

UNITED WAY OF THE FLINT HILLS, INC.

**FINANCIAL STATEMENTS
AND
INDEPENDENT AUDITOR'S REPORT**

December 31, 2022 and 2021

United Way of the Flint Hills, Inc.

FINANCIAL STATEMENTS
For the Years Ended December 31, 2022 and 2021

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INDEPENDENT AUDITOR'S REPORT

To the Board of Trustees
United Way of the Flint Hills, Inc.
Emporia, KS 66801

Opinion

We have audited the accompanying financial statements of United Way of the Flint Hills, Inc. (a nonprofit organization) which comprise the statements of financial position as of December 31, 2022 and 2021, and the related statements of activities, functional expenses and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of United Way of the Flint Hills, Inc. as of December 31, 2022 and 2021, and the changes in its net assets and 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. 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 the Flint Hills, 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 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 the 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 the Flint Hills, Inc.'s ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

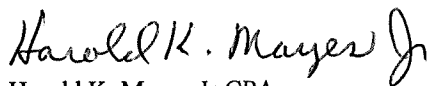
Auditor's Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with generally accepted auditing standards, we:

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



Harold K. Mayes Jr CPA
Agler & Gaeddert, Chartered
Emporia, Kansas
October 19, 2023

UNITED WAY OF THE FLINT HILLS, INC.

STATEMENTS OF FINANCIAL POSITION

December 31, 2022

ASSETS

	<u>2022</u>	<u>2021</u>
Current assets		
Cash and cash equivalents	\$ 286,323	\$ 386,498
Certificates of deposit with maturity date less than one year	113,011	135,469
Other receivables	98	3,645
Pledges receivable, net	<u>138,969</u>	<u>166,652</u>
Total current assets	<u>538,401</u>	<u>692,264</u>
Funds held at Emporia Community Foundation	<u>138,953</u>	<u>159,023</u>
Capital assets		
Equipment	19,119	19,119
Accumulated depreciation	<u>(19,119)</u>	<u>(19,119)</u>
Net book value of capital assets	<u>0</u>	<u>0</u>
Other assets		
Certificate of deposit with maturity date greater than one year	<u>103,518</u>	<u>80,952</u>
	<u>103,518</u>	<u>80,952</u>
TOTAL ASSETS	<u>\$ 780,872</u>	<u>\$ 932,239</u>

LIABILITIES AND NET ASSETS

Current liabilities		
Current liabilities	\$ <u>91,656</u>	\$ <u>88,690</u>
Net assets		
Without donor restrictions	372,086	462,542
With donor restrictions	<u>317,130</u>	<u>381,007</u>
Total net assets	<u>689,216</u>	<u>843,549</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 780,872</u>	<u>\$ 932,239</u>

The accompanying notes are an integral part of these financial statements.

UNITED WAY OF THE FLINT HILLS, INC.

STATEMENTS OF ACTIVITY For the Year Ended December 31, 2022

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Combined</u>
REVENUE			
Interest income	\$ 3,978	\$ 0	\$ 3,978
Other revenue	4,183	0	4,183
Reimbursements	3,041	0	3,041
Investment return, net	<u>(20,081)</u>	<u>0</u>	<u>(20,081)</u>
TOTAL REVENUE	<u>(8,879)</u>	<u>0</u>	<u>(8,879)</u>
SUPPORT			
Dolly Parton Library	0	19,575	19,575
Contributions	34,675	373,229	407,904
In-Kind Services	3,287	0	3,287
Emergency housing contributions	<u>0</u>	<u>5,721</u>	<u>5,721</u>
TOTAL SUPPORT	<u>37,962</u>	<u>398,525</u>	<u>436,487</u>
NET ASSETS RELEASED FROM RESTRICTIONS	<u>462,402</u>	<u>(462,402)</u>	<u>0</u>
TOTAL REVENUE AND SUPPORT	<u>491,485</u>	<u>(63,877)</u>	<u>427,608</u>
EXPENSES			
Program expenses	464,681	0	464,681
Management and general expenses	69,761	0	69,761
Fund-raising expenses	<u>47,499</u>	<u>0</u>	<u>47,499</u>
TOTAL EXPENSES	<u>581,941</u>	<u>0</u>	<u>581,941</u>
Change in net assets	(90,456)	(63,877)	(154,333)
Net assets, beginning of year	<u>462,542</u>	<u>381,007</u>	<u>843,549</u>
Net assets, end of year	<u>\$ 372,086</u>	<u>\$ 317,130</u>	<u>\$ 689,216</u>

The accompanying notes are an integral part of these financial statements.

UNITED WAY OF THE FLINT HILLS, INC.

STATEMENTS OF ACTIVITY
For the Year Ended December 31, 2021

	Without Donor <u>Restrictions</u>	With Donor <u>Restrictions</u>	<u>Combined</u>
REVENUE			
Interest income	\$ 2,385	\$ 0	\$ 2,385
Other revenue	2,688	0	2,688
Reimbursements	4,201	0	4,201
Investment return, net	15,623	0	15,623
Bad debt recovery	<u>0</u>	<u>0</u>	<u>0</u>
TOTAL REVENUE	<u>24,897</u>	<u>0</u>	<u>24,897</u>
SUPPORT			
Dolly Parton Library	0	26,145	26,145
Contributions	36,908	278,564	315,472
Disaster relief	0	2,525	2,525
Emergency Housing Contributions	<u>0</u>	<u>115,506</u>	<u>115,506</u>
TOTAL SUPPORT	<u>36,908</u>	<u>422,740</u>	<u>459,648</u>
NET ASSETS RELEASED FROM RESTRICTIONS	<u>471,528</u>	<u>(471,528)</u>	<u>0</u>
TOTAL REVENUE AND SUPPORT	<u>533,333</u>	<u>(48,788)</u>	<u>484,545</u>
EXPENSES			
Program expenses	418,321	0	418,321
Management and general expenses	62,845	0	62,845
Fund-raising expenses	<u>58,275</u>	<u>0</u>	<u>58,275</u>
TOTAL EXPENSES	<u>539,441</u>	<u>0</u>	<u>539,441</u>
Change in net assets	(6,108)	(48,788)	(54,896)
Net assets, beginning of year	<u>468,650</u>	<u>429,795</u>	<u>898,445</u>
Net assets, end of year	\$ <u><u>462,542</u></u>	\$ <u><u>381,007</u></u>	\$ <u><u>843,549</u></u>

The accompanying notes are an integral part of these financial statements.

UNITED WAY OF THE FLINT HILLS, INC.

STATEMENT OF FUNCTIONAL EXPENSES

For the Year Ended December 31, 2022

	Fund			
	Raising	M&G	Programs	Total
PERSONNEL EXPENSES				
Salaries and wages	\$ 31,034	\$ 37,041	\$ 32,035	\$ 100,110
Retirement plan match	931	1,111	961	3,003
Payroll taxes	2,374	2,833	2,451	7,658
Total personnel expenses	34,339	40,985	35,447	110,771
OTHER EXPENSES				
Program allocations	0	0	310,380	310,380
Dolly Parton Imagination Library	0	0	24,561	24,561
Emergency Housing Project	0	0	81,133	81,133
Audit and bookkeeping fees	0	16,769	0	16,769
Advertising	3,287	0	0	3,287
Campaign supplies	384	0	68	452
Conferences and continuing ed	460	475	460	1,395
Dues and subscriptions	0	0	6,554	6,554
Equipment repairs and purchases	330	329	330	989
Insurance	803	803	803	2,409
Mileage/meals/meetings	1,132	1,351	1,169	3,652
Miscellaneous	0	6,131	0	6,131
Needs assessment				
Office supplies	446	446	446	1,337
Postage and shipping	40	40	40	120
Printing	16	15	16	47
Disaster relief	0	0	21	21
Rent	1,560	1,560	1,560	4,680
Software maintenance	2,435	0	0	2,435
Special events	862	0	287	1,149
Telephone	857	857	858	2,572
Website	549	0	548	1,097
Depreciation	0	0	0	0
Total other expenses	13,160	28,776	429,234	471,170
TOTAL EXPENSES	\$ 47,499	\$ 69,761	\$ 464,681	\$ 581,941

The accompanying notes are an integral part of these financial statements.

UNITED WAY OF THE FLINT HILLS, INC.

STATEMENT OF FUNCTIONAL EXPENSES

For the Year Ended December 31, 2021

	Fund			
	Raising	M&G	Programs	Total
PERSONNEL EXPENSES				
Salaries and wages	\$ 30,763	\$ 36,718	\$ 31,756	\$ 99,237
Retirement plan match	923	1,101	953	2,977
Payroll taxes	2,305	2,751	2,379	7,435
Total personnel expenses	33,991	40,570	35,088	109,649
OTHER EXPENSES				
Program allocations	0	0	306,641	306,641
Dolly Parton Imagination Library	0	0	36,237	36,237
Emergency Housing Project	0	0	21,353	21,353
Audit and bookkeeping fees	0	14,708	0	14,708
Advertising	10,050	0	0	10,050
Campaign supplies	4,611	0	814	5,425
Conferences and continuing ed	45	46	45	136
Dues and subscriptions	520	520	8,997	10,037
Equipment repairs	1,497	1,497	1,498	4,492
Insurance	764	764	765	2,293
Mileage/meals/meetings	218	260	225	703
Miscellaneous	0	1,189	0	1,189
Office supplies	548	548	548	1,644
Postage and shipping	230	230	229	689
Disaster relief	0	0	2,544	2,544
Rent	1,690	1,690	1,690	5,070
Software maintenance	1,792	0	0	1,792
Special events	1,006	0	335	1,341
Telephone	823	823	823	2,469
Website	490	0	489	979
Depreciation	0	0	0	0
Total other expenses	24,284	22,275	383,233	429,792
TOTAL EXPENSES	\$ 58,275	\$ 62,845	\$ 418,321	\$ 539,441

The accompanying notes are an integral part of these financial statements.

UNITED WAY OF THE FLINT HILLS, INC.

STATEMENTS OF CASH FLOWS
For the Year Ended December 31, 2022

	<u>2022</u>	<u>2021</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ (154,333)	\$ (54,896)
Adjustments to reconcile change in net assets to net cash provided by operating activities		
Unrealized (gain)/loss	17,985	(17,809)
(Increase) decrease in net pledges receivable	32,661	145,750
Increase (decrease) in allowance for doubtful accounts	(4,978)	(10,616)
(Increase) decrease in short-term receivables	3,547	0
Increase (decrease) in other liabilities	<u>2,966</u>	<u>(7,892)</u>
Total adjustments	<u>52,181</u>	<u>109,433</u>
Cash provided by (used in) operating activities	<u>(102,152)</u>	<u>54,537</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Redemption of certificate of deposit	125,818	139,043
Purchase of certificate of deposit	(125,925)	(139,874)
(Increase) decrease in investment	<u>2,084</u>	<u>2,055</u>
Cash provided by (used in) investing activities	<u>1,977</u>	<u>1,224</u>
NET INCREASE (DECREASE) IN CASH	(100,175)	55,761
CASH AND CASH EQUIVALENTS BALANCE - BEGINNING OF YEAR	<u>386,498</u>	<u>330,737</u>
CASH AND CASH EQUIVALENTS BALANCE - END OF YEAR	\$ <u><u>286,323</u></u>	\$ <u><u>386,498</u></u>

The accompanying notes are an integral part of these financial statements.

United Way of the Flint Hills, Inc.

NOTES TO FINANCIAL STATEMENTS

December 31, 2022 and 2021

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Operations

The mission of United Way of the Flint Hills, Inc. (the Organization) is to mobilize resources to identify and address human needs within the communities served. This is accomplished through annual campaigns in Lyon, Chase, Osage, Coffey, Morris, Greenwood, Woodson, and Wabaunsee Counties in Kansas to raise support for allocation to programs which meet these needs.

Financial Statement Presentation

Financial statement presentation follows the recommendations of the Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 958. Under FASB ASC 958, the Organization is required to report information regarding its financial position and activities according to two classes of net assets:

Net assets without donor restrictions: Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the Organization. These net assets may be used at the discretion of the Organization's management and the Board of Directors.

Net assets with donor restrictions: Net assets subject to stipulations imposed by donors and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of the Organization or by the passage of time. Other donor restrictions are perpetual in nature, whereby the donor has stipulated that the funds be maintained in perpetuity.

Cash and Equivalents

Cash and cash equivalents consist of non-interest bearing checking accounts, interest-bearing money market accounts with check writing privileges and certificates of deposit with initial maturity dates of three months or less.

Capital Assets

It is the Organization's policy to capitalize property and equipment over \$500. The capitalized assets are depreciated using the straight-line method over the useful life. Capital assets are reported at cost or estimated historical cost. Maintenance, repairs and renewals, which neither materially add to the value of the property nor appreciably prolong its life, are charged to expenses as incurred. Gains or losses on dispositions of property and equipment are included in income. Depreciation expense for the fiscal years ending December 31, 2022 and 2021 is \$0 and \$-, respectively.

Pledges Receivable

Pledges receivable are shown net of an allowance for doubtful accounts of \$138,969 for 2022 and \$166,652 for 2021. The allowance for doubtful accounts is calculated based on the Organization's prior experience with uncollectible accounts.

Investments

In accordance with FASB ASC 958, investments are reported at their fair values based on quoted prices in active markets (all Level 1 measurements) in the statement of financial position. Unrealized gains and losses are included in the change in net assets. Investment income and gains restricted by a donor are reported as increases in 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. Investments are held in certificates of deposit and pooled investments at the Emporia Community Foundation.

United Way of the Flint Hills, Inc.

NOTES TO FINANCIAL STATEMENTS

December 31, 2022 and 2021

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Investments - continued

The funds held at the Emporia Community Foundation are held in a designated fund. The funds are invested in a pooled fund. The foundation records the income and gains and losses. The foundation also charges a fee for this service. The designated fund is adjusted for its allocated share of the pooled fund's income, gains or losses, and fees. In addition, the unrealized gains or losses are recorded. All funds held at the Emporia Community Foundation in this fund are designated for the use of the United Way of the Flint Hills.

Fair Value Measurement

On January 1, 2008, the Organization adopted ASC 820-10-05, *Fair Value Measurements*, which was issued by the FASB in September 2006. For financial statement elements currently required to be measured at fair value, FASB ASC 820-10-05 redefines fair value, establishes a framework for measuring fair value under U.S. Generally Accepted Accounting Principles (GAAP) and enhances disclosures about fair value measurements. The new definition of fair value focuses on the price that would be received to sell the asset or paid to transfer the liability regardless of whether an observable liquid market price existed (an exit price). An exit price valuation will include margins for risk even if they are not observable.

As the Organization is released from risk, the margins for risk will also be released through net realized capital gains (losses) in net income. FASB ASC 820-10-05 provides guidance on how to measure fair value, when required, under existing accounting standards. FASB ASC 820-10-05 establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value into three broad levels (Level 1, 2 and 3).

The following disclosure applies the FASB ASC 820-10-05 fair value hierarchy and disclosure requirements to the Organization's financial instruments that are carried at fair value:

Level 1: Quoted prices (unadjusted or identical assets or liabilities in active markets) that the entity has the ability to access as of the measurement date.

Level 2: Significant other observable inputs other than Level 1 prices such as quoted prices for similar assets or liabilities; quoted prices in markets that are not active; or other inputs that are observable or can be corroborated by observable market data.

Level 3: Significant unobservable inputs that reflect an organization's own assumptions about the assumptions that market participants would use in pricing an asset or liability.

Use of Estimates

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

Advertising

Costs are expensed as incurred. Advertising expense was \$3,287 and \$10,050 for 2022 and 2021, respectively.

United Way of the Flint Hills, Inc.

NOTES TO FINANCIAL STATEMENTS

December 31, 2022 and 2021

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – continued

Income Taxes

The Organization is a not-for-profit organization as described in Section 501(c)(3) of the Internal Revenue Code (the Code) and is exempt from income taxes under Section 501(a) of the Code.

Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 740-10-05 clarifies the accounting for uncertainty in income taxes recognized in an enterprise's financial statements. This topic prescribes a recognition threshold and measurement attribute for the financial statement recognition and measurement of a tax position taken or expected to be taken in a tax return. This topic also provides guidance on de-recognition, classification, interest and penalties, accounting in interim periods, disclosure, and transition.

The Organization has not identified any uncertainties in federal or state income taxes for any open tax years as of December 31, 2022. The Organization is no longer subject to federal and state tax examinations by tax authorities for years before 2019. No authorities have commenced income tax examinations as of December 31, 2022.

Revenue Recognition

The Organization has adopted FASB ASC 605. In accordance with FASB ASC 605, contributions received are recorded as support with or without donor restrictions depending on the existence or nature of any donor restrictions. They are then reclassified to net assets without donor restrictions upon expiration of time restrictions or upon meeting program requirements.

II. CONCENTRATION OF CREDIT RISK

The Organization maintains cash balances in several banks. Accounts in all institutions are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000. The Organization transfers funds as necessary between banks so that full insurance coverage is maintained on all accounts. All accounts were fully secured by FDIC as of December 31, 2022 and 2021.

III. OTHER RECEIVABLES

On August 10, 2018, the Organization loaned \$10,000 to Plumb Place at 0% interest to be repaid in 36 monthly installments of \$277.77 from January 2, 2019 through December 1, 2021. The balance receivable on the loan is reported at original cost. Payments were received during the year ended December 31, 2022 and 2021. As of December 31, 2022 and 2021, the balance remaining on the loan is \$98 and \$3,645 respectively.

IV. COMPENSATED ABSENCES

The Organization's policy regarding vacations allows full-time employees ten to twenty paid vacation days annually, depending on length of service. Employees are not eligible to use vacation time before completing one year of full-time service. Employees are not allowed to carry over unused vacation time. Unused vacation time is paid at an employee's termination only if that employee provided two weeks' notice. According to the Organization's policy, employees accrue sick leave each pay period based on their length of service, and can accrue up to 240 hours of sick leave. Unused sick leave is not paid upon an employee's termination. The Organization's policy is to recognize such benefits when they are paid.

United Way of the Flint Hills, Inc.

NOTES TO FINANCIAL STATEMENTS

December 31, 2022 and 2021

V. AFFILIATED ORGANIZATIONS

The Organization is affiliated with United Way Worldwide. The local chapter is subject to the policy-making decisions and by-laws of the national organization. The Organization paid dues of \$6,554 and \$9,128 in 2022 and 2021, respectively, to United Way Worldwide. That amount is subject to change at the discretion of the national board.

VI. RELATED PARTY TRANSACTIONS

The Organization participated in related party transactions during 2022 and 2021. These transactions were reported as In-Kind and the services were valued at the estimated cost of such services. These services are reported at a value of \$3,287 and \$10,050 respectively.

VII. AVAILABILITY AND LIQUIDITY

As of December 31, 2022 and 2021, the Organization has net working capital of \$446,745 and \$603,574, respectively, and average days (based on normal expenditures) cash on hand of 280 and 262, respectively. The Organization's goal is to maintain financial assets sufficient to cover expenditures for 4 to 6 months, based on recommendations from United Way Worldwide. At no point during 2022 or 2021 did the Organization need to access funds held in reserve as certificates of deposit or with the Emporia Community Foundation to meet operating needs. The following represents the Organization's financial assets at December 31, 2022 and 2021:

Financial assets at year end:		
Cash and cash equivalents	\$ 286,323	\$ 386,498
Certificates of deposit	216,529	216,421
Pledges receivable, net	138,969	166,652
Short-term receivables	98	3,645
Funds held at Emporia Community Foundation	138,953	159,023
Total financial assets	<u>780,872</u>	<u>932,239</u>
Less amounts not available to be used within one year:		
Net assets with donor restrictions	<u>503,784</u>	<u>381,007</u>
Financial assets not available to be used within one year	<u>503,784</u>	<u>381,007</u>
Financial assets available to meet general expenditures over the next twelve months	<u>\$ 277,088</u>	<u>\$ 551,232</u>

The Organization has certain board-designated assets limited to use which are available for general expenditure within one year in the normal course of operations. Accordingly, these assets have been included in the information above as financial assets available to meet general expenditures within one year.

VIII. PROMISES TO GIVE/PLEDGES

Contributions are recognized when the donor makes a promise to give to the Organization that is, in substance, unconditional. Contributions that are restricted by the donor are reported as increases in net assets without donor restrictions if the restrictions expire in the fiscal year in which the contributions are recognized. All other donor-restricted contributions are reported as increases in net assets with donor restrictions depending on the nature of the restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions.

The Organization uses the allowance method to determine uncollectible promises receivable. The allowance is based on prior years' experience and management's analysis of specific promises made.

United Way of the Flint Hills, Inc.

NOTES TO FINANCIAL STATEMENTS
December 31, 2022 and 2021

VIII. PROMISES TO GIVE/PLEDGES - continued

Unconditional promises to give that are expected to be collected within one year are recorded at their net realizable value. Unconditional promises to give that are expected to be collected in future years are recorded at the present value of estimated future cash flows. Conditional promises to give are not included as support until such time as the conditions are substantially met.

As of December 31, 2022 and 2021, contributions receivable consisted of the following:

<i>December 31,</i>		<u>2022</u>	<u>2021</u>
Time restricted amounts due in less than one year	\$	155,149	\$ 160,973
Less: allowance for doubtful accounts		<u>27,180</u>	<u>32,158</u>
Total time restricted		127,969	128,815
Use restricted amounts due in one year or more			
2022		0	27,000
2023		<u>11,000</u>	<u>11,000</u>
Total		11,000	38,000
Less 1.5% present value discount		<u>0</u>	<u>163</u>
Total use restricted		<u>11,000</u>	<u>37,837</u>
Pledges receivable, net	\$	<u><u>138,969</u></u>	\$ <u><u>166,652</u></u>

Amounts described above are restricted promises to give as restricted by the donors to fund the operation of the Dolly Parton Imagination Library.

IX. FAIR VALUE MEASUREMENTS

The fair value of certificates of deposit held at various banks are the actual cash values on the balance sheet date. The values noted below are adjusted by the Emporia Community Foundation. The funds are held in a designated fund that is invested in a pooled investment fund. The Foundation records the income from the investments for income tax purposes. The income is allocated among all of the funds invested in the pooled investment. The designated fund is charged a fee for the investment services that reduces the fund. Fair values of assets measured on a recurring basis at December 31, are as follows:

	<u>Fair</u>	<u>Assets</u>	<u>Inputs</u>	<u>Inputs</u>
	<u>Value</u>	<u>(Level 1)</u>	<u>(Level 2)</u>	<u>(Level 3)</u>
December 31, 2022				
Emporia Community Foundation	\$ <u>138,953</u>	\$ <u>0</u>	\$ <u>138,953</u>	\$ <u>0</u>
December 31, 2021				
Emporia Community Foundation	\$ <u>159,023</u>	\$ <u>0</u>	\$ <u>159,023</u>	\$ <u>0</u>

X. RETIREMENT PLAN

The Organization provides a tax-sheltered annuity plan under Section 403(b) of the Code. Under the provisions of the plan, eligible employees may elect to defer a portion of their salary for contribution to the plan. The Organization does not contribute to the plan. Mutual fund shares held in custodial accounts fund the annuities. Retirement benefits are based upon the balance in the account at retirement.

Beginning January, 2016 the Organization implemented a Simple IRA with a 3% match for all employees. The cost of the match to the Organization was \$3,003 and \$2,977 in 2022 and 2021, respectively. The Simple IRA funds are held with Edward Jones.

United Way of the Flint Hills, Inc.

NOTES TO FINANCIAL STATEMENTS
December 31, 2022 and 2021

XI. RENTAL AGREEMENTS

The Organization entered into an open-ended operating lease agreement for its current office facilities with Inno-Vest. Terms of the lease call for monthly payments of \$390 for 2022 and 2021. The value of this rental agreement is not material and thus have not been reported as a “Right of Use” under the new standards.

XII. DONATED MATERIALS AND SERVICES

Donations of property and equipment are recorded as support at their estimated fair value at the date of donation. Such donations are reported as unrestricted support 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 restricted contributions. Absent donor stipulations regarding how long those donated assets must be maintained, the Organization reports expirations of donor restrictions when the donated assets are placed in service as instructed by the donor. The Organization reclassifies net assets with donor restrictions to net assets without donor restrictions at that time. No property or equipment that was material to the financial statements was received in 2022 or 2021.

During 2022 and 2021, the Organization received a donation of services as described in Note VI.

The Organization receives a significant amount of donated services from unpaid volunteers who assist in the fund-raising campaign. No amount for these services have been recognized in the statement of activities because criteria for recognition under generally accepted accounting principles has not been met.

XIII. DESIGNATED AND RESTRICTED NET ASSETS

It is the policy of the Board of Directors to annually review the allocation of pledges to supported programs and the pledges receivable to fund those allocations. The Board has designated net assets to provide a funding resource for those years that pledges collected do not satisfy program funding obligations. The designation of net assets is non-binding and may be rescinded by the Board of Directors at any time. Designated net assets balance as of December 31 are as follows:

<i>December 31,</i>	<u>2022</u>	<u>2021</u>
Designated Net Assets	\$ <u>372,086</u>	\$ <u>462,542</u>

Annually, the Organization solicits pledges to provide funding for programs in the following year. All pledges are restricted to use during the period for which they are solicited. Net assets with donor restrictions are available for the following purposes:

<i>December 31,</i>	<u>2022</u>	<u>2021</u>
Time restriction: Pledges for program allocations	\$ 187,769	\$ 173,019
Dolly Parton Imagination Library	117,816	116,232
Emergency Housing Project	10,623	91,756
Lions Club	<u>922</u>	<u>0</u>
Total Net Assets With Donor Restrictions	<u>\$ 317,130</u>	<u>\$ 381,007</u>

United Way of the Flint Hills, Inc.

NOTES TO FINANCIAL STATEMENTS
December 31, 2022 and 2021

XIII. DESIGNATED AND RESTRICTED NET ASSETS - continued

Net Assets Released from Restrictions

Net assets released from restrictions were:

<i>December 31,</i>	<u>2022</u>	<u>2021</u>
Expiration of time restriction: Pledges for program allocations	\$ 356,687	\$ 410,791
Dolly Parton Imagination Library	24,561	34,463
Emergency Housing Project	81,133	23,749
Disaster Relief Fund	<u>21</u>	<u>2,525</u>
Net Assets Released from Restrictions	\$ <u>462,402</u>	\$ <u>471,528</u>

XIV. FUNCTIONAL EXPENSE ALLOCATION

The costs of providing various programs and other activities have been summarized on a functional basis in the statement of activities. Accordingly, certain costs have been allocated among the programs and supporting services benefited. Such allocations are determined by management on an equitable basis as described below.

<u>Expense</u>	<u>Method of Allocation</u>
Salaries and benefits	Time and effort
Program allocations	Specifically attributed to programs
Dolly Parton Imagination Library	Specifically attributed to programs
Audit and bookkeeping fees	Specifically attributed to M&G
Campaign supplies	Scope and amount of work performed
Conferences and continuing education	Scope and amount of work performed
Dues and subscriptions	Specific identification
Equipment repairs and purchases	Scope and amount of work performed
Insurance	Scope and amount of work performed
Mileage/meals/meeting	Time and effort
Miscellaneous	Specifically attributed based on function
Office supplies	Scope and amount of work performed
Postage and shipping	Scope and amount of work performed
Printing	Scope and amount of work performed
Disaster relief	Specifically attributed to programs
Rent	Scope and amount of work performed
Software maintenance	Specifically attributed to fundraising
Special events	Scope and amount of work performed
Strategic planning	Specifically attributed to M&G
Telephone	Scope and amount of work performed
Website	Scope and amount of work performed
Depreciation	Scope and amount of work performed

XV. SUBSEQUENT EVENTS

Management has evaluated subsequent events through October 19, 2023, the date these statements were available to be issued.

No subsequent events that required disclosure were noted.