

United Way of Adams County, Inc.

Financial Statements

Years Ended June 30, 2022 and 2021

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 statement of financial position as of June 30, 2022 and 2021, and the related statements of activities 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, 2022 and 2021, 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 Schedule 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 6, 2022
Quincy, Illinois

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

June 30, 2022 and 2021

	<u>2022</u>	<u>2021</u>
Assets		
Current Assets:		
Cash	\$ 728,901	\$ 463,961
Certificates of deposit	200,021	250,144
Investments	905,584	1,113,204
Pledges receivable, net	139,505	192,129
Miscellaneous receivables	28,255	18,412
Prepaid expenses	7,803	6,982
Total Current Assets	<u>\$ 2,010,069</u>	<u>\$ 2,044,832</u>
Capital assets, net	27,330	33,137
Beneficial interest in assets held by the Community Foundation	23,198	26,843
Total Assets	<u><u>\$ 2,060,597</u></u>	<u><u>\$ 2,104,812</u></u>
Liabilities and Net Assets		
Current Liabilities:		
Accounts payable	\$ 14,101	\$ 6,161
Accrued payroll	8,700	8,885
Accrued vacation payable	4,878	5,885
Designations payable	19,677	15,799
Note payable - PPP	-	75,539
Total Current Liabilities	<u>\$ 47,356</u>	<u>\$ 112,269</u>
Net Assets		
Without Donor Restrictions:		
Designated for allocations and initiatives	\$ 1,383,925	\$ 640,240
Undesignated	365,876	1,209,320
With Donor Restrictions	263,440	142,983
Total Net Assets	<u>\$ 2,013,241</u>	<u>\$ 1,992,543</u>
Total Liabilities and Net Assets	<u><u>\$ 2,060,597</u></u>	<u><u>\$ 2,104,812</u></u>

See accompanying notes to financial statements.

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

Years Ended June 30, 2022 and 2021

	<u>2022</u>	<u>2021</u>
Changes In Net Assets Without Donor Restrictions:		
Support		
Campaign contributions, net	\$ 1,183,677	\$ 1,117,311
Government grants	133,724	103,607
Contributions and grants - other	90,429	490,877
Inkind donations	146,760	107,734
Special event income	5,105	2,720
Miscellaneous income	20,775	5,459
Interest and dividends	59,113	28,862
Realized and unrealized gain (loss)	(268,942)	152,435
Total Unrestricted Support	<u>\$ 1,370,641</u>	<u>\$ 2,009,005</u>
Net Assets Released from Restrictions	<u>229,439</u>	<u>263,364</u>
Total Unrestricted Support and Reclassifications	<u>\$ 1,600,080</u>	<u>\$ 2,272,369</u>
Expenses		
Program Services		
Community impact	\$ 863,320	\$ 823,099
Direct program & services	253,453	269,608
Community affinity groups	188,824	133,018
Total Program Services	<u>\$ 1,305,597</u>	<u>\$ 1,225,725</u>
Supporting Activities		
Resource development	\$ 254,339	\$ 202,158
Management and general	139,903	146,219
Total Supporting Activities	<u>\$ 394,242</u>	<u>\$ 348,377</u>
Total Expenses	<u>\$ 1,699,839</u>	<u>\$ 1,574,102</u>
Change In Net Assets Without Donor Restrictions	<u>\$ (99,759)</u>	<u>\$ 698,267</u>
Changes In Net Assets With Donor Restrictions:		
Contributions and grants - other	\$ 353,541	\$ 152,989
Restrictions expired and expended	(229,439)	(263,364)
Change in beneficial interest	(3,645)	5,233
Change In Net Assets With Donor Restrictions	<u>\$ 120,457</u>	<u>\$ (105,142)</u>
Total Change In Net Assets	<u>\$ 20,698</u>	<u>\$ 593,125</u>
Net Assets at Beginning of Year	<u>1,992,543</u>	<u>1,399,418</u>
Net Assets at End of Year	<u>\$ 2,013,241</u>	<u>\$ 1,992,543</u>

See accompanying notes to financial statements.

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

Years Ended June 30, 2022 and 2021

	<u>2022</u>	<u>2021</u>
Cash Flows From Operating Activities:		
Increase (Decrease) in net assets	\$ 20,698	\$ 593,125
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	10,599	6,703
Realized and unrealized gains on investments	268,942	(152,435)
PPP loan principal forgiveness	(75,539)	(73,715)
(Increase) Decrease in:		
Pledges receivable	52,624	20,529
Miscellaneous receivable	(9,843)	(467)
Prepaid expenses	(821)	111
Beneficial interest in assets held by the Community Foundation	3,645	(5,233)
Increase (Decrease) in:		
Accounts payable	7,940	(3,706)
Payroll liabilities	(185)	1,277
Accrued vacation payable	(1,007)	2,747
Deferred revenue	-	(50,000)
Designations payable	3,878	(12,923)
Net Cash Provided (Used) by Operating Activities	<u>\$ 280,931</u>	<u>\$ 326,013</u>
Cash Flows from Investing Activities:		
(Increase) decrease in certificates of deposit	\$ 50,123	\$ (2,412)
Proceeds from sale of investments	110,677	276,720
Purchase of investments	(171,998)	(700,168)
Purchase of capital assets	(4,793)	(21,990)
Net Cash Provided (Used) by Investing Activities	<u>\$ (15,991)</u>	<u>\$ (447,850)</u>
Cash Flows from Financing Activities:		
Loan proceeds	\$ -	\$ 75,539
Net Cash Provided by (Used for) Financing Activities	<u>\$ -</u>	<u>\$ 75,539</u>
Net Increase (Decrease) in Cash	\$ 264,940	\$ (46,298)
Cash, Beginning of Year	<u>463,961</u>	<u>510,259</u>
Cash, End of Year	<u><u>\$ 728,901</u></u>	<u><u>\$ 463,961</u></u>
Supplemental Disclosures		
Cash paid for interest	<u>\$ -</u>	<u>\$ -</u>
Noncash activities	None	None

See accompanying notes to financial statements.

United Way of Adams County, Inc.

Statement of Functional Expenses

Year Ended June 30, 2022

	Program Services			
	Community Impact	Direct Programs & Services	Community Affinity 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

	<u>Supporting Activities</u>			<u>Total Functional Expenses</u>
	<u>Resource Development</u>	<u>Management & General</u>	<u>Total Supporting Activities</u>	
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	<u>\$ 83,630</u>	<u>\$ 102,504</u>	<u>\$ 186,134</u>	<u>\$ 383,624</u>
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	<u><u>\$ 254,339</u></u>	<u><u>\$ 139,903</u></u>	<u><u>\$ 394,242</u></u>	<u><u>\$ 1,699,839</u></u>

United Way of Adams County, Inc.**Statement of Functional Expenses**

Year Ended June 30, 2021

	Program Services			
	Community Impact	Direct Programs & Services	Community Affinity Groups	Total Program Services
Salaries	\$ 47,321	\$ 70,553	\$ 17,439	\$ 135,313
Payroll taxes	3,987	5,944	1,469	11,400
Employee benefits	8,295	12,368	3,057	23,720
Total Personnel Costs	\$ 59,603	\$ 88,865	\$ 21,965	\$ 170,433
Allocations - partner funding	654,986	-	-	654,986
Direct designations	36,234	-	-	36,234
Fiscal sponsor expenses	-	-	73,215	73,215
Advertising and promotion	1,845	860	213	2,918
Volunteer recognition	50	-	-	50
Conferences and meetings	506	440	108	1,054
Depreciation	1,009	2,121	372	3,502
Direct client assistance	-	117,805	24,269	142,074
Dues and subscriptions	984	175	31	1,190
Equipment rental and maintenance	262	391	97	750
Special event expenses	1,880	151	37	2,068
Inkind expenses	819	11,637	6,780	19,236
Insurance	820	1,223	303	2,346
Bank fees	50	74	18	142
Miscellaneous	-	-	-	-
Occupancy	4,974	7,416	1,833	14,223
Printing and publications	160	238	59	457
Postage and shipping	56	160	37	253
Professional fees	974	1,452	358	2,784
Program and initiative expenses	49,333	23,630	251	73,214
Supplies	642	1,110	221	1,973
Technology	2,303	3,564	849	6,716
Telephone	549	981	202	1,732
Travel	188	51	6	245
Utilities, trash and cleaning	1,798	2,681	662	5,141
United Way dues	3,074	4,583	1,133	8,790
Total Functional Expenses	\$ 823,099	\$ 269,608	\$ 133,019	\$ 1,225,726

See accompanying notes to financial statements.

United Way of Adams County, Inc.
Statement of Functional Expenses (Concluded)
Year Ended June 30, 2021

	Supporting Activities			Total Functional Expenses
	Resource Development	Management & General	Total Supporting Activities	
Salaries	\$ 62,419	\$ 87,678	\$ 150,097	\$ 285,410
Payroll taxes	5,259	7,387	12,646	24,046
Employee benefits	10,942	15,369	26,311	50,031
Total Personnel Costs	\$ 78,620	\$ 110,434	\$ 189,054	\$ 359,487
Allocations - partner funding	-	-	-	654,986
Direct designations	-	-	-	36,234
Fiscal sponsor expenses	-	-	-	73,215
Advertising and promotion	4,124	1,068	5,192	8,110
Volunteer recognition	-	-	-	50
Conferences and meetings	2,208	825	3,033	4,087
Depreciation	1,331	1,870	3,201	6,703
Direct client assistance	-	-	-	142,074
Dues and subscriptions	261	156	417	1,607
Equipment rental and maintenance	346	486	832	1,582
Special event expenses	456	188	644	2,712
Inkind expenses	87,718	780	88,498	107,734
Insurance	1,081	1,519	2,600	4,946
Bank fees	1,098	92	1,190	1,332
Miscellaneous	-	-	-	-
Occupancy	6,561	9,216	15,777	30,000
Printing and publications	2,961	295	3,256	3,713
Postage and shipping	2,178	145	2,323	2,576
Professional fees	1,285	1,805	3,090	5,874
Program and initiative expenses	898	1,262	2,160	75,374
Supplies	811	1,736	2,547	4,520
Technology	3,038	4,268	7,306	14,022
Telephone	724	1,017	1,741	3,473
Travel	32	32	64	309
Utilities, trash and cleaning	2,373	3,331	5,704	10,845
United Way dues	4,054	5,694	9,748	18,538
Total Functional Expenses	\$ 202,158	\$ 146,219	\$ 348,377	\$ 1,574,103

See accompanying notes to financial statements.

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 increased to \$36,380 from \$34,200, 3.00% of the 2021 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. The oversight and implementation of the Volunteer Income Tax Assistance (VITA) program includes site certification with the Internal Revenue Service, recruitment and training of VITA volunteers, volunteer and client scheduling, tax preparation and tax filing and promotions and communications about the program. Other services include the HelpLine, Emergency Food & Shelter, FamilyWize medication discount program, Good News of Christmas, Adams County Voluntary Organizations Active in Disaster (VOAD), Interagency Council, community presentations, and education on UWAC services.

Community Affinity 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, the Virgene Project, Tri-State Veterans Support, 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 provides assistance to 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, professional training/learning activities, 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 Statement of Activities and the Statement 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 \$86,468 for the year ended June 30, 2022. The Organization also recognized donated tax preparation services of \$11,081 for the year ended June 30, 2022, for the VITA program using a rate of \$16.20 per hour. Other donated services for the year ended June 30, 2022, were for the use of facilities and equipment for the Good News of Christmas program and fundraising events of \$8,350 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, 2022, the Organization received items donated for use at its fundraising events of \$30,759, furniture and supplies to use for clients in the Unmet Needs program of \$2,662, supplies and gifts for its Good News of Christmas program of \$3,939, and other various supplies for its VITA program and other programs of \$3,501.

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, 2022, and prior years have been filed. Income tax filings are subject to audit by various taxing authorities and are open for audit for 2020 to 2022.

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 6, 2022, the date the financial statements were available to be issued.

2. Liquidity and Availability Management

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.

At June 30, 2021, the Organization had \$924,646 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 \$463,961, certificates of deposit of \$250,144 and pledges and other receivables of \$210,541. 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.

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, 2022 and 2021, consist of the following:

	<u>2022</u>		<u>2021</u>	
	<u>Carrying Value</u>	<u>Market Value</u>	<u>Carrying Value</u>	<u>Market Value</u>
Certificates of deposit	\$ 200,021	\$ 200,021	\$ 250,144	\$ 250,144
Mutual funds	905,584	905,584	1,113,204	1,113,204
Total	<u>\$ 1,105,605</u>	<u>\$ 1,105,605</u>	<u>\$ 1,363,348</u>	<u>\$ 1,363,348</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, 2022 and 2021, 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, 2022				
	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
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>

Assets at Fair Value as of June 30, 2021				
	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Mutual funds	\$ 1,113,204	\$ -	\$ -	\$ 1,113,204
Beneficial interest in assets held by Community Foundation	-	-	26,843	26,843
Total Investments	<u>\$ 1,113,204</u>	<u>\$ -</u>	<u>\$ 26,843</u>	<u>\$ 1,140,047</u>

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, 2020	\$ 21,610
Additional amounts invested in fund	829
Share of change in market value of fund	5,233
Distributions received	(829)
Balance at July 1, 2021	<u>\$ 26,843</u>
Additional amounts invested in fund	-
Share of change in market value of fund	(2,859)
Distributions received	(786)
Balance at June 30, 2022	<u>\$ 23,198</u>

5. Deposits

The Organization maintains several bank accounts at various financial institutions. As of June 30, 2022 and 2021, the bank balance of those deposits was \$939,167 and \$729,767, respectively. At various times throughout the year, the Organization's cash deposits may exceed the federally insured limits.

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, 2022, and 2021, the CFQA, acting as an agent for the Organization, had invested funds in the United Way of Adams County, Inc. Fund totaling \$23,198 and \$26,843, respectively. These are shown on the Statements of Financial Position with net assets with donor restrictions. The decrease in value of \$2,859 in the year ended June 30, 2022, and the increase in value of \$5,233 for the year ended June 30, 2021, are shown in the Statements of Activities.

7. Capital Assets

Following is a summary of capital assets at June 30, 2022 and 2021:

	<u>2022</u>	<u>2021</u>
Office equipment	\$ 68,238	\$ 63,446
Improvements	7,502	7,502
	<u>\$ 75,740</u>	<u>\$ 70,948</u>
Accumulated depreciation	(48,410)	(37,811)
Net capital assets	<u>\$ 27,330</u>	<u>\$ 33,137</u>

Depreciation expense for the years ended June 30, 2022 and 2021, was \$10,599 and \$6,703, respectively.

8. Pledges Receivable

The Organization has set its allowance for uncollectible pledges at \$36,380 and \$34,200 related to pledges receivable made to the United Way of Adams County, Inc., at June 30, 2022 and 2021, respectively. All pledges receivable at June 30, 2022 and 2021, 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, 2022 and 2021. The amount of pension expense was \$19,406 for the year ended June 30, 2022 and \$15,777 for the year ended June 30, 2021.

10. Operating Lease

The Organization has a lease agreement for office space with TI-Trust, dated November 18, 2019, expiring October 31, 2022, for the sum of \$90,000 payable in thirty-six equal monthly installments of \$2,500. The following schedule details the required lease payments on this lease:

Year Ended June 30,	
2023	\$ 10,000
	<u>\$ 10,000</u>

11. Board-Designated Net Assets

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

	<u>2022</u>	<u>2021</u>
Designated for reserve	\$ 683,925	\$ 640,240
Designated for agency allocations	700,000	-
Total Board-Designated Net Assets	<u>\$ 1,383,925</u>	<u>\$ 640,240</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>2022</u>	<u>2021</u>
Institute for Excellence	\$ 5,707	\$ 8,183
Quincy Area Partnership for Unmet Needs	69,785	22,911
Community Building Council	15,782	15,982
Tri-State Warrior Outreach	11,016	4,167
Give Kids a Smile	3,591	3,695
COVID-19 Relief Fund	-	100
Adams County Community Connect	550	550
Tri-State Veterans Support (TSVS)	-	19,179
TSVS Stand Down	-	2,443
Good News of Christmas	85,504	-
Kidzpacks Weekend Food Program	12,169	5,250
Marion Gardner Jackson Grant	-	985
Shoe fund	6,038	6,274
Mental Health Education Coalition	30,100	19,755
The Virgene Project	-	6,666
Community Foundation	23,198	26,843
Total Net Assets with Donor Restrictions	<u>\$ 263,440</u>	<u>\$ 142,983</u>

13. Notes Payable

On April 15, 2020, the Organization entered into a loan agreement with United Community Bank through the Paycheck Protection Program offered by the U.S. Small Business Administration in response to the COVID-19 pandemic. The amount of the loan was \$73,715 and called for monthly payments of accrued interest beginning November 15, 2020, at an interest rate of 1.0% with the principal due April 15, 2021. This loan was eligible to be forgiven if certain qualifications were met including maintaining employment levels and using the funds for the limited purposes prescribed in the loan program guidelines. On January 15, 2021, the Organization received forgiveness of this loan along with \$563 in accrued interest.

On March 12, 2021, the Organization entered into a loan agreement with United Community Bank through the Paycheck Protection Program for a second round of COVID-19 relief funding offered by the U.S. Small Business Administration. The amount of the loan was \$75,539 and called for monthly payments of accrued interest beginning October 12, 2021, at an interest rate of 1.0%. On September 28, 2021, the Organization received forgiveness of this loan along with \$424 in accrued interest.

14. Impact of COVID-19 Pandemic

The COVID-19 pandemic continues to be an issue in 2021 and 2022 with a significant number of cases. Measures taken by various governments to contain the virus have affected economic activity. We have taken a number of measures to monitor and mitigate the effects of COVID-19, such as safety and health measures for our people.

The Organization's operations are dependent on private and public donations from individuals, foundations, and corporations. We refer to Note 2 regarding liquidity as an illustration of our current resources available for the next fiscal year. As a result of this pandemic, the Organization may see a decrease in its pledges and contributions as donors are uncertain of their financial position for the near future and the generosity of many during the pandemic may wane. The Organization did receive loan forgiveness for its two Paycheck Protection loans during the fiscal years ending June 30, 2022 and 2021, which helped the Organization maintain its operations. At this stage, the impact on the Organization and results has not been significant and based on our experience to date we expect this to remain the case. We will continue to follow the various government policies and advice and, in parallel, we will do our utmost to continue our operations in the best and safest way possible without jeopardizing the health of our people.

Supplementary Information

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

Years Ended June 30, 2022 and 2021

	<u>2022</u>	<u>2021</u>
Education		
Bella Ease - Quincy TeenREACH	\$ 55,000	\$ 55,000
Boy Scouts - Career Exploration	36,838	36,838
Cheerful Home - Outreach Family Support Program	24,512	21,000
Cheerful Home - Sliding Fee Scale Child Care	45,000	48,512
Girl Scouts - Girl Scout Leadership Experience	15,000	15,000
Quincy Young Life	34,500	-
Leaders for Life	20,000	20,000
RSVP - Shoe Fund	5,236	4,986
Transitions - Birth to Three	45,000	45,000
YMCA - School Age Child Care Program	31,650	31,650
Total Education	<u>\$ 312,736</u>	<u>\$ 277,986</u>
Financial Stability		
American Red Cross - Disaster Services	\$ 31,000	\$ 31,000
American Red Cross - Service to Armed Forces	6,000	6,000
Bella Ease - Work Focus	8,500	7,000
Community for Christ - Families in Need	17,500	17,500
Quanada - Domestic Violence Program	24,800	24,800
Quanada - Sexual Assault Program	13,000	13,000
Salvation Army - Emergency Social Services	53,700	55,000
Transitions - Client & Family Support	12,000	12,000
YWCA - Supportive Housing Program	36,500	36,500
Total Financial Stability	<u>\$ 203,000</u>	<u>\$ 202,800</u>
Health		
Addicts Victorious - Victory Biblical Counseling Program	\$ 5,610	\$ 5,200
Advocacy Network for Children - CASA	24,800	21,500
Advocacy Network for Children - Sexual Abuse Prevention	-	3,300
American Red Cross - Blood Services	14,000	13,600
Catholic Charities - MedAssist	20,000	20,000
Catholic Charities - Professional Counseling Solutions	22,365	14,000
Cornerstone - Counseling Sliding Scale	10,500	15,500
Cornerstone - Comprehensive Youth Services	39,200	37,500
Horizons - Soup Kitchen	25,000	25,000
RSVP - Senior Health and Security	4,000	4,000
Transitions - Mental Health Crisis Stabilization	16,525	14,600
Total Health	<u>\$ 182,000</u>	<u>\$ 174,200</u>
Total Partner Funding	<u>\$ 697,736</u>	<u>\$ 654,986</u>