

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

**FINANCIAL STATEMENTS**

June 30, 2023 and 2022

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## INDEPENDENT AUDITOR'S REPORT

To the Board of Directors  
United Way of Kenosha County, Inc.  
Kenosha, Wisconsin

### ***Opinion***

We have audited the financial statements of United Way of Kenosha County, Inc., 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 accompanying financial statements present fairly, in all material respects, the financial position of United Way of Kenosha 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 audits in accordance with auditing standards generally accepted in the United States of America (GAAS). 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 Kenosha County, Inc. and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### ***Adoption of New Accounting Guidance***

As discussed in Note 1 to the financial statements, United Way of Kenosha County, Inc. adopted the Financial Accounting Standards Board's Accounting Standards Update (ASU) No. 2016-02, *Leases (Topic 842)*, and all subsequently issued clarifying ASUs as of July 1, 2022. 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 the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about United Way of Kenosha 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 GAAS 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.

In performing an audit in accordance with GAAS, 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 Kenosha 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 Kenosha 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.



Wegner CPAs, LLP  
Waukesha, Wisconsin  
September 12, 2023

**UNITED WAY OF KENOSHA COUNTY, INC.**  
**STATEMENTS OF FINANCIAL POSITION**  
June 30, 2023 and 2022

	2023	2022
<b>ASSETS</b>		
<b>CURRENT ASSETS</b>		
Cash	\$ 380,274	\$ 320,493
Certificates of deposit	500,000	1,800,000
Unconditional promises to give, net	164,659	254,812
Accounts receivable	118,363	44,873
Prepaid expenses	5,022	18,466
Total current assets	1,168,318	2,438,644
<b>OTHER ASSETS</b>		
Office equipment	36,240	34,991
Accumulated depreciation	(29,476)	(28,124)
Operating lease right-of-use asset	130,235	-
Financing lease right-of-use assets	15,211	-
Total other assets	152,210	6,867
<b>Total assets</b>	<b>\$ 1,320,528</b>	<b>\$ 2,445,511</b>
<b>LIABILITIES AND NET ASSETS</b>		
<b>CURRENT LIABILITIES</b>		
Accounts payable	\$ 3,451	\$ 51,537
Donor designations payable	9,376	12,496
Accrued payroll	34,177	25,309
Advance	-	18,000
Current portion of operating lease liability	31,309	-
Current portion of financing lease liabilities	3,209	-
Total current liabilities	81,522	107,342
<b>LONG-TERM LIABILITIES</b>		
Operating lease liability less current portion	96,635	-
Financing lease liabilities less current portion	12,160	-
Total long-term liabilities	108,795	-
Total liabilities	190,317	107,342
<b>NET ASSETS</b>		
Without donor restrictions	496,206	524,943
With donor restrictions	634,005	1,813,226
Total net assets	1,130,211	2,338,169
<b>Total liabilities and net assets</b>	<b>\$ 1,320,528</b>	<b>\$ 2,445,511</b>

See accompanying notes.

**UNITED WAY OF KENOSHA COUNTY, INC.**  
**STATEMENT OF ACTIVITIES**  
Year Ended June 30, 2023

	Without Donor Restrictions	With Donor Restrictions	Total
<b>SUPPORT AND OTHER REVENUE</b>			
Gross campaign results for the current year	\$ -	\$ 404,748	\$ 404,748
Less donor designations	-	(18,707)	(18,707)
Less provision for uncollectible promises	-	(21,700)	(21,700)
Net campaign revenue for the current year	-	364,341	364,341
Gross campaign results for the subsequent year	-	35,618	35,618
Less provision for uncollectible promises	-	(300)	(300)
Net campaign revenue for the subsequent year	-	35,318	35,318
Contributions	23,718	78,967	102,685
In-kind contributions	27,366	-	27,366
Building Our Future contributions	-	4,263	4,263
Community event sponsorships	15,600	20,900	36,500
Building Our Future program service fees	193,979	-	193,979
Administrative fees	5,000	-	5,000
Service fees	3,128	-	3,128
Insurance proceeds	7,254	-	7,254
Interest	6,946	-	6,946
Other	10,658	-	10,658
Total support and other revenue	293,649	503,789	797,438
<b>EXPENSES</b>			
Program services			
Community Impact	348,004	-	348,004
Community Services	42,990	-	42,990
Building Our Future	1,334,193	-	1,334,193
Total program services	1,725,187	-	1,725,187
Supporting activities			
Management and General	210,859	-	210,859
Fundraising	69,350	-	69,350
Total expenses	2,005,396	-	2,005,396
<b>NET ASSETS RELEASED FROM RESTRICTIONS</b>			
Satisfaction of purpose restrictions	1,255,581	(1,255,581)	-
Expiration of time restrictions	427,429	(427,429)	-
<b>Change in net assets</b>	(28,737)	(1,179,221)	(1,207,958)
Net assets at beginning of year	524,943	1,813,226	2,338,169
<b>Net assets at end of year</b>	<u>\$ 496,206</u>	<u>\$ 634,005</u>	<u>\$ 1,130,211</u>

See accompanying notes.

**UNITED WAY OF KENOSHA COUNTY, INC.**  
**STATEMENT OF ACTIVITIES**  
Year Ended June 30, 2022

	Without Donor Restrictions	With Donor Restrictions	Total
<b>SUPPORT AND OTHER REVENUE</b>			
Gross campaign results for the current year	\$ -	\$ 469,536	\$ 469,536
Less donor designations	-	(23,543)	(23,543)
Less provision for uncollectible promises	-	(26,300)	(26,300)
Net campaign revenue for the current year	-	419,693	419,693
Gross campaign results for the subsequent year	-	5,182	5,182
Less provision for uncollectible promises	-	(300)	(300)
Net campaign revenue for the subsequent year	-	4,882	4,882
Contributions	96,145	79,114	175,259
In-kind contributions	23,204	-	23,204
Building Our Future contributions	-	572,275	572,275
Community event sponsorships	1,190	7,278	8,468
Service fees	3,512	-	3,512
Insurance proceeds	41,830	-	41,830
Interest	2,223	-	2,223
Other	9,225	-	9,225
Total support and other revenue	177,329	1,083,242	1,260,571
<b>EXPENSES</b>			
Program services			
Community Impact	374,330	-	374,330
Community Services	34,656	-	34,656
Building Our Future	455,464	-	455,464
Total program services	864,450	-	864,450
Supporting activities			
Management and General	241,786	-	241,786
Fundraising	41,772	-	41,772
Total expenses	1,148,008	-	1,148,008
<b>NET ASSETS RELEASED FROM RESTRICTIONS</b>			
Satisfaction of purpose restrictions	567,039	(567,039)	-
Expiration of time restrictions	462,994	(462,994)	-
<b>Change in net assets</b>	59,354	53,209	112,563
Net assets at beginning of year	465,589	1,760,017	2,225,606
<b>Net assets at end of year</b>	<u>\$ 524,943</u>	<u>\$ 1,813,226</u>	<u>\$ 2,338,169</u>

See accompanying notes.

**UNITED WAY OF KENOSHA COUNTY, INC.**  
**STATEMENT OF FUNCTIONAL EXPENSES**  
Year Ended June 30, 2023

	Program Services			Supporting Activities		Total Expenses
	Community Impact	Community Services	Building Our Future	Management and General	Fundraising	
Grants	\$ 157,717	\$ 5,000	\$ 942,097	\$ -	\$ -	\$ 1,104,814
Personnel	77,872	23,609	314,267	147,631	52,344	615,723
Professional fees	57,623	293	1,340	26,714	650	86,620
Office supplies	11,892	40	-	422	264	12,618
Telephone	1,503	340	791	2,128	755	5,517
Information technology	11,344	904	1,955	11,593	5,736	31,532
Printing and postage	411	124	524	725	495	2,279
Occupancy	14,919	1,758	12,635	10,995	3,898	44,205
Equipment rental	261	79	570	496	175	1,581
Advertising and promotion	5,591	1,598	699	387	1,320	9,595
Dues and subscriptions	2,036	767	4,437	3,861	1,519	12,620
Travel	2,248	126	1,325	789	280	4,768
Conferences and meetings	771	1,667	2,836	1,000	466	6,740
Insurance	1,940	164	1,178	1,025	364	4,671
Community events	-	6,250	48,348	-	-	54,598
Interest	48	15	104	91	32	290
Depreciation and amortization	633	192	618	1,199	426	3,068
Miscellaneous	1,195	64	469	1,803	626	4,157
Total expenses	<u>\$ 348,004</u>	<u>\$ 42,990</u>	<u>\$ 1,334,193</u>	<u>\$ 210,859</u>	<u>\$ 69,350</u>	<u>\$ 2,005,396</u>

See accompanying notes.



**UNITED WAY OF KENOSHA COUNTY, INC.**  
**STATEMENT OF FUNCTIONAL EXPENSES**  
Year Ended June 30, 2022

	Program Services			Supporting Activities		
	Community Impact	Community Services	Building Our Future	Management and General	Fundraising	Total Expenses
Grants	\$ 195,518	\$ 5,000	\$ -	\$ -	\$ -	\$ 200,518
Personnel	81,548	16,043	345,379	130,558	32,264	605,792
Professional fees	51,140	-	7,668	35,915	-	94,723
Office supplies	4,334	10	208	599	57	5,208
Telephone	1,560	227	1,272	1,842	456	5,357
Information technology	12,545	2,721	6,514	49,962	4,478	76,220
Printing and postage	698	58	1,279	587	347	2,969
Occupancy	13,617	790	19,513	6,413	1,587	41,920
Equipment rental	456	91	2,225	731	181	3,684
Advertising and promotion	7,316	1,093	2,090	145	538	11,182
Dues and subscriptions	2,131	571	10,465	3,420	1,071	17,658
Travel	1,125	29	2,088	232	58	3,532
Conferences and meetings	617	849	3,383	323	80	5,252
Insurance	386	76	1,885	620	153	3,120
Community events	-	7,092	49,471	-	-	56,563
Depreciation	123	-	-	-	-	123
Miscellaneous	1,216	6	2,024	10,439	502	14,187
Total expenses	<u>\$ 374,330</u>	<u>\$ 34,656</u>	<u>\$ 455,464</u>	<u>\$ 241,786</u>	<u>\$ 41,772</u>	<u>\$ 1,148,008</u>

See accompanying notes.

**UNITED WAY OF KENOSHA COUNTY, INC.**  
**STATEMENTS OF CASH FLOWS**  
Years Ended June 30, 2023 and 2022

	2023	2022
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Change in net assets	\$ (1,207,958)	\$ 112,563
Adjustments to reconcile change in net assets to net cash flows from operating activities		
Depreciation and amortization	3,068	123
Provision for uncollectible promises	22,300	26,600
Amortization of operating lease right-of-use asset	31,006	-
(Increase) decrease in assets		
Unconditional promises to give	67,853	(116,581)
Interest receivable	-	17
Accounts receivable	(73,490)	(44,873)
Prepaid expenses	10,569	(695)
Increase (decrease) in liabilities		
Accounts payable	(48,086)	17,081
Donor designations payable	(3,120)	2,526
Accrued payroll	8,868	2,343
Advance	(18,000)	17,860
Operating lease liability	(30,422)	-
<b>Net cash flows from operating activities</b>	(1,237,412)	16,964
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchases of certificates of deposit	(500,000)	(1,800,000)
Redemptions of certificates of deposit	1,800,000	298,166
Interest retained in certificates of deposit	-	(107)
Purchases of office equipment	(1,250)	(6,867)
<b>Net cash flows from investing activities</b>	1,298,750	(1,508,808)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Principal payments on finance lease liabilities	(1,557)	-
<b>Change in cash</b>	59,781	(1,491,844)
<b>Cash at beginning of year</b>	320,493	1,812,337
<b>Cash at end of year</b>	<u>\$ 380,274</u>	<u>\$ 320,493</u>
<b>SUPPLEMENTAL DISCLOSURES</b>		
Cash paid for interest	\$ 290	\$ -

See accompanying notes.

**UNITED WAY OF KENOSHA COUNTY, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
June 30, 2023 and 2022

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**NOTE 1—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Nature of Activities**

United Way of Kenosha County, Inc. is a 501(c)(3) organization operating under the laws of the State of Wisconsin with a mission to mobilize the caring power of the local community to advance the common good. The Organization is supported primarily by workplace giving campaigns and grants as well as by contributions from local businesses, foundations and other government and private funders. The Organization envisions a community in which all individuals and families in Kenosha County achieve their human potential through education, financial stability and healthy lives. With a passion and reputation for mobilizing the caring power of local residents, the Organization improves lives today and in the future by engaging people in meaningful volunteer opportunities, coordinating community efforts and directing resources to programs and services that achieve measurable impact.

**Promises to Give**

The Organization's unconditional promises to give consist of amounts due from businesses and individuals. The provision for uncollectible promises is computed based on historical collectability of promises and current economic conditions in the community. It is approved by the board of directors and adjusted by management estimates. Promises to give deemed uncollectible are charged against the provision for uncollectible promises in the period that determination is made. Recoveries of promises to give previously written off are recorded as revenue when received.

**Accounts Receivable**

Accounts receivable primarily consist of amounts for program service fees at June 30, 2023 and program service fees and an insurance claim at June 30, 2022. Accounts receivable are stated at the amount management expects to be collected from outstanding balances. As of June 30, 2023 and 2022, management has determined, based on historical experience, that all amounts are fully collectible and no allowance for doubtful accounts is necessary.

**Office Equipment**

The Organization capitalizes all expenditures for office equipment in excess of \$2,000. Office equipment is carried at cost or, if donated, at the approximate fair value at the date of donation. Depreciation is computed using the straight-line method.

**Contributions**

Contributions received are recorded as increases in net assets without donor restrictions and net assets with donor restrictions depending on the existence 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.

Contributions designated to member and non-member agencies are not included in the current year campaign revenue reported in the statements of activities. In accordance with requirements for accounting for contributions received and contributions made, such contributions are included only on the statements of financial position as a payable to the agency as designated.

**UNITED WAY OF KENOSHA COUNTY, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
June 30, 2023 and 2022

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**NOTE 1—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

Donor designated contributions are assessed both a fundraising and a management and general fee based on actual historical costs in accordance with the United Way Worldwide Membership Standards as outlined in its publication titled *Cost Deduction Standards for Membership Requirement M*.

**Program Service Fees**

Revenue from service fees and Building Our Future program service fees are recognized as revenue when the Organization provides the particular services. It is the Organization's policy to not refund these fees and bill after services are provided.

**Donated Services**

Donated services are recognized as contributions if the services create or enhance nonfinancial assets or they require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation. Volunteers also supported the Organization's program services and fundraising campaigns throughout the year that are not recognized as contributions in the financial statements since the recognition criteria were not met.

**Expense Allocation**

The financial statements report certain categories of expenses that are attributable to more than one program service or supporting activity. Therefore, these expenses require allocation on a reasonable basis that is consistently applied. The expenses that are allocated include personnel, office supplies, telephone, and information technology, which are allocated on the basis of estimates of time and effort.

The following program services and supporting activities are included in the accompanying financial statements:

*Community Impact* – The Organization is committed to supporting programs and initiatives that provide community solutions and deliver measurable results. Goals and objectives are based on current community needs and aligned with key county-wide priorities. The Organization supports: Community Program Grants, Youth As Resources, Volunteer Income Tax Assistance (VITA), Readers Are Leaders Tutoring Program, which is currently in five schools, and the FamilyWize Prescription Drug Program.

*Community Services* – The Organization leverages the efforts of a diverse group of dedicated volunteers who have a positive impact on those living within the community. The Organization operates and maintains a Volunteer Center; a web-based platform that allows agencies to post volunteer opportunities, in-kind needs, employment opportunities and upcoming events. The Organization holds several large-scale volunteer efforts each year to connect individuals and employees with the local community and nonprofit organizations; including Day of Caring, Day of Action and the Readers Are Leaders event. The Organization is engaged with the Kenosha Emergency Services Network to stay up-to-date on the services available in the County and act as a referral source to those needing help in our community by funding the local Impact 2-1-1 service. The Organization utilizes its extensive relationships within the local community to act as a "Community Convener."

**UNITED WAY OF KENOSHA COUNTY, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
June 30, 2023 and 2022

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**NOTE 1—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

*Building Our Future* – As of January 1, 2023, the Organization transferred the fiscal sponsorship of this program to KABA Foundation through a grant of \$942,097. The Organization continues to support the initiative through collaboration, human resources, and administrative support. The educational “cradle to career” initiative requires communities to work collectively by identifying areas of weakness, marshalling resources to solve problems and using data to drive action and decision making to improve outcomes for students of all ages.

*Management and General*—Includes accounting and production of financial reports, oversight of the annual budget, supervision of departments and programs, maintenance of personnel records, attending general board and committee meetings, and any other administrative and office services necessary for the Organization.

*Fundraising*—Provides the structure necessary to encourage and secure private financial support from individuals, foundation, and corporations.

**Leases**

The Organization does not recognize short-term leases in the statement of financial position. For these leases, the Organization recognizes the lease payments in the change in net assets on a straight-line basis over the lease term and variable lease payments in the period in which the obligation for those payments is incurred. The Organization also does not separate nonlease components from lease components for office space assets and instead accounts for each separate lease component and the nonlease components associated with that lease component as a single lease component. The Organization separates nonlease components from lease components for office equipment assets. If the rate implicit in the lease is not readily determinable, the Organization uses a risk-free rate as the discount rate for the lease for all classes of underlying assets.

**Adoption of New Accounting Guidance**

On February 25, 2016, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update No. 2016-02, *Leases (Topic 842)*. The guidance in this Update and all subsequently issued clarifying Updates supersede the guidance in FASB Accounting Standards Codification (ASC) Topic 840, *Leases*, and creates FASB ASC Topic 842, *Leases*. The main difference between previous guidance and Topic 842 is the recognition of assets and liabilities by lessees for those leases classified as operating leases. A lessee should recognize in the statement of financial position a liability to make lease payments (the lease liability) and a right-of-use asset representing its right to use the underlying asset for the lease term. Also, under Topic 842, disclosures are required by lessees and lessors to report useful information to users of financial statements about the amount, timing, and uncertainty of cash flows arising from leases.

The Organization adopted the requirements of Topic 842 as of July 1, 2022, using the optional transition method that allows the Organization to initially apply the new guidance at the adoption date and recognize a cumulative-effect adjustment to the opening balance of net assets in the period of adoption. The Organization’s reporting for the year ended June 30, 2022, is in accordance with the previous guidance in Topic 840.

**UNITED WAY OF KENOSHA COUNTY, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
June 30, 2023 and 2022

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**NOTE 1—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

The Organization elected the package of practical expedients permitted under the transition guidance within Topic 842. This package allowed the Organization to account for its leases that commenced before the adoption date without reassessing whether any expired or existing contracts are or contain leases, the lease classification for any expired or existing leases, and initial direct costs for any existing leases.

The adoption of Topic 842 resulted in the recognition of operating lease right-of-use asset of \$161,241 and operating lease liability of \$158,366 as of July 1, 2022. The adoption of Topic 842 did not have a material effect on the Organization's change in net assets or cash flows.

**Estimates**

Management uses estimates and assumptions in preparing financial statements. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported revenues and expenses. On an ongoing basis, management evaluates the estimates and assumptions based on new information. Management believes that the estimates and assumptions are reasonable in the circumstances; however, actual results could differ from those estimates.

**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.

**Income Tax Status**

The Organization is exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code.

**Date of Management's Review**

Management has evaluated subsequent events through September 12, 2023, the date which the financial statements were available to be issued.

**NOTE 2—CONCENTRATIONS OF CREDIT RISK**

The Organization maintains cash balances at several financial institutions located in southeastern Wisconsin. Accounts at each institution are insured by the Federal Deposit Insurance Corporation or the National Credit Union Administration up to \$250,000. At June 30, 2023 and 2022, the Organization's uninsured cash balances total approximately \$131,000 and \$69,000, respectively.

**NOTE 3—PAYCHECK PROTECTION PROGRAM LOAN**

On April 16, 2020, the Organization received a \$87,000 loan under the Paycheck Protection Program (PPP) established by the Coronavirus Aid, Relief, and Economic Security (CARES) Act and administered by the U.S. Small Business Administration (SBA). The loan accrues interest at 1% but payments are deferred for borrowers who apply for forgiveness until SBA remits the borrower's forgiveness amount to the lender. The amount of forgiveness depends, in part, on the total amount of eligible expenses paid by the Organization during the covered period.

**UNITED WAY OF KENOSHA COUNTY, INC.**  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2023 and 2022

**NOTE 3—PAYCHECK PROTECTION PROGRAM LOAN (continued)**

Eligible expenses may include payroll costs, interest on mortgages, rent, and utilities. Any unforgiven portion is payable over two years. On February 24, 2021, the SBA preliminary approved forgiveness of the loan. The Organization must retain PPP documentation in its files for six years after the date the loan is forgiven and permit authorized representatives of SBA to access such files upon request. SBA may review any loan at any time at its discretion. Therefore, SBA may review the Organization's good-faith certification concerning the necessity of its loan request, whether the Organization calculated the loan amount correctly, whether the Organization used loan proceeds for the allowable uses specified in the CARES Act, and whether the Organization is entitled to loan forgiveness in the amount claimed on its application. If SBA determines the Organization was ineligible for the loan or for forgiveness in whole or in part, SBA will seek repayment of the outstanding loan balance.

**NOTE 4—PROMISES TO GIVE**

Unconditional promises to give are as follows:

	2023	2022
2020/21 campaign	\$ -	\$ 8,063
2021/22 campaign	-	167,165
2022/23 campaign	161,587	1,118
2023/24 campaign	2,151	-
VITA	23,221	15,667
Building Our Future	-	61,250
Other	-	34,939
Total unconditional promises to give	<u>\$ 186,959</u>	<u>\$ 288,202</u>
	2023	2022
Receivable in less than one year	\$ 186,959	\$ 288,202
Less allowance for uncollectible promises to give	<u>(22,300)</u>	<u>(33,390)</u>
Unconditional promises to give, net	<u>\$ 164,659</u>	<u>\$ 254,812</u>

The Organization received promises to give of \$11,183 for the Volunteer Income Tax Assistance program as of June 30, 2023 that are conditioned upon program requirements. These promises will be recognized as revenue when the respective conditions are met in future years.

**UNITED WAY OF KENOSHA COUNTY, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
June 30, 2023 and 2022

**NOTE 5—NET ASSETS**

The Organization's board of directors has designated net assets without donor restrictions for the following purposes:

	2023	2022
Operating reserve	\$ 210,000	\$ 210,000
Initiative funding	-	12,090
Community sponsorships	3,033	-
Budget fund	20,106	-
Community gifts	182	2,682
Undesignated	262,885	300,171
	<u>\$ 496,206</u>	<u>\$ 524,943</u>

Net assets with donor restrictions are restricted for the following periods or purposes:

	2023	2022
<b>Time Restricted</b>		
2021/22 Campaign	\$ -	\$ 427,429
2022/23 Campaign	354,981	4,882
2023/24 Campaign	35,318	-
<b>Purpose Restricted</b>		
Building Our Future	-	1,127,012
Early Reading Program	141,187	152,261
Western Kenosha County	33,595	38,407
Imagination Library	18,178	29,557
Initiatives	22,098	21,931
Centennial Jubilee	10,000	-
Technology	4,176	5,801
Other	14,472	5,946
	<u>\$ 634,005</u>	<u>\$ 1,813,226</u>

**NOTE 6—WISCONSIN UNEMPLOYMENT RESERVE FUND**

Under provision of the Wisconsin Unemployment Compensation law, the Organization has elected to reimburse the state of Wisconsin for the actual unemployment benefit claims paid to former employees. A letter of credit amounting to \$5,786 has been deposited with the Wisconsin Department of Industry, Labor and Human Relations as collateral for future unemployment compensation requirements of the Organization and affiliates. The letter of credit expires December 31, 2026.



**UNITED WAY OF KENOSHA COUNTY, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
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**NOTE 7—IN-KIND CONTRIBUTIONS**

In-kind contributions recognized within the statements of activities include:

	<u>2023</u>	<u>2022</u>
Facilities	\$ 9,120	\$ 9,620
Use of computers	3,400	3,400
Books	411	1,434
Services	<u>14,435</u>	<u>8,750</u>
	<u>\$ 27,366</u>	<u>\$ 23,204</u>

The Organization recognized in-kind contributions within revenue, including facilities, use of computers, books, and services. Unless otherwise noted, in-kind contributions did not have donor-imposed restrictions.

The contributed use of facilities and computers was utilized in the community impact program for Volunteer Income Tax Assistance. In valuing the facilities and use of computers, the Organization used third-party sources of comparable prices.

Contributed books were utilized in the community services program for Readers Are Leaders Tutoring program. In valuing contributed books, the Organization estimated the fair value on the basis of estimates of wholesale values that would be received for selling similar products in the United States.

Contributed services recognized comprise professional services from certified public accountants for the annual audit, information technology system reviews, and promotion and outreach services. Contributed services are valued and are reported at the estimated fair value in the financial statements based on current rates for similar services.

**NOTE 8—LEASES**

The Organization has operating and finance leases for office space and equipment. These leases have remaining lease terms of 4 years to 5 years.

The components of total lease cost are as follows:

Finance lease cost	
Amortization of right-of-use assets	\$ 1,716
Interest on lease liabilities	290
Operating lease cost	35,085
Short-term lease cost	<u>1,692</u>
Total lease cost	<u>\$ 38,783</u>

**UNITED WAY OF KENOSHA COUNTY, INC.**  
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**NOTE 8—LEASES (continued)**

Other information related to leases is as follows:

Cash paid for amounts included in the measurement of lease liabilities	
Operating cash flows from finance leases	\$ 286
Operating cash flows from operating lease	34,500
Financing cash flows from finance leases	1,563
Right-of-use assets obtained in exchange for new finance lease liabilities	16,927
Weighted-average remaining lease term	
Finance leases	4.49 years
Operating lease	3.92 years
Weighted-average discount rate	
Finance leases	3.51%
Operating lease	2.88%

The maturities of lease liabilities as of June 30, 2023, are as follows:

	Finance Leases	Operating Lease
Year ending June 30:		
2024	\$ 3,697	\$ 34,500
2025	3,697	34,500
2026	3,697	34,500
2027	3,697	31,625
2028	1,848	-
	<hr/>	<hr/>
Total minimum lease payments	16,636	135,125
Imputed interest	(1,267)	(7,181)
	<hr/>	<hr/>
Total lease liabilities	<u>\$ 15,369</u>	<u>\$ 127,944</u>

As of June 30, 2022, the Organization has leases for office space and equipment that expire at various dates through December 2027. Rental expenses for these leases total \$37,672 for the year ended June 30, 2022.

**NOTE 9—RETIREMENT PLAN**

The Organization sponsors a 403(b) plan. Eligibility is limited to employees who meet certain criteria. The plan calls for salary reduction contributions, which will be matched up to 3% of total salary. For the years ended June 30, 2023 and 2022, total retirement expenses was \$8,827 and \$8,706, respectively.

**UNITED WAY OF KENOSHA COUNTY, INC.**  
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**NOTE 10—LIQUIDITY AND AVAILABILITY OF RESOURCES**

The following reflects the Organization's financial assets as of June 30, 2023 and 2022, reduced by amounts not available for general expenditures within one year of the date of the statements of financial position because of donor-imposed restrictions or internal designations:

	<u>2023</u>	<u>2022</u>
Financial assets at end of year		
Cash	\$ 380,274	\$ 320,493
Certificates of deposit	500,000	1,800,000
Unconditional promises to give, net	164,659	254,812
Accounts receivable	<u>118,363</u>	<u>44,873</u>
Total financial assets at end of year	1,163,296	2,420,178
Less amounts unavailable for general expenditures within one year:		
Restricted by donors with purpose restrictions	(243,706)	(1,380,915)
Board designated for operating reserve	(210,000)	(210,000)
Board designated for initiative funding	-	(12,090)
Board designated for community sponsorships	(3,033)	-
Board designated for community gifts	<u>(182)</u>	<u>(2,682)</u>
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 706,375</u>	<u>\$ 814,491</u>

At June 30, 2023 and 2022, financial assets not available for general expenditures includes \$213,215 and \$224,772, respectively, set aside for board designations; however, amounts could be made available if necessary. As part of the Organization's liquidity management, it has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due.