



**United Way  
of Cascade County**

**FINANCIAL STATEMENTS  
AS OF  
JUNE 30, 2023 AND 2022**

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***Douglas Wilson & Company, P.C.***

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Certified Public Accountants  
Since 1913

## **Douglas WILSON** *and Company, PC*

Gerard K. Schmitz, CPA  
Myra L. Bakke, CPA  
Melissa H. Soldano, CPA  
Katherine A. Durbin, CPA

---

Bruce H. Gaare, CPA  
Randal J. Boysun, CPA

Board of Directors  
United Way of Cascade County  
Great Falls, Montana

### **INDEPENDENT AUDITOR'S REPORT**

#### **Report on the Audit of the Financial Statements**

##### ***Opinion***

We have audited the accompanying financial statements of United Way of Cascade County (a nonprofit organization), which comprise the statements of financial position as of June 30, 2023 and 2022, and the related statements of activities, cash flows, and functional expenses for the years then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of United Way of Cascade County as of June 30, 2023 and 2022, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

##### ***Basis for Opinion***

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of United Way of Cascade County and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

##### ***Responsibilities of Management for the Financial Statements***

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about United Way of Cascade County's ability to continue as a going concern for one year after the date that the financial statements are issued.

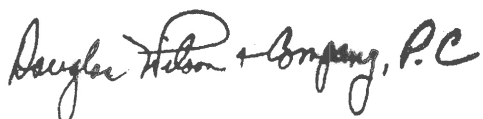
## ***Auditor's Responsibilities for the Audit of the Financial Statements***

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

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of United Way of Cascade County'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 Cascade County'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.



Great Falls, Montana  
December 11, 2023

UNITED WAY OF CASCADE COUNTY

GREAT FALLS, MONTANA

STATEMENTS OF FINANCIAL POSITION

JUNE 30, 2023 AND 2022

	6/30/23	6/30/22
<b>ASSETS</b>		
Cash	\$ 73,212	\$ 259,599
Cash - Restricted	140,886	188,911
Certificates of Deposit	170,000	17,910
Grant Receivable	29,823	22,541
Pledges Receivable Less Allowance for Uncollectible Pledges of \$50,000	252,421	307,547
Beneficial Interest in Perpetual Trust	82,337	82,778
Cash Surrender Value of Life Insurance	96,503	92,220
Equipment, Net of Accumulated Depreciation of \$13,934 and \$13,807, Respectively	2,221	-
Total Assets	<b>\$ 847,403</b>	<b>\$ 971,506</b>
<b>LIABILITIES AND NET ASSETS</b>		
Liabilities:		
Accounts Payable	\$ 9,497	\$ 11,055
Payroll Liabilities	6,784	3,774
Allocations Payable to Service Providers	460,000	442,000
Due to Designated Service Providers	55,302	68,833
Accrued Employee Benefits	42,087	40,971
Total Liabilities	573,670	566,633
Net Assets:		
Without Donor Restriction:		
Undesignated	(184,873)	(100,834)
Designated by Board for Operating Reserve	200,000	200,000
Total Without Donor Restriction	15,127	99,166
With Donor Restriction:		
Perpetual in Nature	117,720	116,796
Purpose or Time Restricted	140,886	188,911
Total With Donor Restriction	258,606	305,707
Total Net Assets	273,733	404,873
Total Liabilities and Net Assets	<b>\$ 847,403</b>	<b>\$ 971,506</b>

See accompanying notes to the financial statements.

## UNITED WAY OF CASCADE COUNTY

## GREAT FALLS, MONTANA

STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS  
FOR THE YEAR ENDED JUNE 30, 2023

	Without Donor Restriction	With Donor Restriction	Total
Campaign Revenue:			
Gross Campaign Revenue - Current Period	\$ 1,159,590	\$ -	\$ 1,159,590
Less: Donor Designations	(244,668)	-	(244,668)
Less: Uncollectible Pledges	(61,584)	-	(61,584)
Net Campaign Revenue	853,338	-	853,338
Other Revenue:			
Grant Revenue	-	138,893	138,893
Gain (Loss) from Perpetual Trust	-	(441)	(441)
Change in Cash Surrender Value of Life Insurance	2,918	1,365	4,283
Interest and Investment Income	9,309	-	9,309
Donated Facilities and Services	133,260	-	133,260
Total Other Revenue	145,487	139,817	285,304
Total Revenue Before Releases from Restriction	998,825	139,817	1,138,642
Net Assets Released from Restriction	186,918	(186,918)	-
Total Revenue	1,185,743	(47,101)	1,138,642
Expenses:			
Program Services:			
Community Impact	712,002	-	712,002
Education and Technical Assistance	270,383	-	270,383
Service Provider Relations	77,100	-	77,100
Supporting Services:			
General and Administrative	60,084	-	60,084
Fundraising and Campaign	150,213	-	150,213
Total Expenses	1,269,782	-	1,269,782
Change in Net Assets	(84,039)	(47,101)	(131,140)
Net Assets, Beginning of Year	99,166	305,707	404,873
Net Assets, End of Year	\$ 15,127	\$ 258,606	\$ 273,733

See accompanying notes to the financial statements.

## UNITED WAY OF CASCADE COUNTY

## GREAT FALLS, MONTANA

STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS  
FOR THE YEAR ENDED JUNE 30, 2022

	Without Donor Restriction	With Donor Restriction	Total
Campaign Revenue:			
Gross Campaign Revenue - Current Period	\$ 1,180,746	\$ -	\$ 1,180,746
Less: Donor Designations	(310,623)	-	(310,623)
Less: Uncollectible Pledges	(75,907)	-	(75,907)
Net Campaign Revenue	794,216	-	794,216
Other Revenue:			
Grant Revenue	-	155,600	155,600
COVID-19 Relief Contributions	-	500	500
Gain (Loss) From Perpetual Trust	-	(11,678)	(11,678)
Change in Cash Surrender Value of Life Insurance	(4,385)	1,312	(3,073)
Interest and Investment Income	8,097	-	8,097
Donated Facilities and Services	49,477	-	49,477
Total Other Revenue	53,189	145,734	198,923
Total Revenue Before Releases From Restriction	847,405	145,734	993,139
Net Assets Released From Restriction	139,129	(139,129)	-
Total Revenue	986,534	6,605	993,139
Expenses:			
Program Services:			
Community Impact	644,547	-	644,547
Education and Technical Assistance	226,859	-	226,859
Service Provider Relations	69,352	-	69,352
Supporting Services:			
General and Administrative	50,412	-	50,412
Fundraising and Campaign	126,032	-	126,032
Total Expenses	1,117,202	-	1,117,202
Change in Net Assets	(130,668)	6,605	(124,063)
Net Assets, Beginning of Year	229,834	299,102	528,936
Net Assets, End of Year	\$ 99,166	\$ 305,707	\$ 404,873

See accompanying notes to the financial statements.

UNITED WAY OF CASCADE COUNTY

GREAT FALLS, MONTANA

STATEMENTS OF CASH FLOWS  
FOR THE YEARS ENDED JUNE 30, 2023 AND 2022

	6/30/23	6/30/22
Cash Flows from Operating Activities:		
Change in Net Assets	\$ (131,140)	\$ (124,063)
Adjustments to Reconcile Change in Net Assets to		
Net Cash Provided by Operating Activities:		
Depreciation Expense	127	881
(Gain) Loss on Investments in Perpetual Trust	441	11,678
(Gain) Loss on Cash Surrender Value of Life Insurance	(4,283)	3,073
(Increase) Decrease in Assets:		
Pledges and Designations Receivable	55,126	22,527
Grant Receivable	(7,282)	7,650
Increase (Decrease) in Liabilities:		
Accounts Payable	(1,558)	1,737
Payroll Taxes Payable	3,010	500
Accrued Vacation	1,116	7,194
Allocations and Designations Payable	4,469	44,375
Net Cash Provided (Used) by Operating Activities	(79,974)	(24,448)
Cash Flows from Investing Activities:		
Payments for Equipment	(2,348)	-
Net Cash Provided (Used) by Operating Activities	(2,348)	-
Net Increase (Decrease) in Cash	(82,322)	(24,448)
Cash at Beginning of Year	466,420	490,868
Cash at End of Year	<u>\$ 384,098</u>	<u>\$ 466,420</u>
Reconciliation of Cash at End of Year to		
Statements of Financial Position:		
Cash	\$ 73,212	\$ 259,599
Cash - Restricted	140,886	188,911
Certificates of Deposit	170,000	17,910
Total Cash and Cash Equivalents	<u>\$ 384,098</u>	<u>\$ 466,420</u>

See accompanying notes to the financial statements.



UNITED WAY OF CASCADE COUNTY

GREAT FALLS, MONTANA

STATEMENT OF FUNCTIONAL EXPENSES FOR THE YEAR ENDED JUNE 30, 2023

	Program Services				Supporting Services			
	Community Impact	Education & Technical Assistance	Service Provider Relations	Total Program Services	General & Admin.	Fund Raising & Campaign	Total Supporting Services	Total
Salaries	\$ 116,434	\$ 155,246	\$ 38,812	\$ 310,492	\$ 34,499	\$ 86,248	\$ 120,747	\$ 431,239
Payroll Taxes	8,930	11,907	2,977	23,814	2,646	6,615	9,261	33,075
Employee Benefits	16,133	21,511	5,378	43,022	4,780	11,950	16,730	59,752
Total Salaries and Related Expenses	141,497	188,664	47,167	377,328	41,925	104,813	146,738	524,066
Allocations to Service Providers	460,000	-	-	460,000	-	-	-	460,000
United Way of America Dues	-	-	9,497	9,497	-	-	-	9,497
Dues and Subscriptions	3,734	4,979	1,245	9,958	1,106	2,766	3,872	13,830
Insurance	1,045	1,394	349	2,788	310	775	1,085	3,873
Education Initiative	49,217	-	-	49,217	-	-	-	49,217
Transportation	2,501	3,334	833	6,668	741	1,852	2,593	9,261
Miscellaneous	1,108	1,478	370	2,956	328	821	1,149	4,105
Meeting Expense	774	1,032	259	2,065	229	574	803	2,868
Occupancy	7,367	9,823	2,457	19,647	2,183	5,457	7,640	27,287
Office Supplies	1,697	2,263	567	4,527	503	1,257	1,760	6,287
Postage	258	343	86	687	76	191	267	954
Professional Fees	4,149	5,532	1,383	11,064	1,229	3,073	4,302	15,366
Campaign Printing and Advertising	34,004	45,338	11,335	90,677	10,075	25,188	35,263	125,940
Equipment Repair and Maintenance	2,473	3,298	824	6,595	733	1,832	2,565	9,160
Telephone	1,394	1,858	465	3,717	413	1,032	1,445	5,162
Training	220	295	74	589	66	164	230	819
Volunteer Development	177	236	59	472	52	131	183	655
Bank Charges	353	470	118	941	105	262	367	1,308
Depreciation	34	46	12	92	10	25	35	127
Total Other Expenses	570,505	81,719	29,933	682,157	18,159	45,400	63,559	745,716
Total Functional Expenses	\$ 712,002	\$ 270,383	\$ 77,100	\$ 1,059,485	\$ 60,084	\$ 150,213	\$ 210,297	\$ 1,269,782

See accompanying notes to the financial statements.

UNITED WAY OF CASCADE COUNTY

GREAT FALLS, MONTANA

STATEMENT OF FUNCTIONAL EXPENSES FOR THE YEAR ENDED JUNE 30, 2022

	Program Services				Supporting Services			
	Community Impact	Education & Technical Assistance	Service Provider Relations	Total Program Services	General & Admin.	Fund Raising & Campaign	Total Supporting Services	Total
Salaries	\$ 106,570	\$ 142,094	\$ 35,523	\$ 284,187	\$ 31,576	\$ 78,941	\$ 110,517	\$ 394,704
Payroll Taxes	8,182	10,909	2,727	21,818	2,424	6,060	8,484	30,302
Employee Benefits	14,110	18,813	4,703	37,626	4,181	10,452	14,633	52,259
Total Salaries and Related Expenses	128,862	171,816	42,953	343,631	38,181	95,453	133,634	477,265
Allocations to Service Providers	442,000	-	-	442,000	-	-	-	442,000
Allocations to Service Providers - COVID	-	-	-	-	-	-	-	-
United Way of America Dues	-	-	12,639	12,639	-	-	-	12,639
Dues and Subscriptions	2,476	3,302	825	6,603	734	1,834	2,568	9,171
Insurance	1,187	1,583	396	3,166	352	879	1,231	4,397
Education Initiative	32,404	-	-	32,404	-	-	-	32,404
Transportation	1,092	1,457	364	2,913	324	809	1,133	4,046
Miscellaneous	214	285	72	571	63	159	222	793
Meeting Expense	1,174	1,566	391	3,131	348	870	1,218	4,349
Occupancy	7,342	9,790	2,447	19,579	2,175	5,439	7,614	27,193
Office Supplies	2,522	3,362	840	6,724	747	1,868	2,615	9,339
Postage	592	790	197	1,579	175	438	613	2,192
Professional Fees	4,911	6,548	1,637	13,096	1,455	3,638	5,093	18,189
Campaign Printing and Advertising	12,582	16,776	4,194	33,552	3,728	9,320	13,048	46,600
Equipment Repair and Maintenance	2,997	3,996	999	7,992	888	2,220	3,108	11,100
Telephone	1,409	1,877	469	3,755	417	1,043	1,460	5,215
Training	580	774	194	1,548	172	430	602	2,150
Volunteer Development	1,588	2,118	529	4,235	471	1,177	1,648	5,883
Bank Charges	377	502	126	1,005	112	279	391	1,396
Depreciation	238	317	80	635	70	176	246	881
Total Other Expenses	515,685	55,043	26,399	597,127	12,231	30,579	42,810	639,937
Total Functional Expenses	\$ 644,547	\$ 226,859	\$ 69,352	\$ 940,758	\$ 50,412	\$ 126,032	\$ 176,444	\$ 1,117,202

See accompanying notes to the financial statements.

UNITED WAY OF CASCADE COUNTY

GREAT FALLS, MONTANA

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2023 AND 2022

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

- A. Nature of Activities** - United Way of Cascade County (UWCC) is a non-profit corporation whose purpose is to mobilize community resources to meet priority human service needs. UWCC establishes and fosters partnerships to impact and improve education, income, and health for the citizens of Great Falls and Cascade County. As one key strategy, UWCC funds programs through local organizations that demonstrate results aligning with these three community level issues. The resources and revenues raised are from individuals and businesses within Cascade County.
- B. Method of Accounting** - The financial statements of UWCC have been prepared utilizing the accrual basis of accounting.
- C. Financial Statement Presentation** - The classification of the UWCC's net assets, revenue and expenses is based on the existence or absence of donor-imposed restrictions.

In accordance with U.S. generally accepted accounting principles (U.S. GAAP), the UWCC reports information regarding its financial position and activities according to two classes of net assets: net assets without donor restriction and net assets with donor restriction.

*Without Donor Restriction* - Net assets available for use in general operations and not subject to donor or grantor restrictions, including, if applicable, net assets that have been designated by the Board of Directors for expenditure on specific purposes or projects.

*With Donor Restriction* - Net assets subject to restrictions imposed by donors or grantors. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. Donor-imposed restrictions are released when a restriction expires, that is, when time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both.

- D. Support and Revenue Recognition** - All cash contributions are considered to be without donor restriction use unless specifically restricted by the donor. Contributions of cash are reported as with donor restriction if they are received with donor or grantor stipulations that limit or specify the use of donated assets whether by time, period, or purpose. When a donor-stipulated time restriction ends or a purpose restriction is accomplished, then the net assets with donor restriction are reclassified to net assets without donor restriction and are reported in the statement of activities as net assets released from restrictions. If a restriction is fulfilled in the same time period in which the contribution is received, the contribution is reported as without donor restriction.

UWCC recognizes contributions as revenue when received or when money has been pledged to UWCC. U.S. GAAP requires non-profit organizations to record promises to give during the period in which the promise to give is made. Contributions are recognized when the donor make a promise to give that is in substance, unconditional. Non-cash contributions are

UNITED WAY OF CASCADE COUNTY

GREAT FALLS, MONTANA

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2023 AND 2022

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reported as support at the estimated fair market value on the date of the gift. Revenue is primary derived from contributions of cash. UWCC's grants are considered to be exchange transactions. Accordingly, revenue is recognized when earned and expenses are recognized as incurred. Investment income includes dividends and interest, which is recorded monthly from investment statements.

- E. Promises to Give/Pledges** - Unconditional promises to give that are expected to be collected within one year are recorded at their net realizable value. All unconditional promises to give are expected to be collected within one year. Conditional promises to give are not included as support until such time as the conditions are substantially met.
- F. Furniture and Equipment** - All expenditures for furniture and equipment and the fair value of donated items in excess of \$1,000 are capitalized. Purchased equipment is recorded at cost. Depreciation is computed by the straight-line method over the following estimated useful lives:
- |                        |              |
|------------------------|--------------|
| Furniture and Fixtures | 5 - 10 Years |
| Equipment              | 3 - 5 Years  |
- G. Fund Raising** - UWCC conducts its annual campaign in September through December of each fiscal year. Non-designated support raised is allocated to participating service providers in that same year; however, payments of these allocations do not begin until July 1 of the next fiscal year. Pledges receivable are recorded in the balance sheet, and allowances are provided for amounts estimated to be uncollectible. Allocations are recorded as payables at the time UWCC informs the service providers of the amount they will receive. Designated support raised during the same campaign period is paid to service providers quarterly beginning April 1 of that year.
- H. Use of Estimates** - The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.
- I. Income Tax Status** - UWCC qualified as a tax-exempt organization under Section 501(c)(3) of the Internal Revenue Code and therefore has no provision for federal and state income taxes.
- J. Cash and Cash Equivalents** - For the statement of financial position and statement of cash flows, cash and cash equivalents are defined as all monies in petty cash, checking, savings, money market accounts and certificates of deposit.

The UWCC maintains cash and cash equivalent accounts at financial institutions that are insured by the Federal Deposit Insurance Corporation ("FDIC") up to \$250,000. At June 30, 2023 and 2022, the UWCC's cash and cash equivalent accounts were fully insured.

UNITED WAY OF CASCADE COUNTY

GREAT FALLS, MONTANA

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2023 AND 2022

- K. **Pledges Receivable** - Pledges receivable are due from donors who have promised to give money to UWCC. The allowance for doubtful accounts balance is the maximum amount reasonably expected to be uncollectible. The allowance is based on experience and other circumstances, which may affect the ability of donors to meet their pledge obligations. Receivables are considered uncollectible after they have been outstanding for one year.
- L. **Compensated Absences** - Vacation time accumulates up to certain limits, at which time no additional vacation hours can be earned. Provided this hourly limit is not met, employees can continue to accumulate vacation hours and time can be carried over to future years. Accrued vacation time is recorded as accrued employee benefits on the statements of financial position.
- M. **Functional Allocation of Expenses** - The Statement of Activities reports expenses by both natural and functional classifications. Certain categories of expenses are attributed to more than one program or supporting function. Therefore, expenses require allocation on a reasonable basis that is consistently applied. Costs are directly applied to the related program or supporting service category when identifiable and possible. General operating costs across all-natural categories are allocated on the basis of estimates of time and effort.
- N. **Advertising** - Advertising costs are expensed as incurred.
- O. **Reclassification** - Certain reclassifications have been made to prior year amounts to conform to the current year presentation. Such reclassifications have had no effect on change in net assets as previously reported.
- P. **Subsequent Events** - UWCC has evaluated subsequent events through December 11, 2023, which is the date the financial statements were available to be issued.

**NOTE 2: RESTRICTED CASH:**

The following table provides a reconciliation of restricted cash as of June 30:

	6/30/23	6/30/22
Long-term Donor Restricted Pledge	\$ 60,248	\$ 70,248
i-Graduate Grant Funds	22,327	21,256
Community Kitchen Grant	58,311	97,407
Total Restricted Cash	<u>\$ 140,886</u>	<u>\$ 188,911</u>

UNITED WAY OF CASCADE COUNTY

GREAT FALLS, MONTANA

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2023 AND 2022

**NOTE 3: CERTIFICATES OF DEPOSIT:**

Certificates of deposit consist of the following:

<u>6/30/23</u>	<u>Maturity Date</u>	<u>Interest rate</u>	<u>Amount</u>
5 Month CD	7/14/2023	4.55%	\$ 50,000
8 Month CD	10/16/2023	4.60%	50,000
1 Year CD	2/15/2024	4.75%	50,000
1 Year CD	2/9/2024	4.00%	20,000
			<u>\$ 170,000</u>

<u>6/30/22</u>	<u>Maturity Date</u>	<u>Interest rate</u>	<u>Amount</u>
18 Month CD	2/9/2023	0.01%	\$ 17,910

**NOTE 4: LIQUIDITY AND AVAILABILITY:**

The UWCC's financial assets available within one year from June 30, 2023 and 2022 for general obligations are as follows:

	<u>6/30/23</u>	<u>6/30/22</u>
Total Financial Assets at Year-End:		
Cash	\$ 73,212	\$ 259,599
Cash - Restricted	140,886	188,911
Certificates of Deposit	170,000	17,910
Grant Receivable	29,823	22,541
Pledges Receivable, Net	252,421	307,547
Total Financial Assets at Year-End	666,342	796,508
Less Amounts Not Available to be Used Within One Year:		
Restricted Cash	(140,886)	(188,911)
Designed by Board for Operating Reserve	(200,000)	(200,000)
Financial Assets Available to Meet Cash Needs for General Expenditures Within One Year	<u>\$ 325,456</u>	<u>\$ 407,597</u>

The UWCC receives contributions that are designated by donors, and considers contributions designated for program services which are central to its annual operations to be available to meet cash needs for general expenditures.

UNITED WAY OF CASCADE COUNTY

GREAT FALLS, MONTANA

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2023 AND 2022

The UWCC manages its liquidity and reserves following three guiding principles: operating within a prudent range of financial soundness and stability, maintaining adequate liquid assets to fund near-term operating needs, and maintain sufficient reserves to provide reasonable assurance that long term obligations will be met. The UWCC operates with a balanced budget and anticipates collecting sufficient revenue to cover general expenditures.

**NOTE 5: SCHEDULE OF ALLOCATIONS PAYABLE TO SERVICE PROVIDERS:**

	6/30/23	6/30/22
<b>Service Provider Allocations:</b>		
Alliance for Youth	\$ 50,500	\$ 66,250
Alluvion	21,000	-
Big Brothers and Big Sisters	3,900	-
Boys and Girls Club	19,400	17,480
CASA	11,600	-
Cascade County Law Clinic	10,000	10,250
Dandelion Foundation	11,600	20,450
Eagle Mount	-	5,000
Family Promise	6,500	6,000
Foster Grandparents	8,000	8,000
Get Fit Great Falls	8,500	9,000
Great Falls Children's Receiving Home	11,500	10,000
Great Falls Public School District	-	5,000
Great Falls Senior Center	3,500	3,000
Habitat for Humanity	8,000	22,000
Heisey Youth Center	7,500	-
Job Service Great Falls	-	2,500
Kairos Youth Services	24,000	25,040
Meals on Wheels	15,500	20,400
MT United Indian Association	5,000	-
NeighborWorks	21,000	24,000
Opportunities Inc.	32,900	35,000
Peace Place Respite Care	14,600	16,450
St. Vincent DePaul	77,700	62,960
Sunburst Unlimited	-	2,500
Toby's House	9,600	18,000
Veterans Treatment Court	25,000	-
Voices of Hope	18,500	16,470
Young Parents' Education Center	19,200	23,000
YWCA Mercy Home	15,500	13,250
Total	<u>\$ 460,000</u>	<u>\$ 442,000</u>

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**NOTE 6: IN-KIND OPERATING LEASE:**

The UWCC signed a lease for office space that expires November 1, 2024. Under this lease agreement the office space is provided to the UWCC as an in-kind contribution. Management estimates the value of the office space to be \$2,100 per month. For the years ended June 30, 2023 and 2022, \$25,200 and \$25,200 has been recorded as revenue in donated services and facilities and as an expense in occupancy.

**NOTE 7: CONTRIBUTED NONFINANCIAL ASSETS:**

For the years ended June 30, 2023 and 2022 contributed nonfinancial assets have been recorded on the statements of activities as donated facilities and services included:

	<u>6/30/23</u>	<u>6/30/22</u>
Campaign Media	\$ 105,860	\$ 22,177
Facilities	25,200	25,200
Professional Services	2,200	2,100
	<u>\$ 133,260</u>	<u>\$ 49,477</u>

**Valuation Techniques and Inputs** - Contributed campaign media, facilities, and professional services are valued and reported at management's estimated fair value based on current rates for similar services and facilities.

**Donor Restrictions** - No contributed nonfinancial asset was donor restricted.

**NOTE 8: RETIREMENT PLAN:**

UWCC provides a SEP-IRA plan for its employees. All employees age 21 or older, earning \$450 or more per year with one year or more of service are eligible to participate. Contributions are based on nine percent of the employees' salaries. Contributions totaled \$32,994 and \$28,765 for the years ended June 30, 2023 and 2022, respectively.

**NOTE 9: FAIR VALUE MEASUREMENT:**

The UWCC 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;



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**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.

There have been no changes in the methodologies used at June 30, 2023 and 2022. 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 as of June 30, 2023

	Level 1	Level 2	Level 3	Total
Beneficial Interest in Perpetual Trust	\$ -	\$ -	\$ 82,337	\$ 82,337
Cash Surrender Value of Life Insurance	-	-	96,503	96,503
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 178,840</u>	<u>\$ 178,840</u>

Fair Value as of June 30, 2022

	Level 1	Level 2	Level 3	Total
Beneficial Interest in Perpetual Trust	\$ -	\$ -	\$ 82,778	\$ 82,778
Cash Surrender Value of Life Insurance	-	-	92,220	92,220
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 174,998</u>	<u>\$ 174,998</u>

The fair value of the beneficial interest in a perpetual trust is determined based on the net asset value of the UWCC's interest in the trust. Net asset value of the trust is provided to the UWCC by the Montana Community Foundation management in the form of quarterly investment reports.

The fair value of the cash surrender value of life insurance is determined based on the stated cash surrender value on the quarterly statements received from the various insurance companies that manage the policies.

**NOTE 10: BENEFICIAL INTEREST IN PERPETUAL TRUST:**

UWCC has an interest in endowed funds of the Montana Community Foundation. Donors can give directly to the Montana Community Foundation for the benefit of UWCC, or donors give to UWCC which transfers the assets to the Montana Community Foundation. There are three funds held at the Montana Community Foundation for the benefit of UWCC. The Montana Community Foundation has variance power over the assets of two of these funds and they are not recorded on the financial statements of UWCC. The third fund is an "agency" account held on behalf of

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UWCC and this fund is recorded on UWCC's statements of financial position as a "Beneficial Interest in Perpetual Trust." The Montana Community Foundation does not have variance power over the assets in this fund.

The Montana Community Foundation periodically distributes funds to UWCC based on earnings of the three endowments. These distributions are unrestricted and shown as investment income on the statements of activities. Distributions to UWCC were \$9,096 and \$8,768 for the years ended June 30, 2023 and 2022, respectively.

Following is the activity for the Montana Community Foundation funds:

	<b>MCF Agency Endowment Fund Recorded on the Statement of Net Position</b>	<b>MCF Endowment Funds Not Recorded on the Statement of Net Position</b>
Balance, June 30, 2022	\$ 82,778	\$ 114,639
Net Investment Income (Loss)	4,421	7,214
Distributions to UWCC	(3,852)	(5,244)
MCF Administrative Fees	(1,010)	(1,401)
Balance, June 30, 2023	<u><u>\$ 82,337</u></u>	<u><u>\$ 115,208</u></u>

	<b>MCF Agency Endowment Fund Recorded on the Statement of Net Position</b>	<b>MCF Endowment Funds Not Recorded on the Statement of Net Position</b>
Balance, June 30, 2021	\$ 94,456	\$ 127,105
Net Investment Income (Loss)	(6,775)	(5,829)
Distributions to UWCC	(3,734)	(5,034)
MCF Administrative Fees	(1,169)	(1,603)
Balance, June 30, 2022	<u><u>\$ 82,778</u></u>	<u><u>\$ 114,639</u></u>

**NOTE 11: DESIGNATED BY BOARD FOR OPERATING RESERVE:**

UWCC's policy is to maintain a minimum of three months or 25% of the Central Services Budget (CSB) up to a maximum of six months or 50% of the Central Services Budget.

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UWCC has designated \$200,000 (approximately 30% of CSB) for 2023 and 2022, to be held in reserve when adverse economic conditions occur and contributions fall to the point that the most essential needs of the community are in danger. An example would be a disaster occurring which is beyond the capability of the funded services to absorb within their regular budgets and local funds are not available for use to meet a pressing community need.

Per UWCC policy, the procedure to approve use of the operating reserve is as follows:

- Request submitted to the Executive Committee
- Action taken by Executive Committee
- Recommendation to Board of Directors by Executive Committee
- Action taken by the Board of Directors

**NOTE 12: NET ASSETS WITH DONOR RESTRICTION:**

Net assets with donor restriction are available for the following purposes at June 30, 2023 and 2022:

	6/30/23	6/30/22
Subject to be Held in Perpetuity	\$ 117,720	\$ 116,796
Time Restricted	60,248	70,248
Purpose Restricted	80,638	118,663
	<u>\$ 258,606</u>	<u>\$ 305,707</u>

**NOTE 13: NET ASSETS RELEASED FROM DONOR RESTRICTION:**

During the years ended June 30, 2023 and 2022, net assets with donor restriction were released for the following purposes:

	6/30/23	6/30/22
Satisfaction of Program or Time Restrictions:		
Time Restriction Completed	\$ 10,000	\$ 10,000
RSVP, i-Graduate and Community Kitchen Grant Expenditures	176,918	129,129
Total	<u>\$ 186,918</u>	<u>\$ 139,129</u>