

# **United Way of Skagit County**

Financial Statements with  
Independent Auditor's Report

Year Ended June 30, 2021  
(With Summarized Comparative Totals for the  
Year Ended June 30, 2020)

Larson Gross 

**United Way of Skagit County**

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## Independent Auditor's Report

Board of Directors  
United Way of Skagit County  
Burlington, Washington

### Report on the Financial Statements

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

### Management's Responsibility for the Financial Statements

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

### Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit 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 Skagit County as of June 30, 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.

**Report on Summarized Comparative Information**

We have previously audited United Way of Skagit County's financial statements for the year ended June 30, 2020, and we expressed an unmodified audit opinion on those audited financial statements in our report dated September 28, 2020. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2020, is consistent, in all material respects, with the audited financial statements from which it has been derived.

**Report on Supplementary Information**

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The supplementary information included on pages 14 and 15 is presented for 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 on pages 14 and 15 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 on pages 14 and 15 is fairly stated in all material respects in relation to the financial statements as a whole.

*Larson Gross PLLC*

Burlington, Washington  
November 10, 2021

United Way of Skagit County

**Statement of Financial Position**

June 30, 2021

(With Summarized Comparative Totals for June 30, 2020)

	<u>2021</u>	<u>2020</u>
<b>Assets</b>		
<b>Assets</b>		
Cash and cash equivalents	\$ 183,904	\$ 342,731
Certificates of deposit	751,627	578,026
Unconditional promises to give, net	147,009	195,249
Property and equipment, net	<u>10,258</u>	<u>15,407</u>
<b>Total assets</b>	<u><u>\$ 1,092,798</u></u>	<u><u>\$ 1,131,413</u></u>
<b>Liabilities and Net Assets</b>		
<b>Liabilities</b>		
Accounts payable	\$ 7,760	\$ 16,225
Accrued liabilities	35,350	40,313
Donor designated allocations payable	16,604	21,485
Capital lease	3,145	4,479
Deferred grant revenue – Payroll Protection Program	<u>-</u>	<u>60,500</u>
Total liabilities	62,859	143,002
<b>Net assets</b>		
Without donor restrictions		
Board-designated	224,563	238,382
Undesignated	<u>764,041</u>	<u>712,684</u>
Total without donor restrictions	988,604	951,066
With donor restrictions	<u>41,335</u>	<u>37,345</u>
Total net assets	<u>1,029,939</u>	<u>988,411</u>
<b>Total liabilities and net assets</b>	<u><u>\$ 1,092,798</u></u>	<u><u>\$ 1,131,413</u></u>

United Way of Skagit County

**Statement of Activities**

Year Ended June 30, 2021

(With Summarized Comparative Totals for Year Ended June 30, 2020)

	<b>2021</b>			<b>2020</b>
	<b>Without Donor Restrictions</b>	<b>With Donor Restrictions</b>	<b>Total</b>	
<b>Support, revenue and reclassifications</b>				
Results of total campaign efforts	\$ 691,185	\$ -	\$ 691,185	\$ 694,752
Less provision for uncollectible pledges	(16,246)	-	(16,246)	(33,502)
Less direct paid designations	(32,715)	-	(32,715)	(37,192)
Less contributions designated to agencies by donors	(19,345)	-	(19,345)	(34,579)
Net campaign contributions	622,879	-	622,879	589,479
In-kind contributions:				
Advertising and other	12,593	-	12,593	21,970
Grant revenue – Payroll Protection Program	60,500	-	60,500	-
Program and other sponsorships	58,927	33,165	92,092	178,457
Interest income	4,257	-	4,257	7,360
Other revenue	12,237	-	12,237	13,324
Total support and revenue	771,393	33,165	804,558	810,590
Net assets released from restriction	29,175	(29,175)	-	-
Total support, revenue and reclassifications	800,568	3,990	804,558	810,590
<b>Expenses</b>				
Program services				
Gross funds awarded	231,559	-	231,559	308,271
(Less donor designations)	(52,059)	-	(52,059)	(71,771)
Net funds awarded	179,500	-	179,500	236,500
Other program services	315,687	-	315,687	448,639
Total program services	495,187	-	495,187	685,139
Resource development	163,795	-	163,795	117,136
Management and general	104,048	-	104,048	102,113
Total expenses	763,030	-	763,030	904,388
<b>Change in net assets</b>	37,538	3,990	41,528	(93,798)
Net assets – beginning of year	951,066	37,345	988,411	1,082,209
<b>Net assets – end of year</b>	<u>\$ 988,604</u>	<u>\$ 41,335</u>	<u>\$ 1,029,939</u>	<u>\$ 988,411</u>

United Way of Skagit County

**Statement of Functional Expenses**

Year Ended June 30, 2021

(With Summarized Comparative Totals for Year Ended June 30, 2020)

	<b>2021</b>				<b>2020</b>
	<b>Program Services</b>	<b>Resource Development</b>	<b>Management and General</b>	<b>Total</b>	<b>Total</b>
Gross funds awarded and designated	\$ 231,559	\$ -	\$ -	\$ 231,559	\$ 308,271
Less donor designations	(52,059)	-	-	(52,059)	(71,771)
Net funds awarded	179,500	-	-	179,500	236,500
Salaries, benefits and related taxes	175,039	122,198	76,177	373,414	384,124
Professional fees, contract services	39,180	10,458	17,182	66,820	88,106
Occupancy	12,754	8,068	5,005	25,827	26,181
Events	9,106	13,739	-	22,845	30,273
Publications and visual media	21,297	-	-	21,297	44,654
Membership, dues and subscriptions	9,694	4,722	3,602	18,018	17,938
Supplies and materials	16,548	691	292	17,531	29,606
In-kind expenses	12,593	-	-	12,593	21,970
Advertising and promotion	9,400	1,250	-	10,650	3,974
Insurance	1,802	804	546	3,152	3,114
Scholarships and awards	2,500	-	-	2,500	1,760
Conferences, travel, staff and volunteer development	1,896	-	-	1,896	7,943
Sponsorships	1,000	-	-	1,000	1,000
Postage and shipping	346	157	136	639	1,576
Miscellaneous	30	16	153	199	367
Depreciation	2,502	1,692	955	5,149	5,302
	<u>\$ 495,187</u>	<u>\$ 163,795</u>	<u>\$ 104,048</u>	<u>\$ 763,030</u>	<u>\$ 904,388</u>

United Way of Skagit County

**Statement of Cash Flows**

Year Ended June 30, 2021

(With Summarized Comparative Totals for Year Ended June 30, 2020)

	<u>2021</u>	<u>2020</u>
<b>Cash flows from operating activities</b>		
Change in net assets	\$ 41,528	\$ (93,798)
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities		
Depreciation	5,149	5,302
Loss on disposal of equipment	-	228
Changes in operating assets and liabilities		
Unconditional promises to give	48,240	46,171
Accounts payable and accrued liabilities	(13,428)	18,821
Donor designated allocations payable	(4,881)	(9,619)
Deferred grant revenue – Payroll Protection Program	(60,500)	-
	<u>16,108</u>	<u>(32,895)</u>
<b>Net cash provided (used) by operating activities</b>	16,108	(32,895)
<b>Cash flows from investing activities</b>		
Net change in certificates of deposit	<u>(173,601)</u>	<u>(6,328)</u>
<b>Net cash used by investing activities</b>	(173,601)	(6,328)
<b>Cash flows from financing activities</b>		
Proceeds from grant – Payroll Protection Program	-	60,500
Payments on capital lease	<u>(1,334)</u>	<u>(1,133)</u>
<b>Net cash provided (used) by financing activities</b>	<u>(1,334)</u>	<u>59,367</u>
Net increase (decrease) in cash and cash equivalents	(158,827)	20,144
Cash and cash equivalents – beginning of year	<u>342,731</u>	<u>322,587</u>
<b>Cash and cash equivalents – end of year</b>	<u>\$ 183,904</u>	<u>\$ 342,731</u>
<b>Supplemental Cash Flow Information</b>		
Cash paid during the year for interest	<u>\$ 310</u>	<u>\$ 412</u>



**Notes to Financial Statements**

June 30, 2021 and 2020

**Note 1 – Summary of Significant Accounting Policies**

**Organization** – United Way of Skagit County (UWSC) is a Washington non-profit corporation, incorporated June 14, 1963, and governed by a volunteer board of directors. The mission statement is “Uniting Skagit County to build a positive and sustainable quality of life for all.” UWSC is committed to creating opportunities in the community so that all children and families have the same chances to succeed in school and in life. UWSC envisions a community where all individuals and families achieve their potential and where all children receive a quality education that offers a pathway to a brighter tomorrow.

Working with dozens of cross-sector partnerships, UWSC is focused primarily on early childhood development but also works with families to improve their financial stability. In addition, UWSC provides grants and works with community partners to provide basic needs of food, shelter, health and safety. Basic needs services are vital to individuals with chronic conditions and for individuals and families in crisis needing temporary support.

**Basis of accounting** – UWSC prepares its financial statements in accordance with accounting principles generally accepted in the United States of America, which involves the application of accrual accounting; accordingly, revenues and gains are recognized when earned, and expenses and losses are recognized when incurred.

**Basis of presentation** – Net assets, revenues, expenses, gains, and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, the net assets of UWSC and changes therein are classified and reported as follows:

**Net assets without donor restrictions** – Net assets that are not subject to donor-imposed restrictions and over which the Board of Directors has discretionary control are classified as net assets without donor restrictions.

**Net assets with donor restrictions** – Net assets subject to donor-imposed restrictions that will be met either by actions of UWSC or the passage of time, including contributions that have been restricted by the donor that stipulate the resources be maintained in perpetuity, but permit the organization to use or expend part of all of the income derived from the donated assets for either specific or unspecific purposes.

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 investments and other 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 net assets with donor restrictions (i.e., the donor stipulated purpose has been fulfilled or the stipulated time period has lapsed) are reported as reclassifications between the applicable classes of net assets. Contributions that are restricted by donors are reported as increases in net assets without donor restrictions if the restrictions expire in the reporting period in which the contributions are recognized.

**Cash and cash equivalents** – Cash and cash equivalents consist of cash held in checking and savings accounts, a short-term certificate of deposit, and cash on hand. For purposes of the statement of cash flows, UWSC considers all highly liquid unrestricted investments with an initial maturity of three months or less to be cash equivalents. UWSC maintains its cash in bank accounts that may exceed federal insured limits at times during the year. UWSC has not experienced any losses in these accounts, and management does not believe it is exposed to any significant credit risk.

**Notes to Financial Statements**

June 30, 2021 and 2020

**Note 1 – Summary of Significant Accounting Policies – (Continued)**

**Certificates of deposit** – UWSC holds certificates of deposit valued at cost plus accrued interest.

**Unconditional promises to give, net** – Unconditional promises to give, which include contributions and grants, are recognized as revenues in the period the unconditional promise is made. Conditional promises to give are not recognized until such time as the conditions are substantially met. Contributions of noncash assets are recognized at their estimated fair value on the date of contribution. Contributions to be collected in future years are recorded at fair value when the promise is made based on a discounted cash flow model. Amortization of discounts is recorded as additional contribution revenue in accordance with donor-imposed restrictions, if any, on the contributions.

An allowance for uncollectible accounts is recorded using an estimated percentage of outstanding contributions receivable. This estimate is compared to historical averages to determine its reasonableness.

**Gross campaign results** – Consistent with industry practice, UWSC presents gross campaign results and donor designations as supplementary information. Gross campaign results consist of funds raised as a result of UWSC's fundraising efforts during the normal course of its campaigns, including donor designated amounts. This includes pledges processed by third-party processors where the involvement of UWSC in workplace campaigns is considered to be significant. Amounts raised that are designated by the donor to nonprofit organizations other than UWSC, are deducted from total campaign results to arrive at net campaign revenue, as UWSC does not retain variance power. If a workplace which uses a third-party processor elects not to report its total campaign results to UWSC, its designated amounts raised are not included in the UWSC's campaign results.

**Contributions** – Unconditional promises to give are recognized as contributions in the period the promise is made. Conditional promises to give are recognized only when the conditions on which they depend are substantially met and the promises become unconditional. Contributions received are recorded as donor-restricted support depending on the existence and/or nature of any donor restrictions.

**Property and equipment** – Property and equipment are recorded at cost or, if acquired as a donation, at fair market value at the date of donation. Assets with a useful life greater than one year and cost over \$2,500 are capitalized. Depreciation is computed using the straight-line method, over the estimated useful lives of the assets (typically five years).

**Donor designated allocations payable** – Funds are distributed for not-for-profit agencies in accordance with donor instructions. To be eligible to receive these funds, a not-for-profit organization must have been granted exemption under sections 501 (c) (3) and 509 (a) of the Internal Revenue Code and must comply with U.S. Patriot Act requirements and not be on the Internal Revenue Service's Revocation List.

**Federal income tax** – UWSC is a non-profit organization, which is exempt from federal income taxation under Section 501 (c) (3) of the Internal Revenue Code and is classified as an organization that is not a private foundation under Section 509 (a) (20) of the Internal Revenue Code. UWSC's Form 990 federal information return is subject to audit for a period of three years after filing.

**Notes to Financial Statements**

June 30, 2021 and 2020

**Note 1 – Summary of Significant Accounting Policies – (Continued)**

**Donated goods and services** – Donated goods and services are recorded at fair value on the date of receipt. Donated services are recognized at their fair values only if the services received (a) create or enhance non-financial assets or (b) require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation. In addition to donated services recognized, a substantial number of volunteers have donated significant amounts of their time in UWSC's program services and its fund raising campaigns.

**Advertising** – UWSC's policy is to expense advertising costs as incurred. Advertising expenses paid were \$10,650 and \$3,974 for the years ended June 30, 2021 and 2020, respectively. Additionally, a significant portion of advertising is received as an in-kind donation.

**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.

**Concentrations** – Contributions from one donor made up 13% of total revenue for the years ended June 30, 2021 and 2020. A pledge from one donor made up 12% and 22% of total unconditional promises to give at June 30, 2021 and 2020, respectively.

**Functional allocation of expenses** – Costs of providing programs and activities are summarized by functional category in the accompanying statement of activities and statement of functional expenses. Costs are directly allocated where possible and certain expenses not directly related to a particular function are allocated based upon the percentage of time devoted to the benefited activities or on other appropriate methods. UWSC complies with United Way Worldwide standards established for donor designated deductions.

**Comparative financial information** – The financial statements include certain prior year summarized comparative information in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with accounting principles generally accepted in the United States of America. Accordingly, such information should be read in conjunction with UWSC's financial statements for the year ended June 30, 2020, from which the summarized information was derived.

**Reclassifications** – Certain reclassifications have been made to the prior year's financial statements to conform to the current year's presentation.

**Subsequent events** – In preparing these financial statements, UWSC has evaluated events and transactions for potential recognition or disclosure through November 10, 2021, the date the financial statements were available to be issued.

United Way of Skagit County

Notes to Financial Statements

June 30, 2021 and 2020

**Note 2 – Liquidity and Availability**

Financial assets available for general expenditures within one year consist of the following at June 30:

	<u>2021</u>	<u>2020</u>
Financial assets at year-end:		
Cash and cash equivalents	\$ 183,904	\$ 342,731
Certificates of deposit	751,627	578,026
Unconditional promises to give, net	<u>147,009</u>	<u>195,249</u>
Financial assets available	1,082,540	1,116,006
Less amounts not available to be used within one year:		
Net assets with donor restrictions	<u>(41,335)</u>	<u>(37,345)</u>
Net financial assets available	<u>\$ 1,041,205</u>	<u>\$ 1,078,661</u>

UWSC has certain donor-restricted assets limited to use (further discussed in Note 5), which are not available for general expenditure within one year in the normal course of operations. Accordingly, these assets have been excluded in the quantitative information above. UWSC has certain assets limited to use for board-designated purposes, as discussed in Note 5, but which are generally considered available for expenditure in the next year.

As part of UWSC's liquidity management plan, cash in excess of daily requirements may be invested in certificates of deposit and money market accounts.

**Note 3 – Unconditional Promises to Give**

Unconditional promises to give consist of the following as of June 30:

	<u>2021</u>	<u>2020</u>
Pledges receivable – collectible within one year	\$ 171,242	\$ 219,482
Allowance for uncollectible pledges	<u>(24,233)</u>	<u>(24,233)</u>
Net unconditional promise to give	<u>\$ 147,009</u>	<u>\$ 195,249</u>

**Note 4 – Property and Equipment**

Property and equipment consists of the following as of June 30:

	<u>2021</u>	<u>2020</u>
Furniture & equipment	\$ 26,129	\$ 26,129
Software	<u>4,750</u>	<u>4,750</u>
	30,879	30,879
Less accumulated depreciation	<u>(20,621)</u>	<u>(15,472)</u>
Land, property and equipment, net	<u>\$ 10,258</u>	<u>\$ 15,407</u>

Depreciation expense totaled \$5,149 and \$5,302 for the years ended June 30, 2021 and 2020, respectively.

United Way of Skagit County

Notes to Financial Statements

June 30, 2021 and 2020

**Note 5 – Net Assets**

The governing board has designated, from net assets without donor restrictions, net assets for the following purpose:

	<u>2021</u>	<u>2020</u>
Operating reserves	\$ 224,563	\$ 238,382

As of June 30, 2021 and 2020, the reserves were at least 25% of budget. The operating reserves allow UWSC to manage cash flow interruptions, meet commitments, obligations or other contingencies, minimize the need for short-term borrowing for working capital, provide flexibility for organizational growth, and generate investment income.

Net assets with donor restrictions consist of the following at June 30:

	<u>2021</u>	<u>2020</u>
Welcome Baby	\$ 15,000	\$ 3,989
Financial people project	10,376	5,771
Born learning trails program	8,170	8,170
CHOW program	-	9,419
Other programs and events	7,789	9,996
	<u>\$ 41,335</u>	<u>\$ 37,345</u>

**Note 6 – Retirement Plan**

UWSC contributes to the union pension fund for member employees under the provisions of the contract formula and a Simple IRA for non-union employees. UWSC contributions totaled \$12,950 and \$13,520 for the years ended June 30, 2021 and 2020, respectively.

**Note 7 – Leases**

*Operating*

UWSC entered into a long-term, non-cancellable operating lease for office space commencing June 1, 2016. The lease agreement was for five years and expired May 31, 2021. Upon expiration of this lease, UWSC entered into a new long-term operating lease for office space commencing August 1, 2021. The lease agreement is for four years and expires December 31, 2025. The office space lease requires monthly payments totaling \$1,284. Monthly rent payments are subject to annual 3% increases. In addition, UWSC rents small equipment as needed on a month-to-month basis.

Rent expense totaled \$20,608 and \$19,497 for the years ending June 30, 2021 and 2020, respectively.

United Way of Skagit County

Notes to Financial Statements

June 30, 2021 and 2020

**Note 7 – Leases – (Continued)**

Future minimum lease payments under this non-cancellable operating lease are as follows for the years ending June 30:

2022	\$	15,700
2023		16,200
2024		16,700
2025		17,100
2026		8,700
	\$	<u>74,400</u>

*Capital*

UWSC entered into a capital lease for equipment commencing July 6, 2018. The lease agreement is for five years and expires July 5, 2023. The economic substance of the lease agreements is that UWSC is financing the acquisition of equipment through the lease, and accordingly, these leases are recorded in UWSC's assets and liabilities.

The capitalized cost and related accumulated depreciation of the leased equipment totaled the following as of June 30:

	<u>2021</u>	<u>2020</u>
Cost	\$ 6,757	\$ 6,757
Accumulated depreciation	<u>(4,054)</u>	<u>(1,351)</u>
	<u>\$ 2,703</u>	<u>\$ 5,406</u>

Scheduled minimum capital lease payments are as follows for the years ending June 30:

2022	\$	1,640
2023		1,640
2024		<u>140</u>
Total minimum lease payments		3,420
Less amount representing interest		<u>(275)</u>
Present value of minimum lease payments	\$	<u>3,145</u>

**Note 8 – Related Party Transactions**

UWSC paid dues to the national and regional organizations, United Way Worldwide and United Ways of the Pacific Northwest, of \$14,695 and \$14,324 for the years ended June 30, 2021 and 2020, respectively.

UWSC also received contributions from members of its board of directors totaling \$59,862 and \$92,326 for the years ended June 30, 2021 and 2020, respectively. Outstanding unconditional promises to give from these board members were approximately \$7,881 and \$16,389 as of June 30, 2021 and 2020, respectively, some of which includes multi-year gifts.

**Notes to Financial Statements**

June 30, 2021 and 2020

**Note 9 – Deferred Revenue**

In May 2020, UWSC received a \$60,500 loan from the Federal Paycheck Protection Program (the “PPP”) under the Coronavirus Aid, Relief and Economic Security Act (the “CARES Act”), which was enacted March 27, 2020. Under the terms of the PPP, PPP loans and accrued interest are forgivable after twenty-four weeks as long as the borrower uses the loan proceeds for eligible purposes. UWSC believes that it has met the PPP eligibility criteria for forgiveness and has concluded that the loan represents, in substance, a government grant that is expected to be forgiven. As Accounting Principles Generally Accepted in the United States of America do not contain guidance for UWSC’s accounting of government grants, the Company is following the guidance in International Accounting Standards (IAS) 20, Accounting for Government Grants and Disclosure of Government Assistance. Under IAS 20, government grants are recognized in income as required activities are undertaken. Accordingly, UWSC has recognized the entire PPP loan amount as Other Income for the year ending June 30, 2021, and no liability for the PPP loan is reflected in the balance sheet as of June 30, 2021. Subsequent to year-end, in July 2021, the loan was forgiven in full by the United States Small Business Administration.

**Note 10 – Risks and Uncertainties**

UWSC is subject to risks and uncertainties as a result of the COVID-19 pandemic. The extent of the impact of the COVID-19 pandemic on UWSC’s business is uncertain and difficult to predict. The Organization’s operational and financial performance will depend on future developments, including the duration of the outbreak, operational limitations imposed by federal, state and local governments with respect to physical distancing measures, and demand for the organization’s services. All the effects of the COVID-19 pandemic could have a significant adverse effect on UWSC’s operations. Although the ultimate severity of the COVID-19 pandemic is uncertain at this time, UWSC has implemented several new initiatives to adapt operations to the current environment.

**Note 11 – Recent Accounting Pronouncement**

In February 2016, the FASB issued ASU 2016-02, *Leases*, which requires lessees to record most leases with terms greater than 12 months on their balance sheet by recognizing a liability to make lease payments and an asset representing their right to use the asset during the lease term. For leases with a term of 12 months or less, a lessee is permitted to make an accounting policy election, by class of underlying asset, not to recognize the corresponding assets and lease liabilities. Lessee recognition, measurement, and presentation of expenses and cash flows will not change significantly from existing guidance and lessor accounting is largely unchanged. ASU 2016-02 also changes the definition of a lease and requires qualitative and quantitative disclosures that provide information about the amount, timing, and uncertainty of cash flows arising from leases. Application is required for annual periods beginning after December 15, 2021. UWSC continues to evaluate the impact of the new accounting guidance on its financial statements.

## Supplementary Information



United Way of Skagit County

**Supplementary Schedule of Gross Funds Awarded**

Year Ended June 30, 2021

<u>Agency</u>	<u>Funds Awarded</u>	<u>Designations</u>	<u>Total</u>
Foundation of Dist. #304	\$ 45,000	\$ 120	\$ 45,120
Brigid Collins-Skagit Valley Family Support	31,000	390	31,390
Youthnet	20,000	1,180	21,180
Foundation for Academic Endeavors	20,000	-	20,000
Community Action of Skagit County	19,500	120	19,620
Skagit Preschool & Resource Center	17,000	-	17,000
Skagit Valley Family YMCA	15,000	-	15,000
Skagit Domestic Violence & Sexual Assault	10,000	1,380	11,380
Skagit County Health Dept	2,000	-	2,000
Third party processed direct paid designations	-	32,715	32,715
UWSC processed other agency designations	-	16,154	16,154
	<u>          </u>	<u>          </u>	<u>          </u>
Total funds awarded	<u>\$ 179,500</u>	<u>\$ 52,059</u>	<u>\$ 231,559</u>

United Way of Skagit County

**Supplementary Schedule of Gross Funds Awarded**

Year Ended June 30, 2020

<u>Agency</u>	<u>Funds Awarded</u>	<u>Designations</u>	<u>Total</u>
Skagit Community Foundation	\$ 56,000	\$ -	\$ 56,000
Foundation of District #304	42,500	120	42,620
Brigid Collins-Skagit Valley Family Support	31,000	1,440	32,440
Youthnet	20,000	1,290	21,290
Foundation for Academic Endeavors	20,000	-	20,000
Skagit Domestic Violence & Sexual Assault	17,000	1,750	18,750
Skagit Preschool & Resource Center	17,000	800	17,800
Community Action of Skagit County	15,000	1,140	16,140
Skagit Valley College Foundation	15,000		15,000
Hospice of the Northwest	-	6,113	6,113
Skagit County Health Department	2,000	-	2,000
Children's Museum of Skagit County	1,000	300	1,300
Third party processed direct paid designations	-	37,192	37,192
UWSC processed other agency designations	-	21,626	21,626
	<u>\$ 236,500</u>	<u>\$ 71,771</u>	<u>\$ 308,271</u>
Total funds awarded	<u>\$ 236,500</u>	<u>\$ 71,771</u>	<u>\$ 308,271</u>