

UNITED WAY OF JACKSON COUNTY

Financial Statements

For the Year Ended June 30, 2023

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Independent Auditor's Report

**To the Board of Directors
United Way of Jackson County
Medford, Oregon**

Opinion

We have audited the financial statements of United Way of Jackson County (the Organization), which comprise the statement of financial position as of June 30, 2023, and the related statements of activities and changes in net assets, functional expenses and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Organization as of June 30, 2023, and the changes in its net assets and its cash flows for the year 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 (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Organization 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.

Report on Summarized Comparative Information

We have previously audited the Organization's June 30, 2022 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated September 21, 2022. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2022 is consistent, in all material respects, with the audited financial statements from which it has been derived.

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.



T: 425-454-4919
T: 800-504-8747
F: 425-454-4620

10900 NE 4th St
Suite 1400
Bellevue WA
98004

clarknuber.com

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 the Organization's ability to continue as a going concern for one year after the date that the financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Organization'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 the Organization'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 audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying supplementary information, consisting of current and gross campaign results and donor designations on page 5, is not a required part of the financial statements and is included for the purpose of additional analysis consistent with industry practice. 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 fairly stated in all material respects in relation to the financial statements as a whole.

Clark Nuber P.S.

Certified Public Accountants
September 20, 2023

UNITED WAY OF JACKSON COUNTY

Statement of Financial Position

June 30, 2023

(With Comparative Totals for 2022)

	<u>2023</u>	<u>2022</u>
Assets		
Current Assets:		
Cash and cash equivalents	\$ 351,600	\$ 380,197
Pledges and grants receivable, net (Note 3)	353,893	144,579
Prepaid expenses	1,252	6,727
Total Current Assets	706,745	531,503
Property and equipment, net (Note 2)	880,558	358,454
Capital campaign pledges receivable	16,578	
Investments (Note 5)	712,151	819,870
Assets restricted by donors for long-term purposes	232,709	214,944
Beneficial interest in assets held by others (Note 4)	229,230	223,455
Total Assets	<u>\$ 2,777,971</u>	<u>\$ 2,148,226</u>
Liabilities and Net Assets		
Current Liabilities:		
Accounts payable and accrued liabilities	\$ 18,382	\$ 23,206
Designations payable (Note 6)	18,853	20,833
Total Current Liabilities	37,235	44,039
Total Liabilities	37,235	44,039
Net Assets:		
Without donor restrictions-		
Undesignated	1,126,098	707,784
Board designated quasi endowment (Note 10)	307,036	280,193
With donor restrictions (Note 9)	1,307,602	1,116,210
Total Net Assets	2,740,736	2,104,187
Total Liabilities and Net Assets	<u>\$ 2,777,971</u>	<u>\$ 2,148,226</u>

See accompanying notes.

UNITED WAY OF JACKSON COUNTY

**Statement of Activities and Changes in Net Assets
For the Year Ended June 30, 2023
(With Comparative Totals for 2022)**

	Without Donor Restrictions	With Donor Restrictions	2023 Total	2022 Total
Revenues, Gains and Other Support:				
Current year campaign results	\$ 978,633	\$ -	\$ 978,633	\$ 1,381,919
Current year campaign results restricted by purpose		932,976	932,976	312,673
Current year campaign results restricted for time		28,500	28,500	63,000
Fire Fund campaign results (Note 13)		498,387	498,387	535,029
Gross campaign results	978,633	1,459,863	2,438,496	2,292,621
Less allowance for uncollectable pledges	(13,387)		(13,387)	(17,528)
Less donor designations	(158,891)		(158,891)	(165,952)
Total campaign revenue	806,355	1,459,863	2,266,218	2,109,141
Capital campaign	184,055		184,055	
In-kind contributions	6,383		6,383	9,250
Investment return	48,842	17,765	66,607	(28,708)
Change in value of beneficial interest (Note 4)		5,775	5,775	(24,722)
Bequest contribution and other revenue	228,203		228,203	200,563
Net assets released from restrictions (Note 9)	1,292,011	(1,292,011)		
Total Revenues, Gains and Other Support	2,565,849	191,392	2,757,241	2,265,524
Allocations and Expenses:				
Program services	1,743,512		1,743,512	3,023,239
Management and general	173,354		173,354	156,368
Fundraising	184,546		184,546	155,373
Total functional expenses	2,101,412		2,101,412	3,334,980
Payments to affiliates	19,280		19,280	22,869
Total Allocations and Expenses	2,120,692		2,120,692	3,357,849
Change in Net Assets	445,157	191,392	636,549	(1,092,325)
Net assets, beginning of year	987,977	1,116,210	2,104,187	3,196,512
Net Assets, End of Year	\$ 1,433,134	\$ 1,307,602	\$ 2,740,736	\$ 2,104,187

See accompanying notes.

UNITED WAY OF JACKSON COUNTY

**Statement of Functional Expenses
For the Year Ended June 30, 2023
(With Comparative Totals for 2022)**

	Program Services	Management and General	Fundraising	Total Expenses 2023	Total Expenses 2022
Expenses:					
Salaries and wages	\$ 335,116	\$ 107,248	\$ 108,663	\$ 551,027	\$ 448,895
Employee benefits	65,361	20,918	21,194	107,473	109,961
Payroll taxes	32,536	10,413	10,550	53,499	43,984
Personnel costs	433,013	138,579	140,407	711,999	602,840
Fire assistance	517,071			517,071	1,436,690
Community projects	465,302		7,484	472,786	914,839
Allocations to agencies	219,259			219,259	221,500
Office expense	13,419	4,296	4,353	22,068	22,914
Public information	10,547	1,507	3,014	15,068	21,302
Professional services	14,698	4,704	4,766	24,168	19,975
Depreciation	14,759	4,723	4,786	24,268	18,317
Supplies	6,616	3,308	3,308	13,232	15,988
Computer consulting fees	6,134	1,963	1,989	10,086	10,324
Office utilities	7,419	2,374	2,406	12,199	8,719
Meals and travel	8,042	2,574	2,608	13,224	8,446
Telephone	3,671	1,175	1,190	6,036	6,000
Bank fees	2,421	775	785	3,981	5,590
Insurance	5,739	1,837	1,861	9,437	5,385
Training and conferences	7,202	2,305	2,335	11,842	5,260
Dues and fees	3,914	1,253	1,269	6,436	3,862
Printing	1,870	935	935	3,740	3,117
Postage	1,515	758	758	3,031	2,803
Equipment rental	901	288	292	1,481	1,109
Total Expenses	\$ 1,743,512	\$ 173,354	\$ 184,546	\$ 2,101,412	\$ 3,334,980

See accompanying notes.

UNITED WAY OF JACKSON COUNTY

Statement of Cash Flows
For the Year Ended June 30, 2023
(With Comparative Totals for 2022)

	<u>2023</u>	<u>2022</u>
Cash Flows From Operating Activities:		
Change in net assets	\$ 636,549	\$ (1,092,325)
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities-		
Change in value of beneficial interest	(5,775)	24,722
Depreciation	24,268	18,317
Realized and unrealized investment (gains) losses	(66,607)	28,708
Contributions restricted for the acquisition of long-term assets	(184,055)	
(Increase) decrease in operating assets:		
Pledges and grants receivable	(209,314)	(12,677)
Prepaid expenses	5,475	(4,177)
Increase (decrease) in operating liabilities:		
Accounts payable and accrued liabilities	(4,824)	1,141
Funds held for others		(28,017)
Designations payable	(1,980)	(4,822)
Net Cash Provided by (Used in) Operating Activities	193,737	(1,069,130)
Cash Flows From Investing Activities:		
Purchase of investments	(429,530)	(333,854)
Proceeds from sale of investments	603,856	1,323,587
Payments to acquire property and equipment	(546,372)	(930)
Change in assets restricted for long-term purposes	(17,765)	16,051
Net Cash (Used in) Provided By Investing Activities	(389,811)	1,004,854
Cash Flows From Financing Activities:		
Proceeds from recoverable grant	350,000	
Repayment of recoverable grant	(350,000)	
Contributions received restricted for the acquisition of long-term assets	167,477	3,333
Net Cash Provided by Financing Activities	167,477	3,333
Net Change in Cash and Cash Equivalents	(28,597)	(60,943)
Cash and cash equivalents, beginning of year	380,197	441,140
Cash and Cash Equivalents, End of Year	\$ 351,600	\$ 380,197

See accompanying notes.

UNITED WAY OF JACKSON COUNTY

Notes to Financial Statements For the Year Ended June 30, 2023 (With Comparative Totals for 2022)

Note 1 - Summary of Significant Accounting Policies

Nature of Operations - The United Way of Jackson County (the Organization) was formed and organized in the State of Oregon to operate as a not-for-profit entity under Internal Revenue Code Section 501(c)(3). The Organization's primary objective is to mobilize caring to affect change via promoting volunteerism, community philanthropy, and community building. The Organization engages in fundraising activities and allocates the contributed funds to other not-for-profit organizations and for community building programs. The majority of the Organization's revenues are derived from contributions in the local geographic region.

The Organization administers a fundraising campaign to collect donations for charitable organizations. The Organization has a donor choice program that allows donors to designate to tax-exempt agencies. The Organization also allows donors to designate to broadly defined areas of service.

Basis of Presentation - Net assets, revenues, gains and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, the net assets of the Organization and changes therein are classified and reported as follows:

Net Assets Without Donor Restriction - Net assets that are not subject to donor-imposed stipulations.

Net Assets With Donor Restriction - Net assets subject to donor-imposed stipulations that will be met either by actions of the Organization or the passage of time, or net assets subject to donor-imposed stipulations that must be maintained permanently by the Organization.

Revenues are reported as increases in net assets without donor restriction unless use of the related asset is limited by donor-imposed restrictions. Expenses are reported as decreases in net assets without donor restriction. Gains and losses on investments and other assets or liabilities are reported as increases or decreases in net assets without donor restriction unless their use is restricted by explicit donor stipulation or by law. Expirations of time or purpose restrictions on net assets (i.e., the donor stipulated purpose has been fulfilled or the stipulated time period has lapsed) are reported as reclassifications between the applicable classes of net assets. Revenues with donor-imposed restrictions that are met in the same reporting period are classified as increases in net assets without donor restriction.

Cash and Cash Equivalents - The Organization considers all highly liquid investments with original maturities of three months or less to be cash equivalents.

Pledges and Grants Receivable - Unconditional pledges and grants receivable, less an allowance for uncollectible amounts, are recognized as revenues in the period the promise is made and as assets, decreases of liabilities, or expenses depending on the form of the benefits received. Conditional promises to give are recognized when the conditions on which they depend are met.

The allowance for uncollectible pledges is an estimate based on management's knowledge of historical pledge collection rates. The allowance for the current year campaign is calculated as a percentage of pledged revenue generated by the campaign. In addition, an allowance for prior year campaign pledges not collected is made based on management's knowledge of the unpaid amounts.

UNITED WAY OF JACKSON COUNTY

Notes to Financial Statements For the Year Ended June 30, 2023 (With Comparative Totals for 2022)

Note 1 - Continued

Property and Equipment - The Organization records purchased property and equipment at cost. Donations of property and equipment are recorded as support at their estimated fair value at the date of donation. Such donations are reported as support without donor restriction unless the donor has restricted the donated asset to a specific purpose. Assets donated with explicit donor restriction 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 expirations of donor restrictions when the donated or acquired assets are placed in service.

Depreciation is computed using the straight-line method over the estimated useful lives, which is 39 years for buildings, and 5-15 years for furniture and equipment and building improvements. Acquisitions of property and equipment in excess of \$2,500 and with a useful life of five years or more are capitalized.

Investments - Investments are stated at fair value, with both realized and unrealized gains and losses recorded in the statement of activities and changes in net assets as increases or decreases in net assets without donor restriction, unless their use is restricted by explicit donor restrictions or law.

Assets Restricted by Donors for Long-Term Purposes - As of June 30, 2023 and 2022, assets restricted by donors for long-term purposes represented restricted endowment contributions, as well as unappropriated endowment earnings.

Designations Payable and Undesignated Allocations Payable - The Organization conducts an annual fundraising campaign from August through November. When a donor makes a contribution to the Organization and designates a named charity, those contributions are recorded by the Organization as designations payable. The designated donation is then reduced by a pledge loss allowance, management and fundraising fees on a percentage basis. The designations payable are generally disbursed quarterly in July, October, January and April to recipient charities. The Organization honors designations to charities by distributing a proportionate share of receipts based on donor designations.

Contributions to the United Way community fund or an area of service are allocated among approved programs. The budget for the total allocable amount is determined using the current campaign collections and pledges less designations, a pledge loss allowance, specific agency related expenses, and operating expenses. Volunteers then make recommendations to the Organization's Board of Directors for amounts to be allocated to programs. Allocation award and agreement letters are sent to the programs, generally in June or July. Allocations to programs are recorded as an undesignated allocation payable as of July 1 following the campaign year. Undesignated allocations payable to programs are generally disbursed monthly beginning in July.

Contributions - Contributions, which include unconditional promises to give (pledges), are recognized as revenue in the period received. Conditional contributions are recognized when the donor condition is fulfilled. When restrictions are fulfilled in the same fiscal year in which the contribution is received, the contribution is reported as increases in net assets without donor restrictions.

UNITED WAY OF JACKSON COUNTY

Notes to Financial Statements For the Year Ended June 30, 2023 (With Comparative Totals for 2022)

Note 1 - Continued

Gross Campaign Results - Gross campaign results consist of funds raised as a result of the Organization's fundraising efforts during the normal course of their campaign. Pledges and payments that are designated by the donor to other nonprofit organizations are included in current year and gross campaign results and donor designations in the statement of activities and changes in net assets. These totals are presented as supplementary information for the purpose of additional analysis consistent with industry practice.

In-Kind Contributions - Donated assets and services are reflected as contributions in the accompanying statements at their estimated values at the date of receipt. Contributions of services are recognized if the services received create or enhance a nonfinancial asset or the services require specialized skills that are provided by individuals possessing those skills. In-kind contributions are reported in the statement of activities and changes in net assets for the years ended June 30, 2023 and 2022.

A substantial number of volunteers have donated significant amounts of time in the Organization's program services and in its fundraising campaign. The financial statements do not reflect the value of those contributed services because the criteria for recognition of such volunteer efforts have not been satisfied.

Cost Deductions - The Organization has committed to and was in compliance with the Cost Deduction Requirements for Membership Requirement M, as established by United Way Worldwide. The standard establishes uniform rules for deducting resource development and organizational administration expenses from donor pledges.

Federal Income Tax - The Internal Revenue Service has determined that the Organization is exempt from federal income tax under Internal Revenue Code Section 501(c)(3) and is not considered to be a private foundation; accordingly, no provision has been made for federal income tax in the accompanying financial statements.

Concentrations - The Organization raised gross campaign contributions from one source representing 12 percent of gross campaign results for the year ended June 30, 2023. The Organization raised gross campaign contributions from one source representing 10 percent of gross campaign results for the year ended June 30, 2022.

Functional Expense Allocation - The financial statements report certain categories of expenses that are attributable to one or more program or supporting services of the Organization. Accordingly, certain costs have been allocated among the programs and supporting services benefited. Occupancy, salaries and benefits are assigned a functional allocation percentage based on the current job responsibilities of the staff members. All other costs are directly charged to the functions they benefit.

Use of Estimates - The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions. These affect the reported amounts of assets, liabilities, revenues, and expenses, as well as the disclosure of contingent assets and liabilities. Actual results could differ from these estimates.

Comparative Amounts for 2022 - For comparative purposes, the financial statements include certain prior-year summarized information in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with U.S. GAAP. Accordingly, such information should be read in conjunction with the Organization's financial statements for the year ended June 30, 2022, from which the summarized information was derived.

UNITED WAY OF JACKSON COUNTY

Notes to Financial Statements For the Year Ended June 30, 2023 (With Comparative Totals for 2022)

Note 1 - Continued

Subsequent Events - Management has evaluated subsequent events through September 20, 2023, the date on which the financial statements were available to be issued. No subsequent events were identified for disclosure.

Note 2 - Property and Equipment

The following is a summary of property and equipment, less accumulated depreciation at June 30:

	<u>2023</u>	<u>2022</u>
Land	\$ 96,702	\$ 96,702
Building	685,578	200,431
Building improvements	118,158	62,997
Office furniture and equipment	94,896	87,902
Construction in progress		930
	<u>995,334</u>	<u>448,962</u>
Less accumulated depreciation	<u>(114,776)</u>	<u>(90,508)</u>
Total Property and Equipment, Net	<u>\$ 880,558</u>	<u>\$ 358,454</u>

Note 3 - Pledges and Grants Receivable

Pledges and grants receivable include the following unconditional promises to give as of June 30:

	<u>2023</u>	<u>2022</u>
Unconditional pledges receivable due in less than one year	\$ 376,005	\$ 167,902
Less allowance for uncollectible pledges	<u>(22,112)</u>	<u>(23,323)</u>
Net Pledges Receivable Due in Less Than One Year	<u>\$ 353,893</u>	<u>\$ 144,579</u>

Note 4 - Beneficial Interest in Assets Held by Others

The Organization is the beneficiary of a perpetual charitable trust (the Trust) established by Gerald T. Latham in 1986. The Organization has an interest of 20 percent as of both June 30, 2023 and 2022. The assets of the Trust are managed by Wells Fargo Bank. The Organization typically receives monthly distributions from Wells Fargo Bank from the earnings of the Trust. In accordance with U.S. GAAP, the Organization has recognized its interest in the Trust as an asset on the Organization's statement of financial position totaling \$229,230 and \$223,455 as of June 30, 2023 and 2022, respectively. Net realized and unrealized gains and losses related to the Trust are reported as changes in net asset with donor restriction.

UNITED WAY OF JACKSON COUNTY

Notes to Financial Statements For the Year Ended June 30, 2023 (With Comparative Totals for 2022)

Note 5 - Fair Value Measurement

The Organization applies the U.S. GAAP authoritative guidance for fair value measurements and disclosures, which defines fair value, establishes a framework for measuring fair value and requires certain disclosures about fair value measurements.

The standard describes three levels of inputs that may be used to measure fair value:

Level 1 - Quoted prices in active markets for identical assets or liabilities;

Level 2 - Observable inputs other than Level 1 prices, such as quoted prices for similar assets or liabilities, quoted prices in inactive markets, or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities; or

Level 3 - Unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets or liabilities.

Following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in the methodologies used at June 30, 2023 and 2022.

Money Market Funds - Valued at cost, which approximates fair value.

Equities and Mutual Funds - Valued at the closing price reported on the active market in which the securities are traded.

Corporate and Government Fixed Income Securities - Valued using bid valuations from similar instruments in actively quoted markets.

Beneficial Interest in the Latham Trust - The Organization is a beneficiary of a percentage interest in a perpetual charitable trust held by a third party. The Organization's interest in the trust is recorded at the fair value of the Organization's ownership in the trust. This asset is valued using the net asset value (Note 4).

The underlying investment securities are exposed to various risks, such as interest rate, market, and credit risks. Due to the level of risk associated with certain investment securities and investment contracts, and the level of uncertainty related to changes in the value of the investment securities, it is at least reasonably possible that changes in risks in the near term could materially affect account balances and the amounts reported in the statement of financial position and the statement of activities and changes in net assets.

UNITED WAY OF JACKSON COUNTY

**Notes to Financial Statements
For the Year Ended June 30, 2023
(With Comparative Totals for 2022)**

Note 5 - Continued

The following tables present the assets that are measured at fair value on a recurring basis as of June 30 and are categorized using the three levels of the fair value hierarchy:

	Fair Value Measurements as of June 30, 2023			
	Level 1	Level 2	Level 3	Total
Money market funds	\$ 445,581	\$ -	\$ -	\$ 445,581
Equities	291,359			291,359
Mutual funds-				
Fixed income funds	152,463			152,463
U.S. equity	11,863			11,863
Government fixed income		43,594		43,594
Beneficial interest in the Latham Trust			229,230	229,230
	\$ 901,266	\$ 43,594	\$ 229,230	\$ 1,174,090

	Fair Value Measurements as of June 30, 2022			
	Level 1	Level 2	Level 3	Total
Money market funds	\$ 592,308	\$ -	\$ -	\$ 592,308
Equities	287,519			287,519
Mutual funds-				
Fixed income funds	9,301			9,301
Corporate fixed income		145,686		145,686
Beneficial interest in the Latham Trust			223,455	223,455
	\$ 889,128	\$ 145,686	\$ 223,455	\$ 1,258,269

As of June 30, 2023 and 2022, investments are presented in the statement of financial position as assets restricted by donors for long-term purposes of \$232,709 and \$214,944, investments of \$712,151 and \$819,870, and beneficial interest in assets held by others of \$229,230 and \$223,455, respectively.

UNITED WAY OF JACKSON COUNTY

**Notes to Financial Statements
For the Year Ended June 30, 2023
(With Comparative Totals for 2022)**

Note 5 - Continued

The following is a reconciliation of the beginning and ending balances of recurring fair value measurements recognized in the accompanying statement of financial position using significant unobservable (Level 3) inputs for the year ended June 30:

	<u>Beneficial Interest in Latham Trust</u>
Balance, June 30, 2021	\$ 248,177
Total realized and unrealized losses	<u>(24,722)</u>
Balance, June 30, 2022	223,455
Total realized and unrealized gains	<u>5,775</u>
Balance, June 30, 2023	<u>\$ 229,230</u>

Note 6 - Designations Payable

Designations payable consist of donor designated contributions as of June 30 as follows:

	<u>2023</u>	<u>2022</u>
Donor designations from prior year campaign	\$ 6,068	\$ 7,237
Donor designations from current year campaign	<u>12,785</u>	<u>13,596</u>
Total Designations Payable	<u>\$ 18,853</u>	<u>\$ 20,833</u>

Note 7 - Line of Credit

The Organization maintains an unsecured line of credit in the approved amount of \$100,000 with a financial institution. Under the terms of the loan agreement, the outstanding balance of the line is payable upon demand of the lender. The Organization is required to make monthly payments of interest and must pay the line to zero for a period of 30 consecutive days at least once during the year. Interest is computed at the prime rate plus 1.00 percent, but not less than 5.00 percent. At June 30, 2023 and 2022, the interest rate was 9.25 and 5.75 percent, respectively. The line of credit has a maturity date of March 15, 2026. There was no outstanding balance on the line of credit at June 30, 2023 and 2022.

UNITED WAY OF JACKSON COUNTY

**Notes to Financial Statements
For the Year Ended June 30, 2023
(With Comparative Totals for 2022)**

Note 8 - Retirement Plan

The Organization maintains a defined contribution retirement plan (the Plan) covering all employees who are at least 21 years of age. There is no minimum service requirement for employees to receive employer contributions under the Plan. Individual participant accounts vest according to the number of years of service credited to each participant. Contributions to the Plan are made at 3 percent of participant's salary. During the years ended June 30, 2023 and 2022, contributions to the Plan totaled \$15,659 and \$11,983, respectively.

Note 9 - Net Assets With Donor Restrictions

Net assets restricted by donors for time or purpose were available for the following purposes at June 30:

	<u>2023</u>	<u>2022</u>
Subject to the Passage of Time:		
Pledges received from the current campaign for use in a future period, net of dollar designations and allowance for uncollectible pledges	\$ 28,500	\$ 63,000
Subject to Expenditure for Specified Purpose:		
Endowment earnings (Note 11)	119,593	101,828
Big Idea Next	50,717	20,275
HOPE Chest (rapid response fund for emergency needs)	67,777	60,744
United in Kindness	9,000	
Mental wellness	133,627	19,518
Women Living Leadership (WiLL)	25,514	20,560
Fire Fund	280,361	434,522
Black Southern Oregon Alliance	76,667	57,267
Tax Preparation Assistance program	170,000	1,925
Transportation	3,500	
	<u>965,256</u>	<u>779,639</u>
Total Subject to the Passage of Time or Expenditure for Specified Purpose		
Endowment Corpus (Note 11):		
Original gifts and required retained earnings (corpus)-		
Geraldine Taylor Estate	93,136	93,136
Albert Relei and Wilson Anderson Memorial	1,000	1,000
Campaign contributions specified for endowment	18,980	18,980
	<u>113,116</u>	<u>113,116</u>
Total original gifts and required retained earnings (corpus)	113,116	113,116
Latham Perpetual Charitable Trust (Note 4)	<u>229,230</u>	<u>223,455</u>
	<u>342,346</u>	<u>336,571</u>
Total Endowment Funds and Beneficial Interest		
	<u>342,346</u>	<u>336,571</u>
Total Net Assets With Donor Restrictions	<u>\$ 1,307,602</u>	<u>\$ 1,116,210</u>

UNITED WAY OF JACKSON COUNTY

**Notes to Financial Statements
For the Year Ended June 30, 2023
(With Comparative Totals for 2022)**

Note 9 - Continued

Net assets were released from donor restrictions by incurring expenses satisfying the restricted purposes or by occurrence of other events specified by the donors as follows for the years ended June 30:

	<u>2023</u>	<u>2022</u>
Prior year campaign revenue for the use in the current year, net of donor designations and an allowance for uncollectible pledges	\$ 63,000	\$ 17,599
Big Idea	61,777	55,408
HOPE Chest (rapid response fund for emergency needs)	198,977	238,607
United in Kindness	36,000	155,121
Mental wellness	90,892	3,075
Women Living Leadership (WiLL)	35,896	33,995
Fire Fund	652,944	1,538,306
Black Southern Oregon Alliance	600	15,694
Tax Preparation Assistance program	151,925	15,950
Capital campaign		7,482
Total Net Assets Released From Restrictions	<u>\$ 1,292,011</u>	<u>\$ 2,081,237</u>

Note 10 - Net Assets Without Donor Restrictions

The Organization's Board of Directors has established a board designated quasi endowment fund that totaled \$307,036 and \$280,193 as of June 30, 2023, and 2022, respectively. The purposes of the funds are to provide for special projects and accumulate reserves that help ensure long-term maintenance of the Organization's facilities. These balances are included with investments on the statement of financial position.

Note 11 - Endowment Net Assets

Endowment net assets are restricted by donors to investments in perpetuity. The income from the assets can be used to support the Organization's general operations.

Interpretation of Relevant Law - The Organization has interpreted the Oregon State Uniform Prudent Management of Institutional Funds Act (UPMIFA) as making it advisable for the Organization to track 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 determination, the Organization classifies as net assets with donor restriction to be held in perpetuity (a) the original value of gifts donated to the permanent endowment, (b) the original value of subsequent gifts to the permanent endowment, and (c) accumulations to the permanent endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund.

UNITED WAY OF JACKSON COUNTY

Notes to Financial Statements For the Year Ended June 30, 2023 (With Comparative Totals for 2022)

Note 11 - Continued

The remaining portion of the donor-restricted endowment fund representing accumulated earnings is held as net assets with donor restriction until those amounts are appropriated for expenditure by the Organization in a manner consistent with the standard of prudence prescribed by UPMIFA. In accordance with UPMIFA, the Organization considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

- The duration and preservation of the fund;
- The purposes of the Organization and the donor-restricted endowment fund;
- General economic conditions;
- The possible effect of inflation and deflation;
- The expected total return from income and the appreciation of investments;
- Other resources of the Organization; and
- The investment policies of the Organization.

Funds With Deficiencies - From time to time, the fair value of assets associated with individual donor restricted endowment funds may fall below the level that the donor or UPMIFA requires the Organization to retain as a fund of perpetual duration. As of June 30, 2023 and 2022, no such deficiencies existed.

Return Objectives and Risk Parameters - The Organization has adopted investment and spending policies for its 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. Under this policy, as approved by the Board of Directors, the endowment assets are invested in a manner that is diversified as to minimize the risk of large losses, and that is intended to preserve the real (inflation adjusted) value of the fund assets after withdrawal of spending amounts authorized by the Board. Actual returns in any given year may vary from this amount.

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 of US Equities, Non-US Equities, and Fixed Income assets to achieve its long-term return objectives within prudent risk constraints.

Spending Policy and How the Investment Objectives Relate to Spending Policy - The Organization has a policy that allows for annual earnings and/or accumulated appreciation of endowment funds to be appropriated each year, not to exceed 5 percent of the average endowment asset values over the preceding 12 rolling quarters. The calculated amount may be distributed at the beginning of the year, or in installments throughout the year as needed. In establishing this policy, the Organization considered the long-term expected return on its endowment. Accordingly, over the long-term, the Organization expects the current spending policy to allow its endowment to preserve the inflation-adjusted value of the endowment in perpetuity.

UNITED WAY OF JACKSON COUNTY

**Notes to Financial Statements
For the Year Ended June 30, 2023
(With Comparative Totals for 2022)**

Note 11 - Continued

Endowment net asset composition by type of fund was as follows at June 30:

	Net Assets Without Donor Restriction	Net Assets With Donor Restrictions		2023 Total	2022 Total
		Endowment Earnings	Endowment Corpus		
Endowment funds	\$ 307,036	\$ 119,593	\$ 113,116	\$ 539,745	\$ 495,137

Changes to endowment net assets for the year ended June 30 are as follows:

	Net Assets Without Donor Restriction	Net Assets With Donor Restrictions		2023 Total	2022 Total
		Endowment Earnings	Endowment Corpus		
Endowment net assets, beginning of year	\$ 280,193	\$ 101,828	\$ 113,116	\$ 495,137	\$ 431,664
Contributions					100,000
Investment return	26,843	17,765		44,608	(36,527)
Endowment Net Assets, End of Year	\$ 307,036	\$ 119,593	\$ 113,116	\$ 539,745	\$ 495,137

Note 12 - Liquidity and Availability of Financial Assets

The following reflects the Organization's financial assets as of year end available for general use within one year of the statement of financial position date:

	2023	2022
Cash	\$ 351,600	\$ 380,197
Pledges receivable	353,893	144,579
Investments	712,151	819,870
Financial Assets Available Within One Year of the Statement of Financial Position Date	\$ 1,417,644	\$ 1,344,646

UNITED WAY OF JACKSON COUNTY

Notes to Financial Statements For the Year Ended June 30, 2023 (With Comparative Totals for 2022)

Note 12 - Continued

The Organization maintains a policy of structuring its financial assets to be available as its general expenditures, liabilities, and other obligations come due. In addition, the Organization invests cash in excess of monthly requirements in short-term investments. To help manage unanticipated liquidity needs the Organization has a committed line of credit of \$100,000, which it could draw upon at any time. Management and the Finance and Investment Committee monitor cash needs regularly.

Note 13 - Fire Fund

The Organization launched the Fire Fund (the Fund) campaign on September 8, 2020, the day the Almeda and South Obenchain Fires destroyed the homes, business, and lives of thousands of Jackson County residents. Total contributions received under the Fund totaled \$498,387 and \$535,029 during the year ended June 30, 2023 and 2022, respectively. In November 2020, the Organization launched a grant cycle for immediate aid individuals, families, and small businesses. The grants were directed to provide funds for immediate needs. A multi-lingual application process was put in place. From January 2021 through June 2021, intermediate aid grants were offered to permanently resettle fire survivors. From July 1, 2021 through today, the Unmet Needs Table was launched with many funding partners to close cases of fire survivors through a Disaster Case Management model. As a result, grants totaling \$517,071 and \$1,436,690 were distributed during the year ended June 30, 2023 and 2022.

Note 14 - Related Parties

Fixed Assets - During the year ended June 30, 2023, the Organization engaged with a board member to construct an addition to their existing building. Total charges to the contractor for the year ended June 30, 2023 were \$514,855, and are included in property and equipment on the statement of financial position. The full amount was placed in service prior to June 30, 2023.

Recoverable Grant - The Organization received a recoverable grant totaling \$350,000 from a related party, President of the Board of Directors, in July 2022 to be repaid within 10 years. During the year ended June 30, 2023, the Organization repaid \$325,000. The related party designated the remaining \$25,000 as a contribution and is recorded in capital campaign on the statement of activities and changes in net assets.