

COOKE COUNTY UNITED WAY, INC.
AUDITED FINANCIAL STATEMENTS
For the Year Ended December 31, 2021

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FOR THE YEAR ENDED DECEMBER 31, 2021

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INDEPENDENT AUDITOR'S REPORT

Board of Directors
Cooke County United Way, Inc.
Gainesville, Texas

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of Cooke County United Way, Inc. (a nonprofit organization), 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 year then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Cooke County United Way, 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 audit in accordance with auditing standards generally accepted in the United States of America. 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 Cooke County United Way, Inc. and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. 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 these 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 Cooke County United Way, 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 generally accepted auditing standards 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 generally accepted auditing standards, 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 Cooke County United Way, 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 Cooke County United Way, 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 Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The Comparative Schedule of Cash Receipts and Disbursements on page 15 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.

Report on Summarized Comparative Information

We have previously audited Cooke County United Way, Inc.'s 2020 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated July 26, 2022. 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.



Schalk & Smith P.C.
Gainesville, Texas
May 18, 2023

COOKE COUNTY UNITED WAY, INC.
STATEMENT OF FINANCIAL POSITION
December 31, 2021
With Comparative Totals for December 31, 2020

ASSETS	2021	2020
Current Assets		
Cash and cash equivalents	\$ 586,165	\$ 549,166
Investments	789,471	655,038
Pledges receivable, net of allowance for uncollectible pledges	234,712	177,378
Prepaid expenses	4,113	3,724
Property, plant and equipment, net of accumulated depreciation	97,102	101,581
TOTAL ASSETS	\$ 1,711,563	\$ 1,486,887
 LIABILITIES AND NET ASSETS		
Current Liabilities		
Accounts payable	\$ 1,381	\$ 2,164
Payroll taxes payable	1,358	1,466
Total Current Liabilities	2,739	3,630
Net Assets		
Without Donor Restrictions	1,347,825	1,149,325
With Donor Restrictions	360,999	333,932
Total Net Assets	1,708,824	1,483,257
TOTAL LIABILITIES AND NET ASSETS	\$ 1,711,563	\$ 1,486,887

See accompanying notes and independent auditors' report

COOKE COUNTY UNITED WAY, INC.
STATEMENT OF ACTIVITIES
Year Ended December 31, 2021
With Comparative Totals for Year Ended December 31, 2020

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>
PUBLIC SUPPORT AND REVENUE		
Campaign Results:		
Contributions Recognized	\$ 57,600	\$ 360,612
Less Uncollectible Pledges	-	(12,117)
Net Campaign Revenue	<u>57,600</u>	<u>348,495</u>
Designations from Other United Ways	-	7,707
Contributions Outside the Campaign Area	-	4,694
Investment Income (net of direct costs of \$5,479)	104,158	103
Special Events (net of direct costs of \$11,472)	37,431	-
Gain (Loss) on Disposal of Assets	-	-
In-Kind Income	268	-
Miscellaneous Income	12,000	-
Other Contributions	105,000	-
Net Assets Released from Restrictions	<u>333,932</u>	<u>(333,932)</u>
TOTAL PUBLIC SUPPORT AND REVENUE	<u>650,389</u>	<u>27,067</u>
EXPENSES		
Allocations and Distributions:		
Agency Payments	250,000	-
Distributions from Community Impact Funds	<u>91,000</u>	<u>-</u>
Total Allocations and Distributions	341,000	-
United Way of America Dues	3,788	-
Functional Expenses:		
Program Services	40,942	-
Management and General	18,145	-
Fundraising	<u>48,014</u>	<u>-</u>
TOTAL EXPENSES	<u>451,889</u>	<u>-</u>
INCREASE/(DECREASE) IN NET ASSETS	198,500	27,067
NET ASSETS BEGINNING OF YEAR	<u>1,149,325</u>	<u>333,932</u>
NET ASSETS END OF YEAR	<u><u>\$ 1,347,825</u></u>	<u><u>\$ 360,999</u></u>

See accompanying notes and independent auditors' report

TOTALS	TOTALS
2021	2020
\$ 418,212	\$ 351,167
(12,117)	(3,447)
406,095	347,720
7,707	10,554
4,694	3,664
104,261	46,057
37,431	14,486
-	-
268	-
12,000	17,900
105,000	102,651
-	-
677,456	543,032
250,000	300,500
91,000	2,600
341,000	303,100
3,788	6,270
40,942	51,067
18,145	24,687
48,014	65,667
451,889	450,791
225,567	92,241
1,483,257	1,391,016
\$ 1,708,824	\$ 1,483,257

See accompanying notes and independent auditors' report

COOKE COUNTY UNITED WAY, INC.
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED DECEMBER 31, 2021
With Comparative Totals for Year Ended December 31, 2020

		Support Services			
	Program Services	Management and General	Fund- Raising	TOTALS 2021	TOTALS 2020
EXPENSES:					
Personnel Costs					
Salaries	\$ 30,819	\$ 10,273	\$ 27,395	\$ 68,487	\$ 92,108
Payroll Taxes	2,357	786	2,096	5,239	7,046
Retirement	-	-	-	-	-
Total Personnel Costs	<u>33,176</u>	<u>11,059</u>	<u>29,491</u>	<u>73,726</u>	<u>99,154</u>
Other Expenses					
Professional Fees	-	60	-	60	4,042
Contract Services	-	-	-	-	2,063
Supplies	-	332	15,267	15,599	17,166
Insurance	-	4,212	-	4,212	4,136
Telephone	339	52	130	521	235
Postage and Shipping	-	55	-	55	50
Occupancy	2,546	392	979	3,917	4,158
Equipment Maintenance	1,028	158	396	1,582	2,037
Printing and Publications	569	87	219	875	993
Travel and Transportation	-	-	-	-	-
Training and Education	-	81	-	81	432
United Way of Texas Dues	373	57	144	574	805
In-Kind Expense	-	-	268	268	-
Other Expenses	-	1,152	-	1,152	774
Sub-Total	<u>4,855</u>	<u>6,638</u>	<u>17,403</u>	<u>28,896</u>	<u>36,891</u>
Depreciation	<u>2,911</u>	<u>448</u>	<u>1,120</u>	<u>4,479</u>	<u>5,376</u>
Total Functional Expenses	<u>\$ 40,942</u>	<u>\$ 18,145</u>	<u>\$ 48,014</u>	<u>\$ 107,101</u>	<u>\$ 141,421</u>

See accompanying notes and independent auditors' report

COOKE COUNTY UNITED WAY, INC.
STATEMENT OF CASH FLOWS
Year Ended December 31, 2021
With Comparative Totals for Year Ended December 31, 2020

	<u>2021</u>	<u>2020</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ 225,567	\$ 92,241
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation expense	4,479	5,376
(Gain)/loss on disposal of fixed assets	-	-
Donated property and equipment included in support	-	-
Donated investments included in support	-	-
(Gain)/loss on redemption of investments	(858)	382
Unrealized (gain)/loss on investments	(82,526)	(25,835)
(Increase)/decrease in operating assets		
Pledges receivable	(57,334)	(5,415)
Prepaid expenses	(389)	69
Increase/(decrease) in operating liabilities		
Accounts payable	(783)	492
Payroll taxes payable	(108)	(1,351)
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	<u>88,048</u>	<u>65,959</u>
CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of fixed assets	-	-
Purchase of long-term investments	(162,254)	(106,661)
Proceeds from sale of long-term investments	111,205	59,173
NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES	<u>(51,049)</u>	<u>(47,488)</u>
CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from debt	-	-
NET CASH PROVIDED/(USED) BY FINANCING ACTIVITIES	<u>-</u>	<u>-</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	36,999	18,471
BEGINNING CASH AND CASH EQUIVALENTS	<u>549,166</u>	<u>530,695</u>
ENDING CASH AND CASH EQUIVALENTS	<u><u>\$ 586,165</u></u>	<u><u>\$ 549,166</u></u>

See accompanying notes and independent auditors' report

COOKE COUNTY UNITED WAY, INC.
Notes to Financial Statements
December 31, 2021

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Activities

Cooke County United Way, Inc. (the Organization) was created as a non-profit corporation in March 1995, organized and existing under the laws of the State of Texas. The Organization's purpose is to conduct annual fund-raising campaigns to solicit contributions for distribution to United Way agencies within Cooke County, Texas. The Organization's primary source of revenues is contributions from the general public. Payments are made to the participating agencies during the subsequent year according to allocations approved by the Board of Directors of the Organization.

Basis of Accounting

The financial statements of the Organization are reported on the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recognized when the obligation is incurred.

Campaign contributions are recognized as revenues in the period in which the unconditional pledge is made. Allocations to member agencies are recognized as expenses in the period such allocations are actually paid out.

Financial Statement Presentation

The Organization is required to report information regarding its financial position and activities according to two classes of net assets: net assets without donor restrictions and net assets with donor restrictions.

Measure of Operations

The Organization includes in its measure of operations all revenues and expenses that are an integral part of its programs and supporting activities, and excludes investment income and contributions to net assets without donor restrictions and net assets with donor restrictions.

Cash and Cash Equivalents

For purpose of the statement of cash flows, the Organization considers all highly liquid investments with original maturities of three months or less to be cash equivalents.

Investments

Investments are carried at fair value, which is determined based on quoted market prices. Realized and unrealized gains and losses are reflected in the statements of activities. Gains and losses on sales transactions are recorded when realized based on the original cost of the investments sold based on the specific identification method. Investment income is composed of realized and unrealized gains and losses and earnings from investments recorded as interest and dividends, net of direct investment costs, and are reflected in the statements of activities.

Pledges Receivable

Pledges receivable in the accompanying statement of financial position consist of unconditional promises to give, which are recorded at their net realizable value at the time the promises are received. These promises to give are reflected as current receivables on the statement of financial position as all pledges receivable are due within one year.

Property and Equipment

Land, building and equipment are stated at cost if purchased and at fair value at the date of donation if donated. Depreciation is calculated using the straight-line method over the estimated useful lives of the assets (5 to 40 years for building and improvements and 5 to 10 years for furniture and equipment). The Organization generally capitalizes all expenditures for land, buildings and equipment in excess of \$200.

COOKE COUNTY UNITED WAY, INC.
Notes to Financial Statements
December 31, 2021

Compensated Absences

Compensated absences for sick pay and personal time have not been accrued since they cannot be reasonably estimated. The Organization's policy is to recognize these costs when actually paid.

Contributed Services and Non-Cash Gifts

The Organization recognizes contributions in accordance with SFAS No. 116, "Accounting for Contributions Received and Contributions Made." This pronouncement requires recognition of professional services received if those services (a) create or enhance long-lived assets or (b) require specialized skills and are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation. Contributions of tangible assets are recognized at fair value when received. The amounts reflected in the accompanying financial statements as in-kind contributions are offset by like amounts included in expenses or additions to property and equipment. During the year ended December 31, 2021, there were no contributed services that met the requirements for recognition in the financial statements. However, a significant number of volunteers have made substantial contributions of their time to the Organization during the fiscal year.

The amounts shown on the statements of activities as in-kind contributions represent campaign advertising and maintenance expenses.

Contributions

Contributions received are recorded as support without donor restrictions or with donor restrictions depending on the existence or nature of any donor restrictions.

Contributions are recognized when the donor makes a promise to give to the Organization that is, in substance, unconditional. Contributions that are restricted by the donor are reported as increase in net assets with donor restrictions depending on the nature of the restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions.

Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Exemption from Income Taxes

The Organization is a Texas not-for-profit corporation that is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code and classified by the Internal Revenue Service as other than a "private foundation" within the meaning of Section 509(a) of the Internal Revenue Code.

Functional Allocation of Expenses

The costs of providing various fund-raising activities, various programs and supporting services have been allocated to functions based on percentages determined by management and/or actual expenses incurred in the statement of functional expenses. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

Advertising

The Organization expenses advertising costs as incurred. Advertising costs were approximately \$875 for the year ended December 31, 2021. Advertising expense was allocated in the printing line of the statement of functional expenses.

COOKE COUNTY UNITED WAY, INC.
Notes to Financial Statements
December 31, 2021

Comparative Data

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 generally accepted accounting principles. 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 B – CASH AND CASH EQUIVALENTS

Cash and cash equivalents include cash on hand, demand deposit accounts, and certificates of deposit at local financial institutions. At December 31, 2021, the carrying balances of cash and cash equivalents held in commercial banks was \$586,165. The bank balances of these accounts were \$584,400. Any differences in carrying balances and bank balances represent outstanding transactions that cleared subsequent to year-end.

During the audit period, the Organization has concentrated its credit risk for cash by maintaining deposits in banks located within the local geographic region. The Federal Deposit Insurance Corporation (FDIC) insures the balances at each financial institution up to \$250,000. At various times during the audit period, there were balances in the banks that were over the FDIC limit. The Organization believes the financial institutions to be high quality, which limits the risk of loss of uninsured balances.

NOTE C – LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS

The following reflects the Organization's financial assets as of the balance sheet date, reduced by amount not available for general use because of contractual or donor-imposed restrictions within one year of the balance sheet date.

Financial assets:	
Cash and cash equivalents	\$ 586,165
Investments	789,471
Accounts receivable (net of allowance)	<u>234,712</u>
Total financial assets	<u><u>\$ 1,610,348</u></u>
Less assets unavailable for general expenditures within one year, due to:	
Contractual or donor-imposed restrictions:	
Restricted by donor with time or purpose restrictions	<u>(360,999)</u>
Financial assets available to meet cash needs for general expenditures within one year	<u><u>\$ 1,249,349</u></u>

As part of the Organization's liquidity management, it invests cash in excess of daily requirements in short-term investments, typically mutual funds.

NOTE D – INVESTMENTS

The Organization's short-term investments consist of amounts held as money funds with an investment agency. All investments are stated at fair value at year-end. Market risk could occur and is dependent on the future changes in market prices of the various investments held. Investment values and cumulative unrealized gain or (loss) at December 31, 2021, are summarized as follows:

COOKE COUNTY UNITED WAY, INC.
Notes to Financial Statements
December 31, 2021

	Cost	Fair Value	Unrealized Gain/(Loss)
Money Funds	\$ 86,856	\$ 86,856	\$ -
Equities	12,910	21,101	8,191
Mutual Funds	523,770	681,514	157,744
Other	-	-	-
	<u>536,680</u>	<u>702,615</u>	<u>165,935</u>
Totals	\$ 623,536	\$ 789,471	\$ 165,935

The following schedule summarizes the investment return and its classification in the statements of activities for the years ended:

Interest and dividend income	\$ 26,356
Net realized gains/(losses)	858
Net unrealized gains/(losses)	82,526
External and direct internal expenses	<u>(5,479)</u>
Total investment returns	<u>\$ 104,261</u>

Investment Philosophy

Investments will be made that will first, preserve capital and second, provide a return that can be expected to maintain or increase purchasing power over time. Members of the Executive Committee and the Board will not be held personally liable for the performance of investments made following reasonable and prudent guidelines when performance does not meet expectations.

The return objective for the Endowment is an average annual total real return (adjusted for inflation and fees) rate of 4% to 6%, as measured over a three to five year market period. The asset allocation, consistent with these expectations, shall be within the following ranges: Equity 50-75%, Fixed Income 15-40%, and Cash 0-10%.

It is the responsibility of the Executive Committee, working in conjunction with the Investment Advisor, to monitor asset allocation and to make adjustments as necessary, to ensure an ongoing asset allocation consistent with the guidelines above. It is also understood the Executive Committee will review the portfolio's asset allocation ranges and targets no less than twice annually.

It is understood that short term deviations from the asset allocations required herein may need to be made based on market conditions and the judgment of the advisor and shall be allowed with the approval of the Executive Committee.

As a permanent fund, the investment objectives for the fund require disciplined and consistent management that accommodates all events that are relevant, reasonable, and probable. Extreme positions or frequent variations in management style, or frequent trading, are not consistent with these objectives.

Unless otherwise indicated the Investment Manager shall have complete investment discretion based on the expectation that the assets of the fund will be invested with care, skill, prudence and diligence.

All holdings in the fund must be publicly traded on a United States market exchange, with liquidity equal to standards normally associated with public entities. No short selling, margin purchases,

COOKE COUNTY UNITED WAY, INC.
Notes to Financial Statements
December 31, 2021

lending of securities, commodities trades, use of leverage, options, futures, warrants, or derivative transactions shall be allowed.

Spending Policy

The disbursement rate is 2% to 5% of the fund; the amount to be spent in each coming year is calculated each December 31st by multiplying the spending rate (0 to 5%) by the lesser of: 1) rolling a 24-month average of the asset value, or 2) the total asset value as of December 31. Any dividend and interest income that exceeds the disbursement rate may also be distributed at the discretion of the Executive Committee. The Executive Committee will review the spending rate annually. Though changes to the spending rate are expected to be infrequent, the Executive Committee may recommend changes in the spending rate to the Board when it is deemed appropriate to do so.

Any period in which the fund does not increase in value the distribution shall be limited to the amount of income to the fund from interest and dividends.

Investment asset composition by type of fund as of December 31, 2021 is as follows:

	Without Donor Restrictions	With Donor Restrictions	Investment Assets
Donor-restricted endowment funds	\$ -	\$ -	\$ -
Unrestricted donor-advised funds	<u>789,471</u>	<u>-</u>	<u>789,471</u>
Total funds	<u><u>\$ 789,471</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 789,471</u></u>

Changes in investment assets as of December 31, 2021 are as follows:

	Without Donor Restrictions	With Donor Restrictions	Investment Assets
Investments, beginning of year	\$ 655,038	\$ -	\$ 655,038
Transfers in	31,500	-	31,500
Investment income	25,886	-	25,886
Net appreciation	82,526	-	82,526
Amounts appropriated for expenditure	<u>(5,479)</u>	<u>-</u>	<u>(5,479)</u>
Investments, end of year	<u><u>\$ 789,471</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 789,471</u></u>

NOTE E – FAIR VALUE MEASUREMENTS

Fair value is defined as 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 in the principal or most advantageous market. All assets subject to fair value measurement have been valued using a market approach, except for Level 3 assets which are valued using the income approach.

Fair values for assets in Level 1 are calculated using quoted market prices in an active market or the price of an identical asset or liability. Fair values for assets in Level 2 are calculated using quoted market prices for similar assets in markets that are not active. Fair values for assets in Level 3 are

COOKE COUNTY UNITED WAY, INC.
Notes to Financial Statements
December 31, 2021

calculated using assumptions about discounted cash flow and other present value techniques. There were no changes in the valuations techniques during the current year.

Fair value of assets measured on a recurring basis at December 31, 2021 is as follows:

	Fair Value	Fair Value Measurements at Reporting Date Using		
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Investments:				
Money Funds	\$ 86,856	\$ -	\$ 86,856	\$ -
Equities	21,101	21,101	-	-
Mutual Funds	681,514	681,514	-	-
Other	-	-	-	-
Totals - December 31, 2021	<u>\$ 789,471</u>	<u>\$ 702,615</u>	<u>\$ 86,856</u>	<u>\$ -</u>

NOTE F – PLEDGES RECEIVABLE

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

Pledges Receivable:	
2022 Campaign	\$ 243,565
2021 Campaign	<u>21,387</u>
Total Pledges Receivable	<u>264,952</u>
Less Allowance for Uncollectible Pledges	<u>(30,240)</u>
Pledges Receivable Net of Allowance	<u>\$ 234,712</u>

The Organization uses the allowance method to determine unconditional pledges receivable. The allowance is based on prior years' experience and management's analysis of specific pledges made. All pledges receivable are due within one year.

Credit risk for accounts receivable is concentrated as well because substantially all of the balances are receivable from individuals and businesses located within the same geographic region. Thus changes in the economy of the Cooke County area possibly could impact the amounts actually received.

NOTE G – PROPERTY AND EQUIPMENT

A summary of changes in fixed assets for 2021 is as follows:

COOKE COUNTY UNITED WAY, INC.
Notes to Financial Statements
December 31, 2021

	Balance 12/31/2020	Current Year		Balance 12/31/2021
		Additions	Disposals	
Building and improvements	\$ 120,331	\$ -	\$ -	\$ 120,331
Office equipment and furniture	25,642	-	-	25,642
Accumulated depreciation	(44,392)	(4,479)	-	(48,871)
	<u>\$ 101,581</u>	<u>\$ (4,479)</u>	<u>\$ -</u>	<u>\$ 97,102</u>

Depreciation expense for the year ended December 31, 2021 totaled \$4,479. The net fixed asset balance has been recorded as a separate component of unrestricted net assets.

NOTE H – GIFTS IN-KIND

The Organization records various types of in-kind contributions. Contributed services are recognized at fair market value if the services received (a) create or enhance long-lived assets or (b) require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation. Contributions of tangible assets are recognized at fair market value when received. The amounts shown on the statements of activities as in-kind contributions represent fair market values of donated advertising.

In addition, a substantial number of volunteers have donated significant amounts of their time to the Organization; however, no amounts have been recognized in the accompanying statement of activities and changes in net assets because the criteria for recognition of such efforts have not been satisfied.

NOTE I – RESTRICTIONS ON NET ASSETS

Net assets are classified into two categories: net assets without donor restrictions and net assets with donor restrictions. The classifications are dependent upon the existence and/or nature of any donor restrictions placed upon net assets.

Without Donor Restrictions

Net assets without donor restrictions are available for current operating expenses or for designation by the Board of Directors for a specific purpose.

With Donor Restrictions

Net assets with donor restrictions are assets that have been restricted by donors until the occurrence of a certain event or the expiration of time requirements. Substantially all of the restrictions on net assets with donor restrictions as of December 31, 2021 are related to contribution pledges that are applicable to the Organization's annual campaign for the subsequent year allocations.

NOTE J – SUBSEQUENT EVENTS

The Organization had no material subsequent events. Subsequent events were evaluated through May 18, 2023, which is the financial statement issuance date.

SUPPLEMENTAL INFORMATION

COOKE COUNTY UNITED WAY, INC.
Comparative Schedule of Cash Receipts and Disbursements
Supplemental Schedule
Year Ended December 31, 2021
With Comparative Totals for Year Ended December 31, 2020

	2021	2020
Cash Balances - Beginning of Year	\$ 549,166	\$ 530,695
Receipts		
Campaign Contributions Received:		
Current Campaigns	231,714	195,998
Next Campaign	129,449	160,525
Interest Income	1,327	3,116
Special Events	48,903	14,711
Other Income	117,000	120,551
Transfers from Investments	-	-
Total Receipts	<u>528,393</u>	<u>494,901</u>
Disbursements		
Allocation Payments to Agencies	250,000	300,500
Distributions for Community Impact Grants	91,000	2,600
United Way of America Dues	3,788	6,270
United Way of Texas Dues	574	805
Salaries	68,487	92,108
Payroll Taxes	5,347	8,397
Retirement Expense	-	-
Professional Fees	60	4,042
Supplies	15,867	17,166
Insurance	4,601	4,067
Telephone	521	235
Postage and Shipping	55	50
Occupancy	3,917	4,158
Rental and Maintenance of Equipment	1,582	2,037
Printing and Publications	875	993
Travel and Transportation	-	-
Other Expenses	13,220	3,002
Purchase of Fixed Assets	-	-
Transfers to Investments	31,500	30,000
Total Disbursements	<u>491,394</u>	<u>476,430</u>
Cash Balance - End of Year	<u>\$ 586,165</u>	<u>\$ 549,166</u>