

UNITED WAY OF SOUTHEAST IDAHO, INC.

FINANCIAL STATEMENTS

MARCH 31, 2021

WITH COMPARATIVE TOTALS FOR THE YEAR ENDED MARCH 31, 2020

**DEATON
COMPANY**

Certified Public Accountants

UNITED WAY OF SOUTHEAST IDAHO, INC.

**ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED MARCH 31, 2021
WITH COMPARATIVE TOTALS FOR THE YEAR ENDED MARCH 31, 2020**

TABLE OF CONTENTS

	<u>Page</u>
TITLE PAGE	1
TABLE OF CONTENTS	2
AUDITOR'S REPORT	
Independent Auditor's Report	3-4
FINANCIAL STATEMENTS	
Statement of Financial Position	5
Statement of Activities and Changes in Net Assets	6
Statement of Functional Expenses	7
Statement of Cash Flows	8
Notes to Financial Statements	9-13



INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
United Way of Southeastern Idaho, Inc.

We have audited the accompanying statement of financial position of United Way of Southeastern Idaho, Inc. (a non-profit organization), which comprise the statement of financial position as of March 31, 2021, and the related statements of activities, functional expenses, and cash flows for the years then ended.

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 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 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 Southeastern Idaho, Inc. as of March 31, 2021, and the changes in its net assets and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

Other Matters

Other Information

We also have previously audited, in accordance with auditing standards generally accepted in the United States of America, United Way of Southeastern Idaho, Inc.'s financial statements for the year ended March 31, 2020, which are presented as comparable totals with the accompanying financial statements and we expressed unmodified opinions on the respective financial statements. That audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise United Way of Southeastern Idaho, Inc.'s financial statements as a whole. The summarized comparative information is consistent, in all material respects, with the audited financial statements from which it has been derived.



Pocatello, Idaho
January 20, 2022

UNITED WAY OF SOUTHEASTERN IDAHO, INC
STATEMENT OF FINANCIAL POSITION
AS OF MARCH 31, 2021
WITH COMPARATIVE TOTALS AS OF MARCH 31, 2020

ASSETS

	2021	2020
Current assets:		
Cash and cash equivalents	\$ 510,351	\$ 501,658
Pledges receivable, net	451,081	327,985
Prepaid expenses	829	684
Total current assets	962,261	830,327
 Equipment:		
Equipment	10,545	6,228
Less accumulated depreciation	6,661	6,228
Total property and equipment	3,884	-
Total assets	\$ 966,145	\$ 830,327

LIABILITIES AND NET ASSETS

Current liabilities:		
Accounts payable	\$ 60,477	\$ 8,251
Accrued payroll payables	23,414	19,281
Allocations payable	5,500	20,000
Donor designations payable	109,622	113,644
Total current liabilities	199,013	161,176
 Net assets:		
Without donor restrictions	767,132	669,151
With donor restrictions	-	-
Total net assets	767,132	669,151
Total liabilities and net assets	\$ 966,145	\$ 830,327

The accompanying notes are an integral part of these statements

UNITED WAY OF SOUTHEASTERN IDAHO, INC.
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED MARCH 31, 2021
WITH COMPARATIVE TOTALS FOR THE YEAR ENDED MARCH 31, 2020

	<u>Without Donor Restriction</u>	<u>With Donor Restrictions</u>	<u>Total</u>	<u>2020</u>
Revenues, gains and other support:				
Campaign results:				
Gross campaign	\$ 863,013	\$ 141,089	\$ 1,004,102	\$ 1,169,640
Less:				
Donor designations	-	(141,089)	(141,089)	(265,385)
Provision for uncollectable campaign pledges	-	-	-	-
Net campaign results	<u>863,013</u>	<u>-</u>	<u>863,013</u>	<u>904,255</u>
Interest income	48	-	48	119
Grant revenue	307,500	-	307,500	151,100
Awards, refunds and other income	815	-	815	-
Total revenues, gains, and other support	<u>1,171,376</u>	<u>-</u>	<u>1,171,376</u>	<u>1,055,474</u>
Expenses:				
Allocations to agencies	492,912	-	492,912	429,114
Less: allocations funded by donor designations	(141,089)	-	(141,089)	(265,385)
Total allocations	<u>351,823</u>	<u>-</u>	<u>351,823</u>	<u>163,729</u>
Program services	551,002	-	551,002	440,487
Fundraising	28,665	-	28,665	52,066
Management and general	58,098	-	58,098	30,444
Total functional expenses	<u>989,588</u>	<u>-</u>	<u>989,588</u>	<u>686,726</u>
Other expenses:				
Bad debt expense	70,732	-	70,732	47,746
National dues	13,075	-	13,075	7,590
Total other expenses	<u>83,807</u>	<u>-</u>	<u>83,807</u>	<u>55,336</u>
Total expenses	<u>1,073,395</u>	<u>-</u>	<u>1,073,395</u>	<u>742,062</u>
Change in net assets	97,981	-	97,981	313,412
Net assets at beginning of year	<u>669,151</u>	<u>-</u>	<u>669,151</u>	<u>355,739</u>
Net assets at end of year	<u>\$ 767,132</u>	<u>\$ -</u>	<u>\$ 767,132</u>	<u>\$ 669,151</u>

The accompanying notes are an integral part of these statements

UNITED WAY OF SOUTHEASTERN IDAHO, INC.
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED MARCH 31, 2021
WITH COMPARATIVE TOTALS FOR THE YEAR ENDED MARCH 31, 2020

	Supporting Services		Total	2020
	Allocations and Program Services	Fund Raising		
Allocations to agencies	\$ 426,369	\$ 22,181	\$ 44,362	\$ 429,114
Salaries	235,379	12,245	24,490	258,490
Employee benefits	33,135	1,724	3,448	39,634
Payroll taxes	16,389	853	1,705	19,046
Campaign expenses	22,852	1,189	2,378	14,737
Conferences/training	3,774	196	393	9,887
Insurance	1,583	82	165	1,959
Audit and legal	5,834	304	607	6,727
Advertising and public awareness	2,971	155	309	3,102
Office expense	16,002	832	1,665	12,654
Postage	1,239	64	129	854
Special Program expenses	166,855	8,680	17,361	120,188
Dues and subscriptions	5,895	307	613	7,647
Auto and travel	727	38	76	3,734
Rent	28,264	1,470	2,941	20,129
Telephone	3,994	208	416	4,119
Other	5,734	299	595	90
Total program expenses before depreciation	550,627	28,646	57,291	636,564
Depreciation expense	375	19	39	-
Total allocations and functional expenses	\$ 977,371	\$ 50,846	\$ 101,692	\$ 952,111

The accompanying notes are an integral part of these statements

UNITED WAY OF SOUTHEASTERN IDAHO, INC.
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED MARCH 31, 2021
WITH COMPARATIVE TOTALS FOR THE YEAR ENDED MARCH 31, 2020

	2021	2020
Cash flows from operating activities:		
Change in net assets	\$ 97,981	\$ 313,412
Adjustments to reconcile net income to net cash from operating activities:		
Depreciation	\$ 433	\$ -
(Increase) decrease in pledges receivable	(123,096)	37,898
(Increase) decrease in prepaid expenses	(145)	86
Increase (decrease) in allocations payable	(18,522)	(249,172)
Increase (decrease) in accounts payable	52,226	3,154
Increase (decrease) in accrued payables	4,133	1,746
Total adjustments	(84,971)	(206,288)
Net cash provided (used) by operating activities	13,010	107,124
 Cash flows from investing activities:		
Payments for property and equipment	(4,317)	-
Net cash provided by investing activities	(4,317)	-
 Cash flows from financing activities		
Net increase (decrease) in cash and cash equivalents	8,693	107,124
Cash and cash equivalents, beginning of year	501,658	394,534
Cash and cash equivalents, end of year	\$ 510,351	\$ 501,658
 Supplemental disclosures:		
Interest paid	\$ -	\$ -
Income taxes paid	\$ -	\$ -
Non-cash transactions	\$ -	\$ -

The accompanying notes are an integral part of these statements

UNITED WAY OF SOUTHEASTERN IDAHO, INC

NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2021

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

United Way of Southeastern Idaho, Inc. (United Way) is a nonprofit corporation that was formed in 1954 to meet the community's human services needs. United Way's work impacts lives in the seven southeastern-most counties of Idaho.

Annual fund raising campaigns are mainly conducted in the fall of each year to support programs primarily in the subsequent year. Campaign contributions are used to support local health and human services programs of local partner agencies and those that United Way operates, and include corporate gifts to pay United Way's operating expenses. Donors may designate their pledges to any 501(c)(3) nonprofit that does not discriminate or promote terrorism. Community care pledges are pooled and are strategically invested in local health and human services programs.

Annual fall campaign results are reduced by pledges collected on behalf of others or pledged to a specific organization, and by a provision for uncollectible pledges. The resulting net campaign results are reflected as temporarily restricted in the accompanying statement of activities as the amounts are to be expended in the following year. Prior year campaign results are reflected as net assets released from restrictions in the current year statement of activities. Net campaign results are invested in community programs at the completion of the campaign.

Basis of Presentation

The accompanying financial statements of United Way are presented on the accrual basis of accounting and accordingly reflect all significant receivables, payables, and other liabilities.

The Organization is required to report information regarding its financial position and activities according to two classes of net assets: those with donor restrictions and those without donor restrictions. As permitted, fund accounting is not used.

Net assets, revenues, expenses, gains, and losses of United Way are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets of United Way and changes therein are reported as follows:

Net assets without donor restrictions represent the part of net assets that are not restricted by donor-imposed stipulations. Grant and contribution resources where restrictions are met within the same year as received are recorded as without donor restrictions. Other restricted resources are recorded as restricted when received and as released from restriction when spent, including when spent within the same year.

Net assets with donor restrictions represent the part of net assets whose use is limited by donor-imposed stipulations that either expire by the passage of time or can be fulfilled by actions of United Way. When the stipulated time restriction ends or action is accomplished, restricted net assets are reclassified to net assets without restrictions and are reported in the statement of activities as net assets released from restrictions.

UNITED WAY OF SOUTHEASTERN IDAHO, INC

NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2021

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Cash and Cash Equivalents

Cash and cash equivalents consist of demand deposits and all short-term unrestricted highly liquid debt instruments purchased with maturity of three months or less.

Pledges Receivable

Contributions from campaigns are recorded as revenue when United Way is notified in writing of a pledge that is, in substance, unconditional. Donor designations are recognized as a receivable and payable at the time the pledge is made to United Way.

Annual campaigns are predominantly conducted in the fall. The total results from the annual campaign are reduced by promises to give collected on behalf of others (donor designations) and by a provision for amounts promised but not paid (uncollectible promises to give).

Differences between amounts provided for uncollectible promises to give in each campaign and actual losses are an accounting adjustment in the year following the campaign.

Provision for Uncollectible Promises to Give

Campaign pledges less the allowance for uncollectible pledges are expected to be received within one year. The provision for uncollectible promises to give is an estimate based on management's evaluation of the collectability of existing promises to give. The provision is based on the prior campaign collection experience and any new market conditions.

Property and Equipment

Fixed assets owned and used in operations are included in the fund balance without donor restrictions and are recorded at cost. The Organization follows the practice of capitalizing all expenditures for equipment in excess of \$1,000. Depreciation expense is recorded by using the straight-line method over the estimated useful lives of the assets, which range from 5 to 10 years.

Functional Allocation of Expenses

The costs of providing the Organization's various programs and supporting services have been summarized on a functional basis in the statement of activities. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

Use of Estimates

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues, gains, support and expenses during the reporting period. Actual results could differ from those estimates.

UNITED WAY OF SOUTHEASTERN IDAHO, INC

NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2021

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Designated pledges

United Way has adopted the standard which requires that campaign contributions designated by the donor for a specific organization cannot be included in campaign revenue, nor can the payment of such contributions to the designated organization be included in expenses. Instead, United Way records cash or a receivable from the donor and a liability to the designated beneficiary.

Reclassification

Certain accounts in the prior-year financial statements have been reclassified for comparative purposes to conform with the presentation in the current-year financial statements.

NOTE 2 - CONCENTRATION OF CREDIT RISK

Financial instruments that potentially subject United Way to concentrations of credit risk consist primarily of the following:

Pledges Receivable

Substantially all of pledges receivable are from individuals and businesses in the Pocatello and Blackfoot areas. Concentrations of credit risk may be limited due to the large number of donors comprising United Way's donor base, however the collection of the receivables may be affected by the economy of the cities.

Cash

United Way maintains bank accounts at various financial institutions. Accounts at an institution are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000. As of March 31, 2021, there was \$190,977 uninsured.

NOTE 3 - RETIREMENT PLAN

The Corporation has adopted a salary reduction simplified employee pension plan covering all eligible employees. Employer contributions at 6% of compensation amounted to \$12,155 and \$11,996 for the years ended March 31, 2021 and 2020, respectively.

NOTE 4 - INCOME TAXES

United Way is a tax-exempt corporation under Section 501(c)(3) of the Internal Revenue Code. Accordingly, no provision for income taxes is included in the financial statements.

UNITED WAY OF SOUTHEASTERN IDAHO, INC

**NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2021**

NOTE 5 - PLEDGES RECEIVABLE

Pledges receivable are reported at their net realizable amounts. At year end the pledges receivable and accumulated allowance for uncollectible pledges were as follows:

	<u>2021</u>	<u>2020</u>
Pledges receivable in less than one year	\$ 599,453	\$ 463,329
Accumulated allowance for uncollectible pledges	<u>(148,372)</u>	<u>(135,344)</u>
	<u>\$ 451,081</u>	<u>\$ 327,985</u>

The current year provision for uncollectable campaign pledges were estimated at \$70,732. During the year, \$0 was recovered from prior year uncollectables.

NOTE 6 - DONOR RESTRICTED

During the year, the Organization released \$0 in donor restricted assets. The release of restrictions were recognized when time and/or designation restrictions were met.

At yearend the donor restricted assets of \$0 represent donor restricted contributions to designated organizations.

Donor designated assets are recorded as payables when pledged.

NOTE 7 - LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS

The Organization's primary sources of income are contributions and grant revenues. A portion of that support is required to be used in accordance with the purpose restrictions imposed by the donor. Donor restricted support has historically funded 25% of annual program activities, with the remainder funded by income without donor restrictions.

Financial assets available within one year and free of donor restrictions:

Cash and cash equivalents	\$ 510,351
Unconditional Promises to give	<u>451,081</u>
	\$ 961,432
Less those unavailable for general expenditures within one year, due to:	
Donor restrictions	<u>-</u>
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 961,432</u>

NOTE 8 - LEASE EXPENSE

The Organization entered into a five year multi-year lease agreement for office space in February 2020. The lease requires monthly payments of \$2,000 for the first year with annual rent adjustments on the anniversary date of the lease equivalent to the CPI Index. February 2021 rent increased to \$2,500.

UNITED WAY OF SOUTHEASTERN IDAHO, INC

NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2021

NOTE 9 - CAMPAIGN RESULTS

Net campaign results are invested in local community impact programs at the completion of the campaign. Total campaign pledges for the year were \$1,004,102 of which \$599,453 is uncollected at year end. Of the amount not collected, it is estimated that \$0 will not be collectible. United Way had committed community care allocations in the amount of \$316,273, of which \$20,000 was granted for the 2019-20 and \$296,273 was for 2020-21. This amount for 2019-20 is reflected as allocations payable in the accompanying statement of financial position. The organization also expended \$551,002 in program services as reflected in the same statement. In addition, donor designations payables totaled \$109,622.

NOTE 10 - ADVERTISING

The Organization uses advertising to educate the public about its programs among the community it serves. The production costs of advertising are expensed as incurred. At yearend, advertising costs totaled \$3,434.

NOTE 11 - SUBSEQUENT EVENTS

Management evaluated subsequent events up to January 20, 2022, the date the financial statements were available to be issued.

NOTE 12 - OPEN TAX YEARS

The Organization has been classified as an other-than private foundation and is tax-exempt under Section 501(c)(3) of the Internal Revenue Code. The Organization is subject to a tax on income from any unrelated business.

The Organization adopted the recognition requirements for uncertain income tax positions as required by generally accepted accounting principles, with no cumulative effect adjustment required. Income tax benefits are recognized for income tax positions taken or expected to be taken on a tax return, only when it is determined that the income tax position will more-likely-than-not be sustained upon examination by taxing authorities. The Organization has analyzed tax positions taken for filing with the Internal Revenue Service and all state jurisdictions where it operates. The Organization believes that income tax filing positions will be sustained upon examination and does not anticipate any adjustments that would result in a material adverse affect on the Organization's financial condition, results of operations or cash flows. Accordingly, the Organization has not recorded any reserves, or related accruals for interest and penalties for uncertain income tax positions at March 31, 2021.

The Organization is subject to routine audits by taxing jurisdictions; however, there are currently no audits for any tax periods in progress. The Organization believes it is no longer subject to income tax examinations for years prior to 2017.

The Organization's policy is to classify income tax related interest and penalties in interest expense and other expenses, respectively.