

UNITED WAY OF BARTHOLOMEW COUNTY, INC.

CONSOLIDATED FINANCIAL STATEMENTS

AND

SUPPLEMENTARY INFORMATION

DECEMBER 31, 2023 AND 2022

UNITED WAY OF BARTHOLOMEW COUNTY, INC.

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REPORT OF INDEPENDENT AUDITORS

Board of Directors
United Way of Bartholomew County, Inc.
Columbus, Indiana

Opinion

We have audited the accompanying consolidated financial statements of United Way of Bartholomew County, Inc. (the "Organization"), a nonprofit organization, and affiliate, which comprise the consolidated statements of financial position as of December 31, 2023 and 2022, and the related consolidated statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the consolidated financial statements.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of the Organization and its affiliate as of December 31, 2023 and 2022, and changes in their net assets and their 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 the Organization 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 consolidated 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 consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Organization's ability to continue as a going concern within one year after the date that the consolidated 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 consolidated 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 substantial likelihood that, individually or in the aggregate, they would influence the judgement made by a reasonable user based on the consolidated 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 consolidated 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 the Organization'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 consolidated financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Organization'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.

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The Consolidated Schedule of Allocations to Agencies is presented for purposes of additional analysis and is not a required part of the consolidated financial statements. The Consolidating Statement of Financial Position and the Consolidating Statement of Activities are presented for purposes of additional analysis of the consolidated financial statements rather than to present the financial position, results of operations, and cash flows of the individual organizations and are not a required part of the consolidated 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 consolidated financial statements. The information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated 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 consolidated financial statements as a whole.

Blue & Co., LLC

Seymour, Indiana

August 21, 2024

UNITED WAY OF BARTHOLOMEW COUNTY, INC.

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION DECEMBER 31, 2023 AND 2022

ASSETS

	2023	2022
Cash	\$ 1,022,010	\$ 927,624
Restricted cash	44,254	59,175
Accounts receivable	7,859	17,778
Pledges receivable, net	2,984,085	2,848,811
Other receivable	21,709	273,481
Other assets	22,906	24,699
Assets held by Heritage Fund of Bartholomew County, Inc.	74,580	67,857
Property and equipment, net	<u>3,950,806</u>	<u>4,067,286</u>
	<u>\$ 8,128,209</u>	<u>\$ 8,286,711</u>

LIABILITIES AND NET ASSETS

Liabilities		
Accounts payable and accrued expenses	\$ 17,960	\$ 18,923
Assets held for others	44,254	59,175
Designations payable	2,207,809	2,200,507
Debt	<u>780,207</u>	<u>819,834</u>
Total liabilities	3,050,230	3,098,439
Net assets		
Without donor restrictions		
Operating	2,850,589	3,156,019
Operating reserve	<u>315,375</u>	<u>333,223</u>
	3,165,964	3,489,242
With donor restrictions		
Restricted for specified purposes	262,165	143,453
Restricted due to time restrictions	1,632,850	1,548,577
Endowed fund	<u>17,000</u>	<u>7,000</u>
	<u>1,912,015</u>	<u>1,699,030</u>
Total net assets	<u>5,077,979</u>	<u>5,188,272</u>
	<u>\$ 8,128,209</u>	<u>\$ 8,286,711</u>

See accompanying notes to consolidated financial statements.

UNITED WAY OF BARTHOLOMEW COUNTY, INC.

CONSOLIDATED STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2023

(WITH COMPARATIVE TOTALS FOR THE YEAR ENDED DECEMBER 31, 2022)

	2023			2022
	Without Donor Restrictions	With Donor Restrictions	Total	Totals
Support and revenues				
Gross campaign results	\$ 505,235	\$ 3,783,981	\$ 4,289,216	\$ 4,092,314
Less donor designations	(60,711)	(1,936,131)	(1,996,842)	(1,953,661)
Less provision for uncollectible accounts	<u>225,167</u>	<u>(215,000)</u>	<u>10,167</u>	<u>(29,478)</u>
Net campaign results	669,691	1,632,850	2,302,541	2,109,175
Grant and contribution revenue				
Cash and other financial assets	76,836	500,779	577,615	498,334
Nonfinancial assets	101,392	-0-	101,392	-0-
Interest income	8,301	-0-	8,301	2,985
Rent income	614,814	-0-	614,814	609,883
Miscellaneous	7,604	-0-	7,604	683
Net assets released from restrictions	<u>1,920,644</u>	<u>(1,920,644)</u>	<u>-0-</u>	<u>-0-</u>
Total support and revenues	3,399,282	212,985	3,612,267	3,221,060
Expenses				
Program services	3,154,120	-0-	3,154,120	3,437,264
Management and general	205,883	-0-	205,883	211,317
Fundraising	<u>362,557</u>	<u>-0-</u>	<u>362,557</u>	<u>355,627</u>
Total expenses	<u>3,722,560</u>	<u>-0-</u>	<u>3,722,560</u>	<u>4,004,208</u>
Change in net assets	(323,278)	212,985	(110,293)	(783,148)
Net assets, beginning of year	<u>3,489,242</u>	<u>1,699,030</u>	<u>5,188,272</u>	<u>5,971,420</u>
Net assets, end of year	<u>\$ 3,165,964</u>	<u>\$ 1,912,015</u>	<u>\$ 5,077,979</u>	<u>\$ 5,188,272</u>

See accompanying notes to consolidated financial statements.

UNITED WAY OF BARTHOLOMEW COUNTY, INC.

CONSOLIDATED STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2022

	Without Donor Restrictions	With Donor Restrictions	Total
Support and revenues			
Gross campaign results	\$ 423,187	\$ 3,669,127	\$ 4,092,314
Less donor designations	(73,111)	(1,880,550)	(1,953,661)
Less provision for uncollectible accounts	210,522	(240,000)	(29,478)
Net campaign results	560,598	1,548,577	2,109,175
Grant and contribution revenue			
Cash and other financial assets	102,003	396,331	498,334
Interest income	2,985	-0-	2,985
Rent income	609,883	-0-	609,883
Miscellaneous	683	-0-	683
Net assets released from restrictions	2,484,579	(2,484,579)	-0-
Total support and revenues	3,760,731	(539,671)	3,221,060
Expenses			
Program services	3,437,264	-0-	3,437,264
Management and general	211,317	-0-	211,317
Fundraising	355,627	-0-	355,627
Total expenses	4,004,208	-0-	4,004,208
Change in net assets	(243,477)	(539,671)	(783,148)
Net assets, beginning of year	3,732,719	2,238,701	5,971,420
Net assets, end of year	\$ 3,489,242	\$ 1,699,030	\$ 5,188,272

See accompanying notes to consolidated financial statements.

UNITED WAY OF BARTHOLOMEW COUNTY, INC.

CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED DECEMBER 31, 2023
(WITH COMPARATIVE TOTALS FOR THE YEAR ENDED DECEMBER 31, 2022)

	2023						2022	
	Program			Total	Management and General	Fundraising	Total	Total
	Agency & Community Services	United Way Center	Volunteer Action Center					
Agency allocations	\$ 1,554,469	\$ -0-	\$ -0-	\$ 1,554,469	\$ -0-	\$ -0-	\$ 1,554,469	\$ 1,785,600
Salaries	372,986	243,309	63,939	680,234	65,912	227,187	973,333	897,599
Payroll taxes and employee benefits	111,740	69,008	10,792	191,540	23,696	66,387	281,623	283,689
Agency development	14,500	-0-	-0-	14,500	-0-	-0-	14,500	9,500
Professional fees	52,924	21,336	4,675	78,935	25,266	35,841	140,042	119,764
Advertising	-0-	-0-	-0-	-0-	10	136	146	2,405
Supplies	3,052	16,110	1,232	20,394	8,180	6,746	35,320	51,244
Dues and subscriptions	16,303	364	562	17,229	38,634	10,586	66,449	67,473
Printing and postage	267	20	-0-	287	153	2,898	3,338	4,206
Telephone	482	-0-	432	914	3,997	-0-	4,911	6,103
Equipment rent	4,835	-0-	1,171	6,006	2,460	2,520	10,986	5,819
Utilities	-0-	150,955	-0-	150,955	-0-	-0-	150,955	181,721
Insurance	-0-	26,479	598	27,077	8,601	-0-	35,678	34,112
Conferences and meetings	14,328	541	326	15,195	13,185	4,915	33,295	36,637
Miscellaneous	1,112	603	-0-	1,715	789	3,944	6,448	6,838
Repairs and maintenance	-0-	44,896	-0-	44,896	-0-	-0-	44,896	38,644
Travel	3,065	564	203	3,832	-0-	1,397	5,229	4,562
Interest	-0-	37,316	-0-	37,316	-0-	-0-	37,316	39,363
Depreciation	-0-	226,787	-0-	226,787	15,000	-0-	241,787	240,502
Special projects	4,008	-0-	-0-	4,008	-0-	-0-	4,008	5,757
Special events	-0-	-0-	472	472	-0-	-0-	472	6,529
School supply expenses	13,923	-0-	-0-	13,923	-0-	-0-	13,923	138,851
Insurance premium assistance	27,464	-0-	-0-	27,464	-0-	-0-	27,464	12,550
Partner/initiative investments	35,972	-0-	-0-	35,972	-0-	-0-	35,972	24,740
	<u>\$ 2,231,430</u>	<u>\$ 838,288</u>	<u>\$ 84,402</u>	<u>\$ 3,154,120</u>	<u>\$ 205,883</u>	<u>\$ 362,557</u>	<u>\$ 3,722,560</u>	<u>\$ 4,004,208</u>

See accompanying notes to consolidated financial statements.

UNITED WAY OF BARTHOLOMEW COUNTY, INC.

CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED DECEMBER 31, 2022

	Program				Total	Management and General	Fundraising	Total
	Agency & Community Services	United Way Center	Volunteer Action Center	Covid Relief				
Agency allocations	\$ 1,551,199	\$ -0-	\$ -0-	\$ 234,401	\$ 1,785,600	\$ -0-	\$ -0-	\$ 1,785,600
Salaries	303,652	265,093	58,753	-0-	627,498	61,247	208,854	897,599
Payroll taxes and employee benefits	101,847	83,147	10,075	-0-	195,069	23,108	65,512	283,689
Agency development	9,500	-0-	-0-	-0-	9,500	-0-	-0-	9,500
Professional fees	40,295	3,600	6,710	-0-	50,605	29,940	39,219	119,764
Advertising	1,000	-0-	-0-	-0-	1,000	-0-	1,405	2,405
Supplies	5,761	19,769	1,266	-0-	26,796	5,576	18,872	51,244
Dues and subscriptions	12,558	462	784	-0-	13,804	42,791	10,878	67,473
Printing and postage	814	8	140	-0-	962	591	2,653	4,206
Telephone	464	-0-	432	-0-	896	5,207	-0-	6,103
Equipment rent	2,831	-0-	890	-0-	3,721	1,049	1,049	5,819
Utilities	-0-	181,721	-0-	-0-	181,721	-0-	-0-	181,721
Insurance	-0-	24,743	-0-	-0-	24,743	9,369	-0-	34,112
Conferences and meetings	21,645	-0-	54	-0-	21,699	12,542	2,396	36,637
Miscellaneous	488	524	-0-	-0-	1,012	1,037	4,789	6,838
Repairs and maintenance	-0-	38,644	-0-	-0-	38,644	-0-	-0-	38,644
Travel	1,461	893	153	-0-	2,507	2,055	-0-	4,562
Interest	-0-	39,363	-0-	-0-	39,363	-0-	-0-	39,363
Depreciation	-0-	225,502	-0-	-0-	225,502	15,000	-0-	240,502
Special projects	3,862	-0-	90	-0-	3,952	1,805	-0-	5,757
Special events	1,522	-0-	5,007	-0-	6,529	-0-	-0-	6,529
School supply expenses	138,851	-0-	-0-	-0-	138,851	-0-	-0-	138,851
Insurance premium assistance	12,550	-0-	-0-	-0-	12,550	-0-	-0-	12,550
Partner/initiative investments	24,740	-0-	-0-	-0-	24,740	-0-	-0-	24,740
	<u>\$ 2,235,040</u>	<u>\$ 883,469</u>	<u>\$ 84,354</u>	<u>\$ 234,401</u>	<u>\$ 3,437,264</u>	<u>\$ 211,317</u>	<u>\$ 355,627</u>	<u>\$ 4,004,208</u>

See accompanying notes to consolidated financial statements.

UNITED WAY OF BARTHOLOMEW COUNTY, INC.

CONSOLIDATED STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2023 AND 2022

	<u>2023</u>	<u>2022</u>
Operating activities		
Change in net assets	\$ (110,293)	\$ (783,148)
Adjustments to reconcile change in net assets to net cash flows from operating activities:		
Depreciation	241,787	240,502
Non-cash contribution of property	(101,392)	-0-
Provision for uncollectible accounts	(10,167)	29,478
Unrealized loss (gain) on assets held by Heritage Fund of Bartholomew County, Inc.	(6,723)	9,850
Changes in assets and liabilities:		
Accounts receivable	9,919	3,068
Pledges receivable	(125,107)	(620,312)
Other receivable	251,772	(244,034)
Other assets	1,793	10,266
Accounts payable and accrued expenses	(963)	111
Assets held for others	(14,921)	(27,736)
Designations payable	<u>7,302</u>	<u>(130,770)</u>
Net cash flows from operating activities	143,007	(1,512,725)
Investing activities		
Purchase of property and equipment	<u>(23,915)</u>	<u>(8,871)</u>
Net cash flows from investing activities	(23,915)	(8,871)
Financing activities		
Principal payments of debt	<u>(39,627)</u>	<u>(51,014)</u>
Net cash flows from financing activities	<u>(39,627)</u>	<u>(51,014)</u>
Net change in cash and restricted cash	79,465	(1,572,610)
Cash and restricted cash, beginning of year	<u>986,799</u>	<u>2,559,409</u>
Cash and restricted cash, end of year	<u>\$ 1,066,264</u>	<u>\$ 986,799</u>
Supplemental disclosure of cash flow information		
Cash paid during the year for interest	\$ 37,316	\$ 39,363

See accompanying notes to consolidated financial statements.

UNITED WAY OF BARTHOLOMEW COUNTY, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS DECEMBER 31, 2023 AND 2022

1. NATURE OF OPERATIONS AND SIGNIFICANT ACCOUNTING POLICIES

Nature of Operations

United Way of Bartholomew County, Inc. (the "United Way") was formed in 1967 to continually assess the needs of the people of Bartholomew County and improve their quality of life by raising and allocating funds for human care and developmental programs. Substantially all support is received from various individuals and businesses in Bartholomew County and surrounding areas.

During 2002, a building was donated to the United Way. In 2010, United Way Center of Bartholomew County, Inc. (the "Center") was formed as a supporting organization. The purpose of the Center is to own, manage, and maintain these facilities for the benefit of the United Way and its member agencies. The Center leases office space to several United Way member agencies, as well as the United Way for its headquarters.

Consolidated Financial Statements

The United Way appoints the majority of the board of directors and provides administrative services for the Center. The United Way and the Center also are co-makers of the mortgage held on the Center. The Center's net assets, if the Center is ever dissolved, will also revert to the United Way. Based on these factors, these entities (collectively referred to as the "Organization") present consolidated financial statements with any inter-entity transactions and balances eliminated as part of the consolidated financial statements for the years ended December 31, 2023 and 2022.

Management's Estimates

Management uses estimates and assumptions in preparing consolidated financial statements in accordance with accounting principles generally accepted in the United States of America. Those estimates and assumptions affect the reported amounts of assets and liabilities and the reported support, revenues and expenses. Actual results could vary from the estimates that were used.

Basis of Presentation

The accompanying financial statements have been prepared on the accrual basis, and have been prepared with a focus on the entity as a whole. Net assets, support, revenues, gains, and losses are classified based on the existence or absence of donor restrictions. Accordingly, the net assets of the Organization are classified and reported as follows:

Net assets without donor restrictions: Net assets that are currently available for operating purposes under the direction of the board of directors (Board) or designated by the Board for specific use.

UNITED WAY OF BARTHOLOMEW COUNTY, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2023 AND 2022

Net assets with donor restrictions: Net assets subject to donor stipulations for specific operating purposes or time restrictions.

Cash and Restricted Cash

Restricted cash includes money held for the benefit of others and is also included as a liability on the Consolidated Statements of Financial Position.

The following table provides a reconciliation of cash and restricted cash reported within the Consolidated Statements of Financial Position that sum to the total of the same such amounts shown in the Consolidated Statements of Cash Flows:

	<u>2023</u>	<u>2022</u>
Cash	\$ 1,022,010	\$ 927,624
Restricted cash	<u>44,254</u>	<u>59,175</u>
Total cash and restricted cash	<u>\$ 1,066,264</u>	<u>\$ 986,799</u>

Accounts Receivable

Accounts receivable are carried at their estimated collectible amounts. These receivables relate to rent payments to be received from the tenants of the Center. Management estimates an allowance for credit losses based on an evaluation of historical losses, current economic conditions, and financial stability of its tenants. Management has determined that no allowance for accounts receivable is necessary at December 31, 2023 and 2022.

Pledges Receivable

Contributions are recognized when the donor makes a promise to give to the Organization that is, in substance, unconditional. Pledges and contributions received and committed for subsequent years from the annual fund drive held late in the calendar year are recorded as net assets with donor restrictions due to time restriction. These amounts are reflected as net assets released from restrictions during the program year for which the funds were designated.

The Organization uses the allowance method to determine the uncollectible, unconditional pledges receivable. The allowance is based on prior years' experience and management's analysis of specific promises made. Receivables are considered uncollectible if (1) over two years outstanding or (2) management has reasons to believe specified amounts will not be collected, usually based on confirmation from donors.

Assets Held by Heritage Fund of Bartholomew County, Inc.

The Organization has placed certain amounts in custodial funds with the Heritage Fund of

UNITED WAY OF BARTHOLOMEW COUNTY, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS DECEMBER 31, 2023 AND 2022

Bartholomew County, Inc. ("Heritage Fund") and retains a beneficial interest in those assets. The Organization has granted variance power to the Heritage Fund to carry out the purpose of the funds. The investment with the Heritage Fund is measured at fair value in the Consolidated Statements of Financial Position.

Investment income or loss, including realized and unrealized gains and losses on investments, interest, and dividends, is included in miscellaneous revenue in the Consolidated Statements of Activities. The funds are invested in fixed income and equity mutual funds. At December 31, 2023 and 2022, these assets were \$74,580 and \$67,857, respectively.

Property and Equipment

Property and equipment, including expenditures that substantially increase the useful lives of existing assets, are recorded at cost except for donations, which are recorded at fair value at the date of the donation. Costs of ordinary maintenance and repairs are expensed as incurred.

Property and equipment of the Organization are being depreciated over their estimated useful lives ranging from three to thirty-nine years using the straight-line method.

Assets Held for Others

The Organization administers the Individual Development Account (IDA) Program as developed by the Indiana Housing and Community Development Authority (IHCDA). IDAs are matched savings accounts that enable low to moderate-income individuals to save money and build financial assets for specified purposes. These accounts total \$21,426 and \$34,477 at December 31, 2023 and 2022, respectively, and are reported as restricted cash and assets held for others in the Consolidated Statements of Financial Position.

The Organization also serves as fiscal agent of funds for certain organizations. These amounts are reported as restricted cash and assets held for others in the Consolidated Statements of Financial Position and were \$22,828 and \$24,698 at December 31, 2023 and 2022, respectively.

Support, Revenues and Expense Recognition

Contributions are recognized as support in the period the promise is made.

Support and revenues are reported as increases in net assets without donor restrictions unless use of the related assets is limited by donor-imposed restrictions. Expenses are reported as decreases in net assets without donor restrictions. Gains and losses on investments and other assets or liabilities are reported as increases or decreases in net assets without donor restrictions unless their use is restricted by explicit donor stipulation or by law.

All other revenues are recorded when earned.

UNITED WAY OF BARTHOLOMEW COUNTY, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS DECEMBER 31, 2023 AND 2022

Contributed Nonfinancial Assets

Contributed nonfinancial assets recognized in the Consolidated Statement of Activity for the year ended December 31, 2023, include donated materials and labor for new carpet in the Doug Otto Center building. Donated building improvements are valued using estimated U.S. wholesale prices of identical or similar products and services using pricing data under a "like-kind" methodology considering the goods' condition and utility for use at the time of the contribution.

Functional Allocation of Expenses

The costs of providing the various programs and supporting services have been summarized on a functional basis in the Consolidated Statements of Activities and Consolidated Statements of Functional Expenses. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

The consolidated financial statements report expenses that are attributed to more than one program or supporting function. Those expenses include salaries, payroll taxes, employee benefits, insurance, and supplies. Therefore, expenses require allocation on a reasonable basis that is consistently applied. All expenses are allocated on the basis of estimates of time, effort, and usage. While the methods of allocation are considered appropriate, other methods could produce different results.

Income Taxes

The United Way and the Center are not-for-profit corporations as described in Section 501(c)(3) of the Internal Revenue Code and are exempt from federal taxes on related income pursuant to Section 501(a) of the Code. However, the Organization is subject to income tax on any unrelated business taxable income.

Accounting principles generally accepted in the United States of America require management to evaluate tax positions taken by the Organization and recognize a tax liability if the Organization has taken an uncertain position that more likely than not would not be sustained upon examination by various federal and state taxing authorities. Management has analyzed the tax positions taken by the Organization, and has concluded that as of December 31, 2023 and 2022, there are no uncertain positions taken or expected to be taken that would require recognition of a liability or disclosure in the accompanying consolidated financial statements. The Organization is subject to routine audits by taxing jurisdictions; however, there are currently no audits for any tax periods in progress.

As such, the Organization is generally exempt from income taxes. However, the Organization is required to file Federal Form 990 – Return of Organization Exempt from Income Tax which is an informational return only.

UNITED WAY OF BARTHOLOMEW COUNTY, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS DECEMBER 31, 2023 AND 2022

Subsequent Events

The Organization has evaluated events or transactions occurring subsequent to the Consolidated Statement of Financial Position date for recognition and disclosure in the accompanying consolidated financial statements through the date the consolidated financial statements are available to be issued, which is August 21, 2024.

2. PLEDGES RECEIVABLE, NET

An analysis of pledges receivable at December 31, 2023 and 2022 is as follows:

	<u>2023</u>	<u>2022</u>
2021 Campaign due during the year ended December 31, 2022	\$ -0-	\$ 341,840
2022 Campaign due during the year ended December 31, 2023	316,349	3,018,558
2023 Campaign due during the year ended December 31, 2024	<u>3,108,040</u>	<u>-0-</u>
Totals	3,424,389	3,360,398
Less allowance for uncollectible pledges	<u>440,304</u>	<u>511,587</u>
	<u>\$ 2,984,085</u>	<u>\$ 2,848,811</u>

The campaign conducted during the fall of 2022 with pledges due in 2023 is referred to as the 2022 campaign, and the campaign conducted during the fall of 2023 with pledges due in 2024 is referred to as the 2023 campaign.

3. ASSETS HELD BY HERITAGE FUND OF BARTHOLOMEW COUNTY, INC.

The Organization has assets held at the Heritage Fund as discussed in Note 1.

The framework for measuring fair value provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1) and the lowest priority to unobservable inputs (level 3).

UNITED WAY OF BARTHOLOMEW COUNTY, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS DECEMBER 31, 2023 AND 2022

The three levels of the fair value hierarchy are described as follows:

- Level 1 – Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Organization has the ability to access.
- Level 2 – Inputs to the valuation methodology include quoted market prices for similar assets or liabilities in active markets; quoted prices for identical or similar assets or liabilities in inactive markets; inputs other than quoted prices that are observable for the asset or liability; inputs that are derived principally from or corroborated by observable market data by correlation or other means. If the asset or liability has a specified (contractual) term, the level 2 input must be observable for substantially the full term of the asset or liability.
- Level 3 – Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The asset's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques maximize the use of relevant observable inputs and minimize the use of unobservable inputs.

Following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in the methodologies used at December 31, 2023 and 2022.

- *Assets held by Heritage Fund of Bartholomew County, Inc.:* Valued at fair value as reported by Heritage Fund, which represents the Organization's pro-rata interest in the Heritage Fund's investment pool, substantially all of which are valued on a mark-to-market basis.

The fair value of these assets are measured on a recurring basis using significant unobservable inputs (Level 3) and included in the Consolidated Statements of Financial Position at \$74,580 and \$67,857 at December 31, 2023 and 2022, respectively.

The following is a reconciliation of activity for 2023 and 2022 for assets measured at fair value based upon significant unobservable inputs (Level 3):

	2023	2022
Beginning balance	\$ 67,857	\$ 77,707
Investment return, net	7,333	(9,306)
Administrative fees	(610)	(544)
	<u>\$ 74,580</u>	<u>\$ 67,857</u>

UNITED WAY OF BARTHOLOMEW COUNTY, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS DECEMBER 31, 2023 AND 2022

4. PROPERTY AND EQUIPMENT

A summary of property and equipment at December 31, 2023 and 2022 is as follows:

	<u>2023</u>	<u>2022</u>
Land	\$ 70,331	\$ 70,331
Buildings	4,438,742	4,438,742
Building improvements	2,034,720	1,913,893
Office furniture and equipment	<u>302,445</u>	<u>297,965</u>
	6,846,238	6,720,931
Less accumulated depreciation	<u>(2,895,432)</u>	<u>(2,653,645)</u>
	<u>\$ 3,950,806</u>	<u>\$ 4,067,286</u>

5. DESIGNATIONS PAYABLE

Designations payable as of December 31, 2023 and 2022 were \$2,207,809 and \$2,200,507, respectively. These amounts consist of donor designations payable to multiple not-for-profit agencies both within and outside of Bartholomew County to assist them in their operations and cause. The total amount recorded as payable as of December 31, 2023 is expected to be paid in 2024 or 2025.

6. DEBT

Debt consists of the following at December 31, 2023 and 2022:

	<u>2023</u>	<u>2022</u>
Mortgage payable with Main Source Bank; monthly payments of \$6,412 including interest at 4.59% through August 2027; balloon payment of \$620,599 due September 1, 2027; secured by real estate with a net book value of \$2,911,402 at December 31, 2023 and assignment of rents	<u>\$ 780,207</u>	<u>\$ 819,834</u>

UNITED WAY OF BARTHOLOMEW COUNTY, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2023 AND 2022

Maturities of debt subsequent to December 31, 2023, are as follows:

<u>Year Ending December 31,</u>		
2024	\$	42,214
2025		44,193
2026		46,265
2027		<u>647,535</u>
	\$	<u><u>780,207</u></u>

7. NET ASSETS WITH DONOR RESTRICTIONS AND NET ASSETS RELEASED FROM DONOR RESTRICTIONS

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

	<u>2023</u>	<u>2022</u>
Time restrictions related to:		
Annual fund drive	\$ 1,632,850	\$ 1,548,577
Endowed fund	17,000	7,000
Designated purpose restriction related to:		
School supplies program	51,891	30,276
Community impact (UnitedIN22)	2,163	7,641
Poverty	162,000	-0-
PremiumLink	41,234	96,916
Other	<u>4,877</u>	<u>8,620</u>
	<u>\$ 1,912,015</u>	<u>\$ 1,699,030</u>

UNITED WAY OF BARTHOLOMEW COUNTY, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS DECEMBER 31, 2023 AND 2022

Net assets released from donor restrictions consist of the following during the years ended December 31, 2023 and 2022:

	<u>2023</u>	<u>2022</u>
Purpose restrictions related to:		
School supplies program	\$ 13,923	\$ 138,851
Community impact (UnitedIN20)	-0-	18,969
Community impact (UnitedIN22)	268,719	195,359
COVID Relief	-0-	234,401
Poverty	30,000	41,835
PremiumLink	55,682	41,504
Other	3,743	876
Time restrictions related to:		
Annual fund drive	<u>1,548,577</u>	<u>1,812,784</u>
	<u>\$ 1,920,644</u>	<u>\$ 2,484,579</u>

8. LEASES AS LESSOR

The Organization leases office space to agencies that occupy the main building. These lease terms vary depending on the size and nature of the leases and may include certain renewal options and payment escalation schedules as stated in each lease agreement.

The Organization elected the available practical expedients to account for its existing operating leases as operating leases under the new guidance, without reassessing (a) whether any expired or existing contracts contain a lease, (b) whether classification of capital leases or operating leases would be different in accordance with the new guidance, or (c) whether the unamortized initial direct costs, if any, before transition adjustments would have met the definition of initial direct costs in the new guidance at lease commencement. In addition, the Organization elected the hindsight practical expedient to determine the lease term for existing leases. The Organization also has made a policy election to not separate the lease and non-lease components related to lease agreements, where applicable.

Total rental income under these leases was \$614,814 and \$609,883 for the years ended December 31, 2023 and 2022, respectively, and is included with rent income on the consolidated statements of activities. The Organization leases substantially all of the main building to other organizations.

UNITED WAY OF BARTHOLOMEW COUNTY, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS DECEMBER 31, 2023 AND 2022

A summary of the related land, building and building improvements being leased at December 31, 2023 and 2022 is as follows:

	2023	2022
Gross value	\$ 5,949,289	\$ 5,828,462
Less accumulated depreciation	(2,529,474)	(2,334,994)
	\$ 3,419,815	\$ 3,493,468

Future minimal rent income through these leases is as follows:

Year Ending December 31,	
2024	\$ 555,112
2025	233,310
2026	80,799
2027	8,161
	\$ 877,382

9. LIQUIDITY

As a fundraising entity, the Organization receives significant contributions each year from donors, which are available to meet annual cash needs for general expenditures. Allocations to agencies are paid monthly over a 12-month period. During that same 12-month period, additional contributions are received from donors.

Financial assets available for general expenditures within one year of the Consolidated Statement of Financial Position date comprise the following:

	2023	2022
Cash	\$ 1,022,010	\$ 927,624
Accounts receivable	7,859	17,778
Pledges receivable, net	2,984,085	2,848,811
Other receivable	21,709	273,481
	4,035,663	4,067,694
Less restricted for specified purpose	(262,165)	(143,453)
Less restricted for specified purpose	(10,000)	-0-
Total financial assets available	\$ 3,763,498	\$ 3,924,241

UNITED WAY OF BARTHOLOMEW COUNTY, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS DECEMBER 31, 2023 AND 2022

The pledges receivable are subject to implied time restrictions but are expected to be collected within one year. None of the financial assets above are subject to donor or other contractual restrictions that make them unavailable.

The United Way has a reserve goal of \$350,000 to fund the Organization's funded programs. Funds may only be withdrawn from the reserve account by the authority of the full Board of Directors. The Center also maintains a reserve of at least \$50,000 for future expenditures. At December 31, 2023 and 2022, the aggregate reserve accounts included in the financial assets above are \$315,375 and \$333,223, respectively.

10. CONCENTRATIONS

The Organization is exposed to concentrations of credit risk for pledge amounts due to the vast majority of donors residing in Bartholomew County, Indiana. Although the Organization is directly affected by the well-being of the economy of Bartholomew County, management does not believe significant credit risk exists at December 31, 2023.

The Organization maintains its cash in bank deposit accounts insured by the Federal Deposit Insurance Corporation at its current coverage levels. The Organization has not experienced any losses in such accounts. The Organization believes it is not exposed to any significant credit risk on cash.

The Organization has one employer that accounted for approximately 87% and 90% of pledges receivable as of December 31, 2023 and 2022, respectively, and accounted for approximately 72% and 75% of total gross campaign results revenue during the years ended December 31, 2023 and 2022, respectively.

SUPPLEMENTARY INFORMATION

UNITED WAY OF BARTHOLOMEW COUNTY, INC.

CONSOLIDATED SCHEDULE OF ALLOCATIONS TO AGENCIES
YEARS ENDED DECEMBER 31, 2023 AND 2022

Agency	2023 Allocations	2022 Allocations
Aging and Community Services	\$ 9,609	\$ 11,100
Children, Inc.	158,417	183,000
Columbus Regional Shelter for Victims of Domestic Violence (Turning Point)	201,269	232,500
Community Center of Hope	56,268	65,000
Court Appointed Special Advocates (CASA)	110,806	128,000
Family Services	145,432	168,000
Family School Partners	40,686	47,000
Foundation for Youth	268,357	310,000
Human Services, Inc.	187,850	217,000
Just Friends	15,582	18,000
Lincoln Central Neighborhood Center	108,283	115,000
Mill Race Center, Inc. (Formerly Retirement Foundation)	50,209	58,000
Sans Souci	125,522	145,000
Su Casa	<u>76,179</u>	<u>88,000</u>
	<u>\$ 1,554,469</u>	<u>\$ 1,785,600</u>

See report of independent auditors on pages 1 through 3.

UNITED WAY OF BARTHOLOMEW COUNTY, INC.

CONSOLIDATING STATEMENT OF FINANCIAL POSITION DECEMBER 31, 2023

	United Way of Bartholomew County, Inc.	United Way Center of Bartholomew County, Inc.	Total	Eliminating Entries	Consolidated
Assets					
Cash	\$ 899,974	\$ 122,036	\$ 1,022,010	\$ -0-	\$ 1,022,010
Restricted cash	44,254	-0-	44,254	-0-	44,254
Accounts receivable	-0-	7,859	7,859	-0-	7,859
Pledges receivable, net	2,984,085	-0-	2,984,085	-0-	2,984,085
Due from related party	36,215	-0-	36,215	(36,215)	-0-
Other receivable	21,709	-0-	21,709	-0-	21,709
Other assets	13,160	9,746	22,906	-0-	22,906
Assets held by Heritage Fund of Bartholomew County, Inc.	74,580	-0-	74,580	-0-	74,580
Property and equipment, net	<u>14,869</u>	<u>3,935,937</u>	<u>3,950,806</u>	<u>-0-</u>	<u>3,950,806</u>
Total assets	<u>\$ 4,088,846</u>	<u>\$ 4,075,578</u>	<u>\$ 8,164,424</u>	<u>\$ (36,215)</u>	<u>\$ 8,128,209</u>
Liabilities					
Accounts payable and accrued expenses	\$ 13,142	\$ 4,818	\$ 17,960	\$ -0-	\$ 17,960
Assets held for others	44,254	-0-	44,254	-0-	44,254
Due to related party	-0-	36,215	36,215	(36,215)	-0-
Designations payable	2,207,809	-0-	2,207,809	-0-	2,207,809
Debt	<u>-0-</u>	<u>780,207</u>	<u>780,207</u>	<u>-0-</u>	<u>780,207</u>
Total liabilities	2,265,205	821,240	3,086,445	(36,215)	3,050,230
Net assets					
Without donor restrictions					
Operating	(348,386)	3,198,975	2,850,589	-0-	2,850,589
Operating reserve	<u>260,012</u>	<u>55,363</u>	<u>315,375</u>	<u>-0-</u>	<u>315,375</u>
	(88,374)	3,254,338	3,165,964	-0-	3,165,964
With donor restrictions					
Restricted for specified purposes	262,165	-0-	262,165	-0-	262,165
Restricted due to time restrictions	1,632,850	-0-	1,632,850	-0-	1,632,850
Endowment fund	<u>17,000</u>	<u>-0-</u>	<u>17,000</u>	<u>-0-</u>	<u>17,000</u>
	<u>1,912,015</u>	<u>-0-</u>	<u>1,912,015</u>	<u>-0-</u>	<u>1,912,015</u>
Total net assets	<u>1,823,641</u>	<u>3,254,338</u>	<u>5,077,979</u>	<u>-0-</u>	<u>5,077,979</u>
	<u>\$ 4,088,846</u>	<u>\$ 4,075,578</u>	<u>\$ 8,164,424</u>	<u>\$ (36,215)</u>	<u>\$ 8,128,209</u>

See report of independent auditors on pages 1 through 3.

UNITED WAY OF BARTHOLOMEW COUNTY, INC.

CONSOLIDATING STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2023

	Without Donor Restrictions			Total	With Donor Restrictions
	United Way of Bartholomew County, Inc.	United Way Center of Bartholomew County, Inc.	Eliminating Entries		United Way of Bartholomew County, Inc.
Support and revenues					
Gross campaign results	\$ 505,235	\$ -0-	\$ -0-	\$ 505,235	\$ 3,783,981
Less donor designations	(60,711)	-0-	-0-	(60,711)	(1,936,131)
Less provision for uncollectible accounts	225,167	-0-	-0-	225,167	(215,000)
Net campaign revenue	669,691	-0-	-0-	669,691	1,632,850
Grant and contribution revenue					
Cash and other financial assets	76,836	-0-	-0-	76,836	500,779
In-kind contributions	-0-	101,392	-0-	101,392	-0-
Interest income	7,995	306	-0-	8,301	-0-
Rent income	-0-	662,984	(48,170)	614,814	-0-
Miscellaneous	6,723	881	-0-	7,604	-0-
Net assets released from restrictions	1,920,644	-0-	-0-	1,920,644	(1,920,644)
Total support and revenues	2,681,889	765,563	(48,170)	3,399,282	212,985
Expenses					
Program services	2,325,737	838,288	(9,905)	3,154,120	-0-
Management and general	244,148	-0-	(38,265)	205,883	-0-
Fundraising	362,557	-0-	-0-	362,557	-0-
Total expenses	2,932,442	838,288	(48,170)	3,722,560	-0-
Change in net assets	(250,553)	(72,725)	-0-	(323,278)	212,985
Net assets, beginning of year	162,179	3,327,063	-0-	3,489,242	1,699,030
Net assets, end of year	\$ (88,374)	\$ 3,254,338	\$ -0-	\$ 3,165,964	\$ 1,912,015

See report of independent auditors on pages 1 through 3.