

**TRIDENT UNITED WAY**  
**FINANCIAL REPORT**  
**JUNE 30, 2021 AND 2020**

**TRIDENT UNITED WAY**  
**FINANCIAL REPORT**  
**JUNE 30, 2021 AND 2020**

**TABLE OF CONTENTS**

	<b><u>Page</u></b>
<b>INDEPENDENT AUDITORS' REPORT</b>	<b>1-2</b>
 <b>FINANCIAL STATEMENTS</b>	
<b>Statements of Financial Position</b>	<b>3-4</b>
<b>Statements of Activities</b>	<b>5-6</b>
<b>Statements of Functional Expenses</b>	<b>7-8</b>
<b>Statements of Cash Flows</b>	<b>9</b>
<b>Notes to Financial Statements</b>	<b>10-25</b>

## INDEPENDENT AUDITORS' REPORT

To the Board of Directors  
Trident United Way  
North Charleston, South Carolina

### **Report on the Financial Statements**

We have audited the accompanying financial statements of Trident United Way, which comprise the statements of financial position as of June 30, 2021 and 2020, 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 audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### ***Opinion***

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Trident United Way as of June 30, 2021 and 2020, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

### ***Accounting Standards Update***

As discussed in Note A to the financial statements, for 2021, the Organization adopted a new accounting guidance the Financial Accounting Standards Board issued Accounting Standards Update No. 2018-13 Fair Value Measurement (Topic 820) and No. 2014-09 Revenue from Contracts with Customers (topic 606), as amended. Our opinion is not modified with respect to this matter.

DCLPAS, LLC dba Davis & Company CPAs

Mount Pleasant, South Carolina  
November 17, 2021

**TRIDENT UNITED WAY**  
**STATEMENT OF FINANCIAL POSITION**  
**AS OF JUNE 30, 2021**

	<b>Without Donor Restrictions</b>	<b>With Donor Restrictions</b>	<b>Total</b>
<b>ASSETS</b>			
Cash and cash equivalents	\$ 5,677,793	\$ -	\$ 5,677,793
Short term investments	384,126	33,811	417,937
Accounts receivable	124,193	-	124,193
Contribution receivable, net	-	2,235,851	2,235,851
Prepaid expenses	64,590	-	64,590
Land, buildings, and equipment, net	1,917,783	-	1,917,783
Long term investments	9,827,963	962,993	10,790,956
<b>TOTAL ASSETS</b>	<b>\$ 17,996,448</b>	<b>\$ 3,232,655</b>	<b>\$ 21,229,103</b>
<b>LIABILITIES AND NET ASSETS</b>			
<b>LIABILITIES</b>			
Accounts payable	\$ 158,629	\$ -	\$ 158,629
Payroll liabilities	140,602	-	140,602
Deferred compensation	524,933	-	524,933
Campaign designations payable	-	124,063	124,063
Payroll Protection Program SBA loan	596,870	-	596,870
Total liabilities	1,421,034	124,063	1,545,097
<b>NET ASSETS</b>			
Without donor restrictions			
Undesignated	5,130,021	-	5,130,021
Designated by Board for operating/emergency reserve	2,649,311	-	2,649,311
Designated by Board for endowment	6,376,699	-	6,376,699
Designated by Board for community needs	50,000	-	50,000
Designated by Board for building reserve	451,600	-	451,600
Invested in property and equipment	1,917,783	-	1,917,783
Total without donor restrictions	16,575,414	-	16,575,414
With donor restrictions			
Perpetual in nature	-	467,528	467,528
Purpose restrictions	-	2,641,064	2,641,064
Total with donor restrictions	-	3,108,592	3,108,592
<b>TOTAL NET ASSETS</b>	<b>16,575,414</b>	<b>3,108,592</b>	<b>19,684,006</b>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b>\$ 17,996,448</b>	<b>\$ 3,232,655</b>	<b>\$ 21,229,103</b>

See accompanying notes and independent auditors' report.

**TRIDENT UNITED WAY**  
**STATEMENT OF FINANCIAL POSITION**  
**AS OF JUNE 30, 2020**

	<b>Without Donor Restrictions</b>	<b>With Donor Restrictions</b>	<b>Total</b>
<b>ASSETS</b>			
Cash and cash equivalents	\$ 4,457,341	\$ -	\$ 4,457,341
Short term investments	171,383	8,025	179,408
Accounts receivable	120,156		120,156
Contribution receivable, Net	-	3,040,789	3,040,789
Prepaid expenses	70,036	-	70,036
Land, buildings, and equipment, Net	2,083,948	-	2,083,948
Long term investments	8,357,985	753,946	9,111,931
<b>TOTAL ASSETS</b>	<b>\$ 15,260,849</b>	<b>\$ 3,802,760</b>	<b>\$ 19,063,609</b>
<b>LIABILITIES AND NET ASSETS</b>			
<b>LIABILITIES</b>			
Accounts payable	\$ 166,507	\$ 44,500	\$ 211,007
Payroll liabilities	181,000	-	181,000
Deferred compensation	523,200	-	523,200
Campaign designations payable	-	135,865	135,865
Payroll Protection Program SBA Loan	582,216	-	582,216
Total liabilities	1,452,923	180,365	1,633,288
<b>NET ASSETS</b>			
Without donor restrictions			
Undesignated	3,855,967	-	3,855,967
Designated by Board for operating/emergency reserve	2,460,858	-	2,460,858
Designated by Board for endowment	5,008,948	-	5,008,948
Designated by Board for building reserve	398,205	-	398,205
Invested in property and equipment	2,083,948	-	2,083,948
Total without donor restrictions	13,807,926	-	13,807,926
With donor restrictions			
Perpetual in nature	-	467,528	467,528
Purpose restrictions	-	3,154,867	3,154,867
Total with donor restrictions	-	3,622,395	3,622,395
<b>TOTAL NET ASSETS</b>	<b>13,807,926</b>	<b>3,622,395</b>	<b>17,430,321</b>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b>\$ 15,260,849</b>	<b>\$ 3,802,760</b>	<b>\$ 19,063,609</b>

See accompanying notes and independent auditors' report.

**TRIDENT UNITED WAY**  
**STATEMENT OF ACTIVITIES**  
**FOR THE YEAR ENDED JUNE 30, 2021**

	<b>Without Donor Restrictions</b>	<b>With Donor Restrictions</b>	<b>Total</b>
<b>PUBLIC SUPPORT AND REVENUE</b>			
Contribution revenue			
Campaign contributions	\$ 229,734	\$ 5,190,731	\$ 5,420,465
Less donor designations	(229,734)	(479,944)	(709,678)
Less provision for uncollectible	-	(535,536)	(535,536)
Less prior year uncollectible	(33,494)	-	(33,494)
Payments from previously closed campaigns	209,135	-	209,135
Other contributions	673,258	91,753	765,011
<b>Net contribution revenue</b>	<b>848,899</b>	<b>4,267,004</b>	<b>5,115,903</b>
Program service fees	34,628	-	34,628
Donor designation fees	11,508	-	11,508
Gifts in kind	222,567	-	222,567
Rental income	254,497	-	254,497
Other income	45,587	-	45,587
Payroll Protection Loan forgiveness	588,054	-	588,054
Investment income (net of fees \$55,460)	2,314,156	253,963	2,568,119
Net assets released from restrictions	5,034,770	(5,034,770)	-
<b>TOTAL PUBLIC SUPPORT AND REVENUE</b>	<b>\$ 9,354,666</b>	<b>\$ (513,803)</b>	<b>\$ 8,840,863</b>
<b>EXPENSES</b>			
Program services			
Community Impact	\$ 2,037,246	\$ -	\$ 2,037,246
Health	357,170	-	357,170
Education	202,220	-	202,220
Financial Stability	1,051,757	-	1,051,757
Connecting the Community	712,449	-	712,449
Total program services	4,360,842	-	4,360,842
Supporting services			
General and administrative	409,865	-	409,865
Building expenses	295,718	-	295,718
Fundraising	1,520,753	-	1,520,753
Total support services	2,226,336	-	2,226,336
<b>TOTAL EXPENSES</b>	<b>6,587,178</b>	<b>-</b>	<b>6,587,178</b>
INCREASE (DECREASE) IN NET ASSETS	2,767,488	(513,803)	2,253,685
Net Assets at Beginning of Year	13,807,926	3,622,395	17,430,321
<b>NET ASSETS AT END OF YEAR</b>	<b>\$ 16,575,414</b>	<b>\$ 3,108,592</b>	<b>\$ 19,684,006</b>

See accompanying notes and independent auditors' report.

**TRIDENT UNITED WAY**  
**STATEMENT OF ACTIVITIES**  
**FOR THE YEAR ENDED JUNE 30, 2020**

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
<b>PUBLIC SUPPORT AND REVENUE</b>			
Contribution revenue			
Campaign contributions	\$ 405,972	\$ 6,572,570	\$ 6,978,542
Less donor designations	(405,972)	(429,573)	(835,545)
Less provision for uncollectible	-	(791,431)	(791,431)
Less prior year uncollectible	-	(215,814)	(215,814)
Payments from previously closed campaigns	-	152,909	152,909
Tri-County COVID-19 Response Fund	461,894	-	461,894
Other contributions	409,858	101,416	511,274
<b>Net contribution revenue</b>	<u>871,752</u>	<u>5,390,077</u>	<u>6,261,829</u>
Program service fees	34,006	-	34,006
Donor designation fees	29,056	-	29,056
Rental income	245,632	-	245,632
Other income	17,195	-	17,195
Investment income (net of fees \$74,644)	378,106	40,570	418,676
Net assets released from restrictions	5,618,011	(5,618,011)	-
<b>TOTAL PUBLIC SUPPORT AND REVENUE</b>	<u>\$ 7,193,758</u>	<u>\$ (187,364)</u>	<u>\$ 7,006,394</u>
<b>EXPENSES</b>			
Program services			
Community Impact	\$ 2,122,847	\$ -	\$ 2,122,847
Health	355,243	-	355,243
Education	676,309	-	676,309
Financial Stability	1,548,690	-	1,548,690
Connecting the Community	795,670	-	795,670
Total program services	<u>5,498,759</u>	<u>-</u>	<u>5,498,759</u>
Supporting services			
General and administrative	484,155	-	484,155
Building expenses	264,731	-	264,731
Fundraising	1,509,166	-	1,509,166
Total support services	<u>2,258,052</u>	<u>-</u>	<u>2,258,052</u>
<b>TOTAL EXPENSES</b>	<u>7,756,811</u>	<u>-</u>	<u>7,756,811</u>
INCREASE (DECREASE) IN NET ASSETS	(563,053)	(187,364)	(750,417)
Net Assets at Beginning of Year	14,370,979	3,809,759	18,180,738
<b>NET ASSETS AT END OF YEAR</b>	<u>\$ 13,807,926</u>	<u>\$ 3,622,395</u>	<u>\$ 17,430,321</u>

See accompanying notes and independent auditors' report.



**TRIDENT UNITED WAY**  
**STATEMENT OF FUNCTIONAL EXPENSES**  
**FOR THE YEAR ENDED JUNE 30, 2021**

	Program Services						Supporting Services					
	Community Impact	Health	Education	Financial Stability	Connecting the Community	Total Programs	General and Admin	Building	Total Admin	Fundraising	Total Support	Total Expenses
Expenses												
Partner agency allocations	\$ 1,317,388	\$ -	\$ -	\$ 50,000	\$ -	\$ 1,367,388	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,367,388
Other Agency Grants	23,751	26,498	4,999	74,783	-	130,031	-	-	-	-	-	130,031
Salaries & Benefits	581,623	236,756	121,709	519,889	385,452	1,845,429	302,724	97,768	400,492	1,141,708	1,542,200	3,387,629
Professional and contract services	36,200	50,369	52,345	233,942	30,646	403,502	42,724	7,419	50,143	107,387	157,530	561,032
Occupancy	15,979	6,372	5,000	44,932	12,449	84,732	9,698	81,613	91,311	33,977	125,288	210,020
Meetings and conferences	2,954	1,554	393	9,705	336	14,942	4,505	10	4,515	14,132	18,647	33,589
Depreciation	18,696	7,103	5,745	44,185	12,752	88,481	8,783	76,736	85,519	35,047	120,566	209,047
Dues, subscriptions and publications	24,953	9,980	6,794	33,386	18,014	93,127	12,015	3,974	15,989	49,108	65,097	158,224
Advertising	1,780	-	-	-	233,156	234,936	-	-	-	67,940	67,940	302,876
Postage and printing	8,940	5,985	2,443	18,175	7,057	42,600	3,961	1,346	5,307	41,450	46,757	89,357
Supplies	(412)	8,153	(334)	5,035	5,282	17,724	6,053	2,167	8,220	4,578	12,798	30,522
Travel	177	56	28	2,090	270	2,621	358	-	358	4,769	5,127	7,748
Insurance	1,656	3,138	2,238	10,905	4,553	22,490	9,679	24,172	33,851	11,944	45,795	68,285
Bank service charges	2,844	1,098	783	3,816	2,032	10,573	8,776	438	9,214	8,159	17,373	27,946
Equipment	717	108	77	914	450	2,266	589	75	664	554	1,218	3,484
Total Expenses	\$ 2,037,246	\$ 357,170	\$ 202,220	\$ 1,051,757	\$ 712,449	\$ 4,360,842	\$ 409,865	\$ 295,718	\$ 705,583	\$ 1,520,753	\$ 2,226,336	\$ 6,587,178

See accompanying notes and independent auditors' report.

**TRIDENT UNITED WAY**  
**STATEMENT OF FUNCTIONAL EXPENSES**  
**FOR THE YEAR ENDED JUNE 30, 2020**

	Program Services						Supporting Services						
	Community Impact	Health	Education	Financial Stability	Connecting the Community	Total Programs	General and Admin	Building	Total Admin	Fundraising	Total Support	Total Expenses	
Expenses													
Partner agency allocations	\$ 1,384,322	\$ -	\$ 450,000	\$ 50,000	\$ -	\$ 1,884,322	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,884,322	
Other Agency Grants	10,000	-	-	557,804	-	567,804	1,209	-	1,209	-	1,209	569,013	
Salaries & Benefits	578,650	240,179	146,598	625,203	409,879	2,000,509	323,520	91,861	415,381	1,092,921	1,508,302	3,508,811	
Professional and contract services	44,005	45,347	33,920	95,391	230,221	448,884	70,965	8,199	79,164	92,702	171,866	620,750	
Occupancy	18,265	8,237	8,465	52,755	14,497	102,219	13,029	82,557	95,586	40,237	135,823	238,042	
Meetings and conferences	7,825	19,925	2,277	15,910	2,146	48,083	16,140	-	16,140	47,709	63,849	111,932	
Depreciation	24,264	9,454	9,777	39,001	15,897	98,393	9,074	56,674	65,748	43,160	108,908	207,301	
Dues, subscriptions and publications	29,758	13,210	13,319	38,234	24,069	118,590	17,135	4,035	21,170	59,392	80,562	199,152	
Advertising	5	-	-	6,852	45,356	52,213	1,798	-	1,798	33,062	34,860	87,073	
Postage and printing	9,761	4,803	4,438	18,161	27,689	64,852	1,823	1,379	3,202	56,990	60,192	125,044	
Supplies	1,443	2,810	768	25,226	9,543	39,790	21,046	1,947	22,993	12,814	35,807	75,597	
Travel	4,852	7,053	1,627	10,759	2,411	26,702	3,325	88	3,413	10,808	14,221	40,923	
Insurance	5,948	2,621	2,711	7,991	4,407	23,678	1,243	17,239	18,482	11,965	30,447	54,125	
Miscellaneous	-	-	750	-	5,227	5,977	1,232	-	1,232	37	1,269	7,246	
Bank service charges	3,641	1,604	1,659	4,892	2,698	14,494	2,409	516	2,925	7,350	10,275	24,769	
Equipment	108	-	-	511	1,630	2,249	207	236	443	19	462	2,711	
<b>Total Expenses</b>	<b>\$ 2,122,847</b>	<b>\$ 355,243</b>	<b>\$ 676,309</b>	<b>\$ 1,548,690</b>	<b>\$ 795,670</b>	<b>\$ 5,498,759</b>	<b>\$ 484,155</b>	<b>\$ 264,731</b>	<b>\$ 748,886</b>	<b>\$ 1,509,166</b>	<b>\$ 2,258,052</b>	<b>\$ 7,756,811</b>	

See accompanying notes and independent auditors' report.

**TRIDENT UNITED WAY  
STATEMENTS OF CASH FLOWS  
FOR THE YEARS ENDED JUNE 30, 2021 and 2020**

	<u>2021</u>	<u>2020</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Increase (decrease) in net assets	\$ 2,253,685	\$ (750,417)
Adjustments to reconcile increase (decrease) in net assets to net cash provided by (used for) operating activities:		
Depreciation	209,047	207,301
Realized/unrealized (gain) on investments	(2,568,119)	(418,676)
Loss on disposal of land, buildings, and equipment	7,741	-
Provision for uncollectible contributions receivable	535,536	791,431
(Increase) decrease in operating assets		
Accounts receivable	(4,037)	59,635
Contributions receivable		
Trident United Way Campaign	269,402	(609,044)
Prepaid expenses	5,446	97,890
Increase (decrease) in operating liabilities		
Accounts payable	(52,378)	(242,742)
Payroll liabilities	(40,399)	77,320
Deferred compensation	1,733	62,449
Campaign designations payable	(11,802)	(45,528)
<b>NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</b>	<u>605,855</u>	<u>(770,381)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Leasehold improvements, equipment and software purchase	(50,623)	(514,772)
Sale/purchase of investments, net	650,566	3,143,509
<b>NET CASH PROVIDED BY INVESTING ACTIVITIES</b>	<u>599,943</u>	<u>2,628,737</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Forgiveness of Paycheck Protection Program SBA loan	(582,216)	-
Proceeds from paycheck Protection Program SBA loan	596,870	582,216
<b>NET CASH PROVIDED BY FINANCING ACTIVITIES</b>	<u>14,654</u>	<u>582,216</u>
 NET INCREASE IN CASH	 1,220,452	 2,440,572
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	<u>4,457,341</u>	<u>2,016,769</u>
 CASH AND CASH EQUIVALENTS AT END OF YEAR	 <u>\$ 5,677,793</u>	 <u>\$ 4,457,341</u>
<b>SUPPLEMENTAL INFORMATION</b>		
In-kind donation	<u>\$ 222,567</u>	<u>\$ -</u>

See accompanying notes and independent auditors' report.

**TRIDENT UNITED WAY**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEARS ENDED JUNE 30, 2021 AND 2020**

**NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Nature of Activities**

Trident United Way (the Organization) is a catalyst for measurable community transformation through collective impact in education, financial stability and health. The Organization is committed to applying the collective impact discipline by bringing together various stakeholders, individuals and organizations, to create long-lasting social change. Trident United Way's vision is to create positive, sustainable system change designed to help keep students on track to graduate, to help families achieve financial stability and to help citizens gain tools to live healthy lives.

**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.

**Use of Estimates**

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

**Classification of Net Assets**

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

Net Assets Without Donor Restrictions - Net assets without donor restrictions are available for use in general operations and not subject to donor restrictions. The Board of Directors has designated, from net assets without donor restrictions, net assets for operating/emergency reserve, board-designated endowment, and building reserve. See the statement of financial position for the composition of net assets without donor restrictions.

Net Assets With Donor Restrictions - Certain donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donors. Other donor-imposed restrictions are perpetual on nature, where the donor stipulates those resources be maintained in perpetuity. Donor-imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both. See Note I for more information on the composition of net assets with donor restrictions.

**Cash and Cash Equivalents**

For purposes of the statements of cash flows, the Organization considers all unrestricted highly liquid investments with an initial maturity of three months or less to be cash equivalents. Cash equivalents include money market funds and certificates of deposit valued equally with cash.

**Accounts Receivable**

Management considers all accounts receivable to be fully collectible based on experience. Accordingly, no allowance has been established for these accounts.

**TRIDENT UNITED WAY**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEARS ENDED JUNE 30, 2021 AND 2020**

**NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued**

**Public Support and Contributions Receivable**

Annual campaigns are conducted to raise support for operations and allocations to participating agencies. Contributions received are recorded with donor restrictions or without donor restrictions depending on the existence or nature of any donor restrictions.

Contributions are recorded when the agency is notified of the pledge, and allowances are provided for amounts estimated to be uncollectible. Bequests are recorded as income at the time the agency has an established right to the bequest and the proceeds are measurable. An allowance for doubtful accounts is recorded based on management's historical collection information of trends and adjusted accordingly.

**Prepaid Expenses**

Expenses are recognized by the Organization on an accrual basis. Expenses paid in advance and not yet incurred are recorded as prepaid until the applicable period. Prepaid and other assets are primarily prepaid annual dues to United Way Worldwide and United Way Association of South Carolina, as well as prepaid service contracts and insurance.

**Land, Buildings, and Equipment**

Land, buildings, and equipment purchased are recorded at cost. The Organization capitalizes all expenditures for property and equipment in excess of \$1,000 with a useful life greater than one year. Improvements or betterments of a permanent nature are capitalized. Expenditures for maintenance and repairs are charged to expense as incurred. The costs of assets retired or otherwise disposed of, and the related accumulated depreciation, are eliminated from the accounts in the year of disposal. Gains or losses resulting from property disposals are credited or charged to operations currently. Land, buildings, and equipment are depreciated using the straight-line method over the estimated useful lives of the assets, from 3 to 40 years.

**Investments**

The Organization accounts for investments in accordance with FASB ASC 958-320 and subsections. This standard requires that investments in equity securities with readily determinable fair values and all investments in debt securities be measured at fair value in the statements of financial position. Fair value of marketable equity and debt securities is based on quoted market prices.

The Organization records investment purchases at cost, or if donated, at fair value on the date of donation. Thereafter, investments are reported at their fair values in the statements of financial position. Net investment return/(loss) is reported in the statements of activities and consists of interest and dividend income, realized and unrealized capital gains and losses, less external and direct investment expenses.

Investments are exposed to various risks such as significant world events, interest rate, credit, and overall market volatility risks. Due to the level of risk associated with certain investment securities, it is reasonably possible that changes in the fair value of investments will occur in the near term and that such changes could materially affect the amounts reported in the statements of financial position.

**Endowment and Long-term Investments**

Endowment investments consist of investments purchased with the following resources:

- Donor-restricted perpetual endowments, which are contributions restricted by donors to investment in perpetuity with only investment income and appreciation being used to support the organization's activities.

**TRIDENT UNITED WAY**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEARS ENDED JUNE 30, 2021 AND 2020**

**NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued**

**Endowment and Long-term Investments - Continued**

- Donor-restricted term endowments, which are contributions restricted by donors to investment for the term specified by the donor. During that term, the donor may either require investment income and appreciation to be reinvested in the fund or may permit the organization to spend those amounts in accordance with the donors' restrictions on use.
- Board-designated endowments, which are resources set aside by the Board of Directors for an indeterminate period to operate in a manner similar to a donor-restricted perpetual endowment. Because a board-designated endowment results from an internal designation, it can be spent upon the action of the Board of Directors.

Endowment investments also include investments purchased with unspent investment income and net gains on these resources. Other long-term investments are held under split-interest agreements with donors.

Endowment investments are reported at fair value with changes to fair value reported as investment return in the statement of activities. Purchases and sales of investments are reported on the trade date.

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

The board-designated operating/emergency reserve of \$2,649,311 is available in the case of economic downturns or natural disasters so the organization may maintain or expand services in times of great need. The board may also use these funds for one-time investment in capital, equipment, or technology beyond what could be funded through the annual campaign.

The board-designated endowment of \$6,376,699 is to provide long-term support of the fundraising and administrative functions for Trident United Way through an established four percent per year distribution.

The Board of Directors approved a change in the annual endowment distribution to 4% from 5% in the year ended June 30, 2021. Additional funds beyond the annual distribution could be available if deemed necessary by the Board of Directors.

The board-designated building reserve of \$451,600 is to provide for major repairs and improvements to the organization-owned properties.

The community needs reserve of \$50,000 is to provide for assistance to the community, specifically related to needs caused by the COVID-19 pandemic.

**Revenues from Exchange Transactions**

The Organization has revenue streams that are accounted for as exchange transactions including program fees. Because the Organization's performance obligations relate to contracts with a duration of less than one year, the Organization has elected to apply the optional exemption provided in FASB ASC 606-10-50-14, Revenue from Contracts with Customers, and, therefore, is not required to disclose the aggregate amount of the transaction price allocated to performance obligations that are unsatisfied or partially unsatisfied at the end of the reporting period.

**TRIDENT UNITED WAY**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEARS ENDED JUNE 30, 2021 AND 2020**

**NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued**

**Gifts In-Kind and Contributed Services**

A substantial number of volunteers have donated significant amounts of time to the Organization's program services and to its fund-raising campaigns. Contributed services represent services requiring specialized skills that the Organization would typically purchase if not donated. Gifts in-kind and contributed services are recognized at their estimated fair values at date of receipt with an equal and offsetting amount in expenses in the Statement of Activities, resulting in a no net impact on the change in net assets during the fiscal year.

**Accounting for Contributions**

Trident United Way conducts annual fundraising campaigns in cooperation with many individuals and local employers. Contributions, including pledges and other unconditional promises to give, are recognized as revenue in the year the pledge is received. All contributions are reported as increases in net assets without donor restrictions unless use of the contributed assets is specifically restricted by the donor. Amounts that are restricted by the donor to use in future periods or for specific purposes are reported as increases in net assets with donor restrictions. The majority of the organization's pledges allow donors to make payments over 24 months. Since the pledge may extend beyond one fiscal year the organization treats them as time restricted. Such revenues will be presented as restricted until paid and released from restrictions.

Multi-year contributions have an implied time restriction that the amounts are not to be used until the year in which they are to be received, and therefore are reported as with donor restrictions. Amounts that are to be invested in perpetuity and only the income used will be recorded as with donor restrictions.

Conditional promises, such as matching grants, are not recognized until they become unconditional, that is, until all conditions on which they depend are substantially met. It is the Organization's policy to record restricted contributions received and released in the same year as contributions without donor restrictions.

The Organization allows donors to designate their contributions to any agency qualified to receive charitable contributions. Donor-designated contributions are reflected in gross campaign results and deducts them from revenue on the statement of activities. Designations are paid when the pledge payment is collected.

**Expense Recognition and Allocation**

The cost of providing the organization's programs and other activities is summarized on a functional basis in the statement of activities and statement of functional expense. Expenses that can be identified with a specific program or support service are charged directly to that program or support service.

Costs common to multiple functions have been allocated among the various functions benefited using a reasonable allocation method that is consistently applied as follows:

- Salaries and wages, benefits and payroll taxes are allocated based on activity reports.
- Occupancy, telephone and internet services, insurance, supplies, depreciation, and other miscellaneous expenses are allocated based on the salary allocation and headcount for each program and supporting activity.

Every year, or more often when new space or programs are added, the basis on which costs are allocated are evaluated. General and administrative expenses include these costs that are not directly identifiable with any specific program, but which provide for the overall support and direction of the organization. Fundraising costs are expensed as incurred, even though they may result in contributions received in future years.

**TRIDENT UNITED WAY**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEARS ENDED JUNE 30, 2021 AND 2020**

**NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued**

**Recently Adopted Accounting Pronouncements**

In September 2020, the Financial Accounting Standards Board (“FASB”) issued Accounting Standards Update (ASU) No. 2020-07, *Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets* (Topic 958), which increased the transparency of contributed nonfinancial assets for not-for-profit entities through enhancements to presentation and disclosure. ASU No 2020-07 requires not-for-profit entities to present contributed nonfinancial assets as a separate line item in the statement of activities, apart from contributions of cash and other financial assets. It also requires additional disclosures, including a disclosure of a disaggregation of the amount of contributed nonfinancial assets by category. ASU 2020-07 is effective for the Organization for fiscal year 2022 and early adoption is permitted.

In August 2018, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) No. 2018-13 Fair Value Measurement (Topic 820). The ASU changes the disclosure requirements for fair value measurement guidance in U.S. GAAP. The Organization adopted the new standard effective July 1, 2020, the first day of the Organization’s fiscal year, using the full retrospective method.

Analysis of various provisions of this standard resulted in no significant changes in the way the Organization measures fair value therefore no changes to the previously issued audited financial statements were required on a retrospective basis. The presentation and disclosures of fair value measurements have been adjusted in accordance with the standard.

In May 2014, The Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) No. 2014-09 Revenue from Contracts with Customers (Topic 606), as amended. The ASU and all subsequently issued clarifying ASUs replace most existing revenue recognition guidance in the U.S. GAAP. The ASU also required expanded disclosures relating to the nature, amount and timing and uncertainty of revenue and cashflows arising from contracts with customers. The Organization adopted the new standard effective July 1, 2020, the first day of the Organization’s fiscal year, using the full retrospective method.

Analysis of various provisions of this standard resulted in no significant changes in the way the Organization recognizes revenue therefore no changes to the previously issued audited financial statements were required on a retrospective basis. The presentation and disclosures of revenue and revenue recognition have been adjusted in accordance with the standard.

**Compensated Absences**

Employees of the Organization working at least 30 hours per week, are entitled to a minimum of 10 and maximum of 20 paid vacation days based on a years of service model. When an employee with at least 90 days of service leaves the organization, unused vacation is paid out at the hourly equivalent of the current pay rate. Employees are allowed to accumulate unused vacation time up to a maximum of 30 days (225 hours). Therefore, a liability is recorded at the end of the fiscal year for the total amount of vacation unused at that time. As of June 30, 2021 and 2020 the accrued vacation liability was \$140,602 and \$140,854, respectively.

**Credit Risk Concentration**

Financial instruments that potentially subject the Organization to concentrations of credit risk consist primarily of cash in deposit accounts which may exceed federally insured limits. The Organization has not experienced any losses in such accounts and believes it is not exposed to any unusual credit risk.



**TRIDENT UNITED WAY**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEARS ENDED JUNE 30, 2021 AND 2020**

**NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued**

**Fair Value of Financial Instruments**

Accounting Standards Codification (ASC) 820, *Fair Value Measurements and Disclosures* defines fair value, establishes a framework for measuring fair value in generally accepted accounting principles, and expands disclosures about fair value measurements. ASC 820 is effective for the Organization's financial assets and liabilities for the years ended June 30, 2021 and 2020. The estimated fair value amounts for specific groups of financial instruments are presented within the footnotes. Cash, accounts receivable, unconditional promises to give, accounts payable and accrued expenses are stated at cost, which approximates fair value, due to their short term to maturity.

**Classification of Transactions**

All revenues and net gains are reported as increases in net assets without donor restrictions in the statement of activities unless the donor specified the use of the related resources for a particular purpose or in a future period. All expenses and net losses other than losses on endowment investments are reported as decreases in net assets without donor restrictions. Net gains on endowment investments increase net assets without donor restrictions, and net losses on endowment investments reduce that net asset class.

**Income Tax Status**

The Organization is a not-for-profit organization that is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code (IRC) and comparable state law as a charitable organization whereby only unrelated business income, as defined by Section 509(a)(1) of the Code is subject to federal income tax. The Organization had no unrelated business income for the years ended June 30, 2021 and 2020. Therefore, no provision for income taxes was made. Management has evaluated the Organization's tax positions and concluded the Organization has taken no uncertain tax positions that require adjustment to the financial statements to comply with the provision of this guidance.

**Reclassifications**

Certain amounts in the June 30, 2020 financial statements have been reclassified to conform with the June 30, 2021 presentation.

**TRIDENT UNITED WAY  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEARS ENDED JUNE 30, 2021 AND 2020**

**NOTE B - LIQUIDITY AND AVAILABILITY OF RESOURCES**

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of June 30, 2021 and 2020 are as follows:

	<b>2021</b>	<b>2020</b>
Cash	\$ 5,677,793	\$ 4,457,341
Short term investments	417,937	179,408
Cash and cash equivalents	6,095,730	4,636,749
Accounts receivable	124,193	120,156
Investments	10,790,956	9,111,931
Total financial assets	17,010,879	13,868,836
Less financial assets held to meet donor-imposed restrictions:		
Trident United Way Campaign	(2,071,474)	(2,822,910)
Other	(569,590)	(331,957)
In perpetuity	(467,528)	(467,528)
Less board-designated funds:		
Operating/emergency reserve	(2,649,311)	(2,460,858)
Endowment	(6,376,699)	(5,008,948)
Community needs	(50,000)	-
Building reserve	(451,600)	(398,205)
Total financial assets with restrictions	(12,636,202)	(11,490,406)
Amount available for general expenditures within one year	\$ 4,374,677	\$ 2,378,430

The above table reflects donor-restricted and board-designated funds as unavailable because it is the Organization's intention to invest those resources for the long-term support of the Organization. However, in the case of need, the Board of Directors could appropriate resources from the operating/emergency reserve \$2,649,311, designated endowment \$6,376,699, or building reserve \$451,600.

**NOTE C - INVESTMENTS**

Long and short term investments consist of net assets with donor restrictions and without donor restrictions managed by Morgan Stanley Smith Barney LLC, including a stock gift account.

All investments are stated at fair value. Investments comprise the following as of June 30:

	<b>As of June 30, 2021</b>		<b>As of June 30, 2020</b>	
	<b>FMV</b>	<b>Cost</b>	<b>FMV</b>	<b>Cost</b>
Money market fund	\$ 292,044	\$ 281,589	\$ 139,801	\$ 139,801
Fixed income	861,915	807,078	511,189	446,853
Mutual funds – corporate bonds	3,218,232	2,965,624	2,386,742	2,175,321
Securities and security portfolios	6,836,702	5,149,778	6,253,607	5,539,666
	\$ 11,208,893	\$ 9,204,069	\$ 9,291,339	\$ 8,301,641

**TRIDENT UNITED WAY**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEARS ENDED JUNE 30, 2021 AND 2020**

**NOTE C – INVESTMENTS - Continued**

Maturities for the above listed investments are listed below:

	<u>As of June 30, 2021</u>	<u>As of June 30, 2020</u>
<u>Maturity Range in Years</u>		
3 months - 1 year	\$ 417,937	\$ 179,408
1 - 5 years	331,318	208,351
5-10 years	293,481	124,467
10 years and beyond	157,350	141,686
Mutual Funds – corporate bonds	3,209,145	2,386,742
Securities and security portfolios	6,799,661	6,250,685
Total Investments	<u>\$ 11,208,893</u>	<u>\$ 9,291,339</u>

**NOTE D – CONTRIBUTIONS RECEIVABLE**

Contributions receivable have not been discounted as the campaign for the Trident United Way runs for one year. Total unconditional promises to give consist of the following as of June 30:

	<u><b>Trident United Way Campaign</b></u>	
	<u><b>2021</b></u>	<u><b>2020</b></u>
Beginning balance	\$ 3,040,789	\$ 3,223,177
Commitments made	3,082,880	4,433,411
Payments made	<u>(3,352,282)</u>	<u>(3,824,368)</u>
Balance before allowance	2,771,387	3,832,220
Allowance for uncollectible	<u>(535,536)</u>	<u>(791,431)</u>
Ending balance	<u>\$ 2,235,851</u>	<u>\$ 3,040,789</u>

An allowance for doubtful accounts is maintained based on management's internal reserve policies. Management's estimate of uncollectible pledges was 10% and 12% for the years ended June 30, 2021 and 2020, respectively.

**NOTE E – FAIR VALUE MEASUREMENTS AND DISCLOSURES**

Financial Accounting Standards Board (FASB) guidance establishes a fair-value hierarchy that distinguishes between assumptions based on market data (observable inputs) and the Organization's assumptions (unobservable inputs). Determining where an asset or liability falls in that hierarchy depends on the lowest-level input that is significant to the fair-value measurement as a whole.

FASB ASC 820, *Fair Value Measurements and Disclosures* establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value and maximizes the use of observable inputs and minimizes the use of unobservable inputs by requiring that the observable inputs be used when available.

**TRIDENT UNITED WAY**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEARS ENDED JUNE 30, 2021 AND 2020**

**NOTE E – FAIR VALUE MEASUREMENTS AND DISCLOSURES - Continued**

The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to measurements involving significant unobservable inputs (Level 3 measurements). Trident United Way held no financial instruments that were valued using Level 3 measurements as of June 30, 2021 or 2020.

The three levels of fair value hierarchy under FASB ASC 820 are described as follows:

Level 1 Inputs: Valuation based on quoted prices in active markets for identical assets or liabilities that a reporting entity can access at the measurements date and where transactions occur with sufficient frequency and volume to provide pricing information on an ongoing basis.

Level 2 Inputs: Valuation based on inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly. Inputs include quoted prices for similar assets or liabilities in active markets, quoted prices for identical or similar assets or liabilities in markets that are not active, that is markets in which there are few transactions, prices are not current, or prices vary substantially over time.

Level 3 Inputs: Unobservable inputs for valuation of the asset or liability. Level 3 assets include investments for which there is little, if any, market activity. These inputs require significant management judgement or estimation. These financial instruments have inputs that cannot be validated by readily determinable market data and generally involve considerable judgement by management.

At June 30, 2021 and 2020, the Organization's investments were classified within Level 1 or 2 of the hierarchy.

The following is a description of the valuation methodologies used for assets and liabilities measured at fair value, as well as the general classification pursuant to the valuation hierarchy. There have been no changes in the valuation methodologies used as of June 30, 2021 and 2020.

Money market funds: Valued at amortized cost which approximate fair value.

Bonds: Valued at the closing price reported in the active market in which the bond is traded or based on yields currently available on comparable securities of issuers with similar credit ratings.

Mutual funds: Valued using the Net Asset Value (NAV) based on the underlying assets owned by the fund, minus its liabilities, and then divided by the number of shares outstanding. The NAV is a quoted price in an active market.

Equities: Valued at the closing price reported in the active market in which the individual securities are traded.

The preceding methods described may produce a fair value calculation that may not be indicative net realizable value or reflective of future fair values. Furthermore, although the organization believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

**TRIDENT UNITED WAY**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEARS ENDED JUNE 30, 2021 AND 2020**

**NOTE E – FAIR VALUE MEASUREMENTS AND DISCLOSURES - Continued**

The following tables set forth by level, within the fair value hierarchy, the organization's assets measure at fair value at June 30, 2021 and 2020:

<b>Description</b>	<b>June 30, 2021</b>			
	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
Money market funds	\$ 292,044	\$ -	\$ -	\$ 292,044
Bonds	-	861,915	-	861,915
Mutual funds - corporate bonds	3,218,232	-	-	3,218,232
Securities and security portfolios	6,836,702	-	-	6,836,702
<b>Total assets at fair value</b>	<b>\$ 10,346,978</b>	<b>\$ 861,915</b>	<b>\$ -</b>	<b>\$ 11,208,893</b>

  

<b>Description</b>	<b>June 30, 2020</b>			
	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
Money market funds	\$ 139,801	\$ -	\$ -	\$ 139,801
Bonds	-	511,189	-	511,189
Mutual funds - corporate bonds	2,386,742	-	-	2,386,742
Securities and security portfolios	6,253,607	-	-	6,253,607
<b>Total assets at fair value</b>	<b>\$ 8,780,150</b>	<b>\$ 511,189</b>	<b>\$ -</b>	<b>\$ 9,291,339</b>

**NOTE F - LAND, BUILDINGS AND EQUIPMENT**

Land, buildings and equipment for the years ended June 30, 2021 and 2020 consist of the following:

	<b>Beginning Balance July 1, 2020</b>	<b>Additions</b>	<b>Disposition</b>	<b>Ending Balance June 30, 2021</b>
Building and improvements	\$ 3,007,086	\$ 37,052	\$ (89,752)	\$ 2,954,386
Equipment	361,767	13,571	(17,063)	358,275
Total depreciable assets	3,368,853	50,623	(106,815)	3,312,661
Less accumulated depreciation	(1,774,905)	(209,047)	99,074	(1,884,878)
Net depreciable assets	1,593,948	(158,424)	(7,741)	1,427,783
Land	490,000	-	-	490,000
Total land, buildings, and equipment	<b>\$ 2,083,948</b>	<b>\$ (158,424)</b>	<b>\$ (7,741)</b>	<b>\$ 1,917,783</b>

  

	<b>Beginning Balance July 1, 2019</b>	<b>Additions</b>	<b>Disposition</b>	<b>Ending Balance June 30, 2020</b>
Building and improvements	\$ 2,535,330	\$ 471,756		\$ 3,007,086
Equipment	318,751	43,016		361,767
Total depreciable assets	2,854,081	514,772	-	3,368,853
Less accumulated depreciation	(1,567,604)	(207,301)		(1,774,905)
Net depreciable assets	1,286,477	307,471	-	1,593,948
Land	490,000	-	-	490,000
Construction in progress	290,808		(290,808)	-
Total land, buildings, and equipment	<b>\$ 2,067,285</b>	<b>\$ 307,471</b>	<b>\$ (290,808)</b>	<b>\$ 2,083,948</b>

Depreciation expense for the years ended June 30, 2021 and 2020 are \$209,047 and \$207,301, respectively.

**TRIDENT UNITED WAY**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEARS ENDED JUNE 30, 2021 AND 2020**

**NOTE G – ACCOUNTING FOR ENDOWMENTS**

The organization's endowment consists of funds established either by donors (referred to as donor-restricted endowment funds) and or by resources set aside by the Board of Directors to function as endowments (referred to as board-designated endowment funds). Donor-restricted endowment funds are further divided into those that provide a perpetual source of support for the organization's activities (referred to as perpetual endowments) and those that are restricted by donors to investment for a specific term (referred to as term endowments).

As required by GAAP, net assets associated with endowment funds are classified and reported based on the existence or absence of donor-imposed restrictions.

The state of South Carolina enacted the Uniform Prudent Management of Institutional Funds Act (UPMIFA) effective July 1, 2008. UPMIFA establishes law for the management and investment of donor-restricted endowment funds. Donor-restricted endowment funds are subject to a time restriction imposed by UPMIFA until amounts are appropriated for expenditure by the organization.

UPMIFA permits the organization to appropriate for expenditure or accumulate so much of a donor-restricted endowment fund as it determines is prudent for the uses, benefits, purposes, and duration for which the endowment fund is established. In making its determination to appropriate or accumulate, the organization must act in good faith, with the care that an ordinary prudent person in a like position would exercise under similar circumstances, and it must consider, if relevant, the following factors:

- The duration and preservation of the endowment fund
- The purposes of the organization and the donor-restricted endowment fund
- General economic conditions
- The possible effect of inflation and deflation
- The expected total return from the income and appreciation of investments
- Other resources of the organization
- The investment policy of the organization

The net asset composition for the endowment as of June 30, 2021 and 2020, are as follows:

	<b>2021</b>		
	<b><i>Without Donor Restrictions</i></b>	<b><i>With Donor Restrictions</i></b>	<b><i>Total</i></b>
Type of Endowment Fund			
Donor-restricted funds			
Perpetual endowment	\$ -	\$ 467,528	\$ 467,528
Purpose restricted endowment	-	276,688	276,688
Board-designated endowment	6,376,699	-	6,376,699
Total subject to expenditure for a specified purpose:	<u>\$ 6,376,699</u>	<u>\$ 744,216</u>	<u>\$ 7,120,915</u>

**TRIDENT UNITED WAY**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEARS ENDED JUNE 30, 2021 AND 2020**

**NOTE G – ACCOUNTING FOR ENDOWMENTS – Continued**

	<b>2020</b>		
	<i><b>Without Donor Restrictions</b></i>	<i><b>With Donor Restrictions</b></i>	<i><b>Total</b></i>
Type of Endowment Fund			
Donor-restricted funds			
Perpetual endowment	\$ -	\$ 467,528	\$ 467,528
Purpose restricted endowment	-	123,310	123,310
Board-designated endowment	5,008,948	-	5,008,948
Total subject to expenditure for a specified purpose:	<u>\$ 5,008,948</u>	<u>\$ 590,838</u>	<u>\$ 5,599,786</u>

**Investment and Spending Policies**

The Lane Tocqueville Legacy Circle Endowment fund was established on June 30, 2010. The endowment fund has a corpus of \$467,528, established from previous restricted revenue and scrap value from the obsolete railroad box cars. The earnings of the endowment are eligible to be drawn upon to support the operations of the organization at a rate of 5% of the annual balance of the endowment if the balance is above the original corpus amount. The accumulated earnings from the endowment are recorded as net assets with donor restrictions by purpose and the corpus of the endowment is recorded as net assets with donor restrictions perpetual in nature.

The Organization has an investment policy for the board-designed Trident United Way Endowment Fund, which is monitored by the Investment Committee of its Board of Directors. The investment policy describes the objective for the fund and sets ranges for asset allocation.

The objective of the board-designated endowment fund places the highest emphasis on providing annual cash infusions to operations to help supplement operating expenses. Therefore 20% of the fund is to be available and free from excessive market risk immediately after a crisis. To meet the growth target, it is understood that two-thirds (2/3) of the Fund are to be invested in medium and long-term investment strategies. Therefore, these dollars would be only used in the most significant circumstances in order to reduce the likelihood of underperformance and excessive deterioration of real principal during a stage of poor fund performances. The Endowment fund is a board-established sub-account to provide long-term support of the fundraising and administrative functions of the Organization through an established annual distribution. The rate changed from 5% to 4% as voted on by the Board of Directors on December 11, 2020. The distribution amount is calculated on the account value as of June 30 annually.

**TRIDENT UNITED WAY**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEARS ENDED JUNE 30, 2021 AND 2020**

**NOTE G – ACCOUNTING FOR ENDOWMENTS – Continued**

The following is a summary of the asset allocation guidelines, with allowable ranges for each asset type:

<i>Asset Category</i>	<i>Target</i>	<i>Minimum</i>	<i>Maximum</i>
Cash	2%	0%	20%
Equity	65%	42%	82%
U.S. Large Cap	25%	5%	82%
U.S. Mid Cap	14%	0%	24%
U.S. Small Cap	9%	0%	19%
International - Developed	12%	0%	24%
Emerging Markets	5%	0%	12%
Fixed Income	25%	15%	50%
Investment Grade	25%	10%	50%
International Developed Bonds	0%	0%	5%
High Yield	0%	0%	5%
Real Estate	5%	0%	10%
Tangible Assets	3%	0%	10%

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

	<b>2021</b>		
	<i>Without Donor Restrictions</i>	<i>With Donor Restrictions</i>	<i>Total</i>
Endowment net assets, July 1, 2020	\$ 5,008,948	\$ 590,838	\$ 5,599,786
Investment Return	1,613,491	190,533	1,804,024
Appropriation of endowment assets for expenditure - subject to distribution rates	(245,740)	(37,155)	(282,895)
Endowment net assets, June 30, 2021	<u>\$ 6,376,699</u>	<u>\$ 744,216</u>	<u>\$ 7,120,915</u>
	<b>2020</b>		
	<i>Without Donor Restrictions</i>	<i>With Donor Restrictions</i>	<i>Total</i>
Endowment net assets, July 1, 2019	\$ 5,223,482	\$ 617,629	\$ 5,841,111
Investment Return	586,720	5,949	592,669
Appropriation of endowment assets for expenditure -subject to distribution rates	(801,254)	(32,740)	(833,994)
Endowment net assets, June 30, 2020	<u>\$ 5,008,948</u>	<u>\$ 590,838</u>	<u>\$ 5,599,786</u>



**TRIDENT UNITED WAY**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEARS ENDED JUNE 30, 2021 AND 2020**

**NOTE H – PAYCHECK PROTECTION PROGRAM**

During the year ended June 30, 2020, the Organization received a Paycheck Protection Program (PPP) loan of \$582,216 granted by the Small Business Administration (SBA) under the Coronavirus Aid, Relief, and Economic Security (CARES) Act, which was enacted March 27, 2020. On April 15, 2020 the Organization received loan funds of \$582,216 with an interest rate of 1%. On February 1, 2021 the Organization submitted forgiveness documentation and loan forgiveness of \$582,216 plus \$5,838 of interest was approved on April 15, 2021.

During the year ended June 30, 2021, the Organization received a second PPP loan of \$596,870. On February 4, 2021 the Organization received loan funds of \$596,870 with an interest rate of 1%. Monthly payments of principal and interest shall commence December 15, 2021. As of June 30, 2021 the Organization has reported the loan balance on the statement of financial position as a current liability, as they expect to meet the requirements of the program as stipulated by the SBA to have the balance of the loan forgiven in the subsequent fiscal year.

**NOTE I – NET ASSETS WITH DONOR RESTRICTIONS**

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

	<u>2021</u>	<u>2020</u>
Purpose restrictions:		
Trident United Way Campaign	\$ 2,071,474	\$ 2,822,910
Other, Net	569,590	331,957
Total purpose restrictions	<u>\$ 2,641,064</u>	<u>\$ 3,154,867</u>
Perpetual in nature:		
Endowment	\$ 467,528	\$ 467,528
Total endowments	<u>\$ 467,528</u>	<u>\$ 467,528</u>
Total net assets with donor restrictions	<u><u>\$ 3,108,592</u></u>	<u><u>\$ 3,622,395</u></u>

Net assets were released from donor restrictions by incurring expenses satisfying the restricted purpose or by occurrence of the passage of time or other events specified by the donors are as follows:

	<u>2021</u>	<u>2020</u>
Purpose or period restrictions accomplished:		
Trident United Way Campaign	\$ 5,013,516	\$ 5,582,752
Other	21,254	35,259
Net assets released from restrictions	<u><u>\$ 5,034,770</u></u>	<u><u>\$ 5,618,011</u></u>

**TRIDENT UNITED WAY**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEARS ENDED JUNE 30, 2021 AND 2020**

**NOTE J – GIFTS IN-KIND AND CONTRIBUTED SERVICES**

**Gifts In-Kind and Contributed Services**

The following table summarizes unrestricted gifts in-kind and contributed services for the years ended June 30:

<b>Gifts In-Kind and Contributed Services</b>	<b>2021</b>	<b>2020</b>
Advertisement services	\$ 214,317	\$ -
Other production services	8,250	-
Total gifts in-kind and contributed services	<u>\$ 222,567</u>	<u>\$ -</u>

As of June 30, 2021 and 2020 the Organization received donated services and in-kind contributions of approximately \$222,567 and \$0, respectively.

**NOTE K – POSTRETIREMENT BENEFITS**

**401K Plan**

The Organization has established a retirement plan formed under section 401(k) of the Internal Revenue Code, which covers substantially all employees. Participants in the plan may elect to make voluntary before-tax and/or after-tax contributions based on a percentage of their pay, subject to certain limitations set forth in the Internal Revenue Code of 1986, as amended.

<b>Organization Contributions</b>	<b>Percent</b>
Matching safe harbor	0%-4%
Non-contributory discretionary	1%
Total Organization Contribution	<u>1%-5%</u>

During the years ended June 30, 2021 and 2020 the total matching safe harbor of up to 4 percent and a 1 percent non-contributory discretionary expenses were \$107,341 and \$97,845, respectively.

**Deferred Compensation**

The Organization provides deferred compensation to a former key employee. The assets are owned by the Organization until certain provisions of the plan are met by the employee. Deferred compensation liability for the years ended June 30, 2021 and 2020 was \$524,933 and \$523,200, respectively.

**NOTE L – BUILDING LEASES**

The Organization rents part of its building under multi-year lease contracts. Rental income is used exclusively to maintain the building and no donor funds are used for this purpose.

Estimated future rental income under the current leases as of June 30, 2021:

2022	\$	216,314
2023		160,922
2024		87,345

**TRIDENT UNITED WAY**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEARS ENDED JUNE 30, 2021 AND 2020**

**NOTE M – RELATED PARTY TRANSACTIONS**

One member of the Board of Directors is a key staff member at a bank that the Organization uses for a deposit account. The amounts held as deposits total \$604,372 and \$622,305 as of June 30, 2021 and 2020, respectively.

One member of the Board of Directors is a key staff member at a bank that the Organization uses for the Paycheck Protection Program loans from the Small Business Association of \$596,870 and \$582,216 as of June 30, 2021 and 2020, respectively.

**NOTE N – CREDIT RISK**

Financial instruments that potentially subject the Organization to credit risk consist principally of cash at financial institutions and investments. At times, the balances in cash accounts may be in excess of FDIC insurance limits. The unlimited coverage is separate from, and in addition to, the insurance coverage provided for a depositor's other accounts held at an FDIC-insured bank. Management continuously monitors the Organization's balances at financial institutions and invests excess operating cash in short-term investments.

Trident United Way maintains its cash accounts at various local banks. The cash in these accounts is guaranteed by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000 per bank at June 30, 2021 and 2020.

At June 30, 2021 and 2020, total cash held by the local banks totaled \$5,762,456 and \$4,579,053, of which \$5,262,456 and \$4,079,053 were unsecured, respectively. The Organization has not experienced any losses in such accounts and believes it is not exposed to significant credit risk on its cash and cash equivalents.

Cash (money market fund) in an investment account is held at Bank of America. The cash in this account is held in the trust department of Bank of America and is not insured by the Securities Investor Protection Corporation (SIPC) or FDIC coverage. Bank of America is insured under the enterprise-wide insurance program of Bank of America. These programs include insurance coverage under a fidelity bond and errors and omissions policies. These policies each have limitations of \$100 million per occurrence.

At June 30, 2021 and 2020, the total cash held by Bank of America for the Organization was \$0 and \$60, respectively. At June 30, 2021 and 2020, the total cash held by Morgan Stanley for the Organization was \$287,482 and \$142,663, respectively.

**NOTE O – RISKS AND UNCERTAINTIES**

The impact of the accompanying financial statements of the COVID-19 outbreak cannot be readily determined. Financial markets, distribution networks and the ultimate impact of this outbreak on the financial operations of the Organization are difficult to assess and predict. The Organization is taking steps to mitigate the impact of the outbreak, but the ultimate success of this endeavor cannot be predicted.

**NOTE P - SUBSEQUENT EVENTS**

In accordance with ASC 855, the Organization evaluated subsequent events through the report date and has concluded no significant events meet the criteria of the professional accounting standards to be recognized or not recognized but disclosed in the financial statements.