



**UNITED WAY OF ADDISON COUNTY, INC.**

**FINANCIAL STATEMENTS  
AND SUPPLEMENTARY INFORMATION**

**JUNE 30, 2023 AND 2022**

**JMM & ASSOCIATES  
CERTIFIED PUBLIC ACCOUNTANTS**

**UNITED WAY OF ADDISON COUNTY, INC.**

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VT License #92-0000171

## INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of  
United Way of Addison County, Inc.  
Middlebury, Vermont

### Opinion

We have audited the accompanying financial statements of United Way of Addison County, Inc. (a nonprofit organization) which comprise the statements of financial position as of June 30, 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 United Way of Addison County, Inc. as of June 30, 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 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 Addison 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.

### Emphasis of Matter

As discussed in Note 1 to the financial statements, the Organization has adopted the provisions of Accounting Standards Update No. 2016-02, *Leases*, (Topic 842). Our opinion is not modified with respect to this matter.

### Responsibilities of Management for the Financial Statements

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

## **Responsibilities of Management for the Financial Statements (continued)**

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 Addison County, Inc.'s ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

## **Auditor's Responsibilities for the Audit of the Financial Statements**

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

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of United Way of Addison County, Inc.'s internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about United Way of Addison County, Inc.'s ability to continue as a going concern for a reasonable period of time.

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

## Report on Supplementary Information

Our audits were conducted for the purpose of forming an opinion on the financial statements as a whole. The Schedule of Fiscal Agent Activity on page 29 is presented for purposes of additional analysis and is 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 stated fairly in all material aspects in relation to the financial statements as a whole.

*Jmm & Associates*

April 9, 2024

UNITED WAY OF ADDISON COUNTY, INC.

STATEMENTS OF FINANCIAL POSITION

JUNE 30, 2023 AND 2022

ASSETS

	<u>2023</u>	<u>2022</u>
<b>CURRENT ASSETS</b>		
Cash - operating	\$ 185,792	\$ 238,002
Cash - fiscal agent funds	38,200	25,642
Campaign pledges receivable, net of allowance	66,704	57,449
Grants receivable	92,321	35,939
Accounts receivable	191	224
Prepaid expenses	6,990	5,510
	<u>390,198</u>	<u>362,766</u>
<b>TOTAL CURRENT ASSETS</b>	<u>390,198</u>	<u>362,766</u>
<b>PROPERTY AND EQUIPMENT</b>		
Leasehold improvements	18,326	18,326
Office equipment and furniture	25,106	18,191
	<u>43,432</u>	<u>36,517</u>
Less accumulated depreciation	<u>(21,911)</u>	<u>(14,813)</u>
	<u>21,521</u>	<u>21,704</u>
<b>TOTAL PROPERTY AND EQUIPMENT</b>	<u>21,521</u>	<u>21,704</u>
<b>OTHER ASSETS</b>		
Investments	1,563,137	1,450,344
Beneficial interest in assets held by others	174,933	169,570
Beneficial interest - fiscal agent funds	53,350	49,094
Pledges receivable - other, net of discount	107,742	-
Right-of-use asset, net of accumulated amortization	300,713	-
	<u>2,199,875</u>	<u>1,669,008</u>
<b>TOTAL OTHER ASSETS</b>	<u>2,199,875</u>	<u>1,669,008</u>
<b>TOTAL ASSETS</b>	<u><u>\$ 2,611,594</u></u>	<u><u>\$ 2,053,478</u></u>

See accompanying notes.

## LIABILITIES AND NET ASSETS

	<b>2023</b>	<b>2022</b>
<b>CURRENT LIABILITIES</b>		
Accounts payable and accrued expenses	\$ 20,131	\$ 4,414
Accrued payroll and related costs	29,128	23,422
Deferred revenue	3,000	1,500
Designated donations payable	40,717	43,252
Current portion of lease liability	38,000	-
<b>TOTAL CURRENT LIABILITIES</b>	<b>130,976</b>	<b>72,588</b>
 <b>LONG-TERM LIABILITIES</b>		
Fiscal agent funds	91,550	74,736
Annuity payable	1,397	2,171
Lease liability, net of current portion	262,713	-
<b>TOTAL LONG-TERM LIABILITIES</b>	<b>355,660</b>	<b>76,907</b>
<b>TOTAL LIABILITIES</b>	<b>486,636</b>	<b>149,495</b>
 <b>NET ASSETS</b>		
Net assets without donor restrictions:		
Undesignated	(347,970)	(165,270)
Board-designated	1,111,817	855,829
Total net assets without donor restrictions	763,847	690,559
Net assets with donor restrictions:		
Restricted by time or purpose	778,462	776,430
Restricted in perpetuity	582,649	436,994
Total net assets with donor restrictions	1,361,111	1,213,424
<b>TOTAL NET ASSETS</b>	<b>2,124,958</b>	<b>1,903,983</b>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b>\$ 2,611,594</b>	<b>\$ 2,053,478</b>

See accompanying notes.

**UNITED WAY OF ADDISON COUNTY, INC.**

**STATEMENT OF ACTIVITIES - 2023**

**FOR THE YEAR ENDED JUNE 30, 2023  
(WITH COMPARATIVE TOTALS FOR 2022)**

	<b>Net Assets Without Donor Restrictions</b>	<b>Net Assets With Donor Restrictions</b>	<b>Total 2023</b>	<b>Total 2022</b>
<b>SUPPORT AND REVENUE</b>				
Gross campaign results - prior:	\$ -	\$ -	\$ -	\$ -
Released from restriction	624,266	(624,266)	-	-
	<u>624,266</u>	<u>(624,266)</u>	<u>-</u>	<u>-</u>
Gross campaign results - current:	-	730,251	730,251	828,907
Donor designations - partners and others	-	(46,548)	(46,548)	(154,395)
Amounts from other United Ways	-	(10,135)	(10,135)	(6,605)
Amounts raised from events	-	(12,318)	(12,318)	(9,040)
Provision for uncollectible pledges	-	(21,908)	(21,908)	(34,601)
	<u>-</u>	<u>639,342</u>	<u>639,342</u>	<u>624,266</u>
Net campaign results	624,266	15,076	639,342	624,266
Event revenue	13,418	-	13,418	9,990
Contributions designated UWAC	32,908	140,292	173,200	117,201
Grants	850,032	-	850,032	744,367
In-kind contributions	6,426	-	6,426	10,940
Recovery of prior year write-offs	20,220	-	20,220	14,283
Program revenue	9,368	-	9,368	12,077
Investment income (loss)	97,198	12,308	109,506	(116,389)
Change in beneficial interest	-	14,588	14,588	(26,690)
Other income	11,291	-	11,291	4,899
Subtotal - support and revenue	<u>1,665,127</u>	<u>182,264</u>	<u>1,847,391</u>	<u>1,394,944</u>
Net assets released from restrictions programs	34,577	(34,577)	-	-
	<u>1,699,704</u>	<u>147,687</u>	<u>1,847,391</u>	<u>1,394,944</u>
<b>EXPENSES</b>				
Program services:				
Funding & agency relations	323,037	-	323,037	18,889
Organizational development	375,008	-	375,008	375,790
Community leadership & initiatives	577,364	-	577,364	488,455
Volunteer programs	59,103	-	59,103	57,552
Total program services	<u>1,334,512</u>	<u>-</u>	<u>1,334,512</u>	<u>940,686</u>
Support services:				
General and administrative	159,950	-	159,950	147,140
Fundraising	131,954	-	131,954	123,848
Total support services	<u>291,904</u>	<u>-</u>	<u>291,904</u>	<u>270,988</u>
	<u>1,626,416</u>	<u>-</u>	<u>1,626,416</u>	<u>1,211,674</u>
<b>TOTAL CHANGE IN NET ASSETS</b>	73,288	147,687	220,975	183,270
<b>BEGINNING NET ASSETS</b>	690,559	1,213,424	1,903,983	1,720,713
<b>ENDING NET ASSETS</b>	<u>\$ 763,847</u>	<u>\$ 1,361,111</u>	<u>\$ 2,124,958</u>	<u>\$ 1,903,983</u>

See accompanying notes.



**UNITED WAY OF ADDISON COUNTY, INC.**

**STATEMENT OF ACTIVITIES - 2022**

**FOR THE YEAR ENDED JUNE 30, 2022**

	<b>Net Assets Without Donor Restrictions</b>	<b>Net Assets With Donor Restrictions</b>	<b>Total 2022</b>
<b>SUPPORT AND REVENUE</b>			
Gross campaign results - prior:	\$ -	\$ -	\$ -
Released from restriction	567,132	(567,132)	-
	<u>567,132</u>	<u>(567,132)</u>	<u>-</u>
Gross campaign results - current:	-	828,907	828,907
Donor designations - partners and others	-	(154,395)	(154,395)
Amounts from other United Ways	-	(6,605)	(6,605)
Amounts raised from events	-	(9,040)	(9,040)
Provision for uncollectible pledges	-	(34,601)	(34,601)
	<u>-</u>	<u>624,266</u>	<u>624,266</u>
Net campaign results	567,132	57,134	624,266
Event revenue	9,990	-	9,990
Contributions designated UWAC	17,401	99,800	117,201
Grants	744,367	-	744,367
In-kind contributions	10,940	-	10,940
Recovery of prior year write-offs	14,283	-	14,283
Program revenue	12,077	-	12,077
Investment (loss)	(90,436)	(25,953)	(116,389)
Change in beneficial interest	-	(26,690)	(26,690)
Other income	4,899	-	4,899
Subtotal - support and revenue	<u>1,290,653</u>	<u>104,291</u>	<u>1,394,944</u>
Net assets released from restrictions programs	34,311	(34,311)	-
	<u>1,324,964</u>	<u>69,980</u>	<u>1,394,944</u>
<b>TOTAL SUPPORT AND REVENUE</b>			
<b>EXPENSES</b>			
Program services:			
Funding & agency relations	18,889	-	18,889
Organizational development	375,790	-	375,790
Community leadership & initiatives	488,455	-	488,455
Volunteer programs	57,552	-	57,552
Total program services	<u>940,686</u>	<u>-</u>	<u>940,686</u>
Support services:			
General and administrative	147,140	-	147,140
Fundraising	123,848	-	123,848
Total support services	<u>270,988</u>	<u>-</u>	<u>270,988</u>
<b>TOTAL EXPENSES</b>	<u>1,211,674</u>	<u>-</u>	<u>1,211,674</u>
<b>TOTAL CHANGE IN NET ASSETS</b>	<u>\$ 113,290</u>	<u>\$ 69,980</u>	<u>\$ 183,270</u>
<b>BEGINNING NET ASSETS</b>	<u>577,269</u>	<u>1,143,444</u>	<u>1,720,713</u>
<b>ENDING NET ASSETS</b>	<u>\$ 690,559</u>	<u>\$ 1,213,424</u>	<u>\$ 1,903,983</u>

See accompanying notes.

**UNITED WAY OF ADDISON COUNTY, INC.**

**STATEMENT OF FUNCTIONAL EXPENSES - 2023**

**FOR THE YEAR ENDED JUNE 30, 2023  
(WITH COMPARATIVE TOTALS FOR 2022)**

	<b>Funding &amp; Agency Relations</b>	<b>Organizational Development</b>	<b>Community Leadership &amp; Initiatives</b>	<b>Volunteer Programs</b>	<b>Total Program Services</b>
Salaries and wages	\$ 12,907	\$ 140	\$ 192,974	\$ 28,071	\$ 234,092
Employee benefits	525	4	25,389	1,268	27,186
Payroll taxes	962	10	16,454	2,212	19,638
Subtotal - personnel	14,394	154	234,817	31,551	280,916
Community investment	303,063	374,698	120,085	3,000	800,846
Program supplies	-	-	71,131	124	71,255
Professional fees	611	20	44,710	4,464	49,805
Occupancy	2,225	76	23,352	9,031	34,684
Advertising and promotion	501	-	19,404	763	20,668
Travel	485	-	32,603	-	33,088
Information technology	370	13	5,224	4,163	9,770
Office expenses	270	9	6,933	1,472	8,684
Payments to affiliate	621	21	6,419	2,518	9,579
Conferences and training	-	-	7,513	-	7,513
Depreciation	286	10	2,987	1,159	4,442
Insurance	211	7	2,186	858	3,262
Bank fees	-	-	-	-	-
<b>TOTAL EXPENSES</b>	<b>\$ 323,037</b>	<b>\$ 375,008</b>	<b>\$ 577,364</b>	<b>\$ 59,103</b>	<b>\$ 1,334,512</b>

See accompanying notes.

	<b>General and Administrative</b>	<b>Fundraising</b>	<b>Total Support Expenses</b>	<b>Total 2023</b>	<b>Total 2022</b>
Salaries and wages	\$ 87,942	\$ 72,832	\$ 160,774	\$ 394,866	\$ 381,454
Employee benefits	42,420	3,085	45,505	72,691	88,433
Payroll taxes	4,090	5,544	9,634	29,272	27,987
Subtotal - personnel	134,452	81,461	215,913	496,829	497,874
Community investment	-	-	-	800,846	434,501
Program supplies	-	-	-	71,255	76,120
Professional fees	3,930	3,790	7,720	57,525	42,684
Occupancy	9,352	10,836	20,188	54,872	53,235
Advertising and promotion	2,109	15,809	17,918	38,586	29,185
Travel	-	4	4	33,092	6,758
Information technology	1,553	8,895	10,448	20,218	19,199
Office expenses	2,835	4,987	7,822	16,506	12,438
Payments to affiliate	2,608	3,022	5,630	15,209	20,134
Conferences and training	-	-	-	7,513	4,805
Depreciation	1,265	1,391	2,656	7,098	6,771
Insurance	889	1,029	1,918	5,180	5,882
Bank fees	957	730	1,687	1,687	2,088
<b>TOTAL EXPENSES</b>	<b>\$ 159,950</b>	<b>\$ 131,954</b>	<b>\$ 291,904</b>	<b>\$ 1,626,416</b>	<b>\$ 1,211,674</b>

See accompanying notes.

**UNITED WAY OF ADDISON COUNTY, INC.**

**STATEMENT OF FUNCTIONAL EXPENSES - 2022**

**FOR THE YEAR ENDED JUNE 30, 2022**

	<b>Funding &amp; Agency Relations</b>	<b>Organizational Development</b>	<b>Community Leadership &amp; Initiatives</b>	<b>Volunteer Programs</b>	<b>Total Program Services</b>
Salaries and wages	\$ 10,338	\$ 319	\$ 200,809	\$ 24,653	\$ 236,119
Employee benefits	334	10	24,859	811	26,014
Payroll taxes	747	23	16,413	1,793	18,976
 Subtotal - personnel	 11,419	 352	 242,081	 27,257	 281,109
Community investment	-	374,698	56,803	3,000	434,501
Program supplies	-	-	75,823	297	76,120
Occupancy	2,252	325	20,629	11,382	34,588
Professional fees	539	73	34,175	2,646	37,433
Advertising and promotion	-	49	24,564	825	25,438
Payments to affiliate	852	123	7,802	4,305	13,082
Information technology	391	45	5,795	4,191	10,422
Office expenses	2,912	18	4,504	1,001	8,435
Depreciation	275	39	2,601	1,390	4,305
Travel	-	32	6,644	-	6,676
Insurance	249	36	2,279	1,258	3,822
Conferences and training	-	-	4,755	-	4,755
Bank fees	-	-	-	-	-
 <b>TOTAL EXPENSES</b>	 <b>\$ 18,889</b>	 <b>\$ 375,790</b>	 <b>\$ 488,455</b>	 <b>\$ 57,552</b>	 <b>\$ 940,686</b>

See accompanying notes.

	<b>General and Administrative</b>	<b>Fundraising</b>	<b>Total Support Expenses</b>	<b>Total 2022</b>
Salaries and wages	\$ 64,923	\$ 80,412	\$ 145,335	\$ 381,454
Employee benefits	59,801	2,618	62,419	88,433
Payroll taxes	3,181	5,830	9,011	27,987
	<hr/>	<hr/>	<hr/>	<hr/>
Subtotal - personnel	127,905	88,860	216,765	497,874
Community investment	-	-	-	434,501
Program supplies	-	-	-	76,120
Occupancy	8,000	10,647	18,647	53,235
Professional fees	2,553	2,698	5,251	42,684
Advertising and promotion	85	3,662	3,747	29,185
Payments to affiliate	3,026	4,026	7,052	20,134
Information technology	1,468	7,309	8,777	19,199
Office expenses	1,153	2,850	4,003	12,438
Depreciation	1,166	1,300	2,466	6,771
Travel	-	82	82	6,758
Insurance	884	1,176	2,060	5,882
Conferences and training	-	50	50	4,805
Bank fees	900	1,188	2,088	2,088
	<hr/>	<hr/>	<hr/>	<hr/>
<b>TOTAL EXPENSES</b>	<b>\$ 147,140</b>	<b>\$ 123,848</b>	<b>\$ 270,988</b>	<b>\$ 1,211,674</b>

See accompanying notes.

**UNITED WAY OF ADDISON COUNTY, INC.**

**STATEMENTS OF CASH FLOWS**

**FOR THE YEARS ENDED JUNE 30, 2023 AND 2022**

	<b>2023</b>	<b>2022</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Cash received from grants	\$ 795,149	\$ 719,790
Cash received from contributions	710,912	813,655
Interest and dividends received	44,973	39,657
Other miscellaneous receipts	20,692	17,004
Cash paid for personnel	(491,123)	(496,909)
Cash paid for goods and services	(1,101,826)	(919,728)
	<b>(21,223)</b>	<b>173,469</b>
<b>NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</b>		
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Proceeds from sales of investments	531,149	353,571
Purchases of investments	(588,269)	(562,579)
Purchases of fixed assets	6,915	-
	<b>(50,205)</b>	<b>(209,008)</b>
<b>NET CASH USED BY INVESTING ACTIVITIES</b>		
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Endowment gifts received	32,550	4,800
Annuity paid	(774)	(730)
	<b>31,776</b>	<b>4,070</b>
<b>NET CASH PROVIDED BY FINANCING ACTIVITIES</b>		
<b>DECREASE IN CASH</b>	<b>(39,652)</b>	<b>(31,469)</b>
<b>BEGINNING CASH</b>	<b>263,644</b>	<b>295,113</b>
<b>ENDING CASH</b>	<b>\$ 223,992</b>	<b>\$ 263,644</b>
<b>REPORTED ON THE STATEMENTS OF FINANCIAL POSITION AS:</b>		
Cash - operating	\$ 185,792	\$ 238,002
Cash - fiscal agent funds	38,200	25,642
	<b>\$ 223,992</b>	<b>\$ 263,644</b>

See accompanying notes.

**UNITED WAY OF ADDISON COUNTY, INC.**

**NOTES TO FINANCIAL STATEMENTS**

**JUNE 30, 2023 AND 2022**

**1) SUMMARY OF OPERATIONS AND SIGNIFICANT ACCOUNTING POLICIES**

Operations

United Way of Addison County, Inc. (UWAC or the Organization) is a nonprofit organization serving Addison County. The Organization's support comes from local individuals and businesses with additional support from non-campaign grants and contributions. The Organization fulfills its mission "to be a leader and catalyst, mobilizing and supporting the caring power of individuals and organizations to improve lives and strengthen the community" through the following programs: Funding & Agency Relations, Organizational Development Assistance, Community Leadership & Initiatives, and Volunteer programs. The Organization focuses its efforts around three community impact areas: health, education and financial stability. In addition to granting funds directly to local health and human service organizations, the Organization also facilitates collaborative efforts and manages specific initiatives. Examples of Community Initiatives related to these impact areas include:

Health

Distribution of *Familywize* discount prescription cards which can help individuals and families save 30% or more on prescription costs.

Building on past facilitation of the 5-Town Drug and Safety Alliance, and years of collaboration with the Vermont Department of Health under the Regional Prevention Partnership Grant, the Organization is now engaging in additional substance and alcohol abuse prevention initiatives in cooperation with the Substance Abuse and Mental Health Services Administration (SAMHSA) and the Centers for Disease Control (CDC). In fiscal year 2023, the Organization received the fourth year funding for two, five-year federal awards under the Partners for Success (PFS) and Drug Free Communities (DFC) grants. These conditions will continue to bring together other nonprofits, businesses, individuals, medical providers, faith communities, and local law enforcement to inspire and implement innovative approaches to substance abuse prevention.

Education

Partnering with Addison County Readers to help facilitate early childhood literacy by the distribution of books to Addison County households with young children.

Financial Stability

Working with local employers to provide workplace financial literacy programs to low and moderate wage earners at the workplace to learn about and encourage budgeting skills, financial goal setting, increased savings, proper use of credit, and improving credit scores.

Partnering with United Way Worldwide to promote an online self-preparation option named *MyFreeTaxes* in an effort to provide a free tax filing option to Addison County residents, to build awareness and improve utilization of the Earned Income Tax Credit by working families, and to empower low and moderate income earners to learn how to prepare their own returns.

**UNITED WAY OF ADDISON COUNTY, INC.**

**NOTES TO FINANCIAL STATEMENTS**

**JUNE 30, 2023 AND 2022**

**1) SUMMARY OF OPERATIONS AND SIGNIFICANT ACCOUNTING POLICIES (continued)**

Basis of accounting

The financial statements of the United Way of Addison County, Inc. have been prepared on the accrual basis of accounting and, accordingly, reflect all significant receivables, payables and other liabilities.

Income taxes

United Way of Addison County, Inc. is a nonprofit organization as described in Section 501(c)(3) of the Internal Revenue Code, and is exempt from federal income taxes on income related to its exempt purpose as a public charity pursuant to Section 501(a) of the Code. The Organization believes that it has appropriate support for any tax positions taken and, as such, does not have any uncertain tax positions that are material to the financial statements.

Financial statement presentation

United Way of Addison County, Inc. reports information regarding its financial position and activities according to two classes of net assets: net assets without donor restrictions and net assets with donor restrictions. Support that is restricted by the donor is reported as an increase in net assets without donor restrictions if the restriction expires in the reporting period in which the support is recognized. All other donor-restricted support is reported as an increase in net assets with 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.

Leases and adoption of new accounting standard

Effective July 1, 2022, the Organization adopted the provisions of Accounting Standards Update (ASU) No. 2016-02, Leases (Topic 842), which replaces the prior guidance for leases found in FASB ASC 840. ASU 2016-02 requires lessees with operating leases to recognize a right-of-use asset and related lease liability for leases with terms of 12 months or more. The Organization chose the Transition Alternative method of adoption which does not require the standard to be applied retroactively to each prior reporting period presented. The restatement had no effect on the change in net assets for 2023 or 2022.

The Organization is a lessee in a noncancelable operating lease. If the contract provides the Organization the right to substantially all the economic benefits and the right to direct the use of the identified asset, it is considered to be a or contain a lease. Right-of-use (ROU) assets and lease liabilities are recognized at the lease commencement date based on the present value of the future lease payments over the expected lease term. ROU assets are also adjusted for any lease prepayments made, lease incentives received, and initial direct costs incurred.

Lease liabilities are initially and subsequently recognized based on the present value of their future lease payments. Variable payments are included in the future lease payments when those variable payments depend on an index or a rate. Increases (decreases) to variable lease payments due to subsequent changes in an index or rate are recorded as variable lease expense (income) in the future period in which they are incurred.



**UNITED WAY OF ADDISON COUNTY, INC.**

**NOTES TO FINANCIAL STATEMENTS**

**JUNE 30, 2023 AND 2022**

**1) SUMMARY OF OPERATIONS AND SIGNIFICANT ACCOUNTING POLICIES (continued)**

Leases and adoption of new accounting standard (continued)

ROU assets for operating leases are subsequently measured throughout the lease term at the amount of the remeasured lease liability (i.e., present value of the remaining lease payments), plus unamortized initial direct costs, plus (minus) any prepaid (accrued) lease payments, less the unamortized balance of lease incentives received, and any impairment recognized.

ROU assets for finance leases are amortized on a straight-line basis over the lease term. For operating leases with lease payments that fluctuate over the lease term, the total lease costs are recognized on a straight-line basis over the lease term.

The Organization has elected the short-term lease exemption for equipment leases with a term of 12 months or less for both existing and ongoing operating leases to not recognize the asset and liability for these leases. Lease payments for short-term leases are recognized on a straight-line basis.

The Organization has elected to use the practical expedient to not separate lease and non-lease components for all leases. The Organization has elected to use the risk-free-rate to determine the discount rate for all leases.

The Organization has established a capitalization threshold of \$20,000 for lease accounting.

The Organization has elected the option to separate right-of-use assets and liabilities for operating leases from right-of-use assets and lease liabilities for financing leases on the Statements of Financial Position.

Cash and cash equivalents

For purposes of the Statements of Cash Flows, the Organization considers all highly-liquid investments with an initial maturity of three months or less to be cash equivalents. Amounts on deposit in excess of the FDIC limit (\$250,000) were \$0 as of June 30, 2023 and 2022.

Estimates

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

Campaign pledges receivable

The Organization uses the allowance method to determine net pledges receivable. The allowance amount for pledges receivable is based on prior years' experience, management's analysis of specific promises to give and currently known economic conditions. The uncollectible rate is applied to the total campaign goal. The campaign and the related allowance for uncollectible pledges are closed two years after the close of the campaign, regardless of collection date.

**UNITED WAY OF ADDISON COUNTY, INC.**

**NOTES TO FINANCIAL STATEMENTS**

**JUNE 30, 2023 AND 2022**

**1) SUMMARY OF OPERATIONS AND SIGNIFICANT ACCOUNTING POLICIES (continued)**

Pledges receivable - other

Pledges receivable - other are stated at the amount management expects to collect from outstanding balances, less a discount to present value.

Grants receivable

Grants receivable represent amounts due from the grantor in less than one year. No allowance is deemed necessary.

Accounts receivable

Accounts receivable is comprised of amounts receivable from a fiscal agency. Receivables are stated at the amount management expects to collect from outstanding balances. Management has deemed these amounts to be fully collectible.

Investments and fair value measurements

Investments in marketable securities with readily determinable fair values and all investments in debt securities are reported at fair value in the Statements of Financial Position, and changes in fair value are reported as investment return in the Statements of Activities. Investment income and gains restricted by a donor are reported as increases in net assets without donor restrictions if the restrictions are met (either by passage of time or by use) in the reporting period in which the income and gains are recognized.

Fair value is defined as the price that would be received to sell an asset in the principal, or most advantageous, market for the asset in an orderly transaction between market participants on the measurement date. Fair value should be based on assumptions market participants would use when pricing an asset. Accounting principles in the United States of America establish a fair value hierarchy that prioritizes investments based on those assumptions. The fair value hierarchy gives the highest priority to quoted prices in active markets (observable inputs) and the lowest priority to an entity's assumptions (unobservable inputs). The three levels of the fair value hierarchy are described below:

Level 1 - inputs are unadjusted quoted prices for identical assets or liabilities in active markets.

Level 2 - inputs include quoted prices for similar assets or liabilities in active markets; identical or similar assets or liabilities in inactive markets; inputs other than quoted prices that are observable for the asset or liability; or inputs that are derived principally from or corroborated by observable market data by correlation or by other means.

Level 3 - inputs are unobservable and significant to the fair value measurement.

UNITED WAY OF ADDISON COUNTY, INC.

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2023 AND 2022

1) SUMMARY OF OPERATIONS AND SIGNIFICANT ACCOUNTING POLICIES (continued)

Reclassifications

Certain amounts in the prior year financial statements have been reclassified for comparative purposes to conform with the presentation in the current year financial statements. As shown in Note 7, the change in beneficial interest has been removed from the endowment fund to conform with generally accepted accounting standards.

Property and equipment

Property and equipment is stated at cost. The Organization capitalizes any item with an original value of \$1,000 or more and with a useful life greater than one year. Donations of property and equipment are recorded as support at their estimated market value. Such donations are reported as support without donor restrictions unless the donor has restricted the donated asset to a specific purpose. Assets donated with explicit restrictions regarding their use, and contributions of cash that must be used to acquire property and equipment, are reported as support with donor restrictions. Absent donor stipulations regarding how long those donated assets must be maintained, the Organization reports the expiration of donor restrictions when donated assets are placed into service as instructed by the donor, and reclassifies net assets with restrictions to net assets without donor restrictions at that time. Depreciation is computed using the straight-line method over the estimated useful lives.

Advertising and promotion

The Organization uses advertising to promote its programs among the audiences it serves. Costs of advertising are expensed as incurred. Amounts included in advertising included donated media of \$6,426 and \$8,315 for the years ended June 30, 2023 and 2022, respectively. Other advertising consisted of promotional supplies, food, catering, printing, and publications.

Contributed nonfinancial assets and adoption of new accounting standard

Effective July 1, 2022, the Organization adopted the provisions of Accounting Standards Update (ASU) No. 2020-07, *Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets* (Topic 958), which improves transparency of contributed nonfinancial assets for not-for-profit entities through enhancements to presentation and disclosure. The effects of the new standard have been applied retroactively to each prior reporting period presented. The restatement had no effect on the net assets as of July 1, 2021.

Contributed services

The Organization receives various types of in-kind support including professional services and unskilled labor. Contributed professional services are recognized at fair value if the services rendered (a) create or enhance long-lived assets or (b) require specialized skills, and would typically need to be purchased if not provided by donation. Donated services that met this criteria were \$6,426 and \$10,940 for the years ended June 30, 2023 and 2022, respectively. Fair value of the donated services was determined by market price for those services.

**UNITED WAY OF ADDISON COUNTY, INC.**

**NOTES TO FINANCIAL STATEMENTS**

**JUNE 30, 2023 AND 2022**

**1) SUMMARY OF OPERATIONS AND SIGNIFICANT ACCOUNTING POLICIES (continued)**

Revenue recognition

A portion of the Organization's revenue is derived from cost-reimbursable contracts and grants, which are conditioned upon certain performance requirements and/or the incurrence of allowable qualifying expenses. Amounts received are recognized as revenue when the Organization has incurred expenditures in compliance with the specific contract or grant provisions. Amounts received prior to incurring qualifying expenditures are reported as deferred revenue in the Statements of Financial Position.

Functional expenses

The costs of providing various programs and activities have been summarized on a functional basis in the Statements of Activities. The Statements of Functional Expenses present expenses by function and natural classification. Expenses directly attributable to a specific functional area are reported as expenses of those functional areas, while indirect costs that benefit multiple functional areas have been allocated among the various functional areas. Indirect salaries have been allocated to the various programs based on estimated time spent by each person. Other indirect costs are allocated based on the payroll allocation percentages.

**2) LIQUIDITY**

The Organization regularly monitors liquidity required to meet its operating needs and other contractual commitments, while also striving to maximize the investment of its available funds. The Organization has various sources of liquidity at its disposal, including cash and cash equivalents, receivables and marketable debt and equity securities.

For purposes of analyzing resources available to meet general expenditures over a 12-month period, United Way of Addison County, Inc. considers all expenditures related to its ongoing activities of community investment and community impact and volunteer mobilization, as well as the conduct of services undertaken to support those activities to be general expenditures.

In addition to financial assets available to meet general expenditures over the next 12 months, the Organization operates with a balanced budget and anticipates collecting sufficient revenue to cover general expenditures not covered by donor-restricted resources.

**UNITED WAY OF ADDISON COUNTY, INC.**

**NOTES TO FINANCIAL STATEMENTS**

**JUNE 30, 2023 AND 2022**

**2) LIQUIDITY (continued)**

As of June 30, the following tables show the total financial assets held by United Way of Addison County, Inc., and the amounts of those financial assets that could readily be made available within one year of the Statements of Financial Position dates to meet general expenditures:

	<u>2023</u>	<u>2022</u>
Financial assets at year-end:		
Cash - operating	\$ 185,792	\$ 238,002
Cash - fiscal agent funds	38,200	25,642
Campaign pledges receivable, net of allowance	66,704	-
Pledges receivable - other, net of discount	107,742	57,449
Grants receivable	92,321	35,939
Accounts receivable	191	224
Investments	1,563,137	1,450,344
Beneficial interest in assets held by others	174,933	169,570
Beneficial interest - fiscal agent funds	53,350	49,094
Total financial assets at year-end:	<u>2,282,370</u>	<u>2,026,264</u>
Less amounts not available to meet general expenditures:		
Fiscal agent funds	(91,551)	(74,736)
Net assets with donor restrictions	(1,361,111)	(1,213,424)
Board-designated net assets	<u>(1,111,817)</u>	<u>(855,829)</u>
Financial assets available to meet general expenditures over the next 12 months	<u>\$ (282,109)</u>	<u>\$ (117,725)</u>

**3) CAMPAIGN PLEDGES RECEIVABLE**

Campaign pledges receivable consisted of the following unconditional promises to give at June 30:

	<u>2023</u>	<u>2022</u>
Current campaign	\$ 81,870	\$ 84,655
Prior campaigns	6,742	7,395
	88,612	92,050
Less allowance for uncollectible pledges	<u>(21,908)</u>	<u>(34,601)</u>
	<u>\$ 66,704</u>	<u>\$ 57,449</u>

All campaign promises to give are due in less than one year.

**UNITED WAY OF ADDISON COUNTY, INC.**

**NOTES TO FINANCIAL STATEMENTS**

**JUNE 30, 2023 AND 2022**

**4) PLEDGES RECEIVABLE - OTHER**

Pledges receivable - other are comprised of a multi-year pledge for the Youth Scholarship Fund.

Pledges receivable consisted of the following at June 30:

	<u>2023</u>	<u>2022</u>
Receivable in less than one year	\$ 30,000	\$ -
Receivable in more than five years	170,000	-
	<u>200,000</u>	<u>-</u>
Less discount to present value	(62,000)	-
	<u>\$ 138,000</u>	<u>\$ -</u>

Pledges receivable - other have been discounted at 4%. Management believes the amount is fully collectible and no allowance is considered necessary.

**5) BENEFICIAL INTEREST IN ASSETS HELD BY OTHERS**

The Vermont Community Foundation (VCF) holds funds for the benefit of the Organization with fair values totaling \$174,933 and \$169,570 at June 30, 2023 and 2022, respectively. The Organization received distributions of \$9,225 and \$9,286 from VCF for the years ended June 30, 2023 and 2022, respectively.

VCF also holds funds for the benefit of Addison County Readers with fair values totaling \$53,350 and \$49,094 at June 30, 2023 and 2022, respectively. The Organization maintains this asset as fiscal agent for Addison County Readers.

The Board of Directors of Vermont Community Foundation shall have the power to modify any restriction or condition on the distribution of funds for any specified charitable purpose or to a specified organization if, in the sole judgment of the Board, such restriction or condition becomes, in effect, unnecessary, incapable of fulfillment, or inconsistent with the charitable needs of the community served.

**UNITED WAY OF ADDISON COUNTY, INC.**

**NOTES TO FINANCIAL STATEMENTS**

**JUNE 30, 2023 AND 2022**

**6) INVESTMENTS**

The Organization's investments include both funds with donor restrictions and without donor restrictions. All investments have readily determinable fair values, and are carried at fair value as determined by reference to quoted market prices and other relevant information generated by market transactions (Level 1 inputs).

An analysis of UWAC's investments is as follows:

	<u>Cost</u>	<u>Fair Value</u>	<u>Unrealized Appreciation (Depreciation)</u>
<b><u>June 30, 2023</u></b>			
Cash and equivalents	\$ 196,725	\$ 196,725	\$ -
Equity securities	688,543	839,185	150,642
Fixed income	402,444	375,354	(27,090)
Alternative investments	157,218	151,873	(5,345)
	<u>\$ 1,444,930</u>	<u>\$ 1,563,137</u>	<u>\$ 118,207</u>
<b><u>June 30, 2022</u></b>			
Cash and equivalents	\$ 349,385	\$ 349,385	\$ -
Equity securities	594,366	691,733	97,367
Fixed income	348,926	326,479	(22,447)
Alternative investments	85,434	82,747	(2,687)
	<u>\$ 1,378,111</u>	<u>\$ 1,450,344</u>	<u>\$ 72,233</u>

Investment return was as follows for the years ended June 30:

	<u>2023</u>	<u>2022</u>
Interest and dividends	\$ 44,972	\$ 39,656
Realized gain	28,335	59,442
Change in unrealized gain (loss)	45,974	(204,730)
Investment fees	(9,775)	(10,757)
	<u>\$ 109,506</u>	<u>\$ (116,389)</u>

**UNITED WAY OF ADDISON COUNTY, INC.**

**NOTES TO FINANCIAL STATEMENTS**

**JUNE 30, 2023 AND 2022**

**7) ENDOWMENT FUNDS**

FASB staff position

In August 2008, the Financial Accounting Standards Board issued FASB Staff Position "Endowments of Not-for-Profit Organizations Net Asset Classification of Funds Subject to an Enacted Version of the Uniform Prudent Management of Institutional Funds Act, and Enhanced Disclosures for All Endowment Funds." The Staff Position provides guidance on the net asset classification of donor-restricted endowment funds for a nonprofit organization that is subject to an enacted version of the Uniform Prudent Management of Institutional Funds Act of 2006 (UPMIFA). The Staff Position also requires additional disclosures about an organization's endowment funds (both donor-restricted endowment funds and board-designated endowment funds), whether or not the organization is subject to UPMIFA.

Interpretation of relevant law

The State of Vermont enacted UPMIFA effective May 5, 2009, the provisions of which apply to endowment funds existing or established after that date. The Organization adopted the FASB Staff Position for the year ended June 30, 2009. The Board of Directors determined that the Organization's net assets with donor restrictions meet the definition of endowment funds under UPMIFA.

The Board of Directors of the Organization has interpreted State of Vermont law as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary. As a result of this interpretation, the Organization classifies as net assets with donor restrictions in perpetuity (a) the original value of gifts donated to the permanent endowment, and (b) the original value of subsequent gifts to the permanent endowment. There are no explicit donor stipulations that govern the Organization's permanently restricted endowment funds. The Organization considers the duration and preservation of the fund, general economic conditions, the possible effect of inflation or deflation, the expected total return of the fund, the availability of other resources, and the general investment policies of the Organization when establishing the investment allocation of the fund.

Return objectives and risk parameters

The Organization adopted investment and spending policies for endowment assets that attempt to provide a predictable stream of funding to programs supported by its endowment while seeking to maintain the purchasing power of the endowment assets. Endowment assets include those assets of donor-restricted funds that the Organization must hold in perpetuity or for a donor-specified period, as well as Board-designated funds. Under this policy, as approved by the Board of Directors, the endowment assets are invested in a manner that is intended to produce sufficient earnings to meet the Organization's current and future operational needs.

Strategies employed for achieving objectives

To satisfy its long-term rate of return objectives, the Organization relies on a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends). The Organization targets a diversified asset allocation that places a greater emphasis on equity-based investments to achieve its long-term return objectives within prudent risk constraints.



**UNITED WAY OF ADDISON COUNTY, INC.**

**NOTES TO FINANCIAL STATEMENTS**

**JUNE 30, 2023 AND 2022**

**7) ENDOWMENT FUNDS (continued)**

Spending policy and how the investment objectives relate to spending policy

The spending policy for endowment funds is based on striking the balance between protection of donor designations, growth and meeting a portion of annual operating, program and capital needs of the Organization. An annual distribution is made based on a range of 3 - 6% of a trailing twelve-quarter average of the year-end balances.

Funds with deficiencies

From time to time, certain donor-restricted endowment funds may have fair values less than the amount required to be maintained by donors or by law (underwater endowments). The Organization complies with UPMIFA and has interpreted UPMIFA to permit spending from underwater endowment funds in accordance with prudent measures required under the law. There were no such deficiencies as of June 30, 2023 or 2022.

The fair values of the Organization's endowment net assets were as follows at:

	<b>Without Donor Restrictions</b>	<b>With Donor Restrictions</b>		
		<b>Un- appropriated Earnings</b>	<b>To be Held in Perpetuity</b>	<b>Total</b>
<b><u>June 30, 2023</u></b>				
Board-designated endowment funds	\$ 595,767	\$ -	\$ -	\$ 595,767
Donor-restricted endowment funds	-	85,834	407,716	493,550
	<u>\$ 595,767</u>	<u>\$ 85,834</u>	<u>\$ 407,716</u>	<u>\$ 1,089,317</u>
<b><u>June 30, 2022 - as restated</u></b>				
Board-designated endowment funds	\$ 527,046	\$ -	\$ -	\$ 527,046
Donor-restricted endowment funds	-	73,526	267,424	340,950
	<u>\$ 527,046</u>	<u>\$ 73,526</u>	<u>\$ 267,424</u>	<u>\$ 867,996</u>

**UNITED WAY OF ADDISON COUNTY, INC.**

**NOTES TO FINANCIAL STATEMENTS**

**JUNE 30, 2023 AND 2022**

**7) ENDOWMENT FUNDS (continued)**

Changes in endowment net assets were as follows for the years ended June 30, 2023 and 2022:

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>		
		<u>Un- appropriated Earnings</u>	<u>To be Held in Perpetuity</u>	<u>Total</u>
<b>Balance - July 1, 2021 as originally reported</b>	\$ 587,605	\$ 99,479	\$ 468,170	\$ 1,155,254
Beneficial interest in assets held by others	-	-	(205,546)	(205,546)
<b>Balance - July 1, 2021 as restated</b>	587,605	99,479	262,624	949,708
Additional contributions	-	-	4,800	4,800
Investment loss	(60,559)	(25,953)	-	(86,512)
Appropriated for operations	-	-	-	-
<b>Balance - June 30, 2022</b>	<u>\$ 527,046</u>	<u>\$ 73,526</u>	<u>\$ 267,424</u>	<u>\$ 867,996</u>
	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>		
		<u>Un- appropriated Earnings</u>	<u>To be Held in Perpetuity</u>	<u>Total</u>
<b>Balance - July 1, 2022</b>	\$ 527,046	\$ 73,526	\$ 267,424	\$ 867,996
Additional contributions	-	-	140,292	140,292
Investment income	68,721	22,262	-	90,983
Appropriated for operations	-	(9,954)	-	(9,954)
<b>Balance - June 30, 2023</b>	<u>\$ 595,767</u>	<u>\$ 85,834</u>	<u>\$ 407,716</u>	<u>\$ 1,089,317</u>

The change in endowment funds for July 1, 2021 have been restated to remove the beneficial interest in assets held by others from the endowment. The restatement had no effect on the change in net assets for the years ended June 30, 2023 or 2022.

**UNITED WAY OF ADDISON COUNTY, INC.**

**NOTES TO FINANCIAL STATEMENTS**

**JUNE 30, 2023 AND 2022**

**8) RIGHT-OF-USE ASSET AND LEASE LIABILITY**

United Way of Addison County, Inc. is a lessee in a long-term operating lease as follows:

In April 2020, the Organization entered into a five-year lease agreement for office space, commencing on April 1, 2020. The agreement requires monthly payments of \$4,139 for all five years. At the end of the lease term, the Organization has the option to renew for an additional five years, with rental expense increased by the cumulative Consumer Price Index increase over the entire initial term. The Organization is reasonably certain to exercise that renewal option. Rent expenses were \$49,662 for the years ended June 30, 2023 and 2022.

Right-of-use asset for the operating lease consisted of the following as of June 30:

	<b>2023</b>	<b>2022</b>
Cost	\$ 344,325	\$ -
Less accumulated amortization	(43,612)	-
	<b>\$ 300,713</b>	<b>\$ -</b>

Future minimum operating lease commitments are as follows for the years ending June 30:

2024	\$ 50,000
2025	50,000
2026	50,000
2027	50,000
2028	50,000
Thereafter	137,000
	387,000
Less discount to net present value	(86,287)
	300,713
Less current portion of lease liability	(38,000)
	<b>\$ 262,713</b>

The lease liability has been discounted using a discount rate of 2.90%.

**UNITED WAY OF ADDISON COUNTY, INC.**

**NOTES TO FINANCIAL STATEMENTS**

**JUNE 30, 2023 AND 2022**

**9) FISCAL AGENT FUNDS**

The Organization is acting as a fiscal agent for certain local projects. Balances consisted of the following at June 30:

	<u>2023</u>	<u>2022</u>
Addison County Readers	\$ 85,832	\$ 72,184
Addison County Foster Fund	<u>2,527</u>	<u>2,552</u>
	<u>\$ 88,359</u>	<u>\$ 74,736</u>

*Addison County Readers* - an early literacy program that makes age-appropriate books available to all children in Addison County aged 0 - 5 through the Dolly Parton Imagination Library program.

*Addison County Foster Fund* - a fund for summer camp and extracurricular activities for children and youth in the foster care system.

In fiscal year 2017, Addison County Readers moved some of their funds to a beneficial interest account with the Vermont Community Foundation.

**10) REVENUE FROM CONTRACTS WITH CUSTOMERS**

Revenues from contracts with customers are immaterial to the financial statements. United Way of Addison County, Inc. did not have any contract assets or liabilities as of the beginning or end of fiscal years 2023 or 2022.

**11) SPLIT-INTEREST AGREEMENT**

In 2003, United Way of Addison County, Inc. received a donation to establish a charitable gift annuity. Under the terms of the agreement, the beneficiary is to receive quarterly annuity payments of \$222 throughout the beneficiary's life.

**12) CHILD CARE CONSORTIUM**

United Way of Addison County, Inc. entered into a Memorandum of Understanding (MOU) on June 22, 2000 between Middlebury College and the Child Care Consortium (Bristol Family Center, Inc., Otter Creek Child Center, Inc. and Mary Johnson Children's Center), wherein the Organization will receive annual grants from Middlebury College, and distribute the funds in equal quarterly installments to the MOU Project Operator. For the period September 1, 2022 through August 31, 2023, the grant amount and distribution was \$374,698. For the period September 1, 2021 through August 31, 2022, the grant amount and distribution was \$374,698.

**UNITED WAY OF ADDISON COUNTY, INC.**

**NOTES TO FINANCIAL STATEMENTS**

**JUNE 30, 2023 AND 2022**

**13) NET ASSETS**

United Way of Addison County, Inc.'s net assets consisted of the following at June 30:

	<b>2023</b>	<b>2022</b>
<b>Net assets without donor restrictions:</b>		
Board-designated:		
Endowment fund	\$ 595,767	\$ 527,046
Special Operations fund	449,901	265,824
Building reserve	44,628	41,255
Net investment in property and equipment	21,521	21,704
Subtotal - board-designated	1,111,817	855,829
Undesignated	(347,970)	(165,270)
	\$ 763,847	\$ 690,559
 <b>Net assets with donor restrictions:</b>		
Restricted to time or purpose:		
Current year campaign	\$ 639,342	\$ 624,266
Housing Solutions	44,623	69,975
Funder's Collaborative	901	901
Charitable gift annuity	7,762	7,762
Unappropriated endowment earnings	85,834	73,526
Subtotal - restricted to time or purpose	778,462	776,430
Restricted in perpetuity:		
Donor-restricted endowment	407,716	267,424
Beneficial interest in assets held by others	174,933	169,570
Subtotal - restricted in perpetuity	582,649	436,994
	\$ 1,361,111	\$ 1,213,424

**14) EMPLOYEE BENEFIT PLAN**

United Way of Addison County, Inc. sponsors a SIMPLE retirement plan under which the Organization matches each eligible employee's contributions up to 3% of the employee's salary. Total employer contributions were \$11,341 and \$11,436 for the years ended June 30, 2023 and 2022, respectively.

**15) SUBSEQUENT EVENTS**

United Way of Addison County, Inc. has evaluated events and transactions for potential recognition or disclosure through April 9, 2024, the date the financial statements were available to be issued.

**SUPPLEMENTARY INFORMATION**

**UNITED WAY OF ADDISON COUNTY, INC.**

**SCHEDULE OF FISCAL AGENT ACTIVITY**

**FOR THE YEAR ENDED JUNE 30, 2023  
(WITH COMPARATIVE TOTALS FOR 2022)**

	<u>Addison County Readers</u>	<u>Addison County Foster Fund</u>	<u>Total 2023</u>	<u>Total 2022</u>
<b>SUPPORT AND REVENUE</b>				
Contributions	\$ 9,912	\$ 2,548	\$ 12,460	\$ 11,625
Events	1,733	-	1,733	2,303
Grants	25,600	-	25,600	22,099
In-kind donations	1,500	-	1,500	1,500
Miscellaneous income	-	10	10	-
Investment gain (loss)	4,257	-	4,257	(7,847)
	<hr/>	<hr/>	<hr/>	<hr/>
<b>TOTAL SUPPORT AND REVENUE</b>	43,002	2,558	45,560	29,680
	<hr/>	<hr/>	<hr/>	<hr/>
<b>EXPENSES</b>				
Program supplies	24,596	115	24,711	27,078
Community investment	-	2,273	2,273	2,717
Professional fees	2,000	191	2,191	2,224
Web subscription services	25	-	25	337
Office expenses	826	-	826	212
Advertising	375	-	375	-
Bank charges	24	4	28	60
	<hr/>	<hr/>	<hr/>	<hr/>
<b>TOTAL EXPENSES</b>	27,846	2,583	30,429	32,628
	<hr/>	<hr/>	<hr/>	<hr/>
<b>NET INCOME (LOSS)</b>	<u>\$ 15,156</u>	<u>\$ (25)</u>	<u>\$ 15,131</u>	<u>\$ (2,948)</u>

See accompanying notes.