

# **United Way of Adams County, Inc.**

## **Financial Statements**

**Years Ended June 30, 2020 and 2019**

**United Way of Adams County, Inc.**

**Index to Financial Statements**

Years Ended June 30, 2020 and 2019

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## **Financial Section**



## **Independent Auditor's Report**

To the Board of Trustees of  
United Way of Adams County, Inc.

We have audited the accompanying financial statements of United Way of Adams County, Inc. (a nonprofit organization), 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 Adams County, 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.

## Independent Auditor's Report (Concluded)

### Report on Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The Schedule of Partner Funding on page 17 is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

*Wade Stables P.C.*  
**Wade Stables P.C.**  
*Certified Public Accountants*

October 12, 2020  
Quincy, Illinois

**United Way of Adams County, Inc.****Statements of Financial Position**

June 30, 2020 and 2019

	<u>2020</u>	<u>2019</u>
<b>Assets</b>		
Current Assets:		
Cash	\$ 510,259	\$ 318,892
Certificates of deposit	247,732	169,608
Investments	537,321	528,511
Pledges receivable, net	212,658	198,544
Miscellaneous receivables	17,945	17,312
Prepaid expenses	7,093	9,201
Total Current Assets	<u>\$ 1,533,008</u>	<u>\$ 1,242,068</u>
Capital assets, net	17,850	17,362
Beneficial interest in assets held by the Community Foundation	<u>21,610</u>	<u>21,156</u>
<b>Total Assets</b>	<u><u>\$ 1,572,468</u></u>	<u><u>\$ 1,280,586</u></u>
<b>Liabilities and Net Assets</b>		
Current Liabilities:		
Accounts payable	\$ 9,867	\$ 2,708
Accrued payroll	7,608	6,143
Accrued vacation payable	3,138	7,237
Designations payable	28,722	28,077
Deferred revenue	50,000	-
Note payable - PPP	<u>73,715</u>	<u>-</u>
Total Current Liabilities	<u>\$ 173,050</u>	<u>\$ 44,165</u>
<b>Net Assets</b>		
Without Donor Restrictions:		
Designated for allocations and initiatives	\$ 611,386	\$ 558,166
Undesignated	539,907	544,467
With Donor Restrictions	<u>248,125</u>	<u>133,788</u>
<b>Total Net Assets</b>	<u>\$ 1,399,418</u>	<u>\$ 1,236,421</u>
<b>Total Liabilities and Net Assets</b>	<u><u>\$ 1,572,468</u></u>	<u><u>\$ 1,280,586</u></u>

See accompanying notes to financial statements.

**United Way of Adams County, Inc.****Statements of Activities**

Years Ended June 30, 2020 and 2019

	<u>2020</u>	<u>2019</u>
<b>Changes In Net Assets Without Donor Restrictions:</b>		
<b>Support</b>		
Campaign contributions, net	\$ 1,099,858	\$ 1,003,282
Contributions and grants - other	77,771	59,006
Inkind donations	47,205	20,516
Special event income	1,320	3,425
Miscellaneous income	2,854	2,014
Interest and dividends	26,673	34,520
Realized and unrealized gain (loss)	(14,106)	3,474
Gain (loss) on sale of equipment	82	-
<b>Total Unrestricted Support</b>	<u>\$ 1,241,657</u>	<u>\$ 1,126,237</u>
Net Assets Released from Restrictions	<u>192,295</u>	<u>247,883</u>
<b>Total Unrestricted Support and Reclassifications</b>	<u>\$ 1,433,952</u>	<u>\$ 1,374,120</u>
<b>Expenses</b>		
<b>Program Services</b>		
Community impact	\$ 758,205	\$ 938,478
Direct program & services	206,298	108,948
Community affinity groups	113,033	103,923
<b>Total Program Services</b>	<u>\$ 1,077,536</u>	<u>\$ 1,151,349</u>
<b>Supporting Activities</b>		
Resource development	\$ 166,124	\$ 165,537
Management and general	141,632	174,468
<b>Total Supporting Activities</b>	<u>\$ 307,756</u>	<u>\$ 340,005</u>
<b>Total Expenses</b>	<u>\$ 1,385,292</u>	<u>\$ 1,491,354</u>
<b>Change In Net Assets Without Donor Restrictions</b>	<u>\$ 48,660</u>	<u>\$ (117,234)</u>
<b>Changes In Net Assets With Donor Restrictions:</b>		
Contributions and grants - other	\$ 306,178	\$ 274,532
Restrictions expired and expended	(192,295)	(247,883)
Change in beneficial interest	454	715
<b>Change In Net Assets With Donor Restrictions</b>	<u>\$ 114,337</u>	<u>\$ 27,364</u>
<b>Total Change In Net Assets</b>	<u>\$ 162,997</u>	<u>\$ (89,870)</u>
<b>Net Assets at Beginning of Year</b>	<u>1,236,421</u>	<u>1,326,291</u>
<b>Net Assets at End of Year</b>	<u>\$ 1,399,418</u>	<u>\$ 1,236,421</u>

See accompanying notes to financial statements.

## United Way of Adams County, Inc.

### Statements of Cash Flow

Years Ended June 30, 2020 and 2019

	2020	2019
<b>Cash Flows From Operating Activities:</b>		
Increase (Decrease) in net assets	\$ 162,997	\$ (89,870)
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	4,245	4,589
Realized and unrealized gains on investments	14,106	(3,474)
(Gain) loss on sale of equipment	(82)	-
<b>(Increase) Decrease in:</b>		
Pledges receivable	(14,114)	44,940
Miscellaneous receivable	(633)	(3,242)
Prepaid expenses	2,108	(1,374)
Beneficial interest in assets held by the Community Foundation	(454)	(715)
<b>Increase (Decrease) in:</b>		
Accounts payable	7,159	(7,517)
Payroll liabilities	1,465	6,143
Accrued vacation payable	(4,099)	1,593
Deferred revenue	50,000	(90,275)
Designations payable	645	16
<b>Net Cash Provided (Used) by Operating Activities</b>	\$ 223,343	\$ (139,186)
<b>Cash Flows from Investing Activities:</b>		
(Increase) decrease in certificates of deposit	\$ (78,124)	\$ 52,051
Proceeds from sale of investments	-	-
Purchase of investments	(22,917)	(27,006)
Proceeds from sale of equipment	200	-
Purchase of capital assets	(4,850)	(9,804)
<b>Net Cash Provided (Used) by Investing Activities</b>	\$ (105,691)	\$ 15,241
<b>Cash Flows from Financing Activities:</b>		
Loan proceeds	\$ 73,715	\$ -
<b>Net Cash Provided by (Used for) Financing Activities</b>	\$ 73,715	\$ -
<b>Net Increase (Decrease) in Cash</b>	\$ 191,367	\$ (123,945)
<b>Cash, Beginning of Year</b>	318,892	442,837
<b>Cash, End of Year</b>	\$ 510,259	\$ 318,892
<b>Supplemental Disclosures</b>		
Cash paid for interest	\$ -	\$ -
Noncash activities	None	None

See accompanying notes to financial statements.



**United Way of Adams County, Inc.**

**Statement of Functional Expenses**

Year Ended June 30, 2020

	<b>Community Impact</b>	<b>Direct Program &amp; Services</b>	<b>Community Affinity Groups</b>	<b>Total Program Services</b>
Salaries	\$ 53,819	\$ 77,860	\$ 7,062	\$ 138,741
Payroll taxes	4,729	6,843	621	12,193
Employee benefits	8,639	12,498	1,133	22,270
<b>Total Personnel Costs</b>	<b>\$ 67,187</b>	<b>\$ 97,201</b>	<b>\$ 8,816</b>	<b>\$ 173,204</b>
Allocations - partner funding	628,825	-	-	628,825
Direct designations	35,699	-	-	35,699
Fiscal sponsor expenses	-	-	79,371	79,371
Advertising and promotion	1,586	1,887	107	3,580
Volunteer recognition	-	468	3	471
Conferences and meetings	493	714	55	1,262
Depreciation	1,824	1,200	53	3,077
Direct client assistance	-	68,716	22,239	90,955
Dues and subscriptions	233	538	30	801
Equipment rental and maintenance	522	755	68	1,345
Special event expenses	68	98	9	175
Inkind expenses	-	568	137	705
Insurance	894	1,293	117	2,304
Bank fees	18	37	2	57
Miscellaneous	6	-	-	6
Occupancy	5,633	8,150	739	14,522
Printing and publications	128	225	17	370
Postage and shipping	57	115	81	253
Professional fees	1,057	1,529	138	2,724
Program and initiative expenses	5,000	12,489	-	17,489
Supplies	693	829	164	1,686
Technology	3,856	2,933	266	7,055
Telephone	627	907	82	1,616
Travel	97	291	53	441
Utilities, trash and cleaning	1,769	2,558	232	4,559
United Way Worldwide dues	1,933	2,797	254	4,984
<b>Total Functional Expenses</b>	<b>\$ 758,205</b>	<b>\$ 206,298</b>	<b>\$ 113,033</b>	<b>\$ 1,077,536</b>

See accompanying notes to financial statements.

**United Way of Adams County, Inc.**  
**Statement of Functional Expenses (Concluded)**  
Year Ended June 30, 2020

	<b>Supporting Activities</b>			<b>Total Functional Expenses</b>
	<b>Resource Development</b>	<b>Management &amp; General</b>	<b>Total Supporting Activities</b>	
Salaries	\$ 67,502	\$ 88,012	\$ 155,514	\$ 294,255
Payroll taxes	5,932	7,735	13,667	25,860
Employee benefits	10,836	14,127	24,963	47,233
<b>Total Personnel Costs</b>	<b>\$ 84,270</b>	<b>\$ 109,874</b>	<b>\$ 194,144</b>	<b>\$ 367,348</b>
Allocations - partner funding	-	-	-	628,825
Direct designations	-	-	-	35,699
Fiscal sponsor expenses	-	-	-	79,371
Advertising and promotion	3,401	1,340	4,741	8,321
Volunteer recognition	-	-	-	471
Conferences and meetings	3,877	840	4,717	5,979
Depreciation	507	661	1,168	4,245
Direct client assistance	-	-	-	90,955
Dues and subscriptions	293	382	675	1,476
Equipment rental and maintenance	654	853	1,507	2,852
Special event expenses	1,132	111	1,243	1,418
Inkind expenses	46,200	300	46,500	47,205
Insurance	1,121	1,462	2,583	4,887
Bank fees	2,031	32	2,063	2,120
Miscellaneous	-	5	5	11
Occupancy	7,066	9,212	16,278	30,800
Printing and publications	3,537	209	3,746	4,116
Postage and shipping	1,669	168	1,837	2,090
Professional fees	1,325	1,728	3,053	5,777
Program and initiative expenses	-	-	-	17,489
Supplies	1,031	1,895	2,926	4,612
Technology	2,543	3,315	5,858	12,913
Telephone	786	1,025	1,811	3,427
Travel	39	2,166	2,205	2,646
Utilities, trash and cleaning	2,217	2,893	5,110	9,669
United Way Worldwide dues	2,425	3,161	5,586	10,570
<b>Total Functional Expenses</b>	<b>\$ 166,124</b>	<b>\$ 141,632</b>	<b>\$ 307,756</b>	<b>\$ 1,385,292</b>

**United Way of Adams County, Inc.**

**Statement of Functional Expenses**

Year Ended June 30, 2019

	<b>Community Impact</b>	<b>Direct Program &amp; Services</b>	<b>Community Affinity Groups</b>	<b>Total Program Services</b>
Salaries	\$ 51,287	\$ 58,136	\$ 6,265	\$ 115,688
Payroll taxes	4,182	4,740	511	9,433
Employee benefits	7,818	8,862	955	17,635
<b>Total Personnel Costs</b>	<b>\$ 63,287</b>	<b>\$ 71,738</b>	<b>\$ 7,731</b>	<b>\$ 142,756</b>
Allocations - partner funding	597,771	-	-	597,771
Direct designations	30,276	-	-	30,276
Fiscal sponsor expenses	-	-	69,756	69,756
Advertising and promotion	168	191	21	380
Volunteer recognition	21	24	3	48
Conferences and meetings	3,141	2,222	261	5,624
Depreciation	698	1,201	85	1,984
Direct client assistance	-	-	21,370	21,370
Dues and subscriptions	4,319	978	99	5,396
Equipment rental and maintenance	457	518	56	1,031
Special event expenses	1,047	823	89	1,959
Inkind expenses	18,068	-	2,448	20,516
Insurance	707	802	87	1,596
Investment fees	619	702	76	1,397
Miscellaneous	1,458	-	-	1,458
Occupancy	5,411	6,134	661	12,206
Printing and publications	1,117	152	16	1,285
Postage and shipping	34	91	29	154
Professional fees	1,007	1,141	123	2,271
Program and initiative expenses	199,770	13,034	-	212,804
Supplies	1,379	1,545	166	3,090
Technology	1,799	2,039	220	4,058
Telephone	613	695	75	1,383
Travel	1,858	1,004	130	2,992
Utilities, trash and cleaning	1,763	1,998	215	3,976
United Way Worldwide dues	1,690	1,916	206	3,812
<b>Total Functional Expenses</b>	<b>\$ 938,478</b>	<b>\$ 108,948</b>	<b>\$ 103,923</b>	<b>\$ 1,151,349</b>

See accompanying notes to financial statements.

**United Way of Adams County, Inc.**  
**Statement of Functional Expenses (Concluded)**  
Year Ended June 30, 2019

	<b>Supporting Activities</b>			<b>Total Functional Expenses</b>
	<b>Resource Development</b>	<b>Management &amp; General</b>	<b>Total Supporting Activities</b>	
Salaries	\$ 85,745	\$ 105,646	\$ 191,391	\$ 307,079
Payroll taxes	6,991	8,614	15,605	25,038
Employee benefits	13,072	16,105	29,177	46,812
<b>Total Personnel Costs</b>	<b>\$ 105,808</b>	<b>\$ 130,365</b>	<b>\$ 236,173</b>	<b>\$ 378,929</b>
Allocations - partner funding	-	-	-	597,771
Direct designations	-	-	-	30,276
Fiscal sponsor expenses	-	-	-	69,756
Advertising and promotion	7,903	460	8,363	8,743
Volunteer recognition	276	44	320	368
Conferences and meetings	7,719	4,314	12,033	17,657
Depreciation	1,167	1,438	2,605	4,589
Direct client assistance	-	-	-	21,370
Dues and subscriptions	1,369	1,686	3,055	8,451
Equipment rental and maintenance	764	942	1,706	2,737
Special event expenses	4,423	1,495	5,918	7,877
Inkind expenses	-	-	-	20,516
Insurance	1,181	1,456	2,637	4,233
Bank fees	1,035	1,276	2,311	3,708
Miscellaneous	3,616	5	3,621	5,079
Occupancy	9,047	11,147	20,194	32,400
Printing and publications	4,375	277	4,652	5,937
Postage and shipping	1,996	313	2,309	2,463
Professional fees	1,683	2,072	3,755	6,026
Program and initiative expenses	-	-	-	212,804
Supplies	2,436	3,965	6,401	9,491
Technology	3,008	3,706	6,714	10,772
Telephone	1,025	1,263	2,288	3,671
Travel	933	1,131	2,064	5,056
Utilities, trash and cleaning	2,947	3,631	6,578	10,554
United Way Worldwide dues	2,826	3,482	6,308	10,120
<b>Total Functional Expenses</b>	<b>\$ 165,537</b>	<b>\$ 174,468</b>	<b>\$ 340,005</b>	<b>\$ 1,491,354</b>

**1. Summary of Significant Accounting Policies**

**A. Nature of Business**

The United Way of Adams County, Inc. (UWAC) (the Organization) is a non-profit organization which receives support from the public and allocates the support received to various nonprofit organizations in Adams County, Illinois. The mission of the United Way of Adams County, Inc. is to inspire, unite and empower the people of Adams County to reach their full, human potential.

**B. Financial Statement Presentation**

The Organization has chosen to maintain its accounting records on the accrual basis. Accordingly, revenue is recognized when earned or when it otherwise becomes available and expenditures are recognized when incurred.

Under requirements of the Financial Accounting Standards Board, the Organization is required to report information regarding its financial position and activities according to two classes of net assets: net assets without donor restrictions and net assets with donor restrictions. In addition, the Organization is required to present a statement of cash flows.

Net assets with donor restrictions include gifts for which a donor-imposed restriction has not been met and promises to give for which the ultimate purposes of the proceeds are restricted by the donor. The entire gift, the principal amount given, can be spent in accordance with the donor's restriction. It also includes gifts, trusts and pledges which require, by donor restriction, that the corpus or the principal be invested in perpetuity and only the income be made available for program operations in accordance with donor restrictions.

**C. Campaign Pledges Receivable**

Unconditional pledges receivable are recognized as support in the period the pledges are received. Conditional promises to give are recognized as support when the conditions on which they depend have been substantially met.

Pledges receivable are stated at the amount management expects to collect from outstanding balances. Management provides for probable uncollectible amounts through a charge to earnings and a credit to a valuation allowance. The valuation allowance is computed based upon a percentage agreed upon by the Board of Directors based on historical experience. Those balances that are still outstanding after management has used reasonable collection efforts are written off through a charge to the valuation allowance and a credit to pledges receivable. During this fiscal year, the allowance for outstanding balances was increased to \$68,800 from \$35,425, 6.00% of the 2019 campaign pledges.

**D. Cash and Cash Equivalents**

For purposes of the statements of cash flows, the Organization considers all highly liquid investments available for current use with an initial maturity of three months or less to be cash equivalents.

**E. Investments**

Investments are reported at fair value, which is based on quoted market prices, with the exception of certificates of deposit which are carried at cost, which approximates fair value. Gains and losses on sales of investments are generally determined on a specific cost identification basis. Unrealized gains and losses are determined based on year-end market valuations.

**1. Summary of Significant Accounting Policies (Continued)**

**F. Capital Assets**

The Organization capitalizes acquisitions of capital assets greater than \$1,000 and a useful life greater than one year. These are recorded at cost for items purchased by the Organization. Capital assets donated to the Organization are recorded at the fair market value when received. Depreciation is computed using the straight-line method over the estimated useful lives of the respective assets. Office equipment is depreciated over a period of 5 to 10 years.

**G. Description of Program Services and Supporting Activities**

The following program services and supporting activities are included in the accompanying financial statements, in accordance with the Organization's Mission Statement:

**Program Services**

Community Impact – Includes all activities related to UWAC grants to partner agency programs and the development of programs, partnerships and collaborations led by many community partners that seek to improve the quality of life in Adams County. The partner agency grant allocation process includes volunteer recruiting and training, scheduling and coordinating site visits, resource investment team meetings, reviewing partner applications and grant requests, preparing reports, and providing technical assistance to grantees. Community impact includes the administrative support and coordination of the Community Building Council, Education/Financial Stability/Health Strategic Initiatives, community solution teams and new program/project incubator, as well as staff involvement in service clubs, community networking and organizational affiliations. Additionally, UWAC coordinates the production, development and promotion of the county-wide assessment that guides overall community impact efforts.

Direct Programs and Services – Includes projects that provide direct client support and referral services, or ongoing leadership of a community/county based collaborative team. The oversight and implementation of the Volunteer Income Tax Assistance (VITA) program includes site certification with the Internal Revenue Service, recruitment and training of VITA volunteers, volunteer and client scheduling, tax preparation and tax filing and promotions and communications about the program. Other services include the HelpLine, Emergency Food & Shelter, FamilyWize medication discount program, case coordination for the Herald Whig Good News of Christmas, leadership of Adams County Voluntary Organizations Active in Disaster (VOAD) and Interagency Council, community presentations and education on UWAC services. During the year ended June 30, 2020, the Organization also began administering the Adams County Together program as a response to the COVID pandemic.

Community Affinity Groups – Includes staff and administrative support and accounting services for fiscal sponsorship projects including the Quincy Area Partnership for Unmet Needs, Give Kids a Smile, Tri-State Warrior Outreach, Mental Health Education Coalition, the Virgene Project, Tri-State Veterans Support and KidzPacks Weekend Food Program. The Quincy Area Partnership for Unmet Needs is a collaborative effort involving the faith community and social service agencies. While the Partnership directs the use of funds, UWAC hosts and coordinates bi-monthly meetings, maintains casework records, processes income and expenses, maintains financial records, and coordinates client assistance as needed. Tri-State Warrior Outreach provides assistance to veterans in need, with UWAC's casework administration and client support. The other fiscal sponsorships receive accounting and financial service support from UWAC.

**Supporting Activities**

Resource Development – Includes activities related to fundraising and volunteer management that support UWAC resource investment efforts as well as internal programs and services. This includes all aspects of the Annual Campaign (presentations, meetings, auditing packets, entering data, updating database, meetings with donors, donor recognition, media), grant writing, planning/involvement with non-campaign special events, planned giving, website/social media, coordination of the Promotions Committee, volunteer recruitment and training.

**1. Summary of Significant Accounting Policies (Continued)**

**G. Description of Program Services and Supporting Activities (Concluded)**

**Supporting Activities**

Management and General – Includes the administrative activities that support the overall operation of the office and governance of the Organization. This includes staff meetings, cleaning, mail processing, clipping newspapers, board meetings and board committees, general errands, professional training/learning activities, strategic planning and accounting functions.

**H. Public Support**

Support is recognized when contributions are made, which may be when cash is received, unconditional promises are made, or ownership of other assets is transferred to the Organization. Conditional promises to give are not recorded until conditions are substantially met. The Organization reports gifts of cash and other assets as restricted support if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is satisfied, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the Statements of Activities as net assets released from restriction.

**I. Donated Services**

The Organization receives donated services from a variety of unpaid volunteers assisting with the campaign and with other activities throughout the year. The Organization has not recognized any amounts in the accompanying Statement of Activities because the criteria for recognition of such volunteer effort under accounting standards has not been satisfied. The Organization also receives donated marketing services and other promotional services and the value of these donated services are shown in the Statement of Activities and the Statement of Functional Expenses. The majority of these services represent the advertising time and production costs donated by local television, radio, and advertising agencies valued according to their standard rates charged to paying advertisers.

**J. Use of Estimates**

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Accordingly, actual results could differ from those estimates.

**K. Functional Expenses**

The Organization allocates its expenses on a functional basis among its various programs and support services. Expenses that can be identified with a specific program and/or support service are allocated directly according to their natural expenditure classification. Other expenses are allocated based as a function of staff time, which is tracked by functional areas on each staff member's timesheets.

**L. Income Taxes**

The United Way of Adams County, Inc. is a not-for-profit organization that is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code. IRS Form 990, *Return of Organization Exempt from Income Tax*, and Illinois Form AG990-IL, *Charitable Organization Supplement*, for the year ended June 30, 2020 and prior years have been filed. Income tax filings are subject to audit by various taxing authorities and are open for audit for 2018 to 2020.

**1. Summary of Significant Accounting Policies (Concluded)**

**M. Fair Value**

The carrying amounts of accounts receivable, campaign pledges receivable, prepaid expenses, accounts payable, accrued expenses, and deferred revenue approximate fair value due to the short period of maturity.

**N. Subsequent Events**

Subsequent events have been evaluated through October 12, 2020, the date the financial statements were available to be issued.

**2. Liquidity and Availability Management**

At June 30, 2020, the Organization had \$988,594 of financial assets available within one year of the statement of financial position date to meet cash needs for general expenditure consisting of cash of \$510,259, certificates of deposit of \$247,732 and pledges and other receivables of \$230,603. None of the financial assets are subject to donor or other contractual restrictions that make them unavailable for general expenditure within one year of the statement of financial position date.

At June 30, 2019, the Organization had \$674,064 of financial assets available within one year of the statement of financial position date to meet cash needs for general expenditure consisting of cash of \$288,600, certificates of deposit of \$169,608 and pledges and other receivables of \$215,856. None of the financial assets are subject to donor or other contractual restrictions that make them unavailable for general expenditure within one year of the statement of financial position date.

The Organization has a policy structuring its financial assets to be available as general expenditures, liabilities, and other obligations become due. This policy states that the Organization should have at least six months of expense in reserve. Should an unforeseen liability need arise, the Organization could also draw upon its other investments.

**3. Deposits**

The Organization maintains several bank accounts at various financial institutions. As of June 30, 2020 and 2019, the bank balance of those deposits was \$780,173 and \$509,082, respectively. At various times throughout the year, the Organization's cash deposits may exceed the federally insured limits.

**4. Investments**

The Organization carries investments in marketable securities with readily determinable fair values and all investments in debt securities at their fair values in the Statement of Financial Position. Realized and unrealized gains and losses are included in the change in net assets in the accompanying Statement of Activities. Investments as of June 30, 2020 and 2019 consist of the following:

	2020		2019	
	Carrying Value	Market Value	Carrying Value	Market Value
Certificates of deposit	\$ 247,732	\$ 247,732	\$ 169,608	\$ 169,608
Mutual funds	537,321	537,321	528,511	528,511
Total	<u>\$ 785,053</u>	<u>\$ 785,053</u>	<u>\$ 698,119</u>	<u>\$ 698,119</u>



**5. Fair Value Measurements**

The Organization adopted accounting standards for fair value measurements. The standards define fair value as the exchange price that would be received for an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date.

The following are the major categories of assets measured at fair value on a recurring basis during the years ended June 30, 2020 and 2019 using quoted market prices in active markets for identical assets (Level 1); significant other observable inputs (Level 2); and significant unobservable inputs (Level 3).

	<b>Assets at Fair Value as of June 30, 2020</b>			
	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
Mutual funds	\$ 537,321	\$ -	\$ -	\$ 537,321
Beneficial interest in assets held by Community Foundation	-	-	21,610	21,610
<b>Total Investments</b>	<b>\$ 537,321</b>	<b>\$ -</b>	<b>\$ 21,610</b>	<b>\$ 558,931</b>

	<b>Assets at Fair Value as of June 30, 2019</b>			
	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
Mutual funds	\$ 528,511	\$ -	\$ -	\$ 528,511
Beneficial interest in assets held by Community Foundation	-	-	21,156	21,156
<b>Total Investments</b>	<b>\$ 528,511</b>	<b>\$ -</b>	<b>\$ 21,156</b>	<b>\$ 549,667</b>

The beneficial interest in assets held by the Community Foundation has been valued at the fair value of the Organization's share of the Foundation's investment pool as of the measurement date. The Foundation values securities and other financial instruments on a fair value basis of accounting. The beneficial interest in assets held by the Community Foundation is not redeemable by the Organization as described in Note 5. Financial instruments classified as Level 3 in the fair value hierarchy represent the Organization's investments in financial instruments in which management has used at least one significant unobservable input in the valuation model. The following table represents a reconciliation of the activities for Level 3 financial instruments:

Balance at July 1, 2018	\$ 20,441
Additional amounts invested in fund	649
Share of change in market value of fund	715
Distributions received	(649)
Balance at July 1, 2019	\$ 21,156
Additional amounts invested in fund	698
Share of change in market value of fund	454
Distributions received	(698)
Balance at June 30, 2020	<u>\$ 21,610</u>

**6. Beneficial Interest in Assets Held by the Community Foundation**

The United Way of Adams County, Inc. transferred assets to the Community Foundation of the Quincy Area (CFQA), establishing the United Way of Adams County, Inc. Fund. The Organization has granted the CFQA variance power which gives the CFQA's Board of Trustees the power to use the Fund for other purposes in certain circumstances. According to Financial Accounting Standards Board Codification 958-605-25-21, *Transfers of Assets to a Not-for-Profit Organization or Charitable Trust That Raises or Holds Contributions for Others*, when a not-for-profit transfers a portion of its own assets to a fund in a community foundation, the not-for-profit organization continues to report those assets as its own, with the activity for the year shown in the Statements of Activities. The Fund is subject to the CFQA's investment and spending policies and distributions are made to the Organization annually and shown in the Statements of Activities as investment income. Changes in the value of the Fund are reported as gains or losses in the Statements of Activities.

As of June 30, 2020, and 2019, the CFQA, acting as an agent for the Organization, had invested funds in the United Way of Adams County, Inc. Fund totaling \$21,610 and \$21,156, respectively. These are shown on the Statements of Financial Position with net assets with donor restrictions. The increase in value of \$454 in the year ended June 30, 2020, and the increase in value of \$715 for the year ended June 30, 2019, are shown in the Statements of Activities.

**7. Capital Assets**

Following is a summary of capital assets at June 30, 2020 and 2019:

	<u>2020</u>	<u>2019</u>
Office equipment	\$ 67,456	\$ 64,177
Improvements	7,502	7,502
	<u>\$ 74,958</u>	<u>\$ 71,679</u>
Accumulated depreciation	(57,108)	(54,317)
Net capital assets	<u>\$ 17,850</u>	<u>\$ 17,362</u>

Depreciation expense for the years ended June 30, 2020 and 2019 was \$4,245 and \$4,589, respectively.

**8. Pledges Receivable**

The Organization has set its allowance for uncollectible pledges at \$68,800 and \$35,425 related to pledges receivable made to the United Way of Adams County, Inc. at June 30, 2020 and 2019, respectively. All pledges receivable at June 30, 2020 and 2019, were due in less than one year.

**9. Pension Plan**

The Organization participates in a Simplified Employee Pension Plan (SEPP) which is a defined contribution pension plan. Regular full-time employees and part-time employees may become a participant in the pension plan on the first day of the month following on which the employee completes one year of eligible service and attains age 21. The Organization contributes to the SEPP at a rate determined by the Board of Directors. The rate was 7% for the years ended June 30, 2020 and 2019. The amount of pension expense was \$17,782 for the year ended June 30, 2020 and \$19,892 for the year ended June 30, 2019.

**10. Operating Lease**

The Organization has a lease agreement for office space with TI-Trust, dated November 18, 2019, expiring October 31, 2022, for the sum of \$90,000 payable in thirty-six equal monthly installments of \$2,500. The following schedule details the required lease payments on this lease:

<b>Year Ended June 30,</b>	
2021	\$ 30,000
2022	30,000
2023	10,000
	<u>\$ 70,000</u>

**11. Board-Designated Net Assets**

The Board of Directors has designated net assets without donor restrictions for the following purposes:

	<b>2020</b>	<b>2019</b>
Designated for reserve	\$ 608,270	\$ 545,321
Financial stability	3,116	12,845
<b>Total Board-Designated Net Assets</b>	<u>\$ 611,386</u>	<u>\$ 558,166</u>

**12. Net Assets with Donor Restrictions**

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 net assets with donor restrictions depending on the nature of the restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions.

A summary of net assets with donor restrictions follows:

	<b>2020</b>	<b>2019</b>
Institute for Excellence	\$ 9,387	\$ 11,535
Quincy Area Partnership for Unmet Needs	16,787	23,466
Community Building Council	26,582	32,056
Tri-State Warrior Outreach	10,446	12,160
Give Kids a Smile	3,695	4,704
Adams County Together COVID-19 Relief Fund	98,806	-
Adams County Community Connect	550	550
Tri-State Veterans Support (TSVS)	11,491	2,041
TSVS Stand Down	2,443	-
Volunteer website portal	1,846	9,270
Kidzpacks Weekend Food Program	8,937	8,850
Tri-State Conference	-	2,000
Campaign video	-	1,000
Shoe fund	5,175	5,000
Mental Health Education Coalition	22,459	-
The Virgene Project	7,911	-
Community Foundation	21,610	21,156
<b>Total Net Assets with Donor Restrictions</b>	<u>\$ 248,125</u>	<u>\$ 133,788</u>

### **13. Notes Payable**

On April 15, 2020, the Organization entered into a loan agreement with United Community Bank through the Paycheck Protection Program offered by the U.S. Small Business Administration in response to the COVID-19 pandemic. The amount of the loan is \$73,715 and calls for monthly payments of accrued interest beginning November 15, 2020, at an interest rate of 1.0% with the principal due April 15, 2022. However, this loan is eligible to be forgiven if certain qualifications are met including maintaining employment levels and using the funds for the limited purposes prescribed in the loan program guidelines. The Organization expects to have this loan fully forgiven at the end of the loan forgiveness period which is 24 weeks following the loan disbursement date.

### **14. Recent Accounting Pronouncements**

In January 2016, the FASB issued ASU No. 2016-01, *Financial Instruments – Overall Recognition and Measurement of Financial Assets and Liabilities*. This update impacts all organizations that hold financial assets and liabilities and changes how these organizations recognize, measure, present, and disclose information about certain financial instruments. The Organization adopted this standard for the fiscal year ended June 30, 2020, and the standards did not materially impact the Organization's financial position.

In June 2018, the FASB issued ASU No. 2018-08, *Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made*. The standard intended to clarify and improve the scope and the accounting guidance for contributions received and made. The Organization adopted this standard for the fiscal year ended June 30, 2020, and the standard did not materially impact the Organization's financial position.

### **15. Impact of COVID-19 Pandemic**

The spread of COVID-19 has severely impacted many local economies around the globe. Businesses have been forced to cease or limit operations for long or indefinite periods of time. Measures taken to contain the spread of the virus, including travel bans, quarantines, social distancing, and closures of non-essential services have triggered significant disruptions to businesses worldwide, resulting in an economic slowdown. Stock markets have experienced great volatility and a significant weakening. However, as of June 30, 2020, our investment values have somewhat recovered from their decline when the pandemic began. The Organization's operations are significantly dependent on private and public donations from individuals, foundations, and corporations. As a result of this pandemic, the Organization may see a decrease in its pledges and contributions as donors are uncertain of their financial position for the near future.

Governments and banks have responded with monetary and fiscal interventions to stabilize economic conditions. The Organization received a loan through the Paycheck Protection Program of \$73,715 to maintain its employment levels as well as cover utilities, as needed. The Organization will apply for loan forgiveness in the year ending June 30, 2021, and believes that it will meet all of the requirements to achieve full loan forgiveness.

The duration and impact of the COVID-19 pandemic, as well as the effectiveness of government and central bank responses, remains unclear at this time. It is not possible to reliably estimate the duration and severity of these consequences, as well as their impact on the financial position and results of the Organization for future periods.

## **Supplementary Information**

**United Way of Adams County, Inc.**

**Schedules of Partner Funding**

Years Ended June 30, 2020 and 2019

	<u>2020</u>	<u>2019</u>
<b>Education</b>		
Bella Ease - Quincy TeenREACH	\$ 55,000	\$ 48,000
Big Brothers Big Sisters - One-to-One Mentoring Program	-	20,000
Boy Scouts - Career Exploration	35,000	30,000
Cheerful Home - Outreach Family Support Program	20,000	20,000
Cheerful Home - Sliding Fee Scale Child Care	40,000	38,000
Girl Scouts - Girl Scout Leadership Experience	12,000	12,000
Adams County Academic Success Initiative	23,850	5,000
RSVP - Shoe Fund	3,825	2,771
Transitions - Birth to Three	45,000	46,000
YMCA - School Age Child Care Program	31,650	26,000
Total Education	<u>\$ 266,325</u>	<u>\$ 247,771</u>
<b>Financial Stability</b>		
American Red Cross - Disaster Services	\$ 31,350	\$ 31,600
American Red Cross - Service to Armed Forces	5,500	5,750
Community for Christ - Families in Need	15,000	12,000
Quanada - Domestic Violence Program	25,750	25,750
Quanada - Sexual Assault Program	13,750	13,750
Salvation Army - Emergency Social Services	55,000	57,500
Transitions - Client & Family Support	12,650	12,650
YWCA - Supportive Housing Program	36,000	36,000
Total Financial Stability	<u>\$ 195,000</u>	<u>\$ 195,000</u>
<b>Health</b>		
Addicts Victorious - Victory Biblical Counseling Program	\$ 8,000	\$ 8,000
Advocacy Network for Children - CASA	21,500	20,000
American Red Cross - Blood Services	13,500	15,000
Catholic Charities - MedAssist	16,000	18,000
Catholic Charities - Professional Counseling Solutions	11,500	13,000
Cornerstone - Counseling Sliding Scale	18,000	19,300
Cornerstone - Comprehensive Youth Services	37,500	40,000
Horizons - Soup Kitchen	20,000	-
RSVP - Medical Transportation	5,000	5,000
Transitions - Mental Health Crisis Stabilization	14,500	15,200
Tri-State Audio - Radio Information Service Program	2,000	1,500
Total Health	<u>\$ 167,500</u>	<u>\$ 155,000</u>
Total Partner Funding	<u>\$ 628,825</u>	<u>\$ 597,771</u>