

GRANITE UNITED WAY

FINANCIAL REPORT

JUNE 30, 2020

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*INDEPENDENT AUDITOR'S REPORT*

To the Board of Directors  
Granite United Way  
Manchester, New Hampshire 03101

*Report on the Financial Statements*

We have audited the accompanying financial statements of Granite United Way, which comprise the statement of financial position as of June 30, 2020, and the related statements of activities and changes in net assets, functional expenses, and cash flows for the 15-month period then ended, and the related notes to the financial statements.

*Management's Responsibility for the Financial Statements*

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

*Auditor's Responsibility*

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America 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 entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

### *Opinion*

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Granite United Way as of June 30, 2020, and the changes in its net assets and its cash flows for the 15-month period then ended in accordance with accounting principles generally accepted in the United States of America.

### *Emphasis of Matter*

We draw attention to Note 16 to the financial statements, which describes the uncertainty related to the COVID-19 pandemic and impact on the Granite United Way's business. Our opinion is not modified with respect to this matter.

### *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 is presented for purposes of additional analysis as required by the audit requirements of Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Schedule of Expenditures of Federal Awards 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 November 19, 2020 on our consideration of Granite United Way'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 that report is 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 Granite United Way's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Granite United Way's internal control over financial reporting and compliance.

*Nathan Wechsler & Company*

Concord, New Hampshire  
November 19, 2020

GRANITE UNITED WAY

STATEMENT OF FINANCIAL POSITION  
June 30, 2020

ASSETS			
	Without Donor / Time Restrictions	With Donor / Time Restrictions	Total
<b>CURRENT ASSETS</b>			
Cash	\$ 161,136	\$ 1,044,167	\$ 1,205,303
Prepaid and reimbursable expenses	30,021	-	30,021
Investments	436,473	-	436,473
Accounts and rent receivable	28,732	-	28,732
Contributions and grants receivable, net of allowance for uncollectible contributions \$499,872	-	2,519,281	2,519,281
<i>Total current assets</i>	<u>656,362</u>	<u>3,563,448</u>	<u>4,219,810</u>
<b>OTHER ASSETS</b>			
Property and equipment, net	1,182,068	-	1,182,068
Investments - endowment	11,545	219,554	231,099
Beneficial interest in assets held by others	-	1,681,721	1,681,721
<i>Total other assets</i>	<u>1,193,613</u>	<u>1,901,275</u>	<u>3,094,888</u>
<i>Total assets</i>	<u><b>\$ 1,849,975</b></u>	<u><b>\$ 5,464,723</b></u>	<u><b>\$ 7,314,698</b></u>
<b>LIABILITIES AND NET ASSETS</b>			
<b>CURRENT LIABILITIES</b>			
Current maturities of long-term notes payable	\$ 13,639	\$ -	\$ 13,639
Donor-designations payable	403,578	473,653	877,231
Accounts payable	18,980	-	18,980
Accrued expenses	250,392	-	250,392
Funds held for others	7,205	-	7,205
Current maturities of the Paycheck Protection Program loan	341,904	-	341,904
<i>Total current liabilities</i>	<u>1,035,698</u>	<u>473,653</u>	<u>1,509,351</u>
<b>LONG-TERM LIABILITIES</b>			
Notes payable, less current maturities	186,436	-	186,436
Paycheck Protection Program loan, less current maturities	430,596	-	430,596
<i>Total long-term liabilities</i>	<u>617,032</u>	<u>-</u>	<u>617,032</u>
<i>Total liabilities</i>	<u>1,652,730</u>	<u>473,653</u>	<u>2,126,383</u>
<b>COMMITMENTS (See Notes)</b>			
<b>NET ASSETS:</b>			
Without donor/ time restrictions	197,245	-	197,245
With donor/ time restrictions (Note 9)	-	4,991,070	4,991,070
<i>Total net assets</i>	<u>197,245</u>	<u>4,991,070</u>	<u>5,188,315</u>
<i>Total liabilities and net assets</i>	<u><b>\$ 1,849,975</b></u>	<u><b>\$ 5,464,723</b></u>	<u><b>\$ 7,314,698</b></u>

GRANITE UNITED WAY

STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS  
15-Month Period Ended June 30, 2020

	Without Donor / Time Restrictions	With Donor / Time Restrictions	Total
Support and revenues:			
Campaign revenue:			
Total contributions pledged	\$ -	\$ 7,285,635	\$ 7,285,635
Less donor designations	-	(1,856,774)	(1,856,774)
Less provision for uncollectible pledges	-	(294,689)	(294,689)
Add prior years' excess provision for uncollectible pledges taken into income in current year	92,189	-	92,189
<i>Net campaign revenue</i>	92,189	5,134,172	5,226,361
Support:			
Grant revenue	-	2,024,091	2,024,091
Sponsors and other contributions	-	1,870,050	1,870,050
In-kind contributions	43,119	-	43,119
<i>Total support</i>	135,308	9,028,313	9,163,621
Other revenue:			
Rental income	104,664	-	104,664
Administrative fees	104,423	-	104,423
Miscellaneous income	5,634	-	5,634
<i>Total support and revenues</i>	350,029	9,028,313	9,378,342
Net assets released from restrictions:			
For satisfaction of time restrictions	5,096,357	(5,096,357)	-
For satisfaction of program restrictions	4,103,229	(4,103,229)	-
	9,549,615	(171,273)	9,378,342
Expenses:			
Program services	6,524,714	-	6,524,714
Support services:			
Management and general	944,017	-	944,017
Fundraising	1,216,880	-	1,216,880
<i>Total expenses</i>	8,685,611	-	8,685,611
<i>Increase (decrease) in net assets         before non-operating activities</i>	864,004	(171,273)	692,731
Non-operating activities:			
Change in value of beneficial interest in trusts, net of fees of \$15,090	-	(44,486)	(44,486)
Realized and unrealized gains on investments	4,285	8,033	12,318
Investment income, net	100,179	7,095	107,274
<i>Total non-operating activities</i>	104,464	(29,358)	75,106
<i>Net increase (decrease) in net assets</i>	968,468	(200,631)	767,837
Net assets (deficit), beginning of year	(771,223)	5,191,701	4,420,478
<i>Net assets, end of year</i>	<b>\$ 197,245</b>	<b>\$ 4,991,070</b>	<b>\$ 5,188,315</b>

STATEMENT OF FUNCTIONAL EXPENSES  
15-Month Period Ended June 30, 2020

	Grants and awards	Salaries, employee benefits and taxes	Occupancy	Technology and telephone expenses	United Way Worldwide dues and other dues and subscriptions	Campaign, communications and printing	Professional services and subcontractors	Conferences, travel and staff development	Supplies, office expenses, insurance, and other	Depreciation and amortization	Total
Program services:											
Community impact grants	\$ 148,462	\$ 294,208	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	442,670
Public Health Network	-	608,444	11,704	194	-	1,646	535,278	21,209	111,283	-	1,289,758
211 New Hampshire	-	721,249	-	131,812	7,522	5,809	3,500	5,742	72,774	-	948,408
Volunteer Income Tax Assistance	-	158,286	-	-	-	-	30,795	-	9,650	-	198,731
Whole Village Family Resource Center	-	180,153	68,273	15,600	-	-	38,153	1,047	32,382	39,871	375,479
Work United Program	-	196,675	-	-	-	-	-	19,214	-	-	215,889
COVID-19 Relief Fund	535,558	-	-	-	-	-	-	-	5,800	-	541,358
Leader in Me	172,858	8,476	-	-	-	-	-	-	-	-	181,334
Other program services	55,602	1,070,720	135,321	101,671	90,111	39,691	503,938	39,641	264,181	30,211	2,331,087
<i>Total program services</i>	<b>912,480</b>	<b>3,238,211</b>	<b>215,298</b>	<b>249,277</b>	<b>97,633</b>	<b>47,146</b>	<b>1,111,664</b>	<b>86,853</b>	<b>496,070</b>	<b>70,082</b>	<b>6,524,714</b>
Supporting Services:											
Management and general	-	772,054	32,263	24,240	21,484	-	49,105	8,524	29,418	6,929	944,017
Fundraising	-	1,006,329	42,053	31,596	28,004	49,049	2,771	11,111	36,935	9,032	1,216,880
<i>Total supporting services</i>	<b>-</b>	<b>1,778,383</b>	<b>74,316</b>	<b>55,836</b>	<b>49,488</b>	<b>49,049</b>	<b>51,876</b>	<b>19,635</b>	<b>66,353</b>	<b>15,961</b>	<b>2,160,897</b>
<i>Total functional expenses</i>	<b>\$ 912,480</b>	<b>\$ 5,016,594</b>	<b>\$ 289,614</b>	<b>\$ 305,113</b>	<b>\$ 147,121</b>	<b>\$ 96,195</b>	<b>\$ 1,163,540</b>	<b>\$ 106,488</b>	<b>\$ 562,423</b>	<b>\$ 86,043</b>	<b>\$ 8,685,611</b>

GRANITE UNITED WAY

STATEMENT OF CASH FLOWS

15-Month Period Ended June 30, 2020

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**CASH FLOWS FROM OPERATING ACTIVITIES**

Cash received from donors	\$ 9,769,549
Cash received from grantors	2,182,609
Administrative fees	18,061
Other cash received	91,548
Cash received from trusts	73,555
Designations paid	(2,235,961)
Net cash paid for funds held for others	(1,850)
Cash paid to agencies	(1,550,638)
Cash paid to suppliers, employees, and others	(8,361,082)
<i>Net cash used in operating activities</i>	<u>(14,209)</u>

**CASH FLOWS FROM INVESTING ACTIVITIES**

Purchase of property and equipment	(19,987)
Proceeds from sale of investments	63,422
<i>Net cash provided by investing activities</i>	<u>43,435</u>

**CASH FLOWS FROM FINANCING ACTIVITIES**

Proceeds from the Payroll Protection Program loan	772,500
Repayments of long-term debt	(15,861)
<i>Net cash provided by financing activities</i>	<u>756,639</u>

*Net increase in cash* 785,865

Cash, beginning of year 419,438

*Cash, end of year* \$ 1,205,303

**SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION**

Cash payments for:	
Interest expense	\$ 18,899

# GRANITE UNITED WAY

## NOTES TO FINANCIAL STATEMENTS

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### *Note 1. Nature of Activities*

Granite United Way is the result of six United Ways merging together to create a single, efficient organization that covers more than 80% of New Hampshire and Windsor County, Vermont. Granite United Way improve lives by mobilizing the caring power of their communities. More than fundraisers, Granite United Way is a partner in change, working with a broad range of people and organizations to identify and resolve pressing community issues. Granite United Way works closely with volunteer leadership to invest donor dollars to help the community learn, earn and be healthy. By focusing on these investment initiatives, Granite United Way is helping people in new and strategic ways.

Granite United Way conducts annual campaigns in the fall of each year to support hundreds of local programs, primarily in the subsequent year, while the State Employee Charitable Campaign, managed by Granite United Way, is conducted in May and June. Campaign contributions are used to support local health and human services programs, collaborations and to pay Granite United Way's operating expenses. Donors may designate their pledges to support a region of Granite United Way, a Community Impact area, other United Ways or to any health and human service organization having 501(c)(3) tax-exempt status. Amounts pledged to other United Ways or agencies are included in the total contributions pledged revenue and as designations expense. The related amounts receivable and payable are reported as an asset and liability in the statement of financial position. The net campaign results are reflected as with donor restrictions in the accompanying statement of activities and changes in net assets, as the amounts are to be collected in the following year. Prior year campaign results are reflected as net assets released from restrictions in the current year statement of activities and changes in net assets.

Granite United Way invest in the community through three different vehicles:

June 30,	2020
Community Impact Awards to partner agencies	\$ 148,462
Donor designated gifts to Health and Human Service agencies	1,856,774
Granite United Way Program services	6,376,252
<i>Total</i>	<u>\$ 8,381,488</u>

The Board of Directors approved Community Impact Grant Awards amounting to \$1,100,000 for each of the years ended June 30, 2021 and 2022.

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

**Change in fiscal year:** During 2020, the United Way changed its fiscal year from March 31 to June 30. Due to the change, the United Way is reporting for the 15-month period ending June 30, 2020.

**Basis of accounting:** The financial statements of Granite United Way (the "United Way") have been prepared on the accrual basis. Under the accrual basis, revenues and gains are recognized when earned and expenses and losses are recognized when incurred. The significant accounting policies followed are described below to enhance the usefulness of the financial statements to the reader.

**Estimates and assumptions:** The United Way prepares its financial statements in accordance with generally accepted accounting principles. Management uses estimates and assumptions in preparing financial statements. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported revenue and expenses. Accordingly, actual results could differ from those estimates.

**Cash and cash equivalents:** For purposes of reporting cash flows, the United Way considers all highly liquid debt instruments purchased with a maturity of three months or less to be cash equivalents. The United Way had no cash equivalents at June 30, 2020.

**Net assets:** The United Way reports information regarding its financial position and activities according to two categories of net assets: net assets with donor restrictions and net assets without donor restrictions. Descriptions of these net asset categories are as follows:

*Net assets without donor/ time restrictions:* Net assets without donor restrictions are available for use at the discretion of the Board of Directors and/or management for general operating purposes. From time to time the Board of Directors designates a portion of these net assets for specific purposes which makes them unavailable for use at management's discretion. For example, the Board has designated a portion of net assets without donor restrictions as a quasi-endowment (an amount to be treated by management as if it were part of the donor restricted endowment) for the purpose of securing the United Way's long-term financial viability.

The United Way has board designated net assets of \$11,545 for endowment at June 30, 2020.

*Net assets with donor/ time restrictions:* Net assets with donor restrictions consist of assets whose use is limited by donor-imposed, time and/or purpose restrictions.

The United Way reports gifts of cash and other assets as revenue with donor restrictions if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, the net assets are reclassified as net assets without donor restrictions and reported in the statement of activities and changes in net assets as net assets released from restrictions.

Some net assets with donor restrictions include a situation that assets provided be maintained permanently (perpetual in nature) while permitting the United Way to expend the income generated by the assets in accordance with the provisions of additional donor imposed stipulations or a Board approved spending policy.

**Contributions receivable:** Campaign pledge contributions are generally paid within one year. The United Way provides an allowance for uncollectible pledges at the time campaign results are recorded. Provisions for uncollectible pledges have been recorded in the amount of \$294,689 for the campaign period ended June 30, 2020. The provision for uncollectible pledges was calculated at 4.5% of the total pledges for the 15-month period ended June 30, 2020.

**Investments:** The United Way's investments in marketable equity securities and all debt securities are reported at their fair value based upon quoted market prices in the accompanying statement of financial position. Unrealized gains and losses are included in the changes in net assets in the accompanying statement of activities. The United Way's investments do not have a significant concentration of credit risk within any industry, geographic location, or specific location.

NOTES TO FINANCIAL STATEMENTS

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**Contributions:** The United Way recognizes contributions received and made, including unconditional promises to give, as revenue in the period received or made. Contributions received are reported as either revenues without donor restrictions or revenues with donor restrictions. Contributions with donor restrictions that are used for the purposes specified by the by the donor in the same year as the contribution is received are recognized as revenues with donor restrictions and are reclassified as net assets released from restrictions in the same year. Promises to contribute that stipulate conditions to be met before the contribution is made are not recorded until the conditions are met. There were no conditional promises to give as of June 30, 2020.

**Donated goods and services:** Contributed services are recognized when the services received would typically need to be purchased if they had not been provided by donation or require specialized skills and are provided by individuals possessing those skills. Various types of in-kind support, including services, call center space, gift certificates, materials and other items, amounting to \$43,119 have been reflected at fair value in the financial statements for the 15-month period ended June 30, 2020.

A substantial number of volunteers have donated significant amounts of their time in United Way’s program services; however, the value of this contributed time is not reflected in the accompanying financial statements since the volunteers’ time does not meet the criteria for recognition.

**Functional allocation of expenses:** The statement of functional expenses present expenses by function and natural classification. Expenses directly attributable to a specific functional area of the United Way are reported as expenses of those functional areas. A portion of general and administrative costs that benefit multiple functional areas (indirect costs) have been allocated across programs and other supporting services based on estimates of time and effort.

**Property and equipment:** Property and equipment are carried at cost if purchased and fair value if contributed. Maintenance, repairs, and minor renewals are expensed as incurred, and major renewals and betterments are capitalized. The United Way capitalizes additions of property and equipment in excess of \$2,500.

Depreciation of property and equipment is computed using the straight-line method over the following useful lives:

	Years
Building and building improvements.....	5-31½
Leasehold improvements .....	15
Furniture and equipment.....	3-10

**Operating measure:** The United Way has presented the statement of activities and changes in net assets based on an intermediate measure of operations. The measure of operations includes all revenues and expenses that are an integral part of the United Way’s programs and supporting activities and net assets released from restrictions to support operating activities. Non-operating activities are limited to resources outside of those program and services and are comprised of investment return, the changes in fair value of the beneficial interest in trusts, and gains and losses on sales and dispositions of assets.

**Concentrations of credit risk:** Financial instruments which potentially subject the United Way to concentrations of credit risk, consist primarily of contributions receivable, substantially all of which are from individuals, businesses, or not-for-profit organizations. Concentrations of credit risk are limited due to the large number of donors comprising the United Way's donor base. As a result, at June 30, 2020, the United Way does not consider itself to have any significant concentrations of credit risk with respect to contributions receivable.

In addition, the United Way maintains cash accounts with several financial institutions insured by the Federal Deposit Insurance Corporation up to \$250,000. At June 30, 2020, there was approximately \$932,000 included in cash in excess of federally insured limits.

**Income taxes:** The United Way is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code. The United Way is also exempt from state income taxes by virtue of its ongoing exemption from federal income taxes. Accordingly, no provision for income taxes has been recorded in the accompanying financial statements.

The United Way has adopted the provisions of FASB ASC 740 Accounting for Uncertainty in Income Taxes. Accordingly, management has evaluated the United Way's tax positions and concluded the United Way had maintained its tax-exempt status, does not have any significant unrelated business income and had taken no uncertain tax positions that require adjustment or disclosure in the financial statements.

With few exceptions, the United Way is no longer subject to income tax examinations by the U.S. Federal or State tax authorities for tax years before 2017.

**Change in accounting principle:** In January 2016, the FASB issued ASU 2016-01, *Financial Instruments-Overall: Recognition and Measurement of Financial Assets and Financial Liabilities*. This standard is intended to improve recognition, measurement, presentation, and disclosure of financial instruments. The Organization adopted ASU 2016-01 on April 1, 2019. The adoption of ASU 2016-01 did not have a significant impact on the Organization's financial statements.

In June 2018, the FASB issued ASU 2018-08, *Not-for-Profit Entities (Topic 958): Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made*. This standard provides guidance for evaluating whether transactions should be accounted for as contributions or exchange transactions and clarifies the criteria for evaluating whether contributions are unconditional or conditional. The Organization adopted ASU 2018-08 on April 1, 2019. The adoption of ASU 2018-08 did not have a significant impact on the Organization's financial statements.

**Recent accounting pronouncements:** In May 2014, the FASB issued, *Revenue from Contracts with Customers* (ASU 2014-09), which requires revenue to be recognized when promised goods or services are transferred to customers in amounts that reflect the consideration to which the United Way expects to be entitled in exchange for those goods and services. ASU 2014-09 permits the use of either the retrospective or cumulative effect transition method. In June 2020, the FASB deferred the effective date of this standard for one year for certain entities that have not yet issued their financial statements. This standard will be effective for the United Way for the year ended June 30, 2021. Management is currently evaluating the impact this will have on its financial statements.

## NOTES TO FINANCIAL STATEMENTS

In February 2016, the FASB issued, *Leases, Topic 842* (ASU 2016-02). Under ASU 2016-02, at the commencement of a long-term lease, lessees will recognize a liability equivalent to the discounted payments due under the lease agreement, as well as an offsetting right-of-use asset. Lessees (for capital and operating leases) must apply a modified retrospective transition approach for leases existing at, or entered into after, the beginning of the earliest comparative period presented in the financial statements. The modified retrospective approach would not require any transition accounting for leases that expired before the earliest comparative period presented. Lessees may not apply a full retrospective transition approach. In June 2020, the FASB deferred the effective date for this standard for one year. This standard will be effective for the United Way for the year ended June 30, 2023, with early adoption permitted. Management is currently evaluating the impact this will have on its financial statements.

*Note 3. Fair Value Measurements*

The Fair Value Measurements Topic of the FASB Accounting Standards Codification (FASB ASC 820-10) establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to measurements involving significant unobservable inputs (Level 3 measurements).

The three levels of the fair value hierarchy are as follows:

- Level 1 – inputs are unadjusted, quoted prices in active markets for identical assets at the measurement date. The types of assets carried at Level 1 fair value generally are securities listed in active markets. The United Way has valued their investments listed on national exchanges at the last sales price as of the day of valuation.
- Level 2 – inputs are based upon quoted prices for similar instruments in active markets, quoted prices for identical or similar instruments in markets that are not active, and model-based valuation techniques for which all significant assumptions are observable in the market or can be corroborated by observable market data for substantially the full term of the assets or liabilities.
- Level 3 – inputs are generally unobservable and typically reflect management’s estimates of assumptions that market participants would use in pricing the asset or liability. The fair values are therefore determined using model-based techniques that include option-pricing models, discounted cash flow models, and similar techniques.

Financial assets carried at fair value on a recurring basis consist of the following at June 30, 2020:

	Level 1	Level 2	Level 3
Money market funds	\$ 46,212	\$ 7,214	\$ -
Mutual funds:			
Domestic equity	72,192	-	-
Fixed income	273,459	-	-
Fixed income funds	153,081	6,797	-
Municipal bonds	-	5,089	-
Corporate bonds	-	103,804	-
Beneficial interest in assets held by others	-	-	1,681,721
<i>Total</i>	<u>\$ 544,944</u>	<u>\$ 122,904</u>	<u>\$ 1,681,721</u>

GRANITE UNITED WAY

NOTES TO FINANCIAL STATEMENTS

	Beneficial interest in assets held by others
<i>Balance, March 31, 2019</i>	\$ 1,726,207
Total unrealized losses, net of fees, included in changes in net assets with donor restrictions	<u>(44,486)</u>
<i>Balance, June 30, 2020</i>	<u>\$ 1,681,721</u>
Amount of unrealized losses, net of fees, attributable to change in unrealized losses relating to assets still held at the reporting date included in the statement of activities and changes in net assets	<u>\$ (44,486)</u>

All assets have been valued using a market approach, except for the beneficial interest in assets held by others, and have been consistently applied. The market approach uses prices and other relevant information generated by market transactions involving identical or comparable assets. Prices may be indicated by pricing guides, sales transactions, market trades, or other sources.

The beneficial interest in assets held by others is valued using the income approach. The value is determined by calculating the present value of future distributions expected to be received, which approximates the value of the trust's assets at June 30, 2020.

GAAP requires disclosure of an estimate of fair value for certain financial instruments. The United Way's significant financial instruments include cash and other short-term assets and liabilities. For these financial instruments, carrying values approximate fair value.

**Note 4. Property and Equipment**

Property and equipment, at cost, at June 30,	2020
Land, buildings and building improvements	\$ 1,425,766
Leasehold improvements	5,061
Furniture and equipment	344,369
<i>Total property and equipment</i>	<u>1,775,196</u>
Less accumulated depreciation	(593,128)
<i>Total property and equipment, net</i>	<u>\$ 1,182,068</u>

**Note 5. Endowment Funds Held by Others**

**Agency endowed funds:** The United Way is a beneficiary of various agency endowment funds at The New Hampshire Charitable Foundation. Pursuant to the terms of the resolution establishing these funds, property contributed to The New Hampshire Charitable Foundation is held as separate funds designated for the benefit of the United Way.

In accordance with its spending policy, the Foundation may make distributions from the funds to the United Way. The distributions are approximately 4.0% of the market value of each fund per year.

## GRANITE UNITED WAY

### NOTES TO FINANCIAL STATEMENTS

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The estimated value of the future distributions from the funds is included in these financial statements as required by FASB ASC 958-605, however, all property in the fund was contributed to The New Hampshire Charitable Foundation to be held and administered for the benefit of the United Way.

The United Way received \$69,111 from the agency endowed funds during the 15-month period ended June 30, 2020.

**Designated funds:** The United Way is also a beneficiary of two designated funds at The New Hampshire Charitable Foundation. Pursuant to the terms of the resolution establishing these funds, property contributed to The New Hampshire Charitable Foundation is held as a separate fund designated for the benefit of the United Way. In accordance with its spending policy, the Foundation makes distributions from the funds to the United Way. The distributions are approximately 4.0% of the market value of the fund per year.

These funds are not included in these financial statements, since although all property in these funds was contributed to The New Hampshire Charitable Foundation to be held and administered for the benefit of the United Way, The New Hampshire Charitable Foundation may redirect funds to another organization.

The United Way received \$4,444 from the designated funds during the 15-month period ended June 30, 2020. The market value of these fund's assets amounted to approximately \$108,000 at June 30, 2020.

#### *Note 6. Long-term Debt*

Long-term debt at June 30,	2020
Mortgage financed with a local bank. Interest rate at the 5-year Federal Home Loan Classic Advance Rate plus 2.5% (3.34% at June 30, 2020). Due in monthly installments of principal and interest of \$1,908 through December, 2031. Collateralized by the United Way's building located in Plymouth, NH.	\$ 200,075
Less portion payable within one year	13,639
<i>Total long-term debt</i>	<u><u>\$ 186,436</u></u>

The scheduled maturities of long-term debt at June 30, 2020 were as follows:

<u>Year Ending June 30,</u>	
2021	\$ 13,639
2022	14,311
2023	15,016
2024	15,756
2025	16,532
Thereafter	124,821
<i>Total</i>	<u><u>\$ 200,075</u></u>

The mortgage note contains a financial covenant for debt service coverage, which is tested annually based on the year-end financial statements.

## GRANITE UNITED WAY

### NOTES TO FINANCIAL STATEMENTS

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The United Way has a revolving line-of-credit with Citizen's Bank with a maximum borrowing limit of \$250,000. The line-of-credit is subject to annual review and renewal. The line-of-credit agreement bears interest equal to the Wall Street Journal prime rate plus 0.25% (3.5% as of June 30, 2020) and is secured by all assets of the United Way. At June 30, 2020, there were no amounts outstanding on this line-of-credit agreement.

See Note 16 for details about the Payroll Protection loan.

#### *Note 7. Funds Held for Others*

The United Way held funds for others for the following projects:

June 30,	2020
Work United Loan Default Program	\$ 4,092
Concord Multicultural Festival	1,728
Get Moving Manchester	1,140
Better Together Lakes Region	245
<i>Total</i>	<u>\$ 7,205</u>

#### *Note 8. Endowment Funds*

The United Way's endowment consists of four individual funds established for youth programs, Whole Village Resource Center, and general operating support. Its endowment includes both donor-restricted endowment funds and funds designated by the Board of Directors to function as endowments. As required by GAAP, net assets associated with endowment funds, including funds designated by the Board of Directors to function as endowments, are classified and reported based on the existence or absence of donor-imposed restrictions.

*Interpretation of Relevant Law:* The United Way is subject to an enacted version of the Uniform Prudent Management of Institutional Funds Act (UPMIFA) and, thus, classifies amounts in its donor-restricted endowment funds as net assets with donor restrictions because those net assets are time restricted until the Board of Directors appropriates such amounts for expenditures. Most of those net assets are also subject to purpose restrictions that must be met before reclassifying those net assets to net assets without donor restrictions. The Board of Directors of the United Way has interpreted UPMIFA as not requiring the maintenance of purchasing power of the original gift amount contributed to an endowment fund unless a donor stipulates the contrary.

As a result of this interpretation, when reviewing its donor-restricted endowment funds, the United Way considers a fund to be underwater if the fair value of the fund is less than the sum of (a) the original value of initial and subsequent gift amounts donated to the fund and (b) any accumulations to the fund that are required to be maintained in perpetuity in accordance with the direction of the applicable donor gift instrument. The United Way has interpreted UPMIFA to permit spending from underwater funds in accordance with the prudent measures required under the law. Additionally, in accordance with UPMIFA,

GRANITE UNITED WAY

NOTES TO FINANCIAL STATEMENTS

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the United Way considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds: (1) the duration and preservation of the fund, (2) the purposes of the organization and the donor-restricted endowment fund, (3) general economic conditions, (4) the possible effect of inflation and deflation, (5) the expected total return from income and the appreciation of investments, (6) other resources of the organization, and (7) the investment policies of the United Way.

*Underwater Endowment Funds:* From time to time, the fair value of assets associated with individual donor-restricted endowment funds may fall below the level that the donor or UPMIFA requires the United Way to retain as a fund of perpetual duration. The United Way did not have any funds with deficiencies of this nature as of June 30, 2020.

*Investment Return Objectives, Risk Parameters and Strategies:* The United Way has adopted investment policies, approved by the Board of Directors, for endowment assets for the long-term. The United Way seeks to achieve an after-cost total real rate of return, including investment income as well as capital appreciation, which exceeds the annual distribution with acceptable level of risk. Investment risk is measured in terms of the total endowment fund; investment assets and allocations between asset classes and strategies are managed to not expose the fund to unacceptable level of risk.

*Spending Policy:* The United Way does not currently have a spending policy for distributions each year as they strive to operate within a budget of their current Campaign's income. To date there have been no distributions from the endowment fund.

Endowment net asset composition by type of fund as of June 30, 2020 is as follows:

	<b>Without Donor Restrictions</b>	<b>With Donor Restrictions</b>	<b>Total</b>
Board-designated endowment	\$ 11,545	\$ -	\$ 11,545
Donor-restricted endowment funds:			
Original donor-restricted gift amount and amounts required to be maintained in perpetuity by donor	-	142,652	142,652
Accumulated investment gains	-	76,902	76,902
<i>Total funds</i>	<u>\$ 11,545</u>	<u>\$ 219,554</u>	<u>\$ 231,099</u>

Changes in the endowment net assets as of June 30, 2020 are as follows:

	<b>Without Donor Restrictions</b>	<b>With Donor Restrictions</b>	<b>Total</b>
Endowment net assets, March 31, 2019	\$ 10,750	\$ 204,426	\$ 215,176
Investment return, net	795	15,128	15,923
Endowment net assets, June 30, 2020	<u>\$ 11,545</u>	<u>\$ 219,554</u>	<u>\$ 231,099</u>

GRANITE UNITED WAY

NOTES TO FINANCIAL STATEMENTS

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*Note 9. Net Assets with Donor Restrictions*

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

June 30,	2020
<hr/>	
Subject to expenditure for specified time period:	
Contributions receivable related to campaigns	\$ 2,391,152
Designations payable to other agencies and United Ways	(473,653)
	<hr/> 1,917,499
Subject to expenditure for specified purpose:	
COVID-19 Relief Fund	351,111
Public Health Network services	310,875
Leader in Me	167,160
Literacy Program	153,486
Manchester Proud	135,554
Work United	39,110
Other programs	15,000
	<hr/> 1,172,296
Endowments subject to the United Way's spending policy and appropriation:	
Investments in perpetuity (original amounts of \$142,652), which once appropriated, is expendable to support:	
Whole Village Resource Center	106,343
General Operations	86,752
Youth Programs	26,459
	<hr/> 219,554
Beneficial interest in assets held by others:	
Agency endowed funds at the New Hampshire Charitable Foundation	1,681,721
	<hr/>
<i>Total net assets with donor restrictions</i>	<b>\$ 4,991,070</b>

GRANITE UNITED WAY

NOTES TO FINANCIAL STATEMENTS

*Note 10. Net Assets Released from Donor Restrictions*

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

June 30,	2020
Purpose restrictions accomplished:	
Public Health Network services	\$ 1,355,482
211 New Hampshire	874,453
COVID-19 Relief Fund	540,237
Manchester Proud	492,021
Other program services	280,983
Work United	215,889
Leader in Me	172,858
Volunteer Income Tax Assistance	171,306
	<u>4,103,229</u>
Time restrictions expired	<u>5,096,357</u>
	<u>\$ 9,199,586</u>
<i>Total net assets released from donor restrictions</i>	<u>\$ 9,199,586</u>

*Note 11. Liquidity and Availability of Resources*

The United Way's financial assets available within one year of the statement of financial position date for general expenditure are as follows:

June 30,	2020
Cash	\$ 1,205,303
Investments	667,572
Contributions receivable, net	2,519,281
Beneficial interest in trust	1,681,721
Accounts and rent receivable	28,732
<i>Total financial assets</i>	<u>6,102,609</u>
Less amounts unavailable for general expenditures within one year, due to:	
Restricted by donors with time or purpose restrictions	(135,554)
Subject to appropriation and satisfaction or donor restrictions	(219,554)
Agency endowed funds at the New Hampshire Charitable Foundation	(1,681,721)
<i>Total amounts unavailable for general expenditure within one year</i>	<u>(2,036,829)</u>
Amounts unavailable to management without Board's approval:	
Board designated endowment	<u>(11,545)</u>
<i>Total financial assets available to management for general expenditure within one year</i>	<u>\$ 4,054,235</u>

## GRANITE UNITED WAY

### NOTES TO FINANCIAL STATEMENTS

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#### *Liquidity Management*

The United Way maintains a policy of structuring its financial assets to be available as its general expenditures, liabilities, and other obligations come due. To help manage unanticipated liquidity needs the United Way has committed a line of credit of \$250,000, which it could draw upon. Additionally, the United Way has board designated net assets without donor restrictions that, while the United Way does not intend to spend these for purposes other than those identified, the amounts could be made available for current operations, if necessary.

#### *Note 12. Pension Fund*

The United Way sponsors a tax-deferred annuity plan qualified under Section 403(b) of the Internal Revenue Code, whereby electing employees contribute a portion of their salaries to the plan. For the 15-month period ended June 30, 2020 the United Way contributed \$123,621 to employees participating in the plan.

#### *Note 13. Lease Commitments*

During a prior year, the United Way entered into an operating lease agreement for a four year term commencing September 1, 2017 through August 31, 2021 for an office space in Concord, New Hampshire. The lease required monthly payments of \$3,337 through August 31, 2018 and increases 3% annually on each anniversary date of the lease thereafter.

During a prior year, the United Way entered into an operating lease agreement for a five year term commencing July 15, 2016 through June 30, 2021 for an office space in Manchester, New Hampshire. The lease required monthly payments of \$5,905 through June 30, 2019 and increases by 3% annually on each anniversary date of the lease thereafter.

During a prior year, the United Way entered into an operating lease agreement for a five year term commencing on September 1, 2018 through August 31, 2023 for an office space in Lebanon, New Hampshire. The lease requires monthly payments of \$1,760 through August 31, 2020. After August 31, 2020, the rent will increase each year depending on the consumer price index. The lease requires payments for common costs.

During a prior year, the United Way entered into an operating lease agreement for a two year term commencing on January 1, 2019 through December 31, 2020 for an office space in Berlin, New Hampshire. The lease requires monthly payments of \$187 through December 31, 2020. The lease continues on a month to month basis after December 31, 2020.

Total rent expense for these leases amounted to approximately \$173,000 for the 15-month period ended June 30, 2020.

The United Way leases multiple copier machines under the terms of operating lease agreements. The monthly lease payments amount to approximately \$2,100. The lease expense amounted to approximately \$31,000 for these leases for the 15-month period ended June 30, 2020.

## GRANITE UNITED WAY

### NOTES TO FINANCIAL STATEMENTS

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The United Way's future minimum lease commitments are as follows:

<u>Year ending June, 30</u>	
2021	\$ 161,561
2022	42,633
2023	34,155
2024	3,520
<i>Total</i>	<u>\$ 241,869</u>

#### ***Note 14. Commitments***

In Plymouth, the United Way rents space in a building which they own and occupy to twelve non-affiliated, non-profit organizations. The monthly lease payments range from \$125 to \$1,500 per month. For the 15-month period ended June 30, 2020, the rental income amounted to \$103,758.

#### ***Note 15. Payment to Affiliated Organizations and Related Party***

The United Way pays dues to United Way of Worldwide. The United Way's dues paid to this affiliated organization aggregated \$132,477 for the 15-month period ended June 30, 2020.

#### ***Note 16. COVID - 19 and the Paycheck Protection Program Loan***

In December 2019, a novel strain of coronavirus ("COVID-19") was reported in China. The World Health Organization has declared COVID-19 to constitute a "Public Health Emergency of International Concern." This outbreak has impacted virtually every industry and has created volatility in the stock markets throughout the world. Many federal and state governments have implemented numerous restrictions, mandated various closures and quarantine requirements in connection with the COVID-19 outbreak. The extent of the impact of the COVID-19 on the United Way's operational and financial performance will depend on future developments, including the duration and spread of the outbreak and the impact on the United Way's donors and employees, all of which are uncertain and cannot be predicted.

In April 2020, the United Way received \$772,500 in funds from the federal Paycheck Protection Program (PPP). The PPP is a loan designed to provide a direct incentive for small businesses to keep their workers on the payroll. SBA will forgive loans if all employees are kept on the payroll for the specified period of time and the money is used for payroll, rent, mortgage interest, or utilities. Any amounts not forgiven at the end of the program period convert into a loan with 1% interest, payable over 2 years.

In the absence of forgiveness, the following is a summary of the future maturities due:

<u>Year Ending June 30,</u>	
2021	\$ 341,904
2022	430,596
<i>Total</i>	<u>\$ 772,500</u>

*Note 17. Subsequent Events*

The United Way has evaluated subsequent events through November 19, 2020, the date which the financial statements were available to be issued and have not evaluated subsequent events after that date. There were no subsequent events that would require disclosure in financial statements for the 15-month period ended June 30, 2020.

GRANITE UNITED WAY

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

15-Month Period Ended June 30, 2020

Federal Grantor Pass-through Grantor Program Title	Pass-through Entity Identifying Number	Federal CFDA Number	Federal Expenditures	Expenditures to Subrecipients
<b>Regional Public Health Network Services Cluster</b>				
<u>U.S. Department of Health and Human Services</u>				
State of N.H. Department of Health and Human Services - South Central Public Health Network				
Block Grants for Prevention and Treatment of Substance Abuse	05-95-92-920510-3380	93.959	\$ 154,392	\$ 133,953
Hospital Preparedness Program & Public Health Emergency Preparedness Aligned Coop Agreements	05-95-90-902510-7545	93.074	98,599	85,653
Public Health Crisis Response		93.354	545	-
Preventive Health and Health Services Block Grant	05-95-90-901010-5362	93.758	35,199	35,199
Immunization Cooperative Agreements		93.268	603	-
Young Adult Leadership Program	05-95-92-920510-3395	93.243	12,855	12,148
Young Adult Substance Misuse Prevention Strategies	05-95-92-920510-3395	93.243	109,786	99,605
<i>Total State of N.H. Department of Health and Human Services - South Central Public Health Network</i>			411,979	366,558
State of N.H. Department of Health and Human Services - Capital Area Public Health Network				
Block Grants for Prevention and Treatment of Substance Abuse		93.959	137,063	-
Hospital Preparedness Program & Public Health Emergency Preparedness Aligned Coop Agreements		93.074	113,268	-
Public Health Crisis Response		93.354	442	-
Preventive Health and Health Services Block Grant		93.758	37,592	-
Immunization Cooperative Agreements		93.268	16,873	-
Young Adult Leadership Program	05-95-92-920510-3395	93.243	13,451	12,000
Young Adult Substance Misuse Prevention Strategies	05-95-92-920510-3395	93.243	97,430	95,424
<i>Total State of N.H. Department of Health and Human Services - Capital Area Public Health Network</i>			416,119	107,424
State of N.H. Department of Health and Human Services - Carroll County Coalition for Public Health				
Block Grants for Prevention and Treatment of Substance Abuse		93.959	146,157	-
Hospital Preparedness Program & Public Health Emergency Preparedness Aligned Coop Agreements		93.074	101,013	-
Preventive Health and Health Services Block Grant		93.758	36,929	-
Immunization Cooperative Agreements	05-95-90-902510-5178	93.268	14,323	394
Young Adult Leadership Program	05-95-92-920510-3395	93.243	13,296	12,000
Young Adult Substance Misuse Prevention Strategies	05-95-92-920510-3395	93.243	65,856	4,201
<i>Total State of N.H. Department of Health and Human Services - Carroll County Coalition for Public Health</i>			377,574	16,595
<i>Total Regional Public Health Network Services Cluster</i>			1,205,672	490,577
<u>U.S. Internal Revenue Services</u>				
Department of the Treasury				
Volunteer Income Tax Assistance (VITA) Matching Grant Program		21.009	63,089	-
<u>U.S. Department of Health and Human Services</u>				
State of N.H. Division for Behavioral Health, Bureau of Drug and Alcohol Services				
State Opioid Response Grant		93.788	512,032	-
<i>Total Expenditures of Federal Awards</i>			\$ 1,780,793	\$ 490,577

The accompanying notes are an integral part of this schedule.

## GRANITE UNITED WAY

### NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

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

The Schedule of Expenditures of Federal Awards (“the Schedule”) includes the federal grant activity of Granite United Way (“the United Way”), under programs of the federal government for the 15-month period ended June 30, 2020. The information in this schedule is presented in accordance with the requirements of the Office of Management and Budget (OMB) *Uniform Guidance*. Because the schedule presents only a selected portion of the operations of the United Way, it is not intended to and does not present the financial position, changes in net assets, or cash flows of the United Way.

#### *Note 2. Basis of Accounting*

This schedule is prepared on the same basis of accounting as the United Way's financial statements. The United Way uses the accrual basis of accounting. Expenditures represent only the federally funded portions of the program. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

#### *Note 3. Program Costs*

The amounts shown as current year expenditures represent only the federal grant portion of the program costs. Entire program costs could be more than shown. Such expenditures are recognized following, as applicable, either the cost principles in the OMB Circular A-122, Cost Principles for Non-Profit Organizations, or the cost principles contained in Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

#### *Note 4. Major Programs*

In accordance with OMB Uniform Guidance, major programs are determined using a risk-based approach. Programs in the accompanying Schedule are determined by the independent auditor to be major programs.

#### *Note 5. Indirect Cost Rate*

The amount expended includes \$65,600 claimed as an indirect cost recovery. The United Way elected to use the 10-percent de minimis indirect cost rate allowed under the Uniform Guidance.



**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**

**INDEPENDENT AUDITOR'S REPORT**

To the Board of Directors  
Granite United Way  
Manchester, New Hampshire 03101

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 governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Granite United Way as of and for the 15-month period ended June 30, 2020, and the related notes to the financial statements, which collectively comprise Granite United Way's basic financial statements, and have issued our report thereon dated November 19, 2020.

***Internal Control over Financial Reporting***

In planning and performing our audit of the financial statements, we considered Granite United Way's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Granite United Way's internal control. Accordingly, we do not express an opinion on the effectiveness of Granite United Way'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 entity'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 over financial reporting 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 financial reporting that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control over financial reporting 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 Granite United Way'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 determination of financial statement amounts. 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 entity'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 entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*Nathan Wechsler & Company*

Concord, New Hampshire  
November 19, 2020



**REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM AND REPORT ON  
INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH THE UNIFORM  
GUIDANCE**

**INDEPENDENT AUDITOR'S REPORT**

To the Board of Directors  
Granite United Way  
Manchester, New Hampshire 03101

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

We have audited Granite United Way's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of Granite United Way's major federal programs for the 15-month period ended June 30, 2020. Granite United Way's major federal programs are 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 each of Granite United Way's major federal programs 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 (CFR) 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 Granite United Way's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of Granite United Way's compliance.

### *Opinion on Each Major Federal Program*

In our opinion, Granite United Way complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the 15-month period ended June 30, 2020.

### *Report on Internal Control over Compliance*

Management of Granite United Way 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 Granite United Way's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each 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 Granite United Way'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.

*Nathan Wechsler & Company*

Concord, New Hampshire  
November 19, 2020

**GRANITE UNITED WAY**  
**SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS**  
**(UNIFORM GUIDANCE)**  
**15-MONTH PERIOD ENDED JUNE 30, 2020**

Section I: Summary of Auditor's Results

***Financial Statements***

Type of auditor's report issued: *unmodified*

Internal control over financial reporting:

Are any material weaknesses identified?	___	Yes	_X_	No
Are any significant deficiencies identified?	___	Yes	_X_	None Reported
Is any noncompliance material to financial statement noted?	___	Yes	_X_	No

***Federal Awards***

Internal control over major federal programs:

Are any material weaknesses identified?	___	Yes	_X_	No
Are any significant deficiencies identified?	___	Yes	_X_	None Reported
Type of auditor's report issued on compliance for major federal programs:			<i>unmodified</i>	
Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?	___	Yes	_X_	No
Identification of major federal programs:				
CFDA Numbers				Name of federal program or cluster
				Regional Public Health Network Services Cluster
93.959 - Block Grants for Prevention and Treatment of Substance Abuse				
93.074 - Hospital Preparedness Program and Public Health Emergency Preparedness Aligned Cooperative Agreements				
93.354 - Public Health Crisis Response				
93.069 - Public Health Emergency Preparedness				
93.758 - Preventive Health and Health Services Block Grant				
93.243 - Substance Abuse and Mental Health Services				
93.268 - Immunization Cooperative Agreements				
Dollar threshold used to distinguish between type A and type B programs:				\$750,000
Auditee qualified as a low-risk auditee?	___	Yes	_X_	No

**GRANITE UNITED WAY**  
**SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS**  
**(UNIFORM GUIDANCE)**  
**15-MONTH PERIOD ENDED JUNE 30, 2020**

Section II – Financial Statement Findings

No financial statement findings noted.

Section III – Federal Awards Findings

No federal awards findings noted.

**GRANITE UNITED WAY  
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS  
(UNIFORM GUIDANCE)  
15-MONTH PERIOD ENDED JUNE 30, 2020**

*Audit Finding Reference: 2019-001*

*Status of Prior Finding:*

For the year ended March 31, 2019, we reviewed a selection of subrecipient expenditures and reimbursement requests and noted that supporting documentation was not being monitored by Granite United Way during the first half of the fiscal year. The planned corrective action was completed during the 15-month period ended June 30, 2020.