

YUBA-SUTTER-COLUSA UNITED WAY
REVIEWED FINANCIAL STATEMENTS
DECEMBER 31, 2022

**YUBA-SUTTER-COLUSA UNITED WAY
FINANCIAL STATEMENTS
DECEMBER 31, 2022**

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INDEPENDENT ACCOUNTANT'S REVIEW REPORT

Board of Directors
Yuba-Sutter-Colusa United Way
Marysville, California

We have reviewed the accompanying financial statements of Yuba-Sutter-Colusa United Way (a nonprofit organization), which comprise the statement of financial position as of December 31, 2022, and the related statements of activities, functional expenses and cash flows for the year then ended, and the related notes to the financial statements. A review includes primarily applying analytical procedures to management's financial data and making inquiries of entity management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, we do not express such an opinion.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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.

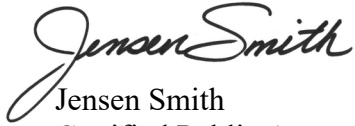
Accountant's Responsibility

Our responsibility is to conduct the review engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. Those standards require us to perform procedures to obtain limited assurance as a basis for reporting whether we are aware of any material modifications that should be made to the financial statements for them to be in accordance with accounting principles generally accepted in the United States of America. We believe that the results of our procedures provide a reasonable basis for our conclusion.

We are required to be independent of Yuba-Sutter-Colusa United Way and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our review.

Accountant's Conclusion

Based on our review, we are not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in accordance with accounting principles generally accepted in the United States of America.

A handwritten signature in black ink that reads "Jensen Smith". The signature is written in a cursive style with a large, looping initial "J".

Jensen Smith
Certified Public Accountants, Inc.
Lincoln, California
September 18, 2023

**YUBA-SUTTER-COLUSA UNITED WAY
STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2022**

ASSETS

Current Assets

Cash and Cash Equivalents	\$ 96,626
Pledges Receivable - Net of Allowance for Uncollectable Accounts of \$15,702	2,235
Other Receivables	9,768
Prepaid Insurance	1,979
Total Current Assets	110,608

Fixed Assets - Equipment

Machinery and Equipment	15,392
Lease Assets	33,218
Less Accumulated Depreciation	(22,536)
Total Fixed Assets	26,074

Other Assets

Deposits	1,500
Total Other Assets	1,500

TOTAL ASSETS

\$ 138,182

LIABILITIES & NET ASSETS

Current Liabilities

Accounts and Credit Cards Payable	\$ 7,836
Personnel Costs Payable	2,377
Accrued Vacations Payable	8,816
Current Portion of Lease Liabilities	13,524
Current Portion of Long Term Debt	611
Total Current Liabilities	33,164

Noncurrent Liabilities

Lease Liabilities	11,819
Small Business Loan - Economic Injury and Disaster Loan	24,149
Total Noncurrent Liabilities	35,968

TOTAL LIABILITIES

69,132

Net Assets

Without Donor Restrictions	65,815
With Donor Restrictions	3,235
Total Net Assets	69,050

TOTAL LIABILITIES AND NET ASSETS

\$ 138,182

See Independent Accountant's Review Report and Accompanying Notes.

**YUBA-SUTTER-COLUSA UNITED WAY
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2022**

REVENUES, SUPPORT AND GAINS	Donor Restrictions	With Donor Restrictions	Total
Campaign Pledges	131,546	3,235	134,781
In Kind Donation	35,500	-	35,500
Fundraising and Special Event Income	117,173	-	117,173
Emergency Food and Shelter Income	9,496	-	9,496
Administrative Fees	600	-	600
Interest and Other Income	24,620	-	24,620
Net Assets Released from Restrictions	-	-	-
TOTAL REVENUES, SUPPORT AND GAINS	318,935	3,235	322,170
EXPENSES			
Program Expenses			
Program and Allocation Payments	160,289	-	160,289
Support Services			
Campaign & Fundraising	86,844	-	86,844
Management and General	79,838	-	79,838
Total Support Services	166,682	-	166,682
TOTAL EXPENSES	326,971	-	326,971
Change in Net Assets	(8,036)	3,235	(4,801)
NET ASSETS AT December 31, 2021	73,741	-	73,741
Prior Period Adjustments - Change in Accounting	110	-	110
NET ASSETS AT December 31, 2022	\$ 65,815	\$ 3,235	\$ 69,050

See Independent Accountant's Review Report and Accompanying Notes.

**YUBA-SUTTER-COLUSA UNITED WAY
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2022**

Expenses	Program Costs & Allocation Payments	Support Services		Total
		Fundraising & Campaign	Management & General	
Personnel Costs				
Salaries	\$ 51,000	\$ -	\$ 40,571	\$ 91,571
Payroll Taxes	3,932	-	3,279	7,211
Employee Benefits	1,135	-	-	1,135
Total Personnel Costs	56,067	-	43,850	99,917
Other Costs				
Bank Fees	2,217	-	739	2,956
Campaign Printing and Supplies	-	1,310	-	1,310
Depreciation	1,323	-	3,970	5,293
Dues, Subscriptions and Memberships	5,214	-	1,738	6,952
Fees to United Way Worldwide and Calif	-	-	5,662	5,662
Fundraising	-	50,034	-	50,034
Grants and Program Costs	38,135	-	-	38,135
In Kind Expense	-	35,500	-	35,500
Insurance	4,314	-	1,438	5,752
Interest Expense	-	-	781	781
Member Agency Allocations	13,301	-	-	13,301
Miscellaneous	-	-	13,971	13,971
Non-member and Affiliate Disbursement:	26,712	-	-	26,712
Office Supplies	2,072	-	690	2,762
Postage	766	-	255	1,021
Printing and Copier Lease	694	-	232	926
Professional Services	-	-	3,354	3,354
Rent	4,721	-	1,574	6,295
Small Equipment	1,139	-	379	1,518
Telephone	2,404	-	801	3,205
Travel and Meetings	1,049	-	350	1,399
Utilities	161	-	54	215
Total Other Costs	104,222	86,844	35,988	227,054
Total Expenses	\$ 160,289	\$ 86,844	\$ 79,838	\$ 326,971

See Independent Accountant's Review Report and Accompanying Notes.

**YUBA-SUTTER-COLUSA UNITED WAY
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2022**

Cash Flows from Operating Activities

Change in Net Assets	\$ (4,801)
Adjustments to reconcile change in net assets to cash flows from operating activities:	
Depreciation	35,500
(Increase) Decrease in Net Pledges Receivable	(2,235)
(Increase) Decrease in Net Other Receivables	(9,768)
(Increase) Decrease in Prepaid Insurance	-
Increase (Decrease) in Accounts & Credit Cards Payable	(12,271)
Increase (Decrease) in Personnel Costs Payable	(32)
Increase (Decrease) in Accrued Vacations Payable	236
	6,629
Net Cash Used by Operating Activities	6,629

Cash Flows from Financing Activities

Net Lease Assets and Liabilities	(5,579)
Loan Principal Payments - EIDL	(597)
	(6,176)
Net Cash Provided by Financing Activities	(6,176)
Change in Cash and Cash Equivalents	453

Cash and Cash Equivalent

Beginning of Year	126,165
	126,165
End of Year	\$ 126,618
	126,618

Supplemental Information

Interest paid for the year ended December 31, 2022: \$781
Income taxes paid for the year ended December 31, 2022: \$0

EIDL - Economic Injury and Disaster Loan

See Independent Accountant's Review Report and Accompanying Notes.

**YUBA-SUTTER-COLUSA UNITED WAY
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022**

NOTE 1 - NATURE OF THE ORGANIZATION

Yuba-Sutter United Way was established in 1968 with the mission of improving lives by mobilizing resources to meet the needs of the community. On March 9, 2017, the Organization changed its name to “Yuba-Sutter-Colusa United Way.” The Organization is using the new name for these financial statements. The Organization is independent from affiliated Yuba-Sutter-Colusa United Way partner agencies and United Way World Wide and is separately incorporated and governed by local volunteers. The Organization’s jurisdictional area are the three counties; Yuba, Sutter and Colusa. The Organization focuses on Education (helping children and adults achieve their potential through education and mentoring programs), Income (helping families and seniors become financially stable and independent by supporting basic needs), and Health (improving people’s health by increasing access to critical healthcare services, reducing substance abuse, child abuse, and domestic violence). The Organization is supported primarily through donors’ contributions.

The Yuba-Sutter-Colusa United Way is a nonprofit corporation exempt from federal and state income tax and has been classified under Section 509(a)(1) Internal Revenue Code and Section 23701(d) of the California Revenue and Taxation Code, as a Publicly Supported Organization, not a private foundation and qualifies for the 50% charitable contribution deduction for individual donors. It did not have unrelated business income during the year ended December 31, 2022.

Mission Statement

The Yuba-Sutter-Colusa United Way improves lives by mobilizing resources to meet the needs of our community

Vision Statement

The Yuba-Sutter-Colusa United Way inspires a community of participation that identifies, evaluates and provides funding for community needs.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

The Organization’s prepares its financial statements on the accrual basis of accounting in accordance with generally accepted accounting principles. Income is recognized when earned and expenses are recognized as they are incurred whether or not cash is paid or received at that time.

Campaign Contributions

Campaign contributions arise from fundraising campaigns conducted by the Yuba-Sutter-Colusa United Way and are included in revenue. All contributions are considered available for unrestricted use unless specifically restricted by the donor. Donor or time restricted contributions are recorded as donor restricted net assets until the restrictions have been met or the time has lapsed. A contribution generally includes cash contributions, pledges received represented by signed pledges, and employer reports of contributions pledged by employees under payroll deduction plans.

**YUBA-SUTTER-COLUSA UNITED WAY
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022**

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

Pledges

Contributions are recognized when the donor makes a pledge to the Organization that is, in substance, unconditional. The donor may designate their contributions. However, if the donor does not make a designation, the board allocates the pledge according to the agreed upon allocations schedule. The Organization uses the allowance method to determine uncollectible pledges. The allowance is based on prior years' experience and management's analysis of specific promises made. Using a 5-year average, the Organization has found that 5.6% of each annual campaign becomes uncollectable. Pledges receivable are recorded as restricted assets as they are not available currently but are pledged for the future.

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 and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the period. Actual results could differ from those estimates.

Cash and Cash Equivalents

For purposes of the statement of cash flows, the Organization considers all highly liquid investments with an initial maturity of three months or less to be cash equivalents.

Classes of Net Assets

The financial statements report amounts by class of net assets:

Net Assets Without Donor Restrictions: The net assets not subject to donor-imposed restrictions including transactions that are related to the donor advised funds as discussed later. Revenues are reported as increases in net assets without donor restrictions unless the use of the related assets are limited by donor-imposed restrictions.

Net Assets With Donor Restrictions: The net assets subject to donor-imposed restrictions include donor restricted contributions and income on endowment contributions that can only be expended as stipulated by the donor. At December 31, 2022, the Organization had restricted donations which were pledges not received by year end which is considered a time restriction for this purpose. Total net assets with donor restrictions totaled \$3,235.

Accrued Vacations Payable

Accrued personal time off includes time earned and payable at December 31, 2022. Upon termination of employment, sick leave is not required to be paid under State law and, therefore, is not included in the calculation of accrued personal time off.

YUBA-SUTTER-COLUSA UNITED WAY
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

Equipment

The Organization capitalizes asset purchases and donations with an individual cost of \$1,000 or more and an estimated life of over one year. Purchased fixed assets are capitalized at historical cost. Donated fixed assets are recorded as contributions and capitalized at their estimated fair market value. Such donations are recorded as unrestricted unless the donor has restricted the donated asset to a specific purpose. Maintenance and repairs are expensed when incurred, while betterments are capitalized and depreciated. Depreciation is recognized using the straight-line method over the estimated useful lives of the assets. The Organization uses useful lives of three years for computer equipment and five years for other equipment.

Allocation of Expenses

Expenses are charged to each program based on direct expenditures incurred. Any program expenses not directly chargeable are allocated to programs based on the annual time study method recommended by United Way of America in its publication *United Way of America Functional Expenses and Overhead Reporting Standards*.

Donated Services

The Organization receives substantial in-kind contributions from volunteers who assist in the office and in fundraising events. The value of these hours is not reported in the financial statements because they do not meet the criteria in FASB ASC 958-605-25-2 for recognizing contributed services in the financial statements of a nonprofit organization.

New Accounting Standards

In February 2016, the FASB issued ASU 2016-02, Leases (Topic 842), which supersedes existing guidance for accounting for leases under *Topic 840, Leases*. The FASB also subsequently issued the following additional ASUs, which amend and clarify *Topic 842*: ASU 2018-01, *Land Easement Practical Expedient for Transition to Topic 842*; ASU 2018-10, *Codification Improvements to Topic 842, Leases*; ASU 2018-11, *Leases (Topic 842): Targeted Improvements*; ASU 2018-20, *Narrow-scope Improvements for Lessors*; and ASU 2019-01, *Leases (Topic 842): Codification Improvements*; ASU 2020-05, *Leases (Topic 842): Lessors—Certain Leases with Variable Lease Payments*; and ASU 2021-09, *Leases (Topic 842): Discount Rate for Lessees That Are Not Public Business Entities*. The most significant change in the new leasing guidance is the requirement to recognize right-to-use (ROU) assets and lease liabilities for operating leases on the statement of financial position.

The Organization elected to adopt these ASUs effective January 1, 2022 and utilized all of the available practical expedients. The adoption had a material impact on the Organization's statement of financial position but did not have a material impact on the statement of activities. The most significant impact was the recognition of ROU assets and lease liabilities for operating leases. Adoption of the standard required the Organization to restate amounts as of January 1, 2022, resulting in an increase in operating lease ROU assets of \$9,945, an increase in operating lease liabilities of \$6,935. See Note 7 and 8 below.

**YUBA-SUTTER-COLUSA UNITED WAY
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022**

NOTE 3 - CONCENTRATION OF CREDIT RISK

Financial instruments which potentially subject the Organization to concentrations of credit risk consist principally of cash and money market accounts. The Organization places its temporary cash and money market accounts with creditworthy, high-quality institutions. The Organization has not experienced losses in these accounts.

NOTE 4 – FIXED ASSETS- EQUIPMENT

Property and equipment as of December 31, 2022 is summarized as follows:

	<u>2021</u>	<u>Additions</u>	<u>Disposals</u>	<u>2022</u>
Machinery and Equipment	\$ 15,392	\$ -	\$ -	\$ 15,392
Leased Assets*	9,945	23,273	-	33,218
Less Accumulated Depreciation*	<u>(17,243)</u>	<u>(5,293)</u>	-	<u>(22,536)</u>
Total Net Fixed Assets	<u>\$ 8,094</u>	<u>\$ 17,980</u>	<u>\$ -</u>	<u>\$ 26,074</u>

* Leased assets and accumulated depreciation are restated for the change in accounting standards detailed in the notes below.

Total depreciation for the year ended December 31, 2022 was \$5,293.

NOTE 5 - PLEDGES AND GRANTS RECEIVABLE

At December 31, 2022, the Organization had total pledges receivable of \$18,937. The pledges receivable have been reduced by an allowance for uncollectable accounts of \$15,702 for a net pledges receivable of \$3,235.

NOTE 6 –NET ASSETS WITH DONOR RESTRICTIONS

The Organization records pledges receivable as net assets with donor restrictions because these receivables by their nature are for future periods. As these funds are received they are released from restriction unless the donor has added additional restrictions to the donation. At December 31, 2021, there were no net assets with donor restrictions due to the allowance for doubtful accounts. At December 31, 2022, there were \$3,235 in net assets with donor restrictions due to the pledges receivable.

NOTE 7 – LEASES

Lease agreements are summarized as follows:

Describe	Date	Payment Terms	Payment Amount	Interest Rate	Total Lease Liability	Balance Dec. 31 2022
Office Bldg	10/1/2022	2 years	\$ 24,000	3.23%	\$23,273	\$ 20,391
Copier	7/16/2020	5 years	10,067	0.50%	9,945	<u>4,952</u>
Total Lease Agreements						<u>\$ 25,343</u>

**YUBA-SUTTER-COLUSA UNITED WAY
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022**

NOTE 7 – LEASES (continued)

In July 2020, the Organization entered into a lease for office space. The lease was for one year ending August 31, 2022 with an option to extend an additional year. The Organization extended the lease through August 2022. Rents were \$450 per month.

In October 2022, the Organization entered into a lease for office space. The lease was for one year ending September 31, 2023 with an option to extend an additional year. Rents are \$1,000 per month. The lease did not include a stated interest rate so the Organization used the IRS applicable rate for October 2022 for short term leases.

On July 16, 2020, the Organization entered into a five-year lease for a printer/copier. The rental requires payments of \$151 plus tax and insurance for a monthly amount of \$167.79. The lease did not have a stated interest rate so the Organization used the IRS applicable rate for July 2020 for midterm loans. The lease is not renewable and the Organization will not acquire the copier at the end of the five-year term.

Annual requirements to amortize long-term obligations and related interest are as follows:

Year ending Dec. 31	Principal	Interest
2023	\$13,524	\$ 509
2024	10,814	130
2025	1,005	1
Total	\$ 25,343	\$ 640

NOTE 8 – CHANGE IN ACCOUNTING PRINCIPLES AND RESTATEMENT

For the year ended December 31, 2022, the Organization implemented FASB Topic 842, *Leases*. It establishes requirements for lease accounting based on the principle that leases are financing of the right to use an underlying asset. A lessee is required to recognize a lease liability and an intangible right to use lease asset. These changes were incorporated into the Organization’s 2022 financial statements.

The implementation of the lease standard had the following effect on the net position as reported at December 31, 2021:

	Governmental <u>Activities</u>
Net Position December 31, 2021	\$ 73,741
Lease Assets	9,945
Accumulated Depreciation	(2,900)
Lease Liability	<u>(6,935)</u>
Net position at December 31, 2022	<u>\$ 73,851</u>

YUBA-SUTTER-COLUSA UNITED WAY
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022

NOTE 9 – LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS

Total operating expenses for 2022 were \$326,971, of which \$123,803 were for general support services. The Organization relies on public support to provide cash flows for operations. Working capital varies during the year based on the timing of fundraising events, seasonal giving and other factors. The Organization’s financial assets available within one year of the statement of financial position date for general expenditures are as follows:

Financial assets available within one year at year end	\$ 109,629
Less those unavailable for general expenditures within one year, due to:	
<u>Contractual or donor-imposed restrictions:</u>	
Restricted by donor with time or purpose restrictions	<u>(3,235)</u>
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 106,394</u>

NOTE 10 – NOTES PAYABLE

On June 18, 2020, the Organization entered into a loan for \$25,000 with a forgivable advance of an additional \$2,000 through the US Small Business Administration. The loan was used as working capital to alleviate the economic injury caused by the disaster. The loan had an initial deferment period of twelve (12) months and an interest rate of 2.75% per annum. Although legislation provided another deferral to November 2022, the Organization decided to start the repayment of the loan based on the original agreement with loan payments starting June of 2021 and are \$107 per month with a term of thirty (30) years. The loan advance of \$2,000 was automatically forgiven and was reported as other income in the calendar year 2020. The balance at December 31, 2022 was \$24,760

Future minimum principal payments (based on original agreement) are as follows:

2023	\$ 611
2024	\$ 628
2025	\$ 645
2026	\$ 663
2027	\$ 682
Thereafter	\$21,531

NOTE 10 – SUBSEQUENT EVENTS

Events subsequent to December 31, 2022 have been evaluated through September 18, 2023, the date at which the Organization’s reviewed financial statements were available to be issued. No events requiring disclosure have occurred through this date.