

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

**(With Independent Auditors' Report Thereon)**

UNITED WAY OF SOUTHWEST WYOMING  
**TABLE OF CONTENTS**  
JUNE 30, 2020

	<u>Page(s)</u>
INDEPENDENT AUDITORS' REPORT ON THE BASIC FINANCIAL STATEMENTS. ....	1-2
BASIC FINANCIAL STATEMENTS:	
STATEMENTS OF FINANCIAL POSITION .....	3
STATEMENTS OF ACTIVITIES .....	4
STATEMENTS OF CHANGES IN NET ASSETS .....	5
STATEMENTS OF FUNCTIONAL EXPENSES .....	6-7
STATEMENTS OF CASH FLOWS .....	8
NOTES TO FINANCIAL STATEMENTS. ....	9-23



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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, 2020, which comprise the statement of financial position as of June 30, 2020 and 2019, 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.



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## 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, 2020, 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  
January 13, 2021

**UNITED WAY OF SOUTHWEST WYOMING  
STATEMENTS OF FINANCIAL POSITION  
JUNE 30, 2020 AND 2019**

**ASSETS**

	<u>2020</u>	<u>2019</u>
<b>Current Assets:</b>		
Cash and Cash Equivalents	559,404	270,401
Pledges Receivable, net of allowance for doubtful accounts	254,986	332,949
Prepaid Expenses	21,102	18,714
<b>Total Current Assets</b>	<u>835,492</u>	<u>622,064</u>
<b>Noncurrent Assets:</b>		
Depreciable Capital Assets, net of accumulated depreciation	2,284	14
Investments	1,915,157	2,041,268
<b>Total Noncurrent Assets</b>	<u>1,917,441</u>	<u>2,041,282</u>
<b>Total Assets</b>	<u>2,752,933</u>	<u>\$ 2,663,346</u>

**LIABILITIES AND NET ASSETS**

<b>Current liabilities:</b>		
Accounts Payable	14,647	11,518
Accrued Expenses	11,630	8,446
Distributions Payable	408,429	467,957
Designations Payable	59,256	66,169
<b>Total Current Liabilities</b>	<u>493,962</u>	<u>554,090</u>
<b>Net Assets:</b>		
Without donor restrictions (Note 7)	2,137,157	2,006,148
With donor restrictions (Note 7)	121,814	103,108
<b>Total Net Assets</b>	<u>2,258,971</u>	<u>2,109,256</u>
<b>Total Liabilities and Net Assets</b>	<u>\$ 2,752,933</u>	<u>\$ 2,663,346</u>

The accompanying notes are an integral part of these financial statements

**UNITED WAY OF SOUTHWEST WYOMING  
STATEMENTS OFACTIVITIES  
JUNE 30, 2020 AND 2019**

	<b>Without Donor Restrictions</b>	<b>With Donor Restrictions</b>	<b>2020 Total</b>	<b>2019</b>
<b>Revenues, gains and other support</b>				
<b>Campaign Results</b>				
Gross Campaign Results	\$ 961,149	\$ 13,000	\$ 974,149	1,074,504
Donor Designations	(180,643)	-	(180,643)	(170,895)
Provision for uncollectible pledges, net	(2,475)	-	(2,475)	(82,024)
<b>Net Campaign Results</b>	<b>778,031</b>	<b>13,000</b>	<b>791,031</b>	<b>821,585</b>
<b>Other Support and Revenue:</b>				
Service fees	13,483	-	13,483	16,452
Grant revenue:				
Dolly Parton Imagination Library	63,783	-	63,783	65,116
Community Diaper Bank	-	21,158	21,158	24,778
In-kind Contributions	2,086	-	2,086	1,263
Special Events:				
Award and Recognition Events	1,600	-	1,600	7,586
Golf Events	16,076	-	16,076	14,222
Helping Hands Day	-	9,050	9,050	3,150
Life RU Ready	-	-	-	4,866
COVID-19 Program	50,960	-	50,960	-
Emergency Food & Shelter Program	4,678	-	4,678	-
Net Realized and Unrealized gains on Investments, net	(68,450)	-	(68,450)	35,272
Interest and Dividend Income	62,371	-	62,371	52,348
Net Assets Released from Restrictions				
Satisfaction of program restrictions	24,502	(24,502)	-	-
<b>Total Support and Revenue</b>	<b>949,120</b>	<b>18,706</b>	<b>967,826</b>	<b>1,046,638</b>
<b>Expenses:</b>				
Program Services	594,142	-	594,142	669,386
Management and General	104,704	-	104,704	112,198
Fundraising	119,265	-	119,265	121,408
<b>Total expenses</b>	<b>818,111</b>	<b>-</b>	<b>818,111</b>	<b>902,992</b>
Change in Net Assets	131,009	18,706	149,715	143,646
Net Assets at Beginning of Year	2,006,148	103,108	2,109,256	1,965,610
Net Assets at End of Year	\$ 2,137,157	\$ 121,814	\$ 2,258,971	\$ 2,109,256

The accompanying notes are an integral part of these financial statements

**UNITED WAY OF SOUTHWEST WYOMING  
STATEMENTS OF CHANGES IN NET ASSETS  
JUNE 30, 2020 AND 2019**

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>2020 Total</u>	<u>2019 Total</u>
<b>Revenues, gains and other Support:</b>				
Revenues and gains without donor restrictions	\$ 930,697	\$ -	\$ 930,697	\$ 931,090
Revenue and gains with donor restrictions:				
Contributions	-	43,208	43,208	27,928
Investments return, net	(6,079)	-	(6,079)	87,620
Net assets released from restrictions	<u>24,502</u>	<u>(24,502)</u>	<u>-</u>	<u>-</u>
<b>Total revenues, gains and other support</b>	949,120	18,706	967,826	1,046,638
<b>Expenses:</b>				
Expenses	<u>818,111</u>	<u>-</u>	<u>818,111</u>	<u>902,992</u>
<b>Total expenses</b>	818,111	-	818,111	902,992
Change in Net Assets	131,009	18,706	149,715	143,646
Net Assets at Beginning of Year	<u>2,006,148</u>	<u>103,108</u>	<u>2,109,256</u>	<u>1,965,610</u>
Net Assets at End of Year	<u>\$ 2,137,157</u>	<u>\$ 121,814</u>	<u>\$ 2,258,971</u>	<u>\$ 2,109,256</u>

The accompanying notes are an integral part of these financial statements

**UNITED WAY OF SOUTHWEST WYOMING  
STATEMENTS OF FUNCTIONAL EXPENSES  
JUNE 30, 2020 AND 2019**

	Program	Supporting Activities			Total 2020	Total 2019
	Program Services	Management and General	Fundraising	Supporting Subtotal		
<b>OPERATING EXPENSES</b>						
<b>Community involvement:</b>						
Gross funds distributed	\$ 371,557	\$ -	\$ -	\$ -	\$ 371,557	\$ 482,454
<b>Payroll and related expenses:</b>						
Salaries and wages	54,901	12,200	54,901	67,101	122,002	133,607
Payroll taxes and benefits	16,382	3,623	15,606	19,229	35,611	34,547
Total payroll and related expenses	71,283	15,823	70,507	86,330	157,613	168,154
<b>Other operating expenses:</b>						
Bank charges	522	111	500	611	1,133	1,583
Campaign	-	-	19,588	19,588	19,588	15,456
Conferences, training and meetings	90	20	90	110	200	785
COVID-19 Program	36,197	-	-	-	36,197	-
Depreciation	120	27	120	147	267	79
Dolly Parton Imagination Library	67,520	-	-	-	67,520	66,711
Emergency Food & Shelter Program	75	-	-	-	75	-
Equipment rental and maintenance	2,097	466	2,097	2,563	4,660	4,575
Insurance	1,358	302	1,358	1,660	3,018	2,182
Investment Advisory Fees	-	23,477	-	23,477	23,477	25,608
Marketing and advertising	3,833	852	3,833	4,685	8,518	7,720
Membership dues and subscriptions	3,149	700	3,149	3,849	6,998	5,365
Miscellaneous	4	1	18	19	23	1,463
Occupancy	6,191	1,376	6,191	7,567	13,758	13,705
Office supplies	1,763	363	1,635	1,998	3,761	4,110
Organization development	16	-	-	-	16	7,387
Other grants	22,670	-	-	-	22,670	12,374
Postage	677	150	677	827	1,504	2,256
Processing and accounting services	-	49,446	-	49,446	49,446	45,380
Special events						
Awards and recognition event	-	1,145	-	1,145	1,145	9,112
Golf events	-	-	6,314	6,314	6,314	5,484
Helping Hands Day	1,832	-	-	-	1,832	2,663
Telephone	1,399	311	1,399	1,710	3,109	3,146
Travel	1,789	398	1,789	2,187	3,976	4,303
United Way Worldwide Dues	-	9,736	-	9,736	9,736	10,937
<b>Total other operating expenses</b>	<u>151,302</u>	<u>88,881</u>	<u>48,758</u>	<u>137,639</u>	<u>288,941</u>	<u>252,384</u>
<b>Total Functional expenses</b>	<u>\$ 594,142</u>	<u>\$ 104,704</u>	<u>\$ 119,265</u>	<u>\$ 223,969</u>	<u>\$ 818,111</u>	<u>\$ 902,992</u>

The accompanying notes are an integral part of these financial statements



**UNITED WAY OF SOUTHWEST WYOMING  
STATEMENTS OF FUNCTIONAL EXPENSES  
JUNE 30, 2019**

	Program	Supporting Activities			Total 2019
	Program Services	Management and General	Fundraising	Supporting Subtotal	
<b>OPERATING EXPENSES</b>					
<b>Community involvement:</b>					
Gross funds distributed	\$ 482,454	\$ -	\$ -	\$ -	\$ 482,454
<b>Payroll and related expenses:</b>					
Salaries and wages	62,795	20,041	50,771	70,812	133,607
Payroll taxes and benefits	16,237	5,182	13,128	18,310	34,547
Total payroll and related expenses	79,032	25,223	63,899	89,122	168,154
<b>Other operating expenses:</b>					
Bank charges	733	230	620	850	1,583
Campaign	-	-	15,456	15,456	15,456
Conferences, training and meetings	369	118	298	416	785
Depreciation	114	(126)	91	(35)	79
Dolly Parton Imagination Library	66,711	-	-	-	66,711
Equipment rental and maintenance	2,151	686	1,738	2,424	4,575
Insurance	1,026	327	829	1,156	2,182
Investment Advisory Fees	-	25,608	-	25,608	25,608
Marketing and advertising	3,629	1,158	2,933	4,091	7,720
Membership dues and subscriptions	2,522	805	2,038	2,843	5,365
Miscellaneous	793	(490)	1,160	670	1,463
Occupancy	6,441	2,056	5,208	7,264	13,705
Office supplies	1,584	1,245	1,281	2,526	4,110
Organization development	3,472	1,108	2,807	3,915	7,387
Other grants	12,374	-	-	-	12,374
Postage	1,061	338	857	1,195	2,256
Processing and accounting services	-	45,380	-	45,380	45,380
Special events					
Awards and recognition event	4,282	1,367	3,463	4,830	9,112
Golf events	-	-	5,484	5,484	5,484
Helping Hands Day	2,663	-	-	-	2,663
Telephone	1,479	472	1,195	1,667	3,146
Travel	2,023	645	1,635	2,280	4,303
United Way Worldwide Dues	-	10,937	-	10,937	10,937
<b>Total other operating expenses</b>	113,427	91,864	47,093	138,957	252,384
<b>Total Functional expenses</b>	\$ 674,913	\$ 117,087	\$ 110,992	\$ 228,079	\$ 902,992

The accompanying notes are an integral part of these financial statements

**UNITED WAY OF SOUTHWEST WYOMING  
STATEMENTS OF CASH FLOWS  
JUNE 30, 2020 AND 2019**

	<b>2020</b>	<b>2019</b>
<b>Cash flow from operating activities:</b>		
Changes in net assets	\$ 149,715	\$ 143,646
Adjustments to reconcile changes in net assets to net cash provided by operating activities:		
Depreciation	267	79
Net realized and unrealized gains on investments	83,085	(93,205)
Interest and dividends for reinvestment	(62,371)	(52,348)
Investment advisory fees	23,477	25,608
Change in:		
Decrease in pledges receivable	77,963	23,007
Decrease in grants and other receivables	-	770
Increase in prepaid expenses	(2,388)	(1,032)
(Decrease) increase in accounts payables	3,129	(1,888)
Decrease in accrued expenses	3,184	(4,057)
Decrease in distributions payable	(59,528)	(118,456)
Decrease in designations payable	(6,913)	(10,708)
<b>Net cash provided by operating activities</b>	<b>209,620</b>	<b>(88,584)</b>
 Cash flows from investing activities:		
Proceeds from sale of investements	340,166	1,285,492
Purchase of fixed assets	(2,537)	-
Purchase of investments	(258,246)	(1,227,407)
<b>Net cash used by investing activities</b>	<b>79,383</b>	<b>58,085</b>
 Net decrease in cash and cash equivalents	289,003	(30,499)
 Cash and cash equivalents at the beginning of the year	270,401	300,900
 Cash and cash equivalents at the end of the year	\$ 559,404	\$ 270,401

The accompanying notes are an integral part of these financial statements

**UNITED WAY OF SOUTHWEST WYOMING**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2020 AND 2019**

**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, 2020 AND 2019**

**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 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, 2020 AND 2019**

**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, 2020 AND 2019**

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

Donated Services and Materials – Donated services are corded 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, 2020 and 2019. 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 years ended June 30, 2019, campaign pledge revenue and the related pledges receivable from contributors, which exceeded ten percent of the Organization's total current-year gross campaign results, are as follows:

	<u>Pledge Revenue</u>	<u>Pledge Receivable</u>
June 30, 2019		
Public utility company	\$ 111,093	\$ 54,944

**UNITED WAY OF SOUTHWEST WYOMING**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2020 AND 2019**

**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, 2020 AND 2019**

**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 Company 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, 2020 and June 30, 2019, 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, 2020 and 2019, 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, 2020 AND 2019**

**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, 2020 and 2019, the only assets or liabilities of the Organization measured at fair value on a recurring basis were investments of \$1,915,157 and \$2,041,268, respectively. All the investments at June 30, 2020 and 2019 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 2020 or 2019.

**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, 2020 AND 2019**

**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 2020 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 13, 2021, the date on which these financial statements were available to be issued. No material subsequent events have occurred since June 30, 2020 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, 2020, the carrying amount of cash and cash equivalents on the Organization's books was \$559,404, while the combined balance at these banks was \$562,559. 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, 2020.

**UNITED WAY OF SOUTHWEST WYOMING  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2020 AND 2019**

**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, 2020, all the Organization's uninsured cash balances totaled \$161,856.

**NOTE 3 – PLEDGES RECEIVABLE**

Pledges receivables consist of the following as of June 30:

	<u>2020</u>	<u>2019</u>
2019 Campaign	\$ 298,186	\$ -
2018 Campaign	-	385,019
Pledges Receivable	<u>298,186</u>	<u>385,019</u>
Less, allowance for uncollectible pledges	<u>(43,200)</u>	<u>(52,070)</u>
Pledges Receivable, net of allowance for uncollectible accounts	<u>\$ 254,986</u>	<u>\$ 332,949</u>

**NOTE 4 – CAPITAL ASSETS**

Capital assets consist of the following as of June 30:

	<u>2020</u>	<u>2019</u>
Office furniture and equipment	29,862	27,325
Interest in condominium	4,900	4,900
Total Capital Assets	<u>34,762</u>	<u>32,225</u>
Less, accumulated depreciation	<u>(32,478)</u>	<u>(32,211)</u>
Capital Assets, Net of accumulated depreciation	<u>\$ 2,284</u>	<u>\$ 14</u>

**UNITED WAY OF SOUTHWEST WYOMING  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2020 AND 2019**

**NOTE 5 - INVESTMENTS**

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

	<u>2020</u>	<u>2019</u>
Without Donor Restrictions		
Money market	\$ 93,384	\$ 72,259
Fixed income funds	499,931	487,343
Equity funds	420,867	429,093
Real Asset funds	72,806	63,335
Alternative investments funds	<u>30,229</u>	<u>133,983</u>
Total without donor restrictions investments	<u>1,117,217</u>	<u>1,186,013</u>
Board and donor restricted:		
Money market	2,519	2,481
Equity funds	381,588	421,217
International equity funds	152,217	175,820
Fixed income funds	<u>261,616</u>	<u>255,737</u>
Total board and donor endowment fund	<u>797,940</u>	<u>855,255</u>
Total board and donor restricted investments	<u>\$ 1,915,157</u>	<u>\$ 2,041,268</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, 2020 and 2019 are summarized as follows:

	<u>2020</u>	<u>2019</u>
2020 Donor choice designations	\$ 52,741	\$ -
2019 Donor choice designations	6,515	54,999
2018 Donor choice designations	-	10,783
2017 Donor choice designations	-	387
Total Donor choice designations	<u>\$ 59,256</u>	<u>\$ 66,169</u>

**UNITED WAY OF SOUTHWEST WYOMING  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2020 AND 2019**

**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, 2020 and 2019, net assets without donor restriction, including Board designated amounts, are summarized as follows:

	<u>2020</u>	<u>2019</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>921,767</u>	<u>790,758</u>
Total Net Assets Without Donor Restrictions	<u>\$ 2,137,157</u>	<u>\$ 2,006,148</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, 2020 and 2019, net assets with donor restrictions are summarized as follows:

	<u>2020</u>	<u>2019</u>
Permanently Restricted by Donor	\$ 47,085	\$ 47,085
Time restriction - future year campaign	26,000	13,000
Community diaper bank	23,004	28,160
Unita County Diaper Bank	15,833	6,247
Helping hands day	<u>9,892</u>	<u>8,616</u>
Total Net Assets with Donor Restrictions	<u>\$ 121,814</u>	<u>\$ 103,108</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 \$378 and expires in February 2020 and was replaced with a new lease with monthly payments of \$420 expiring in February 2025. During 2020 and 2019, annual rent expense under the lease agreement was \$4,705 and \$4,538, respectively.

**UNITED WAY OF SOUTHWEST WYOMING  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2020 AND 2019**

**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, 2020 and 2019 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>
2021	\$ 5,040	\$ 12,000
2022	5,040	2,000
2023	5,040	-
2024	5,040	-
2025	3,360	-
Total future lease payments	<u>\$ 23,520</u>	<u>\$ 14,000</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, 2020 and 2019 were \$10,438 and \$7,846, 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 \$2,086 and \$1,263 for the years ended June 30, 2020 and 2019, 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, 2020 AND 2019**

**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  
JUNE 30, 2020 AND 2019**

**NOTE 11 – ENDOWMENT TRUST (Continued)**

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	(8,844)	-	(8,844)
End of year	<u>\$ 750,855</u>	<u>\$ 47,085</u>	<u>\$ 797,940</u>

Changes in the Fund for the year ended June 30, 2019 are as follows:

	Without Donor Restrictions Board <u>Appropriated</u>	With Donor Restrictions	<u>Total</u>
Beginning of year	\$ 796,584	\$ 47,085	\$ 843,669
Investment returns:			
Interest and dividends	20,924	-	20,924
Net realized and unrealized gains	2,033	-	2,033
Advisory fees	(11,371)	-	(11,371)
End of year	<u>\$ 808,170</u>	<u>\$ 47,085</u>	<u>\$ 855,255</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 is currently evaluating the impact that the provisions of this statement will have on the Organization's financial statements.



**UNITED WAY OF SOUTHWEST WYOMING**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2020 AND 2019**

**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 is currently evaluating the impact that the provisions of this statement will have on the Organization's financial statements.

**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 14 – SUBSEQUENT EVENTS**

For purposes of determining the effect of subsequent events on these financial statements, management has evaluated events subsequent to June 30, 2020, and through January 13, 2021, the date on which the financial statements were available to be issued.