

**United Way of East Central Iowa, Inc.  
and Related Entities**

**Consolidated Financial Statements**

**June 30, 2021 and 2020**

**United Way of East Central Iowa, Inc., and Related Entities**  
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## Independent Auditor's Report

Board of Directors  
United Way of East Central Iowa, Inc.

We have audited the accompanying consolidated financial statements of United Way of East Central Iowa, Inc. and related entities (the Organization), which comprise the consolidated statements of financial position as of June 30, 2021 and 2020, and the related consolidated statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the consolidated financial statements.

### Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated 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 consolidated 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 consolidated financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated 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 consolidated 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 consolidated 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 consolidated financial statements referred to in the first paragraph present fairly, in all material respects, the financial position of the Organization, 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.

**Report on Supplementary Information**

Our audits were conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The supplementary consolidating information is presented for purposes of additional analysis of the consolidated financial statements rather than to present the financial position, results of operations, and cash flows of the individual entities, and is not a required part of the consolidated financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. The information has been subjected to the auditing procedures applied in the audits of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the consolidated financial statements as a whole.

*Bergankov, LTD.*

Waterloo, Iowa

September 29, 2021

**United Way of East Central Iowa, Inc. and Related Entities**  
**Consolidated Statements of Financial Position**  
**As of June 30, 2021 and 2020**

	2021	2020
<b>Assets</b>		
Cash and cash equivalents	\$ 2,363,158	\$ 1,504,589
Unrestricted	104,145	104,806
Restricted	1,576,981	2,001,563
Certificates of deposit		
Receivables		
Pledges, net	1,168,127	2,291,786
Other	269,871	367,046
Accrued interest	6,486	34,681
Prepaid expenses	46,542	61,401
Investments	2,894,196	1,735,962
Beneficial interest in assets held by community foundation	381,070	321,045
Property and equipment, net	<u>10,681,700</u>	<u>11,015,823</u>
Total assets	<u><u>\$ 19,492,276</u></u>	<u><u>\$ 19,438,702</u></u>
<b>Liabilities and Net Assets</b>		
Allocations and grants payable	\$ 2,800,000	\$ 3,500,000
Allocations payable	440,712	554,407
Initiative fund grants payable	621,475	757,387
Donor designations payable	22,098	79,961
Accounts payable	212,112	282,606
Accrued expenses	-	40,835
Refundable advance	-	-
Total liabilities	<u><u>4,096,397</u></u>	<u><u>5,215,196</u></u>
Net assets		
Without donor restrictions		
Undesignated	11,257,954	11,258,395
Board designated - quasi-endowment	1,486,571	648,056
Board designated - COVID-19 relief	-	40,000
Total without donor restrictions	<u><u>12,744,525</u></u>	<u><u>11,946,451</u></u>
With donor restrictions	<u><u>2,651,354</u></u>	<u><u>2,277,055</u></u>
Total net assets	<u><u>\$ 15,395,879</u></u>	<u><u>\$ 14,223,506</u></u>
Total liabilities and net assets	<u><u>\$ 19,492,276</u></u>	<u><u>\$ 19,438,702</u></u>

**United Way of East Central Iowa, Inc. and Related Entities**  
**Consolidated Statement of Activities**  
**Year Ended June 30, 2021**

<b>Support and Revenue</b>	Without Donor Restrictions	With Donor Restrictions	<b>Total</b>
<b>Campaign revenues</b>			
Prior period campaign results (released from restrictions)	\$ 621,106	\$ (621,106)	\$ -
Gross campaign results in current period	5,247,917	343,234	5,591,151
Less donor designations	711,711	-	711,711
Net current period campaign revenues	<u>4,536,206</u>	<u>343,234</u>	<u>4,879,440</u>
Less provisions for uncollectible pledges	122,303	-	122,303
Net campaign revenues in current period	<u>4,413,903</u>	<u>343,234</u>	<u>4,757,137</u>
Total net campaign revenue	<u>5,035,009</u>	<u>(277,872)</u>	<u>4,757,137</u>
 <b>Other revenue</b>			
Other contributions	944,152	195,642	1,139,794
Disaster relief contributions	1,402,265	360,851	1,763,116
Paycheck Protection Program	40,835	-	40,835
Donor designation fees	86,315	-	86,315
Investment income, net	385,398	255,731	641,129
Rental income	329,298	-	329,298
Sponsorships	54,825	50,000	104,825
Special events and miscellaneous income	31,623	-	31,623
Net assets released from restrictions satisfied by payments	<u>210,053</u>	<u>(210,053)</u>	<u>-</u>
Total other revenue	<u>3,484,764</u>	<u>652,171</u>	<u>4,136,935</u>
Total support and revenue	<u>8,519,773</u>	<u>374,299</u>	<u>8,894,072</u>
 <b>Expenses</b>			
Program services			
Allocation services	3,344,566	-	3,344,566
Community impact	247,719	-	247,719
Volunteer management	260,153	-	260,153
Disaster relief	1,638,502	-	1,638,502
HSC	812,337	-	812,337
Other program services	199,428	-	199,428
Total program services	<u>6,502,704</u>	<u>-</u>	<u>6,502,704</u>
Supporting services			
Management and general	588,689	-	588,689
Fundraising	630,306	-	630,306
Total supporting services	<u>1,218,995</u>	<u>-</u>	<u>1,218,995</u>
Total expenses	<u>7,721,699</u>	<u>-</u>	<u>7,721,699</u>
Change in net assets	<u>798,074</u>	<u>374,299</u>	<u>1,172,373</u>
Net assets, beginning of year	<u>11,946,451</u>	<u>2,277,055</u>	<u>14,223,506</u>
Net assets, end of year	<u>\$ 12,744,525</u>	<u>\$ 2,651,354</u>	<u>\$ 15,395,879</u>

See notes to consolidated financial statements.

**United Way of East Central Iowa, Inc. and Related Entities**  
**Consolidated Statement of Activities**  
**Year Ended June 30, 2020**

<b>Support and Revenue</b>	Without Donor Restrictions	With Donor Restrictions	<b>Total</b>
<b>Campaign revenues</b>			
Prior period campaign results (released from restrictions)	\$ 410,454	\$ (410,454)	\$ -
Gross campaign results in current period	6,881,094	621,106	7,502,200
Less donor designations	1,095,354	-	1,095,354
Net current period campaign revenues	<u>5,785,740</u>	<u>621,106</u>	<u>6,406,846</u>
Less provisions for uncollectible pledges	600,497	-	600,497
Net campaign revenues in current period	<u>5,185,243</u>	<u>621,106</u>	<u>5,806,349</u>
Total net campaign revenue	<u>5,595,697</u>	<u>210,652</u>	<u>5,806,349</u>
 <b>Other revenue</b>			
Other contributions	606,543	24,375	630,918
Paycheck Protection Program	327,565	-	327,565
Donor designation fees	71,307	-	71,307
Investment income, net	128,664	35,550	164,214
Rental income	361,192	-	361,192
Sponsorships	61,644	108,421	170,065
Special events and miscellaneous income	36,724	-	36,724
Net assets released from restrictions satisfied by payments	<u>589,352</u>	<u>(589,352)</u>	<u>-</u>
Total other revenue	<u>2,182,991</u>	<u>(421,006)</u>	<u>1,761,985</u>
Total support and revenue	<u>7,778,688</u>	<u>(210,354)</u>	<u>7,568,334</u>
 <b>Expenses</b>			
Program services			
Allocation services	3,917,200	-	3,917,200
Community impact	465,276	-	465,276
Volunteer management	280,503	-	280,503
HSC	818,568	-	818,568
Other program services	523,809	-	523,809
Total program services	<u>6,005,356</u>	<u>-</u>	<u>6,005,356</u>
Supporting services			
Management and general	615,067	-	615,067
Fundraising	884,776	-	884,776
Total supporting services	<u>1,499,843</u>	<u>-</u>	<u>1,499,843</u>
Total expenses	<u>7,505,199</u>	<u>-</u>	<u>7,505,199</u>
Change in net assets	<u>273,489</u>	<u>(210,354)</u>	<u>63,135</u>
Net assets, beginning of year	<u>11,672,962</u>	<u>2,487,409</u>	<u>14,160,371</u>
Net assets, end of year	<u>\$ 11,946,451</u>	<u>\$ 2,277,055</u>	<u>\$ 14,223,506</u>

See notes to consolidated financial statements.

**United Way of East Central Iowa, Inc. and Related Entities**  
**Consolidated Statement of Functional Expenses**  
**Year Ended June 30, 2021**

	Programs									
	Allocation Services	Labor Community Services	Community Impact	Volunteer Management	55+ Program	Volunteer Income Tax Assistance	Disaster Relief	FCFH	HSC	Total Programs
Gross funds awarded/distributed	\$ 3,684,711	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,395,181	\$ -	\$ -	\$ 5,079,892
Less donor designations	711,711	-	-	-	-	-	-	-	-	711,711
Net funds awarded/distributed	2,973,000	-	-	-	-	-	1,395,181	-	-	4,368,181
Initiative fund grants	371,566	-	-	-	-	-	-	34,694	-	406,260
	<u>3,344,566</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,395,181</u>	<u>34,694</u>	<u>-</u>	<u>4,774,441</u>
Salaries	-	8,583	148,833	134,687	49,919	38,289	185,570	-	-	565,881
Payroll taxes and insurance	-	612	11,278	10,017	3,767	2,756	13,375	-	-	41,805
Employee benefits	-	902	19,209	6,033	890	3,028	16,187	-	-	46,249
Retirement	-	576	6,392	10,946	4,045	3,153	9,208	-	-	34,319
Total salaries and related expenses	<u>-</u>	<u>10,673</u>	<u>185,712</u>	<u>161,683</u>	<u>58,621</u>	<u>47,226</u>	<u>224,340</u>	<u>-</u>	<u>-</u>	<u>688,254</u>
Contract services	-	205	15,185	4,740	2,175	3,102	4,598	7,288	90,481	127,774
Supplies	-	15	727	2,001	6,403	2,396	339	-	66	11,947
Telephone	-	78	1,752	1,806	709	1,321	1,748	8	-	7,422
Postage and shipping	-	15	20	86	-	130	-	-	-	251
Donated services and materials	-	-	-	-	-	-	-	-	-	-
Occupancy	-	22	1,001	1,037	807	217	39	-	265,796	268,919
Repairs and maintenance	-	63	1,408	1,451	570	480	1,396	-	119,036	124,404
Transportation	-	1	23	17,016	68	8	23	-	-	17,139
Conferences	-	360	1,292	1,273	698	74	218	-	-	3,915
National dues	-	718	490	1,230	498	167	490	-	-	3,593
Publications, printing and subscriptions	-	135	4,184	3,077	1,151	2,168	2,788	1,040	-	14,543
Awards	-	-	50	859	380	254	-	-	-	1,543
Bank fees	-	-	-	-	-	-	-	-	949	949
Special projects	-	1	14	31,882	505	1,360	14	-	-	33,776
Advertising	-	27	915	3,834	1,107	278	617	-	-	6,778
Miscellaneous	-	5	380	108	42	664	104	2,505	-	3,808
Computer expenses	-	294	7,065	10,585	2,679	2,559	6,607	-	-	29,789
Depreciation	-	104	4,889	2,818	1,325	1,035	-	-	336,009	346,180
Payments to affiliates (UWW)	<u>-</u>	<u>-</u>	<u>22,612</u>	<u>14,667</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>37,279</u>
Total expenses by function	<u>\$ 3,344,566</u>	<u>\$ 12,716</u>	<u>\$ 247,719</u>	<u>\$ 260,153</u>	<u>\$ 77,738</u>	<u>\$ 63,439</u>	<u>\$ 1,638,502</u>	<u>\$ 45,535</u>	<u>\$ 812,337</u>	<u>\$ 6,502,704</u>

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**United Way of East Central Iowa, Inc. and Related Entities**  
**Consolidated Statement of Functional Expenses**  
**Year Ended June 30, 2021**

	Supporting Activities				
	Total Programs	Management and General	Fundraising	Total Supporting Activities	Total Expenses
Gross funds awarded/distributed	\$ 5,079,892	\$ -	\$ -	\$ -	\$ 5,079,892
Less donor designations	711,711	-	-	-	711,711
Net funds awarded/distributed	4,368,181	-	-	-	4,368,181
Initiative fund grants	406,260	-	-	-	406,260
	<u>4,774,441</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,774,441</u>
Salaries	565,881	333,873	323,302	657,175	1,223,056
Payroll taxes and insurance	41,805	24,160	23,632	47,792	89,597
Employee benefits	46,249	39,829	32,189	72,018	118,267
Retirement	34,319	14,570	23,780	38,350	72,669
Total salaries and related expenses	<u>688,254</u>	<u>412,432</u>	<u>402,903</u>	<u>815,335</u>	<u>1,503,589</u>
Contract services	127,774	51,127	11,392	62,519	190,293
Supplies	11,947	1,594	959	2,553	14,500
Telephone	7,422	3,419	3,815	7,234	14,656
Postage and shipping	251	2,367	5,457	7,824	8,075
Donated services and materials	-	-	69,305	69,305	69,305
Occupancy	268,919	1,876	1,843	3,719	272,638
Repairs and maintenance	124,404	8,582	3,065	11,647	136,051
Transportation	17,139	45	50	95	17,234
Conferences	3,915	471	542	1,013	4,928
National dues	3,593	1,915	1,066	2,981	6,574
Publications, printing and subscriptions	14,543	8,985	36,914	45,899	60,442
Awards	1,543	50	135	185	1,728
Bank fees	949	20,890	-	20,890	21,839
Special projects	33,776	27	12,547	12,574	46,350
Advertising	6,778	4,448	6,819	11,267	18,045
Miscellaneous	3,808	334	947	1,281	5,089
Computer expenses	29,789	16,853	14,390	31,243	61,032
Depreciation	346,180	9,149	8,934	18,083	364,263
Payments to affiliates (UWW)	<u>37,279</u>	<u>44,125</u>	<u>49,223</u>	<u>93,348</u>	<u>130,627</u>
Total expenses by function	<u><u>\$ 6,502,704</u></u>	<u><u>\$ 588,689</u></u>	<u><u>\$ 630,306</u></u>	<u><u>\$ 1,218,995</u></u>	<u><u>\$ 7,721,699</u></u>

**United Way of East Central Iowa, Inc. and Related Entities**  
**Consolidated Statement of Functional Expenses**  
**Year Ended June 30, 2020**

	Programs										
	Allocation Services	Labor Community Services	Community Impact	Volunteer Management	55+ Program	Volunteer Income Tax Assistance	Reading Into Success	spark*5	FCFH	HSC	Total Programs
Gross funds awarded/distributed	\$ 4,595,354	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 4,595,354
Less donor designations	1,095,354	-	-	-	-	-	-	-	-	-	1,095,354
Net funds awarded/distributed	3,500,000	-	-	-	-	-	-	-	-	-	3,500,000
Initiative fund grants	417,200	-	-	-	-	-	-	-	-	-	417,200
	<u>3,917,200</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,917,200</u>
Salaries	-	10,042	292,350	156,886	54,512	34,523	33,301	125,573	-	-	707,187
Payroll taxes and insurance	-	715	19,858	11,860	4,248	2,525	2,339	9,457	132	-	51,134
Employee benefits	-	1,064	31,094	5,392	1,146	1,815	4,611	4,603	-	-	49,725
Retirement	-	1,463	19,190	11,303	4,528	2,588	2,492	10,033	46	-	51,643
Total salaries and related expenses		<u>13,284</u>	<u>362,492</u>	<u>185,441</u>	<u>64,434</u>	<u>41,451</u>	<u>42,743</u>	<u>149,666</u>	<u>178</u>	<u>-</u>	<u>859,689</u>
Contract services	-	219	25,344	4,703	1,694	1,393	2,654	91,193	8,300	86,386	221,886
Supplies	-	37	3,563	1,082	310	1,762	2,872	290	-	2,949	12,865
Telephone	-	90	2,778	1,851	678	793	260	647	1,391	-	8,488
Postage and shipping	-	28	167	204	179	36	17	49	7	-	687
Donated services and materials	-	-	-	-	-	-	10,890	-	22,120	-	33,010
Occupancy	-	20	1,446	982	714	140	180	374	-	270,693	274,549
Repairs and maintenance	-	12	2,572	1,264	89	38	34	85	-	121,955	126,049
Transportation	-	1	548	21,584	9	128	3	9	78	-	22,360
Conferences	-	1,101	1,296	1,326	1,157	1,045	1,109	603	-	-	7,637
National dues	-	790	530	276	346	20	18	44	-	-	2,024
Publications, printing and subscriptions	-	235	7,224	7,707	1,592	882	9,228	1,024	2,408	-	30,300
Awards	-	-	52	17	250	-	-	-	-	-	319
Bank fees	-	-	-	-	-	-	-	-	-	973	973
Special projects	-	13	8,805	25,509	1,109	1,173	5,707	92	-	-	42,408
Advertising	-	185	5,401	4,066	1,457	1,229	4,648	1,324	-	-	18,310
Miscellaneous	-	7	1,007	1,119	59	22	75	115	31	1,280	3,715
Computer expenses	-	330	10,161	10,515	2,478	3,563	951	2,365	6,531	-	36,894
Depreciation	-	99	10,951	3,239	1,490	1,023	1,431	2,871	-	334,332	355,436
Payments to affiliates (UWW)	-	-	20,939	9,618	-	-	-	-	-	-	30,557
Total expenses by function	<u>\$ 3,917,200</u>	<u>\$ 16,451</u>	<u>\$ 465,276</u>	<u>\$ 280,503</u>	<u>\$ 78,045</u>	<u>\$ 54,698</u>	<u>\$ 82,820</u>	<u>\$ 250,751</u>	<u>\$ 41,044</u>	<u>\$ 818,568</u>	<u>\$ 6,005,356</u>

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**United Way of East Central Iowa, Inc. and Related Entities**  
**Consolidated Statement of Functional Expenses**  
**Year Ended June 30, 2020**

	Supporting Activities				
	Total Programs	Management and General	Fundraising	Total Supporting Activities	Total Expenses
Gross funds awarded/distributed	\$ 4,595,354	\$ -	\$ -	\$ -	\$ 4,595,354
Less donor designations	1,095,354	-	-	-	1,095,354
Net funds awarded/distributed	3,500,000	-	-	-	3,500,000
Initiative fund grants	417,200	-	-	-	417,200
	<u>3,917,200</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,917,200</u>
Salaries	707,187	340,675	511,217	851,892	1,559,079
Payroll taxes and insurance	51,134	27,136	35,749	62,885	114,019
Employee benefits	49,725	28,175	55,881	84,056	133,781
Retirement	51,643	26,282	38,504	64,786	116,429
Total salaries and related expenses	<u>859,689</u>	<u>422,268</u>	<u>641,351</u>	<u>1,063,619</u>	<u>1,923,308</u>
Contract services	221,886	46,465	10,559	57,024	278,910
Supplies	12,865	2,826	2,105	4,931	17,796
Telephone	8,488	4,549	4,456	9,005	17,493
Postage and shipping	687	2,319	2,453	4,772	5,459
Donated services and materials	33,010	-	90,489	90,489	123,499
Occupancy	274,549	1,650	1,596	3,246	277,795
Repairs and maintenance	126,049	6,924	4,078	11,002	137,051
Transportation	22,360	114	330	444	22,804
Conferences	7,637	3,058	2,406	5,464	13,101
National dues	2,024	321	860	1,181	3,205
Publications, printing and subscriptions	30,300	6,590	36,247	42,837	73,137
Awards	319	104	283	387	706
Bank fees	973	11,743	-	11,743	12,716
Special projects	42,408	28,573	10,809	39,382	81,790
Advertising	18,310	13,323	15,957	29,280	47,590
Miscellaneous	3,715	1,381	1,452	2,833	6,548
Computer expenses	36,894	19,791	15,305	35,096	71,990
Depreciation	355,436	11,549	10,835	22,384	377,820
Payments to affiliates (UWW)	<u>30,557</u>	<u>31,519</u>	<u>33,205</u>	<u>64,724</u>	<u>95,281</u>
Total expenses by function	<u>\$ 6,005,356</u>	<u>\$ 615,067</u>	<u>\$ 884,776</u>	<u>\$ 1,499,843</u>	<u>\$ 7,505,199</u>

**United Way of East Central Iowa, Inc. and Related Entities**  
**Consolidated Statements of Cash Flows**  
**Years Ended June 30, 2021 and 2020**

	<b>2021</b>	<b>2020</b>
<b>Cash Flows - Operating Activities</b>		
Change in net assets	\$ 1,172,373	\$ 63,135
Adjustments to reconcile change in net assets to net cash flows - operating activities		
Depreciation	364,263	377,820
Noncash reinvested investment income	(40,113)	(50,519)
Gain on sale of investments	(11,603)	(8,311)
Net unrealized gain on investments	(406,678)	(572)
Change in beneficial interest	(75,276)	7,607
Changes in operating assets and liabilities		
Receivables	1,249,029	634,502
Prepaid expenses	14,859	22,935
Allocations and donor designations payable	(949,607)	(1,526,507)
Accounts payable	(57,863)	(192,958)
Accrued expenses	(70,494)	(10,657)
Refundable advance	(40,835)	40,835
Net cash flows - operating activities	<u>1,148,055</u>	<u>(642,690)</u>
<b>Cash Flows - Investing Activities</b>		
Purchases of property and equipment	(30,140)	(64,497)
Proceeds from sales of investments	222,316	201,927
Purchases of investments	(922,156)	(146,434)
Purchases of certificates of deposit	(550,000)	-
Proceeds from redemption of certificates of deposit	974,582	335,647
Distributions from beneficial interest	15,251	15,093
Net cash flows - investing activities	<u>(290,147)</u>	<u>341,736</u>
Net change in cash and cash equivalents	857,908	(300,954)
<b>Cash and Cash Equivalents, Unrestricted and Restricted</b>		
Beginning of year	<u>1,609,395</u>	<u>1,910,349</u>
End of year	<u>\$ 2,467,303</u>	<u>\$ 1,609,395</u>
<b>Reconciliation of Cash and Cash Equivalents, Unrestricted and Restricted</b>		
Unrestricted	\$ 2,363,158	\$ 1,504,589
Restricted	104,145	104,806
Total cash and cash equivalents, unrestricted and restricted	<u>\$ 2,467,303</u>	<u>\$ 1,609,395</u>

See notes to consolidated financial statements.

## **NOTE 1 – ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES**

### **Nature of Organization and Principles of Consolidation**

The United Way of East Central Iowa, Inc. (UWEKI) is a perpetual, nonprofit corporation serving the greater Cedar Rapids area. The objective of UWEKI is to provide a means by which contributions can be made annually in gifts and pledges to charitable health and welfare organizations, to provide for the budgeting and allocation of funds derived from said gifts and pledges to tax-exempt agencies and to provide for the planning of health, welfare, and other services in order to most efficiently meet the needs of the community and the area.

Human Services Campus, L.L.C. (HSC), is a limited liability company, with UWEKI the sole member. HSC owns and operates commercial real estate which houses UWEKI and other nonprofit organizations.

FCFH-Iowa, Inc (FCFH), was a perpetual nonprofit corporation wholly owned by UWEKI. FCFH operated a centralized referral and helpline service serving multiple health and human service needs on a regional basis. As of January 1, 2020, FCFH's operations were transferred to the United Way of Central Iowa. FCFH was dissolved on May 18, 2021, and all remaining assets and liabilities were assumed by UWEKI.

The consolidated financial statements include the activity of UWEKI and its related entities, collectively referred to as the Organization. All significant intercompany accounts and transactions have been eliminated in the consolidated financial statements.

### **Description of Programs**

*Allocation services.* To actively establish and monitor policies and procedures for the operations of the following allocation services: partner agency funding, initiative funding and, when applicable, specific funding needs assessments, along with the knowledge of the Organization's volunteers and staff, aid in the allocation of resources to assist the community.

*Community Impact.* This service focuses on studying the communities' need as well as community problem solving. Significant staff time and other resources are committed to learning more about the region's demographics, economic condition, and perceptions of the communities' quality of life. This knowledge is utilized in partnerships, collaborations, and other community strategies/projects. This combined community knowledge is used to help identify funding priorities, emerging needs, growing trends in the community to produce community outcomes.

*Volunteer Management.* The Volunteer Management team connects individuals to meaningful volunteer opportunities to help meet United Way goals and the needs of the community.

*Disaster Relief.* UWEKI serves on two Community Organizations Active in Disaster (COAD). The primary function of these COAD's is to share resources and collaborate to build a better-prepared response to disaster. UWEKI functions as a community partner in the collaborations and is the lead on emergency volunteer response.

## **NOTE 1 – ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

### **Description of Programs (Continued)**

*Other Programs.* Other programs directly supported by the Organization include the *Labor Community Services* program that educates union workers about available local services, the *55+ program* that engages adults 55 and older in volunteer services, *Volunteer Income Tax Assistance (VITA)* offering free individual tax preparation assistance, *FCFH*, a centralized helpline, and *HSC*, operates commercial real estate housing nonprofit organizations.

### **Accounting Estimates**

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

### **Concentrations of Credit Risk**

Financial instruments which potentially subject the Organization to concentrations of credit risk consist principally of cash and cash equivalents. The Organization's cash and cash equivalents are with high credit quality financial institutions and, at times, are in excess of the FDIC insurance limit.

### **Cash Equivalents**

Cash equivalents include highly liquid investments, with original maturities of three months or less, that are recorded at cost plus accrued interest, which approximates market.

### **Restricted Cash**

The Organization acts as a financial agent for other organizations, and since the Organization is not considered to be financially interrelated with these organizations, the total amount of funds on behalf of these organizations is reflected as a liability on the consolidated statement of financial position. The Organization does not have variance power to redirect the assets held for others, and the funds are generally payable on demand.

### **Certificates of Deposit**

Certificates of deposit are recorded at cost plus accrued interest, which approximates market.

### **Pledge Receivables**

Pledge receivables (unconditional promises to give) are recorded as receivables and revenue when received. Pledge receivables due in the next year are recorded at net realizable value using an estimated uncollectible pledge percentage. The estimated uncollectible pledge percentage is based on historical collection rates and current economic factors applied to the gross campaign results, including donor designations. The uncollectible pledge percentage applied to the gross campaign for the campaign years 2020 and 2019 was 4% and 6%, respectively. The actual uncollectible amount could differ from these estimates. Multi-year pledge receivables are recorded at the present value of their net realizable value, using discount rates applicable to the years in which the promises are received.

## **NOTE 1 – ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

### **Investments**

The Organization carries its investments at fair value. Net investment return consists of interest and dividend income, realized and unrealized gains and losses, less external and direct internal investment expense, and is reported in the statement of activities an increase or decrease in net assets with donor restrictions or without donor restrictions based on the intention stipulated by the donor.

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

### **Designated Agency Endowment Fund**

The Organization has contributed funds to The Greater Cedar Rapids Community Foundation (the Foundation), which are held in a designated agency endowment fund, for the benefit of the Organization. Control over the investment or reinvestment of these funds is exercised exclusively by the Foundation. A portion of the fund's earnings is made available for distribution to the Organization periodically. The transactions with the Foundation are deemed to be reciprocal, and therefore, the fair value of the fund held by the Foundation is recognized as an asset (beneficial interest in assets held by community foundation) by the Organization.

### **Property and Equipment**

Property and equipment are stated at cost, or fair value if donated, with depreciation computed under the straight-line method over the economic useful lives of the assets. UWECl's policy is to capitalize all property and equipment purchases in excess of \$2,500. HSC's policy is to capitalize all property and equipment purchases in excess of \$5,000.

### **Long-Lived Assets**

The Organization records impairment losses on long-lived assets used in operations when events and circumstances indicate that the assets might be impaired and the undiscounted cash flows estimated to be generated by those assets are less than the carrying amounts of those assets. There were no impairment losses for the years ended June 30, 2021 and 2020.

### **Allocations to Agencies**

Allocation's payables are recorded as a liability at the point they are approved by the Board of Directors.

### **Net Assets**

Net assets, revenues, gains, and other support are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets and changes therein are classified and reported as follows:

*Net Assets Without Donor Restrictions* – Net assets available for use in general operations and not subject to donor restrictions. If the Board of Directors specifies a purpose where none has been stated by the original donor, such funds are classified as designated without donor restrictions.

## NOTE 1 – ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### Net Assets (Continued)

*Net Assets With Donor Restrictions* – Net assets subject to donor-imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. Contributions that are restricted by the donor are reported as increases in net assets without donor restrictions if the restrictions expire (that is, when a stipulated time restriction ends or purpose restriction is accomplished) in the reporting period in which the revenue is recognized. All other donor-restricted contributions are reported as increases in net assets 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.

### Income Taxes

The Organizations are exempt from income taxes under provisions of Section 501(c)(3) of the Internal Revenue Code and are exempt from federal income taxes pursuant to Section 501(a) of the Code.

### Functional Allocation of Expenses

The costs of program and supporting services activities have been summarized on a functional basis in the statement of activities. The statement of functional expenses presents the natural classification detail of expenses by function. The consolidated financial statements report certain categories of expense that are attributed to more than one program or supporting function. Therefore, expenses require allocation on a reasonable basis that is consistently applied. Substantially all expenses are allocated on the basis of estimates of time and effort.

### Revenue Recognition

The Organization recognizes contributions, measured at fair value on the date received, when cash, securities or other assets, an unconditional promise to give, or notification of a beneficial interest is received. Conditional promises to give which contain a measurable performance or other barrier and a right of return, are not recognized until the conditions on which they depend have been substantially met.

The Organization followed Financial Accounting Standards Board (FASB) Topic 958-605, *Revenue Recognition for Not-for-Profit Entities* in accounting for its Paycheck Protection Program (PPP) loan. The loan was effectively accounted for as a conditional promise to give.

### Donated Materials, Equipment and Services

Donated materials and equipment are recorded at fair value at the date of donation.

A substantial number of volunteers donate significant amounts of their time to the Organization's programs and its annual fundraising campaign. However, there is no objective basis for measuring the number of volunteer hours provided during the year.

## **NOTE 1 – ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

### **Donor Designated Transactions**

Certain funds can be designated by donors to the Organization's partner agencies, nonaffiliated organizations, churches, or other government agencies or not-for-profit entities. The Organization has adopted a policy of reflecting these contributions in the campaign results in the statement of activities. These contributions are then deducted to reflect the amount of revenue under accounting principles generally accepted in the United States of America.

### **Recently Issued Accounting Pronouncements**

#### *Leases*

In February 2016, the FASB issued Accounting Standards Update (ASU) No. 2016-02, *Leases (Topic 842)*. This update requires capitalization of “right-of-use assets” and recognition of an obligation for future lease payments for most leases currently classified as operating leases. In June 2020, the FASB issued ASU 2020-05 which defers the effective date one year making it effective for annual reporting periods beginning after December 15, 2021, with early adoption permitted. The provisions of this ASU are to be applied using either the retrospective approach or modified retrospective approach. The Organization is currently evaluating the impact this standard will have on its consolidated financial statements.

#### *Contributed Nonfinancial Assets*

In September 2020, the FASB issued Accounting Standards Update (ASU) No. 2020-07 *Not-for-Profit Entities (Topic 958): Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets*, which is intended to improve transparency in the reporting of contributed nonfinancial assets, also known as gifts-in-kind, for not-for-profit organizations. In addition to enhanced disclosures for contributed nonfinancial assets, this ASU requires not-for-profit organizations to present contributed nonfinancial assets as a separate line item in the statement of activities, apart from contributions of cash or other financial assets. The amendments in this ASU should be applied on a retrospective basis and are effective for annual reporting periods beginning after June 15, 2021, with early adoption permitted. The Organization is currently evaluating the impact this standard will have on its consolidated financial statements.

### **Subsequent Events**

Management has evaluated subsequent events through September 29, 2021, the date which the consolidated financial statements were available for issue.

**United Way of East Central Iowa, Inc., and Related Entities**  
**Notes to Consolidated Financial Statements**

**NOTE 2 – LIQUIDITY AND AVAILABILITY**

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the balance sheet date, comprise the following as of June 30, 2021 and 2020:

	<u>2021</u>	<u>2020</u>
Unrestricted cash and cash equivalents	\$ 2,363,158	\$ 1,504,589
Certificates of deposit	1,576,981	2,001,563
Pledge receivables due in one year or less, net	1,168,127	2,291,786
Interest receivable	6,486	34,681
Investments	2,894,196	1,735,962
Beneficial interests	381,070	321,045
Total financial assets available	<u>8,390,018</u>	<u>7,889,626</u>
Less board designations	1,486,571	688,056
Less donor imposed restrictions	<u>2,651,354</u>	<u>2,277,055</u>
Financial assets available within one year	<u><u>\$ 4,252,093</u></u>	<u><u>\$ 4,924,515</u></u>

The Organization maintains a policy of structuring its financial assets to be available as its general expenditures, liabilities, and other obligations come due. In addition, the Organization invests cash in excess of daily requirements in certificates of deposit.

The Organization's governing board has designated and invested a portion of its unrestricted resources for various purposes. These funds are invested for long-term appreciation and current income but remain available and may be spent at the discretion of the board.

**NOTE 3 – PLEDGE RECEIVABLES**

The Organization's pledge receivables consist of annual campaign pledges and multi-year pledges that relate to spark\*5. Pledges receivable as of June 30, 2021 and 2020 were due as follows:

	<u>2021</u>	<u>2020</u>
Current	\$ 1,170,959	\$ 2,202,144
One to five years	-	96,240
Less: discount for multi-year pledges	<u>(2,832)</u>	<u>(6,598)</u>
Total pledge receivables	<u><u>\$ 1,168,127</u></u>	<u><u>\$ 2,291,786</u></u>

**United Way of East Central Iowa, Inc., and Related Entities**  
**Notes to Consolidated Financial Statements**

**NOTE 4 – FUNDS HELD AT COMMUNITY FOUNDATION**

*Beneficial Interest in Assets Held by Community Foundation*

The Organization has agency funds available at The Greater Cedar Rapids Community Foundation (the Foundation). The Organization has a beneficial interest in these assets held by the Foundation in the amount of \$381,070 and \$321,045 as of June 30, 2021 and 2020, respectively, which represents funds previously transferred to the Foundation by the Organization, and the earnings thereon. These funds are invested for long-term appreciation but are available at the discretion of the Organization's Board of Directors. The Organization has granted variance power to the Foundation in the event the Organization terminates or ceases to exist as a legal entity. For the years ended June 30, 2021 and 2020, \$15,251 and \$15,093, respectively, was distributed to the Organization from the beneficial interest accounts.

*Amounts Held on Behalf of the Organization*

The Foundation holds third-party contributions to the Foundation on behalf of the Organization in designated funds. Income from these funds is available to support the Organization's operations at the discretion of the Foundation, with a current distribution rate of 4.5%, calculated using a 12-quarter trailing average. The Foundation is considered the owner of these funds. The Organization had a total of \$2,893,932 in designated Funds held by the Foundation as of June 30, 2021.

**NOTE 5 – PROPERTY AND EQUIPMENT**

Property and equipment as of June 30, 2021 and 2020 consisted of the following:

	2021		
	UWECI	HSC	Total
Cost:			
Land	\$ -	\$ 1,555,609	\$ 1,555,609
Building	-	12,318,796	12,318,796
Furnishings and equipment	510,170	217,982	728,152
Total cost	510,170	14,092,387	14,602,557
Less accumulated depreciation	(481,098)	(3,439,759)	(3,920,857)
Property and equipment, net	<u>\$ 29,072</u>	<u>\$ 10,652,628</u>	<u>\$ 10,681,700</u>
	2020		
	UWECI	HSC	Total
Cost:			
Land	\$ -	\$ 1,555,609	\$ 1,555,609
Building	-	12,353,796	12,353,796
Furnishings and equipment	491,897	170,382	662,279
Total cost	491,897	14,079,787	14,571,684
Less accumulated depreciation	(452,110)	(3,103,751)	(3,555,861)
Property and equipment, net	<u>\$ 39,787</u>	<u>\$ 10,976,036</u>	<u>\$ 11,015,823</u>

**United Way of East Central Iowa, Inc., and Related Entities**  
**Notes to Consolidated Financial Statements**

**NOTE 6 – NET ASSETS WITH DONOR RESTRICTIONS**

Net assets with donor restriction are restricted for the following purposes or periods:

	<u>2021</u>	<u>2020</u>
Purpose restricted:		
Children's needs endowed funds	\$ 643,698	\$ 519,685
Donor restricted endowed funds	503,650	503,650
Disaster/COVID-19	360,852	-
Sponsorships	50,000	108,421
Linn County VITA	25,000	-
Community impact assessment	16,100	-
Diversity, equity and inclusion	8,000	-
Total purpose restricted	<u>1,607,300</u>	<u>1,131,756</u>
Time restricted:		
Term endowments	150,000	150,000
Unappropriated endowment earnings	491,347	235,616
spark*5	59,473	138,577
Contributions for future campaigns	<u>343,234</u>	<u>621,106</u>
Total time restricted	<u>1,044,054</u>	<u>1,145,299</u>
Total net assets with donor restrictions	<u>\$ 2,651,354</u>	<u>\$ 2,277,055</u>

**NOTE 7 – INVESTMENTS AND FAIR VALUE MEASUREMENTS**

The fair value measurement accounting literature establishes a valuation hierarchy for disclosure of the inputs to valuation used to measure fair value. This hierarchy prioritizes the inputs into three broad levels as follows:

- Level 1: Inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: Inputs are quoted prices for similar assets and liabilities in active markets or inputs that are observable, either directly or indirectly through market corroboration, for substantially the full term of the financial instrument.
- Level 3: Inputs are unobservable inputs based on the Organization's own assumptions used to measure assets and liabilities at fair value.

A financial asset or liability's classification within the hierarchy is determined based on the lowest level input that is significant to the fair value measurement.

The following tables set forth by level within the fair value hierarchy of the Organization's financial assets measured at fair value on a recurring basis as of June 30, 2021 and 2020, and indicates the fair value hierarchy of the valuation techniques utilized by the Organization to determine such fair value.

**United Way of East Central Iowa, Inc., and Related Entities**  
**Notes to Consolidated Financial Statements**

**NOTE 7 – INVESTMENTS AND FAIR VALUE MEASUREMENTS (CONTINUED)**

	Fair Value Measurements at Reporting Date Using:		
	Level 1	Level 2	Level 3
<b><u>June 30, 2021</u></b>			
Money market fund	\$ 10,517	\$ -	\$ -
Domestic equity mutual funds	1,417,581	-	-
Foreign equity mutual funds	819,326	-	-
Bond mutual funds	456,826	-	-
Corporate bonds	-	42,700	-
Preferred stocks	147,246	-	-
Total investments	<u>2,851,496</u>	<u>42,700</u>	<u>-</u>
Beneficial interest in assets held by community foundation	-	-	381,070
Total	<u>\$ 2,851,496</u>	<u>\$ 42,700</u>	<u>\$ 381,070</u>
			<u><u>\$ 3,275,266</u></u>
	Fair Value Measurements at Reporting Date Using:		
	Level 1	Level 2	Level 3
<b><u>June 30, 2020</u></b>			
Money market fund	\$ 7,470	\$ -	\$ -
Domestic equity mutual funds	658,538	-	-
Foreign equity mutual funds	480,840	-	-
Bond mutual funds	412,575	-	-
Corporate bonds	-	61,630	-
Preferred stocks	114,909	-	-
Total investments	<u>1,674,332</u>	<u>61,630</u>	<u>-</u>
Beneficial interest in assets held by community foundation	-	-	321,045
Total	<u><u>\$ 1,674,332</u></u>	<u><u>\$ 61,630</u></u>	<u><u>\$ 321,045</u></u>
			<u><u>\$ 2,057,007</u></u>

The money market fund and mutual funds are valued at the net asset value, based on quoted market prices in active markets, of shares held by the Organization at year end. Corporate bonds are valued based on quoted prices for similar assets and liabilities in active markets and quoted prices for identical or similar assets and liabilities in markets that are not active. The beneficial interest in assets held by community foundation is valued at the estimated pro rata share of the Foundation's investment pool.

## **NOTE 7 – INVESTMENTS AND FAIR VALUE MEASUREMENTS (CONTINUED)**

The following is a summary of changes in the fair value of the Organization's Level 3 asset for the years ended June 30, 2021 and 2020:

	<u>2021</u>	<u>2020</u>
Balance - beginning of year	\$ 321,045	\$ 343,745
Distributions	(15,251)	(15,093)
Net earnings (losses)	<u>75,276</u>	<u>(7,607)</u>
Balance - end of year	<u><u>\$ 381,070</u></u>	<u><u>\$ 321,045</u></u>

## **NOTE 8 – ENDOWMENTS**

The Organization's endowments (the Endowments) consist of various funds established to support the general operating needs of the Organization. The endowments consist of both donor-restricted endowments and funds designated by the Board of Directors to function as endowments. As required by generally accepted accounting principles, net assets associated with endowment funds, including funds designated by the Board to function as endowments, are classified and reported based on the existence or absence of donor-imposed restrictions.

The Board of Directors has interpreted the Iowa Uniform Prudent Management of Institutional Funds Act (UPMIFA) as requiring the preservation of the fair value of the original gift as of the date of the donor-restricted endowment funds, unless there are explicit donor stipulations to the contrary. As a result of this interpretation, the Organization retains in perpetuity (a) the original value of initial and subsequent gift amounts donated to the Endowment, and (b) any accumulations to the Endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added. Donor-restricted amounts not retained in perpetuity are subject to appropriation for expenditure by the Organization in a manner consistent with the standard of prudence prescribed by 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 fund, (2) the purposes of the donor-restricted endowment fund, (3) general economic conditions, (4) the possible effect of inflation and deflation, (5) the expected total return from income and the appreciation or depreciation of investments, (6) other resources of the Organization, and (7) the investment policies of the Organization.

In accordance with the donor-restricted gifts, distributions from the endowment funds will be limited to the annual income of the endowment funds. The Organization has adopted investment and spending policies, approved by the Board of Directors, for endowment assets. These policies attempt to provide a predictable stream of funding to programs supported by the Organization's endowment funds while also maintaining the purchasing power of those endowment assets over the long-term. Endowment assets are invested in a well-diversified asset mix, which includes equity and debt securities that is intended to maximize total return within reasonable and prudent levels of risk. The total return is achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends). Investment risk is measured in terms of the total endowment fund; investment assets and allocation between asset classes and strategies are managed to prevent exposing the fund to unacceptable levels of risk.

**United Way of East Central Iowa, Inc., and Related Entities**  
**Notes to Consolidated Financial Statements**

**NOTE 8 – ENDOWMENTS (CONTINUED)**

The Organization has a policy of appropriating for distribution 4.5% of the endowment fund assets.

Endowment net asset composition by type of fund as of June 30, 2021 and 2020, follows:

	Without Donor Restrictions	With Donor Restrictions	Total
<b>2021</b>			
Donor-restricted	\$ -	\$ 1,788,695	\$ 1,788,695
Board-designated	<u>1,486,571</u>	<u>-</u>	<u>1,486,571</u>
	<b><u>\$ 1,486,571</u></b>	<b><u>\$ 1,788,695</u></b>	<b><u>\$ 3,275,266</u></b>

	Without Donor Restrictions	With Donor Restrictions	Total
<b>2020</b>			
Donor-restricted	\$ -	\$ 1,408,951	\$ 1,408,951
Board-designated	<u>648,056</u>	<u>-</u>	<u>648,056</u>
	<b><u>\$ 648,056</u></b>	<b><u>\$ 1,408,951</u></b>	<b><u>\$ 2,057,007</u></b>

Changes in endowment net assets for the years ended December 31, 2021 and 2020, follows:

	Without Donor Restrictions	With Donor Restrictions	Total
Endowment net assets, June 30, 2019	\$ 704,888	\$ 1,370,910	\$ 2,075,798
Investment return, net	7,431	59,925	67,356
Amounts appropriated for expenditure	(64,263)	(21,884)	(86,147)
Endowment net assets, June 30, 2020	648,056	1,408,951	2,057,007
Investment return, net	169,316	402,273	571,589
Contribution	736,463	-	736,463
Amounts appropriated for expenditure	(67,264)	(22,529)	(89,793)
Endowment net assets, June 30, 2021	<b><u>\$ 1,486,571</u></b>	<b><u>\$ 1,788,695</u></b>	<b><u>\$ 3,275,266</u></b>

**United Way of East Central Iowa, Inc., and Related Entities**  
**Notes to Consolidated Financial Statements**

**NOTE 9 – PENSION PLAN**

The Organization sponsors a defined contribution pension plan covering substantially all of its employees. The Organization's contribution is based on a percentage match of eligible employees' wages. For the years ended June 30, 2021 and 2020, contributions to the plan totaled \$72,669 and \$116,429, respectively.

**NOTE 10 – RENTAL REVENUE**

HSC is leasing space to tenants under rental agreements expiring at various dates through December 2025. Future minimum rental revenue on these agreements are as follows:

<u>Year Ending</u>	
2022	\$ 164,114
2023	33,630
2024	23,029
2025	12,428
2026	6,214
	<hr/>
	\$ 239,415

**NOTE 11 – PAYCHECK PROTECTION PROGRAM**

In April 2020, the Organization applied for and obtained a PPP loan in the amount of \$368,400, administered by the U.S. Small Business Administration (SBA), established under the Coronavirus Aid, Relief, and Economic Security Act (Cares Act). Under the terms of the loan, the Organization could apply for forgiveness for a portion or all of the loan. In order to meet the conditions for forgiveness, the Organization was required to maintain certain employee levels and use the proceeds on eligible expenses including payroll, benefits, rent, and utilities. Following ASC Topic 958 – *Revenue Recognition for Non-Profit Entities*, the Organization recognized \$40,835 and \$327,565 during the years ending June 30, 2021 and 2020, respectively, as the conditions of the loan were met, that is, eligible expenses incurred. The loan was forgiven by the SBA in February 2021. The Organization must retain all records relating to the loan for six years from the date of forgiveness and must permit authorized representatives of the SBA, including representatives of its Office of Inspector General, to access such files upon request.

**NOTE 12 – RECLASSIFICATIONS**

Certain reclassifications have been made to the prior year's consolidated financial statements, as previously reported, in order to conform them to the current year's presentation.

## **SUPPLEMENTARY INFORMATION**

**United Way of East Central Iowa, Inc. and Related Entities**  
**Consolidating Statements of Financial Position**  
**As of June 30, 2021**

	UWEI	HSC	Eliminations	Total
<b>Assets</b>				
Cash and cash equivalents				
Unrestricted	\$ 1,985,061	\$ 378,097	\$ -	\$ 2,363,158
Restricted	104,145	-	-	104,145
Certificates of deposit				
Receivables				
Pledges, net				
Related party				
Other	1,167,703	424	(56,648)	1,168,127
56,648	-	-	-	-
Accrued interest	269,871	-	-	269,871
Prepaid expenses				
Investments				
Beneficial interest in assets held by community foundation				
Property and equipment, net	381,070	-	-	381,070
	<u>29,072</u>	<u>10,652,628</u>	<u>-</u>	<u>10,681,700</u>
Total assets	<u><u>\$ 7,986,992</u></u>	<u><u>\$ 11,571,033</u></u>	<u><u>\$ (65,749)</u></u>	<u><u>\$ 19,492,276</u></u>
<b>Liabilities and Net Assets</b>				
Allocations and grants payable				
Allocations payable	\$ 2,800,000	\$ -	\$ -	\$ 2,800,000
Initiative fund grants payable	440,712	-	-	440,712
Donor designations payable	621,475	-	-	621,475
Accounts payable	22,098	56,648	(56,648)	22,098
Accrued expenses	181,220	39,993	(9,101)	212,112
	<u>4,065,505</u>	<u>96,641</u>	<u>(65,749)</u>	<u>4,096,397</u>
Total liabilities				
Net assets				
Without donor restrictions				
Undesignated	(216,438)	11,474,392	-	11,257,954
Board designated - quasi-endowment	1,486,571	-	-	1,486,571
Total without donor restrictions	<u>1,270,133</u>	<u>11,474,392</u>	<u>-</u>	<u>12,744,525</u>
With donor restrictions				
Total net assets	<u><u>\$ 2,651,354</u></u>	<u><u>-</u></u>	<u><u>-</u></u>	<u><u>2,651,354</u></u>
Total liabilities and net assets	<u><u>\$ 7,986,992</u></u>	<u><u>\$ 11,571,033</u></u>	<u><u>\$ (65,749)</u></u>	<u><u>\$ 19,492,276</u></u>

**United Way of East Central Iowa, Inc. and Related Entities**  
**Consolidating Statements of Financial Position**  
**As of June 30, 2020**

	<u>UWEI</u>	<u>HSC</u>	<u>FCFH</u>	<u>Eliminations</u>	<u>Total</u>
<b>Assets</b>					
Cash and cash equivalents					
Unrestricted	\$ 1,157,880	\$ 138,919	\$ 207,790	\$ -	\$ 1,504,589
Restricted	104,806	-	-	-	104,806
Certificates of deposit	1,158,072	843,491	-	-	2,001,563
Receivables					
Pledges, net	2,289,046	-	2,740	(57,307)	2,291,786
Related party	55,936	-	1,371	-	-
Other	367,046	-	-	-	367,046
Accrued interest	24,934	9,747	-	-	34,681
Prepaid expenses	50,555	20,261	-	(9,415)	61,401
Investments	1,735,962	-	-	-	1,735,962
Beneficial interest in assets held by community foundation	321,045	-	-	-	321,045
Property and equipment, net	39,787	10,976,036	-	-	11,015,823
Total assets	<u><u>\$ 7,305,069</u></u>	<u><u>\$ 11,988,454</u></u>	<u><u>\$ 211,901</u></u>	<u><u>\$ (66,722)</u></u>	<u><u>\$ 19,438,702</u></u>
<b>Liabilities and Net Assets</b>					
Allocations and grants payable					
Allocations payable	3,500,000	-	-	-	3,500,000
Initiative fund grants payable	554,407	-	-	-	554,407
Donor designations payable	757,387	-	-	-	757,387
Accounts payable	27,633	108,239	25	(55,936)	79,961
Accrued expenses	247,366	44,655	-	(9,415)	282,606
Refundable advance	40,835	-	-	-	40,835
Related party payable	1,371	-	-	(1,371)	-
Total liabilities	<u><u>5,128,999</u></u>	<u><u>152,894</u></u>	<u><u>25</u></u>	<u><u>\$ (66,722)</u></u>	<u><u>5,215,196</u></u>
Net assets					
Without donor restrictions					
Undesignated	(789,041)	11,835,560	211,876	-	11,258,395
Board designated - quasi-endowment	648,056	-	-	-	648,056
Board designated- COVID-19 relief	40,000	-	-	-	40,000
Total without donor restrictions	(100,985)	11,835,560	211,876	-	11,946,451
With donor restrictions					
Total net assets	<u><u>\$ 7,305,069</u></u>	<u><u>\$ 11,988,454</u></u>	<u><u>\$ 211,901</u></u>	<u><u>\$ (66,722)</u></u>	<u><u>\$ 19,438,702</u></u>

**United Way of East Central Iowa, Inc. and Related Entities**  
**Consolidating Statements of Activities**  
**Year Ended June 30, 2021**

	UWECI	HSC	FCFH	Eliminations	Total
<b>Support and Revenue</b>					
Gross campaign results in current period	\$ 5,591,151	\$ -	\$ -	\$ -	\$ 5,591,151
Less donor designations	711,711	-	-	-	711,711
Net current period campaign revenues	<u>4,879,440</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,879,440</u>
Less provisions for uncollectible pledges	122,303	-	-	-	122,303
Total campaign revenue, net	<u>4,757,137</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,757,137</u>
Other revenue					
Other contributions	1,325,261	-	-	(185,467)	1,139,794
Disaster relief contributions	1,763,116	-	-	-	1,763,116
Paycheck Protection Program	40,835	-	-	-	40,835
Donor designation fees	86,315	-	-	-	86,315
Investment income, net	633,129	7,809	191	-	641,129
Rental income	-	443,360	-	(114,062)	329,298
Sponsorships	104,825	-	-	-	104,825
Special events and miscellaneous income	31,623	-	-	-	31,623
Total other revenue	<u>3,985,104</u>	<u>451,169</u>	<u>191</u>	<u>(299,529)</u>	<u>4,136,935</u>
Total support and revenue	<u>8,742,241</u>	<u>451,169</u>	<u>191</u>	<u>(299,529)</u>	<u>8,894,072</u>
<b>Expenses</b>					
Program services	3,344,566	-	-	-	3,344,566
Allocation services	247,719	-	-	-	247,719
Community impact	260,153	-	-	-	260,153
Volunteer management	1,638,502	-	-	-	1,638,502
Disaster relief	-	812,337	-	-	812,337
HSC	-	-	-	-	-
Other program services	196,332	-	212,067	(208,971)	199,428
Total program services	<u>5,687,271</u>	<u>812,337</u>	<u>212,067</u>	<u>(208,971)</u>	<u>6,502,704</u>
Supporting services	624,926	-	-	(36,237)	588,689
Management and general	665,692	-	-	(35,386)	630,306
Fundraising	18,935	-	-	(18,935)	-
Other agency administrative support	<u>1,309,553</u>	<u>-</u>	<u>-</u>	<u>(90,558)</u>	<u>1,218,995</u>
Total supporting services	<u>6,996,824</u>	<u>812,337</u>	<u>212,067</u>	<u>(299,529)</u>	<u>7,721,699</u>
Total expenses	<u>1,745,417</u>	<u>(361,168)</u>	<u>(211,876)</u>	<u>-</u>	<u>1,172,373</u>
Change in net assets	<u>2,176,070</u>	<u>11,835,560</u>	<u>211,876</u>	<u>-</u>	<u>14,223,506</u>
Net assets, beginning of year	<u>\$ 3,921,487</u>	<u>\$ 11,474,392</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 15,395,879</u>
Net assets, end of year					

**United Way of East Central Iowa, Inc. and Related Entities**  
**Consolidating Statements of Activities**  
**Year Ended June 30, 2020**

	UWEI	HSC	FCFH	Eliminations	Total
<b>Support and Revenue</b>					
Gross campaign results in current period	\$ 7,502,200	\$ -	\$ -	\$ -	\$ 7,502,200
Less donor designations	1,095,354	-	-	-	1,095,354
Net current period campaign revenues	6,406,846	-	-	-	6,406,846
Less provisions for uncollectible pledges	600,497	-	-	-	600,497
Total campaign revenue, net	5,806,349	-	-	-	5,806,349
Other revenue					
Other contributions	537,359	-	133,041	(39,482)	630,918
Paycheck Protection Program	327,565	-	-	-	327,565
Donor designation fees	71,307	-	-	-	71,307
Investment income, net	145,962	18,049	203	-	164,214
Rental income	-	473,438	-	(112,246)	361,192
Sponsorships	170,065	-	-	-	170,065
Special events and miscellaneous income	36,724	-	-	-	36,724
Total other revenue	1,288,982	491,487	133,244	(151,728)	1,761,985
Total support and revenue	7,095,331	491,487	133,244	(151,728)	7,568,334
<b>Expenses</b>					
Program services	3,917,200	-	-	-	3,917,200
Allocation services	465,276	-	-	-	465,276
Community impact	280,503	-	-	-	280,503
Volunteer management	-	818,568	-	-	818,568
HSC	538,349	-	41,044	(55,584)	523,809
Other program services	5,201,328	818,568	41,044	(55,584)	6,005,356
Supporting services	644,302	-	-	(29,235)	615,067
Management and general	912,203	-	-	(27,427)	884,776
Fundraising	39,482	-	-	(39,482)	-
Other agency administrative support	1,595,987	-	-	(96,144)	1,499,843
Total supporting services	6,797,315	818,568	41,044	(151,728)	7,505,199
Total expenses	298,016	(327,081)	92,200	-	63,135
Change in net assets	1,878,054	12,162,641	119,676	-	14,160,371
Net assets, beginning of year	\$ 2,176,070	\$ 11,835,560	\$ 211,876	\$ -	\$ 14,223,506
Net assets, end of year					