

TWIN COUNTY UNITED WAY, INC.

FINANCIAL STATEMENTS

Years Ended June 30, 2021 and 2020

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, 2021 and 2020, 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, 2021 and 2020, 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

June 21, 2022

TWIN COUNTY UNITED WAY, INC.

STATEMENTS OF FINANCIAL POSITION
Years Ended June 30, 2021 and 2020

ASSETS		
	2021	2020
CURRENT ASSETS		
Cash and cash equivalents	\$ 226,648	\$ 341,647
Pledge receivables (less allowance for uncollectible)	326,904	241,814
Prepaid expenses and other receivables	4,739	4,669
Total current assets	558,291	588,130
LONG-TERM CERTIFICATES OF DEPOSIT	429,579	434,407
ENDOWMENT FUNDS	68,196	54,684
PROPERTY AND EQUIPMENT, net of accumulated depreciation of \$69,002 (\$65,723 in 2020)	31,380	31,303
TOTAL ASSETS	\$ 1,087,446	\$ 1,108,524
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Allocations and designations payable	\$ 25,826	\$ 37,852
Accounts payable	5,207	7,257
Accrued expenses	13,746	4,384
Deferred revenue	77	
Total current liabilities	44,856	49,493
LONG-TERM LIABILITIES		
Notes payable	19,800	17,500
Total long-term liabilities	19,800	17,500
NET ASSETS		
Without donor restrictions	281,682	235,575
With donor restrictions	741,108	805,956
Total net assets	1,022,790	1,041,531
TOTAL LIABILITIES AND NET ASSETS	\$ 1,087,446	\$ 1,108,524

See accompanying notes

TWIN COUNTY UNITED WAY, INC.

STATEMENT OF ACTIVITIES
Year Ended June 30, 2021

	Without Donor <u>Restriction</u>	With Donor <u>Restrictions</u>	<u>Total</u>
PUBLIC SUPPORT AND REVENUE			
Gross campaign results		\$ 565,480	\$ 565,480
Less amounts designated by donors for specific organizations		(25,826)	(25,826)
Less pledge loss	\$ (53,535)		(53,535)
Net campaign results	(53,535)	539,654	486,119
Special events, net of expenses	5,318	12,573	17,891
Sponsorship income	9,300		9,300
In-kind contributions	14,235		14,235
Grant income/Children's project		10,000	10,000
Interest/dividend and realized gain (loss)	8,471	3,243	11,714
Unrealized gain (loss) on investments	(5,662)	10,268	4,606
Miscellaneous revenues	67,980		67,980
Net assets released from restrictions	640,586	(640,586)	0
Total public support and revenue	<u>686,693</u>	<u>(64,848)</u>	<u>621,845</u>
EXPENSES			
Program Services			
Children's project	11,468		11,468
Kindergarten readiness program	14,030		14,030
Community funds allocated to agencies			
Area Agency on Aging	15,117		15,117
Asotin County Food Bank	27,581		27,581
Boys & Girls Clubs of the Lewis Clark Valley, Inc.	97,189		97,189
Community Action Partnership	33,041		33,041
Family Promise	22,836		22,836
First Step 4 Life	10,965		10,965
Homes of Hope	13,797		13,797
Idaho Legal Aid Services, Inc.	5,500		5,500
Interlink Volunteers-Faith in Action	12,927		12,927
LC Partners Habitat for Humanity	4,500		4,500
Lewis Clark Valley Young Life	17,856		17,856
Lewiston City Library - Summer Reading	1,300		1,300
Quality Behavioral Health	2,117		2,117
Second Judicial District CASA Program	20,099		20,099
Snake River Community Clinic	21,642		21,642
Special Olympics Idaho	3,216		3,216
Special Olympics Washington	2,968		2,968
The Green Apple Project	1,500		1,500
The Idaho Foodbank	18,498		18,498
Valley Meals on Wheels	14,995		14,995
WA-ID Volunteer Center, Inc. - RSVP	5,304		5,304
Willow Center	18,065		18,065
YWCA Of Lewiston-Clarkston	49,460		49,460
Allocations to other community agencies	12,481		12,481
Less allocations funded through donor designations	(37,852)		(37,852)
Total program services	<u>420,600</u>	<u>0</u>	<u>420,600</u>
Supporting Services			
General and administrative expenses	161,499		161,499
Fundraising expenses	58,487		58,487
Total supporting services	<u>219,986</u>	<u>0</u>	<u>219,986</u>
Total expenses	<u>640,586</u>	<u>0</u>	<u>640,586</u>
CHANGE IN NET ASSETS	46,107	(64,848)	(18,741)
NET ASSETS, BEGINNING	<u>235,575</u>	<u>805,956</u>	<u>1,041,531</u>
NET ASSETS, ENDING	<u>\$ 281,682</u>	<u>\$ 741,108</u>	<u>\$ 1,022,790</u>

See accompanying notes

TWIN COUNTY UNITED WAY, INC.

STATEMENT OF ACTIVITIES
Year Ended June 30, 2020

	Without Donor Restrictions	With Donor Restrictions	Total
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	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.

STATEMENTS OF CASH FLOWS
Years Ended June 30, 2021 and 2020

	2021	2020
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ (18,741)	\$ 5,194
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities:		
Forgiveness of paycheck protection program loan	(17,500)	
Depreciation	3,279	3,521
Unrealized (gain) loss on investments	(4,606)	(18,544)
Changes in operating assets:		
Pledge receivables	(85,090)	67,987
Prepaid expenses	(70)	1,639
Changes in operating liabilities:		
Accounts payable	(2,050)	(2,594)
Accrued expenses	9,362	449
Deferred revenue	77	(15,378)
Allocations and designations payable	(12,026)	(27,297)
Net cash provided (used) by operating activities	(127,365)	14,977
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of property and equipment	(3,356)	
Purchases of investments	(4,078)	(80,671)
Proceeds from maturing investments		110,000
Net cash provided (used) by investing activities	(7,434)	29,329
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from notes payable	19,800	17,500
Net cash provided by financing activities	19,800	17,500
Net change in cash and cash equivalents	(114,999)	61,806
CASH AND CASH EQUIVALENTS, beginning of year	341,647	279,841
CASH AND CASH EQUIVALENTS, end of year	\$ 226,648	\$ 341,647

See accompanying notes

TWIN COUNTY UNITED WAY, INC.

STATEMENTS OF FUNCTIONAL EXPENSES
Year Ended June 30, 2021

	Program Services			Supporting Services		Total
	Community Funds Allocated	Kindergarten Readiness Program	Program Services Total	General and Administrative Expenses	Fundraising Expenses	
COMMUNITY INVESTMENTS	\$ 432,839		\$ 432,839			\$ 432,839
Less donor designations	(37,852)		(37,852)			(37,852)
	394,987	\$ 0	394,987	\$ 0	\$ 0	394,987
OTHER EXPENSES						
Staff salaries		11,834	11,834	78,406	35,502	125,742
Payroll taxes		952	952	5,846	2,857	9,655
Employee benefits		1,244	1,244	6,893	3,729	11,866
Program services	11,468		11,468			11,468
Professional fees				20,363		20,363
Office supplies				1,188	5,413	6,601
Awards and loaned executive expenses					218	218
Telephone				4,295		4,295
Postage				767		767
Utilities				3,018		3,018
Insurance				5,258		5,258
Subscriptions and dues					4,127	4,127
Travel and meals				1,740		1,740
Conference fees/staff training				125		125
Equipment maintenance and repair				8,206		8,206
Board expense				916		916
Bank fees				1,116		1,116
Advertising expense					3,228	3,228
Event expenses		115	115		3,413	3,528
United Way Association dues				10,610		10,610
Miscellaneous				9,473		9,473
Total expenses before depreciation	406,455	14,145	420,600	158,220	58,487	637,307
DEPRECIATION EXPENSE				3,279		3,279
Total expenses	\$ 406,455	\$ 14,145	\$ 420,600	\$ 161,499	\$ 58,487	\$ 640,586

9 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 Expenses	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

See accompanying notes

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 2020 financial statements have been reclassified to conform with the 2021 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, 2021, the Organization did not have cash in excess of FDIC (\$56,141 for 2020).

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, 2021 and 2020, as follows:

	<u>Interest Rate</u>	<u>2021</u> Maturity Date	<u>Value</u>
Certificates of Deposit:			
Citi Bank	3.55%	12/21/2023	\$ 53,004
P1FCU	0.65%	5/9/2022	103,675
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>
			416,679
Market adjustment			12,900
Endowment - Mutual Funds			<u>68,196</u>
			<u>\$ 497,775</u>

	<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>

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, 2021 and 2020, are as follows:

	<u>2021</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>\$ 68,196</u>	<u>\$ 68,196</u>

	<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>

TWIN COUNTY UNITED WAY, INC.

NOTES TO FINANCIAL STATEMENTS

5. LIQUIDITY

The Organization has \$553,552 of financial assets available within one year of the statement of financial position date to meet cash needs for general expenditures consisting of \$226,648 in cash and \$326,904 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, 2021 and 2020, are as follows:

	<u>Cost</u>	<u>2021 Accumulated Depreciation</u>	<u>Book Value</u>
Land	\$ 13,330		\$ 13,330
Buildings and improvements	62,241	\$ 47,282	14,959
Furniture and equipment	<u>24,811</u>	<u>21,720</u>	<u>3,091</u>
	<u>\$ 100,382</u>	<u>\$ 69,002</u>	<u>\$ 31,380</u>

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

	<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	<u>21,455</u>	<u>21,122</u>	<u>333</u>
	<u>\$ 97,026</u>	<u>\$ 65,723</u>	<u>\$ 31,303</u>

Depreciation expense for the current year is \$3,279 (\$3,521 for 2020).

7. NOTES PAYABLE

In April 2020, the Twin County United Way borrowed \$17,500 under the Paycheck Protection Program (PPP). The Organization was granted forgiveness of this loan.

In February 2021, The Twin County United Way borrowed \$19,800 under the second Paycheck Protection Program (PPP). 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 \$25,826 (\$37,852 for 2020) 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, 2021 and 2020, are as follows:

	<u>2021</u>	<u>2020</u>
Undesignated	\$ 154,100	\$ 113,493
Board designated – operating reserve	108,760	108,760
Board designated – capital asset reserve fund	10,000	10,000
Board designated – special needs fund	<u>8,822</u>	<u>3,322</u>
	<u>\$ 281,682</u>	<u>\$ 235,575</u>

10. DESIGNATED NET ASSETS

The Organization's board can designate certain amounts of its \$281,682 in net assets without restrictions at June 30, 2021, for specified use (\$235,575 for 2020). 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>2021</u>	<u>2020</u>
Distribution of contributions to partner and designated agencies in the subsequent year	\$ 651,362	\$ 726,797
Children's Project/Education	<u>21,550</u>	<u>24,475</u>
	<u>\$ 672,912</u>	<u>\$ 751,272</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, 2021, the balance was \$68,196 (\$54,684 for 2020)

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 \$2,967 (\$2,661 for 2020).

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 June 21, 2022, the date the financial statements were available to be issued.