

**KINGS UNITED WAY**  
**FINANCIAL STATEMENTS**  
**WITH INDEPENDENT AUDITOR'S REPORT**  
**DECEMBER 31, 2020 AND 2019**

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## INDEPENDENT AUDITOR'S REPORT

To the Board of Directors  
Kings United Way  
Hanford, California

We have audited the accompanying financial statements of Kings United Way (a nonprofit organization), which comprise the statements of financial position as of December 31, 2020 and 2019, and the related statements of activities, functional expenses and cash flows for the years then ended, and the related notes to the financial statements.

### Management's Responsibility for the Financial Statements

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

### Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America 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 Kings United Way as of December 31, 2020 and 2019, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

## Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated April 19, 2022, on our consideration of Kings United Way's internal control over financial reporting and on our tests of 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 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 Kings United Way's internal control over financial reporting and compliance.

*Pine, Pedroncelli & Aguilar, Inc*  
Visalia, California  
April 19, 2022

**KINGS UNITED WAY  
STATEMENTS OF FINANCIAL POSITION  
DECEMBER 31, 2020 AND 2019**

	2020	2019
<b>ASSETS</b>		
<b>CURRENT ASSETS</b>		
Cash and Cash Equivalents	\$ 351,849	\$ 205,888
Accounts Receivable	-	10,000
Grants Receivable	44,502	70,283
Prepaid Expenses	25,925	11,273
Total Current Assets	422,276	297,444
<b>PROPERTY AND EQUIPMENT, NET</b>	15,234	13,417
<b>OTHER ASSETS</b>		
Deposit on Office Lease	1,300	1,300
<b>TOTAL ASSETS</b>	\$ 438,810	\$ 312,161
<b>LIABILITIES AND NET ASSETS</b>		
<b>CURRENT LIABILITIES</b>		
Accounts Payable	\$ 3,471	\$ 574
Compensated Absences	4,471	2,641
Unearned Grant Revenue	31,380	10,000
Total Current Liabilities	39,322	13,215
<b>NET ASSETS</b>		
Without Donor Restrictions		
Unrestricted and Undesignated	399,488	298,946
<b>TOTAL LIABILITIES AND NET ASSETS</b>	\$ 438,810	\$ 312,161

The accompanying notes are an integral part of these financial statements.

**KINGS UNITED WAY  
STATEMENTS OF ACTIVITIES  
FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019**

	2020	2019
<b>CHANGES IN NET ASSETS WITHOUT DONOR RESTRICTIONS:</b>		
<b>SUPPORT</b>		
<b>GRANTS</b>		
U.S. Department of Housing and Urban Development	\$ 148,897	\$ 169,046
Other Grants	891,580	306,356
<b>PUBLIC SUPPORT</b>		
Contributions	52,030	4,938
<b>REVENUE</b>		
Administration Income	3,261	-
Investment Income	972	872
Miscellaneous Income	60	25,534
Fundraising Income	17,539	24,771
<b>Total Unrestricted Support and Revenue</b>	<b>1,114,339</b>	<b>531,517</b>
<b>EXPENSES</b>		
Program Services:	965,055	495,796
Support Services:		
General and Administrative	46,744	6,949
Fundraising	1,998	10,592
<b>Total Expenses</b>	<b>1,013,797</b>	<b>513,337</b>
<b>CHANGE IN NET ASSETS</b>	<b>100,542</b>	<b>18,180</b>
<b>NET ASSETS, Beginning of the Year</b>	<b>298,946</b>	<b>280,766</b>
<b>NET ASSETS, End of the Year</b>	<b>\$ 399,488</b>	<b>\$ 298,946</b>

The accompanying notes are an integral part of these financial statements.

**KINGS UNITED WAY  
STATEMENT OF FUNCTIONAL EXPENSES  
FOR THE YEAR ENDED DECEMBER 31, 2020**

	Program Services				Support Services			Total
	HUD HMIS	211 Call Center	Other Programs	Sub-Total	General and Administrative		Fundraising	
					Sub-Total	Sub-Total		
Computer Support	\$ 43,210	\$ 12,752	\$ 598	\$ 56,560	\$ 1,398	\$ -	\$ 1,398	\$ 57,958
Dues and Subscriptions	-	200	170	370	492	-	492	862
Depreciation	3,140	3,054	-	6,194	-	-	-	6,194
Employee Benefits	2,505	13,034	9,090	24,629	467	-	467	25,096
Facility Rent	10,540	5,732	-	16,272	-	-	-	16,272
Fundraising	-	-	34	34	1,374	1,998	3,372	3,406
HUD Administration	5,050	-	-	5,050	-	-	-	5,050
Insurance	4,002	607	675	5,284	1,131	-	1,131	6,415
Office	920	1,821	211	2,952	404	-	404	3,356
Payroll Taxes	12,369	8,871	5,366	26,606	265	-	265	26,871
Postage and Delivery	-	-	207	207	53	-	53	260
Printing and Production	43	1,011	15	1,069	2	-	2	1,071
Professional Services	-	32,392	50	32,442	49	-	49	32,491
Program Expenses	7,478	17,352	427,314	452,144	37,905	-	37,905	490,049
Public Relations and Marketing	-	16,259	-	16,259	485	-	485	16,744
Repairs and Maintenance	2,606	1,269	158	4,033	73	-	73	4,106
Salaries	143,206	91,472	70,828	305,506	2,222	-	2,222	307,728
Telephone and Internet	1,145	3,259	50	4,454	23	-	23	4,477
Travel and Meals	220	611	-	831	221	-	221	1,052
Training	233	2,061	157	2,451	25	-	25	2,476
Utilities	904	804	-	1,708	155	-	155	1,863
<b>TOTAL EXPENSES</b>	<b>\$ 237,571</b>	<b>\$ 212,561</b>	<b>\$ 514,923</b>	<b>\$ 965,055</b>	<b>\$ 46,744</b>	<b>\$ 1,998</b>	<b>\$ 48,742</b>	<b>\$ 1,013,797</b>

The accompanying notes are an integral part of these financial statements.

**KINGS UNITED WAY**  
**STATEMENT OF FUNCTIONAL EXPENSES**  
**FOR THE YEAR ENDED DECEMBER 31, 2019**

	Program Services				Support Services			Total
	HUD HMIS	211 Call Center	Other		General and Administrative	Fundraising	Sub-Total	
			Programs	Sub-Total				
Computer Support	\$ 53,415	\$ 2,244	\$ 2,335	\$ 57,994	\$ -	\$ -	\$ 57,994	
Dues and Subscriptions	-	1,344	67	1,411	-	-	1,411	
Depreciation	2,372	3,440	119	5,931	-	-	5,931	
Employee Benefits	5,154	12,746	1,212	19,112	471	282	19,865	
Facility Rent	8,431	8,369	-	16,800	-	-	16,800	
Fundraising	-	-	1,621	1,621	-	6,389	8,010	
HUD Administration	2,951	-	-	2,951	-	-	2,951	
Insurance	2,745	958	665	4,368	-	-	4,368	
Office	5,297	4,187	314	9,798	-	-	9,798	
Payroll Taxes	12,025	9,259	427	21,711	536	320	22,567	
Postage and Delivery	102	-	102	204	-	-	204	
Printing and Production	647	2,923	1	3,571	-	-	3,571	
Professional Services	19,223	22,851	16,396	58,470	-	-	58,470	
Program Expenses	10,316	15,832	2,649	28,797	-	-	28,797	
Public Relations and Marketing	1,002	2,740	524	4,266	-	49	4,315	
Repairs and Maintenance	2,711	1,644	98	4,453	-	-	4,453	
Salaries	131,182	106,847	2,652	240,681	5,942	3,552	250,175	
Telephone/Internet	1,502	2,520	9	4,031	-	-	4,031	
Travel and Meals	2,119	1,458	196	3,773	-	-	3,773	
Training	1,584	1,386	189	3,159	-	-	3,159	
Utilities	1,553	969	172	2,694	-	-	2,694	
<b>TOTAL EXPENSES</b>	<b>\$ 264,331</b>	<b>\$ 201,717</b>	<b>\$ 29,748</b>	<b>\$ 495,796</b>	<b>\$ 6,949</b>	<b>\$ 10,592</b>	<b>\$ 513,337</b>	

The accompanying notes are an integral part of these financial statements.

**KINGS UNITED WAY  
STATEMENTS OF CASH FLOWS  
FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019**

	2020	2019
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Change in Net Assets	\$ 100,542	\$ 18,180
Adjustments to Reconcile Change in Net Assets to Net Cash Flows from Operating Activities:		
Depreciation	6,194	5,931
Decrease (Increase) in Operating Assets:		
Accounts Receivable	10,000	(7,800)
Grants Receivable	25,781	(21,713)
Prepaid Expenses	(14,652)	6,939
Increase (Decrease) in Operating Liabilities:		
Accounts Payable	2,897	(10,628)
Unearned Grant Revenue	21,380	(9,959)
Compensated Absences	1,830	(1,943)
	153,972	(20,993)
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>		
Acquisition of Equipment	(8,011)	(4,260)
	(8,011)	(4,260)
Net Cash Used by Investing Activities		
Net Increase (Decrease) in Cash	145,961	(25,253)
Cash and Cash Equivalents - Beginning of Year	205,888	231,141
<b>CASH AND CASH EQUIVALENTS - END OF YEAR</b>	\$ 351,849	\$ 205,888

The accompanying notes are an integral part of these financial statements.



**KINGS UNITED WAY**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**DECEMBER 31, 2020 AND 2019**

1. Summary of Significant Accounting Policies

Nature of Activities

Kings United Way (the "Organization") was incorporated in March of 1967 and is a non-profit corporation exempt under Internal Revenue Code Section 501(c)(3). Its purpose is to solicit donations from residents and companies located in Kings County to benefit local charitable organizations. The Organization conducts its affairs under management of an elected Board of Directors, and salaried Executive Director, and various paid staff and unpaid volunteers.

Basis of Accounting

The financial statements of the Organization have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America.

Financial Statement Presentation

The Organization is required to report information regarding its financial position and activities according to two classes of net assets: net assets without donor restrictions and net assets with donor restrictions.

Use of Estimates

The preparation of financial statements in accordance with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Cash and Cash Equivalents

For purposes of the statement of cash flows, the Organization considers all investment instruments purchased with an original maturity of three months or less to be cash equivalents.

The Organization maintains its cash balances in three financial institutions. The balances are insured by the Federal Deposit Insurance Corporation up to \$250,000. The amount on deposit exceeded the \$250,000 insured limit per account by approximately \$31,860 and \$-0- on December 31, 2020 and 2019, respectively.

Accounts and Grants Receivable

The Organization considers accounts and grants receivable to be fully collectible; accordingly, no allowance for doubtful accounts is reported. If amounts become uncollectible, they will be charged to operations when that determination is made.

Property and Equipment

Equipment is depreciated using the straight-line method over the estimated useful life of 5 to 10 years. It is the Organization's policy to capitalize property and equipment over \$500. Lesser amounts are expensed.

**KINGS UNITED WAY  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2020 AND 2019**

1. Summary of Significant Accounting Policies (Continued)

Property and Equipment (Continued)

Purchased equipment is capitalized at cost. Donations of property and equipment are recorded as contributions at their estimated fair value. Such donations are reported as unrestricted contributions unless the donor has restricted the donated asset to a specific purpose.

Maintenance and repairs are charged to expense as incurred. When property of equipment is sold or retired, the related costs and accumulated depreciation are removed from the accounts and any gain or loss is recognized in the year of sale or disposition.

Depreciation expense for the years ended December 31, 2020 and 2019 was \$6,194 and \$5,931, respectively.

Income Taxes

The Organization has received an exemption from federal and state income taxes under Internal Revenue Code Section 501(c)(3) and California Revenue and Taxation Code Section 23701(d). Accordingly, these statements do not reflect income taxes on earnings.

Non-Monetary Transactions

The Organization recognizes the fair value of contributed services received if such services a) create or enhance nonfinancial assets or b) require specialized skills that are provided by individuals possessing those skills and would typically need to be purchased if not contributed. The Organization receives services from a large number of volunteers who give significant amounts of their time to the Organization's programs but which do not meet the criteria for financial statement recognition.

Functional Expenses

The statements of functional expenses report certain categories of expenses that are attributable to one or more program or supporting functions of the Organization. Therefore, these expenses require allocation on a reasonable basis that is consistently applied. The expenses that are allocated include:

*Salaries and Related Expenses* - All salaries and related expenses are allocated between Program Services, General and Administrative and Fundraising on the basis of time sheets supporting actual time and effort.

All other expenses are allocated based on management's estimate between the program and support services.

Management's Review

In preparing these financial statements, the Organization has evaluated events and transactions for potential recognition or disclosure through April 19, 2022, and the date the financial statements were available to be issued.

**KINGS UNITED WAY  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2020 AND 2019**

2. Accounts Receivable

Kings United Way's accounts receivable consisted of the following at December 31:

	2020	2019
United Ways of California	\$ -	\$ 10,000

3. Grants Receivable

Kings United Way's grants receivable consisted of the following at December 31:

	2020	2019
EFS National Board Program	\$ 2,356	\$ -
Goodwill Industries of Sacramento Valley and Northern Nevada	1,125	-
Tulare County Health and Human Services Agency (Homeless Management Information System Match)	2,746	4,777
Kings County Health and Human Services Agency (Homeless Management Information System Match)	1,444	1,572
U.S. Department of Housing and Urban Development Kings County Behavioral Health (211)	8,663 3,894	9,680 15,455
Kings County Health and Human Services Agency (211)	4,010	10,214
Kings County Behavioral Health (HUD Match)	-	1,993
Tulare Kings Homeless Alliance (California Emergency Solutions and Housing)	5,378	7,453
Tulare Kings Homeless Alliance (California Emergency Solutions and Housing- Homeless Management Information System)	4,027	5,371
Kings County First 5	4,933	13,768
The Salvation Army (ESG Grant)	4,426	-
Turning Point, Ptv Welcome Center	1,500	-
Total Grants Receivable	\$ 44,502	\$ 70,283

**KINGS UNITED WAY  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2020 AND 2019**

4. Property and Equipment

Property and equipment consisted of the following at December 31:

	Balance, 2019	Additions	Deletions	Balance, 2020
Office Equipment	\$ 59,775	\$ <u>8,011</u>	\$ <u>-</u>	\$ 67,786
Accumulated Depreciation	<u>46,358</u>	\$ <u>6,194</u>	\$ <u>-</u>	<u>52,552</u>
Net Property and Equipment	\$ <u>13,417</u>			\$ <u>15,234</u>

5. Compensated Absences

Full-time employees receive annual leave based upon length of employment. Unused annual leave may be carried over with a cap not to exceed more than two times the amount the employee is entitled to on an annual basis. If cap is reached, accrual will stop until time is used. The value of accrued vacation pay at December 31, 2020 and 2019, were \$4,471 and \$2,641, respectively.

Sick leave benefits accumulate; however, the employees do not gain a vested interest in the unused sick leave. Sick leave is recorded as an expenditure in the period the benefit is used.

6. Pension Plan

The Organization has a SIMPLE IRA retirement plan in which it will match up to 3% for all full-time employees. There is a one year waiting period with immediate vesting. The Board of Directors reserves the right to discontinue the benefit at any time without advance notice. Total pension expense for the years ended December 31, 2020 and 2019, were \$3,856 and \$3,697, respectively.

**KINGS UNITED WAY  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2020 AND 2019**

7. Liquidity and Availability of Financial Assets

None of the financial assets are subject to donor or other contractual restrictions that make them unavailable for general expenditure. The following reflects the Organization's financial assets as of the statement of financial position date, available for general use within one year of the statement of financial position date:

	2020	2019
Financial Assets at Year-End:		
Cash	\$ 351,849	\$ 205,888
Accounts Receivable	-	10,000
Grants Receivable	44,502	70,283
 Financial assets available to meet cash needs for general expenditures within one year	 \$ 396,351	 \$ 286,171

The Organization's policy is to maintain financial assets to meet three months of general operations.

8. Related Party Transactions

An officer of the Organization is also the Executive Director of an affiliated not-for-profit organization. During the year ended December 31, 2019, the Organization provided the affiliated not-for-profit \$4,500 in local campaign distributions. The affiliate provided the Organization a \$250 donation for the Organization's Turkey Trot fundraising event during the year ended December 31, 2019. The Organization and the affiliated not-for-profit partner for the annual Day of Caring Event that serves the mission of both organizations. While the officer is able to influence the Organization's operations for the benefit of the affiliated not-for-profit, the officer did abstain from voting in matters that pertain to the affiliated not-for-profit, including the decision to provide funding to the affiliate.

9. Reclassifications

Certain reclassifications have been made to the prior period's financial statements in order to conform them to the classifications used for the current year. These reclassifications had no effect on reported change in net assets.

**OTHER INDEPENDENT AUDITORS' REPORT**

**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**

The Board of Directors of  
Kings United Way

We have audited, in accordance with the 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 Kings United Way (a nonprofit organization), which comprise the statement of financial position as of December 31, 2020, and the related statements of activities, and cash flows for the years then ended, and the related notes to the financial statements, and have issued our report thereon dated April 19, 2022.

**Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered Kings 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 opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Kings United Way's internal control. Accordingly, we do not express an opinion on the effectiveness of Kings 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 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 Kings 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 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.

*Pine, Pedroncelli & Aguilar, Inc*  
Visalia, California  
April 19, 2022