

THE UNITED WAY OF NORTHEAST LOUISIANA, INC.

AUDITED FINANCIAL STATEMENTS

JUNE 30, 2021 AND 2020

THE UNITED WAY OF NORTHEAST LOUISIANA, INC.

AUDITED FINANCIAL STATEMENTS

JUNE 30, 2021 AND 2020

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AUDITED FINANCIAL STATEMENTS

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December 2, 2021

To the Board of Directors and Management of
The United Way of Northeast Louisiana, Inc.
Monroe, Louisiana 71201

Independent Auditor's Report

Report on the Financial Statements

We have audited the accompanying financial statements of The United Way of Northeast Louisiana, Inc. (a nonprofit organization) which comprise the statements of financial position as of June 30, 2021 and 2020, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of The United Way of Northeast Louisiana, Inc. as of June 30, 2021 and 2020, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Heard, McElroy & Vestal, LLC

Monroe, Louisiana

THE UNITED WAY OF NORTHEAST LOUISIANA, INC.

STATEMENTS OF FINANCIAL POSITION

JUNE 30, 2021 AND 2020

<u>ASSETS</u>	<u>2021</u>	<u>2020</u>
Cash and cash equivalents	1,547,456	1,402,243
Investments	583,766	579,431
Pledges receivable, less allowances for uncollectibles of \$246,087 and \$310,509, respectively	1,045,909	1,271,490
Receivables-third party processors	238,367	226,758
Other receivables	53,998	123,089
Prepayments and deposits	8,105	54,361
Property and equipment, less accumulated depreciation of \$916,472 and \$889,038, respectively	281,403	312,449
Total assets	3,759,004	3,969,821
<u>LIABILITIES AND NET ASSETS</u>		
<u>Liabilities:</u>		
Agency program support payable	305,813	343,874
Donor designations payable	387,928	482,005
Accounts payable	24,281	29,505
Accrued liabilities	97,683	78,097
PPP loan payable	-	89,300
Deferred revenue	120,982	125,481
Total liabilities	936,687	1,148,262
<u>Net assets:</u>		
Net assets without donor restrictions	1,532,828	1,155,770
Net assets with donor restrictions:		
Cash restricted for local disaster response	24,095	78,922
Cash restricted for homeless response	15,880	25,719
Cash restricted for COVID-19 response	-	121,508
Annual campaign pledges	1,249,514	1,439,640
Total net assets with donor restrictions	1,289,489	1,665,789
Total net assets	2,822,317	2,821,559
Total liabilities and net assets	3,759,004	3,969,821

The accompanying notes are an integral part of these financial statements.

THE UNITED WAY OF NORTHEAST LOUISIANA, INC.

STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED JUNE 30, 2021

	Without Donor Restrictions	With Donor Restrictions				Total
	Undesignated	Annual Campaign Pledges	Local Disaster Response	Homeless Response	COVID 19 Response	
<u>Public support and revenue:</u>						
Gross campaign results	-	3,244,439	-	-	-	3,244,439
Campaign previously reported	-	(19,149)	-	-	-	(19,149)
Campaign for future years	-	28,436	-	-	-	28,436
Donor designations	-	(571,251)	-	-	-	(571,251)
Provision for uncollectible pledges	-	(227,111)	-	-	-	(227,111)
Net campaign revenue	-	2,455,364	-	-	-	2,455,364
Additional pledges	45,331	-	-	-	-	45,331
Contributed goods and services	9,000	-	-	-	-	9,000
Grants and other income	972,972	-	38,850	-	9,959	1,021,781
PPP loan forgiveness income	89,300	-	-	-	-	89,300
Other gains (losses)	(15,524)	-	-	-	-	(15,524)
Investment income	9,717	-	-	-	-	9,717
Sponsorships	25,000	-	-	-	-	25,000
Total	1,135,796	2,455,364	38,850	-	9,959	3,639,969
Net assets released from restriction:						
Satisfaction of purpose restrictions	2,880,473	(2,645,490)	(93,677)	(9,839)	(131,467)	-
Total public support and revenues	4,016,269	(190,126)	(54,827)	(9,839)	(121,508)	3,639,969
<u>Expenses:</u>						
Program services:						
Gross funds awarded/distributed	1,637,580	-	-	-	-	1,637,580
Less: donor designations	(571,251)	-	-	-	-	(571,251)
Net allocations granted to agency programs	1,066,329	-	-	-	-	1,066,329

The accompanying notes are an integral part of these financial statements.

THE UNITED WAY OF NORTHEAST LOUISIANA, INC.

STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED JUNE 30, 2021

	Without Donor Restrictions	With Donor Restrictions				Total
	Undesignated	Annual Campaign Pledges	Local Disaster Response	Homeless Response	COVID 19 Response	
<u>Expenses: (continued)</u>						
United Way 211	185,821	-	-	-	-	185,821
LAUW-211	858,617	-	-	-	-	858,617
Community impact	441,797	-	-	-	-	441,797
COVID-19 response	131,467	-	-	-	-	131,467
Local tornado response and recovery	89,360	-	-	-	-	89,360
Homeless response:						
Front door to housing	70,065	-	-	-	-	70,065
Total homeless emergency	70,065	-	-	-	-	70,065
Total program services	2,843,456	-	-	-	-	2,843,456
Support services						
Organizational administration	322,896	-	-	-	-	322,896
Fundraising Campaign	472,859	-	-	-	-	472,859
Total support services	795,755	-	-	-	-	795,755
Total expenses	3,639,211	-	-	-	-	3,639,211
<u>Change in net assets</u>	377,058	(190,126)	(54,827)	(9,839)	(121,508)	758
<u>Net assets, beginning of year</u>	1,155,770	1,439,640	78,922	25,719	121,508	2,821,559
<u>Net assets, end of year</u>	1,532,828	1,249,514	24,095	15,880	-	2,822,317

The accompanying notes are an integral part of these financial statements.

THE UNITED WAY OF NORTHEAST LOUISIANA, INC.

STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED JUNE 30, 2020

	Without Donor Restrictions	With Donor Restrictions			COVID 19 Response	Total
		Annual Campaign Pledges	Local Disaster Response	Homeless Response		
<u>Public support and revenue:</u>						
Gross campaign results	-	3,854,773	-	-	-	3,854,773
Campaign previously reported	-	(3,167)	-	-	-	(3,167)
Campaign for future years	-	19,149	-	-	-	19,149
Donor designations	-	(741,997)	-	-	-	(741,997)
Provision for uncollectible pledges	-	(269,834)	-	-	-	(269,834)
Net campaign revenue	-	2,858,924	-	-	-	2,858,924
Additional pledges	38,573	-	-	-	-	38,573
Contributed goods and services	21,605	-	-	-	-	21,605
Grants and other income	675,480	-	122,769	20,625	238,837	1,057,711
Other gains (losses)	(19,742)	-	-	-	-	(19,742)
Investment income	24,361	-	-	-	-	24,361
Sponsorships	16,940	-	-	-	-	16,940
Total	757,217	2,858,924	122,769	20,625	238,837	3,998,372
Net assets released from restriction:						
Satisfaction of purpose restrictions	3,089,484	(2,864,222)	(98,940)	(8,993)	(117,329)	-
Total public support and revenues	3,846,701	(5,298)	23,829	11,632	121,508	3,998,372
<u>Expenses:</u>						
Program services:						
Gross funds awarded/distributed	1,941,837	-	-	-	-	1,941,837
Less: donor designations	(741,997)	-	-	-	-	(741,997)
Net allocations granted to agency programs	1,199,840	-	-	-	-	1,199,840
<u>Expenses: (continued)</u>						
United Way 211	154,525	-	-	-	-	154,525
LAUW-211	592,150	-	-	-	-	592,150
Community impact	465,112	-	-	-	-	465,112
COVID-19 response	117,329	-	-	-	-	117,329
Local tornado response and recovery	98,940	-	-	-	-	98,940
Homeless emergency:						
Emergency sheltering	8,993	-	-	-	-	8,993
Front door to housing	89,276	-	-	-	-	89,276

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THE UNITED WAY OF NORTHEAST LOUISIANA, INC.

STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED JUNE 30, 2020

	Without Donor Restrictions	With Donor Restrictions			Total	
		Annual Campaign Pledges	Local Disaster Response	Homeless Response		COVID 19 Response
Total homeless emergency	<u>98,269</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>98,269</u>	
Total program services	<u>2,726,165</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,726,165</u>	
Support services						
Organizational administration	314,206	-	-	-	314,206	
Fundraising Campaign	<u>502,269</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>502,269</u>	
Total support services	<u>816,475</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>816,475</u>	
Total expenses	<u>3,542,640</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,542,640</u>	
<u>Change in net assets</u>	304,061	(5,298)	23,829	11,632	121,508	455,732
<u>Net assets, beginning of year</u>	<u>851,709</u>	<u>1,444,938</u>	<u>55,093</u>	<u>14,087</u>	<u>-</u>	<u>2,365,827</u>
<u>Net assets, end of year</u>	<u>1,155,770</u>	<u>1,439,640</u>	<u>78,922</u>	<u>25,719</u>	<u>121,508</u>	<u>2,821,559</u>

The accompanying notes are an integral part of these financial statements.

THE UNITED WAY OF NORTHEAST LOUISIANA, INC.

STATEMENT OF FUNCTIONAL EXPENSES

FOR THE YEAR ENDED JUNE 30, 2021

	Program Services							Support Services			Total Expenses	
	Allocation Services	United Way 2-1-1	LAUW - 2-1-1	Community Impact	Homeless Response	Local Disaster Response	COVID 19 Programs	Total	Organizational Administration	Fundraising Campaign		Total
Allocation/awards	1,637,580	-	-	-	-	-	-	1,637,580	-	-	-	1,637,580
Less: donor designations	(571,251)	-	-	-	-	-	-	(571,251)	-	-	-	(571,251)
Subtotal	<u>1,066,329</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,066,329</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,066,329</u>
Salaries	-	84,709	385,110	238,958	-	-	-	708,777	187,025	268,670	455,695	1,164,472
Hospitalization insurance	-	17,535	53,716	35,739	-	-	-	106,990	28,447	34,745	63,192	170,182
Other payroll expenses	-	13,976	58,214	39,271	-	-	-	111,461	30,012	41,466	71,478	182,939
Total salaries and related expenses	<u>-</u>	<u>116,220</u>	<u>497,040</u>	<u>313,968</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>927,228</u>	<u>245,484</u>	<u>344,881</u>	<u>590,365</u>	<u>1,517,593</u>
Auto	-	596	-	7,318	-	171	-	8,085	3,514	8,562	12,076	20,161
Awards, recognition banquet	-	-	-	-	-	-	-	-	-	7,111	7,111	7,111
Bank charges	-	-	-	-	-	-	-	-	740	1,927	2,667	2,667
Building and property maintenance	-	1,852	-	3,313	-	-	-	5,165	2,656	2,143	4,799	9,964
Campaign events	-	-	-	-	-	-	-	-	-	603	603	603
Campaign supplies	-	-	-	-	-	-	-	-	-	2,287	2,287	2,287
Community meetings	-	-	-	-	-	-	-	-	690	-	690	690
Dues, memberships and subscriptions	-	13,486	6,000	14,701	-	-	-	34,187	1,281	504	1,785	35,972
Equipment	-	2,744	539	4,546	-	-	-	7,829	4,670	20,450	25,120	32,949
Community impact program expenses	-	-	-	9,229	-	-	-	9,229	-	-	-	9,229
Insurance	-	1,153	-	2,162	-	-	-	3,315	4,442	1,433	5,875	9,190
Janitorial	-	1,061	-	2,888	-	-	-	3,949	1,641	2,221	3,862	7,811
Leadership giving recognition	-	-	-	-	-	-	-	-	-	99	99	99
Marketing	-	22,074	-	20,021	-	-	-	42,095	903	22,497	23,400	65,495
Meetings and lunches	-	-	-	-	-	-	-	-	870	259	1,129	1,129
Office rent	-	-	-	4,032	-	-	-	4,032	3,696	6,672	10,368	14,400
Office supplies	-	1,525	1,122	2,192	-	-	-	4,839	4,481	5,633	10,114	14,953
Postage	-	29	10	22	-	5	-	66	301	1,592	1,893	1,959
Professional fees	-	2,015	272,028	6,733	-	-	-	280,776	25,335	5,656	30,991	311,767
Specific assistance to individuals	-	-	-	-	70,065	89,184	131,467	290,716	-	-	-	290,716
Telephone and internet	-	2,791	81,478	7,984	-	-	-	92,253	5,135	8,282	13,417	105,670
Travel, education and training	-	81	400	415	-	-	-	896	-	-	-	896
Utilities	-	2,610	-	5,314	-	-	-	7,924	3,591	3,665	7,256	15,180
United Way Worldwide dues	-	11,603	-	25,038	-	-	-	36,641	5,496	18,931	24,427	61,068
Depreciation expense	-	5,981	-	11,921	-	-	-	17,902	7,970	7,451	15,421	33,323
Total other expenses	<u>-</u>	<u>69,601</u>	<u>361,577</u>	<u>127,829</u>	<u>70,065</u>	<u>89,360</u>	<u>131,467</u>	<u>849,899</u>	<u>77,412</u>	<u>127,978</u>	<u>205,390</u>	<u>1,055,289</u>
Total expenses	<u>1,066,329</u>	<u>185,821</u>	<u>858,617</u>	<u>441,797</u>	<u>70,065</u>	<u>89,360</u>	<u>131,467</u>	<u>2,843,456</u>	<u>322,896</u>	<u>472,859</u>	<u>795,755</u>	<u>3,639,211</u>

The accompanying notes are an integral part of these financial statements.

THE UNITED WAY OF NORTHEAST LOUISIANA, INC.

STATEMENT OF FUNCTIONAL EXPENSES

FOR THE YEAR ENDED JUNE 30, 2020

	Program Services							Support Services			Total Expenses	
	Allocation Services	United Way 2-1-1	LAUW - 2-1-1	Community Impact	Homeless Response	Local Disaster Response	COVID 19 Programs	Total	Organizational Administration	Fundraising Campaign		Total
Allocation/awards	1,941,837	-	-	-	-	-	-	1,941,837	-	-	-	1,941,837
Less: donor designations	(741,997)	-	-	-	-	-	-	(741,997)	-	-	-	(741,997)
Subtotal	<u>1,199,840</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,199,840</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,199,840</u>
Salaries	-	68,350	393,144	254,869	-	-	-	716,363	159,884	268,559	428,443	1,144,806
Hospitalization insurance	-	17,116	49,169	38,047	-	-	-	104,332	24,014	31,022	55,036	159,368
Other payroll expenses	-	12,102	54,307	43,148	-	-	-	109,557	27,787	45,316	73,103	182,660
Total salaries and related expenses	<u>-</u>	<u>97,568</u>	<u>496,620</u>	<u>336,064</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>930,252</u>	<u>211,685</u>	<u>344,897</u>	<u>556,582</u>	<u>1,486,834</u>
Auto	-	704	-	8,377	-	118	219	9,418	4,556	14,051	18,607	28,025
Awards, recognition banquet	-	-	-	-	-	-	-	-	-	15,778	15,778	15,778
Bank charges	-	-	-	577	-	-	-	577	114	2,045	2,159	2,736
Building and property maintenance	-	1,852	-	3,313	-	-	-	5,165	2,471	2,137	4,608	9,773
Campaign events	-	-	-	-	-	-	-	-	-	806	806	806
Campaign supplies	-	-	-	-	-	-	-	-	-	829	829	829
Community meetings	-	-	-	-	-	-	-	-	1,673	-	1,673	1,673
Dues, memberships and subscriptions	-	13,225	-	11,692	-	-	-	24,917	1,687	334	2,021	26,938
Equipment	-	1,893	1,626	1,825	-	-	-	5,344	4,507	17,317	21,824	27,168
Community Impact program expenses	-	-	-	24,320	-	-	-	24,320	-	-	-	24,320
Insurance	-	1,123	-	2,075	-	-	-	3,198	4,469	1,365	5,834	9,032
Janitorial	-	1,219	-	2,945	-	-	-	4,164	2,029	2,233	4,262	8,426
Leadership giving recognition	-	-	-	-	-	-	-	-	-	5,462	5,462	5,462
Marketing	-	8,151	-	16,384	-	-	230	24,765	1,098	37,282	38,380	63,145
Meetings and lunches	-	867	855	287	-	-	-	2,009	1,720	220	1,940	3,949
Office rent	-	-	-	4,176	-	-	-	4,176	3,936	6,288	10,224	14,400
Office supplies	-	3,032	2,302	1,556	-	-	-	6,890	5,466	4,573	10,039	16,929
Postage	-	139	113	22	-	45	163	482	193	2,335	2,528	3,010
Professional fees	-	2,414	43,051	5,028	-	-	-	50,493	46,768	7,511	54,279	104,772
Specific assistance to individuals	-	-	-	-	98,269	98,777	116,717	313,763	-	-	-	313,763
Telephone and internet	-	4,084	45,432	8,035	-	-	-	57,551	4,435	8,942	13,377	70,928
Travel, education and training	-	109	2,151	796	-	-	-	3,056	-	1,738	1,738	4,794
Utilities	-	2,492	-	5,142	-	-	-	7,634	3,619	3,514	7,133	14,767
United Way Worldwide dues	-	8,209	-	17,715	-	-	-	25,924	3,889	13,394	17,283	43,207
Depreciation expense	-	7,444	-	14,783	-	-	-	22,227	9,891	9,218	19,109	41,336
Total other expenses	<u>-</u>	<u>56,957</u>	<u>95,530</u>	<u>129,048</u>	<u>98,269</u>	<u>98,940</u>	<u>117,329</u>	<u>596,073</u>	<u>102,521</u>	<u>157,372</u>	<u>259,893</u>	<u>855,966</u>
Total expenses	<u>1,199,840</u>	<u>154,525</u>	<u>592,150</u>	<u>465,112</u>	<u>98,269</u>	<u>98,940</u>	<u>117,329</u>	<u>2,726,165</u>	<u>314,206</u>	<u>502,269</u>	<u>816,475</u>	<u>3,542,640</u>

The accompanying notes are an integral part of these financial statements.

THE UNITED WAY OF NORTHEAST LOUISIANA, INC.

STATEMENTS OF CASH FLOWS

FOR THE YEARS ENDED JUNE 30, 2021 AND 2020

	<u>2021</u>	<u>2020</u>
<u>Cash flows from operating activities:</u>		
Change in net assets	758	455,732
Adjustment to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	33,323	41,336
PPP loan forgiveness income	(89,300)	-
Change in allowance for uncollectibles	(64,422)	3,193
Gain on sale of assets	(477)	-
<i>Changes in assets and liabilities:</i>		
Pledges receivable	290,003	336,055
Receivables-third party processors	(11,609)	34,945
Other receivables	69,091	(76,521)
Prepaid assets	46,256	(45,944)
Agency program support payable	(38,061)	(36,381)
Donor designations payable	(94,077)	(33,738)
Accounts payable	(5,224)	(49,745)
Accrued payroll liabilities	19,586	20,921
Deferred revenue	(4,499)	37,018
Net cash provided by operating activities	<u>151,348</u>	<u>686,871</u>
<u>Cash flows from investing activities:</u>		
Interest income added to investments	(4,335)	(9,849)
Purchase of equipment	(3,090)	(11,860)
Proceeds from sale of assets	1,290	-
Net cash used in investing activities	<u>(6,135)</u>	<u>(21,709)</u>
<u>Cash flows from financing activities:</u>		
Proceeds from PPP loan	-	89,300
Net cash provided by financing activities	<u>-</u>	<u>89,300</u>
<u>Increase in cash</u>	145,213	754,462
<u>Cash at beginning of year</u>	<u>1,402,243</u>	<u>647,781</u>
<u>Cash at end of year</u>	<u>1,547,456</u>	<u>1,402,243</u>
<u>Supplemental disclosures of non-cash transactions:</u>		
In-kind contributions	<u>9,000</u>	<u>21,605</u>

The accompanying notes are an integral part of these financial statements.

THE UNITED WAY OF NORTHEAST LOUISIANA, INC.

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2021 AND 2020

1. Description of Organization

The United Way of Northeast Louisiana, Inc.'s (the "United Way"), a Louisiana nonprofit corporation founded in 1951, is a voluntary health and welfare organization, governed by a local volunteer board of directors. United Way's purpose is to help people and improve the community. The primary source of funding is the Annual Campaign, which provides monthly financial support for specified programs of 22 not-for-profit agencies (partner agencies) throughout Northeast Louisiana as well as direct programs of the United Way including 2-1-1 coverage for Northeast Louisiana and programs that encourage financial literacy and childhood reading/literacy.

2. Summary of Significant Accounting Policies

Basis of Accounting and Financial Statement Presentation

The financial statements have been prepared on the accrual basis of accounting, whereby revenues are recognized when earned and expenses are recognized when the related liabilities are incurred.

United Way reports information regarding its financial position and activities according to two classes of net assets: net assets without donor restrictions and net assets with donor restrictions. Revenues are reported as increases in net assets without donor restrictions unless use of the related assets is limited by donor-imposed restrictions. Expenses are reported as decreases in net assets without donor restrictions.

Net Assets without Donor Restrictions - Amounts that are not subject to usage restrictions based on donor-imposed requirements. This class also includes assets previously restricted where restrictions have expired or been met.

Net Assets with Donor Restrictions - Assets subject to usage limitations based on donor-imposed or grantor restrictions. These restrictions may be temporary or may be based on a particular use. Restrictions may be met by the passage of time or by actions of the Corporation. Certain restrictions may need to be maintained in perpetuity.

Cash and Cash Equivalents

United Way considers all highly liquid investments with a maturity of three months or less when purchased to be cash equivalents.

Investments

Investments are composed of certificates of deposit and equity securities, which are carried at fair value. The Financial Accounting Standards Board's Accounting Standards Codification (ASC) Section 820 establishes the framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted market prices in active markets for identical assets or liabilities (level 1 measurements) and the lowest priority to unobservable inputs (level 3 measurements). The three levels of the fair value hierarchy under ASC 820-10 are described as follows:

2. Summary of Significant Accounting Policies (Continued)

Investments (Continued)

Level 1- Inputs to the valuation methodology are unadjusted quoted prices for identical assets and liabilities in active markets that United Way has the ability to access;

Level 2 - Inputs to the valuation methodology include quoted market prices for similar assets or liabilities in active markets; quoted prices for identical or similar assets in inactive markets; inputs other than quoted prices that are observable for the asset or liability; and inputs that are derived principally from or corroborated by observable market data by correlation or other means. If the asset or liability has a specified (contractual) term, the level 2 input must be observable for substantially the full term of the asset or liability.

Level 3 - Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

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

The investments held by United Way at June 30, 2021 and 2020 are valued at quoted market prices and other relevant information generated by market transactions held by United Way at that date and are considered to be Level 1 in the fair value hierarchy.

Fair values for investments are determined by reference to quoted market prices and other relevant information generated by market transactions.

The valuation methodologies used for these items, as well as the general classification of such items pursuant to the fair value hierarchy of ASC Section 820 encompass that investments are reported on the basis of quoted market prices and consist primarily of certificates of deposit, equity securities and fixed income securities.

The methods described above may produce a fair value calculation that may not be indicative of net realizable value or reflective of future value. Furthermore, while United Way believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in different fair value measurements within the fair value hierarchy.

Contributions Receivable and Revenue Recognition

Pledges Receivable

United Way's policy is to record unconditional promises to give as pledge receivables and contribution revenue when the pledges are received and represent amounts due during the next calendar year.

Pledges receivable and related contributions are initially recorded at their net realizable value based on amounts expect to be collected from donors. This valuation reflects net pledge balances at a level which, in the judgment of management is adequate to meet the present and potential risks of uncollectibility of the pledges receivable. Management's judgment is based on a variety of factors, which include experience related to charge offs and recoveries, previous collection history and scrutiny of individual accounts. Specific accounts are written off only upon notification from donors that the pledges are no longer collectible. For the annual campaign, any remaining uncollectible pledge balances are written off after two years.

2. Summary of Significant Accounting Policies (Continued)

Donor Designations

Donor-designated contributions for United Way's partner agencies or other agencies are considered agency transactions because United Way does not have discretion over the distribution of these funds. Pass-through transactions do not result in contribution revenue or expense in the accompanying financial statements. When United Way receives the assets, a corresponding liability is recorded to reflect amounts due to third-party beneficiaries.

United Way pledges received from donors who have elected to use third-party pledge administrators to process the designation payments on their behalf are included in gross campaign results and gross agency distributions, in accordance with United Way Worldwide membership requirements. They are not included in pledges receivable or designations payable because those donations are paid directly by the donor to the third-party administrator to remit to the designated agencies.

Donated Securities, Materials, and Services

Donated marketable securities are recorded as support at their estimated market value on the date of donation. Such donations are reported as unrestricted support unless the donor has restricted the donated asset to a specific purpose. Contributed goods are reflected as contributions in the accompanying financial statements at their estimated fair values at date of receipt. Contributions of services are recorded at estimated fair value if the services received create or enhance nonfinancial assets or require specialized skills and would typically need to be purchased if not provided by donation. A number of volunteers have donated significant time and effort to United Way's fundraising campaign and its grant allocation process. The dollar value of these contributed services is not reflected in the consolidated financial statements because the nature of the services does not meet the specified criteria for recording.

Other Revenue

A portion of the Organization's revenue is derived from cost-reimbursable contracts and grants, which are conditioned upon certain performance requirements and/or the incurrence of allowable qualifying expenses. Amounts received are recognized as revenue when the Organization has incurred expenditures in compliance with specific contract or grant provisions. Amounts received prior to incurring qualifying expenditures are reported as refundable advances in the statement of financial position.

Property and Equipment

Property and equipment are stated at cost. Purchases of fixed assets and major improvements in excess of \$600 are capitalized at cost. All donated capital assets are recorded at fair market value on the date of the donation. The cost and related accumulated depreciation of assets sold or retired are eliminated from the accounts in the year of disposal and any resulting gain or loss is included in operations. Depreciation is computed on a straight-line basis over the useful lives of the assets using estimated lives from 3 - 30 years.

Compensated Absences

Although employees are encouraged to use their vacation annually, they are allowed to accumulate unused vacation days. Sick days are earned based on years of service and may be accumulated to a maximum of 90 days depending on years of service. However, employees are not paid for any unused sick days upon termination. Accordingly, the financial statements do not include any accrual for sick pay.

Net Asset Categories and Contributions

Annual campaigns are conducted each fall to raise support for agency allocations paid in the subsequent fiscal year. Campaign contributions, including unconditional promises to give, are recognized as support when made. Because campaign contributions are received on a calendar year

2. Summary of Significant Accounting Policies (Continued)

basis, the first half of the campaign collections (January to June) is reported in Gross Campaign Results and is released from restriction during the current fiscal year. The second half of the campaign collections (July to December) is reported in Gross Campaign Results but remains in net assets with donor restrictions at June 30, 2021.

Contributions are considered to be available for unrestricted use unless specifically restricted by the donor. Contributions that are restricted by the donor for specific United Way use are reported as increases in net assets without donor restrictions when the restrictions expire in the same year in which the contributions are received. All other donor-restricted contributions for specific United Way use are reported as increases in net assets with donor restrictions. Net assets with donor restrictions are reclassified to net assets without donor restrictions when the restriction expires.

Functional Expenses

The costs of providing the various programs and other activities have been summarized on a functional basis in the statements of activities. Specific expenses that are readily identifiable to a single program or activity are charged directly to that function. However, some expenses relate to more than one function and must be allocated among the program and supporting services benefited. Organizational administration expenses include those expenses that are not directly identifiable with any other specific function but provide for the overall support and direction of United Way. Costs associated with the annual campaign are included in fundraising expenses. United Way records expenses to departments and programs to facilitate the functionalization between Organizational Administration, Fundraising, and Program Services.

The expenses that are allocated include the following:

<u>Expense</u>	<u>Method of Location</u>
Salaries and Benefits	Time and Effort
Depreciation	Square footage/Actual usage
United Way Worldwide dues	Personnel percentages

Advertising

United Way expenses advertising costs as incurred. Advertising costs were totaled \$65,495 and \$63,145 for the years ended June 30, 2021 and 2020, respectively. Advertising expense was allocated in the marketing line of the statements of functional expenses.

Income Taxes

United Way is a not-for-profit organization that is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code. Thus, no provision for income taxes is included in the accompanying combined financial statements. United Way believes that it has appropriate support for any tax positions taken, and as such, does not have any uncertain tax positions that are material to the financial statements. United Way's Federal Return of Organization Exempt from Income Tax (Form 990) for the years ended June 30, 2018, 2019, and 2020 are subject to examination by the IRS, generally for three years after they were filed.

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.

2. **Summary of Significant Accounting Policies** (Continued)

New Accounting Guidance Not Yet Adopted

In February 2016, the FASB issued ASU No. 2016-02, "Leases" (Topic 842) which will supersede the current lease guidance in current U.S. GAAP. The ASU requires lessees to recognize a right of use asset and a related lease liability for all leases, with the limited exception of short-term leases. The main difference with current practice is that lessees will be required to record an asset and liability for what is now considered an operating lease. The FASB approved deferring the effective date of this ASU for one year.

ASU No. 2016-02 will be effective for fiscal years beginning after December 15, 2021, and interim periods within fiscal years beginning after December 15, 2022. Lessees (for capital and operating leases) and lessors (for sales-type, direct financing, and operating leases) must apply a modified retrospective transition approach for leases existing at, or entered into after, the beginning of the earliest comparative period presented in the financial statements. The modified retrospective approach would not require any transition accounting for leases that expired before the earliest comparative period presented. United Way is currently evaluating the potential impact of adopting this guidance on their financial statements

3. **Pledges Receivable**

Pledges receivable are detailed as follows:

	<u>Pledges Receivable</u>	<u>Less Allowance for Uncollectibles</u>	<u>Net</u>
June 30, 2021			
Fall 2020 Campaign	1,269,996	(224,087)	1,045,909
Fall 2019 Campaign	<u>22,000</u>	<u>(22,000)</u>	<u>-</u>
Total	<u>1,291,996</u>	<u>(246,087)</u>	<u>1,045,909</u>
June 30, 2020			
Fall 2019 Campaign	1,539,363	(267,873)	1,271,490
Fall 2018 Campaign	<u>42,636</u>	<u>(42,636)</u>	<u>-</u>
Total	<u>1,581,999</u>	<u>(310,509)</u>	<u>1,271,490</u>

4. **Investments**

Investments at June 30, 2021 and 2020 include certificates of deposit and equity securities.

Investments held were as follows:

	<u>June 30,</u>	
	<u>2021</u>	<u>2020</u>
Certificates of deposit	<u>583,766</u>	<u>579,431</u>
Total	<u>583,766</u>	<u>579,431</u>

For the years ended June 30, 2021 and 2020, United Way's investments (including gains and losses on investments bought, sold and held during the year) appreciated (depreciated) in value as follows:

	<u>June 30,</u>	
	<u>2021</u>	<u>2020</u>
Equity securities	<u>86</u>	<u>10</u>
Total	<u>86</u>	<u>10</u>

5. **Property and Equipment**

Property and equipment are summarized by major classifications as follows:

	<u>June 30,</u>	
	<u>2021</u>	<u>2020</u>
Land	<u>100,000</u>	<u>100,000</u>
Total nondepreciable assets	<u>100,000</u>	<u>100,000</u>
Building	508,178	513,666
Furniture, fixtures and equipment	496,742	494,866
Leasehold improvements	79,509	79,509
Leased equipment	<u>13,446</u>	<u>13,446</u>
Total depreciable assets	<u>1,097,875</u>	<u>1,101,487</u>
Total property and equipment	1,197,875	1,201,487
Less: accumulated depreciation	<u>(916,472)</u>	<u>(889,038)</u>
Total property and equipment	<u>281,403</u>	<u>312,449</u>

Depreciation charged to expense is \$33,323 and \$41,336 for the years ended June 30, 2021 and 2020, respectively.

6. **Paycheck Protection Program Loan**

In April 2020, United Way received an \$89,300 loan under the Small Business Administration's Paycheck Protection Program (the "Program"). Loan proceeds were used to cover payroll expenses and certain other overhead expenses as defined by the Program. The loan was fully forgiven on March 2, 2021 and has been included in income for the current year.

7. **Restricted Funds**

Annual Campaign Pledges

Net campaign contributions received for future periods are considered to be net assets with donor restrictions. The campaign for the future year pledges represent the initial pledges received for that campaign and will be available for unrestricted use during the following calendar year. The following schedule recaps the Annual Campaign at Celebrating Excellence to the amounts recorded as net assets with donor restrictions for the annual campaign pledges.

	<u>June 30,</u>	
	<u>2021</u>	<u>2020</u>
Annual campaign	3,244,439	3,854,773
Donor designations to United Way Agencies	(56,591)	(42,104)
Donor designations to Non-United Way Agencies	(35,164)	(32,922)
Donor designations processed by third party processors	(479,496)	(486,971)
Donor designations by major donors	-	(180,000)
Provision for uncollectible pledges	<u>(227,111)</u>	<u>(269,834)</u>
Campaign revenue	2,446,077	2,842,942
Less: amounts released from restriction (50%)	(1,224,999)	(1,422,451)
Plus: pledges for future campaign (100%)	<u>28,436</u>	<u>19,149</u>
Campaign – net assets with donor restrictions	<u>1,249,514</u>	<u>1,439,640</u>

Cash Restricted for Local Disaster Response

Contributions restricted to local tornado and hurricane response were received during the years ended June 30, 2021 and 2020. As of June 30, 2021, there were remaining restricted contributions to be spent on local tornado response.

7. Restricted Funds (Continued)

Cash Restricted for Homeless Response

The United Way originally reprogrammed \$115,000 originally allocated for the agency which had shut down and, in conjunction with Christopher Youth House and The Wellspring, established a program called "Front Door to Housing" which used a "navigator" type model to identify homeless individuals and families and help connect them directly to resources which could maximize their chances to get into long-term or even permanent housing.

Contributions restricted to homeless response were received during the year ended June 30, 2020. As of June 30, 2021, there were remaining restricted contributions to be spent on homeless response.

Cash Restricted for Other

From time to time United Way, in its role as a trusted social services fiduciary in the community, is called upon to be the holder and distributor of short-term or emergency funds contributed throughout the region. These restricted funds are typically limited in number and/or magnitude and are often raised and distributed in very short order.

Contributions restricted to other were received during the year ended June 30, 2021 and 2020 for use in the community COVID-19 response. As of June 30, 2021, all funds received had been spent and there were no remaining restricted contributions to be spent on COVID-19 response.

8. History of Uncollectibles

Generally, campaign pledges that are uncollected after two years are deemed to be bad debts and are written off. The actual inception to date write-off percentages for the preceding campaigns are presented in the following table. These percentages are based on total campaign contributions pledged.

<u>Campaign Year</u>	<u>Budget Year</u>	<u>Actual Write-Off</u>
2019	2020	6.68%
2018	2019	7.11%
2017	2018	5.87%
2016	2017	4.79%
2015	2016	3.90%
2014	2015	6.32%
2013	2014	7.79%
2012	2013	7.14%
2011	2012	6.65%
2010	2011	6.04%

In general, all other revenues (sponsorships, grants, services, etc) are billed and receivable within 60-90 days. Occasional bad debts on these items are rare and are not considered significant.

9. **Program Services**

A. Agency Funding

United Way Community Volunteers communicate to the United Way Board of Directors funding recommendations for the various partner agencies to support programs throughout Northeast Louisiana. In general, campaign contributions raised in Lincoln-Union-Jackson Parishes, net of fundraising and administrative expenses, are allocated to partner agencies and programs providing services in those parishes and those funding recommendations are made by community volunteers from those parishes. All other campaign contributions raised in the annual campaign are allocated to partner agencies and programs throughout Northeast Louisiana based on funding recommendations from panels of community volunteers.

The total agency support expense for the year ended June 30, 2021 was \$1,066,329. Total awards to agency organizations, is summarized below:

<u>Program Service Category</u>	<u>Amount</u>	<u>Percent</u>
Children & Youth Services	338,530	32%
Economic Opportunity	215,749	20
Healthy & Safe Individuals	491,534	46
Other	<u>20,516</u>	<u>2</u>
	<u><u>1,066,329</u></u>	<u><u>100%</u></u>

The total agency support expense for the year ended June 30, 2020 was \$1,199,840. Total awards to agency organizations, is summarized below:

<u>Program Service Category</u>	<u>Amount</u>	<u>Percent</u>
Children & Youth Services	350,710	29%
Economic Opportunity	224,707	19
Health & Safe Individuals	577,620	48
Other	<u>46,803</u>	<u>4</u>
	<u><u>1,199,840</u></u>	<u><u>100%</u></u>

Homeless Response

Front Door to Housing

Front Door to Housing, a visionary program that has no counterpart elsewhere in the state, is funded solely by local dollars and serves solely local needs in a collaboration with The Wellspring and the HOME Coalition. It fills an otherwise unfillable gap in how United Way helps the most vulnerable citizens. Front Door to Housing offers outreach, screening and assessment, and referrals. It also provides rehousing assistance for those who have no other option.

June 30, 2021 information

- Number of homeless persons offered assistance: 1,151
- Number persons facing housing instability referred to a community program for rehousing: 816
- Number of homeless persons rehoused by Front Door: 29

During the years ended June 30, 2021 and 2020, between restricted funds raised and agency funds reprogrammed, a total of \$70,065 and \$89,276, respectively, was spent on the Front Door to Housing program.

9. Program Services (Continued)

B. All Other Programs

Various community initiatives are conducted directly by United Way. United Way is focused on creating lasting change in community conditions to improve people's lives through community initiatives such as:

United Way 211, a free, easy to remember, three-digit telephone number that gives people a fast, easy way to get connected to available social assistance services. In calendar year 2020, the United Way of Northeast Louisiana's 211 answered 20,851 calls.

In July 2015, United Way of Northeast Louisiana contracted with Louisiana Association of United Ways (LAUW) to manage 211 services for the Capital Area. In January 2016, the contract was extended to include Southwest Louisiana. In mid-November 2017, United Way of Northeast Louisiana's 211 began to answer calls for the Northwest Louisiana region on behalf of United Way of Northwest Louisiana through the contract with LAUW.

Total calls for all regions under contract answered in calendar year 2019 and 2020 were 51,980 and 104,153, respectively, which represents only the calls that were live answered by staff and does not include calls answered by auto-attendant or transfers to other 211 operations.

In February 2018, United Way 211 initiated a text-based service which continues to grow in popularity and is anticipated to streamline assistance during times of disaster in particular.

The contract with LAUW to cover other areas covers all costs associated with those areas and has provided further economies of scale which has reduced the costs for providing 211 to Northeast Louisiana by more than \$100,000 annually compared to costs prior to the consolidation. For further information, see Note 13.

Community Investment - Volunteers and staff of United Way who work with the partner agencies to ensure that United Way dollars are invested to produce the most effective results. They make site visits, gather information and evaluate programs year- round. Volunteers make recommendations on agency funding.

Community Impact - United Way of Northeast Louisiana's agenda is the community's agenda - we stand with the residents, business leaders, and policymakers-to take action together and strategically invest in making a meaningful difference in the lives of people in Northeast Louisiana.

United Way of Northeast Louisiana COVID-19 Response Fund:

- **Food for Our Friends:** Provides food assistance to qualifying individuals from households whose income has been reduced or lost. **FOOD FOR OUR FRIENDS EXPANSION:** Provides direct food assistance.

9. **Program Services (Continued)**

- **Covid Recovery:** Focused support for the population experiencing hardship due to decreased hours or unpaid leave by providing rent, mortgage and utility assistance to help prevent eviction and homelessness. Clients demonstrate financial need by presenting documentation including but not limited to pay stubs, rent agreements, utility bills, etc. No money was paid to the clients, vendors were paid directly.

United Way of Northeast Louisiana Disaster Relief Fund:

- **Ouachita / Lincoln Disaster Long-Term Recovery Group:** Partnership with volunteers from local government, nonprofits, faith-based organizations, and businesses, with the mission is to work together to help the most vulnerable in our community achieve a level of pre-disaster stability, or a new normal.

Children, Youth, and Young Adults Successful in School and Life

1. Children enter school ready
2. Students are successful in elementary school and prepared for middle/secondary school
3. Youth gain the knowledge, skills, and credentials so that they are prepared for the workforce and are able to obtain family sustaining employment

Economic Opportunity for All

1. Individuals and families have adequate and sustainable resources to support their needs
2. Individuals and families have the skills, knowledge, relationships and economic pathways they need to effectively increase and manage their income
3. Vulnerable populations maximize their ability to live with independence and dignity
4. People/organizations continue to work together to support a thriving, prosperous, robust economy

Healthy and Safe Individuals, Families and Community

1. Families/Individuals live in a healthy and safe environment
2. People/organizations work together to strengthen and build a more inclusive community

10. **401(k) Defined Contribution Plan**

United Way has adopted a deferred compensation plan pursuant to IRC Section 401(k). This plan covers employees who have reached 21 years of age and have completed one full year of eligibility service. Employer contributions to the plan are 5% for all eligible employees and will match an additional 2%. Employer contributions are allocated to each participant who completes 1,000 hours of service during the plan year and who is employed on the last day of the plan year. United Way may use unvested forfeitures to pay plan expenses or to reduce amounts otherwise required to be distributed.

The total pension cost of United Way for the year ended June 30, 2021 and 2020 was \$64,881 and \$59,107, respectively.

11. **In Kind Services and Materials**

Contributions of services and materials were reported as revenues and allocated between all program expenses. In kind revenues and expenses were \$9,000 and \$21,605 for the years ended June 30, 2021 and 2020, respectively.

12. **Lease Agreement**

On February 1, 2018, the United Way entered into a lease agreement for the location of its Ruston office for \$1,200 per month. The lease period is for five years ending on January 31, 2023 with no

12. Lease Agreement (Continued)

option for renewal. The lease specifies that upon demand United Way is responsible reimbursing lessor for any property taxes in excess of the total amount of property taxes paid on the unit in calendar year 2017. The United Way is responsible for all utilities.

The minimum future rental commitment on this lease is as follows:

YEAR ENDED JUNE 30

2022	14,400
2023	<u>8,400</u>
	<u>22,800</u>

13. Disclosures about Concentrations

Support from the most recent annual campaign represents approximately 67% of United Way's total revenue. United Way's annual campaign covers 12 parishes in northeast Louisiana with the largest concentration being Ouachita Parish and Lincoln/Union Parishes. The annual campaign in these parishes represents a concentration of risk by geographic region and by the nature of the fund-raising activity. Failure of the community to respond to the campaign or to fulfill their obligation could impact United Way's ability to collect approximately 1.29 million in pledges receivable. No collateralization is required by United Way.

The top three campaigns account for 22.25% in gross campaign results and for 14.27% in pledges receivable for the 2020 Campaign, down from 23.38% and 21.84% from the 2019 Campaign.

In general, funds, net of expenses, raised in one geographical area are allocated to programs and activities in that geographical area. As a result, disproportionate increases or decreases within one geographic area would be expected to impact that area more than others.

LAUW 2-1-1 Contract

In June, 2016 the United Way entered into a contract with the Louisiana Association of United Ways to provide call center services and management support for 2-1-1 operations with the parishes covered by the Capitol Area United Way, United Way of Southwest Louisiana, and United Way of Northeast Louisiana. In June of 2017, the areas covered by United Way of Northwest Louisiana were added. In June of 2018, United Way of Central Louisiana joined the funding pool, although their parishes had previously been covered via other United Ways. This contract allows for economies of scale and has allowed the United Way of Northeast Louisiana to reduce the direct funding to operate 2-1 -1 within Northeast Louisiana by approximately \$100,000 for the year ended June 30, 2020 and a like amount for the year ended June 30, 2021.

The LAUW 2-1-1 base contract resulted in revenue of \$358,736 for the year ended June 30, 2021 and \$391,865 for the year ended June 30, 2020 and represented 9% and 10 % of total revenue respectively. Loss of this contract would have the potential to increase the cost of providing local 2-1-1 coverage.

Bank Concentrations

Checking account funds are held at CrossKeys Bank in Monroe. A sweep arrangement is used for excess checking funds and is intended to provide protections through FDIC.

CDs are placed with various banks throughout Northeast Louisiana and are typically limited to less than \$175,000 at any single institution at any one time. The United Way Finance Committee provides broad guidance on placement policy, taking into consideration the current and expected

13. Disclosures about Concentrations (Continued)

rate environment, and anticipated funding and liquidity requirements. While the investment policy allows for investments in less liquid instruments such as equity and fixed income instruments under certain circumstances, present committee guidance continues to limit holdings to CDs, generally with a term of 2 years or less.

Liquidity and Availability of Resources

The United Way's financial assets available within one year of the statements of financial position date for general expenditures are as follows:

	<u>2021</u>	<u>2020</u>
Cash and cash equivalents	1,547,456	1,402,243
Investments	583,766	579,431
Pledge receivables, net	1,045,909	1,271,490
Designations-third party processors	238,367	226,758
Other receivables	<u>53,998</u>	<u>123,089</u>
Total financial assets available within one year	<u>3,469,496</u>	<u>3,603,011</u>
Less: amounts unavailable for general expenditures within one year to:		
Designations payable	<u>387,928</u>	<u>482,005</u>
Total amounts unavailable for general expenditures within one year	<u>387,928</u>	<u>482,005</u>
Total financial assets available to management for general expenditures within one year	<u>3,081,568</u>	<u>3,121,006</u>

United Way has a policy of structuring its financial assets to be available as its general expenditures, liabilities, and other obligations come due. The Board has approved a policy that targets three months of annual grants and three months of operating expenses to be maintained. Because this is a target there is presently no actual restriction on use of such funds although the target and progress toward meeting that target is considered during the budget and program/grant funding cycles each year. Excess cash is invested in a ladder from three months to two years of certificates of deposit depending on market conditions, as well as utilizing a repurchase agreement and overnight sweep associated with its operating checking account. United Way cash flows have seasonal variations during the year attributable to the annual campaign and when payments are received from donors on pledges.

14. Other Matters

The World Health Organization declared the coronavirus outbreak a pandemic in March 2020. Actions taken around the world to help mitigate the spread of the coronavirus include restrictions on travel, quarantines in certain areas, and forced closures for certain types of public places and businesses. The coronavirus and actions taken to mitigate it have had, and are expected to continue to have, an adverse impact on the economies and financial markets of substantially all countries around the world, including the geographical area in which the United Way operates. While it is unknown how long these conditions will last and what the complete financial effect will be to the United Way, it is expected to continue to have a negative effect on campaign results.

15. Subsequent Events

Management of United Way has evaluated subsequent events through December 2, 2021 the date which the financial statements were available to be issued and has determined that there were no reportable events or transactions.