

UNITED WAY OF PORTAGE COUNTY, INC.

FINANCIAL STATEMENTS

DECEMBER 31, 2021 AND 2020

CHEREK, PUCCI & QUICK, S.C.

CERTIFIED PUBLIC ACCOUNTANTS

STEVENS POINT, WI

UNITED WAY OF PORTAGE COUNTY, INC.

DECEMBER 31, 2021

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INDEPENDENT AUDITOR'S REPORT

**Board of Directors
United Way of Portage County, Inc.
Stevens Point, Wisconsin**

Opinion

We have audited the accompanying financial statements of the United Way of Portage County, Inc. (a nonprofit organization) which comprise the statements of financial position as of December 31, 2021 and 2020, 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 Portage County, Inc. as of December 31, 2021 and 2020, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of United Way of Portage County, Inc. and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about United Way of Portage County'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 judgement 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 Portage County'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 Portage County's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Report on Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The Schedules of Agency Allocations and Schedules of Grant Income and Expense are presented for purposes of additional analysis and are not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Cherub, Pucci & Quirk, S.C.

Certified Public Accountants
Stevens Point, Wisconsin

June 15, 2022

**UNITED WAY OF PORTAGE COUNTY, INC.
STATEMENTS OF FINANCIAL POSITION
DECEMBER 31, 2021 AND 2020**

	<u>2021</u>	<u>2020</u>
Assets:		
Cash in banks and on hand	\$ 2,125,197	1,737,613
Certificates of deposits	1,202,828	1,296,513
Cash in investment account	522,498	332,594
Certificates of deposits and short-term cash investments at cost in investment account	<u>717,503</u>	<u>1,458,089</u>
Total cash and cash equivalents	4,568,026	4,824,809
Investment securities available for sale - at market	525,499	261,578
Pledges receivable, less allowance for doubtful pledges of \$100,000 in 2021 and \$100,000 in 2020	1,736,748	1,609,273
Other receivables	563,450	55,998
Prepaid expense	17,249	14,743
Fixed Assets - at cost less accumulated depreciation of \$186,466 in 2021 and \$172,894 in 2020	<u>1,000,790</u>	<u>39,283</u>
Total assets	<u>\$ 8,411,762</u>	<u>6,805,684</u>
Liabilities:		
Donor designations - payable	\$ 242,643	209,106
Other accounts payable	<u>98,433</u>	<u>114,017</u>
Total liabilities	<u>\$ 341,076</u>	<u>323,123</u>
Net Assets:		
Net assets without donor restrictions:		
Unrestricted - Board designated	\$ 1,171,481	1,278,816
Unrestricted	<u>2,122,313</u>	<u>1,398,690</u>
Total net assets without restrictions	\$ 3,293,794	2,677,506
Net assets with donor restrictions:		
Temporarily restricted - program grants	\$ 119,040	186,570
Temporarily restricted - 2021 campaign	3,264,758	3,054,490
Temporarily restricted - capital campaign	700,575	-
Temporarily restricted - endowment fund	<u>692,519</u>	<u>563,995</u>
Total net assets with donor restrictions	<u>\$ 4,776,892</u>	<u>3,805,055</u>
Total net assets	<u>\$ 8,070,686</u>	<u>6,482,561</u>
Total liabilities and net assets	<u>\$ 8,411,762</u>	<u>6,805,684</u>

See accompanying notes and independent auditor's report.

UNITED WAY OF PORTAGE COUNTY, INC.
STATEMENTS OF ACTIVITIES
FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020

	2 0 2 1		2 0 2 0	
	Without Donor Restrictions	With Donor Restrictions	Without Donor Restrictions	With Donor Restrictions
Public support and revenue:				
Total amounts raised	\$ -	3,264,768	-	3,054,390
Less: Allowance for uncollectible pledges & bad debts	-	(100,000)	-	(100,000)
Less: Amounts designated by donors for specific organizations	-	(228,776)	-	(209,106)
Total contributions	-	2,935,992	-	2,745,284
Capital campaign revenue		1,207,136		
Additional campaign revenue	154,745	7,079	29,584	24,614
Volunteer Center revenue	-	23,313	-	58,845
Donated goods and services revenue	-	88,144	-	2,940
Investment income	29,882	7,968	54,791	59,511
Net unrealized gains on long-term investments	-	59,626	-	63,600
Grants	-	68,166	-	196,720
Bequest	-	44,838	-	46,562
Miscellaneous	87	1,000	479,025	-
Disaster Funds	129,200	-	129,200	-
Net assets released from restrictions	<u>3,471,425</u>	<u>(3,471,425)</u>	<u>2,831,136</u>	<u>(2,831,136)</u>
Total support and revenue	3,785,339	971,837	3,523,736	366,940
Allocations and other functional expenses:				
Funds allocated to agencies		-		-
Planned Giving Grant	2,092,869	-	2,641,859	-
Program services	-	32,743	-	-
General and administrative	432,442	-	431,376	-
Resource development	223,451	-	214,949	-
-	420,289	-	413,442	-
Total allocations and other functional expenses	<u>3,169,051</u>	<u>-</u>	<u>3,734,369</u>	<u>-</u>
Changes in net assets	616,288	971,837	(210,633)	366,940
Net assets - beginning of year	<u>2,677,506</u>	<u>3,805,055</u>	<u>2,888,139</u>	<u>3,438,115</u>
Net assets - end of year	<u>\$ 3,293,794</u>	<u>4,776,892</u>	<u>2,677,506</u>	<u>3,805,055</u>

See accompanying notes and independent auditor's report.

UNITED WAY OF PORTAGE COUNTY, INC.
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2021

	2-1-1		Mental Health			Volunteer Center	Total Programs	General & Administrative	Resource Development	Total
	Information & Referral	Learn For Life	Community Impact	Initiative	Collaborative					
Payroll/Benefits	\$ 7,189	22,047	162,165	42,777	41,976	35,212	311,366	163,790	259,913	735,069
Professional fees	265	812	9,590	1,576	6,346	1,318	19,907	15,886	13,208	49,001
Contract labor	-	-	-	-	-	-	-	-	-	-
Supplies	9	629	218	70	457	46	1,429	2,220	3,783	7,432
Telephone	59	180	1,448	5,617	342	287	7,933	1,272	2,557	11,762
Postage and shipping	1	1	39	1	-	269	311	995	5,326	6,632
Occupancy	372	1,141	7,927	2,213	2,172	1,822	15,647	7,443	13,447	36,537
Equipment rental and maintenance	9	27	186	52	51	43	368	584	691	1,643
Auto expense	9	28	194	54	53	45	383	188	329	900
Printing and publications	21	1,129	666	1,437	1,118	114	4,485	1,670	9,102	15,257
Conferences, meetings, and training	4	12	137	23	23	19	218	1,331	1,913	3,462
Event expenses	-	1	9	483	752	2	1,247	9	6,106	7,362
Program goods and services purchased	-	114	9,432	-	-	6,800	16,346	-	-	16,346
Recognition/awards	3	9	65	18	18	40	153	211	5,928	6,292
Financial fees	-	-	-	-	-	-	-	9,491	-	9,491
Other expenses	12	35	846	83	67	2,198	3,241	1,072	6,018	10,331
Insurance	31	96	666	186	182	153	1,314	4,712	1,130	7,156
Depreciation	138	424	2,945	822	807	677	5,813	2,765	4,995	13,573
United Way dues	490	1,504	10,451	2,918	2,863	2,402	20,628	9,812	17,727	48,167
Donated goods & services	-	-	3,096	-	-	18,557	21,653	-	68,116	89,769
Total	\$ 8,612	28,189	210,080	58,330	57,227	70,004	432,442	223,451	420,289	1,076,182

See accompanying notes and independent auditor's report.

UNITED WAY OF PORTAGE COUNTY, INC.
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2020

	2-1-1		Mental Health			Volunteer Center	Total Programs	General & Administrative	Resource Development	Total
	Information & Referral	Learn For Life	Community Impact	Health Initiative	Early Years Collaborative					
Payroll/Benefits	\$ 6,924	21,235	154,228	41,201	40,430	33,915	297,933	152,972	250,341	701,246
Professional fees	252	772	7,179	11,498	1,470	1,233	22,404	15,171	10,824	48,399
Contract labor	-	-	-	-	-	-	-	-	-	-
Supplies	49	385	1,183	292	287	364	2,560	3,022	6,850	12,432
Telephone	63	193	1,702	511	368	308	3,145	1,440	2,996	7,581
Postage and shipping	-	16	5	-	-	306	327	685	935	1,947
Occupancy	378	1,159	8,052	2,248	2,206	1,850	15,893	7,560	13,658	37,111
Equipment rental and maintenance	4	14	95	26	26	322	487	191	521	1,199
Auto expense	10	31	217	60	59	50	427	230	394	1,051
Printing and publications	636	141	978	3,159	1,226	225	6,365	2,488	12,655	21,508
Conferences, meetings and training	3	17	597	16	16	13	662	516	90	1,268
Event expenses	-	-	-	-	-	-	-	324	2,418	2,742
Program goods & services purchased	-	-	12,683	-	-	7,340	20,023	-	-	20,023
Recognition/awards	-	300	379	-	-	-	679	403	4,371	5,453
Financial fees	16	50	347	97	95	80	685	10,510	589	11,784
Other expenses	8	24	918	46	45	2,038	3,079	2,095	9,124	14,298
Insurance	46	141	977	273	268	224	1,929	3,387	1,657	6,973
Depreciation	131	402	2,793	780	765	642	5,513	2,623	4,738	12,874
United Way dues	572	1,755	12,195	3,405	3,341	2,802	24,070	11,332	20,686	56,088
Donated goods & services	-	-	-	-	-	25,195	25,195	-	70,595	95,790
Total	\$ 9,092	26,635	204,528	63,612	50,602	76,907	431,376	214,949	413,442	1,059,767

See accompanying notes and independent auditor's report.

**UNITED WAY OF PORTAGE COUNTY, INC.
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020**

	<u>2021</u>	<u>2020</u>
Net cash flows from operating activities:		
Change in net assets	\$ 1,588,125	156,307
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	13,572	12,874
Net realized and unrealized (gains) on long-term investments	(59,626)	(27,267)
(Increase) decrease in pledges receivables	(127,475)	109,597
(Increase) in other receivables	(507,452)	(30,390)
(Increase) decrease in prepaid expense	(2,506)	3,259
Increase (decrease) in accounts payable	(15,585)	44,224
Increase in donor designation	<u>33,537</u>	<u>2,638</u>
Cash provided by operating activities	922,590	271,242
Cash flows from investing activities:		
Purchase of investments	(358,294)	(468,811)
Sale of investments	154,000	465,150
Purchase of property and equipment	<u>(975,079)</u>	<u>-</u>
Cash provided (used) by investing activities	(1,179,373)	(3,661)
Net increase in cash	(256,783)	267,581
Cash and cash equivalents - beginning of year	<u>4,824,809</u>	<u>4,557,228</u>
Cash and cash equivalents - end of year	\$ <u>4,568,026</u>	<u>4,824,809</u>

See accompanying notes and independent auditor's report.

**UNITED WAY OF PORTAGE COUNTY, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021 AND 2020**

NOTE 1 - ORGANIZATION'S PURPOSE AND NATURE OF ACTIVITIES:

United Way of Portage County, Inc. brings the community together to focus on the most important health and human service needs in the community. This is done by building community partnerships and leveraging resources to make a measurable difference.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

Property and equipment purchased is recorded at cost. Depreciation on the property and equipment is computed by use of the straight line method over the five to eight year estimated useful life of the property and equipment. Expenditures for maintenance and repairs are charged to expense as incurred; expenditures for renewals and betterments are generally capitalized. When items of property and equipment are sold or retired, the related cost and accumulated depreciation are removed from the accounts and any gain or loss is included in income.

CONTRIBUTIONS AND PLEDGES:

The United Way records unconditional promises to give (pledges) as receivables and contributions within the appropriate net asset category based on the existence or absence of donor-imposed restrictions. The United Way recognizes conditional promises to give when the conditions stipulated by the donor are substantially met. A conditional promise to give is considered unconditional if the possibility that the condition will not be met is remote.

Concentrations of Credit Risk - The organization maintains cash accounts and certificates of deposit at various financial institutions. The balances at times may exceed federally insured limits. Accounts at each local financial institution are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000. Total uninsured cash was \$56,158 at December 31, 2021 and \$143,799 at December 31, 2020. A sweep/repurchase agreement of \$1,837,860 at December 31, 2021 and \$1,269,655 at December 31, 2020 is collateralized by government backed or federal agency securities.

Credit risk for accounts receivable are also concentrated since the organization's donors are located primarily in the Portage County area.

For purposes of the statement of cash flows, the organization considers all highly liquid investments including certificates of deposit to be cash equivalents.

The presentation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

The carrying value of cash is a reasonable estimate of the fair value based on instruments with similar terms and maturities.

Pledges receivable are stated at the amount management expects to collect from outstanding balances. Management provides for probable uncollectible amounts through a provision for bad debt expense and an adjustment to a valuation allowance based on its assessment of past donor receivable collectability. Actual uncollectible pledges written off were \$32,075 in 2021 for the 2020 campaign pledges and \$74,209 in 2020 for the 2019 campaign pledges.

**UNITED WAY OF PORTAGE COUNTY, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021 AND 2020**

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (CONTINUED)

BASIS OF ACCOUNTING:

The financial statements of the Organization have been prepared on the accrual basis of accounting and in accordance with accounting principles generally accepted in the United States of America. Accordingly, the financial statements reflect all significant receivables, payables and other accrued expenses. The significant accounting policies followed are described below to enhance the usefulness of the financial statements to the reader.

BASIS OF PRESENTATION:

The United Way records resources for accounting and reporting purposes based on the existence or absence of donor-imposed restrictions. Accordingly, net assets and changes therein are classified and reported as follows:

Net Assets Without Donor Restrictions - Net assets available for use in general operations and not subject to donor (or certain grantor) restrictions. The governing board has designated, from net assets without donor restrictions, net assets for an operating reserve.

Net Assets With Donor Restrictions - Net assets subject to donor-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.

Gifts of long-lived assets and gifts of cash restricted for the acquisition of long-lived assets are recognized as revenue when the assets are placed in service. 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.

OPERATING ACTIVITIES:

Operating activities reflect all transactions increasing or decreasing net assets except those items associated with long-term investment such as contributions for endowment, facilities and equipment, and investment returns in excess of amounts designated for current operations.

ADVERTISING:

The Organization uses marketing in the form of mailings, social media, radio, and the annual report to promote its programs among the individuals and the community it serves. The production costs of marketing are expensed as incurred. Advertising expense was \$225 for the year ended December 31, 2021 and \$3,583 for the year ended December 31, 2020.

**UNITED WAY OF PORTAGE COUNTY, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021 AND 2020**

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (CONTINUED)

FUNCTIONAL ALLOCATION OF EXPENSES:

The costs of providing the various programs and other activities have been summarized on a functional basis in the statement of activities and in the statement of functional expenses. Accordingly, certain costs have been allocated among the programs benefitted based on specific identification. Salaries are time tracked by department. General and administration expenses include those expenses that are not directly identifiable with any other specific function but provide for the overall support and direction of the Organization. General and administrative expenses are allocated based on salary.

NOTE 3 - TAX STATUS:

The organization is exempt from federal and state income tax as it is an exempt organization under Section 501 (c)(3) of the Internal Revenue Service Code and is not a private foundation. Accordingly, no provision for income taxes is made in the financial statement. The United Way continually evaluates its tax position, changes in tax law and new authoritative rulings for potential implications to its tax status.

NOTE 4 – LEASING ARRANGEMENTS:

The organization entered into a lease agreement with James Guzman on September 27, 2012 for office space located at 1100 Center Point Drive, Stevens Point, Wisconsin. This lease is for a term of five years commencing September 1, 2013. The lease term was extended effective September 1, 2018 for 3 years. The lease was extended until the end of 2021, and on a month to month basis until the organization occupies their building. Rent expense was \$34,424 for the years ended December 31, 2021 and December 31, 2020.

NOTE 5 - GRANTS:

During 2021 and 2020 the United Way acted as disbursing agent for \$74,253 and \$47,604 of Emergency Food and Shelter Grants.

NOTE 6 - RETIREMENT PLAN:

The organization entered into a Simplified Employer Pension/Individual Retirement Account (SEP/IRA) arrangement in September 1989.

The organization will pay 5% of any full or part-time employee's salary into their SEP/IRA after the employee has worked for the United Way for one year of the immediately preceding five plan years. The employer contribution was \$28,310 in 2021 and \$28,051 in 2020.

Once an employee enters the plan, they are 100% vested and may control their funds according to Internal Revenue Service rules and regulations.

**UNITED WAY OF PORTAGE COUNTY, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021 AND 2020**

NOTE 7 – CONTRACTS:

The United Way of Portage County (UWPC) entered into a contractual agreement with the United Way of Marathon County (UWMC) whereby UWMC provides residents of Portage County with information about human service providers and referral of persons in need to such providers. Access to this information and referral network is made via the telephone by dialing 2-1-1. UWPC paid UWMC \$47,940 in 2021 and \$47,940 in 2020 as the contractually agreed upon price for providing this service.

NOTE 8 – FAIR VALUE MEASUREMENTS:

The organization's investments are reported at fair value in the accompanying statements of financial position. The methods used to measure fair value may produce an amount that may not be indicative of net realizable value or reflective of future fair values. Furthermore, although the organization believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

The fair value measurement accounting literature establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. This hierarchy consists of three broad levels: Level 1 inputs consist of unadjusted quoted prices in active markets for identical assets and have the highest priority, Level 2 inputs consist of observable inputs other than quoted prices for identical assets, and Level 3 inputs are unobservable and have the lowest priority. The organization uses appropriate valuation techniques based on the available inputs to measure the fair value of its investments. When available, the organization measures fair value using Level 1 inputs because they generally provide the most reliable evidence of fair value. Level 2 inputs are available to the organization, and Level 3 inputs are only used when Level 1 or Level 2 are not available.

Level 1 Fair Value Measurements

The fair value of mutual funds is based on quoted net asset values of the shares held by the organization at year-end.

The fair value of fixed income investments is based on recently available quoted prices at year end.

**UNITED WAY OF PORTAGE COUNTY, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021 AND 2020**

NOTE 8 – FAIR VALUE MEASUREMENTS: (CONTINUED)

Level 1 Fair Value Measurements (continued)

The following tables set forth, by level within the fair value hierarchy, the organization's investments at fair value as of December 31, 2021 and 2020:

		<u>Fair Value Measurements Using:</u>		
		<u>Quoted Prices in Active Markets for Identical Assets (Level 1)</u>	<u>Significant Other Observable Inputs (Level 2)</u>	<u>Significant Unobservable Inputs (Level 3)</u>
		<u>Fair Value</u>		
<u>December 31, 2021</u>				
Mutual funds	\$ 525,499	525,499	-	-
Fixed income investments	<u>717,503</u>	<u>717,503</u>	-	-
	\$ <u>1,243,002</u>	<u>1,243,002</u>	-	-

		<u>Fair Value Measurements Using:</u>		
		<u>Quoted Prices in Active Markets for Identical Assets (Level 1)</u>	<u>Significant Other Observable Inputs (Level 2)</u>	<u>Significant Unobservable Inputs (Level 3)</u>
		<u>Fair Value</u>		
<u>December 31, 2020</u>				
Mutual funds	\$ 261,578	261,578	-	-
Fixed income investments	<u>1,458,089</u>	<u>1,458,089</u>	-	-
	\$ <u>1,719,667</u>	<u>1,719,667</u>	-	-

Gains and losses (realized and unrealized) that are included in the statements of activities for the years ended December 31, 2021 and 2020 are reported in investment income or net unrealized gains on investments.

**UNITED WAY OF PORTAGE COUNTY, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021 AND 2020**

NOTE 9 - LIQUIDITY AND AVAILABILITY OF RESOURCES:

The Organization's financial assets available within one year of the statement of financial position date for general expenditures are as follows:

Cash and cash equivalents	\$ 3,850,523
Fixed income investments	717,503
Equity investments	525,499
Pledges receivable, net	<u>1,736,748</u>
Total financial assets available within one year	6,830,273
Less amounts unavailable for general expenditures within one year, due to:	
Restricted by donors with purpose restrictions	(4,776,892)
Restricted by donors with designated contributions	(242,643)
Amounts required to repay investment account	<u>(400,000)</u>
Total amounts unavailable for general expenditures within one year	<u>(5,419,535)</u>
Total financial assets available within one year after restriction	\$ <u>1,410,738</u>

As part of the Organization's liquidity management, it has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due.

NOTE 10 - CONTRIBUTIONS OF DONATED SERVICES:

Contributions of donated services are recognized if the services received (a) create or enhance long-lived assets; or (b) require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation. The United Way receives a significant amount of contributed time from volunteers not meeting the above criteria. The United Way receives donated services in the form of Board of Directors and committee members, and event volunteers. The hours contributed is estimated by management to be 1,111 volunteers, contributing 3,615 volunteer hours.

NOTE 11 - RELATED PARTY TRANSACTIONS:

The Organization pays annual membership fees to its state and national organizations. State dues paid were \$5,478 in 2021 and \$5,328 in 2020. National dues were \$42,689 in 2021 and \$50,760 in 2020.

**UNITED WAY OF PORTAGE COUNTY, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021 AND 2020**

NOTE 12 - COMMITMENTS:

On May 3, 2021, Inclusa, Inc. and United Way of Portage County, Inc. signed an offer to purchase property located at 2801 Hoover Road, Stevens Point, Wisconsin. The purchase was completed on September 17, 2021. The intent of the United Way is to move their administrative offices to this location in August of 2022.

The United Way's portion of the purchase price is expected to be \$972,480.

Costs of \$977,226 were incurred as of December 31, 2021. Remodeling and remaining costs are expected to be \$1,027,000 as of December 31, 2021. The United Way transferred \$470,000 from the investment account to checking to finance the purchase of the building, of which \$250,000 is to be repaid to the investment account. Additionally, in April 2022 the board authorized another \$300,000 of expenses of which \$150,000 is to be repaid, for a total of \$400,000 to be repaid to the investment account. A repayment schedule has not yet been set.

NOTE 13 - DONOR DESIGNATED NET ASSETS - ENDOWMENT FUND:

The endowment fund assets consist of certificates of deposit and a mutual fund. The activity is summarized below.

Changes in investments as of December 31, 2021 are as follows:

Investment Accounts, Beginning of Year	\$ 563,995
Contributions	128,524
Interest and Dividends	7,968
Distributions	(67,594)
Realized and unrealized Gains	<u>59,626</u>
Total	\$ <u>692,519</u>

Changes in investments as of December 31, 2020 are as follows:

Investment Accounts, Beginning of Year	\$ 351,873
Contributions	196,720
Interest and Dividends	5,068
Distributions	(32,743)
Unrealized Gains	<u>43,077</u>
Total	\$ <u>563,995</u>

**UNITED WAY OF PORTAGE COUNTY, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021 AND 2020**

NOTE 13 - DONOR DESIGNATED NET ASSETS - ENDOWMENT FUND: (CONTINUED)

ASSET ALLOCATION

Asset allocation can be defined as the mix between stocks, bonds, and cash. The target mix of the trust is the desired long-term allocation of the assets actively managed by the United Way Endowment Committee and Finance Committee. A movement outside of the ranges should be discussed with the Board of Directors.

	<u>Target Mix</u>	<u>Actual Mix</u>	<u>Minimum/ Maximum Ranges</u>
Equities	60%	48%	60% to 65%
Fixed Income	40%	52%	35% to 40%

ASSET QUALITY

It is the intent of the Board to invest in a well-diversified portfolio of equity and fixed income vehicles or cash equivalents so as to be considered prudent and consistent with the long-term goals of the endowment.

Fixed Income securities should include U.S. Government securities and Government agency securities, corporate bonds rated A3/A- or better by Moody's or Standard and Poor's and cash (money market instruments) including money market funds, certificates of deposits and commercial paper.

The components of the investment return is as follows:

	<u>2021</u>	<u>2020</u>
Interest and dividends - net of investment fees	\$ 7,968	5,068
Net realized and unrealized gains on investments	<u>59,626</u>	<u>43,077</u>
Total investment return	<u>\$ 67,594</u>	<u>48,145</u>

**UNITED WAY OF PORTAGE COUNTY, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021 AND 2020**

NOTE 14 - PROPERTY AND EQUIPMENT:

Property and equipment consists of the following as of December 31:

	<u>2021</u>	<u>2020</u>
Campaign software	\$ 18,000	18,000
Equipment	182,946	180,347
Vehicles	7,275	7,275
Leasehold improvements	6,555	6,555
Building	<u>972,480</u>	<u>-</u>
	1,187,256	212,177
Accumulated depreciation	<u>(186,466)</u>	<u>(172,894)</u>
Net fixed assets	<u>\$ 1,000,790</u>	<u>39,283</u>

Depreciation expense was \$13,572 for the year ended December 31, 2021 and \$12,874 for the year ended December 31, 2020.

NOTE 15 - CAPITAL CAMPAIGN:

The organization began a long-term capital campaign in 2021 for the purposes of acquiring a building for use as office space. The pledges receivable are as follows for the year ended December 31:

2022	\$	359,548
2023		54,300
2024		49,300
2025		49,300
2026		<u>25,000</u>
	\$	<u>537,448</u>

NOTE 16 - SUBSEQUENT EVENTS:

Management has evaluated subsequent events through June 15, 2022, the date on which the financial statements were available to be issued.

SUPPLEMENTARY INFORMATION

**UNITED WAY OF PORTAGE COUNTY, INC.
SCHEDULE OF AGENCY ALLOCATIONS
FOR THE YEAR ENDED DECEMBER 31, 2021**

	<u>Total Allocation</u>	<u>Donor Designations</u>	<u>Net Allocation</u>
Monthly Program Allocations:			
ADRC - Adult Day Care	\$ 78,873	17,865	61,008
Big Brothers/Big Sisters	173,949	3,461	170,488
Boy Scouts of America - Samoset Council	24,350	3,633	20,717
Boys and Girls Club of Portage County	181,946	19,090	162,856
CAP Services, Inc.	252,598	25,372	227,226
CAP Mental Health Navigator	72,540	7,392	65,148
Children's Hospital of Wisconsin	347,474	9,239	338,235
Children's Hospital Strong Start	214,090	-	214,090
ODC Supported Employment	40,665	3,103	37,562
Girl Scouts of Northwestern Great Lakes	30,500	1,293	29,207
Meals on Wheels	96,638	24,333	72,305
Salvation Army	167,948	11,235	156,713
United Way of Marathon County - 2-1-1 Contract	47,940	-	47,940
Y M C A	298,590	5,982	292,608
Total	\$ 2,028,101	131,998	1,896,103
Emerging Needs Allocations:			
Boys & Girls Club	\$ 3,083	-	3,083
Childcaring, Inc.	50,001	-	50,001
ADRC Care Giver Support Services	20,528	-	20,528
CAP Services - Small Loan/Big Difference	12,500	-	12,500
Evergreen Community Initiatives	7,000	-	7,000
Total	\$ 93,112	-	93,112
Relief Fund Allocations:			
Boys & Girls Club	\$ 52,402	-	52,402
CAP Services	7,500	-	7,500
Community Foundation of Central WI	6,000	-	6,000
Create Portage County	1,000	-	1,000
Salvation Army	22,000	-	22,000
Stevens Point Area High School	2,500	-	2,500
YMCA	12,252	-	12,252
Total	\$ 103,654	-	103,654
Total Allocations	\$ 2,224,867	131,998	2,092,869

**UNITED WAY OF PORTAGE COUNTY, INC.
SCHEDULE OF AGENCY ALLOCATIONS
FOR THE YEAR ENDED DECEMBER 31, 2020**

	<u>Total Allocation</u>	<u>Donor Designations</u>	<u>Net Allocation</u>
Monthly Program Allocations:			
ADRC - Adult Day Care	76,056	19,248	56,808
Big Brothers/Big Sisters	170,615	5,927	164,688
Boy Scouts of America - Samoset Council	31,875	6,595	25,280
Boys and Girls Club of Portage County	181,241	23,720	157,521
CAP Services, Inc.	319,381	19,742	299,639
CAP Mental Health Navigator	70,427	6,898	63,529
Children's Hospital of Wisconsin	289,977	8,009	281,968
Children's Hospital of Wisconsin - Strong Start	214,090	-	214,090
ODC Supported Employment	105,265	3,761	101,504
Girl Scouts of Northwestern Great Lakes	38,235	1,744	36,491
Meals on Wheels	96,768	25,033	71,735
Stevens Point Child Safety Center	30,276	1,984	28,292
Salvation Army	162,000	12,140	149,860
United Way of Marathon County - 2-1-1 Contract	47,940	-	47,940
Y M C A	295,000	6,466	288,534
Total	\$ 2,129,146	141,267	1,987,879
Emerging Needs Allocations:			
Boys & Girls Club - STEP UP Program	\$ 37,000	-	37,000
Childcaring, Inc.	54,167	-	54,167
ADRC Care Giver Support Services	20,189	-	20,189
CSS Family Outreach & Support	40,113	-	40,113
CAP Services - Small Loan/Big Difference	12,500	-	12,500
Childrens WI	4,000	-	4,000
Evergreen Community Initiatives	7,011	-	7,011
Total	\$ 174,980	-	174,980
Relief Fund Allocations:			
United Way of So. Wood & Adams Counties	\$ 5,000	-	5,000
Boys & Girls Club	30,778	-	30,778
CAP Services	135,980	-	135,980
Central Rivers Farmshed (SIB PAB Meal Project)	5,350	-	5,350
Childcaring Inc.	5,000	-	5,000
Child Safety Center	900	-	900
Childrens WI	10,000	-	10,000
Community Foundation of Central WI - Waushara	2,500	-	2,500
Community Thrift Store	3,000	-	3,000
Innovative Services	4,000	-	4,000
Meals on Wheels	17,277	-	17,277
ODC	2,760	-	2,760
Operation Bootstrap	201,500	-	201,500
Salvation Army	40,050	-	40,050
YMCA	14,873	-	14,873
Laundry Vouchers	32	-	32
Total	\$ 479,000	-	479,000
Total Allocations	\$ 2,783,126	141,267	2,641,859

**UNITED WAY OF PORTAGE COUNTY, INC.
SCHEDULES OF GRANT INCOME AND EXPENSE
FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020**

	<u>2021</u>	<u>2020</u>
Emergency Food and Shelter Grant	\$ 74,253	83,989
Expenses:		
United Way of Portage County	\$ 30,998	13,189
CAP Services	6,604	-
Family Crisis Center	-	4,615
Community Thrift Store	1,487	1,929
Energy Services of Portage County	-	7,971
Portage County Health & Human Services	34,143	-
Operation Bootstrap	10,077	11,701
Salvation Army	9,370	16,992
Meals on Wheels	<u>4,713</u>	<u>4,396</u>
Total Expenses	\$ <u>97,392</u>	<u>60,793</u>
Beginning Balance	\$ <u>23,198</u>	<u>2</u>
Emergency Food and Shelter Grant unspent funds	\$ <u>59</u>	<u>23,198</u>