

UNITED WAY OF RACINE COUNTY, INC.

**FINANCIAL STATEMENTS AND
SUPPLEMENTARY INFORMATION**

YEAR ENDED DECEMBER 31, 2021



WEALTH ADVISORY | OUTSOURCING
AUDIT, TAX, AND CONSULTING

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**UNITED WAY OF RACINE COUNTY, INC.
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YEAR ENDED DECEMBER 31, 2021**

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INDEPENDENT AUDITORS' REPORT

Board of Directors
United Way of Racine County, Inc.
Racine, Wisconsin

Report on the Audit of the Financial Statements

We have audited the accompanying financial statements of United Way of Racine County, Inc., which comprise the statement of financial position as of December 31, 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.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of United Way of Racine County, Inc. as of December 31, 2021, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of United Way of Racine County, 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 of Racine County, Inc.'s ability to continue as a going concern for one year after the date the financial statements are available to be issued.

Auditors' 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 auditors' 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 auditing standards generally accepted in the United States of America 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 auditing standards generally accepted in the United States of America, 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 Racine County, 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 Racine County, 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.

Report on Summarized Comparative Information

We have previously audited United Way of Racine County, Inc.'s 2020 financial statements, and our report dated March 16, 2021 expressed an unmodified opinion on those financial statements. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2020, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Supplementary Information

Our audits were conducted for the purpose of forming an opinion on the financial statements as a whole. The schedules of revenue and expenses by function, restricted program revenue and expenses and allocations are presented for purposes of additional analysis and are 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 audits 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.



CliftonLarsonAllen LLP

Racine, Wisconsin
March 16, 2022

UNITED WAY OF RACINE COUNTY, INC.
STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2021
(WITH SUMMARIZED FINANCIAL INFORMATION AS OF DECEMBER 31, 2020)

| ASSETS | 2021 | 2020 |
|---|---------------|--------------|
| CURRENT ASSETS | | |
| Cash and Cash Equivalents | \$ 1,723,349 | \$ 1,707,269 |
| Certificates of Deposit | 1,091,396 | 1,096,842 |
| Short-Term Investments | 5,525,156 | 1,184,447 |
| Accrued Interest Receivable | 510 | 2,078 |
| Accounts Receivable | 2,729 | - |
| Grants Receivable | 95,661 | 62,822 |
| Prepaid Expenses and Other Assets | 26,344 | 22,214 |
| Current Portion of Promises to Give, Less Allowance of \$238,936 in 2021 and \$329,520 in 2020 | 1,795,193 | 1,936,542 |
| Total Current Assets | 10,260,338 | 6,012,214 |
| PROPERTY AND EQUIPMENT, NET | 20,520 | 20,492 |
| OTHER ASSETS | | |
| Long-Term Certificates of Deposit | 605,589 | 602,045 |
| Investments - Racine Community Foundation | 1,879,773 | 1,651,381 |
| Promises to Give, Less Current Portion | 120,000 | - |
| Total Other Assets | 2,605,362 | 2,253,426 |
| Total Assets | \$ 12,886,220 | \$ 8,286,132 |
| LIABILITIES AND NET ASSETS | | |
| CURRENT LIABILITIES | | |
| Accounts Payable | \$ 171,723 | \$ 64,778 |
| Accrued Vacation | 47,058 | 60,861 |
| Campaign Funds Payable to Agencies | 422,633 | 443,370 |
| Agency Allocations Payable | 742,680 | 907,618 |
| Agency Fund Liability | 200,000 | - |
| Total Current Liabilities | 1,584,094 | 1,476,627 |
| NET ASSETS | | |
| Without Donor Restrictions: | | |
| Undesignated | 535,131 | 409,446 |
| Invested in Property and Equipment | 20,520 | 20,492 |
| Designated by the Board for Community Initiatives | 3,805,686 | - |
| Designated by the Board for Operating Reserve | 1,982,091 | 1,721,909 |
| Designated by the Board for Endowment Fund | 474,013 | 415,623 |
| Total Without Donor Restrictions | 6,817,441 | 2,567,470 |
| With Donor Restrictions: | | |
| Perpetual in Nature | 566,818 | 566,818 |
| Timing Restrictions | 1,968,963 | 2,050,874 |
| Purpose Restrictions | 1,948,904 | 1,624,343 |
| Total With Donor Restrictions | 4,484,685 | 4,242,035 |
| Total Net Assets | 11,302,126 | 6,809,505 |
| Total Liabilities and Net Assets | \$ 12,886,220 | \$ 8,286,132 |

See accompanying Notes to Financial Statements.

UNITED WAY OF RACINE COUNTY, INC.
STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2021
(WITH SUMMARIZED FINANCIAL INFORMATION FOR YEAR ENDED DECEMBER 31, 2020)

| | Without Donor Restrictions | With Donor Restrictions | Totals | |
|---|-------------------------------|----------------------------|----------------------|---------------------|
| | | | 2021 | 2020 |
| REVENUES, GAINS, AND PUBLIC SUPPORT | | | | |
| Gross Campaign Results (Net of Uncollectible Pledges of \$117,685 in 2021 and \$121,526 in 2020) | \$ - | \$ 3,693,869 | \$ 3,693,869 | \$ 4,072,834 |
| Less: Donor Designations | - | (422,633) | (422,633) | (443,370) |
| Net Campaign Revenue - Current Year | - | 3,271,236 | 3,271,236 | 3,629,464 |
| Gross Campaign Results, Prior Period Campaigns | 513,964 | - | 513,964 | 648,199 |
| Less: Donor Designations | (174,187) | - | (174,187) | (141,349) |
| Net Campaign Revenue - Prior Year | 339,777 | - | 339,777 | 506,850 |
| Grants: | | | | |
| Full Service Community School Grant | 387,371 | - | 387,371 | 49,667 |
| AmeriCorps Planning Grant | - | - | - | 39,392 |
| Community Development Block Grant | 147,972 | - | 147,972 | - |
| Nita M. Lowey 21st Century Community Learning Centers (21st CCLC) | 72,562 | - | 72,562 | 68,380 |
| Paycheck Protection Program | - | - | - | 203,500 |
| Contributions | 5,242,160 | - | 5,242,160 | 137,307 |
| Investment Income | 365,406 | - | 365,406 | 170,049 |
| Endowment Fund Investment Gains | 58,390 | 173,501 | 231,891 | 188,254 |
| Miscellaneous Income | - | - | - | 1,418 |
| Net Assets Released from Restrictions | 3,202,087 | (3,202,087) | - | - |
| Total Revenues, Gains, and Public Support | 9,815,725 | 242,650 | 10,058,375 | 4,994,281 |
| EXPENSES | | | | |
| Allocation Expenses | 3,646,355 | - | 3,646,355 | 2,854,848 |
| Functional Expenses: | | | | |
| Community Impact | 213,468 | - | 213,468 | 234,685 |
| Schools of Hope | 36,030 | - | 36,030 | 54,261 |
| Imagination Library | 149,966 | - | 149,966 | 151,296 |
| LIFT | 134,313 | - | 134,313 | 85,484 |
| VITA | 51,685 | - | 51,685 | 59,666 |
| Full Service Community School Grant | 342,786 | - | 342,786 | 35,824 |
| Fundraising | 479,990 | - | 479,990 | 482,459 |
| Management and General | 511,161 | - | 511,161 | 515,929 |
| Total Functional Expenses | 1,919,399 | - | 1,919,399 | 1,619,604 |
| Total Expenses | 5,565,754 | - | 5,565,754 | 4,474,452 |
| CHANGES IN NET ASSETS | 4,249,971 | 242,650 | 4,492,621 | 519,829 |
| Net Assets - Beginning of Year | 2,567,470 | 4,242,035 | 6,809,505 | 6,289,676 |
| NET ASSETS - END OF YEAR | <u>\$ 6,817,441</u> | <u>\$ 4,484,685</u> | <u>\$ 11,302,126</u> | <u>\$ 6,809,505</u> |

See accompanying Notes to Financial Statements.

UNITED WAY OF RACINE COUNTY, INC.
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED DECEMBER 31, 2021
(WITH SUMMARIZED FINANCIAL INFORMATION FOR YEAR ENDED DECEMBER 31, 2020)

| | 2021 | | | | | | | 2020 | | | | |
|-------------------------------------|------------------|-----------------|---------------------|------------|---------------------------------|------------|------------------|---------------------|------------------------|---------------------------|---------------------------|---------------------------|
| | Program Services | | | | Total | | | Supporting Services | | | Total | |
| | Community Impact | Schools of Hope | Imagination Library | LIFT | Volunteer Income Tax Assistance | FSCS | Program Services | Fundraising | Management and General | Total Supporting Services | Total Functional Expenses | Total Functional Expenses |
| EXPENSES | | | | | | | | | | | | |
| Salaries | \$ 101,966 | \$ 23,441 | \$ 6,162 | \$ 46,156 | \$ 23,441 | \$ 122,368 | \$ 323,534 | \$ 271,760 | \$ 252,502 | \$ 524,262 | \$ 847,796 | \$ 786,041 |
| Temporary Help | - | - | - | - | 12,532 | - | 12,532 | 8,777 | - | 8,777 | 21,309 | 11,711 |
| Payroll Taxes and Employee Benefits | 45,796 | 5,426 | 2,163 | 7,025 | 6,509 | 41,376 | 108,295 | 79,705 | 94,740 | 174,445 | 282,740 | 264,516 |
| Total Payroll Expenses | 147,762 | 28,867 | 8,325 | 53,181 | 42,482 | 163,744 | 444,361 | 360,242 | 347,242 | 707,484 | 1,151,845 | 1,062,268 |
| Professional Fees | 38,919 | 433 | 144 | 3,128 | 2,298 | - | 44,922 | 13,914 | 31,853 | 45,767 | 90,689 | 80,231 |
| Contracted Services | - | - | - | - | - | 164,300 | 164,300 | - | - | - | 164,300 | - |
| Office Expenses: | | | | | | | | | | | | |
| Supplies | 1,827 | 235 | 138,904 | 33,332 | 238 | 9,765 | 184,301 | 2,557 | 11,668 | 14,225 | 198,526 | 153,438 |
| Telephone | 2,450 | 948 | 172 | 4,805 | 997 | 3,412 | 12,784 | 6,143 | 8,350 | 14,493 | 27,277 | 26,579 |
| Postage | 450 | 92 | 350 | 644 | 147 | - | 1,683 | 4,538 | 1,765 | 6,303 | 7,986 | 7,242 |
| Occupancy | 14,771 | 3,693 | 1,231 | 25,851 | 3,693 | - | 49,239 | 38,160 | 43,438 | 81,598 | 130,837 | 136,322 |
| Repairs and Maintenance | - | - | - | - | - | - | - | - | 7,062 | 7,062 | 7,062 | 12,296 |
| Printing and Publications | - | 4 | 219 | - | 1,525 | - | 1,748 | 33,905 | 7,708 | 41,613 | 43,361 | 53,072 |
| Travel and Training | 256 | - | 35 | 785 | 217 | 1,565 | 2,858 | 2,362 | 10,851 | 13,213 | 16,071 | 7,334 |
| Meeting Expenses | - | - | - | 279 | - | - | 279 | - | - | - | 279 | 4,386 |
| Membership Dues | - | 1,670 | 557 | 11,692 | - | - | 13,919 | - | 11,255 | 11,255 | 25,174 | 17,564 |
| Professional Liability Insurance | 352 | 88 | 29 | 616 | 88 | - | 1,173 | 909 | 851 | 1,760 | 2,933 | 2,573 |
| State and National Dues | 6,681 | - | - | - | - | - | 6,681 | 17,260 | 16,147 | 33,407 | 40,088 | 41,174 |
| Depreciation | - | - | - | - | - | - | - | - | 12,971 | 12,971 | 12,971 | 15,125 |
| Total Expenses | \$ 213,468 | \$ 36,030 | \$ 149,966 | \$ 134,313 | \$ 51,685 | \$ 342,786 | \$ 928,248 | \$ 479,990 | \$ 511,161 | \$ 991,151 | \$ 1,919,399 | \$ 1,619,604 |

See accompanying Notes to Financial Statements.

UNITED WAY OF RACINE COUNTY, INC.
STATEMENT OF CASH FLOWS
YEAR ENDED DECEMBER 31, 2021
(WITH SUMMARIZED FINANCIAL INFORMATION FOR YEAR ENDED DECEMBER 31, 2020)

| | 2021 | 2020 |
|---|--------------|--------------|
| CASH FLOWS FROM OPERATING ACTIVITIES | | |
| Change in Net Assets | \$ 4,492,621 | \$ 519,829 |
| Adjustments to Reconcile Change in Net Assets to Net Cash Provided by Operating Activities: | | |
| Depreciation and Amortization | 12,971 | 15,125 |
| Gain on Endowment Funds | (231,891) | (188,254) |
| Gain on Mutual Funds | (305,752) | (176,926) |
| Interest Income on Certificates of Deposit | (2,765) | (3,518) |
| Effects of Changes in Operating Assets and Liabilities: | | |
| Promises to Give | 21,349 | (2,552) |
| Accounts Receivable | (2,729) | 10 |
| Grants Receivable | (32,839) | (33,514) |
| Accrued Interest Receivable | 1,568 | 3,733 |
| Prepaid Expenses and Other Assets | (4,130) | 267 |
| Accounts Payable | 106,945 | (19,883) |
| Accrued Vacation | (13,803) | 7,173 |
| Campaign Funds Payable to Agencies | (20,737) | (17,439) |
| Agency Allocations Payable | (164,938) | 75,149 |
| Agency Fund Liability | 200,000 | - |
| Net Cash Provided by Operating Activities | 4,055,870 | 179,200 |
| CASH FLOWS FROM INVESTING ACTIVITIES | | |
| Purchase of Property and Equipment | (12,999) | (8,644) |
| Purchase of Investments | (8,006,390) | - |
| Proceeds from Sale of Investments | 3,971,433 | - |
| Sale (Purchase) of Certificates of Deposit | 4,667 | (12,064) |
| Proceeds from Endowment Fund | 3,499 | - |
| Net Cash Used by Investing Activities | (4,039,790) | (20,708) |
| NET INCREASE IN CASH AND CASH EQUIVALENTS | 16,080 | 158,492 |
| Cash and Cash Equivalents - Beginning of Year | 1,707,269 | 1,548,777 |
| CASH AND CASH EQUIVALENTS - END OF YEAR | \$ 1,723,349 | \$ 1,707,269 |

See accompanying Notes to Financial Statements.

**UNITED WAY OF RACINE COUNTY, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Operations

United Way of Racine County, Inc. (the Organization) is a human services organization in the Racine County community through which volunteers can channel their concern for people in need. It uses a consolidated effort to raise funds for agency programs which results in more time and money expended for the direct benefit of people in need. The Organization promotes social work in the Racine County area by coordination of the work of supported agencies, as well as other local public and private organizations, to deal with social welfare problems and to promote cooperation and economy in the operation of such organizations. Its central activity in this effort is Community Impact which allocates funds to such organizations and social purposes based on the local community's needs. This includes the direct management of programs and initiatives governed by the board of directors such as the current initiatives: Schools of Hope, Imagination Library, LIFT, Volunteer Income Tax Assistance (VITA), and Full Service Community School Grant (FSCS). Schools of Hope is a program in partnership with Racine Unified School District using volunteer tutors to address early grade reading proficiency. Imagination Library is a program that provides books to children from birth to age five. LIFT is a place-based strategy that creates partnerships between neighborhoods and resources. LIFT is based on the Community School Model found in 5,000 Communities across the nation, it has an integrated focus on academics, health and social services, community engagement, and development. VITA is a national program staffed by local volunteers to provide free preparation and electronic filing of tax returns. FSCS is a national program to provide support to improve educational outcomes for children.

Significant accounting policies followed by the Organization are presented below.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted 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, expenses, gains, losses, and other changes in net assets during the reporting period. Actual results could differ from those estimates.

Cash Equivalents

The Organization considers all liquid investments with a maturity of three months or less when purchased to be cash equivalents.

Certificates of Deposit

Certificates of deposit are carried at cost which approximates fair value. They are classified as short-term or long-term dependent upon their maturity date when purchased.

Investment income is reported in the statement of activities as without donor restriction or with donor restriction revenue based upon the existence or absence of donor-imposed restrictions.

**UNITED WAY OF RACINE COUNTY, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Investments

Investments are stated at fair value. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Purchases and sales of investments are recorded on a trade date basis. Net appreciation (depreciation) in fair value of investments includes both realized and unrealized investment gains and losses. Interest is recorded on the accrual basis and dividends are recorded on the ex-dividend date.

Promises to Give

Unconditional promises to give are recognized as revenues in the period the pledge is received and as assets depending on the form of the benefits received. An allowance for uncollectible promises is recorded based on the prior history of uncollectible promises to give and current economic and industry trends.

Property and Equipment

Property and equipment are recorded at cost, or if donated, at the approximate fair market value at the date of donation. Depreciation and amortization are provided on the straight-line basis over their estimated useful lives, ranging from 3 to 10 years. Capitalization occurs when the fair market value of donated assets or the cost of purchased assets with useful lives of one or more years, exceeds \$1,000.

Expenditures for maintenance, including those for planned major maintenance projects, repairs, and minor renewals to maintain facilities in operating condition are generally expensed as incurred. Major replacements and renewals are capitalized.

Impairment of Long-Lived Assets

The Organization reviews long-lived assets for impairment whenever events or changes in circumstances indicate the carrying amount of an asset may not be recoverable. Recoverability of assets to be held and used is measured by a comparison of the carrying amount of an asset to future undiscounted net cash flows expected to be generated by the asset. If such assets are considered to be impaired, the impairment to be recognized is measured by the amount by which the carrying amount of the assets exceeds the fair value of the assets. Assets to be disposed of are reported at the lower of carrying amount or the fair value less costs to sell.

Net Assets

Net assets are classified into one of two classes of net assets based on the existence or absence of donor-imposed restrictions. The following is a description of each class:

Without Donor Restrictions – Net assets that are not subject to donor-imposed stipulations available for use at the discretion of the board of directors (the board) and/or for management and general operating purposes. From time-to-time the board designates a portion of these net assets for specific purposes which makes them unavailable for use at management's discretion.

**UNITED WAY OF RACINE COUNTY, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Net Assets (Continued)

Without Donor Restrictions (Continued) – Portions of the Organization's net assets without donor restrictions have been designated for certain purposes by the board of directors. Details on designated net assets without donor restrictions are as follows:

Invested in Property and Equipment – Amount represents the property and equipment amount presented on the assets section of the statement of financial position that is not available for general expenditures.

Community Initiatives – Amount represents an unrestricted gift from MacKenzie Scott to be allocated in the community within a few years of the receipt of the gift.

Operating Reserve – Amount represents the unrestricted dollars set aside as an operating reserve for a period of time deemed reasonable by the board of directors to fund operations during a period of cash flow short-fall.

Endowment Fund – This fund was created by the board of directors with unrestricted funds. United Way has an endowment spending policy which applies to this fund and annually the board determines how the spending distribution will be used. See Note 12 for details on endowments.

With Donor Restrictions – Net assets subject to donor-imposed stipulations that will be met, either by actions of the Organization and/or the passage of time.

Net assets subject to donor-imposed stipulations that the principal be maintained in perpetuity by the Organization are separately identified within net assets with donor restrictions. Generally, the donors of these assets permit the Organization to use all or part of the income earned on any related investments for general or specific purposes.

See Note 11 for more information on the composition of net assets with donor restrictions.

Support and Revenue

Contributions received are recorded as without donor restriction or with donor restriction depending on the absence or existence and/or nature of donor restrictions. Support that is restricted by the donor is reported as an increase in net assets without donor restriction if the restriction expires in the reporting period in which the support is recognized. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), net assets with donor restriction are reclassified to net assets without donor restriction and reported in the statement of activities as Net Assets Released from Restrictions.

**UNITED WAY OF RACINE COUNTY, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Support and Revenue (Continued)

Annual campaigns are conducted in the fall of each year for raising funds for the next year. These amounts have been restricted until 2022 when both the time restriction ends and when donor designated funds are expended. Donor designated funds are tracked and spent according to the donor designation as part of the Organization's normal allocation process in the following year. Pledges received from donors who have designated a specific agency with their support are recognized as a corresponding liability by the Organization.

A portion of the Organization's revenue is derived from cost-reimbursable grants, which are conditioned upon certain performance requirements and/or the incurrence of allowable qualifying expenses. Amounts received are recognized as revenue when the Organization has incurred expenditures in compliance with specific contract or grant provisions. The Organization received cost reimbursable grants of \$2,016,227 that have not been recognized at December 31, 2021 because qualifying expenditures have not yet been incurred.

Donated Services

The Organization pays for most services requiring specific expertise. However, many individuals volunteer their time and perform a variety of tasks that assist the Organization in carrying out its operations. No amounts have been recognized in the accompanying statement of activities for donated services since the recognition criteria has not been met.

Revenue Recognition

Campaign contributions and income from special events and fundraising are recognized in the year pledged. Pledges receivable and related revenue are recorded when the pledge is received, and allowances are provided for amounts estimated to be uncollectible. The allowances are based on past history, adjusted for current conditions, as considered appropriate by management.

Functional Allocation of Expenses

The Organization classifies expenses into two functions: program services and supporting services. In the accompanying statement of functional expenses, all expenses are allocated based upon the functions to which they relate. Expenses that can be identified with a specific function are allocated directly according to their natural expenditure classification. Other expenses that are common to several functions are allocated by management's use of estimated time spent on the respective program and support functions.

Income Taxes

No provision or benefit from income taxes has been included in these financial statements since the entity is exempt from federal income taxes, except for tax on unrelated business income, under Section 501(c)(3) of the Internal Revenue Code. The Organization had no unrelated business income for the year ended. Management analyzed the requirements for uncertain tax positions. The Organization determined that it was not required to record a liability related to uncertain tax positions at December 31, 2021.

**UNITED WAY OF RACINE COUNTY, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Upcoming Accounting Pronouncements

Leases – In February 2016, the FASB issued Accounting Standards Update (ASU) 2016-02, *Leases (Topic 842)*, which is expected to increase transparency and comparability among organizations. The core principle of this guidance is that a lessee should recognize the assets and liabilities that arise from leases. The standard requires lessees to reflect most leases on their statement of financial position as lease liabilities with a corresponding right-of-use asset, while leaving presentation of the lease expense in the statement of activities largely unchanged. The standard also eliminates the real-estate specific provisions that exist under current accounting principles generally accepted in the United States of America and modifies the classification criteria and accounting which lessors must apply to sales-type and direct-financing leases. In June 2020, the FASB approved the delay of the effective date of ASU 2016-02 which is now effective for the Organization's year ending December 31, 2022. Management will be evaluating the effects of the new standard. The Organization is currently evaluating the impact this guidance will have on its financial statements.

Reclassifications

Certain reclassifications of amounts previously reported have been made to the accompanying financial statements to maintain consistency between periods presented. The reclassifications had no impact on previously reported net assets.

Subsequent Events

We have evaluated subsequent events through March 16, 2022, the date the financial statements were issued.

NOTE 2 PRIOR YEAR SUMMARIZED INFORMATION

The financial statements include certain prior year summarized comparative information in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with accounting principles generally accepted in the United States of America. Accordingly, such information should be read in conjunction with the Organization's financial statements for the year ended December 31, 2020, from which the summarized information was derived.

NOTE 3 INVESTMENTS

Investments of all funds of the Organization are reviewed and controlled by a volunteer finance committee, which functions under policies approved by the board of directors. Investments are stated at fair market value.

**UNITED WAY OF RACINE COUNTY, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021**

NOTE 3 INVESTMENTS (CONTINUED)

The following is a summary of the types and amounts of investments held at December 31, 2021:

The Organization maintains investment accounts at several financial institutions. Mutual funds of \$5,525,156 are protected by the Securities Investor Protection Corporation up to \$500,000, of which \$100,000 is available for cash claims. The mutual funds increased in value by \$4,340,709 for the year. Total net investment gain for the year was \$365,406 including mutual fund gains from above and income from interest-bearing checking, money market accounts, and certificates of deposit, net of investment fees of \$36,649.

Donor-Restricted Endowments

In 1997, the Organization established an endowment fund with the Racine Community Foundation for Success by Six programming. The principal portion of these funds can only be distributed to the Organization with approval of the Racine Community Foundation board of directors and 75% approval of the Organization board of directors. The principal balance is intended to be donor-restricted that is perpetual in nature with investment income used for programs for age zero to six children. The balance of this endowment fund is \$907,223 at December 31, 2021, of which \$450,000 is donor-restricted and perpetual in nature.

In 1993, the Organization established an endowment fund known as the Organization/W.R. Wadewitz fund at the Racine Community Foundation. This endowment fund has a balance of \$498,537 at December 31, 2021, of which \$116,818 is donor-restricted and perpetual in nature. The remaining balance is restricted for providing emergency capital needs to the Organization and the Organization funded agencies. Funds are periodically distributed as needed based on advisory recommendations from the Organization

Board-Designated Endowment

In 2001, the Organization established an endowment fund known as the United Way of Racine County, Inc. Fund at the Racine Community Foundation. This endowment fund has a balance of \$474,013 at December 31, 2021. The principal portion of these funds can only be distributed to the Organization with the approval of the Racine Community Foundation board of directors and 75% approval of the Organization's board of directors. The purpose of this fund is to provide program services in Racine County.

NOTE 4 FAIR VALUE MEASUREMENTS

Accounting principles generally accepted in the United States of America establishes a framework for measuring fair value that provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy are described as follows:

Level 1 – Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Organization has the ability to access.

UNITED WAY OF RACINE COUNTY, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021

NOTE 4 FAIR VALUE MEASUREMENTS (CONTINUED)

Level 2 – Inputs to the valuation methodology include:

- quoted prices for similar assets or liabilities in active markets;
- quoted prices for identical or similar assets or liabilities in inactive markets;
- inputs other than quoted prices that are observable for the asset or liability;
- inputs that are derived principally from or corroborated by observable market data by correlation or other means.

If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.

Level 3 – Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The asset or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

Following is a description of the valuation methodologies used for instruments measured at fair value and their classification in the valuation hierarchy.

Short-Term Cash Investments: Are valued at cost, which approximates fair value.

Mutual Funds: Are valued at the closing price reported on the active market on which the fund are traded. Index mutual funds are valued at the closing price reported by the investment company.

Pooled Separate Accounts: Are valued at the net asset value of units of the fund held by the Organization based on the fair value of the underlying investments of the fund. Pooled separate accounts do not have finite lives, unfunded commitments relating to these types of investments, or significant restrictions on redemptions.

The preceding methods described may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, although the plan believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

**UNITED WAY OF RACINE COUNTY, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021**

NOTE 4 FAIR VALUE MEASUREMENTS (CONTINUED)

The following table sets forth by level, within the fair value hierarchy, the Organization's assets at fair value as of December 31, 2021:

| | <u>Level 1</u> | <u>Level 2</u> | <u>Level 3</u> | <u>Total</u> |
|-----------------------------|---------------------|---------------------|---------------------|---------------------|
| Mutual Funds: | | | | |
| Growth | \$ 617,698 | \$ - | \$ - | \$ 617,698 |
| Fixed Income | 2,935,150 | - | - | 2,935,150 |
| Balanced | 349,996 | - | - | 349,996 |
| Index | - | 1,511,900 | - | 1,511,900 |
| Pooled Separate Accounts | - | - | 1,879,773 | 1,879,773 |
| Short-Term Cash Investments | - | - | - | 110,412 |
| Total | <u>\$ 3,902,844</u> | <u>\$ 1,511,900</u> | <u>\$ 1,879,773</u> | <u>\$ 7,404,929</u> |

NOTE 5 PROPERTY AND EQUIPMENT

Property and equipment consist of the following:

| | |
|--------------------------------|------------------|
| Equipment | \$ 194,684 |
| Leasehold Improvements | 75,000 |
| Total, at Cost | <u>269,684</u> |
| Less: Accumulated Depreciation | <u>(249,164)</u> |
| Total Property and Equipment | <u>\$ 20,520</u> |

NOTE 6 PROMISES TO GIVE

The total net value of unconditional promises to give is \$1,915,193. An allowance of \$238,936 for uncollectible promises is recorded based on the prior history of uncollectible promises to give and current economic and industry trends. The allowance was maintained this year at 5% of pledges made during the 2021 campaign. Based on prior history and management's estimate, the full amount less the allowance is expected to be collected in the following year.

During 2021, the Organization received a five-year commitment totaling \$200,000 that is included in pledges receivable. The pledge receivable balance as of December 31, 2021 is \$160,000.

**UNITED WAY OF RACINE COUNTY, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021**

NOTE 6 PROMISES TO GIVE (CONTINUED)

Pledges receivable as of December 31, 2021 are as follows:

| | |
|--|--------------------------|
| Receivable in Less than One-Year | \$ 2,034,129 |
| Receivable in One to Five Years | 120,000 |
| Total Pledges Receivable | <u>2,154,129</u> |
| Less: | |
| Allowance for Doubtful Pledges | <u>(238,936)</u> |
| Pledges Receivable - Net | 1,915,193 |
| Less - Current Portion | <u>1,795,193</u> |
| Pledges Receivable, Less Current Portion | <u><u>\$ 120,000</u></u> |

NOTE 7 ALLOCATIONS, AGENCY ALLOCATION PAYABLE, AND CAMPAIGN FUNDS PAYABLE TO AGENCIES

The Organization has approved and allocated \$3,646,355 to supported agencies, community building programs, and other projects in the 2021 year. Of this amount, \$742,680 is unpaid and reported as a liability, agency allocations payable, as of December 31, 2021.

The Organization has entered into contracts with supported agencies which, among other things, provide that in the event an agency did not properly use the amount of its allocation, the agency may be required to return all or part of the improperly used or unused portion. Known refunds and any related receivables are recorded in the financial statements as a return of previous year allocations. The amount of refunds for the year under audit are unknown. As a result, no amount is reflected in the financial statements for these potential refund receivables.

The Organization has recognized a liability in the amount of \$422,633 as campaign funds payable to various agencies. This amount represents current campaign pledges received from donors who have designated a specific agency for their support.

NOTE 8 OPERATING LEASE COMMITMENTS

The Organization's lease for office space and cleaning services in Racine, Wisconsin expired March 31, 2019 and was renewed through March 31, 2024. Rent expense for 2021 under this lease was \$118,828.

During 2020, the Organization signed a copier lease, which expires June 30, 2023. Copier lease expense for 2021 was \$3,588.

**UNITED WAY OF RACINE COUNTY, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021**

NOTE 8 OPERATING LEASE COMMITMENTS (CONTINUED)

Future minimum lease payments under this lease contract is as follows:

| <u>Year Ending December 31.</u> | <u>Amount</u> |
|---------------------------------|-------------------|
| 2022 | \$ 122,416 |
| 2023 | 120,621 |
| 2024 | 29,707 |
| Total | <u>\$ 272,744</u> |

NOTE 9 WISCONSIN UNEMPLOYMENT RESERVE FUND

Under provision of the Wisconsin Unemployment Compensation law, the Organization has elected to reimburse the state of Wisconsin for the actual unemployment benefit claims paid to former employees. A letter of credit amounting to \$12,320 has been deposited with the Wisconsin Department of Industry, Labor, and Human Relations as collateral for future unemployment compensation requirements of the Corporation and affiliates. The letter of credit currently is valid through December 31, 2023.

NOTE 10 DEFINED CONTRIBUTION PLAN – 401(K)

The Organization has a defined contribution plan for the Organization's employees. The defined contribution plan contributes 8% of annual salaries for eligible employees. Total retirement expense under this plan for the year was \$91,937.

**UNITED WAY OF RACINE COUNTY, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021**

NOTE 11 NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions are restricted for the following purposes as follows:

| | | |
|---|----|-------------------------|
| Subject to the Passage of Time: | | |
| 2022 Campaign Revenue | \$ | 1,968,963 |
| Subject to Expenditure for Specified Purpose: | | |
| Education | | 117,543 |
| Health | | 30,190 |
| Income | | 26,244 |
| Western Racine County | | 7,399 |
| Advancing Family Assets | | 10,000 |
| Essential Services Basic Needs | | 25,552 |
| Community Schools | | 54,445 |
| Imagination Library | | 13,818 |
| Schools of Hope | | 17,059 |
| UW Leadership Event | | 20,000 |
| VITA | | 1,523 |
| Women United Brighter Future Fund | | 26,924 |
| COVID-19 | | 260 |
| Equity Innovation Fund | | 600 |
| Strive | | <u>758,405</u> |
| Total | | 1,109,962 |
| Subject to the Organization's Spending Policy and | | |
| Appropriation: | | |
| Emergency Capital Needs (Wadewitz) | | 381,719 |
| Success by Six | | <u>457,223</u> |
| Total | | 838,942 |
| Subject to be Held in Perpetuity | | <u>566,818</u> |
| Total Net Assets With Donor Restrictions | \$ | <u><u>4,484,685</u></u> |

NOTE 12 ENDOWMENTS

The Organization's endowments consist of various funds established to benefit the Organization for a variety of purposes. The Organization's endowments include board-designated and donor-restricted endowments. Net assets associated with endowment funds, including designated by the board of directors as to function as endowments, are classified and reported based on the existence or absence of donor-imposed restrictions.

UNITED WAY OF RACINE COUNTY, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021

NOTE 12 ENDOWMENTS (CONTINUED)

The endowment investments held by the Racine Community Foundation are in pooled investment accounts and are uninsured. Investments held by the foundation are common stocks, mutual funds, and other fixed income accounts. The investment income earned (net of trustee fees) is allocated to the Organization's endowment funds based on the endowment's average monthly balance in relationship to total funds invested by the Foundation. The endowment funds' investment income is composed of interest, dividends, capital gains (losses), net realized gains (losses), and unrealized gains (losses).

Interpretation of Relevant Law

The Organization's board has interpreted the Uniform Prudent Management of Institutional Funds Act (UPMIFA) as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary. Consequently, the Organization classifies net assets with donor restrictions that are required to be maintained in perpetuity as:

- The original value of gifts donated to the permanent endowment, and
- The original value of subsequent gifts to the permanent endowment.

The remaining portion of the donor-restricted endowment fund not classified as being required to be maintained in perpetuity are classified as purpose restricted until those amounts are appropriated for expenditure by the Organization's board. In accordance with UPMIFA, the Organization 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 purpose of the Organization 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 the Organization
7. The investment policies of the Organization

Return Objectives and Risk Parameters

The Organization has adopted investment and spending policies for certain endowment funds that attempt to provide a predictable stream of funding to programs supported by its endowment while seeking to preserve the fair value of the endowment assets. See Note 3 for further information.

Spending Policy

The Organization has a policy of appropriating for distribution each year varying amounts based on current budgeted activity. In establishing this policy, the Organization considered the long-term expected returns on its endowment investments. Accordingly, over the long-term, the Organization expects the current spending policy will allow its endowment to retain the original fair value of the gift.

**UNITED WAY OF RACINE COUNTY, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021**

NOTE 12 ENDOWMENTS (CONTINUED)

Strategies Employed for Achieving Objectives

To achieve its investment goals, the Organization targets an asset allocation that will achieve a balanced return of current income and long-term growth of principal while exercising risk control. The Organization's asset allocations included a blend of equity and debt securities and cash equivalents.

Endowment net assets composition by type of fund as of December 31, 2021:

| | <u>Without Donor Restrictions</u> | <u>With Donor Restrictions</u> | <u>Total</u> |
|--|---------------------------------------|------------------------------------|---------------------|
| Board-Designated Endowment Funds | \$ 474,013 | \$ - | \$ 474,013 |
| Donor-Restricted Endowment Funds: | | | |
| Original Donor-Restricted Gift Amount and Amounts Required to be Maintained in Perpetuity by Donor | - | 566,818 | 566,818 |
| Accumulated Investment Gains | - | 838,942 | 838,942 |
| Total Funds | <u>\$ 474,013</u> | <u>\$ 1,405,760</u> | <u>\$ 1,879,773</u> |

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

| | <u>Without Donor Restrictions</u> | <u>With Donor Restrictions</u> | <u>Total</u> |
|--|---------------------------------------|------------------------------------|---------------------|
| Endowment Net Assets - December 31, 2020 | \$ 415,623 | \$ 1,235,758 | \$ 1,651,381 |
| Investment Return: | | | |
| Investment Income | 5,510 | 16,362 | 21,872 |
| Net Appreciation | 52,880 | 157,139 | 210,019 |
| Appropriation of Endowment Assets | | | |
| Net Assets Released from Restrictions for Expenditure | - | (3,499) | (3,499) |
| Endowment Net Assets - December 31, 2021 | <u>\$ 474,013</u> | <u>\$ 1,405,760</u> | <u>\$ 1,879,773</u> |

From time to time, certain donor-restricted endowment funds may have fair values less than the amount required to be maintained by donors or by law (underwater endowments). The Organization has interpreted UPMIFA to permit spending from underwater endowments in accordance with prudent measures required under law. The Organization has no underwater endowment funds at December 31, 2021.

NOTE 13 SIGNIFICANT CONCENTRATIONS

Federal Deposit Insurance Corporation (FDIC) Limits

The Organization invests its cash in interest-bearing checking and money market accounts at one financial institution. Accounts at this institution are insured by the Federal Deposit Insurance Corporation (FDIC) up to specified limits. Balances in excess of FDIC limits are uninsured.

**UNITED WAY OF RACINE COUNTY, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021**

NOTE 13 SIGNIFICANT CONCENTRATIONS (CONTINUED)

Customer Concentrations

Due to the limited number of large companies in the Racine area, one company and their employees represent 46% of the total contributions pledged for the current year campaign year ended December 31, 2021. The remaining balances are comprised of a diverse base of companies and contributors each comprising less than 10% of total contributions pledged and the pledges receivable balance. In addition, there was one donor that contributed 95% of total contributions for the year ended December 31, 2021.

NOTE 14 LIQUIDITY AND AVAILABILITY OF RESOURCES

The Organization regularly monitors liquidity required to meet its program and initiative funding, and operating needs, while also striving to maximize the investment of its available funds. The Organization has various sources of liquidity at its disposal, including cash and cash equivalents, certificates of deposit, and investments (see Note 3).

In addition to analyzing financial assets available to meet general expenditures over the next 12 months, the Organization operates with a balanced budget and anticipates collecting sufficient revenue to cover general expenditures not covered by donor-restricted resources. The Organization has a stabilization fund which would enable it to support participating agency programs and services during highly unusual circumstances. This fund will be equal to or exceed the greater of \$1,000,000 or three months of allocations and operating costs.

Financial assets available for general expenditure, without donor or other restrictions limiting their use within one year of the statement of financial position date, comprise the following:

| | |
|--|---------------------|
| Financial Assets at Year-End: | |
| Cash and Cash Equivalents | \$ 1,723,349 |
| Certificates of Deposit | 1,091,396 |
| Short-Term Investments | 5,525,156 |
| Grants Receivable | 95,661 |
| Accounts Receivable | 2,729 |
| Accrued Interest Receivable | 510 |
| Current Portion of Promises to Give | 1,795,193 |
| Total | <u>10,233,994</u> |
| Less: Amounts With Donor or Other Restrictions: | |
| Board Designated for Community Initiatives | (3,805,686) |
| Board Designated for Program and Initiative Funding | (1,982,091) |
| Donor Restricted with Timing Restrictions | (1,968,963) |
| Donor Restricted Subject to Expenditure for a Specified Purpose | <u>(1,109,962)</u> |
| Total | <u>(5,061,016)</u> |
| Financial Assets Available to Meet Cash Needs for General Expenditures Within One Year | <u>\$ 1,367,292</u> |

**UNITED WAY OF RACINE COUNTY, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021**

NOTE 15 COMMUNITY INITIATIVES

United Way of Racine County, Inc. envisions a community where individuals and families achieve their potential through education, income stability, and healthy lives.

An unrestricted contribution was received during December 31, 2021, and the board intends to distribute it to member and nonmember agencies across the following programs in future years:

| | <u>LIFT FUND - \$3,000,000</u> | |
|--|---------------------------------------|----------------------------|
| | Community School - Mitchell | Other |
| LIFT Funding | | |
| LIFT - Community School - Mitchell | \$ 250,000 | \$ - |
| LIFT - Other | - | 2,750,000 |
| Total LIFT Funding | <u>250,000</u> | <u>2,750,000</u> |
| 2021 | | |
| Expended for Community School - Mitchell | (20,272) | - |
| 2022 | | |
| Community Schools | (69,151) | - |
| Summer School Program | - | (90,000) |
| Reading Corps | - | (150,000) |
| Total 2022 Projected Spending | <u>(69,151)</u> | <u>(240,000)</u> |
| 2023 | | |
| Community Schools | (71,224) | - |
| Summer School Program | - | (90,000) |
| Reading Corps | - | (150,000) |
| Total 2023 Projected Spending | <u>(71,224)</u> | <u>(240,000)</u> |
| 2024 | | |
| Community Schools | (73,361) | - |
| Summer School Program | - | (90,000) |
| Total 2024 Projected Spending | <u>(73,361)</u> | <u>(90,000)</u> |
| 2025 | | |
| Community Schools | (15,992) | - |
| Summer School Program | - | (90,000) |
| Total 2025 Projected Spending | <u>(15,992)</u> | <u>(90,000)</u> |
| Remaining Balance | <u><u>\$ -</u></u> | <u><u>\$ 2,090,000</u></u> |

**UNITED WAY OF RACINE COUNTY, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021**

NOTE 15 COMMUNITY INITIATIVES (CONTINUED)

TRAINING AND TECHNOLOGY FUND - \$500,000

| | | |
|--|----|-----------|
| Training & Technology Funding | \$ | 500,000 |
| 2021 | | (124,042) |
| 2022 | | (284,106) |
| Remaining Balance | | \$ 91,852 |

COMMUNITY NEEDS FUND - \$500,000

| | | |
|--------------------------------|----|------------|
| Community Needs Funding | \$ | 500,000 |
| 2021 | | |
| Here to Help | | (50,000) |
| 2022 | | (200,000) |
| Remaining Balance | | \$ 250,000 |

EQUITY INNOVATION FUND - \$1,000,000

| | | |
|---|----|-------------|
| Equity Innovation Funding | \$ | 1,000,000 |
| 2021 | | |
| Racine Community Foundation as Donor Advised Fund | | (1,000,000) |
| Remaining Balance | | \$ - |

UNITED WAY OF RACINE COUNTY, INC.
SCHEDULE OF REVENUE AND EXPENSES BY FUNCTION
YEAR ENDED DECEMBER 31, 2021
(WITH COMPARATIVE INFORMATION AS OF DECEMBER 31, 2020)
(SEE INDEPENDENT AUDITORS' REPORT)

| | 2021 | | | | | | | | | 2020 | |
|--|--------------------------------|---------------------|--------------------|------------------------|---------|---------------------------------------|---------|------------------|---------------------------|--------------|--------------|
| | Campaign and Allocations | Community Impact | Schools of Hope | Imagination Library | LIFT | Volunteer Income Tax Assistance | FSCS | Fund- Raising | Management and General | Total | Total |
| REVENUES, GAINS, AND PUBLIC SUPPORT | | | | | | | | | | | |
| Net Assets Released from Restrictions: | | | | | | | | | | | |
| Campaign Contributions | \$ 3,202,087 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 3,202,087 | \$ 3,436,325 |
| Contributions | 5,242,160 | - | - | - | - | - | - | - | - | 5,242,160 | 137,307 |
| Contributions, Prior Period Campaigns | 339,777 | - | - | - | - | - | - | - | - | 339,777 | 506,850 |
| Governmental Grants | 607,905 | - | - | - | - | - | - | - | - | 607,905 | 360,939 |
| Investment Gain and Interest Income | 423,796 | - | - | - | - | - | - | - | - | 423,796 | 217,429 |
| Miscellaneous Income | - | - | - | - | - | - | - | - | - | - | 1,418 |
| Revenues, Gains, and Public Support Before Allocation | 9,815,725 | - | - | - | - | - | - | - | - | 9,815,725 | 4,660,268 |
| Allocation of Revenue to Support Functions | (1,919,399) | 213,468 | 36,030 | 149,966 | 134,313 | 51,685 | 342,786 | 479,990 | 511,161 | - | - |
| Total Revenues, Gains, and Public Support | 7,896,326 | 213,468 | 36,030 | 149,966 | 134,313 | 51,685 | 342,786 | 479,990 | 511,161 | 9,815,725 | 4,660,268 |
| EXPENSES | | | | | | | | | | | |
| Salaries | - | 101,966 | 23,441 | 6,162 | 46,156 | 23,441 | 122,368 | 271,760 | 252,502 | 847,796 | 786,041 |
| Temporary Help | - | - | - | - | - | 12,532 | - | 8,777 | - | 21,309 | 11,711 |
| Payroll Taxes and Employee Benefits | - | 45,796 | 5,426 | 2,163 | 7,025 | 6,509 | 41,376 | 79,705 | 94,740 | 282,740 | 264,516 |
| Total Payroll Expenses | - | 147,762 | 28,867 | 8,325 | 53,181 | 42,482 | 163,744 | 360,242 | 347,242 | 1,151,845 | 1,062,268 |
| Professional Fees | - | 38,919 | 433 | 144 | 3,128 | 2,298 | - | 13,914 | 31,853 | 90,689 | 80,231 |
| Contracted Services | - | - | - | - | - | - | 164,300 | - | - | 164,300 | - |
| Office Expenses: | | | | | | | | | | | |
| Supplies | - | 1,827 | 235 | 138,904 | 33,332 | 238 | 9,765 | 2,557 | 11,668 | 198,526 | 153,438 |
| Telephone | - | 2,450 | 948 | 172 | 4,805 | 997 | 3,412 | 6,143 | 8,350 | 27,277 | 26,579 |
| Postage | - | 450 | 92 | 350 | 644 | 147 | - | 4,538 | 1,765 | 7,986 | 7,242 |
| Occupancy | - | 14,771 | 3,693 | 1,231 | 25,851 | 3,693 | - | 38,160 | 43,438 | 130,837 | 136,322 |
| Repairs and Maintenance | - | - | - | - | - | - | - | - | 7,062 | 7,062 | 12,296 |
| Printing and Publications | - | - | 4 | 219 | - | 1,525 | - | 33,905 | 7,708 | 43,361 | 53,072 |
| Travel and Training | - | 256 | - | 35 | 785 | 217 | 1,565 | 2,362 | 10,851 | 16,071 | 7,334 |
| Meeting Expenses | - | - | - | - | 279 | - | - | - | - | 279 | 4,386 |
| Membership Dues | - | - | 1,670 | 557 | 11,692 | - | - | - | 11,255 | 25,174 | 17,564 |
| Professional Liability Insurance | - | 352 | 88 | 29 | 616 | 88 | - | 909 | 851 | 2,933 | 2,573 |
| State and National Dues | - | 6,681 | - | - | - | - | - | 17,260 | 16,147 | 40,088 | 41,174 |
| Depreciation | - | - | - | - | - | - | - | - | 12,971 | 12,971 | 15,125 |
| Allocations | 3,646,355 | - | - | - | - | - | - | - | - | 3,646,355 | 2,854,848 |
| Total Expenses | 3,646,355 | 213,468 | 36,030 | 149,966 | 134,313 | 51,685 | 342,786 | 479,990 | 511,161 | 5,565,754 | 4,474,452 |
| Change in Net Assets, Without Donor Restrictions | \$ 4,249,971 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 4,249,971 | \$ 185,816 |

UNITED WAY OF RACINE COUNTY, INC.
SCHEDULE OF RESTRICTED PROGRAM REVENUE AND EXPENSES
YEAR ENDED DECEMBER 31, 2021
(SEE INDEPENDENT AUDITORS' REPORT)

RESTRICTED REVENUES

| | | |
|---|----|---------|
| Nita M. Lowey 21st Century Community Learning Centers (21st CCLC) | \$ | 72,562 |
| Community Development Block Grant | | 147,972 |
| Full Service Community Service Grant: US Department of Education | | 387,371 |
| Total Restricted Revenues | | 607,905 |

EXPENSES

| | | |
|---|--|---------|
| United Way of Racine County Allocation | | 5,797 |
| Nita M. Lowey 21st Century Community Learning Centers (21st CCLC) | | 66,765 |
| Community Development Block Grant | | 147,972 |
| Full Service Community Service Grant: US Department of Education | | 387,371 |
| Total Expenses | | 607,905 |

EXCESS (DEFICIENCY)

\$ -

**UNITED WAY OF RACINE COUNTY, INC.
SCHEDULE OF ALLOCATIONS
YEAR ENDED DECEMBER 31, 2021
(SEE INDEPENDENT AUDITORS' REPORT)**

EDUCATION

| | |
|--|-----------|
| Big Brothers Big Sisters of Racine & Kenosha Counties (Site-Based Mentoring) | \$ 6,300 |
| Big Brothers Big Sisters of Racine & Kenosha Counties (Virtual Mentoring) | 4,500 |
| Big Brothers Big Sisters of Racine & Kenosha Counties (Community-Based Mentoring) | 17,500 |
| Focus on Community (FAST (Families and Schools Together)) | 35,500 |
| Girl Scouts of Wisconsin Southeast (Racine Girl Scout Leadership Experience) | 7,500 |
| John XXIII Educational Center (Middle School Support Program) | 15,000 |
| John XXIII Educational Center (High School Support Program) | 23,000 |
| Racine Family YMCA (Teen Achievers) | 6,400 |
| Racine Family YMCA (The School Achievers Program) | 20,100 |
| Racine Family YMCA (Young Achievers) | 12,267 |
| SAFE Haven of Racine County (Girls Inc Elementary School Programs) | 17,500 |
| SAFE Haven of Racine Inc (Girls Inc Middle School Support Programs) | 18,500 |
| The ARC of Racine County Inc (Special Education Advocacy Program) | 15,000 |
| Youth for Christ (Parent Life) | 2,967 |
| University of Wisconsin - Madison, Division of Extension (Early Learning and School Readiness Program) | 60,730 |
| Central Racine County Health Department (Family Connects Racine County) | (131,500) |

HEALTH

| | |
|---|--------|
| Alliance on Mental Illness of Racine County Inc (NAMI Racine County) | 25,960 |
| BeLEAF Survivors Inc (Sexual Assault Services) | 68,000 |
| BeLEAF Survivors Inc (Stop Child Abuse & Neglect) | 40,000 |
| Children's Hospital of Wisconsin, Community Prevention Services (Child and Family Counseling) | 40,000 |
| Focus On Community (Substance Abuse Program) | 40,000 |
| Racine Family YMCA (Family Service of Racine Supervised Visitation & Safe Exchange) | 10,000 |
| Racine Friendship Clubhouse (Work-Ordered Day) | 18,160 |

FINANCIAL STABILITY

| | |
|--|--------|
| Housing Resources Inc - Racine (Racine Financial Empowerment Center) | 30,000 |
| Housing Resources Inc - Racine (Homebuyer Education & Counseling) | 18,400 |
| Racine County Workforce Solutions (Racine Family YMCA Focus on Fathers Initiative) | 31,500 |
| Racine Family YMCA (First Choice Pre-Apprenticeship Training) | 21,000 |
| Racine Literacy Council (Racine Literacy Council) | 39,500 |
| Racine Vocational Ministry (RVM Walk-In Programs) | 54,000 |
| YWCA Southeast Wisconsin (High School Equivalency Diploma Program (HSED)) | 75,000 |

ESSENTIAL SERVICES

| | |
|---|---------|
| Catherine Marian Housing, Inc. (Bethany Apartment) | 20,000 |
| Burlington Transitional Living Center Inc (Burlington Transitional Living Center) | 11,000 |
| HALO (HALO Shelter Program) | 127,000 |
| Health Care Network, Inc. (Health Care Services) | 93,000 |
| Racine County Food Bank (Emergency Food Distribution) | 59,850 |
| SAFE Haven of Racine, Inc. (Youth Shelter & Outreach Programs) | 17,150 |
| The Arc of Racine County, Inc. (Arc 100%ers: Peer mentoring group for adults with disabilities) | 4,500 |
| The Cerebral Palsy Agency of Racine County, Inc. (Camp Kinder) | 19,000 |
| Women's Resource Center of Racine, Inc. (Empowerment Program) | 43,500 |

**UNITED WAY OF RACINE COUNTY, INC.
SCHEDULE OF ALLOCATIONS (CONTINUED)
YEAR ENDED DECEMBER 31, 2021
(SEE INDEPENDENT AUDITORS' REPORT)**

| | |
|--|-----------|
| LIFT | |
| Focus on Community (Multi-Hub FAST (Families and Schools Together - LIFT Program)) | \$ 45,000 |
| Focus on Community (Opportunities Club - LIFT Program) | 13,250 |
| Girl Scouts of Wisconsin Southeast (Racine Girl Scout Leadership Experience - LIFT Program) | 1,500 |
| Racine Family YMCA (School Achievers - LIFT Program) | 44,867 |
| SAFE Haven of Racine Inc. (Girls Inc Elementary School Program - LIFT Program) | 6,000 |
| The ARC of Racine County, Inc. (Special Education Advocacy Program - LIFT Program) | 4,000 |
| Three Harbors Council - Boys Scouts of America (Cub Scout Programs / Scout Reach - LIFT Program) | 12,000 |
| BeLEAF Survivors Inc (Sexual Assault Services - LIFT Program) | 13,000 |
| Children's Hospital of Wisconsin, Community Services (Children's Wisconsin School Based Mental Health Clinic - LIFT Program) | 60,880 |
| Housing Resources Inc - Racine (Racine Financial Empowerment Center - LIFT Program) | 10,000 |
| Focus on Community (Advancing Family Assets (AFA) - LIFT Program) | 24,000 |
| Racine Vocational Ministry Inc (RVM Walk-in Program - LIFT Program) | 5,040 |
| Racine Literacy Council (Adult Literacy Program - LIFT Program) | (4,000) |
| Women United | |
| Ascension All Saints - Women of Worth | 2,000 |
| BeLEAF Survivors - Stop Child Abuse & Neglect (SCAN) | 2,000 |
| Big Sisters of Greater Racine - Recruiting Big Sisters and PALS | 1,830 |
| Burlington Transitional Living Center - Financial Management Program | 2,000 |
| Catherine Marian Housing - School Stars | 2,000 |
| Faith, Hope & Love - Duffels for Kids | 2,000 |
| Great Lakes CCC - Female Veterans Unit of the Veterans Corps | 2,000 |
| HALO - The Way Home | 2,000 |
| Main Project Community - Creative Writing Program | 2,000 |
| Racine Vocational Ministry - Second Chance Program for Women | 2,000 |
| River Bend Nature Center - Discovery Stumps - Chickadee Interactive Nature Trail | 2,000 |
| SAFE Haven - Girls Inc at Knapp and Julian Thomas | 2,000 |
| Women's Resource Center - Moving Ahead Program | 2,000 |
| YWCA SE WI - Personal Financial Literacy & Mgt | 2,000 |
| COMMUNITY PARTNERS | |
| Burlington Library Foundation Inc - Community Workforce Fund | 3,435 |
| Wadewitz Fund | |
| Women's Resource Center of Racine Inc | 3,499 |
| Mackenzie Scott | |
| Racine County - Here to Help 2021 | 50,000 |
| LGBT Center of SE Wisconsin - Training and Technology fund | 11,000 |
| Society's Assets Inc - Training and Technology fund | 24,855 |
| Women's Resource Center of Racine Inc - Training and Technology fund | 22,161 |
| Catherine Marian Housing Inc - Training and Technology fund | 11,939 |
| Caledonia Historical Society - Training and Technology fund | 1,070 |
| Racine Vocational Ministry Inc - Training and Technology fund | 31,331 |
| Racine Zoological Society - Training and Technology fund | 21,686 |
| Racine Community Foundation - Donor Advised Fund | 1,000,000 |

**UNITED WAY OF RACINE COUNTY, INC.
SCHEDULE OF ALLOCATIONS (CONTINUED)
YEAR ENDED DECEMBER 31, 2021
(SEE INDEPENDENT AUDITORS' REPORT)**

COMMUNITY CARES COVID-19 RELIEF FUND

| | |
|--------------------------------------|----------|
| Safe Haven of Racine | \$ 7,000 |
| Catholic Charities | 12,000 |
| FINAO Inc | 3,072 |
| Racine Zoological Society | 1,956 |
| The ARC of Racine County | 5,250 |
| Alliance on Mental Illness of Racine | 2,996 |
| Fight to End Exploitation Inc | 8,000 |
| Three Harbors Council | 5,000 |
| Giving to the Nations Inc | 8,000 |

The Morgridge Family Foundation Grants

| | |
|---|--------|
| Alliance on Mental Illness | 3,500 |
| Burlington Transitional Living Center | 15,000 |
| Racine County Project Emergency | 25,000 |
| Racine Vocational Ministry Inc | 5,000 |
| Women's Resource Center of Racine, Inc. | 15,000 |

Grant Expenses

| | |
|--|---------|
| 21st Century Community Learning Center (CLC) | 66,765 |
| CDBG Grant | 147,972 |

Fiscal Sponsorships

| | |
|------------------------------|----------------|
| Higher Expectations (STRIVE) | <u>832,716</u> |
|------------------------------|----------------|

TOTAL ALLOCATIONS

\$ 3,646,355