

## An open letter to accompany Rappahannock United Way's FY22 Financials:

Dear Rappahannock United Way Supporters,

November 2022

We are pleased to post our audited financial statements for Fiscal Year 2022 (FY22) which ended on June 30, 2022. We hope you will take the time to read this memo in conjunction with your review of Rappahannock United Way's (RUW) FY22 Audit.

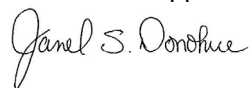
During FY22, we are happy to report that Rappahannock United Way received an "unqualified" opinion once again.

Covid-19 again affected our financial results during FY22. While we continued to receive support from our corporate, local government partners, individual donors and local foundations, our revenue numbers have not yet rebounded to our pre-pandemic normal. As a consequence, RUW budgeted a strategically planned loss for FY22 with the Rappahannock United Way Board of Directors to draw down reserves this year. As expected our prediction became reality, revenue was again down this year as Covid-19 continued to hang on for most of our fiscal year. As a result, we reported a Net Loss of \$(379,632).

We also experienced new partnerships with Stafford County, the City of Fredericksburg, and Jarrell Properties, Inc. to give out corporate, state, and local rent and mortgage relief dollars to our community in FY22. Together along with our ALICE fund, we spent over \$437K to keep people in their homes during the ongoing pandemic. We also made \$286K in local agency grants to continue to invest in their great work in the areas of Education and Healthy Living.

We could not have done all of this to move the needle within our focus areas of Education, Financial Stability, and Healthy Living in our community without you! We are committed to delivering the best results to you, our supporters, and to do so with the utmost transparency and integrity. We are excited about the future and are poised to make even bigger contributions to our community going forward.

With sincere appreciation for your support,



Janel S. Donohue  
President



# **RAPPAHANNOCK UNITED WAY, INC.**

## **FINANCIAL STATEMENTS**

**JUNE 30, 2021**



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ASSURANCE, TAX & ADVISORY SERVICES

# RAPPAHANNOCK UNITED WAY, INC.

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## **FINANCIAL SECTION**



## INDEPENDENT AUDITOR'S REPORT

To the Board of Directors  
Rappahannock United Way, Inc.

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

We have audited the accompanying statements of financial position of Rappahannock United Way, Inc. (the Organization), as of June 30, 2021 and 2020, the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

### **Management's Responsibility for the Financial Statements**

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

### **Auditor's Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Organization'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 Organization's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

## **Opinion**

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

## **Other Matters**

### *Other Information*

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying Schedule of Expenditures of Federal Awards, as required by Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards* is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the financial statements as a whole.

## **Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated December 9, 2021, on our consideration of the Organization's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of this report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Organization's internal control over financial reporting or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Organization's internal control over financial reporting and compliance.

*PBMares, LLP*

Fredericksburg, Virginia  
December 9, 2021

## **FINANCIAL STATEMENTS**

**RAPPAHANNOCK UNITED WAY, INC.**

**STATEMENTS OF FINANCIAL POSITION**  
**June 30, 2021 and 2020**

|   | 2021                | 2020                |
|---|---------------------|---------------------|
| <b>ASSETS</b>                           |                     |                     |
| Current Assets                          |                     |                     |
| Cash and cash equivalents               | \$ 1,153,982        | \$ 1,453,185        |
| Certificates of deposit                 | 600,382             | 595,526             |
| Contributions receivable, net           | 736,636             | 1,087,627           |
| Other receivables                       | 635                 | 635                 |
| Prepaid expenses                        | 49,910              | 29,595              |
| <b>Total current assets</b>             | <b>2,541,545</b>    | <b>3,166,568</b>    |
| Property and Equipment                  |                     |                     |
| Land                                    | 57,513              | 57,513              |
| Building and improvements               | 1,039,220           | 1,039,220           |
| Furniture and equipment                 | 185,993             | 229,963             |
|   | <b>1,282,726</b>    | <b>1,326,696</b>    |
| Less accumulated depreciation           | <b>(496,806)</b>    | <b>(511,096)</b>    |
|   | <b>785,920</b>      | <b>815,600</b>      |
| <b>Total assets</b>                     | <b>\$ 3,327,465</b> | <b>\$ 3,982,168</b> |
| <b>LIABILITIES AND NET ASSETS</b>       |                     |                     |
| Current Liabilities                     |                     |                     |
| Current maturities of long-term debt    | \$ -                | \$ 58,790           |
| Accounts payable and accrued expenses   | 127,060             | 110,775             |
| Allocation and grants payable, net      | 476,846             | 883,711             |
| <b>Total current liabilities</b>        | <b>603,906</b>      | <b>1,053,276</b>    |
| Long-Term Debt, less current maturities | -                   | 73,610              |
| Net Assets                              |                     |                     |
| Without donor restrictions              | 2,454,574           | 2,228,016           |
| With donor restrictions                 | 268,985             | 627,266             |
|   | <b>2,723,559</b>    | <b>2,855,282</b>    |
| <b>Total liabilities and net assets</b> | <b>\$ 3,327,465</b> | <b>\$ 3,982,168</b> |



**RAPPAHANNOCK UNITED WAY, INC.**

**STATEMENT OF ACTIVITIES**

**Year Ended June 30, 2021**

|   | Without Donor<br>Restrictions | With Donor<br>Restrictions | Total               |
|---|-------------------------------|----------------------------|---------------------|
| <b>Public Support and Revenue</b>         |                               |                            |                     |
| Gross campaign results - 2020/2021        | \$ 1,961,472                  | \$ -                       | \$ 1,961,472        |
| Less: donor designations                  | (596,644)                     | -                          | (596,644)           |
| Less: provision for uncollectible pledges | (94,242)                      | -                          | (94,242)            |
| <b>Net campaign revenue - 2020/2021</b>   | <b>1,270,586</b>              | <b>-</b>                   | <b>1,270,586</b>    |
| Gross campaign results - 2021/2022        | -                             | 7,575                      | 7,575               |
| <b>Net campaign revenue - 2021/2022</b>   | <b>-</b>                      | <b>7,575</b>               | <b>7,575</b>        |
| Sponsorships and special events           | 98,600                        | -                          | 98,600              |
| Less: direct costs                        | (14,231)                      | -                          | (14,231)            |
| Service fees                              | 88,485                        | -                          | 88,485              |
| Grants and contracts                      | 154,362                       | 2,589,312                  | 2,743,674           |
| Investment income                         | 5,779                         | -                          | 5,779               |
| In-kind program revenue                   | 26,118                        | -                          | 26,118              |
| Miscellaneous income                      | 250                           | -                          | 250                 |
| Net assets released from restrictions:    |                               |                            |                     |
| Satisfaction of purpose restrictions      | 2,955,168                     | (2,955,168)                | -                   |
| Less: donor designations                  | (2,644,159)                   | -                          | (2,644,159)         |
|   | <b>670,372</b>                | <b>(365,856)</b>           | <b>304,516</b>      |
| <b>Total public support and revenue</b>   | <b>1,940,958</b>              | <b>(358,281)</b>           | <b>1,582,677</b>    |
| <b>Expenses</b>                           |                               |                            |                     |
| Program services:                         |                               |                            |                     |
| Grant making services                     | 3,514,343                     | -                          | 3,514,343           |
| Less: donor designations                  | (3,240,803)                   | -                          | (3,240,803)         |
| <b>Net grant making services</b>          | <b>273,540</b>                | <b>-</b>                   | <b>273,540</b>      |
| Other program services                    | 908,009                       | -                          | 908,009             |
| <b>Total program services</b>             | <b>1,181,549</b>              | <b>-</b>                   | <b>1,181,549</b>    |
| Supporting services:                      |                               |                            |                     |
| Management and general                    | 295,291                       | -                          | 295,291             |
| Fundraising                               | 237,560                       | -                          | 237,560             |
| <b>Total supporting services</b>          | <b>532,851</b>                | <b>-</b>                   | <b>532,851</b>      |
| <b>Total expenses</b>                     | <b>1,714,400</b>              | <b>-</b>                   | <b>1,714,400</b>    |
| <b>Change in net assets</b>               | <b>226,558</b>                | <b>(358,281)</b>           | <b>(131,723)</b>    |
| Net Assets, beginning of period           | 2,228,016                     | 627,266                    | 2,855,282           |
| Net Assets, end of period                 | <b>\$ 2,454,574</b>           | <b>\$ 268,985</b>          | <b>\$ 2,723,559</b> |

**RAPPAHANNOCK UNITED WAY, INC.**

**STATEMENT OF ACTIVITIES**

**Year Ended June 30, 2020**

|   | Without Donor<br>Restrictions | With Donor<br>Restrictions | Total            |
|---|-------------------------------|----------------------------|------------------|
| <b>Public Support and Revenue</b>         |                               |                            |                  |
| Gross campaign results - 2019/2020        | \$ 2,956,225                  | \$ -                       | \$ 2,956,225     |
| Less: donor designations                  | (1,222,930)                   | -                          | (1,222,930)      |
| Less: provision for uncollectible pledges | (9,824)                       | -                          | (9,824)          |
| <b>Net campaign revenue - 2019/2020</b>   | <b>1,723,471</b>              | <b>-</b>                   | <b>1,723,471</b> |
| Gross campaign results - 2021/2021        | -                             | 19,445                     | 19,445           |
| <b>Net campaign revenue - 2021/2021</b>   | <b>-</b>                      | <b>19,445</b>              | <b>19,445</b>    |
| Sponsorships and special events           | 84,550                        | -                          | 84,550           |
| Less: direct costs                        | (42,431)                      | -                          | (42,431)         |
| Service fees                              | 59,035                        | -                          | 59,035           |
| Grants and contracts                      | 111,364                       | 641,167                    | 752,531          |
| Investment income                         | 8,172                         | -                          | 8,172            |
| In-kind program revenue                   | 15,272                        | -                          | 15,272           |
| Gain on sale of assets                    | 226,812                       | -                          | 226,812          |
| Net assets released from restrictions:    |                               |                            |                  |
| Satisfaction of purpose restrictions      | 145,434                       | (145,434)                  | -                |
|   | <b>608,208</b>                | <b>495,733</b>             | <b>1,103,941</b> |
| <b>Total public support and revenue</b>   | <b>2,331,679</b>              | <b>515,178</b>             | <b>2,846,857</b> |
| <b>Expenses</b>                           |                               |                            |                  |
| Program services:                         |                               |                            |                  |
| Grant making services                     | 1,507,770                     | -                          | 1,507,770        |
| Less: donor designations                  | (1,222,930)                   | -                          | (1,222,930)      |
| <b>Net grant making services</b>          | <b>284,840</b>                | <b>-</b>                   | <b>284,840</b>   |
| Other program services                    | 635,954                       | -                          | 635,954          |
| <b>Total program services</b>             | <b>920,794</b>                | <b>-</b>                   | <b>920,794</b>   |
| Supporting services:                      |                               |                            |                  |
| Management and general                    | 310,418                       | -                          | 310,418          |
| Fundraising                               | 273,684                       | -                          | 273,684          |
| <b>Total supporting services</b>          | <b>584,102</b>                | <b>-</b>                   | <b>584,102</b>   |
| <b>Total expenses</b>                     | <b>1,504,896</b>              | <b>-</b>                   | <b>1,504,896</b> |
| <b>Change in net assets</b>               | <b>826,783</b>                | <b>515,178</b>             | <b>1,341,961</b> |
| Net Assets, beginning of period           | 1,401,233                     | 112,088                    | 1,513,321        |
| Net Assets, end of period                 | \$ 2,228,016                  | \$ 627,266                 | \$ 2,855,282     |

**RAPPAHANNOCK UNITED WAY, INC.**

**STATEMENT OF FUNCTIONAL EXPENSES**

**Year Ended June 30, 2021**

|  | Program Services         |                       |                     | Support Services          |                   |                   | Total<br>All Services |
|--|--------------------------|-----------------------|---------------------|---------------------------|-------------------|-------------------|-----------------------|
|  | Grant Making<br>Services | All Other<br>Programs | Total               | Management<br>and General | Fundraising       | Total             |                       |
| Allocations/Awards                     | 3,514,343                | \$ -                  | \$ 3,514,343        | \$ -                      | \$ -              | \$ -              | \$ 3,514,343          |
| Less: donor designations               | (3,240,803)              | -                     | (3,240,803)         | -                         | -                 | -                 | (3,240,803)           |
|  | <u>273,540</u>           | <u>-</u>              | <u>273,540</u>      | <u>-</u>                  | <u>-</u>          | <u>-</u>          | <u>273,540</u>        |
| Salaries                               | -                        | 437,918               | 437,918             | 213,388                   | 175,604           | 388,992           | 826,910               |
| Payroll taxes                          | -                        | 30,813                | 30,813              | 15,555                    | 13,187            | 28,742            | 59,555                |
| Employee benefits                      | -                        | 54,206                | 54,206              | 14,067                    | 6,012             | 20,079            | 74,285                |
|  | <u>-</u>                 | <u>522,937</u>        | <u>522,937</u>      | <u>243,010</u>            | <u>194,803</u>    | <u>437,813</u>    | <u>960,750</u>        |
| Outside contractors                    | -                        | 114,405               | 114,405             | -                         | -                 | -                 | 114,405               |
| Supplies                               | -                        | 106,837               | 106,837             | 3,685                     | 9,815             | 13,500            | 120,337               |
| Telephone                              | -                        | 4,964                 | 4,964               | 1,346                     | 791               | 2,137             | 7,101                 |
| Postage and shipping                   | -                        | 382                   | 382                 | 241                       | 1,599             | 1,840             | 2,222                 |
| Occupancy                              | -                        | 12,463                | 12,463              | 3,463                     | 1,967             | 5,430             | 17,893                |
| Equipment rental                       | -                        | 4,841                 | 4,841               | 2,929                     | 3,363             | 6,292             | 11,133                |
| Printing                               | -                        | 2,019                 | 2,019               | 302                       | 186               | 488               | 2,507                 |
| Travel                                 | -                        | 509                   | 509                 | 154                       | 442               | 596               | 1,105                 |
| Conferences, conventions, and meetings | -                        | 500                   | 500                 | 30                        | -                 | 30                | 530                   |
| Insurance                              | -                        | 2,296                 | 2,296               | 609                       | 252               | 861               | 3,157                 |
| Training                               | -                        | 1,520                 | 1,520               | 528                       | 63                | 591               | 2,111                 |
| Dues and subscriptions                 | -                        | 30,675                | 30,675              | 15,737                    | 5,086             | 20,823            | 51,498                |
| Advertising                            | -                        | 22,285                | 22,285              | 3,647                     | 2,351             | 5,998             | 28,283                |
| Repairs and maintenance                | -                        | 17,937                | 17,937              | 5,953                     | 8,353             | 14,306            | 32,243                |
| Awards                                 | -                        | 602                   | 602                 | 3,892                     | 1,120             | 5,012             | 5,614                 |
| Professional fees                      | -                        | 13,977                | 13,977              | 3,079                     | 1,533             | 4,612             | 18,589                |
| Miscellaneous                          | -                        | 1,156                 | 1,156               | 961                       | 3,418             | 4,379             | 5,535                 |
| In-kind program expense                | -                        | 26,118                | 26,118              | -                         | -                 | -                 | 26,118                |
| Depreciation and amortization          | -                        | 21,586                | 21,586              | 5,725                     | 2,418             | 8,143             | 29,729                |
|  | <u>-</u>                 | <u>385,072</u>        | <u>385,072</u>      | <u>52,281</u>             | <u>42,757</u>     | <u>95,038</u>     | <u>480,110</u>        |
| <b>Total functional expenses</b>       | <b>\$ 273,540</b>        | <b>\$ 908,009</b>     | <b>\$ 1,181,549</b> | <b>\$ 295,291</b>         | <b>\$ 237,560</b> | <b>\$ 532,851</b> | <b>\$ 1,714,400</b>   |

See Notes to Financial Statements.

**RAPPAHANNOCK UNITED WAY, INC.**

**STATEMENT OF FUNCTIONAL EXPENSES**

**Year Ended June 30, 2020**

|  | Program Services       |                       |                   | Support Services          |                   |                   | Total<br>All Services |
|--|------------------------|-----------------------|-------------------|---------------------------|-------------------|-------------------|-----------------------|
|  | Allocation<br>Services | All Other<br>Programs | Total             | Management<br>and General | Fundraising       | Total             |                       |
| Allocations/Awards                     | \$ 1,507,770           | \$ -                  | \$ 1,507,770      | \$ -                      | \$ -              | \$ -              | \$ 1,507,770          |
| Less: donor designations               | (1,222,930)            | -                     | (1,222,930)       | -                         | -                 | -                 | (1,222,930)           |
|  | 284,840                | -                     | 284,840           | -                         | -                 | -                 | 284,840               |
| Salaries                               | -                      | 361,884               | 361,884           | 226,141                   | 173,581           | 399,722           | 761,606               |
| Payroll taxes                          | -                      | 25,665                | 25,665            | 15,745                    | 12,516            | 28,261            | 53,926                |
| Employee benefits                      | -                      | 48,479                | 48,479            | 16,285                    | 17,451            | 33,736            | 82,215                |
|  | -                      | 436,028               | 436,028           | 258,171                   | 203,548           | 461,719           | 897,747               |
| Outside contractors                    | -                      | 2,508                 | 2,508             | 2,613                     | -                 | 2,613             | 5,121                 |
| Supplies                               | -                      | 60,696                | 60,696            | 3,715                     | 12,624            | 16,339            | 77,035                |
| Telephone                              | -                      | 3,554                 | 3,554             | 1,176                     | 1,277             | 2,453             | 6,007                 |
| Postage and shipping                   | -                      | 708                   | 708               | 187                       | 1,511             | 1,698             | 2,406                 |
| Occupancy                              | -                      | 13,564                | 13,564            | 4,966                     | 4,871             | 9,837             | 23,401                |
| Equipment rental                       | -                      | 4,322                 | 4,322             | 2,692                     | 2,328             | 5,020             | 9,342                 |
| Printing                               | -                      | 2,013                 | 2,013             | 639                       | 261               | 900               | 2,913                 |
| Travel                                 | -                      | 4,341                 | 4,341             | 225                       | 1,742             | 1,967             | 6,308                 |
| Conferences, conventions, and meetings | -                      | 589                   | 589               | 75                        | 955               | 1,030             | 1,619                 |
| Insurance                              | -                      | 2,082                 | 2,082             | 855                       | 765               | 1,620             | 3,702                 |
| Training                               | -                      | 352                   | 352               | 1,121                     | 242               | 1,363             | 1,715                 |
| Dues and subscriptions                 | -                      | 16,990                | 16,990            | 11,365                    | 7,568             | 18,933            | 35,923                |
| Advertising                            | -                      | 26,910                | 26,910            | 5,303                     | 10,280            | 15,583            | 42,493                |
| Repairs and maintenance                | -                      | 12,602                | 12,602            | 4,531                     | 10,445            | 14,976            | 27,578                |
| Awards                                 | -                      | 1,106                 | 1,106             | 1,601                     | 1,734             | 3,335             | 4,441                 |
| Professional fees                      | -                      | 10,830                | 10,830            | 2,882                     | 3,889             | 6,771             | 17,601                |
| Miscellaneous                          | -                      | 1,599                 | 1,599             | 1,414                     | 2,503             | 3,917             | 5,516                 |
| In-kind program expense                | -                      | 15,272                | 15,272            | -                         | -                 | -                 | 15,272                |
| Depreciation and amortization          | -                      | 19,888                | 19,888            | 6,887                     | 7,141             | 14,028            | 33,916                |
|  | -                      | 199,926               | 199,926           | 52,247                    | 70,136            | 122,383           | 322,309               |
| <b>Total functional expenses</b>       | <b>\$ 284,840</b>      | <b>\$ 635,954</b>     | <b>\$ 920,794</b> | <b>\$ 310,418</b>         | <b>\$ 273,684</b> | <b>\$ 584,102</b> | <b>\$ 1,504,896</b>   |

See Notes to Financial Statements.

**RAPPAHANNOCK UNITED WAY, INC.**

**STATEMENTS OF CASH FLOWS**  
**Years Ended June 30, 2021 and 2020**

|   | 2021                | 2020                |
|---|---------------------|---------------------|
| <b>Cash Flows From Operating Activities</b>   |                     |                     |
| Change in net assets  | \$ (131,723)        | \$ 1,341,961        |
| Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities: |                     |                     |
| Depreciation and amortization   | 29,729              | 33,916              |
| Gain on debt forgiveness  | (132,400)           | -                   |
| Gain on disposition of assets   | -                   | (226,812)           |
| Decrease (increase) in:   |                     |                     |
| Contributions receivable  | 350,991             | (125,095)           |
| Other receivables   | -                   | 5,025               |
| Prepaid expenses  | (20,364)            | (6,486)             |
| Increase (decrease) in:   |                     |                     |
| Accounts payable and accrued expenses   | 16,285              | 19,786              |
| Allocation and grants payable   | (406,865)           | (549,566)           |
| <b>Net cash provided by (used in) operating activities</b>  | <b>(294,347)</b>    | <b>492,729</b>      |
| <b>Cash Flows From Investing Activities</b>   |                     |                     |
| Purchase of property and equipment  | -                   | (5,311)             |
| Proceeds from sale of assets  | -                   | 319,285             |
| Purchase of certificates of deposit   | (4,856)             | (6,361)             |
| <b>Net cash provided by (used in) investing activities</b>  | <b>(4,856)</b>      | <b>307,613</b>      |
| <b>Cash Flows From Financing Activities</b>   |                     |                     |
| Proceeds from long-term debt  | -                   | 132,400             |
| Principal payments on long-term debt  | -                   | (222,088)           |
| <b>Net cash used in financing activities</b>  | <b>-</b>            | <b>(89,688)</b>     |
| <b>Increase (decrease) in cash and cash equivalents</b>   | <b>(299,203)</b>    | <b>710,654</b>      |
| Cash and Cash Equivalents, beginning  | <b>1,453,185</b>    | 742,531             |
| Cash and Cash Equivalents, ending   | <b>\$ 1,153,982</b> | <b>\$ 1,453,185</b> |
| <b>Supplemental Disclosures of Cash Flow information</b>  |                     |                     |
| Cash paid during the year for interest  | <b>\$ -</b>         | <b>\$ 3,002</b>     |

## RAPPAHANNOCK UNITED WAY, INC.

### NOTES TO FINANCIAL STATEMENTS

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#### Note 1. Nature of Organization

**Nature of organization:** Rappahannock United Way, Inc. (the Organization) is a not-for-profit organization working to create a community that is hopeful, resilient and self-sufficient by focusing on Education, Financial Stability, and Healthy Living programs.

The Organization conducts an annual fundraising campaign which supports internal programs designed to help households living under the ALICE® Threshold to become self-sufficient and reach their potential. These programs include but are not limited to: one-time emergency financial assistance, free tax preparation and free financial coaching. The Organization also supports outside Member Agency programs that align with its mission and focus areas by awarding grants.

The Organization serves the City of Fredericksburg and the counties of Caroline, King George, Spotsylvania, and Stafford.

#### Note 2. Summary of Significant Accounting Policies

A summary of the Organization's significant accounting policies follows:

**Basis of accounting:** The financial statements of the Organization have been prepared on the accrual basis of accounting. Under the accrual basis, revenues are recognized in the period in which they are earned, while expenses are recognized in the accounting period in which the related liability is incurred.

**Financial statement presentation:** The financial statements include the accounts of the Organization and the activities of the Local Government Campaign (the LGC). The LGC is an unincorporated entity regulated by the City of Fredericksburg and counties of Stafford, Spotsylvania, King George, and Caroline, in partnership to provide a framework for charitable solicitation of local government employees. The Organization has been designated as the Fiscal Agent/Campaign Consultant of the LGC, and, as such, manages the charitable campaign of the LGC.

The Organization is required to report information regarding its financial position and activities according to two classes of net assets based on the existence or absence of donor-imposed restrictions as follows:

**Net assets without donor restrictions:** Net assets not subject to donor-imposed restrictions. At June 30, 2021 and 2020, the Organization had \$2,454,574 and \$2,228,016 in net assets without donor restrictions, respectively.

**Net assets with donor restrictions:** Net assets subject to donor-imposed stipulations that may or will be met either by actions of the Organization and/or the passage of time. At June 30, 2021 and 2020, the Organization had \$268,985 and \$627,266 in net assets with donor restrictions, respectively.

**Contributions:** Contributions, including pledges, are considered to be without donor restrictions unless specifically indicated as restricted by the donor.

## RAPPAHANNOCK UNITED WAY, INC.

### NOTES TO FINANCIAL STATEMENTS

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#### Note 2. Summary of Significant Accounting Policies (Continued)

**Contributions (continued):** When the donor-stipulated time restriction ends or a purpose restriction is satisfied, net assets with donor restrictions are reclassified to net assets without restrictions and are reported in the statement of activities as net assets released from restriction. Contributions for which restrictions are satisfied in the same year as received are recognized as restricted and released.

**Allowance for uncollectible accounts:** An allowance for uncollectible pledges is established for each campaign and reduces pledges receivable in the statement of financial position and is deducted from contributions in the statement of activities. Pledges outstanding one year after the close of the campaign are deemed uncollectible and the provision for uncollectible pledges is adjusted for the uncollected amounts. Any subsequent collection of previously charged off accounts is recorded through the provision for uncollectible pledges.

**Gifts in-kind and contributed services:** Non-cash donations of equipment, materials, supplies, or other items that benefit the operations of the Organization are included as unrestricted support in the period in which the benefit applies, at estimated fair value. Donated services of a specialized nature which would otherwise be purchased by the Organization are recognized in the same manner. Current year in-kind revenue and expenses are a calculated three-year average of allocated media airtime donated from United Way Worldwide to the Organization.

Thousands of hours, for which no value has been assigned or recognized, were volunteered throughout the year in specific assistance programs, campaign solicitations, and fund-raising activities.

**Cash and cash equivalents:** The Organization considers highly liquid investments with original maturities of less than three months when purchased to be cash equivalents. The Organization maintains its cash in bank deposit accounts which, at times, may exceed Federal Deposit Insurance Corporation insured limits of \$250,000.

**Property and equipment:** It is the Organization's policy to capitalize additions to property and equipment that exceed \$1,000. Property and equipment are stated at cost (if purchased) or at fair value at the date of donation (if donated). Depreciation is provided by the straight-line method based on the estimated useful lives of the assets as follows:

|                           |              |
|---------------------------|--------------|
| Building and improvements | 5 - 40 years |
| Furniture and equipment   | 3 - 7 years  |

Depreciation expense for the years ended June 30, 2021 and 2020 was \$29,729 and \$33,916, respectively.

**CFC designations:** Rappahannock United Way (local federation) honors designations made to each member organization by distributing a proportionate share of receipts based on donor designations to each member, per CFC regulations at § 950.301(e)(2)(i). Designations include pass-through amounts held for others. These amounts are included in annual campaign revenues and are offset by the amount of support raised on behalf of others.

## RAPPAHANNOCK UNITED WAY, INC.

### NOTES TO FINANCIAL STATEMENTS

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#### Note 2. Summary of Significant Accounting Policies (Continued)

**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. Functional expenses are apportioned between program and supporting services based on personnel time utilized for the related activities. Specifically identifiable expenses are directly allocated.

**Advertising:** Advertising costs are expensed as incurred and totaled \$28,283 and \$42,493 for the years ended June 30, 2021 and 2020, respectively.

**Income taxes:** The Internal Revenue Service has determined that the Organization is exempt from federal income tax under section 501(c)(3) of the Internal Revenue Code (IRC); therefore, no provision has been made for income tax expense. Management has evaluated the Organization's tax positions, as required by the *Income Taxes* Topic of the Financial Accounting Standards Board (FASB) Accounting Standards Codification, and has determined that there are no uncertain tax positions that require adjustment to or disclosure in the financial statements. The Organization files Form 990, *Return of Organization Exempt from Income Tax*, annually with the United States Department of the Treasury.

**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 that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues, gains and other support and expenses during the reporting periods. Actual results could differ from those estimates. Estimates include the allowance for uncollectible pledges and allowance for designation provisions calculated in each year's campaign, useful lives of property and equipment and the functional allocation of expenses.

**Subsequent events:** Subsequent events have been evaluated through December 9, 2021, which was the date the financial statements were available to be issued.

#### Note 3. Contributions Receivable

Contributions receivable consist of the following at June 30:

|  | <u>2021</u>       |    | <u>2020</u>      |
|--|-------------------|----|------------------|
| Due in less than one year                | \$ 873,136        | \$ | 1,224,827        |
| Less allowance for uncollectible pledges | (136,500)         |    | (137,200)        |
| <b>Total contributions receivable</b>    | <u>\$ 736,636</u> | \$ | <u>1,087,627</u> |



## RAPPAHANNOCK UNITED WAY, INC.

### NOTES TO FINANCIAL STATEMENTS

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#### Note 4. Note Payable

The Coronavirus Aid, Relief, and Economic Security (CARES) Act established the Paycheck Protection Program (PPP), which is administered by the U.S. Small Business Administration (SBA), to provide loans to qualifying entities. Under this program, a qualifying entity could apply to an SBA-approved lender for a federally guaranteed loan to help offset certain payroll and other operating costs. The loan, or a portion thereof, is eligible for forgiveness by the SBA if the qualifying entity meets certain conditions. On April 27, 2020, the Organization obtained a loan of \$132,400 under this program. Borrowings will bear an interest rate of 1% maturing in two years, unless the loan is forgiven.

On April 30, 2021, the entire loan amount of \$132,400 was forgiven and reported in the statements of activities as grant revenue.

#### Note 5. Board Designated Net Assets

Included in net assets without donor restrictions are amounts designated by the Organization's Board of Directors for the following purposes as of June 30:

|  | 2021                | 2020                |
|--|---------------------|---------------------|
| Stabilization reserve fund               | \$ 700,000          | \$ 700,000          |
| Board reserve fund                       | 100,000             | 100,000             |
| ALICE assistance fund                    | 200,000             | 200,000             |
| Community impact                         | 30,403              | 86,653              |
| <b>Total Board designated net assets</b> | <b>\$ 1,030,403</b> | <b>\$ 1,086,653</b> |

#### Note 6. Net Assets with Donor Restrictions

Net assets with donor restrictions are available for the following purposes as of June 30:

|  | 2021              | 2020              |
|--|-------------------|-------------------|
| ALICE Assistance Fund                    | \$ 213,887        | \$ 139,084        |
| Atlantic Union Grant for ALICE           | 10,000            | 10,000            |
| VA DHCD Rent and Mortgage Relief Program | 7,500             | 450,000           |
| LG RMRP Grant                            | 25,986            | -                 |
| UWVA                                     | 1,625             | 6,325             |
| Link2Feed Software                       | 2,412             | 2,412             |
| Future Campaigns                         | 7,575             | 19,445            |
|  | <b>\$ 268,985</b> | <b>\$ 627,266</b> |

## RAPPAHANNOCK UNITED WAY, INC.

### NOTES TO FINANCIAL STATEMENTS

#### Note 6. Net Assets with Donor Restrictions (Continued)

Net assets were released through satisfaction of the following program restrictions during the years ended June 30, 2021 and 2020 as follows:

|                       | 2021                | 2020              |
|-----------------------|---------------------|-------------------|
| ALICE Assistance Fund | \$ 34,178           | \$ 101,462        |
| Lawrence Davies Fund  | -                   | 40,000            |
| LG RMRP Grants        | 1,014,014           | -                 |
| RMRP Grant            | 1,882,831           | -                 |
| UWVA                  | 4,700               | -                 |
| Future Campaigns      | 19,445              | 3,972             |
|                       | <b>\$ 2,955,168</b> | <b>\$ 145,434</b> |

#### Note 7. Liquidity and Availability of Resources

The Organization monitors its liquidity so that it can meet its operating needs and other contractual commitments while maximizing the investment of its excess operating cash. The Organization has the following financial assets that could readily be made available within one year of the statements of financial position date to fund expenses without limitations:

|   | 2021                | 2020                |
|---|---------------------|---------------------|
| Financial Assets:   |                     |                     |
| Cash and cash equivalents   | \$ 1,153,982        | \$ 1,453,185        |
| Certificates of deposit   | 600,382             | 595,526             |
| Contributions receivable, net   | 736,636             | 1,087,627           |
| Other receivables   | 635                 | 635                 |
| <b>Total financial assets available within one year</b>                       | <b>2,491,635</b>    | <b>3,136,973</b>    |
| Liquidity Resources:  |                     |                     |
| Donor- imposed restrictions:  |                     |                     |
| ALICE assistance fund   | (213,887)           | (139,084)           |
| LG checking/savings   | (11,612)            | (49,530)            |
| Atlantic Union ALICE funds  | (10,000)            | (10,000)            |
| LG RMRP Grant   | (25,986)            |                     |
| VA DHCD Rent and Mortgage Relief Program                                      | (7,500)             | (450,000)           |
| Board designations:   |                     |                     |
| Community impact fund   | (30,403)            | (86,653)            |
| ALICE assistance fund   | (200,000)           | (200,000)           |
| Stabilization reserve   | (700,000)           | (700,000)           |
| Board reserve fund  | (100,000)           | (100,000)           |
| <b>Total financial assets and liquidity resources available with one year</b> | <b>\$ 1,192,247</b> | <b>\$ 1,401,706</b> |

## **RAPPAHANNOCK UNITED WAY, INC.**

### **NOTES TO FINANCIAL STATEMENTS**

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#### **Note 7. Liquidity and Availability of Resources (Continued)**

In addition to financial assets available to meet general expenditures over the year, the Organization anticipates covering its general expenditures by collecting sufficient donations and other revenues and by utilizing donor-restricted resources from current and prior years' donations, as needed.

The Organization has a reserve accumulation and utilization policy that establishes a stabilization reserve, working capital reserve, and allows the Board to reserve funds for other purposes at any time. This policy helps the Organization ensure that adequate resources are available even in the event of unforeseen campaign, economic and Organization circumstances.

#### **Note 8. Retirement Plan**

The Organization offers a retirement plan under IRC Section 403(b) to all of its full-time employees. This plan allows employees to make voluntary contributions to a tax deferred annuity contract. The Organization does not make contributions to the plan.

#### **Note 9. Risks and Uncertainties**

On January 30, 2020, the World Health Organization declared the coronavirus outbreak a "Public Health Emergency of International Concern" and on March 11, 2020, declared it to be a pandemic. Actions taken around the world to help mitigate the spread of the coronavirus include restrictions on travel, and quarantines in certain areas, and forced closures for certain types of public places and businesses. The coronavirus and actions taken to mitigate the spread of it have had, and are expected to continue to have, an adverse impact on the economies and financial markets of many countries, including the geographical area in which the Organization operates. On March 27, 2020, the CARES Act was enacted to amongst other provisions, provide emergency assistance for individuals, families and businesses affected by the coronavirus pandemic. It is unknown how long the adverse conditions associated with the coronavirus will last and what the complete financial effect will be to the Organization.

## **COMPLIANCE SECTION**

**RAPPAHANNOCK UNITED WAY, INC.**

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**

**Year Ended June 30, 2021**

| Federal Grantor/Pass-through<br>Grantor/Program or Cluster Title  | Federal<br>Assistance<br>Listing | Pass-through<br>Entity Identifying<br>Number | Provided to<br>Subrecipients | Total<br>Federal<br>Expenditures |
|---|----------------------------------|--|------------------------------|----------------------------------|
| <b>U.S. Department of the Treasury</b>  |                                  |  |                              |                                  |
| Passed through Virginia Department of<br>Housing and Community Development:<br>COVID-19 Coronavirus Relief Fund - Rent<br>and Mortgage Relief Program | 21.019                           | 20-RMRP-012                                  | \$ -                         | \$ 1,820,925                     |
| Passed through the City of Fredericksburg:<br>COVID-19 Coronavirus Relief Fund - Rent<br>and Mortgage Relief Program                                  | 21.019                           | Not provided                                 | -                            | 392,794                          |
| Passed through Stafford County:<br>COVID-19 Coronavirus Relief Fund - Rent<br>and Mortgage Relief Program   | 21.019                           | Not provided                                 | -                            | 540,000                          |
| COVID-19 Coronavirus Relief Fund - CARES  | 21.019                           | Not provided                                 | -                            | 50,000                           |
| Internal Revenue Service:<br>Volunteer Income Tax Assistance (VITA)   | 21.009                           | Not provided                                 | -                            | <u>41,189</u>                    |
| <b>Total U.S. Department of the Treasury</b>  |                                  |  |                              | <u><u>2,844,908</u></u>          |
| <b>U.S Department of Homeland Security</b>  |                                  |  |                              |                                  |
| Passed through the Emergency Food and Shelter<br>National Board Program:<br>COVID-19 Emergency Food and Shelter<br>(CARES)                            | 97.024                           | CARES-8802-00-11CER,<br>CARES-8752-00-009CER | -                            | 1,300                            |
| COVID-19 Emergency Food and Shelter<br>(Phase 37)   | 97.024                           | 37-8802-00-11CER,<br>37-8752-00-009CER       | -                            | 2,859                            |
| Passed through George Washington<br>Regional Commission:<br>COVID-19 Emergency Funding Support 2020<br>(Virginia Housing Grant)                       | 97.024                           | Not provided                                 | -                            | <u>4,020</u>                     |
| <b>Total U.S. Department of Homeland Security</b>   |                                  |  |                              | <u><u>8,179</u></u>              |
| <b>Total expenditures of federal awards</b>   |                                  |  |                              | <u><u>\$ 2,853,087</u></u>       |

## **RAPPAHANNOCK UNITED WAY, INC.**

### **NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS Year Ended June 30, 2021**

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#### **Note 1. Basis of Presentation**

The accompanying Schedule of Expenditures of Federal Awards (Schedule) includes the federal grant activity of Rappahannock United Way, Inc. (the Organization) for the year ended June 30, 2021. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Therefore, some amounts presented in this Schedule may differ from amounts presented in, or used in the preparation of, the financial statements. Because the Schedule presents only a selected portion of the operations of the Organization, it is not intended to and does not present the financial position, changes in net assets, or cash flows of the Organization.

*Federal Financial Assistance* – The Single Audit Act Amendment of 1996 (Public Law 104-156) and the Uniform Guidance define federal financial assistance as grants, loans, loan guarantees, property (including donated surplus property), cooperative agreements, interest subsidies, insurance, food commodities, direct appropriations, or other assistance. Nonmonetary deferral assistance including food commodities is considered federal assistance and, therefore, is reported on the Schedule. Federal financial assistance does not include direct federal cash assistance to individuals.

#### **Note 2. Summary of Significant Accounting Policies**

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

#### **Note 3. Indirect Cost Rate**

The Organization has elected to use the 10-percent *de minimis* indirect cost rate as allowed under the Uniform Guidance.



**INDEPENDENT AUDITOR'S REPORT ON  
INTERNAL CONTROL OVER FINANCIAL REPORTING  
AND ON COMPLIANCE AND OTHER MATTERS  
BASED ON AN AUDIT OF FINANCIAL STATEMENTS  
PERFORMED IN ACCORDANCE WITH  
GOVERNMENT AUDITING STANDARDS**

To the Board of Directors  
Rappahannock United Way, Inc.

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the Rappahannock United Way, Inc. (the Organization), which comprise the statement of financial position as of June 30, 2021, the related statements of activities, functional expenses and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated December 9, 2021.

**Internal Control over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the Organization's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control. Accordingly, we do not express an opinion on the effectiveness of the Organization's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the Organization's financial statements will not be prevented or detected and corrected on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

## **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the Organization's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

## **Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Organization's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Organization's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*PBMares, LLP*

Fredericksburg, Virginia  
December 9, 2021





**INDEPENDENT AUDITOR’S REPORT ON COMPLIANCE  
FOR THE MAJOR FEDERAL PROGRAM AND  
REPORT ON INTERNAL CONTROL OVER COMPLIANCE  
REQUIRED BY THE UNIFORM GUIDANCE**

To the Board of Directors  
Rappahannock United Way, Inc.

**Report on Compliance for the Major Federal Program**

We have audited Rappahannock United Way, Inc.’s (the Organization) compliance with the types of compliance requirements described in the OMB *Compliance Supplement* that could have a direct and material effect on the Organization’s major federal program for the year ended June 30, 2021. The Organization’s major federal program is identified in the summary of auditor’s results section of the accompanying Schedule of Findings and Questioned Costs.

**Management’s Responsibility**

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

**Auditor’s Responsibility**

Our responsibility is to express an opinion on compliance for the Organization’s major federal program based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Organization’s compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe our audit provides a reasonable basis for our opinion on compliance for the major federal program. However, our audit does not provide a legal determination of the Organization’s compliance.

## **Opinion on the Major Federal Program**

In our opinion, the Organization complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended June 30, 2021.

## **Report on Internal Control over Compliance**

Management of the Organization is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Organization's internal control over compliance with the types of requirements that could have a direct and material effect on the major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for the major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Organization's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A material weakness in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A significant deficiency in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

*PBMares, LLP*

Fredericksburg, Virginia  
December 9, 2021

**RAPPAHANNOCK UNITED WAY, INC.**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
Year Ended June 30, 2021**

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**Section I. SUMMARY OF AUDITOR'S RESULTS**

*Financial Statements*

Type of auditor's report issued on whether the financial statements audited were prepared in accordance with GAAP: Unmodified

Internal control over financial reporting:

Material weaknesses identified?            Yes   √   No  
Significant deficiencies identified?            Yes   √   None Reported

Noncompliance material to financial statements noted?            Yes   √   No

*Federal Award*

Internal control over the major program:

Material weaknesses identified?            Yes   √   No  
Significant deficiencies identified?            Yes   √   None Reported

Type of auditor's report issued on compliance for the major federal program: Unmodified

Any audit findings disclosed that are required to be reported in accordance with Section 2 CFR 200.516(a)?            Yes   √   No

Identification of major program:

| <u>Federal Assistance Listing</u> | <u>Name of Federal Program or Cluster</u>                                     |
|-----------------------------------|---|
| 21.019                            | COVID-19 Coronavirus Relief Fund – Rent and Mortgage Relief Program and CARES |

Dollar threshold used to distinguish between type A and type B programs \$ 750,000

Auditee qualified as low-risk auditee?            Yes   √   No

**Section II. FINANCIAL STATEMENT FINDINGS**

None identified.

**Section III. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS**

No matters were reported.