

**DO
MORE**

United Way of East Central Iowa and Related Entities



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Financial Results

Account	6/30/20	6/30/19	Change	Explanation
Cash and cash equivalents	1,609,395	1,910,349	(300,495)	Decrease primarily a result of allocations paid out during FY20, partially offset by the maturity of certificates of deposit and receipt of \$368,400 from the Paycheck Protection Program
Pledge receivables	2,291,786	2,825,366	(533,580)	Decrease primarily a result of a 23% (\$390k) drop in the Collins Aerospace campaign as well as other general decreases, including Green State Credit Union and Whirlpool. The Organization also increased its allowance for uncollectable pledges from 3.5% to 6% as a result of COVID-19 uncertainties.
Allocations payable	3,500,000	4,940,224	(1,440,224)	Decrease a result of decreased campaign revenue as well as being more conservative with allocations as a result of potential negative effects due to COVID-19.
Net Campaign Revenue	5,806,349	6,919,633	(1,113,284)	Net campaign revenue was unfavorable to budget by approximately \$580,000. Of this amount, the increase in the allowance for uncollectible pledges represented approximately \$345,000, with the remaining primarily a result of donor option allocations greater than anticipated.
Paycheck Protection Program	327,565	-	327,565	The Organization is following the contribution method of accounting for its PPP loan. As a result, approximately \$328,000 of the \$368,400 received was recognized as of June 30, 2020. The remaining amount is reflected as refundable advance on the statement of financial position.
Contract services	288,645	483,980	(195,335)	Decrease a result of less expenses through spark*5 program that is being transitioned.

Financial Position- Assets

	<u>2020</u>	<u>2019</u>
Assets		
Cash and cash equivalents		
Unrestricted	\$ 1,504,589	\$ 1,797,397
Restricted	104,806	112,952
Certificates of deposit	2,001,563	2,337,210
Receivables		
Pledges, net	2,291,786	2,825,366
Other	367,046	479,001
Accrued interest	34,681	23,648
Prepaid expenses	61,401	84,336
Investments	1,735,962	1,732,053
Beneficial interest in assets		
held by community foundation	321,045	343,745
Property and equipment, net	<u>11,015,823</u>	<u>11,329,146</u>
Total assets	<u><u>\$ 19,438,702</u></u>	<u><u>\$ 21,064,854</u></u>

Financial Position – Liabilities and Net Assets

Liabilities and Net Assets	<u>2020</u>	<u>2019</u>
Allocations and grants payable		
Allocations payable	\$ 3,500,000	\$ 4,940,224
Initiative fund grants payable	554,407	639,536
Donor designations payable	757,387	758,541
Accounts payable	79,961	272,919
Accrued expenses	282,606	293,263
Refundable advance	40,835	-
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Total liabilities	5,215,196	6,904,483
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Net assets		
Without donor restrictions		
Undesignated	11,258,395	10,968,074
Board designated - quasi-endowment	648,056	704,888
Board designated - COVID-19 relief	40,000	-
Total without donor restrictions	11,946,451	11,672,962
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With donor restrictions	2,277,055	2,487,409
Total net assets	14,223,506	14,160,371
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Total liabilities and net assets	\$ 19,438,702	\$ 21,064,854

Stmnt of Activities - Revenue

	Year Ended June 30, 2020			2019
	Without Donor Restrictions	With Donor Restrictions	Total	Total
Support and Revenue				
Campaign revenues				
Prior period campaign results (released from restrictions)	\$ 410,454	\$ (410,454)	\$ -	\$ -
Gross campaign results in current period	6,850,164	621,106	7,471,270	8,189,560
Less donor designations	1,095,354		1,095,354	1,065,533
Net current period campaign revenues	5,754,810		6,375,916	7,124,027
Less provisions for uncollectible pledges	569,567		569,567	199,394
Net campaign revenues in current period	5,185,243		5,806,349	6,924,633
Total net campaign revenue	5,595,697		5,806,349	6,924,633
Other revenue				
Other contributions	606,543	24,375	630,918	587,622
Paycheck Protection Program	327,565	-	327,565	-
Donor designation fees	71,307	-	71,307	48,974
Investment income	128,664	35,550	164,214	200,801
Rental income	361,192	-	361,192	365,914
Sponsorships	61,644	108,421	170,065	112,319
Special events and miscellaneous income	36,724	-	36,724	63,926
Net assets released from restrictions satisfied by payments	589,352	(589,352)	-	-
Total other revenue	2,182,991	(421,006)	1,761,985	1,379,556
Total support and revenue	7,778,688	(421,006)	7,357,682	8,304,189

Stmnt of Activities - Expenses

	Year Ended June 30, 2020			2019
	Without Donor Restrictions	With Donor Restrictions	Total	Total
Expenses				
Program services				
Allocation services	3,917,200	-	3,917,200	5,050,278
Community building	465,276	-	465,276	393,536
Volunteer management	280,503	-	280,503	276,637
spark*5	250,751	-	250,751	424,260
HSC	818,568	-	818,568	809,628
Other program services	273,058	-	273,058	714,868
Total program services	6,005,356	-	6,005,356	7,669,207
Supporting services				
Management and general	615,067	-	615,067	717,937
Fundraising	884,776	-	884,776	937,404
Total supporting services	1,499,843	-	1,499,843	1,654,508
Total expenses	7,505,199	-	7,505,199	9,323,715
Change in net assets	273,489	(210,354)	63,135	(1,019,526)

Cash Flows

	<u>2020</u>	<u>2019</u>
Cash Flows - Operating Activities		
Change in net assets	\$ 63,135	\$ (1,019,526)
Net cash flows - operating activities	<u>(642,690)</u>	<u>(490,708)</u>
Cash Flows - Investing Activities		
Net cash flows - investing activities	<u>341,736</u>	<u>874,824</u>
Net change in cash and cash equivalents	(300,954)	384,116
Cash and Cash Equivalents Unrestricted and Restricted		
Beginning of year	1,910,349	1,526,233
End of year	<u>\$ 1,609,395</u>	<u>\$ 1,910,349</u>
Reconciliation of Cash and Cash Equivalents Unrestricted and Restricted		
Unrestricted	\$ 1,504,589	\$ 1,797,397
Restricted	<u>104,806</u>	<u>112,952</u>
Total cash and cash equivalents unrestricted and restricted	<u>\$ 1,609,395</u>	<u>\$ 1,910,349</u>

Accounting for PPP

Revenue Recognition (Note 1)

The Organization follows Financial Accounting Standards Board Topic 958-605, Revenue Recognition for Not-for-Profit Entities in accounting for its Paycheck Protection Program (PPP) loan. The loan is effectively accounted for as a conditional promise (see Note 11).

Commitments and Contingencies (Note 11)

In April 2020, the Organization applied for and obtained a \$368,400 Paycheck Protection Program (PPP) loan, administered by the U.S. Small Business Administration established under the Coronavirus Aid, Relief, and Economic Security Act (Cares Act). Under the terms of the loan, which bears interest at 1% and is due in April 2022, the Organization can apply for and be granted forgiveness for a portion or all of the loan. Forgiveness will be determined, if during a specified period after the loan origination, the Organization maintains certain employee levels and uses the proceeds on eligible expenses including payroll, benefits, rent, and utilities.

As of June 30, 2020, the Organization has recognized \$327,565 of revenue related to funding from the PPP loan as conditions have been met, that is, eligible expenses incurred. Consequently, \$40,835 of funding from the PPP loan has not been recognized in the accompanying statement of activities and is reported as a refundable advance in the consolidated statement of financial position. The Organization intends to use the loan proceeds for eligible expenses, however, because of uncertainty in the program guidance there is a possibility that the loan in part or whole will not be forgiven.



IRS Form 990's

Consolidated IRS Form 990 for
UWECI and HSC

IRS Form 990-EZ for
FCFH-Iowa, Inc

Amended 2019 Form
990-T for Refund of
Parking Tax

Looking forward

- Industry developments
- Legislative and regulatory developments
- Accounting issues and developments
- BerganKDV services
- Keep up-to-date and informed
 - BerganKDV nonprofit blog
<https://www.bergankdv.com/resources/blog/category/industries/nonprofit/>
 - BerganKDV resources
<https://www.bergankdv.com/resources/>

Industry developments



- Impact of COVID-19
- Cybersecurity
- Lease accounting
- Gift in-kind accounting

Legislative and regulatory developments



- Mandated electronic filing for Form 990 series returns
- Unrelated business taxable income issues
 - Separately computed for each activity
 - “Parking tax” – IRS Notice 2018-99 – REPEALED for NFPs
- Department of Labor’s overtime rule and impact assessment

Audit and accounting issues and developments



- **SAS No. 134-140** – Primarily related to substantial changes in the auditor’s report
 - SAS No. 141 - Option to defer SAS No. 134-140
 - New effective date is for periods ending on or after December 15, 2021
 - Early implementation is permitted
- **ASU No. 2016-02** – Leases
 - ASU No. 2020-05 - Option to defer
 - For most NFPs, new effective date is annual reporting periods beginning after December 15, 2021 (Calendar YE 2022/Fiscal YE 2023)
 - Early implementation is permitted
- **ASU No. 2020-07** – Contributed Nonfinancial Assets
 - Effective for annual reporting periods beginning after June 15, 2021
 - Early implementation is permitted

Our services

Technology & Innovation

Technology has and will continue to change the way we work and live. Our team provides timely expertise and customized services that help you navigate these changes, help your organization move forward and thrive.

FISA Score Assessments

Cybersecurity

Managed IT

Cloud Readiness

Workplace Collaboration

Tax, Audit & Accounting

We provide you with valuable information about your organization's financial health. BerganKDV collaborates with you to uncover ways to reduce your overall tax burden while planning for your future!

Tax

Audit and Assurance

State and Local Tax

Fraud and Forensics

Fractional CFO

Workforce Management

BerganKDV's human capital management solutions give you the tools to better manage your workforce while saving time and money. Our powerful workforce management suite can help your organization transform how you find, manage, grow and retain your workforce.

Time and Labor Management

401(k) and Retirement Planning

Payroll

Performance Management

Benefits Administration

Wealth Management

Managing your wealth effectively is one of the most meaningful responsibilities you can undertake on behalf of yourself and your family. It can also be one of the most complex, requiring insights into a variety of financial, investment, and risk management strategies and products — not to mention, continually changing tax laws.

Financial Planning

Investment Planning

Risk Management & Insurance

Estates & Trusts

Tax Planning & Coordination

Business Advisory

BerganKDV provides companies facing opportunities — as well as critical challenges — with knowledge and expertise to achieve success. We provide you with the tools you need to maximize and preserve business value.

Investment Banking

Succession Planning

Business Valuation

Mergers and Acquisitions

Turnaround Services



LET'S DO MORE, TOGETHER.

THANK YOU