

TWIN COUNTY UNITED WAY, INC.

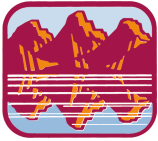
FINANCIAL STATEMENTS

Years Ended June 30, 2019 and 2018

TWIN COUNTY UNITED WAY, INC.

TABLE OF CONTENTS

	<u>Page</u>
INDEPENDENT AUDITOR'S REPORT	3
FINANCIAL STATEMENTS	
Statements of Financial Position	5
Statements of Activities	6-7
Statements of Cash Flows	8
Statements of Functional Expenses	9-10
Notes to Financial Statements	11



INDEPENDENT AUDITOR'S REPORT

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

We have audited the accompanying financial statements of the Twin County United Way, Inc. (a nonprofit organization), which comprise the statements of financial position as of June 30, 2019 and 2018, and the related statements of activities, cash flows, and functional expenses for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Twin County United Way, Inc., as of June 30, 2019 and 2018, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

PRESNELL GAGE PLLC

February 13, 2020

TWIN COUNTY UNITED WAY, INC.

STATEMENTS OF FINANCIAL POSITION
Years Ended June 30, 2019 and 2018

ASSETS	2019	2018
CURRENT ASSETS		
Cash and cash equivalents	\$ 279,841	\$ 324,595
Pledge receivables (less allowance for uncollectible)	309,801	355,729
Prepaid expenses and other receivables	6,308	5,664
Total current assets	595,950	685,988
LONG-TERM CERTIFICATES OF DEPOSIT	446,583	384,449
ENDOWMENT FUNDS	53,293	48,926
PROPERTY AND EQUIPMENT, net of accumulated depreciation of \$62,202 (\$58,389 in 2018)	34,824	38,637
TOTAL ASSETS	\$ 1,130,650	\$ 1,158,000
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Allocations and designations payable	\$ 65,149	\$ 103,117
Accounts payable	9,851	3,225
Accrued expenses	3,935	5,994
Funds held in trust	15,378	
Total current liabilities	94,313	112,336
NET ASSETS		
Without donor restrictions	192,578	185,906
With donor restrictions	843,759	859,758
Total net assets	1,036,337	1,045,664
TOTAL LIABILITIES AND NET ASSETS	\$ 1,130,650	\$ 1,158,000

See accompanying notes

TWIN COUNTY UNITED WAY, INC.

STATEMENT OF ACTIVITIES
Year Ended June 30, 2019

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

See accompanying notes

TWIN COUNTY UNITED WAY, INC.

STATEMENT OF ACTIVITIES
Year Ended June 30, 2018

	Without Donor Restrictions	With Donor Restrictions	Total
PUBLIC SUPPORT AND REVENUE			
Gross campaign results		\$ 780,866	\$ 780,866
Less amounts designated by donors for specific organizations		(103,117)	(103,117)
Less pledge loss	\$ (26,456)		(26,456)
Net campaign results	(26,456)	677,749	651,293
Special events, net of expenses	3,754	10,106	13,860
Sponsorship income	8,290		8,290
In-kind contributions	7,495		7,495
Grant income/Children's project		29,176	29,176
Interest/dividend and realized gain	7,166	90	7,256
Unrealized gain (loss) on investments		(4,904)	(4,904)
Miscellaneous revenues	336		336
Net assets released from restrictions	693,060	(693,060)	0
Total public support and revenue	<u>693,645</u>	<u>19,157</u>	<u>712,802</u>
EXPENSES			
Program Services			
Children's project	22,935		22,935
Kindergarten readiness program	14,999		14,999
Special needs - Reliance Ministries	5,000		5,000
Community funds allocated to agencies			
Aging & Long-term Care - ALTC	3,742		3,742
Area Agency on Aging	21,078		21,078
Asotin County Food Bank	35,555		35,555
Boy Scouts of America, Inland NW Council	10,800		10,800
Boys & Girls Clubs of the Lewis Clark Valley, Inc.	119,101		119,101
Community Action Partnership	47,800		47,800
Families Together NW Region	1,458		1,458
Family Promise	36,826		36,826
Girl Scouts, Eastern WA & Northern ID	5,303		5,303
Homes of Hope	5,570		5,570
Idaho Legal Aid Services, Inc.	15,851		15,851
Interlink Volunteers-Faith in Action	9,716		9,716
LC Partners Habitat for Humanity	1,728		1,728
Lewis Clark Valley Young Life	6,371		6,371
Lewiston City Library - Summer Reading	2,973		2,973
Quality Behavioral Health	6,885		6,885
Royal Family Kids Camp	2,448		2,448
Second Judicial District CASA Program	18,096		18,096
Snake River Community Clinic	34,788		34,788
Special Olympics Idaho	5,286		5,286
Special Olympics WA	2,600		2,600
T.L.C.	4,112		4,112
The Idaho Foodbank	21,319		21,319
Valley Meals on Wheels	18,823		18,823
WA-ID Volunteer Center, Inc. - RSVP	4,283		4,283
Willow Center	22,189		22,189
YWCA Of Lewiston-Clarkston	59,733		59,733
Allocations to other community agencies	19,695		19,695
Less allocations funded through donor designations	(82,531)		(82,531)
Total program services	<u>504,532</u>	<u>0</u>	<u>504,532</u>
Supporting Services			
General and administrative expenses	139,658		139,658
Fundraising expenses	57,821		57,821
Total supporting services	<u>197,479</u>	<u>0</u>	<u>197,479</u>
Total expenses	<u>702,011</u>	<u>0</u>	<u>702,011</u>
CHANGE IN NET ASSETS	(8,366)	19,157	10,791
NET ASSETS, BEGINNING	<u>194,272</u>	<u>840,601</u>	<u>1,034,873</u>
NET ASSETS, ENDING	<u>\$ 185,906</u>	<u>\$ 859,758</u>	<u>\$ 1,045,664</u>

See accompanying notes

TWIN COUNTY UNITED WAY, INC.

STATEMENTS OF CASH FLOWS
Years Ended June 30, 2019 and 2018

	2019	2018
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ (9,327)	\$ 10,791
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities:		
Depreciation	3,813	3,887
Unrealized (gain) loss on investments	(11,627)	4,904
Changes in operating assets:		
Pledge receivables	45,928	(76,599)
Prepaid expenses	(644)	84
Changes in operating liabilities:		
Accounts payable	6,626	(4,212)
Accrued expenses	(2,059)	142
Deferred revenue	15,378	(9,167)
Allocations and designations payable	(37,968)	20,586
Net cash provided (used) by operating activities	10,120	(49,584)
 CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of long-term certificate of deposits	(53,006)	(112,000)
Purchases of investments	(101,868)	(2,682)
Proceeds from maturing investments	100,000	70,000
Net cash used by investing activities	(54,874)	(44,682)
 Net change in cash and cash equivalents	(44,754)	(94,266)
 CASH AND CASH EQUIVALENTS, beginning of year	324,595	418,861
 CASH AND CASH EQUIVALENTS, end of year	\$ 279,841	\$ 324,595

See accompanying notes

TWIN COUNTY UNITED WAY, INC.

STATEMENTS OF FUNCTIONAL EXPENSES
Year Ended June 30, 2019

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

9 See accompanying notes

TWIN COUNTY UNITED WAY, INC.

STATEMENTS OF FUNCTIONAL EXPENSES
Year Ended June 30, 2018

	Program Services			Supporting Services		Total	
	Community Funds Allocated	Kindergarten Readiness Expenses	Special Needs	Program Services Total	General and Administrative Expenses		Fundraising Expenses
COMMUNITY INVESTMENTS	\$ 544,129			\$ 544,129			\$ 544,129
Less donor designations	(82,531)			(82,531)			(82,531)
	461,598	\$ 0	\$ 0	461,598	\$ 0	\$ 0	461,598
OTHER EXPENSES							
Staff salaries		11,282		11,282	68,442	33,846	113,570
In-kind campaign expenses					7,495		7,495
Payroll taxes		823		823	4,936	2,468	8,227
Employee benefits		1,634		1,634	10,125	4,903	16,662
Program services		22,935	5,000	27,935			27,935
Professional fees					7,671		7,671
Office supplies					1,063	2,665	3,728
Awards and loaned executive expenses						604	604
Telephone					2,836		2,836
Postage					1,205		1,205
Utilities					2,517		2,517
Insurance					5,088		5,088
Subscriptions and dues						1,574	1,574
Travel and meals					2,705		2,705
Conference fees/staff training					449		449
Equipment maintenance and repair					4,734		4,734
Board expense					732		732
Bank fees					2,740		2,740
Advertising expense						2,750	2,750
Event expenses						9,011	9,011
United Way Association dues					8,951		8,951
Miscellaneous		1,260		1,260	4,082		5,342
Total expenses before depreciation	461,598	37,934	5,000	504,532	135,771	57,821	698,124
DEPRECIATION EXPENSE					3,887		3,887
Total expenses	\$ 461,598	\$ 37,934	\$ 5,000	\$ 504,532	\$ 139,658	\$ 57,821	\$ 702,011

See accompanying notes
10

TWIN COUNTY UNITED WAY, INC.

NOTES TO FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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

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

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

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

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

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

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

TWIN COUNTY UNITED WAY, INC.

NOTES TO FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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

Pledge Receivables. Contributions are recognized when the donor makes a pledge to the Organization that is, in substance, unconditional. Contributions that are restricted by the donor are reported as increases in unrestricted net assets if the restrictions expire in the fiscal year in which the contributions are recognized. All other donor-restricted contributions are reported as increases in temporarily or permanently restricted net assets depending on the nature of the restrictions. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets.

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

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

Income Taxes. Twin County United Way, Inc., is a not-for-profit organization that is exempt from income taxes under Section 501(c)(3) of the *Internal Revenue Code* and classified by the Internal Revenue Service as other than a private foundation.

Estimates. Management uses estimates and assumptions in preparing financial statements. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported revenues and expenses. Actual results could differ from those estimates.

Reclassification. Certain amounts in the 2018 financial statements have been reclassified to conform with the 2019 presentation with no effect on previously reported net position, unless stated in Note 13.

2. FINANCIAL INSTRUMENTS

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

TWIN COUNTY UNITED WAY, INC.

NOTES TO FINANCIAL STATEMENTS

2. FINANCIAL INSTRUMENTS (CONTINUED)

Concentrations of Credit Risk Due to Temporary Cash Investments and Promises to Give Receivables (Continued). Concentrations of credit risk, with respect to promises receivable, are limited due to the large number of contributions comprising the Organization's contributor base and their dispersion across different industries and geographic areas. As of June 30, 2019, the Organization had cash in excess of FDIC insurance limits in the amount of \$84,278 (\$150,373 for 2018).

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

3. INVESTMENTS

Investments are stated at fair value and consist of certificates of deposit at June 30, 2019 and 2018, as follows:

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

	<u>Interest Rate</u>	<u>2018</u> Maturity Date	<u>Value</u>
Certificates of Deposit:			
Citi Bank	2.00%	12/04/2018	\$ 50,000
Goldman Sachs Bank USA	2.00%	5/28/2019	30,000
Goldman Sachs Bank USA	2.05%	6/10/2020	70,000
American Express Centurion	1.65%	7/02/2018	20,000
American Express Centurion	2.00%	7/01/2019	40,000
Wells Fargo Bank	1.50%	7/20/2021	70,000
Capital One	2.30%	9/27/2022	87,000
American Express	3.30%	7/03/2023	<u>25,000</u>
			392,000
Market adjustment			(7,551)
Endowment - Mutual Funds			<u>48,926</u>
			<u>\$ 433,375</u>

TWIN COUNTY UNITED WAY, INC.

NOTES TO FINANCIAL STATEMENTS

4. FAIR VALUE MEASUREMENTS

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

- Level 1 Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the plan has the ability to access.
- Level 2 Inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly.
- Level 3 Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

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

The following sets forth by level, the fair value hierarchy. The Organization held investments at fair value that meet the Level 1 methodology. Fair values of assets measured on a recurring basis at June 30, 2019 and 2018, are as follows:

	<u>2019</u>	
	<u>Fair Value Measurements at Reporting Date Using</u>	
		<u>Quoted Prices in Active</u>
		<u>Markets for Identical</u>
	<u>Fair Value</u>	<u>Assets (Level 1)</u>
Mutual funds – equity, fixed income, and cash	<u>\$ 53,293</u>	<u>\$ 53,293</u>
	<u>2018</u>	
	<u>Fair Value Measurements at Reporting Date Using</u>	
		<u>Quoted Prices in Active</u>
		<u>Markets for Identical</u>
	<u>Fair Value</u>	<u>Assets (Level 1)</u>
Mutual funds – equity, fixed income, and cash	<u>\$ 48,926</u>	<u>\$ 48,926</u>

5. LIQUIDITY

The Organization has \$725,649 of financial assets available within one year of the statement of financial position date to meet cash needs for general expenditures consisting of \$279,841 in cash and \$445,808 of accounts receivables. This reflects the Organization's financial assets as of the statement of financial position date, reduced by amounts not available for general use because of contractual or donor-imposed restrictions within one year of the statement of financial position date. None of the financial assets are subject to donor or other contractual restrictions that make them unavailable for general expenditures within one year of the statement of financial position date.

TWIN COUNTY UNITED WAY, INC.

NOTES TO FINANCIAL STATEMENTS

6. PROPERTY AND EQUIPMENT

Property and equipment, and the related accumulated depreciation, at June 30, 2019 and 2018, are as follows:

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

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

	<u>Cost</u>	<u>2018 Accumulated Depreciation</u>	<u>Book Value</u>
Land	\$ 13,330		\$ 13,330
Buildings and improvements	62,241	\$ 38,948	23,293
Furniture and equipment	<u>21,455</u>	<u>19,441</u>	<u>2,014</u>
	<u>\$ 97,026</u>	<u>\$ 58,389</u>	<u>\$ 38,637</u>

Depreciation expense for the prior year was \$3,887.

7. PLEDGES DESIGNATED FOR FUTURE PERIODS

The Organization receives donor designated pledges, which the Organization pays out in future periods. To satisfy the donor designations, payments totaling \$65,149 (\$103,117 for 2018) are required to be paid during the subsequent fiscal year.

8. NET ASSETS WITHOUT DONOR RESTRICTIONS

The Organization's net assets without donor restrictions are comprised of undesignated and Board designated, at June 30, 2019 and 2018, are as follows:

	<u>2019</u>	<u>2018</u>
Undesignated	\$ 64,996	\$ 48,123
Board designated – operating reserve	108,760	108,760
Board designated – capital asset reserve fund	10,000	10,000
Board designated – special needs fund	8,822	5,000
Board designated – community impact fund	<u>0</u>	<u>14,023</u>
	<u>\$ 192,578</u>	<u>\$ 185,906</u>

9. DESIGNATED NET ASSETS

The Organization's board can designate certain amounts of its \$192,578 in net assets without restrictions at June 30, 2019, for specified use (\$185,906 for 2018). The Finance Committee shall make a recommendation to the Board for approval of funding levels to each board designated fund upon receipt of the final audit for each fiscal year.

TWIN COUNTY UNITED WAY, INC.

NOTES TO FINANCIAL STATEMENTS

10. NET ASSETS WITH DONOR RESTRICTIONS

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

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

	<u>2019</u>	<u>2018</u>
Distribution of contributions to partner and designated agencies in the subsequent year	\$ 883,555	\$ 891,413
Children's Project/Education	<u>42,918</u>	<u>34,378</u>
	<u>\$ 926,473</u>	<u>\$ 925,791</u>

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

Net assets with donor restrictions in perpetuity consist of an endowment fund, which represents the principal amount of gifts and bequests accepted with donor stipulations that the principal be maintained intact in perpetuity. Only the income from investments thereof may be expended either for general purposes (without restriction) or for purposes specified by the donor. At June 30, 2019, the balance was \$53,293 (\$43,854 for 2018)

11. PENSION PLAN

The Organization maintains a Simplified Employee Pension (SEP) Plan for its employees. Employees are eligible to participate in the Plan upon hiring and who are at least 21 years old. The Organization contributes 4 percent of each eligible employee's salary to the Plan. The current year pension contribution was \$4,165 (\$4,578 for 2018).

12. ADOPTION OF NEW ACCOUNTING STANDARD

For the year ended December 31, 2018, the Organization adopted the Financial Accounting Board's Accounting Standards Update (ASU) NO. 2016-14 – Not-for-Profit Entities (topic 958) – *Presentation of Financial Statements of Not-for-Profit Entities*. This guidance is intended to improve the net asset classification requirements and the information presented in the financial statements and notes about a not-for-profit entity's liquidity, financial performance, and cash flows. Main provisions of this guidance include: presentation of two classes of net assets versus the previously required three; cognition of capital gifts for construction as a net asset without donor restrictions when the associated long-lived asset is placed in service; and recognition of underwater endowment funds as a reduction in net assets with donor restrictions. The guidance also enhances disclosures for board designated amounts, composition of net assets without donor restriction, liquidity, and expense by both their natural and functional classifications.

TWIN COUNTY UNITED WAY, INC.

NOTES TO FINANCIAL STATEMENTS

13. PRIOR PERIOD ADJUSTMENT

Subsequent to prior year-end, it was discovered that pledge receivables included pledge activity from companies engaging in direct pay pledge/payment activity. Pledge receivables were reduced by \$109,887, gross campaign results were reduced by \$69,877, and the beginning net assets with donor restrictions for the year ended June 30, 2018, have been reduced by \$40,010, to reflect the correction of the error.

14. SUBSEQUENT EVENTS

Management has evaluated subsequent events through February 13, 2020, the date the financial statements were available to be issued.