



Financial Statements
June 30, 2020

United Way of Northern Nevada and the Sierra

United Way of Northern Nevada and the Sierra

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Independent Auditor's Report

To the Board of Directors
United Way of Northern Nevada and the Sierra
Reno, Nevada

Report on the Financial Statements

We have audited the accompanying financial statements of United Way of Northern Nevada and the Sierra, a nonprofit organization, which comprise the statement of financial position as of June 30, 2020, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit 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 financial statements are free of 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 the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Opinion

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

Report on Summarized Comparative Information

We have previously audited the 2019 financial statements of United Way of Northern Nevada and the Sierra, a nonprofit organization, and we expressed an unmodified audit opinion on those audited financial statements in our report dated December 18, 2019. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2019 is consistent, in all material respects, with the audited financial statements from which it has been derived.

Report on Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The supplementary information on pages 20-23 is presented for purposes of additional analysis and is not a required part of the 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 financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the 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 financial statements as a whole.



Reno, Nevada
December 18, 2020

United Way of Northern Nevada and the Sierra
Statement of Financial Position
June 30, 2020

	2020	2019 (Memorandum Only)
Assets		
Current Assets		
Cash and cash equivalents	\$ 594,103	\$ 187,081
Pledges receivable, net	201,512	277,069
Prepaid expenses	11,087	17,714
Total current assets	806,702	481,864
Property and Equipment, Net	27,246	32,777
Other Assets		
Cash and Investments - Endowment	274,032	268,666
Total assets	\$ 1,107,980	\$ 783,307
Liabilities and Net Assets		
Current Liabilities		
Paycheck Protection Program loan (PPP)	\$ 92,983	\$ -
Accounts payable	32,451	3,382
Grants payable	-	79,968
Accrued compensated absences and payroll related expenses	48,121	35,388
Due to donor designated agencies	96,091	89,554
Total current liabilities / total liabilities	269,646	208,292
Net Assets		
Without donor restrictions		
Invested in property and equipment	27,246	32,777
Board designated endowment for reserves	127,916	126,345
Operating, undesignated	537,056	227,928
Total net assets without donor restrictions	692,218	387,050
With donor restrictions		
Time-restricted for future periods	-	45,645
Purpose restrictions	50,970	47,174
Perpetual in nature	95,146	95,146
Total net assets with donor restrictions	146,116	187,965
Total net assets	838,334	575,015
Total liabilities and net assets	\$ 1,107,980	\$ 783,307

United Way of Northern Nevada and the Sierra
Statement of Activities
Year Ended June 30, 2020

	2020			2019
	Without Donor Restrictions	With donor Restrictions	Total	Total (Memorandum Only)
Support, Revenue, Gains (Losses) and Reclassifications				
Current campaign contributions				
Contributions	\$ 1,039,558	\$ -	\$ 1,039,558	\$ 1,049,790
Less donor designations	(281,503)	-	(281,503)	(374,259)
Total campaign results for current period	758,055	-	758,055	675,531
Allowance for uncollectible pledges	(50,591)	-	(50,591)	(81,746)
Total campaign revenue	707,464	-	707,464	593,785
Federal grants	4,860	-	4,860	4,951
Other grants	688,096	-	688,096	218,700
In-kind contributions	152,212	-	152,212	-
Investment income	2,255	3,796	6,051	9,080
Other income and reimbursements	28,232	-	28,232	3,605
Administrative fees for amounts raised on behalf of others	5,727	-	5,727	5,308
Net assets released from restrictions	45,645	(45,645)	-	-
Total support, revenue, gains (losses) and reclassifications	1,634,491	(41,849)	1,592,642	835,429
Allocations and Functional Expenses				
Program services				
Community impact projects	424,964	-	424,964	181,069
Direct program costs	658,003	-	658,003	535,381
Total program services	1,082,967	-	1,082,967	716,450
Support services	246,356	-	246,356	253,541
Total expenses	1,329,323	-	1,329,323	969,991
Change in Net Assets	305,168	(41,849)	263,319	(134,562)
Net Assets, Beginning of Year	387,050	187,965	575,015	709,577
Net Assets, End of Year	\$ 692,218	\$ 146,116	\$ 838,334	\$ 575,015

United Way of Northern Nevada and the Sierra
Statement of Functional Expenses
Year Ended June 30, 2020

	2020			2019
	Direct Program	Support Services	Total	Total (Memorandum Only)
Salaries	\$ 307,493	\$ 112,897	\$ 420,390	\$ 449,754
Payroll taxes	24,122	15,516	39,638	36,488
Employee benefits	26,175	7,537	33,712	29,418
Retirement benefits	16,112	7,078	23,190	17,867
Total salaries and related expenses	373,902	143,028	516,930	533,527
Bank fees	1,887	1,817	3,704	3,721
Community impact projects	424,966	-	424,966	181,069
Conferences	3,251	3,709	6,960	7,459
Contract services	19,295	25,702	44,997	52,086
Insurance	3,215	1,494	4,709	4,677
Marketing	31,807	5,693	37,500	16,620
Membership dues	2,227	3,153	5,380	5,540
Miscellaneous	1,097	2,679	3,776	3,654
National dues	8,493	3,947	12,440	12,635
Occupancy	58,262	27,096	85,358	83,650
Postage	758	940	1,698	1,672
Printing and publications	1,337	-	1,337	1,385
Rental and maintenance of equipment	14,483	5,616	20,099	11,064
Software	5,505	6,314	11,819	12,417
Supplies	124,862	2,361	127,223	6,511
Telephone	6,240	2,836	9,076	22,363
Travel	1,380	4,441	5,821	4,836
Total expenses before depreciation	1,082,967	240,826	1,323,793	964,886
Depreciation of property and equipment	-	5,530	5,530	5,105
Total Expenses	<u>\$ 1,082,967</u>	<u>\$ 246,356</u>	<u>\$ 1,329,323</u>	<u>\$ 969,991</u>

United Way of Northern Nevada and the Sierra

Statement of Cash Flows
Year Ended June 30, 2020

	2020	2019 (Memorandum Only)
Operating Activities		
Change in net assets	\$ 263,319	\$ (134,562)
Adjustments to reconcile change in net assets to net cash flows from operating activities		
Depreciation	5,530	5,105
Endowment net investment (return)	5,283	(1,695)
Changes in certain components of working capital		
Pledges receivable, net	75,557	67,199
Prepaid expenses	6,627	5,264
Accounts payable	29,069	1,217
Grants payable	(79,968)	79,968
Accrued compensated absences and payroll related expenses	12,733	2,204
Due to donor designated agencies	6,537	(43,995)
Net cash flows from (used for) operating activities	324,687	(19,295)
Investing Activities		
Purchase of equipment	-	(3,587)
Proceeds from sale of operating investments	-	49,000
(Addition to) withdrawal from endowment	(10,648)	(65,083)
Net cash flows used for investing activities	(10,648)	(19,670)
Financing Activities		
Proceeds from the paycheck protection program loan	92,983	-
Net cash flows from financing activities	92,983	-
Net Change in Cash and Cash Equivalents	407,022	(38,965)
Cash and Cash Equivalents, Beginning of Year	187,081	226,046
Cash and Cash Equivalents, End of Year	\$ 594,103	\$ 187,081

Note 1 - Principal Activity and Summary of Significant Accounting Policies**Principal Activity**

United Way of Northern Nevada and the Sierra (UWNNS) was incorporated in 1961 as a nonprofit corporation in the state of Nevada. UWNNS develops and distributes resources to address human service needs in Northern Nevada and the Lake Tahoe Basin. UWNNS also assesses, on a continuing basis, the community needs for human service programs and deploys financial support so as to maximize resources available to services aimed at the needs of the community.

Comparative Financial Information

The accompanying financial statements include certain prior-year summarized comparative information in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with accounting principles generally accepted in the United States of America (GAAP). Accordingly, such information should be read in conjunction with the UWNNS's audited financial statements for the year ended June 30, 2019, from which the summarized information was derived.

Cash and Cash Equivalents

Cash and cash equivalents include a general checking account, cash invested in treasury reserves, and cash held in certificates of deposit. For purposes of the statement of cash flows, UWNNS considers all highly liquid investments purchased with original maturities of three months or less, which are neither held for nor restricted by donors for long-term purposes, are considered to be cash and cash equivalents. Cash and highly liquid financial instruments restricted to endowments that are perpetual in nature, or other long-term purpose are excluded from this definition.

Cash and cash equivalents held at June 30, 2020 is as follows:

Cash and cash equivalents	\$ 594,103
Cash held in endowments	47,786
	<u>641,889</u>
	<u>\$ 641,889</u>

Investments

Investments consist of time certificates of deposit, money market funds, ETFs and pooled investments that are held by the Community Foundation of Western Nevada that are valued at their fair values in the statement of financial position. Net appreciation or depreciation in the fair value of investments, which consists of realized and unrealized gains or losses on these investments, are reflected in the statement of activities.

Grants Receivable and Deferred Grant Revenue

Grants receivable represent amounts due from grantors for services provided or expenditures incurred and are considered fully collectible. Accordingly, no allowance for doubtful accounts is considered necessary.

Deferred grant revenue represents grants that have been received but not yet expended at year-end.

Contributions and Pledges Receivable

UWNNS conducts an annual fundraising campaign between March 1 and February 28 to raise support for allocation to participating agencies in the subsequent year. Contributions are recognized when the donor makes an unconditional promise to give to UWNNS.

All contributions are considered to be available for use without donor restrictions unless specifically restricted by the donor. Amounts received that are restricted for future periods or are restricted by the donor for specific purposes are reported in the asset class with donor restriction.

When a donor-stipulated time restriction ends, or a purpose restriction is accomplished, the restricted net assets are reclassified to the net asset class without donor restrictions net assets and are reported in the statement of activities as net assets released from restriction.

The UWNNS campaign allows for both corporate designations and individual designations to fields of service in addition to the traditional designations to specific agencies or organizations. All agencies are required to provide UWNNS with documentation of tax-exempt status and compliance with anti-terrorism legislation. Donor designations to specific agencies are not included as revenue or allocations in the accompanying statements of activities. Designations raised from donors in each campaign are recorded as a liability. Designations eventually paid are net of fundraising and administrative costs.

Designations are recorded based on pledges that will be received directly by UWNNS and also by third party processors. The third-party processors will pay the designations directly to the appropriate agencies designated. During the years ended June 30, 2020 and 2019, UWNNS donor designated gifts total \$289,503 and \$374,259, respectively, of which \$48,371 and \$85,006, respectively, was paid by UWNNS.

Donors typically pay total pledges in installments within a twelve-month period. The commencement date of payments will vary among donors. Pledges, therefore, are usually collected within an 18-month cycle (campaign collection cycle). Pledges receivable that are expected to be collected within the campaign collection cycle are recorded at their net realizable value. Pledges receivable collected after the expected period are recorded as net cash flow if material. Conditional promises to give are not included as support until such time as the conditions are substantially met and both the timing and the value of the promise are known with reasonable certainty.

An allowance for uncollectible pledges relating to annual campaigns has been provided based on prior years' experience and expectations of management as to collectability. Campaign pledges prior to the 2017-2018 campaign have been deemed uncollectible and reserved accordingly. However, if any campaign pledges prior to the 2017-2018 campaign are collected, they will be recorded as income in the year received.

Property and Equipment

Property and equipment are recorded at cost or fair market value, if donated. Depreciation is provided for in amounts sufficient to relate the cost of depreciable assets to operations over their estimated service lives of five to thirty-seven years on a straight-line basis.

UWNNS's capitalization policy requires individual assets with an estimated useful life beyond one year to be capitalized if the original cost or fair value at the date of donation exceeds \$1,000.

The carrying values of property and equipment are reviewed for impairment whenever events or circumstances indicate that the carrying value of an asset may not be recoverable from the estimated future cash flows expected to result from its use and eventual disposition. When considered impaired, an impairment loss is recognized to the extent carrying value exceeds the fair value of the asset. There were no indicators of asset impairment during the years ended June 30, 2020 and 2019.

Net Assets

Net assets, revenues, gains, and losses are classified based on the existence or absence of donor or grantor 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 (or certain grantor) restrictions. The governing board has designated, from net assets without donor restrictions, net assets for an operating reserve and board-designated endowment.

Net Assets With Donor Restrictions – Net assets subject to donor (or certain grantor) restrictions. Some donor imposed (or grantor) 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 restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. UWNNS reports contributions restricted by donors 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, depending on the nature of the restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statements of activities as net assets released from restrictions.

At June 30, 2020 and 2019, UWNNS has net assets with donor restrictions which are restricted for specific purposes or specific time totaling \$50,970 and \$92,819, respectively. Of these amounts the donor restrictions which are intended funds to be invested in an endowment with only the income being used for current and future needs were \$50,970 and \$47,174 at June 30, 2020, respectively. Net assets with donor restrictions to be held in perpetuity are detailed in Note 7.

Net Asset Designations

The members of the Board of Directors have designated reserve funds of \$127,916 and \$126,345 for June 30, 2020 and 2019, respectively. The Board members, at their discretion, can revise the intended use of net assets as they deem necessary.

UWNNS has \$27,246 and \$32,777 invested in property and equipment at June 30, 2020 and 2019, respectively.

Revenue and Revenue Recognition

UWNNS recognizes contributions when cash, securities or other assets; an unconditional promise to give; or a notification of a beneficial interest is received. Conditional promises to give - that is, those with a measurable performance or other barrier and a right of return - are not recognized until the conditions on which they depend have been met.

UWNNS has adopted Accounting Standards Update (ASU) No. 2018-08 Not-for-Profit Entities: Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made (Topic 605) as management believes the standard improves the usefulness and understandability of UWNNS's financial reporting.

UWNNS has adopted Accounting Standards Update (ASU) No. 2014-09 – *Revenue from Contracts with Customers (Topic 606)*, as amended, as management believes the standard improves the usefulness and understandability of the Foundation's financial reporting.

Analysis of various provisions of this standard resulted in no significant change in the way UWNNS recognizes revenue, and therefore no changes to the previously issued audited financial statements were required on a retrospective basis. The presentation and disclosures of revenue have been enhanced in accordance with this standard.

Contributed Materials and Services

Contributed materials are reflected as contributions in the accompanying financial statements at their estimated values at the date of receipt. Contributed professional services are recognized if the services received (a) create or enhance long-lived assets or (b) require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation.

A substantial number of volunteers have donated a significant amount of services. The services donated do not meet the criteria for recognition as defined above. Accordingly, the financial statements do not reflect the value of these services. UWNNS's annual fund-raising campaigns are significantly dependent upon the support provided by volunteers. Such volunteers provided approximately 980 and 718 hours of direct services during the years ended June 30, 2020 and 2019, respectively. The value of these volunteer services is estimated to be \$25.43 per hour for June 30, 2020 and 2019, based upon an independent hourly rate estimate from the Independent Sector for the State of Nevada. If these services were included, revenue and program expenses would increase by approximately \$24,921 and \$18,259 for 2020 and 2019, respectively.

Functional Allocation of Expenses

The costs of program and supporting services activities have been summarized on a functional basis in the statements of activities. The statements of functional expenses present the natural classification detail of expenses by function. Accordingly, certain costs have been allocated among the programs and supporting services benefited. The financial statements report certain categories of expenses that are attributed to more than one program or supporting function. Therefore, expenses require allocation on a reasonable basis that is consistently applied. The expenses that are allocated include payroll costs, bank fees, insurance, marketing, occupancy, supplies, telephone and depreciation based upon time and effort.

Income Taxes

UWNNS is organized as a Nevada nonprofit corporation and has been recognized by the IRS as exempt from federal income taxes under IRC Section 501(a) as an organization described in IRC Section 501(c)(3), qualify for the charitable contribution deduction, and has been determined not to be a private foundation. UWNNS is annually required to file a Return of Organization Exempt from Income Tax (Form 990) with the IRS. In addition, UWNNS is subject to income tax on net income that is derived from business activities that are unrelated to their exempt purposes. UWNNS determined that the entity is not subject to unrelated business income tax and has not filed an Exempt Organization Business Income Tax Return (Form 990-T) with the IRS.

Management believes that UWNNS has appropriate support for any tax positions taken affecting its annual filing requirements, and as such, does not have any uncertain tax positions that are material to the financial statements. UWNNS would recognize future accrued interest and penalties related to unrecognized tax benefits and liabilities in income tax expense if such interest and penalties are incurred.

Compensated Absences

UWNNS's policy is to provide for the accumulation of up to 80 hours earned vacation leave which is fully vested when earned. UWNNS recognizes the expenses and liability for compensated absences as the leave is earned. Sick days and other accumulated paid absences are not vested, and therefore, UWNNS recognizes the costs for sick days and other absences when paid.

Use of Estimates

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

Subsequent Events

Subsequent events have been evaluated through December 18, 2020, which represents the date the financial statements were available to be issued. Subsequent events after that date have not been evaluated.

Recent Accounting Guidance

In February 2016, the FASB issued ASU 2016-02 “Leases” which replaces the existing guidance in ASC 840 “Leases”. The standard is effective for fiscal years, and interim periods within those years, beginning after December 15, 2021. This standard requires a dual approach for lessee accounting under which a lessee would account for leases as finance leases or operating leases. Both finance leases and operating leases will result in the lessee recognizing a right-of-use (“ROU”) asset and a corresponding lease liability. For finance leases, the lessee would recognize interest expense and amortization of the ROU asset and for operating leases the lessee would recognize a straight-line total lease expense. UWNNS is currently assessing the impact the adoption of this standard will have on its financial statements and footnote disclosures.

Note 2 - Liquidity

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the statement of financial position date, comprise the following:

	<u>2020</u>	<u>2019</u>
Cash and cash equivalents	\$ 594,103	\$ 187,081
Pledges receivable, net	<u>201,512</u>	<u>277,069</u>
	<u>\$ 795,615</u>	<u>\$ 464,150</u>

Note 3 - Investments and Fair Value

Certain assets are reported at fair value in the financial statements. Fair value is the price that would be received to sell an asset in an orderly transaction in the principal, or most advantageous, market at the measurement date under current market conditions regardless of whether that price is directly observable or estimated using another valuation technique. Inputs used to determine fair value refer broadly to the assumptions that market participants would use in pricing the asset, including assumptions about risk. Inputs may be observable or unobservable. Observable inputs are inputs that reflect the assumptions market participants would use in pricing the asset or liability based on market data obtained from sources independent of the reporting entity. Unobservable inputs are inputs that reflect the reporting entity’s own assumptions about the assumptions market participants would use in pricing the asset based on the best information available. A three-tier hierarchy categorizes the inputs as follows:

Level 1 – Quoted prices (unadjusted) in active markets for identical assets or liabilities that can be accessed at the measurement date. The fair value of money market funds and ETFs are based on quoted market prices when available.

United Way of Northern Nevada and the Sierra

Notes to Financial Statements

June 30, 2020

Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly. These include quoted prices for similar assets or liabilities in active markets, quoted prices for identical or similar assets or liabilities in markets that are not active, inputs other than quoted prices that are observable for the asset or liability, and market-corroborated inputs. The fair values of certificates of deposit for which quoted market prices are not available are valued based on significant other observable inputs namely stated interest rates and accrued interest based on broker estimates. The fair values of these certificates of deposit approximate cost.

Level 3 – Unobservable inputs for the asset or liability. In these situations, inputs are developed using the best information available in the circumstances. The fair value of pooled investments is available and is provided by the investment manager in quarterly statements. Detailed investment holdings are not provided.

The fair value of investments at December 31, 2020 is as follows:

	2020			
	Level 1	Level 2	Level 3	Total
Exchange traded funds	\$ 219,391	\$ -	\$ -	\$ 219,391
Pooled investments	-	-	5,373	5,373
	\$ 219,391	\$ -	\$ 5,373	\$ 224,764
	2019			
	Level 1	Level 2	Level 3	Total
Exchange traded funds	\$ 214,243	\$ -	\$ -	\$ 214,243
Certificates of deposit	-	-	-	-
Pooled investments	-	-	5,490	5,490
	\$ 214,243	\$ -	\$ 5,490	\$ 219,733

Following is a summary of the changes in Level 3 investments for the years ended June 30:

	Pooled Investments	
	2020	2019
Beginning balance	\$ 5,490	\$ 5,490
Net realized and unrealized loss	(117)	-
Ending balance	\$ 5,373	\$ 5,490

Gains and losses (realized and unrealized), interest and dividend income and investment fees are reported net as investment income in the statement of activities.

Note 4 - Pledges Receivable

The following unconditional promises to give are included in pledges receivable at June 30:

	<u>2020</u>	<u>2019</u>
2017-2018 Campaign	\$ -	\$ 98,165
2018-2019 Campaign	52,214	374,433
2019-2020 Campaign	<u>278,446</u>	<u>5,087</u>
	330,660	477,685
Allowance for uncollectible accounts	<u>(129,148)</u>	<u>(200,616)</u>
	<u>\$ 201,512</u>	<u>\$ 277,069</u>

The balance of the net pledges receivable from the current campaigns would be expected to be received over eleven months from the date of the statement of financial position. The balance of the net pledges receivable from the future campaigns would be expected to be received over twenty-three months from the date of the statement of financial position.

Pledges receivable are unsecured and concentrated throughout northern Nevada and the surrounding areas. The ability to collect these pledges may be dependent on economic conditions. Management closely monitors the collection history of large companies and large employee-based pledges as they represent a significant percent of the pledges receivable at June 30, 2020 and 2019.

Note 5 - Property and Equipment

Property and equipment consist of the following at June 30:

	<u>2020</u>	<u>2019</u>
Leasehold improvements	\$ 25,432	\$ 25,432
Equipment	39,765	39,765
Office furniture and fixtures	<u>48,984</u>	<u>48,984</u>
	114,181	114,181
Less: accumulated depreciation	<u>(86,935)</u>	<u>(81,404)</u>
	<u>\$ 27,246</u>	<u>\$ 32,777</u>

Note 6 - Net Assets with Donor Restrictions

Net assets with donor restrictions are available for the following purposes at June 30:

	2020	2019
Net campaign pledges received for subsequent pledge year	\$ -	\$ 45,645

Note 7 - Endowments

UWNNS receives certain contributions from fund raising efforts to an endowment fund to be held in perpetuity. The principal is restricted and may not be expended for operations or programs, nor can it be used as a loan fund to UWNNS or any partner agencies. The principal shall be invested in accordance with the investment objectives, providing for a balanced total return with capital preservation. It is the intent to have the operating costs of UWNNS paid by the investment earnings. When that goal is achieved, all of the campaign proceeds (pledges) will be distributed 100% to programs meeting community needs. UWNNS has funds designated by the Board of Directors to function as endowments. Such endowments are established for a variety of purposes related to UWNNS's operations and collections.

As required by accounting principles generally accepted in the United States of America, net assets associated with endowment funds, including funds designated by the Board of Directors to function as endowments, are classified and reported as net assets without donor restrictions and with donor restriction based solely on the existence or absence of donor-imposed restrictions.

The endowment funds are classified as follows at June 30:

	2020		
	Without Donor Restrictions	With Donor Restrictions	Total
Board designated endowment funds	\$ 127,916	\$ -	\$ 127,916
Donor-restricted endowment funds			
Original donor-restricted gift amount	-	95,146	95,146
Accumulated investment gains	-	50,970	50,970
Total	\$ 127,916	\$ 146,116	\$ 274,032
	2019		
	Without Donor Restrictions	With Donor Restrictions	Total
Board designated endowment funds	\$ 126,346	\$ -	\$ 126,346
Donor-restricted endowment funds			
Original donor-restricted gift amount	-	95,146	95,146
Accumulated investment gains	-	47,174	47,174
Total	\$ 126,346	\$ 142,320	\$ 268,666

United Way of Northern Nevada and the Sierra

Notes to Financial Statements

June 30, 2020

Following is a summary of the changes in endowment fund net assets for the years ended June 30:

	2020		
	Without Donor Restrictions	With Donor Restrictions	Total
Endowment net assets, beginning of year	\$ 126,436	\$ 142,320	\$ 268,756
Contributions	-	-	-
Investment income, net of fees	1,480	3,796	5,276
Endowment net assets, end of year	<u>\$ 127,916</u>	<u>\$ 146,116</u>	<u>\$ 274,032</u>
	2019		
	Without Donor Restrictions	With Donor Restrictions	Total
Endowment net assets, beginning of year	\$ 124,000	\$ 138,282	\$ 262,282
Contributions	-	-	-
Investment income, net of fees	2,436	4,038	6,474
Appropriation for expenditures	-	-	-
Endowment net assets, end of year	<u>\$ 126,436</u>	<u>\$ 142,320</u>	<u>\$ 268,756</u>

Interpretation of Relevant Law

In the absence of explicit donor stipulations to the contrary, the Prudent Management of Institutional Funds Act (Uniform Act) as set forth in Chapter 164 of the Nevada Revised Statutes requires the preservation of the fair value of the gift as of the gift date for net assets with donor restrictions.

As a result of this interpretation, UWNNS classifies as net assets with donor restrictions to be held in perpetuity (a) the original value of gifts donated to the endowment held in perpetuity, (b) the original value of subsequent gifts to the endowment held in perpetuity, and (c) accumulations to the endowment to be held in perpetuity 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 net assets with donor restrictions is classified as net assets with donor restrictions until those amounts are appropriated for expenditure by UWNNS in a manner consistent with the standard of prudence described in Uniform Act.

UWNNS takes into consideration the following factors in its determination to appropriate or accumulate donor-restricted endowment funds in accordance with Uniform Act:

- The duration and preservation of the fund
- The purposes of UWNNS and the donor-restricted endowment funds
- General economic conditions, including the possible effect of inflation and deflation
- The expected total return from income and the appreciation of investments
- Other resources of UWNNS
- From time to time, the fair value of assets associated with individual donor-restricted endowment funds may fall below the level that the donor or Uniform Act requires to be retained as perpetual fund. Such deficiencies are reflected as decreases in without donor restrictions or with donor restricted net assets for the period.

Return Objectives and Risk Parameters

The investment policy includes the review of funds to include short-term, intermediate and long-term objectives. The short-term objectives will emphasize liquidity and safety; the intermediate objectives will emphasize capital preservation; and the long-term objectives will balance total return with capital preservation.

Strategies Employed for Achieving Objectives

To satisfy its long-term rate of return objectives, UWNNS relies on a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends). UWNNS targets a diversified asset allocation plan within prudent risk constraints. The Finance Committee of the Board of Directors reviews this plan periodically with its investment advisors.

Spending Policy and How the Investment Objectives Relate to the Spending Policy

The designated funds have been set aside for future purposes and will be spent at a time the Board deems necessary for the purpose as originally designated. Investment earnings on the permanently restricted endowment funds will be expended when such annual earnings are equal to annual operating costs.

Other Endowments

In addition to the above, an endowment in the amount of \$5,373 is held with the Community Foundation of Western Nevada for the benefit of UWNNS as a donor advised fund and is properly not included on UWNNS's financial statements in accordance with generally accepted accounting principles.

Note 8 - Pension Plan

UWNNS contributes to the Fidelity Simplified Employee Pension Plan Individual Retirement Account, which covers substantially all employees. Contributions by UWNNS are fully vested to the employees on the contribution date. For the years ended June 30, 2020 and 2019, UWNNS contributed \$22,049 and \$17,867, respectively, to the plan.

Note 9 - Operating Leases

UWNNS leases certain equipment under agreements that are classified as operating leases. The agreements expire at various times through March 2022. In addition, UWNNS entered into an operating lease in February 2017 to rent office space for \$6,497 per month with annual escalation clauses through January 2022. Rent expense totaled \$83,874 and \$82,214 for the years ended June 30, 2020 and 2019, respectively. Future minimum rental payments on the above noncancelable operating leases are the following:

<u>Years Ending June 30,</u>		
2021	\$	91,472
2022		54,922

Note 10 - Concentration of Credit Risk

UWNNS's cash balances are maintained in one financial institution in which the bank accounts are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000. At June 30, 2020 UWNNS's bank balances exceeded insurance limits by \$101,558.

Note 11 - Contingencies

Self-Insured State Unemployment Tax

UWNNS is self-insured for state unemployment tax and participates in the 501(c) Agencies Trust (Trust). No annual deposit was required for the program year ended June 30, 2020. The Trust seeks to reduce the loss that may occur and maintains reinsurance for claims in excess of approximately \$10,000 as of June 30, 2020. The fact that the Trust maintains excess insurance does not change the fact that the primary liability for unemployment remains with UWNNS. At June 30, 2020 and 2019, UWNNS has \$6,089 and \$12,217, respectively, in trust reserve to cover the liability and this amount is reflected as prepaid expenses in the accompanying financial statements.

During 2020, the world-wide coronavirus pandemic impacted national and global economies. UWNNS is closely monitoring its operations, liquidity and capital resources and is actively working to minimize the current and future impact of this unprecedented situation. As of the date of issuance of these financial statements, the current and future full impact to UWNNS is not known.

Note 12 - Paycheck Protection Program (PPP) Loan

UWNNS was granted a \$92,983 loan under the PPP administered by a Small Business Administration (SBA) approved partner. The loan is uncollateralized and is fully guaranteed by the Federal government. UWNNS is eligible for loan forgiveness of up to 100% of the loan, upon meeting certain requirements. UWNNS has recorded a note payable and will record the forgiveness upon being legally released from the loan obligation by the SBA. No forgiveness income has been recorded for the year ended June 30, 2020. UWNNS will be required to repay any remaining balance, plus interest accrued at 1 percent in monthly payments commencing in November 29, 2020, principal and interest payments will be required through the maturity date April 20, 2020. UWNNS expects to receive 100% loan forgiveness.



Supplementary Information
June 30, 2020

United Way of Northern Nevada and the Sierra

United Way of Northern Nevada and the Sierra

Direct Program Costs
Year Ended June 30, 2020

	2020			2019
	Education Engagement	Community Impact Giving	Total	Total (Memorandum Only)
Salaries	\$ 78,648	\$ 228,845	\$ 307,493	\$ 314,756
Payroll taxes	6,374	17,748	24,122	24,793
Employee benefits	7,313	18,862	26,175	22,562
Retirement benefits	5,772	10,340	16,112	12,237
Total salaries and related expenses	98,107	275,795	373,902	374,348
Bank fees	553	1,334	1,887	1,297
Community impact projects	-	424,966	424,966	181,069
Conferences	1,509	1,742	3,251	4,819
Contract services	7,743	11,552	19,295	36,008
Insurance	942	2,273	3,215	3,142
Marketing	2,297	29,510	31,807	11,653
Membership dues	1,186	1,041	2,227	2,421
Miscellaneous	94	1,003	1,097	1,437
National dues	2,488	6,005	8,493	8,716
Occupancy	17,062	41,200	58,262	57,302
Postage	222	536	758	569
Printing and publications	1,337	-	1,337	-
Rental and maintenance of equipment	3,173	11,310	14,483	6,507
Software	1,572	3,933	5,505	5,947
Supplies	406	124,456	124,862	2,992
Telephone	1,828	4,412	6,240	15,410
Travel	402	978	1,380	2,813
Total expenses before depreciation	140,921	942,046	1,082,967	716,450
Depreciation of property and equipment	-	-	-	-
Total Expenses	\$ 140,921	\$ 942,046	\$ 1,082,967	\$ 716,450

United Way of Northern Nevada and the Sierra

Support Services Expenses

Year Ended June 30, 2020

	2020			2019
	Accountability Operations	Resource Development	Total	Total (Memorandum Only)
Salaries	\$ 45,648	\$ 67,249	\$ 112,897	\$ 134,998
Payroll taxes	9,999	5,517	15,516	11,695
Employee benefits	3,180	4,357	7,537	6,856
Retirement benefits	3,763	3,315	7,078	5,630
Total salaries and related expenses	62,590	80,438	143,028	159,179
Bank fees	1,121	696	1,817	2,424
Conferences	1,264	2,445	3,709	2,640
Contract services	20,433	5,269	25,702	16,078
Insurance	448	1,046	1,494	1,535
Marketing	2,765	2,928	5,693	4,967
Membership dues	2,319	834	3,153	3,119
Miscellaneous	1,669	1,010	2,679	2,217
National dues	1,183	2,764	3,947	3,919
Occupancy	8,124	18,972	27,096	26,348
Postage	106	834	940	1,103
Printing and publications	-	-	-	1,385
Rental and maintenance of equipment	2,013	3,603	5,616	4,557
Software	1,929	4,385	6,314	6,470
Supplies	419	1,942	2,361	3,519
Telephone	805	2,031	2,836	6,953
Travel	2,533	1,908	4,441	2,023
Total expenses before depreciation	109,721	131,105	240,826	248,436
Depreciation of property and equipment	5,530	-	5,530	5,105
Total Expenses	\$ 115,251	\$ 131,105	\$ 246,356	\$ 253,541

United Way of Northern Nevada and the Sierra

Campaign Results

Year Ended June 30, 2020

Campaign Results

Current year campaign results

\$ 1,039,558

Donor designations

(281,503)

Undesignated campaign contributions

\$ 758,055

United Way of Northern Nevada and the Sierra
 Functional Expenses (Overhead) Calculation
 Year Ended June 30, 2020

	Amount	Percent
Allocations and Functional Expenses		
Allocations and community services		
Funds allocated to community agencies	\$ 424,964	26.4%
Funds allocated through donor designations	281,503	17.5%
Direct program costs	658,003	40.8%
Total allocations and community services	1,364,470	84.7%
Support expenses		
Fund raising	128,341	8.0%
Management and general	114,068	7.1%
Dues to United Way of America	3,947	0.2%
Total overhead expenses	246,356	15.3%
Total allocations and functional expenses	\$ 1,610,826	100.0%