

United Way of Morgan County

Financial Statements

December 31, 2019

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LAUER, SZABO & ASSOCIATES, PC

Certified Public Accountants

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Independent Auditors' Report

To the Board of Directors
United Way of Morgan County
Fort Morgan, Colorado

We have audited the accompanying financial statements of United Way of Morgan County (a nonprofit organization), which comprise the statement of financial position as of December 31, 2019, and the related statements of activities, 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 auditors' 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 Morgan County as of December 31, 2019, and the changes in its net assets and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Lauer, Szabo & Associates, P.C.

Sterling, Colorado
April 16, 2020

United Way of Morgan County
Financial Statements and Notes to Financial Statements

UNITED WAY OF MORGAN COUNTY
Statement of Financial Position
Year Ended December 31, 2019

Assets

Current assets

Cash and cash equivalents	\$ 39,455
Funds held on behalf of the City of Brush Giving Tree	7,373
Contributions receivable	8,509
Refundable deposits	300
Prepaid items	1,257

Total current assets	56,894
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Equipment, net of accumulated depreciation of \$14,853	347
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Total assets	<u>\$ 57,241</u>
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Liabilities and net assets

Current liabilities

Accounts payable	\$ 544
Accrued salaries and benefits	1,703
Funds held on behalf of the City of Brush Giving Tree	7,373

Total current liabilities/total liabilities	9,620
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Net assets

Without donor restrictions	42,621
With donor restrictions	5,000

Total net assets	<u>47,621</u>
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Total liabilities and net assets	<u>\$ 57,241</u>
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The accompanying notes are an integral part of these financial statements.

UNITED WAY OF MORGAN COUNTY
Statement of Activities
Year Ended December 31, 2019

	Without Donor Restrictions	With Donor Restrictions	Total
Support and revenue			
Contributions	\$ 102,649	\$ 15,000	\$ 117,649
Fundraising	7,071		7,071
Rental revenue	455		455
Interest	33		33
Net assets released from restrictions due to satisfaction of expenditure requirements	10,000	(10,000)	-
Total support and revenue	120,208	5,000	125,208
Expenses			
Program services	84,028		84,028
Supporting services			
Management and general	33,430		33,430
Fundraising	2,303		2,303
Total supporting services	35,733	-	35,733
Total expenses	119,761	-	119,761
Change in net assets	447	5,000	5,447
Net assets at beginning of year	42,174	-	42,174
Net assets at end of year	<u>\$ 42,621</u>	<u>\$ 5,000</u>	<u>\$ 47,621</u>

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

UNITED WAY OF MORGAN COUNTY
Statement of Functional Expenses
Year Ended December 31, 2019

	Program Services	Support Services	
		Management and General	Fundraising
Allocations and grants			
A Caring Pregnancy Resource Center	\$ 2,693	\$ -	\$ -
Association for Children with Disabilities	550	-	-
Baby Bear Hugs	4,000	-	-
Blessings in a Backpack RE-2	8,000	-	-
Blessings in a Backpack RE-3	5,000	-	-
Blessings in a Backpack RE-50	3,000	-	-
Blue Horizone	133	-	-
Center for Healing Trauma and Attachment	6,000	-	-
Community Cupboard	68	-	-
Eben Ezer Lutheran Care Center	4,041	-	-
Girl Scouts of Colorado	650	-	-
MCC Foundation for College and Career Pathways	8,768	-	-
Morgan County Early Childhood	270	-	-
Morgan County Family Center	5,045	-	-
One Morgan County	17	-	-
Red Cross	82	-	-
Rising Up	6,450	-	-
S.A.R.A.	6,599	-	-
Salvation Army - Brush	50	-	-
Share, Inc.	5,197	-	-
Advertising	-	81	-
Building lease	3,200	6,400	-
Depreciation	-	183	-
Donations	-	600	-
Equipment lease	-	1,291	-
Insurance	-	2,481	-
Memberships	-	1,940	-
Payroll taxes	965	965	-
Printing	-	363	-
Professional fees	-	5,700	-
Salaries	11,991	11,990	-
Special events	-	-	2,303
Supplies	356	533	-
Telephone	640	639	-
Training	191	192	-
Travel	72	72	-
Total expenses	<u>\$ 84,028</u>	<u>\$ 33,430</u>	<u>\$ 2,303</u>

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

Total Expenses	
<hr/>	
\$	2,693
	550
	4,000
	8,000
	5,000
	3,000
	133
	6,000
	68
	4,041
	650
	8,768
	270
	5,045
	17
	82
	6,450
	6,599
	50
	5,197
	81
	9,600
	183
	600
	1,291
	2,481
	1,940
	1,930
	363
	5,700
	23,981
	2,303
	889
	1,279
	383
	144
<hr/>	
\$	119,761
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The accompanying notes are an integral part of these financial statements.

UNITED WAY OF MORGAN COUNTY
Statement of Cash Flows
Year Ended December 31, 2019

Cash flows from operating activities	
Change in net assets	\$ 5,447
Adjustments to reconcile change in net assets to net cash used by operating activities	
Depreciation	183
Contributed rent - revenue	1,600
Contributed rent - expense	(1,600)
Change in assets and liabilities	
Contributions receivable	(8,509)
Refundable deposits	(300)
Prepaid items	55
Accounts payable	79
Accrued salaries and benefits	460
	<hr/>
Net cash used by operating activities	(2,585)
	<hr/>
Net decrease in cash and cash equivalents	(2,585)
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Cash and cash equivalents at beginning of year	42,040
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Cash and cash equivalents at end of year	<u><u>\$ 39,455</u></u>
Supplemental schedule of non-cash investing and financing information	
Increase in funds held on behalf of the City of Brush Giving Tree	<u><u>\$ 1,510</u></u>

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

UNITED WAY OF MORGAN COUNTY
Notes to Financial Statements

Note A – Summary of Significant Accounting Policies

Nature of Business

Untied Way of Morgan County (the Organization) is a tax-exempt organization established to collect charitable contributions within Morgan County, Colorado, and to allocate them for distribution to various tax-exempt agencies within the county.

Basis of Presentation

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.

Use of Estimates

The Organization uses estimates and assumptions in preparing financial statements in accordance with accounting principles generally accepted in the United States of America. These estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of any contingent assets and liabilities, and the reported revenue and expenses. Actual results could vary from the estimates that were assumed in preparing the financial statements.

Cash and Cash Equivalents

The Organization considers all highly liquid investments with an initial maturity of three months or less to be cash equivalents.

Equipment

It is the Organization's policy to capitalize equipment over \$500. Lesser amounts are expenses. Purchased equipment is capitalized at cost.

Donations of equipment are recorded as contributions at their estimated fair value. Such donations are reported as unrestricted contributions 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 equipment are reported as restricted contributions. 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 and reclassifies restricted net assets at that time.

Equipment is depreciated using the straight-line method.

UNITED WAY OF MORGAN COUNTY
Notes to Financial Statements

Note A – Summary of Significant Accounting Policies (Continued)

Classes of Net Assets

The financial statements report amounts by class of net assets -

Net assets without donor restrictions are those resources currently available for Organization purposes under the direction of the board.

Net assets with donor restrictions include donor-restricted contributions for specified purposes, unappropriated endowment revenue, and those net assets required to be held in perpetuity.

Support and Revenue

Contributions are recorded when made, which may be when cash or assets are received or unconditionally promised. The Organization reports gifts of cash and other assets as restricted support if they are received with donor stipulations that limit the use of donated assets. When donor restrictions expire, that is, when a stipulated time restriction ends or purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions. Revenues from all other sources are recorded when earned in accordance with the accrual basis of accounting. Noncash contributions are recorded at their estimated fair value on the date of the donation.

Contributed Materials, Rent and Services

Donated goods and services which meet specific criteria are recorded at fair value as of the date of donation. Accounting principles allow for the recognition of donated services received if those services (a) create or enhance long-lived assets or (b) require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation. Volunteers also provide various services throughout the year that are not recognized as contributions in the financial statements since the recognition criteria under ASC topic 958 were not met.

Functional Allocation of Expenses

The statement of functional expenses reports certain categories of expenses that are attributable to program or support activities of the Organization. Costs were allocated based on estimates of time and effort.

UNITED WAY OF MORGAN COUNTY
Notes to Financial Statements

Note A – Summary of Significant Accounting Policies (Continued)

Income Taxes

The Organization is exempt from income tax under Section 501(c)(3) of the Internal Revenue Code and has been classified as “other than a private foundation”. Therefore, no provision for income taxes has been made in the accompanying financial statements.

The Organization files federal form 990, “Return of Organization Exempt from Income Tax”, which is subject to examination by the Internal Revenue Service, generally for three years after filing.

Credit Risk

Financial instruments that potentially subject the Organization to credit risk consist of cash deposits held at banks. The Organization places its cash with creditworthy, high quality financial institutions and keeps balances at each institution below federally insurable limits.

Note B – Related Party Transactions

During the normal course of operations, the Organization receives contributions from agencies associated with board members. Contributions received from these agencies in the current period totaled \$45,685.

Note C – Lease Agreements

Building Lease

During the year, the Organization leased office space from an unrelated entity for \$800 per month. On May 1, 2020, the Organization signed a twelve-month lease agreement for \$800 per month with this same entity. Either party may terminate the lease agreement by giving thirty days written notice to the other party.

Equipment Lease

On April 15, 2019, the Organization entered into an agreement with Wells Fargo Financial Leasing, Inc. to lease an HP E77825z copier. The agreement is for a period of sixty months at a monthly payment of \$101, and is secured by the leased equipment. Lease expense for the current period under this lease agreement was \$806.

UNITED WAY OF MORGAN COUNTY
Notes to Financial Statements

Note C – Lease Agreements (Continued)

Minimum annual rental payments required under the equipment lease are as follows:

Year Ending December 31,

2020	\$ 1,208
2021	1,208
2022	1,208
2023	1,208
2024	<u>403</u>
Total	<u>\$ 5,235</u>

Note D – Contributions Receivable

The Organization receives funding from area foundations, businesses, and employees. At year-end, the Organization reported \$8,509 in contributions receivable, which are collectible within one year. No allowance for uncollectible contributions receivable is considered necessary.

Note E – Restrictions on Net Assets

Net assets with donor restrictions in the amount of \$5,000 are available to distribute as a direct designation to local agencies in the following year as part of the Blessings in a Backpack program.

Note F – Operating Reserve

The Organization has adopted a policy to maintain a reserve of \$20,000 for its operating expenses.

Note G – Evaluation of Subsequent Events

Subsequent events were evaluated through April 16, 2020, which is the date the financial statements were available to be issued.