

United Way of Southwest Wyoming

Financial Report

June 30, 2017

**United Way of Southwest Wyoming
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June 30, 2017**

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Report of Independent Auditor

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

We have audited the accompanying financial statements of United Way of Southwest Wyoming (a nonprofit organization), which are comprised of the statements of financial position as of June 30, 2017 and 2016, 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, 2017 and 2016, 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

January 26, 2018

Financial Statements

**United Way of Southwest Wyoming
Statements of Financial Position
June 30, 2017 and 2016**

	<u>2017</u>	<u>2016</u>
ASSETS		
Current assets:		
Cash and cash equivalents (Note 3)	\$ 375,542	\$ 212,238
Pledges receivable, net (Note 4)	503,166	501,350
Grants and other receivables	2,645	4,251
Prepaid expenses	<u>11,509</u>	<u>12,311</u>
Total current assets	<u>892,862</u>	<u>730,150</u>
Noncurrent assets:		
Property and equipment, net (Note 5)	1,031	2,959
Investments (Note 6)	<u>1,854,412</u>	<u>1,814,432</u>
Total noncurrent assets	<u>1,855,443</u>	<u>1,817,391</u>
Total assets	<u>\$ 2,748,305</u>	<u>\$ 2,547,541</u>
LIABILITIES AND NET ASSETS		
Current liabilities:		
Accounts payable	\$ 7,374	\$ 6,133
Accrued expenses	12,503	12,777
Distributions payable (Note 7)	633,900	713,321
Designations payable (Note 7)	<u>86,463</u>	<u>90,802</u>
Total liabilities	<u>740,240</u>	<u>823,033</u>
Commitments and contingencies (Notes 9 through 13)		
Net assets (Note 8):		
Unrestricted	1,899,908	1,635,815
Temporarily restricted	61,072	41,608
Permanently restricted	<u>47,085</u>	<u>47,085</u>
Total net assets	<u>2,008,065</u>	<u>1,724,508</u>
Total liabilities and net assets	<u>\$ 2,748,305</u>	<u>\$ 2,547,541</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, 2017 and 2016**

	Unrestricted	Temporarily Restricted	Permanently Restricted	2017 Total	2016 Total
Support and revenue:					
Gross campaign results	\$ 1,209,649	\$ 13,000	\$ -	\$ 1,222,649	\$ 1,383,996
Donor designations	(176,312)	-	-	(176,312)	(182,281)
Recovery of (provision for) uncollectible pledges, net	3,491	-	-	3,491	(795)
Net campaign results	1,036,828	13,000	-	1,049,828	1,200,920
Service fees	22,332	-	-	22,332	24,055
Grant revenue:					
Dolly Parton Imagination Library	-	48,595	-	48,595	54,614
Community Diaper Bank	-	17,521	-	17,521	10,564
In-kind contributions (Note 11)	21,221	-	-	21,221	23,493
Special events:					
Award and recognition events	5,290	-	-	5,290	7,400
Golf events	21,372	-	-	21,372	18,103
Helping Hands Day	-	5,250	-	5,250	2,450
Goat-A-Gram	3,430	-	-	3,430	-
Miscellaneous income	5,470	19,575	-	25,045	15,177
Net assets released from restrictions	84,477	(84,477)	-	-	-
Total support and revenue	1,200,420	19,464	-	1,219,884	1,356,776
Operating expenses:					
Program services:					
Gross funds distributed	595,275	-	-	595,275	797,696
Other program services	220,749	-	-	220,749	255,014
Total program services	816,024	-	-	816,024	1,052,710
Management and general	107,591	-	-	107,591	182,325
Fundraising	133,888	-	-	133,888	204,900
Total functional expenses	1,057,503	-	-	1,057,503	1,439,935
United Way of America dues	15,322	-	-	15,322	15,751
Total operating expenses	1,072,825	-	-	1,072,825	1,455,686
Changes in net assets from operating activities	127,595	19,464	-	147,059	(98,910)
Non-operating income (loss):					
Net realized and unrealized gains					
(losses) on investments	106,224	-	-	106,224	(22,435)
Interest and dividend income	50,527	-	-	50,527	54,221
Investment advisory fees	(20,253)	-	-	(20,253)	(19,690)
Total non-operating income (loss)	136,498	-	-	136,498	12,096
Changes in net assets	264,093	19,464	-	283,557	(86,814)
Net assets, beginning of year	1,635,815	41,608	47,085	1,724,508	1,811,322
Net assets, end of year	\$ 1,899,908	\$ 61,072	\$ 47,085	\$ 2,008,065	\$ 1,724,508

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

**United Way of Southwest Wyoming
Statements of Functional Expenses
Years Ended June 30, 2017 and 2016**

	<u>Program Services</u>	<u>Management and General</u>	<u>Fundraising</u>	<u>Total 2017</u>	<u>Total 2016</u>
Community involvement expenses:					
Gross distributions	\$ 595,275	\$ -	\$ -	\$ 595,275	\$ 797,696
Total community involvement expenses	595,275	-	-	595,275	797,696
Other program services:					
Payroll and related expenses:					
Salaries and wages	56,123	28,061	56,123	140,307	201,382
Payroll taxes and benefits	15,489	7,744	15,489	38,722	62,885
Total payroll and related expenses	71,612	35,805	71,612	179,029	264,267
Other expenses:					
Bank charges	900	450	900	2,250	1,735
Campaign	1,055	3,760	13,671	18,486	30,996
Conferences, training and meetings	225	113	226	564	2,241
Contract service fees	-	-	-	-	181
Dolly Parton Imagination Library	67,635	-	-	67,635	66,107
Equipment rental and maintenance	4,105	2,053	4,105	10,263	11,760
Insurance	1,145	573	1,145	2,863	2,844
Marketing and advertising	2,425	1,212	2,425	6,062	4,920
Membership dues and subscriptions	2,203	1,101	2,203	5,507	14,159
Miscellaneous	216	492	217	925	2,774
Occupancy	20,936	10,468	20,936	52,340	54,154
Office supplies	1,395	697	1,395	3,487	4,551
Organizational development	2,348	1,174	2,348	5,870	7,006
Other grants	30,360	-	-	30,360	94,514
Other professional fees	775	13,437	775	14,987	13,705
Postage	802	401	802	2,005	2,077
Processing and accounting services	-	33,180	-	33,180	31,403
Special events:					
Awards and recognition event	2,442	1,114	2,228	5,784	7,060
Golf events	-	-	5,779	5,779	7,271
Helping Hands Day	5,121	-	-	5,121	6,673
Telephone	1,802	901	1,802	4,505	5,767
Travel	1,319	660	1,319	3,298	3,735
Total other expenses	147,209	71,786	62,276	281,271	375,633
Total other program services	218,821	107,591	133,888	460,300	639,900
Depreciation	1,928	-	-	1,928	2,339
Total functional expenses	<u>\$ 816,024</u>	<u>\$ 107,591</u>	<u>\$ 133,888</u>	<u>\$ 1,057,503</u>	<u>\$ 1,439,935</u>

**United Way of Southwest Wyoming
Statements of Cash Flows
Years Ended June 30, 2017 and 2016**

	<u>2017</u>	<u>2016</u>
Cash flows from operating activities:		
Changes in net assets from operating activities	\$ 147,059	\$ (98,910)
Adjustments to reconcile changes in net assets from operating activities to net cash provided (used) by operating activities:		
Depreciation expense	1,928	2,339
Change in:		
Pledges receivable, net	(1,816)	(104,253)
Grants and other receivables	1,606	1,039
Prepaid expenses	802	698
Accounts payable	1,241	(5,183)
Accrued expenses	(274)	(1,350)
Distributions payable	(79,421)	100,125
Designations payable	(4,339)	(74,512)
	<u>66,786</u>	<u>(180,007)</u>
Net cash provided (used) by operating activities		
Cash flows from investing activities:		
Changes in investments, net	(39,980)	(62,874)
Cash flows from interest and dividend income	50,527	54,221
Net realized and unrealized gains (losses) on investments	106,224	(22,435)
Investment advisory fees	(20,253)	(19,690)
	<u>96,518</u>	<u>(50,778)</u>
Net cash used by investing activities		
Net increase (decrease) in cash and cash equivalents	163,304	(230,785)
Cash and cash equivalents, beginning of year	<u>212,238</u>	<u>443,023</u>
Cash and cash equivalents, end of year	<u>\$ 375,542</u>	<u>\$ 212,238</u>

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

**United Way of Southwest Wyoming
Notes to Financial Statements
June 30, 2017 and 2016**

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, 2017 and 2016**

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 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.

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 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, 2017 and 2016**

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 2017 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, 2017 and 2016**

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, 2017 and 2016.

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, 2017 and 2016, 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 those 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, 2017 and 2016, the only assets or liabilities of the Organization measured at fair value on a recurring basis were investments of \$1,853,912 and \$1,814,432, respectively. All of the investments at June 30, 2017 and 2016 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 2017 or 2016.

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 2017 or 2016.

United Way of Southwest Wyoming
Notes to Financial Statements, Continued
June 30, 2017 and 2016

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 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.

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 January 26, 2018, the date on which these financial statements were available to be issued. During August 2017, the Organization entered into an operating lease for office space under a non-cancelable operating lease agreement (see Note 15). Other than this agreement, there were no material subsequent events that have occurred since June 30, 2017 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. As of June 30, 2017, the balance at the bank was \$378,781, while the carrying amount of cash and cash equivalents on the Organization's books was \$375,542. The differences between 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 bank as of June 30, 2017.

United Way of Southwest Wyoming
Notes to Financial Statements, Continued
June 30, 2017 and 2016

3. 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 account at the bank are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000. At June 30, 2017, \$250,000 of the Organization's deposits were covered by FDIC insurance, with an uninsured balance of \$128,781.

4. Pledges Receivable

Pledges receivable at June 30, 2017 and 2016 are summarized as follows:

	<u>2017</u>	<u>2016</u>
2017 Campaign	\$ --	\$ --
2016 Campaign	543,940	13,000
2015 Campaign	--	546,185
2014 Campaign	<u>--</u>	<u>--</u>
	543,940	559,185
Less allowance for uncollectible pledges	<u>(40,774)</u>	<u>(57,835)</u>
	<u>\$ 503,166</u>	<u>\$ 501,350</u>

5. Property and Equipment

Property and equipment at June 30, 2017 and 2016 are summarized as follows:

	<u>2017</u>	<u>2016</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>(31,194)</u>	<u>(29,266)</u>
	<u>\$ 1,031</u>	<u>\$ 2,959</u>

Depreciation expense for the years ended June 30, 2017 and 2016 was \$1,928 and \$2,339, respectively.

**United Way of Southwest Wyoming
Notes to Financial Statements, Continued
June 30, 2017 and 2016**

6. Investments

The Organization's investments at June 30, 2017 and 2016 are summarized as follows:

	<u>2017</u>	<u>2016</u>
Unrestricted:		
Money market	\$ 39,300	\$ 35,248
Fixed income	416,589	420,396
Equities	361,796	397,886
Real assets	89,930	136,870
Alternative investments	<u>142,087</u>	<u>90,840</u>
Total unrestricted investments	<u>1,049,702</u>	<u>1,081,240</u>
Board and donor endowment fund:		
Money market	26,616	35,778
Corporate equities	387,649	326,280
Mutual funds	<u>390,445</u>	<u>371,134</u>
Total board and donor endowment fund	<u>804,710</u>	<u>733,192</u>
Total investments	<u>\$ 1,854,412</u>	<u>\$ 1,814,432</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, 2017 and 2016 are summarized as follows:

	<u>2017</u>	<u>2016</u>
2016 Donor choice designations	\$ 75,633	\$ --
2015 Donor choice designations	10,830	81,993
2014 Donor choice designations	<u>--</u>	<u>8,809</u>
	<u>\$ 86,463</u>	<u>\$ 90,802</u>

United Way of Southwest Wyoming
Notes to Financial Statements, Continued
June 30, 2017 and 2016

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, 2017 and 2016, unrestricted net assets, including Board designated amounts, are summarized as follows:

	<u>2017</u>	<u>2016</u>
Board designated – administrative	\$ 168,994	\$ 159,520
Board designated – program services	191,141	191,141
Board designated – Endowment fund	757,325	686,107
Undesignated net assets	<u>782,448</u>	<u>599,047</u>
Total unrestricted net assets	<u>\$ 1,899,908</u>	<u>\$ 1,635,815</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, 2017 and 2016, temporarily restricted net assets are summarized as follows:

	<u>2017</u>	<u>2016</u>
Time restriction - future year campaign	\$ 13,100	\$ 13,100
Community diaper bank	18,109	8,717
Dolly Parton Imagination Library	--	705
Life R U Ready event	20,767	11,419
Helping hands day	<u>9,096</u>	<u>7,667</u>
	<u>\$ 61,072</u>	<u>\$ 41,608</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. At both June 30, 2017 and 2016, permanently restricted net assets totaled \$47,085.

9. 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 2017 and 2016, annual rent expense under the lease agreement was \$4,538.

**United Way of Southwest Wyoming
Notes to Financial Statements, Continued
June 30, 2017 and 2016**

9. Operating Leases, Continued

The Organization also leases office space under a non-cancelable 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 Organization is also required to make monthly payments of \$583 for common area maintenance (see Note 15).

The discounted rent on the office lease for the years ending June 30, 2017 and 2016 was \$21,221 and \$23,493, 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>
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, 2017, 2016 and 2015 were \$8,872, \$15,150 and \$14,408, respectively. The expense is included in payroll taxes and benefits.

**United Way of Southwest Wyoming
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June 30, 2017 and 2016**

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 \$21,221 and \$23,493 for the years ended June 30, 2017 and 2016, 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, 2017 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, 2017 and 2016, 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, 2017:		
Mining corporation	\$ 252,795	\$ 57,336
Public utility company	157,647	109,226
Chemical mining company	229,746	162,909
June 30, 2016:		
Mining corporation	\$ 168,001	\$ 92,729
Public utility company	164,661	58,184
Chemical mining company	233,854	61,088