services	-	37,188	742	-	12,893	937	206,860	107,879	-	366,499
Supplies	-	2,569	1,649	145,159	9,196	6,434	37,755	14,043	4,029	220,834
Telephone	-	3,930	1,083	114	5,392	1,259	3,098	8,557	5,659	29,092
Postage	-	533	79	20	656	199	-	2,118	2,626	6,231
Occupancy	-	23,539	3,081	859	28,961	4,437	-	43,113	26,989	130,979
Repairs and maintenance	-	-	-	-	-	-	-	3,026	-	3,026
Printing and publications	-	-	96	910	-	1,141	249	9,703	84,083	96,182
Travel and training	-	789	11	-	8,348	1,744	16,825	21,988	8,113	57,818
Meeting expenses	-	159	219	-	1,265	-	27	3,152	765	5,587
Membership dues	-	1,515	-	-	-	-	-	12,534	1,323	15,372
Liability insurance	-	622	82	20	775	118	-	3,444	726	5,787
National dues	-	18,623	2,438	670	22,913	3,522	-	27,983	21,353	97,502
Bank fees	-	-	-	-	-	-	-	21,503	-	21,503
Depreciation	-	-	-	-	-	-	-	11,958	-	11,958
Total expenses	3,235,789	343,352	46,233	155,693	214,780	74,078	456,068	656,092	488,110	5,670,195
Change in net assets without donor restrictions	\$ 49,353	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 49,353

**UNITED WAY OF RACINE COUNTY, INC.**  
**SCHEDULES OF RESTRICTED PROGRAM REVENUE AND EXPENSES**  
Years Ended December 31, 2024 and 2023

	2024	2023
<b>RESTRICTED REVENUES</b>		
Equity Innovation Fund: Department of Treasury	\$ 256,476	\$ 744,048
Volunteer Income Tax Assistance: Department of Treasury	56,958	35,535
GROW Racine: City of Racine	-	20,000
Full-Service Community Service Grant: U.S. Department of Education	561,293	453,309
AmeriCorps Volunteer Generation Fund	33,962	
	<hr/>	<hr/>
Total restricted revenues	908,689	1,252,892
<b>EXPENSES</b>		
Equity Innovation Fund: Department of Treasury	256,476	743,524
Volunteer Income Tax Assistance: Department of Treasury	44,571	74,078
GROW Racine: City of Racine	-	20,000
Full-Service Community Service Grant: U.S. Department of Education	561,908	456,068
AmeriCorps Volunteer Generation Fund	33,962	-
	<hr/>	<hr/>
Total expenses	896,917	1,293,670
	<hr/>	<hr/>
<b>EXCESS (DEFICIENCY)</b>	\$ 11,772	\$ (40,778)
	<hr/>	<hr/>

**UNITED WAY OF RACINE COUNTY, INC.**  
**SCHEDULES OF ALLOCATIONS**  
Years Ended December 31, 2024 and 2023

	2024	2023
Alliance on Mental Illness	\$ 33,600	\$ 26,600
BeLEAF Survivors, Inc.	123,806	127,130
Board of Regents of University of Wisconsin	61,940	69,675
Burlington Senior Center	29,220	-
Burlington Transitional Living Center	12,000	11,100
Catherine Marian Housing, Inc.	18,500	19,000
Children's Service Society of Wisconsin	81,600	102,530
Create Wisconsin	22,050	-
Focus on Community	196,710	178,000
Girl Scouts of Wisconsin Southeast	14,713	26,600
HALO, Inc.	102,469	141,900
Health Care Network	81,500	81,000
Hospitality Center, Inc.	28,343	32,400
Housing Resources, Inc.	49,050	-
Racine County Project Emergency	88,372	50,000
Racine County Public Health Division	84,000	64,776
Racine County Vocational Ministry	58,500	55,250
Racine County YMCA	85,360	73,383
Racine Friendship Clubhouse	20,250	20,500
Racine Literacy Council	32,500	38,641
Racine Zoological Society	26,226	22,019
SAFE Haven of Racine, Inc.	77,536	75,768
St. Patrick's Parish	33,605	25,000
The ARC of Racine County, Inc	17,526	17,208
Three Harbors Council	32,500	30,000
Women's Resource Center of Racine, Inc.	37,500	30,100
YWCA Southeast Wisconsin	50,125	73,600
	<u>\$ 1,499,501</u>	<u>\$ 1,392,180</u>



**UNITED WAY OF RACINE COUNTY, INC.**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
Year Ended December 31, 2024

<u>Federal Grantor/Pass-Through Grantor/Program or Cluster Title</u>	<u>Federal Assistance Listing Number</u>	<u>Pass-Through Entity Identifying Number</u>	<u>Provided to Subrecipients</u>	<u>Total Federal Expenditures</u>
Department of Education Innovative Approaches to Literacy; Promise Neighborhoods; Full Service Community Schools; and Congressionally Directed Spending for Elementary and Secondary Education Community Projects	84.215		\$ -	\$ 561,908
Department of the Treasury Volunteer Income Tax Assistance (VITA) Matching Grant Program	21.009		-	44,571
Racine County—Coronavirus State and Local Fiscal Recovery Funds—COVID-19	21.027	2021-126	-	256,476
Total Department of the Treasury			-	301,047
Corporation for National and Community Service AmeriCorps Volunteer Generation Fund	94.021	23VGEWI001	-	33,962
<b>Total expenditures of federal awards</b>			\$ -	\$ 896,917

See accompanying notes to schedule of expenditures of federal awards.

**UNITED WAY OF RACINE COUNTY, INC.**  
**NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**Year Ended December 31, 2024**

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**NOTE 1—BASIS OF PRESENTATION**

The accompanying schedule of expenditures of federal awards (the "Schedule") includes the federal award activity of United Way of Racine County, Inc. under programs of the federal government for the year ended December 31, 2024. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of United Way of Racine County, Inc., it is not intended to and does not present the financial position, changes in net assets, or cash flows of United Way of Racine County, Inc.

**NOTE 2—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

**NOTE 3—INDIRECT COST RATE**

United Way of Racine County, Inc. has elected not to use the 10% de minimis indirect cost rate allowed under the Uniform Guidance.

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL  
REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL  
STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*), the financial statements of United Way of Racine County, Inc., which comprise United Way of Racine County, Inc.'s statement of financial position as of December 31, 2024, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated March 26, 2025.

### Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered United Way of Racine County, Inc.'s internal control over financial reporting (internal control) as a basis for designing audit 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 United Way of Racine County, Inc.'s internal control. Accordingly, we do not express an opinion on the effectiveness of United Way of Racine County, Inc.'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 entity's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness yet important enough to merit attention by those charged with governance.

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

### Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether United Way of Racine County, Inc.'s financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

### **Purpose of This Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

A handwritten signature in black ink that reads "Wegner CPAs LLP". The signature is written in a cursive, flowing style.

Wegner CPAs, LLP  
Waukesha, Wisconsin  
March 26, 2025



## INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR MAJOR FEDERAL PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

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

### **Report on Compliance for Major Federal Program**

#### ***Opinion on Major Federal Program***

We have audited United Way of Racine County, Inc.'s compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on United Way of Racine County, Inc.'s major federal program for the year ended December 31, 2024. United Way of Racine County, Inc.'s major federal program is identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, United Way of Racine County, Inc. complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended December 31, 2024.

#### ***Basis for Opinion on Major Federal Program***

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*); and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance 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 audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for the major federal program. Our audit does not provide a legal determination of United Way of Racine County, Inc.'s compliance with the compliance requirements referred to above.

#### ***Responsibilities of Management for Compliance***

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to United Way of Racine County, Inc.'s federal programs.

#### ***Auditor's Responsibilities for the Audit of Compliance***

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on United Way of Racine County, Inc.'s compliance based on our audit. 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, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists.

The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about United Way of Racine County, Inc.'s compliance with the requirements of the major federal program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, 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 United Way of Racine County, Inc.'s compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of United Way of Racine County, Inc.'s internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of United Way of Racine County, Inc.'s internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

### **Report on Internal Control Over Compliance**

*A deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

*Wegner CPAs LLP*

Wegner CPAs, LLP  
Waukesha, Wisconsin  
March 26, 2025

**UNITED WAY OF RACINE COUNTY, INC.**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
Year Ended December 31, 2024

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**SUMMARY OF AUDITOR'S RESULTS**

**Financial Statements**

Type of report the auditor issued on whether the financial statements audited were prepared in accordance with GAAP:	Unmodified
Is a material weakness in internal control over financial reporting disclosed?	No
Is a significant deficiency in internal control over financial reporting disclosed?	None reported
Is any noncompliance that is material to the financial statements disclosed?	No

**Federal Awards**

Type of report the auditor issued on compliance for major federal programs:	Unmodified
Is a material weakness in internal control over major federal programs disclosed?	No
Is a significant deficiency in internal control over major federal programs disclosed?	None reported
Is any audit finding that is required to be reported under 2 CFR 200.516(a) disclosed?	No

Identification of major federal programs:

Assistance Listing Number(s)	Name of Federal Program or Cluster
84.215	Innovative Approaches to Literacy; Promise Neighborhoods; Full-Service Community Schools; and Congressionally Directed Spending for Elementary and Secondary Education Community Projects

Dollar threshold used to distinguish between Type A and Type B programs, as described in 2 CFR 200.518(b)(1):	\$ 750,000
Did the auditee qualify as a low-risk auditee under 2 CFR 200.520?	No

**FINANCIAL STATEMENT FINDINGS**

No matters were reported.

**FEDERAL AWARD FINDINGS AND QUESTIONED COSTS**

No matters were reported.