

**UNITED WAY OF CARLISLE
&
CUMBERLAND COUNTY
AND
UNITED WAY ENDOWMENT FUND
OF CARLISLE PENNSYLVANIA
FINANCIAL REPORT
JUNE 30, 2021**

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 - 31

SUPPLEMENTARY INFORMATION

Consolidating Statement of Financial Position	32 - 33
Consolidating Statement of Activities	34 - 37
Consolidating Statement of Cash Flows	38
Annual Report Presentation	39
Revenue Reconciliation - Audit to Internal Reporting	40

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 consolidated 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, 2021, 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, 2021, 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 2020 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated October 1, 2020. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2020, is consistent, in all material respects, with the audited financial statements from which it has been derived.

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 & Ritten". The signature is written in black ink and is centered on the page.

Camp Hill, Pennsylvania
September 9, 2021

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

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
June 30, 2021 (with comparative totals for 2020)

ASSETS	2021	2020
Current Assets		
Cash and cash equivalents	\$ 1,046,187	\$ 1,011,168
Pledges receivable, net allowance for uncollectible pledges 2021 \$36,301; 2020 \$62,530	163,093	191,751
Other receivables	3,288	26,031
Prepaid expenses	5,780	4,003
	<hr/>	<hr/>
Total current assets	1,218,348	1,232,953
	<hr/>	<hr/>
Property and Equipment		
Land	51,207	51,207
Building and improvements	504,953	504,953
Equipment and furniture	57,304	54,724
Less accumulated depreciation	(352,909)	(339,855)
	<hr/>	<hr/>
	260,555	271,029
	<hr/>	<hr/>
Other Assets		
Beneficial interest in split-interest agreements, Endowment Funds and Board Designated Investments	4,828,458	4,076,758
	<hr/>	<hr/>
Total assets	\$ 6,307,361	\$ 5,580,740
	<hr/>	<hr/>

See Notes to Financial Statements.

LIABILITIES AND NET ASSETS	2021	2020
Current Liabilities		
Allocations payable	\$ 272,524	\$ 309,250
Donor choice allocations payable	176,752	161,231
Accounts payable	21,108	17,149
Paycheck Protection Program loan	-	52,100
Deferred revenue	855	422
Compensated absences	14,741	13,875
Payroll taxes and withholdings	6,256	8,495
Total current liabilities	492,236	562,522
 Net Assets		
Without donor restrictions		
Undesignated	724,850	671,374
Board designated	355,983	296,785
Total without donor restrictions	1,080,833	968,159
 With donor restrictions	4,734,292	4,050,059
Total net assets	5,815,125	5,018,218
 Total liabilities and net assets	 \$ 6,307,361	 \$ 5,580,740

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

**CONSOLIDATED STATEMENT OF ACTIVITIES
Year Ended June 30, 2021 (with comparative totals for 2020)**

	Without Donor Restrictions	With Donor Restrictions
Public Support and Revenue		
Gross Campaign Results (2020/2021)	\$ 1,275,897	\$ 19,330
Gross Campaign Results in prior year - released from restriction	42,162	(42,162)
(less donor designations)	(649,800)	-
Net Campaign Revenue (2020/2021)	668,259	(22,832)
Gross Campaign Results (2021/2022)	-	68,545
Special Events - net	10,169	-
An Evening for the Children Gala	48,236	-
Less: costs of direct benefit to donors	-	-
An Evening for the Children Gala - net	48,236	-
Other Contributions		
Endowment	-	10,000
Bequests	-	-
Corporate sponsorships	9,400	5,000
Loss on liquidation of contributed investments	(405)	-
Collections over prior years' estimated receivables	28,493	-
In-kind contributions	17,800	-
Total other contributions	55,288	15,000
Designations from other United Ways	24,243	-
Service fee income	1,114	-
Grants	180,327	85,099
Forgiveness for Paycheck Protection Program loan	52,100	-
Investment Income		
Trust and Endowment Fund income	72,047	120,619
Interest income	8,188	-
Unrealized gain (loss) on investments	57,586	670,181
Total investment income	137,821	790,800
Rental income	9,064	-
Gain (loss) on sale of asset	-	-
Miscellaneous income	6,033	-
Other net assets released from restrictions	252,379	(252,379)
Total revenue, gains and other support	1,445,033	684,233

(Continued)

Total 2021	Total 2020
\$ 1,295,227	\$ 1,434,897
-	-
(649,800)	(575,320)
645,427	859,577
68,545	42,162
10,169	-
48,236	40,325
-	-
48,236	40,325
10,000	6,130
-	50,000
14,400	15,500
(405)	(1,516)
28,493	4,419
17,800	14,582
70,288	89,115
24,243	25,836
1,114	1,847
265,426	106,446
52,100	-
192,666	118,344
8,188	15,467
727,767	(23,637)
928,621	110,174
9,064	6,428
-	(2,043)
6,033	537
-	-
2,077,166	1,280,404

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

**CONSOLIDATED STATEMENT OF ACTIVITIES (Continued)
Year Ended June 30, 2021 (with comparative totals for 2020)**

	Without Donor Restrictions	With Donor Restrictions
Allocations and Expenses		
Program Services		
Gross funds allocated/distributed:		
2020 campaign	1,316,845	-
Omit an agency	-	-
Total gross funds allocated/distributed	<u>1,316,845</u>	-
(less donor designations)	<u>(649,800)</u>	-
Net Funds allocated/distributed	667,045	-
Community Impact/Member Agency Relations	105,300	-
Success by Six	285,984	-
Total Program Services	<u>1,058,329</u>	-
Supporting Services		
Management and general	194,510	-
Fundraising	79,520	-
Total supporting services	<u>274,030</u>	-
Total allocations and expenses	<u>1,332,359</u>	-
Changes in net assets	112,674	684,233
Net Assets:		
Beginning	968,159	4,050,059
Ending	<u>\$ 1,080,833</u>	<u>\$ 4,734,292</u>

See Notes to Financial Statements.

Total 2021	Total 2020
1,316,845	1,309,815
-	2,476
1,316,845	1,312,291
(649,800)	(575,320)
667,045	736,971
105,300	96,627
285,984	97,514
1,058,329	931,112
194,510	208,303
79,520	89,580
274,030	297,883
1,332,359	1,228,995
796,907	51,409
5,018,218	4,966,809
\$ 5,815,125	\$ 5,018,218

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

**CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES
Year Ended June 30, 2021 (with comparative totals for 2020)**

	Program Services		
	Community Impact/Member		Total
	Agency Relations	Success by Six	Program
Salaries	\$ 56,189	\$ 27,508	\$ 83,697
Payroll taxes	4,240	2,473	6,713
Employee benefits	10,126	1,250	11,376
	<u>70,555</u>	<u>31,231</u>	<u>101,786</u>
Office expense/supplies	1,977	7,075	9,052
Printing and copying	591	-	591
Postage and shipping	388	385	773
Telephone and networks	1,310	626	1,936
Occupancy	5,892	2,813	8,705
Accounting fees	-	-	-
Insurance	1,690	807	2,497
Travel and meals	-	98	98
Communications/marketing	7,247	-	7,247
Training and program supplies	-	7,600	7,600
Meetings and conferences	15	-	15
Childcare scholarships	-	69,118	69,118
School Age Scholarships	-	160,100	160,100
Miscellaneous expense	155	-	155
Campaign/leadership expenses	-	-	-
Contract services/Other UW	1,079	-	1,079
Gala indirect expenses	-	-	-
Technology expenses	1,559	-	1,559
United Way dues	9,041	4,316	13,357
Depreciation	3,801	1,815	5,616
Total functional expenses	<u>\$ 105,300</u>	<u>\$ 285,984</u>	<u>\$ 391,284</u>

See Notes to Financial Statements.

Support Services

Management and General	Fundraising	Total Support	Total 2021	Total 2020
\$ 103,649	\$ 33,119	\$ 136,768	\$ 220,465	\$ 222,416
8,218	2,101	10,319	17,032	17,269
20,248	4,399	24,647	36,023	35,125
132,115	39,619	171,734	273,520	274,810
2,679	2,133	4,812	13,864	20,379
801	637	1,438	2,029	1,915
526	420	946	1,719	1,836
1,776	788	2,564	4,500	4,150
7,985	3,545	11,530	20,235	15,903
15,310	-	15,310	15,310	14,725
2,290	1,016	3,306	5,803	5,410
-	-	-	98	929
9,821	7,820	17,641	24,888	26,151
-	-	-	7,600	3,573
20	15	35	50	701
-	-	-	69,118	41,954
-	-	-	160,100	-
210	166	376	531	1,173
-	10,619	10,619	10,619	22,948
1,462	1,163	2,625	3,704	7,717
-	2,171	2,171	2,171	2,853
2,113	1,682	3,795	5,354	6,513
12,251	5,439	17,690	31,047	26,014
5,151	2,287	7,438	13,054	12,370
\$ 194,510	\$ 79,520	\$ 274,030	\$ 665,314	\$ 492,024

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

CONSOLIDATED STATEMENT OF CASH FLOWS
Year Ended June 30, 2021 (with comparative totals for 2020)

	2021	2020
Cash Flows From Operating Activities		
Changes in net assets	\$ 796,907	\$ 51,409
Gross Campaign Results (2021/2020) to net cash provided by (used in) operating activities		
Depreciation	13,054	12,370
(Gain)/loss on sale of asset	-	2,043
(Gain)/loss on sale of contributed stock donated	405	1,516
Net realized and unrealized gain on investments	(520,883)	(5,740)
Permanently restricted contributions received	(10,000)	(56,130)
Decrease in value of and split-interest agreements	(265,744)	35,007
Forgiveness of Paycheck Protection Program loan	(52,100)	
Changes in assets and liabilities:		
(Increase) decrease in:		
Pledges receivable	28,658	14,332
Other receivable	22,743	117
Prepaid expenses	(1,777)	375
(Decrease) increase in:		
Allocations payable	(21,205)	(26,044)
Accounts payable	3,959	122
Deferred revenue	433	262
Accrued expenses	(1,373)	3,702
Net cash provided by (used in) operating activities	(6,923)	33,341
Cash Flows From Investing Activities		
Purchase of investments	(10,000)	(56,130)
Proceeds from sale of investments	44,522	44,669
Purchases of property and equipment	(2,580)	(6,632)
Net cash provided by (used in) investing activities	31,942	(18,093)
Cash Flows From Financing Activities		
Proceeds from Paycheck Protection Program loan	-	52,100
Permanently restricted contributions received	10,000	56,130
Net cash provided by financing activities	10,000	108,230
Net increase in cash and cash equivalents	35,019	123,478
Cash and Cash Equivalents:		
Beginning	1,011,168	887,690
Ending	\$ 1,046,187	\$ 1,011,168

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 consolidated 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 FASB Accounting Standards: In 2021, the Organization adopted Financial Accounting Standards Board (FASB) Accounting Standards Codification Topic 606, *Revenue from Contracts with Customers*, as amended, supersedes or replaces nearly all GAAP revenue recognition guidance. These standards establish a new contract and control-based revenue recognition model, change the basis for deciding when revenue is recognized over time or at a point in time, and expand disclosures about revenue. We have implemented Topic 606 and have adjusted the presentation in these financial statements accordingly. The amendments have been applied under a modified prospective basis. Accordingly, there is no effect on net assets in connection with our implementation.

Recent Accounting Pronouncements: In February 2016, FASB issued Accounting Standards Update (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 consolidated financial statements.

In September 2020, 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 this new standard on its consolidated 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, 2021 and 2020; consist of money market funds in accounts at local financial institutions.

**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)

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.

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 \$15,209 and \$15,539 for the years ended June 30, 2021 and 2020, 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.

**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)

Support and Revenue (Continued): 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.

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 September 9, 2021, which is the date the financial statements were available to be issued.

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

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

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, 2021 and 2020, respectively, comprise the following:

	2021	2020
Financial assets at year-end:		
Cash and cash equivalents	\$ 1,046,187	\$ 1,011,168
Pledges receivable	163,093	191,751
Other Receivables	3,288	26,031
Endowment funds	3,336,910	2,850,954
Beneficial interest in perpetual trust	1,491,548	1,225,804
Total Financial Assets	<u>6,041,026</u>	<u>5,305,708</u>
Less amounts not available to be used within one year:		
Net assets with donor restrictions subject to purpose restriction		
Endowment fund	3,026,402	2,595,724
Beneficial interests in perpetual trusts	1,491,548	1,225,804
Board designated portion of endowment fund	310,508	255,230
Financial assets not available for use within one year	<u>4,828,458</u>	<u>4,076,758</u>
Financial assets available to meet general expenditures over the next twelve months	<u>\$ 1,212,568</u>	<u>\$ 1,228,950</u>

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.

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

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

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, 2021 and 2020, is estimated at 3.0% and 4.0% of actual pledges, respectively.

	2021	2020
Total Pledges Receivable - within one year	\$ 199,394	\$ 254,281
Less allowance for uncollectible pledges	<u>(36,301)</u>	<u>(62,530)</u>
Pledges receivable, net	<u>\$ 163,093</u>	<u>\$ 191,751</u>

Note 4. Allocations

Allocations payable consist of amounts committed to partner agencies through December 31, 2021, but not paid as of June 30, 2021.

Allocations expense represents amounts from the 2020 Campaign paid to agencies January through June 2021, and amounts committed from the 2020 Campaign that will be paid July through December 2021.

**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, 2021 and 2020, in-kind contributions were as follows:

	2021	2020
<hr/>		
Contributions		
Donated advertising	\$ 17,800	\$ 13,082
Donated services and use of facility	-	
Donated supplies	-	1,500
	<hr/>	<hr/>
	\$ 17,800	\$ 14,582
<hr/>		
Expenses		
Programs and support	\$ 17,800	\$ 14,582
	<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:

	2021	2020
United Way Endowment/Board Designated Investment	\$ 2,840,226	\$ 2,408,052
Brenneman Endowment	262,731	234,283
Civic Club of Carlisle Fund	233,953	208,619
Total Endowments	3,336,910	2,850,954
Roger K. Todd Trust	606,979	508,482
Naomi Watson Trust	376,918	306,348
Albert Watson Trust	507,651	410,974
	<u>\$ 4,828,458</u>	<u>\$ 4,076,758</u>

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

	2021	2020
United Way Endowment/Board Designated Investment	\$ 432,174	\$ 15,420
Brenneman Endowment	28,448	(533)
Civic Club of Carlisle Fund	25,334	798
Total Endowments	485,956	15,685
Roger K. Todd Trust	98,497	(869)
Naomi Watson Trust	70,570	(16,202)
Albert Watson Trust	96,677	(17,936)
	<u>\$ 751,700</u>	<u>\$ (19,322)</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:

	2021	2020
United Way Endowment/Board Designated Investment	\$ 106,986	\$ 104,124
Brenneman Endowment	4,116	5,215
Civic Club of Carlisle Fund	3,663	4,451
Total Endowments	114,765	113,790
Roger K. Todd Trust	20,847	24,367
Naomi Watson Trust	15,807	14,004
Albert Watson Trust	27,316	18,000
	<u>\$ 178,735</u>	<u>\$ 170,161</u>

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

	2021	2020
United Way Endowment/Board Designated Investment	\$ 2,372,193	\$ 2,357,688
Brenneman Endowment	237,538	232,481
Civic Club of Carlisle Fund	21,735	205,953
Total Endowments	2,631,466	2,796,122
Roger K. Todd Trust	506,646	505,772
Naomi Watson Trust	275,265	282,337
Albert Watson Trust	374,788	381,969
	<u>\$ 3,788,165</u>	<u>\$ 3,966,200</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.

**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)

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.

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, 2021, 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, 2021 and 2020, respectively. The Board Designated Investment is classified as without donor restrictions board designated net assets for June 30, 2021.

	2021	2020
Endowment Fund/Board Designated, at beginning of period	\$ 2,850,954	\$ 2,835,269
Contributions	10,000	56,130
Transfer from reserve account	-	-
Investment Returns		
Investment income	91,981	87,827
Realized gain (loss)	58,861	(5,630)
Unrealized gains	462,022	11,370
Net investment income	612,864	93,567
Investment fees	(22,143)	(20,222)
Amounts appropriated for expenditure	(114,765)	(113,790)
Endowment Fund/Board Designated, at end of period	<u>\$ 3,336,910</u>	<u>\$ 2,850,954</u>
Net Asset Classification		
With donor restrictions	<u>\$ 3,026,402</u>	<u>\$ 2,595,723</u>
Without donor restrictions/Board designated	<u>\$ 310,508</u>	<u>\$ 255,231</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. The following are descriptions 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:

	6/30/2021	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	\$ 70,380	\$ -	\$ 70,380	\$ -
Trading Securities				
U.S. Govt., municipal and Corporate bonds and notes				
Corporate and foreign bonds	50,865	50,865	-	-
Fixed income mutual funds	1,256,011	1,256,011	-	-
Common stock and mutual funds				
Equity mutual funds	924,120	924,120	-	-
Common stocks	1,035,534	1,035,534	-	-
Beneficial interest in perpetual trusts	1,491,548	-	-	1,491,548
	<u>\$ 4,828,458</u>	<u>\$ 3,266,530</u>	<u>\$ 70,380</u>	<u>\$ 1,491,548</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)

	6/30/2020	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	-	-
Municipal bonds and notes			-	-
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)

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, 2021:

	Beneficial Interest in Perpetual Trusts
Balance, beginning of year	\$ 1,255,804
Purchases, sales, issuances and settlements (net)	299,714
Investment income distributed	<u>(63,970)</u>
Balance, end of year	<u><u>\$ 1,491,548</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:

	2021	2020
Future campaign	\$ 68,545	\$ 42,162
Sponsorship	5,500	5,500
Student Council	326	326
Summer Youth	2,950	2,808
Success By 6 programs	120,718	128,773
Taking it to the Streets	5,162	5,162
Women's Leadership Council	4,189	4,189
Carlisle Youth Initiative	450	450
COVID-19 Emergency Response	180	38,739
LDSP	-	423
Heating Coalition	8,323	-
Perpetual trusts held by third parties	1,491,548	1,225,804
Endowment Funds	3,026,401	2,595,723
	<u><u>\$ 4,734,292</u></u>	<u><u>\$ 4,050,059</u></u>

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

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Note 9. Net Assets with Donor Restrictions (Continued)

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.

Note 10. Net Assets Board Designated

As of June 30, 2021, the Board has designated \$45,475 to be used for future capital improvements and \$310,508, 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, 2021.

Note 12. Paycheck Protection Program Loan

The Paycheck Protection Program (PPP) was established as part of the Coronavirus Aid, Relief and Economic Security Act (CARES Act) and is administered by the Small Business Administration (SBA). On April 22, 2020, the Company received loan proceeds in the amount of \$52,100 under the PPP by executing a PPP Term Note with Orrstown Bank. On April 14, 2021, the Company received confirmation from the SBA stating, based on the application for loan forgiveness as filed (and subject to audit), 100% of the PPP loan and accrued interest was forgiven, as provided in the CARES Act. Accordingly, the loan obligation was deemed satisfied with the balance recognized as Forgiveness of PPP loan on the Statement of Activities.

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 2021. These amounts have been recorded as allocations payable at June 30, 2021.

The United Way received 28% of its annual support for the 2020-21 campaign through corporate and employee pledges from seven major companies and individuals located in the greater Carlisle area at June 30, 2021. 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 CONSOLIDATED 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, 2021, the United Way had \$21,909, 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 2020, and a new lease was entered into with the American Red Cross in October 2020. 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, 2021 and 2020, 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 or 2021 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.

	2021	2020
Contributions	\$ 48,236	\$ 40,325
Expenses (direct donor benefit)		
Facility, food and beverage	-	-
An Evening for the Children Gala - net	<u>\$ 48,236</u>	<u>\$ 40,325</u>

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

NOTES TO CONSOLIDATED 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:

	2021	2020
U-Turn sales	\$ 10,473	\$ -
U-Turn expenses	304	-
Special events - net	<u>\$ 10,169</u>	<u>\$ -</u>

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 (UWWW). UWWW 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 CONSOLIDATED 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. Uncertainties

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, 2021 (with comparative totals for 2020)**

ASSETS	United Way	Endowment	Eliminations	Consolidated 2021	2020
Current Assets					
Cash and cash equivalents	\$ 1,046,187	\$ -	\$ -	\$ 1,046,187	\$ 1,011,168
Pledges receivable, net of allowance for uncollectible pledges 2021 \$36,301; 2020 \$62,530	163,093	-	-	163,093	191,751
Other receivables	3,288	-	-	3,288	26,031
Prepaid expenses	5,780	-	-	5,780	4,003
Total current assets	1,218,348	-	-	1,218,348	1,232,953
Property and Equipment					
Land	51,207	-	-	51,207	51,207
Building and improvements	504,953	-	-	504,953	504,953
Equipment and furniture	57,304	-	-	57,304	54,724
Less accumulated depreciation	(352,909)	-	-	(352,909)	(339,855)
	260,555	-	-	260,555	271,029
Other Assets					
Beneficial interest in split-interest agreements, Endowment Funds and Board Designated Investments	1,491,548	3,336,910	-	4,828,458	4,076,758
Total assets	\$ 2,970,451	\$ 3,336,910	\$ -	\$ 6,307,361	\$ 5,580,740

LIABILITIES AND NET ASSETS	United Way	Endowment	Eliminations	Consolidated 2021	2020
Current Liabilities					
Allocations payable	\$ 272,524	\$ -	\$ -	\$ 272,524	\$ 309,250
Donor choice allocations payable	176,752	-	-	176,752	161,231
Accounts payable	21,108	-	-	21,108	17,149
Paycheck Protection Program loan	-	-	-	-	52,100
Deferred revenue	855	-	-	855	422
Compensated absences	14,741	-	-	14,741	13,875
Payroll taxes and withholdings	6,256	-	-	6,256	8,495
Total current liabilities	492,236	-	-	492,236	562,522
Net Assets					
Without donor restrictions					
Undesignated	724,850	-	-	724,850	671,374
Board designated	45,474	310,509	-	355,983	296,785
Total without donor restrictions	770,324	310,509	-	1,080,833	968,159
With donor restrictions					
	1,707,891	3,026,401	-	4,734,292	4,050,059
Total net assets	2,478,215	3,336,910	-	5,815,125	5,018,218
Total liabilities and net assets	\$ 2,970,451	\$ 3,336,910	\$ -	\$ 6,307,361	\$ 5,580,740

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

**CONSOLIDATING STATEMENT OF ACTIVITIES
Year Ended June 30, 2021 (with comparative totals for 2020)**

	United Way		Total
	Without Donor Restrictions	With Donor Restrictions	
Public Support and Revenue			
Gross Campaign Results (2020/2021)	\$ 1,275,897	\$ 19,330	\$ 1,295,227
Gross Campaign Results in prior year - released from restriction	42,162	(42,162)	-
(less donor designations)	(649,800)	-	(649,800)
Net Campaign Revenue (2020/2021)	668,259	(22,832)	645,427
Gross Campaign Results (2021/2022)	-	68,545	68,545
Special Events - net	10,169	-	10,169
An Evening for the Children Gala	48,236	-	48,236
Less: costs of direct benefit to donors	-	-	-
An Evening for the Children Gala - net	48,236	-	48,236
Other Contributions			
Endowment	-	-	-
Bequests	-	-	-
Corporate sponsorships	9,400	5,000	14,400
Student Council	-	-	-
Women's Leadership Council	-	-	-
Gain (Loss) on liquidation of contributed investments	(405)	-	(405)
Collections over prior years' estimated receivables	28,493	-	28,493
In-kind contributions	17,800	-	17,800
Total other contributions	55,288	5,000	60,288
Designations from other United Ways	24,243	-	24,243
Service fee income	1,114	-	1,114
Grants	180,327	85,099	265,426
Forgiveness of Paycheck Protection Program loan	52,100	-	52,100
Investment Income			
Trust and Endowment Fund income	63,968	-	63,968
Interest income	8,188	-	8,188
Unrealized loss on investments	-	265,744	265,744
Total investment income	72,156	265,744	337,900
Rental income	9,064	-	9,064
Gain (loss) on sale of asset	-	-	-
Miscellaneous income	6,033	-	6,033
Other net assets released from restrictions	262,766	(148,001)	114,765
Total revenue, gains and other support	1,389,755	253,555	1,643,310

(Continued)

		Endowment					
Without Donor Restrictions	With Donor Restrictions	Total	Eliminations	Consolidated 2021	Total 2020		
\$ -	\$ -	\$ -	\$ -	\$ 1,295,227	\$ 1,434,897		
-	-	-	-	-	-		
-	-	-	-	(649,800)	(575,320)		
-	-	-	-	645,427	859,577		
-	-	-	-	68,545	42,162		
-	-	-	-	10,169	-		
-	-	-	-	48,236	40,325		
-	-	-	-	-	-		
-	-	-	-	48,236	40,325		
-	10,000	10,000	-	10,000	6,130		
-	-	-	-	-	50,000		
-	-	-	-	14,400	15,500		
-	-	-	-	-	-		
-	-	-	-	-	-		
-	-	-	-	(405)	(1,516)		
-	-	-	-	28,493	4,419		
-	-	-	-	17,800	14,582		
-	10,000	10,000	-	70,288	89,115		
-	-	-	-	24,243	25,836		
-	-	-	-	1,114	1,847		
-	-	-	-	265,426	106,446		
-	-	-	-	52,100	-		
8,079	120,619	128,698	-	192,666	118,344		
-	-	-	-	8,188	15,467		
57,586	404,437	462,023	-	727,767	(23,637)		
65,665	525,056	590,721	-	928,621	110,174		
-	-	-	-	9,064	6,428		
-	-	-	-	-	(2,043)		
-	-	-	-	6,033	537		
(10,387)	(104,378)	(114,765)	-	-	-		
55,278	430,678	485,956	-	2,129,266	1,280,404		

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

**CONSOLIDATING STATEMENT OF ACTIVITIES (Continued)
Year Ended June 30, 2021 (with comparative totals for 2020)**

	United Way		Total
	Without Donor Restrictions	With Donor Restrictions	
Allocations and Expenses			
Program Services			
Gross funds allocated/distributed:			
2020 campaign	1,316,845	-	1,316,845
Omit an agency	-	-	-
Total gross funds allocated/distributed	1,316,845	-	1,316,845
(less donor designations)	(649,800)	-	(649,800)
Net Funds allocated/distributed	667,045	-	667,045
Community Impact/Member Agency Relations	105,300	-	105,300
Success By 6	285,984	-	285,984
Total Program Services	1,058,329	-	1,058,329
Supporting Services			
Management and general	194,510	-	194,510
Fundraising	79,520	-	79,520
Total supporting services	274,030	-	274,030
Total allocations and expenses	1,332,359	-	1,332,359
Changes in net assets	57,396	253,555	310,951
Net Assets:			
Beginning	712,928	1,454,336	2,167,264
Ending	\$ 770,324	\$ 1,707,891	\$ 2,478,215

Without Donor Restrictions	Endowment		Eliminations	Total 2021	Total 2020
	Without Donor Restrictions	With Donor Restrictions			
-	-	-	-	1,316,845	1,309,815
-	-	-	-	-	2,476
-	-	-	-	1,316,845	1,312,291
-	-	-	-	(649,800)	(575,320)
-	-	-	-	667,045	736,971
-	-	-	-	105,300	96,627
-	-	-	-	285,984	97,514
-	-	-	-	1,058,329	931,112
-	-	-	-	194,510	208,303
-	-	-	-	79,520	89,580
-	-	-	-	274,030	297,883
-	-	-	-	1,332,359	1,228,995
55,278	430,678	485,956	-	796,907	51,409
255,231	2,595,723	2,850,954	-	5,018,218	4,966,809
\$ 310,509	\$ 3,026,401	\$ 3,336,910	\$ -	\$ 5,815,125	\$ 5,018,218

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

CONSOLIDATING STATEMENT OF CASH FLOWS
Year Ended June 30, 2021 (with comparative totals for 2020)

	United Way	Endowment	Total 2021	2020
Cash Flows From Operating Activities				
Changes in net assets	\$ 310,951	\$ 485,956	\$ 796,907	\$ 51,409
Adjustments to reconcile changes in net assets to net cash provided by (used in) operating activities				
Depreciation	13,054	-	13,054	12,370
(Gain)/Loss on sale of asset	-	-	-	2,043
(Gain)/Loss on sale of contributed stock donated	-	405	405	1,516
Net realized and unrealized gain on investments	-	(520,883)	(520,883)	(5,740)
Permanently restricted contributions received	-	(10,000)	(10,000)	(56,130)
Decrease in value of and split-interest agreements	(265,744)	-	(265,744)	35,007
Forgives of Paycheck Protection Program loan	-	(52,100)	-	-
Changes in assets and liabilities:				
(Increase) decrease in:				
Pledges receivable	28,658	-	28,658	14,332
Other receivable	22,743	-	22,743	117
Prepaid expenses	(1,777)	-	(1,777)	375
(Decrease) increase in:				
Allocations payable	(21,205)	-	(21,205)	(26,044)
Accounts payable	3,959	-	3,959	122
Deferred revenue	433	-	433	262
Accrued expenses	(1,373)	-	(1,373)	3,702
Net cash provided by (used in) operating activities	89,699	(96,622)	45,177	33,341
Cash Flows From Investing Activities				
Proceeds from sale of land	-	-	-	-
Purchase of investments	-	(10,000)	(10,000)	(56,130)
Proceeds from sale of investments	-	44,522	44,522	44,669
Purchases of property and equipment	(2,580)	-	(2,580)	(6,632)
Net cash (used in) provided by investing activities	(2,580)	34,522	31,942	(18,093)
Cash Flows From Financing Activities				
Proceeds from Paycheck Protection Program loan	-	-	-	52,100
Permanently restricted contributions received	-	10,000	10,000	56,130
Net cash provided by financing activities	-	10,000	10,000	108,230
Net (decrease) increase in cash and cash equivalents	87,119	(52,100)	87,119	123,478
Cash and Cash Equivalents:				
Beginning	1,011,168	-	1,011,168	887,690
Ending	\$ 1,098,287	\$ (52,100)	\$ 1,098,287	\$ 1,011,168

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

ANNUAL REPORT PRESENTATION

Year Ended June 30, 2021

Revenue - Campaign	
2020 Campaign Pledges (including donor choice)	\$ 1,427,794
Less provision for doubtful accounts	(42,834)
Less designations to United Way programs	(47,658)
Less designations to COVID (restricted to be paid next year)	<u>(180)</u>
Net Campaign Income	<u>1,337,122</u>
 Revenue - Other	
Bequested Gift	
Special Events - Net	10,169
An Evening for the Children Net of direct benefit to donors	48,236
COVID-19 Emergency Funds	19,330
COVID-19 Emergency Funds Released from Restrictions	38,739
Corporate sponsorships	14,400
Collections from prior years' estimated receivables	28,493
Loss on liquidation of contributed investments	(405)
In-kind contributions	17,800
Service fee income	1,114
Investment income	186,923
Rental income	9,064
Success by 6	246,427
Heating Coalition	15,600
Grants	3,400
PPP Loan forgiveness	52,100
Other revenue	<u>11,043</u>
Total Other Revenue	<u>702,433</u>
 Total Revenue	<u><u>\$ 2,039,555</u></u>
 Allocations, Expenses and Change in Unrestricted Net Assets	
Allocations:	
Agency Allocations	\$ 549,377
Donor Choice	649,800
Summer Youth Camp Scholarships (An Evening for the Children Proceeds)	45,000
Civic Club Fund	3,663
Heating Assistance	4,716
Brennaman Trust	4,116
Land O' Lakes Grant	1,500
Wellness Grant	784
Emergency Funding	<u>57,889</u>
Total Allocations	<u>1,316,845</u>
 Program Services:	
Community Impact/Member Agency Relations	105,300
Pre-Kindergarten Scholarships	69,118
Success by 6	<u>216,866</u>
Total Program Services	<u>391,284</u>
 Supporting Services:	
Management and General	194,510
Fundraising	79,520
Total Supporting Services	<u>274,030</u>
 Increase in Net Assets without restrictions (Fund Balance)	<u>57,396</u>
 Total Allocations, Expenses and Change in Net Assets Without Restrictions	<u><u>\$ 2,039,555</u></u>

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

Revenue Reconciliation - Audit to Internal Reporting

2020 Campaign Revenue (Net)	\$ 1,295,227
Release from restriction	42,162
Designations from other United Ways	24,243
Net Campaign Income	<u>1,361,632</u>
Provision for doubtful accounts	42,834
COVID-19 Emergency Funds	(19,330)
Designations to United Way Programs	47,658
Revenue from canceled special events	<u>(5,000)</u>
2020 Campaign Pledges	<u><u>\$ 1,427,794</u></u>