UNITED WAY OF MARATHON COUNTY, INC.

Financial Statements

For the Years Ended
December 31, 2023 and 2022

KerberRose

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UNITED WAY OF MARATHON COUNTY, INC.

Table of Contents

December 31, 2023 and 2022

KerberRose

Independent Auditors' Report

Board of Directors
United Way of Marathon County, Inc.
Wausau, Wisconsin

Opinion

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Organization as of December 31, 2023 and 2022, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditors' 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 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 the Organization's ability to continue as a going concern for one year after the date that the financial statements are available to be issued.

Auditors' 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 auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

To the Board of Directors
United Way of Marathon County, Inc.

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 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 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.

KerberRose SC

KerberRose S.C.
Certified Public Accountants
Green Bay, Wisconsin
June 13, 2024

FINANCIAL STATEMENTS

UNITED WAY OF MARATHON COUNTY, INC.

Statements of Financial Position

As of December 31, 2023 and 2022

	2023	2022
ASSETS		
Current Assets		
Cash	$ 701,314	$ 759,292
Accounts Receivable - Other	50,418	78,633
Unconditional Promises to Give - Current Year Campaign, Net	1,430,885	1,608,830
Prepaid Expenses	30,167	18,214
Total Current Assets	2,212,784	2,464,969
Property and Equipment		
Leasehold Improvements	37,521	37,521
Furniture and Equipment	272,186	246,661
Total Property and Equipment	309,707	284,182
Less: Accumulated Depreciation	236,248	252,496
Net Property and Equipment	73,459	31,686
Other Assets		
Certificates of Deposit	1,151,118	1,303,378
Restricted Cash	45,988	52,029
Unconditional Promises to Give - Prior Year Campaign, Net	291,560	237,480
Right of Use Asset	644,277	732,533
Investments Held by Community Foundation	794,804	681,531
Total Other Assets	2,927,747	3,006,951
TOTAL ASSETS	$ 5,213,990	$ 5,503,606
LIABILITIES AND NET ASSETS		
Current Liabilities		
Accounts Payable	$ 74,417	$ 139,014
Impact Grants and Designations Payable	1,715,502	1,763,748
Designations Payable to United Way	69,327	102,494
Accrued Liabilities	43,634	48,330
Unearned Revenue	-	2,421
Agency Liability	45,988	52,029
Current Portion of Lease Liability	87,371	83,814
Total Current Liabilities	2,036,239	2,191,850
Long-Term Lease Liability	583,200	670,571
Total Liabilities	2,619,439	2,862,421
NET ASSETS		
Without Donor Restrictions:		
Investment in Property and Equipment	73,459	31,686
Designated by the Governing Board	794,804	681,531
Undesignated	578,964	604,386
Total Without Donor Restrictions	1,447,227	1,317,603
With Donor Restrictions	1,147,324	1,323,582
Total Net Assets	2,594,551	2,641,185
TOTAL LIABILITIES AND NET ASSETS	$ 5,213,990	$ 5,503,606

UNITED WAY OF MARATHON COUNTY, INC.

Statement of Activities

For the Year Ended December 31, 2023

	Without Donor Restrictions	With Donor Restrictions	Total
OPERATING ACTIVITIES			
Public Support and Other Revenues			
Net Campaign	$ -	$ 2,510,188	$ 2,510,188
Miscellaneous Campaign	20,501	-	20,501
Grants	158,061	-	158,061
Contributions - Other	136,510	271,724	408,234
Contracted Services Revenue	125,101	-	125,101
Service Fees	25,995	-	25,995
Interest Income	31,597	-	31,597
Release of Restrictions	2,958,170	(2,958,170)	-
Total Public Support and Other Revenues	3,455,935	(176,258)	3,279,677
Expenses			
Program Services	2,719,817	-	2,719,817
Management and General	454,699	-	454,699
Fundraising	251,751	-	251,751
Total Expenses	3,426,267	-	3,426,267
CHANGE IN NET ASSETS FROM OPERATIONS	29,668	(176,258)	(146,590)
OTHER ITEM			
Change in Beneficial Interest in Assets Held by Foundation	99,956	-	99,956
CHANGE IN NET ASSETS	129,624	(176,258)	(46,634)
NET ASSETS - BEGINNING	1,317,603	1,323,582	2,641,185
NET ASSETS - ENDING	$ 1,447,227	$ 1,147,324	$ 2,594,551

UNITED WAY OF MARATHON COUNTY, INC.

Statement of Activities

For the Year Ended December 31, 2022

	Without Donor Restrictions	With Donor Restrictions	Total
OPERATING ACTIVITIES			
Public Support and Other Revenues			
Net Campaign	$ -	$ 2,552,904	$ 2,552,904
Miscellaneous Campaign	58,118	-	58,118
Grants	194,628	-	194,628
Contributions - Other	150,647	226,400	377,047
Contracted Services Revenue	125,188	-	125,188
Service Fees	30,323	-	30,323
Interest Income	10,925	-	10,925
Release of Restrictions	2,826,214	(2,826,214)	-
Total Public Support and Other Revenues	3,396,043	(46,910)	3,349,133
Expenses			
Program Services	2,835,260	-	2,835,260
Management and General	325,991	-	325,991
Fundraising	286,470	-	286,470
Total Expenses	3,447,721	-	3,447,721
CHANGE IN NET ASSETS FROM OPERATIONS	(51,678)	(46,910)	(98,588)
OTHER ITEM			
Change in Beneficial Interest in Assets Held by Foundation	(150,727)	-	(150,727)
CHANGE IN NET ASSETS	(202,405)	(46,910)	(249,315)
NET ASSETS - BEGINNING	1,520,008	1,370,492	2,890,500
NET ASSETS - ENDING	$ 1,317,603	$ 1,323,582	$ 2,641,185

UNITED WAY OF MARATHON COUNTY, INC.

Statement of Functional Expenses

For the Year Ended December 31, 2023

	Program Service									
	Impact Grants	Community Services	Community Impact	211	Volunteer Services	RSVP	Total Program Services	Management and General	Fundraising	Total
EXPENSES										
Salaries and Wages	$ -	$ -	$ 279,996	$ 162,394	$ 77,914	$ 31,007	$ 551,311	$ 204,801	$ 146,960	$ 903,072
Fringe Benefits	-	-	31,824	45,010	10,523	7,909	95,266	23,250	16,703	135,219
Payroll Taxes	-	-	20,745	10,517	5,656	2,172	39,090	15,156	10,888	65,134
Impact Grants to Agencies and Grantees	1,618,116	-	-	-	-	-	1,618,116	-	-	1,618,116
Campaign	-	26,189	8,451	-	775	-	35,415	6,175	4,436	46,026
Professional Fees	-	-	-	-	-	-	-	115,830	8,472	124,302
Supplies	-	97,913	6,917	111	10,392	-	115,333	7,026	5,048	127,407
Telephone and Communications	-	-	3,690	3,062	687	407	7,846	2,696	1,937	12,479
Postage and Shipping	-	188	3,356	98	51	299	3,992	2,452	1,761	8,205
Printing and Publications	-	12,179	11,218	4,830	906	155	29,288	8,196	5,888	43,372
Occupancy	-	25,468	11,355	4,368	1,241	612	43,044	2,617	1,880	47,541
Travel	-	545	274	-	276	120	1,215	198	144	1,557
Conferences, Conventions, and Meetings	-	14,670	16,368	-	-	197	31,235	11,959	8,591	51,785
Insurance	-	-	2,928	1,874	347	2,069	7,218	2,137	1,537	10,892
Maintenance	-	-	20,075	10,140	7,731	1,277	39,223	14,666	10,537	64,426
United Way of America and Wisconsin Dues	-	-	15,293	-	-	-	15,293	11,173	8,026	34,492
Miscellaneous	-	420	5,069	679	2,546	5,643	14,357	3,703	2,661	20,721
Depreciation	-	5,076	-	-	-	-	5,076	3,708	2,664	11,448
Lease Costs	-	22,904	25,947	13,093	3,718	1,837	67,499	18,956	13,618	100,073
TOTAL EXPENSES	$ 1,618,116	$ 205,552	$ 463,506	$ 256,176	$ 122,763	$ 53,704	$ 2,719,817	$ 454,699	$ 251,751	$ 3,426,267

See Accompanying Notes

UNITED WAY OF MARATHON COUNTY, INC.

Statement of Functional Expenses

For the Year Ended December 31, 2022

	Program Service									
	Impact Grants	Community Services	Community Impact	211	Volunteer Services	RSVP	Total Program Services	Management and General	Fundraising	Total
EXPENSES										
Salaries and Wages	$ -	$ -	$ 266,581	$ 148,539	$ 35,869	$ 49,356	$ 500,345	$ 174,201	$ 152,797	$ 827,343
Fringe Benefits	-	-	31,861	33,957	6,328	11,573	83,719	20,820	18,262	122,801
Payroll Taxes	-	-	19,758	10,210	2,666	3,505	36,139	12,911	11,325	60,375
Impact Grants to Agencies and Grantees	1,728,531	-	-	-	-	-	1,728,531	-	-	1,728,531
Campaign	-	9,553	35,972	28	-	472	46,025	23,506	20,618	90,149
Professional Fees	-	25,690	33,133	34,654	-	-	93,477	21,651	18,991	134,119
Supplies	-	98,976	7,154	327	9,639	1,147	117,243	4,675	4,100	126,018
Telephone and Communications	-	-	3,555	3,569	637	637	8,398	2,323	2,038	12,759
Postage and Shipping	-	245	4,642	41	102	565	5,595	3,034	2,661	11,290
Printing and Publications	-	1,851	795	3,937	-	666	7,249	520	456	8,225
Occupancy	-	10,748	13,177	6,394	1,365	1,414	33,098	8,611	7,553	49,262
Travel	-	407	261	-	46	371	1,085	170	149	1,404
Conferences, Conventions, and Meetings	-	14,630	6,532	-	-	376	21,538	4,268	3,744	29,550
Insurance	-	-	2,594	1,807	335	2,216	6,952	1,695	1,487	10,134
Maintenance	-	-	20,302	11,348	5,859	2,228	39,737	13,267	11,637	64,641
Information and Education	-	-	624	52	-	150	826	408	358	1,592
United Way of America and Wisconsin Dues	-	-	18,392	-	-	6,088	24,480	12,018	10,542	47,040
Miscellaneous	-	5,256	2,086	-	635	-	7,977	1,365	1,195	10,537
Depreciation	-	-	5,607	-	-	-	5,607	3,056	3,214	11,877
Lease Costs	-	21,834	26,769	12,990	2,774	2,872	67,239	17,492	15,343	100,074
TOTAL EXPENSES	$ 1,728,531	$ 189,190	$ 499,795	$ 267,853	$ 66,255	$ 83,636	$ 2,835,260	$ 325,991	$ 286,470	$ 3,447,721

UNITED WAY OF MARATHON COUNTY, INC.

Statements of Cash Flows

For the Years Ended December 31, 2023 and 2022

	2023	2022
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in Net Assets	$ (46,634)	$ (249,315)
Adjustments to Reconcile Change in Net Assets to Net Cash Flows From Operating Activities:		
Depreciation	11,448	11,877
Net Change in Beneficial Interest in Assets Held by Foundation	(99,956)	146,029
Reinvested Interest Income on Certificates of Deposit	(9,245)	(1,659)
Change in Operating Assets and Liabilities:		
Accounts Receivable - Other	28,215	50,412
Prepaid Expenses	(11,953)	(2,808)
Unconditional Promises to Give	123,865	(55,979)
Accounts Payable	(64,597)	108,835
Impact Grants and Designations Payable	(48,246)	163,748
Designations Payable to United Way	(33,167)	(65,050)
Accrued Liabilities	(4,696)	(6,509)
Unearned Revenue	(2,421)	(24,166)
Operating Lease Assets and Liabilities	4,441	21,852
Agency Liability	(6,041)	(2,243)
Total Adjustments	(112,353)	344,339
Net Cash Flows From Operating Activities	(158,987)	95,024
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of Property and Equipment	(53,221)	(6,926)
Purchase of Certificates of Deposit	(200,000)	(500,000)
Proceeds from Certificates of Deposit	348,189	-
Distribution from Investments Held by Community Foundation	-	34,100
Net Cash Flows From Investing Activities	94,968	(472,826)
NET CHANGE IN CASH	(64,019)	(377,802)
CASH - BEGINNING	811,321	1,189,123
CASH - ENDING	$ 747,302	$ 811,321
RECONCILIATION OF CASH PER STATEMENT OF FINANCIAL POSITION TO STATEMENT OF CASH FLOWS		
Cash	$ 701,314	$ 759,292
Restricted Cash	45,988	52,029
Cash Per Statement of Financial Position	$ 747,302	$ 811,321

Note 1 - Summary of Significant Accounting Policies

This summary of significant accounting policies of United Way of Marathon County, Inc. (Organization) is presented to assist in understanding the Organization's financial statements. The financial statements and notes are representations of the Organization's management who is responsible for the integrity and objectivity of the financial statements. These accounting policies conform to accounting principles generally accepted in the United States of America and have been consistently applied in the preparation of the financial statements.

Nature of Operations

The Organization is a non-profit Wisconsin corporation organized under Chapter 181 of the Wisconsin Statutes and is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code. The entity is also exempt from Wisconsin income taxes. The Organization is a community-based volunteer Organization whose purpose is to provide leadership to maximize Marathon County’s capacity to address the human care needs of its residents.

Basis of Accounting

The financial statements of the Organization have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America. Revenue is recognized when earned rather than received and expenses are recognized when incurred rather than when paid.

Cash

For purposes of reporting cash flows, cash is defined as cash on hand, amounts held in financial institutions and investments with a maturity of three months or less when purchased. The Organization maintains its bank accounts at one financial institution. Aggregate accounts at the institution are insured by the Federal Deposit Insurance Corporation (FDIC) up to $250,000. As of December 31, 2023, the Organization had uninsured cash of $726,029.

The Organization has restricted cash for the agency liability for the Workforce Volunteer Council in the amount of $45,988 and $52,029 at December 31, 2023 and 2022, respectively.

Receivables and Credit Policy

Contributions, grants, accounts receivable – other, and interest receivables are stated at the amount management expects to collect from outstanding balances. Management provides for probable uncollectible amounts through a charge to earnings and a credit to a valuation allowance based on a 10-year historical average adjusted by management estimates of current economic factors. Balances that are still outstanding after management has used reasonable collection efforts are written off through a charge to the valuation allowance and a credit to contributions receivable.

Property, Equipment and Depreciation

Purchased property and equipment are recorded at cost or fair market value if donated. Major expenditures for equipment and those which substantially increase useful lives are capitalized. Maintenance, repairs, and minor renewals are expensed when incurred. When assets are retired or otherwise disposed of, their costs and related accumulated depreciation are removed from the accounts and resulting gains or losses are included in income. Depreciation is computed on a straight-line method over the estimated useful lives of the assets, as detailed below:

Assets	Years
Leasehold Improvements	15
Furniture and Equipment	5

Property and equipment and expenditures for major renewals and betterments over $1,000 that extend the useful lives of the assets are capitalized.

Note 1 - Summary of Significant Accounting Policies (Continued)

Revenue and Revenue Recognition

Contributions, including promises to give, are considered conditional or unconditional, depending on the nature and existence of any donor or grantor conditions. A contribution or promise to give contains a donor or grantor condition when both of the following are present:

- A barrier that is more than trivial and must be overcome before the revenue can be earned and recognized.

- An implicit right of return of assets transferred or a right of release of a donor's or grantor's obligation to transfer assets promised, if the condition is not met.

Conditional contributions are recognized when the barriers to entitlement are overcome. Unconditional contributions are recognized as revenue when received.

Unconditional contributions or conditional contributions in which the conditions have been substantially met or explicitly waived by the donor are recorded as support with or without donor restrictions, depending on the existence and nature of any donor restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statements of activities as net assets released from restrictions.

Public Support and Impact Grants to Organizations

Annual campaigns are conducted each fall to raise support for the following year's impact grants to participating agencies and grantees. All campaign contributions are considered net assets with donor restrictions for use in the following year and are released from restriction in the current year to the extent of impact grants approved for the following year. Unconditional promises to give are recorded as receivables in the year pledged. Conditional promises to give are recognized only when the conditions on which they depend are substantially met. Promises to give whose eventual uses are restricted by the donors are recorded as increases in with donor restrictions. Unconditional promises to give to be collected in future periods are also recorded as an increase to with donor restrictions and reclassified to without donor restrictions when received, unless the donor's intention is to support current-period activities. Contribution income is recognized in the year that the unconditional promise is received. Impact grants payable to agencies and grantees are recorded in the financial statements at the time of approval by the Board of Directors, which is usually in the year of the campaign, by recording an expense and a liability in equal amounts. The Organization may approve multi-year allocations and consider future allocations beyond two years to be conditional based on the success of the campaign.

Contributed marketable securities, materials, equipment, and services requiring specific expertise are recorded as contributions at their estimated fair values at the date of the donation. There were no such items for the years ended December 31, 2023 and 2022.

In addition, many individuals volunteer their time and perform a variety of tasks that assist the Organization with specific assistance programs, campaign solicitations, and various committee assignments. No amounts have been reflected in the financial statements for these donated services since they do not meet the criteria for recognition

Note 1 - Summary of Significant Accounting Policies (Continued)

Financial Statements Presentation

The Organization presents its financial position and activities according to two classes of net assets:

> Net assets without donor restrictions: Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the organization. These net assets may be used at the discretion of United Way of Marathon County, Inc.'s management and the board of directors.
>
> Net assets with donor restrictions: Net assets subject to stipulations imposed by donors, and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of United Way of Marathon County, Inc. or by the passage of time. Other donor restrictions are perpetual in nature, whereby the donor has stipulated the funds be maintained in perpetuity. The Organization currently does not have any net assets with donor restrictions that are perpetual in nature.

Unemployment Compensation

The Organization has elected reimbursement financing under provisions of the Wisconsin unemployment compensation laws. The Organization maintains a $15,000 certificate of deposit in escrow to meet state funding requirements. The certificate of deposit expires May 29, 2024.

Income Taxes

The Organization is a charitable organization under Section 501(c)(3) of the Internal Revenue Code, and thus is exempt from income taxes. Gifts, grants and bequests are deductible by donors within limitations of the Internal Revenue Code. The Organization is subject to a tax on income from any unrelated activities. No unrelated activities were identified in the current year. The Organization continually evaluates its tax positions, changes in tax law and new authoritative rulings for potential implications to its tax status.

Leases

In February 2016, the Financial Accounting Standards Board (FASB) issued guidance (Accounting Standards Codification [ASC] 842, Leases) to increase transparency and comparability among organizations by requiring the recognition of right-of-use (ROU) assets and lease liabilities on the statement of financial position. Most prominent among the changes in the standard is the recognition of ROU assets and lease liabilities by lessees for those classified as operating leases. Under the standard, disclosures are required to meet the objective of enabling users of the financial statements to assess the amount, timing, and uncertainty of cash flows arising from leases.

The United Way of Marathon County, Inc. elected the available practical expedients to account for an existing operating lease as an operating lease under the new guidance without reassessing (a) whether the contracts contain leases under the new standard, (b) whether classification of operating lease would be different in accordance with the new guidance, or (c) whether the unamortized initial direct costs before transition adjustments would have met the definition of initial direct costs in the new guidance at lease commencement.

In addition, the United Way of Marathon County, Inc. elected the discount rate practical expedient that allows for the use of a risk-free rate as the discount rate for all leases by asset class. The United Way of Marathon County, Inc. also elected the practical expedient which allows for the United Way of Marathon County, Inc. to account for lease and non-lease components as a single lease.

Note 1 - Summary of Significant Accounting Policies (Continued)

Expense Allocation

Program expenses are charged in these functional expense areas based on time studies of actual time incurred for the following categories:

Community Impact - Service projects, agency communications, and Impact team process.

Management and general - All general office administration and procedures, including general purpose Board meetings and executive committee meetings.

Fundraising - Campaign and other fundraising activities.

Program expenses are charged directly to the following functions:

Community services - Community Coalitions, initiatives, programs, and projects housed within the Organization such as: Early Years, Emerging Leaders, Housing and Homeless Coalition, Hunger Coalition, LIFE, Partnership in Youth, Ready to Read, Retire United, and Women United.

211 - Telephone referral service of professional service providers and sources of funding.

Volunteer services - Volunteer Connection program.

RSVP - Volunteer program involving persons aged 55 or older.

Agency Fund

The Organization is holding funds for the Workplace Volunteer Council, which is not part of United Way of Marathon County, Inc. These funds do not belong to the Organization and are currently being held in a separate bank account. The funds will be provided to the Council upon request.

Use of Estimates

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

Measure of Operations

The statements of activities report all changes in net assets, including changes in net assets from operating activities and other changes. Operating activities consist of those items attributable to United Way of Marathon County, Inc.'s ongoing services and interest earned on investments. Other changes are limited to resources that generate return from investments and other activities considered to be of a more unusual or nonrecurring nature.

Reclassification

Certain prior year amounts have been reclassified to conform to the current year presentation with no impact on the change in net assets as previously reported.

Note 1 - Summary of Significant Accounting Policies (Continued)

Subsequent Events

The Organization has evaluated subsequent events through June 13, 2024, the date which the financial statements were available to be issued.

Recently Adopted Accounting Pronouncements

In June 2016, the Financial Accounting Standards Board (FASB) issued Accounting Standards Codification (ASC) 326, which significantly changed how entities will measure credit losses for most financial assets and certain other instruments that aren't measured at fair value through the change in net assets. The most significant change in this standard is a shift from the incurred loss model to the expected loss model. Under the standard, disclosures are required to provide users of the financial statements with useful information in analyzing an entity's exposure to credit risk and the measurement of credit losses. There are no such financial assets held by the Organization that are subject to the guidance in FASB ASC 326, thus the impact of the adoption was not considered material to the financial statements.

Note 2 - Availability and Liquidity

The following represents United Way of Marathon County, Inc.'s financial assets at December 31:

	2023	2022
Financial assets at year end:		
Cash	$ 701,314	$ 759,292
Certificates of Deposit	1,151,118	1,303,378
Investments	794,804	681,531
Accounts Receivable - Other	50,418	78,633
Unconditional Promises to Give	1,430,885	1,608,830
Total financial assets	4,128,539	4,431,664
Less amounts not available to be used within one year:		
Net assets with donor restrictions	1,147,324	1,323,582
Less net assets with purpose restrictions to be met in less than one year	(1,147,324)	(1,323,582)
	-	-
Financial assets available to meet general expenditures over the next twelve months	$ 4,128,539	$ 4,431,664

The Organization's goal is generally to maintain financial assets to meet 90 days of operating expenses. As part of its liquidity plan, excess cash is invested in certificates of deposits or investment accounts.

Note 3 - Fair Value Measurements

Financial Accounting Standards Board Codification of Accounting Pronouncements, *Fair Value Measurements,* establishes a framework for measuring fair value. That framework 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 measurements) and the lowest priority to unobservable inputs (level 3 measurements). The three levels of the fair value hierarchy are described below:

Level 1 – Quoted prices (unadjusted) for identical assets or liabilities in active markets that the Organization has the ability to access as of the measurement date.

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

Level 3 – Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

	Assets at Fair Value as of December 31, 2023			
	Level 1	Level 2	Level 3	Total
Beneficial interest in assets held by the Foundation	$ -	$ -	$ 794,804	$ 794,804

	Assets at Fair Value as of December 31, 2022			
	Level 1	Level 2	Level 3	Total
Beneficial interest in assets held by the Foundation	$ -	$ -	$ 681,531	$ 681,531

Note 4 - Beneficial Interest in Assets Held by Others

The United Way Endowment Fund

On August 29, 1991, the Organization entered into an agreement with the Community Foundation of North Central Wisconsin to establish an endowment fund. Pursuant to the terms of the agreement, the Organization contributed donor-restricted funds to the Foundation on August 30, 1991. The purpose of the fund is to further carry out the charitable purposes of the Organization and the Foundation. The fund is designated by the Foundation as “The United Way Endowment Fund.” The Foundation has powers necessary to carry out the purposes of the fund, including the powers to invest and reinvest monies.

The Organization’s Board of Directors may recommend and request distribution of all or part of the endowment; however, ultimate expenditures are the responsibility of the Foundation. Upon the Organization’s written request, the Foundation shall distribute the funds of the endowment fund.

The Foundation receives an annual fee from 1% to 1.5% of the average value of assets managed under $100,000, depending on the fund, and 1% of the average value of assets managed over $100,000, regardless of the fund.

The Organization has recorded an asset for the fair value of the funds transferred by the Organization to the Foundation to establish the endowment for the benefit of the Organization. The endowment fund’s contribution income from other donors, where variance power is not granted to the Foundation, is recognized by the Organization, including the fund’s earnings and expenses.

Note 4 - Beneficial Interest in Assets Held by Others (Continued)

The United Way Endowment Fund

An analysis of the activity of the endowment fund is as follows:

	2023	2022
Support and revenue:		
Contributions	$ 515	$ 1,546
Investment income	18,254	15,219
Net realized gain on investments	11,069	1,284
Net unrealized gain (loss) on investments	88,887	(158,598)
Contributions and net investment gain (loss)	118,725	(140,549)
Expenses:		
Administrative fee	5,452	5,480
Distributions to the Organization	-	34,100
	5,452	39,580
Change in Fund	113,273	(180,129)
Fund at January 1	681,531	861,660
Fund at December 31	$ 794,804	$ 681,531

United Way Leave a Legacy Fund

On January 1, 2001, a donor contributed to the Foundation assets in the amount of $500,000 intended to establish the United Way Leave a Legacy Fund (the “Fund”). The Fund is established for the purpose of providing lasting support of the Organization’s annual fund-raising campaign. The Foundation has been granted variance power by the donor, which includes all powers necessary to carry out the purposes of the Fund, including the powers to invest, reinvest, and expend monies. As a result, these assets are not reflected on the financial statements of the Organization.

The Organization’s Board of Directors, based on operating needs, may recommend and request distribution from the Fund; however, ultimate expenditures are the responsibility of the Foundation. Distributions from the Fund will not normally exceed the income for any fiscal period unless there are unusual circumstances that justify a distribution of principal.

The Foundation receives an annual fee of 1.5% of the average value of assets managed under $100,000 and 1% of the average of assets managed over $100,000.

Note 4 - Beneficial Interest in Assets Held by Others (Continued)

An analysis of the activity of the Fund maintained at the Foundation is as follows:

	2023	2022
Support and revenue:		
Investment income	$ 14,699	$ 11,884
Net realized gain on investments	8,913	1,040
Net unrealized gain (loss) on investments	71,584	(127,981)
Contributions and net investment gain (loss)	95,196	(115,057)
Expenses:		
Administrative fee	6,309	5,896
Distributions to the Organization	-	17,194
	6,309	23,090
Change in Fund	88,887	(138,147)
Fund at January 1	549,601	687,748
Fund at December 31	$ 638,488	$ 549,601

Note 5 - Unconditional Promises to Give

Unconditional promises to give consisted of the following at December 31, 2023 and 2022, respectively:

	Without Donor Restrictions	With Donor Restrictions	Total
2023 Campaign	$ 640,697	$ 910,188	$ 1,550,885
Less - Allowance for uncollectibles	120,000	-	120,000
Totals	$ 520,697	$ 910,188	$ 1,430,885
2022 Campaign	$ 411,560	$ -	$ 411,560
Less - Allowance for uncollectibles	120,000	-	120,000
Totals	$ 291,560	$ -	$ 291,560

	Without Donor Restrictions	With Donor Restrictions	Total
2022 Campaign	$ 775,926	$ 952,904	$ 1,728,830
Less - Allowance for uncollectibles	120,000	-	120,000
Totals	$ 655,926	$ 952,904	$ 1,608,830
2021 Campaign	$ 357,480	$ -	$ 357,480
Less - Allowance for uncollectibles	120,000	-	120,000
Totals	$ 237,480	$ -	$ 237,480

Note 6 - Net Assets with Donor Restrictions

Net assets with donor restrictions at December 31 are as follows:

	2023	2022
Campaign Pledges	$ 910,188	$ 952,904
Adopt a Classroom	10,892	10,892
Community Impact	-	9,629
Early Years	13,536	13,905
Emerging Leaders	27,424	32,213
Housing and Homelessness	-	23,470
Hunger Coalition	89,003	77,404
LIFE Project	34,105	39,289
Partnership for Youth	-	24,567
Ready to Read	-	60,106
Retire United	27,828	26,506
Women United	31,233	49,582
Workshops	3,115	3,115
Total	$ 1,147,324	$ 1,323,582

Net assets released from net assets with donor restrictions are as follows:

	2023	2022
PY Revenue used for CY Activities	$ 952,904	$ 992,434
CY Revenue Allocated to Agencies and Grantees	1,600,000	1,600,000
Adopt a Classroom	-	6,870
Community Impact	9,629	3,588
Early Years	369	3,840
Emerging Leaders	34,941	50,066
Housing and Homelessnes	23,470	-
Hunger Coalition	91,744	63,077
LIFE Project	5,184	-
Partnership for Youth	29,967	16,160
Ready to Read	60,106	15,316
Retire United	6,990	2,147
Women United	142,866	72,227
Workshops	-	489
Total	$ 2,958,170	$ 2,826,214

Note 7 - Net Campaign

Campaign support consisted of the following as of December 31:

	2023	2022
Current Year campaign	$ 2,642,316	$ 2,665,571
Less:		
Amounts raised on behalf of other organizations	3,434	2,744
Estimated uncollectible unconditional promises to give	114,451	88,806
Other Organizations Accounts designations to Pass Through	14,243	21,117
Net campaign support	$ 2,510,188	$ 2,552,904

Note 8 - Commitment

United Way of Marathon County, Inc. has an agreement with an IT services company for managed IT services. The services include backing up the Organization's data. The services were renewed on January 4, 2022 and are to be in effect for the next two years. The monthly fee is $3,500 with the total fee for two years being $84,000.

Note 9 - Retirement Plan

The Organization has a 403b Thrift Plan that covers substantially all of its employees. The Organization automatically contributes 2% of salary and up to an additional 2% match of an employee's contribution. The Organization's contribution to the retirement plan totaled $23,729 and $29,122 for the years ended December 31, 2023 and 2022, respectively.

Note 10 - Lease

Under the terms of a lease agreement for office space, total rental payments will start on October 1, 2019 and are to be paid monthly during the lease term ending September 30, 2030. Renegotiations of terms, lease extension, etc. shall be subject to agreement of both parties.

Additional information about United Way of Marathon County's lease for the years ended December 31, 2023 and 2022 are as follows:

Other Information:	2023	2022
Operating Cash Flows from Operating Leases	$ 100,074	$ 100,074
Right-of-Use Assets Obtained in Exchange for Operating Lease Obligation	$ -	$ 1,003,428
Remaining Lease Term	7.75 years	8.75 years
Risk-Free Discount Rate	1.65%	1.65%

Future minimum lease payments as of December 31, 2023 are:

2024	$ 97,780
2025	100,182
2026	103,438
2027	105,751
2028	108,122
Thereafter	194,859
Total Lease Payments	710,132
Less Present Value	(39,561)
Present Value of Lease Liability	$ 670,571

Note 11 – Prior Period Correction of an Error

During the fiscal year ended December 31, 2023, the Organization identified an additional $106,531 that should have been recorded in Instant Impact payable for the year ended December 31, 2022. This resulted in Instant Impact payable and expenses being understated. Accordingly, the Organization made a correction to increase the Instant Impact payable and expenses in 2022 resulting in a change in net assets of $106,531.