

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

**FINANCIAL STATEMENTS**

**FOR THE YEARS ENDED**

**DECEMBER 31, 2014 AND 2013**

**UNITED WAY OF WISE COUNTY, INC.**  
**FINANCIAL STATEMENTS**  
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*Siegmund & Associates, LLC*  
*Certified Public Accountants*

**Independent Auditor's Report**

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

We have audited the accompanying financial statements of United Way of Wise County, Inc. (a nonprofit organization), which comprise the statement of financial position as of December 31, 2014 and 2013, 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 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 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.

**Opinion**

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of United Way of Wise County, Inc. as of December 31, 2014 and 2013 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 and Associates, LLC  
Certified Public Accountants

November 16, 2015

**UNITED WAY OF WISE COUNTY, INC.**  
**STATEMENT OF FINANCIAL POSITION**  
**DECEMBER 31, 2014 AND 2013**

<b>ASSETS</b>		
	<b>2014</b>	<b>2013</b>
<b>Current Assets</b>		
Cash and cash equivalents	\$ 402,568	\$ 362,424
Short-term certificate of deposit	100,358	100,406
Pledges receivable, net	101,943	169,890
Total Current Assets	604,869	632,720
Investments, at fair value	100,000	100,000
<b>Total Assets</b>	<b>704,869</b>	<b>732,720</b>
<b>LIABILITIES AND NET ASSETS</b>		
<b>Current Liabilities</b>		
Accounts payable	1,194	0
Total Current Liabilities	1,194	0.00
<b>Net Assets</b>		
Unrestricted	368,973	355,467
Temporarily restricted	334,702	377,253
Total Net Assets	703,675	732,720
<b>Total Liabilities and Net Assets</b>	<b>\$ 704,869</b>	<b>\$ 732,720</b>

The accompanying notes are an integral part of this statement.

**UNITED WAY OF WISE COUNTY, INC.**  
**STATEMENT OF ACTIVITIES**  
**DECEMBER 31, 2013**

Changes in Net Assets:	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
<b>Public Support and Revenue</b>			
Campaign results			
Gross annual campaign	\$ 94,108	\$ 304,577	\$ 398,685
Community special events	0	86,461	86,461
Less provision for uncollectible pledges	<u>0</u>	<u>(13,785)</u>	<u>(13,785)</u>
Net campaign contributions	94,108	377,253	471,361
Program fees	6,000	0	6,000
Special events			
Golf Tournament	18,216	0	18,216
Kick-off	5,755	0	5,755
Annual Meeting	<u>2,000</u>	<u>0</u>	<u>2,000</u>
Total special events	25,971	0	25,971
Contributed goods and services	7,925	0	7,925
Interest income	1,986	0	1,986
Net assets released from restrictions:			
Net assets released from restrictions	<u>359,386</u>	<u>(359,386)</u>	<u>0</u>
<b>Total Support and Revenues</b>	<u>495,376</u>	<u>17,867</u>	<u>513,243</u>
<b>Expenses</b>			
Program services			
Gross distributions to agencies	444,248	0	444,248
Net allocations granted to agency programs	444,248	0	444,248
Other program expenses	<u>16,648</u>	<u>0</u>	<u>16,648</u>
Total program services	460,896	0	460,896
Supporting services			
Fundraising	39,536	0	39,536
Management and general	<u>27,926</u>	<u>0</u>	<u>27,926</u>
Total supporting services	67,462	0	67,462
<b>Total Expenses</b>	<u>528,358</u>	<u>0</u>	<u>528,358</u>
<b>Change in Net Assets</b>	(32,982)	17,867	(15,115)
<b>Net Assets at Beginning of Year</b>	<u>388,449</u>	<u>359,386</u>	<u>747,835</u>
<b>Net Assets at End of Year</b>	<u>\$ 355,467</u>	<u>\$ 377,253</u>	<u>\$ 732,720</u>

The accompanying notes are an integral part of this statement.

**UNITED WAY OF WISE COUNTY, INC.**  
**STATEMENT OF ACTIVITIES**  
**DECEMBER 31, 2014**

<b>Changes in Net Assets:</b>	<b>Unrestricted</b>	<b>Temporarily Restricted</b>	<b>Total</b>
<b>Public Support and Revenue</b>			
Campaign results			
Gross annual campaign	\$ 74,952	\$ 287,068	\$ 362,020
Community special events	0	71,912	71,912
Less provision for uncollectible pledges	0	(19,842)	(19,842)
Less donor designations	0	(4,436)	(4,436)
Net campaign contributions	74,952	334,702	409,654
Program fees	5,780	0	5,780
Special events			
Golf Tournament	29,010	0	29,010
Kick-off	6,565	0	6,565
Annual Meeting	2,000	0	2,000
Total special events	37,575	0	37,575
Contributed goods and services	7,647	0	7,647
Interest income	2,755	0	2,755
Net assets released from restrictions:			
Net assets released from restrictions	377,253	(377,253)	0
<b>Total Support and Revenues</b>	<b>505,962</b>	<b>(42,551)</b>	<b>463,411</b>
<b>Expenses</b>			
Program services			
Gross distributions to agencies	422,186	0	422,186
Less donor designations to agencies	(4,436)	0	(4,436)
Net allocations granted to agency programs	417,750	0	417,750
Other program expenses	14,155	0	14,155
Total program services	431,905	0	431,905
Supporting services			
Fundraising	30,877	0	30,877
Management and general	29,673	0	29,673
Total supporting services	60,550	0	60,550
<b>Total Expenses</b>	<b>492,455</b>	<b>0</b>	<b>492,455</b>
<b>Change in Net Assets</b>	<b>13,507</b>	<b>(42,551)</b>	<b>(29,044)</b>
<b>Net Assets at Beginning of Year</b>	<b>355,467</b>	<b>377,253</b>	<b>732,720</b>
<b>Net Assets at End of Year</b>	<b>\$ 368,974</b>	<b>\$ 334,702</b>	<b>\$ 703,676</b>

The accompanying notes are an integral part of this statement.

**UNITED WAY OF WISE COUNTY, INC.**  
**STATEMENT OF FUNCTIONAL EXPENSES**  
**DECEMBER 31, 2013**

	Program Services			Supporting Services		Total Expenses
	Allocations and Distributions	Assistance Network	Health Fair	General and Administrative	Fundraising	
Gross distributions to agencies	\$ 444,248	\$ 0	\$ 0	\$ 0	\$ 0	\$ 444,248
Professional fees	2,640	2,640	1,320	11,980	13,200	31,780
Facilities rental	0	0	2,418	0	6,902	9,320
Donated facilities	0	0	0	3,600	0	3,600
Information technology	0	474	0	474	0	948
Licenses and permits	0	6,486	0	0	0	6,486
Advertising	0	0	0	4,993	0	4,993
Processing Fees	0	0	0	0	0	0
Outside Services	0	204	0	0	1,750	1,750
Travel	0	0	0	0	0	204
Food and Beverages	0	300	0	110	0	110
Printing	0	0	0	0	0	300
Meetings	0	0	0	124	1,286	1,410
Dues and subscriptions	0	0	0	0	498	498
Insurance	0	0	0	4,150	0	4,150
Other miscellaneous	80	0	0	1,668	0	1,668
Supplies	0	86	0	275	12,453	12,808
				552	3,447	4,085
<b>Totals</b>	<b>\$ 446,968</b>	<b>\$ 10,190</b>	<b>\$ 3,738</b>	<b>\$ 27,926</b>	<b>\$ 39,536</b>	<b>\$ 528,358</b>

The accompanying notes are an integral part of this statement.



**UNITED WAY OF WISE COUNTY, INC.**  
**STATEMENT OF FUNCTIONAL EXPENSES**  
**DECEMBER 31, 2014**

	Program Services			Supporting Services			Total Expenses
	Allocations and Distributions	Assistance Network	Health Fair	General and Administrative	Fundraising		
Gross distributions to agencies	\$ 419,486	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 419,486
Less donor designations to agencies	(4,436)	0	0	0	0	0	(4,436)
Net distributions to agency programs	415,050	0	0	0	0	0	415,050
Professional fees	2,640	2,640	1,320	12,798	13,200		32,598
Facilities rental	0	0	2,418	0	9,754		12,172
Donated facilities	0	0	0	3,600	0		3,600
Information technology	0	510	0	509	0		1,019
Licenses and permits	0	5,038	0	0	0		5,038
Advertising	0	0	0	4,826	1,039		5,865
Processing Fees	0	0	0	0	1,192		1,192
Outside Services	0	204	0	0	198		402
Travel	0	0	0	113	0		113
Food and Beverages	0	190	1,077	0	0		1,267
Printing	0	0	0	112	1,605		1,717
Meetings	0	0	0	0	498		498
Dues and subscriptions	0	0	0	4,466	0		4,466
Insurance	0	0	0	1,738	0		1,738
Other miscellaneous	60	0	0	185	9		254
Supplies	0	278	480	1,326	3,382		5,466
<b>Totals</b>	<b>\$ 417,750</b>	<b>\$ 8,860</b>	<b>\$ 5,295</b>	<b>\$ 29,673</b>	<b>\$ 30,877</b>		<b>\$ 492,455</b>

The accompanying notes are an integral part of this statement.

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

**STATEMENT OF CASH FLOWS**

**DECEMBER 31, 2014 AND 2013**

	<u>2014</u>	<u>2013</u>
<b>Cash Flows from Operating Activities</b>		
Cash received from contributors	\$ 482,085	\$ 470,107
Cash received from programs and services	5,900	6,000
Cash received from special events	37,575	25,971
Cash received from other sources	2,755	1,986
Cash paid to employees and suppliers	<u>(488,171)</u>	<u>(511,078)</u>
Net cash provided by operating activities	<u>40,144</u>	<u>(7,014)</u>
<b>Cash Flows from Financing Activities</b>		
<b>Net Increase in Cash</b>	40,144	(7,014)
<b>Cash at Beginning of Period</b>	<u>362,424</u>	<u>369,438</u>
<b>Cash at End of Period</b>	<u><u>\$ 402,568</u></u>	<u><u>\$ 362,424</u></u>

The accompanying notes are an integral part of this statement.

**UNITED WAY OF WISE COUNTY, INC.**  
**FINANCIAL STATEMENTS**  
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**Note 1 – Nature of Activities**

United Way of Wise County, Inc. (the “Organization”), a Texas nonprofit corporation founded in 1995, 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, TX by mobilizing the caring power of the community. The Organization conducts annual fund-raising campaigns to solicit contributions for distribution to non-profit agencies within Wise County. The Organization delivers important health and human services through the following programs:

- Allocations and Distributions      Distributes funds to Board approved non-profit 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.**  
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**Note 2 – Summary of Significant Accounting Policies (Continued)**

**Pledges Receivable**

Unconditional promises to give are recorded as pledges receivable and contribution revenue when the promise is made. All pledges are receivable within one year. Pledges receivable and related contributions are initially recorded at their net realizable value based on amounts expected to be collected from donors. This valuation reflects net pledge balances at a level which, in the judgment of management, is adequate to meet the present and potential risks of uncollectibility of the pledges receivable. Management's judgment is based on a variety of factors, which include experience related to charge offs and recoveries, previous collection history and scrutiny of individual accounts. The Organization uses the allowance method to determine uncollectible pledges receivable.

**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 ending December 31, 2014 and 2013, 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 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, 2012.

**Contributions**

In the absence of donor restrictions, contributions, pledges and grants are considered to be available for unrestricted use. All income is recognized in the period when the contribution, pledge or grant is received. Restricted assets received and released from restriction within the same reporting period are recorded as unrestricted assets.

**UNITED WAY OF WISE COUNTY, INC.**  
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**Note 2 – Summary of Significant Accounting Policies (Continued)**

**Contributions (Continued)**

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 treated as temporarily restricted net assets in the current year and are transferred to unrestricted net assets in the year following the campaign when the time restriction expires. These funds will be used to fund agency allocations and the Organization's programs and supporting services.

The most recent fund raising campaign is treated as restricted at December 31, 2014 and became unrestricted at January 1, 2015 to support operations throughout the fiscal year ending December 31, 2015.

**Donor Designations**

Annual campaign gifts in which the United Way agrees to transfer the gift to another beneficiary as designated by the donor constitute agency transactions and are deducted from gross campaign results to arrive at contribution revenue. In accordance with United Way Worldwide membership requirements, these designations are presented as part of gross campaign results and gross agency distributions on the statements of activities, but are then deducted to arrive at United Way's actual revenue and expense under accounting principles generally accepted in the United States of America (US GAAP).

**Unrestricted Net Assets**

Contributions received from third parties that are not restricted as to use or for which the donor imposed restrictions have been fulfilled are reported as unrestricted net assets in the accompanying financial statements.

**Temporarily Restricted**

Contributions received from third parties with donor stipulations that limit the use of the donated assets, including specific or implied time restrictions inherent in pledges to give cash or other assets in the future, are reported as temporarily restricted net assets in the accompanying financial statements. When the applicable restriction expires, that is, when a stipulated time restriction ends or the purpose of the restriction is accomplished

**UNITED WAY OF WISE COUNTY, INC.**  
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**Note 2 – Summary of Significant Accounting Policies (Continued)**

**Temporarily Restricted (Continued)**

(including accrual of the related obligation), temporarily restricted net assets are reclassified to unrestricted net assets and are reported in the statements of activities as net assets released from restrictions.

Contributions received with temporary restrictions which are satisfied in the same reporting period fulfilled are reported as unrestricted net assets in the accompanying financial statements.

All of the restrictions on net assets at December 31, 2014 and 2013 are related to contribution pledges that are applicable to the Organization's annual campaign for the subsequent year's allocations.

**Contributed Assets and Services**

Contributed assets are recorded at fair market value as of the date of donation. Contributed services are reported when the services create or enhance non-financial assets or would be purchased if they 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 revenue and expenses in the accompanying statement of activities, at amounts determined by management to be reasonable for obtaining such services.

The Organization received contributed office space, web site maintenance services, signage, meeting room rental, and prize donations from local vendors during the years ended December 31, 2014 and 2013, with estimated fair market values of \$7,647 and \$8,180, respectively. The amounts are functionally allocated on the Statement of Activities.

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 895 and 912 hours for the years ended December 31, 2014 and 2013, respectively.

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

**Use 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 statements 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.

**Advertising**

The Organization expenses advertising costs as incurred. Advertising costs were \$5,865 and \$4,993 for the years ended December 31, 2014 and 2013, respectively.

**Note 3 – Commitments to agency programs**

An estimate was made of allocations expected to be paid to agency programs for the period beginning January 1, 2015 through December 31, 2015, which is conditional upon the results of campaign collections. These conditional pledges total approximately \$434,000 and have not been accrued in the statements of financial position because a firm commitment has no been made.

**UNITED WAY OF WISE COUNTY, INC.**  
**FINANCIAL STATEMENTS**  
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**Note 4 – Pledges Receivable**

Pledges Receivable as of December 31, 2014 and 2013 are as follows:

	<u>December 31,</u>	
	<u>2014</u>	<u>2013</u>
Pledges Receivable:		
2012 Campaign	\$ 0	\$ 1,066
2013 Campaign	0	51,208
2014 Campaign	44,530	142,616
2015 Campaign	82,413	
Total Pledges Receivable	<u>126,943</u>	<u>194,890</u>
Less Allowances for Uncollectible Pledges	<u>(25,000)</u>	<u>(25,000)</u>
Pledges Receivable Net of Allowance	<u>\$ 101,943</u>	<u>\$ 169,890</u>

The Organization uses the allowance method to determine uncollectible pledges receivable. The allowance is based on prior years' experience and management's analysis of specific promises made. All pledges receivable are due within one year.

**Note 5 – Prior Period Adjustment**

A prior period adjustment was made to the financial statements. The organization recorded 2013 campaign contributions for the 2014 year as deferred revenue. Correction of the error resulted in an increase of \$259,637 in restricted net assets.

**Note 6 – Subsequent Events**

Subsequent events were evaluated through November 15, 2015, which is the date the financial statements were available to be issued.