

**United Way of Southwest Wyoming**

*Financial Report*

**June 30, 2016**

**United Way of Southwest Wyoming  
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June 30, 2016**

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## **Report of Independent Auditor**

Board of Directors  
United Way of Southwest Wyoming  
Rock Springs, Wyoming

We have audited the accompanying statements of financial position of United Way of Southwest Wyoming (a nonprofit organization) as of June 30, 2016 and 2015, and the related statements of activities and changes in net assets, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

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

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

### **Auditor's Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of 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 United Way of Southwest Wyoming as of June 30, 2016 and 2015, and the results of its operations and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

*DeCoria, Maichel & Teague, P.S.*

DeCoria, Maichel & Teague, P.S.  
Spokane, Washington

March 24, 2017

## **Financial Statements**

**United Way of Southwest Wyoming  
Statements of Financial Position  
June 30, 2016 and 2015**

	<u>2016</u>	<u>2015</u>
<b>ASSETS</b>		
<b>Current assets:</b>		
Cash and cash equivalents (Note 3)	\$ 212,238	\$ 443,023
Pledges receivable, net (Note 4)	501,350	397,097
Grants and other receivables	770	770
Accrued interest receivable	3,481	4,520
Prepaid expenses	12,311	13,009
Total current assets	<u>730,150</u>	<u>858,419</u>
<b>Noncurrent assets:</b>		
Property and equipment, net (Note 5)	2,959	5,298
Investments (Note 6)	1,814,432	1,751,558
Total noncurrent assets	<u>1,817,391</u>	<u>1,756,856</u>
Total assets	<u>\$ 2,547,541</u>	<u>\$ 2,615,275</u>
<b>LIABILITIES AND NET ASSETS</b>		
<b>Current liabilities:</b>		
Accounts payable	\$ 6,133	\$ 11,316
Accrued expenses	12,777	14,127
Distributions payable (Note 7)	713,321	613,196
Designations payable (Note 7)	90,802	165,314
Total liabilities	<u>823,033</u>	<u>803,953</u>
Commitments and contingencies (Notes 9 through 13)		
<b>Net assets (Note 8):</b>		
Unrestricted	1,635,815	1,732,493
Temporarily restricted	41,608	33,162
Permanently restricted	47,085	45,667
Total net assets	<u>1,724,508</u>	<u>1,811,322</u>
Total liabilities and net assets	<u>\$ 2,547,541</u>	<u>\$ 2,615,275</u>

*The accompanying notes are an integral part of the financial statements.*

**United Way of Southwest Wyoming  
Statements of Activities and Changes in Net Assets  
Years Ended June 30, 2016 and 2015**

	Unrestricted	Temporarily Restricted	Permanently Restricted	2016 Total	2015 Total
<b>Support and revenue:</b>					
Gross campaign results	\$ 1,370,896	\$ 13,100	\$ -	\$ 1,383,996	\$ 1,502,138
Donor designations	(182,281)	-	-	(182,281)	(261,825)
Recovery of (provision for) uncollectible pledges, net	(795)	-	-	(795)	63,620
Net campaign results	1,187,820	13,100	-	1,200,920	1,303,933
Designations from others	-	-	-	-	1,069
Service fees	24,055	-	-	24,055	18,326
Grant revenue:					
Dolly Parton Imagination Library	-	54,614	-	54,614	36,828
Susan G. Komen Foundation	-	-	-	-	2,500
Community Diaper Bank	-	10,564	-	10,564	5,656
In-kind contributions (Note 11)	23,493	-	-	23,493	28,156
Special events:					
Award and recognition events	7,400	-	-	7,400	5,550
Golf events	18,103	-	-	18,103	8,003
Helping Hands Day	-	2,450	-	2,450	4,222
Miscellaneous income	2,609	11,150	1,418	15,177	17,047
Net assets released from restrictions	83,432	(83,432)	-	-	-
Total support and revenue	1,346,912	8,446	1,418	1,356,776	1,431,290
<b>Operating expenses:</b>					
Program services:					
Gross funds distributed	797,696	-	-	797,696	613,196
Other program services	255,014	-	-	255,014	168,637
Total program services	1,052,710	-	-	1,052,710	781,833
Management and general	182,325	-	-	182,325	180,699
Fundraising	204,900	-	-	204,900	211,115
Total functional expenses	1,439,935	-	-	1,439,935	1,173,647
United Way of America dues	15,751	-	-	15,751	12,649
Total operating expenses	1,455,686	-	-	1,455,686	1,186,296
Changes in net assets from operating activities	(108,774)	8,446	1,418	(98,910)	244,994
<b>Non-operating income (loss):</b>					
Interest and dividend income	54,221	-	-	54,221	54,023
Net realized and unrealized gains (losses) on investments	(22,435)	-	-	(22,435)	(38,268)
Investment advisory fees	(19,690)	-	-	(19,690)	(20,047)
Total non-operating income (loss)	12,096	-	-	12,096	(4,292)
Changes in net assets	(96,678)	8,446	1,418	(86,814)	240,702
Net assets, beginning of year	1,732,493	33,162	45,667	1,811,322	1,570,620
Net assets, end of year	<u>\$ 1,635,815</u>	<u>\$ 41,608</u>	<u>\$ 47,085</u>	<u>\$ 1,724,508</u>	<u>\$ 1,811,322</u>

**United Way of Southwest Wyoming  
Statements of Functional Expenses  
Years Ended June 30, 2016 and 2015**

	<u>Program Services</u>	<u>Management and General</u>	<u>Fundraising</u>	<u>Total 2016</u>	<u>Total 2015</u>
<b>Community involvement expenses:</b>					
Gross distributions	\$ 797,696	\$ -	\$ -	\$ 797,696	\$ 613,196
<b>Total community involvement expenses</b>	<b>797,696</b>	<b>-</b>	<b>-</b>	<b>797,696</b>	<b>613,196</b>
<b>Other program services:</b>					
<b>Payroll and related expenses:</b>					
Salaries and wages	44,304	70,484	86,594	201,382	200,898
Payroll taxes and benefits	13,835	22,010	27,040	62,885	65,640
<b>Total payroll and related expenses</b>	<b>58,139</b>	<b>92,494</b>	<b>113,634</b>	<b>264,267</b>	<b>266,538</b>
<b>Other expenses:</b>					
Bank charges	382	607	746	1,735	1,087
Campaign	30	47	30,919	30,996	22,177
Conferences, training and meetings	493	784	964	2,241	2,206
Contract service fees	-	-	181	181	238
Dolly Parton Imagination Library	66,107	-	-	66,107	58,856
Equipment rental and maintenance	2,587	4,116	5,057	11,760	11,097
Insurance	626	995	1,223	2,844	2,883
Marketing and advertising	1,082	1,722	2,116	4,920	6,010
Membership dues and subscriptions	3,115	4,956	6,088	14,159	13,879
Miscellaneous	226	2,400	148	2,774	6,493
Occupancy	11,914	18,954	23,286	54,154	54,154
Office supplies	1,001	1,593	1,957	4,551	3,721
Organizational development	1,541	2,452	3,013	7,006	-
Other grants	94,514	-	-	94,514	19,260
Other professional fees	144	13,279	282	13,705	14,260
Postage	457	727	893	2,077	1,881
Printing	-	-	-	-	1,066
Processing and accounting services	-	31,403	-	31,403	30,460
<b>Special events:</b>					
Awards and recognition event	1,553	2,471	3,036	7,060	21,246
Golf events	-	-	7,271	7,271	6,303
Helping Hands Day	6,673	-	-	6,673	3,711
Telephone	1,269	2,018	2,480	5,767	5,477
Travel	822	1,307	1,606	3,735	4,553
<b>Total other expenses</b>	<b>194,536</b>	<b>89,831</b>	<b>91,266</b>	<b>375,633</b>	<b>291,018</b>
<b>Total other program services</b>	<b>252,675</b>	<b>182,325</b>	<b>204,900</b>	<b>639,900</b>	<b>557,556</b>
Depreciation	2,339	-	-	2,339	2,895
<b>Total functional expenses</b>	<b>\$ 1,052,710</b>	<b>\$ 182,325</b>	<b>\$ 204,900</b>	<b>\$ 1,439,935</b>	<b>\$ 1,173,647</b>



**United Way of Southwest Wyoming  
Statements of Cash Flows  
Years Ended June 30, 2016 and 2015**

	<u>2016</u>	<u>2015</u>
<b>Cash flows from operating activities:</b>		
Changes in net assets from operating activities	\$ (98,910)	\$ 244,994
Adjustments to reconcile changes in net assets from operating activities to net cash provided (used) by operating activities:		
Depreciation expense	2,339	2,895
Change in:		
Pledges receivable, net	(104,253)	126,867
Grants and other receivables	-	(770)
Accrued interest receivable	1,039	2,780
Prepaid expenses	698	12,089
Accounts payable	(5,183)	(1,257)
Accrued expenses	(1,350)	(1,746)
Distributions payable	100,125	(169,187)
Designations payable	(74,512)	(12,974)
Net cash provided (used) by operating activities	<u>(180,007)</u>	<u>203,691</u>
<b>Cash flows from investing activities:</b>		
Changes in investments, net	<u>(62,874)</u>	<u>50,974</u>
Net cash provided (used) by investing activities	<u>(62,874)</u>	<u>50,974</u>
<b>Cash flows from financing activities:</b>		
Cash flows from interest and dividend income	54,221	54,023
Net realized and unrealized gains (losses) on investments	(22,435)	(38,268)
Investment advisory fees	<u>(19,690)</u>	<u>(20,047)</u>
Net cash provided (used) by financing activities	<u>12,096</u>	<u>(4,292)</u>
Net increase (decrease) in cash and cash equivalents	(230,785)	250,373
Cash and cash equivalents, beginning of year	<u>443,023</u>	<u>192,650</u>
Cash and cash equivalents, end of year	<u>\$ 212,238</u>	<u>\$ 443,023</u>

**United Way of Southwest Wyoming  
Notes to Financial Statements  
June 30, 2016 and 2015**

**1. Organization**

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.

**2. Summary of Significant Accounting Policies**

**Basis of Accounting**

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with 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.

Accounting Standards Codification (ASC) Topic 605, *Revenue Recognition*, requires that unconditional promises to give (i.e., pledges) be recorded as receivables and revenue and requires the Organization to distinguish between contributions received for each net asset category in accordance with donor-imposed restrictions.

ASC Topic 958, *Not-For-Profit Entities*, establishes standards for external financial statements of not-for-profit organizations. These standards require classification of net assets and revenues, expenses, gains and losses into three categories, based on the existence or absence of donor-imposed restrictions. The categories are unrestricted, temporarily restricted, and permanently restricted (see Note 8). In addition, the Organization is required to present a statement of cash flows.

**Cash and Cash Equivalents**

The Organization considers cash on hand, deposits in banks and other highly liquid investments which have original maturities of three months or less when purchased to be cash equivalents.

**Investments**

The Organization’s investments consist of broker-dealer money market funds, corporate securities, corporate debt obligations, government debt obligations and mutual funds. Investments in debt securities are measured at fair value based on quoted market prices. Gains, losses and income on investments are reported in the Statement of Activities and Changes in Net Assets as non-operating income or loss.

Investment securities are exposed to various interest rate, market and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect amounts reported in the Statement of Financial Position.

**United Way of Southwest Wyoming  
Notes to Financial Statements, Continued  
June 30, 2016 and 2015**

**2. Summary of Significant Accounting Policies, Continued**

**Pledges Receivable**

Pledges receivable are stated at the amount management of the Organization expects to collect from outstanding balances. Management provides for probable uncollectible amounts through an allowance for uncollectable pledges. Additions to the allowance for uncollectable pledges are based on management's judgement, considering historical write-offs, review of specific past-due accounts, collections and current credit conditions. Balances that are still outstanding after management has used reasonable collection efforts are written off through a charge to the allowance for uncollectable pledges and a credit to the applicable accounts receivable. Payments received on pledges subsequent to being written off are considered bad debt recoveries.

**Fixed Assets**

Purchased fixed assets are carried at cost. Donated fixed assets, if any, are carried at their estimated fair value at the date of donation. Such donations are reported as unrestricted 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.

Only assets with a cost or value of \$1,000 or greater and that have a useful life in excess of one year are capitalized as fixed assets. Expenditures for repairs and maintenance that represent betterments or substantially prolong the useful lives of assets are also capitalized. Normal maintenance and repairs are charged to expense as incurred. When assets are sold or otherwise disposed of, the cost and accumulated depreciation are removed from the accounts and any resulting gain or loss is recognized in the Statement of Activities and Changes in Net Assets.

Depreciation of fixed assets is computed using the straight-line method over the following estimated useful lives:

Office furniture and equipment	5 to 7 years
Interest in condominium	25 years

**Donated Services and Supplies**

Donated services are recognized as contributions if the services either create or enhance non-financial assets or require specialized skills, which are performed by people with those skills, and would otherwise be purchased by the Organization. Donated supplies are recorded at their estimated fair value when received.

**United Way of Southwest Wyoming  
Notes to Financial Statements, Continued  
June 30, 2016 and 2015**

**2. Summary of Significant Accounting Policies, Continued**

**Contributions and Recognition of Donor Restrictions**

All contributions are considered to be available for unrestricted use unless specifically restricted by the donor. Contributions of cash and other assets with donor-imposed temporary restrictions, where the restrictions have been satisfied in the same reporting period as received, are reported as increases in unrestricted net assets. Amounts received that are designated for future periods or restricted by the donor for specific purposes are reported as temporarily restricted or permanently restricted support that increases those net asset classes. When a temporary restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the Statement of Activities and Changes in Net Assets as net assets released from restrictions.

**Revenue Recognition**

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.

Conditional promises to give are not included as revenue until the conditions are substantially met or unless the possibility that the condition will not be met is considered to be remote.

Other revenue is recognized when services have been provided and collectability is reasonably assured.

The majority of pledges receivable are received from a broad base of Lincoln, Sublette, Sweetwater and Uinta County contributors as a result of the annual United Way Campaign.

**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.

**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 2016 fiscal year, the Organization used 19% for the designation gift cost recovery, which meets UWW membership requirements.

**United Way of Southwest Wyoming  
Notes to Financial Statements, Continued  
June 30, 2016 and 2015**

**2. Summary of Significant Accounting Policies, Continued**

**Valuation of Long-Lived Assets**

Management of the Organization periodically reviews the net carrying value of its assets for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset might not be recoverable. These reviews consider the net realizable value of each asset to determine whether an impairment in value has occurred, and whether there is a need for an asset impairment write-down. Impaired assets are reported at the lower of cost or fair value. No assets were considered to be impaired at June 30, 2016 and 2015.

**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, 2016 and 2015, the carrying value of financial instruments, such as receivables, accounts payable and other current liabilities, approximated their fair values based on the short-term maturities of these instruments.

**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, 2016 and 2015, the only assets or liabilities of the Organization measured at fair value on a recurring basis were investments of \$1,814,432 and \$1,751,558, respectively. All of the investments at June 30, 2016 and 2015 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 2016 or 2015.

**Income Taxes**

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 2016 or 2015.

**United Way of Southwest Wyoming  
Notes to Financial Statements, Continued  
June 30, 2016 and 2015**

**2. Summary of Significant Accounting Policies, Continued**

**Income Taxes, Continued**

The Organization has not identified any uncertain income tax positions that would jeopardize its tax-exempt status. The Organization's tax returns are subject to possible examination by taxing authorities. With few exceptions, the tax returns essentially remain open for possible examination for a period of three years after the respective filing deadlines of those returns.

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

**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. Accordingly, actual results could differ from those estimates and affect the amounts reported in the financial statements.

**Subsequent Events**

The Organization has evaluated subsequent events through March 24, 2017, the date on which these financial statements were available to be issued. No material subsequent events have occurred since June 30, 2016 that required recognition or disclosure in these financial statements.

**3. Cash and Cash Equivalents**

Cash and cash equivalents consist of deposits held in a checking account with a local bank. 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 account at the bank are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000.

**United Way of Southwest Wyoming  
Notes to Financial Statements, Continued  
June 30, 2016 and 2015**

**3. Cash and Cash Equivalents, Continued**

The carrying amount of cash and cash equivalents on the Organization's books at June 30, 2016 was \$212,238 and the bank balance totaled \$217,132. The differences between the carrying amount of cash and cash equivalents on the Organization's books and the bank balance consisted of outstanding checks and deposits not processed by the bank as of June 30, 2016. The Organization's bank balance at June 30, 2016 was covered by FDIC insurance.

**4. Pledges Receivable**

Pledges receivable at June 30, 2016 and 2015 are summarized as follows:

	<u>2016</u>	<u>2015</u>
2016 Campaign	\$ 13,000	\$ --
2015 Campaign	546,185	13,000
2014 Campaign	-	456,831
2013 Campaign	<u>-</u>	<u>21</u>
	559,185	469,852
Less allowance for uncollectible pledges	<u>(57,835)</u>	<u>(72,755)</u>
	<u>\$ 501,350</u>	<u>\$ 397,097</u>

**5. Property and Equipment**

Property and equipment at June 30, 2016 and 2015 are summarized as follows:

	<u>2016</u>	<u>2015</u>
Office furniture and equipment	\$ 27,325	\$ 27,325
Interest in condominium	<u>4,900</u>	<u>4,900</u>
	32,225	32,225
Less accumulated depreciation	<u>(29,266)</u>	<u>(26,927)</u>
	<u>\$ 2,959</u>	<u>\$ 5,298</u>

Depreciation expense for the years ended June 30, 2016 and 2015 was \$2,339 and \$2,895, respectively.

**United Way of Southwest Wyoming  
Notes to Financial Statements, Continued  
June 30, 2016 and 2015**

**6. Investments**

The Organization's investments at June 30, 2016 and 2015 are summarized as follows:

	<u>2016</u>	<u>2015</u>
<b>Unrestricted:</b>		
Money market	\$ 35,248	\$ 60,565
Corporate equities	183,290	229,910
Government obligations	113,948	167,905
Corporate obligations	65,845	129,587
Mutual funds - domestic	277,701	118,430
Mutual funds - international	177,498	167,606
Mutual funds - real estate	136,870	55,615
Mutual funds - other	<u>90,840</u>	<u>80,133</u>
<b>Total unrestricted investments</b>	<u><b>1,081,240</b></u>	<u><b>1,009,751</b></u>
<b>Board and donor endowment fund:</b>		
Money market	35,778	30,355
Corporate equities	326,280	363,820
Mutual funds	<u>371,134</u>	<u>347,632</u>
<b>Total board and donor endowment fund</b>	<u><b>733,192</b></u>	<u><b>741,807</b></u>
<b>Total investments</b>	<u><b>\$ 1,814,432</b></u>	<u><b>\$ 1,751,558</b></u>

**7. Distributions and Designations Payable**

Distributions payable consist of grant awards from the current-year campaign to be paid quarterly over the next fiscal year.

Designations payable consist of donor-specified donations that are paid on a quarterly basis, up to the amount actually collected. Designations payable at June 30, 2016 and 2015 are summarized as follows:

	<u>2016</u>	<u>2015</u>
2015 Donor choice designations	\$ 81,993	\$ --
2014 Donor choice designations	8,809	149,482
2013 Donor choice designations	<u>--</u>	<u>15,832</u>
	<u><b>\$ 90,802</b></u>	<u><b>\$ 165,314</b></u>



**United Way of Southwest Wyoming  
Notes to Financial Statements, Continued  
June 30, 2016 and 2015**

**8. Net Assets**

**Unrestricted Net Assets**

Unrestricted net assets 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 unrestricted net assets. As of June 30, 2016 and 2015, unrestricted net assets, including Board designated amounts, are summarized as follows:

	<u>2016</u>	<u>2015</u>
Board designated – administrative	\$ 159,520	\$ 159,520
Board designated – program services	191,141	236,329
Board designated – Endowment fund	686,107	696,140
Undesignated net assets	<u>599,047</u>	<u>640,504</u>
Total unrestricted net assets	<u>\$ 1,635,815</u>	<u>\$ 1,732,493</u>

**Temporarily Restricted Net Assets**

Temporarily restricted net assets include assets subject to donor-imposed time or use restrictions that have not been met at the reporting date. As of June 30, 2016 and 2015, temporarily restricted net assets are summarized as follows:

	<u>2016</u>	<u>2015</u>
Time restriction - future year campaign	\$ 13,100	\$ 13,000
Community diaper bank	8,717	5,656
Dolly Parton Imagination Library	705	–
Life R U Ready event	11,419	1,405
Susan G. Komen Foundation	–	861
Helping hands day	<u>7,667</u>	<u>12,240</u>
	<u>\$ 41,608</u>	<u>\$ 33,162</u>

**Permanently Restricted Net Assets**

Permanently restricted net assets consist of amounts in the Endowment Trust which must be maintained in perpetuity, in accordance with donors' instructions. Income earned on such funds is unrestricted or temporarily restricted based on donor stipulations. As of June 30, 2016 and 2015, permanently restricted net assets totaled \$47,085 and \$45,667, respectively.

**United Way of Southwest Wyoming  
Notes to Financial Statements, Continued  
June 30, 2016 and 2015**

**9. Operating Leases**

The Organization leases a copy machine under a noncancelable operating lease agreement. The lease agreement requires monthly lease payments of \$378 and expires in February 2020. Annual rent expense under the lease agreement was \$4,538 and \$4,562 for 2016 and 2015, respectively.

The Organization also leases office space under a noncancelable operating lease agreement. The lease agreement provides for a monthly rental rate of approximately \$4,513 per month, with annual increases of two percent. The monthly cash rental payment is capped at \$2,117 per month, with the difference recognized as an in-kind contribution. The lease expires in December 2017. In connection with the office lease, the Organization also is required to make monthly payments in the amount of \$583 for common area maintenance.

The discounted rent on the office lease for the years ending June 30, 2016 and 2015 was \$21,754 and \$22,053, respectively. This amount has been recorded as an in-kind contribution in the Statements of Activities and Changes in Net Assets and as occupancy expense in the Statement of Functional Expenses (see Note 11).

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

<u>Year Ending June 30,</u>	<u>Copier</u>	<u>Office</u>
2017	\$ 4,538	\$ 32,400
2018	4,538	16,200
2019	4,538	--
2020	3,025	--

**10. 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, 2016, 2015 and 2014 were \$15,150, \$14,408 and \$12,532, respectively. The expense is included in payroll taxes and benefits.

**United Way of Southwest Wyoming  
Notes to Financial Statements, Continued  
June 30, 2016 and 2015**

**11. In-Kind Contributions**

The Organization receives donated merchandise, services, materials and miscellaneous supplies. The value of these goods and services, including rent (see Note 9), totaled \$23,493 and \$28,156 for the years ended June 30, 2016 and 2015, respectively. These amounts have been recorded as in-kind contributions in the Statements of Activities and Changes in Net Assets.

**12. Accounting for Uncertain Tax Positions**

Accounting principles generally accepted in the United States of America provide guidance related to uncertainties in income taxes recognized in an organization's financial statements, and provides guidance on financial statement recognition and measurement of a tax position taken or expected to be taken in a tax return.

The Organization has evaluated state, federal and foreign tax positions taken in the current year, for which the statute of limitations is still open, and determined that it is more-likely-than-not that each position would be sustained upon examination. Accordingly, management has determined that it does not have any unrecognized tax liabilities or benefits for the year ended June 30, 2016 that need to be recognized in the financial statements.

**13. Concentrations**

**Campaign Pledges**

Substantially all of the Organization's pledges receivable, support and revenue are derived from organizations and individuals who reside in Lincoln, Sublette, Sweetwater, and Uinta Counties, Wyoming.

During the years ended June 30, 2016 and 2015, 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>
<b>June 30, 2016:</b>		
Mining corporation	\$ 168,001	\$ 92,729
Public utility company	164,661	58,184
Chemical mining company	233,854	61,088
<b>June 30, 2015:</b>		
Mining corporation	\$ 259,134	\$ 98,385
Public utility company	197,852	41,236
Chemical mining company	208,331	56,770

**United Way of Southwest Wyoming  
Notes to Financial Statements, Continued  
June 30, 2016 and 2015**

**14. 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 permanently restricted. The Organization's Board of Directors has designated certain unrestricted net assets to be a part of the Fund. These amounts are classified as unrestricted in the Statements of Financial Position.

Changes in the Fund for the year ended June 30, 2016 are as follows:

	Unrestricted Board <u>Appropriated</u>	Restricted Donor <u>Contributions</u>	<u>Total</u>
Beginning of year	\$ 696,140	\$ 45,667	\$ 741,807
Contributions	-	1,418	1,418
Investment returns:			
Interest and dividends	17,219	-	17,219
Net realized and unrealized losses	(20,595)	-	(20,595)
Advisory fees	(6,657)	-	(6,657)
End of year	<u>\$ 686,107</u>	<u>\$ 47,085</u>	<u>\$ 733,192</u>

**United Way of Southwest Wyoming  
Notes to Financial Statements, Continued  
June 30, 2016 and 2015**

**14. Endowment Trust, Continued**

Changes in the Fund for the year ended June 30, 2015 are as follows:

	Unrestricted Board <u>Appropriated</u>	Restricted Donor <u>Contributions</u>	<u>Total</u>
Beginning of year	\$ 691,387	\$ 45,129	\$ 736,516
Contributions	-	538	538
Investment returns:			
Interest and dividends	16,579	-	16,579
Net realized and unrealized losses	(5,021)	-	(5,021)
Advisory fees	<u>(6,805)</u>	<u>-</u>	<u>(6,805)</u>
End of year	<u>\$ 696,140</u>	<u>\$ 45,667</u>	<u>\$ 741,807</u>