

THE UNITED WAY OF
LACKAWANNA AND WAYNE COUNTIES
FINANCIAL STATEMENTS
JUNE 30, 2021 AND 2020

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Independent Auditor's Report

To the Board of Directors of
The United Way of Lackawanna and Wayne Counties
Scranton, Pennsylvania

Report on the Financial Statements

We have audited the accompanying financial statements of The United Way of Lackawanna and Wayne Counties, which comprise the statements of financial position as of June 30, 2021 and 2020, and the related statements of activities, functional expenses and cash flows for the years then ended and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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To the Board of Directors of
The United Way of Lackawanna and Wayne Counties

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of The United Way of Lackawanna and Wayne Counties as of June 30, 2021 and 2020, and the changes in its net assets and cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matter

Our audits were conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying supplementary information in Schedules 1 to 4 is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The 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.

McGee & Meehan Quinn
Associates, P.C.

Scranton, Pennsylvania
May 6, 2022

THE UNITED WAY OF LACKAWANNA AND WAYNE COUNTIES

STATEMENTS OF FINANCIAL POSITION

JUNE 30, 2021 AND 2020

ASSETS

	<u>2021</u>	<u>2020</u>
Cash without donor restrictions	\$ 2,149,514	\$ 2,096,065
Cash with donor restrictions	1,223,181	993,726
Cash and cash equivalents (Note 2)	3,372,695	3,089,791
Certificates of deposit	1,779,438	1,642,095
Pledges receivable, net of allowance for uncollectible		
pledges of \$215,096 in 2021 and \$190,689 in 2020 (Note 3)	441,345	550,166
Investments (Note 5)	2,826,285	2,478,175
Fixed assets, net of accumulated		
depreciation (Note 1)	57,991	23,925
Prepaid expenses	52,408	39,332
Grant and other receivables	180,069	30,351
Beneficial interest in assets held by a		
community foundation (Note 1)	67,470	53,845
Total assets	<u>\$ 8,777,701</u>	<u>\$ 7,907,680</u>

LIABILITIES AND NET ASSETS

Liabilities		
Accounts payable	\$ 88,175	\$ 24,013
Accrued payroll and payroll taxes	25,405	19,224
Agency funds (Note 6)	166,666	159,754
Due to designated agencies	409,936	209,911
Reserve for community services	7,639	7,639
Total liabilities	<u>697,821</u>	<u>420,541</u>
Net assets		
Without donor restrictions		
Board designated (Note 7)	2,803,564	2,501,637
Undesignated	2,647,552	2,141,873
Net investment in land,		
buildings and equipment	63,470	65,589
Total net assets without donor restrictions	<u>5,514,586</u>	<u>4,709,099</u>
With donor restrictions		
Time restricted	761,226	1,193,527
Purpose restricted	1,804,068	1,584,513
Total net assets with donor restrictions	<u>2,565,294</u>	<u>2,778,040</u>
Total net assets	<u>8,079,880</u>	<u>7,487,139</u>
Total liabilities and net assets	<u>\$ 8,777,701</u>	<u>\$ 7,907,680</u>

The accompanying Notes are an integral part of these Financial Statements.

THE UNITED WAY OF LACKAWANNA AND WAYNE COUNTIES

STATEMENTS OF ACTIVITIES

YEARS ENDED JUNE 30, 2021 AND 2020

	2021			2020		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
Revenues, gains and other support						
Campaign applicable to current period:						
Total amounts raised - current period	\$ 904,474	\$ -	\$ 904,474	\$ 969,083	\$ -	\$ 969,083
Less: Amounts designated by donors for specific organizations (Note 1)	152,725	-	152,725	124,388	-	124,388
Total contributions received - current period	751,749	-	751,749	844,695	-	844,695
Contributions received in prior periods released from restrictions (Note 9)	1,111,877	(1,111,877)	-	843,945	(843,945)	-
Gross campaign results	1,863,626	(1,111,877)	751,749	1,688,640	(843,945)	844,695
Campaign revenues received for next allocation period	-	715,664	715,664	-	1,111,877	1,111,877
Total campaign	1,863,626	(396,213)	1,467,413	1,688,640	267,932	1,956,572
Distributions from unrelated trusts	40,800	40,800	81,600	40,800	40,800	81,600
Grant revenue (Note 4)	614,444	281,815	896,259	343,018	607,879	950,897
State tax credit programs	-	530,880	530,880	-	934,390	934,390
Net realized and unrealized gains (losses) on investment transactions (Note 5)	397,322	109,716	507,038	(98,304)	(9,577)	(107,881)
Fees and grants	19,939	-	19,939	204,290	-	204,290
Investment income	43,345	20,411	63,756	15,912	87,881	103,793
Operational endowment income	48,135	-	48,135	43,179	-	43,179
Change in beneficial interest in assets held by community foundation (Note 1)	13,625	-	13,625	(1,540)	-	(1,540)
In-kind contribution revenue (Note 1)	76,274	-	76,274	372,950	-	372,950
Paycheck Protection Program loan funds	-	-	-	109,900	-	109,900
Other net assets released from restrictions (Note 9)	800,155	(800,155)	-	709,036	(709,036)	-
Total revenues, gains and other support	3,917,665	(212,746)	3,704,919	3,427,881	1,220,269	4,648,150
Expenses						
Program services	2,469,392	-	2,469,392	2,621,508	-	2,621,508
Supporting services						
Management and general	305,686	-	305,686	305,842	-	305,842
Fund raising	337,100	-	337,100	277,321	-	277,321
Total expenses	3,112,178	-	3,112,178	3,204,671	-	3,204,671
Change in net assets	805,487	(212,746)	592,741	223,210	1,220,269	1,443,479
Net assets, beginning of year	4,709,099	2,778,040	7,487,139	4,485,889	1,557,771	6,043,660
Net assets, end of year	<u>\$ 5,514,586</u>	<u>\$ 2,565,294</u>	<u>\$ 8,079,880</u>	<u>\$ 4,709,099</u>	<u>\$ 2,778,040</u>	<u>\$ 7,487,139</u>

The accompanying Notes are an integral part of these Financial Statements.

THE UNITED WAY OF LACKAWANNA AND WAYNE COUNTIES

STATEMENT OF FUNCTIONAL EXPENSES

YEAR ENDED JUNE 30, 2021

	<u>PROGRAM SERVICES</u>		<u>SUPPORT SERVICES</u>		
	<u>Campaign & Community Service Programs</u>	<u>Total Program Services</u>	<u>Management and General</u>	<u>Fund Raising</u>	<u>Total</u>
Salaries	\$ 328,339	\$ 328,339	\$ 200,428	\$180,924	\$ 709,691
Employee benefits	89,278	89,278	54,498	49,195	192,971
Payroll taxes	25,314	25,314	15,453	13,949	54,716
Total employee compensation	442,931	442,931	270,379	244,068	957,378
Allocations to member agencies	1,253,485	1,253,485	-	-	1,253,485
Scholarship awards	389,018	389,018	-	-	389,018
In-kind program expense	76,274	76,274	-	-	76,274
Community assistance programs	159,474	159,474	-	-	159,474
Public relations	18,641	18,641	-	-	18,641
State and national dues	57,252	57,252	-	-	57,252
Occupancy	18,969	18,969	9,484	9,484	37,937
Insurance	7,678	7,678	3,839	3,839	15,356
Dues	250	250	118	132	500
Telephone and website	13,177	13,177	6,589	6,589	26,355
Equipment maintenance and lease	11,857	11,857	5,573	6,284	23,714
Non-local travel and conferences	325	325	153	172	650
Auto	272	272	128	143	543
Supplies	2,659	2,659	1,250	1,410	5,319
Postage and freight	2,545	2,545	1,196	1,349	5,090
Newspapers and publications	216	216	101	114	431
Meetings	75	75	35	39	149
Auditing	7,250	7,250	3,408	3,842	14,500
Other professional fees	2,985	2,985	1,403	1,582	5,970
Events expense	-	-	-	56,023	56,023
Total operating expenses	2,465,333	2,465,333	303,656	335,070	3,104,059
Depreciation	4,059	4,059	2,030	2,030	8,119
Total expenses	\$ 2,469,392	\$2,469,392	\$ 305,686	\$337,100	\$3,112,178

The accompanying Notes are an integral part of these Financial Statements.

THE UNITED WAY OF LACKAWANNA AND WAYNE COUNTIES

STATEMENT OF FUNCTIONAL EXPENSES

YEAR ENDED JUNE 30, 2020

	<u>PROGRAM SERVICES</u>		<u>SUPPORT SERVICES</u>		
	<u>Campaign & Community Service Programs</u>	<u>Total Program Services</u>	<u>Management and General</u>	<u>Fund Raising</u>	<u>Total</u>
Salaries	\$ 268,578	\$ 268,578	\$ 200,796	\$177,396	\$ 646,770
Employee benefits	70,793	70,793	52,927	46,758	170,478
Payroll taxes	20,714	20,714	15,486	13,681	49,881
Total employee compensation	360,085	360,085	269,209	237,835	867,129
Allocations to member agencies	1,222,888	1,222,888	-	-	1,222,888
Scholarship awards	315,120	315,120	-	-	315,120
In-kind program expense	372,950	372,950	-	-	372,950
Community assistance programs	190,563	190,563	-	-	190,563
Public relations	42,959	42,959	-	-	42,959
State and national dues	41,690	41,690	-	-	41,690
Occupancy	18,597	18,597	9,298	9,298	37,193
Insurance	5,181	5,181	2,591	2,591	10,363
Dues	338	338	159	178	675
Telephone and website	15,713	15,713	7,856	7,856	31,425
Equipment maintenance and lease	14,405	14,405	6,771	7,635	28,811
Non-local travel and conferences	546	546	256	289	1,091
Auto	256	256	120	135	511
Supplies	4,722	4,722	2,219	2,502	9,443
Postage and freight	2,447	2,447	1,150	1,297	4,894
Newspapers and publications	276	276	129	146	551
Meetings	250	250	117	132	499
Auditing	7,000	7,000	3,290	3,710	14,000
Other professional fees	2,751	2,751	1,292	1,458	5,501
Events expense	-	-	-	874	874
Total operating expenses	2,618,737	2,618,737	304,457	275,936	3,199,130
Depreciation	2,771	2,771	1,385	1,385	5,541
Total expenses	\$ 2,621,508	\$2,621,508	\$ 305,842	\$277,321	\$3,204,671

The accompanying Notes are an integral part of these Financial Statements.

THE UNITED WAY OF LACKAWANNA AND WAYNE COUNTIES

STATEMENTS OF CASH FLOWS

YEARS ENDED JUNE 30, 2021 AND 2020

	<u>2021</u>	<u>2020</u>
Operating activities		
Increase in net assets	\$ 592,741	\$ 1,443,479
Adjustments to reconcile increase in net assets to net cash provided by operating activities:		
Depreciation	8,119	5,541
Net realized and unrealized losses (gains) on investment transactions	(507,038)	107,881
Change in beneficial interest in assets held by a community foundation	(13,625)	1,540
Decrease (increase) in operating assets:		
Pledges receivable	108,821	(21,350)
Prepaid expenses	(13,076)	7,196
Other receivables	(149,718)	105,120
Increase (decrease) in operating liabilities:		
Accounts payable	64,162	(63,210)
Accrued payroll and payroll taxes	6,181	4,387
Allocations payable	-	(781,148)
Agency funds	6,912	(33,868)
Due to designated agencies	200,025	27,663
Reserve for community services	-	(2,825)
Net cash provided by operating activities	<u>303,504</u>	<u>800,406</u>
Investing activities		
Purchase of certificates of deposit	(137,343)	(31,058)
Purchase of fixed assets	(42,185)	-
Purchase of investments	(986,479)	(808,995)
Proceeds from sale of investments	1,145,407	912,498
Net cash (used in) provided by investing activities	<u>(20,600)</u>	<u>72,445</u>
Financing activities		
None	-	-
Net cash provided by financing activities	<u>-</u>	<u>-</u>
Net increase in cash	282,904	872,851
Cash, cash equivalents and restricted cash, beginning	<u>3,089,791</u>	<u>2,216,940</u>
Cash, cash equivalents and restricted cash, ending	<u>\$ 3,372,695</u>	<u>\$ 3,089,791</u>

The accompanying Notes are an integral part of these Financial Statements.

NOTES TO FINANCIAL STATEMENTS

Note 1 - Nature of Operations and Summary of Significant Accounting Policies

Nature of Operations

The United Way of Lackawanna and Wayne Counties (the United Way) is a non-profit organization providing combined fund raising and year-round services for the benefit of voluntary health and welfare agencies in greater Lackawanna and Wayne Counties and surrounding communities.

The accompanying financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America; the more significant of which are described below.

Use of Estimates

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

Net Assets with Donor Restrictions

Amounts received that are restricted for future periods or are restricted by the donor for specific purposes are reported as support with donor restrictions. When a donor restriction expires, that is when a stipulated time restriction ends or purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions and are reported in the Statements of Activities as net assets released from restriction.

If a restriction is fulfilled in the same time period in which the contribution is received, the contribution is reported as without donor restrictions.

Revenue Recognition - Grants and Contracts

Grants and contracts normally provide for the recovery of direct and indirect costs, subject to an audit. The United Way recognizes revenue associated with direct and indirect costs as direct costs are incurred. The recovery of indirect costs is pursuant to an agreement, which provides for a predetermined fixed indirect cost rate.

Individual grant arrangements have been evaluated and most have been determined to be nonreciprocal, meaning the granting entity has not received a direct benefit in exchange for the resources provided. Instead, revenue is recognized like a conditional contribution, i.e., when the barrier to entitlement is overcome. The barrier to entitlement is considered overcome when expenditures associated with each grant are determined to be allowable and all other significant conditions of the grant are met. Grants that have been determined to be reciprocal fall under the scope of ASC Topic 606 and are recognized as the performance obligations are satisfied.

Note 1 - Nature of Operations and Summary of Significant Accounting Policies - (Continued)

Promises to Give/Pledges

Unconditional promises to give that are expected to be collected within one year are recorded at their net realizable value. Unconditional promises to give that are expected to be collected in future years are recorded at the present value of estimated future cash flows. The discounts on those amounts are computed using a risk-free interest rate applicable to the year in which the promise is received. Amortization of the discount is included in contribution revenue. Conditional promises to give are not included as support until such time as the conditions are substantially met.

Public Support

Annual campaigns are conducted during January 1 to December 31 each year to raise support funds for allocation to participating agencies. Allocations are granted for the fiscal period July 1 through June 30. All contributions are considered available for unrestricted use unless specifically restricted by the donor. Pledges are recorded by campaign year, and allowances are provided for amounts estimated to be uncollectible based on historical experience and other factors.

Fixed Assets

The United Way records fixed assets at cost and provides for depreciation on certain identifiable fixed assets using the straight-line method over the estimated useful lives of the respective assets. At June 30, 2021 and 2020, such assets were as follows:

	<u>2021</u>	<u>2020</u>
Office equipment	\$ 221,702	\$ 179,517
Leasehold improvements	<u>293,523</u>	<u>293,523</u>
	515,225	473,040
Less: Accumulated depreciation	<u>457,234</u>	<u>449,115</u>
	<u>\$ 57,991</u>	<u>\$ 23,925</u>

Depreciation expense was \$8,119 and \$5,541 for the years ended June 30, 2021 and 2020.

Long-Lived Assets

The United Way reviews the carrying value of long-lived assets for impairment whenever events or changes in circumstances indicate that carrying amounts of the assets might not be recoverable.

Endowment Funds

Various endowment funds are subject to the restrictions of gift or Board designation instruments requiring that the principal be invested and the income be used according to the terms of the instrument. The financial records of the three such trust funds are maintained by Peoples Security Bank & Trust, and PNC Bank, N.A.

Note 1 - Nature of Operations and Summary of Significant Accounting Policies - (Continued)

Distributions from Unrelated Trusts and Endowments

The United Way is the income beneficiary of three endowment funds, the Boise Morgan Trust Fund, the Scranton Area Foundation Operational Endowment and the Thomas G. Gallagher Jr. Fund, which are neither in its possession nor under its control, and are held and administered by an outside party. Accordingly, the values of these funds are not recorded on these financial statements. Income received totaled \$129,735 and \$124,779 in 2021 and 2020, respectively.

Occupancy

Operations are conducted from office space at 615 Jefferson Avenue, Scranton, Pennsylvania. Annual occupancy expense which provides for utilities, maintenance, and other services amounted to \$37,937 and \$37,193 for the years ended June 30, 2021 and 2020, respectively.

Income Tax Status

The United Way is exempt from Federal and State income taxes under Section 501(c)(3) of the Internal Revenue Code.

In accordance with the Financial Accounting Standards Board guidance on accounting for uncertainty in income taxes, management evaluated the United Way's tax positions and concluded that the United Way had taken no uncertain tax positions that require adjustment to the financial statements to comply with the provisions of this guidance. With few exceptions, the United Way is no longer subject to income tax examinations by the U.S., state or local tax authorities for years before 2018.

Investments

Investments in marketable securities with readily determinable fair values and all investments in debt securities are valued at their fair values in the Statements of Financial Position. Investment income or loss (including realized gains and losses on investments, interest and dividends) is reported in the Statement of Activities as increases or decreases in net assets without donor restrictions unless the income is restricted by donor or law.

Beneficial Interest

The United Way has adopted the accounting statement that establishes standards for transactions in which a community foundation accepts assets from a donor and agrees to transfer those assets, the return on investment of those assets or both to another entity that is specified by the donor. It also states that a community foundation shall recognize its liability to the specified beneficiary concurrent with its recognition of cash or other financial assets received from the donor. The statement also specifically requires that if an NPO establishes a fund at a community foundation with its own funds and specifies itself as the beneficiary of that fund, the NPO must account for the transfer of such assets as an asset.

Note 1 - Nature of Operations and Summary of Significant Accounting Policies - (Continued)

Beneficial Interest - (Continued)

Included on the accompanying Statements of Financial Position of the United Way is a "Beneficial interest in assets held by a community foundation" in the amount of \$67,470 and \$53,845 as of June 30, 2021 and 2020, respectively.

On May 10, 1984, the United Way entered into an agreement with the Scranton Area Foundation, Inc., (Foundation) to establish a fund, to serve as a receptacle for the unrestricted gifts of cash and other property that the United Way receives from time to time, for the purpose of segregating and using fund assets to further the United Way's mission in perpetuity.

Under the terms of the agreement, the United Way will receive distributions from an unrestricted endowment fund at the Foundation, as follows:

The net income of the Fund shall be paid to the United Way for its unrestricted use, as long as the United Way maintains its tax-exempt status under Internal Revenue Code Section 501(c)(3) and its non-private foundation status under Section 509(a) of the Code.

The agreement also provides that The United Way Fund shall be subject to the provisions of the Indenture of the Foundation dated July 17, 1970, which sets forth the purposes and powers of the Foundation, including those provisions of the Indenture which at some time require variants from The United Way Fund's restrictions. The Foundation may substitute another beneficiary in the place of the United Way, if the United Way ceases to exist, or if the governing Board of the Foundation votes that support of the United Way is no longer necessary or is inconsistent with the needs of the community.

Designated Contributions

Campaign contributions received that are designated to specific organizations have been excluded from campaign revenue and funds allocated. Such contributions and corresponding allocations amounted to \$152,725 and \$124,388 for the years ending June 30, 2021 and 2020, respectively.

In-Kind Program Revenues and Expenses

United Way Worldwide (UWW) maintains relationships with the National Football League (NFL), the Ad Council, and other organizations on behalf of local United Ways. UWW underwrites the cost to produce public service announcements that promote education, financial stability, and healthy living featuring individuals involved in various local United Way community volunteer activities. Local United Way's record the value of the in-kind media space received throughout the year. For the years ended June 30, 2021 and 2020, the United Way of Lackawanna and Wayne Counties recorded \$31,827 and \$20,063, respectively, of in-kind program revenues and expenses in the statement of activities. The United Way of Lackawanna and Wayne counties recognized additional in-kind program revenues and expense for media in the amount of \$44,447 and \$352,887 for the years ended June 30, 2021 and 2020, respectively.

Note 1 - Nature of Operations and Summary of Significant Accounting Policies - (Continued)

Advertising Costs

Advertising costs are expensed as incurred.

Cash Flows

For the purposes of the Statements of Cash Flows, the United Way considers all highly liquid investments with a maturity of three months or less when purchased to be cash equivalents. Cash and cash equivalents include donor restricted cash and cash equivalents.

Reclassification

Certain prior year amounts have been reclassified to conform to the current year presentation.

Cost Allocations

The financial statements report certain expense categories that are attributable to more than one function. Therefore, these expenses require an allocation on a reasonable basis that is consistently applied. Costs not directly attributable to a function, including general insurance, depreciation, occupancy and utilities are allocated to a functional region based on square-footage. Salaries and wages, employee benefits, and payroll taxes are allocated to a functional region based on estimated time and effort. All other non-direct expenses are charged to each function based on management's judgment of the proper allocation.

Liquidity

The United Way regularly monitors liquidity required to meet its annual operating needs and other contractual commitments. As of June 30, 2021, the following financial assets are available to meet annual operating needs for the year ended June 30, 2022:

Financial assets at year-end:	
Cash without donor restrictions	\$ 2,149,514
Pledges receivable, net	441,345
Certificates of deposit	1,779,438
Grant and other receivables	180,069
Investments	<u>2,826,285</u>
	7,376,651
Less amounts not available to be used within one year:	
Agency funds	166,666
Due to designated agencies	409,936
Investments with donor restrictions	580,887
Board designated net assets	<u>2,803,564</u>
Financial assets available to meet general expenditures within one year	<u>\$ 3,415,598</u>

The United Way has various sources of liquidity at its disposal including cash, various receivables, and investments.

Note 1 - Nature of Operations and Summary of Significant Accounting Policies - (Continued)

Recent Accounting Pronouncements

In May 2014, the FASB issued ASU 2014-09, *Revenue from Contracts with Customers (Topic 606)*, requiring an entity to recognize the amount of revenue to which it expects to be entitled for the transfer of promised goods or services to customers. The updated standard will replace most existing revenue recognition guidance in U.S. GAAP when it becomes effective and permits the use of either a full retrospective or retrospective with cumulative effect transition method. In August 2015, the FASB issued ASU 2015-14 which defers the effective date of ASU 2014-09 one year making it effective for annual reporting periods beginning after December 15, 2018. In June 2020, the FASB issued ASU 2020-05 which defers the effective date of ASU 2014-09 one year making it effective for annual reporting periods beginning after December 15, 2019. The adoption of ASU 2014-09 did not have a material impact on the United Way's financial statements.

In February 2016, the FASB issued ASU 2016-02, *Leases (Topic 842)*. The guidance in this ASU supersedes the leasing guidance in *Topic 840, Leases*. Under the new guidance, lessees are required to recognize lease assets and lease liabilities on the balance sheet for all leases with terms longer than 12 months. Leases will be classified as either finance or operating, with classification affecting the pattern of expense recognition in the income statement. The new standard was effective for fiscal years beginning after December 15, 2020. In June 2020, the FASB issued ASU 2020-05 which defers the effective date of ASU 2016-02 one year making it effective for annual reporting periods beginning after December 15, 2021. The United Way is assessing the impact this standard will have on its financial statements.

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*, which modifies the disclosure requirements for fair value measurements by removing, modifying, or adding certain disclosures. ASU 2018-13 is effective for all entities for fiscal years, and interim periods within those fiscal years, beginning after December 15, 2019. An entity is permitted to early adopt any removed or modified disclosures and delay adoption of the additional disclosures until their effective date. The adoption of ASU 2018-13 did not have a material impact on the United Way's financial statements.

In September 2020, the FASB issued ASU 2020-07, *Not-for-Profit Entities (Topic 958): Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets*, which requires a not-for-profit entity to present contributed nonfinancial assets in the statement of activities as a line item that is separate from contributions of cash or other financial assets. ASU 2020-07 also requires additional qualitative and quantitative disclosures about contributed nonfinancial assets received, disaggregated by category. This guidance is effective for fiscal years beginning after June 15, 2021. The adoption of ASU 2020-07 is not expected to have a significant impact on the United Way's financial statements.

Subsequent Events

The United Way has evaluated subsequent events through May 6, 2022, the date on which the financial statements were available to be issued. See Note 16 for a discussion of subsequent events noted.

Note 2 – Cash and Cash Equivalents

The following table provides a reconciliation of cash without donor restrictions and cash with donor restrictions reported within the Statement of Financial Position that amount to the totals shown in the Statement of Cash Flows.

	<u>2021</u>	<u>2020</u>
<u>Without Donor Restrictions</u>		
PNC Bank, N.A. Checking	\$ 1,258,747	\$ 1,176,462
PNC Bank, N.A. Trust Fund	26,480	86,700
Peoples Security Bank & Trust Trust Fund	12,632	8,496
Wayne Bank Money Market	-	25,070
NBT Bank Money Market	50,050	-
Fidelity Deposit and Discount Bank Money Market	255,628	255,035
Citizens Bank Checking	500	500
Citizens Bank Money Market	283,437	283,142
Citizens Savings Bank Money Market	261,940	260,560
Petty cash	100	100
	<u>2,149,514</u>	<u>2,096,065</u>
<u>With Donor Restrictions</u>		
PNC Bank, N.A. Checking	1,114,772	975,674
PNC Bank, N.A., Agency Trust Fund	108,409	18,052
	<u>1,223,181</u>	<u>993,726</u>
Total cash and cash equivalents	<u>\$ 3,372,695</u>	<u>\$ 3,089,791</u>

Cash with donor restrictions consists of the cash held to meet the requirements of net assets with donor restrictions.

Note 3 - Pledges Receivable

Pledges receivable are primarily due within one year. Included in "Pledges Receivable" are the following unconditional promises to give at June 30:

<u>Campaign</u>	<u>2021</u>	<u>2020</u>
2021	\$ 2,365	\$ -
2020	654,076	4,171
2019	-	736,684
Gross unconditional pledges	656,441	740,855
Less: Allowance for uncollectible pledges	215,096	190,689
Total pledges receivable due within one year	<u>441,345</u>	<u>550,166</u>
Total pledges receivable	<u>\$ 441,345</u>	<u>\$ 550,166</u>

Note 4 - Grant Revenue

Grant revenue for the years ended June 30, 2021 and 2020 were as follows:

	<u>2021</u>	<u>2020</u>
<u>Without Donor Restrictions</u>		
Weinberg Operating Grant	\$ -	\$ 250,000
VITA	60,050	40,320
APPRISE	69,144	34,810
RSVP	97,339	-
COVID funding	331,973	-
All other undesignated grant revenues	55,938	17,888
Total undesignated grant revenue	<u>614,444</u>	<u>343,018</u>
<u>With Donor Restrictions</u>		
Success by 6 / Early Education Programs	67,405	164,739
Gift of Warmth – Lackawanna & Wayne	120,100	128,540
Day of Caring	-	17,786
Community Impact	-	60,606
Penn State Nutrition Program	1,810	7,830
Telehealth Intervention Program	-	36,886
ROAM – Lackawanna & Wayne	64,000	51,452
Heroes for Bullying Program	-	2,193
Listen for Good	-	15,859
COVID fund	-	12,625
Future technology	13,500	11,000
Reducing Senior Isolation	-	86,901
All other restricted grant revenues	15,000	11,462
Total restricted grant revenue	<u>281,815</u>	<u>607,879</u>
Total grant revenue	<u>\$ 896,259</u>	<u>\$ 950,897</u>

Note 5 - Investments

The Emergency Reserve Trust Fund and Memorial Trust Fund are designated by the Board of Directors to provide an annual income to the Current Operating Fund for use in allocations.

The U.C.C. Agencies Trust Fund is restricted by the donor in that 6% of the fair market value of the assets of the Trust may only be distributed to former members of The United Community Chest, a predecessor organization. The Board of Directors has interpreted this to allow granting funds for both operational and extraordinary costs of the United Way.

Note 5 - Investments - (Continued)

At June 30, 2021 and 2020, investments were stated at fair value and consisted of the following:

	2021		2020	
	Fair Value	Cost	Fair Value	Cost
<u>Without Donor Restrictions</u>				
Board Designated Endowment Funds				
Government agencies	\$ 25,434	\$ 25,000	\$ 25,895	\$ 25,000
Corporate bonds	38,082	36,770	38,622	36,770
Common stock	503,849	253,810	746,141	533,513
Mutual funds	1,678,033	1,460,668	1,076,730	1,079,209
<u>With Donor Restrictions</u>				
Donor Restricted Endowment Fund				
Common stock	167,458	115,809	222,090	189,717
Mutual funds	413,429	359,266	368,697	356,180
Total investments	<u>\$ 2,826,285</u>	<u>\$ 2,251,323</u>	<u>\$ 2,478,175</u>	<u>\$ 2,220,398</u>

The investments are held in trust as of June 30, 2021 and 2020 as follows:

	2021	2020
Peoples Security Bank & Trust Company	\$ 353,943	\$ 314,148
PNC Bank, N.A.	<u>2,472,342</u>	<u>2,164,027</u>
Total investments	<u>\$ 2,826,285</u>	<u>\$ 2,478,175</u>

Net realized and unrealized gains (losses) for the years ended June 30, 2021 and 2020 are summarized as follows:

	2021	2020
Without donor restrictions		
Net realized gains	\$ 141,067	\$ 28,787
Net unrealized gains (losses)	<u>256,255</u>	<u>(127,091)</u>
	<u>397,322</u>	<u>(98,304)</u>
With donor restrictions		
Net realized gains	48,795	13,008
Net unrealized gains (losses)	<u>60,921</u>	<u>(22,585)</u>
	<u>109,716</u>	<u>(9,577)</u>
Total	<u>\$ 507,038</u>	<u>\$ (107,881)</u>

Note 6 - Agency Funds

Agency funds represent contributions received by the United Way from various donors who designated such funds to be passed through to other organizations. The United Way does not have unilateral discretion over the use of these funds.

Note 7 - Net Assets Without Donor Restrictions - Board Designated

Board designated net assets at June 30, 2021 and 2020, consisted of the following:

	<u>2021</u>	<u>2020</u>
Emergency Reserve Trust Fund is designated by the Board of Directors to provide an annual income to the United Way for use in allocations.	\$ 366,575	\$ 322,644
Memorial Trust Fund is designed by the Board of Directors to provide an annual income to the United Way for use in allocations.	1,917,935	1,659,939
Joe Mahon Fund is designated by the Board of Directors to provide an annual award to a special volunteer.	1,199	1,199
Donor funds to be allocated as needed by the Board of Directors.	<u>517,855</u>	<u>517,855</u>
Total Board designated net assets	<u>\$ 2,803,564</u>	<u>\$ 2,501,637</u>

Note 8 - Net Assets With Donor Restrictions

Net assets with donor restrictions were available as of June 30, 2021 and 2020, for the following purposes:

	<u>2021</u>	<u>2020</u>
<u>Time restrictions:</u>		
Net campaign pledges received for future periods	<u>\$ 761,226</u>	<u>\$ 1,193,527</u>
<u>Purpose restrictions:</u>		
U.C.C. Agencies Trust Fund is restricted to use by former members of The United Community Chest, a predecessor organization.	689,296	608,839
Tax credit program revenues restricted for next year program spending	656,865	619,270
Program grant revenues restricted for specified purposes	<u>457,907</u>	<u>356,404</u>
Total purpose restrictions	<u>1,804,068</u>	<u>1,584,513</u>
Total net assets with donor restrictions	<u>\$ 2,565,294</u>	<u>\$ 2,778,040</u>

Note 9 - Net Assets Released from Restrictions

Net assets were released from donor restrictions by incurring expenses satisfying the restricted purposes or by occurrence of other events specified by the donors as follows for the years ended June 30, 2021 and 2020.

	<u>2021</u>	<u>2020</u>
Time restrictions (net campaign pledges received for future periods) - 2020/2019 Campaign	<u>\$ 1,111,877</u>	<u>\$ 843,945</u>
Purpose restrictions		
Trust fund income available for use in allocations	126,558	142,441
Funds used to satisfy program grant purpose restrictions	180,312	251,475
Funds used for State tax credit programs	<u>493,285</u>	<u>315,120</u>
Total purpose restrictions	<u>800,155</u>	<u>709,036</u>
Total released from restrictions	<u>\$ 1,912,032</u>	<u>\$ 1,552,981</u>

Note 10 - Pension Plan

The United Way adopted a money purchase pension plan effective January 1, 1996. The plan covers all employees over 21 years of age and having at least one year of service. The employer contribution on behalf of a participant was 8% of the participant's compensation for the years ending 2021 and 2020. For the years ended 2021 and 2020, pension expense was \$48,946 and \$44,047, respectively.

Note 11 - Donated Services

The United Way receives donated services from a variety of unpaid volunteers. No amounts have been recognized in the accompanying Statements of Activities because the criterion for recognition of such volunteer effort does not exist.

Note 12 - Paycheck Protection Program

The United Way received a Paycheck Protection Program (PPP) loan of \$109,900 granted by the Small Business Administration under the Coronavirus Aid, Relief, and Economic Security Act (CARES Act). PPP loans are considered conditional contributions, with a right-of-return in the form of an obligation to be repaid if a barrier to entitlement is not met. The barrier is that PPP loan funds must be used to maintain compensation costs and employee headcount, and other qualifying expenses (rent and utilities) incurred following receipt of the funds. The United Way recognized the amount received as grant revenue in the statement of activities for the year ended June 30, 2020 as qualified expenses occurred. Application for forgiveness of the loan was made and the loan was forgiven July 2021.

Note 13 - Fair Value Measurement

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 the measurement date. In determining fair value, the United Way uses various methods including market, income and cost approaches. Based on these approaches, the United Way often utilizes certain assumptions that market participants would use in pricing the asset or liability, including assumptions about risk and or the risks inherent in the inputs to the valuation technique. These inputs can be readily observable, market corroborated, or generally unobservable inputs. The United Way utilizes valuation techniques that maximize the use of observable inputs and minimize the use of unobservable inputs. Based on the observability of the inputs used in the valuation techniques, the United Way is required to provide the following information according to the fair value hierarchy. The fair value hierarchy ranks the quality and reliability of the information used to determine fair values. Financial assets and liabilities carried at fair value will be classified and disclosed in one of the following three categories:

- Level I: Valuations for assets and liabilities traded in active exchange markets, such as the New York Stock Exchange.
- Level II: Valuations for assets and liabilities traded in less active dealer or broker markets. Valuations are obtained from third party pricing services for identical or similar assets or liabilities.
- Level III: Valuations for assets and liabilities that are derived from other valuation methodologies, including option pricing models, discounted cash flow models and similar techniques, and not based on market exchange, dealer, or broker traded transactions. Level III valuations incorporate certain assumptions and projections in determining the fair value assigned to such assets and liabilities.

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.

Following is a description of the valuation methodologies used for assets measured at fair value.

Mutual funds, Common Stock, Corporate Bonds and U.S. Government and Agencies obligations: Valued at the closing price reported on the active market on which the individual securities are traded.

The preceding methods may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, while the United Way 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.

Note 13 - Fair Value Measurement - (Continued)

The following table sets forth by level, within the fair value hierarchy, the assets at fair value as of June 30, 2021 and 2020.

Assets Measured at Fair Value	June 30, 2021			
	Level I	Level II	Level III	Total
On a Recurring Basis:				
U.S. Obligations	\$ 25,434	\$ -	\$ -	\$ 25,434
Corporate Bonds				
A1 Rating	38,082	-	-	38,082
Total Corporate Bonds	38,082	-	-	38,082
Mutual Funds				
Bond Funds	789,468	-	-	789,468
Index Funds	521,583	-	-	521,583
Equity Funds	698,390	-	-	698,390
Other Funds	82,021	-	-	82,021
Total Mutual Funds	2,091,462	-	-	2,091,462
Common Stock				
Industrials	70,042	-	-	70,042
Consumer Discretionary	29,471	-	-	29,471
Consumer Staples	77,997	-	-	77,997
Energy	37,752	-	-	37,752
Financial	128,663	-	-	128,663
Materials	18,224	-	-	18,224
Real Estate	15,930	-	-	15,930
Information Technology	123,589	-	-	123,589
Utilities	24,304	-	-	24,304
Health Care	98,874	-	-	98,874
Telecommunication Services	46,461	-	-	46,461
Total Common Stock	671,307	-	-	671,307
	<u>\$ 2,826,285</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,826,285</u>

Note 13 - Fair Value Measurement - (Continued)

	June 30, 2020			
Assets Measured at Fair Value	Level I	Level II	Level III	Total
On a Recurring Basis:				
U.S. Obligations	\$ 25,895	\$ -	\$ -	\$ 25,895
Corporate Bonds				
A1 Rating	22,598	-	-	22,598
Aa3 Rating	16,024	-	-	16,024
Total Corporate Bonds	<u>38,622</u>	<u>-</u>	<u>-</u>	<u>38,622</u>
Mutual Funds				
Bond Funds	762,509	-	-	762,509
Index Funds	249,766	-	-	249,766
Equity Funds	355,593	-	-	355,593
Other Funds	77,559	-	-	77,559
Total Mutual Funds	<u>1,445,427</u>	<u>-</u>	<u>-</u>	<u>1,445,427</u>
Common Stock				
Industrials	84,928	-	-	84,928
Consumer Discretionary	60,716	-	-	60,716
Consumer Staples	114,669	-	-	114,669
Energy	48,771	-	-	48,771
Financial	149,363	-	-	149,363
Materials	32,255	-	-	32,255
Real Estate	29,888	-	-	29,888
Information Technology	179,663	-	-	179,663
Utilities	46,142	-	-	46,142
Health Care	149,998	-	-	149,998
Telecommunication Services	71,838	-	-	71,838
Total Common Stock	<u>968,231</u>	<u>-</u>	<u>-</u>	<u>968,231</u>
	<u>\$ 2,478,175</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,478,175</u>

Note 14 - Endowments

The United Way's endowment funds consist of three individual trust funds; one fund is donor restricted for agency payments, and the other two are board-designated funds established for various purposes. As required by accounting principles generally accepted in the United States, net assets associated with endowment funds, including funds designated by the Board of Directors to function as endowments, are classified and reported based on existence or absence of donor-imposed restrictions.

Endowment Net Asset Composition by type of fund as of June 30, 2021 and 2020 is as follows:

	2021		
	Without Donor Restrictions	With Donor Restrictions	Total
Donor-restricted endowment funds	\$ -	\$ 689,296	\$ 689,296
Board-designated endowment funds	2,284,510	-	2,284,510
Total	<u>\$ 2,284,510</u>	<u>\$ 689,296</u>	<u>\$ 2,973,806</u>

Note 14 - Endowments - (Continued)

	2020		
	Without Donor Restrictions	With Donor Restrictions	Total
Donor-restricted endowment funds	\$ -	\$ 608,839	\$ 608,839
Board-designated endowment funds	1,982,584	-	1,982,584
Total	<u>\$ 1,982,584</u>	<u>\$ 608,839</u>	<u>\$ 2,591,423</u>

Changes in Endowment Net Assets for the years ended June 30, 2021 and 2020 are as follows:

	2021		
	Without Donor Restrictions	With Donor Restrictions	Total
Endowment net assets, beginning of Year	\$ 1,982,584	\$ 608,839	\$ 2,591,423
Investment return:			
Investment income	32,030	9,096	41,126
Net realized and unrealized gains	397,322	109,716	507,038
Total investment return	429,352	118,812	548,164
Contributions	-	-	-
Appropriation of endowment assets for Expenditure	(127,426)	(38,355)	(165,781)
Endowment net assets, end of year	<u>\$ 2,284,510</u>	<u>\$ 689,296</u>	<u>\$ 2,973,806</u>

	2020		
	Without Donor Restrictions	With Donor Restrictions	Total
Endowment net assets, beginning of Year	\$ 2,186,821	\$ 652,380	\$ 2,839,201
Investment return:			
Investment income	53,492	15,136	68,628
Net realized and unrealized losses	(98,304)	(9,577)	(107,881)
Total investment return	(44,812)	5,559	(39,253)
Contributions	-	-	-
Appropriation of endowment assets for Expenditure	(159,425)	(49,100)	(208,525)
Endowment net assets, end of year	<u>\$ 1,982,584</u>	<u>\$ 608,839</u>	<u>\$ 2,591,423</u>

The United Way has adopted investment and spending policies for endowment assets that attempt to provide a predictable stream of funding to programs supported by its endowments while seeking to maintain the purchasing power of the endowment assets. Endowment assets include those assets of donor-restricted funds and board-designated funds.

Note 14 - Endowments - (Continued)

The donor-restricted endowment assets are invested by the Trustee (PNC Bank, N.A.) in a manner that is intended to produce growth and income. The United Way expects the donor-restricted endowment fund, over time, to provide a rate of return commensurate with the portfolio risk. Actual returns in any given year may vary from this amount. To satisfy its long-term rate-of-return objectives, the United Way 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 United Way targets a diversified asset allocation that places a greater emphasis on equity-based investments to achieve its long-term return objectives within prudent risk constraints. For the donor-restricted funds, distributions each year are set at 6 percent of the average fair value of the fund assets of the three prior years. This is consistent with the United Way's objective to maintain the purchasing power of the endowment assets held in perpetuity as well as to provide additional real growth through investment return.

As approved by the Board of Directors, the board-designated endowment assets are invested in a manner that is intended to produce growth and income while assuming a balanced level of investment risk. The United Way expects its board-designated endowment funds, over time, to provide a total return commensurate with the portfolio's risk, client constraints, governing instruments, and funding policy. Actual returns in any given year may vary from this amount. To satisfy its long-term rate-of-return objectives, the United Way relies on an active asset allocation strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends). The United Way targets a diversified asset allocation that places a greater emphasis on equity-based investments to achieve its long-term return objectives within prudent risk constraints. The United Way has a policy of appropriating for distribution each year 6 percent of its endowment funds' average fair value. In establishing this policy, the United Way considered the long-term expected return on its endowment. Accordingly, over the long term, the United Way expects the current spending policy to allow its endowment to grow at an average rate. This is consistent with the United Way's objective to maintain the purchasing power of the endowment assets held in perpetuity as well as to provide additional real growth through investment return.

Note 15 - Risks and Uncertainties

On January 30, 2020, the World Health Organization declared the coronavirus outbreak a "Public Health Emergency of International Concern" and on March 10, 2020, declared it to be a pandemic. Actions taken around the world to help mitigate the spread of the coronavirus include restrictions on travel, and quarantines in certain areas, and forced closures for certain types of public places and businesses. The coronavirus and actions taken to mitigate it have had and are expected to continue to have an adverse impact on the economies and financial markets of many countries, including the geographical area in which the United Way operates. It is unknown how long these conditions will last and what the complete financial effect will be to the United Way. It is reasonably possible that estimates made in the financial statements have been or will be materially and adversely impacted in the near term as a result of these conditions.

Note 16 - Subsequent Events

In October 2021, a merger request was submitted to the Pennsylvania Attorney General for approval of the merger between the United Way of Pike County and the United Way of Lackawanna and Wayne Counties as of December 31, 2021. The United Way of Pike County has approximately \$100,000 of net assets and \$30,000 of annual campaign revenues. The approval for the merger is pending.

SUPPLEMENTARY INFORMATION

APPROPRIATIONS - AGENCIES/RESERVES

	Recommended Allocations	
	2021/2022	2020/2021
Regular appropriations - Lackawanna County		
American Red Cross of Lackawanna County	\$ 35,000	\$ 35,000
The Arc of Northeastern Pennsylvania	60,000	60,000
Boys' and Girls' Club of Scranton	70,000	70,000
Catholic Social Services, Inc.	70,000	80,000
Day Nursery Association	49,100	49,100
Jewish Community Center	30,000	30,000
Jewish Family Service of Lackawanna County	75,000	75,000
Meals on Wheels	35,000	45,000
Northeastern Pennsylvania Council, Boy Scouts of America	7,500	7,500
Lackawanna Blind Association	32,500	35,000
Scranton Primary Health Care Center	65,000	65,000
Serving Seniors, Inc.	10,000	5,000
St. Joseph's Center	76,100	60,000
United Cerebral Palsy	47,500	45,760
United Neighborhood Centers of Northeastern Pennsylvania	217,000	227,500
Women's Resource Center	120,000	120,000
Y.M.C.A. - Carbondale	30,500	29,600
Y.M.C.A. - Scranton	80,000	87,000
	<u>1,110,200</u>	<u>1,126,460</u>
Program Grant Recipients - Wayne County	46,500	54,150
Other applications of funds		
Reserve for Community Services	50,000	50,000
Reserve for replacement of fixed assets	6,000	6,000
Administration, Campaign and Allocations Fund - cost reimbursement	710,249	710,249
Dues	72,000	72,000
Total appropriations	<u>\$ 1,994,949</u>	<u>\$ 2,018,859</u>
Funding		
Time restricted net assets - next allocation period	\$ 761,226	\$ 1,193,527
Amount to be funded by Campaign 2021/Campaign 2020	1,233,723	825,332
Total funding	<u>\$ 1,994,949</u>	<u>\$ 2,018,859</u>

The accompanying Notes are an integral part of these Financial Statements.

EMERGENCY RESERVE TRUST FUND

PEOPLES SECURITY BANK AND TRUST COMPANY

YEAR ENDED JUNE 30, 2021

	<u>Cash</u>	<u>Investments Fair Value</u>
Balance, beginning	<u>\$ 8,496</u>	<u>\$ 314,148</u>
Increases		
Investment income, net	6,966	-
Purchase of securities	-	-
Proceeds from sale or redemption of securities (net realized gain of \$10,556)	17,011	-
Unrealized gain/loss on securities	-	46,250
	<u>23,977</u>	<u>46,250</u>
Decreases		
Distribution to the Operating Fund	19,841	-
Purchase of securities	-	-
Book value of securities sold or redeemed	-	6,455
	<u>19,841</u>	<u>6,455</u>
Net increase for the year	<u>4,136</u>	<u>39,795</u>
Balance, ending	<u>\$ 12,632</u>	<u>\$ 353,943</u>
Cost of investments		<u>\$ 180,889</u>

The accompanying Notes are an integral part of these Financial Statements.

MEMORIAL TRUST FUND

PNC BANK, N.A.

YEAR ENDED JUNE 30, 2021

	<u>Cash</u>	<u>Investments Fair Value</u>
Balance, beginning	<u>\$ 86,700</u>	<u>\$ 1,573,240</u>
Increases		
Investment income, net	25,064	-
Purchase of securities	-	859,268
Proceeds from sale or redemption of securities (net realized gain of \$130,511)	881,569	-
Unrealized gain/loss on securities	-	210,005
	<u>906,633</u>	<u>1,069,273</u>
Decreases		
Distribution to the Operating Fund	107,585	-
Purchase of securities	859,268	-
Book value of securities sold or redeemed	-	751,058
	<u>966,853</u>	<u>751,058</u>
Net (decrease) increase for the year	<u>(60,220)</u>	<u>318,215</u>
Balance, ending	<u><u>\$ 26,480</u></u>	<u><u>\$ 1,891,455</u></u>
Cost of investments		<u><u>\$ 1,595,359</u></u>

The accompanying Note are an integral part of these Financial Statements.

U.C.C. AGENCIES TRUST FUND

PNC BANK, N.A.

YEAR ENDED JUNE 30, 2021

	<u>Cash</u>	<u>Investments Fair Value</u>
Balance, beginning	<u>\$ 18,052</u>	<u>\$ 590,787</u>
Increases		
Investment income, net	9,096	-
Purchase of securities	-	127,211
Proceeds from sale or redemption of securities (net realized gain of \$48,795)	246,827	-
Unrealized gain/loss on securities	-	60,921
	<u>255,923</u>	<u>188,132</u>
Decreases		
Distributions to the Operating Fund	38,355	-
Purchase of securities	127,211	-
Book value of securities sold or redeemed	-	198,032
	<u>165,566</u>	<u>198,032</u>
Net increase (decrease) for the year	<u>90,357</u>	<u>(9,900)</u>
Balance, ending	<u><u>\$ 108,409</u></u>	<u><u>\$ 580,887</u></u>
Cost of investments		<u><u>\$ 475,075</u></u>

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