

**UNITED WAY OF CALHOUN COUNTY**

**PORT LAVACA, TEXAS**

**Financial Statements**

**March 31, 2018 and 2017**

UNITED WAY OF CALHOUN COUNTY  
PORT LAVACA, TEXAS

Financial Statements  
March 31, 2018 and 2017

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### Independent Auditors' Report

To the Board of Directors, United Way of Calhoun County

We have audited the accompanying financial statements of United Way of Calhoun County (a nonprofit organization), which comprise the statements of financial position as of March 31, 2018, 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.

#### **Auditors' 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 audits 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.

#### **Opinion**

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of United Way of Calhoun County as of March 31, 2018, 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.

**Report on Summarized Comparative Information**

We have previously audited the United Way of Calhoun County's 2017 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated November 14, 2017. In our opinion, the summarized comparative information presented herein as of and for the year ended March 31, 2017, is consistent, in all material respects, with the audited financial statements from which it has been derived.

*Bumgardner, Morrison & Company, LLP*

**Bumgardner, Morrison & Company, LLP**  
Victoria, Texas  
November 13, 2018

**FINANCIAL STATEMENTS**

UNITED WAY OF CALHOUN COUNTY  
PORT LAVACA, TEXAS

Statements of Financial Position  
March 31, 2018 and 2017

	<u>2018</u>	<u>2017</u>
<b><u>Assets</u></b>		
Current Assets		
Cash and cash equivalents	\$ 276,948	\$ 176,573
Certificates of deposit	169,653	167,662
Unconditional promises to give	154,599	150,025
Interest receivable	386	386
Prepaid expenses	616	504
Total Current Assets	<u>602,202</u>	<u>495,150</u>
Fixed Assets		
Furniture and equipment	11,474	10,124
Less: accumulated depreciation	(8,662)	(8,026)
Total Assets Restricted in Furniture and Equipment	<u>2,812</u>	<u>2,098</u>
Total Assets	<u>\$ 605,014</u>	<u>\$ 497,248</u>
<b><u>Liabilities and Net Assets</u></b>		
Current Liabilities		
Accounts payable	\$ 127	\$ 84
Agency allocation payable	255,375	251,000
Total Current Liabilities	<u>255,502</u>	<u>251,084</u>
Net Assets		
Unrestricted	349,512	246,164
Total Net Assets	<u>349,512</u>	<u>246,164</u>
Total Liabilities and Net Assets	<u>\$ 605,014</u>	<u>\$ 497,248</u>

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

UNITED WAY OF CALHOUN COUNTY  
PORT LAVACA, TEXAS

Statements of Activities  
Years Ended March 31, 2018 and 2017

	2018	2017
Unrestricted Revenue and Other Support		
Contributions		
Gross campaign contributions	\$ 497,404	\$ 350,508
Less: Amounts raised on behalf of others	-	(983)
	497,404	349,525
Less: Provision for uncollectible pledges	(20,755)	(26,209)
Net campaign contributions	476,649	323,316
Sponsorship revenue	1,000	3,005
In-kind donations	7,200	4,800
Interest income	2,080	1,971
Other income	15,948	1,043
Total unrestricted revenue and other support	502,877	334,135
Expenses		
Program services		
Allocations to member agencies	328,050	259,586
Community investment	22,455	23,658
Supporting services		
Management and general	32,692	30,997
Fundraising	16,332	15,399
Total expenses	399,529	329,640
Change in Unrestricted Net Assets	103,348	4,495
Beginning Net Assets	246,164	241,669
Ending Net Assets	\$ 349,512	\$ 246,164

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

**UNITED WAY OF CALHOUN COUNTY  
PORT LAVACA, TEXAS**

**Statements of Functional Expenses  
Years Ended March 31, 2018 and 2017**

	Program Services		Supporting Services		2018 Total Expenses	2017 Total Expenses
	Agency Allocations	Community Investment	Management and General	Fund- Raising		
Agency allocations	\$ 328,050	\$ -	\$ -	\$ -	\$ 328,050	\$ 259,586
Salaries and wages	-	16,414	11,833	9,924	38,171	36,084
Payroll taxes	-	1,274	918	770	2,962	2,845
Total salaries and related expenses	-	17,688	12,751	10,694	41,133	38,929
Professional fees and contract services	-	-	9,700	-	9,700	9,800
Telephone	-	556	556	557	1,669	1,695
Postage and shipping	-	17	13	10	40	55
Rent	-	-	4,800	-	4,800	4,800
Repairs and maintenance	-	-	313	580	893	758
Office supplies	-	203	204	203	610	-
Advertising	-	96	-	382	478	630
Program expense	-	266	-	-	266	2,858
Bank charges	-	-	106	105	211	77
Dues and subscriptions	-	1,690	1,690	1,690	5,070	4,989
Insurance	-	614	615	614	1,843	1,986
Internet	-	-	179	331	510	738
Miscellaneous	-	1,007	1,606	1,007	3,620	2,094
Total other expenses	-	4,449	19,782	5,479	29,710	30,480
Total expenses before depreciation	328,050	22,137	32,533	16,173	398,893	328,995
Depreciation	-	318	159	159	636	645
Total functional expenses	<u>\$ 328,050</u>	<u>\$ 22,455</u>	<u>\$ 32,692</u>	<u>\$ 16,332</u>	<u>\$ 399,529</u>	<u>\$ 329,640</u>

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



**UNITED WAY OF CALHOUN COUNTY  
PORT LAVACA, TEXAS**

**Statements of Cash Flows  
Years Ended March 31, 2018 and 2017**

	<b>2018</b>	<b>2017</b>
Cash Flows from Operating Activities		
Change in net assets	\$ 103,348	\$ 4,495
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities		
Depreciation	636	645
Decrease (increase) in operating assets		
Unconditional promises to give	(4,574)	30,800
Certificates of deposit	(1,991)	(1,763)
Prepaid expenses	(112)	-
Increase (decrease) in operating liabilities		
Accounts payable	43	84
Agency allotments payable	4,375	21,000
Other United Ways payable	-	(41,614)
Net Cash Provided by Operating Activities	101,725	13,647
Cash Flows from Investing Activities		
Purchase of fixed assets	(1,350)	(589)
Net Cash Used in Investing Activities	(1,350)	(589)
Net Increase in Cash	100,375	13,058
Cash at Beginning of Year	176,573	163,515
Cash at End of Year	\$ 276,948	\$ 176,573

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

UNITED WAY OF CALHOUN COUNTY  
PORT LAVACA, TEXAS

Notes to Financial Statements  
March 31, 2018 and 2017

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**Note 1**     **Summary of Significant Accounting Policies**

Organization

The United Fund of Calhoun County was formed in October 1957 and was later renamed United Way of Calhoun County (the Organization) in December 1998. The purpose of the Organization is to bring together, in a united appeal, all possible campaigns of community accepted health, welfare, and recreational agencies, including local, state, and national service organizations.

Basis of Accounting

The Organization prepares its financial statements in accordance with generally accepted accounting principles, which involves the application of accrual accounting; consequently, revenues and gains are recognized when earned, and expenses and losses are recognized when incurred.

Financial Statement Presentation

Financial statement presentation follows the guidance of the Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) Topic 958, *Not-for-Profit Entities*. Under ASC 958, the Organization is required to report information regarding its financial position and activities according to three classes of net assets. The net assets of the Organization are classified and reported as follows:

*Unrestricted* – Net assets not subject to donor-imposed stipulations.

*Temporarily Restricted* – Net assets subject to donor-imposed stipulations that will be met by actions of the Foundation and/or the passage of time. When a donor-stipulated time restriction ends or a purpose restriction is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions.

*Permanently Restricted* – Net assets subject to donor-imposed stipulations requiring that they be maintained permanently by the Organization.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Cash and Cash Equivalents

The Organization considers all investments with original maturities of three months or less to be cash equivalents. However, such items that meet this definition but that are designated for long-term purposes or received with donor-imposed restrictions limiting their use to long-term purposes are not considered cash equivalents for cash flow reporting purposes.

UNITED WAY OF CALHOUN COUNTY  
PORT LAVACA, TEXAS

Notes to Financial Statements, Continued  
March 31, 2018 and 2017

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**Note 1**     **Summary of Significant Accounting Policies, Continued**

Property and Equipment

Property and equipment acquisitions are recorded at cost if purchased or the fair market value at the date of donation. If donors stipulate how long the assets must be used, then the contributions are recorded as temporarily restricted support. In the absence of such stipulations, contributions of property and equipment are recorded as unrestricted support. Property and equipment with cost or estimated value in excess of \$500 are capitalized. Property and equipment are depreciated using the straight-line method over their estimated useful lives. Depreciation expense for the years ended March 31, 2018 and 2017, was \$636 and \$645, respectively.

Contributions

The Organization accounts for contributions in accordance with the guidance of ASC 958 such that contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support, depending on the existence or nature of any donor-imposed restrictions.

Donor Designations

Designated funds contributed by companies and its participating employees to the Organization during the years ended March 31, 2018 and 2017, were made payable to specified organizations, both member and non-member agencies; therefore, the Organization's contributions on the financial statements are reduced by these designations.

Donor-Imposed Restrictions

All contributions are considered to be available for unrestricted use unless specifically restricted by the donor. Amounts received that are restricted for future periods or donor-restricted for specific purposes are reported as temporarily restricted or permanently restricted support that increases those net asset classes.

When a donor-stipulated time restriction ends or a purpose restriction is accomplished, then the restricted net assets are reclassified to unrestricted net assets and are reported in the Statements of Activities as net assets released from restriction.

If a restriction is fulfilled in the same time period in which the contribution is received, the contribution is reported as unrestricted.

Donated Facilities and Services

Donated facilities provided by the International Bank of Commerce are used by the Organization for its administrative activities and are recorded in the financial statements at the fair market value and shown as an expense. Donated services provided by Something More Media for social media services are recorded in the financial statements at the fair market value and shown as an expense.

UNITED WAY OF CALHOUN COUNTY  
PORT LAVACA, TEXAS

Notes to Financial Statements, Continued  
March 31, 2018 and 2017

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**Note 1**     **Summary of Significant Accounting Policies, Continued**

Contributed Services

Donated services are recognized as contributions in accordance with the guidance of ASC 958 if the services (a) create or enhance nonfinancial assets, or (b) require specialized skills, are performed by people with those skills, and would otherwise be purchased by the Organization. Although the Organization receives numerous hours of volunteer assistance during its annual pledge campaign, the nature of these services does not meet the criteria established in ASC 958 for recognition; therefore, the value of these services has not been recorded in the financial statements.

Income Taxes

The Organization is currently exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code and has not conducted unrelated business activities. Thus, there is no provision for income taxes in the accompanying financial statements. As of March 31, 2018, the Organization's federal returns generally remain open for the last three years.

**Note 2**     **Concentrations of Credit and Market Risk**

Financial instruments that potentially expose the Organization to concentrations of credit and market risk consist primarily of cash equivalents. As of January 1, 2013, the Federal Deposit Insurance Corporation (FDIC) insures all bank account balances up to \$250,000. The Organization maintains its cash deposits at one financial institution. At March 31, 2018 and 2017, the Organization's uninsured cash balances totaled \$27,839 and \$0, respectively. The Organization has not experienced any losses on its cash equivalents. Management believes the Organization is not exposed to any significant credit risk on cash and cash equivalents.

The Organization has a dependence on activities in the regional area of Calhoun County, Texas; therefore, negative effects on the local economy could greatly impact its operations and support received.

**Note 3**     **Promises to Give**

Contributions are recognized at their fair value when the donor makes a promise to give to the Organization that is, in substance, unconditional. Unconditional promises to give that are expected to be collected within the campaign year are recorded at their net realizable value which approximates fair 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. All unconditional promises to give at March 31, 2018 and 2017, are undesignated.

**UNITED WAY OF CALHOUN COUNTY  
PORT LAVACA, TEXAS**

**Notes to Financial Statements, Continued  
March 31, 2018 and 2017**

**Note 3     Promises to Give, Continued**

The Organization uses the allowance method to determine uncollectible, unconditional promises receivable. The allowance is based on prior years' experience and management's analysis of specific promises made. For the years ended March 31, 2018 and 2017, management recorded doubtful pledge expense in the amounts of \$20,755 and \$26,209, respectively, to reflect its estimate of uncollectible pledges. Unconditional promises to give at March 31, 2018 and 2017, were as follows:

	2018	2017
Promises to give, current		
2017-2018 Birdwell Campaign	\$ 164,467	\$ -
2016-2017 Nielsen Campaign	26,194	171,026
2015-2016 Martinez Campaign	-	10,887
	190,661	181,913
Less: allowance for uncollectible promises	(36,062)	(31,888)
Net Pledges Receivable	\$ 154,599	\$ 150,025

**Note 4     Functional Allocation of Expenses**

The costs of providing the various programs, fund-raising, and other activities have been summarized on a functional basis in the Statements of Functional Expenses. Accordingly, certain costs have been allocated among the programs and fund-raising activities benefited.

**Note 5     Subsequent Events**

The Organization has evaluated subsequent events through November 13, 2018, the date which the financial statements were available to be issued.