

UNITED WAY OF CASS COUNTY, INC.

LOGANSPORT, INDIANA

FINANCIAL STATEMENTS

DECEMBER 31, 2022 AND 2021

UNITED WAY OF CASS COUNTY, INC
LOGANSPORT, INDIANA
FINANCIAL STATEMENTS
DECEMBER 31, 2022 AND 2021

CONTENTS

	<u>Page</u>
Independent Auditor's Report	1-2
Statements of Financial Position – Exhibit A	3
Statements of Activities – Exhibit B and C	4-5
Statements of Cash Flows – Exhibit D	6
Statements of Functional Expenses – Exhibit E and F	7-8
Notes to Financial Statements	9-16



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, 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, 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.

Prior Period Financial Statements

The financial statements of United Way of Cass County as of December 31, 2021 were audited by other auditors whose report dated July 22, 2022 expressed an unmodified opinion on those statements.

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
October 19, 2023

UNITED WAY OF CASS COUNTY, INC.
STATEMENTS OF FINANCIAL POSITION
FOR THE YEAR ENDED DECEMBER 31, 2022 AND 2021

	<u>2022</u>	<u>2021</u>
ASSETS		
Cash and cash equivalents	\$ 844,520	\$ 940,866
Certificates of Deposit	61,897	61,574
Grants receivable	64,492	-
Pledges receivable - 2022 campaign, due within one year	208,904	-
Net of Allowance for uncollectible pledges of \$41,500		
Pledges receivable - 2021 campaign, due within one year	11,725	229,013
Net of Allowance for uncollectible pledges of \$34,465 and \$41,450		
Pledges receivable - 2020 campaign, due within one year	-	34,804
Net of Allowance for uncollectible pledges of \$0 and \$34,465		
Pledges receivable - 2019 campaign, due within one year	-	1,000
Net of Allowance for uncollectible pledges of \$0 and \$0		
Prepaid expenses	7,240	31,529
Investments	97,498	-
Furniture, fixtures and equipment	25,518	21,093
Less accumulated depreciation	<u>(14,363)</u>	<u>(15,567)</u>
TOTAL ASSETS	<u>\$ 1,307,431</u>	<u>\$ 1,304,313</u>
LIABILITIES		
Accounts payable	\$ 56,499	\$ 5,185
Designations payable - 2022 Campaign	29,847	-
Designations payable - 2021 Campaign	1,828	31,081
Designations payable - 2020 Campaign	<u>-</u>	<u>1,423</u>
TOTAL LIABILITIES	<u>88,174</u>	<u>37,689</u>
NET ASSETS		
Without donor restrictions	491,698	458,920
With donor restrictions	<u>727,559</u>	<u>807,704</u>
TOTAL NET ASSETS	<u>1,219,257</u>	<u>1,266,624</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 1,307,431</u>	<u>\$ 1,304,313</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, 2022

	WITHOUT DONOR RESTRICTIONS	WITH DONOR RESTRICTIONS	Total
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
Emergency Fund Relief	-	-	-
UnitedIN22 Grant	-	64,492	64,492
Economic Relief Initiative Grant	-	-	-
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 ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2021

	WITHOUT DONOR RESTRICTIONS	WITH DONOR RESTRICTIONS	Total
PUBLIC SUPPORT & REVENUE			
Gross Campaign Results	\$ 110,918	\$ 475,031	\$ 585,949
Donor Designations	16,143	(31,421)	(15,278)
Provision for Uncollectible Pledges	(1,182)	(41,450)	(42,632)
Net Campaign Results	125,879	402,160	528,039
Designations from Other United Ways	5,086	222	5,308
Service fees	29	226	255
Sponsorship	840	-	840
Reading Railroad Contributions	-	51,675	51,675
Backpack Program Contributions	-	25,240	25,240
Other Contributions	10,093	27,022	37,115
Emergency Fund Relief	-	600	600
UnitedIN20 Grant	-	100,062	100,062
Economic Relief Initiative Grant	5,452	103,595	109,047
In-kind Contributions	2,958	-	2,958
Miscellaneous	525	-	525
Investment Return	731	28	759
Net Assets Released from Restriction	728,060	(728,060)	-
Total Public Support & Revenue	879,653	(17,230)	862,423
FUNCTIONAL EXPENSES			
Program Services			
Gross Funds Distributed	239,984	-	239,984
Other Program Services	493,897	-	493,897
Total Program Expense	733,881	-	733,881
Support Services			
Management and General	33,706	-	33,706
Fundraising	28,684	-	28,684
Unallocated Payments to Affiliated Organization - UWA Dues	8,216	-	8,216
Total Support Service Expense	70,606	-	70,606
TOTAL EXPENSES	804,487	-	804,487
INCREASE (DECREASE) IN NET ASSETS	75,166	(17,230)	57,936
NET ASSETS BEGINNING OF YEAR	383,754	824,934	1,208,688
NET ASSETS END OF YEAR	\$ 458,920	\$ 807,704	\$ 1,266,624

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

UNITED WAY OF CASS COUNTY, INC.
STATEMENTS OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2022 AND 2021

	<u>2022</u>	<u>2021</u>
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:		
Increase (decrease) in net assets	\$ (47,367)	\$ 57,936
Adjustment to reconciled change in net cash provided by operating activities:		
Depreciation expense	2,604	2,236
Interest Added to Certificates of Deposit	(323)	(135)
(Gains) Losses on Investments	9,046	-
(Increase) Decrease Pledges Receivable - Net	44,188	7,894
(Increase) Decrease in Grants and Other Receivables	(64,492)	-
(Increase) Decrease in Prepaid Expense	24,289	(25,155)
(Increase) decrease in Accounts Payable	51,314	(1,454)
Increase (Decrease) in Accrued Payroll	-	(156)
Increase (Decrease) in Designations Payable - Net	<u>(829)</u>	<u>(22,067)</u>
Total Adjustments	<u>65,797</u>	<u>(38,837)</u>
Net Cash Provided (Used) by Operating Activities	18,430	19,099
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of Property and Equipment	(8,232)	-
Interest and Dividends Added to Investments	(1,544)	-
Cash Invested in Long-Term Investments	<u>(105,000)</u>	<u>-</u>
Net Cash Provided (Used) by Investing Activities	<u>(114,776)</u>	<u>-</u>
INCREASE (DECREASE) IN CASH	(96,346)	19,099
CASH AT BEGINNING OF YEAR	<u>940,866</u>	<u>921,767</u>
CASH AT END OF YEAR	<u>\$ 844,520</u>	<u>\$ 940,866</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, 2022

	PROGRAM SERVICES			SUPPORT SERVICES			2022 Totals
	Community Impact	Reading Railroad	Total	Organization Management	Fundraising	Total	
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.
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2021

	PROGRAM SERVICES			SUPPORT SERVICES			2021 Totals
	Community Impact	Reading Railroad	Total	Organization Management	Fundraising	Total	
Gross Distributions	\$ 274,365	\$ -	\$ 274,365	\$ -	\$ -	\$ -	\$ 274,365
Donor Designations	(34,381)	-	(34,381)	-	-	-	(34,381)
TOTAL	239,984	-	239,984	-	-	-	239,984
Salary	103,259	376	103,635	1,263	12,412	13,675	117,310
Payroll Taxes and Benefits	11,853	417	12,270	159	1,561	1,720	13,990
TOTAL	115,112	793	115,905	1,422	13,973	15,395	131,300
Processing and Accounting services	-	-	-	22,644	-	22,644	22,644
Professional fees	-	2,100	2,100	9,250	-	9,250	11,350
Campaign	-	-	-	-	8,788	8,788	8,788
Marketing and Advertising	3,975	40	4,015	14	134	148	4,163
Printing and Publication	474	-	474	6	1,302	1,308	1,782
Postage	1,657	58	1,715	22	218	240	1,955
Office Supplies	927	596	1,523	12	122	134	1,657
Occupancy	13,623	-	13,623	183	1,794	1,977	15,600
Telephone and Utilities	838	-	838	11	110	121	959
Repairs and Maintenance	3,022	-	3,022	40	398	438	3,460
Insurance	4,398	-	4,398	59	579	638	5,036
Conference, Training, and Meetings	370	-	370	5	49	54	424
Travel	650	-	650	9	86	95	745
Equipment Purchases	18	-	18	-	2	2	20
Kindergarten Readiness	-	29,149	29,149	-	-	-	29,149
School/Business/Partners	-	1,309	1,309	-	-	-	1,309
Imagination Library	-	25,301	25,301	-	-	-	25,301
Book Distribution	-	(1)	(1)	-	-	-	(1)
Program Materials	10,459	2,316	12,775	-	-	-	12,775
UnitedIN18 Grant	22,199	-	22,199	-	-	-	22,199
UnitedIN20 Grant	10,601	-	10,601	-	-	-	10,601
Emergency Relief Fund	8,764	-	8,764	-	-	-	8,764
ERI Grant	227,206	-	227,206	-	-	-	227,206
State and Local Dues	4,804	-	4,804	64	633	697	5,501
Depreciation	1,953	-	1,953	26	257	283	2,236
Miscellaneous	1,186	-	1,186	(61)	239	178	1,364
TOTAL	432,236	61,661	493,897	33,706	28,684	62,390	556,287
United Way of America Dues	-	-	-	8,216	-	8,216	8,216
TOTAL FUNCTIONAL EXPENSES	\$ 672,220	\$ 61,661	\$ 733,881	\$ 41,922	\$ 28,684	\$ 70,606	\$ 804,487

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, 2022 AND 2021

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.

COVID-19 Economic Relief Initiative (ERI) Grants - The Organization was awarded ERI grants in 2021 and 2020 from the Indiana United Way, Inc. totaling \$109,047 and \$225,000, respectively. The purpose of the grants is to distribute dollars to address the short-term and long-term needs of local communities suffering the physical, social and economic effects of the coronavirus pandemic.

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 2022 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, 2022 AND 2021

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, 2022 and 2021 were \$7,266 and \$4,903, 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 \$2,604 and \$2,236 for 2022 and 2021, 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, 2022 AND 2021

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, 2022 AND 2021

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 contributions recognized by the organization have been reported as \$3,523 and \$2,958 in 2022 and 2021, 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, 2022 and 2021 there were \$241,043 and \$378,815 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 2022 and 2021 was \$15,600 and \$15,600, respectively.

The lease was extended starting January 2023 for another twelve months at \$1,520 per month.

UNITED WAY OF CASS COUNTY, INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021

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 2022 and 2021 was \$5,598 and \$4,324, 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.

Investments - beginning of year	\$ -
Deposits	105,000
Investment activity:	
Interest/Dividend income	1,544
Unrealized Gain/(Loss)	(12,635)
Realized Gain/(Loss)	3,589
Fees	-
Net investment return	<u>(7,502)</u>
Fair market value at December 31	<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.

UNITED WAY OF CASS COUNTY, INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021

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 2022	Fair Value Measurements 2021
<u>Level 1:</u> Quoted prices in active markets for identical assets:		
Mutual Funds	\$ 97,498	\$ -
<u>Level 2:</u> Quoted prices for identical or similar assets in markets that are not active:		
Certificates of deposit	61,897	61,574
Total	<u>\$ 159,395</u>	<u>\$ 61,574</u>

Investment returns for the years ended December 31, 2022 and 2021, consisted of the following:

	<u>2022</u>	<u>2021</u>
Investment activity:		
Interest/Dividend income	\$ 3,094	\$ 759
Unrealized Gain/(Loss)	(12,635)	-
Realized Gain/(Loss)	3,589	-
Total Investment return	<u>(5,952)</u>	<u>759</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:

	<u>2022</u>	<u>2021</u>
Cash and cash equivalents	\$ 844,520	\$ 940,866
Grants and accounts receivable	64,492	-
Pledges receivable, net of allowance	227,869	296,346
Certificates of deposit	61,897	61,574
Investments	97,498	-
Total financial assets at year-end	1,296,276	1,298,786
Contractual or donor-imposed restrictions:		
Restricted to time or expenditure for specific purpose:		
Less: amount available at year-end	(727,559)	(807,704)
Board designations:		
Less: board designated funds (Note 8)	<u>(294,610)</u>	<u>(294,610)</u>
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 274,107</u>	<u>\$ 196,472</u>

UNITED WAY OF CASS COUNTY, INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021

NOTE 8 – BOARD DESIGNATED NET ASSETS:

Board designated net assets as of December 31, 2022 and 2021, consist of the following:

	<u>2022</u>	<u>2021</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, 2022 and 2021, comprise the following:

	<u>2022</u>	<u>2021</u>
Subject to time or expenditure for specific purpose:		
Time Restriction	\$ 336,775	\$ 402,607
Reading Railroad	168,902	165,568
Backpack Program	94,206	121,681
UnitedIN18 Grant	-	31,387
UnitedIN20 Grant	71,047	86,461
UnitedIN22 Grant	56,629	-
	<u>727,559</u>	<u>807,704</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, 2022 and 2021:

	<u>2022</u>	<u>2021</u>
Subject to time or expenditure for specific purpose:		
Time Restriction	\$ 402,608	\$ 378,741
Reading Railroad	76,085	61,143
Backpack Program	115,962	10,459
UnitedIN18 Grant	31,387	13,601
UnitedIN20 Grant	15,414	28,199
UnitedIN22 Grant	7,863	-
Economic Relief Initiative Grant	-	226,119
Economic Relief Fund	-	9,798
Total Restrictions Released	<u>649,319</u>	<u>728,060</u>

UNITED WAY OF CASS COUNTY, INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021

NOTE 11 – CONCENTRATION OF ANNUAL CAMPAIGN DONORS:

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

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.