

**UNITED WAY OF SUMNER COUNTY
FINANCIAL STATEMENTS
JUNE 30, 2020 AND 2019**

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JUNE 30, 2020 AND 2019**

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Independent Auditor's Report

Board of Directors
United Way of Sumner County

Report on the Financial Statements

We have audited the accompanying financial statements of United Way of Sumner County (a not-for-profit corporation), which comprise the statement of financial position as of June 30, 2020, 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.

Auditor's 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 from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

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

Other Matter

The financial statements of United Way of Sumner County, as of and for the year ended June 30, 2019, were audited by other auditors, whose report, dated September 12, 2019, expressed an unmodified opinion on those statements.

Blankenship CPA Group, PLLC

Blankenship CPA Group, PLLC
Goodlettsville, Tennessee
September 8, 2020

**UNITED WAY OF SUMNER COUNTY
STATEMENTS OF FINANCIAL POSITION
JUNE 30, 2020 AND 2019**

	2020	2019
Assets		
Cash	\$ 393,113	\$ 353,445
Investments	23,605	23,029
Pledges receivable, net of allowance of \$71,900 and \$63,881, respectively	275,949	323,318
Prepaid expenses	1,483	1,390
Furniture and equipment, net	4,258	959
Deposits	1,200	1,200
Total assets	\$ 699,608	\$ 703,341
Liabilities		
Allocations to agencies	\$ 537,585	\$ 553,375
Accrued expenses	8,623	7,318
Note payable	35,000	-
Total liabilities	581,208	560,693
Net Assets		
Net assets (deficit) without donor restrictions		
Undesignated	(368)	23,353
Board-designated	87,857	87,776
Total net assets (deficit) without donor restrictions	87,489	111,129
Net assets with donor restrictions	30,911	31,519
Total net assets	118,400	142,648
Total liabilities and net assets	\$ 699,608	\$ 703,341

See notes to financial statements.

**UNITED WAY OF SUMNER COUNTY
STATEMENTS OF ACTIVITIES
FOR THE YEARS ENDED JUNE 30, 2020 AND 2019**

	<u>2020</u>			<u>2019</u>		
	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Public Support and Revenue						
Gross campaign results	\$ 794,953	\$ 44,464	\$ 839,417	\$ 812,139	\$ 11,149	\$ 823,288
Less donor designations	(120,286)	-	(120,286)	(125,720)	-	(125,720)
Less provision for uncollectible accounts	(61,575)	-	(61,575)	(69,322)	-	(69,322)
Net campaign revenues	<u>613,092</u>	<u>44,464</u>	<u>657,556</u>	<u>617,097</u>	<u>11,149</u>	<u>628,246</u>
Special events	61,643	-	61,643	56,661	-	56,661
In-kind contributions	47,082	-	47,082	33,064	-	33,064
Designations from other United Ways, net of fees of \$8,627 and \$7,113, respectively	29,688	-	29,688	29,017	-	29,017
Service fees	7,930	-	7,930	6,191	-	6,191
Other contributions	8,280	-	8,280	13,103	-	13,103
Interest income	1,522	-	1,522	1,580	-	1,580
Release of restrictions	<u>45,072</u>	<u>(45,072)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total support and revenue	<u>814,309</u>	<u>(608)</u>	<u>813,701</u>	<u>756,713</u>	<u>11,149</u>	<u>767,862</u>
Program Services						
Allocations and designations to agencies	616,529	-	616,529	585,678	-	585,678
Less donor designations	(120,286)	-	(120,286)	(125,720)	-	(125,720)
Net allocations and designations to agencies	<u>496,243</u>	<u>-</u>	<u>496,243</u>	<u>459,958</u>	<u>-</u>	<u>459,958</u>
Allocations and designations - other costs	30,000	-	30,000	26,826	-	26,826
Community building	61,558	-	61,558	57,654	-	57,654
Total program services	<u>587,801</u>	<u>-</u>	<u>587,801</u>	<u>544,438</u>	<u>-</u>	<u>544,438</u>
Supporting Services						
Management and general	126,014	-	126,014	118,086	-	118,086
Campaign development	124,134	-	124,134	106,525	-	106,525
Total supporting services	<u>250,148</u>	<u>-</u>	<u>250,148</u>	<u>224,611</u>	<u>-</u>	<u>224,611</u>
Total costs and expenses	<u>837,949</u>	<u>-</u>	<u>837,949</u>	<u>769,049</u>	<u>-</u>	<u>769,049</u>
Change in Net Assets	(23,640)	(608)	(24,248)	(12,336)	11,149	(1,187)
Net assets - Beginning of Year	<u>111,129</u>	<u>31,519</u>	<u>142,648</u>	<u>123,465</u>	<u>20,370</u>	<u>143,835</u>
Net assets - End of Year	<u>\$ 87,489</u>	<u>\$ 30,911</u>	<u>\$ 118,400</u>	<u>\$ 111,129</u>	<u>\$ 31,519</u>	<u>\$ 142,648</u>

See notes to financial statements.

**UNITED WAY OF SUMNER COUNTY
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2020**

	Program Services			Supporting Services			Total
	Allocations and Designations	Community Building	Total Program Services	Management and General	Campaign Development	Total Supporting Services	
Salaries	\$ 17,488	\$ 20,985	\$ 38,473	\$ 73,448	\$ 62,956	\$ 136,404	\$ 174,877
Payroll taxes	1,355	1,626	2,981	5,688	4,877	10,565	13,546
Employee benefits	1,827	2,192	4,019	7,672	6,576	14,248	18,267
Total personnel costs	20,670	24,803	45,473	86,808	74,409	161,217	206,690
Days of Action							
Stuff the Bus	-	19,497	19,497	-	-	-	19,497
Coat drive	-	1,506	1,506	-	-	-	1,506
Community leadership	-	4,048	4,048	-	-	-	4,048
Total Days of Action	-	25,051	25,051	-	-	-	25,051
Printing and promotional	-	100	100	104	15,781	15,885	15,985
Occupancy	3,311	3,973	7,284	13,906	11,920	25,826	33,110
Professional services	1,830	2,196	4,026	7,686	6,588	14,274	18,300
Travel and training	26	97	123	74	428	502	625
Dues to United Way Worldwide and others	1,231	1,477	2,708	5,171	4,432	9,603	12,311
Maintenance, equipment rental and other contracts	1,146	1,375	2,521	4,812	4,125	8,937	11,458
Business insurance	589	707	1,296	2,476	2,122	4,598	5,894
Office expense	988	1,186	2,174	4,149	3,557	7,706	9,880
Meetings and events	16	361	377	15	76	91	468
Total other operating expenses	29,807	61,326	91,133	125,201	123,438	248,639	339,772
Depreciation of property and equipment	193	232	425	813	696	1,509	1,934
Total operating expenses	30,000	61,558	91,558	126,014	124,134	250,148	341,706
Net allocations and designations	496,243	-	496,243	-	-	-	496,243
Total	\$ 526,243	\$ 61,558	\$ 587,801	\$ 126,014	\$ 124,134	\$ 250,148	\$ 837,949

See notes to financial statements.

**UNITED WAY OF SUMNER COUNTY
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2019**

	Program Services			Supporting Services			Total
	Allocations and Designations	Community Building	Total Program Services	Management and General	Campaign Development	Total Supporting Services	
Salaries	\$ 15,018	\$ 20,029	\$ 35,047	\$ 65,921	\$ 57,138	\$ 123,059	\$ 158,106
Payroll taxes	1,175	1,567	2,742	5,159	4,472	9,631	12,373
Employee benefits	1,619	2,159	3,778	7,106	6,159	13,265	17,043
Total personnel costs	<u>17,812</u>	<u>23,755</u>	<u>41,567</u>	<u>78,186</u>	<u>67,769</u>	<u>145,955</u>	<u>187,522</u>
Days of Action							
Stuff the Bus	-	6,287	6,287	-	-	-	6,287
Coat drive	-	5,530	5,530	-	-	-	5,530
Community leadership	-	7,231	7,231	-	-	-	7,231
Total Days of Action	<u>-</u>	<u>19,048</u>	<u>19,048</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>19,048</u>
Printing and promotional	-	2,352	2,352	234	4,585	4,819	7,171
Occupancy	3,122	4,164	7,286	13,705	11,879	25,584	32,870
Professional services	1,956	2,608	4,564	8,585	7,442	16,027	20,591
Travel and training	14	269	283	259	-	259	542
Dues to United Way Worldwide and others	1,204	1,606	2,810	5,285	4,581	9,866	12,676
Maintenance, equipment rental and other contracts	915	1,221	2,136	4,018	3,483	7,501	9,637
Business insurance	625	834	1,459	2,746	2,380	5,126	6,585
Office expense	969	1,290	2,259	4,252	3,685	7,937	10,196
Meetings and events	30	268	298	31	41	72	370
Total other operating expenses	<u>26,647</u>	<u>57,415</u>	<u>84,062</u>	<u>117,301</u>	<u>105,845</u>	<u>223,146</u>	<u>307,208</u>
Depreciation of property and equipment	<u>179</u>	<u>239</u>	<u>418</u>	<u>785</u>	<u>680</u>	<u>1,465</u>	<u>1,883</u>
Total operating expenses	<u>26,826</u>	<u>57,654</u>	<u>84,480</u>	<u>118,086</u>	<u>106,525</u>	<u>224,611</u>	<u>309,091</u>
Net allocations and designations	<u>459,958</u>	<u>-</u>	<u>459,958</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>459,958</u>
Total	<u><u>\$ 486,784</u></u>	<u><u>\$ 57,654</u></u>	<u><u>\$ 544,438</u></u>	<u><u>\$ 118,086</u></u>	<u><u>\$ 106,525</u></u>	<u><u>\$ 224,611</u></u>	<u><u>\$ 769,049</u></u>

See notes to financial statements.

**UNITED WAY OF SUMNER COUNTY
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED JUNE 30, 2020 AND 2019**

	<u>2020</u>	<u>2019</u>
Cash flows from operating activities		
Change in net assets	\$ (24,248)	\$ (1,187)
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities:		
Depreciation	1,934	1,883
Increase in provision for uncollectible accounts	(8,019)	2,150
Change in assets and liabilities:		
Pledges receivable	55,388	58,058
Prepaid expenses	(93)	47
Allocations to agencies	(15,790)	(78,608)
Accrued expenses	1,305	(134)
	<u>10,477</u>	<u>(17,791)</u>
Net cash provided (used) by operating activities		
Cash flows from investing activities		
Purchase of furniture and equipment	(5,233)	-
Interest income re-invested in certificates of deposit	(576)	(562)
	<u>(5,809)</u>	<u>(562)</u>
Net cash used by investing activities		
Cash flows from financing activities		
Proceeds from note payable	35,000	-
	<u>35,000</u>	<u>-</u>
Net cash provided by investing activities		
Net increase (decrease) in cash	39,668	(18,353)
Cash - beginning of year	<u>353,445</u>	<u>371,798</u>
Cash - end of year	<u>\$ 393,113</u>	<u>\$ 353,445</u>

See notes to financial statements.

**UNITED WAY OF SUMNER COUNTY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020 AND 2019**

Note 1 – Nature of Activities

The United Way of Sumner County (the Organization) adopted by-laws in April 1985. Its purpose is to bring together in one united appeal all possible contribution campaigns of the community's health, welfare and educational agencies. Additionally, the Organization is committed to deploy financial support to agencies, to maximize resources available for services aimed at the most urgent needs of the community, to muster community support and commitment and to manage its operation effectively. A campaign is held annually for contributions from donors in Sumner County which are then allocated as support to partner agencies and other charities in Sumner County based on the recommendation of a volunteer allocation committee.

The volunteer Board of Directors is the governing body to which management is accountable.

Note 2 – Summary of Significant Accounting Policies

Basis of Accounting

The financial statements have been prepared using the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America (GAAP).

Financial Statement Presentation

Financial statement presentation is reported in accordance with the Financial Accounting Standards Board (FASB) Accounting Standards Codification for *Presentation of Financial Statements, Not-For-Profit Entities*. Under those provisions, net assets and revenues, gains, and losses are classified based on the absence or existence and nature of donor-imposed restrictions as follows:

Net Assets Without Donor Restrictions: Net assets that are not subject to donor imposed restrictions and may be expended for any purpose in performing the primary objectives of the organization. These net assets may be used at the discretion of the Organization's management and the board of directors.

Net Assets With Donor Restrictions: Net assets subject to stipulations imposed by donors and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of the Organization or by the passage of time. Other donor restrictions are perpetual in nature, where by the donor has stipulated the funds be maintained in perpetuity.

Donor restricted contributions are reported as increases in net assets with donor restrictions. When a restriction expires, net assets are released from restrictions and reclassified from net assets with donor restrictions to net assets without donor restrictions in the statement of activities.

Estimates

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

Contributions, Pledges Receivable and Campaign Expenses

Contributions received are recorded as net assets without donor restrictions or net assets with donor restrictions, depending on the existence and/or nature of any donor restrictions. A contribution is conditional if an agreement includes a barrier that must be overcome and either a right to return of asset transferred or a right of release of a promisor's obligation to transfer assets exist. The presence of both a barrier and a right of return or right of release indicates that a recipient is not entitled to the contribution until it has overcome the barrier(s) in the agreement. Conditional promises to give are not recognized until the barrier(s) in the agreement are overcome.

Campaigns are conducted each year to raise support to member charities in the subsequent year. Unconditional pledges receivable are recognized in the period received, with an allowance provided for estimated uncollectible accounts. The allowance for uncollectible accounts is computed based on a three-year historical average write-off percentage, adjusted by management estimates of current economic factors, applied to gross campaign results including donor designations. Outstanding pledges receivable are considered collectible within one year.

UNITED WAY OF SUMNER COUNTY
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2020 AND 2019

Note 2 – Summary of Significant Accounting Policies (Continued)

Contributions, Pledges Receivable and Campaign Expenses (Continued)

Allocations to funded partner agencies are recognized as program service expenses in the period that corresponds to the campaign revenues recognized. All contributions are considered available for use as approved by the Board of Directors unless specifically restricted or designated by the donor. Amounts designated by donor include funds pledged to the Organization but designated by the donor to other organizations. The Organization does not retain variance power related to these designations. They are treated as agency transactions rather than contributions and reflected as liabilities of the Organization. The Statements of Activities show a reduction of campaign results for these pledges and also a reduction of grant expense for the pledges.

Cash

Cash includes cash on hand, demand deposits, money market, and investments with an initial maturity of three months or less.

Investments

Investments are comprised of certificates of deposit with maturities greater than three months.

Furniture and Equipment

Furniture and equipment are reported at cost at the date of purchase or at estimated fair value at date of gift to the Organization. The Organization's policy is to capitalize purchases with a cost of \$500 or more and an expected useful life greater than one year. Depreciation is calculated by the straight-line method over the estimated useful lives of the assets, which range from three to fifteen years.

Accrued Vacation and Sick Pay

Unused sick time can be accrued and carried forward from year-to-year up to a maximum of 90 days. Sick time is not paid upon termination and is not recorded on the financial statements. Vacation time is earned after 90 days of service. Five days can be carried forward from year-to-year. Vacation time is paid upon termination and is accrued in the financial statements.

Program and Supporting Services

The following program and supporting services are included in the accompanying financial statements:

Program Service:

Allocations and Designations – includes activities such as allocations to partner agencies and related planning and fund distribution costs. Donor designations represents the gross amount of campaign funding designated by donors to an eligible 501(c)(3) agency. Net allocations and designations represents the amount provided to agencies from unrestricted campaign funds. Other costs of allocations and designations include the other costs of processing and distributing allocations and designations to agencies.

Community Building – costs associated with quarterly Days of Action in the community, including the Stuff the Bus program, coat drive and community leadership.

Supporting Services:

Management and General – relates to the overall direction of the Organization. These expenses are not identifiable with a particular program or event or with fundraising, but are indispensable to the conduct of those activities and are essential to the Organization. Specific activities include organization oversight, business management, human resources, finance, budgeting, information technology and other administrative activities.

Campaign Development – includes costs of activities directed toward appeals for financial support. Other activities include the cost of solicitations and creation and distribution of fundraising materials.

UNITED WAY OF SUMNER COUNTY
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2020 AND 2019

Note 2 – Summary of Significant Accounting Policies (Continued)

Functional Allocation of Expenses

The costs of program and supporting services activities have been summarized on a functional basis in the statements of activities. Expenses that can be directly attributed to a particular function are charged to that function. Certain costs have been allocated among more than one program or activity based on objectively evaluated financial and nonfinancial data or reasonable subjective methods determined by management. Salaries and other operating expenses have been allocated on the basis of time and effort.

Printing and Promotional

Printing and promotional costs are expensed as incurred.

Service Fees

Service fees are amounts charged by the Organization for raising, processing and transferring donor-designated gifts to non-partner agencies and other United Way organizations. Donor-designated pledges are assessed both a fundraising and a management and general fee based on actual historical costs in accordance with United Way Worldwide's Membership Requirements as outlined in its publication titled *Cost Deduction Requirements for Membership Requirement M*. The Organization is committed to complying with that requirement in assessing these service fees. Amounts designated by donors are presented at the gross amount in the statements of activities prior to such changes.

Donated Services and In-Kind Contributions

A large number of volunteers donate substantial amounts of time toward the annual campaign and the various community activities; however, no values for in-kind amounts have been included in the financial statements. Donated property and other in-kind amounts have been included in the financial statements. Donated property and other in-kind contributions are recognized in the financial statements at fair value when received.

Income Taxes

The Organization qualifies as a not-for-profit organization exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code. Accordingly, income taxes are not provided. The Organization files a U.S. federal Form 990 for organizations exempt from income tax.

Management performs an evaluation of all income tax positions taken or expected to be taken or expected to be taken in the course of preparing the Organization's income tax return to determine whether the income tax positions meet a "more likely than not" standard of being sustained under examination by the applicable taxing authorities. Management has performed its evaluation of all income tax positions taken on all open income tax returns and has determined that there were no positions taken that do not meet the "more likely than not" standard. Accordingly, there were no provisions for income taxes, penalties or interest receivable or payable relating to uncertain income tax positions in the accompanying financial statements.

New Accounting Pronouncements

The Organization has adopted Accounting Standards Update (ASU) 2018-08, *Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made (Topic 605)*, as amended, as management believes the standard improves the usefulness and understandability of the Organization's financial reporting. This guidance is intended to clarify and improve the scope and the accounting guidance for contributions received and contributions made. Key provisions in this guidance include clarification regarding the accounting for grants and contracts as exchange transactions or contributions and improved guidance to better distinguish between conditional and unconditional contributions. The adoption of this ASU did not materially impact the financial statements and related disclosures.

UNITED WAY OF SUMNER COUNTY
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2020 AND 2019

Note 3 – Availability and Liquidity

Financial assets available for general expenditure within one year of the statement of financial position date consist of the following:

	2020	2019
Financial assets at year end:		
Cash	\$ 393,113	\$ 353,445
Investments	23,605	23,029
Pledges receivable, net	275,949	323,318
Total financial assets	692,667	699,792
Less amounts not available to be used within one year:		
Allocations to agencies	(537,585)	(553,375)
Board-designated	(87,857)	(87,776)
Donor restricted	(30,911)	(31,519)
	\$ 36,314	\$ 27,122

The Organization is a fund-raising organization and receives significant contributions each year from donors, which are available to meet annual cash needs for general expenditures. Allocations to agencies are paid monthly over a twelve-month period. During that same twelve-month period, additional contributions are received from donors. Additionally, board-designated funds in the form of an operating reserve could be made available for general expenditure, if necessary.

Note 4 – Note Payable

On May 4, 2020, the Organization received a loan in the amount of \$35,000 in accordance with the Paycheck Protection Program section of the Coronavirus Air, Relief, and Economic Security Act (the CARES Act). Under this loan program, the entity may be eligible for forgiveness of some portion of the loan up to 100%, if and when qualifying conditions are met. Accounting for the loan and any future forgiveness could have an impact on future financial reporting. As of the report date, management is actively monitoring qualifying conditions to maximize future loan forgiveness and has expended the full amount on potential qualifying costs as defined by the legislation. Management’s estimate of forgivable incurred expenses has not been audited. The unsecured note bears interest at the rate of 1.00%, and is due in 17 payments of \$1,970 beginning December 4, 2020, and matures on March 4, 2022.

Note 5 – Concentration of Credit Risk

Financial instruments that potentially subject the Organization to concentrations of credit risk consist of cash, pledges receivable and investments.

The Organization holds cash and certificates of deposit with various financial institutions whose accounts are insured by the Federal Deposit Insurance Corporation (FDIC). The Organization’s cash balances may, at times, exceed statutory limits. The Organization has not experienced any losses in such accounts, and management considers this to be a normal business risk. Pledges receivable consist of corporate and individual pledges for the annual campaign, which are widely dispersed to mitigate credit risk.

Note 6 – Operating Leases

The Organization leases office space for \$1,180 per month under a lease which expires August 2023. The Organization also leases office equipment under an operating lease expiring in 2023. Total cash rental payments made for the years ended June 30, 2020 and 2019 amounted to \$16,846 and \$16,106, respectively.

UNITED WAY OF SUMNER COUNTY
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2020 AND 2019

Note 6 – Operating Leases (Continued)

The following is a schedule, by year, of future minimum lease payments for equipment as of June 30, 2020:

<u>Year Ending June 30,</u>	
2021	\$ 16,724
2022	16,724
2023	16,296
2024	2,359
	<u>\$ 52,103</u>

Note 7 – Net Assets With and Without Donor Restrictions

Net assets at June 30 consist of the following:

	<u>2020</u>	<u>2019</u>
Net assets (deficit) without donor restrictions		
Undesignated	\$ (368)	\$ 23,353
Board-designated:		
Emerging needs	8,481	8,746
Operating reserve	79,376	79,030
Total board-designated	<u>87,857</u>	<u>87,776</u>
	<u>\$ 87,489</u>	<u>\$ 111,129</u>
Net assets with donor restrictions		
Time restrictions	\$ 10,541	\$ -
Purpose restriction:		
Disaster relief	20,370	20,370
Publix emergency fund	-	11,149
Total purpose restrictions	<u>20,370</u>	<u>31,519</u>
	<u>\$ 30,911</u>	<u>\$ 31,519</u>

The board-designated operating reserve is computed based on three months of the current operating budget.

Note 8 – In-Kind Donations

In-kind donations recognized by the Organization for the years ended June 30 are included as contributions revenue, with the related expenses as follows:

	<u>2020</u>	<u>2019</u>
Days of Action - coat drive	\$ 1,170	\$ 5,530
Days of Action - stuff the bus	12,554	-
Campaign kick-off	-	1,671
Special event - Gala	9,100	10,561
Special event - golf tournament	-	4,002
Printing and promotional	12,815	-
Occupancy	10,110	10,110
Office expense	1,333	1,190
	<u>\$ 47,082</u>	<u>\$ 33,064</u>

UNITED WAY OF SUMNER COUNTY
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2020 AND 2019

Note 9 – Upcoming Accounting Pronouncements

In February 2016, the FASB issued ASU 2016-02, *Leases (Topic 842)*. This new accounting guidance will increase transparency and comparability among organizations by recognizing lease assets and lease liabilities on the balance sheet and disclosing key information about leasing arrangements. This standard is effective for nonpublic entities for fiscal years beginning after December 15, 2022. The Organization is currently evaluating the effect that implementation of the new standard will have on its financial position, results of operations, and cash flows.

Note 10 – Subsequent Events

Management has evaluated subsequent events through September 8, 2020, the date the financial statements were available to be issued.