
UNITED WAY OF LEWIS COUNTY

A Washington Not-For-Profit Organization

Financial Statements

For the Fiscal Years Ended June 30, 2020 and 2019

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INDEPENDENT AUDITOR'S REPORT

Board of Directors
United Way of Lewis County

Report on the Financial Statements

We have audited the accompanying financial statements of United Way of Lewis County, which comprise the statements of financial position as of June 30, 2020 and 2019, and the related statements of activities, functional expenses, and cash flows 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 audit 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 United Way of Lewis County 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.

Aiken & Sanders

Aiken & Sanders, Inc., PS
Certified Public Accountants & Consultants

January 7, 2021

United Way of Lewis County
A Washington Not-For-Profit Organization

Statement of Financial Position

Fiscal Year Ended June 30,	2020	2019
ASSETS		
<u>Current Assets</u>		
Cash & cash equivalents	\$ 500,535	\$ 304,050
Certificates of deposit	688,904	682,167
Campaign pledges receivable: net of allowance for doubtful accounts	76,334	87,750
Prepaid expenses	2,495	719
Total Current Assets	1,268,268	1,074,686
<u>Leasehold improvements & office equipment, net</u>	<u>7,777</u>	<u>6,243</u>
Total Assets	\$ 1,276,045	\$ 1,080,929
LIABILITIES & NET ASSETS		
<u>Current Liabilities</u>		
Accounts payable & accrued expenses	\$ 37,213	\$ 43,774
Deferred revenue	2,600	-
Donor designations payable to member agencies	8,031	12,160
Donor designations payable to non-member agencies	24,509	30,222
Total Current Liabilities	72,353	86,156
<u>Net Assets</u>		
Without donor restrictions	452,748	266,903
Without donor restrictions -- board designated	388,933	388,933
	841,681	655,836
With donor restrictions	362,011	338,937
Total Net Assets	1,203,692	994,773
Total Liabilities & Net Assets	\$ 1,276,045	\$ 1,080,929

The accompanying notes are an integral part of these financial statements.

United Way of Lewis County
A Washington Not-For-Profit Organization

Statement of Activities and Changes in Net Assets

Fiscal Year Ended June 30, 2020

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
<u>Support and Revenue</u>			
Current campaign:			
Contributions	\$ -	\$ 399,606	\$ 399,606
Less: donor designations to member agencies	-	(28,963)	(28,963)
Less: donor designations to non-member agencies	-	(13,669)	(13,669)
Gross current campaign results	-	356,974	356,974
Allowance for uncollectible pledges	-	2,037	2,037
Net Current Campaign Results	<u>-</u>	<u>359,011</u>	<u>359,011</u>
Total Campaign Revenue	-	359,011	359,011
Interest income	7,282	-	7,282
Administrative fees	4,390	-	4,390
Fiscal sponsors	941	-	941
Grants	147,001	-	147,001
Special events, net of direct expenses	100,209	-	100,209
COVID emergency funds	108,703	117,849	226,552
Net assets released from restrictions	453,786	(453,786)	-
Total Support and Revenue	<u>822,312</u>	<u>23,074</u>	<u>845,386</u>
<u>Expenses:</u>			
Program services	429,875	-	429,875
Management and general	129,038	-	129,038
Fundraising	72,456	-	72,456
Unallocated payments to related national nonprofit organization	5,098	-	5,098
Total Expenses	<u>636,467</u>	<u>-</u>	<u>636,467</u>
Change in Net Assets	185,845	23,074	208,919
Net Assets, Beginning of Year	655,836	338,937	994,773
Net Assets, End of Year	<u>\$ 841,681</u>	<u>\$ 362,011</u>	<u>\$ 1,203,692</u>

The accompanying notes are an integral part of these financial statements.

United Way of Lewis County
A Washington Not-For-Profit Organization

Statement of Activities and Changes in Net Assets

Fiscal Year Ended June 30, 2019

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
<u>Support and Revenue</u>			
Current campaign:			
Contributions	\$ -	\$ 389,167	\$ 389,167
Less: donor designations to member agencies	-	(15,853)	(15,853)
Less: donor designations to non-member agencies	-	(30,819)	(30,819)
Gross current campaign results	-	342,495	342,495
Allowance for uncollectible pledges	-	(3,558)	(3,558)
Net Current Campaign Results	-	338,937	338,937
Total Campaign Revenue	-	338,937	338,937
Interest income	9,236	-	9,236
Administrative fees	7,248	-	7,248
Fiscal sponsors	11,913	-	11,913
Grant	6,000	-	6,000
Special events less direct expenses	110,842	-	110,842
Net assets released from restrictions	352,977	(352,977)	-
Total Support and Revenue	498,216	(14,040)	484,176
<u>Expenses:</u>			
Program services	252,254	-	252,254
Management and general	117,670	-	117,670
Fundraising	86,820	-	86,820
Unallocated payments to related national nonprofit organization	5,076	-	5,076
Total Expenses	461,820	-	461,820
Change in Net Assets	36,396	(14,040)	22,356
Net Assets, Beginning of Year	619,440	352,977	972,417
Net Assets, End of Year	\$ 655,836	\$ 338,937	\$ 994,773

The accompanying notes are an integral part of these financial statements.

United Way of Lewis County
A Washington Not-For-Profit Organization

Statement of Functional Expenses

Fiscal Year Ended June 30, 2020

	Program Services	Management & General	Fundraising	Total
Gross funds awarded/distributed	\$ 260,540	\$ -	\$ -	\$ 260,540
Less donor designations	(42,632)	-	-	(42,632)
Net Funds Awarded/Distributed	<u>217,908</u>	<u>-</u>	<u>-</u>	<u>217,908</u>
Payroll related expenses:				
Salaries	141,624	78,185	35,569	255,378
Employee benefits	16,757	9,251	4,208	30,216
Payroll taxes	11,490	6,343	2,886	20,719
Total Payroll Related Expenses	<u>169,871</u>	<u>93,779</u>	<u>42,663</u>	<u>306,313</u>
Other Expenses				
Professional fees	738	14,025	-	14,763
Supplies	1,420	9,688	22,852	33,960
Telephone	2,255	1,245	566	4,066
Postage	602	602	804	2,008
Occupancy	6,911	3,815	1,736	12,462
Equipment rental & maintenance	1,197	661	300	2,158
Insurance	-	2,597	-	2,597
Conferences, meetings and training	1,766	1,766	883	4,415
Dues and subscriptions	650	-	-	650
Inkind	25,000	-	-	25,000
Credit card and bank fees	-	-	2,261	2,261
Depreciation	1,557	860	391	2,808
Total Other Expenses	<u>42,096</u>	<u>35,259</u>	<u>29,793</u>	<u>107,148</u>
Total Expenses	<u><u>\$ 429,875</u></u>	<u><u>\$ 129,038</u></u>	<u><u>\$ 72,456</u></u>	<u><u>\$ 631,369</u></u>

The accompanying notes are an integral part of these financial statements.

United Way of Lewis County
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Statement of Functional Expenses

Fiscal Year Ended June 30, 2019

	Program Services	Management & General	Fundraising	Total
Gross funds awarded/distributed	\$ 154,201	\$ -	\$ -	\$ 154,201
Less donor designations	(46,672)	-	-	(46,672)
Net Funds Awarded/Distributed	107,529	-	-	107,529
Payroll related expenses:				
Salaries	78,998	71,002	61,536	211,536
Employee benefits	12,576	11,304	9,797	33,677
Payroll taxes	6,601	5,934	5,142	17,677
Total Payroll Related Expenses	98,175	88,240	76,475	262,890
Other Expenses				
Professional fees	496	9,414	-	9,910
Supplies	344	6,528	4,008	10,880
Telephone	2,273	758	758	3,789
Postage	570	570	759	1,899
Occupancy	3,538	5,897	2,358	11,793
Equipment rental & maintenance	1,756	798	638	3,192
Insurance	-	2,599	-	2,599
Conferences, meetings and training	2,236	2,236	1,117	5,589
Dues and subscriptions	386	154	231	771
Inkind	32,500	-	-	32,500
Credit card and bank fees	1,499	-	-	1,499
Depreciation	952	476	476	1,904
Total Other Expenses	46,550	29,430	10,345	86,325
Total Expenses	\$ 252,254	\$ 117,670	\$ 86,820	\$ 456,744

The accompanying notes are an integral part of these financial statements.

United Way of Lewis County
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Statement of Cash Flows

Fiscal Year Ended June 30,	2020	2019
<u>Cash Flows From Operating Activities</u>		
Change in net assets	\$ 208,919	\$ 22,356
Adjustments to reconcile change in net assets to net cash provided (used) from operating activities:		
Depreciation	2,808	1,904
(Increase) decrease In:		
Campaign pledges receivable	11,416	8,669
Prepaid expense	(1,776)	(47)
Increase (decrease) In:		
Accounts payable and accrued expenses	(6,561)	14,937
Deferred revenue	2,600	-
Designations payable	(9,842)	(6,374)
Net Cash Provided (Used) by Operating Activities	<u>207,564</u>	<u>41,445</u>
<u>Cash Flows From Investing Activities</u>		
Purchase of office equipment	(4,342)	(3,501)
Net change from certificates of deposit	(6,737)	(8,176)
Net Cash Provided (Used) by Investing Activities	<u>(11,079)</u>	<u>(11,677)</u>
<u>Cash Flows From Financing Activities</u>		
Net Cash Provided (Used) by Financing Activities	<u>-</u>	<u>-</u>
Net Increase (Decrease) in Cash & Cash Equivalents	196,485	29,768
Cash & Cash Equivalents at Beginning of Year	<u>304,050</u>	<u>274,282</u>
Cash & Cash Equivalents at End of Year	<u><u>\$ 500,535</u></u>	<u><u>\$ 304,050</u></u>
Supplemental Disclosures of Cash Flow Information:		
Cash paid during the fiscal year for interest	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

The accompanying notes are an integral part of these financial statements.

United Way of Lewis County
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Notes to the Financial Statements

June 30, 2020 and 2019

NOTE 1 - NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization

United Way of Lewis County (United Way) is a not-for-profit organization organized under the laws of the State of Washington for the purpose of raising and distributing funds, mobilizing resources, and encouraging innovative solutions to the community's health and human service needs to people in Lewis County.

United Way of Lewis County provides undesignated funds to not-for-profit organizations and programs in Lewis County. The Community Investment Committee accepts and reviews applications on an annual basis. Program grant proposals are addressed under a Community Investment structure, composed of a diverse group of community volunteers. Funds are provided with the expectation that they will address the funding priorities set by the United Way of Lewis County Board of Directors, which are education, income, and health.

A summary of United Way's significant accounting policies follows:

Basis of Accounting

The accompanying financial statements are prepared in accordance with the accrual basis of accounting, in accordance with accounting principles generally accepted in the United States of America.

Basis of Presentation

The financial statement presentation follows the requirements to report information regarding its financial position and activities according to two classes of net assets: without donor restrictions and with donor restrictions.

- Without Donor Restrictions - Net assets that are not restricted by donor or for which donor-imposed restrictions have expired.
- With Donor Restrictions - Net assets that contain donor-imposed time or purpose restrictions that have not currently been met.

Use of Estimates

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

Cash and Cash Equivalent

Cash includes cash on hand, in checking, savings and in money market accounts. For purpose of the statement of cash flow, United Way considers all highly liquid financial instruments purchased with an original maturity of three months or less to be cash equivalents.

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Notes to the Financial Statements

June 30, 2020 and 2019

NOTE 1 - NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

Revenue Recognition

United Way conducts its annual campaign from mid-September to mid-December to raise support for allocations and donor designations to agencies and operating expenses for the subsequent year.

Restricted contributions reduced by a provision for uncollectible pledges, are recorded at their estimated fair value when received or made. Unconditional promises to give, reduced by a provision for uncollectible pledges, are recorded as revenue when promise is made. All contributions are considered to be available a without donor restriction use unless specifically restricted by donor. Amounts received that are restricted for future periods (for example, 2019 Fall campaign amounts for use in 2020) are reported as with donor restrictions support.

Special events revenue is recorded when the event is held. Administrative fees are recorded when the donor designation is recognized.

When a donor-stipulated time restriction ends or a purpose restriction is accomplished, the restricted net assets are reclassified to without donor restrictions net assets. If a restriction is fulfilled in the same time period in which the contribution is received, the contribution is reported as without donor restrictions.

Annual campaign gifts in which United Way agrees to transfer the gift to another beneficiary as designated by the donor constitute agency transactions and are deducted from gross campaign revenue to arrive at contribution revenue. Contributions designated to specific agencies are classified as designations payable on the statement of financial position. These specific agencies are not subject to United Way oversight.

Contracts with Customers

The Financial Accounting Standards Board (FASB) issued amended guidance to clarify the principles for recognizing revenue from contracts with customers. The standard will be effective for annual periods beginning after December 15, 2018. The guidance requires an entity to recognize revenue to depict the transfer of goods or services to customers in an amount that reflects the consideration to which an entity expects to be entitled in exchange for those goods or services. United Way follows these principles. The guidance will initially be applied retrospectively. There were no changes in receivables and deferred revenue for 2020 and 2019.

Upon receipt of an advance from donations, United Way recognizes deferred revenue in the amount of the advance for its performance obligation to perform services in the future. At June 30, 2020 and 2019, United Way has recorded deferred revenue of \$2,600 and \$0, respectively, which United Way expects to recognize as revenue in the following year, when it performs those services and, therefore, satisfies its performance obligation to the funding sources. The balances of receivables from pledge campaign donations are as follows as of June 30, 2020 and 2019:

	<u>2020</u>		<u>2019</u>
Promise to Give	\$ 76,334	\$	87,750

United Way of Lewis County
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Notes to the Financial Statements

June 30, 2020 and 2019

NOTE 1 - NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

Pledges Receivable

Pledges receivable from annual campaigns are unconditional promises to give that are expected to be collected within one year. Pledges are initially recorded at their net realizable value based on the amounts expected to be collected. The provision for uncollectable pledges is based upon management estimates of current economic factors, applied as a percentage of gross campaign revenue, including donor designations. Uncollectable pledge balances are written off after the campaign is closed. The provision for uncollectable pledges as of June 30, 2020 and 2019, were \$24,893 and \$26,930.

Functional Expenses

United Way expenses are summarized on a functional basis in the statements of activities. Accordingly, certain costs are allocated among the programs and supporting services benefited. Payroll and related costs are allocated based on time spent on each function. Internet, phone, general office supplies, telephone, postage, conferences, dues, depreciation, insurance, and rent are allocated based on benefit by each function (program, management & general, and fundraising).

Leasehold Improvements and Office Equipment

Acquisitions of equipment greater than \$250 are capitalized at cost. Depreciation of equipment is provided on a straight-line basis over the estimated useful lives of the assets of five years. Amortization of leasehold improvements is provided on a straight-line basis over the lesser of the remaining life of the lease or the estimated useful life of the improvement.

Allocation and Designation

Allocation to member agencies are amounts that are determined through an annual review process by United Way committees of community volunteers and approved by the Board of Directors. Member agencies are notified in the spring of each year of the allocation expected to be paid from July 1 through June 30. The agencies are also notified that the amount to be paid January 1 through June 30 are based on the success of the upcoming campaign and that these intended amounts are subject to change.

Donor designations payable to member and non-member agencies in the accompanying statement of financial position are net of an administrative fee of 15% in 2020 and 2019. Donor designations are not recorded as revenue or expenses, but are presented in the statement of activities as part of campaign results.

United Way Worldwide Dues

United Way Worldwide dues are a support payment for which United Way receives, among other things, the right to use the national brand in charitable endeavors, national advocacy issues, member education and training, centralized creation and support for marketing of fundraising campaigns, fostering of relationships with national organization that support multiple members, establishment and monitoring of compliance with standards of accountability by members, establishment of policies and processes that improve operational efficiencies amongst members, and promotion of concept of local community impact on a national scale.

United Way of Lewis County
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Notes to the Financial Statements

June 30, 2020 and 2019

NOTE 1 - NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

Donated Goods, Facilities and Services

Donated goods and facilities are reflected as contributions in the accompanying financial statements at their estimated fair values at date of receipt.

Donation of services are recorded at estimated fair value if the services received create or enhance nonfinancial assets or require a specialized skills and would typically need to be purchased if not provided by donations. A number of volunteers have donated significant time and effort to the United Way's fundraising campaign and its grant application process. The dollar value of these contributed services is not reflected in the financial statements because the nature of the services does not meet the specified criteria for recording.

Federal Income Taxes

United Way is exempt from federal income taxation under Internal Revenue Code (IRC) Section 501(c)(3) and is not classified as a private foundation. Accordingly, the financial statements do not include any provision for income taxes.

United Way files income tax returns in the U.S. federal jurisdiction. United Way is no longer subject to U.S. federal income tax examinations by tax authorities for years before June 30, 2017. Currently, there is no examination or pending examination with the Internal Revenue Service (IRS).

As of June 30, 2020, there are no tax positions for which the deductibility is certain but for which there is uncertainty regarding the timing of such deductibility.

NOTE 2 - BOARD DESIGNATED NET ASSETS

The Board created a fund to set aside cash available for operations of United Way. Amounts designated included contributions received in previous years. The funds totaled \$281,218 and \$281,218 at June 30, 2020 and 2019 and are included as without donor restrictions—board designated net assets in the accompanying financial statements. As of June 30, 2020 and 2019, the Board has set aside \$57,715, respectively, for future natural disaster assistance. For the fiscal years ended June 30, 2020 and 2019, the Board set aside \$50,000 for the Community Impact Fund.

NOTE 3 - PENSION PLAN

United Way maintains a simplified employee pension plan for qualifying employees as defined in the plan. Vesting is immediate with full participation. The plan requires contribution of 5% of qualifying employee's salary. Pension expense, included in employee benefits, total \$11,704 and \$10,114 for the fiscal years ended June 30, 2020 and 2019.

United Way of Lewis County
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Notes to the Financial Statements

June 30, 2020 and 2019

NOTE 4 - LEASEHOLD IMPROVEMENTS & OFFICE EQUIPMENT

		<u>2020</u>		<u>2019</u>
Leasehold improvements	\$	5,773	\$	5,773
Accumulated depreciation		<u>(5,773)</u>		<u>(5,773)</u>
Net		<u>-</u>		<u>-</u>
Office equipment		46,044		41,702
Accumulated depreciation		<u>(38,267)</u>		<u>(35,459)</u>
Net		<u>7,777</u>		<u>6,243</u>
Total	\$	<u>7,777</u>	\$	<u>6,243</u>

NOTE 5 - WITH DONOR RESTRICTIONS NET ASSETS AND NET ASSETS RELEASED FROM RESTRICTION

With donor restrictions net assets as of June 30, 2020 and 2019, totaling \$362,011 and \$338,937, respectively, consist of contributions/pledges received during the Fall 2020 and 2019 Campaign, net of allowance for doubtful accounts and less donor designations. Activity during some years contains grants received during the year to be used in future periods. These net assets will be available for the next year allocations, program services, and other functional expenses. There were funds available to be used during the fiscal year ended June 30, 2020 at the end of June 30, 2019. There was not any future campaign revenue at the end of June 30, 2020.

Net assets were released from donor restrictions by incurring expenses satisfying the restricted purpose or by occurrence of other events specified by the donor. Time restrictions (net campaign pledges received for future period and grants with time restrictions) satisfied were \$453,786 and \$352,977 for the fiscal years ended June 30, 2020 and 2019.

NOTE 6 - LEASES

United Way has a five-year lease agreement for office space which expires December 2023, and provides for monthly payments of \$800. Lease expense totaled \$9,600 and \$9,000 for the years ended June 30, 2020 and 2019, respectively. United Way also leases a copier which is classified as an operating lease. Minimum rental payments due under the non-cancelable operating leases are the following as of June 30, 2020:

2021	\$	9,600
2022		9,600
2023		9,600
2024		4,800
2025		<u>-</u>
	\$	<u>33,600</u>

United Way of Lewis County
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Notes to the Financial Statements

June 30, 2020 and 2019

NOTE 7 - SPECIAL EVENTS AND MISCELLANEOUS

Following are projects which were value-added services to the community. The intention was to have expenses met by the contribution/grants specifically solicited for that project. Special events and miscellaneous consist of the following:

	<u>Revenue</u>	<u>Direct Expenses</u>	<u>Net</u>
<u>Year ended June 30, 2020</u>			
Golf Tournament	\$ 54,569	25,079	\$ 29,490
Chef's Night Out	70,704	24,258	46,446
Kickoff Lunch	9,744	7,565	2,179
Power of the Purse	35,533	13,516	22,017
Board Retreat	30	-	30
Shop with a Cop	47	-	47
Total	\$ <u>170,627</u>	\$ <u>70,418</u>	\$ <u>100,209</u>
 <u>Year ended June 30, 2019</u>			
Golf Tournament	\$ 48,698	17,883	\$ 30,815
Chef's Night Out	95,745	53,417	42,328
Kickoff Lunch	14,009	6,386	7,623
Power of the Purse	45,463	15,400	30,063
Board Retreat	918	676	242
Shop with a Cop	5,439	5,428	11
Miscellaneous Fundraising	1,185	1,425	(240)
Total	\$ <u>211,457</u>	\$ <u>100,615</u>	\$ <u>110,842</u>

NOTE 8 - CONCENTRATIONS OF CREDIT AND REVENUE RISK

Concentration of credit risk consists primarily of pledge receivables, substantially all of which are from individuals and business in the Lewis County area and cash and cash equivalents.

United Way maintains deposit balances with financial institutions that at times may exceed federally-insured limits. Management monitors these balances and believes they represent neither unusual nor significant credit risk.

For 2020 approximately 13% of United Way's support was provided by one company's employee and corporate matching contributions. Accounts receivable due from the company at June 30, 2020 accounted for approximately 32% of total accounts receivable. For 2019 approximately 16% of United Way's support was provided by one company's employee and corporate matching contributions. Accounts receivable due from the company at June 30, 2019 accounted for approximately 30% of total accounts receivable.

United Way of Lewis County
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Notes to the Financial Statements

June 30, 2020 and 2019

NOTE 9 – DONATED SERVICES & MATERIALS

During the fiscal years ended June 30, 2020 and 2019, United Way received the following inkind donations that are used in the programs sponsored by United Way. These inkind donations have been recorded as inkind revenue at estimated fair market value when received. When they are used, an offsetting entry to inkind expense is made.

		<u>2020</u>		<u>2019</u>
Advertising	\$	<u>25,000</u>	\$	<u>32,500</u>
Total Inkind	\$	<u><u>25,000</u></u>	\$	<u><u>32,500</u></u>

NOTE 10 – LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS

United Way, although it expects to receive current support to fund operations for 2021 and later years, has \$903,762 and \$735,030 of financial assets available within one year of the statement of financial position dates on June 30, 2020 and 2019, respectively, to meet cash needs for general operating expenditures of United Way. Financial assets available within one year consists of the following:

		<u>2020</u>		<u>2019</u>
Cash & cash equivalents	\$	500,535	\$	304,050
Certificates of deposit		688,904		682,167
Campaign pledges receivable		76,334		87,750
Donor Restriction Imposed		<u>(362,011)</u>		<u>(338,937)</u>
Financial Assets Available to Meet Cash Needs Within One Year	\$	<u><u>903,762</u></u>	\$	<u><u>735,030</u></u>

NOTE 11 – RESTATEMENT

United Way participates in fundraising events throughout the year. The prior year financial statements accumulated the direct fundraising costs on the statement of functional expenses. Current year direct fundraising expenses were netted against the respective revenue. Prior year direct fundraising expenses were moved from the statement of functional expenses to the statement of activities and changes in net assets. This did not affect the overall change in net assets. The restatement is for comparability purposes.

United Way of Lewis County
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Notes to the Financial Statements

June 30, 2020 and 2019

NOTE 12 – DEBT & COVID-19 CORONAVIRUS

As a result of the spread of the COVID-19 coronavirus, economic uncertainties have arisen which could negatively impact income. Government mandates, which are expected to be temporary, could have a negative impact on operating results. However, the related financial impact and duration cannot be reasonably estimated at this time.

On April 29, 2020, United Way received loan proceeds in the amount of \$52,900 under the Paycheck Protection Program (PPP). The PPP, established as part of the Coronavirus Aid, Relief and Economic Security Act (Cares Act), provides for loans to qualifying businesses. The loans and accrued interest are forgivable as long as the borrower uses the loan proceeds for eligible purposes, including payroll, benefits, rent and utilities, and maintains its payroll levels. The amount of loan forgiveness will be reduced if the borrower terminates employees or reduces salaries as described in the Cares Act.

The unforgiven portion of the PPP loan is payable over two years at an interest rate of 1%, with a deferral of payments for the first six months. United Way intends to use the proceeds for purposes consistent with the PPP and believes the entire amount of the loan will be forgiven during the next year.

NOTE 13 – SUBSEQUENT EVENTS

In Lewis County, roughly only 25% of children under five years of age have the opportunity to participate in a quality child care program; lack of child care centers playing a large part in this. Center numbers are on the decline, leaving families and children unable to access programs that promote child success. Parents of infants and young children all across Washington struggle to find and afford high-quality, licensed child care, often paying more for child care than the cost of college tuition. Through extensive research and community conversations, United Way of Lewis County, in partnership with the City of Centralia and other local organizations focused on our youth, have come together to create the United Learning Center.

Over the past year, a variety of sites have been assessed to utilize as an early learning center for Lewis County. The current focus for the location of the United Learning Center is downtown Centralia, in partnership with the City of Centralia. We have been working closely with other local organizations to maximize the impact of this location. The City of Centralia recently approved \$1.9 million in REET funds to help construct the United Learning Center; location will be corner of Maple and Pearl St. With partners Boys & Girls Club of Lewis County, Discover! Children's Museum, and United Way of Lewis County, the United Learning Center will facilitate the comprehensive education of our community's youth and their families. We are currently working with KMB Architects and the City of Centralia on site plans and design options. The United Learning Center will serve ALICE families (Asset Limited, Income Constrained, Employed). Construction is set to begin Spring 2021, goal of opening Fall 2022.

Other than the above mentioned project, United Way did not have any subsequent events through January 7, 2021, which is the date the financial statements were available to be issued, for events requiring recording or disclosure in the financial statements for the year ended June 30, 2020.