

**United Way of Southwest Wyoming**

*Financial Report*

**June 30, 2014**

**United Way of Southwest Wyoming  
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June 30, 2014**

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## **Report of Independent Auditor**

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

We have audited the accompanying statement of financial position of United Way of Southwest Wyoming (a nonprofit organization) as of June 30, 2014, 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. The organization's financial statements as of and for the year ended June 30, 2013 were audited by other auditors, whose report dated May 29, 2014, expressed an unqualified opinion on those financial statements.

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

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

### **Auditor's Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. 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 2014 financial statements referred to above present fairly, in all material respects, the financial position of United Way of Southwest Wyoming as of June 30, 2014, and the changes in its net assets and its cash flows for the year 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

January 13, 2015

**United Way of Southwest Wyoming  
Statements of Financial Position  
June 30, 2014 and 2013**

	<u>2014</u>	<u>2013</u>
<b>ASSETS</b>		
<b>Current assets:</b>		
Cash and cash equivalents (Note 3)	\$ 192,650	\$ 180,731
Pledges receivable, net (Note 4)	523,964	692,017
Grant and other receivables	-	770
Accrued interest receivable	7,300	14,679
Prepaid expenses	<u>25,098</u>	<u>26,175</u>
Total current assets	<u>749,012</u>	<u>914,372</u>
<b>Noncurrent assets:</b>		
Property and equipment, net (Note 5)	8,193	10,494
Investments (Note 6)	<u>1,802,532</u>	<u>2,008,426</u>
Total noncurrent assets	<u>1,810,725</u>	<u>2,018,920</u>
Total assets	<u>\$ 2,559,737</u>	<u>\$ 2,933,292</u>
<b>LIABILITIES AND NET ASSETS</b>		
<b>Current liabilities:</b>		
Accounts payable	\$ 12,573	\$ 6,984
Accrued expenses	15,873	14,552
Distributions payable (Note 7)	782,383	1,067,660
Designations payable (Note 7)	<u>178,288</u>	<u>138,242</u>
Total liabilities	<u>989,117</u>	<u>1,227,438</u>
Commitments and contingencies (Notes 9 and 12)		
<b>Net assets (Note 8):</b>		
Unrestricted	1,475,557	1,628,748
Temporarily restricted	49,934	33,301
Permanently restricted	<u>45,129</u>	<u>43,805</u>
Total net assets	<u>1,570,620</u>	<u>1,705,854</u>
Total liabilities and net assets	<u>\$ 2,559,737</u>	<u>\$ 2,933,292</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, 2014 and 2013

	Unrestricted	Temporarily Restricted	Permanently Restricted	2014 Total	2013 Total
<b>Support and revenue:</b>					
Gross campaign results	\$ 1,410,625	\$ 13,000	\$ -	\$ 1,423,625	\$ 1,711,240
Donor designations	(310,929)	-	-	(310,929)	(197,304)
Provision for uncollectible pledges	(19,802)	-	-	(19,802)	(39,293)
Net campaign results	1,079,894	13,000	-	1,092,894	1,474,643
Designations from others	1,011	-	-	1,011	1,548
Service fees	18,758	-	-	18,758	22,258
<b>Grant revenue</b>					
Dolly Parton Imagination Library	-	20,529	-	20,529	16,388
Continuation of Care	-	-	-	-	1,000
Community Diaper Bank	-	9,505	-	9,505	200
In-kind contributions (Note 11)	31,620	-	-	31,620	17,151
<b>Special events:</b>					
Golf events	17,034	-	-	17,034	10,463
Helping hands day	-	5,934	-	5,934	6,220
Award and recognition events	12,611	-	-	12,611	7,929
Kickoff	-	-	-	-	1,000
5K fun run	-	-	-	-	136
Miscellaneous income	10,616	8,000	1,324	19,940	13,657
Net assets released from restriction	40,335	(40,335)	-	-	-
Total support and revenue	1,211,879	16,633	1,324	1,229,836	1,572,593
<b>Operating expenses:</b>					
<b>Program services:</b>					
Gross funds distributed	887,809	-	-	887,809	1,315,498
Other program services	180,699	-	-	180,699	179,252
Total program services	1,068,508	-	-	1,068,508	1,494,750
Management and general	196,265	-	-	196,265	139,927
Fundraising	213,972	-	-	213,972	198,179
Total functional expenses	1,478,745	-	-	1,478,745	1,832,856
United Way of America dues	17,020	-	-	17,020	17,344
Total operating expenses	1,495,765	-	-	1,495,765	1,850,200
Change in net assets from operating activities	(283,886)	16,633	1,324	(265,929)	(277,607)
<b>Non-operating income (loss):</b>					
Interest and dividend income	55,149	-	-	55,149	68,840
Net realized and unrealized gains (losses) on investments	75,546	-	-	75,546	(79,762)
Loss on disposal of property and equipment	-	-	-	-	(373)
Total non-operating income (income)	130,695	-	-	130,695	(11,295)
Changes in net assets	(153,191)	16,633	1,324	(135,234)	(288,902)
Net assets, beginning of year	1,628,748	33,301	43,805	1,705,854	1,994,756
Net assets, end of year	\$ 1,475,557	\$ 49,934	\$ 45,129	\$ 1,570,620	\$ 1,705,854

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

**United Way of Southwest Wyoming  
Statements of Functional Expenses  
Years Ended June 30, 2014 and 2013**

	Program Services	Management and General	Fundraising	Total 2014	Total 2013
<b>Community involvement expenses:</b>					
Gross distributions	\$ 796,883	\$ -	\$ -	\$ 796,883	\$ 1,087,660
Targeted needs grant	70,126	-	-	70,126	169,234
Board designated distributions	20,800	-	-	20,800	53,604
Community care grant	-	-	-	-	5,000
Total community involvement expenses	<u>887,809</u>	<u>-</u>	<u>-</u>	<u>887,809</u>	<u>1,315,498</u>
<b>Payroll and related expenses:</b>					
Salaries and wages	44,557	70,885	87,088	202,530	209,721
Payroll taxes and benefits	17,332	27,575	33,878	78,785	56,088
Total payroll and related expenses	<u>61,889</u>	<u>98,460</u>	<u>120,966</u>	<u>281,315</u>	<u>265,809</u>
<b>Other expenses:</b>					
Occupancy	11,914	18,954	23,286	54,154	41,634
Dolly Parton Imagination Library	54,080	-	-	54,080	45,155
Other grants	22,952	-	-	22,952	433
Processing and accounting services	220	30,530	430	31,180	30,820
Special events:					
Golf	-	-	5,973	5,973	7,824
Helping Hands Day	7,346	-	-	7,346	2,339
Awards and recognition event	2,056	3,271	7,435	12,762	8,447
Organizational development	3,808	6,057	7,443	17,308	12,688
Campaign	14	22	17,248	17,284	20,433
Marketing and advertising	3,294	5,241	6,709	15,244	8,636
Other professional fees	79	14,126	155	14,360	11,070
Equipment rental and maintenance	2,442	3,885	4,774	11,101	9,143
Membership dues and subscriptions	2,190	3,483	4,280	9,953	5,972
Travel	1,902	2,775	3,409	8,086	6,801
Telephone	1,114	1,772	2,177	5,063	4,712
Miscellaneous	1,106	1,760	2,162	5,028	4,006
Office supplies	1,007	1,601	1,968	4,576	9,144
Postage	959	1,515	1,862	4,336	2,325
Depreciation	1,115	884	1,086	3,085	3,381
Insurance	527	839	1,030	2,396	3,944
Bank charges	355	564	693	1,612	1,613
Conferences, training and meetings	254	404	496	1,154	822
Printing	61	97	119	277	1,536
Contract service fees	-	-	241	241	66
Equipment purchases	15	25	30	70	8,605
Total other expenses	<u>118,810</u>	<u>97,805</u>	<u>93,006</u>	<u>309,621</u>	<u>251,549</u>
Total functional expenses	<u>\$ 1,068,508</u>	<u>\$ 196,265</u>	<u>\$ 213,972</u>	<u>\$ 1,478,745</u>	<u>\$ 1,832,856</u>

**United Way of Southwest Wyoming  
Statements of Cash Flows  
Years Ended June 30, 2014 and 2013**

	<u>2014</u>	<u>2013</u>
<b>Cash flows from operating activities:</b>		
Changes in net assets	\$ (135,234)	\$ (288,902)
Adjustments to reconcile changes in net assets to net cash used by operating activities:		
Depreciation expense	3,085	3,381
Loss on disposal of property and equipment	-	373
Change in:		
Pledges receivable, net	168,053	(21,026)
Grants and other receivables	770	(770)
Accrued interest receivable	7,379	5,370
Prepaid expenses	1,077	(4,218)
Accounts payable	5,589	(34,836)
Accrued expenses	1,321	14,552
Distributions payable	(285,277)	13,696
Designations payable	40,046	(3,420)
	<u>(193,191)</u>	<u>(315,800)</u>
Net cash used by operating activities		
<b>Cash flows from investing activities:</b>		
Transfers from investments	350,000	300,000
Transfers to investments	(6,031)	(2,085)
Changes in investments, net	(138,075)	5,552
Purchases of property and equipment	(784)	(3,579)
	<u>205,110</u>	<u>299,888</u>
Net cash provided by investing activities		
Net increase (decrease) in cash and cash equivalents	11,919	(15,912)
Cash and cash equivalents, beginning of year	<u>180,731</u>	<u>196,643</u>
Cash and cash equivalents, end of year	<u>\$ 192,650</u>	<u>\$ 180,731</u>

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



**United Way of Southwest Wyoming  
Notes to Financial Statements  
June 30, 2014 and 2013**

**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 grants 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 organizations 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.

**Donated Services, Property, Equipment, Supplies and Rent**

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.

Donations of property and equipment, if any, are recorded as support 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 for a specific purpose. Assets donated with explicit restrictions regarding their use and contributions of cash that must be used to acquire property and equipment are reported as restricted support.

**United Way of Southwest Wyoming  
Notes to Financial Statements, Continued  
June 30, 2014 and 2013**

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

**Donated Services, Property, Equipment, Supplies and Rent, Continued**

Absent donor stipulations regarding how long the 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. The Organization reclassifies temporarily restricted net assets to unrestricted net assets at that time.

Donated supplies and rent are recorded at estimated fair market value when received.

**Revenue Recognition**

Unconditional promises to give (i.e., pledges) are recorded as revenue at their estimated net realizable value. Pledges are reported net of an allowance for uncollectable pledges which, in management's judgment, is adequate to absorb potential bad debts inherent with pledges receivable. The estimate of the allowance is based on management's evaluation of the collectability of the pledges receivable, historical collection experience and economic conditions, applied to the gross campaign, including donor designations. At June 30, 2014 and 2013, the allowance for uncollectable pledges associated with pledges receivable was \$79,814 and \$92,650, respectively (see Note 4).

Conditional promises to give, if any, are not included as revenue until the conditions are substantially met or unless the likelihood 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.

**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.

**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 2014 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, 2014 and 2013**

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

Cash and Cash Equivalents

For the purpose of the Statement of Cash Flows, 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. The Organization accounts for investments in accordance with FASB ASC 958-320, *Investments*. This standard requires that investments in equity securities with readily determinable fair values and all investments in debt securities be measured at fair value in the Statement of Financial Position. The fair value of marketable equity and debt securities is based on quoted market prices. Gains, losses and income on investments are reported in the Statement of Activities and Changes in Net Assets as increases or decreases in unrestricted net assets unless their use is temporarily or permanently restricted by explicit donor stipulations.

The Organization's investments 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 total net assets and the amounts reported in the Statement of Financial Position.

Promises to Give or Pledges Receivable

Promises to give are recognized when the donor makes a promise to give that is, in substance, an unconditional pledge receivable. Promises to give that are restricted by the donor are reported as increases in unrestricted net assets if the restrictions expire in the fiscal year in which the contributions are recognized. All other donor-restricted promises are reported as increases in temporarily or permanently restricted net assets depending on the nature of the restrictions. 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.

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.

**United Way of Southwest Wyoming  
Notes to Financial Statements, Continued  
June 30, 2014 and 2013**

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

**Property and Equipment**

Purchased property and equipment are stated at cost and donated items, if any, are recorded 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 property, buildings and equipment, 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 value of \$1,000 or greater are capitalized. 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 property and equipment is computed using the straight-line method over the estimated useful lives of the assets, as follows:

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

**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, 2014 and 2013.

**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, 2014 and 2013, the carrying value of financial instruments approximated their fair values based on the short-term maturities of these instruments.

**United Way of Southwest Wyoming  
Notes to Financial Statements, Continued  
June 30, 2014 and 2013**

**2. 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.

At June 30, 2014 and 2013, the only assets or liabilities of the Organization measured at fair value on a recurring basis were investments of \$1,802,532 and \$2,008,426, respectively. All of the investments at June 30, 2014 and 2013 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 2014 or 2013.

**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 taxable income during 2014 or 2013.

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 their cash in bank deposit accounts which, at times, 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.

**United Way of Southwest Wyoming  
Notes to Financial Statements, Continued  
June 30, 2014 and 2013**

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

**Grants and Contracts**

The Organization must perform services or meet specific conditions to receive grant and contract revenue. When the conditions are met or the required services have been provided, the government agency is billed and the support is recognized. Grant and contract revenue earned but not yet received as of fiscal year end is recorded as grant and other receivables in the Statements of Financial Position.

Generally, there are no significant remaining restrictions associated with the grants or contracts when the support is recognized. However, if there are restrictions, the amount is recorded as deferred revenue in the current liability section of the Statements of Financial Position. Once the requirements have been satisfied, the Organization removes the amount from deferred revenue and recognizes the amount as grant revenue in the Statements of Activities and Changes in Net Assets.

**Use of Estimates**

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

**Reclassifications**

Certain 2013 amounts in the financial statements have been reclassified to conform with the 2014 presentation. Such reclassifications have no effect on the 2013 net assets or changes in net assets as previously reported.

**Subsequent Events**

The Organization has evaluated subsequent events through January 13, 2015, the date as of which these financial statements were available to be issued. No material subsequent events have occurred since June 30, 2014 that required recognition or disclosure in these financial statements.

**United Way of Southwest Wyoming  
Notes to Financial Statements, Continued  
June 30, 2014 and 2013**

**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.

The carrying amount of cash and cash equivalents on the Organization's books at June 30, 2014 was \$192,650 and bank balances totaled \$211,639. The differences between the carrying amount of cash and cash equivalents on the Organization's books and the bank balances consisted of outstanding checks and deposits not processed by the bank as of June 30, 2014. Bank balances were fully insured as of June 30, 2014.

**4. Pledges Receivable**

Pledges receivable at June 30, 2014 and 2013 are summarized as follows:

	<u>2014</u>	<u>2013</u>
2014 Campaign	\$ 13,000	\$ --
2013 Campaign	588,980	12,700
2012 Campaign	1,798	769,941
2011 Campaign	<u>--</u>	<u>2,026</u>
	603,778	784,667
Less allowance for uncollectible pledges	<u>(79,814)</u>	<u>(92,650)</u>
	<u>\$ 523,964</u>	<u>\$ 692,017</u>

**5. Property and Equipment**

Property and equipment at June 30, 2014 and 2013 are summarized as follows:

	<u>2014</u>	<u>2013</u>
Office furniture and equipment	\$ 27,325	\$ 26,541
Interest in condominium	<u>4,900</u>	<u>4,900</u>
	32,225	31,441
Less accumulated depreciation	<u>(24,032)</u>	<u>(20,947)</u>
	<u>\$ 8,193</u>	<u>\$ 10,494</u>

Depreciation expense for the years ended June 30, 2014 and 2013 was \$3,085 and \$3,381, respectively.

**United Way of Southwest Wyoming  
Notes to Financial Statements, Continued  
June 30, 2014 and 2013**

**6. Investments**

The Organization's investments at June 30, 2014 and 2013 are summarized as follows:

	<u>2014</u>	<u>2013</u>
<b>Unrestricted:</b>		
Money market	\$ 3,585	\$ 11,981
Corporate equities	227,914	133,944
Government obligations	237,345	618,968
Corporate obligations	202,788	465,757
Mutual funds - domestic	96,271	17,129
Mutual funds - international	137,758	21,721
Mutual funds - real estate	61,225	30,607
Mutual funds - other	<u>99,130</u>	<u>34,324</u>
Total unrestricted investments	<u>1,066,016</u>	<u>1,334,431</u>
<b>Board and donor endowment fund:</b>		
Money market	20,240	16,428
Corporate equities	376,859	54,434
Mutual funds	<u>339,417</u>	<u>603,133</u>
Total board and donor endowment fund	<u>736,516</u>	<u>673,995</u>
Total investments	<u>\$ 1,802,532</u>	<u>\$ 2,008,426</u>

Total investment return for 2014 and 2013 is summarized as follows:

	<u>2014</u>	<u>2013</u>
Interest and dividend income	\$ 55,149	\$ 68,840
Realized and unrealized gains (losses), net	99,010	(53,261)
Administrative fees	<u>(23,464)</u>	<u>(26,501)</u>
	<u>\$ 130,695</u>	<u>\$ (10,922)</u>



**United Way of Southwest Wyoming  
Notes to Financial Statements, Continued  
June 30, 2014 and 2013**

**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, 2014 and 2013 are summarized as follows:

	<u>2014</u>	<u>2013</u>
2013 Donor choice designations	\$ 161,504	\$ --
2012 Donor choice designations	16,784	126,645
2011 Donor choice designations	<u>--</u>	<u>11,597</u>
	<u>\$ 178,288</u>	<u>\$ 138,242</u>

**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. The Board has designated portions of unrestricted net assets for various purposes. As of June 30, 2014 and 2013, unrestricted net assets, including Board designated amounts, is summarized as follows:

	<u>2014</u>	<u>2013</u>
Board designated – administrative	\$ 159,520	\$ 235,383
Board designated – program services	246,711	380,239
Board designated – Endowment fund	691,387	630,190
Undesignated net assets	<u>377,939</u>	<u>382,936</u>
Total unrestricted net assets	<u>\$ 1,475,557</u>	<u>\$ 1,628,748</u>

**United Way of Southwest Wyoming  
Notes to Financial Statements, Continued  
June 30, 2014 and 2013**

**8. Net Assets, Continued**

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, 2014 and 2013, temporarily restricted net assets are summarized as follows:

	<u>2014</u>	<u>2013</u>
Time restriction - future year campaign	\$ 13,000	\$ 13,007
Dolly Parton Imagination Library	17,722	7,152
Life R U Ready event	7,482	--
Helping hands day	<u>11,730</u>	<u>13,142</u>
	<u>\$ 49,934</u>	<u>\$ 33,301</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.

**9. Operating Leases**

The Organization leases a copy machine under a noncancelable operating lease agreement. The lease agreement requires monthly lease payments of \$381 and expires in December 2017. Annual rent expense under the lease agreement was \$4,574 in both 2014 and 2013.

The Organization also leases office space under a noncancelable operating lease agreement. The lease agreement provides for a monthly rental rate of \$4,513 per month and annual increases of two percent. The monthly 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.

**United Way of Southwest Wyoming  
Notes to Financial Statements, Continued  
June 30, 2014 and 2013**

**9. Operating Leases, Continued**

The discounted rent on the office lease for 2014 and 2013 was \$29,295 and \$9,064, respectively (see Note 11). 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.

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

<u>Year Ending June 30,</u>	<u>Copier</u>	<u>Office</u>
2015	\$ 4,574	\$ 32,400
2016	4,574	32,400
2017	2,287	32,400
2018	--	16,200

**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 employed	3%
Second year employed	4%
Third year employed	5%
Fourth year employed	6%
Fifth year employed	7%
Sixth year employed	8%

The Organization's contributions to the plan for the years ended June 30, 2014 and 2013 were \$12,532 and \$14,367, respectively. The expense is included in payroll taxes and benefits.

**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 \$31,620 and \$17,151 for the years ended June 30, 2014 and 2013, respectively. These amounts have been recorded as in-kind contributions in the Statements of Activities and Changes in Net Assets.

**United Way of Southwest Wyoming  
Notes to Financial Statements, Continued  
June 30, 2014 and 2013**

**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 enterprise'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, 2014 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, 2014 and 2013, campaign pledge revenue and the related pledges receivable from contributors which exceeded ten percent of the Organization's total current year gross campaign results for the year are as follows:

	<u>Pledge Revenue</u>	<u>Pledge Receivable</u>
June 30, 2014:		
Mining corporation	\$ 300,001	\$ 136,534
Public utility company	167,875	159,796
June 30, 2013:		
Mining corporation	\$ 392,939	\$ 244,290
Public utility company	210,066	58,401

**United Way of Southwest Wyoming  
Notes to Financial Statements, Continued  
June 30, 2014 and 2013**

**14. Endowment Trust**

The Organization's Board of Directors has established an Endowment Fund (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.
- Allow the Organization flexibility to fund items not possible through 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.

A goal has been established of \$5,000,000 in the Fund by the Organization. Managers will pursue investments that earn a total annual return of 5-10 percent until the Fund reaches \$1,000,000. The Organization's Executive Directors and finance committee will work with the investment manager to achieve the goals. Policies will be reviewed by the Board of Directors at least on an annual basis.

Once the Fund reaches \$1,000,000, distributions can begin with an investment of \$50,000. Donor-advised funds may be distributed by the donor and approved by the Organization regardless of the Fund balance. The Organization may provide for a total annual distribution of up to 5 percent of the fair value of the Fund. If the fair value of the endowment falls below the historical dollar value of gifts to a 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 unrestricted net assets to be a part of the Fund and is classified as unrestricted.

**United Way of Southwest Wyoming  
Notes to Financial Statements, Continued  
June 30, 2014 and 2013**

**14. Endowment Trust, Continued**

Changes in the Fund for the year ended June 30, 2014 are as follows:

	Unrestricted Board <u>Appropriated</u>	Restricted Donor <u>Contributions</u>	<u>Total</u>
Beginning of year	\$ 630,190	\$ 43,805	\$ 673,995
Contributions	4,707	1,324	6,031
Investment returns:			
Dividends and interest	11,197	-	11,197
Net realized and unrealized gains	53,214	-	53,214
Advisory fees	<u>(7,921)</u>	<u>-</u>	<u>(7,921)</u>
End of year	<u>\$ 691,387</u>	<u>\$ 45,129</u>	<u>\$ 736,516</u>

Changes in the Fund for the year ended June 30, 2013 are as follows:

	Unrestricted Board <u>Appropriated</u>	Restricted Donor <u>Contributions</u>	<u>Total</u>
Beginning of year	\$ 636,642	\$ 36,278	\$ 672,920
Contributions	-	7,527	7,527
Investment returns:			
Dividends and interest	16,657	-	16,657
Net realized and unrealized losses	(14,081)	-	(14,081)
Advisory fees	<u>(9,028)</u>	<u>-</u>	<u>(9,028)</u>
End of year	<u>\$ 630,190</u>	<u>\$ 43,805</u>	<u>\$ 673,995</u>