

MONADNOCK UNITED WAY  
FINANCIAL STATEMENTS  
DECEMBER 31, 2020  
AND  
INDEPENDENT AUDITORS' REPORT



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## INDEPENDENT AUDITORS' REPORT

To the Board of Directors  
Monadnock United Way:

We have audited the accompanying financial statements of Monadnock United Way (a New Hampshire nonprofit organization) which comprise the statement of financial position as of December 31, 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.

### **Auditors' Responsibility**

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' 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 auditors consider 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.

## **Opinion**

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Monadnock United Way as of December 31, 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.

## **Report on Summarized Comparative Information**

We have previously audited the Monadnock United Way's 2019 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated June 18, 2020. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2019, is consistent, in all material respects, with the audited financial statements from which it has been derived.

## **Other Matter**

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The schedule of Allocations to Agencies is presented for the purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the 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.

*Oster & Wheeler, P.C.*

Keene, New Hampshire  
June 30, 2021

MONADNOCK UNITED WAY, INC.  
STATEMENT OF FINANCIAL POSITION  
DECEMBER 31, 2020  
(WITH COMPARATIVE TOTALS AS OF DECEMBER 31, 2019)

<u>ASSETS</u>	<u>2020</u>	<u>2019</u>
<b>CURRENT ASSETS:</b>		
Cash and cash equivalents	\$ 1,773,500	\$ 1,337,400
Accounts receivable	500	264
Grants receivable	17,983	-
Pledges receivable, less allowance for uncollectible pledges of \$75,000 as of December 31, 2020 and 2019	666,463	830,187
Other current assets	<u>3,859</u>	<u>5,640</u>
Total current assets	<u>2,462,305</u>	<u>2,173,491</u>
<b>PROPERTY, PLANT AND EQUIPMENT, at cost:</b>		
Building and improvements	102,747	102,747
Office furniture and equipment	82,408	77,554
Land	<u>4,430</u>	<u>4,430</u>
	189,585	184,731
Less - Accumulated depreciation	<u>179,238</u>	<u>175,380</u>
Net property, plant and equipment	<u>10,347</u>	<u>9,351</u>
<b>OTHER ASSETS:</b>		
Website development	7,330	7,330
Beneficial interest in foundation assets	<u>311,973</u>	<u>288,298</u>
Total other assets	<u>319,303</u>	<u>295,628</u>
Total assets	<u>\$ 2,791,955</u>	<u>\$ 2,478,470</u>
<u>LIABILITIES AND NET ASSETS</u>		
<b>CURRENT LIABILITIES:</b>		
Designations payable	\$ 44,493	\$ 98,615
Due to sub-grantees	110,167	-
Deferred grant	-	19,134
Accounts payable and accrued expenses	<u>67,652</u>	<u>34,173</u>
Total current liabilities	<u>222,312</u>	<u>151,922</u>
Total liabilities	<u>222,312</u>	<u>151,922</u>
<b>NET ASSETS:</b>		
Without donor restriction		
Board designated	281,999	281,999
Undesignated	<u>564,840</u>	<u>428,253</u>
	846,839	710,252
With donor restriction	<u>1,722,804</u>	<u>1,616,296</u>
Total net assets	<u>2,569,643</u>	<u>2,326,548</u>
Total liabilities and net assets	<u>\$ 2,791,955</u>	<u>\$ 2,478,470</u>

The accompanying notes to financial statements are an integral part of these statements.

MONADNOCK UNITED WAY, INC.  
STATEMENTS OF ACTIVITIES AND NET ASSETS  
FOR THE YEAR ENDED DECEMBER 31, 2020  
(WITH COMPARATIVE TOTALS FOR THE YEAR ENDED DECEMBER 31, 2019)

	2020			2019
	Without Donor Restriction	With Donor Restriction	Totals	Totals
<b>CAMPAIGN, OTHER PUBLIC SUPPORT AND REVENUE:</b>				
General campaign	\$ 4,182	\$ 1,307,697	\$ 1,311,879	\$ 1,597,806
Less: Donor designations	-	(50,704)	(50,704)	-
Less: Uncollectible pledges	(12,048)	(75,000)	(87,048)	(100,455)
Recovery of uncollectible pledges	39,964	-	39,964	19,142
Net general campaign revenue	32,098	1,181,993	1,214,091	1,516,493
Other contributions and bequests	39,537	-	39,537	39,943
COVID-19 fund contributions	-	422,418	422,418	-
Community impact revenue	262,452	-	262,452	129,455
Grant income	6,591	-	6,591	-
Net assets released from restriction	1,521,578	(1,521,578)	-	-
Total campaign support and revenue	1,862,256	82,833	1,945,089	1,685,891
<b>CAMPAIGN DISTRIBUTIONS AND FUNCTIONAL EXPENSES:</b>				
Distributions:				
Agency allocations and designations	779,829	-	779,829	1,169,650
Total distributions	779,829	-	779,829	1,169,650
Program services:				
Essential programs and services	438,346	-	438,346	-
Community and relationship building	414,960	-	414,960	475,830
Total program services	853,306	-	853,306	475,830
Support services:				
Management and general	66,929	-	66,929	76,747
Fundraising	187,402	-	187,402	214,888
Total support services	254,331	-	254,331	291,635
Total functional expenses	1,107,637	-	1,107,637	767,465
Total campaign distributions and functional expenses	1,887,466	-	1,887,466	1,937,115
Net income (loss) from campaign activities	(25,210)	82,833	57,623	(251,224)
<b>OTHER REVENUES AND EXPENSES:</b>				
Change in fair market value of beneficial interest in foundation assets	36,389	-	36,389	32,210
Gifts in kind	26,417	-	26,417	10,814
PPP loan forgiveness proceeds	93,500	-	93,500	-
Investment income	512	-	512	597
Realized loss on investments	(76)	-	(76)	(52)
Other revenue	28,730	-	28,730	2,023
Foundation assets released from restriction	(23,675)	23,675	-	-
Net other revenues and expenses	161,797	23,675	185,472	45,592
Change in net assets	136,587	106,508	243,095	(205,632)
Net assets, beginning of year	710,252	1,616,296	2,326,548	2,532,180
Net assets, end of year	\$ 846,839	\$ 1,722,804	\$ 2,569,643	\$ 2,326,548

The accompanying notes to financial statements are an integral part of these statements.

MONADNOCK UNITED WAY  
STATEMENT OF FUNCTIONAL EXPENSES  
FOR THE YEAR ENDED DECEMBER 31, 2020  
(WITH COMPARATIVE TOTALS FOR THE YEAR ENDED DECEMBER 31, 2019)

	Program Services			Supporting Services			Totals	
	Essential Programs and Services	Community and Relationship Building	Total	Management and General	Fundraising	Total	2020	2019
Agency allocations and designations	\$ 824,322	\$ -	\$ 824,322	\$ -	\$ -	\$ -	\$ 824,322	\$ 1,169,650
Less: donor designations	(44,493)	-	(44,493)	-	-	-	(44,493)	-
Total distributions	<u>779,829</u>	<u>-</u>	<u>779,829</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>779,829</u>	<u>1,169,650</u>
Salaries and wages	-	192,867	192,867	31,108	87,100	118,208	311,075	418,895
Employee benefits	-	14,776	14,776	2,383	6,674	9,057	23,833	33,180
Payroll taxes	-	14,637	14,637	2,361	6,610	8,971	23,608	32,224
Total salaries and related expenses	-	222,280	222,280	35,852	100,384	136,236	358,516	484,299
Payments to affiliated organizations	-	13,230	13,230	2,134	5,974	8,108	21,338	18,543
Community impact	-	9,285	9,285	1,498	4,193	5,691	14,976	23,510
COVID-19 funds	279,445	-	279,445	-	-	-	279,445	-
Grant disbursements	158,901	-	158,901	-	-	-	158,901	-
Contracted services	-	88,662	88,662	14,300	40,042	54,342	143,004	105,413
Professional fees	-	10,222	10,222	1,649	4,616	6,265	16,487	35,642
Strategic planning	-	-	-	-	-	-	-	8,563
Supplies	-	5,772	5,772	931	2,606	3,537	9,309	15,927
Telephone and telecommunications	-	2,010	2,010	324	908	1,232	3,242	4,895
Postage and shipping	-	1,784	1,784	288	806	1,094	2,878	4,312
Occupancy	-	5,085	5,085	820	2,297	3,117	8,202	10,388
Marketing, printing and publications	-	17,907	17,907	2,888	8,088	10,976	28,883	13,197
Travel	-	516	516	83	233	316	832	5,030
Conferences, meetings and staff development	-	672	672	108	304	412	1,084	7,486
Other	-	34,935	34,935	5,635	15,776	21,411	56,346	26,517
Operating expense subtotal	438,346	412,360	850,706	66,510	186,227	252,737	1,103,443	763,722
Depreciation	-	2,600	2,600	419	1,175	1,594	4,194	3,743
Total operating expenses	438,346	414,960	853,306	66,929	187,402	254,331	1,107,637	767,465
Total	\$ <u>1,218,175</u>	\$ <u>414,960</u>	\$ <u>1,633,135</u>	\$ <u>66,929</u>	\$ <u>187,402</u>	\$ <u>254,331</u>	\$ <u>1,887,466</u>	\$ <u>1,937,115</u>

The accompanying notes to financial statements are an integral part of these statements.

MONADNOCK UNITED WAY  
STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED DECEMBER 31, 2020  
(WITH COMPARATIVE TOTALS FOR THE YEAR ENDED DECEMBER 31, 2019)

	<u>2020</u>	<u>2019</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Contributions and bequests	\$ 1,959,451	\$ 1,504,606
Grant income	249,909	130,173
Investment income	512	597
Other income	28,730	2,023
Cash paid to other organizations	(723,784)	(1,177,185)
Cash paid to employees and suppliers	<u>(1,068,183)</u>	<u>(763,241)</u>
Net cash flows from operating activities	<u>446,635</u>	<u>(303,027)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of fixed assets	(4,854)	(698)
Proceeds from sale of investments	5,772	5,099
Purchase of investments	(22,280)	(5,151)
Distributions from beneficial interest in foundation assets	<u>10,827</u>	<u>10,817</u>
Net cash flows from investing activities	<u>(10,535)</u>	<u>10,067</u>
<b>NET CHANGE IN CASH AND CASH EQUIVALENTS</b>	436,100	(292,960)
<b>CASH AND CASH EQUIVALENTS, beginning of year</b>	<u>1,337,400</u>	<u>1,630,360</u>
<b>CASH AND CASH EQUIVALENTS, end of year</b>	\$ <u>1,773,500</u>	\$ <u>1,337,400</u>
<b>RECONCILIATION OF CHANGE IN NET ASSETS TO NET CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Change in net assets	\$ <u>243,095</u>	\$ <u>(205,632)</u>
Adjustments to reconcile change in net assets to net cash flows from operating activities		
Depreciation	4,194	3,743
Realized loss on investments	76	52
(Increase) decrease in fair market value of beneficial interest in foundation assets	(36,389)	(32,210)
(Increase) decrease in the following assets:		
Accounts receivable	(236)	(264)
Pledges receivable	163,724	(62,380)
Other current assets	1,781	(734)
Increase (decrease) in the following liabilities:		
Unpaid allocations to agencies	(54,122)	(7,535)
Due to sub-grantees	110,167	-
Deferred grant	(19,134)	718
Accounts payable and accrued expenses	<u>33,479</u>	<u>1,215</u>
Total adjustments	<u>203,540</u>	<u>(97,395)</u>
Net cash flows from operating activities	\$ <u>446,635</u>	\$ <u>(303,027)</u>

The accompanying notes to financial statements are an integral part of these statements.

MONADNOCK UNITED WAY, INC.  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2020

1. Summary of significant accounting policies:

The Monadnock United Way (the Agency) is dedicated to improving lives by mobilizing diverse partners and investing in programs and people to create long-lasting measurable change.

Key objectives:

- Evaluate the extent and priority of regional human service needs
- Develop financial and non-monetary resources to meet those needs to the extent feasible
- Allocate these resources effectively
- Foster the spirit of volunteerism
- Facilitate community initiatives and problem solving
- Promote public awareness and understanding through education and communication
- Plan and provide for the continuity and evolution of the organization

Accounting for contributions and financial statements presentation – The Agency presents its financial statements in accordance with Financial Accounting Standards Board (FASB) *Accounting Standards Codification (ASC) Topic 958 Not-For-Profit Entities*. The accompanying financial statements have been prepared on the accrual basis of accounting. All contributions are considered to be available for unrestricted use unless specifically restricted by the donor. Non-cash contributions are recorded at fair market value on the date of donation. Income earned on net assets, including net realized appreciation on investments, is reflected as a change in net assets without donor restrictions or net assets with donor restrictions in accordance with donor stipulations.

Amounts related to the Agency's financial position and activities are reported in two classes of net assets: net assets without donor restrictions and net assets with donor restrictions.

Net assets without donor restrictions are available for use in general operations and not subject to donor or certain grantor restrictions.

Net assets with donor restrictions consist of assets whose use is limited by donor-imposed time or purpose restrictions. Donor-imposed restrictions are released when a restriction expires, that is, when a stipulated time restriction ends, or purpose restriction is accomplished. When a donor restriction expires, the net assets are reclassified as net assets without donor restrictions and reported in the Statement of Activities as net assets released from restrictions. Some net assets with donor restrictions include a stipulation that assets provided be maintained permanently (perpetual in nature) while permitting the Agency to expend the income generated by the assets in accordance with the provisions of additional donor-imposed stipulations or a board-approved spending policy. Restricted contributions that are received and utilized in accordance with donor stipulations in the same year are reported as contributions without donor restrictions. The Agency follows a similar policy for investment return on these funds.



MONADNOCK UNITED WAY, INC.  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2020

Basis of accounting - Revenues and expenses are reported on the accrual basis of accounting. Under this basis, revenues, other than contributions, and expenses are reported when incurred without regard to the date of receipt or payment of cash. Contributions are reported in accordance with FASB ASC *Accounting for Contributions Received and Contributions Made*.

Cash equivalents – For the purpose of the Statement of Cash Flows, the Agency considers cash equivalents to be all highly liquid securities with an original maturity of three months or less.

Public support/revenue recognition – Annual campaigns are conducted to raise support for the subsequent calendar year. Campaign contributions and pledges are reported as net assets with donor restriction for use in the subsequent year unless specifically restricted by the donor. Pledges are recognized as contributions when received.

Allowance for uncollectible pledges – The Agency maintains an allowance for uncollectible pledges based on an analysis of the most recent five-year collection rate. The pledges receivable, including donor designations receivable, are written off in the subsequent year when there is a reasonable expectation that the previous campaign pledges will not be received.

Donated services and equipment – During the current fiscal year the Agency received in-kind professional services related to legal, accounting and computer support. Donated services with an estimated fair value of \$26,417 and \$10,814 for the years ended December 31, 2020 and 2019, respectively, are included in other revenues in the Statement of Activities. In connection with the annual fundraising campaign, various companies in the region donate employees' services to the Agency to coordinate campaign volunteers. Approximately 844 and 3,107 hours, for which no value has been assigned, were contributed in 2020 and 2019.

Depreciation – The Agency charges to functional expenses annual amounts of depreciation which allocate the cost of property, plant and equipment over their estimated useful lives. The Agency uses the straight-line method for computing depreciation. The ranges of the estimated useful lives used are:

	<u>Years</u>
Building and improvements	15 – 39
Office furniture and equipment	5 – 15

Repairs and maintenance are expensed when incurred while improvements are capitalized. Assets sold or otherwise disposed of are removed from the accounts, along with the related depreciation allowances, and any gain or loss is recognized. Assets donated to the Agency are capitalized at fair market value at the date of gift. The depreciation expense was \$4,194 and \$3,743 for the years 2020 and 2019, respectively.

MONADNOCK UNITED WAY, INC.  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2020

Conditions which might impact the fair market value of the assets are reviewed from time to time to assess the need to record any impairment to the value of the assets. No impairment allowance has been recognized for either 2020 or 2019.

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

Contributions and grant income – Contributions, including promises to give, are considered conditional or unconditional, depending on the nature and existence of any donor or grantor conditions. A contribution or promise to give contains a donor or grantor condition when both of the following are present: (1) An explicit identification of a barrier, that is more than trivial, that must be overcome before the revenue can be earned and recognized (2) An implicit right of return of assets transferred or a right of release of a donor or grantor's obligation to transfer assets promised, if the condition is not met. Conditional contributions are recognized when the barrier(s) to entitlement are overcome. Unconditional contributions are recognized as revenue when received.

Grants are either recorded as contributions or exchange transactions based on criteria contained in the grant award. Grant awards that are contributions are evaluated for conditions and recognized as revenue when conditions in the award are satisfied. Unconditional awards are recognized as revenue when the award is received. Amounts received in which conditions have not been met are reported as a refundable advance liability. Grant awards that are exchange transactions are those in which the resource provider or grantor receives a commensurate value in exchange for goods or services transferred. There were no grants or awards that were considered exchange transactions during the years ended December 31, 2020 and 2019.

Income taxes – The Agency qualifies as exempt from income tax under Section 501(c)(3) of the Internal Revenue Code. The Agency has evaluated its significant tax positions, including their tax-exempt status, and determined that they do not need to recognize a liability for any uncertain tax positions for interest, penalties or potential taxes. Accordingly, no provision for income taxes is required. The Agency's annual federal return filing (Form 990) and state filing (Form NHCT-12) remain subject to examination by major tax jurisdictions for the standard three-year statute of limitations.

Functional allocation of expense - The costs of providing the various program and supporting services have been summarized on a functional basis in the Statements of Activities. The Statements of Functional Expenses present the natural classification detail of expenses by function. Expenses are allocated to both programs and support services. Salaries and wages are allocated based on estimates of time spent by members of the staff. Expenses that are not directly attributable to one category are allocated based on time study allocation method.

MONADNOCK UNITED WAY, INC.  
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Accounting pronouncements adopted – In June 2018, the FASB issued ASU 2018-08, *Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made (Topic 958)*. The amendments in this update assist entities in evaluating whether transactions should be accounted for as contributions (nonreciprocal transactions) or as exchange (reciprocal) transactions and determining whether a transaction is conditional. The contribution guidance requires an entity to determine whether a transaction is conditional, which affects the timing of the revenue recognized. The amendments in this ASU apply to both resources received by a recipient and resources given by a resource provider. The accounting guidance is effective for fiscal years beginning after December 15, 2018. The Organization adopted this guidance as of January 1, 2019, as required by the standard. The Organization applied Topic 958 on a retrospective basis. There was no change to opening balances of net assets and no prior period results were restated.

During 2016, the FASB issued ASU 2016-18, *Statement of Cash Flows*, to provide guidance on the presentation of restricted cash or restricted cash equivalents in the Statement of Cash Flows. The accounting guidance is effective for fiscal years beginning after December 15, 2018. The guidance is to be applied using a retrospective transition method to each period presented. The Organization adopted this guidance as of January 1, 2019 as required by the standard.

MONADNOCK UNITED WAY, INC.  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2020

2. Liquidity:

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

	<u>2020</u>	<u>2019</u>
Financial assets:		
Cash	\$ 1,773,500	\$ 1,337,400
Accounts receivable	500	264
Grants receivable	17,983	-
Pledges receivable	666,463	830,187
Beneficial interest in foundation assets	<u>311,973</u>	<u>288,298</u>
Total financial assets available within one year	2,770,419	2,456,149
Less:		
Amounts unavailable for general expenditures within one year, due to:		
Restricted by donors with purpose restrictions	(1,722,804)	(1,616,296)
Amounts unavailable to management without board's approval:		
Board designated for operational and program support	<u>(281,999)</u>	<u>(281,999)</u>
	\$ <u>765,616</u>	\$ <u>557,854</u>

The Agency maintains a policy of structuring its financial assets to be available as its general expenditures, liabilities and other obligations come due.

3. Net assets without donor restriction – board designated:

The Agency's directors have designated a portion of the unrestricted net assets for specific purposes. The designated balances at December 31 are as follows:

	<u>2020</u>	<u>2019</u>
Operating and program reserve	\$ 201,999	\$ 201,999
Equipment and capital expenditures	<u>80,000</u>	<u>80,000</u>
	\$ <u>281,999</u>	\$ <u>281,999</u>

MONADNOCK UNITED WAY, INC.  
NOTES TO FINANCIAL STATEMENTS  
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4. Concentration of credit risk – cash and cash equivalents:

As of December 31, 2020, the carrying amount of the Agency's deposits was \$374,887 (\$388,107 in 2019) and the bank balances totaled \$1,802,495 (\$1,329,972 in 2019). Deposit balances not covered by federal depository insurance (current FDIC limit of \$250,000) totaled \$0 as of December 31, 2020 and 2019, respectively.

5. Pledges receivable, net:

Pledges receivable consisted of the following as of December 31:

	<u>2020</u>	<u>2019</u>
Pledges receivable:		
Prior year campaign	\$ 76,999	\$ 49,747
Current year campaign	<u>664,464</u>	<u>855,440</u>
	741,463	905,187
Less: allowance for uncollectible pledges	<u>(75,000)</u>	<u>(75,000)</u>
Total	\$ <u>666,463</u>	\$ <u>830,187</u>

Pledges of \$87,048 related to the prior campaign have been written off and adjusted against the allowance for uncollectable pledges.

6. Beneficial interest in assets held by others:

The Agency has a beneficial interest in assets held by the New Hampshire Charitable Foundation (NHCF). These assets are divided into two categories of funds referred to as donor designated funds and agency funds. The NHCF is the owner of these funds and by agreement maintains variance power over them. In accordance with *ASC 958-605-25 Recognition*, the source of these funds dictates how the Agency recognizes their interest in these assets.

Donor designated funds result from irrevocable contributions from unaffiliated donors to the NHCF for the benefit of the Agency. In accordance with accounting standards, the Agency does not report the fair market value of their interest in these funds on the Statement of Financial Position, but rather recognizes distributions from the funds as investment income when received. The NHCF distributes income based on historical investment performance. The approximate fair market value of donor designated funds held by NHCF on behalf of the Monadnock United Way was \$951,912 and \$879,672, as of December 31, 2020 and 2019, respectively. Disbursements received from these funds totaled \$33,037 and \$31,537, for the years ended December 31, 2020 and 2019, respectively.

MONADNOCK UNITED WAY, INC.  
NOTES TO FINANCIAL STATEMENTS  
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Agency funds were irrevocably transferred from the Agency to the NHCF, and the Agency designated itself as the beneficiary. In accordance with accounting standards, the Agency reports an asset on the Statement of Financial Position for the fair market value of their interest in these funds, and the NHCF reports a corresponding liability. This is due to the fact that the Agency is the source and beneficiary of the funds. The Agency reduces the value of their interest in the agency fund when distributions are received, and reports the changes in fair market value of the fund on the Statement of Activities. The NHCF distributes income based on historical investment performance. The approximate fair market value of agency funds held by NHCF on behalf of the Monadnock United Way was \$311,973 and \$288,298, as of December 31, 2020 and 2019, respectively. Disbursements received from these funds totaled \$10,827 and \$10,817 for the years ended December 31, 2020 and 2019, respectively.

The beneficial interest in perpetual trusts is valued based on the present value of expected cash flows using quoted market prices of assets in the trust multiplied by the Agency's share of trust. This is considered to be a level 3 fair value measurement in accordance with FASB *ASC Topic 820*.

7. Net assets with donor restriction:

Net assets with donor restrictions consist of contributions and pledges designated for future allocation periods, funds reserved for collaborative projects with other Monadnock Region agencies, and Agency investments held by the New Hampshire Charitable Foundation. The designated balances at December 31 are as follows:

	<u>2020</u>	<u>2019</u>
Contributions and pledges for future allocation periods	\$ 1,232,698	\$ 1,292,472
Beneficial interest in assets held by NHCF	311,973	288,298
Contributions and pledges for COVID relief funding	142,973	-
Special funds grants	18,279	3,645
Restricted grants for afterschool programs	14,701	14,701
Community impact grants	<u>2,180</u>	<u>17,180</u>
	\$ <u>1,722,804</u>	\$ <u>1,616,296</u>

The Agency had no net assets with permanent restrictions at December 31, 2020 and 2019.

MONADNOCK UNITED WAY, INC.  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2020

8. Retirement plan:

The Agency maintains a section 403(b) retirement plan covering all employees with at least six months of service. Employees may defer any amount from one to six percent of compensation. The Agency matches 33% of employee elective deferrals. These matching contributions amounted to \$1,733 in 2020 (\$1,802 in 2019).

9. Fundraising expenditures:

The Monadnock United Way made total fundraising expenditures of \$187,402 and \$214,888 for the years ended December 31, 2020 and 2019, respectively.

10. CARES Act grant:

In April 2020, Monadnock United Way was the recipient of a forgivable loan under the Paycheck Protection Program administered by the US Small Business Administration, as a result of legislation passed to assist businesses in navigating the Coronavirus pandemic. The total amount of the award was \$93,500, and it was to be used for eligible payroll and operating expenses. Should the conditions of the award not be substantially met, all or a portion of the award would need to be paid back with 1.00% interest. Management has determined that all of the criteria required for forgiveness have been met as of December 31, 2020. The proceeds from this forgivable loan program have been reported under other revenues and expenses on the Statement of Activities for the year ended December 31, 2020.

Subsequent to the year ended December 31, 2020, and prior to the audit report date, the full amount of the award was forgiven (Note 12).

11. Agency transactions:

The Monadnock United Way acted as an agency for emergency COVID relief funds. As such, the Agency held contributions totaling \$175,000 that were transferred to recipient organizations as directed by the donor. The Monadnock United Way was not granted variance power over disbursements of these funds and as such they are not reported on the Statement of Activities.

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12. Uncertainty regarding the impact of COVID-19:

In March 2020, the World Health Organization recognized the novel strain of coronavirus, COVID-19, as a pandemic. The coronavirus outbreak has severely restricted the level of economic activity around the world. In response to this coronavirus outbreak, the governments of many countries, states, cities and other geographic regions have taken preventative or protective actions, such as imposing restrictions on travel and business operations and advising or requiring individuals to limit or forgo their time outside of their homes. Temporary closures of businesses had been ordered and numerous other businesses have temporarily closed voluntarily or restricted access to their premises. As a result, the coronavirus outbreak may have a material adverse impact on the Agency's financial position, operations, and cash flows. Given the uncertainty regarding the spread of the coronavirus, the related financial impact cannot be reasonably predicted or estimated at this time.

13. Subsequent events:

In preparing these financial statements, the Agency has evaluated events and transactions for potential recognition or disclosure through June 30, 2021, the date the financial statements were available to be issued.

At April 13, 2021, it was determined by the bank that the conditions of the Paycheck Protection Program award were substantially met and the full amount of the \$93,500 award was forgiven. No additional events were noted for disclosure.

14. Reclassifications:

Certain items in the prior year financial statements have been reclassified to conform to the current year presentation. Net assets and changes in net assets are unchanged due to these reclassifications.



MONADNOCK UNITED WAY, INC.  
SCHEDULE OF ALLOCATIONS TO AGENCIES  
FOR THE YEAR ENDED DECEMBER 31, 2020  
(WITH COMPARATIVE TOTALS FOR THE YEAR ENDED DECEMBER 31, 2019)

	<u>2020</u>	<u>2019</u>
AGENCY ALLOCATIONS:		
ACCESS	\$ 142,500	\$ 150,000
Big Brothers Big Sisters of New Hampshire	10,000	30,000
Cheshire Housing Trust	1,000	3,534
The Community Kitchen	73,625	45,000
Community Volunteer Transportation Company	2,163	7,200
Granite State Children's Alliance	4,167	12,500
Home Health Care, Hospice and Community Services	22,101	41,940
Hundred Nights	-	36,900
Keene Day Care Center	28,500	26,100
Keene Senior Citizens Center	-	10,530
MAPS Counseling Services	5,667	25,200
Monadnock Center for Violence Prevention	10,000	30,000
Monadnock Community Early Learning Center	28,500	31,500
Monadnock Developmental Services - PIH	3,333	22,275
Monadnock Family Services	149,204	237,640
Monadnock Area Peer Support Agency	3,333	7,200
New Hampshire Legal Assistance	2,500	4,371
New Hampshire Pro Bono Referral System	-	4,371
RISE...For Baby and Family	32,100	48,930
Samaritans	1,000	12,240
Southern New Hampshire Services	24,250	43,950
Southwestern Community Services	101,596	97,466
The River Center	2,333	-
Walpole Village School	4,750	3,600
Winchester Learning Center	28,500	35,881
2-1-1	21,595	7,500
Home visiting program	77,112	110,565
Donor - designated agencies	<u>44,493</u>	<u>83,257</u>
 Total agency allocations	 <u>\$ 824,322</u>	 <u>\$ 1,169,650</u>