

United Way of Adams County, Inc.

Financial Statements

Years Ended June 30, 2021 and 2020

United Way of Adams County, Inc.

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Years Ended June 30, 2021 and 2020

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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, 2021 and 2020, 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, 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.

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 Schedules of Partner Funding on page 18 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 14, 2021
Quincy, Illinois

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

June 30, 2021 and 2020

	<u>2021</u>	<u>2020</u>
Assets		
Current Assets:		
Cash	\$ 463,961	\$ 510,259
Certificates of deposit	250,144	247,732
Investments	1,113,204	537,321
Pledges receivable, net	192,129	212,658
Miscellaneous receivables	18,412	17,945
Prepaid expenses	6,982	7,093
Total Current Assets	<u>\$ 2,044,832</u>	<u>\$ 1,533,008</u>
Capital assets, net	33,137	17,850
Beneficial interest in assets held by the Community Foundation	<u>26,843</u>	<u>21,610</u>
Total Assets	<u><u>\$ 2,104,812</u></u>	<u><u>\$ 1,572,468</u></u>
Liabilities and Net Assets		
Current Liabilities:		
Accounts payable	\$ 6,161	\$ 9,867
Accrued payroll	8,885	7,608
Accrued vacation payable	5,885	3,138
Designations payable	15,799	28,722
Deferred revenue	-	50,000
Note payable - PPP	<u>75,539</u>	<u>73,715</u>
Total Current Liabilities	<u>\$ 112,269</u>	<u>\$ 173,050</u>
Net Assets		
Without Donor Restrictions:		
Designated for allocations and initiatives	\$ 640,240	\$ 611,386
Undesignated	1,209,320	539,907
With Donor Restrictions	<u>142,983</u>	<u>248,125</u>
Total Net Assets	<u>\$ 1,992,543</u>	<u>\$ 1,399,418</u>
Total Liabilities and Net Assets	<u><u>\$ 2,104,812</u></u>	<u><u>\$ 1,572,468</u></u>

See accompanying notes to financial statements.

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

Years Ended June 30, 2021 and 2020

	<u>2021</u>	<u>2020</u>
Changes In Net Assets Without Donor Restrictions:		
Support		
Campaign contributions, net	\$ 1,117,311	\$ 1,099,858
Contributions and grants - other	594,484	77,771
Inkind donations	107,734	47,205
Special event income	2,720	1,320
Miscellaneous income	5,459	2,854
Interest and dividends	28,862	26,673
Realized and unrealized gain (loss)	152,435	(14,106)
Gain (loss) on sale of equipment	-	82
Total Unrestricted Support	<u>\$ 2,009,005</u>	<u>\$ 1,241,657</u>
Net Assets Released from Restrictions	<u>263,364</u>	<u>192,295</u>
Total Unrestricted Support and Reclassifications	<u>\$ 2,272,369</u>	<u>\$ 1,433,952</u>
Expenses		
Program Services		
Community impact	\$ 823,099	\$ 758,205
Direct program & services	269,608	206,298
Community affinity groups	133,018	113,033
Total Program Services	<u>\$ 1,225,725</u>	<u>\$ 1,077,536</u>
Supporting Activities		
Resource development	\$ 202,158	\$ 166,124
Management and general	146,219	141,632
Total Supporting Activities	<u>\$ 348,377</u>	<u>\$ 307,756</u>
Total Expenses	<u>\$ 1,574,102</u>	<u>\$ 1,385,292</u>
Change In Net Assets Without Donor Restrictions	<u>\$ 698,267</u>	<u>\$ 48,660</u>
Changes In Net Assets With Donor Restrictions:		
Contributions and grants - other	\$ 152,989	\$ 306,178
Restrictions expired and expended	(263,364)	(192,295)
Change in beneficial interest	5,233	454
Change In Net Assets With Donor Restrictions	<u>\$ (105,142)</u>	<u>\$ 114,337</u>
Total Change In Net Assets	<u>\$ 593,125</u>	<u>\$ 162,997</u>
Net Assets at Beginning of Year	<u>1,399,418</u>	<u>1,236,421</u>
Net Assets at End of Year	<u>\$ 1,992,543</u>	<u>\$ 1,399,418</u>

See accompanying notes to financial statements.

United Way of Adams County, Inc.

Statements of Cash Flow

Years Ended June 30, 2021 and 2020

	2021	2020
Cash Flows From Operating Activities:		
Increase (Decrease) in net assets	\$ 593,125	\$ 162,997
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	6,703	4,245
Realized and unrealized gains on investments	(152,435)	14,106
(Gain) loss on sale of equipment	-	(82)
PPP loan principal forgiveness	(73,715)	-
(Increase) Decrease in:		
Pledges receivable	20,529	(14,114)
Miscellaneous receivable	(467)	(633)
Prepaid expenses	111	2,108
Beneficial interest in assets held by the Community Foundation	(5,233)	(454)
Increase (Decrease) in:		
Accounts payable	(3,706)	7,159
Payroll liabilities	1,277	1,465
Accrued vacation payable	2,747	(4,099)
Deferred revenue	(50,000)	50,000
Designations payable	(12,923)	645
Net Cash Provided (Used) by Operating Activities	\$ 326,013	\$ 223,343
Cash Flows from Investing Activities:		
(Increase) decrease in certificates of deposit	\$ (2,412)	\$ (78,124)
Proceeds from sale of investments	276,720	-
Purchase of investments	(700,168)	(22,917)
Proceeds from sale of equipment	-	200
Purchase of capital assets	(21,990)	(4,850)
Net Cash Provided (Used) by Investing Activities	\$ (447,850)	\$ (105,691)
Cash Flows from Financing Activities:		
Loan proceeds	\$ 75,539	\$ 73,715
Net Cash Provided by (Used for) Financing Activities	\$ 75,539	\$ 73,715
Net Increase (Decrease) in Cash	\$ (46,298)	\$ 191,367
Cash, Beginning of Year	510,259	318,892
Cash, End of Year	\$ 463,961	\$ 510,259
Supplemental Disclosures		
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, 2021

	Program Services			
	Community Impact	Direct Program & Services	Community Affinity Groups	Total Program Services
Salaries	\$ 47,321	\$ 70,553	\$ 17,439	\$ 135,313
Payroll taxes	3,987	5,944	1,469	11,400
Employee benefits	8,295	12,368	3,057	23,720
Total Personnel Costs	\$ 59,603	\$ 88,865	\$ 21,965	\$ 170,433
Allocations - partner funding	654,986	-	-	654,986
Direct designations	36,234	-	-	36,234
Fiscal sponsor expenses	-	-	73,215	73,215
Advertising and promotion	1,845	860	213	2,918
Volunteer recognition	50	-	-	50
Conferences and meetings	506	440	108	1,054
Depreciation	1,009	2,121	372	3,502
Direct client assistance	-	117,805	24,268	142,073
Dues and subscriptions	984	175	31	1,190
Equipment rental and maintenance	262	391	97	750
Special event expenses	1,880	151	37	2,068
Inkind expenses	819	11,637	6,780	19,236
Insurance	820	1,223	303	2,346
Bank fees	50	74	18	142
Miscellaneous	-	-	-	-
Occupancy	4,974	7,416	1,833	14,223
Printing and publications	160	238	59	457
Postage and shipping	56	160	37	253
Professional fees	974	1,452	358	2,784
Program and initiative expenses	49,333	23,630	251	73,214
Supplies	642	1,110	221	1,973
Technology	2,303	3,564	849	6,716
Telephone	549	981	202	1,732
Travel	188	51	6	245
Utilities, trash and cleaning	1,798	2,681	662	5,141
United Way dues	3,074	4,583	1,133	8,790
Total Functional Expenses	\$ 823,099	\$ 269,608	\$ 133,018	\$ 1,225,725

See accompanying notes to financial statements.

United Way of Adams County, Inc.
Statement of Functional Expenses (Concluded)
Year Ended June 30, 2021

	Supporting Activities			Total Functional Expenses
	Resource Development	Management & General	Total Supporting Activities	
Salaries	\$ 62,419	\$ 87,678	\$ 150,097	\$ 285,410
Payroll taxes	5,259	7,387	12,646	24,046
Employee benefits	10,942	15,369	26,311	50,031
Total Personnel Costs	\$ 78,620	\$ 110,434	\$ 189,054	\$ 359,487
Allocations - partner funding	-	-	-	654,986
Direct designations	-	-	-	36,234
Fiscal sponsor expenses	-	-	-	73,215
Advertising and promotion	4,124	1,068	5,192	8,110
Volunteer recognition	-	-	-	50
Conferences and meetings	2,208	825	3,033	4,087
Depreciation	1,331	1,870	3,201	6,703
Direct client assistance	-	-	-	142,073
Dues and subscriptions	261	156	417	1,607
Equipment rental and maintenance	346	486	832	1,582
Special event expenses	456	188	644	2,712
Inkind expenses	87,718	780	88,498	107,734
Insurance	1,081	1,519	2,600	4,946
Bank fees	1,098	92	1,190	1,332
Miscellaneous	-	-	-	-
Occupancy	6,561	9,216	15,777	30,000
Printing and publications	2,961	295	3,256	3,713
Postage and shipping	2,178	145	2,323	2,576
Professional fees	1,285	1,805	3,090	5,874
Program and initiative expenses	898	1,262	2,160	75,374
Supplies	811	1,736	2,547	4,520
Technology	3,038	4,268	7,306	14,022
Telephone	724	1,017	1,741	3,473
Travel	32	32	64	309
Utilities, trash and cleaning	2,373	3,331	5,704	10,845
United Way dues	4,054	5,694	9,748	18,538
Total Functional Expenses	\$ 202,158	\$ 146,219	\$ 348,377	\$ 1,574,102

United Way of Adams County, Inc.

Statement of Functional Expenses

Year Ended June 30, 2020

	Program Services			
	Community Impact	Direct Program & Services	Community Affinity Groups	Total Program Services
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
Total Personnel Costs	\$ 67,187	\$ 97,201	\$ 8,816	\$ 173,204
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 dues	1,933	2,797	254	4,984
Total Functional Expenses	\$ 758,205	\$ 206,298	\$ 113,033	\$ 1,077,536

See accompanying notes to financial statements.

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

	Supporting Activities			Total Functional Expenses
	Resource Development	Management & General	Total Supporting Activities	
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
Total Personnel Costs	\$ 84,270	\$ 109,874	\$ 194,144	\$ 367,348
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 dues	2,425	3,161	5,586	10,570
Total Functional Expenses	\$ 166,124	\$ 141,632	\$ 307,756	\$ 1,385,292

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 decreased to \$34,200 from \$68,800, 3.03% of the 2020 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, 2021, 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 (Concluded)

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, 2021 and prior years have been filed. Income tax filings are subject to audit by various taxing authorities and are open for audit for 2019 to 2021.

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 14, 2021, the date the financial statements were available to be issued.

2. Liquidity and Availability Management

At June 30, 2021, the Organization had \$924,646 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 \$463,961, certificates of deposit of \$250,144 and pledges and other receivables of \$210,541. 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, 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.

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, 2021 and 2020, the bank balance of those deposits was \$729,767 and \$780,173, 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, 2021 and 2020 consist of the following:

	2021		2020	
	<u>Carrying Value</u>	<u>Market Value</u>	<u>Carrying Value</u>	<u>Market Value</u>
Certificates of deposit	\$ 250,144	\$ 250,144	\$ 247,732	\$ 247,732
Mutual funds	1,113,204	1,113,204	537,321	537,321
Total	<u>\$ 1,363,348</u>	<u>\$ 1,363,348</u>	<u>\$ 785,053</u>	<u>\$ 785,053</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, 2021 and 2020 using quoted market prices in active markets for identical assets (Level 1); significant other observable inputs (Level 2); and significant unobservable inputs (Level 3).

	Assets at Fair Value as of June 30, 2021			
	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Mutual funds	\$ 1,113,204	\$ -	\$ -	\$ 1,113,204
Beneficial interest in assets held by Community Foundation	-	-	26,843	26,843
Total Investments	<u>\$ 1,113,204</u>	<u>\$ -</u>	<u>\$ 26,843</u>	<u>\$ 1,140,047</u>

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

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 6. 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, 2019	\$ 21,156
Additional amounts invested in fund	698
Share of change in market value of fund	454
Distributions received	(698)
Balance at July 1, 2020	<u>\$ 21,610</u>
Additional amounts invested in fund	829
Share of change in market value of fund	5,233
Distributions received	(829)
Balance at June 30, 2021	<u>\$ 26,843</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, 2021, and 2020, the CFQA, acting as an agent for the Organization, had invested funds in the United Way of Adams County, Inc. Fund totaling \$26,843 and \$21,610, respectively. These are shown on the Statements of Financial Position with net assets with donor restrictions. The increase in value of \$5,233 in the year ended June 30, 2021, and the increase in value of \$454 for the year ended June 30, 2020, are shown in the Statements of Activities.

7. Capital Assets

Following is a summary of capital assets at June 30, 2021 and 2020:

	<u>2021</u>	<u>2020</u>
Office equipment	\$ 63,446	\$ 67,456
Improvements	7,502	7,502
	<u>\$ 70,948</u>	<u>\$ 74,958</u>
Accumulated depreciation	<u>(37,811)</u>	<u>(57,108)</u>
Net capital assets	<u>\$ 33,137</u>	<u>\$ 17,850</u>

Depreciation expense for the years ended June 30, 2021 and 2020 was \$6,703 and \$4,245, respectively.

8. Pledges Receivable

The Organization has set its allowance for uncollectible pledges at \$34,200 and \$68,800 related to pledges receivable made to the United Way of Adams County, Inc. at June 30, 2021 and 2020, respectively. All pledges receivable at June 30, 2021 and 2020, 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, 2021 and 2020. The amount of pension expense was \$15,777 for the year ended June 30, 2021 and \$17,782 for the year ended June 30, 2020.

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:

Year Ended June 30,	
2022	\$ 30,000
2023	10,000
	<u>\$ 40,000</u>

11. Board-Designated Net Assets

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

	2021	2020
Designated for reserve	\$ 640,240	\$ 608,270
Financial stability	-	3,116
Total Board-Designated Net Assets	<u>\$ 640,240</u>	<u>\$ 611,386</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:

	2021	2020
Institute for Excellence	\$ 8,183	\$ 9,387
Quincy Area Partnership for Unmet Needs	22,911	16,787
Community Building Council	15,982	26,582
Tri-State Warrior Outreach	4,167	10,446
Give Kids a Smile	3,695	3,695
COVID-19 Relief Fund	100	98,806
Adams County Community Connect	550	550
Tri-State Veterans Support (TSVS)	19,179	11,491
TSVS Stand Down	2,443	2,443
Volunteer website portal	-	1,846
Kidzpacks Weekend Food Program	5,250	8,937
Marion Gardner Jackson Grant	985	-
Shoe fund	6,274	5,175
Mental Health Education Coalition	19,755	22,459
The Virgene Project	6,666	7,911
Community Foundation	26,843	21,610
Total Net Assets with Donor Restrictions	<u>\$ 142,983</u>	<u>\$ 248,125</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 was eligible to be forgiven if certain qualifications were met including maintaining employment levels and using the funds for the limited purposes prescribed in the loan program guidelines. On January 15, 2021, the Organization received forgiveness of this loan along with \$563 in accrued interest.

On March 12, 2021, the Organization entered into a loan agreement with United Community Bank through the Paycheck Protection Program for a second round of COVID-19 relief funding offered by the U.S. Small Business Administration. The amount of the loan is \$75,539 and calls for monthly payments of accrued interest beginning October 12, 2021 at an interest rate of 1.0%. However, 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. Application for loan forgiveness was made on September 15, 2021.

14. Impact of COVID-19 Pandemic

On January 30, 2020, the World Health Organization (“WHO”) announced a global health emergency because of a new strain of coronavirus. In March 2020, the WHO classified the COVID-19 outbreak as a pandemic, based on the rapid increase in exposure globally. The full impact of the COVID-19 outbreak continues to evolve as of the date of this report. As such, it is uncertain as to the full magnitude that the pandemic will have on the Organization’s financial condition, liquidity, and future results of campaign contributions. 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. Management is actively monitoring the global situation on its financial condition, liquidity, operations, industry, and workforce. Given the daily evolution of the COVID-19 outbreak and the global responses to curb its spread, the Organization is not able to estimate the effects of the COVID-19 outbreak on its results of operations, financial condition, or liquidity for the fiscal year 2022. The Organization applied for and was approved for another Paycheck Protection Program loan on March 12, 2021, for \$75,539 to help offset personnel and facility costs. The Organization expects this loan to be fully forgiven in fiscal year 2022.

Supplementary Information

United Way of Adams County, Inc.

Schedules of Partner Funding

Years Ended June 30, 2021 and 2020

	<u>2021</u>	<u>2020</u>
Education		
Bella Ease - Quincy TeenREACH	\$ 55,000	\$ 55,000
Boy Scouts - Career Exploration	36,838	35,000
Cheerful Home - Outreach Family Support Program	21,000	20,000
Cheerful Home - Sliding Fee Scale Child Care	48,512	40,000
Girl Scouts - Girl Scout Leadership Experience	15,000	12,000
Leaders for Life	20,000	23,850
RSVP - Shoe Fund	4,986	3,825
Transitions - Birth to Three	45,000	45,000
YMCA - School Age Child Care Program	31,650	31,650
Total Education	<u>\$ 277,986</u>	<u>\$ 266,325</u>
Financial Stability		
American Red Cross - Disaster Services	\$ 31,000	\$ 31,350
American Red Cross - Service to Armed Forces	6,000	5,500
Bella Ease - Work Focus	7,000	-
Community for Christ - Families in Need	17,500	15,000
Quanada - Domestic Violence Program	24,800	25,750
Quanada - Sexual Assault Program	13,000	13,750
Salvation Army - Emergency Social Services	55,000	55,000
Transitions - Client & Family Support	12,000	12,650
YWCA - Supportive Housing Program	36,500	36,000
Total Financial Stability	<u>\$ 202,800</u>	<u>\$ 195,000</u>
Health		
Addicts Victorious - Victory Biblical Counseling Program	\$ 5,200	\$ 8,000
Advocacy Network for Children - CASA	21,500	21,500
Advocacy Network for Children - Sexual Abuse Prevention	3,300	-
American Red Cross - Blood Services	13,600	13,500
Catholic Charities - MedAssist	20,000	16,000
Catholic Charities - Professional Counseling Solutions	14,000	11,500
Cornerstone - Counseling Sliding Scale	15,500	18,000
Cornerstone - Comprehensive Youth Services	37,500	37,500
Horizons - Soup Kitchen	25,000	20,000
RSVP - Senior Health and Security	4,000	5,000
Transitions - Mental Health Crisis Stabilization	14,600	14,500
Tri-State Audio - Radio Information Service Program	-	2,000
Total Health	<u>\$ 174,200</u>	<u>\$ 167,500</u>
Total Partner Funding	<u>\$ 654,986</u>	<u>\$ 628,825</u>

See accompanying notes to financial statements.