

UNITED WAY OF CHAMPAIGN COUNTY, ILLINOIS, INC.

Savoy, Illinois

Financial Statements

For the Years Ended

June 30, 2021 and 2020

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INDEPENDENT AUDITOR'S REPORT

Board of Directors
United Way of Champaign County, Illinois, Inc.
Savoy, Illinois

We have audited the accompanying financial statements of United Way of Champaign County, Illinois, 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 the accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control.

Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used, and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of United Way of Champaign County, Illinois, 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.

Martin Hood LLC

Champaign, Illinois
October 27, 2021

UNITED WAY OF CHAMPAIGN COUNTY, ILLINOIS, INC.
 Statements of Financial Position
 June 30, 2021 and 2020

ASSETS

	<u>2021</u>	<u>2020</u>
Current Assets		
Cash and Cash Equivalents	\$ 1,474,052	\$ 1,523,002
Campaign Promises to Give, Net of Allowance of \$151,922 and \$159,886, Respectively	731,255	676,792
Grants Receivable	61,070	80,769
Other Current Assets	25,245	16,203
Total Current Assets	<u>2,291,622</u>	<u>2,296,766</u>
Property and Equipment, Net	<u>692,886</u>	<u>701,417</u>
Other Assets		
Investments	2,803,872	2,765,213
Beneficial Interest in Assets Held by Community Foundation	1,182,251	924,736
Endowment Promises to Give, Net	31,000	84,000
Total Other Assets	<u>4,017,123</u>	<u>3,773,949</u>
Total Assets	<u>\$ 7,001,631</u>	<u>\$ 6,772,132</u>

LIABILITIES AND NET ASSETS

Current Liabilities		
Accounts Payable and Accrued Expenses	\$ 40,296	\$ 61,505
Unearned Grant Revenue	34,562	26,642
Designations Payable	364,470	357,514
Note Payable, Current Portion	-	55,467
Allocations Payable	1,595,414	1,528,596
Total Current Liabilities	<u>2,034,742</u>	<u>2,029,724</u>
Long-Term Liabilities		
Note Payable, Net of Current Portion	-	70,833
Total Liabilities	<u>2,034,742</u>	<u>2,100,557</u>
Net Assets		
Without Donor Restrictions	2,430,751	2,020,929
With Donor Restrictions	2,536,138	2,650,646
Total Net Assets	<u>4,966,889</u>	<u>4,671,575</u>
Total Liabilities and Net Assets	<u>\$ 7,001,631</u>	<u>\$ 6,772,132</u>

See Accompanying Notes

UNITED WAY OF CHAMPAIGN COUNTY, ILLINOIS, INC.
 Statements of Activities
 For The Years Ended June 30, 2021 and 2020

	2021			2020		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
Support and Revenue						
Campaign Contributions	\$ 2,445,442	\$ 162,644	\$ 2,608,086	\$ 2,244,693	\$ 145,615	\$ 2,390,308
Future Campaign Contributions	-	30,324	30,324	-	26,550	26,550
Provision for Uncollectible Promises to Give	(32,815)	(40,829)	(73,644)	(57,410)	(42,495)	(99,905)
Net Campaign Contributions	2,412,627	152,139	2,564,766	2,187,283	129,670	2,316,953
Non-Campaign Contributions	-	670,057	670,057	16,452	1,118,384	1,134,836
Management Fees - Designated Promises to Give	44,461	-	44,461	46,745	-	46,745
Sponsorships	-	31,665	31,665	-	24,505	24,505
Grant Support	205,709	128,901	334,610	78,419	-	78,419
Special Events, Net of Direct Costs of Donor Benefits	-	71,214	71,214	3,823	81,713	85,536
Other Income	4,584	-	4,584	3,658	-	3,658
Change in Fair Value of Endowment Promise to Give	-	(53,000)	(53,000)	-	17,000	17,000
Investment Income and Gain (Loss)	380,386	144,162	524,548	81,104	(16,190)	64,914
Net Assets Released from Restrictions	1,259,646	(1,259,646)	-	1,017,515	(1,017,515)	-
Total Support and Revenue	4,307,413	(114,508)	4,192,905	3,434,999	337,567	3,772,566
Expenses						
Program Services	3,289,714	-	3,289,714	2,956,241	-	2,956,241
Supporting Services:						
Resource Development	408,129	-	408,129	401,126	-	401,126
Administration and General	199,748	-	199,748	188,217	-	188,217
Total Supporting Services	607,877	-	607,877	589,343	-	589,343
Total Expenses	3,897,591	-	3,897,591	3,545,584	-	3,545,584
Change in Net Assets	409,822	(114,508)	295,314	(110,585)	337,567	226,982
Net Assets, Beginning of Year	2,020,929	2,650,646	4,671,575	2,131,514	2,313,079	4,444,593
Net Assets, End of Year	\$ 2,430,751	\$ 2,536,138	\$ 4,966,889	\$ 2,020,929	\$ 2,650,646	\$ 4,671,575

See Accompanying Notes

UNITED WAY OF CHAMPAIGN COUNTY, ILLINOIS, INC.
 Statements of Functional Expenses
 For The Years Ended June 30, 2021 and 2020

	2021					2020				
	Program Services	Supporting Services			Total	Program Services	Supporting Services			Total
		Resource Development	Administration and General	Total Supporting Services			Resource Development	Administration and General	Total Supporting Services	
<i>Direct Program Costs</i>										
Program Funding Allocations	\$ 1,710,414	\$ -	\$ -	\$ -	\$ 1,710,414	\$ 1,674,036	\$ -	\$ -	\$ -	\$ 1,674,036
Special Projects	1,073,409	-	-	-	1,073,409	812,628	-	-	-	812,628
<i>Personnel Costs</i>										
Salaries	316,777	249,158	99,834	348,992	665,769	298,090	226,323	96,541	322,864	620,954
Employee Benefits	62,944	49,772	12,638	62,410	125,354	58,121	50,431	11,660	62,091	120,212
Payroll Taxes	24,094	18,972	7,549	26,521	50,615	22,314	17,165	7,177	24,342	46,656
Contractual Services	-	-	8,100	8,100	8,100	-	-	8,100	8,100	8,100
Workers Compensation	1,278	1,006	403	1,409	2,687	1,534	1,165	497	1,662	3,196
<i>Professional Services</i>										
Audit Services	-	-	14,800	14,800	14,800	-	-	14,600	14,600	14,600
Legal Services	-	-	125	125	125	-	-	25	25	25
<i>Office Expenses</i>										
Postage	2,497	1,964	786	2,750	5,247	2,701	2,051	875	2,926	5,627
Office Supplies	1,690	1,329	532	1,861	3,551	2,768	2,102	897	2,999	5,767
Stationery/Printing	269	211	85	296	565	580	440	188	628	1,208
<i>Occupancy Costs</i>										
Depreciation	14,517	11,418	4,575	15,993	30,510	14,387	10,923	4,659	15,582	29,969
Computer Support Agreement	10,302	15,269	3,246	18,515	28,817	8,375	12,748	2,712	15,460	23,835
Building Maintenance	6,199	4,876	1,954	6,830	13,029	6,132	4,655	1,986	6,641	12,773
Telephone	4,627	3,639	1,458	5,097	9,724	4,552	3,456	1,474	4,930	9,482
Utilities	3,794	2,984	1,196	4,180	7,974	3,895	2,957	1,261	4,218	8,113
Building Insurance	2,823	2,221	890	3,111	5,934	2,313	1,756	749	2,505	4,818
Equipment Maintenance	1,544	1,214	486	1,700	3,244	3,016	2,290	977	3,267	6,283
<i>Marketing and Communication Costs</i>										
Materials - Development and Production	15,775	10,955	-	10,955	26,730	9,595	21,295	-	21,295	30,890
Recognitions	2,020	1,265	-	1,265	3,285	907	2,268	-	2,268	3,175
Events and Programs	582	-	-	-	582	4,217	13,830	-	13,830	18,047
<i>Other Expenses</i>										
Affiliation Dues	30,747	24,183	9,690	33,873	64,620	19,733	14,982	6,391	21,373	41,106
Service Charges	-	-	26,298	26,298	26,298	-	-	22,891	22,891	22,891
Training and Conferences	-	3,907	193	4,100	4,100	37	4,720	-	4,720	4,757
Meals and Events	722	1,066	2,168	3,234	3,956	2,603	2,592	1,267	3,859	6,462
Dues and Subscriptions	750	995	2,130	3,125	3,875	1,675	845	2,741	3,586	5,261
Directors/Officers/Programs Insurance	1,506	1,185	475	1,660	3,166	1,495	1,135	484	1,619	3,114
Mileage	-	198	-	198	198	338	847	-	847	1,185
Miscellaneous	434	342	137	479	913	199	150	65	215	414
Total Expenses	<u>\$ 3,289,714</u>	<u>\$ 408,129</u>	<u>\$ 199,748</u>	<u>\$ 607,877</u>	<u>\$ 3,897,591</u>	<u>\$ 2,956,241</u>	<u>\$ 401,126</u>	<u>\$ 188,217</u>	<u>\$ 589,343</u>	<u>\$ 3,545,584</u>

See Accompanying Notes

UNITED WAY OF CHAMPAIGN COUNTY, ILLINOIS, INC.
 Statements of Cash Flows
 For The Years Ended June 30, 2021 and 2020

	2021	2020
Cash Flows From Operating Activities		
Change in Net Assets	\$ 295,314	\$ 226,982
Adjustments to Reconcile Increase in Net Assets to Net Cash Provided by Operating Activities:		
Depreciation	30,510	29,969
Net Realized and Unrealized Gain on Investments	(224,552)	(37,485)
Net Realized and Unrealized Loss (Gain) on Beneficial Interest in Assets Held by Community Foundation	(259,331)	1,472
Change in Fair Value of Endowment Promise to Give	53,000	(17,000)
Contributions Received in the Form of Investments	(180,618)	(68,739)
Contributions to Beneficial Interest in Assets Held by Community Foundation	(24,000)	(12,500)
Grant Support Resulting From Note Payable Forgiveness	(126,300)	-
<i>(Increase) Decrease in Assets:</i>		
Campaign Promises to Give, Net of Allowance	(54,463)	87,234
Grants Receivable	19,699	(62,705)
Other Current Assets	(9,042)	19,386
Endowment Promises to Give	-	715,443
<i>Increase (Decrease) in Liabilities:</i>		
Accounts Payable and Accrued Expenses	(21,209)	(10,623)
Unearned Grant Revenue	7,920	(6,089)
Designations Payable	6,956	22,025
Allocations Payable	66,818	158,214
Total Adjustments	(714,612)	818,602
Net Cash Provided by (Used in) Operating Activities	(419,298)	1,045,584
 Cash Flows From Investing Activities		
Purchases of Property and Equipment	(21,979)	(24,179)
Purchases of Investments	(245,000)	(765,105)
Reinvested Interest and Dividends	(32,819)	(39,017)
Proceeds From Sales and Maturities of Investments	644,330	95,192
Distributions from Beneficial Interest in Assets Held by Community Foundation	25,816	26,996
Net Cash Provided by (Used in) Investing Activities	370,348	(706,113)
 Cash Flows From Financing Activities		
Principal Advances on Note Payable	-	126,300
Net Cash Provided by Financing Activities	-	126,300
 Net Increase (Decrease) in Cash and Cash Equivalents	(48,950)	465,771
 Cash and Cash Equivalents, Beginning of Year	1,523,002	1,057,231
 Cash and Cash Equivalents, End of Year	\$ 1,474,052	\$ 1,523,002
 Noncash Investing and Financing Activities		
Note Payable Forgiven and Presented as Grant Support	\$ 126,300	\$ -

See Accompanying Notes

UNITED WAY OF CHAMPAIGN COUNTY, ILLINOIS, INC.
Notes to Financial Statements
June 30, 2021 and 2020

1. Description of Operations

United Way of Champaign County, Illinois, Inc. (the Organization) is a nonprofit corporation organized to bring people and resources together to create positive change and lasting impact for the community. The Organization focuses on the most pressing needs of Champaign County by mobilizing financial, volunteer, and informational resources.

The Organization focuses its resources on three investment areas based on the results of a local community-wide needs assessment. The investment areas are (listed in no particular priority order):

- a. Health – Building healthier, more resilient communities by promoting healthy eating and physical activity; expanding access to quality health care; and integrating health into early childhood development.
- b. Education – Focuses on lifelong education strategies that provide a firm foundation at an early age and continue to develop our children into successful adults who can contribute to their communities.
- c. Income – Empowers people to get on a stable financial ground with proven methods like job training, financial wellness classes, and more.

The Organization’s responsibility is to mobilize the Champaign County community to create sustained changes in community conditions, thereby improving lives on a long-term basis. The Organization’s primary means of positively impacting the community is through funding processes and program funding. Organizations must apply for funding each annual cycle for on-going program support. All funded programs are expected to provide measurable results through clearly defined outcomes.

The Organization’s major source of support and revenue is contributions from employer campaigns as well as individual donors. The Organization also receives support and revenue from special events, grants and sponsorships, and investments.

The Organization also utilizes several other strategies to strengthen the community. The Organization mobilizes volunteer resources, provides management assistance to funded programs, participates in community-wide organizations to develop alliances and networks, promotes public awareness of community needs, and advocates for issues on local, state, and national levels.

2. Significant Accounting Policies

Following is a summary of the significant accounting policies of the Organization:

- a. The financial statements of the Organization have been prepared on the accrual basis of accounting. Net assets and revenue, support, expenses, gains, and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets of the Organization and changes therein are classified and reported as follows:
 - *Net Assets Without Donor Restrictions* – Net assets that are not subject to donor-imposed stipulations. Net assets without donor restrictions may be designated for specific purposes by action of the Board of Directors.
 - *Net Assets With Donor Restrictions* – Net assets subject to donor-imposed stipulations. Purpose driven stipulations may be met, either by actions of the Organization and/or the passage of time. Other stipulations may require that the corpus of the contribution be invested in perpetuity and only the income be made available for program operations in accordance with donor restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions.
- b. For purposes of the statements of cash flows, the Organization considers all highly liquid investments with a maturity of three months or less when purchased to be cash and cash equivalents.
- c. The Organization's investments are recorded at fair value on the statement of financial position in the other assets section, with the change in fair value during the period recorded in earnings. Investments held for the purpose of long-term capital appreciation are classified as non-current assets on the Statements of Financial Position.

Donated securities are valued at fair value at the time of donation.

Investments are exposed to various risks such as interest rate, market, and credit risks. Due to the level of risk associated with certain investments securities, it is at least reasonably possible that changes in the value of investment securities will occur in the near-term and that those changes could materially affect the amounts reported in the financial statements.

- d. Promises to give consist of unconditional promises to give to the Organization for operating and restricted activities. Long-term promises to give are discounted to present value based on expected payment schedules and effective interest rates, if applicable.

The carrying amount of promises to give may be reduced by a valuation allowance based on management's assessment of the collectability of specific promises to give. Campaign promises to give at June 30, 2021, consist of amounts due in the coming year.

- e. Property and equipment are recorded at cost, or if donated, at the fair value at the time of donation. Depreciation is computed using the straight-line method over the estimated useful lives of the assets.
- f. Designations payable consist of pledges that have been directed to other organizations by the donor. The payable is recorded during the campaign year, and it is paid out as the pledges are collected the following fiscal year. The balance has been reduced by an allowance for uncollectible pledges in the amount of \$40,829 and \$42,495 as of June 30, 2021 and 2020, respectively.
- g. Allocations payable reflect the program funds that have been awarded to beneficiary organizations. Allocations payable are paid out the following fiscal year.
- h. Campaign contributions with donor restrictions on Exhibit B relate only to purpose restrictions. Campaign contributions without a purpose restriction scheduled for collection after June 30, but within the next fiscal year are considered without donor restrictions.
- i. The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America (U.S. GAAP) requires management to make estimates and assumptions that affect reported amounts of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements, and revenue and expenses during the reporting period. Accordingly, actual results could differ from these estimates.

The Organization has estimated the amount of campaign promises to give that will not be collected based on experience gained from prior years' campaigns. The amount of the allowance is subject to some degree of uncertainty, and it is at least reasonably possible that the actual amount of uncollected campaign promises to give will differ from the estimate.

The Organization has also estimated the amount of a certain future endowment promise to give with unusual payment conditions based on the present value of the amount the Organization expects to receive in the future. The amount reflected as a receivable is subject to some degree of uncertainty and it is at least reasonably possible that the actual amount received will differ from the current estimate.

- j. The costs of providing the various programs and other activities have been summarized on a functional basis in the statements of activities. The following costs, as summarized on Exhibit C, have been allocated based upon an analysis of time studies completed by employees daily:
 - Salaries and other employee related expenses, including insurance

- Office expenses
- Depreciation
- Occupancy costs
- Affiliation Dues
- Miscellaneous

All other expenses are charged to each program based upon direct expenditures incurred.

- k. The Organization is exempt from income taxes under Section 501(c) (3) of the Internal Revenue Code.
- l. In May 2014, the Financial Accounting Standards Board (FASB) issued Accounting Standard Update (ASU) 2014-09, *Revenue from Contracts with Customers (Topic 606)*, and subsequently issued clarifying ASUs 2015-14, 2016-08, 2016-10, 2016-12, 2017-13, 2019-08, and 2020-05 hereafter referred to as “the clarifying ASUs.” The provisions of ASU 2014-09 and the clarifying ASUs require an entity to recognize the amount of revenue to which it expects to be entitled for the transfer of promised goods or services to customers. The Organization adopted the new standard effective July 1, 2020 using the modified retrospective approach. Revenue subject to ASU 2014-09 (and accounting standard codification 606) on the statement of activities includes management fees – designated promises to give. This revenue is recognized at a point in time as designated pledges are received for the annual campaign.

In August 2018, the FASB issued ASU 2018-13, *Fair Value Measurement (Topic 820)*. The provisions of the ASU modified the disclosure of fair value measurements requiring entities to add materiality as consideration for necessity of any singular disclosure requirement. The Organization adopted the new standard effective July 1, 2020 using the retrospective approach.

In June 2018, the FASB issued ASU 2018-08, *Not-for-Profit Entities – Clarifying the Scope and Accounting Guidance for Contributions Received and Made (Topic 958)*. The ASU clarifies whether transactions should be accounted for as contributions (nonreciprocal transaction within the scope of Topic 958) or exchanges (reciprocal transactions) subject to other guidance such as Topic 605. Additionally, the ASU assists in determining whether a contribution is conditional. The Organization adopted the provider provisions of the standard effective July 1, 2020 using the modified prospective approach.

The adoption of these standards did not impact beginning net assets as of July 1, 2020 and there was no impact to any component of the financial statements for fiscal year 2021 as a result of applying the ASUs.

- m. The Organization has evaluated subsequent events through [REPORT DATE], the date which the financial statements were available to be issued.

3. Property and Equipment, Net

Property and equipment consist of the following as of June 30:

	2021	2020
Land	\$ 20,400	\$ 20,400
Buildings and Improvements	702,948	687,966
Furniture and Equipment	99,533	92,535
Software	20,681	20,681
Total Property and Equipment	843,562	821,582
Less: Accumulated Depreciation	(150,676)	(120,165)
Property and Equipment, Net	<u>\$ 692,886</u>	<u>\$ 701,417</u>

4. Investments

Fair Value Measurements

FASB Accounting Standards Codification (ASC) 820, Fair Value Measurements, establishes a framework for measuring fair value under generally accepted accounting principles. ASC 820 defines fair value as the exchange price that would be received for an asset or paid to transfer a liability in an orderly transaction between market participants on the measurement date. ASC 820 requires that valuation techniques maximize the use of observable inputs and minimize the use of unobservable inputs. ASC 820 also establishes a fair value hierarchy, which prioritizes the valuation inputs into three broad levels.

Level 1 Inputs to the valuation methodology are based on unadjusted quoted prices for identical assets or liabilities in active markets that the Organization has the ability to access.

Level 2 Inputs to the valuation methodology include:

- Quoted prices for similar assets or liabilities in active markets
- Quoted prices for identical or similar assets or liabilities in inactive markets
- Inputs other than quoted prices that are observable for the asset or liability
- 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's 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. There have been no changes in the methodologies used at June 30, 2021.

Investments are valued as follows:

Money Markets and Mutual Funds - quoted market prices, which represent the net asset value of shares held by the Organization at period-end.

United States Treasury Bond - the closing price reported on the active market on which the individual securities are traded.

Negotiable Certificates of Deposit - closing prices for similar assets in inactive markets.

Non-negotiable Certificates of Deposit - original cost plus reinvested interest.

The methods described above may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, while the Organization 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 a different fair value measurement at the reporting date.

The following table sets forth, by level within the fair value hierarchy, the Organization's assets at fair value as of June 30, 2021:

	<u>Cost</u>	<u>Market</u>	<u>Fair Value Level</u>
Certificates of Deposit, Negotiable	\$ 475,000	\$ 478,845	2
Certificates of Deposit, Non-negotiable	500,000	500,000	Not Applicable
Money Market	310,776	310,776	1
Mutual Funds	1,258,467	1,514,251	1
	<u>\$ 2,544,243</u>	<u>\$ 2,803,872</u>	

The following table sets forth, by level within the fair value hierarchy, the Organization's assets at fair value as of June 30, 2020:

	<u>Cost</u>	<u>Market</u>	<u>Fair Value Level</u>
Certificates of Deposit, Negotiable	\$ 1,195,013	\$ 1,200,308	2
Money Market	301,528	301,528	1
United States Treasury Bond	248,179	249,971	1
Mutual Funds	976,586	1,013,406	1
	<u>\$ 2,721,306</u>	<u>\$ 2,765,213</u>	

Custodial Credit Risk

Of the investment in fixed income securities and negotiable certificates of deposits as of June 30, 2021 and 2020, \$0 and \$245,073, respectively, is subject to custodial credit risk as their value exceeds coverage provided by the Securities Investor Protection Corporation.

At June 30, 2021, the Organization also held cash equivalents totaling \$239,316 that are held in a government portfolio money market fund and certificate of deposit.

5. Beneficial Interest in Assets Held by Community Foundation

Beneficial interests in assets held by Community Foundation consists of endowed funds held and invested by the Community Foundation of Champaign County (the Foundation) on the behalf of the Organization. The endowed funds consist of common stock as well as other pooled investments of which income is distributed, at least annually, to the Organization. The value of the endowed funds is based on the value of the underlying investments as reported by the Foundation. The Organization does not have specific ownership in the underlying investments held by the Foundation. The Organization may terminate the agreement with the Foundation upon which the funds shall be delivered to the Organization or an appointed successor.

The value of the Organization's assets as reported by the Foundation for the years ended June 30, 2021 and 2020 was \$1,182,251 and \$924,736, respectively.

6. Endowment Promises to Give

The Organization's endowment perpetually restricted amount included promises to give of \$31,000 and \$84,000 as of June 30, 2021 and 2020, respectively.

During 2004, a perpetually restricted donation of common stock with a fair value of approximately \$100,000 on the donation date was received along with a promise to contribute an amount equal to the difference between the stock's fair value and \$200,000 as of December 31, 2009. This agreement has been extended indefinitely. Each year, the change in the stock value is reported as a perpetually restricted gain or loss on investments, with an equivalent increase or decrease in the endowment promise to give, which is reported as a perpetually restricted contribution. The fair value of the common stock approximated \$167,000 and \$107,000 as of June 30, 2021 and 2020, respectively.

As of June 30, 2021, the future collection of the endowment promise to give is as follows:

Less than One Year	\$	-
One to Five Years		33,000
Gross Promises to Give		<u>33,000</u>
Less: Discount on Long-Term Promises to Give at 3.25 Percent		<u>(2,000)</u>
Total Promises to Give, Net	\$	<u><u>31,000</u></u>

7. Liquidity and Availability

The following reflects the Organization's financial assets available to meet cash flow needs for general expenditures within one year of June 30:

	<u>2021</u>	<u>2020</u>
Financial Assets at Year-End:		
Cash and Cash Equivalents	\$ 1,474,052	\$ 1,523,002
Campaign Promises to Give, Net	731,255	676,792
Grants Receivable	61,070	80,769
Beneficial Interest in Assets Held by Community Foundation	1,182,251	924,736
Investments	2,803,872	2,765,213
Endowment Promises to Give, Net	<u>31,000</u>	<u>84,000</u>
	6,283,500	6,054,512
Less those unavailable for general expenditures within one year due		
Restricted by Donors	(2,536,138)	(2,650,646)
Board Designations	(25,333)	(28,855)
Designations Payable	<u>(364,470)</u>	<u>(357,514)</u>
Financial assets available to meet cash needs for general expenditures within one year	3,357,559	3,017,497
Additional Financial Assets		
Accessible with Board Approval:		
Board Designations	<u>25,333</u>	<u>28,855</u>
Financials Assets Accessible within One Year with Board Approval	<u>\$ 3,382,892</u>	<u>\$ 3,046,352</u>

The Organization's goal is generally to maintain financial assets sufficient to meet operating expenses. As part of its liquidity plan, excess cash is invested into highly liquid investment instruments, such as certificates of deposit and treasury bills, that can be liquidated upon sufficient notice. The Organization also maintains a line of credit.

8. Line of Credit

The Organization has an established line of credit of \$300,000, which matures November 13, 2021. The line of credit is secured by all assets of the Organization. The line of credit calls for interest payable monthly at the U.S. Prime Rate plus 0.75 percent with a minimum rate of 3.25 percent and a maximum rate at the legal limit in Illinois. The interest rate on the note was 4.00 percent as of June 30, 2021 and 2020. There was no balance outstanding as of June 30, 2021 and 2020.

9. Note Payable

In April 2020, the Organization received a Paycheck Protection Program (PPP) loan from the U.S. Small Business Administration in the amount of \$126,300 in response to the COVID-19 pandemic. This note was fully forgiven on January 6, 2021, thus the transaction has been presented in the Grant Support line on Exhibit B, for the year ended June 30, 2021.

10. Net Assets Without Donor Restriction

Net assets without donor restrictions consist of the following at June 30:

	<u>2021</u>	<u>2020</u>
Board Designated Assets:		
Building Reserve	\$ 25,333	\$ 24,949
Community Impact	-	3,906
Total Board Designated Assets	<u>25,333</u>	<u>28,855</u>
Undesignated Assets	2,405,418	1,992,074
Total Net Assets Without Donor Restrictions	<u><u>\$ 2,430,751</u></u>	<u><u>\$ 2,020,929</u></u>

11. Net Assets With Donor Restrictions

Net assets with donor restrictions consists of funds established by the donors restricted for the following purposes at June 30:

	<u>2021</u>	<u>2020</u>
Perpetually Restricted:		
Endowed Funds	\$ 2,172,678	\$ 2,073,492
Purpose Restricted:		
Emergency Family Shelter	115,502	61,594
Volunteerism	52,577	22,956
Youth	48,160	18,037
Kindergarten Readiness Initiative	37,913	39,674
Leadership	22,782	10,556
Future Campaign Contributions	18,824	26,550
Farmers for Families	18,489	589
COVID-19 Relief	-	276,835
Other Program Designations	49,213	120,363
Net Assets With Donor Restrictions	<u>\$ 2,536,138</u>	<u>\$ 2,650,646</u>

During the years ended June 30, 2021 and 2020, net assets were released from donor restrictions by incurring expenses satisfying the restricted purposes set forth by the donors as follows:

	<u>2021</u>	<u>2020</u>
COVID-19 Relief	\$ 806,228	\$ 717,111
Emergency Family Shelter	145,025	65,025
Diversity, Equity and Inclusion	128,901	-
Kindergarten Readiness Initiative	53,072	17,247
Farmers for Families	27,454	43,548
Future Campaign Contributions	26,550	130,750
Volunteerism	5,000	2,500
Leadership	4,471	22,360
Youth	2,000	2,500
Other Program Designations	60,945	16,474
	<u>\$ 1,259,646</u>	<u>\$ 1,017,515</u>

12. Endowment Funds

The Organization has endowment funds established for the purpose of the operation and the implementation of the Organization's mission. The endowment consists of donor-restricted funds and funds designated by the Board of Directors to function as endowments. As required by U.S. GAAP, net assets associated with endowment funds, including funds designated by the Board of Directors to function as endowments, are classified and reported based on the existence or absence of donor-imposed restrictions.

The Board of Directors of the Organization has interpreted the Uniform Prudent Management of Institutional Funds Act (UPMIFA), adopted by the State of Illinois, as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary. As a result of this interpretation, the Organization classifies as perpetually restricted net assets (a) the original value of gifts donated to the permanent endowment, (b) the original value of subsequent gifts to the permanent endowment, and (c) accumulations to the permanent endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund. The remaining portion of the donor-restricted endowment fund that is not classified in perpetually restricted net assets is classified as purpose restricted net assets until those amounts are appropriated for expenditure by the Organization in a manner consistent with the standard prudence prescribed by UPMIFA. In accordance with UPMIFA, the Organization considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds: (1) the duration and preservation of the various funds, (2) the purposes of the donor-restricted endowment funds, (3) general economic conditions, (4) the possible effect of inflation and deflation, (5) the expected total return from income and the appreciation of investments, (6) other resources of the Organization, and (7) the Organization's investment policies.

The objective of the Organization is to maintain the purchasing power of the endowment assets as well as to provide additional real growth through investment return. Endowment assets, other than the pooled endowment, are invested in a well-diversified asset mix, which includes targets of 65 percent equity and 35 percent fixed income securities that are intended to result in a consistent inflation-protected rate of return. Actual returns in any given year may vary. Investment risk is measured in terms of the total endowment fund; investment assets and allocation between asset classes and strategies are managed to expose the fund to acceptable levels of risk.

The Organization may distribute the earnings on endowed funds towards purposes designated by donor or Board stipulations. During the years ended June 30, 2021 and 2020, the Organization took a distribution equivalent to 4.00 percent of the September 30 fair value, based on an average of the previous 16 quarters.

The composition of the endowment funds as of June 30, 2021 and 2020 is summarized as follows:

	2021		
	Without Donor Restrictions	With Donor Restrictions	Total
Board-Designated Endowment Funds	\$ -	\$ -	\$ -
Donor-Restricted Endowment Funds:			
Original donor restricted gift amount and amount required to be retained by donor.	-	2,172,678	2,172,678
Portion subject to appropriation under UPMIFA	512,432	157,180	669,612
	<u>\$ 512,432</u>	<u>\$ 2,329,858</u>	<u>\$ 2,842,290</u>
	2020		
	Without Donor Restrictions	With Donor Restrictions	Total
Board-Designated Endowment Funds	\$ -	\$ -	\$ -
Donor-Restricted Endowment Funds:			
Original donor restricted gift amount and amount required to be retained by donor.	-	2,073,492	2,073,492
Portion subject to appropriation under UPMIFA	157,466	62,793	220,259
	<u>\$ 157,466</u>	<u>\$ 2,136,285</u>	<u>\$ 2,293,751</u>

Changes in endowment funds by net asset composition as of June 30, 2021 and 2020:

	Without Donor Restrictions	With Donor Restriction		Total
		Purpose Restricted	Perpetually Restricted	
Balance, July 01, 2019	\$ 123,930	\$ 62,414	\$ 2,023,561	\$ 2,209,905
Appropriated For Expenditure	(13,944)	(13,000)	-	(26,944)
Contributions	-	-	62,500	62,500
Net Realized and Unrealized Gain (Loss)	47,480	13,379	(12,569)	48,290
Balance, June 30, 2020	157,466	62,793	2,073,492	2,293,751
Appropriated For Expenditure	(13,783)	(12,863)	-	(26,646)
Contributions	-	-	115,276	115,276
Net Realized and Unrealized Gain (Loss)	368,749	107,250	(16,090)	459,909
Balance, June 30, 2021	<u>\$ 512,432</u>	<u>\$ 157,180</u>	<u>\$ 2,172,678</u>	<u>\$ 2,842,290</u>

13. Special Events Revenue

The composition of the Organization's special events revenue, net of direct cost of donor benefits, for the year ended June 30 is as follows:

	2021		
	Without Donor Restrictions	With Donor Restrictions	Total
Gross Receipts	\$ -	\$ 88,137	\$ 88,137
Direct Cost of Donor Benefits	-	16,923	16,923
Net Special Events Revenue	<u>\$ -</u>	<u>\$ 71,214</u>	<u>\$ 71,214</u>
	2020		
	Without Donor Restrictions	With Donor Restrictions	Total
Gross Receipts	\$ 15,620	\$ 100,837	\$ 116,457
Direct Cost of Donor Benefits	11,797	19,124	30,921
Net Special Events Revenue	<u>\$ 3,823</u>	<u>\$ 81,713</u>	<u>\$ 85,536</u>

14. Concentrations

Campaign Concentrations

The Organization's campaign results, reported as Campaign Contributions on Exhibit B, consist of the following for the year ended June 30:

	2021	2020
Gross Contributions	\$ 3,376,051	\$ 3,197,719
Less: Contributions Raised on Behalf of Others	(767,965)	(807,411)
Campaign Results	<u>\$ 2,608,086</u>	<u>\$ 2,390,308</u>

The Organization received gross campaign contributions from the employees of two employers of \$473,230 and \$385,160 during the year ended June 30, 2021. These contributions represent 14 and 11 percent, respectively, of the Organization's gross campaign contributions for the year ended June 30, 2021. The Organization received gross campaign contributions from the employees of two employers of \$475,802 and \$378,761 during the year ended June 30, 2020. These contributions represent 15 and 12 percent, respectively, of the Organization's gross campaign contributions for the year ended June 30, 2020.

Other Concentrations

During the year ended June 30, 2020, the Organization received a non-campaign contribution of \$500,000 from a COVID-19 relief organization. This non-campaign contribution represented 13 percent of the Organization's total support and revenue for the year ended June 30, 2020.

15. Employee Retirement Plan

The Organization has a noncontributory defined contribution plan. Contributions to the plan are made for all regular full-time employees who meet certain age and length-of-service requirements. The Organization contributed six percent of the annual compensation of participants to the retirement plan. Employee benefit expense under this plan was \$37,294 and \$35,706 for the years ended June 30, 2021 and 2020, respectively.

16. Related Party

The Organization pays affiliate dues to the national United Way Organization. Total dues paid for the years ended June 30, 2021 and 2020 were \$64,620 and \$41,106, respectively.

Contributions received from members of the Board of Directors during the years ended June 30, 2021 and 2020 were \$54,365 and \$64,258, respectively.

17. Commitments

The Organization entered into an agreement with a contractor for building renovations on May 10, 2021, and the Organization did not incur debt in this transaction. The agreement with the contractor amounted to \$74,000. As of June 30, 2021, \$74,000 of the agreement is still outstanding and is expected to be incurred and paid in Fiscal Year 2022.

18. Uncertainty

As of June 30, 2021, local, U.S., and world governments have encouraged self-isolation to curtail the spread of the global pandemic, coronavirus disease (COVID-19), by mandating temporary work stoppage in many sectors and imposing limitations on travel and size and duration of group meetings. Most industries are experiencing disruption to business operations and the impact of reduced consumer spending. There is unprecedented uncertainty surrounding the duration of the pandemic, its potential economic ramifications, and any government action to mitigate them. Accordingly, it is possible that the Organization's financial position and results of future operations could be adversely affected; however, the extent of the potential impact will depend on the future developments. While the situation with COVID-19 was still unfolding as of October 22, 2021, management has taken measures to prepare for the impact, including the receipt of the PPP loan discussed in Note 9.