United Way of Greater Topeka, Inc.

Financial Statements
As of June 30, 2021
and For the Year Then Ended

With Report by Independent Auditor

SHIPLEY
CPA, LLC
Audit, Assurance, & Consulting Services

Table of Contents

	Page
Independent Auditor's Report	1 – 2
Financial Statements	
Statement of Financial Position	3
Statement of Activities	4
Statement of Functional Expenses	5
Statement of Cash Flows	6
Notes to the Financial Statements	7 – 19
Supplementary Information	
Schedule 1 – Community Impact	20
Schedule 2 – Private and Public Grant Revenues	21

Russell Shipley CPA, CFE, CGFM, CGMA
Principal & Managing Director
(785) 760-4898
Russell@ShipleyCPA.com

PO Box 751193
Topeka, KS 66675

ShipleyCPA.com

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
United Way of Greater Topeka, Inc.

I have audited the accompanying financial statements of United Way of Greater Topeka, Inc. (the Organization), which comprise the statement of financial position as of June 30, 2021, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that I 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, I 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.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Opinion

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

SHIPLEY CPA, LLC
Audit, Assurance, & Consulting Services

Russell Shipley CPA, CFE, CGFM, CGMA
Principal & Managing Director
(785) 760-4898
Russell@ShipleyCPA.com

PO Box 751193
Topeka, KS 66675

ShipleyCPA.com

Report on Supplementary Information

My audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying supplementary information on pages 20-21 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 my opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Report on Summarized Comparative Prior Period Financial Statements

The 2020 financial statements were audited by other auditors whose report dated November 20, 2020, expressed an unmodified opinion on those statements. In my opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2020, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Shipley CPA, LLC

Shipley CPA, LLC
Topeka, Kansas
November 4, 2021

United Way of Greater Topeka, Inc.

Statement of Financial Position
June 30, 2021
(with Summarized Financial Information for June 30, 2020)

ASSETS

	2021	2020
Current Assets		
Cash and cash equivalents	$ 498,423	$ 857,376
Certificate of deposits	190,834	144,144
Pledges receivable:		
2020-2021 campaign, less allowance of $136,703	639,873	-
2019-2020 campaign, less allowance of $148,170	-	869,914
Grants receivable	559,558	438,075
Other receivables	5,966	101,641
Prepaid expenses	20,579	20,460
Total Current Assets	1,915,233	2,431,610
Property and Equipment		
Furniture and equipment, net of accumulated depreciation of $191,536 and $370,873, respectively	760	2,253
Total Property and Equipment	760	2,253
Other Assets		
Long-term investments	1,708,498	1,585,693
Total Assets	$ 3,624,491	$ 4,019,556

LIABILITIES AND NET ASSETS

	2021	2020
Current Liabilities		
Accounts and grants payable	$ 670,262	$ 766,495
Accrued expenses	102,275	85,563
Due to participating agencies and other communities	96,028	217,527
Refundable advances	71,091	192,739
Note payable	-	160,000
Total Current Liabilities	939,656	1,422,324
Total Liabilities	939,656	1,422,324
Net Assets		
Without donor restrictions	1,921,466	2,014,625
With donor restrictions	763,369	582,607
Total Net Assets	2,684,835	2,597,232
Total Liabilities and Net Assets	$ 3,624,491	$ 4,019,556

United Way of Greater Topeka, Inc.

Statement of Activities
For the Year Ended June 30, 2021
(with Summarized Financial Information for June 30, 2020)

	2021			
	Without Donor Restrictions	With Donor Restrictions	Total	2020 Total
Support and Revenue				
Campaign applicable to current year:				
Contributions	$ 1,834,144	$ 62,118	$ 1,896,262	$ 2,420,722
Less: donor designations - United Way campaign	(136,070)	-	(136,070)	(341,081)
Less: allowance for uncollectible pledges	(228,249)	-	(228,249)	(168,913)
Net campaign applicable to current year	1,469,825	62,118	1,531,943	1,910,728
Private and public grants	3,286,946	-	3,286,946	2,981,047
Special grants and contributions	152,907	1,619	154,526	110,271
Net investment income	268,644	152,932	421,576	28,540
Memorial and trust income	100	-	100	20
In-kind contributions	58,814	-	58,814	45,541
Net assets released from restrictions	35,907	(35,907)	-	-
Total Support and Revenue	5,273,143	180,762	5,453,905	5,076,147
Expenses				
Program services	3,644,595	-	3,644,595	3,430,353
Community impact	988,144	-	988,144	1,194,904
Management and general	516,533	-	516,533	549,059
Resource development	217,030	-	217,030	226,584
Total Expenses	5,366,302	-	5,366,302	5,400,900
Change in Net Assets	(93,159)	180,762	87,603	(324,753)
Net Assets, Beginning of Year	2,014,625	582,607	2,597,232	2,921,985
Net Assets, End of Year	$ 1,921,466	$ 763,369	$ 2,684,835	$ 2,597,232

United Way of Greater Topeka, Inc.

Statement of Functional Expenses
For the Year Ended June 30, 2021
(with Summarized Financial Information for June 30, 2020)

	2021					
			Support Services			
	Program Expense	Community Impact	Management and General	Resource Development	Total	2020 Total
Expenses						
Salaries	$ 199,350	$ -	$ 308,999	$ 129,167	$ 637,516	$ 693,543
Payroll taxes	13,957	-	22,710	10,034	46,701	52,035
Employee benefits and retirement	23,720	-	33,020	12,912	69,652	68,560
Office rent	24,018	-	30,006	13,254	67,278	63,365
External printing	-	-	212	11,510	11,722	12,786
Public relations	250	-	-	-	250	614
Campaign ambassador	-	-	-	3,473	3,473	2,038
Professional fees	-	-	11,703	-	11,703	21,609
Insurance	2,487	-	3,107	1,372	6,966	9,360
Technology expenses	33,836	-	43,809	5,147	82,792	77,140
Office supplies	4,439	-	5,430	2,756	12,625	15,335
Telephone	2,690	-	3,361	1,485	7,536	7,271
Postage and shipping	2,306	-	2,896	1,340	6,542	6,814
Local transportation	581	-	14	68	663	3,229
Educational conferences and instruction	1,159	-	1,292	1,505	3,956	2,554
Meetings	107	-	543	720	1,370	7,924
Subscriptions and reference publications	4	-	36	1	41	100
Organizational dues	51	-	959	1,413	2,423	2,345
Volunteer recognition	194	-	163	31	388	378
National dues	30,330	-	37,891	16,736	84,957	43,125
Junior Leader Reader	2,276	-	-	-	2,276	5,940
Born Learning Trail	3,002	-	-	-	3,002	-
Dolly Parton Library	29,350	-	-	-	29,350	308
Day of Caring	3,921	-	-	-	3,921	22,398
Topeka Volunteers	1,000	-	-	-	1,000	465
COVID-19 Relief Fund	7,904	-	-	-	7,904	29,090
Grants	3,118,001	-	-	-	3,118,001	2,985,941
Christmas Bureau	53,450	-	-	-	53,450	5,011
Women United	1,618	-	-	-	1,618	1,918
WU Student Allocation	15,000	-	-	-	15,000	10,000
NOW Program	900	-	-	-	900	47
Campaign expenses	-	-	-	180	180	344
Sales tax	323	-	404	178	905	200
Early education	-	281,683	-	-	281,683	371,052
On grade achievement	-	207,267	-	-	207,267	261,006
Financial stability	-	136,805	-	-	136,805	183,623
Food	-	109,000	-	-	109,000	106,233
Rent and utilities assistance	-	80,900	-	-	80,900	75,700
Safety	-	54,300	-	-	54,300	54,300
Healthcare	-	113,090	-	-	113,090	112,990
VITA	-	5,000	-	-	5,000	5,000
Impact evaluation costs	-	99	-	-	99	25,000
Depreciation	-	-	1,493	-	1,493	3,462
In-kind	58,814	-	-	-	58,814	45,541
Miscellaneous	9,557	-	8,485	3,748	21,790	5,206
Total Expenses	$ 3,644,595	$ 988,144	$ 516,533	$ 217,030	$ 5,366,302	$ 5,400,900

United Way of Greater Topeka, Inc.

Statement of Cash Flows
For the Year Ended June 30, 2021
(with Summarized Financial Information for June 30, 2020)

	2021	2020
Cash Flows from Operating Activities		
Change in net assets	$ 87,603	$ (324,753)
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	1,493	3,462
Net unrealized and realized gains on investments	(402,912)	(10,766)
Forgiveness of debt	(160,000)	-
Changes in assets and liabilities:		
Pledges receivable for other than long-term purposes	230,041	167,367
Grants receivable	(121,483)	(75,939)
Other receivables	95,675	(82,461)
Prepaid expenses	(119)	578
Accounts payable	(96,233)	260,300
Accrued expenses	16,712	10,136
Due to participating agencies and other communities	(121,499)	37,563
Refundable advances	(121,648)	192,739
Net Cash Provided by (Used in) Operating Activities	(592,370)	178,226
Cash Flows from Investing Activities		
Purchases of long-term investments	(19,893)	(26,637)
Change in certificates of deposit	(46,690)	8,095
Proceeds from sale of long-term investments	300,000	-
Net Cash Provided by (Used in) Investing Activities	233,417	(18,542)
Cash Flows from Financing Activities		
Proceeds from PPP loan	-	160,000
Proceeds from contributions restricted for long-term purposes	-	1,468
Net cash provided by financing activities	-	161,468
Net Change in Cash, Cash Equivalents and Restricted Cash	(358,953)	321,152
Cash, Cash Equivalents, and Restricted Cash – Beginning	857,376	536,224
Cash, Cash Equivalents, and Restricted Cash – Ending	$ 498,423	$ 857,376

United Way of Greater Topeka, Inc.

Notes to the Financial Statements
June 30, 2021

Note 1 – Summary of Significant Accounting Policies

A. Nature of Activities

United Way of Greater Topeka, Inc. (the Organization) creates and cultivates an unbreakable network of support for a strong, healthy and equitable community. The Organization works to solve issues no single donor, charity or government agency can handle alone. By focusing on education, financial stability and health, the Organization helps more children graduate and get stable jobs as adults, helps families become financially stable, and improves the overall health of the community. The Organization supports basic needs assistance to help those in crisis move toward long-term stability.

The Organization recognizes that disparities affect our community. Alleviating those disparities is the very core of the impact work supported by contributions to United Way. The Organization's work mandates that it advocate for the racial and social justice of everyone it serves. The Organization connects individual and workplace donors throughout the community with nonprofits that are committed to long-term change. These investments help ensure that regardless of a person's zip code:

- Children are ready to learn when they start school.
- Children keep up with their peers in grade school, increasing their chances of graduating high school.
- Individuals and families are financially stable and able to save and plan for the future.
- Everyone has access to nutritious and affordable food and opportunities to be active and healthy.

Through impact work, partnerships and collaborations, the Organization makes sure more voices join the discussion about the future of our community. Investment decisions are made by volunteers from the community. As part of a competitive grant process, volunteers meet to review submitted proposals aimed at achieving the community impact goals and addressing basic needs. Proposals showing the greatest ability to meet the goals are awarded grants.

B. Basis of Accounting

The financial statements of the Organization have been prepared on the accrual basis in accordance with accounting principles generally accepted (GAAP) in the United States of America. The financial statements are presented in accordance with Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 958 dated August 2016, and the provisions of the American Institute of Certified Public Accountants (AICPA) "Audit and Accounting Guide for Not-for-Profit Organizations" (the "Guide").

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

> **Net assets without donor restrictions:** Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the Organization. The Organization's board may designate assets without restrictions for specific operational purposes from time to time.

Note 1 – Summary of Significant Accounting Policies (continued)

B. Basis of Accounting (continued)

Net assets with donor restrictions: Net assets subject to stipulations imposed by donors and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of the Organization or by the passage of time. Other donor restrictions are perpetual in nature, whereby the donor has stipulated the funds be maintained in perpetuity. Contributions restricted by donors are reported as increases in net assets without donor restrictions if the restrictions expire (that is, when a stipulated time restricted ends or purpose restriction is accomplished) in the reporting period in which the revenue is recognized. All other donor-restricted contributions are reported as increases in net assets with donor restrictions. Donor 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. When restriction expires, net assts with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restriction.

In accordance with ASC 958-605, Not-For-Profit Revenue Recognition, contributions designated to specific recipient organizations are reflected as a reduction to campaign contributions and recorded as a liability.

C. Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

D. Cash Equivalents

For purposes of the statements of cash flows, the Organization generally considers all highly liquid investments purchased with an original maturity of three months or less to be cash equivalents.

E. Concentrations of Credit Risk

The Organization manages deposit concentration risk by placing cash, money market accounts, and certificates of deposit with financial institutions believed by management to be creditworthy. At times, amounts on deposit may exceed insured limits or include uninsured investments in mutual funds. To date, the Organization has not experienced losses in any of these accounts. Credit risk associated with accounts receivable and promises to give is considered to be limited due to high historical collection rates and because substantial portions of the outstanding amounts are due from governmental agencies supportive of the Organization's mission.

The Organization maintains a significant portion of its total assets in a combination of stocks, bonds, fixed income securities, and other investment securities. Investment securities are exposed to various risks, such as interest rate, market fluctuation, and credit risk. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in risks in the near term would materially affect investments and the amounts reported in the statement of financial position.

United Way of Greater Topeka, Inc.

Notes to the Financial Statements
June 30, 2021

Note 1 – Summary of Significant Accounting Policies (continued)

F. Investments

The Organization invests in mutual funds which are reported at fair value. The Organization also invests in pooled funds at the Topeka Community Foundation (the Foundation). The pooled shares at the Foundation are recorded at net asset value (NAV) as described in Note 3. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

G. Pledges Receivable

Pledges receivable represent legally enforceable pledges which are recorded at their net realizable value in the period made. The allowance for uncollectible pledges estimated at 7.0% and 5.9% for the years ended June 30, 2021 and 2020, respectively, is based on an analysis of historical trends, current levels of campaign revenue, and other factors. Pledges for each campaign year are expected to be collected within one year. Pledges not collected by June 30 of the following year are deemed uncollectible.

H. Furniture and Equipment

Furniture and equipment are carried at cost. Furniture and equipment with a cost of more than $1,000 and an estimated useful life of more than one year are capitalized. Donated furniture and equipment are recorded at fair value at the date of donation. Depreciation is calculated on a straight-line basis over the estimated useful lives of the assets, generally three to five years. When assets are retired or otherwise disposed of, the cost and related accumulated depreciation are removed from the accounts, and any resulting gain or loss is included in income for the period. The cost of maintenance and repairs is charged to expense as incurred; significant renewals and betterments are capitalized.

I. Compensated Absences

The Organization's vacation policy states that full-time employees are entitled to carryover a maximum of 176 hours (22 days). Any amount above that will be forfeited on January 1st of each year.

J. Donated Materials, Facilities, and Services

Donated materials, facilities, and services, such as advertising and professional services, have been recognized at fair value in the financial statements in the amounts of $58,814 and $45,541 for the years ended June 30, 2021 and 2020, respectively. The related expenses have been included in other functional expenses. A substantial number of volunteers have donated significant amounts of their time on the Organization's fund-raising campaign and other activities. No amounts have been reflected in the statements for such services.

K. Income Taxes

The Organization is a not-for-profit corporation as described in Section 501(c)(3) of the Internal Revenue Code, is exempt from federal income taxes pursuant to Section 501(a) of the Code and has been classified as other than a private foundation. The Organization's policy is to evaluate uncertain tax positions annually. Management evaluated the Organization's tax positions and concluded that the Organization had taken no uncertain tax positions that require adjustment to the financial statements. Forms 990 filed by the Organization are subject to examination by the Internal Revenue Service (IRS) up to three years from the extended due date of each return. The Organization is no longer subject to tax examinations by tax authorities for Forms 990, Return of Organization Exempt from Income Tax, for fiscal years before 2018.

Note 1 – Summary of Significant Accounting Policies (continued)

L. New Accounting Pronouncements

On June 21, 2018, FASB issued ASU 2018-08, Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made. This standard is intended to address questions stemming from ASU 2014-09, Revenue from Contracts with Customers (Topic 606), regarding its implications on grants and contracts of not-for-profit organizations. The ASU is effective for the Organization's 2021 fiscal year. There was no effect on net assets upon the adoption of the ASU.

M. Pending Accounting Pronouncement

In February 2016, the FASB issued ASU 2016-02, *Leases*. The update requires a lessee to recognize a right-of-use asset and lease liability, initially measured at the present value of the lease payments, in its statements of financial position. The guidance also expands the required quantitative and qualitative lease disclosures. On April 8, 2020 the FASB voted to defer the effective date of ASU 2016-02 by one additional year. The ASU is now effective for the Organization's 2022 fiscal year. Management is currently evaluating the effect on the financial statements.

In September 2020, the FASB issued ASU No. 2020-07 *Contributed Nonfinancial Assets*. Contribution revenue may currently include gifts of land, buildings, equipment, use of fixed assets or utilities, materials and supplies, intangible assets, services, and unconditional promises of those assets. This new standard requires contributions of these types to be separately reported on the statement of activities, apart from contributions of cash and other financial assets. In addition, disclosure will be required about how the nonprofit organization intends to use or sale the contributed nonfinancial asset.

N. Functional Expenses

The costs of providing program and other activities have been summarized on a functional basis in the statements of activities. Accordingly, certain costs have been allocated among program services and supporting services benefited. Such allocations are determined by management on an equitable basis. Certain expenses are allocated based on time and effort.

O. Revenue Recognition – Public Support

Contributions are recognized when cash, securities or other assets, an unconditional promise to give, or notification of a beneficial interest is received. Conditional promises to give are not recognized until the conditions on which they depend have been substantially met. Public support is derived from cost-reimbursable federal and state contracts and grants, which are conditioned upon certain performance requirements and the incurrence of allowable qualifying expenses. Amounts received are recognized as revenue when the Organization has incurred expenditures in compliance with specific contract or grant provisions. Amounts received prior to incurring qualifying expenditures are reported as refundable advances in the statement of financial position.

Note 2 – Investments

Long-term investments held at an investment company, consisted of the following at June 30:

	2021	
	Cost	Fair Value
Mutual funds	$ 717,927	$ 1,129,730

	2020	
	Cost	Fair Value
Mutual funds	$ 774,333	$ 969,409

Other long-term investments, which are held in trust at the Foundation in the amount of $578,768 and $616,284 at June 30, 2021 and 2020, respectively, are pooled with other funds at the Foundation.

Note 3 – Fair Value Measurement

Financial reporting standards establish a three-level valuation hierarchy for disclosure of fair value measurements. The valuation hierarchy is based upon the transparency of inputs to the valuation of an asset or liability as of the measurement date. A financial instrument's categorization within the valuation hierarchy is based upon the lowest level of input that is significant to the fair value measurement. The three levels are defined as follows:

Level 1 - Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets.
Level 2 - Inputs to the valuation methodology include quoted prices for similar assets and liabilities in active markets, and inputs that are observable for the asset or liability, either directly or indirectly, for substantially the full term of the financial instrument.
Level 3 - Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The asset or liability's fair value measurement level within the fair value hierarchy is based on the lowest level or any input that is significant to the fair value measurement. Valuation techniques maximize the use of relevant observable inputs and minimize the use of unobservable inputs.

The following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in methodologies used at June 30, 2021 or 2020.

Mutual funds: Valued at the closing price reported on the active market on which the individual securities are traded.

Pooled Funds: The fair value is based on quoted market prices or at estimated fair value as reported by the fund manager. The fair value of the Organization's position is the same as the pool value of the shares as reported by the fund manager. The Foundation invests in various other investments including private equity funds, fixed income, and other alternative investments.

Note 3 – Fair Value Measurement (continued)

The preceding methods described may produce a fair value calculation that may not be indicative of 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 the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

The availability of observable market data is monitored to assess the appropriate classification of financial instruments within the fair value hierarchy. Changes in economic conditions or model-based valuation techniques may require the transfer of financial instruments from one fair value level to another. In such instances, the transfer is reported at the beginning of the reporting period. In estimating fair value of the investments measured at NAV, management monitors the Foundation's investment activity by analyzing the Foundation's investment statements. The Foundation's valuation policies and procedures are determined reasonable by management of the Foundation on a quarterly basis. These valuation procedures are to allocate the Foundation's portion of earnings based on its pro rata ownership percentage in the pool. The valuation of earnings in the pool is based on the earnings of the pooled assets, which are tracked to price indices.

The Organization reconciles investment accounts on a quarterly basis. The Organization's Board of Directors monitors the financial reports, which provide detailed information for the Foundation.

There were no transfers of assets or liabilities between levels 1, 2, or 3 of the fair value hierarchy during the years ended June 30, 2021 and 2020. The Organization's policy is to only recognize transfers in and out of the levels at the end of the reporting period; interim changes in the fair value inputs are not recognized.

The following hierarchy table presents information about the Organization's assets measured at fair value as of June 30, 2021:

	Fair Value Measurements at Reporting Date			
	Level 1	Level 2	Level 3	Total
Mutual funds:				
Blended funds	$ 853,359	$ -	$ -	$ 853,359
Bond fund	276,371	-	-	276,371
	$ 1,129,730	$ -	$ -	
Investments measured at net asset value (a)				578,768
			Total	$ 1,708,498

Note 3 – Fair Value Measurement (continued)

The following hierarchy table presents information about the Organization's assets measured at fair value as of June 30, 2020:

	Fair Value Measurements at Reporting Date			
	Level 1	Level 2	Level 3	Total
Mutual funds:				
Blended funds	$ 662,707	$ -	$ -	$ 662,707
Bond fund	306,702	-	-	306,702
	$ 969,409	$ -	$ -	
Investments measured at net asset value (a)				616,284
			Total	$ 1,585,693

(a) In accordance with Subtopic 820-10, certain investments that are measured at NAV per share (or its equivalent) have not been classified in the fair value hierarchy. The fair value amounts presented in this table are intended to permit reconciliation of the fair value hierarchy to the line items presented in the statement of financial position. This investment's objective is to earn a rate of return, net of all fees, in excess of 80% S&P 500 Index/20% Barclays Capital Aggregate Government/Corporate Bond Index benchmark over rolling five-year and ten-year periods.

The following table summarizes investments measured at fair value based on the NAV per share as of June 30, 2021 and 2020:

	Fair Value June 30, **2021**	Unfunded Commitment	Redemption Frequency	Redemption Notice Period
Mutual funds	$ 578,768	None	Daily	None

	Fair Value June 30, **2020**	Unfunded Commitment	Redemption Frequency	Redemption Notice Period
Mutual funds	$ 616,284	None	Daily	None

The following table presents the changes in the investments measured at NAV, which is measured on a recurring basis using level 3 inputs to the measurement of fair value:

	2021	**2020**
Beginning of year	$ 616,284	$ 627,306
Net investment income (loss)	161,233	(11,022)
Additions to investments	1,251	-
Sale of invesments	(200,000)	-
Total	$ 578,768	$ 616,284

Note 4—Refundable Advances
The Organization has been awarded grants to provide services. The grants are recognized as the required services are performed, and expenses are recognized as incurred. Grant activity for the years ended June 30, 2021 and 2020, was as follows:

	2021	2020
Refundable advances, beginning of year	$ 192,739	$ -
Grant receipts	235,282	485,247
Grant expenditures	(356,930)	(292,508)
Refundable advances, end of year	$ 71,091	$ 192,739

Note 5 – Net Assets with Donor Restrictions
Net assets with donor restrictions are restricted for the following purposes at June 30:

	2021	2020
Time restrictions - endowment earnings	$ 175,730	$ 86,903
Women United	52,241	39,939
Christmas Bureau	66,826	18,189
Young Leaders Society - Born Learning Trail	4,661	7,696
Community Impact	122,747	58,640
NOW Program	2,605	2,793
Washburn University Venture Grant Program	21,022	25,773
Campaign for Grade Level Reading	4,391	8,481
Dolly Parton Imagination Library	11,074	26,299
Disaster Relief	11,647	16,910
Junior Leader Reader	1,178	-
Covid-19 Relief Fund	-	3,355
Impact funding - health	8,013	7,645
Total	$ 482,135	$ 302,623

The Organization has additional net assets with donor restrictions required to be maintained in perpetuity in the amount of $281,234 and $279,984 for June 30, 2021 and 2020, respectively. This amount represents the portion of perpetual endowment funds that is required to be retained in perpetuity either by explicit stipulation or by Uniform Prudent Management of Institutional Funds Act (UPMIFA). Net assets with donor restrictions to be maintained in perpetuity are included in long-term investments on the statement of financial position.

Note 5 – Net Assets with Donor Restrictions (continued)

The following net assets with donor restrictions were released from restriction for their restricted purposes or time restrictions during the years ended June 30:

	2021	2020
Women United	$ -	$ 3,939
Christmas Bureau	-	777
Young Leaders Society - Born Learning Trail	3,035	31
Disaster Relief	5,263	-
Covid-19 Relief Fund	3,355	-
NOW Program	188	-
Washburn University Venture Grant Program	4,751	10,000
Campaign for Grade Level Reading	4,090	6,511
Dolly Parton Imagination Library	15,225	5,797
Total	$ 35,907	$ 27,055

Note 6 – Endowment

The Organization's endowment consists of donor-restricted endowment funds and the earnings on those funds. 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 Board of Directors has interpreted the UPMIFA as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary. As a result of this interpretation, the Organization retains in perpetuity (a) the original value of gifts donated to the endowment, (b) the original value of subsequent gifts to the endowment, and (c) accumulations to the endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund. Donor-restricted amounts not retained in perpetuity are subject to appropriation for expenditure by the Organization in a manner consistent with the standard of prudence prescribed by UPMIFA.

In accordance with UPMIFA, the Organization considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

(1) The duration and preservation of the fund
(2) The purposes of the Organization and the donor-restricted endowment fund
(3) General economic conditions
(4) The possible effect of inflation and deflation
(5) The expected total return from income and the appreciation of investments
(6) Other resources of the Organization
(7) The investment policies of the Organization.

United Way of Greater Topeka, Inc.

Notes to the Financial Statements
June 30, 2021

Note 6 – Endowment (continued)
The endowment net assets composition at June 30, 2021 and 2020 was:

	2021		
	Without Donor Restrictions	With Donor Restrictions	Total
Donor-restricted net assets	$ -	$ 570,710	$ 570,710

	2020		
	Without Donor Restrictions	With Donor Restrictions	Total
Donor-restricted net assets	$ -	$ 413,103	$ 413,103

Changes in endowment new assets for the years ended June 30, 2021 and 2020 were:

	2021		
	Without Donor Restrictions	With Donor Restrictions	Total
Endowment net assets, beginning of year	$ -	$ 413,103	$ 413,103
Investment return:			
Net appreciation (realized and unrealized)	-	156,356	156,356
Contributions	-	1,251	1,251
Endowment net assets, end of year	$ -	$ 570,710	$ 570,710

	2020		
	Without Donor Restrictions	With Donor Restrictions	Total
Endowment net assets, beginning of year	$ -	$ 423,950	$ 423,950
Investment return:			
Net appreciation (realized and unrealized)	-	(12,315)	(12,315)
Contributions	-	1,468	1,468
Endowment net assets, end of year	$ -	$ 413,103	$ 413,103

Note 6 – Endowment (continued)
From time to time, the fair value of assets associated with individual donor-restricted endowment funds may fall below the level that the donor or UPMIFA requires the Organization to retain as a fund of perpetual duration. These deficiencies result from unfavorable market fluctuations after the investment of restricted contributions and continued appropriation for certain programs that was deemed prudent by the Board of Directors. There were no such deficiencies as of June 30, 2021 or 2020.

The Organization's endowment assets are invested at the Foundation; therefore, the Organization uses the Foundation's growth portfolio investment policy for investment of its endowment assets. This investment policy is designed to provide for the preservation of capital and for the preservation of purchasing power of the endowment assets by striving for long-term returns that either match or exceed the Foundation's spending policy, the rate of inflation, and investment fees. Endowment assets include those assets of donor-designated funds that the Organization should hold in perpetuity. Under the Foundation's investment policy, the long-term investment objective is to earn a rate of return, net of all fees, in excess of an 80% S&P 500 Index/20% Barclays Aggregate Government/Corporate Bond Index benchmark over rolling five- and ten- year periods.

The Organization's endowment funds are pooled with other funds at the Foundation. Investment gains and losses of the Foundation's investments are then allocated to the Organization by the Foundation in proportion to the Organization's portion of the investment pool. The Organization has not implemented a formal spending policy as of June 30, 2020, as the endowment income is generally being allowed to accumulate. The Organization's informal spending policy is to appropriate for expenditure the endowment earnings on a case-by-case basis in accordance with donor restrictions and/or as approved by the Board of Directors.

Note 7 – Board Designated Net Assets
Net assets in the amount of $1,001,837 and $1,090,500 as of June 30, 2021 and 2020, respectively, are designated by the Board of Directors to be used for community impact, working capital and other operational needs and contingencies.

Note 8 – Pension Plan
The Organization has a defined contribution retirement plan which covers all employees at least 21 years of age with one year of service. Effective January 1, 2017, the Organization began contributing two percent of the employees' wages to the plan and will match up to two percent of an elective employee contribution. The plan employs a five-year vesting schedule for the employer match, to apply to all participants hired after April 1, 2015:

Years of employment	Percent matched
1 year	20%
2 years	40%
3 years	60%
4 years	80%
5 years	100%

Pension cost was approximately $22,300 and $22,900 for the years ended June 30, 2021 and 2020, respectively.

Note 9 – Note Payable

On April 16, 2020, the Organization received loan proceeds in the amount of approximately $160,000 under the Paycheck Protection Program ("PPP"). The PPP, established as part of the Coronavirus Aid, Relief and Economic Security Act ("CARES Act"), provides for loans to qualifying businesses for amounts up to 2.5 times of the average monthly payroll expenses of the qualifying business. The loans and accrued interest are forgivable as long as the borrower uses the loan proceeds for eligible purposes, including payroll, benefits, rent and utilities, and maintains its payroll levels. During 2021, the Organization met all the requirements for forgiveness and the amount is recognized in private and public grants on the statement of activities.

Note 10 – Liquidity

The Organization's financial assets available within one year of the balance sheet date for general expenses are as follows:

Financial assets:	
Cash and cash equivalents	$ 498,423
Certificate of deposit	190,834
Pledges receivable	639,873
Grants receivable	559,558
Other receivables	5,966
Total financial assets	1,894,654
Less financial assets held to meet donor-imposed restrictions:	
Portion of donor-restricted funds not held in long-term investments	(192,659)
Less board-designated net assets	(1,001,837)
Amount available for general expenditures within one year	$ 700,158

The Organization has established two reserve funds in order to preserve the financial health and allow the Organization to respond to unanticipated needs or funding requests in support of the strategic plan and operational goals of the Organization. These funds are board designated. An Operating Reserve Fund consisting of a minimum of four months of direct operating expenses for the current fiscal year is maintained to meet short-term cash flow requirements during the operating cycle. In addition, an Economic Stabilization Reserve Fund is maintained with net assets without donor restrictions at a minimum level of 50% of the total dollars committed to investment in the community for the current fiscal year. Community investments include, but are not limited to, funds from donor designations, funds allocated to impact goals and basic needs, funds designated by donors to other United Ways, funds used to support community efforts, and funds used in times of disaster.

Note 11 – Operating Lease

The Organization leases office space, storage space, and equipment under agreements which are classified as operating leases. The office space lease is for an eleven-year term expiring December 31, 2029. Monthly lease payments range from $5,280 to $5,948. Annual net lease expense for the years ended June 30, 2021 and 2020 was $62,890 and $61,961, respectively. Future minimum lease payments are as follows:

2022	$	63,834
2023		64,792
2024		65,763
2025		66,750
2026		67,751
2027-2029		245,099
	$	573,989

Note 12 – Comparative Financial Statements

The financial statements include certain prior year summarized comparative information in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with accounting principles generally accepted in the United States of America. Accordingly, such information should be read in conjunction with the Organization's financial statements for the year ended June 30, 2020 from which the summarized information was derived. In addition, certain amounts in the prior period presented have been reclassified to conform to the current period financial statement presentation. These reclassifications have no effect on previously reported net assets.

Note 13 – Covid-19

In December 2019, an outbreak of a novel strain of corona virus (COVID-19) originated in Wuhan, China and has since spread to other countries, including the U.S. On March 11, 2020, the World Health Organization characterized COVID-19 as a pandemic. In addition, multiple jurisdictions in the U.S. have declared a state of emergency. It is anticipated that these impacts will continue for some time. Future potential impacts may include disruptions or restrictions on the Organization's ability to operate under its current mission and operating model.

Note 14 – Evaluation of Subsequent Events

The Organization has evaluated subsequent events and transactions for potential recognition or disclosure through the date of the independent auditor's report, the date the financial statements were available to be issued.

SUPPLEMENTARY INFORMATION

Schedule 1

United Way of Greater Topeka, Inc.
Topeka, Kansas

Community Impact
June 30, 2021 and 2020

	2021	2020
Basic needs grants	$ 357,290	$ 349,223
Early education grants	281,782	396,052
Financial stability grants	141,805	188,623
On-grade achievement grants	207,267	261,006
	$ 988,144	$ 1,194,904

United Way of Greater Topeka, Inc.
Topeka, Kansas

Private and Public Grant Revenues
June 30, 2021 and 2020

	2021	2020
Pre-K Pilot Program	$ 651,979	$ 682,935
Early Childhood Block Grant	2,200,000	2,291,823
SBA PPP Grant	160,000	-
Other Grants	274,967	6,289
	$ 3,286,946	$ 2,981,047