

MONADNOCK UNITED WAY
FINANCIAL STATEMENTS
DECEMBER 31, 2021
AND
INDEPENDENT AUDITORS' REPORT



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INDEPENDENT AUDITORS' REPORT

To the Board of Directors
Monadnock United Way:

Report on the Audit of the Financial Statements

Opinion

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, 2021, and the related statements of activities, functional expenses and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of Monadnock United Way as of December 31, 2021, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Monadnock United Way and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Monadnock United Way's ability to continue as a going concern for one year after the date that the financial statements are issued.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 Monadnock United Way's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Monadnock United Way's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Report on Summarized Comparative Information

We have previously audited the Monadnock United Way's 2020 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated June 30, 2021. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2020, 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
July 14, 2022

MONADNOCK UNITED WAY, INC.
STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2021
(WITH COMPARATIVE TOTALS AS OF DECEMBER 31, 2020)

	2021	2020
<u>ASSETS</u>		
CURRENT ASSETS:		
Cash and cash equivalents	\$ 2,079,073	\$ 1,773,500
Accounts receivable	-	500
Grants receivable	549,967	17,983
Pledges receivable, less allowance for uncollectible pledges of \$75,000 as of December 31, 2021 and 2020	590,320	666,463
Other current assets	<u>4,200</u>	<u>3,859</u>
Total current assets	<u>3,223,560</u>	<u>2,462,305</u>
PROPERTY, PLANT AND EQUIPMENT, at cost:		
Building and improvements	107,697	102,747
Office furniture and equipment	92,338	82,408
Land	<u>4,430</u>	<u>4,430</u>
	204,465	189,585
Less - Accumulated depreciation	<u>182,465</u>	<u>179,238</u>
Net property, plant and equipment	<u>22,000</u>	<u>10,347</u>
OTHER ASSETS:		
Website development	7,330	7,330
Beneficial interest in foundation assets	<u>358,307</u>	<u>311,973</u>
Total other assets	<u>365,637</u>	<u>319,303</u>
Total assets	\$ <u>3,611,197</u>	\$ <u>2,791,955</u>
<u>LIABILITIES AND NET ASSETS</u>		
CURRENT LIABILITIES:		
Designations payable	\$ 51,552	\$ 44,493
Due to sub-grantees	-	110,167
Accounts payable and accrued expenses	<u>95,062</u>	<u>67,652</u>
Total current liabilities	<u>146,614</u>	<u>222,312</u>
Total liabilities	<u>146,614</u>	<u>222,312</u>
NET ASSETS:		
Without donor restriction		
Board designated	281,999	281,999
Undesignated	<u>822,269</u>	<u>564,840</u>
	1,104,268	846,839
With donor restriction	<u>2,360,315</u>	<u>1,722,804</u>
Total net assets	<u>3,464,583</u>	<u>2,569,643</u>
Total liabilities and net assets	\$ <u>3,611,197</u>	\$ <u>2,791,955</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, 2021
(WITH COMPARATIVE TOTALS FOR THE YEAR ENDED DECEMBER 31, 2020)

	2021			2020
	Without Donor Restriction	With Donor Restriction	Totals	Totals
CAMPAIGN, OTHER PUBLIC SUPPORT AND REVENUE:				
General campaign	\$ 11,734	\$ 1,324,334	\$ 1,336,068	\$ 1,311,879
Less: Donor designations	-	(69,113)	(69,113)	(50,704)
Less: Uncollectible pledges	32,126	(75,000)	(42,874)	(87,048)
Recovery of uncollectible pledges	9,353	-	9,353	39,964
Net general campaign revenue	53,213	1,180,221	1,233,434	1,214,091
Other contributions and bequests	41,534	-	41,534	33,037
COVID-19 fund contributions	-	959	959	422,418
Grant revenue	123,806	651,508	775,314	217,760
Community impact revenue	87,163	-	87,163	51,192
Multi-year pledges	15,000	30,000	45,000	-
Grant admin fee revenue	8,990	-	8,990	6,591
Net assets released from restriction	1,271,511	(1,271,511)	-	-
Total campaign support and revenue	1,601,217	591,177	2,192,394	1,945,089
CAMPAIGN DISTRIBUTIONS AND FUNCTIONAL EXPENSES:				
Distributions:				
Agency allocations and designations	640,050	-	640,050	779,829
Total distributions	640,050	-	640,050	779,829
Program services:				
Essential programs and services	114,980	-	114,980	438,346
Community and relationship building	487,028	-	487,028	414,960
Total program services	602,008	-	602,008	853,306
Support services:				
Management and general	52,032	-	52,032	66,929
Fundraising	195,746	-	195,746	187,402
Total support services	247,778	-	247,778	254,331
Total functional expenses	849,786	-	849,786	1,107,637
Total campaign distributions and functional expenses	1,489,836	-	1,489,836	1,887,466
Net income (loss) from campaign activities	111,381	591,177	702,558	57,623
OTHER REVENUES AND EXPENSES:				
Change in fair market value of beneficial interest in foundation assets	61,892	-	61,892	36,389
Gifts in kind	26,023	-	26,023	26,417
PPP loan forgiveness proceeds	91,315	-	91,315	93,500
Investment income	322	-	322	512
Realized gain (loss) on investments	78	-	78	(76)
Other revenue	12,752	-	12,752	28,730
Change in foundation assets restricted	(46,334)	46,334	-	-
Net other revenues and expenses	146,048	46,334	192,382	185,472
Change in net assets	257,429	637,511	894,940	243,095
Net assets, beginning of year	846,839	1,722,804	2,569,643	2,326,548
Net assets, end of year	\$ 1,104,268	\$ 2,360,315	\$ 3,464,583	\$ 2,569,643

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, 2021
(WITH COMPARATIVE TOTALS FOR THE YEAR ENDED DECEMBER 31, 2020)

	Program Services			Supporting Services			Totals	
	Essential Programs and Services	Community and Relationship Building	Total	Management and General	Fundraising	Total	2021	2020
Agency allocations and designations	\$ 700,702	\$ -	\$ 700,702	\$ -	\$ -	\$ -	\$ 700,702	\$ 824,322
Less: donor designations	(60,652)	-	(60,652)	-	-	-	(60,652)	(44,493)
Total distributions	<u>640,050</u>	<u>-</u>	<u>640,050</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>640,050</u>	<u>779,829</u>
Salaries and wages	-	130,651	130,651	25,125	95,475	120,600	251,251	311,075
Employee benefits	-	9,462	9,462	1,820	6,914	8,734	18,196	23,833
Payroll taxes	-	<u>10,955</u>	<u>10,955</u>	<u>2,107</u>	<u>8,006</u>	<u>10,113</u>	<u>21,068</u>	<u>23,608</u>
Total salaries and related expenses	-	151,068	151,068	29,052	110,395	139,447	290,515	358,516
Payments to affiliated organizations	-	14,711	14,711	1,537	5,708	7,245	21,956	21,338
Community impact	-	116,020	116,020	-	-	-	116,020	14,976
COVID-19 funds	89,900	-	89,900	-	-	-	89,900	279,445
Grant disbursements	25,080	-	25,080	-	-	-	25,080	158,901
Contracted services	-	109,755	109,755	11,467	42,592	54,059	163,814	143,004
Professional fees	-	10,295	10,295	1,076	3,995	5,071	15,366	16,487
Supplies	-	14,741	14,741	1,540	5,720	7,260	22,001	9,309
Telephone and telecommunications	-	2,103	2,103	220	816	1,036	3,139	3,242
Postage and shipping	-	1,814	1,814	190	704	894	2,708	2,878
Occupancy	-	7,666	7,666	801	2,975	3,776	11,442	8,202
Marketing, printing and publications	-	22,914	22,914	2,394	8,892	11,286	34,200	28,883
Meetings, travel, and staff development	-	5,306	5,306	554	2,061	2,615	7,921	1,915
Gifts in-kind	-	17,435	17,435	1,822	6,766	8,588	26,023	26,417
Bank fees	-	5,560	5,560	581	2,157	2,738	8,298	6,253
Other	-	<u>5,478</u>	<u>5,478</u>	<u>572</u>	<u>2,126</u>	<u>2,698</u>	<u>8,176</u>	<u>23,677</u>
Operating expense subtotal	114,980	484,866	599,846	51,806	194,907	246,713	846,559	1,103,443
Depreciation	-	<u>2,162</u>	<u>2,162</u>	<u>226</u>	<u>839</u>	<u>1,065</u>	<u>3,227</u>	<u>4,194</u>
Total operating expenses	114,980	487,028	602,008	52,032	195,746	247,778	849,786	1,107,637
Total	\$ <u>755,030</u>	\$ <u>487,028</u>	\$ <u>1,242,058</u>	\$ <u>52,032</u>	\$ <u>195,746</u>	\$ <u>247,778</u>	\$ <u>1,489,836</u>	\$ <u>1,887,466</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, 2021
(WITH COMPARATIVE TOTALS FOR THE YEAR ENDED DECEMBER 31, 2020)

	<u>2021</u>	<u>2020</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Contributions and bequests	\$ 1,469,908	\$ 1,952,951
Grant income	384,483	238,426
Investment income	322	512
Other income	12,752	28,730
Cash paid to other organizations	(743,158)	(723,784)
Cash paid to employees and suppliers	<u>(819,491)</u>	<u>(1,068,183)</u>
Net cash flows from operating activities	<u>304,816</u>	<u>428,652</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of fixed assets	(14,880)	(4,854)
Proceeds from sale of investments	13,164	5,772
Purchase of investments	(11,139)	(4,297)
Distributions from beneficial interest in foundation assets	<u>13,612</u>	<u>10,827</u>
Net cash flows from investing activities	<u>757</u>	<u>7,448</u>
NET CHANGE IN CASH AND CASH EQUIVALENTS	305,573	436,100
CASH AND CASH EQUIVALENTS, beginning of year	<u>1,773,500</u>	<u>1,337,400</u>
CASH AND CASH EQUIVALENTS, end of year	\$ <u>2,079,073</u>	\$ <u>1,773,500</u>
RECONCILIATION OF CHANGE IN NET ASSETS TO NET CASH FLOWS FROM OPERATING ACTIVITIES:		
Change in net assets	\$ <u>894,940</u>	\$ <u>243,095</u>
Adjustments to reconcile change in net assets to net cash flows from operating activities		
Depreciation	3,227	4,194
Realized (gain) loss on investments	(78)	76
(Increase) decrease in fair market value of beneficial interest in foundation assets	(61,892)	(36,389)
(Increase) decrease in the following assets:		
Accounts receivable	500	(236)
Grants receivable	(531,984)	(17,983)
Pledges receivable	76,143	163,724
Other current assets	(341)	1,781
Increase (decrease) in the following liabilities:		
Unpaid allocations to agencies	7,059	(54,122)
Due to sub-grantees	(110,167)	110,167
Deferred grant	-	(19,134)
Accounts payable and accrued expenses	<u>27,409</u>	<u>33,479</u>
Total adjustments	<u>(590,124)</u>	<u>185,557</u>
Net cash flows from operating activities	\$ <u>304,816</u>	\$ <u>428,652</u>

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

MONADNOCK UNITED WAY, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021

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, 2021

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 \$26,023 and \$26,417 for the years ended December 31, 2021 and 2020, 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 3112 and 844 hours, for which no value has been assigned, were contributed in 2021 and 2020.

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 \$3,227 and \$4,194 for the years 2021 and 2020, respectively.

MONADNOCK UNITED WAY, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021

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 2021 or 2020.

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, 2021 and 2020.

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.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021

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>2021</u>	<u>2020</u>
Financial assets:		
Cash	\$ 2,079,073	\$ 1,773,500
Accounts receivable	-	500
Grants receivable	549,967	17,983
Pledges receivable	590,320	666,463
Beneficial interest in foundation assets	<u>358,307</u>	<u>311,973</u>
Total financial assets available within one year	3,577,667	2,770,419
Less:		
Amounts unavailable for general expenditures within one year, due to:		
Restricted by donors with purpose restrictions	(2,360,315)	(1,722,804)
Amounts unavailable to management without board's approval:		
Board designated for operational and program support	<u>(281,999)</u>	<u>(281,999)</u>
	<u>\$ 935,353</u>	<u>\$ 765,616</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>2021</u>	<u>2020</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
DECEMBER 31, 2021

4. Concentration of credit risk – cash and cash equivalents:

As of December 31, 2021, the carrying amount of the Agency’s deposits was \$409,668 (\$374,887 in 2020) and the bank balances totaled \$2,033,994 (\$1,802,495 in 2020). Deposit balances not covered by federal depository insurance (current FDIC limit of \$250,000) totaled \$0 as of December 31, 2021 and 2020, respectively.

5. Pledges receivable, net:

Pledges receivable consisted of the following as of December 31:

	<u>2021</u>	<u>2020</u>
Pledges receivable:		
Prior year campaign	\$ 30,962	\$ 76,999
Current year campaign	<u>634,358</u>	<u>664,464</u>
	665,320	741,463
Less: allowance for uncollectible pledges	<u>(75,000)</u>	<u>(75,000)</u>
Total	\$ <u><u>590,320</u></u>	\$ <u><u>666,463</u></u>

The pledges receivable are due as follows:

2022	\$ 650,320
2023	<u>15,000</u>
Total pledges receivable	\$ <u><u>665,320</u></u>

Pledges of \$42,874 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.

MONADNOCK UNITED WAY, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021

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 \$1,093,289 and \$951,912, as of December 31, 2021 and 2020, respectively. Disbursements received from these funds totaled \$41,534 and \$33,037, for the years ended December 31, 2021 and 2020, respectively.

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 \$358,307 and \$311,973, as of December 31, 2021 and 2020, respectively. Disbursements received from these funds totaled \$13,612 and \$10,827 for the years ended December 31, 2021 and 2020, 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:

MONADNOCK UNITED WAY, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021

	<u>2021</u>	<u>2020</u>
Contributions and pledges for future allocation periods	\$ 1,249,334	\$ 1,232,698
Special funds grants	651,508	18,279
Beneficial interest in assets held by NHCF	358,307	311,973
Contributions and pledges for COVID relief funding	71,166	142,973
Multi-year pledges	30,000	-
Restricted grants for afterschool programs	-	14,701
Community impact grants	-	2,180
	<u>\$ 2,360,315</u>	<u>\$ 1,722,804</u>

The Agency had no net assets with permanent restrictions at December 31, 2021 and 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 \$549 in 2021 (\$1,733 in 2020).

9. Fundraising expenditures:

The Monadnock United Way made total fundraising expenditures of \$195,746 and \$187,402 for the years ended December 31, 2021 and 2020, 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 had 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. During the year ended December 31, 2021, the full amount of the award was forgiven by the bank.

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DECEMBER 31, 2021

In March 2021, 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 \$91,315, 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. During the year ended December 31, 2021, the bank determined that all of the criteria required for forgiveness has been met and the full amount of the award has been forgiven. 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, 2021.

11. Agency transactions:

The Monadnock United Way acted as an agency for emergency COVID relief funds. As such, the Agency held contributions totaling \$0 and \$175,000 as of December 31, 2021 and 2020, respectively, 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.

12. Subsequent events:

In preparing these financial statements, the Agency has evaluated events and transactions for potential recognition or disclosure through July 14, 2022, the date the financial statements were available to be issued. No events were noted for disclosure.

13. 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, 2021
(WITH COMPARATIVE TOTALS FOR THE YEAR ENDED DECEMBER 31, 2020)

	<u>2021</u>	<u>2020</u>
AGENCY ALLOCATIONS:		
ACCESS	\$ 106,875	\$ 142,500
Big Brothers Big Sisters of New Hampshire	-	10,000
Cheshire Housing Trust	-	1,000
The Community Kitchen	78,125	73,625
Community Volunteer Transportation Company	-	2,163
Granite State Children's Alliance	-	4,167
Home Health Care, Hospice and Community Services	-	22,101
Keene Day Care Center	28,500	28,500
MAPS Counseling Services	-	5,667
Monadnock Center for Violence Prevention	-	10,000
Monadnock Community Early Learning Center	28,500	28,500
Monadnock Developmental Services - PIH	-	3,333
Monadnock Family Services	-	149,204
Monadnock Area Peer Support Agency	-	3,333
New Hampshire Legal Assistance	-	2,500
RISE...For Baby and Family	213,000	32,100
Samaritans	-	1,000
Southern New Hampshire Services	14,250	24,250
Southwestern Community Services	86,925	101,596
The River Center	-	2,333
Walpole Village School	4,750	4,750
Winchester Learning Center	64,125	28,500
2-1-1	15,000	21,595
Home visiting program	-	77,112
Donor - designated agencies	<u>60,652</u>	<u>44,493</u>
Total agency allocations	\$ <u>700,702</u>	\$ <u>824,322</u>