

UNITED WAY OF THE WABASH VALLEY, INC.

**Financial Statements and Independent
Auditors' Report**

December 31, 2023

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INDEPENDENT AUDITORS' REPORT

Board of Directors
United Way of the Wabash Valley, Inc.
Terre Haute, Indiana

Opinion

We have audited the accompanying financial statements of United Way of the Wabash Valley, Inc. (a nonprofit organization), which comprise the statements of financial position as of December 31, 2023 and 2022, and the related statements of activities, changes in net assets, cash flows and functional expenses 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 the Wabash Valley, Inc. as of December 31, 2023 and 2022, and the changes in its net assets and 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 the Wabash Valley, 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.

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 the Wabash

Valley, 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, including omissions, 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 the Wabash Valley, 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 the Wabash Valley, 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.

Sackrider & Company, Inc.

Terre Haute, Indiana
June 28, 2024

UNITED WAY OF THE WABASH VALLEY, INC.

Statements of Financial Position

December 31,

ASSETS	2023		
	Without Donor Restrictions	With Donor Restrictions	Total
Cash and cash equivalents	\$ 475,871	\$ 686,981	\$ 1,162,852
Investments	295,149	430,061	725,210
Beneficial interest in assets held by others	-	359,328	359,328
Pledge receivables			
2023-campaign	-	162,612	162,612
2022-campaign	60,917	-	60,917
2021-campaign	-	-	-
	<u>60,917</u>	<u>162,612</u>	<u>223,529</u>
Less allowance for uncollectible pledges	<u>27,108</u>	<u>21,302</u>	<u>48,410</u>
	<u>33,809</u>	<u>141,310</u>	<u>175,119</u>
Grant receivables	30,743	-	30,743
Property and equipment			
Office furniture and equipment	57,330	-	57,330
Leasehold improvements	11,043	-	11,043
	<u>68,373</u>	<u>-</u>	<u>68,373</u>
Less accumulated depreciation and amortization	<u>65,245</u>	<u>-</u>	<u>65,245</u>
	<u>3,128</u>	<u>-</u>	<u>3,128</u>
Operating lease right of use asset	337,886	-	337,886
Other assets			
Interest receivable	431	-	431
Due from (to) other funds	(171,388)	171,388	-
	<u>(170,957)</u>	<u>171,388</u>	<u>431</u>
	<u>\$ 1,005,629</u>	<u>\$ 1,789,068</u>	<u>\$ 2,794,697</u>

The accompanying notes are an integral part of these statements.

2022		
<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
\$ 407,374	\$ 129,666	\$ 537,040
489,900	155,934	645,834
-	326,927	326,927
-	-	-
-	234,151	234,151
97,067	-	97,067
<u>97,067</u>	<u>234,151</u>	<u>331,218</u>
45,719	33,749	79,468
<u>51,348</u>	<u>200,402</u>	<u>251,750</u>
47,541	-	47,541
57,330	-	57,330
11,043	-	11,043
<u>68,373</u>	<u>-</u>	<u>68,373</u>
64,140	-	64,140
<u>4,233</u>	<u>-</u>	<u>4,233</u>
373,384	-	373,384
431	-	431
(278,481)	278,481	-
<u>(278,050)</u>	<u>278,481</u>	<u>431</u>
<u>\$ 1,095,730</u>	<u>\$ 1,091,410</u>	<u>\$ 2,187,140</u>

UNITED WAY OF THE WABASH VALLEY, INC.

Statements of Financial Position - continued

December 31,

LIABILITIES AND NET ASSETS	2023		
	Without Donor Restrictions	With Donor Restrictions	Total
Accounts payable	\$ 40,960	\$ -	\$ 40,960
Designations by donors for other organizations	-	6,643	6,643
Payroll and related liabilities	1,868	-	1,868
Lease liability	<u>337,886</u>	<u>-</u>	<u>337,886</u>
	380,714	6,643	387,357
Net assets	<u>624,915</u>	<u>1,782,425</u>	<u>2,407,340</u>
	<u>\$ 1,005,629</u>	<u>\$ 1,789,068</u>	<u>\$ 2,794,697</u>

The accompanying notes are an integral part of these statements.

2022		
<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
\$ 11,812	\$ -	\$ 11,812
-	6,643	6,643
3,161	-	3,161
<u>373,384</u>	<u>-</u>	<u>373,384</u>
388,357	6,643	395,000
<u>707,373</u>	<u>1,084,767</u>	<u>1,792,140</u>
<u>\$ 1,095,730</u>	<u>\$ 1,091,410</u>	<u>\$ 2,187,140</u>

UNITED WAY OF THE WABASH VALLEY, INC.

Statements of Activities

Years Ended December 31,

	2023		
	Without Donor Restrictions	With Donor Restrictions	Total
Total campaign contributions and pledges	\$ 320,570	\$ 327,357	\$ 647,927
Less: Amounts raised designated for other organizations	(5,194)	-	(5,194)
Less: Allowance for uncollectible pledges	(10,473)	(21,302)	(31,775)
Write-offs and remaining allowance less (greater) than prior year allowance	6,641	-	6,641
Net campaign contributions and pledges	311,544	306,055	617,599
Corporate sponsorships	-	-	-
Grants	600	1,254,698	1,255,298
Total contributions and pledges	312,144	1,560,753	1,872,897
Special events	79,392	727,582	806,974
Investment income (loss)	91,605	45,212	136,817
	483,141	2,333,547	2,816,688
Assets released from restrictions:			
Satisfaction of purpose requirement	1,150,839	(1,150,839)	-
Satisfaction of time requirement	485,050	(485,050)	-
Total revenue and other support	2,119,030	697,658	2,816,688
Program services	1,825,439	-	1,825,439
Management and general	240,327	-	240,327
Fundraising	135,722	-	135,722
Total expenses	2,201,488	-	2,201,488
INCREASE (DECREASE) IN NET ASSETS	\$ (82,458)	\$ 697,658	\$ 615,200

The accompanying notes are an integral part of these statements.

2022		
<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
\$ 242,953	\$ 505,988	\$ 748,941
(7,866)	-	(7,866)
(12,263)	(33,749)	(46,012)
21,515	-	21,515
<u>244,339</u>	<u>472,239</u>	<u>716,578</u>
-	25,000	25,000
3,605	1,358,363	1,361,968
<u>247,944</u>	<u>1,855,602</u>	<u>2,103,546</u>
58,320	83,392	141,712
(101,233)	(50,829)	(152,062)
<u>205,031</u>	<u>1,888,165</u>	<u>2,093,196</u>
1,640,843	(1,640,843)	-
520,332	(520,332)	-
<u>2,366,206</u>	<u>(273,010)</u>	<u>2,093,196</u>
2,123,878	-	2,123,878
187,052	-	187,052
141,758	-	141,758
<u>2,452,688</u>	<u>-</u>	<u>2,452,688</u>
<u>\$ (86,482)</u>	<u>\$ (273,010)</u>	<u>\$ (359,492)</u>

UNITED WAY OF THE WABASH VALLEY, INC.

Statements of Changes in Net Assets

Years Ended December 31, 2023 and 2022

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Net assets, December 31, 2021	\$ 793,855	1,357,777	\$ 2,151,632
Increase (decrease) in net assets	<u>(86,482)</u>	<u>(273,010)</u>	<u>(359,492)</u>
Net assets, December 31, 2022	707,373	1,084,767	1,792,140
Increase (decrease) in net assets	<u>(82,458)</u>	<u>697,658</u>	<u>615,200</u>
Net assets, December 31, 2023	<u>\$ 624,915</u>	<u>\$ 1,782,425</u>	<u>\$ 2,407,340</u>

The accompanying notes are an integral part of these statements.

UNITED WAY OF THE WABASH VALLEY, INC.

Statements of Cash Flows

Years Ended December 31,

	2023	2022
Cash flows from operating activities:		
Change in net assets	\$ 615,200	\$ (359,492)
Adjustments to reconcile change in net assets to net cash from operating activities:		
Amortization	1,105	1,104
Unrealized (gain) loss on investments	(116,663)	221,230
Realized (gain) loss on sale of investments	2,547	(57,096)
Change in assets and liabilities:		
Pledge receivables	107,689	81,586
Allowance for uncollectible pledges	(31,058)	(14,699)
Grant receivables	16,798	(47,541)
Accounts payable	29,148	(931)
Designations by donors for other organizations	-	-
Payroll and other liabilities	(1,293)	1,505
Net cash from operating activities	623,473	(174,334)
Cash flows from investing activities:		
Proceeds from sale of investments	126,470	335,030
Transfers from endowment funds	12,811	12,439
Purchase of investments	(136,942)	(341,372)
Net cash from investing activities	2,339	6,097
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	625,812	(168,237)
Cash and cash equivalents at beginning of year	537,040	705,277
Cash and cash equivalents at end of year	\$ 1,162,852	\$ 537,040

SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION:

	2023	2022
Cash paid during the period for:		
Interest	\$ -	\$ -

DISCLOSURE OF ACCOUNTING POLICY:

For purposes of the statement of cash flows, cash and cash equivalents includes cash on hand, deposit accounts and certificates of deposit.

The accompanying notes are an integral part of these statements.

UNITED WAY OF THE WABASH VALLEY, INC.

Statements of Functional Expenses

Years Ended December 31,

	2023			
	<u>Program Services</u>	<u>Management and General</u>	<u>Fundraising</u>	<u>Total Expenses</u>
Agency allocations	\$ 13,175	\$ -	\$ -	\$ 13,175
Special programs	1,323,827	-	-	1,323,827
Salaries	231,623	113,967	64,362	409,952
Health insurance	28,624	14,084	7,954	50,662
Retirement plan	23,994	11,806	6,667	42,467
Payroll taxes	17,487	8,604	4,859	30,950
Professional fees	22,164	10,905	6,159	39,228
Office supplies	1,583	779	439	2,801
Telephone	3,792	1,866	1,054	6,712
Postage	2,535	1,247	704	4,486
Insurance	3,835	1,887	1,066	6,788
Repairs and maintenance	3,210	1,579	892	5,681
Printing and campaign	1,391	684	386	2,461
Auto expense	1,036	510	288	1,834
Meals and entertainment	836	411	232	1,479
Meetings and conferences	768	378	214	1,360
Travel	-	-	-	-
State United Way dues	5,778	2,843	1,606	10,227
National United Way dues	9,534	4,691	2,649	16,874
Occupancy	28,522	14,034	7,926	50,482
Special events	79,878	39,303	22,196	141,377
Depreciation and amortization	625	307	173	1,105
Advertising and marketing	2,177	1,072	605	3,854
Contributions	102	50	28	180
Contract services	18,363	9,035	5,103	32,501
Bank and investment fees	580	285	160	1,025
	<u>\$ 1,825,439</u>	<u>\$ 240,327</u>	<u>\$ 135,722</u>	<u>\$ 2,201,488</u>

The accompanying notes are an integral part of these statements.

2022

<u>Program Services</u>	<u>Management and General</u>	<u>Fundraising</u>	<u>Total Expenses</u>
\$ 131,400	\$ -	\$ -	\$ 131,400
1,482,480	-	-	1,482,480
275,306	100,976	76,524	452,806
33,487	12,282	9,308	55,077
30,278	11,105	8,416	49,799
20,472	7,508	5,690	33,670
22,023	8,078	6,122	36,223
2,747	1,007	763	4,517
4,789	1,756	1,331	7,876
2,593	951	721	4,265
4,499	1,650	1,251	7,400
5,357	1,965	1,489	8,811
210	77	58	345
1,012	371	281	1,664
1,861	682	517	3,060
1,162	426	323	1,911
636	233	177	1,046
2,762	1,013	768	4,543
11,034	4,047	3,067	18,148
33,208	12,180	9,230	54,618
34,066	12,495	9,469	56,030
671	246	187	1,104
882	323	245	1,450
1,295	475	360	2,130
19,456	7,136	5,408	32,000
192	70	53	315
<u>\$ 2,123,878</u>	<u>\$ 187,052</u>	<u>\$ 141,758</u>	<u>\$ 2,452,688</u>

UNITED WAY OF THE WABASH VALLEY, INC.

Notes to Financial Statements

December 31, 2023 and 2022

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A summary of the Organization's significant accounting policies applied in the preparation of the accompanying financial statements follows:

Organization

The purpose of United Way of the Wabash Valley, Inc. (the "Organization") is to help increase the capacity of people in the community to care for one another. The Organization is a not-for-profit corporation organized under the laws of the State of Indiana and is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code.

Method of Accounting

The financial statements of the Organization have been prepared on the accrual basis of accounting.

Designations by Donors for Other Organizations

Under FASB Accounting Standards Codification 958 ("ASC 958"), all contributions received by an organization that are designated by the donor to be transferred to another organization must be presented in the statement of activities as a reduction in contributions raised, and on the statement of financial position as a liability. Accordingly, included under the heading "amounts raised designated for other organizations" on the statement of activities, and "designations by donors for specific organizations" on the statement of financial position are amounts designated by donors to be transferred to specific United Way agencies or other United Ways or charitable organizations.

Investments

Investment securities are reported at market value.

Pledges Receivable

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

The Organization uses the allowance method to determine uncollectible promises receivable. The allowance is based on prior years' experience and management's analysis of specific promises made.

UNITED WAY OF THE WABASH VALLEY, INC.

Notes to Financial Statements - Continued

December 31, 2023 and 2022

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

Property and Equipment

The Organization capitalizes property and equipment over \$5,000. Lesser amounts are expensed. Purchased property and equipment are capitalized at cost. Donations of property and equipment are recorded as contributions at their estimated fair value. Such donations are reported as contributions without donor restrictions unless the donor has restricted the donated asset to a specific purpose. Assets donated with explicit restrictions regarding their use and contributions of cash that must be used to acquire property and equipment are reported as contributions with donor restrictions. Absent donor stipulations regarding how long those donated assets must be maintained, the Organization reports expirations of donor restrictions when the donated or acquired assets are placed in service. The Organization reclassifies net assets with donor restrictions to net assets without donor restrictions at that time. Property and equipment are depreciated using the straight-line method over estimated useful lives ranging from five years for furniture and vehicles to thirty years for buildings.

Amortization

Leasehold improvements are amortized over the life of the lease, five years. Amortization expense for the years ended December 31, 2023 and 2022 was \$1,105 and \$1,104, respectively.

Contributions

Contributions received are recorded as net assets with donor restrictions or net assets without donor restrictions depending on the existence or nature of any donor restrictions.

In-Kind Support

The Organization records various types of in kind support including advertising and printing that would typically need to be purchased if not provided by donation. Contributions of tangible assets are recognized at fair market value when received. The amounts reflected in the accompanying financial statements as in-kind support are offset by like amounts in unrestricted supporting services expenditures and restricted assets.

Advertising Costs

Advertising costs are expensed as paid. Advertising costs for the year ended December 31, 2023 and 2022 were \$3,855 and \$1,450, respectively.

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.

UNITED WAY OF THE WABASH VALLEY, INC.

Notes to Financial Statements - Continued

December 31, 2023 and 2022

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

Cost Allocation

Agency allocations and special programs are allocated to program services based on actual cost. Remaining costs are allocated among program services, management and general, and fundraising on the basis of personnel time spent on these activities.

Subsequent Events

Management has evaluated subsequent events through June 28, 2024, the date which the financial statements were available for issue and concluded nothing occurred requiring adjustment to the financial statements or disclosure in the notes to the financial statements.

NOTE 2 - CASH AND CASH EQUIVALENTS

Cash and cash equivalents consist of the following at December 31:

	<u>2023</u>	<u>2022</u>
Cash on hand	\$ -	\$ 1,600
Checking account deposits	594,833	523,466
Certificates of deposit	<u>568,019</u>	<u>11,974</u>
	<u>\$ 1,162,852</u>	<u>\$ 537,040</u>

NOTE 3 - INVESTMENTS

Included in investment income are the following:

	Without Donor Restrictions		With Donor Restrictions	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
Interest and dividend income	\$ 22,198	\$ 11,766	\$ -	\$ -
Unrealized gain (loss) on investments	71,451	(170,401)	-	-
Gain (loss) on sale of investment	(2,547)	57,096	-	-
Income (loss) from assets held by community foundation	5,892	5,730	45,212	(50,829)
Investment expense	<u>(5,389)</u>	<u>(5,424)</u>	<u>-</u>	<u>-</u>
	<u>\$ 91,605</u>	<u>\$ (101,233)</u>	<u>\$ 45,212</u>	<u>\$ (50,829)</u>

NOTE 4 - FAIR VALUE MEASUREMENT

The Organization classifies its assets and liabilities into three levels based on the method used to value the assets or liabilities. Level 1 values are based on quoted prices in active markets for identical securities. Level 2 values are based on significant observable market inputs, such as quoted prices for similar securities and quoted prices in inactive markets. Level 3 values are based on significant unobservable inputs that reflect the organization's determination of assumptions that market participants might reasonably use in valuing the securities. The valuation levels are not necessarily an indication of the risk or liquidity associated with the underlying investment.

UNITED WAY OF THE WABASH VALLEY, INC.

Notes to Financial Statements - Continued

December 31, 2023 and 2022

NOTE 4 - FAIR VALUE MEASUREMENT - continued

Assets measured at fair value on a recurring basis at December 31, 2023 are as follows:

	Level 1- Quoted Prices in Active <u>Markets</u>	Level 2- Other Observable <u>Inputs</u>	Level 3- Unobservable <u>Inputs</u>
Cash equivalents	\$ 33,895	\$ -	\$ -
Mutual funds:			
Large cap	273,267	-	-
Small/mid cap	124,818	-	-
International	70,059	-	-
Fixed income	223,171	-	-
Beneficial interest in assets held by others	<u>-</u>	<u>-</u>	<u>359,328</u>
	<u>\$ 725,210</u>	<u>\$ -</u>	<u>\$ 359,328</u>

Assets measured at fair value on a recurring basis at December 31, 2022 are as follows:

	Level 1- Quoted Prices in Active <u>Markets</u>	Level 2- Other Observable <u>Inputs</u>	Level 3- Unobservable <u>Inputs</u>
Cash equivalents	\$ 26,031	\$ -	\$ -
Mutual funds:			
Large cap	213,848	-	-
Small/mid cap	54,446	-	-
International	42,411	-	-
Fixed income	309,098	-	-
Beneficial interest in assets held by others	<u>-</u>	<u>-</u>	<u>326,927</u>
	<u>\$ 645,834</u>	<u>\$ -</u>	<u>\$ 326,927</u>

Beneficial interest in assets held by others

	<u>2023</u>	<u>2022</u>
Balance at beginning of year	\$ 326,927	\$ 390,195
Grant payments	(12,811)	(12,439)
Change in value	<u>45,212</u>	<u>(50,829)</u>
Balance at end of year	<u>\$ 359,328</u>	<u>\$ 326,927</u>

Following is a description of the valuation methodologies used for assets at fair value.

UNITED WAY OF THE WABASH VALLEY, INC.

Notes to Financial Statements - Continued

December 31, 2023 and 2022

NOTE 4 - FAIR VALUE MEASUREMENT - continued

For all *cash equivalents* and *mutual funds* fair value is determined by reference to quoted market prices.

Beneficial interest in assets held by others is recorded at a market value determined by Wabash Valley Community Foundation.

NOTE 5 - BENEFICIAL INTEREST IN ASSETS HELD BY OTHERS

Previously, the Organization contributed a total of \$282,014 to the Wabash Valley Community Foundation to establish a fund to benefit the United Way of the Wabash Valley. The purpose of the fund is stated below.

United Way of the Wabash Valley - Ada Hodge Fund is a designated endowment fund the primary purpose of which is to provide support to the Agency to carry out its role and mission as described by the Agency's governing documents. The annual earnings allocable to the Fund, net of fees and expenses, will be distributed annually to the Agency. The Agency designated the principal of the Fund cannot be invaded.

Previously, the Organization contributed a total of \$5,000 and others contributed \$1,289 to the Wabash Valley Community Foundation to establish a fund to benefit the United Way of the Wabash Valley. The purpose of the fund is stated below.

United Way of the Wabash Valley Endowment Fund is a designated endowment fund the primary purpose of which is to provide support to the Agency to carry out its role and mission as described by the Agency's governing documents. The annual earnings allocable to the Fund, net of fees and expenses, will be distributed annually to the Agency. The Agency designated the principal of the Fund cannot be invaded.

Subject to the right of the Wabash Valley Community Foundation to reject any particular gift, any person whether an individual, corporation, trust, estate or organization, including the Organization, may make additional gifts to the Foundation for the purpose of the Funds. All gifts are irrevocable once accepted by the Foundation. These Funds are not separate trusts. All money and property of the Funds are held as general assets of the Foundation.

The Organization, through the acceptance of the designated endowment agreements, has granted the board of directors of the Wabash Valley Community Foundation variance power. The variance power allows the Foundation to redirect the distributions from these established funds if in the judgment of the Foundation's Board of Directors, the conditions or restrictions of these agreements are unnecessary, incapable of fulfillment or inconsistent with the charitable needs of the community served by the Foundation. No distributions shall be made from these funds if it endangers the 501(c)(3) status of the Foundation.

The value of the above funds is reported on the statements of financial position as a beneficial interest in assets held by others.

UNITED WAY OF THE WABASH VALLEY, INC.

Notes to Financial Statements - Continued

December 31, 2023 and 2022

NOTE 6 - PLEDGES RECEIVABLE

Unconditional promises are included in the financial statements as pledges receivable and revenue of the appropriate net asset category.

Unconditional promises at December 31, are expected to be realized in the following periods:

	<u>2023</u>		<u>2022</u>	
	<u>Without Donor</u>	<u>With Donor</u>	<u>Without Donor</u>	<u>With Donor</u>
	<u>Restrictions</u>	<u>Restrictions</u>	<u>Restrictions</u>	<u>Restrictions</u>
In one year or less	\$ 60,917	\$ 150,758	\$ 97,067	\$ 208,792
Between one year and five years	-	11,854	-	25,359
More than five years	-	-	-	-
	<u>60,917</u>	<u>162,612</u>	<u>97,067</u>	<u>234,151</u>
Less: Allowance for uncollectible pledges	<u>27,108</u>	<u>21,302</u>	<u>45,719</u>	<u>33,749</u>
	<u>\$ 33,809</u>	<u>\$ 141,310</u>	<u>\$ 51,348</u>	<u>\$ 200,402</u>

NOTE 7 - NET ASSETS

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

	<u>2023</u>	<u>2022</u>
Beneficial interest in assets held by others	\$ 359,328	\$ 326,927
Contributions available for use during 2023 for program and supporting service purposes	-	472,239
Contributions available for use during 2024 for program and supporting service purposes	306,055	-
Job Skills	10,000	10,000
Community Health	4,688	-
Success by 6	273,783	137,514
Financial Management	5,294	-
Strong Neighborhoods	79,561	107,830
Substance Use Disorders	150,327	-
Youth Success	43,090	991
Special Operations Projects	2,129	29,266
Sullivan Tornado Relief	<u>548,170</u>	<u>-</u>
	<u>\$ 1,782,425</u>	<u>\$ 1,084,767</u>

UNITED WAY OF THE WABASH VALLEY, INC.

Notes to Financial Statements - Continued

December 31, 2023 and 2022

NOTE 7 - NET ASSETS - continued

Net assets without donor restrictions at December 31, are available for the following purposes:

	<u>2023</u>	<u>2022</u>
Undesignated	\$ 291,727	\$ 309,667
Board-designated		
Success by 6	30,022	30,022
Youth Success	81,794	133,251
CIC Impact Council	11,959	53,375
Financial Management	39,998	98,299
Strong Neighborhoods	73,897	64,009
Safety Net	12,500	18,750
Substance Use Disorders	26,000	-
Job Skills	35,000	-
Special Operation Projects	<u>22,018</u>	<u>-</u>
	<u>\$ 624,915</u>	<u>\$ 707,373</u>

NOTE 8 - INCOME TAXES

The United Way of the Wabash Valley, Inc. is a not-for-profit organization in accordance with the Internal Revenue Code Section 501(c)(3). Therefore, no provision for federal or state income taxes has been reflected in the financial statements.

The Organization's policy is to evaluate any potential uncertain tax positions and the likelihood that they will prevail upon examination based on the extent to which those positions have substantial support within the Internal Revenue Code and Regulations, Revenue Rulings, court decisions, and other evidence. It is the opinion of management that the Organization has no uncertain tax positions.

The Organization's information returns are subject to examination by the appropriate taxing jurisdictions. As of December 31, 2023, the Organization's federal and state tax returns for the last three years are open for examination as each year's returns remain open for examination for three years.

NOTE 9 - LEASES

In October 2021, the Agency resigned an operating lease for its office for \$4,000 per month for a period which ends September 2026. The Organization has an option to extend for five years at \$4,250 a month. This lease is discounted at 3.5%, which was the Wall Street Journal Prime Rate at the time the lease originated. In October 2021, the Agency signed a sublease to rent out a portion of the office space for a net payment of \$800 per month for a period which ends September 2026. These receipts are netted against lease expense. Operating lease expense for 2023 and 2022 was \$37,333 and \$39,467, respectively. Future minimum rental payments are as follows:

UNITED WAY OF THE WABASH VALLEY, INC.

Notes to Financial Statements - Continued

December 31, 2023 and 2022

NOTE 9 - LEASES - continued

2024	\$ 48,000
2025	48,000
2026	48,750
2027	51,000
2028	51,000
Thereafter	<u>140,250</u>
	387,000
Discount	<u>(49,114)</u>
Lease liability	\$ <u>337,886</u>

NOTE 10 - RETIREMENT PLAN

The Agency maintains a defined contribution pension plan that covers most employees. The employer contributes 11% plus a 1% match of the participants' gross wages to the plan each month. For 2023 and 2022, the amount of pension expense related to this plan was \$42,467 and \$49,799, respectively.

NOTE 11 - MAJOR CONTRIBUTOR

One contributor accounted for 4% of total contributions and pledges in 2023. Five grantors accounted for 91% of total grants in 2023.

Three contributors accounted for 14% of total contributions and pledges in 2022. Two grantors accounted for 62% of total grants in 2022.

NOTE 12 - CONCENTRATION OF PLEDGES RECEIVABLE

The United Way of the Wabash Valley is a not-for-profit agency that conducts an annual fund raising drive to strengthen health and human service programs benefiting people in the Wabash Valley area. The Agency receives annual campaign pledges from individuals and businesses, substantially all of whom are located in communities of the Wabash Valley.

NOTE 13 - CONCENTRATION OF CREDIT RISK

The Company routinely maintains deposits in a local bank in excess of the amount covered by the Federal Deposit Insurance Corporation.

NOTE 14 - FUND HELD IN TRUST BY OTHERS

The Organization has a fund at the Wabash Valley Community Foundation which was established in 2000 with funds from the Lilly Endowment matching a bequest. The purpose of the fund is stated below.

United Way of the Wabash Valley Operating Endowment Fund is a designated endowment fund the primary purpose of which is to provide support to the Agency

UNITED WAY OF THE WABASH VALLEY, INC.

Notes to Financial Statements - Continued

December 31, 2023 and 2022

NOTE 14 - FUND HELD IN TRUST BY OTHERS – continued

to carry out operating activities. The annual earnings allocable to the Fund, net of fees and expenses, will be distributed annually to the Agency. The principal of the Fund cannot be invaded.

The original gift to the fund was \$141,007. The current value of the fund at December 31, 2023 and 2022 is \$164,732 and \$149,896, respectively. Net earnings allocated to the fund are distributed annually to the United Way. \$5,892 and \$5,730 is included in income for the years ended December 31, 2023 and 2022 for earnings distributed from this fund.

NOTE 15 - LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS

The following reflects the Organization’s financial assets as of the balance sheet date, reduced by amounts not available for general use because of contractual or donor-imposed restrictions within one year of the balance sheet date.

	<u>2023</u>	<u>2022</u>
Cash and cash equivalents	\$ 1,162,852	\$ 537,040
Investments	725,210	645,834
Beneficial interest in assets held by others	359,328	326,927
Pledge receivables - net	175,119	251,750
Interest receivable	431	431
Less those unavailable for general expenditures within one year, due to:		
Beneficial interest in assets held by others	(359,328)	(326,927)
Donor-restricted-purpose restrictions	(1,117,042)	(285,601)
Financial assets available to meet cash needs for general expenditure within one year	\$ <u>946,570</u>	\$ <u>1,149,454</u>

As part of the Organization’s liquidity management, it has a policy to structure financial assets to be available as general expenditures, liabilities and other obligations come due. In addition, the Organization periodically invests excess cash in investments. The Organization does not intend to spend from the donor-designated investments, though amounts could be made available, if necessary.

NOTE 16 - GRANT COMMITMENTS

The Organization has made commitments to pay grants of up to \$3,610,944. Payment is contingent upon performance obligations of the receiving organizations. Grant commitment periods expire as follows:

2024	\$ 114,675
2025	582,269
2026	2,874,000
2027	40,000

UNITED WAY OF THE WABASH VALLEY, INC.

Notes to Financial Statements - Continued

December 31, 2023 and 2022

NOTE 17 - ADOPTION OF NEW ACCOUNTING STANDARD

The Organization adopted FASB Topic 842, Leases, using the modified retrospective approach with January 1, 2022 as the date of initial adoption. The Organization elected the package of practical expedients permitted under the transition guidance within the new standard, which among other things, allowed the Organization to carry forward the historical lease classification.

As part of the adoption of the ASU, the Organization elected to use the following transition practical expedients: (i) the Organization did not reassess whether any expired or existing contracts are or contain leases; (ii) the Organization did not reassess the lease classification for any expired or existing leases; and (iii) the Organization did not reassess initial direct costs for any existing leases.

As part of the adoption of the ASU, the Organization elected the following accounting policies: (i) The Organization elected, for all classes, to combine lease and non-lease components and treat the combined component as a lease component; and (ii) The Organization elected, for all classes, to not apply the ASC 842 recognition requirements to short-term leases where the client is lessee. Instead, the client will recognize the lease payments in profit or loss on a straight-line basis over the lease term.

Adoption of the standard had no effect on net assets and did not impact the Organization's change in net assets or cash flows.