United Way
Blackhawk Region

FINANCIAL STATEMENTS WITH
SUPPLEMENTARY INFORMATION

December 31, 2023 and 2022

C O N T E N T S

INDEPENDENT AUDITOR'S REPORT

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

Opinion

We have audited the financial statements of United Way Blackhawk Region, Inc., which comprise the statements of financial position as of December 31, 2023 and 2022, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of United Way Blackhawk Region, Inc. as of December 31, 2023 and 2022, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of United Way Blackhawk Region, Inc. and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about United Way Blackhawk Region, Inc.'s ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of United Way Blackhawk Region, Inc.'s internal control. Accordingly, no such opinion is expressed.

- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about United Way Blackhawk Region, Inc.'s ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Supplementary Information

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

Wegner CPAs LLP

Wegner CPAs, LLP
Madison, WI
August 12, 2024

UNITED WAY BLACKHAWK REGION, INC.
STATEMENTS OF FINANCIAL POSITION
December 31, 2023 and 2022

	2023	2022
ASSETS		
Cash	$ 791,152	$ 1,520,882
Certificates of deposit	1,228,402	665,426
Unconditional promises to give, net	754,931	790,009
Prepaid expenses	7,972	7,254
Investments	2,618,990	2,294,554
Beneficial interest in assets held by Community Foundation of Southern Wisconsin	137,382	121,531
Beneficial interest in perpetual trust	686,098	629,255
Property and equipment, net	310,488	346,538
Certificate of deposit, unemployment compensation benefits	5,200	5,200
Total assets	$ 6,540,615	$ 6,380,649
LIABILITIES		
Accounts payable	$ 5,103	$ 6,820
Accrued payroll and related liabilities	12,389	5,625
Due to designated agencies	73,002	201,276
Grants payable	-	15,580
Total liabilities	90,494	229,301
NET ASSETS		
Without donor restrictions	4,181,756	3,977,363
With donor restrictions	2,268,365	2,173,985
Total net assets	6,450,121	6,151,348
Total liabilities and net assets	$ 6,540,615	$ 6,380,649

See accompanying notes.

UNITED WAY BLACKHAWK REGION, INC.
STATEMENT OF ACTIVITIES
Year Ended December 31, 2023

	Without Donor Restrictions	With Donor Restrictions	Total
REVENUES			
Gross campaign results for the prior year	$ 967,337	$ -	$ 967,337
Less donor designations	(5,729)	-	(5,729)
Less provision for uncollectible promises	(51,784)	-	(51,784)
Net campaign revenue for the prior year	909,824	-	909,824
Gross campaign results for the current year	-	948,463	948,463
Less donor designations	-	(44,184)	(44,184)
Less provision for uncollectible promises	-	(47,496)	(47,496)
Net campaign revenue for the current year	-	856,783	856,783
Designations from other United Ways	97,244	-	97,244
Gifts in-kind	26,362	23,370	49,732
Grants, contracts and other contributions	72,937	-	72,937
Investment return, net	334,386	144,441	478,827
Rental income	6,555	-	6,555
Miscellaneous income	9,954	-	9,954
Total revenues	1,457,262	1,024,594	2,481,856
PROGRAM ALLOCATIONS AND EXPENSES			
Grants and allocations	1,519,268	-	1,519,268
Less donor designations	(63,089)	-	(63,089)
Net community impact funds awarded/distributed	1,456,179	-	1,456,179
Other community impact expenses	209,654	-	209,654
Supporting activities			
Management and general	210,638	-	210,638
Fundraising	306,612	-	306,612
Total supporting activities	517,250	-	517,250
Total program allocations and expenses	2,183,083	-	2,183,083
NET ASSETS RELEASED FROM RESTRICTIONS	930,214	(930,214)	-
Change in net assets	204,393	94,380	298,773
Net assets at beginning of year	3,977,363	2,173,985	6,151,348
Net assets at end of year	$ 4,181,756	$ 2,268,365	$ 6,450,121

See accompanying notes.

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

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

See accompanying notes.

UNITED WAY BLACKHAWK REGION, INC.
STATEMENT OF FUNCTIONAL EXPENSES
Year Ended December 31, 2023

	Community Impact	Supporting Activities: Management and General	Supporting Activities: Fundraising	Total Expenses
Salaries	$ 118,740	$ 116,164	$ 104,063	$ 338,967
Benefits	24,397	23,868	21,382	69,647
Payroll taxes	8,756	8,566	7,674	24,996
Professional fees	898	17,711	12,318	30,927
Computer software support	9,262	7,798	6,073	23,133
Office supplies	461	441	522	1,424
Telephone	2,342	2,291	2,052	6,685
Postage	831	813	728	2,372
Occupancy	10,046	9,828	8,892	28,766
Office equipment	1,074	1,050	6,896	9,020
Marketing	384	8	86,755	87,146
Subscriptions	-	707	-	707
Travel	408	179	1,388	1,975
Conferences/Meetings/Events	11,125	805	28,831	40,761
Membership dues	7,743	7,615	6,837	22,196
Insurance	2,071	2,026	2,468	6,565
Miscellaneous	110	-	87	197
Expenses before depreciation	198,648	199,870	296,966	695,484
Depreciation	11,006	10,768	9,646	31,420
Total expenses before grants and allocations	209,654	210,638	306,612	726,904
Grants and allocations	1,519,268	-	-	1,519,268
Less donor designations	(63,089)	-	-	(63,089)
Total program allocations and expenses	$ 1,665,833	$ 210,638	$ 306,612	$ 2,183,083

See accompanying notes.

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

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

See accompanying notes.

UNITED WAY BLACKHAWK REGION, INC.
STATEMENTS OF CASH FLOWS
Years Ended December 31, 2023 and 2022

	2023	2022
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	$ 298,773	$ (947,380)
Adjustments to reconcile change in net assets to net cash flows from operating activities		
Allowance for uncollectible promises to give	(31,267)	(15,309)
Net realized and unrealized (gains) losses on investments	(334,190)	438,057
Change in value of beneficial interest in assets held by Community Foundation of Southern Wisconsin	(15,851)	21,416
Change in value of beneficial interest in perpetual trust	(56,843)	149,921
Donated stock	-	(2,437)
Depreciation	31,420	31,409
(Increase) decrease in assets		
Unconditional promises to give, net	66,345	169,903
Prepaid expenses	(718)	(1,258)
Increase (decrease) in liabilities		
Accounts payable	(1,717)	(6,595)
Accrued payroll and related liabilities	6,764	(32)
Due to designated agencies	(128,274)	80,430
Grants payable	(15,580)	15,580
Net cash flows from operating activities	(181,138)	(66,295)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of property and equipment	(23,370)	(33,436)
Proceeds from sale of asset held for sale	28,000	-
Purchases of investments	-	(44,609)
Proceeds from sales of investments	9,754	2,437
Purchases of and interest retained in certificates of deposit	(1,802,576)	(926,466)
Redemptions of certificates of deposit	1,239,600	928,161
Net cash flows from investing activities	(548,592)	(73,913)
Net change in cash	(729,730)	(140,208)
Cash at beginning of year	1,520,882	1,661,090
Cash at end of year	$ 791,152	$ 1,520,882
SUPPLEMENTAL DISCLOSURES		
Noncash investing activities		
Donated stock	$ -	$ 2,437

See accompanying notes.

NOTE 1—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Activities

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

Community Impact Strategies

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

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

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

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

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

Promises to Give

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

Investments

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

NOTE 1—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Beneficial Interest in Assets Held by Community Foundation of Southern Wisconsin

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

Beneficial Interest in Perpetual Trust

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

Property and Equipment

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

Expense Allocation

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

NOTE 1—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Management overhead percentage is computed based on management and general and fundraising expenses divided by total revenue on the IRS Form 990, which does not include gifts in kind or unrealized gains/losses. For the years ended December 31, 2023 and 2022, the management overhead percentage of revenue is computed to be 30% and 27%, respectively.

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

Community Impact—

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

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

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

Donated Services

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

Contributions

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

NOTE 1—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Estimates

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

Income Tax Status

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

Date of Management's Review

Management has evaluated subsequent events through August 12, 2024, the date which the financial statements were available to be issued.

NOTE 2—CERTIFICATE OF DEPOSIT, UNEMPLOYMENT COMPENSATION BENEFITS

United Way Blackhawk Region has elected the reimbursement (self-insured) method to finance the cost of unemployment compensation benefits. Accordingly, United Way Blackhawk Region has placed in the custody of the Treasurer, Wisconsin Unemployment Compensation Division, one certificate of deposit in the amount of $5,200 at December 31, 2023 and 2022.

NOTE 3—CONCENTRATIONS OF CREDIT RISK

United Way Blackhawk Region maintains cash balances at several financial institutions. Accounts are insured by the Federal Deposit Insurance Corporations (FDIC) and the National Credit Union Administration (NCUA) up to $250,000. Both are fully backed by the faith and credit of the US Government. At December 31, 2023 and 2022, United Way Blackhawk Region's uninsured cash balances total approximately $1,176,000 and $1,347,000, respectively. United Way Blackhawk Region maintains its cash balances with high credit quality financial institutions. United Way Blackhawk Region believes its credit policies do not result in significant adverse risk and historically has not experienced significant credit-related losses.

NOTE 4—UNCONDITIONAL PROMISES TO GIVE

Unconditional promises to give are as follows:

	2023	2022
Fall 2023 Campaign	$ 563,355	$ -
Fall 2022 Campaign	341,247	651,609
Fall 2021 Campaign	2,420	285,070
Fall 2020 Campaign	-	30,738
Other	750	6,700
Unconditional promises to give	907,772	974,117
Less allowance for uncollectible promises to give	(152,841)	(184,108)
Unconditional promises to give, net	$ 754,931	$ 790,009

All unconditional promises to give at December 31, 2023 and 2022 are due within one year.

NOTE 5—PROPERTY AND EQUIPMENT

Property and equipment consist of the following:

	2023	2022
Land	$ 71,700	$ 71,700
Building	829,398	829,398
Computer equipment	46,345	46,345
Furniture, fixtures and other equipment	11,248	11,248
Property and equipment	958,691	958,691
Less accumulated depreciation	(671,573)	(640,153)
Asset held for sale	23,370	28,000
Property and equipment, net	$ 310,488	$ 346,538

The asset held for sale is a vehicle that will be used for 2024 sweepstakes. The asset held for sale at December 31, 2022 was used in the 2023 sweepstakes.

NOTE 6—RETIREMENT PLAN

United Way Blackhawk Region sponsors a tax-sheltered annuity plan qualified under Section 403(b) of the Internal Revenue Code. The plan covers all employees of United Way Blackhawk Region. United Way Blackhawk Region matches participant’s contributions to the plan up to 6% of the individual participant’s compensation. Plan expenses were $15,753 and $16,877 for the years ended December 31, 2023 and 2022, respectively.

NOTE 7—DESCRIPTION OF LEASING ARRANGEMENTS

In September 1989, the United Way Blackhawk Region began leasing office space in its building on a month-to-month basis to various nonprofit organizations. As of December 31, 2023, United Way Blackhawk Region held lease agreements with one other nonprofit organization and one for-profit organization. Each agreement requires monthly payments.

Rental income for the United Way Blackhawk Region was $6,555 and $16,288 for the years ended December 31, 2023 and 2022, respectively.

NOTE 8—NET ASSETS

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

	2023	2022
Designated for endowment	$ 1,916,512	$ 1,679,673
Designated for unemployment compensation benefits	5,200	5,200
Designated for roof repair	135,000	120,000
Undesignated	2,125,044	2,172,490
Net assets without donor restrictions	$ 4,181,756	$ 3,977,363

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

	2023	2022
Subject to expenditure for time and purpose:		
Campaign	$ 873,670	$ 923,300
Born Learning Trails	6,119	6,550
Subject to the organization's spending policy and appropriation:		
Investment in perpetuity (including amounts above original gift amount of $413,991 and $326,393 for 2023 and 2022) which, once appropriated, is expendable to support:		
General operations	702,478	614,880
Not subject to appropriation or expenditure:		
Beneficial interest in perpetual trust	686,098	629,255
Net assets with donor restrictions	$ 2,268,365	$ 2,173,985

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

NOTE 9—ENDOWMENT

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

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

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

The rate of return earned by the portfolio's asset classes are targeted to be at or above weighted, commonly accepted performance benchmarks. To satisfy its long-term rate-of-return objectives, United Way Blackhawk Region relies on a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends). United Way Blackhawk Region targets investments to achieve its long-term return objectives within prudent risk constraints.

NOTE 9—ENDOWMENT (continued)

The spending policy provides for United Way Blackhawk Region the ability to withdraw funds from the principal of the board designated endowment with a super majority vote of ⅔ of the board of directors. To date, all earnings of the endowment have been reinvested and no distributions have been made from the endowment.

Endowment net asset composition by type of fund as of December 31, 2023 and 2022, is as follows:

	2023		
	Without Donor Restrictions	With Donor Restrictions	Total
Board-designated endowment funds	$ 1,916,512	$ -	$ 1,916,512
Donor-restricted endowment funds:			
Original donor-restricted gift amount	-	288,487	288,487
Accumulated investment gains	-	413,991	413,991
Total funds	$ 1,916,512	$ 702,478	$ 2,618,990

	2022		
	Without Donor Restrictions	With Donor Restrictions	Total
Board-designated endowment funds	$ 1,679,673	$ -	$ 1,679,673
Donor-restricted endowment funds:			
Original donor-restricted gift amount	-	288,487	288,487
Accumulated investment gains	-	326,393	326,393
Total funds	$ 1,679,673	$ 614,880	$ 2,294,553

Changes in endowment net assets for the year ended December 31, 2023, are as follows:

	2023		
	Without Donor Restrictions	With Donor Restrictions	Total
Endowment net assets at beginning of year	$ 1,679,673	$ 614,880	$ 2,294,553
Investment return, net	236,839	87,598	324,437
Endowment net assets at end of year	$ 1,916,512	$ 702,478	$ 2,618,990

NOTE 9—ENDOWMENT (continued)

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

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

NOTE 10—LIQUIDITY AND AVAILABILITY

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

	2023	2022
Cash	$ 791,152	$ 1,520,882
Certificates of deposit	1,228,402	665,426
Unconditional promises to give, net	754,931	790,009
Investments	2,618,990	2,294,554
Certificate of deposit, unemployment compensation benefits	5,200	5,200
Financial assets at end of year	5,398,675	5,276,071
Less those unavailable for general expenditures within one year:		
Board designations	(140,200)	(125,200)
Restricted by donors with time or purpose restrictions	(73,673)	(131,637)
Board-designated endowment funds	(1,916,512)	(1,679,673)
Donor-restricted endowment funds including spendable portion	(702,478)	(614,880)
Financial assets available to meet cash needs for general expenditures within one year	$ 2,565,812	$ 2,724,681

Financial assets not available for general expenditures include $2,618,990 and $2,294,553 set aside for endowment purposes and long-term investing at December 31, 2023 and 2022. However, board-designated endowment funds and the spendable portion of donor-restricted endowment funds totaling $2,330,503 and $2,006,066 at December 31, 2023 and 2022 could be made available if necessary. As part of United Way Blackhawk Region's liquidity management, it has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due.

NOTE 11—PAYMENTS TO AFFILIATED ORGANIZATIONS

United Way Blackhawk Region serves the citizens of Rock County, Wisconsin, and northern Winnebago County, Illinois, and is independently governed by a local board of directors comprised of community leaders and volunteers. United Way Blackhawk Region is dedicated to creating positive change and is a member organization of United Way Worldwide and United Way Wisconsin. United Way Blackhawk Region paid annual membership fees to United Way Worldwide of $17,996 and $26,581 for the years ended December 31, 2023 and 2022, respectively. United Way Blackhawk Region paid annual membership fees to United Way Wisconsin of $3,333 and $3,400 for the years ended December 31, 2023 and 2022, respectively.

NOTE 12—PAYCHECK PROTECTION PROGRAM LOANS

On April 15, 2020 and March 12, 2021, United Way Blackhawk Region, Inc. received loans in the amount of $86,500 and $82,500, respectively, under the Paycheck Protection Program (PPP) established by the Coronavirus Aid, Relief, and Economic Security (CARES) Act and administered by the U.S. Small Business Administration (SBA). In 2021, forgiveness was granted for 100% of the $86,500 and $82,500 loans.

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

UNITED WAY BLACKHAWK REGION, INC.
SCHEDULE OF ALLOCATIONS
Year Ended December 31, 2023

2023 Investment in Education total: $549,994

Boys & Girls Club of Janesville	Youth Development and Guidance Program
CASA of Rock County	CASA of Rock County
Community Action, Inc.	Community Kids Program
	Merrill Community Center Youth Program
Stateline Boys & Girls Club	Youth Development and Guidance
Stateline Family YMCA	Beloit Childcare, After School Care and Day
Dolly Parton Imagination Library	Janesville, Beloit, Edgerton Communities
Scholastic Book Fair	South Beloit-School District
Born Learning Trails	Janesville and Beloit Communities

2023 Investment in Financial Stability total: $761,898

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

UNITED WAY BLACKHAWK REGION, INC.
SCHEDULE OF ALLOCATIONS
Year Ended December 31, 2023

2023 Investment in Health total: $181,731

AIDS Network	Case Management
Family Services of S.W.A.N.I.	Individual and Family Counseling
Health Net	Behavioral Health Clinic
	Dental Care
	Primary Medical Care
	Vision Care
	Emergency Funding
Lutheran Social Services	Counseling Programs for Beloit & Janesville Clinics

United Way Dane County 2-1-1	$	25,000
ALICE		475
Scholarships		170
Total allocations		1,519,268
Less donor designations		(63,089)
Net community impact funds awarded/distributed	$	1,456,179