



Financial Statements
June 30, 2021

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, 2021, 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, 2021, 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 2020 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, 2020. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2020 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 18-21 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 6, 2021

United Way of Northern Nevada and the Sierra

Statement of Financial Position

June 30, 2021

(with comparative totals for June 30, 2021)

	2021	2020
Assets		
Current Assets		
Cash and cash equivalents	\$ 295,048	\$ 594,103
Pledges receivable, net	336,002	201,512
Prepaid expenses	14,974	11,087
Total current assets	646,024	806,702
Property and Equipment, Net	28,762	27,246
Other Assets		
Cash and Investments - Endowment	304,936	274,032
Total assets	\$ 979,722	\$ 1,107,980
Liabilities and Net Assets		
Current Liabilities		
Paycheck Protection Program refundable advance (PPP)	\$ -	\$ 92,983
Accounts payable	7,613	32,451
Accrued compensated absences and payroll related expenses	43,041	48,121
Due to donor designated agencies	116,640	96,091
Total current liabilities / total liabilities	167,294	269,646
Net Assets		
Without donor restrictions		
Invested in property and equipment	28,762	27,246
Board designated endowment for reserves	133,728	127,916
Operating, undesignated	462,611	537,056
Total net assets without donor restrictions	625,101	692,218
With donor restrictions		
Time-restricted for future periods	16,119	-
Purpose restrictions	76,062	50,970
Perpetual in nature	95,146	95,146
Total net assets with donor restrictions	187,327	146,116
Total net assets	812,428	838,334
Total liabilities and net assets	\$ 979,722	\$ 1,107,980

United Way of Northern Nevada and the Sierra

Statement of Activities

Year Ended June 30, 2021

(with comparative totals for year ended June 30, 2021)

	2021		2020	
	Without Donor Restrictions	With Donor Restrictions	Total	Total
Support, Revenue, Gains (Losses) and Reclassifications				
Current campaign contributions				
Contributions	\$ 1,098,397	\$ 16,119	\$ 1,114,516	\$ 1,039,558
Less donor designations	(326,706)	-	(326,706)	(281,503)
Total campaign results for current period	771,691	16,119	787,810	758,055
Allowance for uncollectible pledges	(88,179)	-	(88,179)	(50,591)
Total campaign revenue	683,512	16,119	699,631	707,464
Federal grants	27,419	-	27,419	4,860
Other grants	274,805	-	274,805	688,096
Paycheck Protection Program income	92,983	-	92,983	-
In-kind contributions	172,017	-	172,017	152,212
Investment income	6,878	31,976	38,854	6,051
Other income and reimbursements	47,630	-	47,630	28,232
Administrative fees for amounts raised on behalf of others	5,881	-	5,881	5,727
Net assets released from restrictions	6,884	(6,884)	-	-
Total support, revenue, gains (losses) and reclassifications	1,318,009	41,211	1,359,220	1,592,642
Allocations and Functional Expenses				
Program services				
Community impact projects	352,387	-	352,387	424,964
Direct program costs	818,673	-	818,673	658,003
Total program services	1,171,060	-	1,171,060	1,082,967
Support services	214,066	-	214,066	246,356
Total expenses	1,385,126	-	1,385,126	1,329,323
Change in Net Assets	(67,117)	41,211	(25,906)	263,319
Net Assets, Beginning of Year	692,218	146,116	838,334	575,015
Net Assets, End of Year	\$ 625,101	\$ 187,327	\$ 812,428	\$ 838,334

United Way of Northern Nevada and the Sierra

Statement of Functional Expenses

Year Ended June 30, 2021

(with comparative totals for year ended June 30, 2021)

	2021			2020
	Direct Program	Support Services	Total	Total
Salaries	\$ 423,680	\$ 77,644	\$ 501,324	\$ 420,390
Payroll Taxes	31,814	6,707	38,521	39,638
Employee Benefits	29,950	11,328	41,278	33,712
Retirement Benefits	16,000	5,525	21,525	23,190
Total salaries and related expenses	501,444	101,204	602,648	516,930
Bank Fees	1,434	1,264	2,698	3,704
Community Impact Projects	352,387	-	352,387	424,966
Conferences	2,327	6,519	8,846	6,960
Contract Services	32,392	28,010	60,402	44,997
Insurance	3,144	1,612	4,756	4,709
Marketing	17,528	359	17,887	37,500
Membership Dues	2,520	4,105	6,625	5,380
Miscellaneous	122	10,620	10,742	3,776
National Dues	11,399	6,138	17,537	12,440
Occupancy	58,514	30,807	89,321	85,358
Postage	1,431	1,524	2,955	1,698
Printing and Publications	229	1,768	1,997	1,337
Rental and Maintenance of Equipment	9,097	4,773	13,870	20,099
Software	2,038	6,158	8,196	11,819
Supplies	172,542	2,023	174,565	127,223
Telephone	1,096	561	1,657	9,076
Travel	1,416	1,447	2,863	5,821
Total expenses before depreciation	1,171,060	208,892	1,379,952	1,323,793
Depreciation of Property and Equipment	-	5,174	5,174	5,530
Total Expenses	\$ 1,171,060	\$ 214,066	\$ 1,385,126	\$ 1,329,323

United Way of Northern Nevada and the Sierra

Statement of Cash Flows

Year Ended June 30, 2021

(with comparative totals for year ended June 30, 2021)

	2021	2020
Operating Activities		
Change in net assets	\$ (25,906)	\$ 263,319
Adjustments to reconcile change in net assets to net cash flows from operating activities		
Depreciation	5,174	5,530
Endowment net investment (return)	(32,122)	5,283
Forgiveness of payroll protection plan loan	(92,983)	-
Changes in certain components of working capital		
Pledges receivable, net	(134,490)	75,557
Prepaid expenses	(3,887)	6,627
Accounts payable	(24,838)	29,069
Grants payable	-	(79,968)
Accrued compensated absences and payroll related expenses	(5,080)	12,733
Due to donor designated agencies	20,549	6,537
Net Cash Flows from (used for) Operating Activities	(293,583)	324,687
Investing Activities		
Purchase of equipment	(6,690)	-
(Addition to) withdrawal from endowment	1,218	(10,648)
Net Cash Flows used for Investing Activities	(5,472)	(10,648)
Financing Activities		
Payment for the paycheck protection program loan	-	92,983
Net Cash Flows from (used for) Financing Activities	-	92,983
Net Change in Cash and Cash Equivalents	(299,055)	407,022
Cash and Cash Equivalents, Beginning of Year	594,103	187,081
Cash and Cash Equivalents, End of Year	\$ 295,048	\$ 594,103

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, 2020, 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, 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.

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.

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 charged, if applicable.

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 year ended June 30, 2021, UWNNS donor designated gifts total \$326,706, of which \$110,440 was paid by UWNNS during the year ended June 30, 2021.

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 year ended June 30, 2021.

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 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.

As of June 30, 2021, UWNNS has net assets with donor restrictions which are restricted for specific purposes or specific time totaling \$99,065. Of this amount the donor restrictions which are intended funds to be invested in an endowment with only the income being used for current and future needs was \$95,146 as of June 30, 2021. 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 \$133,728 for June 30, 2021. The Board members, at their discretion, can revise the intended use of net assets as they deem necessary.

UWNNS has \$28,762 invested in property and equipment at June 30, 2021.

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.

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 6,398 hours of direct services during the year ended June 30, 2021. The value of these volunteer services is estimated to be \$27.20 per hour for June 30, 2021, 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 \$174,025 for 2021.

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), qualifies 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.

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 6, 2021, 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 and Availability

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:

Cash and cash equivalents	\$ 295,048
Cash held in endowments	<u>51,103</u>
	<u>\$ 346,151</u>

As part of UWNNS’s liquidity management plan, they invest cash in excess of daily requirements in short-term investments, CDs, and money market funds. Board designated amounts are considered not currently available; however, the board could change the designation of those at their discretion.

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.

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 June 30, 2021 is as follows:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Exchange traded funds	<u>\$ 253,833</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 253,833</u>

At year end June 30, 2020, UWNNS had a balance of \$0 in Level 3 investments. The following is a summary of the changes in Level 3 investments for the year ended June 30, 2021:

	<u>Pooled Investments</u>
Beginning balance	\$ 5,373
Transfer	<u>(5,373)</u>
Ending balance	<u>\$ -</u>

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, 2021:

2018-2019 Campaign	\$ 72,156
2019-2020 Campaign	74,064
2020-2021 Campaign	<u>406,918</u>
	553,138
Allowance for uncollectible accounts	<u>(217,136)</u>
	<u><u>\$ 336,002</u></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, 2021 and 2020.

Note 5 - Property and Equipment

Property and equipment consist of the following at June 30, 2021:

Leasehold improvements	\$ 25,432
Equipment	46,455
Office furniture and fixtures	<u>48,984</u>
	120,871
Less: accumulated depreciation	<u>(92,109)</u>
	<u><u>\$ 28,762</u></u>

Note 6 - Net Assets with Donor Restrictions

Net assets with donor restrictions are available for the following purposes at June 30, 2021:

Time restriction		
Net campaign pledges received for subsequent pledge year	\$	16,119
Purpose restriction		
Accumulated investment gains for endowment		<u>76,062</u>
	<u>\$</u>	<u>92,181</u>

Note 7 - Endowments

UWNNS receives certain contributions from fundraising 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, 2021:

	Without Donor Restrictions	With Donor Restrictions	Total
Board designated endowment funds	\$ 133,728	\$ -	\$ 133,728
Donor-restricted endowment funds			
Original donor-restricted gift amount	-	95,146	95,146
Accumulated investment gains	-	<u>82,946</u>	<u>82,946</u>
	<u>\$ 133,728</u>	<u>\$ 178,092</u>	<u>\$ 311,820</u>

Following is a summary of the changes in endowment fund net assets for the years ended June 30, 2021:

	Without Donor Restrictions	With Donor Restrictions	Total
Endowment net assets, beginning of year	\$ 127,916	\$ 146,116	\$ 274,032
Contributions	-	-	-
Investment income, net of fees	5,812	31,976	37,788
Endowment net assets, end of year	<u>\$ 133,728</u>	<u>\$ 178,092</u>	<u>\$ 311,820</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.

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 year ended June 30, 2021, UWNNS contributed \$21,525.

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 rate per month with annual escalation clauses through January 2022. Rent expense totaled \$87,946 for the year ended June 30, 2021. Future minimum rental payments on the above noncancelable operating leases are \$54,922 for the year ended June 30, 2022.

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, 2021, UWNNS's bank balances exceeded insurance limits by \$45,048.

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, 2021. 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, 2021. 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, 2021, UWNNS has \$6,887 in trust reserve to cover the liability and this amount is reflected as prepaid expenses in the accompanying financial statements.

Uncertainties

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 was uncollateralized and fully guaranteed by the Federal government. The Organization initially recorded the loan as a refundable advance and recorded the forgiveness in accordance with guidance for conditional contributions when there was no longer a measurable performance or other barrier and a right to return of the PPP loan. Proceeds from the loan were used for certain payroll, rent, and utility expenses. UWNNS received 100% forgiveness and recorded contribution revenue for the year ended June 30, 2021 for \$92,983.



Supplementary Information
June 30, 2021

United Way of Northern Nevada and the Sierra

United Way of Northern Nevada and the Sierra

Direct Program Costs
Year Ended June 30, 2021

	2021			2020
	Education Engagement	Community Impact Giving	Total	Total
Salaries	\$ 92,992	\$ 330,688	\$ 423,680	\$ 307,493
Payroll Taxes	7,359	24,455	31,814	24,122
Employee Benefits	4,358	25,592	29,950	26,175
Retirement Benefits	6,000	10,000	16,000	16,112
Total salaries and related expenses	110,709	390,735	501,444	373,902
Bank Fees	391	1,043	1,434	1,887
Community Impact Projects	-	352,387	352,387	424,966
Conferences	796	1,531	2,327	3,251
Contract Services	23,681	8,711	32,392	19,295
Insurance	838	2,306	3,144	3,215
Marketing	318	17,210	17,528	31,807
Membership Dues	713	1,807	2,520	2,227
Miscellaneous	33	89	122	1,097
National dues	2,876	8,523	11,399	8,493
Occupancy	15,154	43,360	58,514	58,262
Postage	701	730	1,431	758
Printing and Publications	229	-	229	1,337
Rental and Maintenance of Equipment	2,244	6,853	9,097	14,483
Software	743	1,295	2,038	5,505
Supplies	560	171,982	172,542	124,862
Telephone	292	804	1,096	6,240
Travel	289	1,127	1,416	1,380
Total expenses before depreciation	160,567	1,010,493	1,171,060	1,082,967
Depreciation of Property and Equipment	-	-	-	-
Total Expenses	<u>\$ 160,567</u>	<u>\$ 1,010,493</u>	<u>\$ 1,171,060</u>	<u>\$ 1,082,967</u>

United Way of Northern Nevada and the Sierra

Support Services Expenses

Year Ended June 30, 2021

	2021			2020
	Accountability Operations	Resource Development	Total	Total
Salaries	\$ 35,633	\$ 42,011	\$ 77,644	\$ 112,897
Payroll Taxes	3,295	3,412	6,707	15,516
Employee Benefits	3,994	7,334	11,328	7,537
Retirement Benefits	2,694	2,831	5,525	7,078
Total salaries and related expenses	45,616	55,588	101,204	143,028
Bank Fees	227	1,037	1,264	1,817
Conferences	5,596	923	6,519	3,709
Contract Services	20,260	7,750	28,010	25,702
Insurance	512	1,100	1,612	1,494
Marketing	117	242	359	5,693
Membership Dues	2,421	1,684	4,105	3,153
Miscellaneous	10,573	47	10,620	2,679
National Dues	1,999	4,139	6,138	3,947
Occupancy	9,919	20,888	30,807	27,096
Postage	161	1,363	1,524	940
Printing and Publications	-	1,768	1,768	-
Rental and Maintenance of Equipment	1,555	3,218	4,773	5,616
Software	510	5,648	6,158	6,314
Supplies	382	1,641	2,023	2,361
Telephone	178	383	561	2,836
Travel	-	1,447	1,447	4,441
Total expenses before depreciation	100,026	108,866	208,892	240,826
Depreciation of Property and Equipment	5,174	-	5,174	5,530
Total Expenses	\$ 105,200	\$ 108,866	\$ 214,066	\$ 246,356

United Way of Northern Nevada and the Sierra

Campaign Results

Year Ended June 30, 2021

Campaign Results

Current year campaign results

\$ 1,114,516

Donor designations

(326,706)

Undesignated campaign contributions

\$ 787,810

United Way of Northern Nevada and the Sierra
 Functional Expenses (Overhead) Calculation
 Year Ended June 30, 2021

	Amount	Percent
Allocations and Functional Expenses		
Allocations and community services		
Funds allocated to community agencies	\$ 352,387	20.6%
Funds allocated through donor designations	326,706	19.1%
Direct program costs	818,673	47.8%
Total allocations and community services	1,497,766	87.5%
Support expenses		
Fund raising	104,727	6.1%
Management and general	103,201	6.0%
Dues to United Way of America	6,138	0.4%
Total overhead expenses	214,066	12.5%
Total allocations and functional expenses	\$ 1,711,832	100.0%