UNITED WAY OF CHAMPAIGN COUNTY, ILLINOIS, INC.

Savoy, Illinois

Financial Statements

For the Years Ended

June 30, 2020 and 2019

C O N T E N T S

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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, 2020 and 2019, 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.

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of United Way of Champaign County, Illinois, Inc. as of June 30, 2020 and 2019, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Martin Hood LLC

Champaign, Illinois
October 20, 2020

Exhibit A

UNITED WAY OF CHAMPAIGN COUNTY, ILLINOIS, INC.
Statements of Financial Position
June 30, 2020 and 2019

ASSETS

	2020	2019
Current Assets		
Cash and Cash Equivalents	$ 1,523,002	$ 1,057,231
Campaign Promises to Give, Net of Allowance of $159,886 and $164,420, Respectively	676,792	764,026
Grants Receivable	80,769	18,064
Other Current Assets	16,203	35,589
Total Current Assets	2,296,766	1,874,910
Property and Equipment, Net	701,417	707,207
Other Assets		
Investments	2,765,213	1,950,059
Beneficial Interest in Assets Held by Community Foundation	924,736	940,704
Endowment Promises to Give	84,000	782,443
Total Other Assets	3,773,949	3,673,206
Total Assets	$ 6,772,132	$ 6,255,323

LIABILITIES AND NET ASSETS

	2020	2019
Current Liabilities		
Accounts Payable and Accrued Expenses	$ 61,505	$ 72,128
Unearned Grant Revenue	26,642	32,731
Designations Payable	357,514	335,489
Note Payable, Current Portion	55,467	-
Allocations Payable	1,528,596	1,370,382
Total Current Liabilities	2,029,724	1,810,730
Long-Term Liabilities		
Note Payable, Net of Current Portion	70,833	-
Total Liabilities	2,100,557	1,810,730
Net Assets		
Without Donor Restrictions	2,020,929	2,131,514
With Donor Restrictions	2,650,646	2,313,079
Total Net Assets	4,671,575	4,444,593
Total Liabilities and Net Assets	$ 6,772,132	$ 6,255,323

See Accompanying Notes

Exhibit B

UNITED WAY OF CHAMPAIGN COUNTY, ILLINOIS, INC.
Statements of Activities
For The Years Ended June 30, 2020 and 2019

	2020			2019		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
Support and Revenue						
Campaign Contributions	$ 2,244,693	$ 145,615	$ 2,390,308	$ 2,334,535	$ 94,262	$ 2,428,797
Future Campaign Contributions	-	26,550	26,550	-	130,750	130,750
Provision for Uncollectible Promises to Give	(57,410)	(42,495)	(99,905)	(58,294)	(39,979)	(98,273)
Net Campaign Contributions	2,187,283	129,670	2,316,953	2,276,241	185,033	2,461,274
Non-Campaign Contributions	16,452	1,118,384	1,134,836	29,333	1,150,220	1,179,553
Management Fees - Designated Promises to Give	46,745	-	46,745	43,977	-	43,977
Sponsorships	-	24,505	24,505	-	32,200	32,200
Grant Revenue	78,419	-	78,419	57,819	-	57,819
Special Events, Net of Direct Costs of Donor Benefits	3,823	81,713	85,536	(3,725)	98,632	94,907
Other Income	3,658	-	3,658	2,672	-	2,672
Change in Fair Value of Endowment Promise to Give	-	17,000	17,000	-	-	-
Investment Income and Gain (Loss)	81,104	(16,190)	64,914	63,587	(3,726)	59,861
Net Assets Released from Restrictions	1,017,515	(1,017,515)	-	371,091	(371,091)	-
Total Support and Revenue	3,434,999	337,567	3,772,566	2,840,995	1,091,268	3,932,263
Expenses						
Program Services	2,956,241	-	2,956,241	2,018,266	-	2,018,266
Supporting Services:						
Resource Development	401,126	-	401,126	391,665	-	391,665
Administration and General	188,217	-	188,217	189,580	-	189,580
Total Supporting Services	589,343	-	589,343	581,245	-	581,245
Total Expenses	3,545,584	-	3,545,584	2,599,511	-	2,599,511
Increase in Net Assets	(110,585)	337,567	226,982	241,484	1,091,268	1,332,752
Net Assets, Beginning of Year	2,131,514	2,313,079	4,444,593	1,890,030	1,221,811	3,111,841
Net Assets, End of Year	$ 2,020,929	$ 2,650,646	$ 4,671,575	$ 2,131,514	$ 2,313,079	$ 4,444,593

See Accompanying Notes

Exhibit C

UNITED WAY OF CHAMPAIGN COUNTY, ILLINOIS, INC.
Statements of Functional Expenses
For The Years Ended June 30, 2020 and 2019

	2020					2019				
		Supporting Services					Supporting Services			
	Program Services	Resource Development	Administration and General	Total Supporting Services	Total	Program Services	Resource Development	Administration and General	Total Supporting Services	Total
Direct Program Costs										
Program Funding Allocations	$ 1,674,036	$ -	$ -	$ -	$ 1,674,036	$ 1,451,182	$ -	$ -	$ -	$ 1,451,182
Special Projects	812,628	-	-	-	812,628	125,528	-	-	-	125,528
Personnel Costs										
Salaries	298,090	226,323	96,541	322,864	620,954	274,832	212,209	91,885	304,094	578,926
Employee Benefits	58,121	50,431	11,660	62,091	120,212	49,961	46,666	13,645	60,311	110,272
Payroll Taxes	22,314	17,165	7,177	24,342	46,656	20,618	15,862	6,933	22,795	43,413
Contractual Services	-	-	8,100	8,100	8,100	-	-	8,430	8,430	8,430
Workers Compensation	1,534	1,165	497	1,662	3,196	924	714	309	1,023	1,947
Professional Services										
Audit Services	-	-	14,600	14,600	14,600	-	-	14,300	14,300	14,300
Legal Services	-	-	25	25	25	-	-	6,652	6,652	6,652
Office Expenses										
Office Supplies	2,768	2,102	897	2,999	5,767	2,356	1,819	788	2,607	4,963
Postage	2,701	2,051	875	2,926	5,627	3,722	2,874	1,245	4,119	7,841
Stationery/Printing	580	440	188	628	1,208	-	-	-	-	-
Occupancy Costs										
Depreciation	14,387	10,923	4,659	15,582	29,969	10,934	8,443	3,655	12,098	23,032
Moving Expense	-	-	-	-	-	-	-	1,877	1,877	1,877
Computer Support Agreement	8,375	12,748	2,712	15,460	23,835	8,563	11,400	2,863	14,263	22,826
Building Maintenance	6,132	4,655	1,986	6,641	12,773	9,699	7,489	3,242	10,731	20,430
Telephone	4,552	3,456	1,474	4,930	9,482	5,063	3,909	1,693	5,602	10,665
Utilities	3,895	2,957	1,261	4,218	8,113	4,059	3,134	1,358	4,492	8,551
Equipment Maintenance	3,016	2,290	977	3,267	6,283	3,083	2,381	1,031	3,412	6,495
Building Insurance	2,313	1,756	749	2,505	4,818	2,548	1,968	852	2,820	5,368
Marketing and Communication Costs										
Materials - Development and Production	9,595	21,295	-	21,295	30,890	12,063	28,249	-	28,249	40,312
Events and Programs	4,217	13,830	-	13,830	18,047	4,457	17,307	-	17,307	21,764
Recognitions	907	2,268	-	2,268	3,175	1,082	3,896	-	3,896	4,978
Other Expenses										
Affiliation Dues	19,733	14,982	6,391	21,373	41,106	18,459	14,253	6,172	20,425	38,884
Service Charges	-	-	22,891	22,891	22,891	-	-	16,792	16,792	16,792
Meals and Events	2,603	2,592	1,267	3,859	6,462	1,933	1,768	3,164	4,932	6,865
Dues and Subscriptions	1,675	845	2,741	3,586	5,261	1,760	1,235	1,378	2,613	4,373
Training and Conferences	37	4,720	-	4,720	4,757	2,125	2,660	590	3,250	5,375
Directors/Officers/Programs Insurance	1,495	1,135	484	1,619	3,114	1,464	1,130	490	1,620	3,084
Mileage	338	847	-	847	1,185	1,146	1,755	-	1,755	2,901
Miscellaneous	199	150	65	215	414	705	544	236	780	1,485
Total Expenses	$ 2,956,241	$ 401,126	$ 188,217	$ 589,343	$ 3,545,584	$ 2,018,266	$ 391,665	$ 189,580	$ 581,245	$ 2,599,511

See Accompanying Notes

UNITED WAY OF CHAMPAIGN COUNTY, ILLINOIS, INC.
Statements of Cash Flows
For The Years Ended June 30, 2020 and 2019

	2020	2019
Cash Flows From Operating Activities		
Increase in Net Assets	$ 226,982	$ 1,332,752
Adjustments to Reconcile Increase in Net Assets to Net Cash Provided by Operating Activities:		
Depreciation	29,969	23,032
Net Realized and Unrealized Gain on Investments	(37,485)	(24,151)
Net Realized and Unrealized Loss (Gain) on Beneficial Interest in Assets Held by Community Foundation	1,472	(10,813)
Change in Fair Value of Endowment Promise to Give	(17,000)	-
Contributions Received in the Form of Investments	(68,739)	(39,899)
Contributions to Beneficial Interest in Assets Held by Community Foundation	(12,500)	(13,960)
(Increase) Decrease in Assets:		
Campaign Promises to Give, Net of Allowance	87,234	62,144
Grants Receivable	(62,705)	-
Other Current Assets	19,386	(12,244)
Endowment Promises to Give	715,443	(715,443)
Increase (Decrease) in Liabilities:		
Accounts Payable and Accrued Expenses	(10,623)	14,535
Unearned Grant Revenue	(6,089)	10,868
Designations Payable	22,025	(16,767)
Allocations Payable	158,214	(13,000)
Total Adjustments	818,602	(735,698)
Net Cash Provided by Operating Activities	1,045,584	597,054
Cash Flows From Investing Activities		
Purchases of Property and Equipment	(24,179)	(205,195)
Purchases of Investments	(765,105)	(1,823,855)
Reinvested Interest and Dividends	(39,017)	(19,412)
Proceeds From Sales and Maturities of Investments	95,192	785,013
Distributions from Beneficial Interest in Assets Held by Community Foundation	26,996	28,885
Net Cash Used in Investing Activities	(706,113)	(1,234,564)
Cash Flows From Financing Activities		
Principal Advances on Note Payable	126,300	-
Net Increase (Decrease) in Cash	465,771	(637,510)
Cash and Cash Equivalents, Beginning of Year	1,057,231	1,694,741
Cash and Cash Equivalents, End of Year	$ 1,523,002	$ 1,057,231

See Accompanying Notes

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 biennial cycle for on-going program support. While program funding is a two-year commitment to support a program's ongoing needs, the Organization also administers a Safety Net Fund to meet emergent needs in the community. 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, 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, 2020, 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 $42,495 and $39,979 as of June 30, 2020 and 2019, 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. 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 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 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.

   Lastly, the Organization has also estimated the amount of the Paycheck Protection Program (PPP) loan that will be forgiven as $0 as of June 30, 2020. The amount reflected as a payable is subject to some degree of uncertainty and it is at least reasonably possible that the actual amount payable will differ from the current estimate due to potential forgiveness from the U.S. Small Business Administration.

i. 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, with the exception of moving expenses
- Affiliation Dues
- Miscellaneous

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

j. The Organization is exempt from income taxes under Section 501(c) (3) of the Internal Revenue Code.

k. In June 2018, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (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 new standard effective July 1, 2019 using the modified prospective approach. The adoption of this standard had no impact on beginning net assets as of July 1, 2019 or on any line items in the financial statements for fiscal year 2020.

l. The Organization has evaluated subsequent events through October 20, 2020, 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:

	2020	2019
Land	$ 20,400	$ 20,400
Buildings and Improvements	687,966	674,221
Furniture and Equipment	92,535	89,358
Software	20,681	13,424
Total Property and Equipment	821,582	797,403
Less: Accumulated Depreciation	(120,165)	(90,196)
Property and Equipment, Net	$ 701,417	$ 707,207

4. Investments

Fair Value Measurements

Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 820, *Fair Value Measurements*, establishes a framework for measuring fair value under U.S. GAAP. 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.

The three levels of the fair-value hierarchy under ASC 820 are described below:

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, 2020.

Investments are valued at either quoted market prices, which represent the net asset value of shares held by the Organization at period-end, the closing price reported on the active market on which the individual securities are traded, original cost plus reinvested interest, or based on information regarding the value of the underlying assets as reported by the investment advisor.

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.

Investments are summarized within the fair value hierarchy as follows at June 30, 2020:

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

Investments are summarized within the fair value hierarchy as follows at June 30, 2019:

	Cost	Market	Fair Value Level
Certificates of Deposit	$ 700,000	$ 703,590	1
Money Market	109,785	109,785	1
United States Treasury Bond	738,942	740,909	1
Mutual Funds	378,587	395,775	1
	$ 1,927,314	$ 1,950,059	

Custodial Credit Risk

Of the investment in fixed income securities and common stocks as of June 30, 2020, $245,073 is subject to custodial credit risk as their value exceeds coverage provided by the Securities Investor Protection Corporation.

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 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, 2020 and 2019 was $924,736 and $940,704, respectively.

6. 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:

	2020	2019
Financial Assets at Year-End:		
Cash and Cash Equivalents	$ 1,523,002	$ 1,057,231
Campaign Promises to Give, Net	676,792	764,026
Grants Receivable	80,769	18,064
Beneficial Interest in Assets Held by Community Foundation	924,736	940,704
Investments	2,765,213	1,950,059
Endowment Promises to Give	84,000	782,443
	6,054,512	5,512,527
Less those unavailable for general expenditures within one year due		
Restricted by Donor	(3,008,160)	(2,648,568)
Board Designations	(28,855)	(298,562)
Allocations Payable	(1,528,596)	(1,370,382)
Financial assets available to meet cash needs for general expenditures within one year	1,488,901	1,195,015
Additional Financial Assets Accessible with Board Approval:		
Board Designations	1,557,451	1,668,944
Financials Assets Accessible within One Year with Board Approval	$ 3,046,352	$ 2,863,959

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.

7. Line of Credit

The Organization has an established line of credit of $300,000, which matures in November 2020. 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, or 4.00 and 6.25 percent as of June 30, 2020 and 2019, respectively. There was no balance outstanding as of June 30, 2020 and 2019.

8. 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. The note is payable in monthly installments starting November 2020 with an interest rate of 1 percent and matures in April 2022. A portion, if not all, of the loan's principal is subject to forgiveness; however, the amount that will be forgiven is unknown as of the date of the audit report. Therefore, the entire loan balance has been included in required principal payments noted below.

Required principal payments on the note payable are as follows as of June 30:

2021	$ 55,467
2022	70,833
Total	$ 126,300

9. Net Assets Without Donor Restriction

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

	2020	2019
Board Designated Assets:		
Building Reserve	$ 24,949	$ 24,656
Community Impact	3,906	255,970
Emergent Needs in the Community	-	17,936
Total Board Designated Assets	28,855	298,562
Undesignated Assets	1,992,074	1,832,952
Total Net Assets Without Donor Restrictions	$ 2,020,929	$ 2,131,514

10. 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:

	2020	2019
Perpetually Restricted:		
Endowed Funds	$ 2,073,492	$ 2,023,561
Purpose Restricted:		
COVID-19 Relief	276,835	-
Emergency Family Shelter	61,594	38,099
Fall Campaign Contributions	26,550	130,750
Kindergarten Readiness Initiative	39,674	37,439
Leadership	10,556	31,875
Volunteerism	22,956	21,122
Youth	18,037	16,516
Farmers for Families	589	701
Other Program Designations	120,363	13,016
Net Assets With Donor Restrictions	$ 2,650,646	$ 2,313,079

During the years ended June 30, 2020 and 2019, net assets were released from donor restrictions by incurring expenses satisfying the restricted purposes set forth by the donors as follows:

	2020	2019
COVID-19 Relief	$ 717,111	$ -
Fall Campaign Contributions	130,750	120,530
Emergency Family Shelter	65,025	97,525
Farmers for Families	43,548	44,998
Leadership	22,360	21,061
Kindergarten Readiness Initiative	17,247	34,562
Volunteerism	2,500	4,500
Youth	2,500	4,500
Women's Scholarship	-	25,000
Other Program Designations	16,474	18,415
	$ 1,017,515	$ 371,091

11. 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 Trustees 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, 2020 and 2019, 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, 2020 and 2019 is summarized as follows:

	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
	$ 157,466	$ 2,136,285	$ 2,293,751

	2019		
	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.	-	2,023,561	2,023,561
Portion subject to appropriation under UPMIFA	123,930	62,414	186,344
	$ 123,930	$ 2,085,975	$ 2,209,905

Changes in endowment funds by net asset composition as of June 30, 2020 and 2019:

	Without Donor Restrictions	With Donor Restriction: Purpose Restricted	With Donor Restriction: Perpetually Restricted	Total
Balance, July 01, 2018	$ 107,470	$ 62,214	$ 937,540	$ 1,107,224
Appropriated For Expenditure	(14,395)	(13,410)	-	(27,805)
Contributions	-	-	1,103,357	1,103,357
Net Realized and Unrealized Gain (Loss)	30,855	13,610	(17,336)	27,129
Balance, June 30, 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

12. Endowment Promises to Give

The Organization's endowment promises to give consist of the following as of June 30, 2020 and 2019:

	2020	2019
Perpetually Restricted Promise to Give	$ 84,000	$ 67,000
Estate Endowment Promise to Give	-	715,443
	$ 84,000	$ 782,443

During 2004, a perpetually restricted donation of common stock with a fair market 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 $107,000 and $125,000 as of June 30, 2020 and 2019, respectively.

The estate endowment promise to give noted above represented 11 percent of the Organization's total assets as of June 30, 2019.

As of June 30, 2020, collection of the endowment promises to give are as follows:

Less than One Year	$ -
One to Five Years	93,000
Gross Promises to Give	93,000
Less: Discount on Long-Term Promises to Give	(9,000)
Total Promises to Give, Net	$ 84,000

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:

	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	$ 3,823	$ 81,713	$ 85,536

	2019		
	Without Donor Restrictions	With Donor Restrictions	Total
Gross Receipts	$ 12,610	$ 149,034	$ 161,644
Direct Cost of Donor Benefits	16,335	50,402	66,737
Net Special Events Revenue	$ (3,725)	$ 98,632	$ 94,907

14. Campaign Results

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

	2020	2019
Gross Contributions	$ 3,197,719	$ 3,188,403
Less: Contributions Raised on Behalf of Others	(807,411)	(759,606)
Campaign Results	$ 2,390,308	$ 2,428,797

The Organization received gross campaign contributions from 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. The Organization received gross campaign contributions from these two employers of $480,515 and $343,112 during the year ended June 30, 2019. These contributions represent 15 and 10 percent, respectively, of the Organization's gross campaign contributions for the year ended June 30, 2019.

15. Non-Campaign Concentrations

During the year ended June 30, 2020, the Organization received a contribution of $500,000 from one COVID-19 relief organization. The contribution represented 13 percent of the Organization's total revenue for the year.

16. 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 $35,706 and $32,281 for the years ended June 30, 2020 and 2019, respectively.

17. Related Party

The Organization pays affiliate dues to the national United Way Organization. Total dues paid for the years ended June 30, 2020 and 2019 were $41,106 and $38,884, respectively.

Contributions received from members of the Board of Directors during the years ended June 30, 2020 and 2019 were $64,258 and $74,130, respectively.

18. Prior Period Reclassification

During the year ended June 30, 2020, the Organization determined that the money held by the Foundation should be accounted for as a beneficial interest in assets held by the Foundation, as opposed to being presented as investment assets in the financial statements. Accordingly, reclassifications have been made to the 2019 financial statements presentation and financial statements footnote disclosures to correspond with this new classification.

Though these reclassifications refine the presentation and footnote disclosures related to the categorization and/or classification of certain financial statement amounts, total assets, liabilities, net assets and increase in net assets were unchanged, as of and for the year ended June 30, 2019, as a result of these changes.

19. Pending Accounting Pronouncements

In May 2014, the FASB issued ASU 2014-09, *Revenue from Contracts with Customers (Topic 606),* and subsequently issued clarifying ASUs 2015-14, 2016-08, 2016-10, 2016-11, 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 updated standard will replace most existing revenue recognition guidance in U.S. GAAP when it becomes effective. The updated standard will be effective for annual reporting periods beginning after December 15, 2019. The Organization has yet to select a transition method and is currently evaluating the effect that the updated standard will have on the financial statements.

In August 2018, the FASB issued ASU 2018-13, *Fair Value Measurement (Topic 820).* The provisions of the ASU will modify the disclosures on fair value measurements requiring entities to add materiality as consideration for necessity of any singular disclosure requirement. The ASU is effective for periods beginning after December 15, 2019. The Organization has yet to select a transition method and is currently evaluating the effect, if any, that the updated standard will have on future financial statements.

20. Uncertainty

Beginning in March 2020, 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 20, 2020, management has taken measures to prepare for the impact.