

United Way of Adams County, Inc.

Financial Statements

Years Ended June 30, 2023 and 2022

United Way of Adams County, Inc.

Index to Financial Statements

Years Ended June 30, 2023 and 2022

Financial Section:

Independent Auditor's Report	1 - 2
Statements of Financial Position	3
Statements of Activities	4
Statements of Cash Flows	5
Statements of Functional Expenses	6 - 9
Notes to Financial Statements	10 - 17

Supplementary Information:

Schedules of Partner Funding	18
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Financial Section



Independent Auditor's Report

To the Board of Trustees of
United Way of Adams County, Inc.

Opinion

We have audited the accompanying financial statements of United Way of Adams County, Inc. (a nonprofit organization), which comprise the statements of financial position as of June 30, 2023 and 2022, and the related statements of activities, functional expenses and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of United Way of Adams County, Inc., as of June 30, 2023 and 2022, 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 audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of United Way of Adams 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 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 Adams 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 generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

Independent Auditor's Report (Concluded)

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 Adams 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 Adams 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.

Report on Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The Schedules of Partner Funding on Page 18 is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Wade Stables P.C.
Wade Stables P.C.
Certified Public Accountants

October 13, 2023
Quincy, Illinois

United Way of Adams County, Inc.**Statements of Financial Position**

June 30, 2023 and 2022

	<u>2023</u>	<u>2022</u>
Assets		
Current Assets:		
Cash	\$ 516,097	\$ 728,901
Certificates of deposit	388,208	200,021
Investments	1,004,580	905,584
Pledges receivable, net	144,377	139,505
Miscellaneous receivables	21,921	28,255
Prepaid expenses	6,994	7,803
Total Current Assets	<u>\$ 2,082,177</u>	<u>\$ 2,010,069</u>
Capital assets, net	19,986	27,330
Beneficial interest in assets held by the Community Foundation	23,937	23,198
Right-of-use lease asset	64,034	-
Total Assets	<u><u>\$ 2,190,134</u></u>	<u><u>\$ 2,060,597</u></u>
Liabilities and Net Assets		
Current Liabilities:		
Accounts payable	\$ 8,352	\$ 14,101
Accrued payroll	11,783	8,700
Accrued vacation payable	4,863	4,878
Designations payable	14,450	19,677
Total Current Liabilities	<u>\$ 39,448</u>	<u>\$ 47,356</u>
Noncurrent Liabilities:		
Operating lease liabilities	64,034	-
Total Liabilities	<u>\$ 103,482</u>	<u>\$ 47,356</u>
Net Assets		
Without Donor Restrictions:		
Designated for allocations and initiatives	\$ 1,377,850	\$ 1,383,925
Undesignated	399,427	365,876
With Donor Restrictions	309,375	263,440
Total Net Assets	<u>\$ 2,086,652</u>	<u>\$ 2,013,241</u>
Total Liabilities and Net Assets	<u><u>\$ 2,190,134</u></u>	<u><u>\$ 2,060,597</u></u>

See accompanying notes to financial statements.

United Way of Adams County, Inc.**Statements of Activities**

Years Ended June 30, 2023 and 2022

	<u>2023</u>	<u>2022</u>
Changes In Net Assets Without Donor Restrictions:		
Support		
Campaign contributions, net	\$ 1,132,982	\$ 1,183,677
Government grants	-	133,724
Contributions and grants - other	90,545	90,429
Inkind donations	124,769	146,760
Special event income	5,750	5,105
Miscellaneous income	8,883	20,775
Interest and dividends	55,060	59,113
Realized and unrealized gain (loss)	43,617	(268,942)
Total Unrestricted Support	<u>\$ 1,461,606</u>	<u>\$ 1,370,641</u>
Net Assets Released from Restrictions	<u>220,955</u>	<u>229,439</u>
Total Unrestricted Support and Reclassifications	<u>\$ 1,682,561</u>	<u>\$ 1,600,080</u>
Expenses		
Program Services		
Community impact	\$ 881,691	\$ 863,320
Direct program & services	178,136	253,453
Fiscally sponsored groups	197,221	188,824
Total Program Services	<u>\$ 1,257,048</u>	<u>\$ 1,305,597</u>
Supporting Activities		
Resource development	\$ 224,617	\$ 254,339
Management and general	173,420	139,903
Total Supporting Activities	<u>\$ 398,037</u>	<u>\$ 394,242</u>
Total Expenses	<u>\$ 1,655,085</u>	<u>\$ 1,699,839</u>
Change In Net Assets Without Donor Restrictions	<u>\$ 27,476</u>	<u>\$ (99,759)</u>
Changes In Net Assets With Donor Restrictions:		
Contributions and grants - other	\$ 266,151	\$ 353,541
Restrictions expired and expended	(220,955)	(229,439)
Change in beneficial interest	739	(3,645)
Change In Net Assets With Donor Restrictions	<u>\$ 45,935</u>	<u>\$ 120,457</u>
Total Change In Net Assets	<u>\$ 73,411</u>	<u>\$ 20,698</u>
Net Assets at Beginning of Year	<u>2,013,241</u>	<u>1,992,543</u>
Net Assets at End of Year	<u>\$ 2,086,652</u>	<u>\$ 2,013,241</u>

See accompanying notes to financial statements.

United Way of Adams County, Inc.**Statements of Cash Flows**

Years Ended June 30, 2023 and 2022

	<u>2023</u>	<u>2022</u>
Cash Flows From Operating Activities:		
Increase (Decrease) in net assets	\$ 73,411	\$ 20,698
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	9,059	10,599
Realized and unrealized gains on investments	(43,617)	268,942
PPP loan principal forgiveness	-	(75,539)
(Increase) Decrease in:		
Pledges receivable	(4,872)	52,624
Miscellaneous receivable	6,334	(9,843)
Prepaid expenses	809	(821)
Beneficial interest in assets held by the Community Foundation	(739)	3,645
Right-of-use lease asset	(64,034)	-
Increase (Decrease) in:		
Accounts payable	(5,749)	7,940
Payroll liabilities	3,083	(185)
Accrued vacation payable	(15)	(1,007)
Deferred revenue	-	-
Designations payable	(5,227)	3,878
Operating lease liabilities	64,034	-
Net Cash Provided (Used) by Operating Activities	<u>\$ 32,477</u>	<u>\$ 280,931</u>
Cash Flows from Investing Activities:		
(Increase) Decrease in certificates of deposit	\$ (188,187)	\$ 50,123
Proceeds from sale of investments	61,856	110,677
Purchase of investments	(117,235)	(171,998)
Purchase of capital assets	(1,715)	(4,793)
Net Cash Provided (Used) by Investing Activities	<u>\$ (245,281)</u>	<u>\$ (15,991)</u>
Net Increase (Decrease) in Cash	\$ (212,804)	\$ 264,940
Cash at Beginning of Year	<u>728,901</u>	<u>463,961</u>
Cash at End of Year	<u>\$ 516,097</u>	<u>\$ 728,901</u>
Supplemental Disclosures		
Cash paid for interest	<u>\$ -</u>	<u>\$ -</u>
Lease assets obtained in exchange for lease obligations:		
Operating leases	<u>\$ 80,872</u>	None

See accompanying notes to financial statements.

United Way of Adams County, Inc.

Statement of Functional Expenses

Year Ended June 30, 2023

	Program Services			
	Community Impact	Direct Programs & Services	Fiscally Sponsored Groups	Total Program Services
Salaries	\$ 50,606	\$ 64,895	\$ 15,653	\$ 131,154
Payroll taxes	3,758	4,819	1,162	9,739
Employee benefits	9,907	12,705	3,065	25,677
Total Personnel Costs	<u>\$ 64,271</u>	<u>\$ 82,419</u>	<u>\$ 19,880</u>	<u>\$ 166,570</u>
Allocations - partner funding	704,189	-	-	704,189
Direct designations	52,091	-	-	52,091
Fiscal sponsor expenses	-	-	28,355	28,355
Advertising and promotion	1,068	993	239	2,300
Conferences and meetings	1,610	1,507	371	3,488
Depreciation	1,546	1,983	478	4,007
Direct client assistance	-	51,317	133,622	184,939
Dues and subscriptions	1,180	209	26	1,415
Equipment rental and maintenance	329	422	102	853
Special event expenses	2,923	224	54	3,201
Inkind expenses	10,811	7,735	9,582	28,128
Insurance	898	1,151	278	2,327
Bank fees	51	66	16	133
Miscellaneous	103	-	-	103
Occupancy	5,121	6,567	1,584	13,272
Printing and publications	121	153	24	298
Postage and shipping	261	202	73	536
Professional fees	1,047	1,342	324	2,713
Program and initiative expenses	25,010	9,860	3	34,873
Supplies	694	705	170	1,569
Technology	3,180	4,078	984	8,242
Telephone	629	807	195	1,631
Travel	(40)	(51)	(12)	(103)
Utilities, trash and cleaning	1,965	2,520	608	5,093
United Way dues	2,633	3,377	815	6,825
Total Functional Expenses	<u><u>\$ 881,691</u></u>	<u><u>\$ 177,586</u></u>	<u><u>\$ 197,771</u></u>	<u><u>\$ 1,257,048</u></u>

See accompanying notes to financial statements.

United Way of Adams County, Inc.
Statement of Functional Expenses (Concluded)
Year Ended June 30, 2023

	Supporting Activities			Total Functional Expenses
	Resource Development	Management & General	Total Supporting Activities	
Salaries	\$ 61,990	\$ 103,316	\$ 165,306	\$ 296,460
Payroll taxes	4,603	7,672	12,275	22,014
Employee benefits	12,136	20,226	32,362	58,039
Total Personnel Costs	\$ 78,729	\$ 131,214	\$ 209,943	\$ 376,513
Allocations - partner funding	-	-	-	704,189
Direct designations	-	-	-	52,091
Fiscal sponsor expenses	-	-	-	28,355
Advertising and promotion	4,950	1,580	6,530	8,830
Conferences and meetings	6,556	2,630	9,186	12,674
Depreciation	1,894	3,158	5,052	9,059
Direct client assistance	-	-	-	184,939
Dues and subscriptions	254	175	429	1,844
Equipment rental and maintenance	403	671	1,074	1,927
Special event expenses	6,115	357	6,472	9,673
Inkind expenses	96,554	87	96,641	124,769
Insurance	1,100	1,833	2,933	5,260
Bank fees	3,473	110	3,583	3,716
Miscellaneous	1	-	1	104
Occupancy	6,273	10,455	16,728	30,000
Printing and publications	3,675	156	3,831	4,129
Postage and shipping	2,187	215	2,402	2,938
Professional fees	1,282	2,135	3,417	6,130
Program and initiative expenses	13	21	34	34,907
Supplies	909	1,543	2,452	4,021
Technology	3,895	6,491	10,386	18,628
Telephone	771	1,284	2,055	3,686
Travel	(49)	(81)	(130)	(233)
Utilities, trash and cleaning	2,406	4,011	6,417	11,510
United Way dues	3,226	5,375	8,601	15,426
Total Functional Expenses	\$ 224,617	\$ 173,420	\$ 398,037	\$ 1,655,085

United Way of Adams County, Inc.

Statement of Functional Expenses

Year Ended June 30, 2022

	Program Services			
	Community Impact	Direct Programs & Services	Fiscally Sponsored Groups	Total Program Services
Salaries	\$ 44,854	\$ 89,737	\$ 21,955	\$ 156,546
Payroll taxes	3,413	6,829	1,671	11,913
Employee benefits	8,318	16,641	4,072	29,031
Total Personnel Costs	\$ 56,585	\$ 113,207	\$ 27,698	\$ 197,490
Allocations - partner funding	697,736	-	-	697,736
Direct designations	19,269	-	-	19,269
Fiscal sponsor expenses	-	-	98,163	98,163
Advertising and promotion	945	713	175	1,833
Conferences and meetings	1,730	2,385	582	4,697
Depreciation	1,563	3,128	765	5,456
Direct client assistance	-	58,006	50,552	108,558
Dues and subscriptions	1,299	218	41	1,558
Equipment rental and maintenance	361	722	177	1,260
Special event expenses	3,293	159	39	3,491
Inkind expenses	540	23,727	2,758	27,025
Insurance	766	1,532	375	2,673
Bank fees	57	134	35	226
Miscellaneous	5,000	-	-	5,000
Occupancy	4,425	8,853	2,166	15,444
Printing and publications	1,507	101	25	1,633
Postage and shipping	39	211	71	321
Professional fees	866	1,734	424	3,024
Program and initiative expenses	56,296	19,451	88	75,835
Supplies	1,122	2,156	527	3,805
Technology	2,384	4,769	1,167	8,320
Telephone	504	1,009	247	1,760
Travel	1,712	591	145	2,448
Utilities, trash and cleaning	1,904	3,811	932	6,647
United Way dues	3,417	6,836	1,672	11,925
Total Functional Expenses	\$ 863,320	\$ 253,453	\$ 188,824	\$ 1,305,597

See accompanying notes to financial statements.

United Way of Adams County, Inc.
Statement of Functional Expenses (Concluded)
Year Ended June 30, 2022

	Supporting Activities			Total Functional Expenses
	Resource Development	Management & General	Total Supporting Activities	
Salaries	\$ 66,292	\$ 81,253	\$ 147,545	\$ 304,091
Payroll taxes	5,044	6,183	11,227	23,140
Employee benefits	12,294	15,068	27,362	56,393
Total Personnel Costs	\$ 83,630	\$ 102,504	\$ 186,134	\$ 383,624
Allocations - partner funding	-	-	-	697,736
Direct designations	-	-	-	19,269
Fiscal sponsor expenses	-	-	-	98,163
Advertising and promotion	4,566	646	5,212	7,045
Conferences and meetings	9,030	3,165	12,195	16,892
Depreciation	2,311	2,832	5,143	10,599
Direct client assistance	-	-	-	108,558
Dues and subscriptions	274	152	426	1,984
Equipment rental and maintenance	533	653	1,186	2,446
Special event expenses	3,609	144	3,753	7,244
Inkind expenses	119,379	356	119,735	146,760
Insurance	1,131	1,386	2,517	5,190
Bank fees	1,723	108	1,831	2,057
Miscellaneous	-	-	-	5,000
Occupancy	6,540	8,016	14,556	30,000
Printing and publications	3,459	92	3,551	5,184
Postage and shipping	2,291	200	2,491	2,812
Professional fees	1,281	1,570	2,851	5,875
Program and initiative expenses	267	327	594	76,429
Supplies	1,714	2,343	4,057	7,862
Technology	3,523	4,318	7,841	16,161
Telephone	746	914	1,660	3,420
Travel	466	536	1,002	3,450
Utilities, trash and cleaning	2,816	3,451	6,267	12,914
United Way dues	5,050	6,190	11,240	23,165
Total Functional Expenses	\$ 254,339	\$ 139,903	\$ 394,242	\$ 1,699,839

1. Summary of Significant Accounting Policies

A. Nature of Business

The United Way of Adams County, Inc. (UWAC), (the Organization) is a non-profit organization which receives support from the public and allocates the support received to various local programs at UWAC and nonprofit partner organizations in Adams County, Illinois. UWAC's mission is to inspire, unite, and empower the people of Adams County to reach their full, human potential.

B. Financial Statement Presentation

The Organization has chosen to maintain its accounting records on the accrual basis. Accordingly, revenue is recognized when earned or when it otherwise becomes available, and expenditures are recognized when incurred.

Under requirements of the Financial Accounting Standards Board, the Organization is required to report information regarding its financial position and activities according to two classes of net assets: net assets without donor restrictions and net assets with donor restrictions. In addition, the Organization is required to present a statement of cash flows.

Net assets with donor restrictions include gifts for which a donor-imposed restriction has not been met and promises to give for which the ultimate purposes of the proceeds are restricted by the donor. The entire gift, the principal amount given, can be spent in accordance with the donor's restriction. It also includes gifts, trusts and pledges which require, by donor restriction, that the corpus or the principal be invested in perpetuity and only the income be made available for program operations in accordance with donor restrictions.

C. Campaign Pledges Receivable

Unconditional pledges receivable are recognized as support in the period the pledges are received. Conditional promises to give are recognized as support when the conditions on which they depend have been substantially met.

Pledges receivable are stated at the amount management expects to collect from outstanding balances. Management provides for probable uncollectible amounts through a charge to earnings and a credit to a valuation allowance. The valuation allowance is computed based upon a percentage agreed upon by the Board of Directors based on historical experience. Those balances that are still outstanding after management has used reasonable collection efforts are written off through a charge to the valuation allowance and a credit to pledges receivable. During this fiscal year, the allowance for outstanding balances was decreased to \$34,200 from \$36,380, 3.00% of the 2022 campaign pledges.

D. Cash and Cash Equivalents

For purposes of the Statements of Cash Flows, the Organization considers all highly liquid investments available for current use with an initial maturity of three months or less to be cash equivalents.

E. Investments

Investments are reported at fair value, which is based on quoted market prices, with the exception of certificates of deposit which are carried at cost, which approximates fair value. Gains and losses on sales of investments are generally determined on a specific cost identification basis. Unrealized gains and losses are determined based on year-end market valuations.

1. Summary of Significant Accounting Policies (Continued)

F. Capital Assets

The Organization capitalizes acquisitions of capital assets greater than \$1,000 and a useful life greater than one year. These are recorded at cost for items purchased by the Organization. Capital assets donated to the Organization are recorded at the fair market value when received. Depreciation is computed using the straight-line method over the estimated useful lives of the respective assets. Office equipment is depreciated over a period of 5 to 10 years.

G. Description of Program Services and Supporting Activities

The following program services and supporting activities are included in the accompanying financial statements, in accordance with the Organization's Mission Statement:

Program Services

Community Impact – Includes all activities related to UWAC grants to partner agency programs and the development of programs, partnerships and collaborations led by many community partners that seek to improve the quality of life in Adams County. The partner agency grant allocation process includes volunteer recruiting and training, scheduling and coordinating site visits, resource investment team meetings, reviewing partner applications and grant requests, preparing reports, and providing technical assistance to grantees. Community impact includes the administrative support and coordination of the Community Building Council, Education/Financial Stability/Health Strategic Initiatives, community solution teams and new program/project incubator, as well as staff involvement in service clubs, community networking, and organizational affiliations. Additionally, UWAC coordinates the production, development, and promotion of the county-wide assessment that guides overall community impact efforts.

Direct Programs and Services – Includes projects that provide direct client support and referral services, or ongoing leadership of a community/county based collaborative team. Services include the Helpline, Emergency Food & Shelter, Good News of Christmas, leadership of Adams County Voluntary Organizations Active in Disaster (VOAD) and Interagency Council, community presentations and education on UWAC services.

Fiscally Sponsored Groups – Includes staff and administrative support and accounting services for fiscal sponsorship projects including the Quincy Area Partnership for Unmet Needs, Give Kids a Smile, Tri-State Warrior Outreach, Mental Health Education Coalition and KidzPacks Weekend Food Program. The Quincy Area Partnership for Unmet Needs is a collaborative effort involving the faith community and social service agencies. While the Partnership directs the use of funds, UWAC hosts and coordinates bi-monthly meetings, maintains casework records, processes income and expenses, maintains financial records, and coordinates client assistance as needed. Tri-State Warrior Outreach aids veterans in need, with UWAC's casework administration and client support. The other fiscal sponsorships receive accounting and financial service support from UWAC.

Supporting Activities

Resource Development – Includes activities related to fundraising and volunteer management that support UWAC resource investment efforts as well as internal programs and services. This includes all aspects of the Annual Campaign (presentations, meetings, auditing packets, entering data, updating database, meetings with donors, donor recognition, media), grant writing, planning/involvement with non-campaign special events, planned giving, website/social media, coordination of the Promotions Committee, volunteer recruitment, and training.

1. Summary of Significant Accounting Policies (Continued)

G. Description of Program Services and Supporting Activities (Concluded)

Supporting Activities (Concluded)

Management and General – Includes the administrative activities that support the overall operation of the office and governance of the Organization. This includes staff meetings, cleaning, mail processing, clipping newspapers, board meetings and board committees, general errands, strategic planning, and accounting functions.

H. Public Support

Support is recognized when contributions are made, which may be when cash is received, unconditional promises are made, or ownership of other assets is transferred to the Organization. Conditional promises to give are not recorded until conditions are substantially met. The Organization reports gifts of cash and other assets as restricted support if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is satisfied, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the Statements of Activities as net assets released from restriction.

I. Donated Services and Materials

The Organization receives donated services from a variety of unpaid volunteers assisting with the campaign and with other activities throughout the year. The Organization has not recognized any amounts in the accompanying Statement of Activities because the criteria for recognition of such volunteer effort under accounting standards has not been satisfied. The Organization also receives donated marketing services and other promotional services and the value of these donated services are shown in the Statements of Activities and the Statements of Functional Expenses. The majority of these services represent the advertising time and production costs donated by local television, radio, and advertising agencies valued according to their standard rates charged to paying advertisers totaling \$68,901 for the year ended June 30, 2023. Other donated services for the year ended June 30, 2023, were for the use of facilities and equipment for the Good News of Christmas program and fundraising events of \$8,373 based on the vendor's rental rates.

The Organization also received various items it uses for its programs or fundraising events. These items are valued at fair value on the date of donation. For the year ended June 30, 2023, the Organization received items donated for use at its fundraising events of \$32,523, supplies to use for KidzPacks of \$9,344, furniture and supplies to use for clients in the Unmet Needs program of \$225, supplies and gifts for its Good News of Christmas program of \$695, and other various supplies for its other programs of \$4,708.

J. Use of 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. Accordingly, actual results could differ from those estimates.

K. Functional Expenses

The Organization allocates its expenses on a functional basis among its various programs and support services. Expenses that can be identified with a specific program and/or support service are allocated directly according to their natural expenditure classification. Other expenses are allocated based as a function of staff time, which is tracked by functional areas on each staff member's timesheets.

1. Summary of Significant Accounting Policies (Concluded)

L. Income Taxes

The United Way of Adams County, Inc., is a not-for-profit organization that is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code. IRS Form 990, *Return of Organization Exempt from Income Tax*, and Illinois Form AG990-IL, *Charitable Organization Supplement*, for the year ended June 30, 2023, and prior years have been filed. Income tax filings are subject to audit by various taxing authorities and are open for audit for 2021 to 2023.

M. Fair Value

The carrying amounts of accounts receivable, campaign pledges receivable, prepaid expenses, accounts payable, accrued expenses, and deferred revenue approximate fair value due to the short period of maturity.

N. Subsequent Events

Subsequent events have been evaluated through October 13, 2023, the date the financial statements were available to be issued.

O. New Accounting Standards

In February 2016, the FASB issued ASU 2016-02, *Leases (Topic 842)*, which supersedes existing guidance for accounting for leases under *Topic 840, Leases*. ASU 2016-02, as amended, is effective for fiscal years beginning after December 15, 2021, and interim periods within fiscal years beginning after December 15, 2022, with early adoption is permitted. The FASB subsequently issued several ASUs, which amend and clarify Topic 842. The most significant change in the new leasing guidance is the requirement to recognize right-to-use (ROU) assets and lease liabilities for operating leases on the statement of financial position.

The adoption of Topic 842 had no effect to beginning net assets or statement of financial position accounts related to lessee accounting as no existing leases as of the adoption date met the criteria. However, the Organization did enter into a lease agreement during the year ended June 30, 2023, that was recorded using this new accounting standard.

2. Liquidity and Availability Management

At June 30, 2023, the Organization had \$1,070,603 of financial assets available within one year of the statement of financial position date to meet cash needs for general expenditure consisting of cash of \$516,097, certificates of deposit of \$388,208 and pledges and other receivables of \$166,298. None of the 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.

At June 30, 2022, the Organization had \$1,096,682 of financial assets available within one year of the statement of financial position date to meet cash needs for general expenditure consisting of cash of \$728,901, certificates of deposit of \$200,021 and pledges and other receivables of \$167,760. None of the 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 Organization has a policy structuring its financial assets to be available as general expenditures, liabilities, and other obligations become due. This policy states that the Organization should have at least six months of expense in reserve. Should an unforeseen liability need arise, the Organization could also draw upon its other investments.

United Way of Adams County, Inc.**Notes to Financial Statements**

June 30, 2023 and 2022

3. Investments

The Organization carries investments in marketable securities with readily determinable fair values and all investments in debt securities at their fair values in the Statement of Financial Position. Realized and unrealized gains and losses are included in the change in net assets in the accompanying Statement of Activities. Investments as of June 30, 2023 and 2022, consist of the following:

	2023		2022	
	Carrying Value	Market Value	Carrying Value	Market Value
Certificates of deposit	\$ 388,208	\$ 388,208	\$ 200,021	\$ 200,021
Mutual funds	1,004,580	1,004,580	905,584	905,584
Total	<u>\$ 1,392,788</u>	<u>\$ 1,392,788</u>	<u>\$ 1,105,605</u>	<u>\$ 1,105,605</u>

4. Fair Value Measurements

The Organization adopted accounting standards for fair value measurements. The standards define fair value as the exchange price that would be received for an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date.

The following are the major categories of assets measured at fair value on a recurring basis during the years ended June 30, 2023 and 2022, using quoted market prices in active markets for identical assets (Level 1); significant other observable inputs (Level 2); and significant unobservable inputs (Level 3).

	Assets at Fair Value as of June 30, 2023			
	Level 1	Level 2	Level 3	Total
Mutual funds	\$ 1,004,580	\$ -	\$ -	\$ 1,004,580
Beneficial interest in assets held by Community Foundation	-	-	23,937	23,937
Total Investments	<u>\$ 1,004,580</u>	<u>\$ -</u>	<u>\$ 23,937</u>	<u>\$ 1,028,517</u>

	Assets at Fair Value as of June 30, 2022			
	Level 1	Level 2	Level 3	Total
Mutual funds	\$ 905,584	\$ -	\$ -	\$ 905,584
Beneficial interest in assets held by Community Foundation	-	-	23,198	23,198
Total Investments	<u>\$ 905,584</u>	<u>\$ -</u>	<u>\$ 23,198</u>	<u>\$ 928,782</u>

4. Fair Value Measurements (Concluded)

The beneficial interest in assets held by the Community Foundation has been valued at the fair value of the Organization’s share of the Foundation’s investment pool as of the measurement date. The Foundation values securities and other financial instruments on a fair value basis of accounting. The beneficial interest in assets held by the Community Foundation is not redeemable by the Organization as described in Note 6. Financial instruments classified as Level 3 in the fair value hierarchy represent the Organization’s investments in financial instruments in which management has used at least one significant unobservable input in the valuation model. The following table represents a reconciliation of the activities for Level 3 financial instruments:

Balance at July 1, 2021	\$ 26,843
Additional amounts invested in fund	-
Share of change in market value of fund	(2,859)
Distributions received	(786)
Balance at July 1, 2022	<u>\$ 23,198</u>
Additional amounts invested in fund	-
Share of change in market value of fund	1,813
Distributions received	(1,074)
Balance at June 30, 2023	<u><u>\$ 23,937</u></u>

5. Deposits

The Organization maintains several bank accounts at various financial institutions. As of June 30, 2023 and 2022, the bank balance of those deposits was \$905,516 and \$939,167, respectively. During the year ended June 30, 2023, the Organization implemented using the ICS program to provide FDIC coverage to all of their deposits.

6. Beneficial Interest in Assets Held by the Community Foundation

The United Way of Adams County, Inc., transferred assets to the Community Foundation of the Quincy Area (CFQA), establishing the United Way of Adams County, Inc. Fund (the “Fund”). The Organization has granted the CFQA variance power which gives the CFQA’s Board of Trustees the power to use the Fund for other purposes in certain circumstances. According to Financial Accounting Standards Board Codification 958-605-25-21, *Transfers of Assets to a Not-for-Profit Organization or Charitable Trust That Raises or Holds Contributions for Others*, when a not-for-profit transfers a portion of its own assets to a fund in a community foundation, the not-for-profit organization continues to report those assets as its own, with the activity for the year shown in the Statements of Activities. The Fund is subject to the CFQA’s investment and spending policies, and distributions are made to the Organization annually and shown in the Statements of Activities as investment income. Changes in the value of the Fund are reported as gains or losses in the Statements of Activities.

As of June 30, 2023, and 2022, the CFQA, acting as an agent for the Organization, had invested funds in the United Way of Adams County, Inc. Fund totaling \$23,937 and \$23,198, respectively. These are shown on the Statements of Financial Position as net assets with donor restrictions. The increase in value of \$739 in the year ended June 30, 2023, and the decrease in value of \$3,645 for the year ended June 30, 2022, are shown in the Statements of Activities.

7. Capital Assets

Following is a summary of capital assets at June 30, 2023 and 2022:

	2023	2022
Office equipment	\$ 52,172	\$ 68,238
Improvements	7,502	7,502
	\$ 59,674	\$ 75,740
Accumulated depreciation	(39,688)	(48,410)
Net capital assets	\$ 19,986	\$ 27,330

Depreciation expense for the years ended June 30, 2023 and 2022, was \$9,059 and \$10,599, respectively.

8. Pledges Receivable

The Organization has set its allowance for uncollectible pledges at \$34,200 and \$36,380 related to pledges receivable made to the United Way of Adams County, Inc., at June 30, 2023 and 2022, respectively. All pledges receivable at June 30, 2023 and 2022, were due in less than one year.

9. Pension Plan

The Organization participates in a Simplified Employee Pension Plan (SEPP) which is a defined contribution pension plan. Regular full-time employees and part-time employees may become a participant in the pension plan on the first day of the month following on which the employee completes one year of eligible service and attains age 21. The Organization contributes to the SEPP at a rate determined by the Board of Directors. The rate was 7% for the years ended June 30, 2023 and 2022. The amount of pension expense was \$14,542 for the year ended June 30, 2023 and \$19,406 for the year ended June 30, 2022.

10. Operating Lease

On September 29, 2022, the Organization entered into a lease agreement through October 31, 2025, to lease office space from TI-Trust. Under this agreement, the Organization pays \$2,500 per month for 36 months, each due on the first day of each month. As this lease did not provide an implicit rate, the Organization uses its incremental borrowing rate based on the information available at the commencement date to determine the present value of lease payments. Using this rate, a Right-of-Use asset and an Operating lease liability of \$80,872 was recorded at the lease's inception which equates the present value of the lease payments. The balance of this liability at June 30, 2023, was \$64,034.

The following is a schedule of the maturity of lease liabilities:

	Year Ending	
	2024	\$ 30,000
	2025	30,000
	2026	10,000
		\$ 70,000
Less: interest		(5,966)
Present value of lease liabilities		\$ 64,034

11. Board-Designated Net Assets

The Board of Directors has designated net assets without donor restrictions for the following purposes:

	<u>2023</u>	<u>2022</u>
Designated for reserve	\$ 687,850	\$ 683,925
Designated for agency allocations	690,000	700,000
Total Board-Designated Net Assets	<u>\$ 1,377,850</u>	<u>\$ 1,383,925</u>

12. Net Assets with Donor Restrictions

Contributions that are restricted by the donor are reported as increases in net assets without donor restrictions if the restrictions expire in the fiscal year in which the contributions are recognized. All other donor-restricted contributions are reported as increases in net assets with donor restrictions depending on the nature of the restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions.

A summary of net assets with donor restrictions follows:

	<u>2023</u>	<u>2022</u>
Institute for Excellence	\$ 3,273	\$ 5,707
Quincy Area Partnership for Unmet Needs	75,422	69,785
Community Building Council	15,850	15,782
Tri-State Warrior Outreach	16,874	11,016
Give Kids a Smile	2,762	3,591
Adams County Community Connect	-	550
Good News of Christmas	81,734	85,504
Kidzpacks Weekend Food Program	42,888	12,169
Shoe fund	6,949	6,038
Mental Health Education Coalition	39,685	30,100
Community Foundation	23,937	23,198
Total Net Assets with Donor Restrictions	<u>\$ 309,374</u>	<u>\$ 263,440</u>

Supplementary Information

United Way of Adams County, Inc.**Schedules of Partner Funding**

Years Ended June 30, 2023 and 2022

	<u>2023</u>	<u>2022</u>
Education		
Bella Ease - Out of School Program	\$ 55,000	\$ 55,000
Boy Scouts - Career and Citizenship Training	37,000	36,838
Cheerful Home - Outreach Family Support Program	30,000	24,512
Cheerful Home - Sliding Fee Scale Child Care	45,000	45,000
Girl Scouts - Girl Scout Leadership Experience	15,000	15,000
Quincy Young Life	39,000	34,500
Leaders for Life	12,850	20,000
RSVP - Shoe Fund	4,189	5,236
Transitions - Parents as Teachers	45,000	45,000
YMCA - School Age Child Care Program	31,650	31,650
Total Education	<u>\$ 314,689</u>	<u>\$ 312,736</u>
Financial Stability		
American Red Cross - Disaster Services	\$ 32,000	\$ 31,000
American Red Cross - Service to Armed Forces	6,000	6,000
Bella Ease - Work Focus	-	8,500
Community for Christ - Families in Need	19,000	17,500
Quanada - Domestic Violence Program	25,000	24,800
Quanada - Sexual Assault Program	13,250	13,000
Salvation Army - Emergency Social Services	60,000	53,700
Transitions - Client & Family Support	13,250	12,000
YWCA - Supportive Housing Program	37,000	36,500
Total Financial Stability	<u>\$ 205,500</u>	<u>\$ 203,000</u>
Health		
Horizons - Addicts Victorious Biblical Counseling Program	\$ 8,000	\$ 5,610
Advocacy Network for Children - CASA	25,000	24,800
American Red Cross - Blood Services	13,000	14,000
Catholic Charities - MedAssist	20,000	20,000
Catholic Charities - Professional Counseling Solutions	25,000	22,365
Cornerstone - Counseling Sliding Scale	12,000	10,500
Cornerstone - Comprehensive Youth Services	41,000	39,200
Horizons - Soup Kitchen	25,000	25,000
RSVP - Senior Health and Security	5,000	4,000
Transitions - Mental Health Crisis Stabilization	10,000	16,525
Total Health	<u>\$ 184,000</u>	<u>\$ 182,000</u>
Total Partner Funding	<u>\$ 704,189</u>	<u>\$ 697,736</u>