

***United Way of Lincoln and Lancaster County
and Controlled Foundation
Lincoln, Nebraska***

June 30, 2020 and 2019

***Consolidated Financial Statements
and
Independent Auditor's Report***



CPAs & Consultants | Wealth Management

United Way of Lincoln and Lancaster County and Controlled Foundation

Years ended June 30, 2020 and 2019

TABLE OF CONTENTS

	<u>Page No.</u>
Independent Auditor's Report	1-2
Consolidated Financial Statements	
Consolidated Statements of Financial Position	3
Consolidated Statements of Activities	4-5
Consolidated Statements of Functional Expenses	6-7
Consolidated Statements of Cash Flows	8
Notes to Consolidated Financial Statements	9-22
Supplemental Information	
Consolidating Statements of Financial Position	24-25
Consolidating Statements of Activities	26-27
Consolidating Statements of Expenses	28-29
Schedules of Agency Allocations, Grants, Contracts and Designations	30-31



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INDEPENDENT AUDITOR'S REPORT

The Board of Directors
United Way of Lincoln and Lancaster County
and Controlled Foundation
Lincoln, Nebraska

We have audited the accompanying consolidated financial statements of United Way of Lincoln and Lancaster County and Controlled Foundation, which comprise the consolidated statements of financial position as of June 30, 2020 and 2019, and the related consolidated statements of activities, functional expenses and cash flows for the years then ended and the related notes to the consolidated financial statements.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated 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 consolidated 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 consolidated financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated 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 consolidated 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 consolidated financial statements.

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

Opinion

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of United Way of Lincoln and Lancaster County and Controlled Foundation, as of June 30, 2020 and 2019, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note O to the consolidated financial statements in 2020, the entity adopted new accounting guidance ASU 2014-09, *Revenue from Contracts with Customers*, ASU 2018-08, *Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made*, and ASU 2018-13, *Fair Value Measurement (Topic 820): Disclosure Framework - Changes to the Disclosure Requirements for Fair Value Measurement*. Our opinion is not modified with respect to this matter.

Other Matter

Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The supplemental consolidating statements and the schedules of agency allocations, grants, contracts and designations on pages 24-31 are presented for purposes of additional analysis and are not a required part of the consolidated financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. The information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance accounting principles generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the consolidated financial statements as a whole.

ABE LLP

Lincoln, Nebraska
October 29, 2020

United Way of Lincoln and Lancaster County and Controlled Foundation

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

June 30,

ASSETS

	<u>2020</u>	<u>2019</u>
CURRENT ASSETS		
Cash and cash equivalents (note A)	\$ 5,375,900	\$ 4,836,697
Certificates of deposit (note B)	1,096,567	1,094,479
Investments (notes A, C and I)	835,538	830,018
Unconditional promises to give from campaigns, net (notes A and L)	2,287,999	2,349,083
Accounts receivable (note A)	118,843	46,196
Prepaid expenses	<u>100,715</u>	<u>37,845</u>
Total current assets	9,815,562	9,194,318
PROPERTY AND EQUIPMENT, net (notes A and E)	<u>46,392</u>	<u>56,913</u>
Total assets	<u>\$ 9,861,954</u>	<u>\$ 9,251,231</u>

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES		
Accounts payable	\$ 58,238	\$ 61,981
Accrued vacation	37,080	28,126
Accrued expenses	40	-
Operations payable	1,379,913	1,409,244
Community collaboratives payable (note F)	631,489	650,105
Custodial funds	28,463	31,116
Contract liability (note A)	141,445	-
Deferred revenue (note A)	134,440	290,265
Allocations payable	1,915,347	2,083,939
Designations payable	1,871,795	1,703,210
Current maturities of long-term obligations (note P)	<u>105,588</u>	<u>-</u>
Total current liabilities	6,303,838	6,257,986
LONG-TERM OBLIGATIONS, net of current maturities (note P)	<u>107,412</u>	<u>-</u>
Total liabilities	<u>6,411,250</u>	<u>6,257,986</u>
NET ASSETS (note A)		
Without donor restrictions		
Undesignated	46,392	56,913
Designated		
Reserve for operations	2,292,101	2,083,116
Board designated for community impact	148,663	-
Board designated endowment (notes J and K)	577,219	565,791
With donor restrictions (notes J and K)	<u>386,329</u>	<u>287,425</u>
Total net assets	<u>3,450,704</u>	<u>2,993,245</u>
Total liabilities and net assets	<u>\$ 9,861,954</u>	<u>\$ 9,251,231</u>

See accompanying notes to consolidated financial statements.

United Way of Lincoln and Lancaster County and Controlled Foundation

CONSOLIDATED STATEMENT OF ACTIVITIES

Year ended June 30, 2020

	Without Donor Restrictions	With Donor Restrictions	Total
CHANGE IN NET ASSETS			
Revenue and other support			
Total amounts raised	\$ 4,277,617	\$ 2,537,735	\$ 6,815,352
Provision for uncollectible	(263,134)	-	(263,134)
Amounts designated by donors for specific organizations	-	(2,437,735)	(2,437,735)
Total net contributions	<u>4,014,483</u>	<u>100,000</u>	<u>4,114,483</u>
Other revenue			
Bank depository account interest	76,263	-	76,263
Investment performance, net (note C)	18,549	8,404	26,953
Service fees	144,365	-	144,365
Sponsorship and special events	55,424	-	55,424
In-kind contributions	243,683	-	243,683
Grant income, contribution	20,600	-	20,600
Grant income, exchange transaction	359,019	-	359,019
Total other revenue	<u>917,903</u>	<u>8,404</u>	<u>926,307</u>
Net assets released from restrictions	<u>9,500</u>	<u>(9,500)</u>	<u>-</u>
Total revenue and other support	<u>4,941,886</u>	<u>98,904</u>	<u>5,040,790</u>
Program distributions			
Allocations distributed to affiliated agencies	1,773,383	-	1,773,383
Community initiatives and other funds distributed to affiliated agencies	1,903,671	-	1,903,671
Funds distributed to nonaffiliated agencies	1,149,980	-	1,149,980
Total program distributions	<u>4,827,034</u>	<u>-</u>	<u>4,827,034</u>
Less: distributions funded through donor designations	<u>(2,437,735)</u>	<u>-</u>	<u>(2,437,735)</u>
Net program distributions	<u>2,389,299</u>	<u>-</u>	<u>2,389,299</u>
Expenses			
Community impact and grant distribution	836,547	-	836,547
Management and general	379,542	-	379,542
Resource development - fund raising	835,167	-	835,167
Marketing and communications	160,051	-	160,051
Foundation operating expenses	12,056	-	12,056
Total functional expenses	<u>2,223,363</u>	<u>-</u>	<u>2,223,363</u>
Other program expense adjustments	<u>(29,331)</u>	<u>-</u>	<u>(29,331)</u>
Total expenses	<u>2,194,032</u>	<u>-</u>	<u>2,194,032</u>
INCREASE IN NET ASSETS	358,555	98,904	457,459
Net assets, beginning of year	<u>2,705,820</u>	<u>287,425</u>	<u>2,993,245</u>
Net assets, end of year	<u>\$ 3,064,375</u>	<u>\$ 386,329</u>	<u>\$ 3,450,704</u>

See accompanying notes to consolidated financial statements.

United Way of Lincoln and Lancaster County and Controlled Foundation

CONSOLIDATED STATEMENT OF ACTIVITIES

Year ended June 30, 2019

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
CHANGE IN NET ASSETS			
Revenue and other support			
Total amounts raised	\$ 4,605,464	\$ 2,162,495	\$ 6,767,959
Provision for uncollectible	(239,767)	-	(239,767)
Amounts designated by donors for specific organizations	-	(2,162,495)	(2,162,495)
Total net contributions	<u>4,365,697</u>	<u>-</u>	<u>4,365,697</u>
Other revenue			
Bank depository account interest	105,583	-	105,583
Investment performance, net (note C)	19,911	13,592	33,503
Service fees	130,978	-	130,978
Sponsorship and special events	114,294	-	114,294
In-kind contributions	139,841	-	139,841
Grant income	403,307	-	403,307
Total other revenue	<u>913,914</u>	<u>13,592</u>	<u>927,506</u>
Net assets released from restrictions	<u>12,500</u>	<u>(12,500)</u>	<u>-</u>
Total revenue and other support	<u>5,292,111</u>	<u>1,092</u>	<u>5,293,203</u>
Program distributions			
Allocations distributed to affiliated agencies	2,018,952	-	2,018,952
Community initiatives and other funds distributed to affiliated agencies	1,640,053	-	1,640,053
Funds distributed to nonaffiliated agencies	1,311,172	-	1,311,172
Total program distributions	<u>4,970,177</u>	<u>-</u>	<u>4,970,177</u>
Less: distributions funded through donor designations	<u>(2,162,495)</u>	<u>-</u>	<u>(2,162,495)</u>
Net program distributions	<u>2,807,682</u>	<u>-</u>	<u>2,807,682</u>
Expenses			
Community impact and grant distribution	871,400	-	871,400
Management and general	344,149	-	344,149
Resource development - fund raising	802,254	-	802,254
Marketing and communications	194,400	-	194,400
Foundation operating expenses	3,917	-	3,917
Total functional expenses	<u>2,216,120</u>	<u>-</u>	<u>2,216,120</u>
Other program expense adjustments	<u>(69,202)</u>	<u>-</u>	<u>(69,202)</u>
Total expenses	<u>2,146,918</u>	<u>-</u>	<u>2,146,918</u>
INCREASE IN NET ASSETS	337,511	1,092	338,603
Net assets, beginning of year	<u>2,368,309</u>	<u>286,333</u>	<u>2,654,642</u>
Net assets, end of year	<u>\$ 2,705,820</u>	<u>\$ 287,425</u>	<u>\$ 2,993,245</u>

See accompanying notes to consolidated financial statements.

United Way of Lincoln and Lancaster County and Controlled Foundation

CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES

Year ended June 30, 2020

	Program Services		Supporting Services		Other	Totals
	Community Impact and Grant Distribution	Management and General	Resource Development - Fund Raising	Marketing and Communications	Foundation Operating Expenses	
Salaries	\$ 212,504	\$ 256,623	\$ 378,437	\$ 66,299	\$ -	\$ 913,863
Employee benefits	45,831	26,925	62,424	22,025	-	157,205
Payroll taxes	15,742	19,115	28,386	4,939	-	68,182
Total salaries and related expenses	274,077	302,663	469,247	93,263	-	1,139,250
Professional fees	31,699	17,973	32,364	4,283	10,846	97,165
Supplies	1,369	733	2,135	590	-	4,827
Telephone	4,031	3,266	7,952	1,567	-	16,816
Postage	601	1,687	4,004	7	631	6,930
Occupancy	30,099	15,671	46,790	12,876	-	105,436
Rental, purchase and maintenance of equipment	2,417	1,519	12,483	921	-	17,340
Printing and advertising	134,857	1,547	72,789	33,150	434	242,777
Campaign supplies	-	-	4,735	-	-	4,735
Awards and recognition	-	4,094	581	-	-	4,675
Duplicating	602	925	1,591	3	-	3,121
Travel and meetings	2,410	933	6,301	128	135	9,907
Conferences, conventions, and other training	1,356	3,300	4,156	188	-	9,000
Membership dues	22,381	16,987	42,975	8,661	-	91,004
Subscriptions and publications	984	131	404	119	-	1,638
Insurance	1,907	1,060	3,175	786	-	6,928
Miscellaneous	6,275	1,907	16,174	1,581	10	25,947
Interviewing and relocation	-	273	-	-	-	273
Program initiatives	314,998	-	-	-	-	314,998
Special events	1,787	2,280	99,550	-	-	103,617
Total before depreciation	831,850	376,949	827,406	158,123	12,056	2,206,384
Depreciation of property and equipment	4,697	2,593	7,761	1,928	-	16,979
TOTAL FUNCTIONAL EXPENSES	\$ 836,547	\$ 379,542	\$ 835,167	\$ 160,051	\$ 12,056	\$ 2,223,363

See accompanying notes to consolidated financial statements.

United Way of Lincoln and Lancaster County and Controlled Foundation

CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES

Year ended June 30, 2019

	Program Services	Supporting Services			Other	Totals
	Community Impact and Grant Distribution	Management and General	Resource Development - Fund Raising	Marketing and Communications	Foundation Operating Expenses	
Salaries	\$ 267,124	\$ 226,442	\$ 377,881	\$ 92,366	\$ -	\$ 963,813
Employee benefits	52,088	21,482	67,882	23,099	-	164,551
Payroll taxes	20,319	16,979	28,555	7,054	-	72,907
Total salaries and related expenses	339,531	264,903	474,318	122,519	-	1,201,271
Professional fees	32,248	15,332	26,564	3,630	3,249	81,023
Supplies	1,789	805	2,575	790	-	5,959
Telephone	4,558	3,395	7,251	2,263	-	17,467
Postage	530	2,263	4,982	4	99	7,878
Occupancy	33,366	13,736	43,578	14,792	-	105,472
Rental, purchase and maintenance of equipment	3,060	2,930	13,386	1,196	-	20,572
Printing and advertising	74,127	2,391	65,197	33,187	355	175,257
Campaign supplies	-	-	7,526	-	-	7,526
Awards and recognition	330	4,503	1,742	50	-	6,625
Duplicating	909	1,390	2,340	27	-	4,666
Travel and meetings	3,573	656	7,905	248	190	12,572
Conferences, conventions, and other training	1,082	2,614	1,821	429	-	5,946
Membership dues	23,605	12,263	31,474	10,244	-	77,586
Subscriptions and publications	876	69	365	75	-	1,385
Insurance	2,298	946	2,995	1,019	-	7,258
Miscellaneous	7,808	2,314	13,552	2,322	24	26,020
Interviewing and relocation	-	1,886	-	-	-	1,886
Program initiatives	338,042	-	-	-	-	338,042
Special events	-	10,263	89,984	-	-	100,247
Total before depreciation	867,732	342,659	797,555	192,795	3,917	2,204,658
Depreciation of property and equipment	3,668	1,490	4,699	1,605	-	11,462
TOTAL FUNCTIONAL EXPENSES	\$ 871,400	\$ 344,149	\$ 802,254	\$ 194,400	\$ 3,917	\$ 2,216,120

See accompanying notes to consolidated financial statements.

United Way of Lincoln and Lancaster County and Controlled Foundation

CONSOLIDATED STATEMENTS OF CASH FLOWS

Years ended June 30,

	<u>2020</u>	<u>2019</u>
Cash flows from operating activities		
Cash received from donors and support	\$ 5,062,478	\$ 5,069,818
Cash paid for campaign distributions	(2,679,007)	(2,709,600)
Cash paid to employees and suppliers	(2,146,419)	(1,942,305)
Interest income	91,746	142,029
Net cash provided by operating activities	<u>328,798</u>	<u>559,942</u>
Cash flows from investing activities		
Purchase of property and equipment	(6,458)	(43,056)
Purchase of investments	(1,081,969)	(340,337)
Redemptions of investments	<u>1,085,832</u>	<u>335,247</u>
Net cash used by investing activities	<u>(2,595)</u>	<u>(48,146)</u>
Cash flows from financing activities		
Issuance of long-term obligations	<u>213,000</u>	<u>-</u>
Net increase in cash and cash equivalents	539,203	511,796
Cash and cash equivalents, beginning of year	<u>4,836,697</u>	<u>4,324,901</u>
Cash and cash equivalents, end of year	<u>\$ 5,375,900</u>	<u>\$ 4,836,697</u>
Reconciliation of increase in net assets to net cash provided by operating activities		
Increase in net assets	<u>\$ 457,459</u>	<u>\$ 338,603</u>
Adjustments to reconcile increase in net assets to net cash provided by operating activities		
Depreciation	16,979	11,462
Reinvested interest	(2,088)	(3,300)
Realized and unrealized (gains) losses on investments	(9,383)	6,242
(Increase) decrease in assets		
Unconditional promises to give	62,310	26,364
Accounts receivable	(72,107)	22,179
Prepaid expenses	(62,870)	4,905
Increase (decrease) in liabilities		
Accounts payable	(4,283)	(31,361)
Accrued vacation	8,954	(6,830)
Accrued expenses	(1,186)	1,226
Operations payable	(29,331)	(69,202)
Community collaboratives payable	(18,616)	107,515
Custodial funds	(2,653)	(7,597)
Contract liability	141,445	-
Deferred revenue	(155,825)	136,622
Allocations payable	(168,592)	(2,433)
Designations payable	<u>168,585</u>	<u>25,547</u>
Total adjustments to increase in net assets	<u>(128,661)</u>	<u>221,339</u>
Net cash provided by operating activities	<u>\$ 328,798</u>	<u>\$ 559,942</u>

See accompanying notes to consolidated financial statements.

United Way of Lincoln and Lancaster County and Controlled Foundation

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

United Way of Lincoln and Lancaster County (United Way) provides an opportunity for all citizens and agencies, governmental and private, to join together in the delivery of efficient human service programs related to current community needs. The major functional divisions include Resource Development (Fund Raising), Community Impact and Grant Distribution, and Marketing and Communications. These divisions work together to produce maximum contributions from within the community and provide a system for distributing those resources to human programs in Lancaster County.

United Way of Lincoln and Lancaster County Foundation, Inc. (Foundation) is a not-for-profit corporation formed for the purpose of supporting the mission of United Way of Lincoln and Lancaster County.

NOTE A - SUMMARY OF ACCOUNTING POLICIES

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

Principles of Consolidation. The accompanying consolidated financial statements include accounts of United Way of Lincoln and Lancaster County and United Way of Lincoln and Lancaster County Foundation, Inc., a controlled not-for-profit corporation (collectively referred to as the Organization). All significant intercompany accounts and transactions have been eliminated.

Method of Accounting. The accompanying consolidated financial statements of the Organization have been prepared on the accrual basis of accounting.

Cash and Cash Equivalents. For purposes of the consolidated statements of cash flows, the Organization considers all unrestricted highly liquid investments with a maturity of three months or less to be cash equivalents.

Investments. Investments in marketable securities with readily determinable fair values and all investments in debt securities are reported at their fair values in the consolidated statement of financial position. Unrealized gains and losses are included in the consolidated statements of activities. Donated securities are recorded as contributions equal to the fair market value of the securities at the date of gift.

Fair Value Measurements. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at measurement date. The Organization utilizes a framework to prioritize 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 are described as follows:

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.

If the asset or liability has a specified (contractual) term, the level 2 input must be observable for substantially the full term of the asset or liability.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE A - SUMMARY OF ACCOUNTING POLICIES - CONTINUED

Fair Value Measurements - Continued.

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

The asset 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.

Unconditional Promises to Give. Contributions are recognized when the donor makes a promise to give that is, in substance, unconditional. Unconditional promises to give that are expected to be collected or paid in more than one year are recognized at the present value of estimated future cash flows. Management provides for probable uncollectible unconditional promises receivable through a charge to net assets and a credit to a valuation allowance based on prior years' experience and management's analysis of specific promises made. Balances that are still outstanding after management has used reasonable collection efforts are written off through a charge to the valuation allowance and a credit to unconditional promises receivable. Changes in the valuation allowance have not been material to the consolidated financial statements.

Accounts Receivable. Accounts receivable are reported at the amount management expects to collect on balances outstanding at year-end. Based on management's assessment of the credit history with customers having outstanding balances and current relationships with them, it has concluded that realization losses on balances outstanding at year-end will be immaterial.

Property and Equipment and Depreciation. Property and equipment are carried at cost, if purchased and at fair market value at the date of contribution, if received by donation, less accumulated depreciation. Depreciation is provided for in amounts sufficient to relate the cost of depreciable assets to operations over their estimated useful lives computed primarily on the straight-line method. Furniture and equipment are depreciated over estimated useful lives from three to seven years. It is the Organization's policy to capitalize property and equipment over \$1,000. Lesser amounts are expensed.

Contract Balances. Contract assets represent the Organization's right to consideration in exchange for goods or services that have been transferred to the customer before payment is due. Contract assets include costs due under the grant agreement and are included under accounts receivable on the statement of financial position. Contract liabilities include consideration due or paid by a customer prior to when the Organization transfers goods or services and represent the Organization's obligation to the customer.

Deferred Revenue. Campaign donations received in advance are revenues for the succeeding year and are recognized as income in the applicable year when earned.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE A - SUMMARY OF ACCOUNTING POLICIES - CONTINUED

Net Asset Classification. Net assets, revenues, gains, and losses are classified based on the existence or absence of donor or grantor imposed restrictions. Accordingly, net assets and changes therein are classified and reported as follows:

Without donor restrictions. Net assets available for use in general operations and not subject to donor or grantor restrictions. The governing board has designated, from net assets without donor restrictions, net assets for an operating reserve and board-designated endowment.

With donor restrictions. Net assets subject to donor- or grantor-imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. Gifts of long-lived assets and gifts of cash restricted for the acquisition of long-lived assets are recognized as revenue when the assets are placed in service. Donor-imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both, and are reported in the statements of activities as net assets released from restrictions.

The State of Nebraska adopted UPMIFA effective September 1, 2007. The Organization adopted the Financial Accounting Standards Board's guidance and required disclosures for the year ended June 30, 2010. The Board of Directors has interpreted UPMIFA as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds absent donor stipulations to the contrary. As a result of this interpretation, the Organization classifies as permanently restricted net assets the original value of the gifts donated and subsequent gifts to the permanent endowment. The accumulations to the donor-restricted endowment that are not classified as permanently restricted are classified as temporarily restricted net assets until those amounts are appropriated for expenditure by the Foundation in a manner consistent with the standard of prudence prescribed by UPMIFA. Temporarily restricted net assets also include general limitation endowment funds with an unfulfilled restriction on the purpose for which the monies from the fund may be applied and the specific limitation endowment funds for which the donor allows some principal invasions in the gift instrument.

In accordance with UPMIFA, the Organization considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

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

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE A - SUMMARY OF ACCOUNTING POLICIES - CONTINUED

Endowment Investment and Payout Policies. The Organization has adopted investment and payout policies for endowment assets that attempt to provide a predictable stream of funding to programs supported by its endowment funds while seeking to maintain the purchasing power of the endowment assets. The Organization's investment and payout policies, which have been approved by the Organization's Board of Directors, work together to achieve this objective. The investment policy establishes an achievable return objective through diversification of asset classes. The current investment objective is to achieve an annual rate of return to allow for distributions of up to 5% while growing the funds.

To satisfy its objectives, the Organization relies on a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends). The Organization targets a diversified asset allocation between equity-based and fixed income investments to achieve its return objectives within prudent risk parameters.

The payout policy determines the amount of money distributable from the Organization's various endowment funds. The current payout policy is to allow distributions from each endowment in an amount up to 5% of the average net fair value for the last three years through the calendar year-end preceding the year in which the distribution is planned.

Revenue Recognition. The following is a description of the Organization's principal sources of revenue:

Annual Campaign: Contributions are recognized when a donor makes a promise to give that is, in substance, unconditional. Conditional promises to give, that is, those with a measurable performance or other barrier, and a right of return, are not recognized until the conditions on which they depend have been substantially met. The Organization has not received any conditional contributions.

Grant Revenue: The Organization receives grant funds to help facilitate a community response program from the granting organization to certain community beneficiaries. Grant revenue is recognized at a point in time, when community response related expenditures are incurred.

Service Fees: The Organization receives service fee income when they distribute designated contributions to their beneficiary specified by the campaign donor. Service fee revenue is recognized at a point in time, when the distribution is made.

Special Events and Sponsorship: The Organization holds special events for patrons to attend and/or organizations to sponsor. Special event and sponsorship revenue is recognized at a point in time when the event occurs.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE A - SUMMARY OF ACCOUNTING POLICIES - CONTINUED

Functional Expenses. Expenses are presented according to their functional classification of program, supporting services, and other in the statement of functional expenses. Allocable expenses are spread using the full-time equivalent method which is based on the number of full-time employees' work that is performed in each department. Program services consist of grant distribution, grant monitoring and grant outcomes. Supporting services consist of fundraising, marketing and communications, and management and general expenses. Other consists of United Way of Lincoln and Lancaster County Foundation activity.

Advertising. Advertising costs of the Organization are expensed as incurred. Advertising expense was \$219,648 and \$150,676 for the years ended June 30, 2020 and 2019, respectively.

In-Kind Donations. In-kind donations are recorded as contributions at their estimated fair values at the date of donation. Donated services are recognized as contributions if the services (a) create or enhance non-financial assets or (b) require specialized skills, are performed by people with those skills, and would have otherwise been purchased by the Organization.

Income Taxes. United Way and the Foundation are exempt from Federal income taxes under Section 501(c)(3) of the Internal Revenue Code. As such, income earned in the performance of their exempt purpose is not subject to income tax. Any income earned through unrelated business activities is subject to income tax at normal corporate rates. For the year ended June 30, 2020, the United Way had no tax liability on unrelated business activity. For the year ended June 30, 2019, the United Way had qualified transportation fringe benefits which are subject to tax on unrelated business income. On December 20, 2019, H.R. 1865 Further Consolidated Appropriations Act 2020 was signed, repealing the unrelated business income tax on qualified transportation fringe benefits retroactively. For the years ended June 30, 2020 and 2019, the Foundation had no tax liability on unrelated business activity. United Way and the Foundation believe that they have appropriate support for any tax positions taken, and as such, do not have any uncertain tax positions that are material to the consolidated financial statements.

The United Way and the Foundation's Federal Returns of Organizations Exempt from Income Tax (Form 990) for June 30, 2020, 2019, and 2018 are subject to examination by the IRS, generally for three years after they were filed.

Use of Estimates. The preparation of consolidated financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

United Way of Lincoln and Lancaster County and Controlled Foundation

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE B - CERTIFICATES OF DEPOSIT

Certificates of deposit consist of:

	2020			
	Date of Purchase/Renewal	Amount	Interest Rate	Maturity Date
Union Bank & Trust Company	5/8/2020	\$ 98,000	0.65%	11/8/2020
West Gate Bank	6/12/2020	100,000	0.25%	12/12/2020
Cattle National Bank	5/25/2020	99,000	0.90%	8/25/2021
CIT Bank	7/24/2019	99,000	2.52%	8/24/2020
First State Bank	3/18/2019	99,197	2.68%	9/18/2021
Pinnacle Bank	8/2/2018	99,175	2.63%	9/3/2020
Great Western Bank	9/5/2018	97,177	2.65%	10/14/2020
US Bank	11/16/2019	100,871	1.73%	8/16/2020
Cornhusker Bank	5/22/2020	98,977	0.75%	5/22/2021
Nebraska Bank of Commerce	6/15/2020	105,170	0.85%	6/16/2021
Security First Bank	4/4/2020	100,000	1.50%	7/4/2020
		<u>\$ 1,096,567</u>		
	2019			
	Date of Purchase/Renewal	Amount	Interest Rate	Maturity Date
Union Bank & Trust Company	9/8/2018	\$ 98,000	2.80%	5/8/2020
West Gate Bank	6/11/2018	100,000	2.00%	6/12/2020
Cattle National Bank	11/25/2017	99,000	2.10%	5/25/2020
CIT Bank	6/15/2017	99,000	1.49%	7/15/2019
First State Bank	3/18/2019	99,197	2.68%	9/18/2021
Pinnacle Bank	8/2/2018	99,175	2.63%	9/3/2020
Great Western Bank	9/5/2018	97,177	2.65%	10/14/2020
US Bank	4/16/2018	100,871	1.98%	11/16/2019
Cornhusker Bank	11/7/2017	98,977	2.10%	5/7/2020
Nebraska Bank of Commerce	12/14/2017	103,082	2.01%	6/14/2020
Security First Bank	12/2/2018	100,000	3.00%	4/4/2020
		<u>\$ 1,094,479</u>		

United Way of Lincoln and Lancaster County and Controlled Foundation

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE C - INVESTMENTS

Investments consist of:

	2020		2019	
	Cost	Market	Cost	Market
Mutual funds	\$ 560,015	\$ 544,468	\$ 422,396	\$ 509,712
Bond funds	286,285	291,070	312,253	320,306
	<u>\$ 846,300</u>	<u>\$ 835,538</u>	<u>\$ 734,649</u>	<u>\$ 830,018</u>
Unrealized gain (loss)		<u>\$ (10,762)</u>		<u>\$ 95,369</u>

Investment performance, net consists of the following:

	2020	2019
Dividends and interest	\$ 26,935	\$ 49,081
Realized gains	115,514	9,572
Unrealized losses	(106,132)	(15,815)
Investment expenses	<u>(9,364)</u>	<u>(9,335)</u>
	<u>\$ 26,953</u>	<u>\$ 33,503</u>

NOTE D - LIQUIDITY AND AVAILABILITY

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the statement of financial position date, comprise the following:

Financial assets at year end:		
Cash and cash equivalents	\$ 5,375,900	\$ 4,836,697
Certificates of deposit	1,096,567	1,094,479
Investments	835,538	830,018
Unconditional promises to give from campaigns, net	2,287,999	2,349,083
Accounts receivable	<u>118,843</u>	<u>46,196</u>
Total financial assets	9,714,847	9,156,473
Less amounts not available to be used within one year:		
Donor designations payable	312,139	411,430
Board-designated operating reserve	(2,292,101)	(2,083,116)
Board-designated endowment funds	(577,219)	(565,791)
Donor-restricted endowment funds	<u>(386,329)</u>	<u>(287,425)</u>
Financial assets available to meet general expenditures within one year	<u>\$ 6,771,337</u>	<u>\$ 6,631,571</u>

Allocations and community initiatives are appropriated and approved as part of the Board's annual budget process and are considered general expenditures for purposes of this analysis.

United Way of Lincoln and Lancaster County and Controlled Foundation

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE D - LIQUIDITY AND AVAILABILITY - CONTINUED

As part of the liquidity management plan, cash in excess of daily requirements is invested in short-term investments, CDs, and money market funds. Occasionally, the Board designates a portion of any operating surplus to its operating reserve, which was \$2,292,101 as of June 30, 2020. The operating reserve is a board-designated fund with the objective of setting funds aside to be drawn upon in the event of financial distress or an immediate liquidity need resulting from events outside the typical life cycle of converting financial assets to cash or settling financial liabilities. These funds can be made available if necessary upon Board approval.

The endowment funds consist of donor-restricted endowments and funds designated by the board as endowments. Income from donor-restricted endowments is restricted for specific purposes. Donor-restricted endowment funds are not available for general expenditure.

The board designated endowment of \$577,219 is subject to an annual spending rate of 5 percent as described in Note A. Although no spending from the board-designated endowment is intended (other than amounts appropriated for general expenditure as part of the Board’s annual budget approval and appropriation), these amounts could be made available if necessary upon Board approval.

NOTE E - PROPERTY AND EQUIPMENT

Property and equipment consists of:

	<u>2020</u>	<u>2019</u>
Furniture and equipment	\$ 215,028	\$ 208,570
Accumulated depreciation	<u>(168,636)</u>	<u>(151,657)</u>
	<u>\$ 46,392</u>	<u>\$ 56,913</u>

The consolidated financial statements include depreciation expense of \$16,979 and \$11,462 for the years ended June 30, 2020 and 2019, respectively.

NOTE F - COMMUNITY COLLABORATIVES

Community collaboratives are distributions of support which were approved by the Board of Directors but not drawn at the end of the year. Community collaboratives payable consist of:

Background checks	\$ -	\$ 5,352
Planning/Needs Assessment	5,000	5,000
Data Tracking Payable	16,591	10,164
2-1-1	56,799	55,440
Food and Hunger Initiatives	-	10,000
Community Impact	9,046	59,045
WLC Payable	-	8,975
Women's Leadership Council	342,112	285,061
Women in Philanthropy	35,200	38,565
Community Response Payable	27,418	68,793
Engage.Empower.Graduate, Campbell Elementary	60,717	59,042
WingFest	15,828	11,880
Early Care Quality Initiative	20,626	32,788
Homeless & Shelter Initiative	7,500	-
Stable Strong Successful	14,652	-
Agency Technical Assistance	<u>20,000</u>	<u>-</u>
	<u>\$ 631,489</u>	<u>\$ 650,105</u>

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE G - OPERATING LEASES

On May 1, 2009, the Organization entered into a 120-month operating lease for office space. Under the terms of the lease, monthly rent payments are \$5,681 and increase 2% to 3% on each anniversary of the commencement of the lease, July 1, 2009. The Organization is also obligated for payment of the Organization's proportionate share of common area and facilities maintenance and real estate taxes. On October 1, 2013, the Organization amended the original lease to include an additional space for storage. Under the terms of the lease, monthly rent payments for the storage space are \$391. Starting May 1, 2019, the lease is on a month to month basis.

On September 29, 2017, the Organization entered into a 63-month operating lease for a postage machine. Under the terms of the lease, monthly rent payments are \$148.

On January 7, 2020, the Organization entered into a 63-month operating lease for office equipment. Under the terms of the lease, monthly rent payments are \$298.

The consolidated financial statements include rent expense of \$104,610 and \$104,814, and equipment lease expense of \$9,723 and \$10,918 for the years ended June 30, 2020 and 2019, respectively.

Future minimum lease payments following June 30, 2020 are as follows:

<u>Year ending June 30,</u>	
2021	\$ 5,355
2022	5,355
2023	4,465
2024	3,576
2025	<u>2,682</u>
	<u>\$ 21,433</u>

NOTE H - RETIREMENT PLAN

The Organization has a 401(k) plan covering eligible employees. Under the plan, employer contributions are made to the account of each individual employee based on 3% of their annual compensation, with an additional matching contribution of up to 3%. An employee must be at least age twenty and have one year of service with the Organization before they can participate in the plan. Total expense incurred was \$41,215 and \$43,915 for the years ended June 30, 2020 and 2019, respectively.

NOTE I - FAIR VALUE MEASUREMENTS

Following is a description of the valuation methodologies used for assets and liabilities measured at fair value. There have been no changes in methodologies used during the years ended June 30, 2020 and 2019.

Mutual funds: Valued at the observable net asset value (NAV) of shares held by the Organization at year end.

Bond funds: Valued using independent pricing models.

United Way of Lincoln and Lancaster County and Controlled Foundation

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE I - FAIR VALUE MEASUREMENTS - CONTINUED

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

The following tables set forth the balances of assets and liabilities measured at fair value on a recurring basis as of June 30, 2020 and 2019.

<u>June 30, 2020</u>	<u>Fair Value</u>	<u>Quoted Prices in Active Markets for Identical Assets (Level 1)</u>	<u>Significant Other Observable Inputs (Level 2)</u>	<u>Significant Unobservable Inputs (Level 3)</u>
Mutual funds				
Emerging	\$ 132,005	\$ 132,005	\$ -	\$ -
Large cap	314,335	314,335	-	-
Mid cap	42,677	42,677	-	-
Small cap	55,451	55,451	-	-
Bond funds				
Fixed income	<u>291,070</u>	<u>-</u>	<u>291,070</u>	<u>-</u>
	<u>\$ 835,538</u>	<u>\$ 544,468</u>	<u>\$ 291,070</u>	<u>\$ -</u>
<u>June 30, 2019</u>	<u>Fair Value</u>	<u>Quoted Prices in Active Markets for Identical Assets (Level 1)</u>	<u>Significant Other Observable Inputs (Level 2)</u>	<u>Significant Unobservable Inputs (Level 3)</u>
Mutual funds				
Emerging	\$ 37,442	\$ 37,442	\$ -	\$ -
International	87,963	87,963	-	-
Large cap	308,274	308,274	-	-
Mid cap	26,080	26,080	-	-
Small cap	49,953	49,953	-	-
Bond funds				
Fixed income	<u>320,306</u>	<u>-</u>	<u>320,306</u>	<u>-</u>
	<u>\$ 830,018</u>	<u>\$ 509,712</u>	<u>\$ 320,306</u>	<u>\$ -</u>

United Way of Lincoln and Lancaster County and Controlled Foundation

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE J - ENDOWMENT

Endowment net asset composition by type of fund as of June 30, 2020 is as follows:

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Board-designated endowment funds	\$ 577,219	\$ -	\$ 577,219
Donor-restricted endowment funds	\$ -	\$ 386,329	\$ 386,329

Changes in endowment net assets for the year ended June 30, 2020 are as follows:

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Balance June 30, 2019	\$ 565,791	\$ 287,425	\$ 853,216
Contributions	4,935	100,000	104,935
Investment performance, net	18,549	8,404	26,953
Amounts appropriated for expenditure	<u>(12,056)</u>	<u>(9,500)</u>	<u>(21,556)</u>
Balance June 30, 2020	<u>\$ 577,219</u>	<u>\$ 386,329</u>	<u>\$ 963,548</u>

Endowment net asset composition by type of fund as of June 30, 2019 is as follows:

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Board-designated endowment funds	\$ 565,791	\$ -	\$ 565,791
Donor-restricted endowment funds	\$ -	\$ 287,425	\$ 287,425

Changes in endowment net asset for the year ended June 30, 2019 are as follows:

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Balance June 30, 2018	\$ 548,132	\$ 286,333	\$ 834,465
Contributions	1,665	-	1,665
Investment performance, net	19,911	13,592	33,503
Amounts appropriated for expenditure	<u>(3,917)</u>	<u>(12,500)</u>	<u>(16,417)</u>
Balance June 30, 2019	<u>\$ 565,791</u>	<u>\$ 287,425</u>	<u>\$ 853,216</u>

United Way of Lincoln and Lancaster County and Controlled Foundation

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE K - NET ASSETS

Bequests without donor restrictions are designated for long-term support of the United Way (quasi-endowment). The quasi-endowment fund balance totaled \$577,219 and \$565,791 for the years ended, June 30, 2020 and 2019, respectively.

Net assets with donor restrictions are restricted for charitable giving. The donor restricted net assets totaled \$386,329 and \$287,425 for the years ended, June 30, 2020 and 2019, respectively.

NOTE L - ANNUAL CAMPAIGN SUPPORT

Public support recorded as unconditional promises to give consist of:

	<u>2020</u>	<u>2019</u>
Total public support	\$ 6,815,352	\$ 6,767,959
Payments received prior to June 30	<u>(4,222,838)</u>	<u>(4,094,321)</u>
	2,592,514	2,673,638
Allowance for uncollectible promises to give	<u>(304,515)</u>	<u>(324,555)</u>
Unconditional promises to give at June 30	<u>\$ 2,287,999</u>	<u>\$ 2,349,083</u>

Unconditional promises to give are due in the following period:

<u>Year ending June 30,</u>	
2021	<u>\$ 2,287,999</u>

NOTE M - AFFILIATED AGENCIES

An affiliated agency is one who is currently receiving funding for a program that addresses one of the Organization's focus areas: Education, Income (Financial Stability), and Health. These agencies have applied through a fund distribution process that uses community volunteers to review and recommend to the Organization's Board approval for funding.

NOTE N - CONCENTRATIONS OF CREDIT RISK

Financial instruments which potentially subject the Organization to concentrations of credit risk consist principally of Short Term Federal Investment Trust (STFIT) accounts at a financial institution. The STFIT accounts are not federally insured, but are backed by the U.S. government. At June 30, 2020 and 2019, the STFIT account balances totaled \$4,939,334 and \$4,571,272, respectively. The Organization has not experienced any losses on such accounts.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE O - NEW ACCOUNTING STANDARDS

Revenue Recognition

In May 2014, the FASB issued ASU 2014-09, Revenue from Contracts with Customers ("ASU 2014-09"). ASU 2014-09 provides a single model for entities to use in accounting for revenue arising from contracts with customers. The new standard also requires expanded disclosures regarding the qualitative and quantitative information about the nature, amount, timing, and uncertainty of revenue and cash flows arising from contracts with customers. The FASB has subsequently issued additional, clarifying standards to address issues arising from implementation of the new revenue recognition standard. ASU 2014-09 and all subsequently issued amendments, collectively "ASC 606," is effective for annual reporting periods beginning after December 15, 2019, but early adoption is permitted. The standard permits the use of either a full retrospective or a modified retrospective approach.

The Organization adopted ASC 606 on January 1, 2019 using the modified retrospective method. The amount and timing of revenue recognition was not impacted by the new standard, and therefore, no cumulative adjustment was recognized in net assets upon adoption. Upon adoption of the standard, the treatment of deferred revenue and grant income from exchange transaction grants was impacted. Deferred revenue from exchange transaction grants is now included in contract liabilities. Grant income from exchange transactions is now presented separately from other grant income. Prior period amounts were not adjusted and continue to be presented in accordance with historical accounting methods. The revenue recognition, deferred revenue, and contract balance policies disclosed in Note A reflect the impact of the adoption of the standard.

Contributions

In June 2018, FASB issued 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 accounting for as contributions or exchange transactions and determining whether a contribution is conditional. For nonexchange transactions, the contribution guidance in ASC 958 is typically applied, whereas for exchange transactions, an entity should apply ASC 606 or other appropriate guidance. The Organization has 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 the implementation of ASU 2018-08.

Fair Value Measurement

In August 2018, the FASB issued ASU 2018-13, Fair Value Measurement (Topic 820): Disclosure Framework – Changes to the Disclosure Requirements for Fair Value Measurement. The ASU removed some disclosures; modified others, and added some new disclosure requirements. The ASU is effective for all entities for fiscal years beginning after December 15, 2019; however, the Organization early adopted the standard, effective for the year ended December 31, 2019, as permitted by the standard. See Note I for disclosure of the Organization's assets and liabilities measured at fair value.

United Way of Lincoln and Lancaster County and Controlled Foundation

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE P - LONG-TERM OBLIGATIONS

Long-term obligations consists of:

	<u>2020</u>	<u>2019</u>
Note payable, PPP	\$ 213,000	\$ -
Less: current maturity	<u>(105,588)</u>	<u>-</u>
	<u>\$ 107,412</u>	<u>\$ -</u>

The Organization received a Payroll Protection Program (PPP) loan on April 13, 2020 from Union Bank. Original amount \$213,000, is payable in seventeen monthly installments of \$11,989 starting November 13, 2020 with interest at 1% and final payment due at maturity on April 13, 2022. The PPP loan has forgiveness provisions up to the entire principal balance and any accrued interest if loan proceeds are spent on qualifying expenditures over a specified period of time and certain employee levels are maintained. In July, Union Bank notified the Organization of an extended deferral period to 10-months after the end of the Organization’s loan forgiveness covered period. The Organization now has until July 28, 2021 to submit an application for forgiveness or begin repayments. If a loan forgiveness application is submitted, no payments are due until the date the Small Business Administration (SBA) remits the loan forgiveness to Union Bank. The Organization intends to apply for forgiveness. Maturities are outlined based on the original note terms because a revised payment schedule with Union Bank will not be established until it is necessary.

Aggregate maturities of long-term obligations for the years following June 30, 2020 are as follows:

<u>Year ending June 30,</u>	
2021	\$ 105,588
2022	<u>107,412</u>
	<u>\$ 213,000</u>

NOTE Q - RECLASSIFICATIONS

Certain amounts in the year ended June 30, 2019 financial statements have been reclassified to conform with current year presentation. These reclassifications had no effect on the 2019 statement of activities.

NOTE R - RISKS AND UNCERTAINTIES

The COVID-19 (coronavirus) outbreak continues to prompt global health concerns. Consequently, it is possible the Organization could be impacted by the resulting volatility in the economy beyond the financial statement date. Specifically, the Organization could experience decreases in donor giving and declines in investment markets.

NOTE S - SUBSEQUENT EVENTS

Subsequent events have been evaluated through the audit report date, the date the consolidated financial statements were available to be issued.

HIDE

SUPPLEMENTAL INFORMATION

United Way of Lincoln and Lancaster County and Controlled Foundation

CONSOLIDATING STATEMENT OF FINANCIAL POSITION

June 30, 2020

ASSETS

	United Way of Lincoln and Lancaster County	United Way of Lincoln and Lancaster County Foundation, Inc.	Eliminations	Consolidated
CURRENT ASSETS				
Cash and cash equivalents	\$ 5,247,890	\$ 128,010	\$ -	\$ 5,375,900
Certificates of deposit	1,096,567	-	-	1,096,567
Investments	-	835,538	-	835,538
Unconditional promises to give from campaigns	2,592,514	-	-	2,592,514
Less allowance for uncollectible promises to give	(304,515)	-	-	(304,515)
Accounts receivable	118,843	-	-	118,843
Prepaid expenses	100,715	-	-	100,715
Total current assets	<u>8,852,014</u>	<u>963,548</u>	<u>-</u>	<u>9,815,562</u>
PROPERTY AND EQUIPMENT, net	<u>46,392</u>	<u>-</u>	<u>-</u>	<u>46,392</u>
Total assets	<u>\$ 8,898,406</u>	<u>\$ 963,548</u>	<u>\$ -</u>	<u>\$ 9,861,954</u>

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES				
Accounts payable	\$ 58,238	\$ -	\$ -	\$ 58,238
Accrued vacation	37,080	-	-	37,080
Accrued expenses	40	-	-	40
Operations payable	1,379,913	-	-	1,379,913
Community collaboratives payable	631,489	-	-	631,489
Custodial funds	28,463	-	-	28,463
Contract liability	141,445	-	-	141,445
Deferred revenue	134,440	-	-	134,440
Allocations payable	1,915,347	-	-	1,915,347
Designations payable	1,871,795	-	-	1,871,795
Current maturities of long-term obligations	105,588	-	-	105,588
Total current liabilities	<u>6,303,838</u>	<u>-</u>	<u>-</u>	<u>6,303,838</u>
LONG-TERM OBLIGATIONS, net of current maturities (note E)	<u>107,412</u>	<u>-</u>	<u>-</u>	<u>107,412</u>
Total liabilities	<u>6,411,250</u>	<u>-</u>	<u>-</u>	<u>6,411,250</u>
NET ASSETS				
Without donor restrictions				
Undesignated	46,392	-	-	46,392
Designated				
Reserve for operations	2,292,101	-	-	2,292,101
Board designated for community impact	148,663	-	-	148,663
Board designated endowment	-	577,219	-	577,219
With donor restrictions	-	386,329	-	386,329
Total net assets	<u>2,487,156</u>	<u>963,548</u>	<u>-</u>	<u>3,450,704</u>
Total liabilities and net assets	<u>\$ 8,898,406</u>	<u>\$ 963,548</u>	<u>\$ -</u>	<u>\$ 9,861,954</u>

United Way of Lincoln and Lancaster County and Controlled Foundation

CONSOLIDATING STATEMENT OF FINANCIAL POSITION

June 30, 2019

ASSETS

	United Way of Lincoln and Lancaster County	United Way of Lincoln and Lancaster County Foundation, Inc.	Eliminations	Consolidated
CURRENT ASSETS				
Cash and cash equivalents	\$ 4,814,185	\$ 22,512	\$ -	\$ 4,836,697
Certificates of deposit	1,094,479	-	-	1,094,479
Investments	-	830,018	-	830,018
Unconditional promises to give from campaigns	2,673,638	1,226	(1,226)	2,673,638
Less allowance for uncollectible promises to give	(324,555)	-	-	(324,555)
Accounts receivable	46,736	-	(540)	46,196
Prepaid expenses	37,845	-	-	37,845
	<u>8,342,328</u>	<u>853,756</u>	<u>(1,766)</u>	<u>9,194,318</u>
Total current assets				
PROPERTY AND EQUIPMENT, net	<u>56,913</u>	<u>-</u>	<u>-</u>	<u>56,913</u>
Total assets	<u>\$ 8,399,241</u>	<u>\$ 853,756</u>	<u>\$ (1,766)</u>	<u>\$ 9,251,231</u>

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES				
Accounts payable	\$ 61,981	\$ 540	\$ (540)	\$ 61,981
Accrued vacation	28,126	-	-	28,126
Accrued expenses	1,226	-	(1,226)	-
Operations payable	1,409,244	-	-	1,409,244
Community collaboratives payable	650,105	-	-	650,105
Custodial funds	31,116	-	-	31,116
Deferred revenue	290,265	-	-	290,265
Allocations payable	2,083,939	-	-	2,083,939
Designations payable	1,703,210	-	-	1,703,210
	<u>6,259,212</u>	<u>540</u>	<u>(1,766)</u>	<u>6,257,986</u>
Total current liabilities				
NET ASSETS				
Without donor restrictions				
Undesignated	56,913	-	-	56,913
Designated				
Reserve for operations	2,083,116	-	-	2,083,116
Board designated endowment	-	565,791	-	565,791
With donor restrictions	-	287,425	-	287,425
	<u>2,140,029</u>	<u>853,216</u>	<u>-</u>	<u>2,993,245</u>
Total net assets				
Total liabilities and net assets	<u>\$ 8,399,241</u>	<u>\$ 853,756</u>	<u>\$ (1,766)</u>	<u>\$ 9,251,231</u>

United Way of Lincoln and Lancaster County and Controlled Foundation

CONSOLIDATING STATEMENT OF ACTIVITIES

Year ended June 30, 2020

	United Way of Lincoln and Lancaster County	United Way of Lincoln and Lancaster County Foundation, Inc.	Eliminations	Consolidated
CHANGE IN NET ASSETS				
Revenue and other support				
Total amounts raised	\$ 6,812,917	\$ 104,935	\$ (102,500)	\$ 6,815,352
Provision for uncollectible	(263,134)	-	-	(263,134)
Amounts designated by donors for specific organizations	(2,437,735)	-	-	(2,437,735)
Total net contributions	<u>4,112,048</u>	<u>104,935</u>	<u>(102,500)</u>	<u>4,114,483</u>
Other revenue				
Bank depository account interest	76,263	-	-	76,263
Investment performance, net	-	26,953	-	26,953
Service fees	144,365	-	-	144,365
Sponsorship and special events	55,424	-	-	55,424
In-kind contributions	243,683	-	-	243,683
Grant income, contribution	20,600	-	-	20,600
Grant income, exchange transaction	359,019	-	-	359,019
Total other revenue	<u>899,354</u>	<u>26,953</u>	<u>-</u>	<u>926,307</u>
Total revenue and support	<u>5,011,402</u>	<u>131,888</u>	<u>(102,500)</u>	<u>5,040,790</u>
Program distributions				
Allocations distributed to affiliated agencies	1,773,383	-	-	1,773,383
Community initiatives and other funds distributed to affiliated agencies	1,998,671	7,500	(102,500)	1,903,671
Funds distributed to nonaffiliated agencies	1,147,980	2,000	-	1,149,980
Total program distributions	4,920,034	9,500	(102,500)	4,827,034
Less: distributions funded through donor designations	(2,437,735)	-	-	(2,437,735)
Net program distributions	<u>2,482,299</u>	<u>9,500</u>	<u>(102,500)</u>	<u>2,389,299</u>
Expenses				
Community impact and grant distribution	836,547	-	-	836,547
Management and general	379,542	-	-	379,542
Resource development - fund raising	835,167	-	-	835,167
Marketing and communications	160,051	-	-	160,051
Foundation operating expenses	-	12,056	-	12,056
Total functional expenses	2,211,307	12,056	-	2,223,363
Other program expense adjustments	(29,331)	-	-	(29,331)
Total expenses	<u>2,181,976</u>	<u>12,056</u>	<u>-</u>	<u>2,194,032</u>
INCREASE IN NET ASSETS	347,127	110,332	-	457,459
Net assets, beginning of year	<u>2,140,029</u>	<u>853,216</u>	<u>-</u>	<u>2,993,245</u>
Net assets, end of year	<u>\$ 2,487,156</u>	<u>\$ 963,548</u>	<u>\$ -</u>	<u>\$ 3,450,704</u>

United Way of Lincoln and Lancaster County and Controlled Foundation

CONSOLIDATING STATEMENT OF ACTIVITIES

Year ended June 30, 2019

	United Way of Lincoln and Lancaster County	United Way of Lincoln and Lancaster County Foundation, Inc.	Eliminations	Consolidated
CHANGE IN NET ASSETS				
Revenue and other support				
Total amounts raised	\$ 6,773,294	\$ 1,665	\$ (7,000)	\$ 6,767,959
Provision for uncollectible	(239,767)	-	-	(239,767)
Amounts designated by donors for specific organizations	(2,162,495)	-	-	(2,162,495)
Total net contributions	<u>4,371,032</u>	<u>1,665</u>	<u>(7,000)</u>	<u>4,365,697</u>
Other revenue				
Bank depository account interest	105,583	-	-	105,583
Investment performance, net	-	33,503	-	33,503
Service fees	130,978	-	-	130,978
Sponsorship and special events	114,294	-	-	114,294
In-kind contributions	139,841	-	-	139,841
Grant income	403,307	-	-	403,307
Total other revenue	<u>894,003</u>	<u>33,503</u>	<u>-</u>	<u>927,506</u>
Total revenue and support	<u>5,265,035</u>	<u>35,168</u>	<u>(7,000)</u>	<u>5,293,203</u>
Program distributions				
Allocations distributed to affiliated agencies	2,018,952	-	-	2,018,952
Community initiatives and other funds distributed to affiliated agencies	1,636,303	10,750	(7,000)	1,640,053
Funds distributed to nonaffiliated agencies	1,309,422	1,750	-	1,311,172
Total program distributions	4,964,677	12,500	(7,000)	4,970,177
Less: distributions funded through donor designations	(2,162,495)	-	-	(2,162,495)
Net program distributions	<u>2,802,182</u>	<u>12,500</u>	<u>(7,000)</u>	<u>2,807,682</u>
Expenses				
Community impact and grant distribution	871,400	-	-	871,400
Management and general	344,149	-	-	344,149
Resource development - fund raising	802,254	-	-	802,254
Marketing and communications	194,400	-	-	194,400
Foundation operating expenses	-	3,917	-	3,917
Total functional expenses	2,212,203	3,917	-	2,216,120
Other program expense adjustments	(69,202)	-	-	(69,202)
Total expenses	<u>2,143,001</u>	<u>3,917</u>	<u>-</u>	<u>2,146,918</u>
INCREASE IN NET ASSETS	319,852	18,751	-	338,603
Net assets, beginning of year	<u>1,820,177</u>	<u>834,465</u>	<u>-</u>	<u>2,654,642</u>
Net assets, end of year	<u>\$ 2,140,029</u>	<u>\$ 853,216</u>	<u>\$ -</u>	<u>\$ 2,993,245</u>

United Way of Lincoln and Lancaster County and Controlled Foundation

CONSOLIDATING STATEMENT OF EXPENSES

Year ended June 30, 2020

	United Way of Lincoln and Lancaster County	United Way of Lincoln and Lancaster County Foundation, Inc.	Consolidated
Salaries	\$ 913,863	\$ -	\$ 913,863
Employee benefits	157,205	-	157,205
Payroll taxes	68,182	-	68,182
	<hr/>	<hr/>	<hr/>
Total salaries and related expenses	1,139,250	-	1,139,250
Professional fees	86,319	10,846	97,165
Supplies	4,827	-	4,827
Telephone	16,816	-	16,816
Postage	6,299	631	6,930
Occupancy	105,436	-	105,436
Rental, purchase and maintenance of equipment	17,340	-	17,340
Printing and advertising	242,343	434	242,777
Campaign supplies	4,735	-	4,735
Awards and recognition	4,675	-	4,675
Duplicating	3,121	-	3,121
Travel and meetings	9,772	135	9,907
Conferences, conventions, and other training	9,000	-	9,000
Membership dues	91,004	-	91,004
Subscriptions and publications	1,638	-	1,638
Insurance	6,928	-	6,928
Miscellaneous	25,937	10	25,947
Interviewing and relocation	273	-	273
Program initiatives	314,998	-	314,998
Special events	103,617	-	103,617
Other program expense adjustments	(29,331)	-	(29,331)
	<hr/>	<hr/>	<hr/>
Total before depreciation	2,164,997	12,056	2,177,053
Depreciation of property and equipment	16,979	-	16,979
	<hr/>	<hr/>	<hr/>
TOTAL EXPENSES	\$ 2,181,976	\$ 12,056	\$ 2,194,032

United Way of Lincoln and Lancaster County and Controlled Foundation

CONSOLIDATING STATEMENT OF EXPENSES

Year ended June 30, 2019

	United Way of Lincoln and Lancaster County	United Way of Lincoln and Lancaster County Foundation, Inc.	Consolidated
Salaries	\$ 963,813	\$ -	\$ 963,813
Employee benefits	164,551	-	164,551
Payroll taxes	<u>72,907</u>	<u>-</u>	<u>72,907</u>
Total salaries and related expenses	1,201,271	-	1,201,271
Professional fees	77,774	3,249	81,023
Supplies	5,959	-	5,959
Telephone	17,467	-	17,467
Postage	7,779	99	7,878
Occupancy	105,472	-	105,472
Rental, purchase and maintenance of equipment	20,572	-	20,572
Printing and advertising	174,902	355	175,257
Campaign supplies	7,526	-	7,526
Awards and recognition	6,625	-	6,625
Duplicating	4,666	-	4,666
Travel and meetings	12,382	190	12,572
Conferences, conventions, and other training	5,946	-	5,946
Membership dues	77,586	-	77,586
Subscriptions and publications	1,385	-	1,385
Insurance	7,258	-	7,258
Miscellaneous	25,996	24	26,020
Interviewing and relocation	1,886	-	1,886
Program initiatives	338,042	-	338,042
Special events	100,247	-	100,247
Other program expense adjustments	<u>(69,202)</u>	<u>-</u>	<u>(69,202)</u>
Total before depreciation	2,131,539	3,917	2,135,456
Depreciation of property and equipment	<u>11,462</u>	<u>-</u>	<u>11,462</u>
TOTAL EXPENSES	<u>\$ 2,143,001</u>	<u>\$ 3,917</u>	<u>\$ 2,146,918</u>

United Way of Lincoln and Lancaster County and Controlled Foundation

SCHEDULE OF AGENCY ALLOCATIONS,
GRANTS, CONTRACTS AND DESIGNATIONS

Year ended June 30, 2020

AFFILIATED AGENCIES

American Red Cross, Cornhusker Chapter	\$ 30,000
The Arc of Lincoln/Lancaster County	9,000
Asian Community and Cultural Center	22,500
Boys and Girls Clubs of Lincoln/Lancaster County	30,000
CASA for Lancaster County (Court Appointed Special Advocates)	18,900
Catholic Social Services	58,200
CEDARS Youth Services	294,825
Center for People in Need	40,788
City Impact	26,000
Clyde Malone Community Center	20,000
Community Action Partnership of Lancaster and Saunders County	162,000
Community CROPS	10,000
El Centro de las Americas	21,300
Family Service Association of Lincoln	42,000
Food Bank of Lincoln	38,945
Fresh Start Home	35,000
Friendship Home of Lincoln	70,650
Girl Scouts - Spirit of Nebraska	15,000
Good Neighbor Community Center	42,500
Heartland Big Brothers/Big Sisters	60,000
HUB - Central Access Point for Young Adults	56,500
HopeSpoke	120,000
League of Human Dignity, Inc.	5,000
Legal Aid of Nebraska	13,500
Lighthouse	90,500
Lincoln Literacy Council	30,000
Lincoln Medical Education Partnership	20,000
Lincoln/Lancaster County Child Advocacy Center	73,800
Lincoln Public Schools - 2 Gen Lit	14,000
Lutheran Family Services	10,000
Lux Center for the Arts	9,601
Matt Talbot Kitchen and Outreach	28,000
Mourning Hope	18,000
Northeast Family Center	25,000
People's City Mission	8,543
St. Monica's Home	34,425
TeamMates Mentoring Program of LPS	58,803
Salvation Army Lincoln, Nebraska Corps.	80,055
Voices of Hope, Lincoln	77,400
Willard Community Center	17,000
YWCA Lincoln	9,000
Designations and other funds distributed to affiliated agencies	<u>1,903,671</u>

3,750,406

NONAFFILIATED AGENCIES

Designations and other funds distributed to nonaffiliated agencies	<u>1,149,980</u>
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\$ 4,900,386

United Way of Lincoln and Lancaster County and Controlled Foundation

SCHEDULE OF AGENCY ALLOCATIONS,
GRANTS, CONTRACTS AND DESIGNATIONS

Year ended June 30, 2019

AFFILIATED AGENCIES

American Red Cross, Cornhusker Chapter	\$ 40,000
The Arc of Lincoln/Lancaster County	9,000
Asian Community and Cultural Center	10,000
Boys and Girls Clubs of Lincoln/Lancaster County	40,000
CASA for Lancaster County (Court Appointed Special Advocates)	21,000
Catholic Social Services	46,000
CEDARS Youth Services	330,000
Center for People in Need	36,500
City Impact	35,000
Clyde Malone Community Center	51,500
Community Action Partnership of Lancaster and Saunders County	131,366
Community CROPS	10,000
El Centro de las Americas	37,000
Family Service Association of Lincoln	49,700
Food Bank of Lincoln	30,000
Fresh Start Home	35,000
Friendship Home of Lincoln	78,500
Girl Scouts - Spirit of Nebraska	15,000
Good Neighbor Community Center	39,500
Heartland Big Brothers/Big Sisters	62,500
HUB - Central Access Point for Young Adults	42,322
League of Human Dignity, Inc.	5,000
Legal Aid of Nebraska	15,000
Lighthouse	85,000
Lincoln Literacy Council	33,000
Lincoln Medical Education Partnership	22,000
Lincoln/Lancaster County Child Advocacy Center	82,000
Lincoln/Lancaster County Child Guidance Center	175,000
Lincoln Public Schools - 2 Gen Lit	17,500
Lutheran Family Services	10,000
Lux Center for the Arts	10,680
Matt Talbot Kitchen and Outreach	28,000
Mourning Hope	20,000
Northeast Family Center	44,000
People's City Mission	10,000
St. Monica's Home	38,250
TeamMates Mentoring Program of LPS	60,000
Salvation Army Lincoln, Nebraska Corps.	97,634
Voices of Hope, Lincoln	86,000
Willard Community Center	24,000
YWCA Lincoln	6,000
Designations and other funds distributed to affiliated agencies	<u>1,640,053</u>

3,659,005

NONAFFILIATED AGENCIES

Designations and other funds distributed to nonaffiliated agencies	<u>1,311,172</u>
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\$ 4,970,177