



United Way of Central Arkansas

United Way of Central Arkansas, Inc.

Financial Statements

June 30, 2020

(With Independent Auditor's Report Thereon)

United Way of Central Arkansas, Inc.

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
United Way of Central Arkansas, Inc.
Conway, Arkansas

We have audited the accompanying financial statements of **United Way of Central Arkansas, Inc.** (a nonprofit organization), which comprise the statement of financial position as of June 30, 2020, and the related statements of activities, 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. 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.

To the Board of Directors
United Way of Central Arkansas, Inc.

Opinion

In our opinion, the financial statements referred to on the preceding page present fairly, in all material respects, the financial position of **United Way of Central Arkansas, Inc.** as of June 30, 2020, 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.

Emphasis of Matter – Change in Accounting Principles

As discussed in Note 2 to the financial statements, management adopted the Financial Accounting Standards Board Accounting Standards Update No. 2018-08, *Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made* during the year ended June 30, 2020. Our opinion is not modified with respect to this matter.

Emphasis of Matter – Correction of an Error

As discussed in Note 2 to the financial statements, deferred pledge revenue was improperly reported in the financial statements for the year ended June 30, 2019 causing contribution revenues to be understated. Accordingly, beginning net assets as of July 1, 2019, were restated to reflect the correction of this error. Our opinion is not modified with respect to this matter.

Other Matters

Other Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The supplemental information listed in the table of contents is presented for purpose 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 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.


Certified Public Accountants

December 17, 2020
Little Rock, Arkansas

Financial Statements

United Way of Central Arkansas, Inc.

Statement of Financial Position

June 30, 2020

ASSETS

Cash and cash equivalents	\$ 102,727
Certificate of deposit	59,073
Contributions receivable, net	95,897
Investments, at fair value	91,070
Other assets	1,150
Beneficial interest in assets held at the Arkansas Community Foundation	<u>26,761</u>

TOTAL ASSETS

\$ 376,678

LIABILITIES AND NET ASSETS

Liabilities

Accounts payable	\$ 9,230
Refundable advance	26,000
Other accrued and withheld payroll liabilities	4,844
Note payable	<u>2,000</u>
Total Liabilities	<u>42,074</u>

Net Assets

Without donor restrictions	
Undesignated	59,682
Board designated	<u>123,429</u>
Total without donor restrictions	<u>183,111</u>
With donor restrictions	
Restricted as to purposes	102,441
Restricted to passage of time	2,283
Restricted in perpetuity	<u>46,769</u>
Total with donor restrictions	<u>151,493</u>
Total Net Assets	<u>334,604</u>

TOTAL LIABILITIES AND NET ASSETS

\$ 376,678

See accompanying notes to financial statements.

United Way of Central Arkansas, Inc.

Statement of Activities Year Ended June 30, 2020

	Without Donor Restrictions	With Donor Restrictions	Total
REVENUE AND OTHER SUPPORT			
Grant awards and contributions	\$ 556,501	\$ 42,253	\$ 598,754
Fundraising revenues	55,587	-	55,587
Investment return, net	6,124	(3,139)	2,985
Miscellaneous income	14,313	-	14,313
Net assets released from restrictions	8,915	(8,915)	-
Total Revenue and Other Support	641,440	30,199	671,639
EXPENSES			
Program services	534,992	-	534,992
Supporting services			
General and administrative	67,292	-	67,292
Fundraising	97,104	-	97,104
Unallocated payments to national organization	4,038	-	4,038
Total Expenses	703,426	-	703,426
(DECREASE) INCREASE IN NET ASSETS	(61,986)	30,199	(31,787)
NET ASSETS AT BEGINNING OF YEAR, AS RESTATED	245,097	121,294	366,391
NET ASSETS AT END OF YEAR	\$ 183,111	\$ 151,493	\$ 334,604

See accompanying notes to financial statements.

United Way of Central Arkansas, Inc.

Statement of Functional Expenses Year Ended June 30, 2020

	<u>Program Services</u>	<u>General and Administrative</u>	<u>Fundraising</u>	<u>Total</u>
Payment to member agencies	\$ 372,755	\$ -	\$ -	\$ 372,755
Salaries and benefits	44,748	34,836	53,865	133,449
Imagination library	50,943	-	-	50,943
Fundraiser event expense	-	-	23,973	23,973
Disaster relief	23,947	-	-	23,947
Professional services	6,656	8,874	4,638	20,168
Computer expense	10,246	3,662	1,914	15,822
Rent	4,554	6,072	3,174	13,800
Other grant allocations	7,000	-	-	7,000
Dues	889	1,185	619	2,693
Postage, printing and photocopying	2,843	920	1,897	5,660
Office expense	1,775	2,234	1,318	5,327
Insurance	1,517	2,022	1,516	5,055
Utilities	1,523	2,031	1,062	4,616
Advertising and promotions	1,218	1,125	588	2,931
Bank expense	-	2,340	-	2,340
Travel and meals	874	318	840	2,032
Gifts, awards and recognitions	421	223	943	1,587
Supplies	715	347	181	1,243
Repairs and maintenance	183	244	127	554
Other	2,185	859	449	3,493
	<u>534,992</u>	<u>67,292</u>	<u>97,104</u>	<u>699,388</u>
Unallocated payments to national organization				<u>4,038</u>
TOTAL EXPENSES				<u><u>\$ 703,426</u></u>

See accompanying notes to financial statements.

United Way of Central Arkansas, Inc.

Statement of Cash Flows Year Ended June 30, 2020

CASH FLOWS FROM OPERATING ACTIVITIES	
Decrease in Total Net Assets	\$ (31,787)
Adjustments to Reconcile Decrease in Total Net Assets to Net Cash Used by Operating Activities	
Net depreciation in fair value of investments	3,139
Changes in operating assets and liabilities:	
Contributions receivable, net	(13,587)
Accounts payable	9,230
Other accrued and withheld payroll liabilities	2,546
Refundable advance	26,000
Net Cash Used by Operating Activities	<u>(4,459)</u>
CASH FLOWS FROM INVESTING ACTIVITIES	
Proceeds from liquidation of endowment assets	3,000
Reinvestment of interest in certificate of deposit	(211)
Net Cash Provided by Investing Activities	<u>2,789</u>
CASH FLOWS FROM FINANCING ACTIVITIES	
Proceeds from note payable	2,000
Net Cash Provided by Financing Activities	<u>2,000</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS	330
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	<u>102,397</u>
CASH AND CASH EQUIVALENTS, END OF YEAR	<u>\$ 102,727</u>

See accompanying notes to financial statements.

United Way of Central Arkansas, Inc.

Notes to Financial Statements

June 30, 2020

NOTE 1: NATURE OF BUSINESS

United Way of Central Arkansas, Inc. (the Organization) was organized as a non-profit corporation under the laws of the State of Arkansas. The purpose of the Organization is to develop teamwork among the approved agencies serving Central Arkansas and their constituencies in the collection and distribution of funds for the various approved benevolent, charitable, health and social service agencies in the Central Arkansas area.

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

The financial statements of the Organization have been prepared using the accrual basis of accounting in accordance with generally accepted accounting principles.

Basis of Presentation

The Organization reports information regarding its financial position and activities according to the following two classes of net assets:

Net Assets without Donor Restriction—Net assets that are not subject to or are no longer subject to donor-imposed stipulations.

Net Assets with Donor Restriction—Net assets whose use is limited by donor-imposed time and/or purpose restrictions.

Cash and Cash Equivalents

Cash and cash equivalents include demand deposit and money market fund accounts held at multiple financial institutions. For purposes of presentation in the statement of cash flows, cash equivalents are defined as liquid securities with original maturities of three months or less.

Investments

The Organization's investments are reported at fair value. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly fashion between market participants at the measurement date. Changes in fair value are recorded in the period in which they occur. See Note 5 for further discussion of fair value measurements.

Realized gains and losses on sales of securities are recognized on the transaction trade dates. Dividend income is recorded on the ex-dividend date, and interest income is accrued as it is earned. Investment return presented on the statement of activities includes dividends, interest, other investment income, as well as realized and unrealized gains and losses, and is net of investment expenses.

United Way of Central Arkansas, Inc.

Notes to Financial Statements

June 30, 2020

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Revenue and Revenue Recognition

Contributions, including unconditional promises to give, are recognized as support in the statement of activities in the period received or when the Organization becomes aware that a promise to give has been made, whichever occurs first. Conditional promises to give, that is, those with a measurable performance or other barrier and a right of return are not recognized until the conditions on which they depend have been met.

Grant awards and contributions that are restricted by the donor are reported as increases in net assets without donor restrictions if the restriction expires in the reporting period in which the support is recognized. All other donor restricted contributions are reported as increases in net assets with donor restrictions. When a 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 reported in the statement of activities as net assets released from restrictions.

Promises to give which are scheduled to be received after one year are discounted at a rate commensurate with the risks involved. Amortization of the discount is recorded as additional support over the term of the related promise to give. The Organization uses the allowance method to determine uncollectible contributions receivable. The allowance is based on historical experience and management's analysis of the specific promises made.

Donated Services

Donated services are recognized as contributions only if the services (a) create or enhance non-financial assets or (b) require specialized skills, are performed by individuals possessing those skills and would typically be purchased if not provided by donation. During the year ended June 30, 2020, the value of contributed services meeting the requirements for recognition in the financial statements was not material and has not been recorded.

Functional Expenses

Expenses associated with certain activities and functions necessary for the support of the program provided by the Organization are considered supporting services expenses. Supporting services include various costs associated with administration, fundraising, maintenance and other general functions of the Organization.

The Organization allocates its expenses on a functional basis among various programs and supporting services. Expenses that can be identified with a specific program or supporting service are charged directly to the related program or supporting service according to their natural expenditure classification. Other expenses that are common to several functions are allocated to program and supporting services. Those expenses include certain salaries and benefits, occupancy, professional services and various other expenses. Salaries and benefits are allocated based on estimates of time worked, while other expenses are allocated based on various estimates, including usage.

United Way of Central Arkansas, Inc.

Notes to Financial Statements

June 30, 2020

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Income Taxes

The Organization is a tax-exempt organization under Section 501(c)(3) of the Internal Revenue Code and is not a private foundation within the meaning of Section 509(a) of the Code.

Accounting standards require the Organization to evaluate tax positions and recognize a tax liability (or asset) if the Organization has taken an uncertain position that more likely than not would not be sustained upon examination by the Internal Revenue Service. The Organization has analyzed the tax positions taken and has concluded that as of June 30, 2020, there are no uncertain positions taken or expected to be taken that would require the recognition of a liability (or asset) or disclosure in the financial statements. The Organization may be subject to audit by the Internal Revenue Service; however there are currently no audits for any tax periods in progress.

Estimates

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

Recently Adopted Accounting Standards

In June 2018, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) No. 2018-08, *Clarifying the Scope and Accounting Guidance for Contributions Received and Contributions Made*, to assist entities in 1) evaluating whether transactions should be accounted for as contributions (nonreciprocal transactions) or exchange (reciprocal) transactions and 2) determining whether a contribution is conditional. Distinguishing between contributions and exchange transactions determines which accounting guidance is applied, and the accounting may be different depending on the guidance applied. In addition, for contributions, determining whether a contribution is conditional or unconditional affects the timing or recognition. As a resource recipient, management adopted ASU No. 2018-08 during the year ended June 30, 2020.

Recently Issued Accounting Standards

In February 2016, the FASB issued ASU No. 2016-02, *Leases*. The new guidance requires lessees to record a right-of-use asset and a corresponding liability equal to the present value of future rental payments on their statement of financial position for all leases with a term greater than one year and is effective for the Organization on July 1, 2022. Management of the Organization has not yet determined the significance of the impact of implementation of this standard or any related amendments will have on the Organization's financial statements.

Prior Period Adjustment

During the year ended June 30, 2020, the Organization discovered a financial statement error that caused an understatement of net assets of \$82,311 as of June 30, 2019. The error relates to improperly recording deferred pledge revenue of \$82,311 that should have been recognized as contribution revenue during the year ended June 30, 2019. As a result, net assets were understated by \$82,311 as of June 30, 2019. To correct this error in the financial statements for the year ended June 30, 2020, beginning net assets were restated by increasing the balance by \$82,311.

United Way of Central Arkansas, Inc.

Notes to Financial Statements

June 30, 2020

NOTE 3: CONTRIBUTIONS RECEIVABLE, NET

Contributions receivable at June 30, 2020, are as follows:

Contributions receivable	\$ 120,798
Less allowance for uncollectible receivables	<u>(24,901)</u>
Contributions receivable, net	<u>\$ 95,897</u>

All contributions receivable are expected to be collected in less than one year.

NOTE 4: REFUNDABLE ADVANCE

On April 15, 2020, the Organization qualified for and received a loan pursuant to the Payroll Protection Program (the Program), a program implemented by the U.S. Small Business Administration under the Coronavirus Aid, Relief and Economic Security Act, the principal amount of which is \$26,000 (the PPP Loan). The PPP Loan bears interest at a fixed rate of 1.0% per annum, with the first six months of interest deferred, has a term of two years, is unsecured and is guaranteed by the U.S. Small Business Administration. All or a portion of the principal amount of the PPP Loan may be forgiven upon the Organization's request to the extent that the PPP Loan proceeds are used to pay those expenses expressly permitted by the Program, including payroll costs, rent, mortgage obligations and utility payments incurred by the Organization. The Organization intends to apply for forgiveness of the PPP Loan with respect to these covered expenses. In the event that all or part of the PPP Loan is not forgiven, principal and interest payments will commence in November 2020 and continue monthly thereafter until maturity in April 2022. The principal balance of the PPP Loan is treated as a conditional contribution for the purposes of these financial statements and is included in refundable advance on the statement of financial position.

NOTE 5: FAIR VALUE MEASUREMENTS

The framework for measuring fair value provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3). The three levels of the fair value hierarchy are described as follows:

- Level 1 Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Organization has the ability to access.
- Level 2 Inputs to the valuation methodology include the following:
- Quoted prices for similar assets or liabilities in active markets;
 - Quoted prices for identical or similar assets or liabilities in inactive markets;

United Way of Central Arkansas, Inc.

Notes to Financial Statements

June 30, 2020

NOTE 5: FAIR VALUE MEASUREMENTS (Continued)

- Inputs other than quoted prices that are observable for the asset or liability;
- Inputs that are derived principally from or corroborated by observable market data by correlation or other means.

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

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

The Organization uses appropriate valuation techniques based on available inputs to measure the fair value of assets. When available, the Organization measures fair value using Level 1 inputs, because they generally provide the most reliable evidence of fair value. Level 3 inputs are only used when Level 1 or Level 2 inputs are not available.

An 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 maximize the use of relevant observable inputs and minimize the use of unobservable inputs.

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

The fair values of mutual funds are determined based on the net asset value of shares held by the Organization at year end. Mutual funds held by the Organization are open ended mutual funds that are registered with Securities and Exchange Commission. These funds are required to publish their daily net asset value (NAV) and to transact at that price. The mutual funds held by the Organization are deemed to be actively traded.

The following table sets forth, by level, within the fair value hierarchy, amounts recorded in the Organization’s financial statements at fair value as of June 30, 2020:

	Level 1	Level 2	Level 3	Total
Mutual funds				
U.S. equities	\$ 63,000	\$ -	\$ -	\$ 63,000
Fixed income	28,070	-	-	28,070
Total	\$ 91,070	\$ -	\$ -	\$ 91,070

NOTE 6: ENDOWMENTS

During the year ended June 30, 2003, the Board entered into an agreement with the Arkansas Community Foundation (ACF) to create an endowment fund to aid and assist the Organization in carrying out its charitable purposes, which is reported as “beneficial interest in assets held at the Arkansas Community Foundation” on the statement of financial position. The Organization irrevocably invested \$15,769 into the Fund, the corpus of which is to be maintained in perpetuity.

United Way of Central Arkansas, Inc.

Notes to Financial Statements June 30, 2020

NOTE 6: ENDOWMENTS (Continued)

Pursuant to the terms of the agreement, ACF is granted all rights, title and interest to assets accumulated in the endowment. Contributions and income of the Fund are reported as increases to net assets with donor restrictions. Generally, 4% of the average balance of the Fund is available for distribution on an annual basis in accordance with the current ACF spending policy.

The fair value of amounts invested in pooled funds managed by ACF is based on the Organization's interest in the pooled funds, which is evidenced by a unit. The value of a unit is calculated based on the fair value of the underlying assets, adjusted for the effects of such transactions as administrative fees and investment income that has not been reinvested in the underlying assets.

During the year ended June 30, 1997, the Organization received a contribution from a donor for the purpose of establishing an endowment in perpetuity. The purpose of the endowment is to fund and support the operations of the Organization. Pursuant to the terms of the endowment agreement, the Organization may spend a maximum amount of seven percent of the cumulative earnings of the endowment. The Organization attempts to ensure preservation of capital and to provide a satisfactory market rate of return in order to provide for current and future needs of the Organization.

Changes in donor restricted endowment net assets as of June 30, 2020, are as follows:

Endowment net assets	
July 1, 2019	\$ 50,113
Appropriation of endowments for expenditure	(1,061)
Endowment net assets, June 30, 2020	\$ 49,052

NOTE 7: NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions are available for the following purposes at June 30, 2020:

	Restricted to Passage of Time	Restricted as to Purposes	Restricted in Perpetuity
General operations	\$ 2,283	\$ 60,070	\$ 46,769
Disaster relief program	-	25,668	-
VITA program	-	9,118	-
Imagination library program	-	6,711	-
Technology	-	874	-
	\$ 2,283	\$ 102,441	\$ 46,769

United Way of Central Arkansas, Inc.

Notes to Financial Statements June 30, 2020

NOTE 8: EMPLOYEE BENEFIT PLAN

Employees of the Organization, who are at least 21 years of age, who will earn more than \$5,000 in compensation during any prior six month period and have worked for the Organization for at least six months are eligible to participate in the Simple IRA Plan. A dollar for dollar match by the Organization will be added to the employee's deferral up to 3% of the employee's annual compensation. All contributions are 100% vested to the employee. The contribution rate of the Organization is reviewed periodically by the Board. Total expense related to employer matching was approximately \$1,700 for the year ended June 30, 2020.

NOTE 9: LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS

The Organization monitors its liquidity so that it is able to meet its operating needs and other contractual commitments while maximizing the investment of its excess operating cash. The Organization has the following financial assets that could readily be made available within one year of the statement of financial position to fund expenses without limitations:

Cash and cash equivalents	\$ 102,727
Certificate of deposit	59,073
Investments, at fair value	91,070
Contributions receivable, net	95,897
Beneficial interest in assets held at the Arkansas Community Foundation	<u>26,761</u>
	375,528
Less board designated net assets	(123,429)
Less endowment assets	<u>(49,052)</u>
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 203,047</u>

Although its need is not anticipated, the Board could approve the release of board designated net assets.

NOTE 10: RISKS AND UNCERTAINTIES

The COVID-19 pandemic remains a rapidly evolving situation. The extent of the impact of COVID-19 on the Organization and financial results will depend on future developments, including the duration and spread of the outbreak and the related impact on consumer confidence and spending, all of which are highly uncertain.

NOTE 11: SUBSEQUENT EVENTS

Management has evaluated subsequent events through December 17, 2020, the date that the financial statements were available to be issued.

Supplemental Information

United Way of Central Arkansas, Inc.

Payments to Member Agencies

June 30, 2020

Arkansas Single Scholarship Fund	\$ 3,152
Bethlehem House	35,916
Boys and Girls Club	30,508
CAPCA/Food Bank	61,812
Center for Exceptional Children-Step by Step	18,084
Child Care Aware	6,117
Children's Advocacy Alliance	17,753
Community Connections	5,563
Community Service, Inc.	9,986
Conway Cradle Care	28,310
Faulkner County Council on Aging	71,148
Faulkner County Juvenile Court	2,000
Milestones, Inc.	35,601
Perry County Senior Center	7,322
Salvation Army	2,234
Van Buren County Aging Program	1,500
Women's Shelter	<u>35,749</u>
Total	<u><u>\$ 372,755</u></u>

See Independent Auditor's Report.



United Way of Central Arkansas

United Way of Central Arkansas, Inc.

**Financial Statements
and
Supplementary Information
June 30, 2021 and 2020**

(With Independent Auditor's Report Thereon)

United Way of Central Arkansas, Inc.

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
United Way of Central Arkansas, Inc.
Conway, Arkansas

We have audited the accompanying financial statements of **United Way of Central Arkansas, Inc.** (a nonprofit organization), 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 audits 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.

To the Board of Directors
United Way of Central Arkansas, Inc.

Opinion

In our opinion, the financial statements referred to on the preceding page present fairly, in all material respects, the financial position of **United Way of Central Arkansas, Inc.** as of June 30, 2021 and 2020, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Other Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The supplemental information listed in the table of contents is presented for purpose 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 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.

A handwritten signature in black ink that reads "Landmark PLC". The signature is written in a cursive, flowing style.

Little Rock, Arkansas
November 16, 2021

Financial Statements

United Way of Central Arkansas, Inc.

Statements of Financial Position June 30, 2021 and 2020

	2021	2020
ASSETS		
Cash and cash equivalents	\$ 189,022	\$ 102,727
Certificate of deposit	59,269	59,073
Contributions receivable, net	82,629	95,897
Investments, at fair value	118,515	91,070
Other assets	1,150	1,150
Beneficial interest in assets held at the Arkansas Community Foundation	33,101	26,761
TOTAL ASSETS	\$ 483,686	\$ 376,678
LIABILITIES AND NET ASSETS		
Liabilities		
Accounts payable	\$ -	\$ 9,230
Refundable advance	-	26,000
Other accrued and withheld payroll liabilities	3,712	4,844
Note payable	114,200	2,000
Total Liabilities	117,912	42,074
Net Assets		
Without donor restrictions		
Undesignated	41,972	59,682
Board designated	123,429	123,429
Total without donor restrictions	165,401	183,111
With donor restrictions	200,373	151,493
Total Net Assets	365,774	334,604
TOTAL LIABILITIES AND NET ASSETS	\$ 483,686	\$ 376,678

See accompanying notes to financial statements.

United Way of Central Arkansas, Inc.

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
REVENUE AND OTHER SUPPORT						
Grant awards and contributions	\$ 574,327	\$ 38,486	\$ 612,813	\$ 570,814	\$ 42,253	\$ 613,067
Fundraising revenues	33,838	-	33,838	55,587	-	55,587
Investment return, net	1,458	33,785	35,243	6,124	(3,139)	2,985
Net assets released from restrictions	23,391	(23,391)	-	8,915	(8,915)	-
Total Revenue and Other Support	<u>633,014</u>	<u>48,880</u>	<u>681,894</u>	<u>641,440</u>	<u>30,199</u>	<u>671,639</u>
EXPENSES						
Program services	477,566	-	477,566	534,992	-	534,992
Supporting services						
General and administrative	94,164	-	94,164	67,292	-	67,292
Fundraising	75,304	-	75,304	97,104	-	97,104
Unallocated payments to national organization	3,690	-	3,690	4,038	-	4,038
Total Expenses	<u>650,724</u>	<u>-</u>	<u>650,724</u>	<u>703,426</u>	<u>-</u>	<u>703,426</u>
INCREASE (DECREASE) IN NET ASSETS	(17,710)	48,880	31,170	(61,986)	30,199	(31,787)
NET ASSETS, BEGINNING OF YEAR	<u>183,111</u>	<u>151,493</u>	<u>334,604</u>	<u>245,097</u>	<u>121,294</u>	<u>366,391</u>
NET ASSETS, END OF YEAR	<u>\$ 165,401</u>	<u>\$ 200,373</u>	<u>\$ 365,774</u>	<u>\$ 183,111</u>	<u>\$ 151,493</u>	<u>\$ 334,604</u>

See accompanying notes to financial statements.

United Way of Central Arkansas, Inc.

Statements of Functional Expenses Years Ended June 30, 2021 and 2020

	2021				2020			
	Program Services	General and Administrative	Fundraising	Total	Program Services	General and Administrative	Fundraising	Total
Payment to member agencies	\$ 299,214	\$ -	\$ -	\$ 299,214	\$ 372,755	\$ -	\$ -	\$ 372,755
Salaries and benefits	45,296	46,012	45,296	136,604	44,748	34,836	53,865	133,449
Imagination library	72,421	-	-	72,421	50,942	-	-	50,942
Fundraiser event expense	518	-	9,991	10,509	-	-	23,973	23,973
Disaster relief	13,976	-	-	13,976	23,947	-	-	23,947
Professional services	9,281	12,375	6,469	28,125	6,657	8,874	4,638	20,169
Computer expense	4,343	5,790	3,027	13,160	10,246	3,662	1,914	15,822
Rent	4,554	6,072	3,174	13,800	4,554	6,072	3,174	13,800
Other grant allocations	20,000	-	-	20,000	7,000	-	-	7,000
Dues	55	74	39	168	889	1,185	619	2,693
Postage and printing	848	1,051	736	2,635	2,843	920	1,897	5,660
Office expense	928	1,238	647	2,813	1,775	2,234	1,318	5,327
Insurance	1,460	1,946	1,017	4,423	1,517	2,022	1,516	5,055
Utilities	1,629	2,171	1,135	4,935	1,523	2,031	1,062	4,616
Advertising and promotions	1,176	532	337	2,045	1,218	1,125	588	2,931
Bank expense	-	1,711	-	1,711	-	2,340	-	2,340
Travel and meals	91	121	63	275	874	318	840	2,032
Gifts, awards and recognitions	86	115	2,491	2,692	421	223	943	1,587
Supplies	1,383	1,280	669	3,332	715	347	181	1,243
Repairs and maintenance	1	1	-	2	183	244	127	554
Other	306	13,675	213	14,194	2,185	859	449	3,493
	<u>\$ 477,566</u>	<u>\$ 94,164</u>	<u>\$ 75,304</u>	647,034	<u>\$ 534,992</u>	<u>\$ 67,292</u>	<u>\$ 97,104</u>	699,388
Unallocated payments to national organization				<u>3,690</u>				<u>4,038</u>
TOTAL EXPENSES				<u>\$ 650,724</u>				<u>\$ 703,426</u>

See accompanying notes to financial statements.

United Way of Central Arkansas, Inc.

Statements of Cash Flows Years Ended June 30, 2021 and 2020

	2021	2020
CASH FLOWS FROM OPERATING ACTIVITIES		
Increase (Decrease) in Total Net Assets	\$ 31,170	\$ (31,787)
Adjustments to Reconcile Increase (Decrease) in Total Net Assets to Net Cash Used by Operating Activities		
Gain on extinguishment of EIDL advance	(2,000)	-
Net (appreciation) depreciation in fair value of investments	(33,785)	3,139
Changes in operating assets and liabilities:		
Contributions receivable, net	13,268	(13,587)
Accounts payable	(9,230)	9,230
Other accrued and withheld payroll liabilities	(1,132)	2,546
Refundable advance	(26,000)	26,000
Net Cash Used by Operating Activities	(27,709)	(4,459)
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from liquidation of endowment assets	-	3,000
Reinvestment of interest in certificate of deposit	(196)	(211)
Net Cash Used (Provided) by Investing Activities	(196)	2,789
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from note payable	114,200	2,000
Net Cash Provided by Financing Activities	114,200	2,000
NET INCREASE IN CASH AND CASH EQUIVALENTS	86,295	330
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	102,727	102,397
CASH AND CASH EQUIVALENTS, END OF YEAR	\$ 189,022	\$ 102,727

See accompanying notes to financial statements.

United Way of Central Arkansas, Inc.

Notes to Financial Statements June 30, 2021 and 2020

NOTE 1: NATURE OF BUSINESS

United Way of Central Arkansas, Inc. (the Organization) was organized as a non-profit corporation under the laws of the State of Arkansas. The purpose of the Organization is to develop teamwork among the approved agencies serving Central Arkansas and their constituencies in the collection and distribution of funds for the various approved benevolent, charitable, health and social service agencies in the Central Arkansas area.

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

The financial statements of the Organization have been prepared using the accrual basis of accounting in accordance with generally accepted accounting principles.

Basis of Presentation

The Organization reports information regarding its financial position and activities according to the following two classes of net assets:

Net Assets without Donor Restriction—Net assets that are not subject to or are no longer subject to donor-imposed stipulations.

Net Assets with Donor Restriction—Net assets whose use is limited by donor-imposed time and/or purpose restrictions.

Cash and Cash Equivalents

Cash and cash equivalents include demand deposit and money market fund accounts held at multiple financial institutions. For purposes of presentation in the statements of cash flows, cash equivalents are defined as liquid securities with original maturities of three months or less.

Investments

The Organization's investments are reported at fair value. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly fashion between market participants at the measurement date. Changes in fair value are recorded in the period in which they occur. See Note 5 for further discussion of fair value measurements.

Realized gains and losses on sales of securities are recognized on the transaction trade dates. Dividend income is recorded on the ex-dividend date, and interest income is accrued as it is earned. Investment return presented on the statements of activities includes dividends, interest, other investment income, as well as realized and unrealized gains and losses, and is net of investment expenses.

United Way of Central Arkansas, Inc.

Notes to Financial Statements June 30, 2021 and 2020

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Revenue and Revenue Recognition

Contributions, including unconditional promises to give, are recognized as support in the statements of activities in the period received or when the Organization becomes aware that a promise to give has been made, whichever occurs first. Conditional promises to give, that is, those with a measurable performance or other barrier and a right of return are not recognized until the conditions on which they depend have been met.

Grant awards and contributions that are restricted by the donor are reported as increases in net assets without donor restrictions if the restriction expires in the reporting period in which the support is recognized. All other donor restricted contributions are reported as increases in net assets with donor restrictions. When a 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 reported in the statements of activities as net assets released from restrictions.

Promises to give which are scheduled to be received after one year are discounted at a rate commensurate with the risks involved. Amortization of the discount is recorded as additional support over the term of the related promise to give. The Organization uses the allowance method to determine uncollectible contributions receivable. The allowance is based on historical experience and management's analysis of the specific promises made.

Donated Services

Donated services are recognized as contributions only if the services (a) create or enhance non-financial assets or (b) require specialized skills, are performed by individuals possessing those skills and would typically be purchased if not provided by donation. During the years ended June 30, 2021 and 2020, the value of contributed services meeting the requirements for recognition in the financial statements was not material and has not been recorded.

Functional Expenses

The Organization allocates its expenses on a functional basis among various programs and supporting services. Expenses that can be identified with a specific program or supporting service are charged directly to the related program or supporting service according to their natural expenditure classification. Other expenses that are common to several functions are allocated to program and supporting services. Those expenses include certain salaries and benefits, occupancy, professional services and various other expenses. Salaries and benefits are allocated based on estimates of time worked, while other expenses are allocated based on various estimates, including usage.

United Way of Central Arkansas, Inc.

Notes to Financial Statements June 30, 2021 and 2020

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Income Taxes

The Organization is a tax-exempt organization under Section 501(c)(3) of the Internal Revenue Code and is not a private foundation within the meaning of Section 509(a) of the Code.

Accounting standards require the Organization to evaluate tax positions and recognize a tax liability (or asset) if the Organization has taken an uncertain position that more likely than not would not be sustained upon examination by the Internal Revenue Service. The Organization has analyzed the tax positions taken and has concluded that as of June 30, 2021 and 2020, there are no uncertain positions taken or expected to be taken that would require the recognition of a liability (or asset) or disclosure in the financial statements. The Organization may be subject to audit by the Internal Revenue Service; however there are currently no audits for any tax periods in progress.

Estimates

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

Reclassifications

Certain accounts reported in the 2020 financial statements have been reclassified for comparative purposes to conform with presentation in the 2021 financial statements.

Recently Issued Accounting Standards

In February 2016, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) No. 2016-02, *Leases*. The new guidance requires lessees to record a right-of-use asset and a corresponding liability equal to the present value of future rental payments on their statement of financial position for all leases with a term greater than one year and is effective for the Organization on July 1, 2022. Management of the Organization has not yet determined the significance of the impact of implementation of this standard or any related amendments on the Organization's financial statements.

NOTE 3: CONTRIBUTIONS RECEIVABLE, NET

Contributions receivable at June 30, 2021 and 2020, are as follows:

	<u>2021</u>	<u>2020</u>
Contributions receivable	\$ 120,994	\$ 120,798
Less allowance for uncollectible receivables	(38,365)	(24,901)
Contributions receivable, net	<u>\$ 82,629</u>	<u>\$ 95,897</u>

All contributions receivable are expected to be collected in less than one year.

United Way of Central Arkansas, Inc.

Notes to Financial Statements June 30, 2021 and 2020

NOTE 4: CARES ACT

The Coronavirus Aid, Relief and Economic Security (CARES) Act was passed by Congress and signed into law on March 27, 2020, to preserve jobs and to provide fast and direct economic assistance to workers, families and small businesses. The Paycheck Protection Program (PPP) is one of several forms of assistance authorized by the CARES Act. PPP provides small businesses with resources to maintain payroll, rehire employees who have been laid off and cover certain overhead costs. Specifically, funds are provided to eligible employers in the form of 100% federally-guaranteed loans that will ultimately be forgiven if used for payroll costs (as defined under the CARES Act and related implementation guidance), costs related to the continuation of group health care benefits and insurance premiums, interest on mortgages and certain other debt obligations, rent and utilities.

During the year ended June 30, 2020, the Organization was approved and received \$26,000 in PPP funding and was recorded as a refundable advance on the statements of financial position. On February 17, 2021, the Organization was granted forgiveness for the full loan amount, and the related revenue is included in grant awards on the statement of activities for the year ended June 30, 2021.

The CARES Act also provided for the expansion of the Economic Injury Disaster Relief Loan (EIDL) program, which provides low interest loans with deferred interest and principal payments that can be used to cover operating expenses, including payroll, rent, utilities, and other ordinary business expenses. During the year ended June 30, 2020, the Organization was approved for an EIDL totaling \$114,200. The loan proceeds were received during the year ended June 30, 2021, and included in note payable on the statement of financial position. The note includes a 30-year term bearing interest at 2.75%, and payments are deferred for twenty-four months from the date of the note.

As of June 30, 2021, scheduled maturities of the note payable are as follows:

2022	\$	-
2023		2,750
2024		2,827
2025		2,905
2026		2,986
Thereafter		<u>102,732</u>
	\$	<u>114,200</u>

NOTE 5: FAIR VALUE MEASUREMENTS

The framework for measuring fair value provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3). The three levels of the fair value hierarchy are described as follows:

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

United Way of Central Arkansas, Inc.

Notes to Financial Statements June 30, 2021 and 2020

NOTE 5: FAIR VALUE MEASUREMENTS (Continued)

- Level 2 Inputs to the valuation methodology include the following:
- Quoted prices for similar assets or liabilities in active markets;
 - Quoted prices for identical or similar assets or liabilities in inactive markets;
 - Inputs other than quoted prices that are observable for the asset or liability;
 - Inputs that are derived principally from or corroborated by observable market data by correlation or other means.

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

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

The Organization uses appropriate valuation techniques based on available inputs to measure the fair value of assets. When available, the Organization measures fair value using Level 1 inputs, because they generally provide the most reliable evidence of fair value. Level 3 inputs are only used when Level 1 or Level 2 inputs are not available.

An 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 maximize the use of relevant observable inputs and minimize the use of unobservable inputs.

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

The fair values of mutual funds are determined based on the net asset value of shares held by the Organization at year end. Mutual funds held by the Organization are open ended mutual funds that are registered with Securities and Exchange Commission. These funds are required to publish their daily net asset value (NAV) and to transact at that price. The mutual funds held by the Organization are deemed to be actively traded.

United Way of Central Arkansas, Inc.

Notes to Financial Statements June 30, 2021 and 2020

NOTE 5: FAIR VALUE MEASUREMENTS (Continued)

The following table sets forth, by level, within the fair value hierarchy, amounts recorded in the Organization's financial statements at fair value as of June 30:

	2021			
	Level 1	Level 2	Level 3	Total
Mutual funds				
U.S. equity	\$ 82,316	\$ -	\$ -	\$ 82,316
Fixed income	36,199	-	-	36,199
Total	\$ 118,515	\$ -	\$ -	\$ 118,515
	2020			
	Level 1	Level 2	Level 3	Total
Mutual funds				
U.S. equity	\$ 63,000	\$ -	\$ -	\$ 63,000
Fixed income	28,070	-	-	28,070
Total	\$ 91,070	\$ -	\$ -	\$ 91,070

NOTE 6: ENDOWMENTS

During the year ended June 30, 2003, the Board entered into an agreement with the Arkansas Community Foundation (ACF) to create an endowment fund to aid and assist the Organization in carrying out its charitable purposes, which is reported as beneficial interest in assets held at the Arkansas Community Foundation on the statements of financial position. The Organization irrevocably invested \$15,769 into the endowment fund, the corpus of which is to be maintained in perpetuity.

Pursuant to the terms of the agreement, ACF is granted all rights, title and interest to assets accumulated in the endowment fund. Contributions and income of the endowment fund are reported as increases to net assets with donor restrictions. Generally, 4% of the average balance of the endowment fund is available for distribution on an annual basis in accordance with the current ACF spending policy.

The fair value of amounts invested in pooled funds managed by ACF is based on the Organization's interest in the pooled funds, which is evidenced by a unit. The value of a unit is calculated based on the fair value of the underlying assets, adjusted for the effects of such transactions as administrative fees and investment income that has not been reinvested in the underlying assets.

During the year ended June 30, 1997, the Organization received a contribution from a donor for the purpose of establishing an endowment in perpetuity. The purpose of the endowment is to fund and support the operations of the Organization. Pursuant to the terms of the endowment agreement, the Organization may spend a maximum amount of 7% percent of the cumulative earnings of the endowment. The Organization attempts to ensure preservation of capital and to provide a satisfactory market rate of return in order to provide for current and future needs of the Organization.

United Way of Central Arkansas, Inc.

Notes to Financial Statements June 30, 2021 and 2020

NOTE 6: ENDOWMENTS (Continued)

Changes in donor restricted endowment net assets as of June 30, 2021, are as follows:

Endowment net assets, beginning of year	\$ 49,052
Contributions	2,000
Net appreciation in fair value of assets	6,340
Appropriation of endowments for expenditure	<u>(1,083)</u>
Endowment net assets, end of year	<u><u>\$ 56,309</u></u>

Changes in donor restricted endowment net assets as of June 30, 2020, are as follows:

Endowment net assets, beginning of year	\$ 50,113
Appropriation of endowments for expenditure	<u>(1,061)</u>
Endowment net assets, end of year	<u><u>\$ 49,052</u></u>

NOTE 7: NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions are available for the following purposes at June 30, 2021:

	Restricted to Passage of Time	Restricted as to Purposes	Restricted in Perpetuity
General operations	\$ 7,540	\$ 87,515	\$ 48,769
Disaster relief program	-	36,799	-
VITA program	-	8,371	-
Imagination library program	-	11,379	-
	<u><u>\$ 7,540</u></u>	<u><u>\$ 144,064</u></u>	<u><u>\$ 48,769</u></u>

Net assets with donor restrictions are available for the following purposes at June 30, 2020:

	Restricted to Passage of Time	Restricted as to Purposes	Restricted in Perpetuity
General operations	\$ 2,283	\$ 60,070	\$ 46,769
Disaster relief program	-	25,668	-
VITA program	-	9,118	-
Imagination library program	-	6,711	-
Technology	-	874	-
	<u><u>\$ 2,283</u></u>	<u><u>\$ 102,441</u></u>	<u><u>\$ 46,769</u></u>

United Way of Central Arkansas, Inc.

Notes to Financial Statements June 30, 2021 and 2020

NOTE 8: EMPLOYEE BENEFIT PLAN

Employees of the Organization, who are at least 21 years of age, who will earn more than \$5,000 in compensation during any prior six month period and have worked for the Organization for at least six months are eligible to participate in the Simple IRA Plan. A dollar for dollar match by the Organization will be added to the employee's deferral up to 3% of the employee's annual compensation. All contributions are 100% vested to the employee. The contribution rate of the Organization is reviewed periodically by the Board. Total expenses related to employer matching for the years ended June 30, 2021 and 2020, were approximately \$2,300 and \$1,700, respectively.

NOTE 9: LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS

The Organization monitors its liquidity so that it is able to meet its operating needs and other contractual commitments while maximizing the investment of its excess operating cash. The Organization has the following financial assets that could readily be made available within one year of the statement of financial position to fund expenses without limitations:

	<u>2021</u>	<u>2020</u>
Cash and cash equivalents	\$ 189,022	\$ 102,727
Certificate of deposit	59,269	59,073
Investments, at fair value	118,515	91,070
Contributions receivable, net	82,629	95,897
Beneficial interest in assets held at the Arkansas Community Foundation	<u>33,101</u>	<u>26,761</u>
	482,536	375,528
Less board designated net assets	(123,429)	(123,429)
Less endowment assets	<u>(56,309)</u>	<u>(49,052)</u>
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 302,798</u>	<u>\$ 203,047</u>

Although its need is not anticipated, the Board could approve the release of board designated net assets.

NOTE 10: LEASE COMMITMENTS

The Organization utilizes in its operations a leased copier machine under a noncancellable operating lease with a maturity date in excess of one year. Total lease expense paid was approximately \$2,500 for the year ended June 30, 2021.

United Way of Central Arkansas, Inc.

Notes to Financial Statements June 30, 2021 and 2020

NOTE 10: LEASE COMMITMENTS (Continued)

Approximate future minimum lease payments under the noncancellable operating lease at June 30, 2021 are as follows:

2022	\$	1,620
2023		1,620
2024		1,620
2025		540
		<hr/>
	\$	5,400
		<hr/> <hr/>

NOTE 11: RISKS AND UNCERTAINTIES

The COVID-19 pandemic remains a rapidly evolving situation. The extent of the impact of COVID-19 on the Organization and financial results will depend on future developments, including the duration and spread of the outbreak and the related impact on consumer confidence and spending, all of which are highly uncertain.

NOTE 12: SUBSEQUENT EVENTS

Management has evaluated subsequent events through November 16, 2021, the date that the financial statements were available to be issued.

Supplemental Information

United Way of Central Arkansas, Inc.

Payments to Member Agencies June 30, 2021 and 2020

	<u>2021</u>	<u>2020</u>
Arkansas Single Scholarship Fund	\$ -	\$ 3,152
Bethlehem House	28,496	35,916
Boys and Girls Club	25,098	30,508
CAPCA/Food Bank	51,623	61,812
Center for Exceptional Children-Step by Step	12,500	18,084
Child Care Aware	130	6,117
Children's Advocacy Alliance	14,042	17,753
Community Connections	260	5,563
Community Service, Inc.	13,132	9,986
Conway Cradle Care	21,872	28,310
Faulkner County Council on Aging	68,395	71,148
Faulkner County Juvenile Court	-	2,000
Milestones, Inc.	27,823	35,601
Perry County Senior Center	6,083	7,322
Salvation Army	-	2,234
Van Buren County Aging Program	-	1,500
Women's Shelter	29,760	35,749
	<u>29,760</u>	<u>35,749</u>
Total	<u>\$ 299,214</u>	<u>\$ 372,755</u>

See Independent Auditor's Report.

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Income

FY21 Budget

30200 · Unrealized Gain/Loss-Endowment	
40000 · Campaign Contributions	
40001 · 2017-2018 Contributions	-
40002 · 2018-2019 Contributions	1,000.00
40010 · 2019-2020 Contributions	174,000.00
40011 · 2020-2021 Contributions	127,000.00
Total 40000 · Campaign Contributions	302,000.00
40500 · In-Kind Contributions	
40510 · Foundation Partner Contribution	100,000.00
40511 · Pillar Contribution	96,000.00
40512 · Junior Pillar Contribution	30,000.00
40515 · Operating Exp Contribution	226,000.00
40520 · Disaster Relief Contributions	
42000 · Fundraiser Income	
42050 · Sponsorships	16,600.00
42060 · Registration	16,552.00
42000 · Fundraiser Income - Other	58,000.00
Total 42000 · Fundraiser Income	91,152.00
42500 · Imagination Library	
42505 · Conway County IL	
42510 · Faulkner County IL	
42515 · Perry County IL	
42500 · Imagination Library - Other	
Total 42500 · Imagination Library	
43000 · VITA Grant Income	
43500 · PPP loan/grant	
43600 · EIDL loan/grant	
44000 · Interest Income	
45000 · Miscellaneous Income	4,000.00
Total Income	623,152.00
Expense	
50000 · Agency Allocations	
50001 · Monthly Agency Allocations	280,000.00
50002 · Qtrly Agency Allocations	20,000.00
50004 · Mini Grants	20,000.00
Total 50000 · Agency Allocations	320,000.00
50100 · Fundraiser event expense	20,000.00
50125 · Imagination Library Expense	
50130 · Conway County IL	
50131 · Books	
50132 · Postage	
Total 50130 · Conway County IL	
50135 · Faulkner County IL	
50136 · Books	
50137 · Postage	
50135 · Faulkner County IL - Other	
Total 50135 · Faulkner County IL	

50140 · Perry County IL	
50141 · Books	
50142 · Postage	
Total 50140 · Perry County IL	
Total 50125 · Imagination Library Expense	
50150 · Disaster Relief Expense	
50200 · Payroll Expenses	
50201 · Salaries/Wages	139,200.00
50202 · FICA Expense	10,000.00
50203 · SUTA Expense	200.00
50204 · Retirement Match	2,000.00
50205 · Health Insurance	3,600.00
Total 50200 · Payroll Expenses	<u>155,000.00</u>
50220 · Contract Labor	
50300 · Insurance - D&O Liability	1,100.00
50301 · Insurance - General Liability	3,600.00
50302 · Insurance - Workers Comp	500.00
50400 · Professional Services - Audit	7,500.00
50401 · Professional Services - Acctg	12,000.00
50500 · Small FF&E	300.00
50505 · Supplies	1,500.00
50510 · Postage	2,000.00
50515 · Printing & Photocopying	5,700.00
50520 · Photocopier Lease	2,200.00
50525 · Office Expense	2,500.00
50530 · Computer Expense	500.00
50600 · Rent Expense	15,000.00
50605 · Utilities	4,700.00
50610 · Communications Expense	1,000.00
50615 · Repairs & Maintenance	500.00
50700 · Gifts, Awards, Recognition	1,700.00
50705 · Advertising & Promotions	2,000.00
50710 · Registration Fees	200.00
50800 · Travel	200.00
50805 · Meals	1,000.00
50810 · Bank Expense	2,300.00
50815 · Dues	10,500.00
50820 · Subscriptions	3,000.00
50905 · Late fees & finance charges	150.00
50920 · Miscellaneous Expense	500.00
	<u>82,150.00</u>
Total Expense	<u>577,150.00</u>
Net Income	<u>46,002.00</u>

**TOTAL
FY22 Budget**

Income

40000 · Campaign Contributions		\$ 315,000.00
40500 · In-Kind Contributions		\$ 1,200.00
40510 · Foundation Partners		\$ 80,000.00
40513 · Pillar Contributions		\$ 75,000.00
	Junior Pillars	\$ -
40515 · Operating Exp Contributions		\$ 5,000.00
40520 · Disaster Relief Contributions		
42000 · Fundraiser Income		
	42050 · Sponsorships	\$ 35,000.00
	42060 · Registration	\$ 20,000.00
	42000 · Fundraiser Income - Other	\$ 2,500.00
43000 · VITA Grant Income		
44000 · Interest income		
45000 · Miscellaneous Income		
Total Income		\$ 533,700.00

Expense

50000 · Agency Allocations		
	50001 · Monthly Agency Allocations	\$250,976.00
	50002 · Qtrly Agency Allocations	\$14,024.20
	50004 · Mini Grants	\$10,000.00
50100 · Fundraiser Event Expense		\$24,000.00
50150 · Disaster Relief Expense		\$7,500.00
50200 · Payroll Expenses		
	50201 · Salaries/Wages	\$124,000.00
	50202 · FICA Expense	\$10,000.00
	50203 · SUTA Expense	\$200.00
	50204 · Retirement Match	\$2,200.00
	50205 · Health Insurance	\$4,000.00
50220 · Contract Labor		\$0.00
50300 · Insurance - D&O Liability		\$1,100.00
50301 · Insurance - General Liability		\$3,600.00
50302 · Insurance - Workers Comp		\$500.00
50400 · Professional Services - Audit		\$12,200.00
50401 · Professional Services - Acctg		\$10,500.00
50500 · Small FF&E		\$0.00
50505 · Supplies		\$1,500.00
50510 · Postage		\$1,000.00
50515 · Printing & Photocopying		\$2,500.00
50520 · Photocopier Lease		\$2,600.00
50525 · Office Expense		\$1,000.00
50530 · Computer Expense		\$2,500.00
50600 · Rent Expense		\$13,800.00

**TOTAL
FY22 Budget**

50605 · Utilities		\$5,000.00
50610 · Communications Expense		\$0.00
50615 · Repairs & Maintenance		\$250.00
50700 · Gifts, Awards & Recognition		\$3,000.00
50705 · Advertising & Promotions		\$3,000.00
50710 · Registration Fees		\$200.00
50800 · Travel		\$200.00
50805 · Meals		\$500.00
50810 · Bank Expense		\$1,800.00
50815 · Dues		\$8,200.00
50820 · Subscriptions		\$10,000.00
50905 · Late fees & Finance charges		\$100.00
50906 · Interest Expense		\$350.00
50920 · Miscellaneous Expense		\$300.00
Total Expense		\$ 532,600.20

Net Income	\$ 1,099.80
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ARPA Request Budget

<u>Expense</u>	<u>Amount</u>
FY22 Funding Shortfall	\$100,000
Additional funding for FY23 Grants (Faulkner Co.)	\$25,000
FY24 Grants rebuild (Faulkner Co.)	\$75,000
Total Requested	\$200,000