

**UNITED WAY OF CARLISLE
&
CUMBERLAND COUNTY
AND
UNITED WAY ENDOWMENT FUND
OF CARLISLE PENNSYLVANIA
FINANCIAL REPORT
JUNE 30, 2020**

CONTENTS

INDEPENDENT AUDITOR'S REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS	1 - 2
--	-------

CONSOLIDATED FINANCIAL STATEMENTS

Statement of Financial Position	3 - 4
Statement of Activities	5 - 8
Statement of Functional Expenses	9 - 10
Statement of Cash Flows	11
Notes to Consolidated Financial Statements	12 - 30

SUPPLEMENTARY INFORMATION

Consolidating Statement of Financial Position	31 - 32
Consolidating Statement of Activities	33 - 36
Consolidating Statement of Cash Flows	37
Annual Report Presentation	38
Revenue Reconciliation - Audit to Internal Reporting	39

INDEPENDENT AUDITOR'S REPORT

Board of Directors
United Way of Carlisle & Cumberland County
and United Way Endowment Fund of Carlisle Pennsylvania
Carlisle, Pennsylvania

Report on the Financial Statements

We have audited the accompanying financial statements of the United Way of Carlisle & Cumberland County and United Way Endowment Fund of Carlisle Pennsylvania, which comprise of the consolidated statement of financial position as of June 30, 2020, the related consolidated statements of activities, functional expenses and cash flows for the year then ended, and the related notes to the consolidated financial statements, collectively 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 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 the United Way of Carlisle & Cumberland County and United Way Endowment Fund of Carlisle Pennsylvania as of June 30, 2020, and the changes in their net assets and their 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 United Way of Carlisle & Cumberland County and United Way Endowment Fund of Carlisle Pennsylvania's 2019 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated October 10, 2019. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2019, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statement as a whole. The accompanying supplementary information is presented for the purpose of additional analysis and is not a required part of the financial statement. 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 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 information is fairly stated in all material respects in relation to the financial statements as a whole.

A handwritten signature in cursive script that reads "Boyer & Ritter". The signature is written in black ink and is positioned centrally on the page.

Camp Hill, Pennsylvania
October 1, 2020

**UNITED WAY OF CARLISLE & CUMBERLAND COUNTY AND UNITED WAY
ENDOWMENT FUND OF CARLISLE PENNSYLVANIA**

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
June 30, 2020 (with comparative totals for 2019)

ASSETS	2020	2019
Current Assets		
Cash and cash equivalents	\$ 1,011,168	\$ 887,690
Pledges receivable, net allowance for uncollectible pledges 2020 \$62,530; 2019 \$36,517	191,751	206,083
Other receivables	26,031	26,148
Prepaid expenses	4,003	4,378
	<hr/>	<hr/>
Total current assets	1,232,953	1,124,299
	<hr/>	<hr/>
Property and Equipment		
Land	51,207	51,207
Building and improvements	504,953	504,953
Equipment and furniture	54,724	53,832
Less accumulated depreciation	(339,855)	(331,182)
	<hr/>	<hr/>
	271,029	278,810
	<hr/>	<hr/>
Other Assets		
Beneficial interest in split-interest agreements, Endowment Funds and Board Designated Investments	4,076,758	4,096,080
	<hr/>	<hr/>
Total assets	\$ 5,580,740	\$ 5,499,189
	<hr/>	<hr/>

See Notes to Financial Statements.

LIABILITIES AND NET ASSETS	2020	2019
Current Liabilities		
Allocations payable	\$ 309,250	\$ 317,002
Donor choice allocations payable	161,231	179,523
Accounts payable	17,149	17,027
Paycheck Protection Program Loan	52,100	-
Deferred revenue	422	160
Compensated absences	13,875	13,450
Payroll taxes and withholdings	8,495	5,218
Total current liabilities	562,522	532,380
Net Assets		
Without donor restrictions		
Undesignated	671,374	706,756
Board designated	296,785	260,597
Total without donor restrictions	968,159	967,353
With donor restrictions	4,050,059	3,999,456
Total net assets	5,018,218	4,966,809
Total liabilities and net assets	\$ 5,580,740	\$ 5,499,189

**UNITED WAY OF CARLISLE & CUMBERLAND COUNTY AND UNITED WAY
ENDOWMENT FUND OF CARLISLE PENNSYLVANIA**

**CONSOLIDATED STATEMENT OF ACTIVITIES
Year Ended June 30, 2020 (with comparative totals for 2019)**

	Without Donor Restrictions	With Donor Restrictions
Public Support and Revenue		
Gross Campaign Results (2019/2020)	\$ 1,396,158	\$ 38,739
Gross Campaign Results in prior year - released from restriction	14,667	(14,667)
(less donor designations)	(575,320)	-
Net Campaign Revenue (2019/2020)	835,505	24,072
 Gross Campaign Results (2019/2020)	 -	 42,162
Special Events - net	-	-
An Evening for the Children Gala	40,325	-
Less: costs of direct benefit to donors	-	-
An Evening for the Children Gala - net	40,325	-
Other Contributions		
Endowment	-	6,130
Bequests	50,000	-
Corporate sponsorships	10,500	5,000
Student Council	-	-
Women's Leadership Council	-	-
Loss on liquidation of contributed investments	(1,516)	-
Collections over prior years' estimated receivables	4,419	-
In-kind contributions	14,582	-
Total other contributions	77,985	11,130
Designations from other United Ways	25,836	-
Service fee income	1,847	-
Grants	22,172	84,274
Investment Income		
Trust and Endowment Fund income	62,727	55,617
Interest income	15,467	-
Unrealized gain (loss) on investments	(9,883)	(13,754)
Total investment income	68,311	41,863
Rental income	6,428	-
Gain (loss) on sale of asset	(2,043)	-
Miscellaneous income	537	-
Other net assets released from restrictions	152,898	(152,898)
Total revenue, gains and other support	1,229,801	50,603

(Continued)

	Total 2020		Total 2019
\$	1,434,897	\$	1,248,303
	-		-
	(575,320)		(602,829)
	859,577		645,474
	42,162		14,667
	-		45,348
	40,325		53,664
	-		(17,211)
	40,325		36,453
	6,130		212,784
	50,000		-
	15,500		19,000
	-		-
	-		2,553
	(1,516)		22
	4,419		(26,351)
	14,582		16,005
	89,115		224,013
	25,836		29,787
	1,847		4,581
	106,446		75,494
	118,344		246,496
	15,467		15,260
	(23,637)		(40,397)
	110,174		221,359
	6,428		6,850
	(2,043)		25,968
	537		843
	-		-
	1,280,404		1,330,837

**UNITED WAY OF CARLISLE & CUMBERLAND COUNTY AND UNITED WAY
ENDOWMENT FUND OF CARLISLE PENNSYLVANIA**

**CONSOLIDATED STATEMENT OF ACTIVITIES (Continued)
Year Ended June 30, 2020 (with comparative totals for 2019)**

	Without Donor Restrictions	With Donor Restrictions
Allocations and Expenses		
Program Services		
Gross funds allocated/distributed:		
2019 campaign	1,309,815	-
Omit an agency	2,476	-
Total gross funds allocated/distributed	1,312,291	-
(less donor designations)	(575,320)	-
Net Funds allocated/distributed	736,971	-
Community Impact/Member Agency Relations	96,627	-
Success by Six	97,514	-
Total Program Services	931,112	-
Supporting Services		
Management and general	208,303	-
Fundraising	89,580	-
Total supporting services	297,883	-
Total allocations and expenses	1,228,995	-
Changes in net assets	806	50,603
Net Assets:		
Beginning	967,353	3,999,456
Ending	<u>\$ 968,159</u>	<u>\$ 4,050,059</u>

See Notes to Financial Statements.

Total 2020	Total 2019
1,309,815	1,287,286
2,476	966
1,312,291	1,288,252
(575,320)	(602,829)
736,971	685,423
96,627	144,086
97,514	120,061
931,112	949,570
208,303	164,631
89,580	77,446
297,883	242,077
1,228,995	1,191,647
51,409	139,190
4,966,809	4,827,619
\$ 5,018,218	\$ 4,966,809

**UNITED WAY OF CARLISLE & CUMBERLAND COUNTY AND UNITED WAY
ENDOWMENT FUND OF CARLISLE PENNSYLVANIA**

**CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES
Year Ended June 30, 2020 (with comparative totals for 2019)**

	Program Services		
	Community Impact/Member	Success by Six	Total Program
	Agency Relations		
Salaries	\$ 52,348	\$ 25,544	\$ 77,892
Payroll taxes	4,009	2,193	6,202
Employee benefits	9,074	1,000	10,074
	<u>65,431</u>	<u>28,737</u>	<u>94,168</u>
Office expense/supplies	2,319	11,656	13,975
Printing and copying	509	-	509
Postage and shipping	474	55	529
Telephone and networks	1,103	612	1,715
Occupancy	4,229	2,344	6,573
Accounting fees	-	-	-
Insurance	1,439	797	2,236
Travel and meals	150	365	515
Communications/marketing	6,485	1,764	8,249
Training and program supplies	-	3,573	3,573
Meetings and conferences	186	-	186
Childcare scholarships	-	41,954	41,954
Miscellaneous expense	312	-	312
Campaign/leadership expenses	-	-	-
Contract services/Other UW	2,052	-	2,052
Gala indirect expenses	-	-	-
Technology expenses	1,732	-	1,732
United Way dues	6,917	3,834	10,751
Depreciation	3,289	1,823	5,112
Total functional expenses	<u>\$ 96,627</u>	<u>\$ 97,514</u>	<u>\$ 194,141</u>

See Notes to Financial Statements.

Support Services

Management and General	Fundraising	Total Support	Total 2020	Total 2019
\$ 112,305	\$ 32,219	\$ 144,524	\$ 222,416	\$ 222,511
8,837	2,230	11,067	17,269	18,010
20,734	4,317	25,051	35,125	32,567
141,876	38,766	180,642	274,810	273,088
3,844	2,560	6,404	20,379	15,922
844	562	1,406	1,915	2,212
785	522	1,307	1,836	1,564
1,829	606	2,435	4,150	3,964
7,008	2,322	9,330	15,903	22,219
14,725	-	14,725	14,725	14,235
2,384	790	3,174	5,410	5,380
249	165	414	929	1,048
10,747	7,155	17,902	26,151	29,889
-	-	-	3,573	2,806
309	206	515	701	110
-	-	-	41,954	69,740
517	344	861	1,173	1,230
-	22,948	22,948	22,948	20,384
3,401	2,264	5,665	7,717	5,026
-	2,853	2,853	2,853	417
2,870	1,911	4,781	6,513	3,886
11,464	3,799	15,263	26,014	21,490
5,451	1,807	7,258	12,370	11,614
\$ 208,303	\$ 89,580	\$ 297,883	\$ 492,024	\$ 506,224

UNITED WAY OF CARLISLE & CUMBERLAND COUNTY AND UNITED WAY
 ENDOWMENT FUND OF CARLISLE PENNSYLVANIA

CONSOLIDATED STATEMENT OF CASH FLOWS
 Year Ended June 30, 2020 (with comparative totals for 2019)

	2020	2019
Cash Flows From Operating Activities		
Changes in net assets	\$ 51,409	\$ 139,190
Gross Campaign Results (2020/2019) to net cash provided by (used in) operating activities		
Depreciation	12,370	11,614
(Gain)/loss on sale of asset	2,043	(25,968)
(Gain)/loss on sale of contributed stock donated	1,516	(22)
Net realized and unrealized gain on investments	(5,740)	(63,987)
Permanently restricted contributions received	(56,130)	(212,784)
Decrease in value of and split-interest agreements	35,007	13,575
Changes in assets and liabilities:		
(Increase) decrease in:		
Pledges receivable	14,332	45,460
Other receivable	117	(22,835)
Prepaid expenses	375	10,451
(Decrease) increase in:		
Allocations payable	(26,044)	16,779
Accounts payable	122	2,241
Deferred revenue	262	(750)
Accrued expenses	3,702	864
Net cash provided by (used in) operating activities	33,341	(86,172)
Cash Flows From Investing Activities		
Proceeds from sale of land	-	30,000
Purchase of investments	(56,130)	(212,784)
Proceeds from sale of investments	44,669	15,006
Purchases of property and equipment	(6,632)	(4,368)
Net cash used in investing activities	(18,093)	(172,146)
Cash Flows From Financing Activities		
Proceeds from Paycheck Protection Program Loan	52,100	-
Permanently restricted contributions received	56,130	212,784
Net cash provided by financing activities	108,230	212,784
Net increase (decrease) in cash and cash equivalents	123,478	(45,534)
Cash and Cash Equivalents:		
Beginning	887,690	933,224
Ending	\$ 1,011,168	\$ 887,690

See Notes to Financial Statements.

**UNITED WAY OF CARLISLE & CUMBERLAND COUNTY AND UNITED WAY
ENDOWMENT FUND OF CARLISLE PENNSYLVANIA**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Note 1. Nature of Activities and Significant Accounting Policies

Nature of Activities: The United Way of Carlisle & Cumberland County (the United Way) was founded in 1918 as the "Patriotic and Benevolent" fund and is one of the oldest in the country. Since its founding, it has also been known as the Community Chest, the United Fund and the United Way of the Greater Carlisle Area. The United Way of Carlisle & Cumberland County was incorporated in 1960.

Our mission is to "unite people and resources to build a stronger, healthier Carlisle and Cumberland County." The annual campaign provides allocations to member partners and also distributes donor designated gifts. Beyond this financial support, partnerships with the private, public and nonprofit sectors allow issues of importance to be addressed and resolved. In-kind gifts, training and grants allow for increased and more effective services.

The United Way Endowment Fund of Carlisle Pennsylvania (the Endowment Fund) was established with the ultimate goal to cover all operational costs through income from sources such as endowment interest, thereby freeing all campaign income for needed health and human care services. See additional information on the Endowment Fund in Note 7.

Principles of Consolidation: The accompanying consolidated financial statements include the accounts of the United Way and the Endowment Fund. The Endowment Fund exclusively supports programs and activities of the United Way. Some members of the board of directors of the United Way serve as advisors for the Endowment Fund, and, as such, exercise control over the operations of the Endowment Fund. All material intercompany transactions have been eliminated in the consolidated financial statements.

Basis of Presentation: The United Way of Carlisle & Cumberland County and United Way Endowment Fund of Carlisle Pennsylvania's financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP) as promulgated for not-for-profit organizations. Those standards require the Organization to report information regarding its financial position and activities according to the following classes of net assets:

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, whereby 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 reclassified in the Statement of Activities from net assets with donor restrictions to net assets without donor restrictions.

**UNITED WAY OF CARLISLE & CUMBERLAND COUNTY AND UNITED WAY
ENDOWMENT FUND OF CARLISLE PENNSYLVANIA**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Note 1. Nature of Activities and Significant Accounting Policies (Continued)

Adoption of New Accounting Pronouncement: The Organization adopted, FASB ASU 2018-08, Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made. This standard assists entities in evaluating whether transactions should be accounted for as contributions or exchange transactions and determining whether a contribution is conditional. We have implemented the provisions of ASU 2018-08 applicable to both contributions received and to contributions made in the accompanying financial statements under a modified prospective basis. Accordingly, there is no effect on net assets in connection with our implementation of ASU 2018-08.

Recent Accounting Pronouncements: In May 2014, FASB issued ASU 2014-09, *Revenue from contracts with Customers* (Topic 606), requiring the entity to recognize the amount of revenue to which it expects to be entitled for the transfer of promised goods or services to customers. The updated standard will replace most existing, revenue-recognition guidance in U.S. GAAP when it becomes effective and permits the use of either a full retrospective or retrospective with cumulative effect transition method. Upon the issuance of ASU 2015-14, FASB deferred the effective date for non-public companies to annual reporting periods beginning after December 15, 2019. The Organization has not yet selected a transition method and is currently evaluating the effect that the standard will have on the financial statements.

In February 2016, FASB issued ASU 2016-02, *Leases* (Topic 842). The most significant change in the new lease guidance requires lessees to recognize right-of-use assets and lease liabilities for all leases other than those that meet the definition of short-term leases. For short-term leases, lessees may elect an accounting policy by class of underlying asset under which these assets and liabilities are not recorded, and lease payments are generally recognized over the lease term on a straight-line basis. This change will result in lessees recognizing right-of-use assets and lease liabilities for most leases currently accounted for as operating leases under legacy accounting principles generally accepted in the United States of America. For all entities other than public-business enterprises, this standard is effective for annual periods beginning after December 15, 2021, and interim periods within annual periods beginning after December 15, 2020. Early adoption is permitted. Management is currently evaluating the effects that this standard will have on the Organization's financial statements.

Annual Campaign: Annual fundraising campaigns are conducted each fall to generate funds to support operations and to provide allocations to member agencies.

Cash and Cash Equivalents: For purposes of the Statement of Cash Flows, the United Way considers all unrestricted highly-liquid investments with an initial maturity of three months or less to be cash equivalents, except for cash or money market accounts held by external managers. Cash equivalents at June 30, 2020 and 2019; consist of money market funds in accounts at local financial institutions.

Property and Equipment: Property and equipment are stated at cost less accumulated depreciation. Property and equipment costing over \$1,000 are capitalized. Depreciation is computed using the straight-line method over the assets' estimated, useful lives. Upon retirement or sale, the cost and accumulated depreciation of such assets are removed from the accounts, and any resulting gain or loss is included in the determination of changes in net assets. Expenditures for maintenance and repairs, which neither materially add to the value of property and equipment nor appreciably prolong their useful lives, are charged to expense as incurred.

**UNITED WAY OF CARLISLE & CUMBERLAND COUNTY AND UNITED WAY
ENDOWMENT FUND OF CARLISLE PENNSYLVANIA**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Note 1. Nature of Activities and Significant Accounting Policies (Continued)

Pension Plan: The United Way maintains a Simplified Employee Pension Plan, open to all eligible participants. Contributions to the Plan are computed at 7% of \$15,135 and \$12,938 for the years ended June 30, 2020 and 2019, respectively.

Accrued Vacation: The United Way employees are entitled to certain compensated absences, sick leave and vacation time as more fully described in Note 19.

Use of Estimates: The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America includes the use of estimates that affect the financial statements. Accordingly, actual results could differ from those estimates.

Income Taxes: The United Way and the Endowment Fund qualify as a tax-exempt Organization under Section 501(c)(3) of the Internal Revenue Code; therefore, no provision for Federal income taxes has been established.

Management has assessed the Organization's exposure to income taxes at the entity level as a result of uncertain tax positions taken in current and previously filed tax returns. Examples of tax positions taken at the entity level include the continuing validity of its exempt organization status, potential filing requirement for unrelated business income and other tax positions that could result in income tax liabilities to the Organization upon examination by taxing authorities. Presently, management believes that it is more likely than not its tax position will be sustained upon examination, including any appeals and litigation, such that the Organization has no exposure to income tax liabilities from uncertain tax positions.

Investments: The United Way reports investments in equity securities with readily determinable fair values and all investments in debt securities at fair values with gains and losses included in the Statement of Activities.

Support and Revenue: Contributions received, and unconditional promises-to-give are measured at fair value and are reported as increases in net assets. The Organization reports gifts of cash and other assets as support with donor restrictions if they are received with donor stipulations limiting the use of the donated assets, or if the gifts are designated for future periods. When a donors' restriction expires; that is, when stipulated, time restrictions end or purpose restrictions are 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". Donor-restricted contributions, the restrictions of which are met in the same reporting period, are reported as support without donor restrictions.

The Organization reports gifts of materials and equipment as support without donor restrictions unless explicit, donor stipulations specify how the donated assets must be used. Gifts of long-lived assets with explicit restrictions that specify how the assets are to be used and gifts of cash or other assets that must be used to acquire long-lived assets are reported as support with donor restrictions. Absent explicit, donor stipulations about how long those long-lived assets must be maintained, the Organization reports expirations of donor restrictions when the donated or acquired long-lived assets are placed in service.

Donated Materials and Services: Materials and other assets received as donations are recorded and reflected in the accompanying financial statements at their fair values upon receipt.

**UNITED WAY OF CARLISLE & CUMBERLAND COUNTY AND UNITED WAY
ENDOWMENT FUND OF CARLISLE PENNSYLVANIA**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Note 1. Nature of Activities and Significant Accounting Policies (Continued)

Advertising Expense: The Organization expenses advertising costs as incurred.

UWWW Cost Deduction Standards: United Way Worldwide has created a uniform standard for deducting fundraising and management and general expenses from donor pledges. The United Way of Carlisle & Cumberland County has made a commitment to comply with this standard.

Subsequent Events: Subsequent events have been evaluated through October 1, 2020, which is the date the financial statements were available to be issued. See Note 22 for subsequent event disclosures.

Note 2. Liquidity

Financial assets available for general expenditure; that is, without donor or other restrictions limiting their use; within one year of June 30, 2020 and 2019, respectively, comprise the following:

	2020	2019
Financial assets at year-end:		
Cash and cash equivalents	\$ 1,011,168	\$ 887,690
Pledges receivable	191,751	206,083
Other Receivables	26,031	26,148
Endowment funds	2,850,954	2,835,269
Beneficial interest in perpetual trust	1,225,804	1,260,811
Total Financial Assets	<u>5,305,708</u>	<u>5,216,001</u>
Less amounts not available to be used within one year:		
Net assets with donor restrictions subject to purpose restriction		
Endowment fund	2,595,724	2,616,849
Beneficial interests in perpetual trusts	1,225,804	1,260,811
Board designated portion of endowment fund	255,230	218,420
Financial assets not available for use within one year	<u>4,076,758</u>	<u>4,096,080</u>
Financial assets available to meet general expenditures over the next twelve months	<u>\$ 1,228,950</u>	<u>\$ 1,119,921</u>

**UNITED WAY OF CARLISLE & CUMBERLAND COUNTY AND UNITED WAY
ENDOWMENT FUND OF CARLISLE PENNSYLVANIA**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Note 2. Liquidity (Continued)

United Way of Carlisle & Cumberland County and United Way Endowment Fund of Carlisle Pennsylvania is funded in part by contributions from donors that contain restrictions. Those restrictions require that resources be used for certain purposes or in future periods. Therefore, the Organization must maintain adequate resources to meet those responsibilities to its donors, and as a result, certain financial assets may not be available for general expenditure within one year. As part of its liquidity management, the Organization has a policy to structure its financial assets to be available as general expenditures, liabilities, and other obligations become due. The Organization invests its cash in excess of its daily needs in interest-bearing accounts and marketable securities. The Organization can also draw upon a \$300,000 line-of-credit (as discussed in Note 11).

Board designated net assets represent cash reserves established by the Organization's Board of Directors for future use. However, these reserves may be available currently if necessary.

Note 3. Unconditional Promises to Give

Unconditional promises to give represent pledges remaining from the annual campaign that are expected to be collected within one year and are recorded at net realizable value. Each year management estimates an allowance for uncollectible pledges based on past collection experience and on current economic conditions. The allowance recorded as of June 30, 2020 and 2019, is estimated at 4.0% and 2.5% of actual pledges, respectively.

	2020	2019
Total Pledges Receivable - within one year	\$ 254,281	\$ 242,600
Less allowance for uncollectible pledges	<u>(62,530)</u>	<u>(36,517)</u>
Pledges receivable, net	<u>\$ 191,751</u>	<u>\$ 206,083</u>

Note 4. Allocations

Allocations payable consist of amounts committed to partner agencies through December 31, 2020, but not paid as of June 30, 2020.

Allocations expense represents amounts from the 2019 Campaign paid to agencies January through June 2019, and amounts committed from the 2019 Campaign that will be paid July through December 2020.

**UNITED WAY OF CARLISLE & CUMBERLAND COUNTY AND UNITED WAY
ENDOWMENT FUND OF CARLISLE PENNSYLVANIA**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Note 5. Functional Expense Allocations

The United Way allocates expenses not associated with allocations to agencies, other identified programs, and United Way dues based on actual time and cost studies. The United Way has identified four functional areas to which expenses are allocated as follows:

Community Impact and Member Agency Relations - Costs incurred to provide assistance to community non-profit agencies in their operation or start-up. Expenses incurred for year-round education of donors including supporting activities with partner agencies and fund distribution determination.

Success By 6 - Costs incurred to provide training and mentoring to child care providers to improve the quality of child care in the greater Carlisle area. Expenses incurred to educate area businesses, parents and the general public about issues in early learning. Also, costs associated with school readiness and the coordination of efforts between providers and school districts.

Management and General - Administrative and operational costs of managing the United Way offices.

Fundraising - Expenses associated with the annual campaign and other fundraising activities.

Management reviews functional expense allocations regularly throughout the year.

Note 6. In-Kind Donations

The United Way received donated use of certain facilities it occupies, professional services, supplies and equipment. These donations are recorded at fair market value at the date they are received. These transactions are considered to be noncash transactions for purposes of the Statement of Cash Flows. For the years ended June 30, 2020 and 2019, in-kind contributions were as follows:

	2020	2019
<hr/>		
Contributions		
Donated advertising	\$ 13,082	\$ 11,255
Donated services and use of facility	-	3,250
Donated supplies	1,500	1,500
	<hr/>	<hr/>
	\$ 14,582	\$ 16,005
	<hr/>	<hr/>
Expenses		
Programs and support	\$ 14,582	\$ 14,505
Direct donor benefit	-	1,500
	<hr/>	<hr/>
	\$ 14,582	\$ 16,005
	<hr/>	<hr/>

**UNITED WAY OF CARLISLE & CUMBERLAND COUNTY AND UNITED WAY
ENDOWMENT FUND OF CARLISLE PENNSYLVANIA**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Note 6. In-Kind Donations (Continued)

The United Way receives donated services in the form of volunteerism. No amounts have been reflected in the financial statements for volunteer services since no objective basis is available to measure the value of such services. Nevertheless, a substantial number of volunteers donated significant amounts of their time to the United Way's programs and fundraising efforts.

The United Way of Carlisle & Cumberland County is in a unique position to connect agencies with people and organizations that have items to donate. Other "matches" of donated items to agencies are regularly made on an as needed or requested basis. The values of in-kind donations which are passed through the United Way are not recognized as contributions by the United Way since these items do not create any value for the United Way.

Note 7. Beneficial Interest in Split-Interest Trusts, Endowment Fund and Board Designated Investment

The United Way is the beneficiary of income generated by three split-interest trusts and the Endowment Fund, (consisting of the Brenneman endowment, the Civic Club of Carlisle Fund, and the United Way perpetual endowment fund trust) created to provide future financial benefits to the United Way. The split-interest trusts and the Endowment Fund are held and managed by the trust departments of local financial institutions.

Trust income, reflected in the financial statements as support, represents amounts received from the split-interest trusts and the endowment fund in which the United Way is entitled to a specified share of the income.

The United Way is entitled to one-sixth of the income less allowed expenses generated from two split-interest trust funds and is entitled to one-tenth of the income less expenses of one split-interest trust fund.

The United Way perpetual endowment fund trust allows the distribution based on a "Total Return" approach, the Brenneman endowment and the Civic Club of Carlisle Fund allows for the income of the trust to be distributed.

**UNITED WAY OF CARLISLE & CUMBERLAND COUNTY AND UNITED WAY
ENDOWMENT FUND OF CARLISLE PENNSYLVANIA**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Note 7. Beneficial Interest in Split-Interest Trusts, Endowment Fund and Board Designated Investment (Continued)

The following schedule shows the value of the Endowment Fund/Board Designated Investment and each of the split-interest trusts:

	2020	2019
United Way Endowment/Board Designated Investment	\$ 2,408,052	\$ 2,392,632
Brenneman Endowment	234,283	234,816
Civic Club of Carlisle Fund	208,619	207,821
Total Endowments	<u>2,850,954</u>	<u>2,835,269</u>
Roger K. Todd Trust	508,482	509,351
Naomi Watson Trust	306,348	322,550
Albert Watson Trust	410,974	428,910
	<u>\$ 4,076,758</u>	<u>\$ 4,096,080</u>

The following schedule shows the net increase (decrease) for the Endowment Fund/Board Designated Investment and each of the split-interest trusts:

	2020	2019
United Way Endowment/Board Designated Investment	\$ 15,420	\$ 50,602
Brenneman Endowment	(533)	3,365
Civic Club of Carlisle Fund	798	207,821
Total Endowments	<u>15,685</u>	<u>261,788</u>
Roger K. Todd Trust	(869)	12,411
Naomi Watson Trust	(16,202)	(7,753)
Albert Watson Trust	(17,936)	(18,234)
	<u>\$ (19,322)</u>	<u>\$ 248,212</u>

**UNITED WAY OF CARLISLE & CUMBERLAND COUNTY AND UNITED WAY
ENDOWMENT FUND OF CARLISLE PENNSYLVANIA**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Note 7. Beneficial Interest in Split-Interest Trusts, Endowment Fund and Board Designated Investment (Continued)

The following schedule shows the income received from the Endowment Fund/Board Designated Investment and each of the split-interest trusts:

	2020	2019
United Way Endowment/Board Designated Investment	\$ 104,124	\$ 99,352
Brenneman Endowment	5,215	5,543
Civic Club of Carlisle Fund	4,451	
Total Endowments	113,790	104,895
Roger K. Todd Trust	24,367	23,697
Naomi Watson Trust	14,004	13,080
Albert Watson Trust	18,000	29,000
	<u>\$ 170,161</u>	<u>\$ 170,672</u>

The following schedule shows the carrying value basis for the Endowment Fund/Board Designated Investment and each of the split-interest trusts:

	2020	2019
United Way Endowment/Board Designated Investment	\$ 2,357,688	\$ 2,357,035
Brenneman Endowment	232,481	231,006
Civic Club of Carlisle Fund	205,953	202,578
Total Endowments	2,796,122	2,790,619
Roger K. Todd Trust	505,772	350,026
Naomi Watson Trust	282,337	284,855
Albert Watson Trust	381,969	383,302
	<u>\$ 3,966,200</u>	<u>\$ 3,808,802</u>

In August 2008, FASB issued Staff Position No. 117-1, Endowments of Not-for-Profit Organizations: Net Asset Classifications of Funds Subject to an Enacted Version of the Uniform Prudent Management of Institutional Funds Act [UPMIFA] and Enhanced Disclosures for all Endowment Funds (FSP).

Much of the guidance in the FSP relates to revisions to the rules governing the accounting for donor restricted endowment funds subject to UPMIFA. The state of Pennsylvania has not adopted UPMIFA. Nonprofit corporations in Pennsylvania follow Act 141. Under Act 141, a nonprofit corporation can elect to adopt and follow a “total return” investment policy, i.e., a policy to seek the best total return on the principal whether from capital appreciation, earnings or both.

Consistent with Donor expectations and the Board’s view that the United Way Endowment Fund’s purpose is to provide ongoing funding to defray the administrative costs associated with the operations of the United Way and ultimately to provide funds for distribution to Partner Agencies in addition to those raised by the United Way’s Annual Campaign, the Endowment Investment Committee expects that distributions from the Endowment Fund will be based on a “Total Return” approach.

**UNITED WAY OF CARLISLE & CUMBERLAND COUNTY AND UNITED WAY
ENDOWMENT FUND OF CARLISLE PENNSYLVANIA**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Note 7. Beneficial Interest in Split-Interest Trusts, Endowment Fund and Board Designated Investment (Continued)

This approach will take into account both income in the form of earnings on the Fund and capital appreciation, both realized and unrealized. The spending policy for the Endowment in lieu of paying income (interest and dividends) only would be an election to pay between 2% and 7% of the fair market value of the entire trust, averaged over the prior three fiscal years ending June 30th. The amount distributed to the Organization is recorded as an increase in Net Assets Without Donor Restrictions since the monies are to be used to pay for the operations of the Organization. For the year ended June 30, 2020, the Board approved 4.5% as the income percentage.

The income from the Brenneman endowment is to benefit neglected children in the Village of Boiling Springs, the Borough of Carlisle and adjacent areas, the interest and dividend income, less management fee, will be paid out to the United Way of Carlisle & Cumberland County at least annually.

The income from the Civic Club of Carlisle Fund is to benefit one of the following agencies: Community CARES, CPARC/The ARC of Cumberland and Perry Counties, Domestic Violence Services of Cumberland and Perry Counties, Hope Station, Sadler Caring Center, The Salvation Army, Samaritan Fellowship, and Warm the Children. The interest and dividend income, less management fees, will be paid out at least annually.

The overall objectives for the Endowment Funds are to invest the Endowment Fund in accordance with any legally applicable donor or statutory restrictions, with an emphasis on growth of principal and to ensure stability. The investment guidelines are based upon an investment horizon of greater than ten years, so that interim fluctuations should be viewed with appropriate perspective. Similarly, the Endowment Fund's strategic allocation is based on this long-term perspective. Long-term growth is the primary objective and investment therefore should be directed toward overall appreciation by maximizing the total investment return over this extended horizon. The Board requires that the assets of the Endowment Funds be invested in a prudent manner, in a broadly diversified portfolio spread over multiple asset classes.

**UNITED WAY OF CARLISLE & CUMBERLAND COUNTY AND UNITED WAY
ENDOWMENT FUND OF CARLISLE PENNSYLVANIA**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Note 7. Beneficial Interest in Split-Interest Trusts, Endowment Fund and Board Designated Investment (Continued)

The following schedule shows the Endowment Funds / Board Designated Investment activity:

The Endowment Fund net assets are classified as with donor restrictions for both the years ended June 30, 2020 and 2019, respectively. The Board Designated Investment is classified as without donor restrictions board designated net assets for June 30, 2020.

	2020	2019
Endowment Fund/Board Designated, at beginning of period	\$ 2,835,269	\$ 2,573,481
Contributions	56,130	212,784
Transfer from reserve account	-	-
Investment Returns		
Investment income	87,827	109,249
Realized gain (loss)	(5,630)	90,809
Unrealized gains (loss)	11,370	(26,822)
Net investment income	93,567	173,236
Investment fees	(20,222)	(19,337)
Amounts appropriated for expenditure	(113,790)	(104,895)
Endowment Fund/Board Designated, at end of period	<u>\$ 2,850,954</u>	<u>\$ 2,835,269</u>
Net Asset Classification		
With donor restrictions	<u>\$ 2,595,723</u>	<u>\$ 2,616,849</u>
Without donor restrictions / board designated	<u>\$ 255,231</u>	<u>\$ 218,420</u>

**UNITED WAY OF CARLISLE & CUMBERLAND COUNTY AND UNITED WAY
ENDOWMENT FUND OF CARLISLE PENNSYLVANIA**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Note 8. Fair Value Measurements

The Fair Value Measurement Topic of FASB Accounting Standards Codification (ASC 820) establishes a framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques 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 under ASC 820 are described below:

Level 1 Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Organization has the ability to access.

Level 2 Inputs to the valuation methodology include:

- Quoted prices for similar assets or liabilities in active markets;
- Quoted prices for identical or similar assets or liabilities in inactive markets;
- Inputs other than quoted prices that are observable for the asset or liability;
- Inputs that are derived principally from or corroborated by observable market data by correlation or other means.

Level 3 Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The asset's or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any 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.

The assets that are recorded at fair value on a recurring basis are investments including the Endowment Fund and split-interest trusts. The Organization has no financial liabilities or non-financial items that are recorded at fair value on a recurring basis. Following is a description of the valuation methodologies used for assets measured at fair value.

Cash Equivalents: Valued using a pricing model or series of matrices based on standard inputs which may include benchmark yields, reported trades, broker/dealer quotes, issuer spreads, two-sided markets, benchmark securities, bids, offers and reference data including market research publications.

Common stocks, foreign stocks and mutual funds: Valued at the closing price reported on the active market on which the individual securities are traded.

**UNITED WAY OF CARLISLE & CUMBERLAND COUNTY AND UNITED WAY
ENDOWMENT FUND OF CARLISLE PENNSYLVANIA**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Note 8. Fair Value Measurements (Continued)

U.S. Government, Municipal, Corporate bonds and notes: Valued using a multi-dimensional relational model based on standard inputs which may include benchmark yields, reported trades, broker/dealer quotes, issuer spreads, two-sided markets, benchmark securities, bids, offers and reference data including market research publications.

Other: Valued using pricing models and/or discounted cash flow methodologies which require significant management judgment or estimation.

The following tables set forth by level, within the fair value hierarchy, the Organization's assets at fair value:

	6/30/2020	Fair Value at Reporting Date Using		
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Cash Equivalents	\$ 83,502	\$ -	\$ 83,502	\$ -
Trading Securities				
U.S. Govt., municipal and Corporate bonds and notes				
Corporate and foreign bonds	77,359	77,359	-	-
Fixed income mutual funds	1,052,192	1,052,192	-	-
Common stock and mutual funds				
Equity mutual funds	750,668	750,668	-	-
Common stocks	887,233	887,233	-	-
Beneficial interest in perpetual trusts	1,225,804	-	-	1,225,804
	<u>\$ 4,076,758</u>	<u>\$ 2,767,452</u>	<u>\$ 83,502</u>	<u>\$ 1,225,804</u>

**UNITED WAY OF CARLISLE & CUMBERLAND COUNTY AND UNITED WAY
ENDOWMENT FUND OF CARLISLE PENNSYLVANIA**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Note 8. Fair Value Measurements (Continued)

	6/30/2019	Fair Value at Reporting Date Using		
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Cash Equivalents	\$ 127,284	\$ -	\$ 127,284	\$ -
Trading Securities				
U.S. Govt., municipal and Corporate bonds and notes				
Corporate and foreign bonds	127,223	127,223	-	-
Municipal bonds and notes	50,742	50,742	-	-
Fixed income mutual funds	895,228	895,228	-	-
Common stock and mutual funds				
Equity mutual funds	803,310	803,310	-	-
Common stocks	831,482	831,482	-	-
Beneficial interest in perpetual trusts	1,260,811	-	-	1,260,811
	<u>\$ 4,096,080</u>	<u>\$ 2,707,985</u>	<u>\$ 127,284</u>	<u>\$ 1,260,811</u>

**UNITED WAY OF CARLISLE & CUMBERLAND COUNTY AND UNITED WAY
ENDOWMENT FUND OF CARLISLE PENNSYLVANIA**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Note 8. Fair Value Measurements (Continued)

The table below sets forth a summary of changes in the fair value of the Organization's Level 3 assets for the year ended June 30, 2020:

	Beneficial Interest in Perpetual Trusts
Balance, beginning of year	\$ 1,260,811
Purchases, sales, issuances and settlements (net)	21,364
Investment income distributed	<u>(56,371)</u>
Balance, end of year	<u><u>\$ 1,225,804</u></u>

Note 9. Net Assets with Donor Restrictions

Net assets with donor restrictions consist of time restricted contributions and purpose restricted contributions at June 30 as follows:

	2020	2019
Future campaign	\$ 42,162	\$ 14,667
Sponsorship	5,500	5,500
Student Council	326	326
Summer Youth	2,808	519
Success By 6 programs	128,773	91,734
Taking it to the Streets	5,162	4,411
Women's Leadership Council	4,189	4,189
Carlisle Youth Initiative	450	450
COVID-19 Emergency Response	38,739	-
LDSP	423	-
Perpetual trusts held by third parties	1,225,804	1,260,811
Endowment Funds	2,595,723	2,616,849
	<u><u>\$ 4,050,059</u></u>	<u><u>\$ 3,999,456</u></u>

Net assets with donor restrictions consist of endowment and split-interest trust fund investments to be held indefinitely. The income from these funds is unrestricted, except for the Brenneman endowment and the Civic Club of Carlisle Fund endowment. The Brenneman endowment is restricted to benefitting neglected children in the Village of Boiling Springs, the Borough of Carlisle and surrounding area. The Civic Club of Carlisle Fund endowment is restricted to benefitting various agencies located in Cumberland County.

**UNITED WAY OF CARLISLE & CUMBERLAND COUNTY AND UNITED WAY
ENDOWMENT FUND OF CARLISLE PENNSYLVANIA**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Note 10. Net Assets Board Designated

As of June 30, 2020, the Board has designated \$41,555 to be used for future capital improvements and \$255,230, to be used as a quasi-endowment fund.

Note 11. Line-of-Credit

The United Way has a line-of-credit available from M&T Bank in the amount of \$300,000. The interest rate is the bank's prime rate. There were no borrowings against this line at June 30, 2020.

Note 12. Paycheck Protection Program Loan

On April, 22, 2020, the Organization received loan proceeds in the amount of \$52,100 under the Paycheck Protection Program ("PPP"). The PPP, established as part of the Coronavirus Aid, Relief and Economic Security Act ("CARES Act"), provides for loans to qualifying businesses for amounts up to 2.5 times of the average monthly payroll expenses of the qualifying business. The loans and accrued interest are forgivable after the applicable covered period as long as the borrower uses the loan proceeds for eligible purposes, including payroll, benefits, mortgage payments, rent, utilities, and interest on other debt obligations incurred before February 15, 2020, and maintains its payroll levels. The amount of loan forgiveness will be reduced if the borrower terminates employees or reduces salaries during the applicable covered period.

The unforgiven portion of the PPP loan is payable over two years at an interest rate of 1%, with a deferral of payments until the forgiven amount is remitted to the lender by the Small Business Administration (SBA). The Note may be prepaid by the Borrower at any time prior to maturity with no prepayment penalties. The Company intends to use the proceeds for purposes consistent with the PPP. While the Organization currently believes that its use of the loan proceeds will meet the conditions for forgiveness of the loan, we cannot assure you that we will not take actions that could cause the Organization to be ineligible for forgiveness of the loan, in whole or in part.

Note 13. Commitments and Contingencies

The United Way has made written commitments to partner agencies establishing the amount of allocations they will receive from July to December 2020. These amounts have been recorded as allocations payable at June 30, 2020.

The United Way received 27% of its annual support for the 2019-20 campaign through corporate and employee pledges from seven major companies and individuals located in the greater Carlisle area at June 30, 2020. The United Way could experience a substantial reduction of annual support should severe economic conditions arise affecting this concentration.

**UNITED WAY OF CARLISLE & CUMBERLAND COUNTY AND UNITED WAY
ENDOWMENT FUND OF CARLISLE PENNSYLVANIA**

NOTES TO FINANCIAL STATEMENTS

Note 14. Concentrations of Credit Risk

Cash and cash equivalents include all cash balances and highly liquid investments with an initial maturity of three months or less. The Organization places its temporary cash investments with high credit quality financial institutions. At times such investments may be in excess of the Federal Deposit Insurance Corporation (FDIC) insurance limit. The balance is insured by the Federal Deposit Insurance Corporation up to \$250,000. At June 30, 2020, the United Way had \$36,825, in uninsured bank balances.

Note 15. Rental Income

The United Way rented office and meeting space at the 145 South Hanover Street location to Hospice, which ended January 2019 and a new lease was entered into with the American Red Cross in October 2019. In addition, the United Way rents parking spaces in the lot behind the building.

Note 16. An Evening for the Children Gala

During the years ended June 30, 2020 and 2019, local businesses and community volunteers organized a Gala to raise money for summer scholarships to be distributed for the benefit of at-risk children in the greater Carlisle area. The net contributions supported the Carlisle Family YMCA, YWCA of Carlisle and the Summer Program for Youth (SPY). The Gala could not be held in person in 2020 due to the COVID-19 Pandemic, however a virtual auction and raffle was held in its place. The following is the related contribution revenue and associated expense.

	2020	2019
Contributions	\$ 40,325	\$ 53,664
Expenses (direct donor benefit)		
Facility, food and beverage	-	17,211
An Evening for the Children Gala - net	<u>\$ 40,325</u>	<u>\$ 36,453</u>

**UNITED WAY OF CARLISLE & CUMBERLAND COUNTY AND UNITED WAY
ENDOWMENT FUND OF CARLISLE PENNSYLVANIA**

NOTES TO FINANCIAL STATEMENTS

Note 17. Special Events - Net

The United Way of Carlisle & Cumberland County provide two special events, the Glee Competition and the U-Turn event.

The United Way of Carlisle & Cumberland County hosts its annual Glee Competition in April at the Carlisle Theater. This event could not be held in 2020 due to the COVID-19 Pandemic.

The U-Turn event is a collaboration with Dickinson College for an annual community yard sale in June. The United Way of Carlisle & Cumberland County sold Dickinson College student and faculty donated items and yard sale spaces. This event could not be held in 2020 due to the COVID-19 Pandemic.

Proceeds from these events were used to underwrite fundraising and administrative costs so that 100% of campaign donations could be used to support programs.

The following is the related revenue and associated expenses:

	2020	2019
Glee competition ticket sales	\$ -	\$ 26,769
U-Turn sales	-	17,966
100 year anniversary	-	16,628
Gross income	-	61,363
Glee competition expenses	-	3,035
U-Turn expenses	-	503
100 year anniversary	-	12,477
Total expenses	-	16,015
Special events - net	\$ -	\$ 45,348

Note 18. Dues to United Way Worldwide and United Way of Pennsylvania

For the right to use the logo and related United Way services, the United Way of Carlisle & Cumberland County paid dues of one cent on each campaign dollar raised to the United Way Worldwide (UWW). UWW provides access to training, national radio and television spots and the NFL partnership and promotion. This 1% is underwritten by our 100% guarantee sponsors so that 100% of campaign dollars goes directly to fund programs.

United Way of Pennsylvania dues are paid voluntarily for representing our interest to the legislature in Harrisburg. They have taken a lead in several state-wide initiatives of great importance to us locally, such as the “2-1-1” line for information/referral.

**UNITED WAY OF CARLISLE & CUMBERLAND COUNTY AND UNITED WAY
ENDOWMENT FUND OF CARLISLE PENNSYLVANIA**

NOTES TO FINANCIAL STATEMENTS

Note 19. Compensated Absences

The United Way allows full-time employees to accumulate sick leave up to a maximum of 90 days. Accumulated sick leave is not payable on termination. The United Way allows all full-time employees and part-time employees who work 20 hours a week or more to accumulate vacation time to a maximum of 20 days. More than 20 days of accrued vacation requires explicit approval. Accumulated vacation time is paid upon termination.

Note 20. Designations

Because of its community and needs-based distribution process, the United Way of Carlisle & Cumberland County advocates for contributions to be left undesignated when possible. Knowledgeable volunteers receive training and spend hundreds of hours scrutinizing agency programs and budgets to disseminate funds under their responsibility. Essentially, the United Way serves to act as a “mutual fund,” thus enhancing the donor’s dollar and multiplying its impact. However, if a donor has a special area of need or an agency they wish to support, the United Way provides this customer service through its donor choice program. Designations are made to other United Ways, partner and non-partner nonprofit agencies, or fields of services with minimal or no processing fees. In these instances, the United Way of Carlisle & Cumberland County is responsible for processing the donor’s gift.

Note 21. Reclassifications

Certain amounts in the 2019 consolidated financial statements have been reclassified to be consistent with the classifications in the 2020 consolidated financial statements.

Note 22. Subsequent Events

Recent developments arising from the coronavirus pandemic and efforts to mitigate the disease’s domestic and global impacts have disrupted operations of companies in many industries. Facility closings, labor and personnel layoffs, curtailments of supply lines and increased materials costs, contracted production, dislocations of product-delivery methods, and reduced markets enhance the Organization’s risk factors as they have a significant reliance on revenue from third parties to fund their operations. These factors adversely impact revenue recognition, cash flows and liquidity, contingencies, and in some instances, the going-concern assumption. Presently, the ultimate effects of this crisis on financial position, results of operations, and cash flows are indeterminable because the duration of the crisis is also indeterminable; however, management continues to monitor developments.

SUPPLEMENTARY INFORMATION

**UNITED WAY OF CARLISLE & CUMBERLAND COUNTY AND UNITED WAY
ENDOWMENT FUND OF CARLISLE PENNSYLVANIA**

**CONSOLIDATING STATEMENT OF FINANCIAL POSITION
June 30, 2020 (with comparative totals for 2019)**

ASSETS	United Way	Endowment	Eliminations	Consolidated 2020	2019
Current Assets					
Cash and cash equivalents	\$ 1,011,168	\$ -	\$ -	\$ 1,011,168	\$ 887,690
Pledges receivable, net of allowance for uncollectible pledges 2020 \$62,530; 2019 \$36,517	191,751	-	-	191,751	206,083
Other receivables	26,031	-	-	26,031	26,148
Prepaid expenses	4,003	-	-	4,003	4,378
Total current assets	1,232,953	-	-	1,232,953	1,124,299
Property and Equipment					
Land	51,207	-	-	51,207	51,207
Building and improvements	504,953	-	-	504,953	504,953
Equipment and furniture	54,724	-	-	54,724	53,832
Less accumulated depreciation	(339,855)	-	-	(339,855)	(331,182)
	271,029	-	-	271,029	278,810
Other Assets					
Beneficial interest in split-interest agreements, Endowment Funds and Board Designated Investments	1,225,804	2,850,954	-	4,076,758	4,096,080
Total assets	\$ 2,729,786	\$ 2,850,954	\$ -	\$ 5,580,740	\$ 5,499,189

LIABILITIES AND NET ASSETS	United Way	Endowment	Eliminations	Consolidated 2020	2019
Current Liabilities					
Allocations payable	\$ 309,250	\$ -	\$ -	\$ 309,250	\$ 317,002
Donor choice allocations payable	161,231	-	-	161,231	179,523
Accounts payable	17,149	-	-	17,149	17,027
Paycheck Protection Program Loan	52,100	-	-	52,100	-
Deferred revenue	422	-	-	422	160
Compensated absences	13,875	-	-	13,875	13,450
Payroll taxes and withholdings	8,495	-	-	8,495	5,218
Total current liabilities	562,522	-	-	562,522	532,380
Net Assets					
Without donor restrictions					
Undesignated	671,374	-	-	671,374	706,756
Board designated	41,554	255,231	-	296,785	260,597
Total without donor restrictions	712,928	255,231	-	968,159	967,353
		-	-		
With donor restrictions	1,454,336	2,595,723	-	4,050,059	3,999,456
Total net assets	2,167,264	2,850,954	-	5,018,218	4,966,809
Total liabilities and net assets	\$ 2,729,786	\$ 2,850,954	\$ -	\$ 5,580,740	\$ 5,499,189

**UNITED WAY OF CARLISLE & CUMBERLAND COUNTY AND UNITED WAY
ENDOWMENT FUND OF CARLISLE PENNSYLVANIA**

**CONSOLIDATING STATEMENT OF ACTIVITIES
Year Ended June 30, 2020 (with comparative totals for 2019)**

	United Way		Total
	Without Donor Restrictions	With Donor Restrictions	
Public Support and Revenue			
Gross Campaign Results (2019/2020)	\$ 1,396,158	\$ 38,739	\$ 1,434,897
Gross Campaign Results in prior year - released from restriction	14,667	(14,667)	-
(less donor designations)	(575,320)	-	(575,320)
Net Campaign Revenue (2019/2020)	835,505	24,072	859,577
Gross Campaign Results (2019/2020)	-	42,162	42,162
Special Events - net	-	-	-
An Evening for the Children Gala	40,325	-	40,325
Less: costs of direct benefit to donors	-	-	-
An Evening for the Children Gala - net	40,325	-	40,325
Other Contributions			
Endowment	-	-	-
Bequests	-	-	-
Corporate sponsorships	10,500	5,000	15,500
Women's Leadership Council	-	-	-
Gain (Loss) on liquidation of contributed investments	(1,516)	-	(1,516)
Collections over prior years' estimated receivables	4,419	-	4,419
In-kind contributions	14,582	-	14,582
Total other contributions	27,985	5,000	32,985
Designations from other United Ways	25,836	-	25,836
Service fee income	1,847	-	1,847
Grants	22,172	84,274	106,446
Investment Income			
Trust and Endowment Fund income	56,369	-	56,369
Interest income	15,467	-	15,467
Unrealized loss on investments	-	(35,007)	(35,007)
Total investment income	71,836	(35,007)	36,829
Rental income	6,428	-	6,428
Gain (loss) on sale of asset	(2,043)	-	(2,043)
Miscellaneous income	537	-	537
Other net assets released from restrictions	162,562	(48,772)	113,790
Total revenue, gains and other support	1,192,990	71,729	1,264,719

(Continued)

	Endowment		Total	Eliminations	Consolidated 2020	Total 2019
	Without Donor Restrictions	With Donor Restrictions				
\$	-	\$ -	\$ -	\$ -	\$ 1,434,897	\$ 1,248,303
	-	-	-	-	-	-
	-	-	-	-	(575,320)	(602,829)
	-	-	-	-	859,577	645,474
	-	-	-	-	42,162	14,667
	-	-	-	-	-	45,348
	-	-	-	-	40,325	53,664
	-	-	-	-	-	(17,211)
	-	-	-	-	40,325	36,453
	-	6,130	6,130	-	6,130	212,784
50,000	-	-	50,000	-	50,000	-
	-	-	-	-	15,500	19,000
	-	-	-	-	-	2,553
	-	-	-	-	(1,516)	22
	-	-	-	-	4,419	(26,351)
	-	-	-	-	14,582	16,005
50,000	6,130	-	56,130	-	89,115	224,013
	-	-	-	-	25,836	29,787
	-	-	-	-	1,847	4,581
	-	-	-	-	106,446	75,494
6,358	55,617	-	61,975	-	118,344	246,496
-	-	-	-	-	15,467	15,260
(9,883)	21,253	-	11,370	-	(23,637)	(40,397)
(3,525)	76,870	-	73,345	-	110,174	221,359
-	-	-	-	-	6,428	6,850
-	-	-	-	-	(2,043)	25,968
-	-	-	-	-	537	843
(9,664)	(104,126)	-	(113,790)	-	-	-
36,811	(21,126)	-	15,685	-	1,280,404	1,330,837

**UNITED WAY OF CARLISLE & CUMBERLAND COUNTY AND UNITED WAY
ENDOWMENT FUND OF CARLISLE PENNSYLVANIA**

**CONSOLIDATING STATEMENT OF ACTIVITIES (Continued)
Year Ended June 30, 2020 (with comparative totals for 2019)**

	United Way		Total
	Without Donor Restrictions	With Donor Restrictions	
Allocations and Expenses			
Program Services			
Gross funds allocated/distributed:			
2019 campaign	1,309,815	-	1,309,815
Omit an agency	2,476	-	2,476
Total gross funds allocated/distributed	1,312,291	-	1,312,291
(less donor designations)	(575,320)	-	(575,320)
Net Funds allocated/distributed	736,971	-	736,971
Community Impact/Member Agency Relations	96,627	-	96,627
Success By 6	97,514	-	97,514
Total Program Services	931,112	-	931,112
Supporting Services			
Management and general	208,303	-	208,303
Fundraising	89,580	-	89,580
Total supporting services	297,883	-	297,883
Total allocations and expenses	1,228,995	-	1,228,995
Changes in net assets	(36,005)	71,729	35,724
Net Assets:			
Beginning	748,933	1,382,607	2,131,540
Ending	\$ 712,928	\$ 1,454,336	\$ 2,167,264

Without Donor Restrictions	Endowment		Eliminations	Total 2020	Total 2019
	With Donor Restrictions	Total			
-	-	-	-	1,309,815	1,287,286
-	-	-	-	2,476	966
-	-	-	-	1,312,291	1,288,252
-	-	-	-	(575,320)	(602,829)
-	-	-	-	736,971	685,423
-	-	-	-	96,627	144,086
-	-	-	-	97,514	120,061
-	-	-	-	931,112	949,570
-	-	-	-	208,303	164,631
-	-	-	-	89,580	77,446
-	-	-	-	297,883	242,077
-	-	-	-	1,228,995	1,191,647
36,811	(21,126)	15,685	-	51,409	139,190
218,420	2,616,849	2,835,269	-	4,966,809	4,827,619
\$ 255,231	\$ 2,595,723	\$ 2,850,954	\$ -	\$ 5,018,218	\$ 4,966,809

**UNITED WAY OF CARLISLE & CUMBERLAND COUNTY AND UNITED WAY
ENDOWMENT FUND OF CARLISLE PENNSYLVANIA**

CONSOLIDATING STATEMENT OF CASH FLOWS
Year Ended June 30, 2020 (with comparative totals for 2019)

	United Way	Endowment	Total 2020	2019
Cash Flows From Operating Activities				
Changes in net assets	\$ 35,724	\$ 15,685	\$ 51,409	\$ 139,190
Adjustments to reconcile changes in net assets to net cash provided by (used in) operating activities				
Depreciation	12,370	-	12,370	11,614
(Gain)/Loss on sale of asset	2,043	-	2,043	(25,968)
(Gain)/Loss on sale of contributed stock donated	-	1,516	1,516	(22)
Net realized and unrealized gain on investments	-	(5,740)	(5,740)	(63,987)
Permanently restricted contributions received	-	(56,130)	(56,130)	(212,784)
Decrease in value of and split-interest agreements	35,007	-	35,007	13,575
Changes in assets and liabilities:				
(Increase) decrease in:				
Pledges receivable	14,332	-	14,332	45,460
Other receivable	117	-	117	(22,835)
Prepaid expenses	375	-	375	10,451
(Decrease) increase in:				
Allocations payable	(26,044)	-	(26,044)	16,779
Accounts payable	122	-	122	2,241
Deferred revenue	262	-	262	(750)
Accrued expenses	3,702	-	3,702	864
Net cash provided by (used in) operating activities	78,010	(44,669)	33,341	(86,172)
Cash Flows From Investing Activities				
Proceeds from sale of land	-	-	-	30,000
Purchase of investments	-	(56,130)	(56,130)	(212,784)
Proceeds from sale of investments	-	44,669	44,669	15,006
Purchases of property and equipment	(6,632)	-	(6,632)	(4,368)
Net cash (used in) investing activities	(6,632)	(11,461)	(18,093)	(172,146)
Cash Flows From Financing Activities				
Proceeds from Paycheck Protection Program Loan	52,100	-	52,100	-
Permanently restricted contributions received	-	56,130	56,130	212,784
Net cash (used in) provided by financing activities	52,100	56,130	108,230	212,784
Net (decrease) increase in cash and cash equivalents	123,478	-	123,478	(45,534)
Cash and Cash Equivalents:				
Beginning	887,690	-	887,690	933,224
Ending	<u>\$ 1,011,168</u>	<u>\$ -</u>	<u>\$ 1,011,168</u>	<u>\$ 887,690</u>

**UNITED WAY OF CARLISLE & CUMBERLAND COUNTY AND UNITED WAY
ENDOWMENT FUND OF CARLISLE PENNSYLVANIA**

ANNUAL REPORT PRESENTATION

Year Ended June 30, 2020

Revenue - Campaign	
2019 Campaign Pledges (including donor choice)	\$ 1,563,245
Less provision for doubtful accounts	(62,530)
Less designations to United Way programs	(31,644)
Less designations to COVID (restricted to be paid next year)	<u>(38,739)</u>
Net Campaign Income	1,430,332
Revenue - Other	
Bequested Gift	50,000
Special Events - Net	6,329
An Evening for the Children Net of direct benefit to donors	40,325
Corporate sponsorships	15,500
Collections from prior years' estimated receivables	4,419
Loss on liquidation of contributed investments	(1,516)
In-kind contributions	14,582
Service fee income	1,847
Investment income	185,627
Rental income	6,428
Success by 6	99,816
Heating Coalition	856
Taking it to the streets	5,350
Grants and sponsorships restricted for next year	(40,078)
Other revenue	<u>(1,507)</u>
Total Other Revenue	<u>387,978</u>
Total Revenue	<u>\$ 1,818,310</u>
Allocations, Expenses and Change in Unrestricted Net Assets	
Allocations:	
Agency Allocations	\$ 621,227
Donor Choice	575,320
Summer Youth Camp Scholarships (An Evening for the Children Proceeds)	34,434
Civic Club Fund	4,451
Heating Assistance	3,418
Money in Your Pocket	1,500
Emergency Funding	<u>71,941</u>
Total Allocations	1,312,291
Program Services:	
Community Impact/Member Agency Relations	96,627
Pre-Kindergarten Scholarships	41,954
Success by 6	<u>55,560</u>
Total Program Services	194,141
Supporting Services:	
Management and General	208,303
Fundraising	<u>89,580</u>
Total Supporting Services	297,883
Increase in Net Assets without restrictions (Fund Balance)	<u>13,995</u>
Total Allocations, Expenses & Change in Net Assets Without Restrictions	<u>\$ 1,818,310</u>

**UNITED WAY OF CARLISLE & CUMBERLAND COUNTY AND UNITED WAY
ENDOWMENT FUND OF CARLISLE PENNSYLVANIA**

Revenue Reconciliation - Audit to Internal Reporting

2019 Campaign Revenue (Net)	\$ 1,434,897
Release from restriction	14,667
Designations from other United Ways	<u>25,836</u>
Net Campaign Income	1,475,400
Provision for doubtful accounts	62,530
Designations to United Way Programs	31,644
Revenue from canceled special events	<u>(6,329)</u>
2019 Campaign Pledges	<u><u>\$ 1,563,245</u></u>