



**United Way  
Blackhawk Region**

FINANCIAL STATEMENTS WITH  
SUPPLEMENTARY INFORMATION

December 31, 2022 and 2021

## CONTENTS

Independent Auditor's Report .....	1
Statements of Financial Position .....	3
Statements of Activities .....	4
Statements of Functional Expenses .....	6
Statements of Cash Flows .....	8
Notes to Financial Statements .....	9
Schedule of Allocations .....	19

## INDEPENDENT AUDITOR'S REPORT

To the Board of Directors  
United Way Blackhawk Region, Inc.  
Janesville, Wisconsin

### ***Opinion***

We have audited the financial statements of United Way Blackhawk Region, Inc., 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 accompanying financial statements present fairly, in all material respects, the financial position of United Way Blackhawk Region, Inc. as of December 31, 2022 and 2021, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

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

We conducted our 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 Blackhawk Region, Inc. 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 Blackhawk Region, 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 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 Blackhawk Region, 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 Blackhawk Region, 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.

***Supplementary Information***

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The schedule of allocations is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

*Wegner CPAs LLP*

Wegner CPAs, LLP  
Madison, WI  
August 15, 2023

**UNITED WAY BLACKHAWK REGION, INC.**  
**STATEMENTS OF FINANCIAL POSITION**  
December 31, 2022 and 2021

	<u>2022</u>	<u>2021</u>
<b>ASSETS</b>		
Cash	\$ 1,520,882	\$ 1,661,090
Certificates of deposit	665,426	667,121
Unconditional promises to give, net	790,009	944,603
Prepaid expenses	7,254	5,996
Investments	2,294,554	2,688,002
Beneficial interest in assets held by Community Foundation of Southern Wisconsin	121,531	142,947
Beneficial interest in perpetual trust	629,255	779,176
Property and equipment, net	346,538	344,511
Certificates of deposit, unemployment compensation benefits	5,200	5,200
<b>Total assets</b>	<b><u>\$ 6,380,649</u></b>	<b><u>\$ 7,238,646</u></b>
<b>LIABILITIES</b>		
Accounts payable	\$ 6,820	\$ 13,415
Accrued payroll and related liabilities	5,625	5,657
Due to designated agencies	201,276	120,846
Grants payable	15,580	-
<b>Total liabilities</b>	<b>229,301</b>	<b>139,918</b>
<b>NET ASSETS</b>		
Without donor restrictions	3,977,363	4,508,013
With donor restrictions	2,173,985	2,590,715
<b>Total net assets</b>	<b><u>6,151,348</u></b>	<b><u>7,098,728</u></b>
<b>Total liabilities and net assets</b>	<b><u>\$ 6,380,649</u></b>	<b><u>\$ 7,238,646</u></b>

See accompanying notes.

**UNITED WAY BLACKHAWK REGION, INC.**  
**STATEMENT OF ACTIVITIES**  
Year Ended December 31, 2022

	Without Donor Restrictions	With Donor Restrictions	Total
<b>REVENUES</b>			
Gross campaign results for the prior year	\$ 780,070	\$ -	\$ 780,070
Less donor designations	(97,263)	-	(97,263)
Less provision for uncollectible promises	(41,510)	-	(41,510)
Net campaign revenue for the prior year	641,297	-	641,297
Gross campaign results for the current year	-	1,110,405	1,110,405
Less donor designations	-	(125,087)	(125,087)
Less provision for uncollectible promises	-	(55,535)	(55,535)
Net campaign revenue for the current year	-	929,783	929,783
Designations from other United Ways	18,633	-	18,633
Gifts in-kind	32,430	-	32,430
Grants, contracts and other contributions	101,603	1,833	103,436
Investment return, net	(298,947)	(256,152)	(555,099)
Rental income	16,288	-	16,288
Total revenues	511,304	675,464	1,186,768
<b>PROGRAM ALLOCATIONS AND EXPENSES</b>			
Grants and allocations	1,555,116	-	1,555,116
Less donor designations	(57,730)	-	(57,730)
Net community impact funds awarded/distributed	1,497,386	-	1,497,386
Other community impact expenses	192,310	-	192,310
Supporting activities			
Management and general	178,494	-	178,494
Fundraising	265,958	-	265,958
Total supporting activities	444,452	-	444,452
Total program allocations and expenses	2,134,148	-	2,134,148
NET ASSETS RELEASED FROM RESTRICTIONS	1,092,194	(1,092,194)	-
<b>Change in net assets</b>	(530,650)	(416,730)	(947,380)
Net assets at beginning of year	4,508,013	2,590,715	7,098,728
<b>Net assets at end of year</b>	<b>\$ 3,977,363</b>	<b>\$ 2,173,985</b>	<b>\$ 6,151,348</b>

See accompanying notes.

**UNITED WAY BLACKHAWK REGION, INC.**  
**STATEMENT OF ACTIVITIES**  
Year Ended December 31, 2021

	Without Donor Restrictions	With Donor Restrictions	Total
<b>REVENUES</b>			
Gross campaign results for the prior year	\$ 543,925	\$ -	\$ 543,925
Less donor designations	(23,366)	-	(23,366)
Less provision for uncollectible promises	(15,005)	-	(15,005)
Net campaign revenue for the prior year	505,554	-	505,554
Gross campaign results for the current year	-	1,195,997	1,195,997
Less donor designations	-	(87,480)	(87,480)
Less provision for uncollectible promises	-	(60,124)	(60,124)
Net campaign revenue for the current year	-	1,048,393	1,048,393
Designations from other United Ways	146,007	-	146,007
Gifts in-kind	50,161	-	50,161
Grants, contracts and other contributions	116,441	37,318	153,759
Investment return, net	259,806	160,566	420,372
Rental income	17,167	-	17,167
Total revenues	1,095,136	1,246,277	2,341,413
<b>PROGRAM ALLOCATIONS AND EXPENSES</b>			
Grants and allocations	1,631,710	-	1,631,710
Less donor designations	(47,323)	-	(47,323)
Net community impact funds awarded/distributed	1,584,387	-	1,584,387
Other community impact expenses	212,838	-	212,838
Supporting activities			
Management and general	235,880	-	235,880
Fundraising	213,788	-	213,788
Total supporting activities	449,668	-	449,668
Total program allocations and expenses	2,246,893	-	2,246,893
NET ASSETS RELEASED FROM RESTRICTIONS	1,558,922	(1,558,922)	-
<b>Change in net assets</b>	407,165	(312,645)	94,520
Net assets at beginning of year	4,100,848	2,903,360	7,004,208
<b>Net assets at end of year</b>	<b>\$ 4,508,013</b>	<b>\$ 2,590,715</b>	<b>\$ 7,098,728</b>

See accompanying notes.

**UNITED WAY BLACKHAWK REGION, INC.**  
**STATEMENT OF FUNCTIONAL EXPENSES**  
Year Ended December 31, 2022

	Supporting Activities			Total Expenses
	Community Impact	Management and General	Fundraising	
Salaries	\$ 114,249	\$ 96,446	\$ 110,499	\$ 321,194
Benefits	15,372	12,903	14,868	43,143
Payroll taxes	8,534	7,157	8,254	23,945
Professional fees	257	20,562	10,538	31,357
Computer software support	9,269	7,604	6,594	23,467
Office supplies	588	541	1,289	2,418
Telephone	2,376	1,993	2,298	6,667
Postage	655	603	633	1,891
Occupancy	9,210	7,698	8,908	25,816
Office equipment	1,284	1,197	1,242	3,723
Marketing	359	420	59,076	59,855
Subscriptions	-	746	-	746
Travel	270	122	2,203	2,595
Conferences/Meetings/Events	5,708	-	15,468	21,176
Membership dues	11,019	9,241	10,936	31,196
Insurance	1,966	1,637	2,325	5,928
Miscellaneous	-	236	-	236
Expenses before depreciation	181,116	169,106	255,131	605,353
Depreciation	11,194	9,388	10,827	31,409
Total expenses before grants and allocations	192,310	178,494	265,958	636,762
Grants and allocations	1,555,116	-	-	1,555,116
Less donor designations	(57,730)	-	-	(57,730)
Total program allocations and expenses	<u>\$ 1,689,696</u>	<u>\$ 178,494</u>	<u>\$ 265,958</u>	<u>\$ 2,134,148</u>

See accompanying notes.



**UNITED WAY BLACKHAWK REGION, INC.**  
**STATEMENT OF FUNCTIONAL EXPENSES**  
Year Ended December 31, 2021

	<u>Supporting Activities</u>			Total Expenses
	Community Impact	Management and General	Fundraising	
Salaries	\$ 118,524	\$ 126,926	\$ 76,451	\$ 321,901
Benefits	21,534	23,061	13,890	58,485
Payroll taxes	8,765	9,386	5,653	23,804
Professional fees	393	20,060	14,348	34,801
Computer software support	9,379	8,116	4,776	22,271
Office supplies	487	420	306	1,213
Telephone	2,707	2,899	1,745	7,351
Postage	974	870	483	2,327
Occupancy	10,817	11,584	6,978	29,379
Office equipment	1,619	1,733	1,044	4,396
Marketing	5,024	153	61,058	66,235
Subscriptions	-	632	-	632
Travel	352	346	571	1,269
Conferences/Meetings/Events	5,252	43	9,055	14,350
Membership dues	13,284	14,225	8,568	36,077
Insurance	2,033	2,177	1,312	5,522
Imagination Library	-	-	7	7
COVID-19 Action Fund	-	125	-	125
Miscellaneous	-	601	-	601
	<u>201,144</u>	<u>223,357</u>	<u>206,245</u>	<u>630,746</u>
Expenses before depreciation				
Depreciation	11,694	12,523	7,543	31,760
	<u>212,838</u>	<u>235,880</u>	<u>213,788</u>	<u>662,506</u>
Total expenses before grants and allocations				
Grants and allocations	1,631,710	-	-	1,631,710
Less donor designations	(47,323)	-	-	(47,323)
	<u>1,584,387</u>	<u>235,880</u>	<u>213,788</u>	<u>1,834,055</u>
Total program allocations and expenses	<u>\$ 1,797,225</u>	<u>\$ 235,880</u>	<u>\$ 213,788</u>	<u>\$ 2,246,893</u>

See accompanying notes.

**UNITED WAY BLACKHAWK REGION, INC.**  
**STATEMENTS OF CASH FLOWS**  
Years Ended December 31, 2022 and 2021

	<u>2022</u>	<u>2021</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Change in net assets	\$ (947,380)	\$ 94,520
Adjustments to reconcile change in net assets to net cash flows from operating activities		
Allowance for uncollectible promises to give	(15,309)	(60,222)
Net realized and unrealized (gains) losses on investments	438,057	(196,183)
Change in value of beneficial interest in assets held by Community Foundation of Southern Wisconsin	21,416	(15,439)
Change in value of beneficial interest in perpetual trust	149,921	(84,184)
Donated stock	(2,437)	(33,989)
Depreciation	31,409	31,760
(Increase) decrease in assets		
Unconditional promises to give, net	169,903	227,277
Prepaid expenses	(1,258)	(239)
Increase (decrease) in liabilities		
Accounts payable	(6,595)	6,437
Accrued payroll and related liabilities	(32)	634
Due to designated agencies	80,430	(4,696)
Grants payable	15,580	(14,180)
Net cash flows from operating activities	<u>(66,295)</u>	<u>(48,504)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchases of property and equipment	(33,436)	-
Purchases of investments	(44,609)	(86,714)
Proceeds from sales of investments	2,437	33,989
Purchases of and interest retained in certificates of deposit	(926,466)	(662,121)
Redemptions of certificates of deposit	928,161	758,715
Net cash flows from investing activities	<u>(73,913)</u>	<u>43,869</u>
<b>Net change in cash</b>	(140,208)	(4,635)
Cash at beginning of year	<u>1,661,090</u>	<u>1,665,725</u>
<b>Cash at end of year</b>	<u><u>\$ 1,520,882</u></u>	<u><u>\$ 1,661,090</u></u>
<b>SUPPLEMENTAL DISCLOSURES</b>		
Noncash investing activities		
Donated stock	\$ 2,437	\$ 33,989

See accompanying notes.

**UNITED WAY BLACKHAWK REGION, INC.**  
NOTES TO FINANCIAL STATEMENTS  
December 31, 2022 and 2021

---

---

NOTE 1—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

**Nature of Activities**

The mission of United Way Blackhawk Region, Inc. is to improve lives by mobilizing the caring power of communities. The United Way Blackhawk Region, Inc. receives contributions as a primary source of funding.

*Community Impact Strategies*

United Way Blackhawk Region is dedicated to advancing the common good by creating opportunities for a better life for all. United Way collaborates with community partners to identify community issues and develop strategies to create long-lasting change by addressing the underlying causes of these problems.

Advancing the common good is less about helping one person at a time and more about changing systems to help all of us. We are all connected and interdependent. We all win when a child succeeds in school, when families are financially stable, when people are healthy. Everyone deserves opportunities to have a good life: a quality education that leads to a stable job, enough income to support a family through retirement, and good health.

United Way's impact areas are Education, Financial Stability and Health, the building blocks for a good life:

- Education—Helping children and youth achieve their potential
- Financial Stability—Promoting financial stability and independence
- Health—Improving people's health

*United Way Community Services Building* provides space at a reduced rate for one local nonprofit organization and one for-profit organization and meeting room that can seat approximately 40 people.

**Promises to Give**

United Way Blackhawk Region's unconditional promises to give consist of amounts due from businesses, foundations, and individuals. The provision for uncollectible promises is computed based on historical collectability of promises and current economic conditions in the community and approved by the board of directors and adjusted by management estimates. The uncollectible provision is based on the gross campaign. Promises to give are written off when deemed uncollectible. Recoveries of promises to give previously written off are recorded when received. Donor designated promises are assessed both a fundraising and processing fee based on a three year historical average in accordance with United Way Worldwide membership standards as outlined in their publication titled United Way Worldwide Implementation Requirements of Membership Standard M (Cost Deduction for Designated Funds).

**Investments**

United Way Blackhawk Region reports investments in equity securities with readily determinable fair values at their fair values in the statements of financial position. Unrealized gains and losses are included in the change in net assets in the accompanying statements of activities.

**UNITED WAY BLACKHAWK REGION, INC.**  
NOTES TO FINANCIAL STATEMENTS  
December 31, 2022 and 2021

---

---

NOTE 1—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

**Beneficial Interest in Assets Held by Community Foundation of Southern Wisconsin**

United Way Blackhawk Region's beneficial interest in assets held by Community Foundation of Southern Wisconsin represents an agreement between United Way Blackhawk Region and the Foundation in which United Way Blackhawk Region transfers assets to the Foundation in exchange for future distributions. The beneficial interest is not actively traded and significant other observable inputs are not available. The fair value of the beneficial interest is based on the fair value of the underlying assets as reported to United Way Blackhawk Region by the Foundation which is a level 3 investment. Little information about those assets is released publicly. The estimated fair value does not necessarily represent the amounts that may be ultimately realized due to the occurrence of future circumstances that cannot be reasonably determined.

**Beneficial Interest in Perpetual Trust**

The beneficial interest in perpetual trust is a resource held and administered, at the direction of the donor, by an outside trustee for the benefit of United Way Blackhawk Region whereby 25% of the income of the trust is distributed to United Way Blackhawk Region annually. The beneficial interest in perpetual trust is carried at the value of the investments in the trust. The fair value of the beneficial interest is based on the fair value of the underlying assets as reported to United Way Blackhawk Region by the trust which is a level 3 investment. The estimated fair value does not necessarily represent the amounts that may be ultimately realized due to the occurrence of future circumstances that cannot be reasonably determined. Distributions from the trust are to be used for general support for United Way Blackhawk Region and recorded as unrestricted support in the statements of activities. Adjustments to the value of the investments in the trust are recorded as investment return with donor restrictions in the statements of activities. Under the terms of the perpetual trust, United Way Blackhawk Region has the irrevocable right to receive 25% of the income earned on the trust assets in perpetuity, but never receives the assets held in trust. 25% of each investment's value held in the trust are reported as assets in the statements of financial position.

**Property and Equipment**

All acquisitions of property and equipment in excess of \$2,000 are capitalized. Property and equipment are carried at cost or, if donated, at the approximate fair value at the date of donation. Depreciation is computed using the straight-line method. The building is depreciated over its estimated useful life of 40 years. Structural building improvements are depreciated over 20 years. Equipment is depreciated over their estimated useful lives of five to ten years.

**Expense Allocation**

The financial statements report certain categories of expenses that are attributable to more than one program service or supporting activity. Therefore, these expenses require allocation on a reasonable basis that is consistently applied. Costs which exclusively benefit a specific function are charged directly to that program service or supporting activity. All remaining expenses are allocated on the basis of estimates of time and effort. The expenses that contain allocations include salaries, benefits, payroll taxes, professional fees, computer software support, office supplies, telephone, postage, occupancy, office equipment, marketing, travel, membership dues, conferences/meetings/events, insurance, and depreciation.

**UNITED WAY BLACKHAWK REGION, INC.**  
NOTES TO FINANCIAL STATEMENTS  
December 31, 2022 and 2021

---

---

NOTE 1—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Management overhead percentage is computed based on management and general and fundraising expenses divided by total revenue on the IRS Form 990, which does not include gifts in kind or unrealized gains/losses. For the years ended December 31, 2022 and 2021, the management overhead percentage of revenue is computed to be 27% and 21%, respectively.

The following program services and supporting activities are included in the accompanying financial statements.

*Community Impact*—

- Improving the lives of all people affected by the community's issues, not just clients of programs funded by United Way.
- Pinpointing the root causes of problems that threaten our community and developing strategies and partnerships to change them.
- Working in a multi-faceted role with whatever partners can play a role in changing community conditions.
- Going beyond the annual campaign to create long-term, ongoing relationships with diverse community investors.

*Management and general*—Includes the functions necessary to maintain an equitable employment program; ensure an adequate working environment; provide coordination and articulation of United Way Blackhawk Region's program strategy; secure proper administrative functioning of the board of directors; maintain competent legal services for the program administration of United Way Blackhawk Region; and manage the financial and budgetary responsibilities of United Way Blackhawk Region.

*Fundraising*—Provides the structure necessary to encourage and secure private financial support from individuals, foundations, and corporations.

**Donated Services**

Donated services are valued at the services' fair value at the date of service if the services would have been purchased if they had not been donated. Donated services not included in the financial statements because they do not meet the financial statement recognition criteria include significant amounts of time donated by a substantial number of volunteers for the United Way Blackhawk Region's program services and fundraising campaigns.

**Contributions**

Contributions received are recorded as increases in net assets without donor restriction or net assets with donor restrictions depending on the existence of any donor-imposed restrictions. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statements of activities as net assets released from restrictions.

**UNITED WAY BLACKHAWK REGION, INC.**  
NOTES TO FINANCIAL STATEMENTS  
December 31, 2022 and 2021

---

NOTE 1—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

**Estimates**

Management uses estimates and assumptions in preparing financial statements. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported revenues and expenses. Actual results could differ from those estimates.

**Income Tax Status**

United Way Blackhawk Region is exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code.

**Date of Management's Review**

Management has evaluated subsequent events through August 15, 2023, the date which the financial statements were available to be issued.

NOTE 2—CERTIFICATES OF DEPOSIT, UNEMPLOYMENT COMPENSATION BENEFITS

United Way Blackhawk Region has elected the reimbursement (self-insured) method to finance the cost of unemployment compensation benefits. Accordingly, United Way Blackhawk Region has placed in the custody of the Treasurer, Wisconsin Unemployment Compensation Division, one certificate of deposit in the amount of \$5,200 at December 31, 2022 and 2021.

NOTE 3—CONCENTRATIONS OF CREDIT RISK

United Way Blackhawk Region maintains cash balances at several financial institutions. Accounts are insured by the Federal Deposit Insurance Corporations (FDIC) and the National Credit Union Administration (NCUA) up to \$250,000. Both are fully backed by the faith and credit of the US Government. At December 31, 2022 and 2021, United Way Blackhawk Region's uninsured cash balances total approximately \$1,347,000 and \$1,355,000, respectively. United Way Blackhawk Region maintains its cash balances with high credit quality financial institutions. United Way Blackhawk Region believes its credit policies do not result in significant adverse risk and historically has not experienced significant credit-related losses.

**UNITED WAY BLACKHAWK REGION, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
December 31, 2022 and 2021

**NOTE 4—UNCONDITIONAL PROMISES TO GIVE**

Unconditional promises to give are as follows:

	2022	2021
Fall 2022 Campaign	\$ 651,609	\$ -
Fall 2021 Campaign	285,070	735,152
Fall 2020 Campaign	30,738	378,250
Other	6,700	-
Unconditional promises to give	974,117	1,113,402
Less allowance for uncollectible promises to give	(184,108)	(168,799)
Unconditional promises to give, net	\$ 790,009	\$ 944,603

All unconditional promises to give at December 31, 2022 and 2021 are due within one year.

**NOTE 5—PROPERTY AND EQUIPMENT**

Property and equipment consist of the following:

	2022	2021
Land	\$ 71,700	\$ 71,700
Building	829,398	829,398
Computer equipment	46,345	40,909
Furniture, fixtures and other equipment	11,248	11,248
Asset held for sale	28,000	-
Property and equipment	986,691	953,255
Less accumulated depreciation	(640,153)	(608,744)
Property and equipment, net	\$ 346,538	\$ 344,511

The asset held for sale is a vehicle that will be used for 2023 sweepstakes.

**NOTE 6—RETIREMENT PLAN**

United Way Blackhawk Region sponsors a tax-sheltered annuity plan qualified under Section 403(b) of the Internal Revenue Code. The plan covers all employees of United Way Blackhawk Region. United Way Blackhawk Region matches participant's contributions to the plan up to 6% of the individual participant's compensation. Plan expenses were \$16,877 and \$18,329 for the years ended December 31, 2022 and 2021, respectively.

**UNITED WAY BLACKHAWK REGION, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
December 31, 2022 and 2021

**NOTE 7—DESCRIPTION OF LEASING ARRANGEMENTS**

In September 1989, the United Way Blackhawk Region began leasing office space in its building on a month-to-month basis to various nonprofit organizations. As of December 31, 2022, United Way Blackhawk Region held lease agreements with one other nonprofit organization and one for-profit organization. Each agreement requires monthly payments.

Rental income for the United Way Blackhawk Region was \$16,288 and \$17,167 for the years ended December 31, 2022 and 2021, respectively.

**NOTE 8—NET ASSETS**

United Way Blackhawk Region's board of directors has designated net assets without donor restrictions for the following purposes:

	2022	2021
Designated for endowment	\$ 1,679,673	\$ 1,966,891
Designated for unemployment compensation benefits	5,200	5,200
Designated for roof repair	120,000	105,000
Undesignated	2,172,490	2,430,922
Net assets without donor restrictions	\$ 3,977,363	\$ 4,508,013

Net assets with donor restrictions are restricted for the following purposes or periods:

	2022	2021
Subject to expenditure for time and purpose:		
Campaign	\$ 923,300	\$ 1,048,393
Dolly Parton Imagination Library	-	37,318
Born Learning Trails	6,550	4,717
Subject to the organization's spending policy and appropriation:		
Investment in perpetuity (including amounts above original gift amount of \$326,393 and \$432,624 for 2022 and 2021) which, once appropriated, is expendable to support:		
General operations	614,880	721,111
Not subject to appropriation or expenditure:		
Beneficial interest in perpetual trust	629,255	779,176
Net assets with donor restrictions	\$ 2,173,985	\$ 2,590,715

A fundraising campaign is conducted in the fall of each year to provide funds for allocations to the member agencies and operations of United Way Blackhawk Region for the following calendar year. Therefore, the cash contributions and pledges of contributions received by December 31 as a result of the campaign in the fall are restricted to cover the operations for the following year. Annually, assets are released from donor restrictions by allocations to participating agencies satisfying the restricted purposes specified by donors.



**UNITED WAY BLACKHAWK REGION, INC.**  
NOTES TO FINANCIAL STATEMENTS  
December 31, 2022 and 2021

---

NOTE 9—ENDOWMENT

United Way Blackhawk Region, Inc.'s endowment consists of two individual funds established for supporting operations. The endowment includes both donor-restricted endowment funds and funds designated by the board of directors to function as endowments. As required by generally accepted accounting principles, net assets associated with endowment funds, including funds designated by the board of directors to function as endowments, are classified and reported based on the existence or absence of donor-imposed restrictions. United Way Blackhawk Region is subject to Wisconsin's Uniform Prudent Management of Institutional Funds Act (UPMIFA) and thus, classifies amounts in its donor-restricted endowment funds as net assets with donor restrictions because those net assets are time restricted until the board of directors appropriates such amounts for expenditure. The board of directors of United Way Blackhawk Region has interpreted UPMIFA as not requiring the maintenance of purchasing power of the original gift amount contributed to an endowment fund, unless a donor stipulates the contrary. As a result of this interpretation, when reviewing its donor-restricted endowment funds, United Way Blackhawk Region considers a fund to be underwater when the fair value of the fund is less than the sum of (a) the original value of initial and subsequent gift amounts donated to the fund and (b) any accumulations to the fund that are required to be maintained in perpetuity in accordance with the direction of the applicable donor gift instrument.

United Way Blackhawk Region has interpreted UPMIFA to permit spending from underwater funds in accordance with the prudent measures required under the law. Additionally, in accordance with UPMIFA, United Way Blackhawk Region considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds: (1) the duration and preservation of the fund, (2) the purposes of United Way Blackhawk Region and the donor-restricted endowment fund, (3) general economic conditions, (4) the possible effect of inflation and deflation, (5) the expected total return from income and the appreciation of investments, (6) other resources of United Way Blackhawk Region, and (7) the investment policies of United Way Blackhawk Region.

United Way Blackhawk Region has adopted investment and spending policies for endowment assets that attempt to provide additional income to fund 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 United Way Blackhawk Region must hold in perpetuity or for a donor-specified period(s) as well as board-designated funds. Under this policy, as approved by the board of directors, the endowment assets are invested in a manner that is intended to produce results above the benchmark while managing risk. United Way Blackhawk Region's investment objective is for the value of investment assets, exclusive of contributions and withdrawals, to grow through returns generated by capital appreciation and investment income.

The rate of return earned by the portfolio's asset classes are targeted to be at or above weighted, commonly accepted performance benchmarks. To satisfy its long-term rate-of-return objectives, United Way Blackhawk Region 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). United Way Blackhawk Region targets investments to achieve its long-term return objectives within prudent risk constraints.

**UNITED WAY BLACKHAWK REGION, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
December 31, 2022 and 2021

NOTE 9—ENDOWMENT (Continued)

The spending policy provides for United Way Blackhawk Region the ability to withdraw funds from the principal of the board designated endowment with a super majority vote of  $\frac{2}{3}$  of the board of directors. To date, all earnings of the endowment have been reinvested and no distributions have been made from the endowment.

Endowment net asset composition by type of fund as of December 31, 2022 and 2021, is as follows:

	2022		
	Without Donor Restrictions	With Donor Restrictions	Total
Board-designated endowment funds	\$ 1,679,673	\$ -	\$ 1,679,673
Donor-restricted endowment funds:			
Original donor-restricted gift amount	-	288,487	288,487
Accumulated investment gains	-	326,393	326,393
Total funds	<u>\$ 1,679,673</u>	<u>\$ 614,880</u>	<u>\$ 2,294,553</u>
	2021		
	Without Donor Restrictions	With Donor Restrictions	Total
Board-designated endowment funds	\$ 1,966,891	\$ -	\$ 1,966,891
Donor-restricted endowment funds:			
Original donor-restricted gift amount	-	288,487	288,487
Accumulated investment gains	-	432,624	432,624
Total funds	<u>\$ 1,966,891</u>	<u>\$ 721,111</u>	<u>\$ 2,688,002</u>

Changes in endowment net assets for the year ended December 31, 2022, are as follows:

	2022		
	Without Donor Restrictions	With Donor Restrictions	Total
Endowment net assets at beginning of year	\$ 1,966,891	\$ 721,111	\$ 2,688,002
Investment return, net	(287,218)	(106,231)	(393,449)
Endowment net assets at end of year	<u>\$ 1,679,673</u>	<u>\$ 614,880</u>	<u>\$ 2,294,553</u>

**UNITED WAY BLACKHAWK REGION, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
December 31, 2022 and 2021

NOTE 9—ENDOWMENT (Continued)

Changes in endowment net assets for the year ended December 31, 2021, are as follows:

	2021		
	Without Donor Restrictions	With Donor Restrictions	Total
Endowment net assets at beginning of year	\$ 1,760,376	\$ 644,729	\$ 2,405,105
Investment return, net	206,515	76,382	282,897
Endowment net assets at end of year	\$ 1,966,891	\$ 721,111	\$ 2,688,002

NOTE 10—LIQUIDITY AND AVAILABILITY

The table below reflects United Way Blackhawk Region's financial assets as of the dates of the statements of financial position reduced by amounts not available for general expenditures within one year of the dates of the statements of financial position:

	2022	2021
Cash	\$ 1,520,882	\$ 1,661,090
Certificates of deposit	665,426	667,121
Unconditional promises to give, net	790,009	944,603
Investments	2,294,554	2,688,002
Financial assets at end of year	5,270,871	5,960,816
Less those unavailable for general expenditures within one year:		
Board designations	(120,000)	(105,000)
Restricted by donors with time or purpose restrictions	(131,637)	(129,515)
Board-designated endowment funds	(1,679,673)	(1,966,891)
Donor-restricted endowment funds including spendable portion	(614,880)	(721,111)
Financial assets available to meet cash needs for general expenditures within one year	\$ 2,724,681	\$ 3,038,299

Financial assets not available for general expenditures include \$2,294,554 and \$2,688,002 set aside for endowment purposes and long-term investing at December 31, 2022 and 2021. However, board-designated endowment funds and the spendable portion of donor-restricted endowment funds totaling \$2,006,066 and \$2,399,515 at December 31, 2022 and 2021 could be made available if necessary. As part of United Way Blackhawk Region's liquidity management, it has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due.

**UNITED WAY BLACKHAWK REGION, INC.**  
NOTES TO FINANCIAL STATEMENTS  
December 31, 2022 and 2021

---

**NOTE 11—PAYMENTS TO AFFILIATED ORGANIZATIONS**

United Way Blackhawk Region serves the citizens of Rock County, Wisconsin, and northern Winnebago County, Illinois, and is independently governed by a local board of directors comprised of community leaders and volunteers. United Way Blackhawk Region is dedicated to creating positive change and is a member organization of United Way Worldwide and United Way Wisconsin. United Way Blackhawk Region paid annual membership fees to United Way Worldwide of \$26,581 and \$32,061 for the years ended December 31, 2022 and 2021, respectively. United Way Blackhawk Region paid annual membership fees to United Way Wisconsin of \$3,400 and \$3,400 for the years ended December 31, 2022 and 2021, respectively.

**NOTE 12—PAYCHECK PROTECTION PROGRAM LOANS**

On April 15, 2020, United Way Blackhawk Region, Inc. received a \$86,500 loan under the Paycheck Protection Program (PPP) established by the Coronavirus Aid, Relief, and Economic Security (CARES) Act and administered by the U.S. Small Business Administration (SBA). United Way Blackhawk Region, Inc. recognized PPP grant income of \$86,500 under the grant method during 2020 to match the related covered period that eligible expenses were incurred. In 2021 forgiveness was granted for 100% of the \$86,500 loan.

On March 12, 2021, United Way Blackhawk Region, Inc. received a second PPP loan for \$82,500. The loan accrues interest at 1%. On September 17, 2021, United Way Blackhawk Region, Inc. obtained loan forgiveness for 100% of the loan.

United Way Blackhawk Region, Inc. must retain PPP documentation in its files for six years after the date the loan is forgiven or repaid in full and permit authorized representatives of SBA to access such files upon request. SBA may review any loan at any time at its discretion. Therefore, SBA may review United Way Blackhawk Region, Inc.'s good-faith certification concerning the necessity of its loan request, whether United Way Blackhawk Region, Inc. calculated the loan amount correctly, where United Way Blackhawk Region, Inc. used loan proceeds for the allowable uses specified in the CARES Act, and whether United Way Blackhawk Region, Inc. is entitled to loan forgiveness in the amount claimed on its application. If SBA determines United Way Blackhawk Region, Inc. was ineligible for the loan or for forgiveness in whole or in part, SBA will seek repayment of the outstanding loan balance.

**UNITED WAY BLACKHAWK REGION, INC.**  
SCHEDULE OF ALLOCATIONS  
Year Ended December 31, 2022

---

**2022 Investment in Education total: \$560,778**

<b>Boys &amp; Girls Club of Janesville</b>	Youth Development and Guidance Program
<b>CASA of Rock County</b>	CASA of Rock County
<b>Community Action, Inc.</b>	Community Kids Program
	Merrill Community Center Youth Program
<b>Janesville Mobilizing 4 Change</b>	Janesville Mobilizing 4 Change
<b>Stateline Boys &amp; Girls Club</b>	Youth Development and Guidance
<b>Stateline Family YMCA</b>	Beloit Childcare, After School Care and Day
	Beloit Youth Program Scholarships
<b>Wisconsin Badger Camp</b>	Campership
<b>Dolly Parton Imagination Library</b>	Janesville, Beloit, Edgerton Communities
<b>Scholastic Book Fair</b>	South Beloit-School District
<b>Born Learning Trails</b>	Janesville and Beloit Communities

**UNITED WAY BLACKHAWK REGION, INC.**  
SCHEDULE OF ALLOCATIONS  
Year Ended December 31, 2022

---

**2022 Investment in Financial Stability total: \$749,259**

<b>American Red Cross</b>	Disaster Services
<b>Beloit Meals on Wheels</b>	Home Delivered Meals
<b>Community Action, Inc.</b>	AWARE
	Beloit Fresh Start Program
	Fatherhood Initiative
	Transitional Living Program
<b>ECHO</b>	ECHO Way Home
	Housing Navigator
<b>Edgerton Community Outreach</b>	Edgerton Food Pantry
	Edgerton Client Services
<b>Family Promise</b>	Emergency Shelter for Homeless Families
<b>Family Services of S.W.A.N.I.</b>	Beloit Domestic Violence Survivor Center
<b>Janesville Community Day Care Center</b>	Ruger Site Tuition Assistance
<b>RSVP</b>	Seniors Volunteering for Seniors
<b>Salvation Army - Beloit</b>	Corps Community Center
	Emergency Assistance
	Feeding Program
<b>Salvation Army - Janesville</b>	Family Social Services Assistance Program
<b>Stateline Literacy Council</b>	Adult Basic Education
	English as a Second Language (ESL)
<b>YWCA of Rock County</b>	Alternatives to Violence
	Child Care Program
	Immigrant Outreach Services
	Transitions for Women

**UNITED WAY BLACKHAWK REGION, INC.**  
**SCHEDULE OF ALLOCATIONS**  
Year Ended December 31, 2022

---

**2022 Investment in Health total: \$219,384**

<b>AIDS Network</b>	Case Management
<b>Beloit Regional Hospice</b>	Palliative Care
<b>Catholic Charities</b>	FACE - Kids
<b>Community Action, Inc.</b>	Personal Responsibility Empowerment Program
<b>Family Services of S.W.A.N.I.</b>	Individual and Family Counseling
	Sexual Assault Recovery Program
	Youth2Youth
<b>Health Net</b>	Dental Care
	Primary Medical Care
	Vision Care
<b>Lutheran Social Services</b>	Counseling Programs for Beloit & Janesville Clinics
<b>NAMI</b>	Enrichment Center
<b>Nutrition &amp; Health</b>	Prenatal Care & Nutrition Education
<b>YWCA of Rock County</b>	CARE House
	Racial Justice

<b>United Way Dane County 2-1-1</b>	25,000
<b>ALICE</b>	475
<b>Scholarships</b>	220
<b>Total allocations</b>	1,555,116
<b>Less donor designations</b>	(57,730)
<b>Net community impact funds awarded/distributed</b>	1,497,386