

UNITED WAY OF JACKSON COUNTY

Financial Statements

For the Year Ended June 30, 2021

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Independent Auditor's Report

**To the Board of Directors
United Way of Jackson County
Medford, Oregon**

We have audited the accompanying financial statements of the United Way of Jackson County (the Organization), which comprise the statement of financial position as of June 30, 2021 and the related statements of activities and changes in net assets, functional expenses and cash flows for the year 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 audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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



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Opinion

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

Report on Summarized Comparative Information

We have previously audited the Organization's 2020 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated October 27, 2020. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2020, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Report on Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying supplementary information, consisting of current and gross campaign results and donor designations on page 4, is not a required part of the financial statements and is included for the purpose of additional analysis consistent with industry practice. 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 audit 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.

OTHER REPORTING REQUIRED BY *GOVERNMENT AUDITING STANDARDS*

In accordance with *Government Auditing Standards*, we have also issued our report dated October 20, 2021, on our consideration of the Organization's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance with the results of that testing, and not to provide an opinion on the effectiveness of the Organization's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Governmental Auditing Standards* in considering the Organization's internal control over financial reporting and compliance.

Clark Nuber P.C.

Certified Public Accountants
October 20, 2021

UNITED WAY OF JACKSON COUNTY

Statement of Financial Position

June 30, 2021

(With Comparative Totals for 2020)

	<u>2021</u>	<u>2020</u>
Assets		
Current Assets:		
Cash and cash equivalents	\$ 413,123	\$ 114,001
Funds held for others	28,017	25,554
Pledges and grants receivable, net (Note 3)	131,902	190,634
Prepaid expenses	<u>2,550</u>	<u>2,553</u>
Total Current Assets	575,592	332,742
Property and equipment, net (Note 2)	375,841	364,962
Capital campaign pledges receivable	3,333	20,733
Investments (Note 5)	1,838,311	280,376
Assets restricted by donors for long-term purposes	230,995	193,915
Beneficial interest in assets held by others (Note 4)	<u>248,177</u>	<u>219,472</u>
Total Assets	<u>\$ 3,272,249</u>	<u>\$ 1,412,200</u>
Liabilities and Net Assets		
Current Liabilities:		
Accounts payable and accrued liabilities	\$ 22,065	\$ 19,349
Funds held for others	28,017	25,554
Designations payable (Note 6)	25,655	34,426
Current portion of Paycheck Protection Program loan (Note 8)	<u> </u>	<u>48,574</u>
Total Current Liabilities	75,737	127,903
Long-Term Liabilities:		
Paycheck Protection Program loan, net of current portion (Note 8)	<u> </u>	<u>59,858</u>
Total Liabilities	75,737	187,761
Net Assets:		
Without donor restrictions	868,994	589,342
With donor restrictions (Note 10)	<u>2,327,518</u>	<u>635,097</u>
Total Net Assets	<u>3,196,512</u>	<u>1,224,439</u>
Total Liabilities and Net Assets	<u>\$ 3,272,249</u>	<u>\$ 1,412,200</u>

See accompanying notes.

UNITED WAY OF JACKSON COUNTY

Statement of Activities and Changes in Net Assets
For the Year Ended June 30, 2021
(With Comparative Totals for 2020)

	Without Donor Restrictions	With Donor Restrictions	2021 Total	2020 Total
Revenues, Gains and Other Support:				
Current year campaign results	\$ 1,023,553	\$ -	\$ 1,023,553	\$ 1,084,733
Current year campaign results restricted by purpose		239,895	239,895	585,826
Current year campaign results restricted for time		17,600	17,600	44,992
Fire Fund campaign results (Note 14)		3,365,358	3,365,358	
Gross campaign results	1,023,553	3,622,853	4,646,406	1,715,551
Less allowance for uncollectable pledges	(50,697)		(50,697)	(61,696)
Less donor designations	(187,229)		(187,229)	(183,405)
Total campaign revenue	785,627	3,622,853	4,408,480	1,470,450
COVID-19 county grant revenue (Note 15)	2,000,000		2,000,000	
In-kind contributions	1,582		1,582	6,976
Sponsorships for community projects	2,384		2,384	6,719
Investment return	42,438	37,080	79,518	15,792
Change in value of beneficial interest (Note 4)		28,705	28,705	(13,391)
Forgiveness of PPP loan and other (Note 8)	109,250		109,250	3,993
Net assets released from restrictions (Note 10)	1,996,217	(1,996,217)		
Total Revenues, Gains and Other Support	4,937,498	1,692,421	6,629,919	1,490,539
Allocations and Expenses:				
Program services	4,373,612		4,373,612	1,236,050
Management and general	119,389		119,389	122,385
Fundraising	141,173		141,173	119,764
Total functional expenses	4,634,174		4,634,174	1,478,199
Payments to affiliates	23,672		23,672	17,567
Total Allocations and Expenses	4,657,846		4,657,846	1,495,766
Change in Net Assets	279,652	1,692,421	1,972,073	(5,227)
Net assets, beginning of year	589,342	635,097	1,224,439	1,229,666
Net Assets, End of Year	\$ 868,994	\$ 2,327,518	\$ 3,196,512	\$ 1,224,439

See accompanying notes.

UNITED WAY OF JACKSON COUNTY

Statement of Functional Expenses
For the Year Ended June 30, 2021
(With Comparative Totals for 2020)

	Program Services	Management and General	Fundraising	Total Expenses 2021	Total Expenses 2020
Expenses:					
Salaries and wages	\$ 250,058	\$ 76,286	\$ 76,405	\$ 402,749	\$ 392,168
Employee benefits	41,760	12,740	12,760	67,260	80,576
Payroll taxes	23,694	7,228	7,240	38,162	42,905
Personnel costs	315,512	96,254	96,405	508,171	515,649
Covid-19 assistance	1,905,445			1,905,445	
Fire assistance	1,360,705			1,360,705	
Community projects	473,465			473,465	587,239
Allocations to agencies	221,500			221,500	222,867
Professional services	19,044	4,081	4,081	27,206	24,130
Bank fees	1,272	1,272	22,900	25,444	4,329
Office expense	12,577	2,695	2,695	17,967	9,814
Depreciation	12,194	2,613	2,613	17,420	16,528
Supplies	10,002	2,143	2,143	14,288	8,972
Retirement plan contribution	7,308	2,229	2,233	11,770	10,640
Computer consulting fees	6,064	1,299	1,299	8,662	8,727
Office utilities	5,405	1,158	1,158	7,721	18,533
Telephone	3,644	781	781	5,206	4,734
Insurance	3,166	678	678	4,522	4,075
Postage	2,979	638	638	4,255	2,429
Printing	2,929	628	628	4,185	6,072
Dues and fees	2,434	743	744	3,921	3,754
Training and conferences	2,098	699	699	3,496	726
Meals and travel	1,513	462	462	2,437	13,566
Public information	1,566	336	336	2,238	11,723
Equipment rental	1,466	314	314	2,094	2,327
Retirement plan administration	904	276	276	1,456	1,365
Interest	420	90	90	600	
Total Expenses	\$ 4,373,612	\$ 119,389	\$ 141,173	\$ 4,634,174	\$ 1,478,199

See accompanying notes.

UNITED WAY OF JACKSON COUNTY

Statement of Cash Flows
For the Year Ended June 30, 2021
(With Comparative Totals for 2020)

	2021	2020
Cash Flows From Operating Activities:		
Change in net assets	\$ 1,972,073	\$ (5,227)
Adjustments to reconcile change in net assets to net cash provided by operating activities-		
Change in value of beneficial interest	(28,705)	13,391
Depreciation	17,420	16,528
Realized and unrealized investment gains	(45,743)	(4,017)
Forgiveness of PPP loan	(108,432)	
(Increase) decrease in operating assets:		
Pledges and grants receivable	58,732	68,358
Prepaid expenses	3	83
Increase (decrease) in operating liabilities:		
Accounts payable and accrued liabilities	2,716	11,562
Funds held for others	2,463	(786)
Designations payable	(8,771)	(22,795)
Net Cash Provided by Operating Activities	1,861,756	77,097
Cash Flows From Investing Activities:		
Purchase of investments	(2,049,296)	(586,473)
Proceeds from sale of investments	537,104	492,363
Payments to acquire property and equipment	(28,299)	(5,935)
Change in assets restricted for long-term purposes	(37,080)	(6,249)
Net Cash Used by Investing Activities	(1,577,571)	(106,294)
Cash Flows From Financing Activities:		
Contributions received restricted for the acquisition of long-term assets	17,400	5,647
Borrowings on Paycheck Protection Program loan		108,432
Net Cash Provided by Financing Activities	17,400	114,079
Net Change in Cash and Cash Equivalents	301,585	84,882
Cash and cash equivalents, beginning of year	139,555	54,673
Cash and Cash Equivalents, End of Year	\$ 441,140	\$ 139,555
The following table provides a reconciliation of cash, cash equivalents and funds held for others reported within the statements of financial position that sums to the total of the same such amounts shown in the statements of cash flows:		
Cash and cash equivalents	\$ 413,123	\$ 114,001
Funds held for others	28,017	25,554
Total Cash, Cash Equivalents and Funds Held for Others In the Statement of Cash Flows	\$ 441,140	\$ 139,555

See accompanying notes.

UNITED WAY OF JACKSON COUNTY

Notes to Financial Statements For the Year Ended June 30, 2021 (With Comparative Totals for 2020)

Note 1 - Summary of Significant Accounting Policies

Nature of Operations - The United Way of Jackson County (the Organization) was formed and organized in the State of Oregon to operate as a not-for-profit entity under Internal Revenue Code Section 501(c)(3). The Organization's primary objective is to mobilize caring in order to effect change via promoting volunteerism, community philanthropy, and community building. The Organization engages in fundraising activities and allocates the contributed funds to other not-for-profit organizations and for community building programs. Substantially all of the Organization's revenues are derived from fundraising contributions in the local geographic area.

The Organization administers a fundraising campaign to collect donations for charitable organizations. The Organization has a donor choice program that allows donors to designate to a member agency, to another non-affiliated tax-exempt agency, or to both. The Organization also allows donors to designate to broadly defined areas of service.

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

Net Assets Without Donor Restriction - Net assets that are not subject to donor-imposed stipulations.

Net Assets With Donor Restriction - Net assets subject to donor-imposed stipulations that will be met either by actions of the Organization or the passage of time, or net assets subject to donor-imposed stipulations that must be maintained permanently by the Organization.

Revenues are reported as increases in net assets without donor restriction unless use of the related asset is limited by donor-imposed restrictions. Expenses are reported as decreases in net assets without donor restriction. Gains and losses on investments and other assets or liabilities are reported as increases or decreases in net assets without donor restriction unless their use is restricted by explicit donor stipulation or by law. Expirations of time or purpose restrictions on net assets (i.e., the donor stipulated purpose has been fulfilled or the stipulated time period has lapsed) are reported as reclassifications between the applicable classes of net assets. Revenues with donor-imposed restrictions that are met in the same reporting period are classified as increases in net assets without donor restriction.

Cash and Cash Equivalents - The Organization considers all highly liquid investments with original maturities of three months or less to be cash equivalents.

Funds Held for Others - Accounting principles generally accepted in the United States of America (U.S. GAAP) specifically requires that when the Organization receives assets and agrees to use those assets on behalf of a specified beneficiary, the Organization must account for the receipt of such assets as if it is holding the funds as an agent. At June 30, 2021 and 2020, the Organization held funds totaling \$28,017 and \$25,554, respectively, under this type of arrangement.

Pledges and Grants Receivable - Unconditional pledges and grants receivable, less an allowance for uncollectible amounts, are recognized as revenues in the period the promise is made and as assets, decreases of liabilities, or expenses depending on the form of the benefits received. Conditional promises to give are recognized when the conditions on which they depend are met.

UNITED WAY OF JACKSON COUNTY

Notes to Financial Statements For the Year Ended June 30, 2021 (With Comparative Totals for 2020)

Note 1 - Continued

The allowance for uncollectible pledges is an estimate based on management's knowledge of historical pledge collection rates. The allowance for the current year campaign is calculated as a percentage of pledged revenue generated by the campaign. In addition, an allowance for prior year campaign pledges not collected is made based on management's knowledge of the unpaid amounts.

Property and Equipment - The Organization records purchased property and equipment at cost. Donations of property and equipment are recorded as support at their estimated fair value at the date of donation. Such donations are reported as support without donor restriction unless the donor has restricted the donated asset to a specific purpose. Assets donated with explicit donor restriction regarding their use and contributions of cash that must be used to acquire property and equipment are reported as support with donor restrictions.

Absent donor stipulations regarding how long those donated assets must be maintained, the Organization reports expirations of donor restrictions when the donated or acquired assets are placed in service.

Depreciation is computed using the straight-line method over the estimated useful lives, which is 39 years for buildings, and 5-15 years for furniture and equipment and building improvements. Acquisitions of property and equipment in excess of \$2,500 and with a useful life of five years or more are capitalized.

Investments - Investments are stated at fair value, with both realized and unrealized gains and losses recorded in the statement of activities and changes in net assets as increases or decreases in net assets without donor restriction, unless their use is restricted by explicit donor restrictions or law.

Assets Restricted by Donors for Long-Term Purposes - As of June 30, 2021 and 2020, assets restricted by donors for long-term purposes represented restricted endowment contributions, as well as unappropriated endowment earnings.

Designations Payable and Undesignated Allocations Payable - The Organization conducts an annual fundraising campaign from August through November. When a donor makes a contribution to the Organization and designates a named charity, those contributions are recorded by the Organization as designations payable. The designated donation is then reduced by a pledge loss allowance of 8 percent and management and fundraising fees on a percentage basis. The designations payable are generally disbursed quarterly in July, October, January and April to recipient charities. The Organization honors designations to charities by distributing a proportionate share of receipts based on donor designations.

Contributions to the United Way community fund or an area of service are allocated among approved programs. The budget for the total allocable amount is determined using the current campaign collections and pledges less designations, a pledge loss allowance, specific agency related expenses, and operating expenses. Volunteers then make recommendations to the Organization's Board of Directors for amounts to be allocated to programs. Allocation award and agreement letters are sent to the programs, generally in June or July. Allocations to programs are recorded as an undesignated allocation payable as of July 1 following the campaign year. Undesignated allocations payable to programs are generally disbursed monthly beginning in July.

Contributions - Contributions, which include unconditional promises to give (pledges), are recognized as revenue in the period received. Conditional contributions are recognized when the donor condition is fulfilled. When restrictions are fulfilled in the same fiscal year in which the contribution is received, the contribution is reported as increases in net assets without donor restrictions.

UNITED WAY OF JACKSON COUNTY

Notes to Financial Statements For the Year Ended June 30, 2021 (With Comparative Totals for 2020)

Note 1 - Continued

Gross Campaign Results - Gross campaign results consist of funds raised as a result of the Organization's fundraising efforts during the normal course of their campaign. Pledges and payments that are designated by the donor to other nonprofit organizations are included in current year and gross campaign results and donor designations in the statement of activities and changes in net assets. These totals are presented as supplementary information for the purpose of additional analysis consistent with industry practice.

In-Kind Contributions - Donated assets and services are reflected as contributions in the accompanying statements at their estimated values at the date of receipt. Contributions of services are recognized if the services received create or enhance a nonfinancial asset or the services require specialized skills that are provided by individuals possessing those skills. In-kind contributions reported in the statement of activities and changes in net assets for the years ended June 30, 2021 and 2020 included contributed advertising and other goods and services of \$1,582 and \$6,976, respectively.

A substantial number of volunteers have donated significant amounts of time in the Organization's program services and in its fundraising campaign. The financial statements do not reflect the value of those contributed services because the criteria for recognition of such volunteer efforts have not been satisfied.

Cost Deductions - The Organization has committed to and was in compliance with the Cost Deduction Requirements for Membership Requirement M, as established by United Way Worldwide. The standard establishes uniform rules for deducting resource development and organizational administration expenses from donor pledges.

Federal Income Tax - The Internal Revenue Service has determined that the Organization is exempt from federal income tax under Internal Revenue Code Section 501(c)(3) and is not considered to be a private foundation; accordingly, no provision has been made for federal income tax in the accompanying financial statements.

Concentrations - The Organization raised gross campaign contributions from one anonymous donor representing 12 percent of gross campaign results for the year ended June 30, 2020. There was no such concentration in campaign contributions for the year ended June 30, 2021. The Organization received 31 percent of total revenue, gains, and other support from federal awards during the year ended June 30, 2021.

Functional Expense Allocation - The financial statements report certain categories of expenses that are attributable to one or more program or supporting services of the Organization. Accordingly, certain costs have been allocated among the programs and supporting services benefited. Occupancy, salaries and benefits are assigned a functional allocation percentage based on the current job responsibilities of the staff members. All other costs are directly charged to the functions they benefit.

Use of Estimates - The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions. These affect the reported amounts of assets, liabilities, revenues, and expenses, as well as the disclosure of contingent assets and liabilities. Actual results could differ from these estimates.

Comparative Amounts for 2020 - For comparative purposes, the financial statements include certain prior-year summarized information in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with U.S. GAAP. Accordingly, such information should be read in conjunction with the Organization's financial statements for the year ended June 30, 2020, from which the summarized information was derived.

UNITED WAY OF JACKSON COUNTY

Notes to Financial Statements
For the Year Ended June 30, 2021
(With Comparative Totals for 2020)

Note 1 - Continued

Subsequent Events - Management has evaluated subsequent events through October 20, 2021, the date on which the financial statements were available to be issued. No subsequent events were identified for disclosure.

Note 2 - Property and Equipment

The following is a summary of property and equipment, less accumulated depreciation at June 30:

	<u>2021</u>	<u>2020</u>
Land	\$ 96,702	\$ 96,702
Building	200,431	200,431
Building improvements	62,997	38,710
Office furniture and equipment	<u>87,902</u>	<u>83,890</u>
	448,032	419,733
Less accumulated depreciation	<u>(72,191)</u>	<u>(54,771)</u>
Total Property and Equipment, Net	<u>\$ 375,841</u>	<u>\$ 364,962</u>

Note 3 - Pledges and Grants Receivable

Pledges and grants receivable include the following unconditional promises to give as of June 30:

	<u>2021</u>	<u>2020</u>
Unconditional pledges receivable due in less than one year	\$ 175,964	\$ 232,793
Less allowance for uncollectible pledges	<u>(44,062)</u>	<u>(42,159)</u>
Net Pledges Receivable Due in Less Than One Year	<u>\$ 131,902</u>	<u>\$ 190,634</u>

Note 4 - Beneficial Interest in Assets Held by Others

The Organization is the beneficiary of a perpetual charitable trust (the Trust) established by Gerald T. Latham in 1986. The Organization has an interest of 20 percent as of both June 30, 2021 and 2020. The assets of the Trust are managed by Wells Fargo Bank. The Organization typically receives monthly distributions from Wells Fargo Bank from the earnings of the Trust. In accordance with U.S. GAAP, the Organization has recognized its interest in the Trust as an asset on the Organization's statement of financial position totaling \$248,177 and \$219,472 as of June 30, 2021 and 2020, respectively. Net realized and unrealized gains and losses related to the Trust are reported as changes in net asset with donor restriction.

UNITED WAY OF JACKSON COUNTY

**Notes to Financial Statements
For the Year Ended June 30, 2021
(With Comparative Totals for 2020)**

Note 5 - Fair Value Measurement

The Organization applies the U.S. GAAP authoritative guidance for fair value measurements and disclosures, which defines fair value, establishes a framework for measuring fair value and requires certain disclosures about fair value measurements.

The standard describes three levels of inputs that may be used to measure fair value:

Level 1 - Quoted prices in active markets for identical assets or liabilities;

Level 2 - Observable inputs other than Level 1 prices, such as quoted prices for similar assets or liabilities, quoted prices in inactive markets, or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities; or

Level 3 - Unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets or liabilities.

Following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in the methodologies used at June 30, 2021 and 2020.

Money Market Funds - Valued at cost, which approximates fair value.

Equities and Mutual Funds - Valued at the closing price reported on the active market in which the securities are traded.

Corporate Fixed Income Securities - Valued using bid valuations from similar instruments in actively quoted markets.

Beneficial Interest in the Latham Trust - The Organization is a beneficiary of a percentage interest in a perpetual charitable trust held by a third party. The Organization's interest in the trust is recorded at the fair value of the Organization's ownership in the trust. This asset is valued using the net asset value (Note 4).

The underlying investment securities are exposed to various risks, such as interest rate, market, and credit risks. Due to the level of risk associated with certain investment securities and investment contracts, and the level of uncertainty related to changes in the value of the investment securities, it is at least reasonably possible that changes in risks in the near term could materially affect account balances and the amounts reported in the statement of financial position and the statement of activities and changes in net assets.

UNITED WAY OF JACKSON COUNTY

Notes to Financial Statements
For the Year Ended June 30, 2021
(With Comparative Totals for 2020)

Note 5 - Continued

The following tables present the assets that are measured at fair value on a recurring basis as of June 30 and are categorized using the three levels of the fair value hierarchy:

	Fair Value Measurements as of June 30, 2021			
	Level 1	Level 2	Level 3	Total
Money market funds	\$ 1,659,872	\$ -	\$ -	\$ 1,659,872
Equities	253,290			253,290
Mutual funds-				
Fixed income funds	124,286			124,286
U.S. equity	30,314			30,314
Corporate fixed income		1,544		1,544
Beneficial interest in the Latham Trust			248,177	248,177
	<u>\$ 2,067,762</u>	<u>\$ 1,544</u>	<u>\$ 248,177</u>	<u>\$ 2,317,483</u>

	Fair Value Measurements as of June 30, 2020			
	Level 1	Level 2	Level 3	Total
Money market funds	\$ 191,161	\$ -	\$ -	\$ 191,161
Equities	152,851			152,851
Mutual funds-				
Fixed income funds	78,961			78,961
U.S. equity	18,694			18,694
Corporate fixed income		32,624		32,624
Beneficial interest in the Latham Trust			219,472	219,472
	<u>\$ 441,667</u>	<u>\$ 32,624</u>	<u>\$ 219,472</u>	<u>\$ 693,763</u>

As of June 30, 2021 and 2020, investments are presented in the statement of financial position as assets restricted by donors for long-term purposes of \$239,378 and \$193,915, investments of \$1,829,928 and \$280,376, and beneficial interest in assets held by others of \$248,177 and \$219,472, respectively.

UNITED WAY OF JACKSON COUNTY

**Notes to Financial Statements
For the Year Ended June 30, 2021
(With Comparative Totals for 2020)**

Note 5 - Continued

The following is a reconciliation of the beginning and ending balances of recurring fair value measurements recognized in the accompanying statement of financial position using significant unobservable (Level 3) inputs for the year ended June 30:

	Beneficial Interest in Latham Trust
Balance, June 30, 2019	\$ 232,863
Total realized and unrealized losses	<u>(13,391)</u>
Balance, June 30, 2020	219,472
Total realized and unrealized gains	<u>28,705</u>
Balance, June 30, 2021	<u>\$ 248,177</u>

Note 6 - Designations Payable

Designations payable consist of donor designated contributions as of June 30 as follows:

	<u>2021</u>	<u>2020</u>
Donor designations from prior year campaign	\$ 10,600	\$ 12,311
Donor designations from current year campaign	<u>15,055</u>	<u>22,115</u>
Total Designations Payable	<u>\$ 25,655</u>	<u>\$ 34,426</u>

Note 7 - Line of Credit

The Organization maintains an unsecured line of credit in the approved amount of \$100,000 with a financial institution. Under the terms of the loan agreement, the outstanding balance of the line is payable upon demand of the lender. The Organization is required to make monthly payments of interest and must pay the line to zero for a period of 30 consecutive days at least once during the year. Interest is computed at the prime rate plus 1.00 percent, but not less than 5.00 percent. At June 30, 2021 and 2020, the interest rate was 5.00 and 5.25 percent, respectively. The line of credit has a maturity date of March 15, 2023 and is renewable annually. There was no outstanding balance on the line of credit at June 30, 2021 and 2020.

Note 8 - Paycheck Protection Program Loan

In response to the COVID-19 pandemic, the U.S. Congress passed the Coronavirus Aid, Relief, and Economic Securities Act (CARES Act). Included in the CARES Act was the Paycheck Protection Program (PPP) to provide loans to qualifying small business and not-for-profit organizations to cover certain eligible expenses. On April 14, 2020, the Organization obtained a loan under the PPP with a principal balance of \$108,432 and an annual interest rate of 1%. Principal and interest were payable in monthly installments beginning November 14, 2020 through maturity on April 14, 2022. The PPP loan was fully forgiven in November 2020.

UNITED WAY OF JACKSON COUNTY

Notes to Financial Statements
For the Year Ended June 30, 2021
(With Comparative Totals for 2020)

Note 9 - Retirement Plan

The Organization maintains a defined contribution retirement plan (the Plan) covering all employees who are at least 21 years of age. There is no minimum service requirement for employees to receive employer contributions under the Plan. Individual participant accounts vest according to the number of years of service credited to each participant. Contributions to the Plan are made at 3 percent of participant's salary. During the years ended June 30, 2021 and 2020, contributions to the Plan totaled \$11,770 and \$10,640, respectively.

Note 10 - Net Assets With Donor Restrictions

Net assets restricted by donors for time or purpose were available for the following purposes at June 30:

	<u>2021</u>	<u>2020</u>
Subject to the Passage of Time:		
Pledges received from the current campaign for use in a future period, net of dollar designations and allowance for uncollectible pledges	\$ 17,599	\$ 46,193
Subject to Expenditure for Specified Purpose:		
Endowment earnings (Note 11)	117,879	80,799
HOPE Chest (rapid response fund for emergency needs)	174,663	115,683
Capital campaign		16,566
Suicide prevention		43,268
Women Living Leadership (WILL)	25,685	
Fire Fund	1,437,800	
Fire Fund - Rogue Food Unites	136,838	
Black Southern Oregon Alliance	50,761	
VITA program	5,000	
	<u>1,966,225</u>	<u>302,509</u>
Total Subject to the Passage of Time or Expenditure for Specified Purpose	1,966,225	302,509
Endowment Corpus (Note 11):		
Original gifts and required retained earnings (corpus)-		
Geraldine Taylor Estate	93,136	93,136
Albert Relei and Wilson Anderson Memorial	1,000	1,000
Campaign contributions specified for endowment	18,980	18,980
	<u>113,116</u>	<u>113,116</u>
Gerald Latham Perpetual Charitable Trust (Note 4)	248,177	219,472
	<u>361,293</u>	<u>332,588</u>
Total Endowment Funds and Beneficial Interest	361,293	332,588
Total Net Assets With Donor Restrictions	\$ 2,327,518	\$ 635,097

UNITED WAY OF JACKSON COUNTY

**Notes to Financial Statements
For the Year Ended June 30, 2021
(With Comparative Totals for 2020)**

Note 10 - Continued

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:

	<u>2021</u>	<u>2020</u>
Prior year campaign revenue for the use in the current year, net of donor designations and an allowance for uncollectible pledges	\$ 46,193	\$ 38,947
HOPE Chest (rapid response fund for emergency needs)	53,019	382,864
Big Idea		76,530
Capital campaign	16,566	9,814
Suicide Prevention	53,688	103,400
Fire Fund	1,485,447	
Fire Fund - Rogue Foods Unites	305,274	
Black Southern Oregon Alliance	21,392	
Will	14,638	
Total Net Assets Released From Restrictions	<u>\$ 1,996,217</u>	<u>\$ 611,555</u>

Capital campaign funds of \$16,566 and \$9,814 were expended during the years ended June 30, 2021 and 2020, respectively, bringing the ending balance to zero as of June 30, 2021.

Note 11 - Endowment Net Assets

Endowment net assets are restricted by donors to investments in perpetuity. The income from the assets can be used to support the Organization's general operations.

Interpretation of Relevant Law - The Organization has interpreted the Oregon State Uniform Prudent Management of Institutional Funds Act (UPMIFA) as making it advisable for the Organization to track the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary. As a result of this determination, the Organization classifies as net assets with donor restriction to be held in perpetuity (a) the original value of gifts donated to the permanent endowment, (b) the original value of subsequent gifts to the permanent endowment, and (c) accumulations to the permanent endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund.

The remaining portion of the donor-restricted endowment fund representing accumulated earnings is held as net assets with donor restriction until those amounts are appropriated for expenditure by the Organization in a manner consistent with the standard of prudence prescribed by UPMIFA. In accordance with UPMIFA, the Organization considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

- The duration and preservation of the fund;
- The purposes of the Organization and the donor-restricted endowment fund;
- General economic conditions;
- The possible effect of inflation and deflation;
- The expected total return from income and the appreciation of investments;
- Other resources of the Organization; and
- The investment policies of the Organization.

UNITED WAY OF JACKSON COUNTY

Notes to Financial Statements
For the Year Ended June 30, 2021
(With Comparative Totals for 2020)

Note 11 - Continued

Funds With Deficiencies - From time to time, the fair value of assets associated with individual donor restricted endowment funds may fall below the level that the donor or UPMIFA requires the Organization to retain as a fund of perpetual duration. As of June 30, 2021 and 2020, no such deficiencies existed.

Return Objectives and Risk Parameters - The Organization has adopted investment and spending policies for its endowment assets that attempt to provide a predictable stream of funding to programs supported by its endowment while seeking to maintain the purchasing power of the endowment assets. Endowment assets include those assets of donor-restricted funds that the Organization must hold in perpetuity or for a donor-specified period. Under this policy, as approved by the Board of Directors, the endowment assets are invested in a manner that is diversified as to minimize the risk of large losses, and that is intended to preserve the real (inflation adjusted) value of the fund assets after withdrawal of spending amounts authorized by the Board. Actual returns in any given year may vary from this amount.

Strategies Employed for Achieving Objectives - To satisfy its long-term rate-of-return 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 of US Equities, Non-US Equities, and Fixed Income assets to achieve its long-term return objectives within prudent risk constraints.

Spending Policy and How the Investment Objectives Relate to Spending Policy - The Organization has a policy that allows for annual earnings and/or accumulated appreciation of endowment funds to be appropriated each year, not to exceed 5 percent of the average endowment asset values over the preceding 12 rolling quarters. The calculated amount may be distributed at the beginning of the year, or in installments throughout the year as needed. In establishing this policy, the Organization considered the long-term expected return on its endowment. Accordingly, over the long-term, the Organization expects the current spending policy to allow its endowment to preserve the inflation-adjusted value of the endowment in perpetuity.

Endowment net asset composition by type of fund was as follows at June 30:

	Net Assets Without Donor Restriction	Net Assets With Donor Restrictions		2021 Total	2020 Total
		Endowment Earnings	Endowment Corpus		
Donor restricted endowment fund	\$ -	\$ 117,879	\$ 113,116	\$ 230,995	\$ 193,915

Changes to endowment net assets for the year ended June 30 are as follows:

	Net Assets Without Donor Restriction	Net Assets With Donor Restrictions		2021 Total	2020 Total
		Endowment Earnings	Endowment Corpus		
Endowment net assets, beginning of year	\$ -	\$ 80,799	\$ 113,116	\$ 193,915	\$ 187,666
Investment return		37,080		37,080	6,249
Endowment Net Assets, End of Year	\$ -	\$ 117,879	\$ 113,116	\$ 230,995	\$ 193,915

UNITED WAY OF JACKSON COUNTY

Notes to Financial Statements For the Year Ended June 30, 2021 (With Comparative Totals for 2020)

Note 12 - Liquidity and Availability of Financial Assets

At June 30, 2021, the Organization has \$2,374,953 of financial assets available within one year of the statement of financial position date to meet cash needs for general expenditure consisting of cash of \$413,123, pledges receivable of \$131,902, and investments of \$1,829,928. None of the financial assets are subject to donor or other contractual restrictions that make them unavailable for general expenditure within one year of the balance sheet date. The contributions receivable are subject to implied time restrictions but are expected to be collected within one year.

The Organization maintains a policy of structuring its financial assets to be available as its general expenditures, liabilities, and other obligations come due. In addition, the Organization invests cash in excess of monthly requirements in short-term investments. To help manage unanticipated liquidity needs the Organization has cash reserves that can be used in the amount of \$120,000 and a committed line of credit of \$100,000, which it could draw upon. Management and the Finance and Investment Committee monitor cash needs regularly.

Note 13 - Pandemic

In March 2020, the World Health Organization categorized COVID-19 as a global pandemic, prompting many national, regional, and local governments to implement preventative or protective measures, such as travel and business restrictions, temporary store closures, and wide-sweeping quarantines and stay-at-home orders. As of the date these financial statements were available to be issued the COVID-19 pandemic was ongoing and the related governmental preventive and protective measures continued, and as a result, the related financial impact and duration of the pandemic cannot be reasonably estimated at this time.

Note 14 - Fire Fund

The Organization launched the Fire Fund (the Fund) campaign on September 8, 2020, the day the Almeda and South Obenchain Fires destroyed the homes, business, and lives of thousands of Jackson County residents. Total contributions received under the Fund totaled \$3,365,358 during the year ended June 30, 2021. In November 2020, the Organization launched a grant cycle for individuals, families, and small businesses. The grants were directed to provide funds for immediate needs. A multi-lingual application process was put in place. As a result, grants totaling \$1,360,705 were distributed during the year ended June 30, 2021.

Note 15 - COVID Relief Fund

In March 2020, the Organization established a fund to provide financial support to individuals, families, and small businesses impacted by COVID-19, as well as local service not-for-profit organizations for their extraordinary expenses related to COVID-19 relief efforts. The Organization received \$2 million from Jackson County to provide to individuals in need. Distributions of county funding totaling \$1,905,445 were made during the year ended June 30, 2021.