

FRANKLIN/SOUTHAMPTON AREA UNITED WAY
ANNUAL FINANCIAL REPORT
YEARS ENDED DECEMBER 31, 2019 AND 2018

FRANKLIN/SOUTHAMPTON AREA UNITED WAY

DECEMBER 31, 2019 AND 2018

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INDEPENDENT AUDITOR'S REPORT

To The Board of Directors
Franklin/Southampton Area United Way
Franklin, Virginia

We have audited the accompanying financial statements of Franklin/Southampton Area United Way (a nonprofit organization), which comprise the statements of financial position as of December 31, 2019 and 2018, and the related statements of activities, functional expenses and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of 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 Franklin/Southampton Area United Way as of December 31, 2019 and 2018 and the changes in its net assets, functional expenses and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Barnes, Brock, Cornwell & Painter, PLLC

Franklin, Virginia
October 15, 2020

FRANKLIN/SOUTHAMPTON AREA UNITED WAY

STATEMENTS OF FINANCIAL POSITION

DECEMBER 31, 2019 AND 2018

	ASSETS	
	<u>2019</u>	<u>2018</u>
CURRENT ASSETS:		
Cash and cash equivalents	\$ 115,821	\$ 95,345
Pledges receivable, net	48,877	55,361
Total current assets	<u>\$ 164,698</u>	<u>\$ 150,706</u>
EQUIPMENT:		
Computer equipment	\$ 10,099	\$ 10,099
Less accumulated depreciation	(8,343)	(7,894)
Net equipment	<u>\$ 1,756</u>	<u>\$ 2,205</u>
OTHER ASSETS -		
Investments at fair value	<u>\$ 170,224</u>	<u>\$ 147,985</u>
Total assets	<u><u>\$ 336,678</u></u>	<u><u>\$ 300,896</u></u>
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES:		
Accounts payable and accrued expenses	\$ 52,750	\$ 30,130
Payroll taxes payable	1,428	727
Total current liabilities	<u>\$ 54,178</u>	<u>\$ 30,857</u>
NET ASSETS:		
Without donor restrictions	\$ 168,231	\$ 150,010
With donor restrictions	114,269	120,029
Total net assets	<u>\$ 282,500</u>	<u>\$ 270,039</u>
Total liabilities and nets assets	<u><u>\$ 336,678</u></u>	<u><u>\$ 300,896</u></u>

See independent auditor's report and accompanying notes to the financial statements.

FRANKLIN/SOUTHAMPTON AREA UNITED WAY
STATEMENTS OF ACTIVITIES
FOR THE YEARS ENDED DECEMBER 31, 2019 AND 2018

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>2019 Total</u>	<u>Comparative 2018 Total</u>
REVENUE AND SUPPORT:				
Gross Campaign Results				
Contributions and grants	\$ 46,052	\$ 114,269	\$ 160,321	\$ 156,530
Less: Provision for uncollectible pledges	(7,363)	-	(7,363)	(4,622)
Net campaign revenue	38,689	114,269	152,958	151,908
Interest income	178	-	178	188
Investment income - net	2,188	-	2,188	1,814
Unrealized gain (loss) on investments	18,167	-	18,167	(10,980)
Realized gain (loss) on investments	1,363	-	1,363	714
Various fundraisers, net of expenses	3,298	-	3,298	3,246
Other income	97	-	97	51
Net assets released from restrictions	120,029	(120,029)	-	-
Total Public Support and Revenue	<u>\$ 184,009</u>	<u>\$ (5,760)</u>	<u>\$ 178,249</u>	<u>\$ 146,941</u>
EXPENSES:				
Program services	\$ 117,735	\$ -	\$ 117,735	\$ 122,567
Management and general	25,378	-	25,378	24,902
Fundraising	22,675	-	22,675	20,142
Total expenses	<u>\$ 165,788</u>	<u>\$ -</u>	<u>\$ 165,788</u>	<u>\$ 167,611</u>
CHANGE IN NET ASSETS	<u>\$ 18,221</u>	<u>\$ (5,760)</u>	<u>\$ 12,461</u>	<u>\$ (20,670)</u>
NET ASSETS - Beginning of Year	<u>150,010</u>	<u>120,029</u>	<u>270,039</u>	<u>290,709</u>
NET ASSETS - End of Year	<u><u>\$ 168,231</u></u>	<u><u>\$ 114,269</u></u>	<u><u>\$ 282,500</u></u>	<u><u>\$ 270,039</u></u>

See independent auditor's report and accompanying notes to the financial statements.

FRANKLIN/SOUTHAMPTON AREA UNITED WAY

**STATEMENTS OF FUNCTIONAL EXPENSES
FOR THE YEARS ENDED DECEMBER 31, 2019 AND 2018**

	PROGRAM				2019 Total	Comparative 2018 Total
	ACTIVITIES	SUPPORTING ACTIVITIES				
	Program Services	Management and General	Fund Raising	Supporting Subtotal		
Gross allocations to agencies	\$ 106,750	\$ -	\$ -	\$ -	\$ 106,750	\$ 111,055
Less: donor allocations to agencies	-	-	-	-	-	-
Net allocations to agencies	<u>106,750</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>106,750</u>	<u>111,055</u>
Community programs	2,429	-	-	-	2,429	2,728
Disaster relief	250	-	-	-	250	500
Salaries	7,150	14,300	14,300	28,600	35,750	35,100
Payroll taxes	547	1,094	1,094	2,188	2,735	2,685
Publicity and advertising	-	-	702	702	702	1,055
Donation tracker	-	-	780	780	780	765
Office and postage expense	-	969	646	1,615	1,615	817
Website and internet expense	-	999	-	999	999	944
Accounting and legal fees	-	3,575	-	3,575	3,575	3,280
Depreciation expense	-	449	-	449	449	37
Miscellaneous expense	-	121	-	121	121	122
Insurance	-	1,467	-	1,467	1,467	2,069
Conferences and training expense	-	191	191	382	382	426
Travel expense	-	49	-	49	49	179
Telephone	-	775	-	775	775	929
Occupancy	-	780	-	780	780	810
Supplies and fundraising costs	-	-	4,353	4,353	4,353	1,928
United Way World Wide dues	<u>609</u>	<u>609</u>	<u>609</u>	<u>1,218</u>	<u>1,827</u>	<u>2,182</u>
 Total expenses	 <u>\$ 117,735</u>	 <u>\$ 25,378</u>	 <u>\$ 22,675</u>	 <u>\$ 48,053</u>	 <u>\$ 165,788</u>	 <u>\$ 167,611</u>

See independent auditor's report and accompanying notes to the financial statements.

FRANKLIN/SOUTHAMPTON AREA UNITED WAY

STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2019 AND 2018

	2019	2018
CASH FLOWS FROM OPERATING ACTIVITIES:		
Change in net assets	\$ 12,461	\$ (20,670)
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	449	37
Realized (gain) loss on investments	(1,363)	(714)
Unrealized (gain) loss on investments	(18,167)	10,980
(Increase) decrease in assets:		
Pledges receivable, net	6,484	13,612
Increase (decrease) in liabilities:		
Accounts payable and accrued expenses	22,620	6,273
Payroll taxes payable	701	-
NET CASH PROVIDED BY OPERATING ACTIVITIES	\$ 23,185	\$ 9,518
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of equipment	\$ -	\$ (2,242)
Purchase of investment securities	(116,558)	(103,345)
Proceeds from of sale of investments	113,849	102,208
NET CASH USED BY INVESTING ACTIVITIES	\$ (2,709)	\$ (3,379)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Net cash provided (used) by financing activities	\$ -	\$ -
INCREASE IN CASH AND CASH EQUIVALENTS	\$ 20,476	\$ 6,139
CASH AND CASH EQUIVALENTS - Beginning of Year	95,345	89,206
CASH AND CASH EQUIVALENTS - End of Year	\$ 115,821	\$ 95,345

See independent auditor's report and accompanying notes to the financial statements.

FRANKLIN/SOUTHAMPTON AREA UNITED WAY

NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2019 AND 2018

NOTE 1 – ORGANIZATION:

The Franklin/Southampton Area United Way is a nonprofit organization exempt from Federal income taxes under Section 501(c)(3) of the Internal Revenue Code. The Organization solicits donations from the public and area businesses which it then contributes to worthy civic and charitable organizations in the area. Its mission is to improve people's lives and strengthen the community.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

Basis of Accounting

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America. Accrual basis of accounting recognizes income when earned and expenses when incurred.

Basis of Presentation

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"). (ASC) 958-205 was effective January 1, 2018.

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.
- 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.

FRANKLIN/SOUTHAMPTON AREA UNITED WAY

NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2019 AND 2018

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued):

Measure of Operations

The statements of activities reports all changes in net assets, including changes in net assets from operating and non-operating activities. Operating activities consist of those items attributable to the Organization's ongoing activities. Non-operating activities are limited to resources that generate return from investments, endowment contributions, financing costs, and other activities considered to be of a more unusual or nonrecurring nature.

Donated Services

The Organization receives a significant amount of donated services from unpaid volunteers who assist in the fundraising. The Organization also received donated facility use of \$5,000. No amounts have been recognized in the statement of activities for donated services.

Pledges Receivable

Pledges are solicited in April of each year for the succeeding calendar year. Many of the pledges are paid during the campaign period and the balances are often remitted monthly by payroll deduction or quarterly during the year. Pledges receivable for the active campaigns were \$60,564, of which \$11,687 is considered uncollectible by management for a net of \$48,877. Net pledges receivable for the prior year were \$55,361, respectively. The Board budgets an expected loss of at least 3% each year.

Cash and Cash Equivalents

For purposes of the statements of cash flows, the Organization considers cash and cash equivalents to include all deposits in banks and highly liquid investments with original maturity dates of less than three months.

Equipment

Equipment is recorded at cost. Replacements of equipment are capitalized and expenditures for maintenance and repairs are charged to expense as incurred. Depreciation has been provided using the straight-line method over the estimated useful lives of assets. The estimated useful lives of the assets are as follows:

Computer equipment	5-7 years
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Depreciation expense amounted to \$449 and \$37 for the years ended December 31, 2019 and 2018, respectively.

FRANKLIN/SOUTHAMPTON AREA UNITED WAY

NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2019 AND 2018

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued):

Investments

The Organization records investments at fair market value based on quoted prices in active markets (all Level 1 measurements) and are classified by management as available-for-sale. Cost used in the determination of gains and losses on sales of investments is based on the specific cost of the investment sold.

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 certain reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

Advertising Costs

The Organization expenses the cost of advertising when incurred. Advertising costs amounted to \$702 and \$1,055 for the years ended December 31, 2019 and 2018, respectively.

Summarized Comparative Information

The financial statements include certain prior year summarized comparative financial information in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with generally accepted accounting principles. Accordingly, such information should be read in conjunction with the Organization's prior year financial statements, from which the summarized information was derived.

Contributions and Grants

Contributions and grants received are recorded as net assets with donor restrictions or net assets without donor restrictions depending on the existence or nature of any donor restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions. All contributions are considered to be available for unrestricted use unless specifically restricted by the donor.

FRANKLIN/SOUTHAMPTON AREA UNITED WAY

NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2019 AND 2018

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued):

Functional Allocation of Expenses

The costs of providing the Organization's various programs and supporting services have been summarized on a functional basis in the statement of activities and in the statement of functional expenses. Accordingly, certain costs have been allocated to the program and the supporting services benefited. Such allocations are determined by management on an equitable basis.

The expenses that are allocated include the following:

<u>Expense:</u>	<u>Method of Allocation:</u>
Allocations to agencies	Reasonable basis consistently applied
Community programs	Reasonable basis consistently applied
Disaster relief	Reasonable basis consistently applied
Salaries	Time and effort
Payroll taxes	Time and effort
Publicity and advertising	Reasonable basis consistently applied
Donation tracker	Reasonable basis consistently applied
Office and postage expense	Reasonable basis consistently applied
Website and internet expense	Reasonable basis consistently applied
Accounting and legal fees	Reasonable basis consistently applied
Depreciation expense	Reasonable basis consistently applied
Miscellaneous expense	Reasonable basis consistently applied
Insurance	Reasonable basis consistently applied
Conferences and training expense	Reasonable basis consistently applied
Travel expense	Reasonable basis consistently applied
Telephone	Reasonable basis consistently applied
Occupancy	Reasonable basis consistently applied
Supplies and fundraising costs	Reasonable basis consistently applied
United Way World Wide dues	Reasonable basis consistently applied

FRANKLIN/SOUTHAMPTON AREA UNITED WAY

NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2019 AND 2018

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued):

Income Taxes

The Organization, is a not-for-profit organization that is exempt from income taxes under Section 501 (c) (3) of the Internal Revenue Code.

The Organization adopted the recognition requirements for uncertain income tax positions as required by generally accepted accounting principles, with no cumulative effect adjustment required. Income tax benefits are recognized for income tax positions taken or expected to be taken in a return, only when it is determined that the income tax position will more-likely-than-not be sustained upon examination by taxing authorities. The Organization has analyzed the tax positions taken in its filings with the Internal Revenue Service. The Organization believes that its income tax filing positions will be sustained upon examination and does not anticipate any adjustments that would result in a material adverse effect on the Organization's financial condition, results of operations or cash flows. Accordingly, the Organization has not recorded any reserves, or related accruals for interest and penalties for uncertain income tax positions at December 31, 2019.

The Organization's Forms 990, *Return of Organization Exempt from Income Tax*, for the years ending December 31, 2019, 2018 and 2017 are subject to examination by the IRS, generally for three years after they were filed.

Concentration of Credit Risk

The Organization places its cash and cash equivalents on deposit with financial institutions in the United States. Beginning January 1, 2013, funds deposited in a noninterest-bearing transaction account no longer will receive unlimited deposit insurance coverage by the Federal Deposit Insurance Corporation (FDIC). All of a depositor's accounts at an insured depository institution, including all non-interest bearing transaction accounts, will be insured by the FDIC up to the standard maximum deposit insurance amount of \$250,000, for each deposit insurance ownership category. At times the balances may be in excess of federal insured limits. For the years ended December 31, 2019 and 2018, the Organization had no demand deposits on hand in financial institutions that exceeded depositor's insurance provided by the applicable guaranty agency.

FRANKLIN/SOUTHAMPTON AREA UNITED WAY

NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2019 AND 2018

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued):

New Accounting Pronouncement

On August 18, 2016, FASB issued ASU 2016-14, Not-for-Profit Entities (Topic 958) – Presentation of Financial Statements for Not-For-Profit Entities. The update addresses the complexity and understandability of net asset classification, deficiencies in information about liquidity and availability of resources, and the lack of consistency in the type of information provided about expenses and investment return. The Organization has adjusted the presentation of these statements accordingly. The ASU has been applied retrospectively to all periods presented.

NOTE 3 – CASH AND CASH EQUIVALENTS:

The Organization maintains cash in demand deposit accounts with federally insured banks. The account balances as of December 31, 2019 and 2018 are as follows:

	<u>2019</u>	<u>2018</u>
Checking and Money Market - BFCU	\$ 100,250	\$ 79,360
Cash and Sweep Balances - Wells Fargo	3,056	3,576
Certificate of Deposit - BFCU	12,515	12,409
	<u>\$ 115,821</u>	<u>\$ 95,345</u>

NOTE 4 – ACCOUNTS PAYABLE AND ACCRUED EXPENSES:

Accounts payable and accrued expenses consist mostly of utilities and the fourth installment of the grant allocations to agencies that were paid after year end. The account balances were \$52,750 and \$30,130 as of December 31, 2019 and 2018, respectfully.

NOTE 5 – RELATED PARTY TRANSACTIONS:

The Organization did not have any related party transactions for tax years 2019 or 2018.

NOTE 6 – LEASES:

The Organization did not enter into any leases for tax years 2019 or 2018.

FRANKLIN/SOUTHAMPTON AREA UNITED WAY

NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 2019 AND 2018

NOTE 7 – FAIR VALUE MEASUREMENTS:

FASB Statement No. 157, Fair Value Measurements, establishes a framework for measuring fair value. That framework provides a fair hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1 measurements) and the lowest priority to unobservable inputs (level 3 measurements). The three levels of the fair value hierarchy under FASB Statement No. 157 are described as follows:

Level 1 Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the company has the ability to access.

Level 2 Inputs to the valuation methodology include:

- quoted prices for similar assets or liabilities in active markets;
- quoted prices for identical or similar assets or liabilities in inactive markets;
- inputs other than quoted prices that are observable for the assets or liability;
- inputs that are derived principally from or corroborated by observable market data by correlation or other means.

If the asset or liability has a specified (contractual) term, the level 2 input must be observable for substantially the full term of the asset or liability.

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 of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

Following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in the methodologies used at December 31, 2019 and 2018.

Mutual Funds : Valued at the net asset value (NAV) of shares held by the Organization at year end.

Common stocks, corporate bonds and U.S. government securities : Valued at the closing price reported on the active market on which the individual securities are traded.

FRANKLIN/SOUTHAMPTON AREA UNITED WAY

NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2019 AND 2018

NOTE 7 – FAIR VALUE MEASUREMENTS (Continued):

Guaranteed investment contract: Valued at fair value by discounting the related cash flows based on current yields of similar instruments with comparable durations considering the credit-worthiness of the issuer.

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 following table sets forth by level, within the fair value hierarchy, The Organization's assets at fair value as of December 31, 2019 and 2018 are as follows:

Assets at Fair Value as of December 31, 2019:

	Level 1	Level 2	Level 3	Total
Mutual funds	\$ 119,121	\$ -	\$ -	\$ 119,121
Certificates of deposit	51,103	-	-	51,103
Total assets at fair value	<u>\$ 170,224</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 170,224</u>

Assets at Fair Value as of December 31, 2018:

	Level 1	Level 2	Level 3	Total
Mutual funds	\$ 98,002	\$ -	\$ -	\$ 98,002
Certificates of deposit	49,983	-	-	49,983
Total assets at fair value	<u>\$ 147,985</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 147,985</u>

NOTE 8 – NET ASSETS RELEASED FROM RESTRICTIONS:

Net assets were released from donor restrictions by incurring expenses satisfying the temporarily restricted purposes or by occurrence of other events specified by donor. Net assets released from restrictions from program expenses were \$120,029 for 2019 and \$141,046 for 2018.

NOTE 9 – RESTRICTION ON NET ASSETS:

The Organization has restrictions on net assets that are considered to be temporarily restricted. They represent contributions and grants designated for the 2020 campaign that were received in 2019 and 2019 contributions and grants received in 2018. Net assets with donor restrictions at December 31, 2019 and 2018 were \$114,269 and \$120,029.

FRANKLIN/SOUTHAMPTON AREA UNITED WAY

NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2019 AND 2018

NOTE 10 – COMPENSATED ABSENCES:

Compensated absences for vacation and sick leave have not been accrued because the amounts are not readily available. The Organization's policy is to recognize the costs of compensated absences when actually paid to employees.

NOTE 11 – LIQUIDITY:

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the balance sheet date, comprise the following:

Financial assets at year end:	2019	2018
Cash and cash equivalents	\$ 115,821	\$ 95,345
Pledges receivable, net	48,877	55,361
Financial assets available to meet general expenditures within one year	<u>\$ 164,698</u>	<u>\$ 150,706</u>

The Organization receives significant contributions and promises to give restricted by donors, and considers contributions restricted for programs which are ongoing, major, and central to its annual operations to be available to meet cash needs for general expenditures. The Organization manages its liquidity and reserves following three guiding principles: operating within a prudent range of financial soundness and stability, maintaining adequate liquid assets to fund near-term operating needs, and maintaining sufficient reserves to provide reasonable assurance that long-term obligations will be discharged.

NOTE 12 – SUBSEQUENT EVENTS:

Subsequent events have been evaluated through October 15, 2020, which is the date the financial statements were available to be issued. On March 13, 2020 the President of the United States of America declared a national emergency due to the coronavirus pandemic. Also as a result of the coronavirus pandemic, the Governor of Virginia announced mandatory business closures on March 23, 2020. An estimate of the financial effect of this declaration and announcement cannot be made. No other events have occurred subsequent to the balance sheet date and through October 15, 2020 that would require adjustment to, or disclosure in, the financial statements.