

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

(With Independent Auditors' Report Thereon)

UNITED WAY OF SOUTHWEST WYOMING
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REPORT OF INDEPENDENT ACCOUNTANTS

The Board of Directors and Stockholders
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, 2019, which comprise the statement of financial position as of June 30, 2019 and 2018, 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.



Opinions

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, 2019, 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.

Other Matters*Prior Year Financial Statements*

United Way of Southwest Wyoming's financials statements as of and for the year ended June 30, 2018 were audited by other auditors, whose report dated December 3, 2018, expressed an unmodified opinion on those financials statements.

Cloud Peak Accounting
Buffalo, Wyoming
January 29, 2020

**UNITED WAY OF SOUTHWEST WYOMING
STATEMENTS OF FINANCIAL POSITION
JUNE 30, 2019 AND 2018**

ASSETS

	2019	2018
Current Assets:		
Cash and Cash Equivalents	\$ 270,401	\$ 300,900
Pledges Receivable, net of allowance for doubtful accounts	332,949	355,956
Grants and Other Receivables	-	770
Prepaid Expenses	18,714	17,682
Total Current Assets	622,064	675,308
Noncurrent Assets:		
Depreciable Capital Assets, net of accumulated depreciation	14	93
Investments	2,041,268	1,979,408
Total Noncurrent Assets	2,041,282	1,979,501
Total Assets	2,663,346	\$ 2,654,809

LIABILITIES AND NET ASSETS

Current liabilities:		
Accounts Payable	11,518	13,406
Accrued Expenses	8,446	12,503
Distributions Payable	467,957	586,413
Designations Payable	66,169	76,877
Total Current Liabilities	554,090	689,199
Net Assets:		
Without donor restrictions (Note 7)	2,006,148	1,875,392
With donor restrictions (Note 7)	103,108	90,218
Total Net Assets	2,109,256	1,965,610
Total Liabilities and Net Assets	\$ 2,663,346	\$ 2,654,809

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

**UNITED WAY OF SOUTHWEST WYOMING
STATEMENT OF ACTIVITIES
FOR THE YEARS ENDED JUNE 30, 2019 AND 2018**

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>2019 Total</u>	<u>2018</u>
Revenues, gains and other support				
Campaign Results				
Gross Campaign Results	\$ 1,074,504	\$ -	\$ 1,074,504	\$ 997,086
Donor Designations	(170,895)	-	(170,895)	(162,791)
Provision for uncollectible pledges, net	(82,024)	-	(82,024)	(33,932)
Net Campaign Results	<u>821,585</u>	<u>-</u>	<u>821,585</u>	<u>800,363</u>
Other Support and Revenue:				
Service fees	16,452	-	16,452	19,028
Grant revenue:				
Dolly Parton Imagination Library	65,116	-	65,116	56,059
Community Diaper Bank	-	24,778	24,778	20,927
In-kind Contributions	1,263	-	1,263	5,123
Special Events:				
Award and Recognition Events	7,586	-	7,586	-
Golf Events	14,222	-	14,222	15,808
Helping Hands Day	-	3,150	3,150	1,881
Goat-A-Gram	-	-	-	456
Life RU Ready	4,866	-	4,866	3,276
Net Realized and Unrealized gains on Investments, net	35,272	-	35,272	51,634
Interest and Dividend Income	52,348	-	52,348	45,709
Net Assets Released from Restrictions				
Satisfaction of program restrictions	15,038	(15,038)	-	-
Total Support and Revenue	<u>1,033,748</u>	<u>12,890</u>	<u>1,046,638</u>	<u>1,020,264</u>
Expenses:				
Program Services	669,386	-	669,386	820,399
Management and General	112,198	-	112,198	107,054
Fundraising	121,408	-	121,408	135,266
Total expenses	<u>902,992</u>	<u>-</u>	<u>902,992</u>	<u>1,062,719</u>
Change in Net Assets	130,756	12,890	143,646	(42,455)
Net Assets at Beginning of Year	<u>1,875,392</u>	<u>90,218</u>	<u>1,965,610</u>	<u>2,008,065</u>
Net Assets at End of Year	<u>\$ 2,006,148</u>	<u>\$ 103,108</u>	<u>\$ 2,109,256</u>	<u>\$ 1,965,610</u>

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

**UNITED WAY OF SOUTHWEST WYOMING
STATEMENT OF CHANGES IN NET ASSETS
FOR THE YEARS ENDED JUNE 30, 2019 AND 2018**

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>2019 Total</u>
Revenues, gains and other support			
Revenues and gains without donor restrictions	\$ 931,090	\$ -	\$ 931,090
Revenue and gains with donor restrictions:			
Contributions		27,928	27,928
Investments return, net	87,620	-	87,620
Net assets release from restrictions	15,038	(15,038)	-
Total revenues, gains and other support	<u>1,033,748</u>	<u>12,890</u>	<u>1,046,638</u>
Expenses:			
Expenses	<u>902,992</u>	<u>-</u>	<u>902,992</u>
Total expenses	902,992	-	902,992
Change in Net Assets	130,756	12,890	143,646
Net Assets at Beginning of Year	<u>1,875,392</u>	<u>90,218</u>	<u>1,965,610</u>
Net Assets at End of Year	<u>\$ 2,006,148</u>	<u>\$ 103,108</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
FOR THE YEARS ENDED JUNE 30, 2019 AND 2018**

	Program	Supporting Activities		Total 2019	Total 2018	
	Program Services	Management and General	Fundraising			Supporting Subtotal
OPERATING EXPENSES						
Community involvement:						
Gross funds distributed	\$ 482,454	\$ -	\$ -	\$ -	\$ 482,454	\$ 593,914
Payroll and related expenses:						
Salaries and wages	53,443	26,721	53,443	80,164	133,607	133,249
Payroll taxes and benefits	13,819	6,909	13,819	20,728	34,547	36,037
Total payroll and related expenses	67,262	33,630	67,262	100,892	168,154	169,286
Other operating expenses:						
Bank charges	633	317	633	950	1,583	2,046
Campaign	773	3,091	11,592	14,683	15,456	18,836
Conferences, training and meetings	314	157	314	471	785	1,334
Depreciation	79	-	-	-	79	938
Dolly Parton Imagination						
Library/Targets Needs	61,808	-	-	-	61,808	65,479
Equipment rental and maintenance	1,830	915	1,830	2,745	4,575	10,856
Insurance	873	436	873	1,309	2,182	3,365
Investment Advisory Fees	10,243	5,122	10,243	15,365	25,608	21,227
Marketing and advertising	3,088	1,544	3,088	4,632	7,720	5,942
Membership dues and subscriptions	2,146	1,073	2,146	3,219	5,365	5,947
Miscellaneous	336	791	336	1,127	1,463	1,275
Occupancy	5,482	2,741	5,482	8,223	13,705	32,780
Office supplies	1,644	822	1,644	2,466	4,110	4,782
Organization development	2,955	1,477	2,955	4,432	7,387	4,400
Other grants	17,277	-	-	-	17,277	41,489
Postage	902	452	902	1,354	2,256	2,350
Processing and accounting services	-	45,380	-	45,380	45,380	45,380
Special events						
Awards and recognition event	3,645	1,822	3,645	5,467	9,112	709
Golf events	-	-	5,484	5,484	5,484	6,703
Helping Hands Day	2,663	-	-	-	2,663	2,849
Telephone	1,258	630	1,258	1,888	3,146	3,635
Travel	1,721	861	1,721	2,582	4,303	3,503
United Way Worldwide Dues	-	10,937	-	10,937	10,937	13,694
Total other operating expenses	119,670	78,568	54,146	132,714	252,384	299,519
Total Functional expenses	\$ 669,386	\$ 112,198	\$ 121,408	\$ 233,606	\$ 902,992	\$ 1,062,719

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

**UNITED WAY OF SOUTHWEST WYOMING
STATEMENTS OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2019 AND 2018**

	2019	2018
Cash flow from operating activities:		
Changes in net assets	\$ 143,646	\$ (42,455)
Adjustments to reconcile changes in net assets to net cash provided by operating activities:		
Depreciation	79	938
Net realized and unrealized gains on investments	(93,205)	51,634
Interest and dividends for reinvestment	(52,348)	(45,709)
Investment advisory fees	25,608	21,227
Change in:		
Decrease in pledges receivable	23,007	147,210
Decrease in grants and other receivables	770	1,875
Increase in prepaid expenses	(1,032)	(6,173)
(Decrease) increase in accounts payables	(1,888)	6,032
Decrease in accrued expenses	(4,057)	-
Decrease in distributions payable	(118,456)	(47,487)
Decrease in designations payable	(10,708)	(9,586)
Net cash provided by operating activities	(88,584)	77,506
 Cash flows from investing activities:		
Proceeds from sale of investments	1,285,492	-
Purchase of investments	(1,227,407)	(152,148)
Net cash used by investing activities	58,085	(152,148)
 Net decrease in cash and cash equivalents	(30,499)	(74,642)
 Cash and cash equivalents at the beginning of the year	300,900	375,542
 Cash and cash equivalents at the end of the year	\$ 270,401	\$ 300,900

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

**UNITED WAY OF SOUTHWEST WYOMING
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019 AND 2018**

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.

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.

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.

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.

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, 2019 and June 30, 2018, management believes that the carrying amount of cash equivalents approximates fair value because of the short maturity of these financial instruments.

UNITED WAY OF SOUTHWEST WYOMING
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019 AND 2018

NOTE 1 – NATURE OF OPERATIONS AND 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 judgment, 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.

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, 2019 AND 2018

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.

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.

Contributions and Recognition of Donor Restrictions:

All contributions are considered to be available for without donor restriction 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 without donor restriction 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 without donor restriction net assets and reported in the Statement of Activities and Changes in Net Assets as net assets released from restrictions.

**UNITED WAY OF SOUTHWEST WYOMING
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019 AND 2018**

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

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 2019 fiscal year, the Organization used 21% for the designation gift cost recovery, which meets UWW membership requirements.

**UNITED WAY OF SOUTHWEST WYOMING
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019 AND 2018**

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

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, 2019 and 2018, 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.

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, 2019 and 2018, the only assets or liabilities of the Organization measured at fair value on a recurring basis were investments of \$2,041,268 and \$1,979,408, respectively. All the investments at June 30, 2019 and 2018 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 2019 or 2018.

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 2019 or 2018.

**UNITED WAY OF SOUTHWEST WYOMING
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019 AND 2018**

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

Subsequent Events:

The Organization has evaluated subsequent events through January 29, 2020, the date on which these financial statements were available to be issued. No material subsequent events have occurred since June 30, 2019 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, 2019, the carrying amount of cash and cash equivalents on the Organization's books was \$270,401, while the combined balance at these banks was \$274,763. 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, 2019.

**UNITED WAY OF SOUTHWEST WYOMING
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019 AND 2018**

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. At June 30, 2019, all the Organization's deposits were covered by FDIC insurance.

NOTE 3 – PLEDGES RECEIVABLE

Pledges receivable consist of the following as of June 30:

	<u>2019</u>	<u>2018</u>
2018 Campaign	\$ 384,691	\$ -
2017 Campaign	-	389,638
Pledges Receivable	384,691	389,638
Less, allowance for uncollectible pledges	<u>(52,070)</u>	<u>(33,682)</u>
 Pledges Receivable, net of allowance for uncollectible accounts	 <u>\$ 332,621</u>	 <u>\$ 355,956</u>

NOTE 4 – CAPITAL ASSETS

Capital assets consist of the following as of June 30:

	<u>2019</u>	<u>2018</u>
Office furniture and equipment	\$ 27,325	\$ 27,325
Interest in condominium	4,900	4,900
Total Capital Assets	32,225	32,225
Less, accumulated depreciation	<u>(32,211)</u>	<u>(32,132)</u>
Capital Assets, Net of accumulated depreciation	<u>\$ 14</u>	<u>\$ 93</u>

**UNITED WAY OF SOUTHWEST WYOMING
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019 AND 2018**

NOTE 5 - INVESTMENTS

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

	<u>2019</u>	<u>2018</u>
Without Donor Restrictions		
Money market	\$ 72,259	\$ 52,874
Fixed income funds	487,343	413,159
Equity funds	429,093	411,697
Real Asset funds	63,335	101,152
Alternative investments funds	<u>133,983</u>	<u>156,857</u>
Total without donor restrictions investments	<u>1,186,013</u>	<u>1,135,739</u>
Board and donor restricted:		
Money market	2,481	19,867
Equity funds	421,217	411,882
International equity funds	175,820	338,831
Fixed income funds	<u>255,737</u>	<u>73,089</u>
Total board and donor endowment fund	<u>855,255</u>	<u>843,669</u>
Total board and donor restricted investments	<u>\$ 2,041,268</u>	<u>\$ 1,979,408</u>

NOTE 6 – 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 collected. Designations payable at June 30, 2019 and 2018 are summarized as follows:

	<u>2019</u>	<u>2018</u>
2018 Donor choice designations	\$ 54,999	\$ -
2017 Donor choice designations	10,783	60,820
2016 Donor choice designations	<u>387</u>	<u>16,057</u>
Total Donor choice designations	<u>\$ 66,169</u>	<u>\$ 76,877</u>

**UNITED WAY OF SOUTHWEST WYOMING
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019 AND 2018**

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, 2019, and 2018, net assets without donor restriction, including Board designated amounts, are summarized as follows:

	2019	2018
Board designated - administrative	\$ 168,994	\$ 168,994
Board designated - program services	191,141	191,141
Board designated - Endowment fund	855,255	843,669
Undesignated net assets	790,758	671,588
Total Net Assets Without Donor Restrictions	<u>\$ 2,006,148</u>	<u>\$ 1,875,392</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, 2019, and 2018, net assets with donor restrictions are summarized as follows:

	2019	2018
Permanently Restricted by Donor	\$ 47,085	\$ 47,085
Time restriction - future year campaign	13,000	13,000
Community diaper bank	28,160	17,310
Unita County Diaper Bank	6,247	4,695
Helping hands day	8,616	8,128
Total Net Assets with Donor Restrictions	<u>\$ 103,108</u>	<u>\$ 90,218</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. During both 2019 and 2018, annual rent expense under the lease agreement was \$4,538.

**UNITED WAY OF SOUTHWEST WYOMING
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019 AND 2018**

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 approximately \$1,000 per month and expires in August 2021.

The rent on the office lease for the years ended June 30, 2019 and 2018 was \$12,000 and \$20,800, respectively.

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

	<u>Copier</u>	<u>Office</u>
2020	3,025	12,000
2021	-	12,000
2022	-	2,000

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, 2019 and 2018 were \$7,846 and \$9,152, 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 \$5,123 and \$21,221 for the years ended June 30, 2019 and 2018, 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
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NOTE 11 – 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, 2019 that need to be recognized in the financial statements.

NOTE 12 - CONCENTRATIONS

Campaign Pledges:

Substantially all 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, 2019 and 2018, 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
June 30, 2018		
Chemical mining company	166,894	46,101
Public utility company	152,037	38,034
Mining corporation	121,686	41,110

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NOTE 13 – 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
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NOTE 13 – ENDOWMENT TRUST (Continued)

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	<u>(11,371)</u>	-	<u>(11,371)</u>
End of year	<u>\$ 808,170</u>	<u>\$ 47,085</u>	<u>\$ 855,255</u>

Changes in the Fund for the year ended June 30, 2018 are as follows:

	Without Donor Restrictions Board <u>Appropriated</u>	With Donor Restrictions	<u>Total</u>
Beginning of year	\$ 757,325	\$ 47,085	\$ 804,410
Investment returns:			
Interest and dividends	15,854	-	15,854
Net realized and unrealized gains	31,103	-	31,103
Advisory fees	<u>(7,698)</u>	-	<u>(7,698)</u>
End of year	<u>\$ 796,584</u>	<u>\$ 47,085</u>	<u>\$ 843,669</u>

NOTE 14 – 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
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NOTE 14 – 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.