

UNITED WAY OF WINNESHIEK COUNTY, INC.

**FINANCIAL REPORT
(Reviewed)**

MARCH 31, 2023

TABLE OF CONTENTS

	<u>Page</u>
INDEPENDENT ACCOUNTANT'S REVIEW REPORT	1
FINANCIAL STATEMENTS	
Statements of Assets, Liabilities and Net Assets - Cash Basis	2
Statements of Support, Revenue and Expenses, and Changes in Net Assets - Cash Basis	3
Notes to Financial Statements	4-6



Hacker Nelson
& Co., CPAs

INDEPENDENT ACCOUNTANT'S REVIEW REPORT

To the Board of Directors
United Way of Winneshiek County, Inc.
Decorah, Iowa

Report on the Financial Statements

We have reviewed the accompanying financial statements of United Way of Winneshiek County, Inc. (a nonprofit corporation), which comprise the statements of assets, liabilities and net assets - cash basis as of March 31, 2023 and 2022, and the related statements of support, revenue and expenses, and changes in net assets - cash basis for the years then ended, and the related notes to the financial statements. A review includes primarily applying analytical procedures to management's financial data and making inquiries of management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, we do not express such an opinion.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the cash basis of accounting; this includes determining that the cash basis of accounting is an acceptable basis for the preparation of financial statements in the circumstances. Management is also responsible 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.

Accountant's Responsibility

Our responsibility is to conduct the review engagements in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. Those standards require us to perform procedures to obtain limited assurance as a basis for reporting whether we are aware of any material modifications that should be made to the financial statements for them to be in accordance with the cash basis of accounting. We believe that the results of our procedures provide a reasonable basis for our conclusion.

We are required to be independent of United Way of Winneshiek County, Inc. and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our review.

Accountant's Conclusion

Based on our reviews, we are not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in accordance with the cash basis of accounting.

Basis of Accounting

We draw attention to Note 1.b of the financial statements, which describes the basis of accounting. The financial statements are prepared in accordance with the cash basis of accounting, which is a basis of accounting other than U.S. generally accepted accounting principles. Our conclusion is not modified with respect to this matter.

Decorah, Iowa
July 20, 2023

Hacker, Nelson & Co., CPAs

UNITED WAY OF WINNESHIEK COUNTY, INC.
STATEMENTS OF ASSETS, LIABILITIES AND NET ASSETS - CASH BASIS
March 31, 2023 and 2022

ASSETS		
	2023	2022
ASSETS		
Cash and cash equivalents:		
Checking account	\$ 6,799	\$ 1,285
Money market account	105,377	117,739
Total cash and cash equivalents	112,176	119,024
Total assets	\$ 112,176	\$ 119,024
LIABILITIES AND NET ASSETS		
LIABILITIES		
None	\$ -	\$ -
NET ASSETS		
Without donor restrictions	112,176	119,024
Total liabilities and net assets	\$ 112,176	\$ 119,024

See Notes to Financial Statements and Accountant's Review Report.

UNITED WAY OF WINNESHIEK COUNTY, INC.
STATEMENTS OF SUPPORT, REVENUE AND EXPENSES, AND CHANGES IN NET ASSETS - CASH BASIS
Years Ended March 31, 2023 and 2022

	2023	2022
SUPPORT AND REVENUE		
Contributions	\$ 58,118	\$ 92,804
Fundraising events	14,342	4,530
Miscellaneous income	-	923
Realized (loss) gain	-	(24)
Interest income	1,054	146
	<u>73,514</u>	<u>98,379</u>
Total support and revenue	<u>73,514</u>	<u>98,379</u>
EXPENSES		
Program services:		
Payment to agencies	66,050	57,250
Management and general:		
Licenses and permits	40	40
Dues	1,302	4,562
Insurance	1,178	1,122
Legal and accounting	4,879	50
Office supplies	1,000	920
Miscellaneous	267	417
	<u>8,666</u>	<u>7,111</u>
Management and general total	<u>8,666</u>	<u>7,111</u>
Fundraising:		
Supplies	3	-
Postage	112	296
Advertising and printing	880	4,334
Fundraising events	4,651	4,115
	<u>5,646</u>	<u>8,745</u>
Fundraising total	<u>5,646</u>	<u>8,745</u>
Total expenses	<u>80,362</u>	<u>73,106</u>
Change in net assets	(6,848)	25,273
UNRESTRICTED NET ASSETS, beginning of year	<u>119,024</u>	<u>93,751</u>
UNRESTRICTED NET ASSETS, end of year	<u>\$ 112,176</u>	<u>\$ 119,024</u>

See Notes to Financial Statements and Accountant's Review Report.

UNITED WAY OF WINNESHIEK COUNTY, INC.

NOTES TO FINANCIAL STATEMENTS

1. Summary of Significant Accounting Policies

a. Organization, Function and Nature of Activities

The United Way of Winneshiek County, Inc. (the Organization) is located in Winneshiek County, Iowa. The Organization is composed of a volunteer Board of Directors and is affiliated with the national organization, United Way of America. Its purpose is to obtain donations through an annual campaign on behalf of a number of other nonprofit qualified agencies. Upon completion of the fundraising campaign, which is held in the fall each year, the funds will then be disbursed to the agencies.

b. Basis of Accounting

The accompanying financial statements have been prepared on the cash receipts and disbursements basis of accounting. Under that basis, the only asset recognized is cash and cash equivalents and investments, and no liabilities are recognized. All transactions are recognized as either cash receipts or disbursements, and noncash transactions are not recognized. The cash basis differs from U.S. generally accepted accounting principles primarily because the effects of outstanding promises to give and obligations for expenses unpaid at the date of the financial statements are not included in the financial statements.

c. Financial Statement Presentation

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 based upon the existence or absence of donor-imposed restrictions.

d. Cash and Cash Equivalents

The Organization includes all unrestricted cash accounts, money market accounts and certificates of deposit with a maturity of 90 days or less as cash and cash equivalents on the accompanying statements of assets, liabilities and net assets - cash basis.

e. Investments

Investments are measured at fair value in the statements of assets, liabilities and net assets - cash basis. Realized and unrealized gains and losses are included in the statements of support, revenue and expenses, and changes in net assets - cash basis. The Organization attempts to sell investments as soon as they are received rather than retain the investments on a long-term basis.

f. Contributions

All contributions are considered to be available for unrestricted use unless specifically restricted by the donor. 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. Amounts received that are designated for future periods or restricted by the donor for specific purposes are reported as donor restricted support that increases those net asset classes. When a donor restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statements of support, revenue and expenses, and changes in net assets - cash basis as net assets released from restrictions. United Way of Winneshiek County, Inc. had no donor restricted net assets at March 31, 2023 or 2022.

NOTES TO FINANCIAL STATEMENTS

1. Summary of Significant Accounting Policies (Continued)

f. Contributions (Continued)

No amounts have been reflected in the financial statements for donated services. The Organization pays for most services requiring specific expertise. However, many individuals volunteer their time and perform a variety of tasks that assist the Organization with its activities.

g. Expense Allocation

The costs of providing the various programs and other activities have been summarized in the statements of support, revenue and expenses, and changes in net assets - cash basis. Directly identifiable expenses are charged to programs and supporting services. Accordingly, certain costs have been allocated among the program services and support activities benefited. The expenses that are allocated include insurance, which is allocated based on estimated usage.

The program service included in the accompanying financial statements is as follows:

- Payment to Agencies - the Organization collects monies and redirects it to other nonprofit agencies in the area in order for those agencies to provide needed services to local residents of all ages and economic status.

h. Income Taxes

The Organization is a nonprofit corporation qualifying for exempt status under Section 501(c)(3) of the Internal Revenue Code and is not required to pay income tax. In addition, the Organization has been determined by the Internal Revenue Service not to be a "private foundation" within the meaning of Section 509(a) of the Code. The Organization files the required annual informational return for organizations exempt from income tax.

i. Advertising

The Organization uses advertising to promote its programs and products among the audiences it serves. The production costs of advertising are expensed as incurred. During the years ended March 31, 2023 and 2022, advertising costs totaled \$880 and \$4,139, respectively.

2. Liquidity and Availability

Financial assets for general expenditure, that is, without donor, board, or other restrictions limiting their use, within one year of the balance sheet date, comprise the following as of March 31, 2023 and 2022:

	2023	2022
Cash and cash equivalents	\$ 112,176	\$ 119,024

As part of management's liquidity policy, financial assets are structured to be available as its general expenditures, liabilities, and other obligations come due. Cash in excess of daily requirements are invested in money market accounts, or certificates of deposit with a maturity of 90 days or less.

3. Annual Campaign

Since the Organization is affiliated with United Way of America, the annual campaign is held during the fall. Donors have several options by which they can contribute. They are by a single contribution, workplace payroll deduction, or an automatic monthly withdrawal from their bank account. For the 2022 fall campaign, \$10,148 was pledged but has not been received by March 31, 2023.

4. Concentration of Credit Risk and Risk Management

The Organization receives substantially all its support from donations by individuals and businesses in the County. A significant reduction in the level of this support, if this were to occur, would have a material effect on the Organization's activities.

The Organization is exposed to risk of loss to theft of assets, errors, and omissions. The Organization maintains bonds on those individuals most involved with the financial assets. Management believes such coverage is sufficient to preclude any significant uninsured losses to the Organization.

5. Subsequent Events

Management has evaluated subsequent events through July 20, 2023, the date the financial statements were available to be issued.