

UNITED WAY OF ETOWAH COUNTY, INC
Gadsden, Alabama

AUDITED FINANCIAL STATEMENTS
December 31, 2022 and 2021

MDA PROFESSIONAL GROUP, P.C.
Certified Public Accountants and Business Consultants
Albertville, Anniston, Fort Payne, Gadsden and Roanoke, Alabama

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Certified Public Accountants and Business Consultants

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INDEPENDENT AUDITOR'S REPORT

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

Opinion

We have audited the accompanying financial statements of United Way of Etowah County, Inc. (a nonprofit organization), which comprise the statements of financial position as of December 31, 2022 and 2021, 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 Etowah County, Inc., as of December 31, 2022 and 2021, 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 Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of United Way of Etowah 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.

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 Etowah 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 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 Etowah 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 Etowah 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.

MDA Professional Group, P.C.

Gadsden, Alabama
September 20, 2023

UNITED WAY OF ETOWAH COUNTY, INC.

STATEMENTS OF FINANCIAL POSITION

DECEMBER 31, 2022 AND 2021

<u>ASSETS</u>	<u>2022</u>	<u>2021</u>
CURRENT ASSETS		
Cash	\$ 524,876	\$ 504,673
Bank Certificates of Deposit	100,000	100,000
Marketable Securities	778,380	893,915
Unconditional Promises to Give - Net of Allowance For Uncollectible Amounts of \$72,391 and \$76,260 for years ended December 31, 2022 and 2021, respectively	710,497	743,973
	<u>2,113,753</u>	<u>2,242,561</u>
PROPERTY AND EQUIPMENT - NET		
Vehicles	27,235	27,235
Office Furniture and Equipment	183,717	181,917
Land and Building	411,702	411,702
Less Accumulated Depreciation	<u>(247,598)</u>	<u>(229,896)</u>
	<u>375,056</u>	<u>390,958</u>
TOTAL ASSETS	<u><u>\$ 2,488,809</u></u>	<u><u>\$ 2,633,519</u></u>
<u>LIABILITIES AND NET ASSETS</u>		
CURRENT LIABILITIES		
Accounts Payable	\$ 11,147	\$ 2,919
Current Maturities of Long-Term Debt	-	5,509
Accrued Payroll	7,331	11,058
Due to Agencies and Grant Recipients	579,478	578,793
	<u>597,956</u>	<u>598,279</u>
LONG-TERM LIABILITIES		
Long-Term Debt, Less Current Maturities	<u>-</u>	<u>31,616</u>
NET ASSETS		
Without Donor Restrictions	1,788,010	1,713,250
With Donor Restrictions	102,843	290,374
	<u>1,890,853</u>	<u>2,003,624</u>
TOTAL LIABILITIES AND NET ASSETS	<u><u>\$ 2,488,809</u></u>	<u><u>\$ 2,633,519</u></u>

The accompanying Notes to the Financial Statements are an integral part of these financial statements.

UNITED WAY OF ETOWAH COUNTY, INC.

STATEMENTS OF ACTIVITIES

FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021

	2022		Total
	Without Donor Restrictions	With Donor Restrictions	
Operating Activities			
REVENUE AND SUPPORT			
Contributions Received in Current Period (Net of Allowance for Uncollectible Amounts)	\$ 946,570	\$ 102,843	\$ 1,049,413
Grant Revenue	313,785	-	313,785
Interest and Dividends	33,432	-	33,432
Realized Gain on Investments	6,301	-	6,301
Special Events:			
Special Event Revenue	22,839	-	22,839
Less: Costs of Direct Benefits to Donors	(11,089)	-	(11,089)
	<u>1,311,838</u>	<u>102,843</u>	<u>1,414,681</u>
Contributions Received in Prior Periods Released from Restrictions	290,374	(290,374)	-
FUNCTIONAL EXPENSES			
Program Services:			
Information and Referral	98,150	-	98,150
Children's Initiative	132,407	-	132,407
Disaster Relief	216,651	-	216,651
Community Building	33,199	-	33,199
Support Services:			
Management and General	88,467	-	88,467
Fundraising	210,220	-	210,220
Allocations to Agencies and Grants	584,767	-	584,767
United Way of America Dues	16,583	-	16,583
Family Service Center	855	-	855
Donor Designations	5,564	-	5,564
Total Expenses	<u>1,386,863</u>	<u>-</u>	<u>1,386,863</u>
Change in Net Assets from Operations	<u>215,349</u>	<u>(187,531)</u>	<u>27,818</u>
Nonoperating Activities			
Unrealized Loss in Account Value	(140,589)	-	(140,589)
Total Nonoperating Activities	<u>(140,589)</u>	<u>-</u>	<u>(140,589)</u>
Increase (Decrease) in Net Assets	74,760	(187,531)	(112,771)
NET ASSETS - Beginning of Year	<u>1,713,250</u>	<u>290,374</u>	<u>2,003,624</u>
NET ASSETS - End of Year	<u>\$ 1,788,010</u>	<u>\$ 102,843</u>	<u>\$ 1,890,853</u>

The accompanying Notes to the Financial Statements are an integral part of these financial statements.

UNITED WAY OF ETOWAH COUNTY, INC.

STATEMENTS OF ACTIVITIES

FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021

	2021		Total
	Without Donor Restrictions	With Donor Restrictions	
Operating Activities			
REVENUE AND SUPPORT			
Contributions Received in Current Period (Net of Allowance for Uncollectible Amounts)	\$ 819,035	\$ 290,374	\$ 1,109,409
Special Events			
Special Event Revenue	114,935	-	114,935
Less: Costs of Direct Benefits to Donors	(28,199)	-	(28,199)
	<u>905,771</u>	<u>290,374</u>	<u>1,196,145</u>
Contributions Received in Prior Periods Released from Restrictions	<u>558,359</u>	<u>(558,359)</u>	<u>-</u>
FUNCTIONAL EXPENSES			
Program Services:			
Information and Referral	113,688	-	113,688
Children's Initiative	163,273	-	163,273
Disaster Relief	118,306	-	118,306
Community Building	32,245	-	32,245
Support Services:			
Management and General	76,066	-	76,066
Fundraising	162,586	-	162,586
Allocations to Agencies and Grants	603,010	-	603,010
United Way of America	18,332	-	18,332
Family Service Center	14,773	-	14,773
Donor Designations	5,375	-	5,375
Total Expenses	<u>1,307,654</u>	<u>-</u>	<u>1,307,654</u>
Change in Net Assets from Operations	<u>156,476</u>	<u>(267,985)</u>	<u>(111,509)</u>
Nonoperating Activities			
PPP Grant Revenue	85,312	-	85,312
CARES Act Grants and Contributions	149	-	149
Grant Revenue	42,509	-	42,509
Investment Return, Net	40,555	-	40,555
Total Nonoperating Activities	<u>168,525</u>	<u>-</u>	<u>168,525</u>
Increase (Decrease) in Net Assets	325,001	(267,985)	57,016
NET ASSETS - Beginning of Year	<u>1,388,249</u>	<u>558,359</u>	<u>1,946,608</u>
NET ASSETS - End of Year	<u>\$ 1,713,250</u>	<u>\$ 290,374</u>	<u>\$ 2,003,624</u>

The accompanying Notes to the Financial Statements are an integral part of these financial statements.

UNITED WAY OF ETOWAH COUNTY, INC.

STATEMENTS OF FUNCTIONAL EXPENSES

FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021

	2022						
	Program Services				Support Services		
	Information and Referral	Children's Initiative	Disaster Relief	Community Building	Management and General	Fundraising	Total
Salaries	\$ 48,643	\$ 34,167	\$ 43,399	\$ 26,638	\$ 19,965	\$ 85,435	\$ 258,247
Employee Benefits	8,113	5,699	7,239	4,443	3,330	14,249	43,073
Payroll Taxes	3,868	2,717	3,451	2,118	1,588	6,794	20,536
Total Salaries and Related Expenses	60,624	42,583	54,089	33,199	24,883	106,478	321,856
Program Services	21,833	83,141	162,562	-	-	-	267,536
Supplies, Printing and Publication	4,594	821	-	-	15,850	25,860	47,125
Professional Services	3,108	-	-	-	16,670	27,199	46,977
Utilities	2,519	2,129	-	-	3,574	5,830	14,052
Conferences and Meetings	-	-	-	-	4,884	7,969	12,853
Equipment Rent and Maintenance	1,779	1,495	-	-	3,124	5,096	11,494
Awards and Recognition	-	-	-	-	4,389	7,162	11,551
Insurance	-	875	-	-	3,385	5,522	9,782
Travel	618	534	-	-	2,418	3,946	7,516
Telephone	2,492	619	-	-	1,648	2,690	7,449
Bank Charges	-	-	-	-	959	1,564	2,523
Interest	103	97	-	-	182	297	679
Total Before Depreciation	97,670	132,294	216,651	33,199	81,966	199,613	761,393
Depreciation	480	113	-	-	6,501	10,607	17,701
TOTAL FUNCTIONAL EXPENSES	\$ 98,150	\$ 132,407	\$ 216,651	\$ 33,199	\$ 88,467	\$ 210,220	\$ 779,094

The accompanying Notes to the Financial Statements are an integral part of these financial statements.

UNITED WAY OF ETOWAH COUNTY, INC.

STATEMENTS OF FUNCTIONAL EXPENSES

FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021

	2021						
	Program Services				Support Services		
	Information and Referral	Children's Initiative	Disaster Relief	Community Building	Management and General	Fundraising	Total
Salaries	\$ 66,693	\$ 55,065	\$ 22,820	\$ 26,060	\$ 11,923	\$ 50,446	\$ 233,007
Employee Benefits	10,392	8,580	3,556	4,061	1,858	7,861	36,308
Payroll Taxes	5,436	4,488	1,860	2,124	971	4,112	18,991
Total Salaries and Related Expenses	82,521	68,133	28,236	32,245	14,752	62,419	288,306
Program Services	-	86,629	90,070	-	-	-	176,699
Professional Services	598	197	-	-	21,466	23,556	45,817
Supplies, Printing and Publication	4,810	663	-	-	13,854	22,603	41,930
Miscellaneous	16,965	1,158	-	-	3,330	5,441	26,894
Utilities	2,618	2,606	-	-	4,692	7,656	17,572
Equipment Rent and Maintenance	1,401	1,470	-	-	2,947	4,809	10,627
Awards and Recognition	-	-	-	-	-	10,027	10,027
Insurance	-	848	-	-	3,412	5,566	9,826
Telephone	3,374	788	-	-	1,743	2,843	8,748
Travel	536	313	-	-	1,297	2,115	4,261
Bank Charges	-	-	-	-	1,034	1,686	2,720
Interest	355	355	-	-	629	1,026	2,365
Conferences and Meetings	-	-	-	-	-	1,565	1,565
Total Before Depreciation	113,178	163,160	118,306	32,245	69,156	151,312	647,357
Depreciation	510	113	-	-	6,910	11,274	18,807
TOTAL FUNCTIONAL EXPENSES	\$ 113,688	\$ 163,273	\$ 118,306	\$ 32,245	\$ 76,066	\$ 162,586	\$ 666,164

The accompanying Notes to the Financial Statements are an integral part of these financial statements.

UNITED WAY OF ETOWAH COUNTY, INC.

STATEMENTS OF CASH FLOWS

FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021

	2022	2021
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in Net Assets	\$ (112,771)	\$ 57,016
Adjustments to Reconcile Changes in Net Assets to Net Cash Provided by Operating Activities:		
Depreciation	17,701	18,807
Realized and Unrealized (Gain) Loss on Sale of Marketable Securities	134,288	(9,858)
Changes in Operating Assets and Liabilities:		
Unconditional Promises to Give	33,476	(45,944)
Accounts Payable	8,228	(135)
Accrued Payroll	(3,727)	2,166
Due to Agencies and Grant Recipients	685	(59,207)
Total Adjustments	190,651	(94,171)
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	77,880	(37,155)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of Property and Equipment	(1,800)	(517)
Proceeds from Sale and Maturities of Marketable Securities	144,703	1,046,839
Purchases of Marketable Securities	(163,455)	(1,008,828)
NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES	(20,552)	37,494
CASH FLOWS FROM FINANCING ACTIVITIES		
Principal Payments on Long-Term Debt	(37,125)	(42,036)
NET INCREASE (DECREASE) IN CASH	20,203	(41,697)
CASH - Beginning of Year	504,673	546,370
CASH - End of Year	\$ 524,876	\$ 504,673
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION		
Cash Paid During the Year for Interest	\$ 679	\$ 2,365

The accompanying Notes to the Financial Statements are an integral part of these financial statements.

UNITED WAY OF ETOWAH COUNTY, INC.

NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 2022 and 2021

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

NATURE OF ORGANIZATION

The United Way of Etowah County, Inc. (the Organization) is a fund-raising organization which carries on an annual campaign to raise money for local member charitable organizations. Volunteers then determine needs to allocate funds to these organizations, subject to approval of the Board of Directors.

BASIS OF ACCOUNTING

The financial statements of the Organization have been prepared on the accrual basis of accounting. Accordingly, revenues are recognized when earned, and expenses are recognized when incurred.

CASH

For the purposes of cash flows, the Organization considers all highly liquid debt instruments and restricted cash purchased with a maturity of three months or less to be cash equivalents.

DEPOSITS

The Organization maintains accounts at five financial institutions located in Gadsden, Alabama. The balances are insured up to \$250,000 by the Federal Deposit Insurance Corporation (FDIC) at each financial institution. At December 31, 2022 and 2021, the Organization's uninsured cash balances totaled \$16,123 and \$90,457.

INVESTMENTS

Investments in marketable securities with readily determinable fair values and all investments in debt securities are reported at their fair values in the statement of financial position. Unrealized gains and losses are included in the change in net assets. Investment income and gains restricted by a donor are reported as increases in unrestricted net assets 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.

PROMISES TO GIVE / PLEDGES

Unconditional promises to give that are expected to be collected within one year are recorded at their net realizable value. Unconditional promises to give that are expected to be collected in future years are recorded at the present value of estimated future cash flows. The discounts on those amounts are computed using a risk-free interest rate applicable to the year in which the promise is received. Amortization of the discount is included as support until such time as the conditions are substantially met.

(Continued)

UNITED WAY OF ETOWAH COUNTY, INC.

NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 2022 and 2021

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

PROPERTY AND EQUIPMENT

Property and equipment are stated at cost. Gifts of property and equipment are recorded at estimated fair market value. Additions and improvements that extend the life of an asset are capitalized. Expenditures for repairs and maintenance are charged against income. Depreciation is computed by the straight-line method based upon the estimated useful lives of individual assets, ranging from 5 to 40 years.

NET ASSETS RESTRICTIONS

Net assets for programs sponsored by federal and state funding agencies are restricted to the specific purposes of grant and contract agreements.

FINANCIAL STATEMENT PRESENTATION

The Organization has adopted FASB ASC 958-205, "Presentation of Financial Statements for Not-for-Profit Entities." Under FASB ASC 958-205, the Organization is required to report information regarding its financial position and activities according to two classes of net assets: Net Assets with Donor Restrictions and Net Assets Without Donor Restrictions.

Net Assets with Donor Restrictions

The part of net assets of a not-for-profit entity that is subject to donor-imposed restrictions.

Net Assets without Donor Restrictions

The part of net assets of a not-for-profit entity that is not subject to donor-imposed restrictions.

SUPPORT AND CONTRIBUTIONS

The Organization's primary source of revenue is an annual fundraising campaign. The Organization has the administrative responsibility of collecting the pledges and distributing proceeds to or on behalf of member organizations. Pledges are recorded as received, and allowances are provided for amounts estimated to be uncollectible. In general, uncollected pledges are fully reserved by the end of the second year following the year in which payment is expected, and the pledges are recognized in revenues. Pledges designated for specific agencies and pledges for organizations out of the service area are reported as donor designations and a reduction to the applicable year campaign revenue, as they represent 'pass-through' funds and are not revenue for Organization.

(Continued)

UNITED WAY OF ETOWAH COUNTY, INC.

NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 2022 and 2021

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

SUPPORT AND CONTRIBUTIONS (Continued)

Contributions that are restricted by the donor are reported as increases in net assets without donor restrictions if the restrictions expire (that is, when a stipulated time restriction ends or purpose restriction is accomplished) in the reporting period in which the revenue is recognized. All other donor restricted contributions are reported as increases 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 Statement of Activities as net assets released from restrictions.

CAMPAIGN EXPENSES

Campaign expenses are charged to expense as they are incurred.

DONATED MATERIALS, EQUIPMENT, AND SERVICES

Donated materials and equipment are reflected as contributions at their estimated fair market value at date of donation.

When material, the value of contributed services meeting the requirements for recognition in the financial statements, is recorded in the financial statements as revenue and an expense. Additionally, many individuals volunteer their time and perform a variety of tasks that assist the Organization with the operation of its fundraising activities. The volunteer hours have not been recorded in the statement of activities. No amounts for contributed services have been recorded in the financial statements.

FUNCTIONAL ALLOCATION OF EXPENSES

The costs of providing the various programs and other activities have been summarized on a functional basis in the Statements of Activities and Statements of Functional Expenses. Accordingly, certain costs have been allocated among program services and support services. Allocations are determined by management and are based upon employee's time and effort towards each activity.

USE OF ESTIMATES

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

(Continued)

UNITED WAY OF ETOWAH COUNTY, INC.

NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 2022 and 2021

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

INCOME TAXES

There is no provision for income taxes since the Organization is a nonprofit organization exempt from both federal and state income taxes. The Organization has received an exemption letter from the Internal Revenue Service granting it tax-exempt status under Internal Revenue Code Section 501(c)(3).

ASC 740-10 prescribes a recognition threshold and measurement attribute for the financial statement recognition and measurement of a tax position taken or expected to be taken in a tax return. The standard also provides guidance on derecognition, classification, treatment of interest and penalties, and disclosure of such positions. The Organization has adopted the provisions of ASC 740-10 "Accounting for Uncertainty in Income Taxes" as required. There are no uncertain tax positions requiring recognition for the years ended December 31, 2022 and 2021.

SUBSEQUENT EVENTS

Management evaluates events occurring subsequent to the date of the financial statements in determining the accounting for and disclosure of transactions and events that affect the financial statements. Subsequent events have been evaluated through September 20, 2023, which is the date the financial statements were available to be issued.

RECLASSIFICATION OF PRIOR YEAR PRESENTATION

Certain prior year amounts have been reclassified for consistency with current year presentation. These reclassifications had no effect on the reported results of operations.

NOTE 2 - PROPERTY AND EQUIPMENT

Property and equipment consist of the following at December 31, 2022 and 2021:

	<u>2022</u>	<u>2021</u>
Vehicles	\$ 27,235	\$ 27,235
Office Furniture and Equipment	183,717	181,917
Land and Building	<u>411,702</u>	<u>411,702</u>
	622,654	620,854
Less Accumulated Depreciation	<u>(247,598)</u>	<u>(229,896)</u>
	<u><u>\$ 375,056</u></u>	<u><u>\$ 390,958</u></u>

Depreciation expense was \$17,701 and \$18,807 for the years ended December 31, 2022 and 2021.

UNITED WAY OF ETOWAH COUNTY, INC.

NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 2022 and 2021

NOTE 3 – UNCONDITIONAL PROMISES TO GIVE

The Organization’s unconditional promises to give and allowance for uncollectible accounts consists of the following for the years ended December 31, 2022 and 2021:

	<u>2022</u>	<u>2021</u>
Pledge Receivable 2022-2023 Campaign	\$ 621,740	\$ -
Pledge Receivable 2021-2022 Campaign	161,148	662,756
Pledge Receivable 2020-2021 Campaign	-	157,477
Allowance for Uncollectible Pledges	<u>(72,391)</u>	<u>(76,260)</u>
	<u>\$ 710,497</u>	<u>\$ 743,973</u>

NOTE 4 – FAIR VALUE MEASUREMENTS

The Organization’s investments are reported at fair value in the accompanying statements of financial position as of December 31, 2022 and 2021:

<u>December 31, 2022</u>	<u>Fair Value</u>	<u>Measurements Using: Quoted Prices in Active Markets for Identical Assets (Level 1)</u>
Exchange Products	\$ 275,067	\$ 275,067
Mutual Equity Funds	409,781	409,781
Mutual Bond Funds	<u>93,532</u>	<u>93,532</u>
	<u>\$ 778,380</u>	<u>\$ 778,380</u>

(Continued)

UNITED WAY OF ETOWAH COUNTY, INC.

NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 2022 and 2021

NOTE 4 – FAIR VALUE MEASUREMENTS (Continued)

<u>December 31, 2021</u>	<u>Fair Value</u>	<u>Measurements Using: Quoted Prices in Active Markets for Identical Assets (Level 1)</u>
Exchange Products	\$ 262,032	\$ 262,032
Mutual Equity Funds	508,937	508,937
Mutual Bond Funds	122,946	122,946
	<u>\$ 893,915</u>	<u>\$ 893,915</u>

ASC 820-10, formally SFAS No. 157, *Fair Value Measurements*, establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. This hierarchy consists of three broad levels: Level 1 inputs consist of unadjusted quoted prices in active markets for identical assets and have the highest priority, Level 2 inputs consist of observable inputs other than Level 1 prices, and Level 3 inputs have the lowest priority. The Organization uses the appropriate valuation techniques based on the available inputs to measure the fair value of its investments. When available, the Organization measures fair value using Level 1 inputs because they generally provide the most reliable evidence of fair value. No Level 2 or Level 3 inputs were available to the Organization.

Level 1 Fair Value Measurements

Level 1 – Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Organization has the ability to access.

UNITED WAY OF ETOWAH COUNTY, INC.

NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 2022 and 2021

NOTE 5 – INVESTMENTS

Investments are stated at fair value and are summarized as follows as of December 31, 2022:

	<u>Cost</u>	<u>Fair Value</u>	<u>Carrying Value</u>
Exchange Products	\$ 305,103	\$ 275,067	\$ 275,067
Mutual Equity Funds	505,549	409,781	409,781
Mutual Bond Funds	113,622	93,532	93,532
	<u>\$ 924,274</u>	<u>\$ 778,380</u>	<u>\$ 778,380</u>

Investments are stated at fair value and are summarized as follows as of December 31, 2021:

	<u>Cost</u>	<u>Fair Value</u>	<u>Carrying Value</u>
Exchange Products	\$ 248,578	\$ 262,032	\$ 262,032
Mutual Equity Funds	528,136	508,937	508,937
Mutual Bond Funds	122,536	122,946	122,946
	<u>\$ 899,250</u>	<u>\$ 893,915</u>	<u>\$ 893,915</u>

The following schedule summarizes the investment income and its classification in the statement of statement of activities for the year ended December 31, 2021:

	<u>Other Income</u>
Interest and Dividends	\$ 30,260
Realized Gains	106,912
Unrealized Loss in Account Value	(97,054)
Other Interest Income	437
	<u>\$ 40,555</u>

UNITED WAY OF ETOWAH COUNTY, INC.

NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 2022 and 2021

NOTE 6 – LIQUIDITY AND AVAILABILITY OF RESOURCES

The Organization’s financial assets available within one year of the balance sheet date for general expenditures are as follows:

	<u>2022</u>	<u>2021</u>
Cash	\$ 524,876	\$ 504,673
Bank Certificates of Deposit	100,000	100,000
Marketable Securities	778,380	893,915
Unconditional Promises to Give - Net of Allowance For Uncollectible Amounts of \$72,391 and \$76,260 for years ended December 31, 2022 and 2021, respectively	<u>710,497</u>	<u>743,973</u>
	<u>2,113,753</u>	<u>2,242,561</u>
Donor-Imposed Restrictions: Amounts Restricted as to use for next Allocation Period	<u>(102,843)</u>	<u>(290,374)</u>
Financial Assets available to meet cash needs for general expenditures within one year	<u><u>\$ 2,010,910</u></u>	<u><u>\$ 1,952,187</u></u>

NOTE 7 – RETIREMENT PLAN

The Organization participates in a defined contribution retirement plan covering qualified employees, as defined. Full-time employees who have reached a minimum of age 21 are eligible to participate in the plan beginning January 1 of the following year of their employment. The plan requires United Way to contribute 5% of the base pay for all eligible participants. Contributions to the plan amounted to \$4,648 and \$7,575 for the years ended December 31, 2022 and 2021.

NOTE 8 – PAYCHECK PROTECTIONS PROGRAM FUND

During the year ended December 31, 2021, the Organization applied for and received a loan in the amount of \$85,312. The funds could be used only for payroll costs, rent, and utilities. Under the terms of the loan, the loan would be forgiven if used for the qualifying expenses. The Organization has used the entire loan proceeds for qualifying expenses and the loan was forgiven during the year ending December 31, 2021. Accordingly, the Statement of Activities reflect PPP Grant Revenue.