



United Way of York County

**Financial Statements and
Supplementary Information**

March 31, 2021 and 2020



United Way of York County

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March 31, 2021 and 2020

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Independent Auditor's Report

To the Board of Directors
United Way of York County
York, Pennsylvania

Report on the Financial Statements

We have audited the accompanying financial statements of United Way of York County, which comprise the statement of financial position as of March 31, 2021 and 2020, and the related statements of activities, functional expenses - by natural classification, changes in net assets, and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the 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 York County as of March 31, 2021 and 2020, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matter - Supplementary Information

Our audits were conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying supplementary information, as listed in the table of contents, 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 supplementary information has been subjected to the auditing procedures applied in the audits 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 supplementary information is fairly stated in all material respects in relation to the financial statements as a whole.

RKL LLP

February 11, 2022
York, Pennsylvania

United Way of York County

Statement of Financial Position

	March 31,	
	<u>2021</u>	<u>2020</u>
Assets		
Current Assets		
Cash	\$ 1,404,357	\$ 176,066
Campaign promises to give, net	2,244,800	3,031,152
Other receivables	82,026	60,671
Prepaid expenses	<u>26,846</u>	<u>32,769</u>
Total Current Assets	<u>3,758,029</u>	<u>3,300,658</u>
Property and Equipment, Net	<u>116,082</u>	<u>146,413</u>
Other Assets		
Investments	5,228,974	3,997,627
Interest in net assets of a community foundation	<u>562,458</u>	<u>420,600</u>
Total Other Assets	<u>5,791,432</u>	<u>4,418,227</u>
Total Assets	<u><u>\$ 9,665,543</u></u>	<u><u>\$ 7,865,298</u></u>

United Way of York County

Statement of Financial Position (continued)

	March 31,	
	2021	2020
Liabilities and Net Assets		
Current Liabilities		
Line of credit	\$ 274,968	\$ 320,687
Accounts and designations payable	1,744,748	1,655,413
Accrued payroll and payroll taxes	91,223	58,090
Allocations payable	522,382	531,591
Accrued expenses	4,717	5,062
Deferred revenue	5,000	-
Total Current Liabilities	2,643,038	2,570,843
Long-Term Debt	528,270	-
Total Liabilities	3,171,308	2,570,843
Net Assets		
Without donor restrictions	3,388,426	2,170,934
With donor restrictions	3,105,809	3,123,521
Total Net Assets	6,494,235	5,294,455
Total Liabilities and Net Assets	\$ 9,665,543	\$ 7,865,298

United Way of York County

Statement of Activities

	Year Ended March 31, 2021		
	Without Donor Restrictions	With Donor Restrictions	Totals
Support and Revenue			
Prior year campaign revenue (2020)	\$ 653,572	\$ -	\$ 653,572
Donor designations	64,356	-	64,356
Net Campaign Revenue (2020)	717,928	-	717,928
Prior year campaign pledges	5,306,317	(5,306,317)	-
Less: provision for uncollectible pledges	(375,000)	375,000	-
Less: donor designations	(1,755,930)	1,755,930	-
Net Assets Released from Restrictions	3,175,387	(3,175,387)	-
Current year campaign results (2021)	-	4,524,690	4,524,690
Less: provision for uncollectible pledges	-	(329,000)	(329,000)
Less: donor designations	-	(1,568,706)	(1,568,706)
Net Campaign Revenue (2021)	-	2,626,984	2,626,984
Total Campaign Revenue	3,893,315	(548,403)	3,344,912
Grants	232,736	25,000	257,736
Gain on sale of investments	122,685	109,078	231,763
In-kind contributions	116,719	-	116,719
Contributions and bequests	14,280	53,182	67,462
Rental income	65,931	-	65,931
Service fees	41,133	-	41,133
Investment income, net of fees	96,817	(55,820)	40,997
Miscellaneous income	17,687	-	17,687
Other net assets released from restrictions	62,205	(62,205)	-
Total Support and Revenue	4,663,508	(479,168)	4,184,340
Expenses			
Program services	3,061,931	-	3,061,931
Supporting services			
Organizational administration	421,577	-	421,577
Resource development	723,871	-	723,871
Total Expenses	4,207,379	-	4,207,379
Excess (Deficiency) of Support and Revenue over Expenses	456,129	(479,168)	(23,039)
Unrealized Holding Gains on Investments	619,505	461,456	1,080,961
Change in Interest in Net Assets of a Community Foundation	141,858	-	141,858
Changes in Net Assets	\$ 1,217,492	\$ (17,712)	\$ 1,199,780

See accompanying notes.

United Way of York County

Statement of Activities (continued)

	Year Ended March 31, 2020		
	Without Donor Restrictions	With Donor Restrictions	Totals
Support and Revenue			
Prior year campaign revenue (2019)	\$ 244,443	\$ -	\$ 244,443
Donor designations	72,842	-	72,842
Net Campaign Revenue (2019)	317,285	-	317,285
Prior year campaign pledges	5,731,255	(5,731,255)	-
Less: provision for uncollectible pledges	(380,000)	380,000	-
Less: donor designations	(1,968,546)	1,968,546	-
Net Assets Released from Restrictions	3,382,709	(3,382,709)	-
Current year campaign results (2020)	-	5,306,317	5,306,317
Less: provision for uncollectible pledges	-	(375,000)	(375,000)
Less: donor designations	-	(1,755,930)	(1,755,930)
Net Campaign Revenue (2020)	-	3,175,387	3,175,387
Total Campaign Revenue	3,699,994	(207,322)	3,492,672
Grants	301,604	35,000	336,604
Gain (loss) on sale of investments	3,593	(904)	2,689
In-kind contributions	117,380	-	117,380
Contributions and bequests	31,473	106,464	137,937
Rental income	76,031	-	76,031
Service fees	52,597	-	52,597
Investment income, net of fees	140,359	(24,887)	115,472
Miscellaneous income	12,531	-	12,531
Other net assets released from restrictions	136,686	(136,686)	-
Total Support and Revenue	4,572,248	(228,335)	4,343,913
Expenses			
Program services	3,301,146	-	3,301,146
Supporting services			
Organizational administration	426,036	-	426,036
Resource development	784,584	-	784,584
Total Expenses	4,511,766	-	4,511,766
Excess (Deficiency) of Support and Revenue over Expenses	60,482	(228,335)	(167,853)
Unrealized Holding Losses on Investments	(138,947)	(146,719)	(285,666)
Change in Interest in Net Assets of a Community Foundation	(73,936)	-	(73,936)
Changes in Net Assets	\$ (152,401)	\$ (375,054)	\$ (527,455)

See accompanying notes.

United Way of York County

Statement of Functional Expenses - by Natural Classification

	Year Ended March 31, 2021			
	Program	Supporting Services		Totals
	Services	Organizational	Resource	
	Community	Administration	Development	
Impact				
Allocation/awards	\$ 3,688,278	\$ -	\$ -	\$ 3,688,278
Spending policy distributions	33,879	-	-	33,879
Less: donor designations	(1,755,930)	-	-	(1,755,930)
	<u>1,966,227</u>	<u>-</u>	<u>-</u>	<u>1,966,227</u>
Salaries and wages	524,994	238,787	357,283	1,121,064
Employee benefits	102,711	46,717	69,900	219,328
Professional services	72,291	32,881	49,197	154,369
Advertising	76,956	-	49,521	126,477
Dues and subscriptions	52,295	23,785	35,589	111,669
Payroll taxes	39,669	18,043	26,996	84,708
Scholarships and sponsorships	44,973	-	17,232	62,205
Computer	27,820	10,734	16,217	54,771
Building repairs and maintenance	24,374	11,086	16,587	52,047
Depreciation	14,204	6,460	9,667	30,331
Campaign and communications	11,839	7,032	9,960	28,831
School readiness	27,658	-	-	27,658
Campaign incentives	-	-	26,744	26,744
Occupancy	11,110	5,053	7,560	23,723
Insurance	10,635	4,837	7,237	22,709
Cash management fees	9,098	4,138	6,191	19,427
Quality enhancement	15,907	-	-	15,907
Postage	5,808	2,642	3,953	12,403
Telephone	5,284	2,403	3,595	11,282
Equipment rental	4,620	2,102	3,144	9,866
Supplies	3,420	1,556	2,328	7,304
Interest	2,960	1,346	2,014	6,320
Conference and training	2,292	960	1,437	4,689
Miscellaneous expenses	2,451	490	733	3,674
Meeting expense	786	357	535	1,678
Travel	798	168	251	1,217
Youth court	751	-	-	751
	<u>\$ 3,061,931</u>	<u>\$ 421,577</u>	<u>\$ 723,871</u>	<u>\$ 4,207,379</u>

United Way of York County

Statement of Functional Expenses - by Natural Classification (continued)

	Year Ended March 31, 2020				
	Program	Supporting Services			Totals
	Services				
	Community	Organizational	Resource		
Impact	Administration	Development			
Allocation/awards	\$ 4,092,272	\$ -	\$ -	\$ 4,092,272	
Spending policy distributions	33,334	-	-	33,334	
Less: donor designations	(1,968,546)	-	-	(1,968,546)	
	2,157,060	-	-	2,157,060	
Salaries and wages	523,445	238,082	356,228	1,117,755	
Employee benefits	94,933	43,179	64,607	202,719	
Professional services	71,240	32,403	48,482	152,125	
Advertising	42,384	-	75,492	117,876	
Dues and subscriptions	47,140	21,441	32,081	100,662	
Payroll taxes	42,108	19,152	28,656	89,916	
Scholarships and sponsorships	76,579	-	29,342	105,921	
Computer	22,283	8,598	12,990	43,871	
Building repairs and maintenance	20,975	9,540	14,274	44,789	
Depreciation	13,900	6,322	9,460	29,682	
Campaign and communications	20,851	12,384	17,540	50,775	
School readiness	43,548	-	-	43,548	
Campaign incentives	-	-	43,165	43,165	
Occupancy	10,524	4,787	7,161	22,472	
Insurance	10,377	4,720	7,061	22,158	
Cash management fees	7,873	3,581	5,357	16,811	
Quality enhancement	5,490	-	-	5,490	
Postage	4,494	2,044	3,059	9,597	
Telephone	4,776	2,172	3,250	10,198	
Equipment rental	4,265	1,940	2,902	9,107	
Supplies	7,472	3,398	5,085	15,955	
Interest	8,242	3,749	5,609	17,600	
Conference and training	8,204	3,437	5,142	16,783	
Miscellaneous expenses	1,909	868	1,300	4,077	
Meeting expense	5,557	2,528	3,782	11,867	
Travel	8,127	1,711	2,559	12,397	
Youth court	37,390	-	-	37,390	
	<u>\$ 3,301,146</u>	<u>\$ 426,036</u>	<u>\$ 784,584</u>	<u>\$ 4,511,766</u>	

United Way of York County

Statement of Changes in Net Assets

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Totals</u>
Net Assets at March 31, 2019	\$ 2,323,335	\$ 3,498,575	\$ 5,821,910
Changes in net assets	<u>(152,401)</u>	<u>(375,054)</u>	<u>(527,455)</u>
Net Assets at March 31, 2020	2,170,934	3,123,521	5,294,455
Changes in net assets	<u>1,217,492</u>	<u>(17,712)</u>	<u>1,199,780</u>
Net Assets at March 31, 2021	<u>\$ 3,388,426</u>	<u>\$ 3,105,809</u>	<u>\$ 6,494,235</u>

United Way of York County

Statement of Cash Flows

	Years Ended March 31,	
	2021	2020
Cash Flows from Operating Activities		
Changes in net assets	\$ 1,199,780	\$ (527,455)
Adjustments to reconcile changes in net assets to net cash provided by (used in) operating activities		
Depreciation	30,331	29,682
Provision for uncollectible campaign promises to give	(39,822)	25,497
Restricted contributions - property and equipment	-	(30,765)
Gain on sale of investments	(231,763)	(2,689)
Unrealized holding (gains) losses on investments	(1,080,961)	285,666
Change in interest in net assets of a community foundation	(141,858)	73,936
Proceeds from sale of donated securities	73,790	70,369
(Increase) decrease in assets		
Campaign promises to give	752,384	276,192
Other receivables	(21,355)	(23,862)
Prepaid expenses	5,923	3,731
Increase (decrease) in liabilities		
Accounts and designations payable	89,335	(260,356)
Accrued payroll and payroll taxes	33,133	(2,956)
Allocations payable	(9,209)	(103,587)
Accrued expenses	(345)	135
Deferred revenue	5,000	-
	<u>664,363</u>	<u>(186,462)</u>
Net Cash Provided by (Used in) Operating Activities		
Cash Flows from Investing Activities		
Capital expenditures	-	(29,187)
Purchase of investments	(77,115)	(136,968)
Proceeds from sale of investments	158,492	121,238
	<u>81,377</u>	<u>(44,917)</u>
Net Cash Provided by (Used in) Investing Activities		
Cash Flows from Financing Activities		
Restricted contributions - property and equipment	-	30,765
Proceeds from long-term debt	528,270	-
Net change in line of credit	(45,719)	20,687
	<u>482,551</u>	<u>51,452</u>
Net Cash Provided by Financing Activities		
	<u>1,228,291</u>	<u>(179,927)</u>
Net Increase (Decrease) in Cash		
	<u>176,066</u>	<u>355,993</u>
Cash at Beginning of Year		
	<u>176,066</u>	<u>355,993</u>
Cash at End of Year	<u>\$ 1,404,357</u>	<u>\$ 176,066</u>

See accompanying notes.

United Way of York County

Statement of Cash Flows (continued)

	Years Ended March 31,	
	<u>2021</u>	<u>2020</u>
Supplementary Cash Flows Information		
Interest paid	<u>\$ 6,320</u>	<u>\$ 17,600</u>

**Supplementary Schedule of Noncash Investing and
Financing Activities****In 2021**

Investments of \$73,790 were received as payments on campaign promises to give.

In 2020

Investments of \$70,369 were received as payments on campaign promises to give.

United Way of York County

Notes to Financial Statements

March 31, 2021 and 2020

Note 1 - Nature of Operations

United Way of York County's (the Organization) mission is to build a stronger, caring community by cultivating financial generosity, volunteerism, and advocacy.

The Organization administers an annual fundraising campaign in York County, Pennsylvania and uses those funds to support a variety of human service programs in York County.

Note 2 - Summary of Significant Accounting Policies

A summary of the significant accounting policies consistently applied in the preparation of the accompanying financial statements follows.

Use of Estimates

The preparation of financial statements in accordance with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, and the disclosure of contingent assets and liabilities, if any, at the date of the financial statements, and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

Campaign Promises to Give and Appropriations

An annual fundraising campaign is conducted each fall to obtain donations and pledges to fund the subsequent year's operations. Accordingly, promises to give are recorded at year-end for outstanding campaign pledges, with an allowance for amounts estimated to be uncollectible. Substantially, all of the pledges receivable are from corporations and individuals. The Organization maintains reserves for potential uncollectible pledges, which in the aggregate have not exceeded management's expectations. After two years, uncollected campaign pledges are written off. Subsequent receipts relating to such amounts are recorded as prior year campaign revenue.

The provision for uncollectible pledges is computed based upon a historical average, adjusted by management's estimates of current economic factors applied to the gross campaign contributions, excluding donor designations.

Community care donations and pledges are recorded as donor restricted revenue in the current campaign year and released into net assets without donor restrictions as time restrictions are satisfied in the subsequent year. Donor designated pledges are accounted for as a liability, until dispensed to the designated agency. Those amounts are not accounted for as revenue by the Organization, but are reported as part of the campaign results, from which the amounts are then deducted to arrive at the campaign revenue. The Organization honors all requests by donors with regard to direct designations.

Donor designated pledges are assessed fundraising and processing fees, based on actual historical costs in accordance with United Way Worldwide's membership standards as outlined in its publication titled *Cost Deduction Standards for Membership Requirement M*.

United Way of York County

Notes to Financial Statements

March 31, 2021 and 2020

Note 2 - Summary of Significant Accounting Policies (continued)

Other Receivables

Other receivables are stated at outstanding balances. The Organization considers these receivables to be fully collectible. If collection becomes doubtful, an allowance for doubtful accounts will be established, or the accounts will be charged to operations when that determination is made by management. Unpaid balances remaining after the stated payment terms are considered past due. Recoveries of previously charged off accounts are recorded when received.

Property and Equipment

Property and equipment are stated at cost, if purchased, or fair market value, if contributed.

Property and equipment are depreciated using the straight-line method over the estimated average useful lives of the assets as follows:

Building and improvements	5 to 40 years
Furniture and equipment	3 to 10 years
Computer equipment	3 to 5 years
Vehicle	5 years

Maintenance, repairs, and minor renewals, which do not significantly improve or extend the lives of the respective assets, are charged to operations when incurred. Additions, improvements, and major renewals are capitalized.

The Organization's policy is to capitalize purchases of \$2,500 or more.

Long-Lived Assets

Long-lived assets are reviewed for impairment whenever events or circumstances indicate that the carrying amount of the assets may not be recoverable. An asset is considered to be impaired when the undiscounted estimated net cash flows to be generated by the asset are less than the carrying amount. The impairment recognized is the amount by which the carrying amount exceeds the fair value amount. Fair value estimates are based on assumptions concerning the amount and timing of the estimated future cash flows and the discount rates reflecting varying degrees of perceived risk. The management of the Organization concluded that no impairment adjustments were required during the years ended March 31, 2021 and 2020.

Investments

Investments in debt and equity securities with readily determinable fair values are reported at the fair value. Contributed investments are valued at market value on the date contributed. Unrealized gains and losses are reported as increases or decreases in net assets without donor restrictions unless their use is restricted by explicit donor-imposed stipulations. Realized gains and losses, if any, on the sale or disposal of investments are computed on a specific identification basis and are also included as increases or decreases in net assets without donor restrictions unless their use is restricted by explicit donor-imposed stipulations.

Note 2 - Summary of Significant Accounting Policies (continued)

Interest in Net Assets of a Community Foundation

Interest in net assets of a community foundation is reported at fair value as determined by the community foundation.

Net Assets

Net assets of the Organization and changes therein are classified and reported based on the existence or absence of donor-imposed stipulations as follows:

Net assets without donor restrictions - Net assets that are not subject to donor-imposed stipulations.

Net assets with donor restrictions - Net assets subject to donor-imposed stipulations that are restricted for a specified purpose or passage of time or are restricted in perpetuity.

Revenue Recognition

Contributions

The Organization recognizes contributions when cash, securities or other assets, an unconditional promise to give, or 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 substantially met.

All contributions are considered to be available for operations unless specifically restricted by the donor. Amounts received that are restricted by the donor for future periods or for specific purposes are reported as support with donor restrictions that increases that net asset class. When a restriction expires, which is when a stipulated time restriction ends or purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions.

Grants

Grant revenue that is deemed to be an exchange transaction is classified as revenue without donor restrictions or deferred revenue, as appropriate, when received or receivable. Such grant revenue is not deemed to be a contribution since the proceeds thereof are used to pursue objectives of the grantor.

Grant revenue that is deemed to be a contribution is classified as revenue with donor restrictions when received or receivable. Such grant revenue is not deemed to be in respect of exchange transactions since the proceeds thereof are non-reciprocal, unconditional, and voluntary.

Agency Funds

The Organization may accept grant funds on behalf of another not-for-profit organization and agree to disburse funds for grant expenses or back to the not-for-profit organization at some point in the future.

Note 2 - Summary of Significant Accounting Policies (continued)

Agency Funds (continued)

The Organization maintains variance power and fiduciary responsibility for all grant funds held under agency agreements. These funds are reported as assets. However, a liability, "Agency Funds", has been established for the fair value of the funds, generally equivalent to the present value of the future payments expected to be made on behalf of the not-for-profit organization. The Organization holds no agency funds as of March 31, 2021 and 2020.

Functional Expense Classification

The cost of providing the various programs and other activities are summarized on a functional basis in the statements of activities and functional expenses - by natural classification. Accordingly, certain costs have been allocated among the programs and supporting services benefited. Supporting services consist of organizational administration (management and general) and resource development (fundraising) expenses. Expenses require allocation on a reasonable basis that is consistently applied. Expenses are generally allocated on the basis of estimates of time and effort.

Advertising

Advertising costs are expensed as incurred. For the years ended March 31, 2021 and 2020, advertising expense amounted to \$126,477 and \$117,876, respectively.

Change in Accounting Principle

In August 2018, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) 2018-13, *Fair Value Measurements (Topic 820)*. The amendments in this ASU removes, modifies, and adds certain disclosure requirements of Accounting Standards Codification Topic 820. The Organization implemented this standard during the year ended March 31, 2021. The Organization has determined that the adoption of ASU 2018-13 did not have a material effect on the 2021 financial statements.

Recent Accounting Pronouncements

In February 2016, the FASB issued ASU 2016-02, *Leases (Topic 842)*, and subsequently amended in ASU 2019-10. The guidance in this ASU supersedes the leasing guidance in Topic 840, *Leases*, which sets out the principles for the recognition, measurement, presentation, and disclosure of leases for both parties to a contract (i.e., lessees and lessors). The new standard requires lessees to apply a dual approach, classifying leases as either finance or operating leases, based on the principle of whether or not the lease is effectively a financed purchase by the lessee. This classification will determine whether lease expense is recognized based on an effective interest method or on a straight-line basis over the term of the lease, respectively. A lessee is also required to record a right-of-use asset and a lease liability for all leases with a term of greater than 12 months regardless of their classification. Leases with a term of 12 months or less will be accounted for similar to existing guidance for operating leases today. The new standard requires lessors to account for leases using an approach that is substantially equivalent to existing guidance for sales-type leases, direct financing leases, and operating leases. The new standard will be effective for fiscal years beginning after December 15, 2021.

United Way of York County

Notes to Financial Statements

March 31, 2021 and 2020

Note 2 - Summary of Significant Accounting Policies (continued)

Recent Accounting Pronouncements (continued)

In September 2020, the FASB issued ASU 2020-07, *Not-for-Profit Entities (Topic 958): Presentation and Disclosure by Not-for-Profit Entities for Contributed Nonfinancial Assets*, which will require not-for-profit entities to present contributed nonfinancial assets as a separate line item in the statement of activities, apart from contributions of cash and other financial assets. Also, this ASU will require disclosure of a disaggregation of the amount of contributed nonfinancial assets by category that depicts the type of contributed nonfinancial assets as well as additional information around valuation and usage of the contributed nonfinancial assets. The amendments in this standard should be applied on a retrospective basis and are effective for annual periods beginning after June 15, 2021, and interim periods within annual periods beginning after June 15, 2022.

The Organization is currently evaluating the impact of the pending adoption of the new standards on the financial statements.

Note 3 - Tax-Exempt Status

The Organization is a not-for-profit entity described in Section 501(c)(3) of the Internal Revenue Code (the Code) and is exempt from income taxes on related activities pursuant to Section 509(a) of the Code. In addition, the Organization was organized under the Pennsylvania Nonprofit Corporation Law and is exempt from state income taxes.

Accounting principles generally accepted in the United States of America requires management to evaluate tax positions taken by the Organization, including whether the entity is exempt from income taxes. Management evaluated the tax positions taken and concluded that the Organization has taken no uncertain tax positions that require recognition or disclosure in the financial statements. With few exceptions, the Organization is no longer subject to income tax examinations by the U.S. Federal, state, or local tax authorities for years before March 31, 2018.

Note 4 - Fair Value of Financial Instruments

The fair value hierarchy prioritizes the inputs to valuation methods used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy are as follows:

- Level 1 - Unadjusted quoted prices in active markets that are accessible at the measurement date for identical assets or liabilities.
- Level 2 - Quoted prices in markets that are not active, or inputs that are observable either directly or indirectly, for substantially the full-term of the asset or liability.
- Level 3 - Prices or valuation techniques that require inputs that are both significant to the fair value measurement and unobservable (i.e., supported with little or no market activity).

An asset's or liability's level within the fair value hierarchy is based on the lowest level of input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

United Way of York County

Notes to Financial Statements

March 31, 2021 and 2020

Note 4 - Fair Value of Financial Instruments (continued)

The following valuation techniques were used to measure fair value of assets in the tables below on a recurring basis:

Cash and cash equivalents - The carrying amounts approximate fair value because of the short-term nature of these investments.

Mutual funds - Fair value of mutual funds was based on quoted market prices for the identical securities.

Interest in net assets of a community foundation - Fair value of the interest in net assets of a community foundation was based on the Organization's ownership interest of the fund as determined by the community foundation. The fund assets were valued based on the performance of underlying investments as well as an administrative fee.

The methods described above may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, while the Organization believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

For assets measured at fair value on a recurring basis, the fair value measurements by level within the fair value hierarchy are as follows as of March 31:

	2021			
	Total	Level 1	Level 2	Level 3
Cash and Cash Equivalents	\$ 231,910	\$ 231,910	\$ -	\$ -
Mutual Funds				
Domestic equity	2,625,123	2,625,123	-	-
Fixed income	1,713,237	1,713,237	-	-
International equity	658,704	658,704	-	-
Total Investments	5,228,974	5,228,974	-	-
Interest in Net Assets of a Community Foundation	562,458	-	-	562,458
	<u>\$ 5,791,432</u>	<u>\$ 5,228,974</u>	<u>\$ -</u>	<u>\$ 562,458</u>

United Way of York County

Notes to Financial Statements

March 31, 2021 and 2020

Note 4 - Fair Value of Financial Instruments (continued)

	2020			
	Total	Level 1	Level 2	Level 3
Cash and Cash Equivalents	\$ 83,129	\$ 83,129	\$ -	\$ -
Mutual Funds				
Domestic equity	1,833,707	1,833,707	-	-
Fixed income	1,625,192	1,625,192	-	-
International equity	455,599	455,599	-	-
Total Investments	3,997,627	3,997,627	-	-
Interest in Net Assets of a Community Foundation	420,600	-	-	420,600
	<u>\$ 4,418,227</u>	<u>\$ 3,997,627</u>	<u>\$ -</u>	<u>\$ 420,600</u>

Changes in Fair Value Levels

The availability of observable market data is monitored to assess the appropriate classification of financial instruments within the fair value hierarchy. Changes in economic conditions or model-based valuation techniques may require the transfer of financial instruments from one fair value level to another. In such instances, the transfer is reported at the beginning of the reporting period.

We evaluated the significance of transfers between levels based upon the nature of the financial instrument and size of the transfer relative to total assets. For the years ended March 31, 2021 and 2020, there were no transfers in or out of Level 3.

Note 5 - Liquidity and Availability

Financial assets available for general expenditures, that is, without donor restrictions or other designations limiting their use, within one year of the statement of financial position, comprise the following as of March 31:

	2021	2020
Financial Assets		
Cash	\$ 1,404,357	\$ 176,066
Campaign promises to give, net	2,244,800	3,031,152
Other receivables	82,026	60,671
Investments	5,228,974	3,997,627
Distributions from interest in net assets of a community foundation	21,778	21,880
Total Financial Assets	<u>8,981,935</u>	<u>7,287,396</u>

United Way of York County

Notes to Financial Statements

March 31, 2021 and 2020

Note 5 - Liquidity and Availability (continued)

	<u>2021</u>	<u>2020</u>
Amounts Not Available to be Used for General Expenditures Within One Year		
Cash and promises to give subject to donor restrictions	\$ (1,240,448)	\$ (1,772,874)
Investments subject to donor restrictions	(1,865,361)	(1,350,647)
Board designated for Endowment	<u>(1,458,278)</u>	<u>(1,175,538)</u>
Total Amounts Not Available to be Used for General Expenditures Within One Year	<u>(4,564,087)</u>	<u>(4,299,059)</u>
Financial Assets Available to be Used for General Expenditures Within One Year	<u>\$ 4,417,848</u>	<u>\$ 2,988,337</u>

As part of the Organization's liquidity management, it has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations become due.

The investment funds include donor restricted endowment funds subject to specific purpose as well as funds designated by the board as endowments. The donor-restricted and board-designated endowment funds as of March 31, 2021 and 2020 of \$3,323,639 and \$2,526,185, respectively, are subject to a target spending rate of 4.5%, as approved by the Board of Directors on an annual basis (refer to Note 11). Additional withdrawals may be approved at the discretion of the Board of Directors. Although the Organization does not intend to spend from the board-designated fund other than the approved annual distribution, if any, these funds could be made available if necessary.

The Organization also has a line of credit available to meet short-term needs. See Note 13 for additional information.

Note 6 - In-kind Contributions

Contributed assets, including contributed equipment and materials, are reported in the accompanying financial statements at their fair market value as of the date the assets were received.

During the years ended March 31, 2021 and 2020, the Organization also recognized the value of contributed services that met the requirements for recognition in the statement of activities. In addition, a substantial number of individual volunteers and businesses have donated significant amounts of time to the Organization's program and administrative functions. These services do not meet the criteria for recognition as contributed services, and are not reflected on the accompanying financial statements.

United Way of York County

Notes to Financial Statements

March 31, 2021 and 2020

Note 6 - In-kind Contributions

In-kind contributions consist of the following for the years ended March 31:

	<u>2021</u>	<u>2020</u>
Advertising	\$ 76,956	\$ 42,829
Campaign incentives	26,744	43,165
Quality enhancement	11,644	24,036
Miscellaneous	1,375	7,350
	<u>\$ 116,719</u>	<u>\$ 117,380</u>

Note 7 - Concentration of Cash Risk

The Organization maintains cash balances at several financial institutions located in Pennsylvania. At times during the years ended March 31, 2021 and 2020, the Organization's cash balances exceeded the federally insured limit of \$250,000.

Note 8 - Campaign Promises to Give

Campaign promises to give represent funds raised to fund the subsequent year's operations. The due date of the campaign promises to give as of March 31, 2021 and 2020 is less than one year.

Campaign promises to give consist of the following as of March 31:

	<u>2021</u>	<u>2020</u>
Campaign promises to give	\$ 2,645,335	\$ 3,471,509
Allowance for uncollectible campaign promises to give	(400,535)	(440,357)
	<u>\$ 2,244,800</u>	<u>\$ 3,031,152</u>

Note 9 - Property and Equipment

Property and equipment consist of the following at March 31:

	<u>2021</u>	<u>2020</u>
Building and improvements	\$ 799,011	\$ 799,011
Computer equipment	84,441	84,441
Vehicle	29,186	29,186
Land *	26,063	26,063
Furniture and equipment	15,475	15,475
	<u>945,176</u>	<u>954,176</u>
Accumulated depreciation	(838,094)	(807,763)
	<u>\$ 116,082</u>	<u>\$ 146,413</u>

United Way of York County

Notes to Financial Statements

March 31, 2021 and 2020

Note 9 - Property and Equipment (continued)

Depreciation for the years ended March 31, 2021 and 2020 was \$30,331 and \$29,682, respectively.

* Not depreciated

Note 10 - Investments

The cost, gross unrealized gains and losses, and fair value for investments consist of the following as of March 31:

	2021			
	Cost	Gross Unrealized		Fair Value
		Gains	Losses	
Cash and Cash Equivalents	\$ 231,910	\$ -	\$ -	\$ 231,910
Mutual Funds				
Domestic equity	1,638,412	986,711	-	2,625,123
Fixed income	1,668,287	46,518	(1,568)	1,713,237
International equity	460,183	198,521	-	658,704
	<u>\$ 3,998,792</u>	<u>\$ 1,231,750</u>	<u>\$ (1,568)</u>	<u>\$ 5,228,974</u>
	2020			
Cash and Cash Equivalents	\$ 83,129	\$ -	\$ -	\$ 83,129
Mutual Funds				
Domestic equity	1,780,800	162,332	(109,425)	1,833,707
Fixed income	1,568,369	68,489	(11,666)	1,625,192
International equity	489,302	27,040	(60,743)	455,599
	<u>\$ 3,921,600</u>	<u>\$ 257,861</u>	<u>\$ (181,834)</u>	<u>\$ 3,997,627</u>

United Way of York County

Notes to Financial Statements

March 31, 2021 and 2020

Note 10 - Investments (continued)

Long-term investments held as of March 31, 2021 and 2020 are comprised of investments in cash and cash equivalents and equity and fixed income securities. As of March 31, 2021 and 2020, the Organization has recorded total unrealized holding losses on three and thirty-nine of these securities, respectively. Management believes that holding losses recorded on these investments are not a permanent impairment, but rather a temporary market decline. The following table shows the investments' gross unrealized losses and fair value, aggregated by investment category and length of time that the individual securities have been in a continuous unrealized loss position as of March 31:

	2021					
	Less than Twelve Months		Twelve Months or More		Total	
	Fair Value	Unrealized Losses	Fair Value	Unrealized Losses	Fair Value	Unrealized Losses
Mutual Funds, Temporarily Impaired						
Fixed income	\$ -	\$ -	\$ 90,800	\$ (1,568)	\$ 90,800	\$ (1,568)
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 90,800</u>	<u>\$ (1,568)</u>	<u>\$ 90,800</u>	<u>\$ (1,568)</u>
	2020					
Mutual Funds, Temporarily Impaired						
Domestic equity	\$ 918,177	\$ (84,961)	\$ 50,227	\$ (24,464)	\$ 968,404	\$ (109,425)
Fixed income	12,197	(2,804)	105,710	(8,862)	117,907	(11,666)
International equity	317,653	(60,743)	-	-	317,653	(60,743)
	<u>\$ 1,248,027</u>	<u>\$ (148,508)</u>	<u>\$ 155,937</u>	<u>\$ (33,326)</u>	<u>\$ 1,403,964</u>	<u>\$ (181,834)</u>

Note 11 - Endowments

The Organization's endowments consist of several funds established for a variety of purposes. Its endowments include both a donor restricted endowment fund, and funds designated by the Board of Directors to function as an endowment. As required by accounting principles generally accepted in the United States of America (U.S. GAAP), net assets associated with endowment funds, including funds designated by the Board of Directors to function as endowments, are classified and reported based on the existence or absence of donor-imposed restrictions.

United Way of York County

Notes to Financial Statements

March 31, 2021 and 2020

Note 11 - Endowments (continued)

Interpretation of Relevant Law

The Board of Directors of the Organization has interpreted the relevant state law as not requiring the preservation of the fair value of the original gift as of the gift date of the donor restricted endowment funds absent explicit donor stipulations to the contrary. As a result of this interpretation, the Organization classifies as net assets with donor restrictions (a) the original value of gifts donated to the donor-restricted endowment, (b) the original value of subsequent gifts to the donor-restricted endowment, and (c) accumulations to the donor-restricted endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund. Unless specifically defined by a donor restricted endowment fund required by donor stipulation, the Organization considers the following factors in making a determination to accumulate or appropriate endowment funds:

1. The duration and preservation of the fund
2. The purposes of the Organization and the donor restricted endowment fund
3. General economic conditions
4. The possible effect of inflation and deflation
5. The expected total return from income and appreciation of investments
6. Other resources of the Organization
7. The investment policies of the Organization

The following schedule represents the endowment net asset composition by type of endowment fund as of March 31:

	2021		
	Without Donor Restrictions	With Donor Restrictions	Total
Donor restricted endowment funds	\$ -	\$ 1,865,361	\$ 1,865,361
Board designated endowment funds	1,458,278	-	1,458,278
	<u>\$ 1,458,278</u>	<u>\$ 1,865,361</u>	<u>\$ 3,323,639</u>
	2020		
Donor restricted endowment funds	\$ -	\$ 1,350,647	\$ 1,350,647
Board designated endowment funds	1,175,538	-	1,175,538
	<u>\$ 1,175,538</u>	<u>\$ 1,350,647</u>	<u>\$ 2,526,185</u>

United Way of York County

Notes to Financial Statements
March 31, 2021 and 2020

Note 11 - Endowments (continued)

Interpretation of Relevant Law (continued)

The following schedule represents the changes in endowment net assets for the years ended March 31:

	2021		
	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Endowment Net Assets, Beginning of Year	\$ 1,175,538	\$ 1,350,647	\$ 2,526,185
Additions	-	-	-
Investment return			
Interest and dividends, net	12,741	11,938	24,679
Net gains (realized and unrealized)	324,615	570,534	895,149
Disbursements	(54,616)	(67,758)	(122,374)
Endowment Net Assets, End of Year	\$ 1,458,278	\$ 1,865,361	\$ 3,323,639
	<u>2020</u>		
Endowment Net Assets, Beginning of Year	\$ 1,236,653	\$ 1,523,157	\$ 2,759,810
Additions	-	-	-
Investment return			
Interest and dividends, net	32,945	41,781	74,726
Net losses (realized and unrealized)	(60,987)	(147,623)	(208,610)
Disbursements	(33,073)	(66,668)	(99,741)
Endowment Net Assets, End of Year	\$ 1,175,538	\$ 1,350,647	\$ 2,526,185

Return Objectives and Risk Parameters

The Organization has adopted investment and spending policies for endowment assets to generate sufficient long-term growth of capital, without undue exposure to risk, in order to provide a sustainable level of spending distributions. Additionally, the Organization wishes to enhance the real (adjusted for inflation) purchasing power of the investments over the long run. The Organization's investment objective is a compromise between the need for current income and the long-term growth of assets. The time horizon for the portfolio shall be viewed as long-term in its entirety, avoiding decisions based solely on short-term concerns and individual investments. A diversified investment structure shall be utilized in order to provide participation in risking markets, while mitigating risk in falling markets.

Note 11 - Endowments (continued)

Strategies Employed for Achieving Objectives

The Organization 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). The board designated endowment will bear a moderate risk and be allocated equally between equity and fixed income investments. The donor-restricted endowment is expected to endure into perpetuity and the long-term risk of not investing in growth securities outweighs the short-term volatility risk. As a result, allocation guidelines have been established whereby the majority of assets in this portfolio will be invested in equity or equity-like securities.

Funds with Deficiencies

The relevant state law has no requirement to restore donor-restricted fund deficiencies and accounting standards provide that the generally accepted rule of reporting such deficiencies as net assets without donor restrictions should be applied only in the absence of donor stipulations or laws to the contrary. The Organization has interpreted state law to allow spending of the original principal with no requirement to restore fund deficiencies to the original value. As such, the Organization has no underwater endowments as of March 31, 2021 and 2020. Any fund deficiencies are reported as reductions to net assets with donor restrictions.

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

The Organization has a total return policy of appropriating for distribution each year a percent of its endowment fund's market value. The spending rate shall be recommended to the Board of Directors each year based on the rolling average based on the market values of the preceding twelve quarters calculated annually as of December 31 for the board designated endowment fund and as of June 30 for the donor-restricted endowment fund. The spending rate shall be based on the size, growth, and performance of the endowment fund and the needs of the operating budget. The target spending rate will be 4.5%. Additional withdrawals may be approved at the discretion of the Board of Directors. For the years ended March 31, 2021 and 2020, the spending rate was 4.5% for the donor-restricted endowment fund and 3.0% for the board designated endowment fund.

Note 12 - Interest in Net Assets of a Community Foundation

The Organization is the beneficiary of endowment funds of the York County Community Foundation (Foundation), a community foundation. As beneficiary, the Organization is entitled to annual distributions from the funds, based upon the Foundation's spending policy. The balance of the endowment funds are unavailable to the Organization for immediate withdraw. The Foundation maintains variance power only over distributions from the funds.

The organizational endowment fund created by the Organization at the Foundation is reflected in the statement of financial position as interest in net assets of a community foundation. Future contributions are at the discretion of the Board of Directors of the Organization. As of March 31, 2021 and 2020, the fair value of the Organization's interest in net assets of a community foundation amounted to \$562,458 and \$420,600, respectively.

United Way of York County

Notes to Financial Statements

March 31, 2021 and 2020

Note 12 - Interest in Net Assets of a Community Foundation (continued)

In addition to the organizational endowment fund, contributions made by third parties directly to the Foundation created designated endowment funds, which are not assets of the Organization, and are not reflected in the statement of financial position. The Foundation maintains variance power over the designated endowment funds. The Organization receives information on the value of the fund on an annual basis. As of March 31, 2021 and 2020, the balance of the Foundation fund in which the Organization is currently designated by the contributor as the beneficiary amounted to \$25,131 and \$18,757, respectively, which includes the fund's accumulated investment earnings in excess of annual distributions and fees.

Note 13 - Line of Credit

The Organization has an unsecured line of credit agreement with M&T Bank, authorized up to \$750,000. Amounts borrowed against this line of credit bear interest at the 30-day LIBOR rate, plus 2.75 basis points. The interest for the line of credit was 3.25% and 4.75% as of March 31, 2021 and 2020, respectively. The outstanding balances on this line of credit were \$274,968 and \$320,687, respectively, as of March 31, 2021 and 2020.

Note 14 - Long-Term Debt

On March 27, 2020, Congress enacted the Coronavirus Aid, Relief, and Economic Security Act (CARES Act) which established the Paycheck Protection Program (the Program). The Program was created to assist small businesses in paying their employees and certain other expenses during the COVID-19 crisis (refer to Note 19). The Organization applied for a loan under this Program and received a loan in the amount of \$264,135 on April 15, 2020. The loan is forgivable if the Organization meets certain criteria as established under the Program. The Organization anticipates there may be further guidance issued by the Small Business Administration (SBA), the U.S. Department of Treasury, the bank, and other regulators related to the Program which could impact the loan and loan forgiveness. The loan is unsecured and does not require personal guarantees.

The loan bears interest at a fixed rate of 1.00%. Based on the original terms of the loan agreement, the loan was to accrue interest for the first six months following the date of the loan and thereafter would convert to monthly payments of principal and interest of \$14,971 beginning November 15, 2020. The Paycheck Protection Program Flexibility Act of 2020 extended the deferral period for borrower payments of principal, interest, and fees on the loan to the date that the SBA remits the loan forgiveness amount, or if loan forgiveness is not requested, ten months after the end of the loan forgiveness covered period, which generally begins on the date the loan proceeds were received. If any portion of the loan is forgiven in connection with the CARES Act and the terms of the Program, the monthly payments of principal and interest shall thereafter be recalculated by the lender to fully amortize any outstanding amounts remaining after forgiveness over the remaining term of the loan. The loan matures on April 15, 2022, at which time all remaining principal and interest is due.

United Way of York County

Notes to Financial Statements

March 31, 2021 and 2020

Note 14 - Long-Term Debt (continued)

On January 6, 2021, the SBA and the Department of the Treasury released interim final rules related to the expansion and extension of the Paycheck Protection Program that was enacted on March 27, 2020 by the CARES Act. The Organization applied for and received a second loan under this program in the amount of \$264,135. The Organization will seek loan forgiveness in accordance with the Program. The Organization anticipates there may be further guidance issued by the SBA, the Department of the Treasury, the bank, and other regulators related to the Program which could impact the loan and loan forgiveness. No payments are due on this loan until ten months after the end of the covered period of up to twenty-four weeks after loan disbursement. At the end of the deferment period, the Organization will be required to make monthly principal and interest payments. Any of the loan amount not forgiven under the Program is expected to be due

March 8, 2026. The loan bears interest at a fixed rate of 1.00%. The loan is unsecured and does not require personal guarantees.

Aggregate maturities of long-term debt, assuming no change in current terms, consist of the following for the remaining five years ending June 30:

2022	\$	-
2023		320,698
2024		68,500
2025		69,189
2026		69,883
		<hr/>
	\$	528,270
		<hr/> <hr/>

Note 15 - Retirement Plan

The Organization has a defined contribution retirement plan. The plan covers substantially all eligible employees. Contributions to the plan are paid by the Organization at a rate of 8% of the employees' compensation, as defined in the plan document. Contributions to the plan for the years ended March 31, 2021 and 2020 amounted to \$66,450 and \$71,805, respectively.

Note 16 - Commitments

The Organization leases various office equipment and other services under operating leases, which have varying terms and monthly payments.

Future minimum lease payments under operating leases, assuming no change in the current terms, consist of the following for the remaining three years ending March 31:

2022	\$	10,661
2023		9,107
2024		4,554
		<hr/>
	\$	24,322
		<hr/> <hr/>

Total rent expense for the years ended March 31, 2021 and 2020 for these leases amounted to \$22,626 and \$46,528, respectively.

United Way of York County

Notes to Financial Statements

March 31, 2021 and 2020

Note 17 - Rental Income

The Organization leases multiple portions of their property to unrelated entities for office space, with varying contract terms.

Rental income relating to these leases amounted to \$65,931 and \$76,031 for the years ended March 31, 2021 and 2020, respectively.

Future minimum rental lease payments, assuming no change in current terms, amount to \$14,679 for the remaining year ending March 31, 2022.

Note 18 - Net Assets

The Organization's net assets without donor restrictions consist of undesignated and board-designated amounts for the following purposes as of March 31:

	<u>2021</u>	<u>2020</u>
Undesignated	\$ 1,930,148	\$ 995,396
Board-designated for Endowment	<u>1,458,278</u>	<u>1,175,538</u>
	<u>\$ 3,388,426</u>	<u>\$ 2,170,934</u>

The Organization's net assets with donor restrictions consist of the following as of March 31:

	<u>2021</u>	<u>2020</u>
Subject to the passage of time and expenditures for specific purpose		
Campaign - cash and promises to give, net of donor designations payable	\$ 1,090,091	\$ 1,638,494
Scholarships - cash	76,324	90,417
Sponsorships - cash	44,798	39,728
FOCUS - cash	25,000	-
Early literacy initiatives - cash	4,235	4,235
Perpetual in nature		
Endowment - investments	<u>1,865,361</u>	<u>1,350,647</u>
	<u>\$ 3,105,809</u>	<u>\$ 3,123,521</u>

Note 19 - Risks and Uncertainties

On January 30, 2020, the World Health Organization declared the coronavirus outbreak a "Public Health Emergency of International Concern" and on March 10, 2020, declared it to be a pandemic. The actions taken to mitigate it have had and are expected to continue to have an adverse impact on the economy, financial markets, public support, and the geographical area in which the Organization operates. It is unknown how long these conditions will last and what the complete financial effect will be to the Organization.

Additionally, it is reasonably possible that estimates made in the financial statements have been, or will be, materially and adversely impacted in the near term as a result of these conditions.

United Way of York County

Notes to Financial Statements

March 31, 2021 and 2020

Note 20 - Subsequent Events

The Organization has evaluated subsequent events through February 11, 2022. This date is the date the financial statements were available to be issued. The following events subsequent to March 31, 2021 were noted:

In August 2021, the Organization was notified that the full amount of the first Paycheck Protection Program loan (refer to Note 14) has been forgiven. This debt forgiveness will be recognized as an in-kind contribution during the year ended March 31, 2022.

In December 2021, the Organization entered into an agreement to lease office space from an unrelated party. The lease agreement was effective February 1, 2022 with an initial term of five years. A renewal option is available for an additional five years. Base rent payments of \$2,167 per month will begin the earlier of the sale of current office building or February 1, 2024.

No other material events subsequent to March 31, 2021 were noted.

United Way of York County

Schedule of Activities - Focus on Our Future - A Child Care Initiative

	Years Ended March 31,	
	2021	2020
Support and Revenue		
Grants	\$ 108,500	\$ 51,945
United Way allocation	50,000	50,000
Contributions and bequests	42,280	31,534
In-kind contributions	11,644	24,036
	<hr/>	<hr/>
Total Support and Revenue	212,424	157,515
	<hr/>	<hr/>
Expenses		
Salaries and wages	66,175	64,365
Scholarships	42,093	23,885
School readiness	26,911	40,684
Employee benefits	19,671	8,701
Quality enhancement	15,907	5,490
Payroll taxes	5,254	5,456
Postage	2,330	57
Supplies	373	66
Printing and publications	97	514
Telephone	75	165
Travel	51	993
Meeting expense	32	70
Conference and training	-	512
Dues and subscriptions	-	69
	<hr/>	<hr/>
Total Expenses	178,969	151,027
	<hr/>	<hr/>
Changes in Net Assets	\$ 33,455	\$ 6,488
	<hr/>	<hr/>

United Way of York County

Schedule of Activities - Truancy Prevention Initiative

	Years Ended March 31,	
	2021	2020
Support and Revenue		
Grants	\$ 112,436	\$ 229,657
United Way allocation	31,000	31,000
In-kind contributions	-	2,918
Contributions and bequests	-	800
Total Support and Revenue	143,436	264,375
Expenses		
Salaries and wages	119,638	197,829
Employee benefits	26,141	27,824
Payroll taxes	9,585	17,722
Telephone	423	165
Youth court	323	37,390
Postage	283	1,230
Supplies	81	-
Travel	76	3,374
Meeting expense	66	2,133
School readiness	-	2,864
Printing and publications	-	514
Conference and training	-	135
Cash management fee	-	57
Total Expenses	156,616	291,237
Changes in Net Assets	\$ (13,180)	\$ (26,862)