

UNITED WAY OF STORY COUNTY, INC.

FINANCIAL REPORT

June 30, 2021

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SCHNURR & COMPANY, LLP
Certified Public Accountants and Consultants

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
United Way of Story County, Inc.
Ames, Iowa

Report on the Financial Statements

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

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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 United Way of Story County, 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.

Schnell & Company, LLP

Ames, Iowa
September 13, 2021

UNITED WAY OF STORY COUNTY, INC.

STATEMENTS OF FINANCIAL POSITION
June 30, 2021 and 2020

ASSETS	2021	2020
Current Assets:		
Cash	\$ 710,195	\$ 519,473
Contributions receivable, less allowance for doubtful accounts \$55,000 2021 and 2020	498,892	485,788
Prepaid expenses	17,214	6,103
Accrued interest receivable	1,638	-
Total current assets	1,227,939	1,011,364
Investments:		
Certificates of deposit and annuities	587,738	807,001
Beneficial interest in assets held by a Community Foundation	1,569,244	1,058,403
	2,156,982	1,865,404
Improvements and Equipment:		
Leasehold improvements	91,992	91,992
Office furniture and equipment	130,494	130,494
	222,486	222,486
Less accumulated depreciation	171,312	138,757
	51,174	83,729
 Total assets	 \$ 3,436,095	 \$ 2,960,497

See Notes to Financial Statements.

LIABILITIES AND NET ASSETS	2021	2020
Current Liabilities:		
Accounts payable	\$ 1,783	\$ 3,561
Custody accounts payable	8,410	7,427
Accrued expenses	44,243	50,273
Deferred grant revenue	4,786	23,119
Designations payable	98,731	82,883
Current portion of long-term debt	-	45,475
Total current liabilities	157,953	212,738
Long-term debt, less current portion	-	57,925
Total liabilities	157,953	270,663
Net Assets:		
Without donor restrictions:		
Undesignated	1,387,436	884,983
Board designated, operating reserve	515,000	515,000
Board designated, partner agency reserve	245,000	320,000
Board designated, capital additions	-	965
Board designated, DMACC HiSET Program	7,370	7,895
	2,154,806	1,728,843
With donor restrictions:		
Perpetual in nature	977,662	757,523
Purpose restrictions	145,674	203,468
	1,123,336	960,991
Total net assets	3,278,142	2,689,834
Total liabilities and net assets	\$ 3,436,095	\$ 2,960,497

UNITED WAY OF STORY COUNTY, INC.

STATEMENT OF ACTIVITIES
For the Year Ended June 30, 2021

	Without Donor Restrictions	With Donor Restrictions	Total
Support and Revenue:			
Public support:			
Contributions and donations	\$ 1,852,616	\$ 176,744	\$ 2,029,360
Donated materials/services	45,906	2,965	48,871
Grants	182,142	8,500	190,642
Payroll protection program grant	206,898	-	206,898
Miscellaneous	29,241	-	29,241
Total public support	2,316,803	188,209	2,505,012
Revenue:			
Interest and dividend income, net of expense	22,945	12,324	35,269
Realized gain on investments	27,618	48,720	76,338
Unrealized gain on investments	76,848	151,835	228,683
Total public support and revenue	2,444,214	401,088	2,845,302
Net Assets Released from Restrictions:			
Expended in accordance with donors' restrictions	238,743	(238,743)	-
Expenses:			
Program services:			
Community betterment	650,521	-	650,521
Supporting services:			
Management and general	101,422	-	101,422
Fundraising	197,008	-	197,008
Total expenses	948,951	-	948,951
Change in net assets before distributions	1,734,006	162,345	1,896,351
Distributions:			
Disbursements to other agencies	(1,308,043)	-	(1,308,043)
Change in net assets	425,963	162,345	588,308
Net assets, beginning of year	1,728,843	960,991	2,689,834
Net assets, end of year	\$ 2,154,806	\$ 1,123,336	\$ 3,278,142

See Notes to Financial Statements.

UNITED WAY OF STORY COUNTY, INC.

**STATEMENT OF ACTIVITIES
For the Year Ended June 30, 2020**

	Without Donor Restrictions	With Donor Restrictions	Total
Support and Revenue:			
Public support:			
Contributions and donations	\$ 1,907,556	\$ 248,827	\$ 2,156,383
Donated materials/services	76,858	6,475	83,333
Grants	329,613	12,000	341,613
Miscellaneous	20,150	1,941	22,091
Total public support	2,334,177	269,243	2,603,420
Revenue:			
Interest and dividend income, net of expense	31,767	12,485	44,252
Realized gain on investments	944	5,162	6,106
Unrealized (loss) on investments	(5,243)	(174)	(5,417)
Total public support and revenue	2,361,645	286,716	2,648,361
Net Assets Released from Restrictions:			
Expended in accordance with donors' restrictions	168,569	(168,569)	-
Expenses:			
Program services:			
Community betterment	713,806	-	713,806
Supporting services:			
Management and general	104,457	-	104,457
Fundraising	241,473	-	241,473
Total expenses	1,059,736	-	1,059,736
Change in net assets before distributions	1,470,478	118,147	1,588,625
Distributions:			
Disbursements to other agencies	(1,567,633)	-	(1,567,633)
Change in net assets	(97,155)	118,147	20,992
Net assets, beginning of year	1,825,998	842,844	2,668,842
Net assets, end of year	\$ 1,728,843	\$ 960,991	\$ 2,689,834

See Notes to Financial Statements.

UNITED WAY OF STORY COUNTY, INC.

**STATEMENT OF FUNCTIONAL EXPENSES
For the Year Ended June 30, 2021**

	Program Services	Supporting Services		Total Expense
	Community Betterment	Management and General	Fundraising	
Salaries	\$ 282,926	\$ 69,093	\$ 120,775	\$ 472,794
Payroll taxes	22,064	5,380	9,420	36,864
Professional fees	-	6,340	-	6,340
Supplies	7,077	597	853	8,527
Telephone	6,465	545	779	7,789
Postage	1,927	163	232	2,322
Reference publications	424	36	51	511
Employee benefits	8,069	2,804	3,488	14,361
Service, repairs and small equipment	27,119	2,287	3,267	32,673
Insurance	35,229	2,971	4,244	42,444
Office space rent	15,069	1,271	1,816	18,156
Conferences and training	2,988	252	360	3,600
Transportation	651	55	78	784
Utilities	2,165	183	261	2,609
Dues	32,508	2,742	3,917	39,167
Depreciation	27,021	2,278	3,256	32,555
Provision for doubtful accounts	21,150	-	21,150	42,300
Contract services	115,476	1,395	-	116,871
Marketing/advertising	-	-	4,037	4,037
Campaign	-	-	4,003	4,003
Golf event	404	-	3,633	4,037
Miscellaneous	41,789	3,030	11,388	56,207
	\$ 650,521	\$ 101,422	\$ 197,008	\$ 948,951

See Notes to Financial Statements.

UNITED WAY OF STORY COUNTY, INC.

**STATEMENT OF FUNCTIONAL EXPENSES
For the Year Ended June 30, 2020**

	Program Services	Supporting Services		Total Expense
	Community Betterment	Management and General	Fundraising	
Salaries	\$ 277,866	\$ 74,253	\$ 141,658	\$ 493,777
Payroll taxes	20,205	5,383	10,271	35,859
Professional fees	-	6,391	-	6,391
Supplies	8,613	726	1,038	10,377
Telephone	6,850	578	825	8,253
Postage	3,673	310	443	4,426
Reference publications	382	32	46	460
Employee benefits	6,612	3,007	3,342	12,961
Service, repairs and small equipment	25,173	2,123	3,033	30,329
Insurance	23,763	2,004	2,863	28,630
Office space rent	21,422	1,807	2,581	25,810
Conferences and training	2,741	231	330	3,302
Transportation	3,003	253	362	3,618
Utilities	2,662	224	321	3,207
Dues	23,946	2,020	2,885	28,851
Depreciation	26,388	2,226	3,179	31,793
Provision for doubtful accounts	31,392	-	31,392	62,784
Contract services	152,379	1,495	-	153,874
Marketing/advertising	14,527	-	13,177	27,704
Campaign	-	-	10,853	10,853
Golf event	1,029	-	9,261	10,290
Miscellaneous	61,180	1,394	3,613	66,187
	\$ 713,806	\$ 104,457	\$ 241,473	\$ 1,059,736

See Notes to Financial Statements.

UNITED WAY OF STORY COUNTY, INC.

STATEMENTS OF CASH FLOWS

Years Ended June 30, 2021 and 2020

	2021	2020
Cash Flows from Operating Activities		
Change in net assets	\$ 588,308	\$ 20,992
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	32,555	31,793
Realized (gain) on investments	(76,338)	(6,106)
Unrealized (gain) loss on investments	(228,683)	5,417
Provision for doubtful accounts	42,300	62,784
Loss on disposal of improvements and equipment	-	85
Payroll protection program loan forgiveness	(103,400)	-
Effect of changes in:		
Contributions receivable	(55,404)	(4,804)
Interest receivable	(1,638)	-
Prepaid expenses	(11,111)	501
Accounts payable	(1,778)	580
Custody accounts payable	983	(535)
Accrued expenses	(6,030)	13,457
Deferred grant revenue	(18,333)	15,639
Designations payable	15,848	(14,257)
Net cash provided by operating activities	177,279	125,546
Cash Flows from Investing Activities		
Purchase of assets held by a Community Foundation	(253,846)	(186,213)
Proceeds from sale of assets held by a Community Foundation	48,026	41,965
Purchase of certificates of deposit and annuities	(213,261)	(458,152)
Proceeds from certificates of deposit and annuities	432,524	365,687
Purchase of improvements and equipment	-	(7,471)
Net cash provided by (used in) investing activities	13,443	(244,184)

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UNITED WAY OF STORY COUNTY, INC.

STATEMENTS OF CASH FLOWS (CONTINUED)
Years Ended June 30, 2021 and 2020

	2021	2020
Cash Flows from Financing Activities		
Proceeds from long-term debt	<u>\$ -</u>	<u>\$ 103,400</u>
Net cash provided by financing activities	<u>-</u>	<u>103,400</u>
Net increase (decrease) in cash	190,722	(15,238)
Cash:		
Beginning	<u>519,473</u>	534,711
Ending	<u><u>\$ 710,195</u></u>	<u>\$ 519,473</u>
Supplemental Disclosures of Cash Flow Information:		
Non-cash financing activities:		
Payroll protection program loan forgiveness	<u><u>\$ 103,400</u></u>	<u>\$ -</u>

See Notes to Financial Statements.

UNITED WAY OF STORY COUNTY, INC.

NOTES TO FINANCIAL STATEMENTS

Note 1. Nature of Activity and Significant Accounting Policies

Nature of activity: The United Way of Story County, Inc. is a nonprofit organization (the Organization) organized under the provisions of Chapter 504 of the Code of Iowa. The objective of the Organization is the federation of the health, youth and welfare agencies of Story County. Participating agencies are to give maximum service in the way of community betterment, leaving to each of the agencies its separate organization and management of affairs.

A summary of the Organization's significant accounting policies follows:

Use of estimates: The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America 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 statement of financial position and the reported amounts of revenues and expenses during the reporting year. Actual results could differ from those estimates.

Contributions receivable: Contributions are recognized when the donor makes a promise to give to the Organization that is, in substance, unconditional. Contributions that are restricted by the donor are reported as increases in net assets with donor restrictions, depending on the nature of the restrictions. When a restriction expires, net assets with donor restrictions are reclassified to be net assets without donor restrictions.

The Organization uses the allowance method to determine uncollectible contributions receivable. The allowance is based on prior years' experience and management's analysis of specific promises made.

Investments: Investments consist of certificates of deposit and annuities reported at cost, which approximates market value. Beneficial interest in assets held by a Community Foundation consist of assets managed by the Community Foundation of Greater Des Moines and consist of investments in both a long-term growth portfolio and indexed growth portfolio. Beneficial interest in assets held by a Community Foundation are reported at fair value as determined using quoted market prices. Investment income or loss is included in the statement of activities as increases or decreases in net assets without donor restrictions unless the income or loss is restricted by donor or law.

Improvements and equipment: Improvements and equipment acquisitions are recorded at cost using a capitalization policy of \$5,000. Donated improvements and equipment are recorded at fair market value at the time of the donation. Depreciation is computed using the straight-line method over the estimated useful lives of 3 – 5 years for equipment and 5 – 9 years for improvements.

Custody accounts payable: Custody accounts payable represents accounts and programs in which the United Way acts as a fiscal agent.

Designations payable: Designations payable represents those amounts that the donor and board specified to be disbursed to a specific party. Those disbursements are classified on the statement of activities as disbursements to other agencies.

NOTES TO FINANCIAL STATEMENTS

Note 1. Nature of Activity and Significant Accounting Policies (Continued)

Significant accounting policies (continued):

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

Net assets without donor restrictions – Net assets available for use in general operations and not subject to donor (or certain grantor) restrictions. The governing board has designated, from net assets without donor restrictions, net assets for an operating reserve, partner agency reserve, capital additions, and DMACC HiSET program.

Net assets with donor restrictions – Net assets subject to donor- (or certain grantor-) imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. The Organization reports contributions restricted by donors as increases in net assets without donor restrictions if the restrictions expire (that is, when a stipulated time restriction ends or purpose restriction is accomplished) in the reporting period in which the revenue is recognized. All other donor-restricted contributions are reported as increases in net assets with donor restrictions, depending on the nature of the restrictions. When a restriction expires, 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.

Revenue and revenue recognition: Revenue is recognized when earned. Grants under cost-reimbursable contracts received in advance are deferred to the applicable period in which the related expenditures are incurred, respectively. Contributions are recognized when cash, securities or other assets, an unconditional promise to give, or notification of a beneficial interest is received. Conditional promises to give are not recognized until the conditions on which they depend have been substantially met.

Donated services and materials: The Organization recognizes donated services and materials as in-kind revenues at the time the services and materials are received. These in-kind contributions and the corresponding expenses are valued at their fair market value as estimated by management and/or donors and recognized in the financial statements. For the year ended June 30, 2021, the in-kind contribution for advertising provided by the National Football League/United Way Worldwide to United Way of Story County, Inc. has not been determined and is excluded from the advertising amount below.

The value of donated services and materials included in the financial statements for the years ended June 30, 2021 and 2020 follows:

	2021	2020
Advertising	\$ -	\$ 15,722
Golf event	4,037	10,290
Other	44,834	57,321
	<u>\$ 48,871</u>	<u>\$ 83,333</u>

In addition, the Organization receives a significant amount of donated services from unpaid volunteers who assist in fundraising and special projects. No amounts have been recognized in the statement of activities because the criteria for recognition under generally accepted accounting principles have not been satisfied.

NOTES TO FINANCIAL STATEMENTS

Note 1. Nature of Activity and Significant Accounting Policies (Continued)

Significant accounting policies (continued):

Advertising: The Organization expenses advertising costs as incurred. Total marketing and advertising expense was \$4,037 and \$27,704 for the years ended June 30, 2021 and 2020, respectively.

Functional allocation of expenses: The costs of programs and supporting services activities have been summarized on a functional basis in the statement of activities. The statements of functional expenses present the natural classification detail of expenses by function. According, certain costs have been allocated among the programs and supporting services benefited.

Subsequent events: Subsequent events have been evaluated through September 13, 2021, which is the date the financial statements were available to be issued. Events occurring after that date have not been evaluated to determine whether a change in the financial statements would be required.

Note 2. Liquidity and Availability

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

	2021	2020
Cash	\$ 710,195	\$ 519,473
Contributions receivable	498,892	485,788
Certificates of deposit	406,116	630,698
Beneficial interest in assets held by a community foundation	591,583	300,879
	<u>\$ 2,206,786</u>	<u>\$ 1,936,838</u>

The Organization's endowment funds consist of donor-restricted endowments. Income from donor-restricted endowments is restricted for specific purposes, with the exception of the amounts available for general use. Donor-restricted endowment funds are not available for general expenditure.

As part of the Organization's liquidity management plan, cash in excess of daily requirements is invested in money market accounts, certificates of deposit, annuities and funds maintained by the Community Foundation of Greater Des Moines. The Board designates a portion of its operating surplus to an operating reserve, partner agency reserve and DMACC HiSET Program, which was \$515,000, \$245,000 and \$7,370, respectively at June 30, 2021.

NOTES TO FINANCIAL STATEMENTS

Note 3. Investments

Investments are stated at fair value and are summarized as follows:

	June 30, 2021			June 30, 2020		
	Cost or Donated Value	Fair Value	Unrealized Appreciation	Cost or Donated Value	Fair Value	Unrealized Appreciation
Certificates of deposit and annuities	\$ 587,738	\$ 587,738	\$ -	\$ 807,001	\$ 807,001	\$ -
Beneficial interest in assets held by a Community Foundation	1,245,929	1,569,244	323,315	963,770	1,058,403	94,633
	\$ 1,833,667	\$ 2,156,982	\$ 323,315	\$ 1,770,771	\$ 1,865,404	\$ 94,633

FASB Accounting Standards Codification 820, *Fair Value Measurements and Disclosures*, establishes a three-tier fair value hierarchy, which categorizes the inputs used in measuring fair value. These categories include:

Level 1, defined as unadjusted quoted prices in active markets accessible at the measurement date for identical, unrestricted assets or liabilities;

Level 2, defined as inputs other than quoted prices in active markets that are either directly or indirectly observable; and

Level 3, defined as unobservable inputs in which little or no market data exists, therefore requiring an entity to develop its own assumptions.

The asset'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.

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

Certificates of deposit and annuities – Amounts reported for these instruments are stated at fair value using quoted prices of assets with similar characteristics in active markets.

Beneficial interest in assets held by a Community Foundation – These investments are valued at the pro-rata share of the Community Foundation's investment portfolio. This diversified portfolio of global stocks, fixed income and alternative investments through indexed funds is allocated approximately 70% equity and 30% fixed income and alternative investments. The unobservable inputs are the underlying assets in the Community Foundation and follow their investment policy.

NOTES TO FINANCIAL STATEMENTS

Note 3. Investments (Continued)

	Investments at Fair Value as of June 30,					
	2021			2020		
	Level 2	Level 3	Total	Level 2	Level 3	Total
Certificates of deposit and annuities	\$ 587,738	\$ -	\$ 587,738	\$ 807,001	\$ -	\$ 807,001
Beneficial interest in assets held by a Community Foundation	-	1,569,244	1,569,244	-	1,058,403	1,058,403
	<u>\$ 587,738</u>	<u>\$ 1,569,244</u>	<u>\$ 2,156,982</u>	<u>\$ 807,001</u>	<u>\$ 1,058,403</u>	<u>\$ 1,865,404</u>

The following is a reconciliation of the beginning and ending balances of assets measured at fair value on a recurring basis using significant unobservable (Level 3) inputs during the years ended June 30, 2021 and 2020:

	Beneficial Interest in Assets Held by a Community Foundation	
	2021	2020
Beginning balance	\$ 1,058,403	\$ 913,466
Contributions	85,533	162,152
Transfers	140,943	-
Investment income	322,982	24,750
Distributions	(38,617)	(41,965)
Ending balance	\$ 1,569,244	\$ 1,058,403

Note 4. Long-Term Debt

Long-term debt consists of the following as of June 30, 2021 and 2020:

Lender	Collateral	Interest Rate	Balance		Repayment Requirement
			June 30, 2021	June 30, 2020	
Bank	Unsecured	1.000%	\$ -	\$ 103,400	\$5,819/mo., including interest through April 2022, when all unpaid principal and interest is due. Loan is forgivable if certain payroll and workforce provisions are met.
			-	103,400	
	Current maturities		-	(45,475)	
			<u>\$ -</u>	<u>\$ 57,925</u>	

NOTES TO FINANCIAL STATEMENTS

Note 5. Leases

The Organization leases office space and equipment under operating leases expiring through 2025. Minimum future rental payments under noncancelable operating leases as of June 30, 2021 are as follows:

<u>Years ending June 30,</u>	
2022	\$ 26,696
2023	26,696
2024	26,696
2025	17,849
	<hr/>
	\$ 97,937

Lease expense under all operating leases for the years ended June 30, 2021 and 2020 totaled \$23,750 and \$25,427, respectively.

Note 6. Tax Status

The United Way of Story County, Inc. is exempt from federal and state income taxes under Section 501(c)(3) of the Internal Revenue Code and has been classified as an organization that is not a private foundation under Section 509(a)(2) of the Internal Revenue Code.

Note 7. Retirement Plan

The Organization has established a salary deferral plan under Section 401(k) of the Internal Revenue Code. The plan allows eligible employees the option to defer a portion of their compensation on a tax deferred basis or contribute to a non-tax deferred Roth. The Organization is required to match up to 3% of an eligible employee's wages. To be eligible for the plan, an employee must be with the Organization for one year and have completed at least 1,000 hours of service. The Organization's matching contribution amounted to \$14,361 and \$12,961 for the years ended June 30, 2021 and 2020, respectively.

Note 8. Board Designated Restrictions

The Organization has designated funds within the net assets without donor restrictions class. The purpose of these designations follows:

Operating reserve: This fund was established for the purpose of having the budget equivalent of six months operating monies available if needed. The amount in the fund is determined by the Board on an annual basis.

Partner agency reserve: This fund was established for the purpose of having the budget equivalent of three months of partner agency monies available if needed. The amount in the fund is determined by the Board on an annual basis.

NOTES TO FINANCIAL STATEMENTS

Note 8. Board Designated Restrictions (Continued)

Capital additions: This fund was established to designate money for future capital additions. The amount in the fund is determined by the Board on an annual basis.

DMACC HiSET Program: This fund was established to provide scholarships for students dual enrolled in the HiSET/Certification program offered through DMACC at the Hunziker campus in Ames.

Note 9. Endowments

The Organization's endowments consist of the United Way of Story County Endow Iowa Fund and the Frankee Oleson Women United Endowment Fund established as funding sources toward making and administering community investments.

As of June 30, 2021 and 2020, the composition of with donor restricted net assets follows:

2021			
	United Way of Story County Endow Iowa Fund	Frankee Oleson Women United Endowment Fund	Total
Original donor restricted gift amount required to be maintained in perpetuity	\$ 735,694	\$ 24,950	\$ 760,644
Accumulated investment gains	199,990	17,028	217,018
	\$ 935,684	\$ 41,978	\$ 977,662
2020			
	United Way of Story County Endow Iowa Fund	Frankee Oleson Women United Endowment Fund	Total
Original donor restricted gift amount required to be maintained in perpetuity	\$ 690,067	\$ 24,700	\$ 714,767
Accumulated investment gains	34,541	8,215	42,756
	\$ 724,608	\$ 32,915	\$ 757,523

The Organization has invested the endowed funds with the Community Foundation of Greater Des Moines and is subject to the investment strategy within the long-term growth portfolio and indexed growth portfolio. The Organization uses an endowment spending-rate formula to determine the maximum amount to spend from the endowment, including those endowments deemed to be underwater, each year. The Organization generally limits appropriations to five percent of the three-year fund value average.

NOTES TO FINANCIAL STATEMENTS

Note 9. Endowments (Continued)

Changes in endowment net assets for the years ended June 30, 2021 and 2020 are as follows:

2021			
	United Way of Story County Endow Iowa Fund	Frankee Oleson Women United Endowment Fund	Total
Endowment net assets, beginning of year	\$ 724,608	\$ 32,915	\$ 757,523
Contributions	45,627	250	45,877
Investment return, net	204,066	8,813	212,879
Appropriation of endowment assets pursuant to spending-rate policy	(38,617)	-	(38,617)
Endowment net assets, end of year	<u>\$ 935,684</u>	<u>\$ 41,978</u>	<u>\$ 977,662</u>

2020			
	United Way of Story County Endow Iowa Fund	Frankee Oleson Women United Endowment Fund	Total
Endowment net assets, beginning of year	\$ 691,195	\$ 33,136	\$ 724,331
Contributions	50,182	-	50,182
Investment return, net	17,694	(221)	17,473
Appropriation of endowment assets pursuant to spending-rate policy	(34,463)	-	(34,463)
Endowment net assets, end of year	<u>\$ 724,608</u>	<u>\$ 32,915</u>	<u>\$ 757,523</u>

NOTES TO FINANCIAL STATEMENTS

Note 10. Net Assets with Donor Restrictions

Net assets with donor restrictions are restricted for the following purposes or periods:

	2021	2020
Subject to expenditure for specific purpose:		
Women United	\$ 142,117	\$ 131,956
COVID-19	935	45,503
Food Drive	2,622	26,009
Endowments:		
Subject to endowment spending policy and appropriation:		
Community investment	<u>977,662</u>	<u>757,523</u>
Endowment net assets, end of year	<u>\$ 1,123,336</u>	<u>\$ 960,991</u>

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

	2021	2020
Satisfaction of purpose restrictions:		
Women United	\$ 67,014	\$ 65,967
COVID-19	87,886	50,818
Food Drive	45,226	17,321
Restricted purpose spending-rate distributions and appropriations:		
Community investment	<u>38,617</u>	<u>34,463</u>
Endowment net assets, end of year	<u>\$ 238,743</u>	<u>\$ 168,569</u>

Note 11. Functional Expenses

The financial statements report certain categories of expenses that are attributed to more than one program or supporting function. Therefore, expenses require allocation on a reasonable basis that is consistently applied. The expenses that are allocated are reflected in the statement of functional expenses. Salaries, payroll taxes and employee benefits are allocated on the basis of estimates of time and effort. All remaining expenses are allocated by specific identification of costs and historical allocation percentages.

Note 12. Significant Uncertainties

In March 2020, the World Health Organization declared the outbreak of a novel coronavirus (COVID-19) as a pandemic which continues to spread throughout the United States. Actions taken around the world to help mitigate the spread of COVID-19 include restrictions on travel, quarantines in certain areas, and forced closures for certain types of public places and businesses. It is unknown how long the adverse conditions associated with COVID-19 will last and what the complete financial effect will be to the Organization.