

**UNITED WAY OF CASCADE COUNTY**

**GREAT FALLS, MONTANA**

**FINANCIAL STATEMENTS**

**AS OF**

**JUNE 30, 2020 AND 2019**

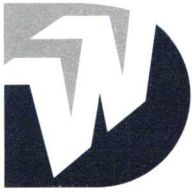
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***Douglas Wilson & Company, P.C.***

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**Douglas WILSON**  
and Company, PC

Randal J. Boysun, CPA  
Gerard K. Schmitz, CPA  
Myra L. Bakke, CPA  
Melissa H. Soldano, CPA

Board of Directors  
United Way of Cascade County  
Great Falls, Montana

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Bruce H. Gaare, CPA

## INDEPENDENT AUDITOR'S REPORT

We have audited the accompanying financial statements of United Way of Cascade County (a nonprofit organization), which comprise the statements of financial position as of June 30, 2020 and 2019, 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 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 Cascade County as of June 30, 2020 and 2019, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

A handwritten signature in black ink that reads "Douglas Wilson + Company, P.C." The signature is written in a cursive, flowing style.

Great Falls, Montana

October 15, 2020

**UNITED WAY OF CASCADE COUNTY**  
**GREAT FALLS, MONTANA**  
**STATEMENTS OF FINANCIAL POSITION**  
**JUNE 30, 2020 AND 2019**

	<b>6/30/20</b>	<b>6/30/19</b>
<b>ASSETS</b>		
Cash	\$ 187,210	\$ 153,350
Cash - Restricted	141,153	-
Certificate of Deposit	17,884	17,859
Grant Receivable	39,905	23,314
Pledges Receivable less Allowance for Uncollectible Pledges of \$50,000	276,812	274,971
Prepaid Expenses	850	680
Beneficial Interest in Perpetual Trust	76,863	79,701
Cash Surrender Value of Life Insurance	86,017	84,239
Equipment, net of accumulated depreciation of \$11,605 and \$10,283, respectively	2,202	3,524
	<b>\$ 828,896</b>	<b>\$ 637,638</b>
Total Assets	<b>\$ 828,896</b>	<b>\$ 637,638</b>
<b>LIABILITIES AND NET ASSETS</b>		
Liabilities:		
Accounts Payable	\$ 9,460	\$ 5,778
Payroll Liabilities	4,648	3,469
Loan Payable - Paycheck Protection Program	84,487	-
Allocations Payable to Service Providers	399,786	399,672
Due to Designated Service Providers	69,178	70,452
Accrued Employee Benefits	33,651	37,214
Deferred Revenue	-	10,000
Total Liabilities	601,210	526,585
Net Assets:		
Without Donor Restriction:		
Undesignated	(167,580)	(124,350)
Designated by Board for Operating Reserve	125,396	125,396
Total Without Donor Restriction	(42,184)	1,046
With Donor Restriction:		
Perpetual in Nature	108,382	110,007
Purpose or Time Restricted	161,488	-
Total With Donor Restriction	269,870	110,007
Total Net Assets	227,686	111,053
Total Liabilities and Net Assets	<b>\$ 828,896</b>	<b>\$ 637,638</b>

See accompanying notes to the financial statements.

UNITED WAY OF CASCADE COUNTY

GREAT FALLS, MONTANA

STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS  
FOR THE YEAR ENDED JUNE 30, 2020

	Without Donor Restriction	With Donor Restriction	Total
Revenues, Gains and Other Support:			
Gross Campaign Revenue - Current Period	\$ 1,092,352	\$ 100,248	\$ 1,192,600
Less: Donor Designations	(193,428)	-	(193,428)
Uncollectible Pledges	(33,274)	-	(33,274)
Campaign Revenue Released from Restrictions	10,000	(10,000)	-
Net Campaign Revenue	<u>875,650</u>	<u>90,248</u>	<u>965,898</u>
Grant Revenue	-	142,469	142,469
COVID-19 Relief Contributions	-	62,905	62,905
Less: Donor Designations COVID-19 Relief	-	(21,000)	(21,000)
Gain (Loss) from Perpetual Trust	-	(2,838)	(2,838)
Change in Cash Surrender Value of Life Insurance	565	1,213	1,778
Interest and Investment Income	9,633	-	9,633
Donated Services	16,810	-	16,810
Other Support Released from Restrictions	113,134	(113,134)	-
Total Revenue	<u>1,015,792</u>	<u>159,863</u>	<u>1,175,655</u>
Expenses:			
Program Services:			
Community Impact	587,477	-	587,477
Education and Technical Assistance	224,767	-	224,767
Service Provider Relations	71,959	-	71,959
Supporting Services:			
General and Administrative	49,948	-	49,948
Fundraising and Campaign	124,871	-	124,871
Total Expenses	<u>1,059,022</u>	<u>-</u>	<u>1,059,022</u>
Change in Net Assets	(43,230)	159,863	116,633
Net Assets, Beginning of Year	<u>1,046</u>	<u>110,007</u>	<u>111,053</u>
Net Assets, End of Year	<u><b>\$ (42,184)</b></u>	<u><b>\$ 269,870</b></u>	<u><b>\$ 227,686</b></u>

See accompanying notes to the financial statements.

UNITED WAY OF CASCADE COUNTY

GREAT FALLS, MONTANA

STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS  
FOR THE YEAR ENDED JUNE 30, 2019

	Without Donor Restriction	With Donor Restriction	Total
Revenues, Gains and Other Support:			
Gross Campaign Revenue - Current Period	\$ 1,090,143	\$ -	\$ 1,090,143
Less: Donor Designations	(202,780)	-	(202,780)
Uncollectible Pledges	(21,412)	-	(21,412)
Net Campaign Revenue	<u>865,951</u>	<u>-</u>	<u>865,951</u>
Grant Revenue	-	96,164	96,164
Gain (Loss) from Perpetual Trust	-	(1,517)	(1,517)
Change in Cash Surrender Value of Life Insurance	1,241	1,166	2,407
Interest and Investment Income	11,184	-	11,184
Donated Services	12,150	-	12,150
Other Support Released from Restrictions	96,164	(96,164)	-
Total Revenue	<u>986,690</u>	<u>(351)</u>	<u>986,339</u>
Expenses:			
Program Services:			
Community Impact	581,531	-	581,531
Education and Technical Assistance	203,121	-	203,121
Service Provider Relations	62,338	-	62,338
Supporting Services:			
General and Administrative	45,138	-	45,138
Fundraising and Campaign	112,844	-	112,844
Total Expenses	<u>1,004,972</u>	<u>-</u>	<u>1,004,972</u>
Change in Net Assets	(18,282)	(351)	(18,633)
Net Assets, Beginning of Year	<u>19,328</u>	<u>110,358</u>	<u>129,686</u>
Net Assets, End of Year	<u><b>\$ 1,046</b></u>	<u><b>\$ 110,007</b></u>	<u><b>\$ 111,053</b></u>

See accompanying notes to the financial statements.

**UNITED WAY OF CASCADE COUNTY**

**GREAT FALLS, MONTANA**

**STATEMENTS OF CASH FLOWS  
FOR THE YEARS ENDED JUNE 30, 2020 AND 2019**

	<u>6/30/20</u>	<u>6/30/19</u>
Cash Flows from Operating Activities:		
Change in Net Assets	\$ 116,633	\$ (18,633)
Adjustments to Reconcile Change in Net Assets to Net Cash Provided by Operating Activities:		
Depreciation Expense	1,322	1,321
(Gain) Loss on Investments in Perpetual Trust	2,838	1,517
(Gain) Loss on Cash Surrender Value of Life Insurance	(1,778)	(2,407)
(Increase) Decrease in Assets:		
Pledges and Designations Receivable	(1,841)	(46,954)
Grant Receivable	(16,591)	(5,984)
Prepaid Expenses	(170)	(85)
Increase (Decrease) in Liabilities:		
Accounts Payable	3,682	(308)
Payroll Taxes Payable	1,179	(948)
Accrued Vacation	(3,563)	6,065
Allocations and Designations Payable	(1,160)	(4,033)
Deferred Revenue	(10,000)	10,000
Net Cash Provided (Used) by Operating Activities	<u>90,551</u>	<u>(60,449)</u>
Cash Flows from Financing Activities:		
Proceeds from Loan Payable	<u>84,487</u>	<u>-</u>
Net Cash Provided by Financing Activities	<u>84,487</u>	<u>-</u>
Net Increase (Decrease) in Cash	175,038	(60,449)
Cash at Beginning of Year	<u>171,209</u>	<u>231,658</u>
Cash at End of Year	<u><b>\$ 346,247</b></u>	<u><b>\$ 171,209</b></u>
Reconciliation of Cash at End of Year to Statements of Financial Position:		
Cash	\$ 187,210	\$ 153,350
Cash - Restricted	141,153	-
Certificates of Deposit	17,884	17,859
Total Cash and Cash Equivalents	<u><b>\$ 346,247</b></u>	<u><b>\$ 171,209</b></u>

See accompanying notes to the financial statements.



**UNITED WAY OF CASCADE COUNTY**

**GREAT FALLS, MONTANA**

**STATEMENT OF FUNCTIONAL EXPENSES FOR THE YEAR ENDED JUNE 30, 2020**

	Program Services				Supporting Services			Total
	Community Impact	Education & Technical Assistance	Service Provider Relations	Total Program Services	General & Admin.	Fund Raising & Campaign	Total Supporting Services	
Salaries	\$ 109,729	\$ 146,307	\$ 36,577	\$ 292,613	\$ 32,513	\$ 81,281	\$ 113,794	\$ 406,407
Payroll Taxes	8,420	11,227	2,807	22,454	2,495	6,237	8,732	31,186
Employee Benefits	13,235	17,648	4,412	35,295	3,922	9,804	13,726	49,021
Total salaries and related expenses	<u>131,384</u>	<u>175,182</u>	<u>43,796</u>	<u>350,362</u>	<u>38,930</u>	<u>97,322</u>	<u>136,252</u>	<u>486,614</u>
Allocations to Service Providers	399,786	-	-	399,786	-	-	-	399,786
United Way of America Dues	-	-	15,766	15,766	-	-	-	15,766
Dues and Subscriptions	879	1,171	293	2,343	260	651	911	3,254
Insurance	1,220	1,626	407	3,253	361	904	1,265	4,518
Education Initiative	19,118	-	-	19,118	-	-	-	19,118
Transportation	1,389	1,852	463	3,704	412	1,029	1,441	5,145
Miscellaneous	195	258	64	517	57	143	200	717
Meeting Expense	336	447	112	895	99	249	348	1,243
Occupancy	7,870	10,494	2,623	20,987	2,332	5,830	8,162	29,149
Office Supplies	1,672	2,230	557	4,459	496	1,239	1,735	6,194
Postage	450	600	151	1,201	133	333	466	1,667
Professional Fees	4,260	5,680	1,420	11,360	1,262	3,156	4,418	15,778
Campaign Printing and Advertising	9,572	12,763	3,191	25,526	2,836	7,091	9,927	35,453
Special Events	1,512	2,016	504	4,032	448	1,121	1,569	5,601
Equipment Repair and Maintenance	2,896	3,862	966	7,724	858	2,145	3,003	10,727
Telephone	1,481	1,975	494	3,950	439	1,097	1,536	5,486
Training	20	27	7	54	6	15	21	75
Volunteer Development	2,449	3,266	816	6,531	726	1,814	2,540	9,071
Bank Charges	631	842	210	1,683	187	468	655	2,338
Depreciation	357	476	119	952	106	264	370	1,322
Total other expenses	<u>456,093</u>	<u>49,585</u>	<u>28,163</u>	<u>533,841</u>	<u>11,018</u>	<u>27,549</u>	<u>38,567</u>	<u>572,408</u>
Total functional expenses	<u>\$ 587,477</u>	<u>\$ 224,767</u>	<u>\$ 71,959</u>	<u>\$ 884,203</u>	<u>\$ 49,948</u>	<u>\$ 124,871</u>	<u>\$ 174,819</u>	<u>\$ 1,059,022</u>

See accompanying notes to the financial statements.

**UNITED WAY OF CASCADE COUNTY**

**GREAT FALLS, MONTANA**

**STATEMENT OF FUNCTIONAL EXPENSES FOR THE YEAR ENDED JUNE 30, 2019**

	Program Services				Supporting Services			Total
	Community Impact	Education & Technical Assistance	Service Provider Relations	Total Program Services	General & Admin.	Fund Raising & Campaign	Total Supporting Services	
Salaries	\$ 102,791	\$ 137,055	\$ 34,264	\$ 274,110	\$ 30,457	\$ 76,142	\$ 106,599	\$ 380,709
Payroll Taxes	7,697	10,262	2,566	20,525	2,280	5,701	7,981	28,506
Employee Benefits	10,753	14,338	3,585	28,676	3,186	7,965	11,151	39,827
Total salaries and related expenses	<u>121,241</u>	<u>161,655</u>	<u>40,415</u>	<u>323,311</u>	<u>35,923</u>	<u>89,808</u>	<u>125,731</u>	<u>449,042</u>
Allocations to Service Providers	399,672	-	-	399,672	-	-	-	399,672
United Way of America Dues	-	-	11,556	11,556	-	-	-	11,556
Dues and Subscriptions	1,382	1,842	461	3,685	409	1,023	1,432	5,117
Insurance	1,049	1,398	349	2,796	311	777	1,088	3,884
Education Initiative	29,518	-	-	29,518	-	-	-	29,518
Transportation	2,794	3,726	931	7,451	828	2,070	2,898	10,349
Miscellaneous	245	326	82	653	73	181	254	907
Meeting Expense	1,693	2,257	564	4,514	502	1,254	1,756	6,270
Occupancy	7,405	9,873	2,468	19,746	2,194	5,485	7,679	27,425
Office Supplies	825	1,100	276	2,201	244	611	855	3,056
Postage	354	472	119	945	105	262	367	1,312
Professional Fees	3,050	4,066	1,016	8,132	904	2,259	3,163	11,295
Campaign Printing and Advertising	6,739	8,986	2,247	17,972	1,997	4,992	6,989	24,961
Equipment Repair and Maintenance	1,831	2,441	611	4,883	542	1,356	1,898	6,781
Telephone	1,579	2,106	526	4,211	468	1,170	1,638	5,849
Training	33	44	11	88	10	25	35	123
Volunteer Development	1,304	1,739	435	3,478	386	966	1,352	4,830
Bank Charges	460	614	153	1,227	136	341	477	1,704
Depreciation	357	476	118	951	106	264	370	1,321
Total other expenses	<u>460,290</u>	<u>41,466</u>	<u>21,923</u>	<u>523,679</u>	<u>9,215</u>	<u>23,036</u>	<u>32,251</u>	<u>555,930</u>
Total functional expenses	<u>\$ 581,531</u>	<u>\$ 203,121</u>	<u>\$ 62,338</u>	<u>\$ 846,990</u>	<u>\$ 45,138</u>	<u>\$ 112,844</u>	<u>\$ 157,982</u>	<u>\$ 1,004,972</u>

See accompanying notes to the financial statements.

UNITED WAY OF CASCADE COUNTY

GREAT FALLS, MONTANA

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2020 AND 2019

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**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:**

- A. Nature of Activities** - United Way of Cascade County (UWCC) is a non-profit corporation whose purpose is to mobilize community resources to meet priority human service needs. UWCC establishes and fosters partnerships to impact and improve education, income and health for the citizens of Great Falls and Cascade County. As one key strategy, UWCC funds programs through local organizations that demonstrate results aligning with these three community level issues. The resources and revenues raised are from individuals and businesses within Cascade County.
- B. Method of Accounting** - The financial statements of UWCC have been prepared utilizing the accrual basis of accounting.
- C. Financial Statement Presentation** - The classification of the UWCC's net assets, revenue and expenses is based on the existence or absence of donor-imposed restrictions.

In accordance with U.S. generally accepted accounting principles (U.S. GAAP), the UWCC reports information regarding its financial position and activities according to two classes of net assets: net assets without donor restriction and net assets with donor restriction.

*Without Donor Restriction* - Net assets available for use in general operations and not subject to donor or grantor restrictions, including, if applicable, net assets that have been designated by the Board of Directors for expenditure on specific purposes or projects.

*With Donor Restriction* - Net assets subject to restrictions imposed by donors or grantors. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. Donor-imposed restrictions are released when a restriction expires, that is, when time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both.

- D. Support and Revenue** - All cash contributions are considered to be without donor restriction use unless specifically restricted by the donor. Contributions of cash are reported as with donor restriction if they are received with donor or grantor stipulations that limit or specify the use of donated assets whether by time, period or purpose. When a donor-stipulated time restriction ends or a purpose restriction is accomplished, then the net assets with donor restriction are reclassified to net assets without donor restriction and are reported in the statement of activities as net assets released from restrictions. If a restriction is fulfilled in the same time period in which the contribution is received, the contribution is reported as without donor restriction.
- E. Promises to Give/Pledges** - Unconditional promises to give that are expected to be collected within one year are recorded at their net realizable value. All unconditional promises to give are expected to be collected within one year. Conditional promises to give are not included as support until such time as the conditions are substantially met.

UNITED WAY OF CASCADE COUNTY

GREAT FALLS, MONTANA

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2020 AND 2019

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**F. Furniture and Equipment** - All expenditures for furniture and equipment and the fair value of donated items in excess of \$1,000 are capitalized. Purchased equipment is recorded at cost. Depreciation is computed by the straight-line method over the following estimated useful lives:

Furniture and Fixtures	5 - 10 Years
Equipment	3 - 5 Years

**G. Donated Materials and Services** - Donated materials and equipment are reflected as contributions in the accompanying statements at their estimated fair market values at the date of receipt. Donated services relate to media and advertising services received. Total value of donated services recognized as revenue and expense for the years ended June 30, 2020 and 2019 are \$16,810 and \$12,150, respectively.

**H. Fund Raising** - UWCC conducts its annual campaign in September through December of each fiscal year. Non-designated support raised is allocated to participating service providers in that same year; however, payments of these allocations do not begin until July 1 of the next fiscal year. Pledges receivable are recorded in the balance sheet, and allowances are provided for amounts estimated to be uncollectible. Allocations are recorded as payables at the time UWCC informs the service providers of the amount they will receive. Designated support raised during the same campaign period is paid to service providers quarterly beginning April 1 of that year.

**I. Use of Estimates** - The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

**J. Income Tax Status** - UWCC qualified as a tax-exempt organization under Section 501(c)(3) of the Internal Revenue Code and therefore has no provision for federal and state income taxes.

**K. Cash and Cash Equivalents** - For the statement of financial position and statement of cash flows, cash and cash equivalents are defined as all monies in petty cash, checking, savings, money market accounts and certificates of deposit.

**L. Pledges Receivable** - Pledges receivable are due from donors who have promised to give money to UWCC. The allowance for doubtful accounts balance is the maximum amount reasonably expected to be uncollectible. The allowance is based on experience and other circumstances, which may affect the ability of donors to meet their pledge obligations. Receivables are considered uncollectible after they have been outstanding for one year.

**M. Functional Allocation of Expenses** - The Statement of Activities reports expenses by both natural and functional classifications. Certain categories of expenses are attributed to more than one program or supporting function. Therefore, expenses require allocation on a reasonable basis that is consistently applied. Costs are directly applied to the related program or supporting service category when identifiable and possible. General operating costs across all-natural categories are allocated on the basis of estimates of time and effort.

**UNITED WAY OF CASCADE COUNTY**

**GREAT FALLS, MONTANA**

**NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2020 AND 2019**

**N. Advertising:** Advertising costs are expensed as incurred.

**O. Subsequent Events:** Accounting standards establish principles setting forth the period after the balance sheet date during which management is required to evaluate events and transactions that may occur for potential recognition or disclosure in the financial statements. UWCC has evaluated subsequent events through October 15, 2020, which is the date the financial statements were available to be issued.

**NOTE 2: RESTRICTED CASH:**

The following table provides a reconciliation of restricted cash as of June 30:

COVID-19 Relief Contributions and Grant	\$	50,905
Long-term Donor Restricted Pledge		90,248
Total Restricted Cash	<b>\$</b>	<b><u>141,153</u></b>

**NOTE 3: CERTIFICATE OF DEPOSIT:**

As of June 30, 2020 and 2019, certificates of deposit reflected in cash and cash equivalents are as follows:

		<b>6/30/20</b>	
		<b>Interest Rate</b>	<b>Amount</b>
Certificate of Deposit - maturing 9/1/21		0.10%	\$ 17,884
Total			<b>\$ 17,884</b>
		<b>6/30/19</b>	
		<b>Interest Rate</b>	<b>Amount</b>
Certificate of Deposit - maturing 6/1/20		0.10%	17,859
Total			<b>\$ 17,859</b>

**UNITED WAY OF CASCADE COUNTY**

**GREAT FALLS, MONTANA**

**NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2020 AND 2019**

**NOTE 4: SCHEDULE OF ALLOCATIONS PAYABLE TO SERVICE PROVIDERS:**

	<u>6/30/20</u>	<u>6/30/19</u>
<b>Service Provider Allocations:</b>		
Adult and Veterans Treatment Court	\$ 40,200	\$ 10,000
Alliance for Youth	60,302	46,350
Alluvion Health	3,000	-
Big Brothers and Big Sisters	3,750	6,250
Boys and Girls Club	20,000	20,571
CASA-CAN	-	23,696
Cascade County Law Clinic	11,000	10,000
Conservatory ASL Northwest	2,000	-
Dandelion Foundation	-	5,600
Eagle Mount	8,000	-
Family Connections	1,000	1,000
Family Promise	-	12,675
Foster Grandparents	5,000	10,000
Get Fit Great Falls	2,500	6,000
Great Falls Children's Receiving Home	8,500	10,000
Great Falls LGBTQ+ Center	2,000	3,000
Great Falls Public School District	17,500	5,000
Great Falls Senior Center	8,000	7,500
Habitat for Humanity	10,000	15,000
Job Service of Great Falls	-	2,500
Juvenile Drug Court	20,220	16,870
Kairos Youth Services	19,000	20,000
Meals on Wheels	17,000	20,000
NeighborWorks	7,500	10,000
Opportunities Inc.	24,500	25,160
Peace Place Respite Care	9,000	10,000
Royal Family Kids' Camps	-	1,000
St. Vincent DePaul	40,936	39,000
Sunburst Unlimited	2,000	5,000
Toby's House	5,000	-
Voices of Hope	17,500	17,500
Young Parents' Education Center	19,378	30,000
YWCA Mercy Home	15,000	10,000
Total	<u><u>\$ 399,786</u></u>	<u><u>\$ 399,672</u></u>

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**NOTE 5: LIQUIDITY AND AVAILABILITY:**

The UWCC's financial assets available within one year from June 30, 2020 and 2019 for general obligations are as follows:

	<u>6/30/20</u>	<u>6/30/19</u>
Total financial assets at year-end:		
Cash	\$ 187,210	\$ 153,350
Cash - Restricted	141,153	-
Certificates of Deposit	17,884	17,859
Grant Receivable	39,905	23,314
Pledges Receivable, net	<u>276,812</u>	<u>274,971</u>
Total financial assets at year-end	<u>662,964</u>	<u>469,494</u>
Less amounts not available to be used within one year:		
Restricted Cash	(141,153)	-
Designed by Board for Operating Reserve	<u>(125,396)</u>	<u>(125,396)</u>
Financial Assets available to meet cash needs for general expenditures within one year	<u><u>\$ 396,415</u></u>	<u><u>\$ 344,098</u></u>

The UWCC receives contributions that are designated by donors, and considers contributions designated for program services which are central to its annual operations to be available to meet cash needs for general expenditures.

The UWCC manages its liquidity and reserves following three guiding principles: operating within a prudent range of financial soundness and stability, maintaining adequate liquid assets to fund near-term operating needs, and maintain sufficient reserves to provide reasonable assurance that long term obligations will be meet. The UWCC operates with a balanced budget and anticipates collecting sufficient revenue to cover general expenditures.

**NOTE 6: LOAN PAYABLE – PAYCHECK PROTECTION PROGRAM:**

On April 10, 2020, UWCC was granted a loan (the "Loan") from First Interstate Bank in the aggregate amount of \$84,487, pursuant to the Paycheck Protection Program (the "PPP") under Division A, Title I of the CARES Act, which was enacted March 27, 2020.

The Loan, which was in the form of a Note dated April 14, 2020 issued by the Borrower, matures on April 14, 2022, and bears interest at a rate of 1.0% per annum. The UWCC has submitted its loan forgiveness application within ten months of the completion of the 24-week Covered Period, thus the UWCC is not required to make any payments until the forgiveness amount is remitted to the lender by SBA. The Note may be prepaid by the UWCC at any time prior to maturity with no prepayment penalties. Funds from the Loan may only be used for payroll costs, costs used for

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employee benefits, and rent. The UWCC intends to use the entire Loan amount for qualifying expenses. Under the terms of the PPP, the Loan may be forgiven if the proceeds are used for qualifying expenses as described in the CARES Act.

**NOTE 7: OPERATING LEASE:**

UWCC leases its office space under an operating lease that expires November 2020. Future minimum payments per the lease agreement are as follows:

\$10,500 for the fiscal year ending June 30, 2021

Rent expense was \$24,450 and \$22,650 for the years ended June 30, 2020 and 2019, respectively.

**NOTE 8: RETIREMENT PLAN:**

UWCC provides a SEP-IRA plan for its employees. All employees age 21 or older, earning \$450 or more per year with one year or more of service are eligible to participate. Contributions are based on nine percent of the employees' salaries. Contributions totaled \$21,977 and \$19,084 for the years ended June 30, 2020 and 2019, respectively.

**NOTE 9: FAIR VALUE MEASUREMENT:**

The UWCC applies the U.S. GAAP authoritative guidance for Fair Value Measurements and Disclosures, which defines fair value, establishes a framework for measuring fair value and requires certain disclosures about fair value measurements.

The standard describes three levels of inputs that may be used to measure fair value:

**Level 1** - Quoted prices in active markets for identical assets or liabilities;

**Level 2** - Observable inputs other than Level 1 prices, such as quoted prices for similar assets or liabilities, quoted prices in inactive markets, or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities; or

**Level 3** - Unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets or liabilities.

There have been no changes in the methodologies used at June 30, 2020 and 2019. The following tables present the assets that are measured at fair value on a recurring basis as of June 30 and are categorized using the three levels of the fair value hierarchy:



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**Fair Value as of June 30, 2020**

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Beneficial Interest in Perpetual Trust	\$ -	\$ -	\$ 76,863	\$ 76,863
Cash Surrender Value of Life Insurance	-	-	86,017	86,017
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 162,880</u>	<u>\$ 162,880</u>

**Fair Value as of June 30, 2019**

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Beneficial Interest in Perpetual Trust	\$ -	\$ -	\$ 79,701	\$ 79,701
Cash Surrender Value of Life Insurance	-	-	84,239	84,239
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 163,940</u>	<u>\$ 163,940</u>

The fair value of the beneficial interest in a perpetual trust is determined based on the net asset value of the UWCC's interest in the trust. Net asset value of the trust is provided to the UWCC by the Montana Community Foundation management in the form of quarterly investment reports.

The fair value of the cash surrender value of life insurance is determined based the stated cash surrender value on the quarterly statements received from the various insurance companies that manage the policies.

**NOTE 10: BENEFICIAL INTEREST IN PERPETUAL TRUST:**

UWCC has an interest in endowed funds of the Montana Community Foundation. Donors can give directly to the Montana Community Foundation for the benefit of UWCC, or donors give to UWCC which transfers the assets to the Montana Community Foundation. There are three funds held at the Montana Community Foundation for the benefit of UWCC. The Montana Community Foundation has variance power over the assets of two of these funds and they are not recorded on the financial statements of UWCC. The third fund is an "agency" account held on behalf of UWCC and this fund is recorded on UWCC's statement of financial position as a "Beneficial Interest in Perpetual Trust." The Montana Community Foundation does not have variance power over the assets in this fund.

The Montana Community Foundation periodically distributes funds to UWCC based on earnings of the three endowments. These distributions are unrestricted and shown as investment income on the statement of activities. Distributions to UWCC were \$8,414 and \$8,372 for the years ended June 30, 2020 and 2019, respectively. Following is the activity for the Montana Community Foundation funds:

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	<b>MCF agency endowment fund recorded on the Statement of Net Position</b>	<b>MCF endowment funds not recorded on the Statement of Net Position</b>
Balance, June 30, 2019	\$ 79,701	\$ 107,251
Net Investment income (loss)	1,720	2,315
Distributions to UWCC	(3,587)	(4,827)
MCF administrative fees	(971)	(1,307)
Balance, June 30, 2020	<b><u>\$ 76,863</u></b>	<b><u>\$ 103,432</u></b>
	<b>MCF agency endowment fund recorded on the Statement of Net Position</b>	<b>MCF endowment funds not recorded on the Statement of Net Position</b>
Balance, June 30, 2018	\$ 81,218	\$ 109,293
Net Investment income (loss)	3,032	4,081
Distributions to UWCC	(3,569)	(4,803)
MCF administrative fees	(980)	(1,320)
Balance, June 30, 2019	<b><u>\$ 79,701</u></b>	<b><u>\$ 107,251</u></b>

**NOTE 11: DESIGNATED BY BOARD FOR OPERATING RESERVE:**

UWCC's policy is to maintain a minimum of three months or 25% of the Central Services Budget (CSB) up to a maximum of six months or 50% of the Central Services Budget.

UWCC has designated \$125,396 (approximately 30% of CSB) for 2020 and 2019, to be held in reserve when adverse economic conditions occur and contributions fall to the point that the most essential needs of the community are in danger. An example would be a disaster occurring which is beyond the capability of the funded services to absorb within their regular budgets and local funds are not available for use to meet a pressing community need.

Per UWCC policy, the procedure to approve use of the operating reserve is as follows:

- Request submitted to the Executive Committee
- Action taken by Executive Committee
- Recommendation to Board of Directors by Executive Committee
- Action taken by the Board of Directors

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**NOTE 12: NET ASSETS WITH DONOR RESTRICTION:**

Net assets with donor restriction are available for the following purposes at June 30, 2020 and 2019:

	<u>6/30/20</u>	<u>6/30/19</u>
Subject to be held in perpetuity	\$ 108,382	\$ 110,007
Time Restricted	90,248	-
Purpose Restricted	71,240	-
	<u>\$ 269,870</u>	<u>\$ 110,007</u>

**NOTE 13: NET ASSETS RELEASED FROM DONOR RESTRICTION:**

During the years ended June 30, 2020 and 2019, net assets with donor restriction were released for the following purposes:

	<u>6/30/20</u>	<u>6/30/19</u>
Satisfaction of program restrictions:		
RSVP and OPM grant expenditures	\$ 113,134	\$ 96,164
Total	<u>\$ 113,134</u>	<u>\$ 96,164</u>

**NOTE 14: SUBSEQUENT EVENT:**

As a result of the COVID-19 pandemic the UWCC's fundraising operations could be limited for the Fall 2020 campaign. The financial statements for the fiscal year ending June 30, 2021, could be adversely impacted.