

UNITED WAY OF CASS COUNTY, INC.

LOGANSPORT, INDIANA

FINANCIAL STATEMENTS

DECEMBER 31, 2023 AND 2022

UNITED WAY OF CASS COUNTY, INC
LOGANSPOUT, INDIANA
FINANCIAL STATEMENTS
DECEMBER 31, 2023 AND 2022

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CERTIFIED PUBLIC ACCOUNTANTS



Member of American Institute and Indiana CPA Society

INDEPENDENT AUDITOR'S REPORT

**To the Board of Directors of
United Way of Cass County, Inc.
Logansport, Indiana**

Opinion

We have audited the accompanying financial statements of United Way of Cass County, Inc. (a nonprofit organization), which comprise the statements of financial position as of December 31, 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 Cass County, Inc. as of December 31, 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 audits 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 Cass 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.

Emphasis of Matter

Testing of Pledges Receivable - We did not observe the controls over solicitation of pledges, nor did we confirm the pledges receivable. Our audit was confined principally to tests of recorded receipts in authorized depository accounts and testing the total pledges receivable after their entry in the accounting records. Our opinion is not modified with respect to that matter.

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 Cass 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.

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 Cass 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 Cass 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.

Rea Logan & Co., LLC

Peru, Indiana
August 20, 2024

UNITED WAY OF CASS COUNTY, INC.
STATEMENTS OF FINANCIAL POSITION
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022

	<u>2023</u>	<u>2022</u>
ASSETS		
Cash and cash equivalents	\$ 751,072	\$ 844,520
Certificates of Deposit	63,621	61,897
Grants receivable	-	64,492
Pledges receivable - 2023 campaign, due within one year	215,148	-
Net of Allowance for uncollectible pledges of \$28,700		
Pledges receivable - 2022 campaign, due within one year	-	208,904
Net of Allowance for uncollectible pledges of \$29,351 and \$41,500		
Pledges receivable - 2021 campaign, due within one year	-	11,725
Net of Allowance for uncollectible pledges of \$80 and \$41,450		
Prepaid expenses	8,521	7,240
Investments	110,982	97,498
Furniture, fixtures and equipment	25,779	25,518
Less accumulated depreciation	<u>(16,852)</u>	<u>(14,363)</u>
TOTAL ASSETS	<u>\$ 1,158,271</u>	<u>\$ 1,307,431</u>
LIABILITIES		
Accounts payable	\$ 16,350	\$ 56,499
Accrued payroll expense	2,997	-
Designations payable - 2022 Campaign	21,817	-
Designations payable - 2021 Campaign	889	29,847
Designations payable - 2020 Campaign	<u>-</u>	<u>1,828</u>
TOTAL LIABILITIES	<u>42,053</u>	<u>88,174</u>
NET ASSETS		
Without donor restrictions	469,648	491,698
With donor restrictions	<u>646,570</u>	<u>727,559</u>
TOTAL NET ASSETS	<u>1,116,218</u>	<u>1,219,257</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 1,158,271</u>	<u>\$ 1,307,431</u>

See Independent Auditor's Report and Accompanying Notes to Financial Statements.

UNITED WAY OF CASS COUNTY, INC.
STATEMENTS OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2023

	WITHOUT DONOR RESTRICTIONS	WITH DONOR RESTRICTIONS	Total
PUBLIC SUPPORT & REVENUE			
Gross Campaign Results	\$ 36,060	\$ 394,533	\$ 430,593
Donor Designations	1,200	(21,817)	(20,617)
Provision for Uncollectible Pledges	30,706	(28,700)	2,006
Net Campaign Results	67,966	344,016	411,982
Designations from Other United Ways	16,063	-	16,063
Service fees	211	98	309
Sponsorship	785	-	785
Reading Railroad Contributions	-	71,910	71,910
Backpack Program Contributions	-	45,783	45,783
Other Contributions	14,869	26,484	41,353
UnitedIN22 Grant	-	5,000	5,000
In-kind Contributions	9,008	-	9,008
Miscellaneous	-	-	-
Investment Return	20,706	261	20,967
Net Assets Released from Restriction	574,541	(574,541)	-
Total Public Support & Revenue	704,149	(80,989)	623,160
FUNCTIONAL EXPENSES			
Program Services			
Gross Funds Distributed	219,779	-	219,779
Other Program Services	392,467	-	392,467
Total Program Expense	612,246	-	612,246
Support Services			
Management and General	48,933	-	48,933
Fundraising	57,839	-	57,839
Unallocated Payments to Affiliated Organization - UWA Dues	7,181	-	7,181
Total Support Service Expense	113,953	-	113,953
TOTAL EXPENSES	726,199	-	726,199
INCREASE (DECREASE) IN NET ASSETS	(22,050)	(80,989)	(103,039)
NET ASSETS BEGINNING OF YEAR	491,698	727,559	1,219,257
NET ASSETS END OF YEAR	469,648	646,570	1,116,218

See Independent Auditor's Report and Accompanying Notes to Financial Statements.

UNITED WAY OF CASS COUNTY, INC.
STATEMENTS OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2022

	<u>WITHOUT DONOR RESTRICTIONS</u>	<u>WITH DONOR RESTRICTIONS</u>	<u>Total</u>
PUBLIC SUPPORT & REVENUE			
Gross Campaign Results	\$ 69,011	\$ 408,123	\$ 477,134
Donor Designations	2,022	(29,847)	(27,825)
Provision for Uncollectible Pledges	8,677	(41,500)	(32,823)
Net Campaign Results	79,710	336,776	416,486
Designations from Other United Ways	10,563	-	10,563
Service fees	-	-	-
Sponsorship	7,775	-	7,775
Reading Railroad Contributions	-	58,242	58,242
Backpack Program Contributions	-	88,487	88,487
Other Contributions	4,173	21,150	25,323
UnitedIN22 Grant	-	64,492	64,492
In-kind Contributions	3,523	-	3,523
Miscellaneous	285	-	285
Investment Return	(5,979)	27	(5,952)
Net Assets Released from Restriction	649,319	(649,319)	-
Total Public Support & Revenue	749,369	(80,145)	669,224
FUNCTIONAL EXPENSES			
Program Services			
Gross Funds Distributed	240,284	-	240,284
Other Program Services	375,643	-	375,643
Total Program Expense	615,927	-	615,927
Support Services			
Management and General	38,557	-	38,557
Fundraising	53,902	-	53,902
Unallocated Payments to Affiliated Organization - UWA Dues	8,205	-	8,205
Total Support Service Expense	100,664	-	100,664
TOTAL EXPENSES	716,591	-	716,591
INCREASE (DECREASE) IN NET ASSETS	32,778	(80,145)	(47,367)
NET ASSETS BEGINNING OF YEAR	458,920	807,704	1,266,624
NET ASSETS END OF YEAR	\$ 491,698	\$ 727,559	\$ 1,219,257

See Independent Auditor's Report and Accompanying Notes to Financial Statements.

UNITED WAY OF CASS COUNTY, INC.
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022

	<u>2023</u>	<u>2022</u>
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:		
Increase (decrease) in net assets	\$ (103,039)	\$ (47,367)
Adjustment to reconciled change in net cash provided by operating activities:		
Depreciation expense	2,490	2,604
Interest Added to Certificates of Deposit	(1,724)	(323)
(Gains) Losses on Investments	(11,031)	9,046
(Increase) Decrease Pledges Receivable - Net	5,481	44,188
(Increase) Decrease in Grants and Other Receivables	64,492	(64,492)
(Increase) Decrease in Prepaid Expense	(1,281)	24,289
(Increase) decrease in Accounts Payable	(40,150)	51,314
Increase (Decrease) in Accrued Payroll	2,999	-
Increase (Decrease) in Designations Payable - Net	<u>(8,970)</u>	<u>(829)</u>
Total Adjustments	<u>12,306</u>	<u>65,797</u>
Net Cash Provided (Used) by Operating Activities	(90,733)	18,430
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of Property and Equipment	(262)	(8,232)
Interest and Dividends Added to Investments	(2,453)	(1,544)
Cash Invested in Long-Term Investments	<u>-</u>	<u>(105,000)</u>
Net Cash Provided (Used) by Investing Activities	<u>(2,715)</u>	<u>(114,776)</u>
INCREASE (DECREASE) IN CASH	(93,448)	(96,346)
CASH AT BEGINNING OF YEAR	<u>844,520</u>	<u>940,866</u>
CASH AT END OF YEAR	<u><u>\$ 751,072</u></u>	<u><u>\$ 844,520</u></u>

See Independent Auditor's Report and Accompanying Notes to Financial Statements.

UNITED WAY OF CASS COUNTY, INC.
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2023

	PROGRAM SERVICES			SUPPORT SERVICES			2023
	Community Impact	Reading Railroad	Total	Organization Management	Fundraising	Total	Totals
Gross Distributions	\$ 246,317	\$ -	\$ 246,317	\$ -	\$ -	\$ -	\$ 246,317
Donor Designations	(26,538)	-	(26,538)	-	-	-	(26,538)
TOTAL	219,779	-	219,779	-	-	-	219,779
Salary	104,353	-	104,353	2,081	29,017	31,098	135,451
Payroll Taxes and Benefits	13,556	321	13,877	309	4,307	4,616	18,493
TOTAL	117,909	321	118,230	2,390	33,324	35,714	153,944
Processing and Accounting services	-	-	-	33,274	-	33,274	33,274
Professional fees	-	3,000	3,000	12,500	-	12,500	15,500
Campaign	-	-	-	-	13,416	13,416	13,416
Marketing and Advertising	6,349	5,243	11,592	45	634	679	12,271
Printing and Publication	-	-	-	-	-	-	-
Postage	757	100	857	10	136	146	1,003
Office Supplies	1,129	31	1,160	26	359	385	1,545
Occupancy	14,350	-	14,350	327	4,559	4,886	19,236
Telephone and Utilities	716	-	716	16	228	244	960
Repairs and Maintenance	3,097	-	3,097	71	984	1,055	4,152
Insurance	3,784	-	3,784	86	1,202	1,288	5,072
Conference, Training, and Meetings	1,358	-	1,358	38	583	621	1,979
Travel	952	120	1,072	22	302	324	1,396
Kindergarten Readiness	-	33,446	33,446	-	-	-	33,446
School/Business/Partners	-	3,031	3,031	-	-	-	3,031
Imagination Library	-	27,492	27,492	-	-	-	27,492
Book Distribution	-	21	21	-	-	-	21
Pins for Kids	-	7,343	7,343	-	-	-	7,343
Program Materials	107,662	222	107,884	-	-	-	107,884
UnitedIN18 Grant	-	-	-	-	-	-	-
UnitedIN20 Grant	44,835	-	44,835	-	-	-	44,835
UnitedIN22 Grant	3,595	-	3,595	-	-	-	3,595
Grant expense	-	-	-	-	-	-	-
Emergency Relief Fund	-	-	-	-	-	-	-
State and Local Dues	3,290	-	3,290	75	1,045	1,120	4,410
Depreciation	1,858	-	1,858	42	590	632	2,490
Miscellaneous	445	11	456	11	477	488	944
TOTAL	312,086	80,381	392,467	48,933	57,839	106,772	499,239
United Way of America Dues	-	-	-	7,181	-	7,181	7,181
TOTAL FUNCTIONAL EXPENSES	\$ 531,865	\$ 80,381	\$ 612,246	\$ 56,114	\$ 57,839	\$ 113,953	\$ 726,199

See Independent Auditor's Report and Accompanying Notes to Financial Statements.

UNITED WAY OF CASS COUNTY, INC.
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2022

	PROGRAM SERVICES			SUPPORT SERVICES			2022
	Community Impact	Reading Railroad	Total	Organization Management	Fundraising	Total	Totals
Gross Distributions	\$ 259,789	\$ -	\$ 259,789	\$ -	\$ -	\$ -	\$ 259,789
Donor Designations	(19,505)	-	(19,505)	-	-	-	(19,505)
TOTAL	240,284	-	240,284	-	-	-	240,284
Salary	90,724	-	90,724	3,357	26,546	29,903	120,627
Payroll Taxes and Benefits	11,599	-	11,599	456	3,603	4,059	15,658
TOTAL	102,323	-	102,323	3,813	30,149	33,962	136,285
Processing and Accounting services	-	-	-	24,274	-	24,274	24,274
Professional fees	-	2,100	2,100	9,250	-	9,250	11,350
Campaign	-	-	-	-	12,549	12,549	12,549
Marketing and Advertising	4,232	2,604	6,836	48	382	430	7,266
Printing and Publication	817	-	817	32	1,239	1,271	2,088
Postage	964	-	964	38	299	337	1,301
Office Supplies	1,775	55	1,830	(37)	551	514	2,344
Occupancy	11,556	-	11,556	454	3,590	4,044	15,600
Telephone and Utilities	711	-	711	28	221	249	960
Repairs and Maintenance	2,727	-	2,727	107	847	954	3,681
Insurance	3,736	-	3,736	147	1,161	1,308	5,044
Conference, Training, and Meetings	2,365	-	2,365	80	719	799	3,164
Travel	1,201	64	1,265	47	373	420	1,685
Kindergarten Readiness	-	34,835	34,835	-	-	-	34,835
School/Business/Partners	-	1,069	1,069	-	-	-	1,069
Imagination Library	-	30,426	30,426	-	-	-	30,426
Book Distribution	-	93	93	-	-	-	93
Pins for kids	-	4,625	4,625	-	-	-	4,625
Program Materials	115,962	210	116,172	-	-	-	116,172
UnitedIN18 Grant	26,296	-	26,296	-	-	-	26,296
UnitedIN20 Grant	8,654	-	8,654	-	-	-	8,654
UnitedIN22 Grant	7,863	-	7,863	-	-	-	7,863
Grant expense	1,500	-	1,500	-	-	-	1,500
Emergency Relief Fund	847	-	847	-	-	-	847
State and Local Dues	2,958	-	2,958	116	919	1,035	3,993
Depreciation	1,929	-	1,929	76	599	675	2,604
Miscellaneous	1,141	5	1,146	84	304	388	1,534
TOTAL	299,557	76,086	375,643	38,557	53,902	92,459	468,102
United Way of America Dues	-	-	-	8,205	-	8,205	8,205
TOTAL FUNCTIONAL EXPENSES	\$ 539,841	\$ 76,086	\$ 615,927	\$ 46,762	\$ 53,902	\$ 100,664	\$ 716,591

See Independent Auditor's Report and Accompanying Notes to Financial Statements.

UNITED WAY OF CASS COUNTY, INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022

NOTE 1 – ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

Nature of Activities – United Way of Cass County, Inc. (the Organization), was formed in 1937 as a voluntary not-for-profit organization benefiting the Cass County, Indiana community. The mission of the Organization is to increase the organized capacity of the citizens of Cass County to care for one another and promote education of human care services and needs. The Organization is governed by a volunteer board of directors and solicits donations from the public in Cass County and grants monies to various not-for-profit agencies.

Agency Allocations – The Organization supports other not-for-profit member agencies in Cass County, Indiana serving three impact areas; Education (Helping Children and Youth Succeed), Income (Promoting Independence and Economic Self-Sufficiency) and Health (Strengthening and Supporting Families) through distributions.

Reading Railroad – This program is to be a catalyst for increasing parent and community awareness of the importance of reading with young children and to provide programs and activities to address early literacy and reading success.

UnitedIN18 Grant – The Organization was awarded a \$70,459 UnitedIN18 Grant in 2019 from the Indiana Association of United Ways. The UnitedIN18 grant is to be used in conjunction with community work in education, income and health.

UnitedIN20 Grant – The Organization was awarded a \$100,062 UnitedIN20 Grant in 2021 from the Indiana Association of United Ways. The UnitedIN20 grant is to be used in conjunction with community work in education, income and health.

UnitedIN22 Grant – The Organization was awarded a \$64,492 UnitedIN22 Grant in 2023 from the Indiana Association of United Ways. The UnitedIN22 grant is to be used in conjunction with community work in education, income and health.

The significant accounting policies followed by United Way of Cass County, Inc. are:

Basis of Presentation – The Organization records income and expenses using the accrual method of accounting and accordingly reflects all significant receivables, payables and other liabilities. Financial statement presentation follows Financial Accounting Standards Board (FASB) ASC 958-225-45-5, Financial Statements of Not-for-Profit Organizations. Under FASB ASC 958-225-45-5, 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.

UNITED WAY OF CASS COUNTY, INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022

NOTE 1 – ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D):

Net assets without donor restrictions—Net assets that include expendable resources over which the Organization’s board of directors has discretionary control and are used to carry out the Organization’s operations in accordance with its by-laws.

Net assets with donor restrictions— Net assets subject to donor (or certain grantor-imposed) restrictions. Some donor- imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. Donor-imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both.

Cash and Cash Equivalents – For purposes of the Statements of Financial Position and the Statements of Cash Flows, cash and cash equivalents consist of cash and other highly liquid resources, such as investments in certificates of deposit and money market funds, with an original maturity of three months or less when purchased.

Cost Deduction - The Organization is committed to compliance with United Way of America’s cost deduction requirements for recovering actual costs associated with processing and transferring designated funds.

Donor Designations - Distributions funded by contributions that the donor specified for a designated beneficiary (generally referred to as “first-dollar allocations”) are deducted from gross distributions.

Advertising – The Organization expenses advertising costs as they are incurred. Advertising expenses, which are referred to as campaign expenses in the Statements of Functional Expenses, for the year ended December 31, 2023 and 2022 were \$12,271 and \$7,266, respectively.

Property, Plant, and Equipment – Property and equipment are stated at cost or, if donated, at the approximate fair market value at the date of donation. Such donations are reported as unrestricted support unless the donor has restricted the donated asset to a specific purpose. Maintenance and repairs are expensed as they are incurred. Depreciation expense is computed using the straight-line method over the estimated useful lives of the respective assets as follows:

Property, plant, and equipment are stated at cost, if purchased, or at fair value at the date of gift, if donated, less accumulated depreciation. Depreciation expense was \$2,490 and \$2,604 for 2023 and 2022, respectively. When items are disposed of, the cost is reported in the change in net assets.

Depreciation of property, plant, and equipment is provided using the straight-line method for financial reporting purposes at rates based on the following items:

Leasehold Improvements	3 - 10 years
Office Equipment	5 - 7 years

UNITED WAY OF CASS COUNTY, INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022

NOTE 1 – ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D):

Use of Estimates – The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Support, Revenue, and Pledges - All contributions are considered to be available for unrestricted use unless specifically restricted by the donor. Pledges for contributions are recorded as a receivable when the pledge is received, and allowances are provided for pledges estimated to be uncollectible. Amounts received that are restricted for future periods or donor restricted for specific purposes are reported as net assets with donor restrictions.

When a donor stipulated time restriction ends or a purpose restriction is accomplished, then the net assets with donor restrictions are reclassified to net assets without donor restrictions and are replaced in the Statements of Activities as net assets released from restriction.

The majority of pledges are received from a broad base of Cass County contributors as a result of the annual United Way Campaign.

The allowance for uncollectible pledges is maintained at a level which, in management's judgment, is adequate to absorb potential bad debts inherent with pledges receivable. The amount of the allowance is based on management's evaluation of the collectability of the pledge's receivable, trends in historical bad debt experience and economic conditions, applied to gross campaign, including donor designations. The allowance is increased by a provision for uncollectible pledges, which is charged to expense and reduced by charge-offs, net of recoveries. Because of uncertainties inherent in the estimation process, management's estimate of bad debts and the related allowance may change in the near term. However, the amount of the change that is reasonably possible cannot be estimated.

Investments – Investments in marketable securities with readily determinable fair values and all investments in debt securities are reported at their fair values in the Statements of Financial Position.

The Organization's investments are exposed to various risks such as interest rate, market, and credit risks. Due to the level of risk associated with certain investments and the level of uncertainty related to the changes in the values of investments, it is at least reasonably possible that changes in risks in the near term would materially affect the amount reported in the Statements of Financial Position and the Statements of Activities. Unrealized gains and losses are included in the change in net assets in the Statements of Activities.

Compensated Absences – Employees of the Organization are entitled to paid vacation, paid sick days and personal days off, depending on job classification, length of service and other factors. It is impractical to estimate the amount of compensation for future absences and, accordingly, no liability has been recorded in the accompanying financial statements. The Organization's policy is to recognize the costs of compensated absences when actually paid to employees.

UNITED WAY OF CASS COUNTY, INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022

NOTE 1 – ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D):

In-kind Contributions – In-kind contributions of services, rent, equipment, and supplies are recognized as revenues and expenses or capital asset purchases, and are recorded at fair market value on the date received. Many individuals volunteer their time and perform a variety of tasks that assist the Organization with specific assistance programs, solicitations, and various committee assignments, however, the value of this contributed time is not reflected in the accompanying financial statements since the volunteers' time does not meet the criteria for recognition.

In-kind advertising, supplies, and professional services contributions recognized by the organization have been reported as \$9,008 and \$3,523 in 2023 and 2022, respectively.

Functional Expense Allocation – The costs of providing various programs and other activities are categorized on a functional basis in the Statements of Activities and in the Statements of Functional Expenses. Accordingly, certain costs for personnel and overhead have been allocated among programs and supporting services benefited, which are allocated on the basis of estimates of staff time and effort.

Income Taxes – The Organization is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code. However, income from certain activities not directly related to the Organization's tax-exempt purpose is subject to taxation as unrelated business income. The Organization qualifies for the charitable contribution deduction under Section 170(b)(1)(A) and has been classified as an organization other than a private foundation under Section 509(a)(2). The Organization complies with other Internal Revenue reporting requirements regarding contributions received, payroll, and payments to independent contractors. The Organization believes that it has appropriate support for any tax position taken, and as such, does not have any uncertain tax positions that are material to the financial statements.

Reclassifications – Certain account combinations from the prior year financial statements have been reclassified in the financial statements and notes to the financial statements to conform to the current year format.

NOTE 2 – CONCENTRATIONS OF CREDIT RISK:

The Organization maintains all cash balances at various financial institutions located in Cass County. The balances are covered by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000 per institution. As of December 31, 2023 and 2022 there were \$146,838 and \$241,043 uninsured balances, respectively.

NOTE 3 – LEASE ARRANGEMENT:

The Organization leased office space in Logansport, Indiana at \$1,300 per month per the terms of a month-to-month lease agreement. Rent expense in 2023 and 2022 was \$15,600 and \$15,600, respectively.

The lease was extended starting January 2024 for another twelve months at \$1,520 per month.

UNITED WAY OF CASS COUNTY, INC.
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NOTE 4 – RETIREMENT PLAN:

The Organization contributes to a Simplified Employee Pension (SEP) for the benefit of its employees. All contributions are immediately vested. To be eligible, employees must be 21 years of age and must complete one year of service. The Organization contributes five percent of the eligible employee wages to the plan. The Organization's retirement plan contribution expense in 2023 and 2022 was \$5,880 and \$5,598, respectively.

NOTE 5 – INVESTMENTS:

In 2022, the Organization opened a brokerage account and invested \$105,000 in mutual funds. This is an unrestricted fund that allows for the earnings and principal balance to be used at the discretion of the board of directors to support operations in accordance with its by-laws.

	<u>2023</u>	<u>2022</u>
Investments - beginning of year	\$ 97,498	\$ -
Deposits	-	105,000
Investment activity:		
Interest/Dividend income	2,453	1,544
Unrealized Gain/(Loss)	10,981	(12,635)
Realized Gain/(Loss)	50	3,589
Fees	-	-
Net investment return	<u>13,484</u>	<u>(7,502)</u>
Fair market value at December 31	<u>\$ 110,982</u>	<u>\$ 97,498</u>

NOTE 6 – INVESTMENTS AND FAIR VALUE MEASUREMENTS:

In accordance with the "Fair Value Measurements" topic of the FASB ASC 820, the Organization uses a three-level fair value hierarchy that categorizes assets and liabilities measured at fair value based on the observability of the inputs utilized in the valuation. This hierarchy prioritizes the inputs into three broad levels as follows: Level 1 inputs are quoted prices in active markets for identical assets; Level 2 values are based on quoted prices in markets that are not active or model inputs that are observable either directly or indirectly for substantially the full term of the asset; and Level 3 inputs are unobservable inputs in which little or no market data exists, therefore, requiring an entity to develop its own valuation assumptions. These inputs reflect management's judgment about the assumptions that a market participant would use in pricing the asset and are based on the best available information, which has been internally developed.

The Organization's Level 1 investments in mutual funds are categorized as level one, as they are actively traded and quoted on a daily basis.

The Organization's Level 2 investments in certificates of deposits are categorized as level two, as they are not actively traded and quoted on a daily basis.

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NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022

NOTE 6 – INVESTMENTS AND FAIR VALUE MEASUREMENTS (CONT'D):

Assets measured at fair value on a recurring basis are summarized below by the three levels of hierarchy:

	Fair Value Measurements 2023	Fair Value Measurements 2022
<u>Level 1:</u> Quoted prices in active markets for identical assets:		
Mutual Funds	\$ 110,982	\$ 97,498
<u>Level 2:</u> Quoted prices for identical or similar assets in markets that are not active:		
Certificates of deposit	63,621	61,897
Total	\$ 174,603	\$ 159,395

Investment returns for the years ended December 31, 2023 and 2022, consisted of the following:

	2023	2022
Investment activity:		
Interest/Dividend income	\$ 9,936	\$ 3,094
Unrealized Gain/(Loss)	10,981	(12,635)
Realized Gain/(Loss)	50	3,589
Total Investment return	<u>20,967</u>	<u>(5,952)</u>

NOTE 7 – LIQUIDITY AND AVAILABILITY:

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

	2023	2022
Cash and cash equivalents	\$ 751,072	\$ 844,520
Grants and accounts receivable	-	64,492
Pledges receivable, net of allowance	223,669	227,869
Certificates of deposit	63,621	61,897
Investments	110,982	97,498
Total financial assets at year-end	1,149,344	1,296,276
Contractual or donor-imposed restrictions:		
Restricted to time or expenditure for specific purpose:		
Less: amount available at year-end	(646,570)	(727,559)
Board designations:		
Less: board designated funds (Note 8)	(294,610)	(294,610)
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 208,164</u>	<u>\$ 274,107</u>

UNITED WAY OF CASS COUNTY, INC.
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NOTE 8 – BOARD DESIGNATED NET ASSETS:

Board designated net assets as of December 31, 2023 and 2022, consist of the following:

	<u>2023</u>	<u>2022</u>
Board Designated Funds		
Community Impact	\$ 15,449	\$ 15,449
Buidling and Office Equipment	1,488	1,488
Agency Allocation	111,111	111,111
Operating Reserve	166,562	166,562
Total Board Designated	<u>\$ 294,610</u>	<u>\$ 294,610</u>

NOTE 9 – NET ASSETS WITH DONOR RESTRICTIONS:

Net assets with donor restrictions as of December 31, 2023 and 2022, comprise the following:

	<u>2023</u>	<u>2022</u>
Subject to time or expenditure for specific purpose:		
Time Restriction	\$ 344,017	\$ 336,775
Reading Railroad	185,981	168,902
Backpack Program	32,326	94,206
UnitedIN20 Grant	26,212	71,047
UnitedIN22 Grant	58,034	56,629
	<u>646,570</u>	<u>727,559</u>

NOTE 10 – NET ASSETS RELEASED FROM RESTRICTION:

Net assets were released from donor restrictions by incurring expenses satisfying the restricted purposes or by occurrence of the passage of time or other events specified by donors as follows for the years ended December 31, 2023 and 2022:

	<u>2023</u>	<u>2022</u>
Subject to time or expenditure for specific purpose:		
Time Restriction	\$ 336,775	\$ 402,608
Reading Railroad	81,673	76,085
Backpack Program	107,663	115,962
UnitedIN18 Grant	-	31,387
UnitedIN20 Grant	44,835	15,414
UnitedIN22 Grant	3,595	7,863
Total Restrictions Released	<u>574,541</u>	<u>649,319</u>

NOTE 11 – CONCENTRATION OF ANNUAL CAMPAIGN DONORS:

The Organization's annual campaign solicits pledges from businesses and individuals in Cass County.

UNITED WAY OF CASS COUNTY, INC.
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NOTE 12 – RELATED PARTIES:

The Organization provides financial support to affiliated organizations. It is possible throughout the year for an individual or individuals to serve on the Board of Directors of United Way of Cass County, Inc. and to serve on the Board of Directors of an affiliated organization which receives financial support from United Way of Cass County, Inc.

NOTE 13 – SUBSEQUENT EVENTS:

The Organization evaluates events and transactions that occur after year end for the potential recognition or disclosure in the financial statements. These subsequent events have been considered through the report date, which is the date the financial statements were available to be issued.