

**UNITED WAY OF CASCADE COUNTY**  
**GREAT FALLS, MONTANA**  
**FINANCIAL STATEMENTS**  
**AS OF**  
**JUNE 30, 2022 AND 2021**

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

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Certified Public Accountants  
Since 1913

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**INDEPENDENT AUDITOR'S REPORT**

**Report on the Audit of the Financial Statements**

***Opinion***

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, 2022 and 2021, and the related statements of activities, cash flows, and functional expenses for the years then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of United Way of Cascade County as of June 30, 2022 and 2021, 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.

***Basis for Opinion***

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of United Way of Cascade County and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

***Responsibilities of Management for the Financial Statements***

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about United Way of Cascade County's ability to continue as a going concern for one year after the date that the financial statements are issued.

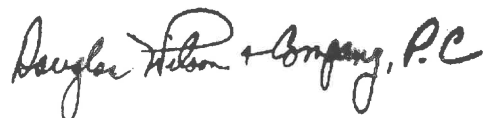
## ***Auditor's Responsibilities for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 United Way of Cascade County's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about United Way of Cascade County's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.



Great Falls, Montana  
November 22, 2022

UNITED WAY OF CASCADE COUNTY

GREAT FALLS, MONTANA

STATEMENTS OF FINANCIAL POSITION  
JUNE 30, 2022 AND 2021

	6/30/22	6/30/21
<b>ASSETS</b>		
Cash	\$ 259,599	\$ 301,026
Cash - Restricted	188,911	171,940
Certificate of Deposit	17,910	17,902
Grant Receivable	22,541	30,191
Pledges Receivable Less Allowance for Uncollectible Pledges of \$50,000	307,547	330,074
Beneficial Interest in Perpetual Trust	82,778	94,456
Cash Surrender Value of Life Insurance	92,220	95,293
Equipment, Net of Accumulated Depreciation of \$13,807 and \$12,926, Respectively	-	881
Total Assets	<b>\$ 971,506</b>	<b>\$ 1,041,763</b>
<b>LIABILITIES AND NET ASSETS</b>		
Liabilities:		
Accounts Payable	\$ 11,055	\$ 9,318
Payroll Liabilities	3,774	3,274
Allocations Payable to Service Providers	442,000	402,022
Due to Designated Service Providers	68,833	64,436
Accrued Employee Benefits	40,971	33,777
Total Liabilities	566,633	512,827
Net Assets:		
Without Donor Restriction:		
Undesignated	(100,834)	29,834
Designated by Board for Operating Reserve	200,000	200,000
Total Without Donor Restriction	99,166	229,834
With Donor Restriction:		
Perpetual in Nature	116,796	127,162
Purpose or Time Restricted	188,911	171,940
Total With Donor Restriction	305,707	299,102
Total Net Assets	404,873	528,936
Total Liabilities and Net Assets	<b>\$ 971,506</b>	<b>\$ 1,041,763</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, 2022

	Without Donor Restriction	With Donor Restriction	Total
Campaign Revenue:			
Gross Campaign Revenue - Current Period	\$ 1,180,746	\$ -	\$ 1,180,746
Less: Donor Designations	(310,623)	-	(310,623)
Less: Uncollectible Pledges	(75,907)	-	(75,907)
Net Campaign Revenue	794,216	-	794,216
Other Revenue:			
Grant Revenue	-	155,600	155,600
COVID-19 Relief Contributions	-	500	500
Gain (Loss) from Perpetual Trust	-	(11,678)	(11,678)
Change in Cash Surrender Value of Life Insurance	(4,385)	1,312	(3,073)
Interest and Investment Income	8,097	-	8,097
Donated Facilities and Services	49,477	-	49,477
Total Other Revenue	53,189	145,734	198,923
Total Revenue Before Releases from Restriction	847,405	145,734	993,139
Net Assets Released from Restriction	139,129	(139,129)	-
Total Revenue	986,534	6,605	993,139
Expenses:			
Program Services:			
Community Impact	644,547	-	644,547
Education and Technical Assistance	226,859	-	226,859
Service Provider Relations	69,352	-	69,352
Supporting Services:			
General and Administrative	50,412	-	50,412
Fundraising and Campaign	126,032	-	126,032
Total Expenses	1,117,202	-	1,117,202
Change in Net Assets	(130,668)	6,605	(124,063)
Net Assets, Beginning of Year	229,834	299,102	528,936
Net Assets, End of Year	\$ 99,166	\$ 305,707	\$ 404,873

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 Facilities and Services	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**  
**STATEMENTS OF CASH FLOWS**  
**FOR THE YEARS ENDED JUNE 30, 2022 AND 2021**

	<u>6/30/22</u>	<u>6/30/21</u>
Cash Flows from Operating Activities:		
Change in Net Assets	\$ (124,063)	\$ 301,250
Adjustments to Reconcile Change in Net Assets to		
Net Cash Provided by Operating Activities:		
Depreciation Expense	881	1,321
(Gain) Loss on Investments in Perpetual Trust	11,678	(17,593)
(Gain) Loss on Cash Surrender Value of Life Insurance	3,073	(9,276)
PPP Loan Forgiveness	-	(84,487)
(Increase) Decrease in Assets:		
Pledges and Designations Receivable	22,527	(53,262)
Grant Receivable	7,650	9,714
Prepaid Expenses	-	850
Increase (Decrease) in Liabilities:		
Accounts Payable	1,737	(142)
Payroll Taxes Payable	500	(1,374)
Accrued Vacation	7,194	126
Allocations and Designations Payable	44,375	(2,506)
Net Cash Provided (Used) by Operating Activities	<u>(24,448)</u>	<u>144,621</u>
Net Increase (Decrease) in Cash	(24,448)	144,621
Cash at Beginning of Year	<u>490,868</u>	<u>346,247</u>
Cash at End of Year	<u><u>\$ 466,420</u></u>	<u><u>\$ 490,868</u></u>
Reconciliation of Cash at End of Year to		
Statements of Financial Position:		
Cash	\$ 259,599	\$ 301,026
Cash - Restricted	188,911	171,940
Certificates of Deposit	17,910	17,902
Total Cash and Cash Equivalents	<u><u>\$ 466,420</u></u>	<u><u>\$ 490,868</u></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, 2022

	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	\$ 106,570	\$ 142,094	\$ 35,523	\$ 284,187	\$ 31,576	\$ 78,941	\$ 110,517	\$ 394,704
Payroll Taxes	8,182	10,909	2,727	21,818	2,424	6,060	8,484	30,302
Employee Benefits	14,110	18,813	4,703	37,626	4,181	10,452	14,633	52,259
Total Salaries and Related Expenses	128,862	171,816	42,953	343,631	38,181	95,453	133,634	477,265
Allocations to Service Providers	442,000	-	-	442,000	-	-	-	442,000
Allocations to Service Providers - COVID	-	-	-	-	-	-	-	-
United Way of America Dues	-	-	12,639	12,639	-	-	-	12,639
Dues and Subscriptions	2,476	3,302	825	6,603	734	1,834	2,568	9,171
Insurance	1,187	1,583	396	3,166	352	879	1,231	4,397
Education Initiative	32,404	-	-	32,404	-	-	-	32,404
Transportation	1,092	1,457	364	2,913	324	809	1,133	4,046
Miscellaneous	214	285	72	571	63	159	222	793
Meeting Expense	1,174	1,566	391	3,131	348	870	1,218	4,349
Occupancy	7,342	9,790	2,447	19,579	2,175	5,439	7,614	27,193
Office Supplies	2,522	3,362	840	6,724	747	1,868	2,615	9,339
Postage	592	790	197	1,579	175	438	613	2,192
Professional Fees	4,911	6,548	1,637	13,096	1,455	3,638	5,093	18,189
Campaign Printing and Advertising	12,582	16,776	4,194	33,552	3,728	9,320	13,048	46,600
Equipment Repair and Maintenance	2,997	3,996	999	7,992	888	2,220	3,108	11,100
Telephone	1,409	1,877	469	3,755	417	1,043	1,460	5,215
Training	580	774	194	1,548	172	430	602	2,150
Volunteer Development	1,588	2,118	529	4,235	471	1,177	1,648	5,883
Bank Charges	377	502	126	1,005	112	279	391	1,396
Depreciation	238	317	80	635	70	176	246	881
Total Other Expenses	515,685	55,043	26,399	597,127	12,231	30,579	42,810	639,937
Total Functional Expenses	\$ 644,547	\$ 226,859	\$ 69,352	\$ 940,758	\$ 50,412	\$ 126,032	\$ 176,444	\$ 1,117,202

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	106,773	142,367	35,592	284,732	31,638	79,093	110,731	395,463
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
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	514,582	46,023	33,295	593,900	10,226	25,570	35,796	629,696
Total Functional Expenses	\$ 621,355	\$ 188,390	\$ 68,887	\$ 878,632	\$ 41,864	\$ 104,663	\$ 146,527	\$ 1,025,159

See accompanying notes to the financial statements.

UNITED WAY OF CASCADE COUNTY

GREAT FALLS, MONTANA

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2022 AND 2021

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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 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. U.S. GAAP requires 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 market value on the date of the gift. Revenue is

UNITED WAY OF CASCADE COUNTY

GREAT FALLS, MONTANA

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2022 AND 2021

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. 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.
- H. Use of Estimates** - The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.
- I. 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.
- J. 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.

The UWCC maintains cash and cash equivalent accounts at financial institutions that are insured by the Federal Deposit Insurance Corporation ("FDIC") up to \$250,000. At June 30, 2022 and 2021, the UWCC's cash and cash equivalent accounts were fully insured.

- K. 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.

UNITED WAY OF CASCADE COUNTY

GREAT FALLS, MONTANA

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2022 AND 2021

- L. **Compensated Absences** - Vacation time accumulates up to certain limits, at which time no additional vacation hours can be earned. Provided this hourly limit is not met, employees can continue to accumulate vacation hours and time can be carried over to future years. Accrued vacation time is recorded as accrued employee benefits on the statements of financial position.
- 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. **Reclassification** - Certain reclassifications have been made to prior year amounts to conform to the current year presentation. Such reclassifications have had no effect on change in net assets as previously reported.
- P. **Change in Accounting Principle** - UWCC has adopted the new accounting guidance, ASU 2020-07, *Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets*. The update requires the UWCC to disclose a disaggregation of the amount of contributed nonfinancial assets recognized within the Statements of Activities by the category of contributed nonfinancial assets and update the disclosure for each of these categories. The UWCC has adjusted the presentation of these statements and notes accordingly.
- Q. **Subsequent Events** - UWCC has evaluated subsequent events through November 22, 2022, 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:

	6/30/22	6/30/21
Long-term Donor Restricted Pledge	\$ 70,248	\$ 80,248
i-Graduate Grant Funds	21,256	26,692
Community Kitchen Grant	97,407	65,000
Total Restricted Cash	<u>\$ 188,911</u>	<u>\$ 171,940</u>

UNITED WAY OF CASCADE COUNTY

GREAT FALLS, MONTANA

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2022 AND 2021

**NOTE 3: CERTIFICATE OF DEPOSIT:**

The UWCC has a certificate of deposit (CD) at a local bank with a current interest rate of .1% and maturity date of February 1, 2023. The CD is included in cash and cash equivalents. The following table shows the balance of the CD:

	<u>6/30/22</u>	<u>6/30/21</u>
CD - Balance	<u>\$ 17,910</u>	<u>\$ 17,902</u>

**NOTE 4: LIQUIDITY AND AVAILABILITY:**

The UWCC's financial assets available within one year from June 30, 2022 and 2021 for general obligations are as follows:

	<u>6/30/22</u>	<u>6/30/21</u>
Total Financial Assets at Year-End:		
Cash	\$ 259,599	\$ 301,026
Cash - Restricted	188,911	171,940
Certificates of Deposit	17,910	17,902
Grant Receivable	22,541	30,191
Pledges Receivable, Net	<u>307,547</u>	<u>330,074</u>
Total Financial Assets at Year-End	796,508	851,133
Less Amounts Not Available to be Used Within One Year:		
Restricted Cash	(188,911)	(171,940)
Designed by Board for Operating Reserve	<u>(200,000)</u>	<u>(200,000)</u>
Financial Assets Available to Meet Cash Needs for General Expenditures Within One Year	<u>\$ 407,597</u>	<u>\$ 479,193</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.

UNITED WAY OF CASCADE COUNTY

GREAT FALLS, MONTANA

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2022 AND 2021

**NOTE 5: SCHEDULE OF ALLOCATIONS PAYABLE TO SERVICE PROVIDERS:**

	<u>6/30/22</u>	<u>6/30/21</u>
<b>Service Provider Allocations:</b>		
Alliance for Youth	\$ 66,250	\$ 50,450
Big Brothers and Big Sisters	-	1,300
Boys and Girls Club	17,480	16,250
Cascade County Law Clinic	10,250	10,000
Dandelion Foundation	20,450	4,750
Eagle Mount	5,000	5,122
Family Promise	6,000	2,000
Foster Grandparents	8,000	7,330
Get Fit Great Falls	9,000	3,140
Great Falls Children's Receiving Home	10,000	8,750
Great Falls Public School District	5,000	5,000
Great Falls Senior Center	3,000	6,000
Habitat for Humanity	22,000	10,000
Job Service Great Falls	2,500	-
Juvenile Drug Court	-	7,000
Kairos Youth Services	25,040	20,550
Meals on Wheels	20,400	15,500
NeighborWorks	24,000	18,000
Opportunities Inc.	35,000	33,500
Peace Place Respite Care	16,450	13,000
Rural Dynamics	-	1,000
St. Vincent DePaul	62,960	61,880
Sunburst Unlimited	2,500	-
Toby's House	18,000	10,000
Veterans Treatment Court	-	39,000
Voices of Hope	16,470	19,000
Young Parents' Education Center	23,000	19,500
YWCA Mercy Home	13,250	14,000
Total	<u>\$ 442,000</u>	<u>\$ 402,022</u>

**NOTE 6: IN-KIND OPERATING LEASE:**

The UWCC signed a lease for office space that expires November 1, 2024. 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 years ended June 30, 2022 and 2021, \$25,200 and \$12,600 has been recorded as revenue in donated services and facilities and as an expense in occupancy.

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GREAT FALLS, MONTANA

NOTES TO FINANCIAL STATEMENTS

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**NOTE 7: CONTRIBUTED NONFINANCIAL ASSETS:**

For the years ended June 30, 2022 and 2021 contributed nonfinancial assets have been recorded on the statements of activities as donated facilities and services included:

	<u>6/30/22</u>	<u>6/30/21</u>
Campaign Media	\$ 22,177	\$ 4,800
Facilities	25,200	12,600
Professional Services	2,100	2,100
	<u>\$ 49,477</u>	<u>\$ 19,500</u>

**Valuation Techniques and Inputs** - Contributed campaign media, facilities, and professional services are valued and reported at management's estimated fair value based on current rates for similar services and facilities.

**Donor Restrictions** - No contributed nonfinancial asset was donor restricted.

**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 \$28,765 and \$26,449 for the years ended June 30, 2022 and 2021, 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.



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There have been no changes in the methodologies used at June 30, 2022 and 2021. 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:

**Fair Value as of June 30, 2022**

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Beneficial Interest in Perpetual Trust	\$ -	\$ -	\$ 82,778	\$ 82,778
Cash Surrender Value of Life Insurance	-	-	92,220	92,220
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 174,998</u>	<u>\$ 174,998</u>

**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>

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 on 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 statements 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 statements of activities. Distributions to UWCC were \$8,768 and \$8,371 for the years ended June 30, 2022 and 2021, respectively.

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Following is the activity for the Montana Community Foundation funds:

	MCF Agency Endowment Fund Recorded on the Statement of Net Position	MCF Endowment Funds Not Recorded on the Statement of Net Position
Balance, June 30, 2021	\$ 94,456	\$ 127,105
Net Investment Income (Loss)	(6,775)	(5,829)
Distributions to UWCC	(3,734)	(5,034)
MCF Administrative Fees	(1,169)	(1,603)
Balance, June 30, 2022	<u>\$ 82,778</u>	<u>\$ 114,639</u>

	MCF Agency Endowment Fund Recorded on the Statement of Net Position	MCF Endowment Funds Not Recorded on the Statement of Net Position
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>\$ 94,456</u>	<u>\$ 127,105</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 \$200,000 (approximately 30% of CSB) for 2022 and 2021, 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, 2022 and 2021:

	<u>6/30/22</u>	<u>6/30/21</u>
Subject to be Held in Perpetuity	\$ 116,796	\$ 127,162
Time Restricted	70,248	80,248
Purpose Restricted	118,663	91,692
	<u>\$ 305,707</u>	<u>\$ 299,102</u>

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

During the years ended June 30, 2022 and 2021, net assets with donor restriction were released for the following purposes:

	<u>6/30/22</u>	<u>6/30/21</u>
Satisfaction of program or time restrictions:		
Time Restriction completed	\$ 10,000	\$ 10,000
RSVP, i-Graduate and COVID-19 grant expenditures	129,129	386,437
Total	<u>\$ 139,129</u>	<u>\$ 396,437</u>