

UNITED WAY OF CASCADE COUNTY

GREAT FALLS, MONTANA

FINANCIAL STATEMENTS

AS OF

JUNE 30, 2021 AND 2020

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Douglas Wilson & Company, P.C.

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Great Falls, Montana

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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, 2021 and 2020, 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

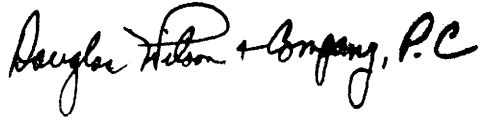
Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about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

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 22, 2021

UNITED WAY OF CASCADE COUNTY
GREAT FALLS, MONTANA
STATEMENTS OF FINANCIAL POSITION
JUNE 30, 2021 AND 2020

	6/30/21	6/30/20
ASSETS		
Cash	\$ 301,026	\$ 187,210
Cash - Restricted	171,940	141,153
Certificate of Deposit	17,902	17,884
Grant Receivable	30,191	39,905
Pledges Receivable less Allowance for Uncollectible Pledges of \$50,000	330,074	276,812
Prepaid Expenses	-	850
Beneficial Interest in Perpetual Trust	94,456	76,863
Cash Surrender Value of Life Insurance	95,293	86,017
Equipment, net of accumulated depreciation of \$12,926 and \$11,605, respectively	881	2,202
	\$ 1,041,763	\$ 828,896
Total Assets		
LIABILITIES AND NET ASSETS		
Liabilities:		
Accounts Payable	\$ 9,318	\$ 9,460
Payroll Liabilities	3,274	4,648
Loan Payable - Paycheck Protection Program	-	84,487
Allocations Payable to Service Providers	402,022	399,786
Due to Designated Service Providers	64,436	69,178
Accrued Employee Benefits	33,777	33,651
Total Liabilities	512,827	601,210
Net Assets:		
Without Donor Restriction:		
Undesignated	104,438	(167,580)
Designated by Board for Operating Reserve	125,396	125,396
Total Without Donor Restriction	229,834	(42,184)
With Donor Restriction:		
Perpetual in Nature	127,162	108,382
Purpose or Time Restricted	171,940	161,488
Total With Donor Restriction	299,102	269,870
Total Net Assets	528,936	227,686
Total Liabilities and Net Assets	\$ 1,041,763	\$ 828,896

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, 2021

	Without Donor Restriction	With Donor Restriction	Total
Campaign Revenue:			
Gross Campaign Revenue - Current Period	\$ 1,204,483	\$ -	\$ 1,204,483
Less: Donor Designations	(308,187)	-	(308,187)
Less: Uncollectible Pledges	(30,848)	-	(30,848)
Net Campaign Revenue	865,448	-	865,448
Other Revenue:			
Grant Revenue	-	387,728	387,728
COVID-19 Relief Contributions	-	35,445	35,445
Less: Donor Designations COVID-19 Relief	-	(16,284)	(16,284)
Gain (Loss) from Perpetual Trust	-	17,519	17,519
Change in Cash Surrender Value of Life Insurance	8,015	1,261	9,276
Interest and Investment Income	7,777	-	7,777
Donated Services and Facilities	19,500	-	19,500
Total Other Revenue	35,292	425,669	460,961
Total Revenue before Releases from Restriction	900,740	425,669	1,326,409
Net Assets Released from Restriction	396,437	(396,437)	-
Total Revenue	1,297,177	29,232	1,326,409
Expenses:			
Program Services:			
Community Impact	621,355	-	621,355
Education and Technical Assistance	188,390	-	188,390
Service Provider Relations	68,887	-	68,887
Supporting Services:			
General and Administrative	41,864	-	41,864
Fundraising and Campaign	104,663	-	104,663
Total Expenses	1,025,159	-	1,025,159
Change in Net Assets	272,018	29,232	301,250
Net Assets, Beginning of Year	(42,184)	269,870	227,686
Net Assets, End of Year	\$ 229,834	\$ 299,102	\$ 528,936

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
Campaign Revenue:			
Gross Campaign Revenue - Current Period	\$ 1,092,352	\$ 100,248	\$ 1,192,600
Less: Donor Designations	(193,428)	-	(193,428)
Less: Uncollectible Pledges	(33,274)	-	(33,274)
Net Campaign Revenue	<u>865,650</u>	<u>100,248</u>	<u>965,898</u>
Other Revenue:			
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
Total Other Revenue	<u>27,008</u>	<u>182,749</u>	<u>209,757</u>
Total Revenue before Releases from Restriction	892,658	282,997	1,175,655
Net Assets Released from Restriction	<u>123,134</u>	<u>(123,134)</u>	<u>-</u>
Total Revenue	1,015,792	159,863	1,175,655
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>\$ (42,184)</u>	<u>\$ 269,870</u>	<u>\$ 227,686</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, 2021 AND 2020**

	<u>6/30/21</u>	<u>6/30/20</u>
Cash Flows from Operating Activities:		
Change in Net Assets	\$ 301,250	\$ 116,633
Adjustments to Reconcile Change in Net Assets to Net Cash Provided by Operating Activities:		
Depreciation Expense	1,321	1,322
(Gain) Loss on Investments in Perpetual Trust	(17,593)	2,838
(Gain) Loss on Cash Surrender Value of Life Insurance	(9,276)	(1,778)
PPP Loan Forgiveness	(84,487)	-
(Increase) Decrease in Assets:		
Pledges and Designations Receivable	(53,262)	(1,841)
Grant Receivable	9,714	(16,591)
Prepaid Expenses	850	(170)
Increase (Decrease) in Liabilities:		
Accounts Payable	(142)	3,682
Payroll Taxes Payable	(1,374)	1,179
Accrued Vacation	126	(3,563)
Allocations and Designations Payable	(2,506)	(1,160)
Deferred Revenue	-	(10,000)
Net Cash Provided (Used) by Operating Activities	<u>144,621</u>	<u>90,551</u>
Cash Flows from Financing Activities:		
PPP Loan Proceeds	-	84,487
Net Cash Provided by Financing Activities	<u>-</u>	<u>84,487</u>
Net Increase (Decrease) in Cash	144,621	175,038
Cash at Beginning of Year	<u>346,247</u>	<u>171,209</u>
Cash at End of Year	<u>\$ 490,868</u>	<u>\$ 346,247</u>
Reconciliation of Cash at End of Year to Statements of Financial Position:		
Cash	\$ 301,026	\$ 187,210
Cash - Restricted	171,940	141,153
Certificates of Deposit	17,902	17,884
Total Cash and Cash Equivalents	<u>\$ 490,868</u>	<u>\$ 346,247</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, 2021

	Program Services				Supporting Services			
	Community Impact	Education & Technical Assistance	Service Provider Relations	Total Program Services	General & Admin.	Fund Raising & Campaign	Total Supporting Services	Total
Salaries	\$ 88,744	\$ 118,326	\$ 29,582	\$ 236,652	\$ 26,295	\$ 65,737	\$ 92,032	\$ 328,684
Payroll Taxes	6,874	9,166	2,291	18,331	2,037	5,092	7,129	25,460
Employee Benefits	11,155	14,875	3,719	29,749	3,306	8,264	11,570	41,319
Total salaries and related expenses	<u>106,773</u>	<u>142,367</u>	<u>35,592</u>	<u>284,732</u>	<u>31,638</u>	<u>79,093</u>	<u>110,731</u>	<u>395,463</u>
Allocations to Service Providers	402,022	-	-	402,022	-	-	-	402,022
Allocations to Service Providers - COVID	50,000	-	-	50,000	-	-	-	50,000
United Way of America Dues	-	-	21,790	21,790	-	-	-	21,790
Dues and Subscriptions	2,159	2,879	720	5,758	640	1,600	2,240	7,998
Insurance	1,227	1,635	409	3,271	363	909	1,272	4,543
Education Initiative	28,037	-	-	28,037	-	-	-	28,037
Transportation	115	153	38	306	34	85	119	425
Miscellaneous	245	325	80	650	72	181	253	903
Meeting Expense	32	44	11	87	10	24	34	121
Occupancy	9,424	12,564	3,141	25,129	2,792	6,980	9,772	34,901
Office Supplies	3,694	4,924	1,231	9,849	1,094	2,736	3,830	13,679
Postage	296	396	99	791	88	220	308	1,099
Professional Fees	4,419	5,892	1,473	11,784	1,309	3,273	4,582	16,366
Campaign Printing and Advertising	6,053	8,069	2,017	16,139	1,793	4,483	6,276	22,415
Special Events	-	-	-	-	-	-	-	-
Equipment Repair and Maintenance	3,039	4,051	1,013	8,103	900	2,251	3,151	11,254
Telephone	1,697	2,261	565	4,523	502	1,256	1,758	6,281
Training	34	45	11	90	10	25	35	125
Volunteer Development	1,061	1,414	354	2,829	314	786	1,100	3,929
Bank Charges	672	895	224	1,791	199	497	696	2,487
Depreciation	356	476	119	951	106	264	370	1,321
Total other expenses	<u>514,582</u>	<u>46,023</u>	<u>33,295</u>	<u>593,900</u>	<u>10,226</u>	<u>25,570</u>	<u>35,796</u>	<u>629,696</u>
Total functional expenses	<u>\$ 621,355</u>	<u>\$ 188,390</u>	<u>\$ 68,887</u>	<u>\$ 878,632</u>	<u>\$ 41,864</u>	<u>\$ 104,663</u>	<u>\$ 146,527</u>	<u>\$ 1,025,159</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			
	Community Impact	Education & Technical Assistance	Service Provider Relations	Total Program Services	General & Admin.	Fund Raising & Campaign	Total Supporting Services	Total
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

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021 AND 2020

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 Recognition** - 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.

UWCC recognizes contributions as revenue when received or when money has been pledged to UWCC. Accounting principles generally accepted in the United States of America require non-profit organizations to record promises to give during the period in which the promise to give is made. Contributions are recognized when the donor make a promise to give that is in substance, unconditional. Non-cash contributions are reported as support at the estimated fair

UNITED WAY OF CASCADE COUNTY

GREAT FALLS, MONTANA

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021 AND 2020

market value on the date of the gift. Revenue is primary derived from contributions of cash. UWCC's grants are considered to be exchange transactions. Accordingly, revenue is recognized when earned and expenses are recognized as incurred. Investment income includes dividends and interest, which is recorded monthly from investment statements.

- 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.
- 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 occupancy costs, professional fees, and media and advertising services received. Total value of donated services recognized as revenue and expense for the years ended June 30, 2021 and 2020 are \$19,500 and \$16,810, 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

UNITED WAY OF CASCADE COUNTY

GREAT FALLS, MONTANA

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021 AND 2020

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.
- 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 22, 2021, 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:

	<u>6/30/21</u>	<u>6/30/20</u>
Long-term Donor Restricted Pledge	\$ 80,248	\$ 90,248
i-graduate Grant Funds	26,692	16,692
Community Kitchen Grant	65,000	-
Covid-Relief Contributions	-	34,213
Total Restricted Cash	<u>\$ 171,940</u>	<u>\$ 141,153</u>

NOTE 3: CERTIFICATE OF DEPOSIT:

The UWCC has a certificate of deposit (CD) at a local bank. The CD matured September 1, 2021, and has been renewed until February 1, 2023. The current interest rate is .1%. The CD is included in cash and cash equivalents. The following table shows the balance of the CD:

	<u>6/30/21</u>	<u>6/30/20</u>
	\$ 17,902	\$ 17,884

UNITED WAY OF CASCADE COUNTY

GREAT FALLS, MONTANA

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021 AND 2020

NOTE 4: LIQUIDITY AND AVAILABILITY:

The UWCC's financial assets available within one year from June 30, 2021 and 2020 for general obligations are as follows:

	<u>6/30/21</u>	<u>6/30/20</u>
Total financial assets at year-end:		
Cash	\$ 301,026	\$ 187,210
Cash - Restricted	171,940	141,153
Certificates of Deposit	17,902	17,884
Grant Receivable	30,191	39,905
Pledges Receivable, net	<u>330,074</u>	<u>276,812</u>
Total financial assets at year-end	<u>851,133</u>	<u>662,964</u>
Less amounts not available to be used within one year:		
Restricted Cash	(171,940)	(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>\$ 553,797</u></u>	<u><u>\$ 396,415</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 met. The UWCC operates with a balanced budget and anticipates collecting sufficient revenue to cover general expenditures.

NOTE 5: LOAN PAYABLE – PAYCHECK PROTECTION PROGRAM:

On April 10, 2020, UWCC was granted a 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 entire \$84,487 PPP loan was officially forgiven on December 21, 2020, and has been recognized as grant revenue on the June 30, 2021, statement of activities and changes in net assets.

UNITED WAY OF CASCADE COUNTY

GREAT FALLS, MONTANA

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021 AND 2020**

NOTE 6: SCHEDULE OF ALLOCATIONS PAYABLE TO SERVICE PROVIDERS:

	<u>6/30/21</u>	<u>6/30/20</u>
Service Provider Allocations:		
Alliance for Youth	\$ 50,450	\$ 60,302
Alluvion Health	-	3,000
Big Brothers and Big Sisters	1,300	3,750
Boys and Girls Club	16,250	20,000
Cascade County Law Clinic	10,000	11,000
Conservatory ASL Northwest	-	2,000
Dandelion Foundation	4,750	-
Eagle Mount	5,122	8,000
Family Connections	-	1,000
Family Promise	2,000	-
Foster Grandparents	7,330	5,000
Get Fit Great Falls	3,140	2,500
Great Falls Children's Receiving Home	8,750	8,500
Great Falls LGBTQ+ Center	-	2,000
Great Falls Public School District	5,000	17,500
Great Falls Senior Center	6,000	8,000
Habitat for Humanity	10,000	10,000
Juvenile Drug Court	7,000	20,220
Kairos Youth Services	20,550	19,000
Meals on Wheels	15,500	17,000
NeighborWorks	18,000	7,500
Opportunities Inc.	33,500	24,500
Peace Place Respite Care	13,000	9,000
Rural Dynamics	1,000	-
St. Vincent DePaul	61,880	40,936
Sunburst Unlimited	-	2,000
Toby's House	10,000	5,000
Veterans Treatment Court	39,000	40,200
Voices of Hope	19,000	17,500
Young Parents' Education Center	19,500	19,378
YWCA Mercy Home	14,000	15,000
Total	<u>\$ 402,022</u>	<u>\$ 399,786</u>

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NOTE 7: OPERATING LEASE:

On December 30, 2020, UWCC signed a lease for office space that expires November 1, 2022. Under this lease agreement the office space is provided to the UWCC as an in-kind contribution. Management estimates the value of the office space to be \$2,100 per month. For the year ended June 30, 2021, \$12,600 has been recorded as donated as revenue in donated services and facilities and as an expense in occupancy.

UWCC's previous operating lease for office space expired November 2020.

Rent expense under this lease totaled \$16,550 and \$24,450 for the years ended June 30, 2021 and 2020, 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 \$26,449 and \$31,799 for the years ended June 30, 2021 and 2020, 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, 2021 and 2020. 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, 2021

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Beneficial Interest in Perpetual Trust	\$ -	\$ -	\$ 94,456	\$ 94,456
Cash Surrender Value of Life Insurance	-	-	95,293	95,293
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 189,749</u>	<u>\$ 189,749</u>

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>

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, 2021 and 2020, respectively. Following is the activity for the Montana Community Foundation funds:

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	MCF agency endowment fund recorded on the Statement of Net Position	MCF endowment funds not recorded on the Statement of Net Position
	<u> </u>	<u> </u>
Balance, June 30, 2020	\$ 76,863	\$ 103,432
Net Investment income (loss)	22,222	29,902
Distributions to UWCC	(3,569)	(4,802)
MCF administrative fees	(1,060)	(1,427)
Balance, June 30, 2021	<u><u>\$ 94,456</u></u>	<u><u>\$ 127,105</u></u>

	MCF agency endowment fund recorded on the Statement of Net Position	MCF endowment funds not recorded on the Statement of Net Position
	<u> </u>	<u> </u>
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	<u><u>\$ 76,863</u></u>	<u><u>\$ 103,432</u></u>

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 2021 and 2020, 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, 2021 and 2020:

	<u>6/30/21</u>	<u>6/30/20</u>
Subject to be held in perpetuity	\$ 127,162	\$ 108,382
Time Restricted	80,248	90,248
Purpose Restricted	91,692	71,240
	<u>\$ 299,102</u>	<u>\$ 269,870</u>

NOTE 13: NET ASSETS RELEASED FROM DONOR RESTRICTION:

During the years ended June 30, 2021 and 2020, net assets with donor restriction were released for the following purposes:

	<u>6/30/21</u>	<u>6/30/20</u>
Satisfaction of program or time restrictions:		
Time Restriction completed	\$ 10,000	\$ 10,000
RSVP and Covid-19 Relief grant expenditures	386,437	113,134
Total	<u>\$ 396,437</u>	<u>\$ 123,134</u>