

TWIN COUNTY UNITED WAY, INC.

FINANCIAL STATEMENTS

Years Ended June 30, 2020 and 2019

TWIN COUNTY UNITED WAY, INC.

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INDEPENDENT AUDITOR'S REPORT

Board of Directors
Twin County United Way, Inc.
Lewiston, Idaho

We have audited the accompanying financial statements of the Twin County United Way, Inc. (a nonprofit organization), which comprise the statements of financial position as of June 30, 2020 and 2019, and the related statements of activities, cash flows, and functional expenses for the years then ended, and the related notes to the financial statements.

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.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Twin County United Way, Inc., as of June 30, 2020 and 2019, 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.

PRESNELL GAGE PLLC

November 12, 2020

TWIN COUNTY UNITED WAY, INC.

STATEMENTS OF FINANCIAL POSITION
Years Ended June 30, 2020 and 2019

ASSETS	2020	2019
CURRENT ASSETS		
Cash and cash equivalents	\$ 341,647	\$ 279,841
Pledge receivables (less allowance for uncollectible)	241,814	309,801
Prepaid expenses and other receivables	4,669	6,308
Total current assets	588,130	595,950
LONG-TERM CERTIFICATES OF DEPOSIT	434,407	446,583
ENDOWMENT FUNDS	54,684	53,293
PROPERTY AND EQUIPMENT, net of accumulated depreciation of \$65,723 (\$62,202 in 2019)	31,303	34,824
TOTAL ASSETS	\$ 1,108,524	\$ 1,130,650
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Allocations and designations payable	\$ 37,852	\$ 65,149
Accounts payable	7,257	9,851
Accrued expenses	4,384	3,935
Funds held in trust	0	15,378
Total current liabilities	49,493	94,313
LONG-TERM LIABILITIES		
Notes payable	17,500	
Total long-term liabilities	17,500	0
NET ASSETS		
Without donor restrictions	235,575	192,578
With donor restrictions	805,956	843,759
Total net assets	1,041,531	1,036,337
TOTAL LIABILITIES AND NET ASSETS	\$ 1,108,524	\$ 1,130,650

See accompanying notes

TWIN COUNTY UNITED WAY, INC.

STATEMENT OF ACTIVITIES
Year Ended June 30, 2020

	Without Donor <u>Restriction</u>	With Donor <u>Restrictions</u>	<u>Total</u>
PUBLIC SUPPORT AND REVENUE			
Gross campaign results		\$ 660,743	\$ 660,743
Less amounts designated by donors for specific organizations		(37,852)	(37,852)
Less pledge loss	\$ (22,362)		(22,362)
Net campaign results	(22,362)	622,891	600,529
Special events, net of expenses	2,430	(2,460)	(30)
Sponsorship income	9,657		9,657
In-kind contributions	5,869		5,869
Grant income/Children's project		10,000	10,000
Interest/dividend and realized gain (loss)	11,047	506	11,553
Unrealized gain (loss) on investments	17,129	1,415	18,544
Miscellaneous revenues	19,227		19,227
Net assets released from restrictions	670,155	(670,155)	0
Total public support and revenue	<u>713,152</u>	<u>(37,803)</u>	<u>675,349</u>
EXPENSES			
Program Services			
Children's project	23,897		23,897
Kindergarten readiness program	11,780		11,780
Warming shelter	11,680		11,680
Community funds allocated to agencies			
Aging & Long-term Care - ALTC	4,152		4,152
Area Agency on Aging	20,126		20,126
Asotin County Food Bank	31,566		31,566
Boy Scouts of America, Inland NW Council	5,603		5,603
Boys & Girls Clubs of the Lewis Clark Valley, Inc.	97,036		97,036
Community Action Partnership	42,049		42,049
Family Promise	32,207		32,207
Girl Scouts, Eastern WA & Northern ID	2,116		2,116
Homes of Hope	8,093		8,093
Idaho Legal Aid Services, Inc.	15,000		15,000
Interlink Volunteers-Faith in Action	19,197		19,197
Lewis Clark Valley Young Life	11,100		11,100
Lewiston City Library - Summer Reading	1,509		1,509
Quality Behavioral Health	11,541		11,541
Royal Family Kids Camp	5,708		5,708
Second Judicial District CASA Program	25,284		25,284
Snake River Community Clinic	25,983		25,983
Special Olympics Idaho	4,615		4,615
Twin River Special Olympics	2,519		2,519
T.L.C.	8,270		8,270
The Idaho Foodbank	26,668		26,668
Valley Meals on Wheels	20,248		20,248
WA-ID Volunteer Center, Inc. - RSVP	5,116		5,116
Willow Center	22,052		22,052
YWCA Of Lewiston-Clarkston	52,792		52,792
Allocations to other community agencies	13,692		13,692
Less allocations funded through donor designations	(65,149)		(65,149)
Total program services	<u>496,450</u>	<u>0</u>	<u>496,450</u>
Supporting Services			
General and administrative expenses	123,597		123,597
Fundraising expenses	50,108		50,108
Total supporting services	<u>173,705</u>	<u>0</u>	<u>173,705</u>
Total expenses	<u>670,155</u>	<u>0</u>	<u>670,155</u>
CHANGE IN NET ASSETS	42,997	(37,803)	5,194
NET ASSETS, BEGINNING	<u>192,578</u>	<u>843,759</u>	<u>1,036,337</u>
NET ASSETS, ENDING	<u>\$ 235,575</u>	<u>\$ 805,956</u>	<u>\$ 1,041,531</u>

See accompanying notes

TWIN COUNTY UNITED WAY, INC.

STATEMENT OF ACTIVITIES
Year Ended June 30, 2019

	Without Donor Restrictions	With Donor Restrictions	Total
PUBLIC SUPPORT AND REVENUE			
Gross campaign results		\$ 702,720	\$ 702,720
Less amounts designated by donors for specific organizations		(65,149)	(65,149)
Less pledge loss	\$ (25,959)		(25,959)
Net campaign results	(25,959)	637,571	611,612
Special events, net of expenses	6,927	11,842	18,769
Sponsorship income	10,098		10,098
In-kind contributions	5,516		5,516
Grant income/Children's project		7,000	7,000
Interest/dividend and realized gain	9,854	(936)	8,918
Unrealized gain (loss) on investments		11,627	11,627
Miscellaneous revenues	236		236
Net assets released from restrictions	683,103	(683,103)	0
Total public support and revenue	<u>689,775</u>	<u>(15,999)</u>	<u>673,776</u>
EXPENSES			
Program Services			
Children's project	19,733		19,733
Kindergarten readiness program	14,014		14,014
Community funds allocated to agencies			
Aging & Long-term Care - ALTC	3,552		3,552
Area Agency on Aging	20,485		20,485
Asotin County Food Bank	30,930		30,930
Boy Scouts of America, Inland NW Council	5,515		5,515
Boys & Girls Clubs of the Lewis Clark Valley, Inc.	101,772		101,772
Community Action Partnership	40,908		40,908
Family Promise	31,583		31,583
Girl Scouts, Eastern WA & Northern ID	2,378		2,378
Homes of Hope	9,105		9,105
Idaho Legal Aid Services, Inc.	15,000		15,000
Interlink Volunteers-Faith in Action	18,809		18,809
Lewis Clark Valley Young Life	12,182		12,182
Lewiston City Library - Summer Reading	2,033		2,033
Quality Behavioral Health	12,278		12,278
ROC Rescue Mission	12,953		12,953
Royal Family Kids Camp	5,378		5,378
Second Judicial District CASA Program	25,189		25,189
Snake River Community Clinic	49,230		49,230
Special Olympics Idaho	3,991		3,991
Twin River Special Olympics	2,549		2,549
T.L.C.	6,000		6,000
The Idaho Foodbank	26,983		26,983
Valley Meals on Wheels	19,893		19,893
WA-ID Volunteer Center, Inc. - RSVP	5,116		5,116
Willow Center	20,628		20,628
YWCA Of Lewiston-Clarkston	52,999		52,999
Allocations to other community agencies	16,780		16,780
Less allocations funded through donor designations	(103,117)		(103,117)
Total program services	<u>484,849</u>	<u>0</u>	<u>484,849</u>
Supporting Services			
General and administrative expenses	133,565		133,565
Fundraising expenses	64,689		64,689
Total supporting services	<u>198,254</u>	<u>0</u>	<u>198,254</u>
Total expenses	<u>683,103</u>	<u>0</u>	<u>683,103</u>
CHANGE IN NET ASSETS	6,672	(15,999)	(9,327)
NET ASSETS, BEGINNING	<u>185,906</u>	<u>859,758</u>	<u>1,045,664</u>
NET ASSETS, ENDING	<u>\$ 192,578</u>	<u>\$ 843,759</u>	<u>\$ 1,036,337</u>

See accompanying notes

TWIN COUNTY UNITED WAY, INC.

STATEMENTS OF CASH FLOWS
Years Ended June 30, 2020 and 2019

	2020	2019
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ 5,194	\$ (9,327)
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	3,521	3,813
Unrealized (gain) loss on investments	(18,544)	(11,627)
Changes in operating assets:		
Pledge receivables	67,987	45,928
Prepaid expenses	1,639	(644)
Changes in operating liabilities:		
Accounts payable	(2,594)	6,626
Accrued expenses	449	(2,059)
Deferred revenue	(15,378)	15,378
Allocations and designations payable	(27,297)	(37,968)
Net cash provided by operating activities	14,977	10,120
 CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of long-term certificate of deposits	110,000	100,000
Purchases of investments	(2,671)	(101,868)
Proceeds from maturing investments	(78,000)	(53,006)
Net cash provided (used) by investing activities	29,329	(54,874)
 CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from notes payable	17,500	
Net cash provided by financing activities	17,500	0
 Net change in cash and cash equivalents	61,806	(44,754)
 CASH AND CASH EQUIVALENTS, beginning of year	279,841	324,595
 CASH AND CASH EQUIVALENTS, end of year	\$ 341,647	\$ 279,841

See accompanying notes

TWIN COUNTY UNITED WAY, INC.

STATEMENTS OF FUNCTIONAL EXPENSES
Year Ended June 30, 2020

	Program Services			Supporting Services		Total
	Community Funds Allocated	Kindergarten Readiness Program	Program Services Total	General and Administrative Expenses	Fundraising Expenses	
COMMUNITY INVESTMENTS	\$ 525,922		\$ 525,922			\$ 525,922
Less donor designations	(65,149)		(65,149)			(65,149)
	460,773	\$ 0	460,773	\$ 0	\$ 0	460,773
OTHER EXPENSES						
Staff salaries		9,300	9,300	55,801	27,901	93,002
In-kind campaign expenses				5,869		5,869
Payroll taxes		713	713	4,276	2,138	7,127
Employee benefits		654	654	3,939	1,960	6,553
Program services		23,897	23,897			23,897
Professional fees				8,269		8,269
Office supplies				1,957	4,841	6,798
Awards and loaned executive expenses					326	326
Telephone				2,651		2,651
Postage				502		502
Utilities				2,681		2,681
Insurance				7,178		7,178
Subscriptions and dues					2,459	2,459
Travel and meals				2,496		2,496
Equipment maintenance and repair				6,272		6,272
Board expense				13		13
Bank fees				1,277		1,277
Advertising expense					4,424	4,424
Event expenses		1,113	1,113		6,059	7,172
United Way Association dues				5,192		5,192
Miscellaneous				11,703		11,703
Total expenses before depreciation	460,773	35,677	496,450	120,076	50,108	666,634
DEPRECIATION EXPENSE				3,521		3,521
Total expenses	\$ 460,773	\$ 35,677	\$ 496,450	\$ 123,597	\$ 50,108	\$ 670,155

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TWIN COUNTY UNITED WAY, INC.

STATEMENTS OF FUNCTIONAL EXPENSES
Year Ended June 30, 2019

	Program Services			Supporting Services		Total
	Community Funds Allocated	Kindergarten Readiness Expenses	Program Services Total	General and Administrative Expenses	Fundraising Expenses	
COMMUNITY INVESTMENTS	\$ 554,219		\$ 554,219			\$ 554,219
Less donor designations	(103,117)		(103,117)			(103,117)
	451,102	\$ 0	451,102	\$ 0	\$ 0	451,102
OTHER EXPENSES						
Staff salaries		11,065	11,065	66,297	33,196	110,558
In-kind campaign expenses				5,516		5,516
Payroll taxes		815	815	5,160	2,444	8,419
Employee benefits		1,051	1,051	6,080	3,150	10,281
Program services		19,733	19,733			19,733
Professional fees				7,904		7,904
Office supplies				1,837	6,970	8,807
Awards and loaned executive expenses					943	943
Telephone				2,624		2,624
Postage				1,405		1,405
Utilities				2,803		2,803
Insurance				5,246		5,246
Subscriptions and dues					1,376	1,376
Travel and meals				2,082		2,082
Conference fees/staff training				80		80
Equipment maintenance and repair				5,944		5,944
Board expense				1,999		1,999
Bank fees				1,529		1,529
Advertising expense					5,086	5,086
Event expenses		1,083	1,083		11,524	12,607
United Way Association dues				9,354		9,354
Miscellaneous				3,892		3,892
Total expenses before depreciation	451,102	33,747	484,849	129,752	64,689	679,290
DEPRECIATION EXPENSE				3,813		3,813
Total expenses	\$ 451,102	\$ 33,747	\$ 484,849	\$ 133,565	\$ 64,689	\$ 683,103

See accompanying notes
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TWIN COUNTY UNITED WAY, INC.

NOTES TO FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Activities. Twin County United Way, Inc., a nonprofit organization, was established to organize the counties of Asotin, Washington, and Nez Perce, Idaho, into one united and effective group for the purpose of raising funds by voluntary solicitation and contributions for nonprofit local, state, and national benevolent, charitable, health, and social welfare organizations and to distribute the funds raised periodically to participating organizations.

Basis of Accounting. The financial statements of the Twin County United Way, Inc., have been prepared on the accrual basis of accounting and, accordingly, reflect all significant receivables, payables, and other liabilities.

Basis of Presentation. The Organization reports information regarding its financial position and activities according to two classes of net assets: with donor restrictions and without donor restrictions. Net assets without donor restrictions are available for use at the discretion of the Board of Directors and/or management for general operating purposes. Net assets with donor restrictions consist of assets whose use is limited by donor-imposed, time and/or purpose restrictions.

Contributions and Donor Imposed Restrictions. Contributions received are considered to be available without donor restrictions unless specifically restricted by the donor. Contributions received that are restricted by the donor for specific purposes are reported as contributions with donor restrictions that increase that net asset class. When donor restrictions expire, that is, when a time restriction ends and/or a purpose restriction is fulfilled, net assets with donor restrictions are reclassified to net assets without restrictions and reported in the statement of activities as net assets released from restriction.

Contributed Services. No amounts have been reflected in the financial statements for contributed services. The Organization generally pays for services requiring specific expertise. However, many individuals volunteer their time and perform a variety of tasks that assist the Organization with specific programs, campaign solicitations, and various committee assignments.

Investments. Investments in marketable securities with readily determinable fair values and all investments in debt securities are reported at their fair values in the statement of financial position. Unrealized gains and losses are included in the change in net assets. Investment income and gains restricted by a donor are reported as increases in unrestricted net assets if the restrictions are met (either by passage of time or by use) in the reporting period in which the income and gains are recognized.

Furniture and Equipment. The Organization capitalizes all expenditures for property and equipment and all repairs, maintenance, renewals, and betterments that materially prolong the useful lives of assets.

Furniture and equipment are stated at cost less accumulated depreciation. Depreciation is computed using the straight-line method over the estimated useful lives of the assets. Estimated useful lives range from three to ten years. Depreciation is charged as an expense against the Organization's operations.

TWIN COUNTY UNITED WAY, INC.

NOTES TO FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Annual Campaign. Annual campaigns are conducted in the fall of each year to raise money for support for allocation to participating agencies in the subsequent fiscal years. All contributions are considered receivable within one year of the fiscal year-end. Campaign expenses for annual campaigns are deducted in the year incurred. All contributions are available for unrestricted use unless specifically restricted by the donor. Pledges are recorded on the statement of financial position as receivables.

Cash and Cash Equivalents. For the purposes of the statement of cash flows, the Organization considers all highly liquid investments available for current use including short-term investments held in brokerage cash accounts with an initial maturity of three months or less to be cash equivalents.

Pledge Receivables. Contributions are recognized when the donor makes a pledge to the Organization that is, in substance, unconditional. Contributions that are restricted by the donor are reported as increases in net assets without donor restrictions if the restrictions expire in the fiscal year in which the contributions are recognized. All other donor-restricted contributions are reported as increases in restricted net assets with donor restrictions, either in purpose or perpetuity, depending on the nature of the restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions.

The Organization records the pledge at the amount, which approximates the fair value of the promises to give and expects to collect in less than one year. The Organization uses the allowance method for uncollectible promises to give through the posting of pledge loss.

Functional Allocation of Expenses. The costs of providing various programs and other activities have been summarized on a functional basis in the statement of activities and the statement of functional expenses. The statement of functional expenses presents the natural classification of expenses by function. Accordingly, certain categories of expenses are attributable to more than one program or supporting function and are allocated on a reasonable basis that is consistently applied.

Income Taxes. Twin County United Way, Inc., is a not-for-profit organization 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.

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.

Reclassification. Certain amounts in the 2019 financial statements have been reclassified to conform with the 2020 presentation with no effect on previously reported net position.

2. FINANCIAL INSTRUMENTS

Concentrations of Credit Risk Due to Temporary Cash Investments and Promises to Give Receivables. Financial instruments that potentially subject the Organization to concentrations of credit risk consist principally of temporary cash investments and promises to give receivables. The Organization places its temporary cash investments with financial institutions and attempts to limit the amount of credit exposure to any one financial institution.

TWIN COUNTY UNITED WAY, INC.

NOTES TO FINANCIAL STATEMENTS

2. FINANCIAL INSTRUMENTS (CONTINUED)

Concentrations of Credit Risk Due to Temporary Cash Investments and Promises to Give Receivables (Continued). Concentrations of credit risk, with respect to promises receivable, are limited due to the large number of contributions comprising the Organization's contributor base and their dispersion across different industries and geographic areas. As of June 30, 2020, the Organization had cash in excess of FDIC insurance limits in the amount of \$56,141 (\$84,278 for 2019).

Concentrations of Credit Risk Arising from Cash Deposits in Excess of Insured Limits. The Organization maintains cash balances at several financial institutions located in Lewiston, Idaho, and Clarkston, Washington. Accounts at each institution are insured by the Federal Deposit Insurance Corporation (FDIC) or National Credit Union Administration (NCUA) up to \$250,000.

3. INVESTMENTS

Investments are stated at fair value and consist of certificates of deposit at June 30, 2020 and 2019, as follows:

	<u>Interest Rate</u>	<u>2020</u> Maturity Date	<u>Value</u>
Certificates of Deposit:			
Citi Bank	3.55%	12/21/2023	\$ 53,006
P1FCU	1.00%	5/9/2021	102,696
Wells Fargo Bank	1.50%	7/20/2021	70,000
Capital One	2.30%	9/27/2022	87,000
American Express	3.30%	7/03/2023	25,000
Morgan Stanley Bank	2.30%	7/05/2024	<u>78,000</u>
			415,702
Market adjustment			18,705
Endowment - Mutual Funds			<u>54,684</u>
			<u>\$ 489,091</u>

	<u>Interest Rate</u>	<u>2019</u> Maturity Date	<u>Value</u>
Certificates of Deposit:			
Citi Bank	3.55%	12/21/2023	\$ 53,006
Goldman Sachs Bank USA	2.05%	6/10/2020	70,000
P1FCU	2.53%	5/9/2020	100,000
American Express Centurion	2.00%	7/01/2019	40,000
Wells Fargo Bank	1.50%	7/20/2021	70,000
Capital One	2.30%	9/27/2022	87,000
American Express	3.30%	7/03/2023	<u>25,000</u>
			445,006
Market adjustment			1,577
Endowment - Mutual Funds			<u>53,293</u>
			<u>\$ 499,876</u>

TWIN COUNTY UNITED WAY, INC.

NOTES TO FINANCIAL STATEMENTS

4. FAIR VALUE MEASUREMENTS

Accounting standards established a framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1 measurement) and the lowest priority to unobservable inputs (level 3 measurements). The three levels of the fair value hierarchy under accounting standards are described as follows:

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

Level 2 Inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly.

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

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

The following sets forth by level, the fair value hierarchy. The Organization held investments at fair value that meet the Level 1 methodology. Fair values of assets measured on a recurring basis at June 30, 2020 and 2019, are as follows:

	<u>2020</u>	
	<u>Fair Value Measurements at Reporting Date Using</u>	
	Quoted Prices in Active	
	Markets for Identical	
	<u>Fair Value</u>	<u>Assets (Level 1)</u>
Mutual funds – equity, fixed income, and cash	<u>\$ 54,684</u>	<u>\$ 54,684</u>

	<u>2019</u>	
	<u>Fair Value Measurements at Reporting Date Using</u>	
	Quoted Prices in Active	
	Markets for Identical	
	<u>Fair Value</u>	<u>Assets (Level 1)</u>
Mutual funds – equity, fixed income, and cash	<u>\$ 53,293</u>	<u>\$ 53,293</u>

TWIN COUNTY UNITED WAY, INC.

NOTES TO FINANCIAL STATEMENTS

5. LIQUIDITY

The Organization has \$583,461 of financial assets available within one year of the statement of financial position date to meet cash needs for general expenditures consisting of \$341,647 in cash and \$241,814 of accounts receivables. This reflects the Organization's financial assets as of the statement of financial position date, reduced by amounts not available for general use because of contractual or donor-imposed restrictions within one year of the statement of financial position date. None of the financial assets are subject to donor or other contractual restrictions that make them unavailable for general expenditures within one year of the statement of financial position date.

6. PROPERTY AND EQUIPMENT

Property and equipment, and the related accumulated depreciation, at June 30, 2020 and 2019, are as follows:

	<u>Cost</u>	<u>2020 Accumulated Depreciation</u>	<u>Book Value</u>
Land	\$ 13,330		\$ 13,330
Buildings and improvements	62,241	\$ 44,601	17,640
Furniture and equipment	21,455	21,122	333
	<u>\$ 97,026</u>	<u>\$ 65,723</u>	<u>\$ 31,303</u>

Depreciation expense for the current year is \$3,813.

	<u>Cost</u>	<u>2019 Accumulated Depreciation</u>	<u>Book Value</u>
Land	\$ 13,330		\$ 13,330
Buildings and improvements	62,241	\$ 41,921	20,320
Furniture and equipment	21,455	20,281	1,174
	<u>\$ 97,026</u>	<u>\$ 62,202</u>	<u>\$ 34,824</u>

Depreciation expense for the current year is \$3,521.

7. NOTES PAYABLE

In April 2020, the Twin County United Way borrowed \$17,500 under the Paycheck Protection Program (PPP). The loan is due in August 2021, including interest at 1 percent, accrued from the date of the loan. Under the PPP, the Organization may qualify for partial or full loan forgiveness. Management expects to qualify for forgiveness of most or all of the loan.

8. PLEDGES DESIGNATED FOR FUTURE PERIODS

The Organization receives donor designated pledges, which the Organization pays out in future periods. To satisfy the donor designations, payments totaling \$37,852 (\$65,149 for 2019) are required to be paid during the subsequent fiscal year.

TWIN COUNTY UNITED WAY, INC.

NOTES TO FINANCIAL STATEMENTS

9. NET ASSETS WITHOUT DONOR RESTRICTIONS

The Organization's net assets without donor restrictions are comprised of undesignated and Board designated, at June 30, 2020 and 2019, are as follows:

	<u>2020</u>	<u>2019</u>
Undesignated	\$ 113,493	\$ 64,996
Board designated – operating reserve	108,760	108,760
Board designated – capital asset reserve fund	10,000	10,000
Board designated – special needs fund	<u>3,322</u>	<u>8,822</u>
	<u>\$ 235,575</u>	<u>\$ 192,578</u>

10. DESIGNATED NET ASSETS

The Organization's board can designate certain amounts of its \$235,575 in net assets without restrictions at June 30, 2020, for specified use (\$192,578 for 2019). The Finance Committee shall make a recommendation to the Board for approval of funding levels to each board designated fund upon receipt of the final audit for each fiscal year.

11. NET ASSETS WITH DONOR RESTRICTIONS

United Way Worldwide, in its efforts to maintain consistency, requires local United Way organizations to restrict the entire current year campaign contributions for use in the next year. The Organization has complied with this requirement by reporting gross campaign results for the current year as well as gifts of cash and other assets that are restricted by donor as net assets with donor restrictions.

Net assets with donor restrictions that are subject to specified purpose or period are as follows:

	<u>2020</u>	<u>2019</u>
Distribution of contributions to partner and designated agencies in the subsequent year	\$ 726,797	\$ 747,548
Children's Project/Education	<u>24,475</u>	<u>42,918</u>
	<u>\$ 751,272</u>	<u>\$ 790,466</u>

Net assets with donor restrictions in perpetuity and subject to donor imposed spending policy:

Net assets with donor restrictions in perpetuity consist of an endowment fund, which represents the principal amount of gifts and bequests accepted with donor stipulations that the principal be maintained intact in perpetuity. Only the income from investments thereof may be expended either for general purposes (without restriction) or for purposes specified by the donor. At June 30, 2020, the balance was \$54,684 (\$53,293 for 2019)

12. PENSION PLAN

The Organization maintains a Simplified Employee Pension (SEP) Plan for its employees. Employees are eligible to participate in the Plan upon hiring and who are at least 21 years old. The Organization contributes 4 percent of each eligible employee's salary to the Plan. The current year pension contribution was \$2,661 (\$4,165 for 2019).

TWIN COUNTY UNITED WAY, INC.

NOTES TO FINANCIAL STATEMENTS

13. CONTINGENCY

During March 2020, the COVID-19 virus was declared a global pandemic as it continued to spread rapidly. Business continuity, including supply chains and consumer demand across a broad range of industries and countries, have been severely impacted for months or beyond as governments and their citizens take significant and unprecedented measure to mitigate the consequences of the pandemic. Management continues to carefully monitor the situation and evaluate its operating options during this time. No adjustments have been made to these financial statements as a result of this uncertainty.

14. SUBSEQUENT EVENTS

Management has evaluated subsequent events through November 12, 2020, the date the financial statements were available to be issued.