



**United Way  
of the Eastern Panhandle**

FINANCIAL STATEMENTS  
(WITH SUPPLEMENTARY INFORMATION)

FOR THE YEARS ENDED JUNE 30, 2020 AND 2019

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**INDEPENDENT AUDITORS' REPORT ON FINANCIAL STATEMENTS AND  
SUPPLEMENTARY INFORMATION**

To the Board of Directors  
United Way of the Eastern Panhandle, Inc.  
Martinsburg, West Virginia

**Report on the Financial Statements**

We have audited the accompanying financial statements of the United Way of the Eastern Panhandle, Inc. (a nonprofit organization), which comprise the statements of financial position as of June 30, 2020 and 2019, and 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 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 the United Way of the Eastern Panhandle, Inc. as of June 30, 2020 and 2019, 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.

## Other Matters

### Other Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying supplementary information shown on page 17 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 has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the financial statements as a whole.

*Decker & Company PLLC*

December 1, 2020

United Way of the Eastern Panhandle, Inc.  
**STATEMENTS OF FINANCIAL POSITION**  
June 30, 2020 and 2019

	2020	2019
<b>ASSETS</b>		
<b>Current Assets</b>		
Cash and cash equivalents	\$ 1,674,859	\$ 1,756,591
Pledges receivable (net of allowance of \$51,000 and \$40,000, respectively)	194,234	245,640
Prepaid expenses	1,295	1,264
<b>Total Current Assets</b>	<b>1,870,388</b>	<b>2,003,495</b>
<b>Noncurrent Assets</b>		
Beneficial interest in assets held by others	161,154	157,462
Investments	817,569	-
Property and equipment, net	11,043	6,058
<b>Total Noncurrent Assets</b>	<b>989,766</b>	<b>163,520</b>
<b>Other Assets</b>		
Restricted assets:		
Cash	4,920	5,187
<b>Total assets</b>	<b>\$ 2,865,074</b>	<b>\$ 2,172,202</b>
<b>LIABILITIES</b>		
Accounts payable and accrued expenses	\$ 4,396	\$ 615
Compensation liabilities	9,115	8,838
Other liabilities	5,422	4,515
Note Payable-PPP	50,100	-
Deferred revenue	90,073	71,393
<b>Total current liabilities</b>	<b>159,106</b>	<b>85,361</b>
<b>NET ASSETS</b>		
Without donor restrictions	1,916,347	1,707,071
With donor restrictions	789,621	379,770
<b>Total net assets</b>	<b>2,705,968</b>	<b>2,086,841</b>
<b>Total liabilities and net assets</b>	<b>\$ 2,865,074</b>	<b>\$ 2,172,202</b>

The accompanying notes are an integral part of the financial statements.

United Way of the Eastern Panhandle, Inc.  
STATEMENT OF ACTIVITIES  
For the year ended June 30, 2020

	Without Donor Restrictions	With Donor Restrictions	Total
<b>SUPPORT, REVENUES AND RECLASSIFICATIONS</b>			
Campaign contributions	\$ 35,966	\$ 1,138,269	\$ 1,174,235
Bequests	100,000	428,081	528,081
Community projects	309,326	-	309,326
In-kind contributions	48,033	-	48,033
Investment and other income	26,333	-	26,333
Reclassifications			
Satisfaction of passage of time restrictions	<u>1,156,499</u>	<u>(1,156,499)</u>	<u>-</u>
<b>Total support, revenue and reclassifications</b>	<u>1,676,157</u>	<u>409,851</u>	<u>2,086,008</u>
<b>EXPENSES</b>			
Program services:			
Agency allocations	367,948	-	367,948
Unity campaign distributions	185,171	-	185,171
Covid recovery distributions	61,114	-	61,114
Non-Agency allocations	17,983	-	17,983
Other community support	<u>202,960</u>	<u>-</u>	<u>202,960</u>
Total community support	835,176	-	835,176
Teen Court	8,543	-	8,543
Summer Youth Employment	141,954	-	141,954
Other program services	278,761	-	278,761
Supporting Services:			
Management and general	86,150	-	86,150
Fundraising	<u>116,297</u>	<u>-</u>	<u>116,297</u>
<b>Total expenses</b>	<u>1,466,881</u>	<u>-</u>	<u>1,466,881</u>
<b>Change in net assets</b>	209,276	409,851	619,127
<b>Net assets, beginning of year</b>	<u>1,707,071</u>	<u>379,770</u>	<u>2,086,841</u>
<b>Net assets, end of year</b>	<u>\$1,916,347</u>	<u>\$ 789,621</u>	<u>\$ 2,705,968</u>

The accompanying notes are an integral part of the financial statements.

United Way of the Eastern Panhandle, Inc.  
**STATEMENT OF ACTIVITIES**  
For the year ended June 30, 2019

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
<b>SUPPORT, REVENUES AND RECLASSIFICATIONS</b>			
Campaign contributions	\$ 16,803	\$ 575,629	\$ 592,432
Community projects	211,063	-	211,063
Gain on sale of rental property	69,991	-	69,991
In-kind contributions	32,092	-	32,092
Investment and other income	20,939	-	20,939
Rental income-net	1,750	-	1,750
Reclassifications			
Satisfaction of passage of time restrictions	<u>634,661</u>	<u>(634,661)</u>	<u>-</u>
<b>Total support, revenue and reclassifications</b>	<u>987,299</u>	<u>(59,032)</u>	<u>928,267</u>
<b>EXPENSES</b>			
Program services:			
Agency allocations	386,481	-	386,481
Non-Agency allocations	21,425	-	21,425
Other community support	<u>183,912</u>	<u>-</u>	<u>183,912</u>
Total community support	591,818	-	591,818
Teen Court	15,891	-	15,891
Summer Youth Employment	141,234	-	141,234
Other program services	95,441	-	95,441
Supporting Services:			
Management and general	79,086	-	79,086
Fundraising	<u>101,575</u>	<u>-</u>	<u>101,575</u>
<b>Total expenses</b>	<u>1,025,045</u>	<u>-</u>	<u>1,025,045</u>
<b>Change in net assets</b>	(37,746)	(59,032)	(96,778)
<b>Net assets, beginning of year</b>	<u>1,744,817</u>	<u>438,802</u>	<u>2,183,619</u>
<b>Net assets, end of year</b>	<u>\$1,707,071</u>	<u>\$ 379,770</u>	<u>\$ 2,086,841</u>

The accompanying notes are an integral part of the financial statements.

United Way of the Eastern Panhandle, Inc.  
**STATEMENTS OF CASH FLOW**  
For the years ended June 30, 2020 and 2019

	2020	2019
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Change in net assets	\$ 619,127	\$ (96,778)
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:		
Depreciation	1,213	10,426
Transfer of security deposits and rent proration	-	14,498
Gain on sale of rental property	-	(69,991)
Changes in assets and liabilities		
Decrease in pledges receivable	51,406	59,868
(Increase) decrease in prepaid expenses	(31)	613
(Increase) decrease in restricted assets	267	(2,649)
Increase (decrease) in accounts payable	3,781	(3,664)
Increase (decrease) in compensation liabilities	277	(131)
Increase (decrease) in agency liabilities	19,587	12,795
<b>Net cash provided by (used in) operating activities</b>	<b>695,627</b>	<b>(75,013)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of investments	(817,569)	-
Purchase of equipment	(6,198)	-
(Increase) in beneficial interest in assets held by others	(3,692)	(1,803)
Sale of rental property	-	1,044,799
<b>Net cash provided by (used in) investing activities</b>	<b>(827,459)</b>	<b>1,042,996</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Proceeds from note payable	50,100	-
<b>Net cash provided by (used in) investing activities</b>	<b>50,100</b>	<b>-</b>
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>(81,732)</b>	<b>967,983</b>
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR</b>	<b>1,756,591</b>	<b>788,608</b>
<b>CASH AND CASH EQUIVALENTS AT END OF YEAR</b>	<b>\$ 1,674,859</b>	<b>\$ 1,756,591</b>

The accompanying notes are an integral part of the financial statements.



United Way of the Eastern Panhandle, Inc.  
STATEMENT OF FUNCTIONAL EXPENSES  
For the year ended June 30, 2020

	Program Services				Supporting Services			Total
	Community Support	Teen Court	YPS Program	Other Program Services	Total	Management and General	Fund Raising	
Agency allocations & other distributions	\$ 632,215	\$ -	\$ -	\$ -	\$ 632,215	\$ -	\$ -	\$ 632,215
Community projects	-	-	24,825	278,761	303,586	-	-	303,586
Salaries and wages	123,194	-	36,892	-	160,086	53,898	53,898	267,882
Contractual costs	-	6,637	65,000	-	71,637	-	-	71,637
In-kind expenses	28,820	-	-	-	28,820	9,607	9,607	48,034
Marketing/Program Supplies	-	-	-	-	-	-	26,634	26,634
Employee benefits	13,738	-	-	-	13,738	6,010	6,010	25,758
Equipment maintenance and contracts	10,531	338	-	-	10,869	4,608	4,608	20,085
Payroll taxes	8,661	-	2,800	-	11,461	3,789	3,789	19,039
Occupancy & Maintenance	2,430	-	6,000	-	8,430	810	2,160	11,400
Professional Fees	4,986	-	-	-	4,986	2,182	2,182	9,350
Payments to affiliated organizations	2,175	-	-	-	2,175	2,175	2,175	6,525
Telephone	1,542	500	1,656	-	3,698	514	1,371	5,583
Travel	511	-	3,787	-	4,298	170	454	4,922
Insurance	1,950	-	-	-	1,950	853	853	3,656
Miscellaneous items	1,127	-	913	-	2,040	376	1,002	3,418
Community expense	1,191	-	-	-	1,191	255	255	1,701
Training and meetings	244	949	-	-	1,193	81	217	1,491
Office supplies	466	119	70	-	655	155	415	1,225
Depreciation	607	-	-	-	607	303	303	1,213
Postage	575	-	11	-	586	287	287	1,160
Dues and subscriptions	174	-	-	-	174	37	37	248
Printing and advertising	39	-	-	-	39	40	40	119
<b>Total</b>	<b>\$ 835,176</b>	<b>\$ 8,543</b>	<b>\$ 141,954</b>	<b>\$ 278,761</b>	<b>\$1,264,434</b>	<b>\$ 86,150</b>	<b>\$ 116,297</b>	<b>\$ 1,466,881</b>

The accompanying notes are an integral part of the financial statements.

United Way of the Eastern Panhandle, Inc.  
STATEMENT OF FUNCTIONAL EXPENSES  
For the year ended June 30, 2019

	Program Services				Supporting Services			Total
	Community Support	Teen Court	YPS Program	Other Program Services	Management and General	Fund Raising		
Agency & other allocations	\$ 408,956	\$ -	\$ -	\$ -	\$ 408,956	\$ -	\$ -	\$ 408,956
Salaries and wages	117,204	-	42,234	-	159,438	51,276	51,276	261,990
Community projects	-	-	18,525	95,441	113,966	-	-	113,966
Contractual costs	-	12,631	65,000	-	77,631	-	-	77,631
In-kind expenses	19,256	-	-	-	19,256	6,418	6,418	32,092
Equipment maintenance and contracts	11,419	64	-	-	11,483	5,454	5,454	22,391
Marketing/ Program Supplies	-	-	-	-	-	-	19,394	19,394
Employee benefits	8,760	-	-	-	8,760	3,833	3,833	16,426
Payroll taxes	8,954	-	3,231	-	12,185	3,917	3,917	20,019
Occupancy and maintenance	2,228	-	6,000	-	8,228	742	1,980	10,950
Professional Fees	4,986	-	-	-	4,986	2,182	2,182	9,350
Insurance	2,015	-	-	-	2,015	882	882	3,779
Payments to affiliated organizations	2,464	-	-	-	2,464	2,464	2,464	7,392
Telephone	1,761	1,466	1,656	-	4,883	587	1,566	7,036
Travel	243	-	4,420	-	4,663	81	216	4,960
Misc. items	924	-	115	-	1,039	308	821	2,168
Training and meetings	150	1,521	-	-	1,671	50	133	1,854
Depreciation	863	-	-	-	863	432	432	1,727
Office supplies	266	209	53	-	528	88	236	852
Community expense	1,029	-	-	-	1,029	221	220	1,470
Postage	91	-	-	-	91	39	39	169
Printing and advertising	75	-	-	-	75	75	75	225
Dues and subscriptions	174	-	-	-	174	37	37	248
<b>Total</b>	<b>\$ 591,818</b>	<b>\$ 15,891</b>	<b>\$ 141,234</b>	<b>\$ 95,441</b>	<b>\$ 844,384</b>	<b>\$ 79,086</b>	<b>\$ 101,575</b>	<b>\$ 1,025,045</b>

The accompanying notes are an integral part of the financial statements.

United Way of the Eastern Panhandle, Inc.  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2020 and 2019

**SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Nature of Operations**

The United Way of the Eastern Panhandle, Inc. is an organization of contributors dedicated to providing a voluntary organization to supply the means by which a cross section of citizens and agencies, governmental and voluntary, may join in a community-wide effort to deliver efficient human service programs effectively related to current needs. Our mission is to inspire our community to create change. Together we will give, advocate, and volunteer to improve Education, Health, and Financial stability The Organization serves the citizens of Berkeley, Jefferson, and Morgan Counties, West Virginia.

**Basis of Accounting**

The financial statements of the Organization have been prepared on the accrual basis of accounting and accordingly reflect all significant receivables, payables, and other liabilities. Under this basis, revenues are recognized when earned and expenses are recognized when incurred.

**Basis of Presentation**

Financial statement presentation follows the requirements of the Not-for-Profit Entities Presentation of Financial Statements Topic of the FASB Accounting Standards Codification. Under the Standards, the Organization is required to report information regarding its financial position and activities according to two classes of net assets. Net assets, revenues, and expenses are classified based on the existence or absence of donor imposed restrictions. Net assets with donor restrictions consist of assets whose use is limited by donor imposed time and/or purpose restrictions, or those contributed with donor stipulations that they be held in perpetuity with use of income with or without donor restrictions. Net assets without donor restrictions are those currently available for use in the Organization's general operations under the direction of the board. Donor restricted contributions whose restrictions are met in the same reporting period are reported as revenue within net assets without donor restrictions.

**Use of Estimates**

The preparation of financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities as of the date of the financial statements, and revenues and expenses during the reporting period. Actual results could differ from these estimates. Significant estimates used in preparing these financial statements include determining the allowance for uncollectable pledges.

**Cash and Cash equivalents**

For the years ended June 30, 2020 and 2019, the Organization's cash in bank balances exceeded the insured FDIC limits on certain occasions. Management deems collateral risk of excess deposits to be minimal.

For purposes of reporting, management considers certificates of deposit to be cash equivalents.

Management does not include restricted cash as cash equivalents because of the agency nature of these accounts.

**Pledges Receivable**

The Organization accounts for bad debts using the allowance method to estimate the possible losses in the collection of its pledges and other receivables. The estimate is based on historic collection experience, a review of the current status of the receivables and management's judgment. Receivables are written off as bad debt expense in the period management feels that they become uncollectible.

United Way of the Eastern Panhandle, Inc.  
NOTES TO FINANCIAL STATEMENTS (continued)  
June 30, 2020 and 2019

**SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**Investment Securities**

Investments are carried at fair value. Realized gains and losses on sales of securities are recognized based on the carrying value of specified securities sold and are included in revenue. Changes in unrealized gains and losses are included in the determination of changes in net assets.

**Property and Equipment**

Property and equipment are stated at cost and are being depreciated over estimated useful lives of 5-40 years using the straight-line method.

The Organization's policy is to capitalize all property and equipment costs in excess of \$500.

**Revenue Recognition**

Unconditional promises to give are recognized as revenue when the underlying promises are received by the Organization. Contributions received are recorded as net assets with or without restrictions, depending on the existence and/or nature of any donor restrictions.

All donor-restricted contributions are reported as an increase in net assets with donor restriction, depending on the nature of the restriction. When a 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.

The Organization recognizes donor direct designations as campaign revenue and agency allocations as allowed by the Not-for-Profit Entities Presentation of Financial Statements Topic of the FASB Accounting Standards Codification as a result of campaign literature that grants the Organization variance power over donor direct designations from restrictions.

**Donated Services**

The Organization receives a substantial amount of donated services from volunteers who assist in fund raising and special projects. No amounts have been reflected in the financial statements for those services since they do not meet the criteria for recognition under the Not-for Profit Entities Revenue Recognition Topic of the FASB Accounting Standards Codification.

**Income Tax Status**

The Organization is a not-for profit organization and is generally exempt from federal income taxes under Internal Revenue Code Section 501(c)(3) and it files its information returns in the United States federal jurisdiction. These information returns are subject to examination by that jurisdiction generally for three years after they were filed.

**Expenses by Nature and Function**

The financial statements report certain categories of expenses that are attributable to more than one program or supporting function. Therefore, these expenses require allocation on a reasonable basis that is consistently applied. Expenses are allocated on the basis of time and effort studies, as well as, specific identification by the Organization's staff.

United Way of the Eastern Panhandle, Inc.  
 NOTES TO FINANCIAL STATEMENTS (continued)  
 June 30, 2020 and 2019

**PLEDGES RECEIVABLE**

Pledges receivable consist of the following at June 30, 2020:

Pledges-2020 Campaign	\$ 245,234
Less allowance for uncollectable pledges	(51,000)
Net pledges receivable at June 30, 2020	<u>\$ 194,234</u>

Pledges receivable consist of the following at June 30, 2019:

Pledges-2019 Campaign	\$ 285,640
Less allowance for uncollectable pledges	(40,000)
Net pledges receivable at June 30, 2019	<u>\$ 245,640</u>

All of the above pledges are due in less than one year.

**BENEFICIAL INTEREST IN ASSETS HELD BY OTHERS**

The Organization has established agency endowment funds with the Eastern West Virginia Community Foundation which were valued at \$161,154 and \$157,462 as of June 30, 2020 and 2019, respectively. The funds are intended as perpetual endowments for charitable purposes and are dedicated to the payment of grants from time to time as calculated under the Foundation's spending policy. The funds are subject to the terms and provisions of the articles of incorporation and bylaws of the Foundation including the ability of the Board of Directors of the Foundation to modify any restriction or condition on the distribution of funds for any specified charitable purpose or purposes or to a specified charitable organization or organizations if in the sole judgment of the Board, such restriction or condition becomes, in effect, unnecessary, incapable of fulfillment, or inconsistent with the charitable needs of the community or area served.

Agency funds held at June 30 are as follows:

	2020	2019
United Way of the Eastern Panhandle Fund	\$ 102,269	\$ 99,926
United Way Thriving Children Fund	9,202	8,991
United Way Strong Families Fund	9,202	8,991
United Way Community Safety Net Fund	31,282	30,566
United Way Independent Seniors Fund	9,199	8,988
Total	<u>\$ 161,154</u>	<u>\$ 157,462</u>

**INVESTMENTS/FAIR VALUES ON FINANCIAL INSTRUMENTS**

Generally accepted accounting principles establishes a framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1 measurements), quoted prices for similar assets or liabilities in active or inactive markets either observable or corroborated by observable market data (level 2), and the lowest priority to unobservable inputs (level 3 measurements).

The following table sets forth by level, within the fair value hierarchy, the Organization's assets at fair value as of June 30, 2020.

	Total	Level 1	Level 2	Level 3
Investments:				
Fixed income	\$ 314,393	\$ 314,393	\$ -	\$ -
Equities	486,857	486,857	-	-
	<u>801,250</u>	<u>\$ 801,250</u>	<u>\$ -</u>	<u>\$ -</u>
Money Market Fund	16,320			
Total	<u>\$ 817,570</u>			

United Way of the Eastern Panhandle, Inc.  
 NOTES TO FINANCIAL STATEMENTS (continued)  
 June 30, 2020 and 2019

**PROPERTY AND EQUIPMENT**

Property and equipment consist of the following at June 30:

	2020	2019
Office equipment	\$ 24,171	\$ 17,973
Less accumulated depreciation	(13,128)	(11,915)
Property and equipment, net of depreciation	\$ 11,043	\$ 6,058

**NOTE PAYABLE**

In April 2020, the Organization entered into a loan agreement with a local bank in the amount of \$50,100 that is part of the U.S. Small Business Administration's Paycheck Protection Program (PPP). All or a portion of the loan may be forgiven if the Organization uses the loan proceeds for its payroll costs and other expenses in accordance with the requirements of the PPP. As of December 1, 2020, management believes it has used the loan proceeds in accordance with the PPP requirements but has not yet begun the loan forgiveness application process. If all or a portion of the loan is not forgiven then the Organization will be required to repay the unforgiven amount at 1% interest at terms to be modified by the bank in accordance with changes enacted by the Flexibility Act. The loan is unsecured.

**NET ASSETS**

Net assets with donor restrictions were as follows for the year ended June 30:

	2020	2019
Subject to passage of time:		
Agency and other allocations	\$ 361,540	\$ 379,770
Warm the Children program	428,081	-
Total	\$ 789,621	\$ 379,770

**IN-KIND CONTRIBUTIONS**

In-kind contributions consist of donated goods and services that the Organization would normally have to pay for and have been recorded as revenue and expenses in accordance with the criteria for recognition under the Not-for Profit Entities Revenue Recognition Topic of the FASB Accounting Standards Codification.

**MEMORANDUM OF UNDERSTANDING**

The Organization (UWEP) entered into a memorandum of understanding with the Region VII Workforce Investment Board (WIB) on June 18, 2010 and renewed such understanding in June 2020, to establish a partnership to provide payroll support for the Summer Youth Employment Program. UWEP received grant funding from WIB to accomplish this purpose. The grant funding is considered to be an exchange transaction. Accordingly, revenue is recognized when earned and expenses are recognized as incurred.

United Way of the Eastern Panhandle, Inc.  
NOTES TO FINANCIAL STATEMENTS (continued)  
June 30, 2020 and 2019

**RENTAL INCOME-NET**

The Organization contracted with a property management company for the rental and management of the apartment complex with several units made available to transitional or low-income housing for families in need. The net rental activity for the years ended June 30 are as follows:

	2020	2019
Gross rental income	\$ -	\$ 49,079
Operating expenses	-	(48,704)
Billboard rental	-	1,375
Rental activity, net of expenses	\$ -	\$ 1,750

In October 2018, the apartment complex assets were sold for \$1,100,000. All related assets and accumulated depreciation have been removed from the statement of financial position and the Organization recognized a gain on sale of \$69,991 which is included in the statement of activities for the year ended June 30, 2019.

**OPERATING LEASE**

The Organization entered into a lease with United Bank, on September 15, 2014 . The term of this lease was 36 months at a rate of \$450 per month, for it's prorated share of utilities, commencing January 2, 2015 and ending January 1, 2018. The Organization is currently operating on a month to month basis as a new lease has not yet been executed. Lease expense for the years ended June 30, 2020 and 2019 was \$4,950 and \$4,950, respectively.

**AVAILABILITY OF FINANCIAL ASSETS**

At June 30, 2020, the Organization has \$2,686,662 of financial assets available within one year of the statement of financial position to meet cash needs, which consists of \$1,674,859 of cash, \$194,234 of pledges receivable, and \$817,569 of investments. \$789,621 of those financial assets are subject to donor restrictions which leaves the Organization \$1,897,041 of financial assets available within one year of the statement of financial position to meet cash needs for general expenditures. The Organization has set a goal of having financial assets on hand to meet 3 months of normal operating expenses, which are, on average, around \$295,000. As part of its liquidity management, the Organization has a policy to structure its financial assets to be available as general expenditures, liabilities, and other obligations become due. Should an unforeseen liquidity need arise, the Organization would seek funds from the general public.

**SUBSEQUENT EVENTS**

Subsequent to year end, the local and national economy has been negatively impacted by the effects of the worldwide coronavirus pandemic. The Organization is closely monitoring its operations, liquidity, and capital resources and is actively working to minimize the current and future impact of this unprecedented situation. As of the date of these financial statements, the full impact of the Organization's financial position is not known and therefore no adjustment has been made to these financial statements.

In preparing these financial statements, the Organization has evaluated events and transactions for potential recognition or disclosure through December 1, 2020 the date the financial statements were available to be issued.

**SUPPLEMENTARY INFORMATION**

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United Way of the Eastern Panhandle  
SCHEDULES OF AGENCY ALLOCATIONS  
For the years ended June 30, 2020 and 2019

	<u>2020</u>	<u>2019</u>
American Red Cross	\$ 8,000	\$ 6,137
Be-Hive	8,076	10,000
Berkeley County 4-H Foundation	200	-
Berkeley County Back Pack Program	13,730	10,134
Berkeley County Health Department	200	-
Berkeley Senior Services	17,336	19,179
Black Cat Music Cooperative	2,600	1,250
Boy Scouts of America, SAC	200	-
Boys & Girls Club of the Eastern Panhandle	18,794	20,138
CASA of the Eastern Panhandle	7,149	8,605
Catholic Charities of West Virginia	11,864	13,960
CCAP	3,515	16,697
Charles Town Rotary-Read Jefferson	5,000	-
Children First Child Development Center	14,937	16,059
Children's Home Society	11,495	10,310
Church Without Walls Ministries, Inc.	-	2,000
Community Alternative to Violence	4,618	6,575
Community Networks	16,049	18,071
Destiny Baptist Church	-	2,000
Eastern Area Health Education Ctr.	5,000	-
Eastern Panhandle Empowerment Center	9,532	-
EVAK K9 Search and Rescue Team, Inc.	-	2,500
Faith Community Coalition for the Homeless	7,500	10,000
Girl Scout Council of the Nation's Capital	-	7,500
Good Samaritan Free Clinic	227	3,030
Good Shepherd	11,767	12,856
Hope Center	-	2,500
Horses With Hearts	7,727	6,981
JUMP Big Brothers Big Sisters	8,390	7,262
Leetown Science Center	-	1,000
Martinsburg Public Library	200	-
Martinsburg Renew, Inc.	-	500
Martinsburg Sunrise Rotary Club	5,000	5,000
MC Homeless Coalition	1,000	-
Meals on Wheels, Berkeley County	12,326	10,978
Meals on Wheels, Jefferson County	7,738	5,093
Morgan County Partnership	12,008	15,000
Norborne Preschool & Daycare	18,393	20,030
Outdoor Education Center	45	5,820
Panhandle Home Health	15,757	15,813
Parks & Rec, Board-Martinsburg/Berkeley County WV	200	-
Partnerships for Affordable Housing	-	2,000
Potomac Valley Audubon Society	-	7,547
Project Aware	5,000	-
PurposeFULL Paws	6,068	3,394
Shepherdstown Day Care	18,567	20,000
Spring Mills High School	-	2,500
Starting Points	10,881	14,062
Telemon Corporation	25,000	-
Telemon/ I & R	20,000	24,000
United Way of Central West Virginia	5,200	-
University Healthcare Foundation	2,760	-
Wildwood Middle School	8,000	10,000
West Virginia Coalition to End Homelessness	-	10,000
	<u>\$ 367,948</u>	<u>\$ 386,481</u>

See independent auditors' report.