

UNITED WAY OF SOUTHEAST ALASKA

Financial Statements
(with Independent Accountant's Review Report Thereon)

Years Ended August 31, 2022 and 2021

UNITED WAY OF SOUTHEAST ALASKA

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UNITED WAY OF SOUTHEAST ALASKA

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Independent Accountant's Review Report

Members of the Board of Directors
United Way of Southeast Alaska
Juneau, Alaska

We have reviewed the accompanying financial statements of United Way of Southeast Alaska (a nonprofit organization), which comprise the statements of financial position as of August 31, 2022 and 2021, and the related statements of activities, functional expenses and cash flows for the years then ended, and the related notes to the financial statements. A review includes primarily applying analytical procedures to management's financial data and making inquiries of management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, we do not express such an opinion.

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.

Accountant's Responsibility

Our responsibility is to conduct the review engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. Those standards require us to perform procedures to obtain limited assurance as a basis for reporting whether we are aware of any material modifications that should be made to the financial statements for them to be in accordance with accounting principles generally accepted in the United States of America. We believe that the results of our procedures provide a reasonable basis for our conclusion.

We are required to be independent of United Way of Southeast Alaska and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our review.

Correction of an Error

As disclosed in Note XII to the financial statements, certain errors resulting in overstatement of amounts previously reported for grants receivable, accounts payable, refundable advance, and revenue as of August 31, 2021, were discovered by management of the United Way of Southeast Alaska. Accordingly, amounts reported for grants receivable, accounts payable, refundable advance, and non-campaign contributions have been restated on the 2021 financial statements now presented, and an adjustment has been made to the net assets without donor restrictions as of August 31, 2021, to correct the error. Our conclusion is not modified with respect to this matter.

Members of the Board of Directors
United Way of Southeast Alaska

Accountant's Conclusion

Based on our review, with exception of the matter described in the preceding paragraph, we are not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in accordance with accounting principles generally accepted in the United States of America.

Altman, Rogers & Co.

Anchorage, Alaska
December 12, 2022

UNITED WAY OF SOUTHEAST ALASKA

Statements of Financial Position

August 31, 2022 and 2021

	<u>2022</u>	<u>As restated 2021</u>
Assets:		
Current:		
Cash and cash equivalents	\$ 106,315	178,840
Investments	13,126	12,003
Promises to give	74,840	89,469
Grant receivable	18,889	28,166
Prepaid expenses	650	3,529
Total current assets	<u>213,820</u>	<u>312,007</u>
Liabilities:		
Current:		
Accounts payable	28,320	26,613
Current portion of notes payable	2,354	2,568
Designations payable	44,322	53,768
Accrued payroll	19,495	29,641
Refundable advance	-	5,000
Total current liabilities	<u>94,491</u>	<u>117,590</u>
Notes payable, less current portion	44,122	46,690
Total liabilities	<u>138,613</u>	<u>164,280</u>
Net assets:		
With donor restrictions -		
Literacy Program	17,646	19,098
Disabilities Awareness and Empathy Training	2,454	2,454
Financial Literacy	1,450	1,450
Total net assets with donor restrictions	<u>21,550</u>	<u>23,002</u>
Without donor restrictions -		
Undesignated	<u>53,657</u>	<u>124,725</u>
Total net assets	<u>75,207</u>	<u>147,727</u>
Total liabilities and net assets	<u>\$ 213,820</u>	<u>312,007</u>

See accompanying notes to financial statements and independent accountant's review report.

UNITED WAY OF SOUTHEAST ALASKA

Statements of Activities

Years ended August 31, 2022 and 2021

	2022			As Restated 2021		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
Revenues and support:						
SHARE campaign	\$ 58,712	-	58,712	46,217	-	46,217
Private campaign	175,647	-	175,647	228,717	-	228,717
Designations from other united ways	19,426	-	19,426	18,371	-	18,371
Total campaign results	253,785	-	253,785	293,305	-	293,305
Less:						
Donor designations	(116,842)	-	(116,842)	(95,333)	-	(95,333)
Net campaign results	136,943	-	136,943	197,972	-	197,972
Collections of prior year campaign contributions greater than amount anticipated	(14,292)	-	(14,292)	10,706	-	10,706
Non-campaign contributions	239,613	-	239,613	1,251,329	-	1,251,329
Miscellaneous income	30,724	-	30,724	48,247	-	48,247
Program fees	110,555	-	110,555	189,333	-	189,333
Investment income (loss)	1,291	-	1,291	7,517	-	7,517
Net assets released from restriction	1,452	(1,452)	-	59	(59)	-
Total revenues and support	506,286	(1,452)	504,834	1,705,163	(59)	1,705,104
Expenses:						
Program services:						
Fund distributions	-	-	-	52,375	-	52,375
Community impact	335,989	-	335,989	1,337,269	-	1,337,269
Total program services	335,989	-	335,989	1,389,644	-	1,389,644
Supporting services:						
Management and general	182,236	-	182,236	155,216	-	155,216
Fundraising	59,129	-	59,129	50,728	-	50,728
Total supporting services	241,365	-	241,365	205,944	-	205,944
Total expenses	577,354	-	577,354	1,595,588	-	1,595,588
Change in net assets	(71,068)	(1,452)	(72,520)	109,575	(59)	109,516
Net assets at beginning of year	124,725	23,002	147,727	15,150	23,061	38,211
Net assets at end of year	\$ 53,657	21,550	75,207	124,725	23,002	147,727

See accompanying notes to financial statements and independent accountant's review report.

UNITED WAY OF SOUTHEAST ALASKA

Statements of Functional Expenses

Years ended August 31, 2022 and 2021

		2022					Total Program and Supporting Services	
		Program Services			Supporting Services			
		Fund Distributions	Community Impact	Total	Management and General	Fundraising		Total
Expenses:								
Salaries and benefits	\$	-	99,662	99,662	79,968	12,929	92,897	192,559
Stipend		-	117,019	117,019	-	-	-	117,019
Payroll taxes		-	10,937	10,937	6,641	1,089	7,730	18,667
Professional fees		-	59,033	59,033	52,268	2,410	54,678	113,711
Office rent		-	-	-	19,705	-	19,705	19,705
Telephone and Internet		-	896	896	2,402	-	2,402	3,298
Office supplies		-	51	51	2,034	-	2,034	2,085
Printing		-	40	40	-	9,835	9,835	9,875
Postage		-	125	125	373	4,337	4,710	4,835
Advertising		-	175	175	631	19,997	20,628	20,803
Fees and licenses		-	100	100	8,582	743	9,325	9,425
Bank fees		-	99	99	-	2,235	2,235	2,334
Insurance		-	-	-	2,827	-	2,827	2,827
Events and meetings		-	7,899	7,899	1,789	4,578	6,367	14,266
Electronic media		-	891	891	3,011	852	3,863	4,754
Training and development		-	1,269	1,269	500	124	624	1,893
Southeast travel		-	7,474	7,474	1,447	-	1,447	8,921
Recognition awards		-	-	-	58	-	58	58
Other		-	30,319	30,319	-	-	-	30,319
Total expenses	\$	-	335,989	335,989	182,236	59,129	241,365	577,354

(continued)

UNITED WAY OF SOUTHEAST ALASKA

Statements of Functional Expenses, continued

		2021						Total Program and Supporting Services
		Program Services			Supporting Services			
		Fund Distributions	Community Impact	Total	Management and General	Fundraising	Total	
Expenses:								
Salaries and benefits	\$	-	122,217	122,217	74,356	6,024	80,380	202,597
Stipend		-	189,888	189,888	-	-	-	189,888
Payroll taxes		-	24,126	24,126	6,453	500	6,953	31,079
Professional fees		52,375	43,721	96,096	38,073	2,154	40,227	136,323
Office rent		-	4,691	4,691	12,903	1,972	14,875	19,566
Telephone and Internet		-	1,661	1,661	2,075	273	2,348	4,009
Office supplies		-	1,372	1,372	3,241	74	3,315	4,687
Printing		-	1,055	1,055	-	11,478	11,478	12,533
Postage		-	72	72	342	3,279	3,621	3,693
Advertising		-	319	319	-	17,779	17,779	18,098
Fees and licenses		-	1,579	1,579	6,639	2,770	9,409	10,988
Bank fees		-	605	605	135	1,391	1,526	2,131
Insurance		-	728	728	3,997	-	3,997	4,725
Events and meetings		-	874,097	874,097	475	-	475	874,572
Electronic media		-	6,036	6,036	5,385	1,174	6,559	12,595
Training and development		-	1,522	1,522	254	-	254	1,776
Southeast travel		-	9,340	9,340	615	15	630	9,970
Recognition awards		-	854	854	188	1,845	2,033	2,887
Other		-	53,386	53,386	85	-	85	53,471
Total expenses	\$	<u>52,375</u>	<u>1,337,269</u>	<u>1,389,644</u>	<u>155,216</u>	<u>50,728</u>	<u>205,944</u>	<u>1,595,588</u>

See accompanying notes to financial statements and independent accountant's review report.

UNITED WAY OF SOUTHEAST ALASKA

Statements of Cash Flows

Years ended August 31, 2022 and 2021

	<u>2022</u>	<u>As Restated 2021</u>
Cash flows from (used) by operating activities:		
Change in net assets	\$ (72,520)	109,516
Adjustments to reconcile change in net assets to net cash flows provided (used) by operating activities:		
Unrealized investment (gains) losses	(1,123)	(7,454)
(Increase) decrease in:		
Promises to give	14,629	(22,165)
Other receivable	-	44
Grants receivable	9,277	(7,680)
Prepaid expenses	2,879	3,205
Increase (decrease) in:		
Accounts payable	1,707	5,037
Designations payable	(9,446)	(8,055)
Accrued payroll	(10,146)	(8,113)
Refundable advance	(5,000)	(790,526)
Net cash provided (used) by operating activities	<u>(69,743)</u>	<u>(726,191)</u>
Cash flows from financing activities:		
Principal payments on long-term debt	(2,782)	(642)
Forgiveness of PPP loan	-	(37,800)
Net cash provided (used) by investing activities	<u>(2,782)</u>	<u>(38,442)</u>
Increase (decrease) in cash and cash equivalents	(72,525)	(764,633)
Cash and cash equivalents at beginning of year	<u>178,840</u>	<u>943,473</u>
Cash and cash equivalents at end of year	<u>\$ 106,315</u>	<u>178,840</u>

See accompanying notes to financial statements and independent accountant's review report.

UNITED WAY OF SOUTHEAST ALASKA

Notes to Financial Statements

August 31, 2022 and 2021

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. General Organization and Purpose

United Way of Southeast Alaska (UWSEAK) was organized for the purpose of assessing on a continuing basis the need for health and social service programs; to seek solutions to human problems; to assist in the development of United Way member agencies; to promote preventive activities; and to foster cooperation among local, state, and national agencies serving the community. In fulfilling these purposes, UWSEAK receives and distributes both private and public pledges in accordance with the donor wishes through two different fundraising campaigns: the private campaign, and SHARE (State of Alaska) Campaign.

The private campaign is administered by United Way of Southeast Alaska who is responsible for managing the fundraising drives, and collecting and disbursing all moneys received from the annual campaigns. The SHARE campaign is administered by United Way of Anchorage but UWSEAK is responsible for disbursing all promises to give per the donor's designation.

B. Basis of Accounting

United Way of Southeast Alaska's financial statements are presented on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America and accordingly reflect all significant receivables, payables, and other liabilities.

C. Basis of Presentation

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

Net Assets Without Donor Restrictions – Net assets available for use in general operations and not subject to donor (or certain grantor) restrictions. The governing board has designated, from net assets without donor restrictions, net assets for an operating reserve.

Net Assets With Donor Restrictions – Net assets subject to donor- (or certain grantor-) imposed restrictions. Some 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 donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. Gifts of long-lived assets and gifts of cash restricted for the acquisition of long-lived assets are recognized as revenue when the assets are placed in service. 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.

UNITED WAY OF SOUTHEAST ALASKA

Notes to Financial Statements, Continued

D. Cash and Cash Equivalents

For purposes of the Statement of Cash Flows, UWSEAK considers all cash and other highly liquid investments with initial maturities of three months or less to be cash equivalents.

E. Investments

Investment purchases are recorded 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 internal investment expenses.

F. Fair Value of Financial Instruments

The fair value represents 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.

The Organization discloses its estimate of the fair value of material financial instruments, including those recorded as assets or liabilities in its financial statements and derivative financial instruments.

The following financial instruments are recorded at fair value or at amounts that approximate fair value: (1) cash and cash equivalents, (2) investments, (3) receivables, net, (4) certain other current assets, (5) accounts payable and (6) other current liabilities. The carrying amounts reported in the statements of financial position for the above financial instruments closely approximates their fair value due to the short-term nature of these assets and liabilities.

G. Promises to Give and Donor Designations

Contributions from campaigns are recorded as revenue when United Way is notified in writing of an unconditional pledge. Donor designations are recognized as a receivable and a payable at the time the pledge is made to United Way and are not included in net campaign results.

Annual campaigns are predominantly conducted in the fall. The total results from the annual campaign are reduced by promises to give collected on behalf of others (donor designations) and by a provision for amounts promised but not paid (uncollectible promises to give).

Differences between amounts provided for uncollectible promises to give in each campaign and actual losses are an accounting adjustment in the year following the campaign.

H. Prepaid Expenses

Payments made to vendors for services that are applicable to future accounting periods are recorded as prepaid expenses.

UNITED WAY OF SOUTHEAST ALASKA

Notes to Financial Statements, Continued

I. Equipment

Purchased equipment and software are recorded at cost and are depreciated on the straight-line method using useful lives ranging from 3 to 5 years. Acquisitions in excess of \$5,000 are capitalized.

J. Designations Payable

Designations payable are based on designated amounts pledged during each of the annual campaigns. This is in accordance with the Code of Federal Regulations for the Combined Federal Campaign. Distributions to agencies are made on a quarterly basis, and are paid net of each agency's share of allocable campaign expenses. Combined Federal and Private Campaign expenses are allocated to each agency in proportion to their percentage of designated contributions.

SHARE campaign expenses are deducted by United Way of Anchorage before releasing the promises to give to United Way of Southeast Alaska for distribution. Designations payable consist of current year end amounts due from the Fall 2022 and 2021 campaign pledges.

K. Deferred Revenue

Deferred revenue represents amounts for which asset recognition criteria have been met, but for which revenue recognition criteria have not been met.

L. Advertising

United Way expenses advertising costs as they are incurred. At August 31, 2022 and 2021 advertising costs were \$20,803 and \$18,098, respectively.

M. Income Tax Status

United Way funds qualify as tax-exempt organizations under Section 501(c)(3) of the Internal Revenue Code and, therefore, no provision for federal income taxes has been made. UWSEAK has been determined by the Internal Revenue Service not to be a private foundation within the meaning of Section 509(a) of the Code. Although the Organization is exempt from federal income taxes, any income derived from unrelated business activities is subject to the requirement of filing U.S. Federal Income Tax Form 990-T and a tax liability may be determined on these activities. The Organization's policy is to report interest and penalties associated with uncertain tax positions as interest expense and other expense respectively. Management is not aware of any uncertain tax positions that would require financial statement recognition or disclosure. With few exceptions, the Organization is not subject to audit of its tax returns prior to 2019.

N. Economic Dependency

During the years ended August 31, 2022 and 2021, United Way of Southeast Alaska received approximately 46% and 12%, respectively, of the funding for its activities from public support through campaign activities. A significant change in the economy of the region could have a negative effect on operations.

UNITED WAY OF SOUTHEAST ALASKA

Notes to Financial Statements, Continued

O. 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, 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.

P. Donated Goods and Services

Donated services are recognized as contributions in accordance with FASB ASC 958, Accounting for Contributions Received and Contributions Made, if the services (1) create or enhance nonfinancial assets or (2) require specialized skills, are performed by people with those skills, and would otherwise be purchased by the Organization. In-kind contributions for space, supplies, and professional services are recorded in the statement of activities at market value and recognized as revenue and expenses in the period they are received, except for donated equipment, which is recorded as revenue in the period received and the asset is depreciated over its estimated useful life.

Q. Functional Allocation of Expenses

The costs of providing the various programs and other activities have been summarized on a functional basis in the Statement of Activities. Accordingly, certain costs have been allocated among the programs and supporting services benefited. The financial statements report certain categories of expenses that are attributed to more than one program or supporting function. Therefore, expenses require allocation on a reasonable basis that is consistently applied. The expenses that are allocated include office rent which is allocated on a square footage basis, as well as salaries and benefits, stipend, payroll taxes, professional fees, telephone and internet, office supplies, printing, postage, advertising, fees and licenses, bank fees, insurance, events and meetings, training and development, travel, technology operations, and recognition awards, which are allocated on the basis of estimates of time and effort.

R. Revenue and Revenue Recognition

United Way recognizes contributions when cash, securities or other assets; an unconditional promise to give; or a notification of a beneficial interest is received. Conditional promises to give - that is, those with a measurable performance or other barrier and a right of return - are not recognized until the conditions on which they depend have been met.

A portion of the Organization's revenue is derived from cost-reimbursable federal and state contracts and grants, which are conditioned upon certain performance requirements and/ or 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.

UNITED WAY OF SOUTHEAST ALASKA

Notes to Financial Statements, Continued

The Organization has adopted Accounting Standards Update (ASU) No. 2018-08 Not-for-Profit Entities: Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made (Topic 605) as management believes the standard improves the usefulness and understandability of the Organization's financial reporting.

S. Revenue Recognition from Grants, Contributions, and Service Contracts

United Way of Southeast Alaska previously adopted Accounting Standards Update (ASU) No. 2014-09 – *Revenue from Contracts with Customers (Topic 606)*, as amended, and ASU No. 2018-08 *Not-for-Profit Entities: Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made (Topic 605)* as management believes these standards improve the usefulness and understandability of the Organization's financial reporting.

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

Contract and grant revenues are recognized in proportion to the extent of authorized costs incurred. The grants and contracts include provisions for advances and billings for costs on a reimbursable basis. Revenues and receivables are generally recorded when reimbursable expenses are incurred to the extent of the contract amount. Amounts receivable at yearend include amounts relating to expenses incurred prior to yearend, but not billed until after year end. Advances from funding agencies are considered liquidated when an expense is recorded. All fund receipts in excess of expenses for contracts are recorded as deferred revenue. Receipts in excess of expenses for completed programs are recorded as deferred revenue.

Amounts received prior to incurring qualifying expenditures are reported as deferred revenue in the statement.

II. CASH AND CASH EQUIVALENTS

The bank accounts are maintained at three financial institutions. Accounts at each financial institution are insured by the Federal Deposit Insurance Corporation up to \$250,000 per bank. At August 31, 2022 and 2021, UWSEAK had fully insured deposits, respectively.

UNITED WAY OF SOUTHEAST ALASKA

Notes to Financial Statements, Continued

III. INVESTMENTS

A summary of investments at August 31 follows:

		<u>2022</u>	<u>2021</u>
Common stock	\$	<u>13,126</u>	<u>12,003</u>

The components of investment income for the years ended August 31, 2022 and 2021 are as follows:

		<u>2022</u>	<u>2021</u>
Interest and dividends	\$	18	63
Unrealized gains (losses), net		<u>1,273</u>	<u>7,454</u>
	\$	<u>1,291</u>	<u>7,517</u>

A fair value hierarchy 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 measurements involving significant unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy are as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the Company has the ability to access at the measurement date.
- Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.
- Level 3 inputs are unobservable inputs for the asset or liability.

The level in the fair value hierarchy within which a fair measurement in its entirety falls is based on the lowest level input that is significant to the fair value measurement in its entirety.

The fair value of all of United Way of Southeast Alaska's investment is measured using Level 1 inputs.

IV. PROMISES TO GIVE RECEIVABLE

The pledges receivable balance consist of pledges made during the Fall 2021 and 2020 campaigns, less any amounts received from those campaigns prior to August 31, 2022 and 2021, respectively. The amounts due for each campaign are as follows:

		<u>2022</u>	<u>2021</u>
Private Campaign	\$	51,040	64,440
SHARE Campaign		<u>23,800</u>	<u>25,029</u>
Total pledges receivable	\$	<u>74,840</u>	<u>89,469</u>

Management has determined all receivables are fully collectible therefore, no allowance for doubtful accounts has been established.

UNITED WAY OF SOUTHEAST ALASKA

Notes to Financial Statements, Continued

V. DONATED GOODS AND SERVICES

UWSEAK recorded no in-kind contributions at August 31, 2022 and 2021.

VI. DESIGNATIONS PAYABLE

The designations payable consists of the pass-through portion of pledges received during the fall campaign along with the last quarterly distribution of the previous fall pledges received. These previous fall campaign pledges are payable after August 31, 2022 and 2021, respectively. At August 31, 2022 and 2021, the designations payable balances are as follows:

	<u>2022</u>	<u>2021</u>
Private Campaign	\$ 10,415	15,162
SHARE Campaign	<u>33,907</u>	<u>38,606</u>
Total agency	\$ <u>44,322</u>	<u>53,768</u>

VII. NOTES PAYABLE

Obligations under notes payable at August 31 consist of the following:

	<u>2022</u>	<u>2021</u>
SBA Emergency Income Disaster Relief 2.75% note payable, due in monthly installments of \$214 including interest through May 28, 2050, Secured by the following property that UWSEAK now owns or shall acquire or create immediately upon the acquisition or creation.	\$ 46,476	49,258

Annual maturities of long-term debt for the five years subsequent to fiscal year 2021 and 2020 are as follows:

	<u>2022</u>	<u>2021</u>
2022	\$ -	2,568
2023	2,354	2,568
2024	2,568	2,568
2025	2,568	2,568
2026	2,568	2,568
2027	2,568	2,568
Thereafter	<u>33,850</u>	<u>33,850</u>
Total	46,476	49,258
Less current portion	<u>2,354</u>	<u>2,568</u>
	\$ <u>44,122</u>	<u>46,690</u>

UNITED WAY OF SOUTHEAST ALASKA

Notes to Financial Statements, Continued

VIII. LEASE COMMITMENTS

United Way of Southeast Alaska leases office space located at 3225 Hospital Drive, Juneau, Alaska from United Human Services of Southeast Alaska. The lease went into effect on June 25, 2018 and shall stay in effect through December 31, 2022. Rent expense for the year ending August 31, 2022 and 2021 was \$19,705 and \$19,566, respectively. Future minimum payments are as follows:

Year Ending August 31	Amount
2023	6,568

IX. NET ASSETS WITH DONOR RESTRICTIONS

Net assets were released from donor restrictions by incurring expenses satisfying the restricted purpose or by occurrence of other events specified by donors or contractors. During the years ended August 31, 2022 and 2021, UWSEAK incurred expenses related to the following grants and contributions as required by the donor or grantor:

	2022	2021
Literacy program	\$ 1,452	-
Disabilities awareness and empathy training	-	59
Total	\$ <u>1,452</u>	<u>59</u>

Net assets with donor restrictions are available for the following:

Purposes:	2022	2021
Literacy program	\$ 17,646	19,098
Disabilities awareness and empathy training	2,454	2,454
Financial literacy	1,450	1,450
Total	\$ <u>21,550</u>	<u>23,002</u>

X. DESCRIPTION OF PROGRAM AND SUPPORTING SERVICES

Program Services

Fund Distributions – Includes funds disbursed to partner agencies at the board discretion.

Community Impact – Includes functions necessary to plan and perform the Organization's program services within the community the Organization operates.

UNITED WAY OF SOUTHEAST ALASKA

Notes to Financial Statements, Continued

Supporting Services

Management and General – Includes the functions necessary to maintain equitable employment; ensure an adequate working environment; provide coordination of the Organization’s programs; secure proper administrative functioning of the Board of Directors; and manage the financial and budgetary responsibilities of the Organization.

Fundraising – Provides the structure necessary to encourage and secure private financial support from individuals, foundations and corporations.

XI. LIQUIDITY AND AVAILABILITY

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:

Cash and cash equivalents	\$	106,315
Investments		13,126
Promises to give receivable		74,840
Grant receivable		18,889
	\$	<u>213,170</u>

Income from donor-restricted grants are restricted for specific purposes.

XII. CORRECTION OF AN ERROR

There were certain errors resulting in overstatement of amounts previously reported for grants receivable, accounts payable, refundable advance, and revenue as of August 31, 2021. As a result of the corrections, the cumulative effect decreased total net assets at August 31, 2021 from \$162,877 to \$147,727. The following amounts were adjusted in the prior period presented to correct these errors:

	Previously Reported 2021 Balances	Effect of Correction	2021 Balances, as Restated
Statement of Financial Position:			
Grant receivable	\$ 88,972	(60,806)	28,166
Accounts payable	\$ 30,613	(4,000)	26,613
Refundable advance	\$ 46,656	(41,656)	5,000
Statement of Activities:			
Non-campaign contributions	\$ 1,266,479	(15,150)	1,251,329
Net assets without donor restrictions	\$ 139,875	(15,150)	124,725

XIII. SUBSEQUENT EVENTS

Management has evaluated subsequent events through December 12, 2022, the date which the financial statements were available for issue. No events were identified that would require disclosure in accordance with generally accepted accounting principles.