

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

**FINANCIAL STATEMENTS**

**DECEMBER 31, 2021 AND 2020**

**UNITED WAY OF WISE COUNTY, INC.**  
**FINANCIAL STATEMENTS**  
**DECEMBER 31, 2021 AND 2020**

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Siegmund & Ekstrand, LLC  
CERTIFIED PUBLIC ACCOUNTANTS

## INDEPENDENT AUDITOR'S REPORT

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

### **Opinion**

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, 2021 and 2020, and the related statements of activities, functional expenses and cash flows for the years then ended, and the related notes to the financial statements.

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, 2021 and 2020 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.

### **Basis for Opinion**

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the United Way of Wise County, Inc. and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### **Responsibilities of Management 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about United Way of Wise County, Inc.'s ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

**Independent Auditor's Report**  
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**Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 United Way of Wise County, Inc.'s internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about United Way of Wise County's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

*Siegmund & Ekstrand*

Siegmund, & Ekstrand, LLC  
Certified Public Accountants  
Decatur, Texas  
April 12, 2023

**UNITED WAY OF WISE COUNTY, INC**  
**STATEMENTS OF FINANCIAL POSITION**  
**DECEMBER 31, 2021 AND 2020**

**ASSETS**

	2021	2020
<b>Current assets</b>		
Cash and cash equivalents	\$ 256,537	\$ 208,040
Short-term certificate of deposits	100,501	100,501
Pledges receivable - net of allowance	59,362	33,873
Other receivable	-	475
	<b>\$ 416,400</b>	<b>\$ 342,889</b>
	<b>\$ 416,400</b>	<b>\$ 342,889</b>

**LIABILITIES AND NET ASSETS**

<b>Current liabilities</b>		
Accounts payable	\$ 6,500	\$ 9,873
<b>Net assets</b>		
Net assets without donor restrictions	409,900	333,016
	<b>\$ 416,400</b>	<b>\$ 342,889</b>

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, 2021 and 2020**

	<u>2021</u>	<u>2020</u>
<b>Public support and revenues</b>		
Campaign results		
Gross annual campaign	\$ 366,962	\$ 256,979
Less: uncollectible pledges	(7,944)	(21,806)
<b>Net campaign contributions</b>	<u>359,018</u>	<u>235,173</u>
Program fees: Health Fair	-	1,050
Special events		
G	23,870	20,495
Annual meeting	-	2,500
<b>Total special events</b>	<u>23,870</u>	<u>22,995</u>
Donated materials and services	33,496	33,749
Interest income	725	1,786
	<u>34,221</u>	<u>35,535</u>
<b>Total public support and revenues</b>	417,109	294,753
<b>Expenses</b>		
Program services		
Gross distribution to agencies	281,450	351,234
<b>Net allocations granted to agency programs</b>	<u>281,450</u>	<u>351,234</u>
Other program expenses	12,803	12,963
<b>Total program services</b>	<u>294,253</u>	<u>364,197</u>
Supporting services		
Fundraising	23,580	27,936
Management and general	22,392	21,966
<b>Total supporting services</b>	<u>45,972</u>	<u>49,902</u>
<b>Total expenses</b>	<u>340,225</u>	<u>414,099</u>
<b>Change in net assets</b>	76,884	(119,346)
Net assets beginning of the year, without donor restrictions	333,016	452,362
Net assets end of the year, without donor restrictions	<u>\$ 409,900</u>	<u>\$ 333,016</u>

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, 2021

	Program Services				Supporting Services			Total Expenses
	Allocations and Distributions	Assistance Network	Health Fair	Total	General and Administrative	Fundraising	Total	
Distributions to agency programs	\$ 281,450	\$ -	\$ -	\$ 281,450	\$ -	\$ -	\$ -	\$ 281,450
Professional fees	3,960	3,960	-	7,920	14,420	10,560	24,980	32,900
Facilities, equipment and other rental	-	-	-	-	4,300	720	5,020	5,020
Information technology	666	600	-	1,266	1,267	-	1,267	2,533
Licenses and permits	-	3,570	-	3,570	-	-	-	3,570
Advertising	-	-	-	-	-	2,055	2,055	2,055
Processing fees	-	-	-	-	-	830	830	830
Food and beverages	-	-	-	-	-	2,380	2,380	2,380
Dues and subscriptions	-	-	-	-	125	5,113	5,238	5,238
Insurance	-	-	-	-	1,791	-	1,791	1,791
Postage and delivery	-	47	-	47	79	47	126	173
Supplies	-	-	-	-	410	1,875	2,285	2,285
<b>Total functional expenses</b>	<b>\$ 286,076</b>	<b>\$ 8,177</b>	<b>\$ 0</b>	<b>\$ 294,253</b>	<b>\$ 22,392</b>	<b>\$ 23,580</b>	<b>\$ 45,972</b>	<b>\$ 340,225</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, 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	3,960	3,960	-	7,920	14,420	10,560	32,900
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
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>\$ 355,845</b>	<b>\$ 8,060</b>	<b>\$ 292</b>	<b>\$ 364,197</b>	<b>\$ 21,966</b>	<b>\$ 27,936</b>	<b>\$ 414,099</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, 2021 AND 2020**

	<u>2021</u>	<u>2020</u>
<b>Cash flows from operating activities</b>		
Cash received from campaign contributions	\$ 333,529	\$ 264,165
Cash received from program fees: Health Fair	0	873
Cash received from special events	24,345	22,520
Cash paid for support services	<u>(310,102)</u>	<u>(372,351)</u>
Net cash (used) provided by operating activities	47,772	(84,793)
<b>Cash flows from investing activities</b>		
Cash received from interest income	<u>725</u>	<u>1,786</u>
Net cash (used) provided by investing activities	<u>725</u>	<u>1,786</u>
<b>Net increase in cash</b>	48,497	(83,007)
<b>Cash and cash equivalents, beginning of year</b>	<u>208,040</u>	<u>291,047</u>
<b>Cash and cash equivalents, end of year</b>	<u><u>\$ 256,537</u></u>	<u><u>\$ 208,040</u></u>

The accompanying notes are an integral part of this statement.

**UNITED WAY OF WISE COUNTY, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2021 AND 2020**

**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.

**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.

**Recently Adopted Accounting Standards**

In January 2020, the Organization adopted Financial Accounting Standards Board (“FASB”) Accounting Standards Update (“ASU”) 2018-13, *Fair Value Measurement (Topic 820): Disclosure Framework – Changes to the Disclosure Requirements for “Fair Value Measurement.”* ASU 2018-13 modifies the disclosure requirement in Topic 820, “Fair Value Measurement.” The adoption of this guidance did not have a material impact on the Organization’s financial statements.

In May 2014, FASB issued ASU 2014-09, *Revenue from Contracts with Customers* (“ASU 2014-09”). The revenue recognition standard eliminates the transaction- and industry-specific revenue recognition guidance under current generally accepted accounting

**UNITED WAY OF WISE COUNTY, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2021 AND 2020**

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

**Recently Adopted Accounting Standards (Continued)**

principles and replaces it with a principle-based approach for determining revenue recognition. The core principle of the revenue recognition standard is that an entity should recognize revenue to depict the transfer of goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those good or services.

The FASB also issued the following amendments to ASU 2014-09 to provide clarification on the guidance: ASU 2015-14, *Revenue from Contracts with Customers (Topic 606) – Deferral of the Effective Date*, ASU 2016-08, *Revenue from Contracts with Customers (Topic 606) – Principal versus Agent Considerations (Reporting Revenue Gross Versus Net)*, and ASU 2016-10, *Revenue from Contracts with Customers (Topic 606) – Identifying Performance Obligations and Licensing*, and ASU 2016-12, *Revenue from Contracts with customers (Topic 606) – Narrow-Scope Improvements and Practical Expedients*.

The Organization adopted the provisions of ASU 2014-09 and all of the related amendments effective January 1, 2020 which did not have material effects on net assets with or without donor restrictions.

**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.

**Revenue Recognition**

Public support and contributions received are recorded as revenue and net assets with or without donor restrictions, depending on the existence and nature of any donor restrictions or by law. In general, grants received by the organization are considered contributions.

Public support and contributions are considered to be available for unrestricted use unless specifically restricted by the donor. Amounts received that are restricted by the donor for future periods or for specific purposes are reported as increases in net assets with donor restrictions. When a restriction is fulfilled (that is, when a stipulated time restriction ends or the purpose of restriction is accomplished), net assets with donor restrictions are reclassified and reported in the statements of activities as net assets without donor restrictions. However, if a restriction is fulfilled in the same time period in which the contribution is received, the support is reports as net assets without donor restrictions.

**UNITED WAY OF WISE COUNTY, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2021 AND 2020**

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

**Revenue Recognition (Continued)**

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 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.

Fundraising event and program revenues received are not recognized until the revenue is earned which is at the time of conclusion of the event or when the services are provided.

In addition, a number of volunteers have donated 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 122 and 236 hours for the years ended December 31, 2021 and 2020, respectively.

**Pledges Receivable**

Unconditional promises to give are recorded as pledges receivable and contribution revenue in the year the promise is made.

**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, 2021 and 2020, 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, 2018.

**UNITED WAY OF WISE COUNTY, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2021 AND 2020**

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

**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.

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, 2021 and 2020.

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.

**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.

**UNITED WAY OF WISE COUNTY, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2021 AND 2020**

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

**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, 2021 and 2020, was \$59,362 and \$33,873, respectively. All the pledges are due in less than one year.

All pledges receivables are deemed collectible within one year therefore no estimation by discounting of future cash flows using a risk-free rate of return is required.

The allowance for uncollectable pledges was \$8,000 and \$6,000 for the years ended December 31, 2021 and 2020, respectively.

**Note 4 – Donated Materials and Services**

The Organization received donated office space, director management fees, web site maintenance services, signage, and prize donations from local vendors during the years ended December 31, 2022 and 2021, with estimated fair market values of \$33,496 and \$33,749, respectively. The amounts are functionally allocated on the Statement of Activities.

**Note 5 - Advertising**

The Organization expenses advertising cost as incurred. Advertising cost were \$2,055 and \$3,400 for the years ended December 31, 2021 and 2020, respectively.

**UNITED WAY OF WISE COUNTY, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2021 AND 2021**

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

The Organization's net assets without donor restrictions were \$409,900 and \$333,016 for the years ended December 31, 2021 and 2020, 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, 2021 and 2020, 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, 2022 through December 31, 2022, 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 April 12, 2023, the date which the financial statements were available to be issued.