

**UNITED WAY OF WISE COUNTY, INC.**

**FINANCIAL STATEMENTS**

**DECEMBER 31, 2020 AND 2019**

**UNITED WAY OF WISE COUNTY, INC.**  
**FINANCIAL STATEMENTS**  
**DECEMBER 31, 2020 AND 2019**

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of the  
United Way of Wise County, Inc.  
Wise County, Texas

We have audited the accompanying financial statements of the United Way of Wise County, Inc. (a nonprofit organization), which comprise the statements of financial position as of December 31, 2020 and 2019, and the related statements of activities, 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 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 Organization'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 Organization'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.

**Independent Auditor's Report**  
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**Opinion**

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the United Way of Wise County, Inc. as of December 31, 2020 and 2019 and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

*Siegmund, Gottlieb & Ekstrand*

Siegmund, Gottlieb & Ekstrand, LLC  
Certified Public Accountants  
Decatur, Texas

May 23, 2022

**UNITED WAY OF WISE COUNTY, INC**  
**STATEMENTS OF FINANCIAL POSITION**  
**DECEMBER 31, 2020 AND 2019**

**ASSETS**

	<u>2020</u>	<u>2019</u>
<b>Current assets</b>		
Cash and cash equivalents	\$ 208,040	\$ 291,047
Short-term certificate of deposits	100,501	100,501
Pledges receivable - net of allowance	33,873	62,865
Other receivable - Golf tournament	475	-
	<u>                    </u>	<u>                    </u>
<b>Total current assets</b>	<u>\$ 342,889</u>	<u>\$ 454,413</u>

**LIABILITIES AND NET ASSETS**

<b>Current liabilities</b>		
Accounts payable	\$ 9,873	\$ 2,051
<b>Net assets</b>		
Net assets without donor restrictions	<u>333,016</u>	<u>452,362</u>
<b>Total liabilities and net assets</b>	<u>\$ 342,889</u>	<u>\$ 454,413</u>

The accompanying notes are an integral part of this statement.

**UNITED WAY OF WISE COUNTY, INC.**  
**STATEMENT OF ACTIVITIES**  
**FOR THE YEARS ENDED DECEMBER 31, 2020 and 2019**

	2020	2019
<b>Public support and revenues</b>		
Campaign results		
Gross annual campaign	\$ 256,979	\$ 314,598
Less: uncollectible pledges	(21,806)	(10,608)
<b>Net campaign contributions</b>	235,173	303,990
Program fees: Health Fair	1,050	7,390
Special events		
Golf tournament	20,495	27,080
Kick off luncheon	-	7,000
Annual meeting	2,500	2,500
<b>Total special events</b>	22,995	36,580
Donated materials and services	7,349	7,883
Interest income	1,786	3,651
	9,135	11,534
<b>Total public support and revenues</b>	268,353	359,494
<b>Expenses</b>		
Program services		
Gross distribution to agencies	351,234	397,316
<b>Net allocations granted to agency programs</b>	351,234	397,316
Other program expenses	5,043	19,417
<b>Total program services</b>	356,277	416,733
Supporting services		
Fundraising	17,376	36,811
Management and general	14,046	21,751
<b>Total supporting services</b>	31,422	58,562
<b>Total expenses</b>	387,699	475,295
<b>Change in net assets</b>	(119,346)	(115,801)
Net assets beginning of the year, without donor restrictions	452,362	568,163
Net assets end of the year, without donor restrictions	\$ 333,016	\$ 452,362

See accompanying notes to financial statements.

**UNITED WAY OF WISE COUNTY, INC.**  
**STATEMENT OF FUNCTIONAL EXPENSES**  
**FOR THE YEAR ENDED DECEMBER 31, 2020**

	Program Services			Supporting Services			Total Expenses
	Allocations and Distributions	Assistance Network	Health Fair	Total	General and Administrative	Fundraising	
Distributions to agency programs	\$ 351,234	\$ -	\$ -	\$ 351,234	\$ -	\$ -	\$ 351,234
Professional fees	-	-	-	-	6,500	-	6,500
Facilities, equipment and other rental	-	-	-	-	100	3,130	3,230
Donated facilities	-	-	-	-	4,200	-	4,200
Information technology	651	600	-	1,251	1,251	-	2,502
Licenses and permits	-	3,500	-	3,500	-	-	3,500
Advertising	-	-	237	237	-	3,163	3,400
Processing fees	-	-	-	-	-	1,575	1,575
Food and beverages	-	-	-	-	-	1,449	1,449
Printing and copying	-	-	-	-	63	1,088	1,151
Meetings	-	-	-	-	-	-	-
Dues and subscriptions	-	-	-	-	-	4,470	4,470
Insurance	-	-	-	-	1,743	-	1,743
Other fundraising expense	-	-	-	-	-	100	100
Postage	-	-	55	55	92	55	202
Supplies	-	-	-	-	97	2,346	2,443
<b>Total functional expenses</b>	<b>\$ 351,885</b>	<b>\$ 4,100</b>	<b>\$ 292</b>	<b>\$ 356,277</b>	<b>\$ 14,046</b>	<b>\$ 17,376</b>	<b>\$ 387,699</b>

The accompanying notes are an integral part of this statement

**UNITED WAY OF WISE COUNTY, INC.**  
**STATEMENT OF FUNCTIONAL EXPENSES**  
**FOR THE YEAR ENDED DECEMBER 31, 2019**

	Program Services			Supporting Services			Total Expenses
	Allocations and Distributions	Assistance Network	Health Fair	Total	General and Administrative	Fundraising	
Distributions to agency programs	\$ 397,316	\$ -	\$ -	\$ 397,316	\$ -	\$ -	\$ 397,316
Professional fees	2,420	3,227	1,613	7,260	13,760	9,680	30,700
Facilities, equipment and other rental	-	-	2,378	2,378	100	5,285	7,763
Donated facilities	-	-	-	-	4,200	-	4,200
Information technology	753	600	-	1,353	1,353	-	2,706
Licenses and permits	-	3,500	-	3,500	-	-	3,500
Advertising	-	-	1,905	1,905	-	6,281	8,186
Processing fees	-	-	-	-	-	1,486	1,486
Food and beverages	-	-	1,860	1,860	-	3,686	5,546
Printing and copying	-	-	-	-	147	2,459	2,606
Meetings	-	603	-	603	-	-	603
Dues and subscriptions	-	-	-	-	-	4,610	4,610
Insurance	-	-	-	-	1,766	-	1,766
Other fundraising expense	-	-	-	-	-	100	100
Postage and delivery	-	70	-	70	140	90	300
Supplies	-	-	488	488	285	3,134	3,907
<b>Total functional expenses</b>	<b>\$ 400,489</b>	<b>\$ 8,000</b>	<b>\$ 8,244</b>	<b>\$ 416,733</b>	<b>\$ 21,751</b>	<b>\$ 36,811</b>	<b>\$ 475,295</b>

The accompanying notes are an integral part of this statement



**UNITED WAY OF WISE COUNTY, INC.**  
**STATEMENTS OF CASH FLOWS**  
**FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019**

	<u>2020</u>	<u>2019</u>
<b>Cash flows from operating activities</b>		
Cash received from campaign contributions	\$ 264,165	\$ 304,033
Cash received from program fees: Health Fair	873	7,390
Cash received from special events	22,520	36,580
Cash paid for support services	<u>(372,351)</u>	<u>(470,320)</u>
Net cash (used) provided by operating activities	(84,793)	(122,317)
<b>Cash flows from investing activities</b>		
Cash received from certificate of deposits	0	100,000
Cash received from interest income	<u>1,786</u>	<u>3,651</u>
Net cash (used) provided by investing activities	<u>1,786</u>	<u>103,651</u>
<b>Net increase in cash</b>	(83,007)	(18,666)
<b>Cash and cash equivalents, beginning of year</b>	<u>291,047</u>	<u>309,713</u>
<b>Cash and cash equivalents, end of year</b>	<u><u>\$ 208,040</u></u>	<u><u>\$ 291,047</u></u>

See accompanying notes to financial statements.

**UNITED WAY OF WISE COUNTY, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2020 AND 2019**

**Note 1 – Nature of Activities**

United Way of Wise County, Inc. (the Organization), a Texas nonprofit corporation founded in 1979, is a voluntary health and welfare organization governed by a volunteer Board of Directors (the “Board”). Its mission is to improve the lives of the residents of Wise County, Texas by mobilizing the caring power of the community. The Organization conducts annual fund-raising campaigns to solicit contributions for distribution to nonprofit agencies within Wise County. The Organization delivers important health and human services through the following programs:

- Allocations and Distributions      Distributes funds to Board approved nonprofit partner agencies.
  
- Assistance Network                  Provides a real-time communication network coalition to connect care providers, charities, churches and emergency assistance providers.
  
- Health Fair                              Promotes a healthier community through public awareness and education.

The Organization’s funding comes from various sources, the most significant being from local businesses.

**Note 2 – Summary of Significant Accounting Policies**

**Basis of Presentation**

The financial statements of the Organization have been prepared on the accrual basis of accounting. Under the accrual method, revenues are recognized when earned and expenses are recognized when incurred.

**Cash and Cash Equivalents**

Cash and cash equivalents include demand deposits and all short-term investments with maturity dates of less than three months. The organization places its cash with high quality financial institutions. Cash balances, at times, may exceed federally insured limits. The Organization has not experienced any losses on such accounts.

**UNITED WAY OF WISE COUNTY, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2020 AND 2019**

**Note 2 – Summary of Significant Accounting Policies (Continued)**

**Pledges Receivable**

Unconditional promises to give are recorded as pledges receivable and contribution revenue in the year the promise is made. Unconditional promises to give that are expected to be collected within one year are recorded at their net realizable value. Unconditional promises to give that are expected to be collected in future years are recorded at the present value of estimated future cash flows.

The discounts on these amounts are computed using risk-free interest rates applicable to the year in which the promises are received. The Organization uses the allowance method to determine uncollectible pledges receivable. The uncollectible pledges receivable is based on Management's judgment using a variety of factors, which include experience related to charge-offs and recoveries, previous collection history and scrutiny of individual accounts.

Conditional promises to give are not included as revenue until the conditions of payment are substantially met.

**Income Taxes**

The Organization is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code, except on net income derived from unrelated business activities. For the years December 31, 2020 and 2019, the Organization did not conduct unrelated business activities that are material to the financial statements taken as a whole. Accordingly, no provisions for income taxes are included in the financial statements. The Organization believes that it has appropriate support for any tax positions taken, and as such, does not have any uncertain tax positions that are material to the financial statements.

The Organization files a Form 990 in the U.S. federal jurisdiction. The Organization is generally no longer subject to examination by the Internal Revenue Service for years before December 31, 2017.

**Net Assets**

Net assets without donor restrictions are available for use at the discretion of the Board of Directors for distributions to nonprofit agency and/or management for general operating purposes.

Net assets with donor restrictions consist of assets whose use is limited by donor-imposed, time and/or purpose restrictions.

**UNITED WAY OF WISE COUNTY, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2020 AND 2019**

**Note 2 – Summary of Significant Accounting Policies (Continued)**

**Net Assets (Continued)**

The Organization reports gifts of cash and other assets as revenue with donor restrictions if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, the net assets are reclassified as net assets without donor restriction and reported in the statements of activities as net assets released from restrictions.

See Note 6 and Note 7 for more information on net assets without donor restrictions and net assets with donor restrictions.

**Contributions Received**

The Organization recognizes contributions received and made, including unconditional promises to give, as revenue in the period received or made. Contributions received are reported as either revenues without donor restrictions or revenues with donor restrictions. Promises to contribute that stipulate conditions to be met before the contribution is made are not recorded until the conditions are met. There were no conditional promises to give for the years ended December 31, 2020 and 2019.

The Organization conducts an annual fund raising campaign in the current year for the following fiscal year's operations. The related contributions and pledges are all unconditional promises to give without donor restrictions. These funds will be used to pay for agency allocations and the Organization's programs and supporting services.

**Donated Materials and Services**

Donated materials and use of facilities are recorded at fair market value as of the date of donation. Donated services are reported when the services create or enhance non-financial assets. Donated services require specialized skill and are provided by individuals possessing those skills. Donated services that meet the requirements for recognition under US GAAP are recorded as both revenues and expenses in the accompanying statement of activities, at amounts determined by management to be reasonable for obtaining such services. Donated materials are recorded at fair value at the date of donation.

In addition, a number of volunteers have donated significant amounts of their time to the Organization's programs. However, these donated services are not reflected in the financial statements since these services do not meet the criteria for recognition as contributed services. The Organization estimates that volunteers contributed approximately 236 and 688 hours for the years ended December 31, 2020 and 2019, respectively.

**UNITED WAY OF WISE COUNTY, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2020 AND 2019**

**Note 2 – Summary of Significant Accounting Policies (Continued)**

**Concentrations**

In the current year, a significant amount of contributions and pledges receivable were provided by a few major contributors. It is always considered reasonably possible that benefactors, grantors or contributors might be lost in the near term. The Organization's market is concentrated in the North Texas, geographical area.

**Uses of Estimates**

The preparation of financial statements in conformity with the accrual basis of accounting requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates. The most significant estimate is the allowance for uncollectable pledges.

**Functional Expenses**

Expenses are summarized and categorized based on their functional classification as either program services or supporting services in the statement of functional expenses. Specific expenses that are readily identifiable to a single program or activity are charged directly to that function. However, many expenses relate to more than one function and must be allocated among the program and supporting services benefited.

**Note 3 – Pledge Contributions Receivable**

Pledge contributions receivable, net of allowance for uncollectible pledges, consisted of the following unconditional promises to give for the years ended December 31, 2020 and 2019, was \$33,873 and \$62,865, respectively. All the pledges are due in less than one year.

The allowance for uncollectable pledges was \$6,000 and \$10,000 for the years ended December 31, 2020 and 2019, respectively.

**Note 4 – Donated Materials and Services**

The Organization received donated office space, web site maintenance services, signage, meeting room rental, and prize donations from local vendors during the years ended December 31, 2020 and 2019, with estimated fair market values of \$7,349 and \$7,883, respectively. The amounts are functionally allocated on the Statement of Activities.

**UNITED WAY OF WISE COUNTY, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2020 AND 2019**

**Note 5 - Advertising**

The Organization expenses advertising cost as incurred. Advertising cost were \$2,371 and \$6,697 for the years ended December 31, 2020 and 2019, respectively.

**Note 6 – Net Assets Without Donor Restrictions**

The Organization’s net assets without donor restrictions were \$333,016 and \$452,362 for the years ended December 31, 2020 and 2019, respectively.

**Note 7 – Net Assets With Donor Restrictions**

The Organization did not have any net assets with donor restrictions for the years ended December 31, 2020 and 2019, respectively.

**Note 8 – Commitments to Agency Programs**

An estimate was made of allocations expected to be paid to agency programs for the period beginning January 1, 2021 through December 31, 2021, which is conditional upon the results of campaign collections. These conditional pledges total approximately \$303,500 and have not been accrued in the statements of financial position because a firm commitment has not been made.

**Note 9 – Subsequent Events**

Evaluation of subsequent events through May 23, 2022, the date which the financial statements were available to be issued.