

**UNITED WAY OF LARAMIE COUNTY and
UNITED WAY OF LARAMIE COUNTY FOUNDATION**

**CONSOLIDATED FINANCIAL STATEMENTS AND
INDEPENDENT AUDITORS' REPORT**

For the Year Ended December 31, 2021

UNITED WAY OF LARAMIE COUNTY

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors of
United Way of Laramie County
Cheyenne, Wyoming

Opinion

We have audited the accompanying consolidated financial statements of United Way of Laramie County (a nonprofit organization) and United Way of Laramie County Foundation (a nonprofit organization), collectively "the Organization", which comprise the consolidated statement of financial position as of December 31, 2021, and the related consolidated statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the consolidated financial statements.

In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Organization 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.

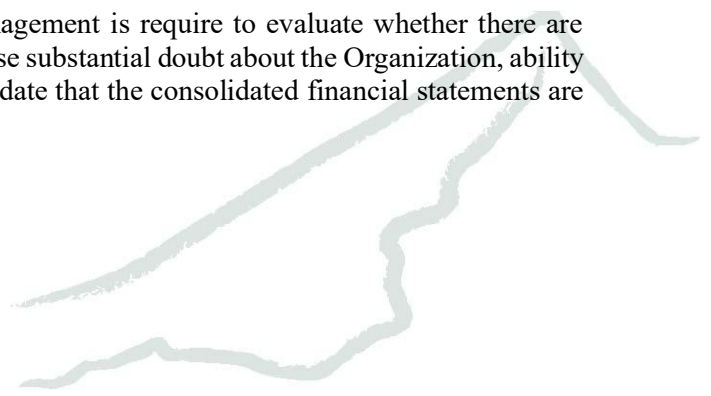
Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America, as established by the Auditing Standards Board. 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 the Organization 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 Consolidated Financial Statements

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

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



Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated 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 generally accepted auditing standards 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, including omissions, are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgement made by a reasonable user based on the consolidated financial statements.

In performing an audit in accordance with generally accepted auditing standards, as promulgated by the Auditing Standards Board, a division of the American Institute of Certified Public Accountants (AICPA), we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the consolidated 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 consolidated 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 the Organization'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 consolidated financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Organization'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.



Cheyenne, Wyoming

July 20, 2022

**UNITED WAY OF LARAMIE COUNTY and
UNITED WAY OF LARAMIE COUNTY FOUNDATION
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
December 31, 2021**

	2021
ASSETS	
Current Assets	
Cash and cash equivalents	\$ 447,910
Other receivables	11,250
Pledges receivable, net (Note 2)	160,624
Prepaid expenses	3,546
Donated rent receivable, net of discounts, current portion (Note 2)	8,935
Total current assets	632,265
Non-Current Assets	
Security deposit	2,748
Cash surrender value of life insurance (Note 11)	83,537
Donated rent receivable, net of discounts and current portion (Note 2)	17,738
Property and equipment, net of accumulated depreciation (Note 9)	68,387
Total non-current assets	172,410
Total assets	\$ 804,675
LIABILITIES	
Current Liabilities	
Accounts payable	\$ 35,826
Designations and distributions payable (Note 8)	415,878
Deferred revenue	64,885
Accrued expenses, current portion	9,258
Total current liabilities	525,847
Non-Current Liabilities	
Accrued expenses, net of current portion (Note 11)	100,000
Total non-current liabilities	100,000
Total liabilities	625,847
NET ASSETS	
Net assets without donor restrictions	174,041
Net assets with donor restrictions (Note 7)	4,787
Total net assets	178,828
Total liabilities and net assets	\$ 804,675

See accompanying notes to the consolidated financial statements.

**UNITED WAY OF LARAMIE COUNTY and
UNITED WAY OF LARAMIE COUNTY FOUNDATION**

CONSOLIDATED STATEMENT OF ACTIVITIES

For the Year Ended December 31, 2021

	Without Donor Restrictions	With Donor Restrictions	Total
Public support and revenue			
Gross public support	\$ 497,845	\$ -	\$ 497,845
Donor contributions for specific organizations	(10,442)	-	(10,442)
Adjustment of provision for uncollectible pledges	(55,823)	-	(55,823)
Net campaign revenue	431,580	-	431,580
Other revenue			
Investment income	1,941	-	1,941
Grants and contracts	76,999	-	76,999
COVID-19 relief funding (Note 6)	125,015	-	125,015
Other income	52,311	-	52,311
5th penny overage	98,762	-	98,762
In-kind income (Note 3)	43,678	-	43,678
Total other revenue	398,706	-	398,706
Total public support and revenue	830,286	-	830,286
Allocations, distributions and expenses			
Funds allocated to the community:			
Gross funds awarded	441,162	-	441,162
Less amounts designated by donors for specific organizations	(10,442)	-	(10,442)
Total funds allocated to the community	430,720	-	430,720
Program services			
Community investment	269,362	-	269,362
Total program services	269,362	-	269,362
Supporting services			
Organizational administration	80,564	-	80,564
Fundraising	141,739	-	141,739
United Way Worldwide dues	13,200	-	13,200
Total supporting services	235,503	-	235,503
Total allocations, distributions and expenses	935,585	-	935,585
Change in net assets	(105,299)	-	(105,299)
Net assets, beginning of year	279,340	4,787	284,127
Net assets, end of year	<u>\$ 174,041</u>	<u>\$ 4,787</u>	<u>\$ 178,828</u>

See accompanying notes to the consolidated financial statements.

**UNITED WAY OF LARAMIE COUNTY and
UNITED WAY OF LARAMIE COUNTY FOUNDATION
CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES
For the Year Ended December 31, 2021**

	Funds Allocated to the Community	Community Investment	Organizational Administration	Fund Raising	United Way Worldwide Dues	Total
Funds allocated to the community	\$ 430,720	\$ -	\$ -	\$ -	\$ -	\$ 430,720
United Way Worldwide dues	-	-	-	-	13,200	13,200
Credit card fees	-	-	-	732	-	732
Depreciation	-	10,313	2,898	5,448	-	18,659
Dues and fees	-	-	1,173	-	-	1,173
Equipment maintenance	-	4,102	1,151	3,614	-	8,867
Events	-	-	-	1,454	-	1,454
Insurance	-	225	63	119	-	407
Marketing	-	-	-	13,862	-	13,862
Miscellaneous	-	1,762	495	931	-	3,188
Payroll taxes and benefits	-	39,549	9,505	17,883	-	66,937
Postage	-	-	124	4,118	-	4,242
Printing	-	-	97	5,545	-	5,642
Professional fees	-	-	16,719	-	-	16,719
Rent, net	-	23,431	6,580	12,376	-	42,387
Salaries and wages	-	185,579	38,122	71,704	-	295,405
Software	-	3,348	1,993	2,943	-	8,284
Supplies	-	-	988	37	-	1,025
Telephone	-	1,053	656	973	-	2,682
Total expenses	\$ 430,720	\$ 269,362	\$ 80,564	\$ 141,739	\$ 13,200	\$ 935,585

See accompanying notes to the consolidated financial statements.

**UNITED WAY OF LARAMIE COUNTY and
UNITED WAY OF LARAMIE COUNTY FOUNDATION
CONSOLIDATED STATEMENT OF CASH FLOWS
For the Year Ended December 31, 2021**

	2021
Cash flows from operating activities:	
Change in net assets	\$ (105,299)
Adjustments to reconcile change in net assets to net cash (used) by operating activities:	
Depreciation	18,659
Decrease in pledges receivable and donated rent receivable	135,772
Decrease in other receivables	96,512
Decrease in prepaid expenses	2,277
(Increase) in cash surrender value of life insurance	(11,910)
(Decrease) in accounts payable	(22,945)
(Decrease) in funds held for others	(5,225)
(Decrease) in designations and distributions payable	(175,115)
(Decrease) in deferred revenue	(36,279)
Increase in accrued expenses	37,175
Net cash (used) by operating activities	(66,378)
Cash flows from investing activities:	
Redemption of certificates of deposits	210,481
Net cash provided by investing activities	210,481
Net increase in cash and cash equivalents	144,103
Cash and cash equivalents, beginning of year	303,807
Cash and cash equivalents, end of year	\$ 447,910
Non-cash items	
Donation of materials, facilities and services - operating activities	\$ 43,678

See accompanying notes to the consolidated financial statements.

**UNITED WAY OF LARAMIE COUNTY and
UNITED WAY OF LARAMIE COUNTY FOUNDATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
December 31, 2021**

Note 1. Organization Operations and Significant Accounting Policies

Organization Operations

United Way of Laramie County (United Way) (a non-profit organization) was organized for the purpose of uniting and organizing fund-raising campaigns in Laramie County by voluntary, non-profit, charitable, health and welfare organizations and to provide fair, equitable and efficient allocations of the funds collected to the purposes for which such funds were given.

United Way of Laramie County plays a unique role as both a community resource and a non-profit sector leader that builds trust and transparency throughout the community. By uniting people with resources to solve defined problems and improve their quality of life, United Way advances the common good by improving education, helping people achieve financial stability, and promoting healthy lives throughout the community.

The majority of United Way's funds are public support from the campaign and in-kind donations.

United Way of Laramie County Foundation (the Foundation) is a non-profit corporation organized under the laws of the State of Wyoming. The purpose of the Foundation is to provide additional resources to enhance the ability of United Way of Laramie County to assist individuals in Laramie County through community programs focused on its mission. The Foundation encourages and grows resources to support the future sustainability of United Way of Laramie County through a variety of giving opportunities.

Principles of Consolidation and Change in Reporting Entity

During the year ended December 31, 2021, the Foundation was established to be operated, managed, and governed by United Way management and the board of directors. United Way has determined that consolidation of the Foundation is required in accordance with Accounting Standards Codification (ASC) 810-10-25, *Consolidation of Variable Interest Entities*. The consolidated financial statements include the accounts of United Way and the Foundation (collectively the Organization). All material intercompany accounts and transactions have been eliminated in consolidation.

Basis of Presentation

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America.

Net assets of the Organization and changes therein are classified and reported as follows:

Net Assets Without Donor Restrictions – Net assets that are not subject to donor-imposed restrictions.

Net Assets With Donor Restrictions – Net assets subject to donor-imposed restrictions that will be met either by actions of the Organization and/or the passage of time. There was \$4,787 of net assets with donor restrictions as of December 31, 2021.

Revenues are reported as increases in net assets without donor restrictions unless use of the related assets is limited by donor-imposed restrictions. Expenses are reported as decreases in net assets without donor restrictions. Gains and losses on assets or liabilities are reported as increases or decreases in net assets without donor restrictions unless their use is restricted by explicit donor stipulation or by law. Expirations of donor restrictions on net assets (i.e., the donor-imposed purpose has been fulfilled and/or the stipulated time period has elapsed) are reported as net assets released from donor restrictions.

Cash and Cash Equivalents

For purposes of financial statement presentation, the Organization considers all investments with an original maturity of three months or less from the time of purchase to be cash equivalents.

**UNITED WAY OF LARAMIE COUNTY and
UNITED WAY OF LARAMIE COUNTY FOUNDATION**
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
December 31, 2021

Note 1. Organization Operations and Significant Accounting Policies (continued)

Cash and Cash Equivalents (continued)

The Organization maintains its cash balances at several financial institutions which, at times, may exceed federally insured limits. The Organization has not experienced any losses in these accounts and believes it is not exposed to any significant credit risk on cash accounts.

Contributions

Contributions received and unconditional promises to give are measured at fair value and are reported as an increase in net assets. The Organization reports gifts of cash and other assets as restricted support if they are received with donor stipulations that limit the use of the donated assets or if they are designated as support for future periods.

When a donor restriction expires, that is when a stipulated time restriction ends or purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions. Donor-restricted contributions whose restrictions are met in the same reporting period are reported as unrestricted support.

The Organization reports gifts of goods as unrestricted support unless explicit donor stipulations specify how the donated assets must be used. Gifts of long-lived assets with explicit restrictions that specify how the assets are to be used and gifts of cash and other assets that must be used to acquire long-lived assets are reported as restricted support. Absent explicit donor stipulations about how long long-lived assets must be maintained, the Organization reports expirations of donor restrictions when the donated or acquired long-lived assets are placed in service.

In accordance with ASC 958-605, when a donor specifically designates an organization other than the Organization to receive his or her campaign contribution, the Organization is not permitted to include these designated pledges in campaign revenue. Designated pledges are deducted from gross campaign results on the statement of activities to arrive at net campaign revenue.

Donated Services

Contributions of services are recognized in the financial statements if the services enhance or create non-financial assets or require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation. Volunteer services are not recorded in the financial statements as these contributions do not meet the requirements to be recorded as revenue and expense.

Property and Equipment

Property and equipment is carried at cost. Repairs and maintenance, which neither materially add to the value of the property nor appreciably prolong its life, are charged to expense as incurred. Gains or losses on dispositions of property and equipment are included in income. Donated equipment is recorded as a contribution at its estimated fair value at the date of donation.

Depreciation and amortization of property and equipment are provided on the straight-line method over the following estimated useful lives:

Equipment	5 – 7 years
Software	3 – 4 years
Leasehold improvements	10 years

**UNITED WAY OF LARAMIE COUNTY and
UNITED WAY OF LARAMIE COUNTY FOUNDATION**
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
December 31, 2021

Note 1. Organization Operations and Significant Accounting Policies (continued)

Accounts and Pledges Receivable

The Organization considers accounts receivable to be fully collectible; accordingly, no allowance for doubtful accounts has been established. Pledges receivable represent pledges made by donors which have not yet been received in cash. The Organization estimates the amounts of pledges which will not be paid by donors and provides a collection allowance for uncollectible pledges. Factors which impact the allowance for uncollectible pledges include historical collection experience, local economic conditions, and various attributes pertaining to the donor base.

Deferred Revenue

The Organization considers payments received on grant agreements, conditional contributions, and service contracts in advance of the services being performed or conditions being satisfied to be deferred revenue. Revenue relating to grant agreements and service contracts is recognized as the terms of the agreements are met or as services outlined in contracts are performed. There was \$64,885 in deferred revenue as of December 31, 2021.

Income Taxes

The Organization is a nonprofit corporation and qualifies as a tax-exempt organization under Section 501(c)(3) of the Internal Revenue Code. Accordingly, no provision is made in these financial statements for income taxes.

The Organization has adopted the recognition requirements for uncertainty in income taxes as required by ASC 740-10. The standard prescribes a comprehensive model for how an organization should recognize, measure, present and disclose in the financial statements uncertainty in income taxes of the organization. The Organization's income tax filings are subject to audit by various taxing authorities.

In evaluating the Organization's tax provisions and accruals, interpretations and tax planning strategies are considered. The Organization believes their estimates are appropriate based on current facts and circumstances and has not recorded any reserves or related accruals for interest and penalties for uncertainty in income taxes at December 31, 2021.

Fair Value

Fair value is the price that would be received from the sale of an asset or settlement of a liability in an orderly transaction between market participants at the measurement date. When determining the fair value measurements for assets and liabilities which are required to be recorded at fair value, the Organization considers the principal or most advantageous market in which a hypothetical sale or transfer would take place and consider assumptions that market participants would use when pricing the asset or liability, such as inherent risk, transfer restrictions, and risk of non-performance.

The fair value hierarchy is made up of three levels of inputs which may be used to measure fair value: Level 1—observable inputs such as quoted prices for identical instruments in active markets; Level 2—observable inputs such as quoted prices for similar instruments in active markets, quoted prices for identical or similar instruments in markets that are not active and model derived valuations in which all significant inputs are observable in active markets; and Level 3—unobservable inputs for which there is little or no market data and which require us to develop our own assumptions. The Organization categorizes fair value measurements within the fair value hierarchy based upon the lowest level of the most significant inputs used to determine such fair value measurement.

**UNITED WAY OF LARAMIE COUNTY and
UNITED WAY OF LARAMIE COUNTY FOUNDATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
December 31, 2021**

Note 1. Organization Operations and Significant Accounting Policies (continued)

Functional Allocation of Expenses

The Organization allocates its expenses on a functional basis among its various programs including fundraising activities and support services by estimating the relative attention and effort exerted towards specific functional areas. The allocated expenses include compensation, occupancy, and certain other expenses. Other expenses and support services that can be identified with a specific function are allocated directly according to their natural expenditure classification.

Advertising

Advertising costs are expensed as incurred. Advertising expense for the year ended December 31, 2021 was \$13,862. Included in this amount was in-kind advertising contributions of \$13,561 for the year ended December 31, 2021.

Annual Sponsorships

Annual sponsorships are funds from corporate sponsors to cover fundraising costs and events. Annual sponsorships for year ended December 31, 2021 were \$48,000, and is included in other income on the statement of activities.

Use of Estimates in the Preparation of Financial Statements

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 the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Subsequent Events

Management has evaluated subsequent events through July 20, 2022, the date on which the financial statements were available to be issued.

Note 2. Pledges Receivable and Donated Rent Receivable

Campaign pledges receivable on December 31, 2021 are related to the Fall 2021 campaign.

The donated rent receivable relates to the commitment by the landlord of the leased property, which is a multi-year pledge commitment that began in 2016. The unconditional promise to give due in more than one year is reflected at the present value of estimated future cash flows using a discount rate of 0.48%.

	2021
Campaign pledges:	
Pledges receivable in less than one year	\$ 205,624
Less: allowance for uncollectible pledges	(45,000)
	\$ 160,624
Donated Rent:	
Donated rent receivable in less than one year	\$ 9,200
Donated rent receivable in one year or more	18,400
Less: unamortized discount to present value	(927)
	\$ 26,673

**UNITED WAY OF LARAMIE COUNTY and
UNITED WAY OF LARAMIE COUNTY FOUNDATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
December 31, 2021**

Note 3. Donated Goods and Services

Donated goods and services, such as advertising, special meeting and event space, and printing, are characterized as underwriting sponsorships. Donated goods and services are reported at fair value using Level 3 inputs of the fair value hierarchy. The following in-kind gifts are included in the financial statements:

	2021
Underwriting sponsorships	\$ 30,526
Rent	13,152
	\$ 43,678

Note 4. Pension Plan

The Organization has a defined contribution pension plan, which covers substantially all of its employees. Employees are eligible for participation upon reaching 21 years of age and meeting certain other employment requirements. Effective January 1, 2016, the Organization offers an employer match up to 3% of employee wages. During the year ended December 31, 2021, the Organization’s contributions to the plan totaled \$6,948.

Note 5. Service Contracts

The Organization has a service contract with the Human Services Advisory Council (HSAC), made up of the Laramie County Board of Commissioners, the City of Cheyenne and the Board of Directors of the Organization. The basic purpose of the HSAC is to provide a review and hearing process to assess human service needs and recommend funding priorities for eligible human service agencies. Each entity provides approximately one-third of the financial support to fund staff support for administering the operations of the HSAC. During the year ended December 31, 2021, the Organization paid \$98,762 under the terms of the service agreement. The current agreement will terminate on June 30, 2022.

Note 6. COVID-19 Relief Funding

During the year ended December 31, 2021, The Organization received a loan from the Federal Paycheck Protection Program in the amount of \$69,105. The Act provided initial funds as an unsecured loan agreement that bears interest of 1% per year. The Organization has elected to treat the funds as a conditional contribution in accordance with ASC 958-605, Not-for-Profit Entities: Revenue Recognition and has recognized contribution revenue as the qualifying expenses were incurred. The Organization applied for loan forgiveness in accordance with the terms of the Paycheck Protection Program, which was approved by the Small Business Administration and the financial institution. The forgiven balance of \$69,105 is included on the statement of activities for the year ended December 31, 2021 as COVID-19 relief funding.

During the year ended December 31, 2021, the Organization received a Wyoming State Loan and Investment Community Charitable Relief Program award from Laramie County. The awarded amount of \$55,910 is included on the statement of activities for the year ended December 31, 2021 as COVID-19 relief funding.

Note 7. Net Assets with Donor Restrictions

Net assets in the amount of \$4,787 have donor restrictions for the Emerging Leaders programs as of December 31, 2021.

**UNITED WAY OF LARAMIE COUNTY and
UNITED WAY OF LARAMIE COUNTY FOUNDATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
December 31, 2021**

Note 8. Commitments

The Board of Directors of the Organization has approved future direct agency allocations and training and community development in the following amounts:

	2021
Direct agency allocations	\$ 415,250
Designations payable	628
	\$ 415,878

These commitments are recorded in the statement of financial position as designations and distributions payable.

Note 9. Property and Equipment

Property and equipment consisted of the following at December 31:

	2021
Equipment	\$ 23,205
Software	9,999
Leasehold improvements	171,797
	205,001
Less accumulated depreciation	(136,614)
	\$ 68,387

Note 10. Operating Lease

During the year ended December 31, 2015, the Organization entered into a 10 year lease agreement for office space. The lease commenced on August 1, 2015 and requires monthly payments of \$2,748 through July 2025. Lease expense, net of sublease income, for the year ending December 31, 2021 was \$29,235, and is included in the statement of functional expenses as rent. Included in rent expense on the statement of functional expenses is in-kind rent expense of \$13,152, determined using Level 3 inputs of the fair value hierarchy, for the year ending December 31, 2021.

During the year ended December 31, 2015, the Organization entered into an agreement to sublease office space to a tenant. The sublease commenced on September 1, 2015 and required the tenant to pay the Organization \$440 per month through July 2025. The Organization received \$3,520 in sublease payments in the year ending December 31, 2021, which is netted against rent expense in the statement of functional expenses. During the year ended December 31, 2021, the sublease was terminated by mutual agreement of the Organization and the tenant.

The net future minimum lease payments for the Organization are as follows:

December 31,	Rent to be paid
2022	32,976
2023	32,976
2024	32,976
2025	19,236
	118,164

**UNITED WAY OF LARAMIE COUNTY and
UNITED WAY OF LARAMIE COUNTY FOUNDATION**
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
December 31, 2021

Note 11. Deferred Compensation Agreement

During the year ended December 31, 2013, the Organization entered into a supplemental executive compensation agreement (SECA) with its Executive Director (the Executive). In accordance with the terms of the agreement, the Organization was to pay the Executive a sum of \$125,000 in equal annual installments of \$25,000 beginning in the year ending December 31, 2025, contingent upon the Executive continuing full-time employment with the Organization until reaching the age of 64.

During the year ended December 31, 2021, the Executive's employment with the Organization ended prior to becoming eligible for benefits under the SECA. A new agreement was entered into between the two parties reducing the sum to \$100,000 to be paid in equal annual installments of \$20,000 beginning in the year ending December 31, 2023. Accordingly, the Organization has accrued deferred compensation in the amount of \$100,000 included in accrued expenses on the statement of financial position at December 31, 2021.

The Organization has elected to fund the deferred compensation liability, in part, through a life insurance policy purchased during the year ending December 31, 2013. The policy insures the life of the Executive, and the Organization is responsible for all annual premiums and is at all times the owner of the policy. The policy shall in no event be deemed to constitute a fund or collateral security for the benefits to the Executive pursuant to the supplemental executive compensation agreement. At December 31, 2021, the cash surrender value of the life insurance policy was \$83,537.

Note 12. Trends and Uncertainties

In 2020 and 2021, domestic and international economies face uncertainty related to the impact of the COVID-19 disease. The Organization has been and may continue to be adversely affected through lack of employee availability, interruptions in operations and ability to serve program participants, volatility in investment markets, and decreases in revenue. Management is currently evaluating the impact it will have on future operations.

Note 13. Liquidity and Availability of Financial Assets

The Organization monitors its liquidity so that it is able to meet its operating needs and other contractual commitments while maximizing the investment of its excess operating cash. The Organization has the following financial assets that could readily be made available within one year of the statement of financial position dates to fund expenses without limitations at December 31:

	<u>2021</u>
Cash and cash equivalents	\$447,910
Pledge receivables, net	160,624
Other receivables	<u>11,250</u>
	<u>\$ 619,784</u>

Although not expected to be needed, the Organization also has liquidity in the cash surrender value of life insurance in the amount of \$83,537 at December 31, 2021 (Note 11). In addition to financial assets available to meet general expenditures over the year, the Organization operates with a balanced budget and anticipates covering its general expenditures by collecting sufficient contributions and other revenues, and by utilizing donor-restricted resources from current and prior years gifts as needed. The statement of cash flows identifies the sources and uses of the Organization's cash and shows net cash and cash equivalents (used) by operations of (\$66,378) for the year ending December 31, 2021.