



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

**FINANCIAL STATEMENTS  
AND SUPPLEMENTARY INFORMATION**

**JUNE 30, 2022 AND 2021**

**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, 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 Addison County, Inc. as of June 30, 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 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.

### 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.

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 28 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*

February 20, 2023

UNITED WAY OF ADDISON COUNTY, INC.

STATEMENTS OF FINANCIAL POSITION

JUNE 30, 2022 AND 2021

ASSETS

	<u>2022</u>	<u>2021</u> <u>(As restated)</u>
<b>CURRENT ASSETS</b>		
Cash - operating	\$ 238,002	\$ 274,369
Cash - fiscal agent funds	25,642	20,744
Pledges receivable - net of allowance	57,449	99,838
Grants receivable	35,939	23,340
Accounts receivable	224	252
Prepaid expenses	5,510	6,165
	<hr/>	<hr/>
<b>TOTAL CURRENT ASSETS</b>	<b>362,766</b>	<b>424,708</b>
	<hr/>	<hr/>
<b>PROPERTY AND EQUIPMENT</b>		
Building and building improvements	18,326	18,326
Office equipment and furniture	18,191	18,870
	<hr/>	<hr/>
	36,517	37,196
Less accumulated depreciation	(14,813)	(8,721)
	<hr/>	<hr/>
<b>TOTAL PROPERTY AND EQUIPMENT</b>	<b>21,704</b>	<b>28,475</b>
	<hr/>	<hr/>
<b>OTHER ASSETS</b>		
Investments	1,450,344	1,380,249
Beneficial interest - UWAC	169,570	205,546
Beneficial interest - fiscal agent funds	49,094	56,940
	<hr/>	<hr/>
<b>TOTAL OTHER ASSETS</b>	<b>1,669,008</b>	<b>1,642,735</b>
	<hr/>	<hr/>
<b>TOTAL ASSETS</b>	<b>\$ 2,053,478</b>	<b>\$ 2,095,918</b>
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See accompanying notes.

## LIABILITIES AND NET ASSETS

	<b>2022</b>	<b>2021 (As restated)</b>
<b>CURRENT LIABILITIES</b>		
Accounts payable and accrued expenses	\$ 4,414	\$ 15,862
Accrued payroll and related costs	23,422	22,457
Deferred revenue	1,500	13,477
Designated donations payable	43,252	29,978
Allocations and grants payable	-	212,846
<b>TOTAL CURRENT LIABILITIES</b>	<b>72,588</b>	<b>294,620</b>
 <b>LONG-TERM LIABILITIES</b>		
Fiscal agent funds	74,736	77,684
Annuity payable	2,171	2,901
<b>TOTAL LONG-TERM LIABILITIES</b>	<b>76,907</b>	<b>80,585</b>
<b>TOTAL LIABILITIES</b>	<b>149,495</b>	<b>375,205</b>
 <b>NET ASSETS</b>		
Net assets without donor restrictions	690,559	577,269
Net assets with donor restrictions	1,213,424	1,143,444
<b>TOTAL NET ASSETS</b>	<b>1,903,983</b>	<b>1,720,713</b>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b>\$ 2,053,478</b>	<b>\$ 2,095,918</b>

See accompanying notes.

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

**STATEMENT OF ACTIVITIES - 2022**

**FOR THE YEAR ENDED JUNE 30, 2022  
(WITH COMPARATIVE TOTALS FOR 2021)**

	<b>Net Assets Without Donor Restrictions</b>	<b>Net Assets With Donor Restrictions</b>	<b>Total 2022</b>	<b>Total 2021 (As restated)</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>	<u>-</u>
Gross campaign results - current:	-	828,907	828,907	679,525
Donor designations - partners and others	-	(154,395)	(154,395)	(66,664)
Amounts from other United Ways	-	(6,605)	(6,605)	(15,150)
Amounts raised from events	-	(9,040)	(9,040)	-
Provision for uncollectible pledges	-	(34,601)	(34,601)	(30,579)
	<u>-</u>	<u>624,266</u>	<u>624,266</u>	<u>567,132</u>
Net campaign results	567,132	57,134	624,266	567,132
Event revenue	9,990	-	9,990	2,049
Contributions designated UWAC	17,401	99,800	117,201	39,792
Grants	744,367	-	744,367	808,280
In-kind contributions	10,940	-	10,940	10,860
Recovery of prior year write-offs	14,283	-	14,283	21,384
Program revenue	12,077	-	12,077	12,248
Investment income (loss)	(90,436)	(25,953)	(116,389)	360,753
Change in beneficial interest	-	(26,690)	(26,690)	47,314
Other income	4,899	-	4,899	81,923
Subtotal - support and revenue	<u>1,290,653</u>	<u>104,291</u>	<u>1,394,944</u>	<u>1,951,735</u>
Net assets released from restrictions programs	34,311	(34,311)	-	-
<b>TOTAL SUPPORT AND REVENUE</b>	<u>1,324,964</u>	<u>69,980</u>	<u>1,394,944</u>	<u>1,951,735</u>
<b>EXPENSES</b>				
Program services:				
Funding & agency relations	18,889	-	18,889	313,526
Organizational development	375,790	-	375,790	375,724
Community leadership & initiatives	488,455	-	488,455	551,061
Volunteer programs	57,552	-	57,552	47,969
Total program services	<u>940,686</u>	<u>-</u>	<u>940,686</u>	<u>1,288,280</u>
Support services:				
General and administrative	147,140	-	147,140	121,942
Fundraising	123,848	-	123,848	130,826
Total support services	<u>270,988</u>	<u>-</u>	<u>270,988</u>	<u>252,768</u>
<b>TOTAL EXPENSES</b>	<u>1,211,674</u>	<u>-</u>	<u>1,211,674</u>	<u>1,541,048</u>
<b>TOTAL CHANGE IN NET ASSETS</b>	113,290	69,980	183,270	410,687
<b>BEGINNING NET ASSETS</b>	577,269	1,143,444	1,720,713	1,310,026
<b>ENDING NET ASSETS</b>	<u>\$ 690,559</u>	<u>\$ 1,213,424</u>	<u>\$ 1,903,983</u>	<u>\$ 1,720,713</u>

See accompanying notes.



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

**STATEMENT OF ACTIVITIES - 2021**

**FOR THE YEAR ENDED JUNE 30, 2021**

	<b>Net Assets Without Donor Restrictions (As restated)</b>	<b>Net Assets With Donor Restrictions (As restated)</b>	<b>Total 2021 (As restated)</b>
<b>SUPPORT AND REVENUE</b>			
Gross campaign results - prior:	\$ -	\$ -	\$ -
Released from restriction	417,368	(417,368)	-
	<u>417,368</u>	<u>(417,368)</u>	<u>-</u>
Gross campaign results - current:	-	679,525	679,525
Donor designations - partners and others	-	(66,664)	(66,664)
Amounts from other United Ways	-	(15,150)	(15,150)
Provision for uncollectible pledges	-	(30,579)	(30,579)
	<u>-</u>	<u>567,132</u>	<u>567,132</u>
Net campaign results	417,368	149,764	567,132
Event revenue	2,049	-	2,049
Contributions designated UWAC	34,292	5,500	39,792
Grants	808,280	-	808,280
In-kind contributions	10,860	-	10,860
Recovery of prior year write-offs	21,384	-	21,384
Program revenue	12,248	-	12,248
Investment income	284,904	75,849	360,753
Change in beneficial interest	-	47,314	47,314
Other income	81,923	-	81,923
Subtotal - support and revenue	<u>1,673,308</u>	<u>278,427</u>	<u>1,951,735</u>
Net assets released from restrictions programs	17,004	(17,004)	-
	<u>1,690,312</u>	<u>261,423</u>	<u>1,951,735</u>
<b>TOTAL SUPPORT AND REVENUE</b>			
<b>EXPENSES</b>			
Program services:			
Funding & agency relations	313,526	-	313,526
Organizational development	375,724	-	375,724
Community leadership & initiatives	551,061	-	551,061
Volunteer programs	47,969	-	47,969
Total program services	<u>1,288,280</u>	<u>-</u>	<u>1,288,280</u>
Support services:			
General and administrative	121,942	-	121,942
Fundraising	130,826	-	130,826
Total support services	<u>252,768</u>	<u>-</u>	<u>252,768</u>
<b>TOTAL EXPENSES</b>	<u>1,541,048</u>	<u>-</u>	<u>1,541,048</u>
<b>TOTAL CHANGE IN NET ASSETS (forward)</b>	<u>\$ 149,264</u>	<u>\$ 261,423</u>	<u>\$ 410,687</u>

See accompanying notes.

UNITED WAY OF ADDISON COUNTY, INC.

STATEMENT OF ACTIVITIES - 2021  
(CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2021

	<b>Net Assets Without Donor Restrictions (As restated)</b>	<b>Net Assets With Donor Restrictions (As restated)</b>	<b>Total 2021 (As restated)</b>
<b>TOTAL CHANGE IN NET ASSETS (forwarded)</b>	<u>\$ 149,264</u>	<u>\$ 261,423</u>	<u>\$ 410,687</u>
<b>BEGINNING NET ASSETS - as originally reported</b>	845,373	464,653	1,310,026
Change in campaign revenue	<u>(417,368)</u>	<u>417,368</u>	<u>-</u>
<b>BEGINNING NET ASSETS - as restated</b>	<u>428,005</u>	<u>882,021</u>	<u>1,310,026</u>
<b>ENDING NET ASSETS</b>	<u><u>\$ 577,269</u></u>	<u><u>\$ 1,143,444</u></u>	<u><u>\$ 1,720,713</u></u>

See accompanying notes.

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

**STATEMENT OF FUNCTIONAL EXPENSES - 2022**

**FOR THE YEAR ENDED JUNE 30, 2022  
(WITH COMPARATIVE TOTALS FOR 2021)**

	<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	-	-	-	-	-
Interest expense	-	-	-	-	-
 <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>	<b>Total 2021</b>
Salaries and wages	\$ 64,923	\$ 80,412	\$ 145,335	\$ 381,454	\$ 381,712
Employee benefits	59,801	2,618	62,419	88,433	65,257
Payroll taxes	3,181	5,830	9,011	27,987	27,721
Subtotal - personnel	127,905	88,860	216,765	497,874	474,690
Community investment	-	-	-	434,501	734,807
Program supplies	-	-	-	76,120	72,934
Occupancy	8,000	10,647	18,647	53,235	53,263
Professional fees	2,553	2,698	5,251	42,684	81,167
Advertising and promotion	85	3,662	3,747	29,185	62,538
Payments to affiliate	3,026	4,026	7,052	20,134	18,045
Information technology	1,468	7,309	8,777	19,199	15,703
Office expenses	1,153	2,850	4,003	12,438	8,533
Depreciation	1,166	1,300	2,466	6,771	7,247
Travel	-	82	82	6,758	113
Insurance	884	1,176	2,060	5,882	6,050
Conferences and training	-	50	50	4,805	2,031
Bank fees	900	1,188	2,088	2,088	2,535
Interest expense	-	-	-	-	1,392
<b>TOTAL EXPENSES</b>	<b>\$ 147,140</b>	<b>\$ 123,848</b>	<b>\$ 270,988</b>	<b>\$ 1,211,674</b>	<b>\$ 1,541,048</b>

See accompanying notes.

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

**STATEMENT OF FUNCTIONAL EXPENSES - 2021**

**FOR THE YEAR ENDED JUNE 30, 2021**

	<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	\$ 14,495	\$ 436	\$ 205,030	\$ 17,757	\$ 237,718
Employee benefits	442	13	25,861	544	26,860
Payroll taxes	1,063	31	16,447	1,302	18,843
 Subtotal - personnel	 16,000	 480	 247,338	 19,603	 283,421
Community investment	293,571	374,698	63,538	3,000	734,807
Professional fees	617	82	68,992	3,108	72,799
Program supplies	-	-	72,534	400	72,934
Advertising and promotion	74	-	51,166	991	52,231
Occupancy	1,870	272	24,569	10,146	36,857
Payments to affiliate	633	92	8,324	3,438	12,487
Information technology	246	25	4,195	3,928	8,394
Office expenses	114	17	2,779	1,141	4,051
Depreciation	140	20	3,014	762	3,936
Insurance	212	31	2,791	1,152	4,186
Bank fees	-	-	-	-	-
Conferences and training	-	-	1,101	-	1,101
Interest expense	49	7	642	265	963
Travel	-	-	78	35	113
 <b>TOTAL EXPENSES</b>	 <b>\$ 313,526</b>	 <b>\$ 375,724</b>	 <b>\$ 551,061</b>	 <b>\$ 47,969</b>	 <b>\$ 1,288,280</b>

See accompanying notes.

	<b>General and Administrative</b>	<b>Fundraising</b>	<b>Total Support Expenses</b>	<b>Total 2021</b>
Salaries and wages	\$ 61,729	\$ 82,265	\$ 143,994	\$ 381,712
Employee benefits	35,857	2,540	38,397	65,257
Payroll taxes	2,840	6,038	8,878	27,721
Subtotal - personnel	100,426	90,843	191,269	474,690
Community investment	-	-	-	734,807
Professional fees	2,720	5,648	8,368	81,167
Program supplies	-	-	-	72,934
Advertising and promotion	198	10,109	10,307	62,538
Occupancy	7,884	8,522	16,406	53,263
Payments to affiliate	2,671	2,887	5,558	18,045
Information technology	721	6,588	7,309	15,703
Office expenses	1,815	2,667	4,482	8,533
Depreciation	2,671	640	3,311	7,247
Insurance	896	968	1,864	6,050
Bank fees	1,482	1,053	2,535	2,535
Conferences and training	252	678	930	2,031
Interest expense	206	223	429	1,392
Travel	-	-	-	113
<b>TOTAL EXPENSES</b>	<b>\$ 121,942</b>	<b>\$ 130,826</b>	<b>\$ 252,768</b>	<b>\$ 1,541,048</b>

See accompanying notes.

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

**STATEMENTS OF CASH FLOWS**

**FOR THE YEARS ENDED JUNE 30, 2022 AND 2021**

	<b>2022</b>	<b>2021</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Cash received from grants	\$ 719,790	\$ 597,629
Cash received from contributions	813,655	662,951
Interest and dividends received	39,657	35,144
Other miscellaneous receipts	17,004	27,217
Cash paid for personnel	(496,909)	(470,758)
Cash paid for goods and services	(919,728)	(1,059,922)
Interest paid	-	(1,393)
	<u>173,469</u>	<u>(209,132)</u>
<b>NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</b>		
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Proceeds from sales of investments	353,571	361,485
Purchases of investments	(562,579)	(457,414)
Proceeds from sales of fixed assets	-	202,899
Purchases of fixed assets	-	(8,026)
	<u>(209,008)</u>	<u>98,944</u>
<b>NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES</b>		
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Endowment gifts received	4,800	5,500
Net change in annuity payable	(730)	(688)
Principal payments on long-term debt	-	(91,794)
	<u>4,070</u>	<u>(86,982)</u>
<b>NET CASH PROVIDED (USED) BY FINANCING ACTIVITIES</b>		
<b>DECREASE IN CASH</b>	<u>(31,469)</u>	<u>(197,170)</u>
<b>BEGINNING CASH</b>	<u>295,113</u>	<u>492,283</u>
<b>ENDING CASH</b>	<u>\$ 263,644</u>	<u>\$ 295,113</u>
<b>REPORTED ON THE STATEMENTS OF FINANCIAL POSITION AS:</b>		
Cash - operating	\$ 238,002	\$ 274,369
Cash - fiscal agent funds	25,642	20,744
	<u>\$ 263,644</u>	<u>\$ 295,113</u>
<b>SUPPLEMENTAL DISCLOSURE OF NONCASH FINANCING ACTIVITY</b>		
Forgiveness of Paycheck Protection Program loan	<u>\$ -</u>	<u>\$ 71,300</u>

See accompanying notes.

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

**NOTES TO FINANCIAL STATEMENTS**

**JUNE 30, 2022 AND 2021**

**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 2022, the Organization received the third 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, 2022 AND 2021**

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

Pending accounting standard

In February 2016, the Financial Accounting Standards Board (FASB) issued ASU No. 2016-02, *Leases* (Topic 842), which will replace the current guidance for leases found in FASB ASC 840. ASU No. 2016-02 will affect most not-for-profits for annual reporting periods beginning on or after December 15, 2021 (UWAC's fiscal year ending June 30, 2023). ASU No. 2016-02 applies to both lessees and lessors, and will require lessees with operating leases to recognize a right-of-use asset and related lease liability for leases with terms of 12 months or more. Management has not yet determined the impact of this ASU on the Organization's financial statements.

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.

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 approximately \$0 and \$51,000 as of June 30, 2022 and 2021, respectively.

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.

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

**NOTES TO FINANCIAL STATEMENTS**

**JUNE 30, 2022 AND 2021**

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

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.

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.

Grants receivable

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

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, 2022 AND 2021**

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

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 \$8,315 and \$10,210 for the years ended June 30, 2022 and 2021, respectively. Other advertising consisted of promotional supplies, food, catering, printing, and publications.

Contributed services

The Organization receives various types of in-kind support including professional services and unskilled labor. Contributed professional services are recognized at fair market 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 \$10,940 and \$10,860 for the years ended June 30, 2022 and 2021, respectively.

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.

UNITED WAY OF ADDISON COUNTY, INC.

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2022 AND 2021

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.

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>2022</u>	<u>2021</u>
Financial assets at year-end:		
Cash - operating	\$ 238,002	\$ 274,369
Cash - fiscal agent funds	25,642	20,744
Pledges receivable - net of allowance	57,449	99,838
Grants receivable	35,939	23,340
Accounts receivable	224	252
Investments	1,450,344	1,380,249
Beneficial interest - UWAC	169,570	205,546
Beneficial interest - fiscal agent funds	49,094	56,940
Total financial assets at year-end:	<u>2,026,264</u>	<u>2,061,278</u>
Less amounts not available to meet general expenditures:		
Fiscal agent funds	(74,736)	(77,684)
Net assets with donor restrictions	(1,213,424)	(1,143,444)
Board-designated net assets	<u>(855,829)</u>	<u>(957,746)</u>
Financial assets available to meet general expenditures over the next 12 months	<u>\$ (117,725)</u>	<u>\$ (117,596)</u>

UNITED WAY OF ADDISON COUNTY, INC.

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2022 AND 2021

**3) PLEDGES RECEIVABLE**

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

	<u>2022</u>	<u>2021</u>
Current campaign receivable	\$ 84,655	\$ 118,082
Prior campaigns receivable	7,395	12,335
	<u>92,050</u>	<u>130,417</u>
Less allowance for uncollectible pledges	<u>(34,601)</u>	<u>(30,579)</u>
	<u>\$ 57,449</u>	<u>\$ 99,838</u>

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

**4) BENEFICIAL INTEREST WITH VERMONT COMMUNITY FOUNDATION**

The Vermont Community Foundation (VCF) holds endowment funds for the benefit of the Organization with fair values totaling \$169,570 and \$205,546 at June 30, 2022 and 2021, respectively. The Organization received distributions of \$9,286 and \$8,991 from VCF for the years ended June 30, 2022 and 2021, respectively.

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.

**5) 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).

The following table presents the composition of investments at fair value as of June 30:

	<u>2022</u>	<u>2021</u>
Cash and equivalents	\$ 349,385	\$ 88,591
Equities	691,733	859,978
Fixed income	326,479	335,674
Alternative investments	<u>82,747</u>	<u>96,006</u>
Total investments measured at fair value	<u>\$ 1,450,344</u>	<u>\$ 1,380,249</u>

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

**NOTES TO FINANCIAL STATEMENTS**

**JUNE 30, 2022 AND 2021**

**5) INVESTMENTS (continued)**

An additional analysis of UWAC's investments is as follows:

	<u>Cost</u>	<u>Fair Value</u>	<u>Unrealized Appreciation (Depreciation)</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>
<b><u>June 30, 2021</u></b>			
Cash and equivalents	\$ 88,591	\$ 88,591	\$ -
Equity securities	602,331	859,978	257,647
Fixed income	327,322	335,674	8,352
Alternative investments	85,042	96,006	10,964
	<u>\$ 1,103,286</u>	<u>\$ 1,380,249</u>	<u>\$ 276,963</u>

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

	<u>2022</u>	<u>2021</u>
Interest and dividends	\$ 39,656	\$ 35,144
Realized gain	59,442	66,083
Change in unrealized gain (loss)	(204,730)	268,112
Investment fees	(10,757)	(8,586)
	<u>\$ (116,389)</u>	<u>\$ 360,753</u>

## UNITED WAY OF ADDISON COUNTY, INC.

### NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2022 AND 2021

#### 6) 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, 2022 AND 2021**

**6) 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, 2022 or 2021.

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, 2022</u></b>				
Board-designated endowment funds	\$ 527,046	\$ -	\$ -	\$ 527,046
Donor-restricted endowment funds	-	73,526	436,994	510,520
	<u>\$ 527,046</u>	<u>\$ 73,526</u>	<u>\$ 436,994</u>	<u>\$ 1,037,566</u>
<b><u>June 30, 2021 - as restated</u></b>				
Board-designated endowment funds	\$ 587,605	\$ -	\$ -	\$ 587,605
Donor-restricted endowment funds	-	99,479	468,170	567,649
	<u>\$ 587,605</u>	<u>\$ 99,479</u>	<u>\$ 468,170</u>	<u>\$ 1,155,254</u>



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

**NOTES TO FINANCIAL STATEMENTS**

**JUNE 30, 2022 AND 2021**

**6) ENDOWMENT FUNDS (continued)**

Changes in endowment net assets were as follows for the years ended June 30, 2022 and 2021:

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>		<u>Total</u>
		<u>Un- appropriated Earnings</u>	<u>To be Held in Perpetuity</u>	
<b>Balance - July 1, 2020 as originally reported</b>	\$ 363,357	\$ 63,920	\$ 392,070	\$ 819,347
Change in beneficial interest	-	(32,277)	32,277	-
<b>Balance - July 1, 2020 as restated</b>	<u>363,357</u>	<u>31,643</u>	<u>424,347</u>	<u>819,347</u>
Additional contributions	63,000	-	5,500	68,500
Investment income	179,945	75,849	-	255,794
Change in beneficial interest	-	-	38,323	38,323
Appropriated for operations	(18,697)	(8,013)	-	(26,710)
<b>Balance - June 30, 2021</b>	<u>\$ 587,605</u>	<u>\$ 99,479</u>	<u>\$ 468,170</u>	<u>\$ 1,155,254</u>
<b>Balance - July 1, 2021</b>	\$ 587,605	\$ 99,479	\$ 468,170	\$ 1,155,254
Additional contributions	-	-	4,800	4,800
Investment loss	(60,559)	(25,953)	-	(86,512)
Change in beneficial interest	-	-	(35,976)	(35,976)
Appropriated for operations	-	-	-	-
<b>Balance - June 30, 2022</b>	<u>\$ 527,046</u>	<u>\$ 73,526</u>	<u>\$ 436,994</u>	<u>\$ 1,037,566</u>

The change in endowment funds for the year ended June 30, 2021 has been restated as described in Note 15.

**7) PAYCHECK PROTECTION PROGRAM LOAN**

In April 2020, UWAC signed a two-year loan agreement with People's United Bank under the Paycheck Protection Program (PPP) for a \$71,300 loan. The loan was forgiven in full in February 2021 and recorded as Other income on the Statement of Activities for the year ended June 30, 2021.

**8) OPERATING LEASES**

In May 2017, the Organization entered into a five-year, noncancelable operating lease for a photocopier. The terms of the lease call for monthly payments of \$298 through April 2022. In 2022, this lease was extended at the same monthly payment amount to April 2027.

UNITED WAY OF ADDISON COUNTY, INC.

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2022 AND 2021

8) OPERATING LEASES (continued)

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. Rent expenses were \$49,662 for the years ended June 30, 2022 and 2021.

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

2023	\$	53,000
2024		53,000
2025		41,000
2026		3,600
2027		3,600
		<u>3,600</u>
	\$	<u>154,200</u>

9) CUSTODIAL ACCOUNTS - FISCAL AGENT FUNDS

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

	<u>2022</u>	<u>2021</u>
Addison County Readers	\$ 72,184	\$ 74,986
Addison County Foster Fund	2,552	2,698
	<u>\$ 74,736</u>	<u>\$ 77,684</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.

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

**NOTES TO FINANCIAL STATEMENTS**

**JUNE 30, 2022 AND 2021**

**10) NET ASSETS**

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

	<u>2022</u>	<u>2021</u> <u>(As restated)</u>
<b>Net assets without donor restrictions:</b>		
Board-designated:		
Endowment fund	\$ 527,046	\$ 587,605
Special Operations fund	265,824	297,296
Building reserve	41,255	44,370
Net investment in property and equipment	21,704	28,475
Subtotal - board-designated	<u>855,829</u>	<u>957,746</u>
Undesignated	<u>(165,270)</u>	<u>(380,477)</u>
	<u>\$ 690,559</u>	<u>\$ 577,269</u>
 <b>Net assets with donor restrictions:</b>		
Restricted to time or purpose:		
Current year campaign	\$ 624,266	\$ 567,132
Housing Solutions	69,975	-
Funder's Collaborative	901	901
Charitable gift annuity	7,762	7,762
Unappropriated endowment earnings	<u>73,526</u>	<u>99,479</u>
Subtotal - restricted to time or purpose	<u>776,430</u>	<u>675,274</u>
Restricted in perpetuity:		
Donor-restricted endowment	267,424	262,624
Beneficial interest with Vermont Community Foundation	<u>169,570</u>	<u>205,546</u>
Subtotal - restricted in perpetuity	<u>436,994</u>	<u>468,170</u>
	<u>\$ 1,213,424</u>	<u>\$ 1,143,444</u>

Net assets as of July 1, 2021 have been restated to reflect the prior period restatements described in Note 15.

**11) 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 2022 or 2021.

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

**NOTES TO FINANCIAL STATEMENTS**

**JUNE 30, 2022 AND 2021**

**12) 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.

**13) 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 on the first business day in July each year, and distribute the funds in equal quarterly installments to the MOU Project Operator. For the period September 1, 2021 through August 31, 2022, the grant amount and distribution was \$374,698. For the period September 1, 2020 through August 31, 2021, the grant amount and distribution was \$374,698.

**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 \$11,436 and \$10,890 for the years ended June 30, 2022 and 2021, respectively.

**15) PRIOR PERIOD RESTATEMENTS**

The financial statements for the year ended June 30, 2021 have been restated to reflect a correction in reporting the net asset classification of beneficial interest in assets held by others, and to reflect the Organization's change in the Community Impact Funding (CIF) cycle that went into effect in fiscal year 2021.

The net effect of the restatement to correct the reporting of beneficial interest in assets held by others was to increase net assets restricted in perpetuity by \$32,277, with a corresponding decrease in net assets restricted by time or purpose as of July 1, 2021. The restatement had no effect on the change in net assets for the years ended June 30, 2022 or 2021.

In fiscal year 2021, the board approved changing the CIF cycle to align with the Organization's fiscal year. Effective July 1, 2022, the CIF cycle payments occur in the year following the campaign revenues that support the funding. This change in policy results in campaign revenue being properly classified as with donor restrictions, rather than without donor restrictions. The fiscal year ending June 30, 2021 was restated to retroactively reflect this policy change. The net effect of the restatement to reclassify campaign revenue was to increase net assets with donor restrictions by \$417,368, with a corresponding decrease in net assets without donor restrictions as of July 1, 2020. For the year ended June 30, 2021, the restatement increased change in net assets with donor restrictions by \$567,132, with a corresponding decrease in change in net assets without donor restrictions. The restatement has no effect on the change in net assets for the year ended June 30, 2022.

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

**NOTES TO FINANCIAL STATEMENTS**

**JUNE 30, 2022 AND 2021**

**16) GLOBAL PANDEMIC**

On March 11, 2020, the World Health Organization declared the COVID-19 coronavirus to be a global pandemic. At the onset of COVID-19, most UWAC staff began working remotely, and subsequently began balancing remote work with onsite work as needed and in accordance with current state health guidelines.

To address adverse community impacts from COVID-19, in 2020 a collaboration was formed between UWAC and a newly formed community volunteer group named Addison County Mutual Aid. An emergency fundraising campaign named Addison County Responds was launched by UWAC in the same year to help provide three critical areas of funding: (a) to help provide relief assistance to Addison County residents adversely affected by the COVID-19 workplace shutdowns, (b) to help provide emergency grants to local partner nonprofits to cover sudden and necessary COVID-19 related expenses, and (c) to help UWAC reach its annual community impact funding goal.

Relief assistance to displaced Addison County workers included items such as rental/mortgage payments, auto loans, utility bills, and grocery store gift cards. No cash payments were made to any relief recipient. Recipients were screened by UWAC's Workplace Resource Coordinator, and eligible individual applications were then forwarded along to the Executive Director for further review before being forwarded to the Board of Director's Executive Committee for their final review and approval. After two months of providing assistance in this format, it was decided by the UWAC Board of Directors and Executive Director to outsource this relief assistance program to its funded partner agency, HOPE. Later in 2020, the remaining relief assistance funds were then channeled to HOPE to take advantage of the logistics already in place to help Addison County residents with unstable housing/economic situations. UWAC's Executive Director currently participates in HOPE's housing coalition meetings, and receives regular reports detailing how the UWAC relief funds are distributed.

The emergency mini-grant program consists of making targeted COVID-19 related grants to local agencies that were previously vetted through UWAC's community impact funding process. Applications are received by the Executive Director for screening, and are then forwarded to the Board's Executive Committee for review and approval.

As of the report date, it is not possible to determine the long-term impact of this health crisis on UWAC's operations. Additionally, it cannot be determined if the effects are temporary or permanent in nature.

**17) SUBSEQUENT EVENTS**

United Way of Addison County, Inc. has evaluated events and transactions for potential recognition or disclosure through February 20, 2023, 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, 2022  
(WITH COMPARATIVE TOTALS FOR 2021)**

	<u>Addison County Readers</u>	<u>Addison County Foster Fund</u>	<u>Total 2022</u>	<u>Total 2021</u>
<b>SUPPORT AND REVENUE</b>				
Contributions	\$ 8,741	\$ 2,884	\$ 11,625	\$ 11,271
Events	2,303	-	2,303	798
Grants	22,099	-	22,099	23,464
In-kind donations	1,500	-	1,500	1,500
Miscellaneous income	-	-	-	6
Investment gain (loss)	<u>(7,847)</u>	<u>-</u>	<u>(7,847)</u>	<u>10,450</u>
 <b>TOTAL SUPPORT AND REVENUE</b>	 <u>26,796</u>	 <u>2,884</u>	 <u>29,680</u>	 <u>47,489</u>
 <b>EXPENSES</b>				
Program supplies	26,999	79	27,078	27,035
Community investment	-	2,717	2,717	2,724
Professional fees	2,000	224	2,224	2,252
Web subscription services	337	-	337	-
Office expenses	212	-	212	239
Bank charges	<u>50</u>	<u>10</u>	<u>60</u>	<u>33</u>
 <b>TOTAL EXPENSES</b>	 <u>29,598</u>	 <u>3,030</u>	 <u>32,628</u>	 <u>32,283</u>
 <b>NET INCOME (LOSS)</b>	 <u>\$ (2,802)</u>	 <u>\$ (146)</u>	 <u>\$ (2,948)</u>	 <u>\$ 15,206</u>

See accompanying notes.