

UNITED WAY OF HUNTINGTON COUNTY, INC.
INDEPENDENT ACCOUNTANT'S REVIEW REPORT
DECEMBER 31, 2023 AND 2022
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INDEPENDENT ACCOUNTANT'S REVIEW REPORT

To the Board of Directors
United Way of Huntington County, Inc.
Huntington, Indiana

We have reviewed the accompanying financial statements of United Way of Huntington County, Inc. (a non-profit organization) which comprise the statements of financial position as of December 31, 2023 and 2022, and the related statements of changes in net assets, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements. A review includes primarily applying analytical procedures to managements financial data and making inquiries of company management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, we do not express such an opinion.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free of material misstatement whether due to fraud or error.

Accountant's Responsibility

Our responsibility is to conduct the review engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. Those standards require us to perform procedures to obtain limited assurance as a basis for reporting whether we are aware of any material modifications that should be made to the financial statements for them to be in accordance with accounting principles generally accepted in the United States of America. We believe that the results of our procedures provide a reasonable basis for our conclusion.

Accountant's Conclusion

Based on our reviews, we are not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in accordance with accounting principles generally accepted in the United States of America.



Culp CPA Group
Certified Public Accountants

Huntington, Indiana
May 14, 2024

UNITED WAY OF HUNTINGTON COUNTY, INC.**STATEMENTS OF FINANCIAL POSITION****DECEMBER 31, 2023 AND 2022****ASSETS**

	<u>2023</u>	<u>2022</u>
<u>Current Assets:</u>		
Restricted cash - Note 1	\$ 85,923	\$ 46,094
Grants receivable	57,279	-
Pledges receivable - 2023 Campaign, due within one year, net of allowance for uncollectible pledges of \$20,517 - Note 1	109,993	-
Pledges receivable - 2022 Campaign, due within one year, net of allowance for uncollectible pledges of \$38,922 - Note 1	-	27,800
Prepaid expenses	4,033	5,055
Property and equipment - Net of accumulated depreciation of \$17,387 and \$16,911 - Notes 1 and 2	1,956	2,432
Right of Use Asset - Operating lease - Note 8	7,425	10,149
Beneficial interest in United Way Endowment Fund - Notes 4 and 12	276,014	249,449
Investments - Notes 1, 3 and 12	673,516	717,597
	<u>\$ 1,216,139</u>	<u>\$ 1,058,576</u>
Total assets	<u>\$ 1,216,139</u>	<u>\$ 1,058,576</u>

LIABILITIES AND NET ASSETS

<u>Liabilities:</u>		
Accounts payable	\$ 1,923	\$ 1,265
Accrued expenses	962	1,792
Designations payable - 2023 Campaign	19,214	-
Designations payable - 2022 Campaign	1,666	1,178
Designations payable - 2021 Campaign	-	6,577
Designations payable - 2020 Campaign	-	191
Operating lease liability - Note 8	7,425	10,149
	<u>31,190</u>	<u>21,152</u>
Total liabilities	<u>31,190</u>	<u>21,152</u>
<u>Net Assets - Notes 1 and 7:</u>		
Without donor restrictions	654,439	645,490
With donor restrictions	530,510	391,934
	<u>1,184,949</u>	<u>1,037,424</u>
Total net assets	<u>1,184,949</u>	<u>1,037,424</u>
Total liabilities and net assets	<u>\$ 1,216,139</u>	<u>\$ 1,058,576</u>

The accompanying notes are an integral part of these financial statements.

UNITED WAY OF HUNTINGTON COUNTY, INC.
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2023

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
<u>Support and revenue - Note 1:</u>			
Gross campaign results	\$ 291,765	\$ 179,488	471,253
Donor designations	(13,968)	(19,998)	(33,966)
(Provision) for uncollectible pledges	(3,817)	(20,517)	(24,334)
Net campaign results	<u>273,980</u>	<u>138,973</u>	<u>412,953</u>
Designations from other United Ways	330	-	330
Service fees	793	783	1,576
Grants -			
Health Department COVID Funds	20,859	-	20,859
Door Dash	-	1,100	1,100
United IN Grants	-	57,279	57,279
In-kind contributions	1,925	-	1,925
Miscellaneous	1,137	-	1,137
Investment return, net - Note 3	73,811	-	73,811
Gain on beneficial interest in United Way Endowment Fund	-	26,565	26,565
Distribution from United Way Impact Fund	28,619	-	28,619
Net assets released from restriction	<u>86,124</u>	<u>(86,124)</u>	<u>-</u>
Total support and revenue	<u>487,578</u>	<u>138,576</u>	<u>626,154</u>
<u>Program and support services:</u>			
Program services -			
Gross funds distributed	305,375	-	305,375
Other program services	<u>59,901</u>	<u>-</u>	<u>59,901</u>
Total program services	<u>365,276</u>	<u>-</u>	<u>365,276</u>
Support services -			
Management and general	56,222	-	56,222
Fundraising	54,027	-	54,027
Unallocated payments to affiliated organization - UWA dues	<u>3,104</u>	<u>-</u>	<u>3,104</u>
Total support services	<u>113,353</u>	<u>-</u>	<u>113,353</u>
Total expenses	<u>478,629</u>	<u>-</u>	<u>478,629</u>
Change in net assets	8,949	138,576	147,525
<u>Net assets</u> , beginning of year	<u>645,490</u>	<u>391,934</u>	<u>1,037,424</u>
<u>Net assets</u> , end of year	<u>\$ 654,439</u>	<u>\$ 530,510</u>	<u>1,184,949</u>

The accompanying notes are an integral part of these financial statements.

UNITED WAY OF HUNTINGTON COUNTY, INC.
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2022

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
<u>Support and revenue - Note 1:</u>			
Gross campaign results	\$ 119,493	\$ 35,758	155,251
Donor designations	(25,088)	(1,088)	(26,176)
(Provision) for uncollectible pledges	(22,093)	(680)	(22,773)
Net campaign results	<u>72,312</u>	<u>33,990</u>	<u>106,302</u>
Designations from other United Ways	4,668	-	4,668
Service fees	1,736	26	1,762
Grants -			
Dollywood Imagination Library	8,211	-	8,211
Economic Relief Initiative	-	13,261	13,261
Transportation	-	26,000	26,000
Door Dash	-	20,000	20,000
United IN Grants	-	13,646	13,646
Other	-	5,799	5,799
In-kind contributions	4,020	-	4,020
Miscellaneous	25	-	25
Investment return, net - Note 3	(93,361)	-	(93,361)
(Loss) on beneficial interest in United Way Endowment Fund	-	(67,773)	(67,773)
Net assets released from restriction	<u>337,830</u>	<u>(337,830)</u>	<u>-</u>
Total support and revenue	<u>335,441</u>	<u>(292,881)</u>	<u>42,560</u>
<u>Program and support services:</u>			
Program services -			
Gross funds distributed	331,925	-	331,925
Other program services	<u>136,933</u>	<u>-</u>	<u>136,933</u>
Total program services	<u>468,858</u>	<u>-</u>	<u>468,858</u>
Support services -			
Management and general	57,897	-	57,897
Fundraising	61,739	-	61,739
Unallocated payments to affiliated organization - UWA dues	<u>3,398</u>	<u>-</u>	<u>3,398</u>
Total support services	<u>123,034</u>	<u>-</u>	<u>123,034</u>
Total expenses	<u>591,892</u>	<u>-</u>	<u>591,892</u>
Change in net assets	(256,451)	(292,881)	(549,332)
<u>Net assets</u> , beginning of year	<u>901,941</u>	<u>684,815</u>	<u>1,586,756</u>
<u>Net assets</u> , end of year	<u>\$ 645,490</u>	<u>\$ 391,934</u>	<u>1,037,424</u>

The accompanying notes are an integral part of these financial statements.

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

	<u>Program Services</u>	<u>Management and General</u>	<u>Fundraising</u>	<u>UWA Dues</u>	<u>Total</u>
Gross distributions	\$ 313,600	\$ -	\$ -	\$ -	\$ 313,600
Donor designations	(9,466)	-	-	-	(9,466)
Special grants and allocations	1,241	-	-	-	1,241
Net funds distributed	<u>305,375</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>305,375</u>
Salaries and wages	12,284	10,950	29,320	-	52,554
Payroll taxes and benefits	1,220	898	2,087	-	4,205
Total personnel	<u>13,504</u>	<u>11,848</u>	<u>31,407</u>	<u>-</u>	<u>56,759</u>
Processing and accounting services	-	30,599	-	-	30,599
Professional fees	57	8,120	173	-	8,350
Campaign	-	-	5,764	-	5,764
Bank fees	152	152	454	-	758
Postage	153	192	613	-	958
Office supplies	149	149	447	-	745
Office rent - Note 7	2,686	2,820	8,144	-	13,650
Telephone and utilities	59	62	179	-	300
Equipment rent	714	751	2,169	-	3,634
Insurance	888	933	2,692	-	4,513
Conferences, training and meetings	63	37	175	-	275
Travel	199	209	605	-	1,013
Web page	1,151	-	-	-	1,151
Special marketing	145	-	-	-	145
Grants -					
United IN20	700	-	-	-	700
United IN22	2,000	-	-	-	2,000
Door Dash	6,471	-	-	-	6,471
Other	1,806	-	-	-	1,806
Dollywood Imagination Library	18,600	-	-	-	18,600
Health and wellness	2,635	-	-	-	2,635
Learning Center	1,993	-	-	-	1,993
Charity tracker	5,000	-	-	-	5,000
Local and state organization dues	273	273	821	-	1,367
Depreciation - Note 1	254	57	165	-	476
Miscellaneous	249	20	219	-	488
Subtotal	<u>59,901</u>	<u>56,222</u>	<u>54,027</u>	<u>-</u>	<u>170,150</u>
UWA - Dues	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,104</u>	<u>3,104</u>
Total functional expenses	<u>\$ 365,276</u>	<u>\$ 56,222</u>	<u>\$ 54,027</u>	<u>\$ 3,104</u>	<u>\$ 478,629</u>

The accompanying notes are an integral part of these financial statements.

UNITED WAY OF HUNTINGTON COUNTY, INC.STATEMENT OF FUNCTIONAL EXPENSESFOR THE YEAR ENDED DECEMBER 31, 2022

	<u>Program Services</u>	<u>Management and General</u>	<u>Fundraising</u>	<u>UWA Dues</u>	<u>Total</u>
Gross distributions	\$ 346,350	\$ -	\$ -	\$ -	\$ 346,350
Donor designations	(15,303)	-	-	-	(15,303)
Special grants and allocations	878	-	-	-	878
Net funds distributed	<u>331,925</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>331,925</u>
Salaries and wages	16,312	14,540	38,932	-	69,784
Payroll taxes and benefits	1,740	1,280	2,976	-	5,996
Total personnel	<u>18,052</u>	<u>15,820</u>	<u>41,908</u>	<u>-</u>	<u>75,780</u>
Processing and accounting services	-	25,599	-	-	25,599
Professional fees	79	11,257	239	-	11,575
Campaign	-	-	3,967	-	3,967
Bank fees	130	130	391	-	651
Postage	56	70	226	-	352
Office supplies	143	143	427	-	713
Office rent - Note 7	2,272	2,387	6,891	-	11,550
Telephone and utilities	86	91	263	-	440
Equipment rent	658	692	1,998	-	3,348
Insurance	692	727	2,098	-	3,517
Conferences, training and meetings	178	103	490	-	771
Travel	254	267	771	-	1,292
Web page	1,295	-	-	-	1,295
Special marketing	1,142	-	-	-	1,142
Grants -					
United IN20	2,680	-	-	-	2,680
United IN16	4,646	-	-	-	4,646
Other	4,128	-	-	-	4,128
Economic Relief Initiative	71,500	-	-	-	71,500
Dollywood Imagination Library	14,762	-	-	-	14,762
Health and wellness	8,005	-	-	-	8,005
Learning Center	100	-	-	-	100
Charity tracker	5,000	-	-	-	5,000
Local and state organization dues	548	548	1,642	-	2,738
Depreciation - Note 1	151	34	97	-	282
Miscellaneous	376	29	331	-	736
Subtotal	<u>136,933</u>	<u>57,897</u>	<u>61,739</u>	<u>-</u>	<u>256,569</u>
UWA - Dues	-	-	-	3,398	3,398
Total functional expenses	<u>\$ 468,858</u>	<u>\$ 57,897</u>	<u>\$ 61,739</u>	<u>\$ 3,398</u>	<u>\$ 591,892</u>

The accompanying notes are an integral part of these financial statements.

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

	2023	2022
<u>Cash flows from operating activities:</u>		
Change in net assets	\$ 147,525	\$ (549,332)
Adjustments to reconcile change in net assets to net cash provided by operating activities -		
Depreciation	476	282
Interest added to investments - Certificates of deposit	(136)	(101)
Reinvestment of earnings on investments - Mutual funds	(16,926)	(37,073)
Change in beneficial interest	(26,565)	67,773
Unrealized (gain) loss on investments	(55,748)	130,774
(Increase) Decrease in -		
Pledges receivable - Net	(82,193)	164,189
Grant receivable	(57,279)	-
Other receivable	-	540
Prepaid expenses	1,022	(1,668)
Increase (Decrease) in -		
Accounts payable	658	(2,577)
Grant payable	-	(13,260)
Accrued expenses	(830)	412
Designations payable - Net	12,935	(10,049)
	<u>(77,061)</u>	<u>(250,090)</u>
<u>Net cash (used in) operating activities</u>		
<u>Cash flows from investing activities:</u>		
Proceeds from redemption or sale of investments	116,891	75,000
Purchase of equipment	-	(2,714)
	<u>116,891</u>	<u>72,286</u>
<u>Net cash provided by investing activities</u>		
<u>Net increase (decrease) in cash and cash equivalents and restricted cash</u>	39,830	(177,804)
<u>Cash and cash equivalents and restricted cash at beginning of year</u>	<u>46,094</u>	<u>223,898</u>
<u>Cash and cash equivalents and restricted cash at end of year</u>	<u>\$ 85,924</u>	<u>\$ 46,094</u>
<u>Supplemental cash flow information:</u>		
Non-cash investing activity -		
Recording Right of Use Asset	\$ -	\$ (10,149)
Amortization of Right of Use Asset	\$ 2,724	\$ -
Non-cash financing activity -		
Lease liability for Right of Use Asset	\$ -	\$ 10,149
Reduction of lease liability for Right of Use Asset	\$ (2,724)	\$ -

The accompanying notes are an integral part of these financial statements.

UNITED WAY OF HUNTINGTON COUNTY, INC.

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2023 AND 2022

Note 1: Organization and summary of significant accounting policies -

Nature of activities - The United Way of Huntington County, Inc. (the Organization), was formed in 1956 as a voluntary not-for-profit organization benefiting the Huntington County, Indiana community. The mission of the Organization is to unite the community through visionary leadership, assessment of needs and the mobilization and dispersion of resources to enhance the quality of life for the citizens of Huntington County. The Organization is governed by a volunteer board of directors and solicits donations from the public in Huntington County and grants monies to various not-for-profit agencies.

Basis of presentation - The Organization records revenues 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 Accounting Standards Update (ASU) No. 2016-14, *Presentation of Financial Statements of Not-for-Profit Entities*. Under the Standard, 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.

Net assets without donor restrictions - 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 - Include resources expendable only for those purposes specified by the donor or grantor. The restrictions are satisfied either by the passage of time or by actions of the Organization. Also, included are resources subject to donor-imposed stipulations that are maintained permanently by the Organization.

Cash and cash equivalents and restricted cash - For the purposes of the statements of cash flows, the Organization considers all highly liquid debt instruments purchased with an original maturity of three months or less to be cash equivalents.

Restricted cash - The Organization's restricted cash accounts consist of the collected 2022 and 2023 campaign pledges.

Fixed assets - 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:

<u>Assets</u>	<u>Years</u>
Office furniture and equipment	5-7 years
Leasehold improvements	7 years

Depreciation expense totaled \$476 and \$282 for the years ended December 31, 2023 and 2022, respectively.

Revenue recognition - Revenues from non-exchange transactions, contributions and grants, may be subject to conditions in the form of both a barrier to entitlement and a refund of amounts paid (or a release from obligation to make future payments) and are included in campaign contributions, private grants and foundation revenue in the statements of activities. Unconditional contributions and grants are recognized when cash, other assets or an unconditional promise to give is received. Conditional contributions and grants are recognized

UNITED WAY OF HUNTINGTON COUNTY, INC.
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2023 AND 2022

Note 1: Organization and summary of significant accounting policies (Continued) -

Revenue recognition (Continued) -

when the barrier is satisfied. All unconditional contributions and grants are considered to be without donor restriction unless specifically restricted by the donor or grantor for a specific program, purpose or time period.

Amounts received that are restricted by the donor or grantor for a specific program, purpose or for future periods are reported as increases to net assets with donor restrictions. Contributions and grants that are restricted by the donor or grantor are reported as increases in net assets without restrictions if the restrictions expire in the fiscal year in which the contributions are recognized.

Contributions of assets other than cash are recorded at their estimated fair value and are reported as contribution revenues without donor restrictions unless specifically restricted by the donor. Gifts specified for the acquisition or construction of long-lived assets are reported as net assets without restrictions when the assets are placed in service.

Sponsorships for special events are treated as contributions and recognized when received or promised. Amounts received in advance of sponsored events are time restricted and reported as net assets with donor restrictions until the events occur.

Pledges receivable - The majority of pledges receivable are received from a broad base of Wells County contributors as a result of the annual United Way Campaign. All pledges will be received in the next fiscal year.

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 pledges 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 - The Organization's investments consist of certificates of deposit and mutual funds. The certificates of deposit are with local financial institutions with maturity dates that exceed three months. The mutual funds are held with local broker dealers in two separate accounts. The Organization's investments are recorded at fair value. The fair value of investments is generally determined based on quoted market prices of estimated fair values provided by external investment managers or other sources. Investment transactions are recorded on the trade date. Realized gains and losses on the sale of investments are calculated on the basis of specific identification of the securities sold. Realized and unrealized gains and losses are reflected in the statements of activities.

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 amounts reported in the statements of financial position and the statements of activities.

UNITED WAY OF HUNTINGTON COUNTY, INC.
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2023 AND 2022

Note 1: Organization and summary of significant accounting policies (Continued) -

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.

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.

Functional allocation of expenses - The costs of providing the various programs and other activities have been summarized on a functional basis in the statements of activities. Accordingly, certain costs for personnel and other overhead costs have been allocated among the programs and supporting services based upon the distribution of staff time.

In-kind contributions - During the years ended December 31, 2023 and 2022, the Organization has recorded the value of contributions meeting the requirements for recognition in the financial statements totaling \$1,925 and \$4,020, respectively. In-kind contributions revenue is recognized as accounting services.

Contributed services - During the years ended December 31, 2023 and 2022 a substantial number of volunteers have contributed significant amounts of their time to the Organization and its fundraising campaigns. These services do not meet the requirements for recognition in the financial statements in accordance with FASB ASC 958-605-50-1, *Accounting for Contributions Received and Contributions Made*, and are not included in the financial statements.

Use of estimates - The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Income tax status - The Organization is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code, and state income taxes under corresponding provisions of Indiana tax law. Additionally, the Organization is not considered a private foundation under Section 509(a) of the Internal Revenue Code.

The Organization has adopted the accounting standard on accounting for uncertainty in income taxes. This standard addresses the determination of whether tax benefits claimed, or expected to be claimed, on a tax return should be recorded in the financial statements. Under this guidance, the Organization may recognize the tax benefit from an uncertain tax position only if it is more likely than not that the tax position will be sustained on examination by taxing authorities, based on the technical merits of the position. The tax benefits that could be recognized in the financial statements from such positions would be measured based on the largest benefit that has a greater than 50 percent likelihood of being realized upon ultimate settlement. The guidance on accounting for uncertainty in income taxes also addresses derecognition, classification, interest and penalties on income taxes, and accounting in interim periods. At December 31, 2023 and 2022, there were no unrecognized tax benefits identified or recorded as liabilities. The Organization files Form 990 and the related state of Indiana return.

UNITED WAY OF HUNTINGTON COUNTY, INC.
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2023 AND 2022

Note 1: Organization and summary of significant accounting policies (Continued) -

Liquidity and funds available - The Organization monitors its liquidity so that it is able to meet its operating needs and other contractual commitments while maximizing the investment of its excess operating cash. The mutual funds and the certificates of deposit are available to meet cash needs for general expenditures within one year.

Note 2: Property and equipment - The Organization's property and equipment consists of the following:

	2023	2022
Furniture and equipment	\$ 18,002	\$ 18,002
Leasehold improvements	1,341	1,341
	19,343	19,343
<u>Less: Accumulated depreciation</u>	17,387	16,911
Total property and equipment - Net	\$ 1,956	\$ 2,432

Note 3: Investments - The Organization's investments are as follows:

	2023 Fair Value	2022 Fair Value
Certificates of deposit	\$ 12,414	\$ 36,237
Mutual funds	661,102	681,360
	\$ 673,516	\$ 717,597
Total investments	\$ 673,516	\$ 717,597

Investment return is summarized below:

	2023	2022
Interest	\$ 694	\$ 341
Dividends	19,824	37,072
Unrealized and realized gain (loss) on investments	53,293	(130,774)
Total return on investments	\$ 73,811	\$ (93,361)

Note 4: Beneficial interest in United Way Endowment Fund - The Organization retains a beneficial interest in an endowment fund held by the Huntington County Community Foundation (Foundation). The designated endowment was established by the Organization's Board of Directors in 1997. Under the agreement with the Foundation, the Foundation has retained variance authority of these funds and therefore the beneficial interest is recorded as a permanently restricted net asset. The Organization is specified as the beneficiary of allocations based on 4% of the net asset value at the end of each year.

UNITED WAY OF HUNTINGTON COUNTY, INC.
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2023 AND 2022

Note 4: Beneficial interest in United Way Endowment Fund (Continued) - The Organization's Board has the ability to accept allocations or leave with the Foundation. The beneficial interest is reported at its fair value. Any change in the fair value of the beneficial interest in the fund is reported as an increase or decrease in permanently restricted net assets.

Change in endowment net assets for the years ended December 31, 2023 and 2022 is as follows:

	<u>2023</u>	<u>2022</u>
Net assets, beginning of year	\$ 249,449	\$ 317,222
Investment return	28,734	(65,612)
Administrative fees	<u>(2,169)</u>	<u>(2,161)</u>
Net assets, end of year	<u>\$ 276,014</u>	<u>\$ 249,449</u>

Note 5: PPP loan - On July 15, 2020, the Organization received loan proceeds in the amount of \$22,500 under the Paycheck Protection Program (PPP). On March 8, 2022, the Organization received additional loan proceeds of \$18,958 under the Paycheck Protection Program (PPP). The PPP, established as part of the Coronavirus Aid, Relief and Economic Security Act ("CARES Act"), provides for loans to qualifying businesses for amounts up to 2.5 times of the average monthly payroll expenses of the qualifying business. The loans and accrued interest are forgivable after 8 to 24 weeks as long as the borrower uses the loan proceeds for eligible purposes including payroll, benefits, rent and utilities, and maintains its payroll levels. The amount of loan forgiveness will be reduced if the borrower terminates employees or reduces salaries during the 8 to 24 week period. Prior to the end of the year, the Organization met the conditions of loan forgiveness and \$41,458 was forgiven and included in the statement of activities.

Note 6: Net assets without donor restrictions and with donor restrictions - The Board has designated net assets without restrictions at December 31, 2023 and 2022 for the following purposes:

	<u>2023</u>	<u>2022</u>
Board designated -		
Leadership Forever Circle	\$ 661,103	\$ 681,360
Six month reserve	96,000	96,000
Emergency fund	<u>15,000</u>	<u>15,000</u>
Total board designated	772,103	792,360
Without donor restrictions	<u>(117,664)</u>	<u>(146,870)</u>
Total net assets without donor restrictions	<u>\$ 654,439</u>	<u>\$ 645,490</u>

UNITED WAY OF HUNTINGTON COUNTY, INC.
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2023 AND 2022

Note 6: Net assets without donor restrictions and with donor restrictions (Continued) -

Net assets with donor restrictions at December 31, 2023 and 2022 are available for the following purposes:

	<u>2023</u>	<u>2022</u>
United IN20	15,160	34,460
United IN22	64,234	8,955
Health and wellness	14,795	17,430
Safe kids program	-	4,231
Learning Center	2,863	2,863
Financial stability	-	1,220
United Way Worldwide	34,695	39,263
United Way Endowment Fund	276,014	249,449
Time restriction - Campaign	<u>122,749</u>	<u>34,063</u>
 Total net assets with donor restrictions	 <u>\$ 530,510</u>	 <u>\$ 391,934</u>

Net assets were released from donor restrictions by incurring expenses satisfying the purpose or time restrictions specified by donors as follows:

	<u>2023</u>	<u>2022</u>
United IN16	\$ -	\$ 3,192
United IN20	19,300	47,636
United IN22	2,000	-
Safe kids program	4,231	-
Financial stability	1,220	-
Health and wellness	2,635	5,505
Learning Center	-	100
Economic Relief Initiative	-	53,812
United Way Worldwide	5,668	6,737
Time restriction - Campaign	<u>51,070</u>	<u>220,848</u>
 Total restrictions released	 <u>\$ 86,124</u>	 <u>\$ 337,830</u>

Note 7: Operating leases - The Organization leased office space in Huntington, Indiana under a noncancelable two-year operating lease which started on January 1, 2022, with monthly lease payments of \$1,050. The monthly payments include utilities, internet and cleaning. The Organization terminated the lease at lease end. Rent expense for the years ended December 31, 2023 and 2022 was \$13,650 and \$11,550, respectively.

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Note 8: Right of Use Asset - Operating lease - In February 2016, the FASB issued 2016-02. This update recognizes the capitalization of operating leases of more than 12 months beginning in January 2023. An organization is required to record a "right of use" asset and a lease liability payable for the present value of the lease payments. At December 31, 2023, the present value was calculated on the remaining lease payments of a five-year copier lease using an incremental borrowing rate of 7% at the lease inception of June 11, 2022. Monthly lease payments are \$279 per month for 60 months. Rent expense for the years ended December 31, 2023 and 2022 was \$3,348 for both years.

At December 31, 2023, future minimum lease payments under the capital lease obligations and the net present value of the future minimum lease payments are as follows:

Years ending December 31:

		\$ 3,348
2024		3,348
2025		1,395
2026		1,395
Total future minimum lease payments		8,091
<u>Less:</u> Amount representing interest		(666)
Present value of future minimum lease payments		\$ 7,425

The Organization has elected the optional transition method to apply the transition provisions from the effective date of adoption, which requires the Organization to recognize a cumulative-effect adjustment to the opening balance of net assets as of the adoption date of the standard, with no changes to the prior period balances. As a result, the current period is reported under ASC 842 and the comparative period under ASC 840.

Note 9: Pension plan - On February 24, 2009, the Organization approved converting from a retirement plan under Section 403(b) of the Internal Revenue Code to an Employer Sponsored IRA. All full-time employees are eligible to participate in the Plan. Pension plan expense was \$443 for the year ended December 31, 2022.

Note 10: Description of major program services - The Organization supports other not-for-profit agencies in Huntington County, Indiana serving three impact areas; Education, Financial Stability and Health & Wellness.

Note 11: Concentration of campaign pledges - During the years ended December 31, 2023 and 2022, campaign pledges were received from contributors which exceeded ten percent of the Organization's total gross campaign results for the years as follows:

	2023	Percent
	\$ -	0.00%
	2022	Percent
Huntington County Community School Corp.	\$ 6,046	16.91%
Bendix Commercial Vehicle Systems	\$ 5,000	13.98%
Mrs. Marjorie Hiner	\$ 5,000	13.98%

UNITED WAY OF HUNTINGTON COUNTY, INC.
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2023 AND 2022

Note 12: Fair value of financial instruments - Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at a particular date. Generally accepted accounting principles establishes a fair value hierarchy which requires an organization to maximize observable inputs when measuring fair value. Three levels of inputs may be used to measure fair value as follows:

Level 1: Quoted market prices in active markets for identical assets or liabilities.

Level 2: Significant other observable inputs, other than quoted market prices included in Level 1 prices, for similar assets or liabilities; quoted prices in markets that are not active; or other inputs that are observable or can be corroborated by observable market data.

Level 3: Significant unobservable inputs that reflect the Organization's assumptions about assumptions that market participants would use in pricing an asset or liability.

The Organization values mutual funds at fair value based upon quoted market prices for the respective fund in active markets (Level 1). The Organization values certificates of deposit at fair value based upon similar investments with the same terms (Level 2). The beneficial interest in United Way of Huntington County Endowment Fund is based upon a valuation model that calculates the present value of estimated future distributable income (Level 3).

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

	2023		
	Level 1	Level 2	Level 3
Certificates of deposit		\$ 12,414	
Mutual funds - By category -			
World allocation	111,845	-	-
Conservative allocation	253,004	-	-
Moderate allocation	296,248	-	-
Beneficial interest in United Way Endowment Fund	-	-	276,014
	<u>\$ 661,097</u>	<u>\$ 12,414</u>	<u>\$ 276,014</u>
	2022		
	Level 1	Level 2	Level 3
Certificates of deposit	\$ -	\$ 36,237	\$ -
Mutual funds - By category -			
World allocation	118,221	-	-
Conservative allocation	255,255	-	-
Moderate allocation	307,884	-	-
Beneficial interest in United Way Endowment Fund	-	-	249,449
	<u>\$ 681,360</u>	<u>\$ 36,237</u>	<u>\$ 249,449</u>

UNITED WAY OF HUNTINGTON COUNTY, INC.
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2023 AND 2022

Note 12: Fair value of financial instruments (Continued) -

The table below represents a reconciliation of activities reflected in the statements of activities of gains and losses for all assets measured at fair value on a recurring basis using significant unobservable inputs (Level 3) for the years ended December 31, 2023 and 2022:

	<u>2023</u>	<u>2022</u>
Beginning of year	\$ 249,449	\$ 317,222
Change in beneficial interest	<u>26,565</u>	<u>(67,773)</u>
End of year	<u>\$ 276,014</u>	<u>\$ 249,449</u>

Note 13: Concentration of credit risks - The Organization maintains several cash and certificate of deposit accounts at six financial institutions which are insured by the Federal Deposit Insurance Company (FDIC) or the National Credit Union Share Insurance Fund (NCUSIF). At times, during the years ended December 31, 2023 and 2022 the balances in these accounts may have exceeded the maximum insurable amount of \$250,000. Only interest-bearing accounts with FDIC insured financial institutions have an insurable balance restriction of \$250,000. At December 31, 2023, the Organization had no accounts in excess of the \$250,000. The Organization has not experienced any losses.

Note 14: Subsequent events - Management has evaluated the activities and transactions subsequent to December 31, 2023 for potential recognition and/or disclosure within the financial statements for the year ended December 31, 2023. This analysis was performed through May 14, 2024, the date the financial statements were available to be issued.