

**UNITED WAY OF SOUTHWEST WYOMING
FINANCIAL STATEMENTS
JUNE 30, 2021**

(With Independent Auditors' Report Thereon)

UNITED WAY OF SOUTHWEST WYOMING
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REPORT OF INDEPENDENT ACCOUNTANTS

The Board of Directors
UNITED WAY OF SOUTHWEST WYOMING
ROCK SPRINGS, WY

We have audited the accompanying financial statements of United Way of Southwest Wyoming as of June 30, 2021, which comprise the statement of financial position as of June 30, 2021 and 2020, and the related statements of activities and changes in net assets, functional expenses and cash flows for the year 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.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free 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 the United Way of Southwest Wyoming as of June 30, 2021, and the changes in net assets, and cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.


Cloud Peak Accounting
Buffalo, Wyoming

**UNITED WAY OF SOUTHWEST WYOMING
STATEMENTS OF FINANCIAL POSITION
JUNE 30, 2021 AND 2020**

ASSETS

	<u>2021</u>	<u>2020</u>
Current Assets:		
Cash and Cash Equivalents	825,469	559,404
Pledges Receivable, net of allowance for doubtful accounts	183,695	254,986
Prepaid Expenses	8,944	21,102
Total Current Assets	<u>1,018,108</u>	<u>835,492</u>
Noncurrent Assets:		
Depreciable Capital Assets, net of accumulated depreciation	1,922	2,284
Investments	2,422,468	1,915,157
Total Noncurrent Assets	<u>2,424,390</u>	<u>1,917,441</u>
Total Assets	<u>3,442,498</u>	<u>\$ 2,752,933</u>

LIABILITIES AND NET ASSETS

Current liabilities:		
Accounts Payable	5,184	14,647
Accrued Expenses	13,622	11,630
Distributions Payable	400,284	408,429
Designations Payable	46,669	59,256
Total Current Liabilities	<u>465,759</u>	<u>493,962</u>
Net Assets:		
Without donor restrictions (Note 7)	2,450,260	2,137,157
With donor restrictions (Note 7)	526,479	121,814
Total Net Assets	<u>2,976,739</u>	<u>2,258,971</u>
Total Liabilities and Net Assets	<u>\$ 3,442,498</u>	<u>\$ 2,752,933</u>

The accompanying notes are an integral part of these financial statements

**UNITED WAY OF SOUTHWEST WYOMING
STATEMENTS OF ACTIVITIES
JUNE 30, 2021 AND 2020**

	Without Donor Restrictions	With Donor Restrictions	2021 Total	2020
Revenues, gains and other support				
Campaign Results				
Gross Campaign Results	\$ 634,011	-	\$ 634,011	974,149
Donor Designations	(82,850)	-	(82,850)	(180,643)
Provision for uncollectible pledges, net	(26,321)	-	(26,321)	(2,475)
Net Campaign Results	524,840	-	524,840	791,031
Other Support and Revenue:				
Service fees	7,866	-	7,866	13,483
Grant revenue:				
Dolly Parton Imagination Library	49,092	-	49,092	63,783
Community Diaper Bank	-	3,469	3,469	21,158
In-kind Contributions	1,366	-	1,366	2,086
Special Events:				
Award and Recognition Events	-	-	-	1,600
Golf Events	6,195	-	6,195	16,076
Helping Hands Day	-	1,750	1,750	9,050
Life RU Ready	-	-	-	-
COVID-19 Program	4,327	428,193	432,520	50,960
Emergency Food & Shelter Program	17,443	-	17,443	4,678
Net Realized and Unrealized gains on Investments, net	438,397	-	438,397	(68,450)
Interest and Dividend Income	43,190	-	43,190	62,371
Net Assets Released from Restrictions				
Satisfaction of program restrictions	28,747	(28,747)	-	-
Total Support and Revenue	1,121,463	404,665	1,526,128	967,826
Expenses:				
Program Services	587,760	-	587,760	594,142
Management and General	107,486	-	107,486	104,704
Fundraising	113,114	-	113,114	119,265
Total expenses	808,360	-	808,360	818,111
Change in Net Assets	313,103	404,665	717,768	149,715
Net Assets at Beginning of Year	2,137,157	121,814	2,258,971	2,109,256
Net Assets at End of Year	\$ 2,450,260	\$ 526,479	\$ 2,976,739	\$ 2,258,971

The accompanying notes are an integral part of these financial statements

**UNITED WAY OF SOUTHWEST WYOMING
STATEMENTS OF CHANGES IN NET ASSETS
JUNE 30, 2021 AND 2020**

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>2021 Total</u>	<u>2020 Total</u>
Revenues, gains and other Support:				
Revenues and gains without donor restrictions	\$ 611,129	\$ -	\$ 611,129	\$ 943,697
Revenue and gains with donor restrictions:				
Contributions	-	433,412	433,412	30,208
Investments return, net	481,587	-	481,587	(6,079)
Net assets released from restrictions	<u>28,747</u>	<u>(28,747)</u>	<u>-</u>	<u>-</u>
Total revenues, gains and other support	1,121,463	404,665	1,526,128	967,826
Expenses:				
Expenses	<u>808,360</u>	<u>-</u>	<u>808,360</u>	<u>818,111</u>
Total expenses	808,360	-	808,360	818,111
Change in Net Assets	313,103	404,665	717,768	149,715
Net Assets at Beginning of Year	<u>2,137,157</u>	<u>121,814</u>	<u>2,258,971</u>	<u>2,109,256</u>
Net Assets at End of Year	<u>\$ 2,450,260</u>	<u>\$ 526,479</u>	<u>\$ 2,976,739</u>	<u>\$ 2,258,971</u>

The accompanying notes are an integral part of these financial statements

**UNITED WAY OF SOUTHWEST WYOMING
STATEMENTS OF FUNCTIONAL EXPENSES
JUNE 30, 2021 AND 2020**

	Program	Supporting Activities			Total 2021	Total 2020
	Program Services	Management and General	Fundraising	Supporting Subtotal		
OPERATING EXPENSES						
Community involvement:						
Gross funds distributed	\$ 392,524	\$ -	\$ -	\$ -	\$ 392,524	\$ 371,557
Payroll and related expenses:						
Salaries and wages	52,986	11,775	52,986	64,761	117,747	122,002
Payroll taxes and benefits	14,495	3,221	14,495	17,716	32,211	35,611
Total payroll and related expenses	67,481	14,996	67,481	82,477	149,958	157,613
Other operating expenses:						
Bank charges	509	105	471	576	1,085	1,133
Campaign	-	-	15,827	15,827	15,827	19,588
Conferences, training and meetings	-	-	-	-	-	200
Contract Labor	151	34	151	185	336	-
COVID-19 Program	20,275	-	-	-	20,275	36,197
Depreciation	163	36	163	199	362	267
Dolly Parton Imagination Library	70,635	-	-	-	70,635	67,520
Emergency Food & Shelter Program	-	-	2,037	2,037	2,037	75
Equipment rental and maintenance	2,298	511	2,298	2,809	5,107	4,660
Insurance	1,797	399	1,797	2,196	3,993	3,018
Investment Advisory Fees	-	25,419	-	25,419	25,419	23,477
Marketing and advertising	2,248	499	2,248	2,747	4,995	8,518
Membership dues and subscriptions	3,025	672	3,025	3,697	6,722	6,998
Miscellaneous	1	-	-	-	1	23
Occupancy	6,837	1,519	6,837	8,356	15,193	13,758
Office supplies	999	208	935	1,143	2,142	3,761
Organization development	-	-	-	-	-	16
Other grants	13,687	-	-	-	13,687	22,670
Postage	1,431	318	1,432	1,750	3,181	1,504
Processing and accounting services	-	51,256	-	51,256	51,256	49,446
Special events						
Awards and recognition event	-	-	578	578	578	1,145
Golf events	-	-	6,195	6,195	6,195	6,314
Helping Hands Day	2,060	-	-	-	2,060	1,832
Telephone	1,303	290	1,303	1,593	2,896	3,109
Travel	336	75	336	411	747	3,976
United Way Worldwide Dues	-	11,149	-	11,149	11,149	9,736
Total other operating expenses	<u>127,755</u>	<u>92,490</u>	<u>45,633</u>	<u>138,123</u>	<u>265,878</u>	<u>288,941</u>

The accompanying notes are an integral part of these financial statements

UNITED WAY OF SOUTHWEST WYOMING
STATEMENTS OF FUNCTIONAL EXPENSES
JUNE 30, 2020

	Program	Supporting Activities			Total 2020
	Program Services	Management and General	Fundraising	Supporting Subtotal	
OPERATING EXPENSES					
Community involvement:					
Gross funds distributed	\$ 371,557	\$ -	\$ -	\$ -	\$ 371,557
Payroll and related expenses:					
Salaries and wages	54,901	12,200	54,901	67,101	122,002
Payroll taxes and benefits	16,382	3,623	15,606	19,229	35,611
Total payroll and related expenses	71,283	15,823	70,507	86,330	157,613
Other operating expenses:					
Bank charges	522	111	500	611	1,133
Campaign	-	-	19,588	19,588	19,588
Conferences, training and meetings	90	20	90	110	200
Contract Labor	-	-	-	-	-
COVID-19 Program	36,197	-	-	-	36,197
Depreciation	120	27	120	147	267
Dolly Parton Imagination Library	67,520	-	-	-	67,520
Emergency Food & Shelter Program	75	-	-	-	75
Equipment rental and maintenance	2,097	466	2,097	2,563	4,660
Insurance	1,358	302	1,358	1,660	3,018
Investment Advisory Fees	-	23,477	-	23,477	23,477
Marketing and advertising	3,833	852	3,833	4,685	8,518
Membership dues and subscriptions	3,149	700	3,149	3,849	6,998
Miscellaneous	4	1	18	19	23
Occupancy	6,191	1,376	6,191	7,567	13,758
Office supplies	1,763	363	1,635	1,998	3,761
Organization development	16	-	-	-	16
Other grants	22,670	-	-	-	22,670
Postage	677	150	677	827	1,504
Processing and accounting services	-	49,446	-	49,446	49,446
Special events					
Awards and recognition event	-	1,145	-	1,145	1,145
Golf events	-	-	6,314	6,314	6,314
Helping Hands Day	1,832	-	-	-	1,832
Telephone	1,399	311	1,399	1,710	3,109
Travel	1,789	398	1,789	2,187	3,976
United Way Worldwide Dues	-	9,736	-	9,736	9,736
Total other operating expenses	151,302	88,881	48,758	137,639	288,941

The accompanying notes are an integral part of these financial statements

**UNITED WAY OF SOUTHWEST WYOMING
STATEMENTS OF CASH FLOWS
JUNE 30, 2021 AND 2020**

	2021	2020
Cash flow from operating activities:		
Changes in net assets	\$ 717,768	\$ 149,715
Adjustments to reconcile changes in net assets to net cash provided by operating activities:		
Depreciation	362	267
Net realized and unrealized gains on investments	(409,004)	83,085
Interest and dividends for reinvestment	(43,190)	(62,371)
Investment advisory fees	25,419	23,477
Change in:		
Decrease in pledges receivable	71,291	77,963
Decrease in grants and other receivables	-	-
Decrease (increase) in prepaid expenses	12,158	(2,388)
(Decrease) increase in accounts payables	(9,463)	3,129
Increase (decrease) in accrued expenses	1,992	3,184
Decrease in distributions payable	(8,145)	(59,528)
Decrease in designations payable	(12,587)	(6,913)
Net cash provided by operating activities	346,601	209,620
 Cash flows from investing activities:		
Proceeds from sale of investments	190,482	340,166
Purchase of fixed assets	-	(2,537)
Purchase of investments	(271,018)	(258,246)
Net cash used by investing activities	(80,536)	79,383
 Net decrease in cash and cash equivalents	266,065	289,003
 Cash and cash equivalents at the beginning of the year	559,404	270,401
 Cash and cash equivalents at the end of the year	\$ 825,469	\$ 559,404

The accompanying notes are an integral part of these financial statements

**UNITED WAY OF SOUTHWEST WYOMING
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021 AND 2020**

NOTE 1 – NATURE OF OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

General

United Way of Southwest Wyoming ("the Organization") was formed in 1978 as a voluntary not-for-profit organization benefiting Southwest Wyoming communities. The mission of the Organization is uniting people, sharing resources, and improving lives in Southwest Wyoming. The Organization is governed by a volunteer Board of Directors and solicits donations from the public in Southwest Wyoming and provides grant funding to various social service and not-for-profit agencies. The Organization is headquartered in Rock Springs, Wyoming.

Tax Status

The Organization is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code and therefore has made no provision for federal income taxes in the accompanying financial statements. However, the Organization is subject to tax on unrelated business income, if any. The Organization had no unrelated business income during 2020 or 2019.

The Organization follows the provisions of Accounting Standards Codification ("ASC") No. 740 Income Taxes ("ASC 740"), surrounding accounting for uncertain income tax positions. ASC 740 prescribes a recognition threshold and measurement of tax positions taken or expected to be taken in income tax returns. ASC 740 also provides guidance on accounting for interest and penalties associated with tax positions. The organization reports interest and penalties, if any, related to income tax matters with organization administration support services in the statements of activities and changes in net assets.

Basis of Accounting

The accounting policies and financial statements of the organization conform to accounting principles generally accepted in the United States of America and the American Institute of Certified Public Accountants' Audit and Accounting Guide for Not-for-Profit Organizations. Under the accrual basis of accounting, revenues are recognized when they are earned, and expenses are recognized as incurred.

UNITED WAY OF SOUTHWEST WYOMING
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021 AND 2020

NOTE 1 – NATURE OF OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

The Organization follows the accounting provisions prescribed by ASC No. 958, Not-for-Profit Entities (ASC 958). ASC 958 requires, among other things, the recognition of contributions received at fair value, including unconditional promises to give, in the period received. ASC 958 establishes standards for general purpose external financial statements. Focusing on the entity as a whole, ASC 958 requires that all not-for profit organizations provide a statement of financial position, a statement of activities, statement of function expenses, statement of cash flows, and that net assets and changes in net assets be classified and reported Net Assets Without Donor Restrictions and Net Assets With Donor Restrictions.

Net Assets

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

Net Assets Without Donor Restrictions – Net assets available for use in general operations and not subject to donor (or certain grantor) restrictions. These 3 assets are available to support the Organizations activities and operations at the discretion of the Organizations within oversight by the Board of Directors.

Net Assets With Donor Restrictions – Net assets subject to donor (or certain grantor) imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulated that resources be maintained in perpetuity.

We report contributions restricted by donors as increases in net assets without donor restrictions if the restrictions expire (that is, when a stipulated time restriction ends or purpose restriction is accomplished) in the reporting period in which the revenue is recognized. All other donor-restricted contributions are reported as increase in net assets with donor restrictions, depending on the nature of the restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statements of activities as net assets released from restrictions.

UNITED WAY OF SOUTHWEST WYOMING
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021 AND 2020

NOTE 1 – NATURE OF OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Revenue Recognition:

Revenue is recognized when earned. Unconditional promises to give (i.e., pledges) are recorded as revenue at their estimated net realizable value. Pledges with payments due in future periods are discounted to their present value. Pledges are also reported net of an allowance for uncollectable pledges. Management's estimate of the allowance is based on historical collection experience and a review of the current status and collections of promises to give.

Subclassifications of Revenues and Support

Donor imposed Restrictions – All contributions are considered to be available for unrestricted use unless specifically restricted by the donor. Amounts received that are designated for future periods or are restricted by the donor for specific purposes are reported as donor restricted support.

Donors may designate their contributions to specific United Way affiliated and nonaffiliated agencies. Nonaffiliated agencies are required to provide United Way with documentation of tax-exempt status. Donor designations to specific agencies are reduced from revenue to arrive at total net revenues and other support in the accompanying statements of activities. Changes in donor designations to specific agencies made subsequent to the close of the fiscal year are reflected as part of net campaign contributions in the following year. Donor advised contributions are recorded as revenue when contributions are pledged, and designation of such contributions to other organizations are recorded as donor designations.

Promises to Give – Donors typically pay total promises to give within a 12-month period. The commencement date of payments will vary among donors. Unconditional promises to give are recorded at their net realizable value. Conditional promises to give are not included as support until such time as the conditions are substantially met and both the timing and the value of the promise are known with reasonable certainty. The Organization provides an allowance for estimated uncollectible pledges at the end of each campaign year based upon historical collection experience and current conditions.

Contributed Property and Equipment – Contributed property and equipment are recorded at estimated fair value at the date of donation. If donors stipulate a time or use restrictions, the contributions are recorded as contributions with donor restrictions. In the absence of such stipulations, contributions of property and equipment are recorded without donor restrictions.

**UNITED WAY OF SOUTHWEST WYOMING
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021 AND 2020**

NOTE 1 – NATURE OF OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Donated Services and Materials – Donated services are recorded at estimated fair value at the date of donations only if the 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 provided by donation. Donated materials meeting such criteria are recorded at estimated fair value as revenue on the date of donation and as an increase to assets, decrease to liabilities, or expense, depending on the benefit received. In the absence of donor-imposed restrictions, contributed materials are recorded as contributions without donor restrictions.

The Organization did not record any donated property and materials (in-kind contributions) in the statements of activities and changes in net assets as revenues without donor restrictions for the years ended June 30, 2021 and 2020. In-kind contributions without donor restrictions primarily represent advertising, supplies, office equipment, computer equipment and other miscellaneous donated goods.

A substantial number of volunteers and corporations have donated their time and services to the Organization. No amounts have been reflected in the financial statements for donated services, as no objective basis is available to measure the fair value of these services.

Concentration of Risk

Financial instruments that potentially subject the Organization to concentration of credit risk consist primarily of pledges receivable, substantially all the Organization's pledges receivable, support and revenue are derived from organizations and individuals who reside in Fremont, Lincoln, Sublette, Sweetwater and Uinta Counties, Wyoming.

During the year ended June 30, 2020, there was no campaign pledge revenue or related pledges receivable from contributors, which exceeded ten percent of the Organization's total current-year gross campaign results.

UNITED WAY OF SOUTHWEST WYOMING
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021 AND 2020

NOTE 1 – NATURE OF OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Pledges Receivable:

Pledges receivable are typically due within 12 months from the date of pledge. The Organization has recorded an allowance for uncollectible pledges based on historic experience and current conditions. Payments received on pledges subsequent to being written off are considered bad debt recoveries.

Designations Payable

Designations consist of pledges by donors that are designated to specific agencies at the time of pledge. Designations payable are recorded at the time the related pledge is received and reflected in net campaign revenue. Amounts are remitted to the beneficiary agencies as the related pledges are received from the donors.

Investments:

The Organization accounts for its investments under ASC Topic 958, Accounting for Certain Investments Held by Not-for-Profit Organizations (Topic 958). Under this topic, investments in marketable securities with readily determinable fair values are valued at their fair values in the Statements of Financial Position. Unrealized gains and losses are included in the change in net assets in the accompanying Statements of Activities. The investment portfolio disclosed in Note 5 is diversified among major industry sectors.

Capital Assets:

Capital assets are stated at cost, less accumulated depreciation, and amortization. Donated fixed assets, if any, are carried at their estimated fair value at the date of donation. Such donations are reported as without donor restrictions support unless the donor has restricted the donated asset to a specific purpose. Assets donated with explicit restrictions regarding their use, and contributions of cash that must be used to acquire fixed assets, are reported as restricted support. Absent donor stipulations regarding how long those donated assets must be maintained, the Organization reports expirations of donor restrictions when the donated or acquired assets are placed in service as instructed by the donor.

UNITED WAY OF SOUTHWEST WYOMING
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021 AND 2020

NOTE 1 – NATURE OF OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Only assets with a cost or value of \$1,000 or greater and a useful life in excess of one year are capitalized as fixed assets. Depreciation and amortization are provided using the straight-line method over the estimated useful lives of the related assets, which range from three to twenty-five years, or over the lesser of the term of the lease or the estimated useful life of the asset for assets under capital lease. Leasehold improvements are amortized over the lesser of the term of the lease or the estimated useful life of the improvements. Normal repairs and maintenance are expensed as incurred whereas significant improvements which materially increase values or extend useful lives are capitalized and depreciated over the remaining estimated useful lives of the related assets.

Upon sale or retirement of depreciable assets, the related cost and accumulated depreciation or amortization are removed from the accounts. Any gain or loss on the sale or retirement is recognized in current operations.

Cash and Cash Equivalents:

For purposes of the statement of financial position and statement of cash flows, the Organization considers all highly liquid investments which are readily convertible into known amounts of cash and have a maturity of three months or less when acquired to be cash equivalents. At June 30, 2021 and June 30, 2020, management believes that the carrying amount of cash equivalents approximates fair value because of the short maturity of these financial instruments.

Financial Instruments:

ASC Topic 825, Financial Instruments, permits entities to choose to measure many financial assets and liabilities at fair value. The fair value of a financial instrument is the amount at which the instrument could be exchanged in a current transaction between willing parties, other than a forced liquidation sale. At June 30, 2021 and 2020, the carrying value of financial instruments, such as receivables, accounts payable and accrued liabilities, approximated their fair values based on the short-term maturities of these instruments.

**UNITED WAY OF SOUTHWEST WYOMING
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021 AND 2020**

NOTE 1 – NATURE OF OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Fair Value Measurements:

ASC Topic 820, Fair Value Measurements and Disclosures establishes a fair value hierarchy for those assets and liabilities measured at fair value, that distinguishes between assumptions based on market data (observable inputs) and the Organization's own assumptions (unobservable inputs). The hierarchy consists of: Level 1 - quoted market prices in active markets for identical instruments; Level 2 – inputs other than Level 1 inputs that are observable; and Level 3 - unobservable inputs developed using estimates and assumptions determined by the Organization. The inputs and methodology used for valuing the Organization's financial assets and liabilities are not indicators of the risks associated with those instruments.

At June 30, 2021 and 2020, the only assets or liabilities of the Organization measured at fair value on a recurring basis were investments of \$2,422,468 and \$1,915,157, respectively. All the investments at June 30, 2021 and 2020 were measured based on Level 1 inputs. Certain assets are measured at fair value on a nonrecurring basis; that is, the instruments are not measured at fair value on an ongoing basis but are subject to fair value adjustments only in certain circumstances (for example, when there is evidence of impairment). The Organization had no assets measured at fair value on a nonrecurring basis during 2021 or 2020.

Accounting Estimates

The preparation of financial statements in accordance with accounting principles generally accepted in the United States of America requires management of the Organization to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates and affect the amounts reported in the financial statements.

Functional Expenses:

Costs associated with providing the various programs and other activities of the Organization have been summarized in the Statement of Activities and Changes in Net Assets and have been detailed on a functional basis in the Statement of Functional Expenses. Any program expenditures or support costs of the Organization not directly chargeable to a specific program are allocated to the programs based on management policies and estimates and the guidelines outlined in the grants and contracts, if any.

**UNITED WAY OF SOUTHWEST WYOMING
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021 AND 2020**

NOTE 1 – NATURE OF OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Cost Deduction:

United Way Worldwide (UWW) membership requirements state that all local United Ways have a consistent, fair, and understandable methodology for calculating and recovering fundraising, processing, and management and general expenses on designated donations. For the 2021 fiscal year, the Organization used 27% for the designation gift cost recovery, which meets UWW membership requirements.

Credit Risk:

Financial instruments which potentially subject the Organization to concentration of credit risk consist principally of cash and cash equivalents, pledges receivable and investments.

The Organization maintains its cash and cash equivalents with high credit quality financial institutions and generally limits the amount of exposure to any one financial institution. At times, the Organization's cash in bank deposit accounts may exceed federally insured limits. The Organization has not experienced any losses in such accounts and management believes they are not exposed to any significant credit risk on cash and cash equivalents.

Pledges receivables include amounts due from businesses and individuals. Pledges receivables are reported at their estimated net realizable value. The Organization does not require collateral and its receivables are unsecured.

Subsequent Events:

The Organization has evaluated subsequent events through January 28, 2022, the date on which these financial statements were available to be issued. No material subsequent events have occurred since June 30, 2021 that required recognition or disclosure in these financial statements.

NOTE 2 – CASH AND CASH EQUIVALENTS

Cash and cash equivalents consist of deposits held in checking accounts and a money market account with local banks. As of June 30, 2021, the carrying amount of cash and cash equivalents on the Organization's books was \$825,469, while the combined balance at these banks was \$826,503. The differences between the bank balances and the carrying amount of cash and cash equivalents on the Organization's books consisted of outstanding checks and deposits not processed by the banks as of June 30, 2021.

**UNITED WAY OF SOUTHWEST WYOMING
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021 AND 2020**

NOTE 2 – CASH AND CASH EQUIVALENTS (Continued)

Custodial credit risk is the risk that in the event of a bank failure, the Organization's deposits may not be returned to it. Deposits held in the checking accounts and money market account at the banks are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000 at each bank. On June 30, 2021, all the Organization's uninsured cash balances totaled \$277,472.

NOTE 3 – PLEDGES RECEIVABLE

Pledges receivables consist of the following as of June 30:

	<u>2021</u>	<u>2020</u>
2020 Campaign	227,261	\$ -
2019 Campaign	-	298,186
Pledges Receivable	<u>227,261</u>	<u>298,186</u>
Less, allowance for uncollectible pledges	<u>(43,566)</u>	<u>(43,200)</u>
Pledges Receivable, net of allowance for uncollectible accounts	<u>\$ 183,695</u>	<u>\$ 254,986</u>

NOTE 4 – CAPITAL ASSETS

Capital assets consist of the following as of June 30:

	<u>2021</u>	<u>2020</u>
Office furniture and equipment	29,242	29,862
Interest in condominium	4,900	4,900
Total Capital Assets	<u>34,142</u>	<u>34,762</u>
Less, accumulated depreciation	<u>(32,220)</u>	<u>(32,478)</u>
Capital Assets, Net of accumulated depreciation	<u>\$ 1,922</u>	<u>\$ 2,284</u>

**UNITED WAY OF SOUTHWEST WYOMING
NOTES TO FINANCIAL STATEMENTS
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NOTE 5 - INVESTMENTS

The Organization's investments consist of the following as of June 30:

	<u>2021</u>	<u>2020</u>
Without Donor Restrictions		
Money market	\$ 69,700	\$ 93,384
Fixed income funds	588,722	499,931
Equity funds	602,369	420,867
Real Asset funds	65,488	72,806
Alternative investments funds	42,751	30,229
Total without donor restrictions investments	<u>1,369,030</u>	<u>1,117,217</u>
Board and donor restricted:		
Money market	922	2,519
Equity funds	569,853	381,588
International equity funds	219,300	152,217
Fixed income funds	263,363	261,616
Total board and donor endowment fund	<u>1,053,438</u>	<u>797,940</u>
Total board and donor restricted investments	<u>\$ 2,422,468</u>	<u>\$ 1,915,157</u>

NOTE 6 – DISTRIBUTIONS AND DESIGNATIONS PAYABLE

Distributions payables consist of grant awards from the current-year campaign to be paid quarterly over the next fiscal year. Designations payables consist of donor-specified donations that are paid on a quarterly basis, up to the amount collected. Designations payable at June 30, 2021 and 2020 are summarized as follows:

	<u>2021</u>	<u>2020</u>
2021 Donor choice designations	\$ 24,768	\$ -
2020 Donor choice designations	16,081	52,741
2019 Donor choice designations	-	6,515
2018 Donor choice designations	-	-
2017 Donor choice designations	5,820	-
Total Donor choice designations	<u>\$ 46,669</u>	<u>\$ 59,256</u>

**UNITED WAY OF SOUTHWEST WYOMING
NOTES TO FINANCIAL STATEMENTS
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NOTE 7 – NET ASSETS

Net Assets Without Donor Restrictions:

Net assets without donor restrictions include assets not subject to donor-imposed restrictions, either temporary or permanent, and consist of net assets received that are general in nature as to use and operating purposes. Gifts of long-lived assets without donor-imposed stipulations about how long the assets must be used are classified as net assets with donor restrictions. As of June 30, 2021 and 2020, net assets without donor restriction, including Board designated amounts, are summarized as follows:

	<u>2021</u>	<u>2020</u>
Board designated - administrative	\$ 168,994	\$ 168,994
Board designated - program services	191,141	191,141
Board designated - Endowment fund	855,255	855,255
Undesignated net assets	<u>1,234,870</u>	<u>921,767</u>
Total Net Assets Without Donor Restrictions	<u>\$ 2,450,260</u>	<u>\$ 2,137,157</u>

Net Assets With Donor Restrictions:

Net assets with donor restrictions include assets subject to donor-imposed time or use restrictions that have not been met at the reporting date. As of June 30, 2021 and 2020, net assets with donor restrictions are summarized as follows:

	<u>2021</u>	<u>2020</u>
Permanently Restricted by Donor	\$ 47,085	\$ 47,085
Time restriction - future year campaign	13,000	26,000
Community Diaper Bank	11,694	23,004
Unita County Diaper Bank	10,985	15,833
Helping Hands Day	15,523	9,892
Time restriction - temporary	<u>428,192</u>	<u>-</u>
Total Net Assets with Donor Restrictions	<u>\$ 526,479</u>	<u>\$ 121,814</u>

NOTE 8 – OPERATING LEASES

The Organization leases a copy machine under a non-cancelable operating lease agreement. The lease agreement requires monthly lease payments of \$420 and expires in February 2025. During 2021 and 2020, annual rent expense under the lease agreement was \$5,040 and \$4,705, respectively.

**UNITED WAY OF SOUTHWEST WYOMING
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021 AND 2020**

NOTE 8 – OPERATING LEASES (Continued)

During August 2017, the Organization entered into a new lease for different office space under a non-cancelable operating lease agreement. The lease agreement provides for a monthly rent of \$1,000 per month and expires in August 2021.

The rent on the office lease for the years ended June 30, 2021 and 2020 was \$12,000 for each year.

Scheduled future minimum lease payments under the leases as of June 30 are as follows:

	<u>Copier</u>	<u>Office</u>
2022	5,040	12,000
2023	5,040	12,000
2024	5,040	12,000
2025	3,360	9,000
Total future lease payments	<u>\$ 18,480</u>	<u>\$ 45,000</u>

NOTE 9 – RETIREMENT PLAN

The Organization has established a retirement plan under Section 403(b) of the Internal Revenue Code. The plan is funded through a combination of employee salary deferrals and employer contributions. Employer contributions for employees are determined by the number of years of employment for each employee as follows:

	<u>Base Salary</u>
First year of employment	3%
Second year of employment	4%
Third year of employment	5%
Fourth year of employment	6%
Fifth year of employment	7%
Sixth year of employment and thereafter	8%

The Organization's contributions to the plan for the years ended June 30, 2021 and 2020 were \$9,573 and \$10,438, respectively. The expense is included in payroll taxes and benefits in the Statements of Functional Expenses.

NOTE 10 – IN-KIND CONTRIBUTIONS

The Organization receives donated merchandise, services, materials, and miscellaneous supplies. The value of these goods and services totaled \$1,366 and \$2,086 for the years ended June 30, 2021 and 2020, respectively. These amounts have been recorded as in-kind contributions in the Statements of Activities.

**UNITED WAY OF SOUTHWEST WYOMING
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021 AND 2020**

NOTE 11 – ENDOWMENT TRUST

The Organization's Board of Directors has established an Endowment Fund ("the Fund") to enable donors to perpetuate their support of the Organization and sustain the Organization's mission as a vital community resource now and into the future. The Fund is held in a separate account with a local broker-dealer who also serves as the Fund's investment manager. The Fund will:

- Use earnings for programs, community impact and grants;
- Sustain the Organization's operating costs so that more annual contributions are directly distributed to local health and human service providers;
- Supplement annual campaign revenue in order to stabilize community services against fluctuations in annual campaign revenue;
- Enhance the Organization's response to health and human service needs by providing funding to
- new and priority initiatives;
- Provide the Organization the flexibility needed to fund items that are not possible to fund with annual campaign revenue, as deemed appropriate by the Fund trustees.

A set of objectives and guidelines for investing the assets of the Fund has been adopted. The Organization recognizes that distinct asset classes and investment styles have unique return and risk characteristics, and that the combination of asset classes produces diversification benefits.

Total annual distributions can be made up to 5 percent of the fair value of the Fund. If the fair value of the Fund falls below the historical dollar value of gifts to the Fund, only interest and dividends (net of fees) may be distributed in accordance with Wyoming Statute Uniform Management of Institutional Funds Act.

Donor contributions designated to the Fund are classified as net assets with donor restrictions. The Organization's Board of Directors has designated certain net assets without donor restrictions to be a part of the Fund. These amounts are classified as net assets without donor restrictions in the Statements of Financial Position.

**UNITED WAY OF SOUTHWEST WYOMING
NOTES TO FINANCIAL STATEMENTS
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NOTE 11 – ENDOWMENT TRUST (Continued)

Changes in the Fund for the year ended June 30, 2021 are as follows:

	Without Donor Restrictions Board <u>Appropriated</u>	With Donor Restrictions	<u>Total</u>
Beginning of year	750,854	\$ 47,085	\$ 797,940
Investment returns:			
Interest and dividends	13,054	-	13,054
Net realized and unrealized gains	254,039	-	254,039
Advisory fees	<u>(10,114)</u>	-	<u>(10,114)</u>
End of year	<u>\$ 1,007,833</u>	<u>\$ 47,085</u>	<u>\$ 1,054,919</u>

Changes in the Fund for the year ended June 30, 2020 are as follows:

	Without Donor Restrictions Board <u>Appropriated</u>	With Donor Restrictions	<u>Total</u>
Beginning of year	\$ 808,170	\$ 47,085	\$ 855,255
Investment returns:			
Interest and dividends	24,938	-	24,938
Net realized and unrealized gains	(73,409)	-	(73,409)
Advisory fees	<u>(8,844)</u>	-	<u>(8,844)</u>
End of year	<u>\$ 750,855</u>	<u>\$ 47,085</u>	<u>\$ 797,940</u>

NOTE 12 – RECENTLY ISSUED ACCOUNTING PRONOUNCEMENTS

In February 2016, the FASB issued ASU 2016-02, Leases (Topic 842). This amendment applies to any entity that enters into a lease, with some specified scope exemptions, and was issued to increase transparency and comparability among organizations by recognizing lease assets and lease liabilities on the Statement of Financial Position and disclosing key information about lease arrangements. For nonpublic entities, this amendment is effective for years beginning after December 15, 2019; early adoption is allowed. Upon adoption, the amendment must be applied to the beginning of the earliest period presented using a modified retrospective approach. The Organization has adopted this policy.

UNITED WAY OF SOUTHWEST WYOMING
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021 AND 2020

NOTE 12 – RECENTLY ISSUED ACCOUNTING PRONOUNCEMENTS (Continued)

In August 2018, the FASB issued ASU 2018-13, *Fair Value Measurement (Topic 820): Disclosure Framework—Changes to the Disclosure Requirements for Fair Value Measurement*. This amendment applies to any entity that has investments with fair value measurements. Upon adoption, the amendment must be applied to the beginning of the earliest period presented using a modified retrospective approach. The Organization is currently evaluating the impact that the provisions of this statement will have on the Organization's financial statements. For nonpublic entities, this amendment is effective for years beginning after December 15, 2019; early adoption is allowed. Upon adoption, the amendment must be applied to the beginning of the earliest period presented using a modified retrospective approach. The Organization has adopted this policy.

NOTE 13 – COVID-19 PANDEMIC

The COVID-19 pandemic has developed rapidly in 2020 and continues to expand with a significant number of cases. Measures taken by federal, state, and local governments to contain the virus have affected economic activity. We have taken a number of measures to monitor and mitigate the effects of COVID-19, such as safety and health measures for our people, and securing the supply of necessary materials that are essential to our operations to mitigate the spread of the virus.

Since March 2020, the spread of COVID-19 has severely impacted many local economies around the globe. In many countries, businesses are being forced to cease or limit operations for long or indefinite periods of time. Measures taken to contain the spread of the virus, including travel bans, quarantines, social distancing, and closures of non-essential services have triggered significant disruptions to businesses worldwide, resulting in an economic slowdown. While the disruption is currently expected to be temporary, there is considerable uncertainty around the duration or frequency of the closings. Therefore, the Organization expects this matter to negatively impact its operating results. It is not possible to reliably estimate the duration and severity of these consequences, as well as their impact on the financial position and results of the Organization for future periods. We will continue to follow the various government policies and advice and, in parallel, we will continue our operations in the best and safest way possible without jeopardizing the health of our people and donors.

NOTE 13 – SUBSEQUENT EVENTS

For purposes of determining the effect of subsequent events on these financial statements, management has evaluated events subsequent to June 30, 2021, and through January 28, 2022, the date on which the financial statements were available to be issued.