

United Way of Morgan County

Financial Statements

December 31, 2020

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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, 2020, 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.

United Way of Morgan County

Financial Statements and Notes to Financial Statements

UNITED WAY OF MORGAN COUNTY
Statement of Activities
Year Ended December 31, 2020

| | Without Donor Restrictions | With Donor Restrictions | Total |
|--|-------------------------------|----------------------------|------------|
| Support and revenue | | | |
| Contributions | \$ 191,077 | \$ 76,646 | \$ 267,723 |
| Fundraising | 1,760 | | 1,760 |
| Rental revenue | 420 | | 420 |
| Interest | 42 | | 42 |
| Net assets released from restrictions due to satisfaction of expenditure requirements | 8,705 | (8,705) | - |
| Total support and revenue | 202,004 | 67,941 | 269,945 |
| Expenses | | | |
| Program services | 169,033 | | 169,033 |
| Supporting services | | | |
| Management and general | 35,385 | | 35,385 |
| Fundraising | 524 | | 524 |
| Total supporting services | 35,909 | - | 35,909 |
| Total expenses | 204,942 | - | 204,942 |
| Change in net assets | (2,938) | 67,941 | 65,003 |
| Net assets at beginning of year | 42,621 | 5,000 | 47,621 |
| Net assets at end of year | \$ 39,683 | \$ 72,941 | \$ 112,624 |

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

Total
Expenses

| | |
|----|----------------|
| \$ | 6,720 |
| | 2,500 |
| | 7,000 |
| | 6,600 |
| | 1,800 |
| | 1,000 |
| | 15,000 |
| | 15,000 |
| | 6,000 |
| | 7,500 |
| | 9,994 |
| | 5,000 |
| | 1,600 |
| | 10,000 |
| | 6,700 |
| | 15,037 |
| | 232 |
| | 14,667 |
| | 100 |
| | 7,309 |
| | 7,904 |
| | 21 |
| | 9,600 |
| | 239 |
| | 151 |
| | 1,237 |
| | 2,456 |
| | 12 |
| | 2,320 |
| | 1,458 |
| | 2,179 |
| | 277 |
| | 5,315 |
| | 150 |
| | 28,486 |
| | 524 |
| | 1,295 |
| | 1,559 |
| \$ | <u>204,942</u> |

UNITED WAY OF MORGAN COUNTY
Notes to Financial Statements

Note A – Summary of Significant Accounting Policies

Nature of Business

United 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)

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 \$50,545.

Note C – Lease Agreements

Building Lease

During the year, the Organization leased office space from an unrelated entity for \$800 per month, which was increased to \$1,000 per month effective January 1, 2021. 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 \$1,237.

UNITED WAY OF MORGAN COUNTY
Notes to Financial Statements

Note H – Long-Term Debt

On April 10, 2020, the Organization received loan proceeds of \$4,300 from a promissory note issued by the Golden Belt Bank, FSA, under the Paycheck Protection Program (PPP) which was established under the CARES Act and is administered by the U.S. Small Business Administration. The term on the loan is two years and the annual interest rate is 1.0%. Payments of principal and interest are deferred for the first six months of the loan. Under the terms of the CARES Act, PPP loan recipients can apply for and be granted forgiveness for all or a portion of the loans granted under PPP. Such forgiveness will be determined based on the use of the loan proceeds for payroll costs, rent and utility expenses and maintenance of workforce and compensation levels with certain limitations. On January 14, 2021 the Organization received notification of loan forgiveness in full.