

YUBA-SUTTER-COLUSA UNITED WAY
REVIEWED FINANCIAL STATEMENTS
DECEMBER 31, 2023

**YUBA-SUTTER-COLUSA UNITED WAY
FINANCIAL STATEMENTS
DECEMBER 31, 2023**

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P.O. Box 160
Lincoln, CA 95648
Office (916) 434-1662
Fax (916) 434-1090

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, 2023, 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, flowing style.

Jensen Smith
Certified Public Accountants, Inc.
Lincoln, California
August 6, 2024

**YUBA-SUTTER-COLUSA UNITED WAY
STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2023**

ASSETS

Current Assets

Cash and Cash Equivalents	\$ 61,064
Pledges Receivable - Net of Allowance for Uncollectable Accounts of \$16,681	3,551
Prepaid Insurance	1,979
Total Current Assets	<u>66,594</u>

Fixed Assets - Equipment

Machinery and Equipment	15,392
Less Accumulated Depreciation	(15,136)
Financing Lease Assets - ROU	9,771
Less Accumulated Depreciation - Financing Lease	(6,840)
Total Fixed Assets	<u>3,187</u>

Other Assets

Deposits	1,500
Operating Lease Assets - ROU	8,907
Total Other Assets	<u>10,407</u>

TOTAL ASSETS

\$ 80,188

LIABILITIES & NET ASSETS

Current Liabilities

Accounts and Credit Cards Payable	\$ 3,579
Personnel Costs Payable	2,257
Accrued Vacations Payable	7,999
Current Portion of Financing Lease Liability - ROU	1,984
Current Portion of Operating Lease Liability - ROU	8,906
Current Portion of Long Term Debt	628
Total Current Liabilities	<u>25,353</u>

Noncurrent Liabilities

Financing Lease Liability - ROU	996
Operating Lease Liability - ROU	-
Small Business Loan - Economic Injury and Disaster Loan	23,514
Total Noncurrent Liabilities	<u>24,510</u>

TOTAL LIABILITIES

49,863

Net Assets

Without Donor Restrictions	26,774
With Donor Restrictions	3,551
Total Net Assets	<u>30,325</u>

TOTAL LIABILITIES AND NET ASSETS

\$ 80,188

See Independent Accountant's Review Report and Accompanying Notes.

YUBA-SUTTER-COLUSA UNITED WAY
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2023

	Without Donor Restrictions	With Donor Restrictions	Total
REVENUES, SUPPORT AND GAINS			
Campaign Pledges	\$ 103,435	\$ 3,551	\$ 106,986
In Kind Donation	57,500	-	57,500
Fundraising and Special Event Income	133,242	-	133,242
Emergency Food and Shelter Income	2,456	-	2,456
Administrative Fees	111	-	111
Interest and Other Income	31,494	-	31,494
Net Assets Released from Restrictions	3,235	(3,235)	-
TOTAL REVENUES, SUPPORT AND GAINS	331,473	316	331,789
EXPENSES			
Program Expenses			
Program and Allocation Payments	173,670	-	173,670
Support Services			
Campaign & Fundraising	109,405	-	109,405
Management and General	87,439	-	87,439
Total Support Services	196,844		196,844
TOTAL EXPENSES	370,514	-	370,514
Change in Net Assets	(39,041)	316	(38,725)
NET ASSETS AT December 31, 2022	65,815	3,235	69,050
NET ASSETS AT December 31, 2023	\$ 26,774	\$ 3,551	\$ 30,325

See Independent Accountant's Review Report and Accompanying Notes.

**YUBA-SUTTER-COLUSA UNITED WAY
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2023**

Expenses	Program Costs & Allocation Payments	Support Services		Total
		Fundraising & Campaign	Management & General	
Personnel Costs				
Salaries	\$ 51,000	\$ -	\$ 38,064	\$ 89,064
Payroll Taxes	3,932	-	3,168	7,100
Employee Benefits	1,086	-	-	1,086
Total Personnel Costs	56,018	-	41,232	97,250
Other Costs				
Bank Fees	3,211	-	1,071	4,282
Campaign Printing and Supplies	-	2,075	-	2,075
Depreciation	1,762	-	587	2,349
Dues, Subscriptions and Memberships	5,218	-	1,740	6,958
Fees to United Way Worldwide and Calif.	-	-	2,453	2,453
Fundraising	-	49,830	-	49,830
Grants and Program Costs	51,595	-	-	51,595
In Kind Expense	-	57,500	-	57,500
Insurance	4,344	-	1,448	5,792
Interest Expense	-	-	662	662
Member Agency Allocations	15,770	-	-	15,770
Miscellaneous	-	-	28,406	28,406
Non-member and Affiliate Disbursements	17,400	-	-	17,400
Office Supplies	1,913	-	637	2,550
Postage	583	-	194	777
Printing and Copier Lease	591	-	197	788
Professional Services	-	-	3,722	3,722
Rent	9,998	-	3,333	13,331
Small Equipment	571	-	191	762
Telephone	2,414	-	805	3,219
Travel and Meetings	715	-	238	953
Utilities	1,567	-	523	2,090
Total Other Costs	117,652	109,405	46,207	273,264
Total Expenses	\$ 173,670	\$ 109,405	\$ 87,439	\$ 370,514

See Independent Accountant's Review Report and Accompanying Notes.

**YUBA-SUTTER-COLUSA UNITED WAY
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2023**

Cash Flows from Operating Activities

Change in Net Assets	\$ (38,725)
Adjustments to reconcile change in net assets to cash flows from operating activities:	
Depreciation	2,349
(Increase) Decrease in Net Pledges Receivable	(1,316)
(Increase) Decrease in Net Other Receivables	9,768
(Increase) Decrease in Prepaid Insurance	-
Increase (Decrease) in Accounts & Credit Cards Payable	(4,257)
Increase (Decrease) in Personnel Costs Payable	(120)
Increase (Decrease) in Accrued Vacations Payable	(817)
Net Cash Used by Operating Activities	(33,118)

Cash Flows from Financing Activities

Net Payments on Financing Lease	(1,826)
Loan Principal Payments - EIDL	(618)
Net Cash Used by Financing Activities	(2,444)
Change in Cash and Cash Equivalents	(35,562)

Cash and Cash Equivalent

Beginning of Year	96,626
End of Year	<u><u>\$ 61,064</u></u>

EIDL - Economic Injury and Disaster Loan

Supplemental Information

Interest paid for the year ended December 31, 2023: \$662

Income taxes paid for the year ended December 31, 2023: \$0

See Independent Accountant's Review Report and Accompanying Notes.

**YUBA-SUTTER-COLUSA UNITED WAY
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023**

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, 2023.

Mission Statement

The Yuba-Sutter-Colusa United Way mission statement is: Strengthening our communities through effective partnerships.

Vision Statement

The Yuba-Sutter-Colusa United Way vision is : To be the leader in aligning community needs with resources and compassionate giving.

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, 2023

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 5.7% 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, 2023, 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, 2023. 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, 2023

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 and financing leases.

YUBA-SUTTER-COLUSA UNITED WAY
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

ROU assets represent the Organization’s right to use an underlying asset for the lease term and lease liabilities represent the Organization’s obligation to make lease payments arising from the lease. ROU assets and liabilities are recognized at commencement date based on the present value of lease payments over the lease term. Lease terms may include options to extend or terminate the lease when it is reasonably certain that the Organization will exercise that option. Lease expense for operating lease payments is recognized on a straight-line basis over the lease term.

The individual lease contracts do not provide information about the discount rate implicit in the lease. Therefore, The Organization has elected the option to use the risk-free rate determined using a period comparable to the lease terms as the discount rate for the lease. The risk-free rate is rounded up to the nearest percentage.

The Organization has one operating lease and one financing lease as described below in Note 7.

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, 2023 is summarized as follows:

	<u>2022</u>	<u>Additions</u>	<u>Disposals</u>	<u>2023</u>
Machinery and Equipment	\$ 15,392	\$ -	\$ -	\$ 15,392
Less Accumulated Depreciation	<u>(14,741)</u>	<u>(395)</u>	<u>-</u>	<u>(15,136)</u>
Total Net Fixed Assets	<u>\$ 651</u>	<u>\$ (395)</u>	<u>\$ -</u>	<u>\$ 256</u>

Total depreciation for fixed assets for the year ended December 31, 2023 was \$395.

NOTE 5 - PLEDGES AND GRANTS RECEIVABLE

At December 31, 2023, the Organization had total pledges receivable of \$20,232. The pledges receivable have been reduced by an allowance for uncollectable accounts of \$16,681 for a net pledges receivable of \$3,551.

YUBA-SUTTER-COLUSA UNITED WAY
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023

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, 2023, there were \$3,551 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 2023
<u>Operating Leases:</u>						
Office Bldg	10/1/2022	2 years	\$ 24,000	1.0%	\$20,699	\$ 8,906
<u>Financing Leases:</u>						
Copier	7/16/2020	5 years	\$ 10,067	1.0%	\$ 9,771	\$ 2,980

Operating Lease:

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. The lease was extended through September 2024 with a \$50 increase in the monthly rents. Rents are \$1,050 per month. The lease did not include a stated interest rate so the Organization used the risk-free rate determined using a period comparable to the lease term as the discount rate for the lease. There is only the one operating lease so the weighted average of the remaining lease term was 0.75 years and the weighted average discount rate for the operating lease was 1%.

Future estimated minimum lease payments and a reconciliation of the undiscounted cashflows under the operating lease liability for the next five years and thereafter are as follows:

<u>Year Ending</u>	<u>Totals</u>
12/31/2024	\$ 9,000
12/31/2025	--
Thereafter	--
Undiscounted cash flow	9,000
(Less) Imputed interest	(96)
Total present value	<u>\$ 8,906</u>
Short-term lease liability	\$ (8,906)
Long-term lease liability	<u>(--)</u>
	<u>\$ (8,906)</u>

YUBA-SUTTER-COLUSA UNITED WAY
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023

NOTE 7 – LEASES – Continued

Financing Lease:

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 include a stated interest rate so the Organization used the risk-free rate determined using a period comparable to the lease term as the discount rate for the lease. The lease is not renewable and the Organization will not acquire the copier at the end of the five-year term. The lease is considered a financing lease as the lease is for five years which is more than 75% of the economic life of the asset and the present value of the of the future lease payments is at or more than ninety percent (90%) of the fair value of the copier at the inception of the lease.

There is only the one financing lease so the weighted average of the remaining lease term was 1.5 years and the weighted average discount rate for the financing lease was 1%.

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

Year ending Dec. 31	Principal	Interest	Depreciation
2024	\$ 1,984	\$ 30	\$ 1,954
2025	996	11	977
Thereafter	--	--	--
Total	<u>\$ 2,980</u>	<u>\$ 41</u>	<u>\$ 2,931</u>

NOTE 9 – LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS

Total operating expenses for 2023 were \$370,514, of which \$87,439 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	\$ 64,615
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>(3,551)</u>
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 61,064</u>

YUBA-SUTTER-COLUSA UNITED WAY
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023

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, 2023 was \$24,142

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

2024	\$ 628
2025	\$ 645
2026	\$ 663
2027	\$ 682
2028	\$ 701
Thereafter	\$20,823

NOTE 10 – SUBSEQUENT EVENTS

Events subsequent to December 31, 2023 have been evaluated through August 6, 2024, the date at which the Organization's reviewed financial statements were available to be issued. No events requiring disclosure have occurred through this date.