



COMMUNICATION WITH THOSE CHARGED WITH GOVERNANCE AT THE CONCLUSION OF THE AUDIT

To the Board of Directors
United Way of Laramie County
Cheyenne, Wyoming

We have audited the financial statements of United Way of Laramie County for the year ended December 31, 2018, and have issued our report thereon dated June 19, 2019. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated January 19, 2019. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Findings

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by United Way of Laramie County are described in Note 1 to the financial statements. New accounting policies were adopted during 2018 to comply with the new accounting pronouncement, Accounting Standards Update (ASU) No. 2016-14, Not-for-Profit Entities (Topic 958): Presentation of Financial Statements of Not-for-Profit Entities, as disclosed in Note 1. We noted no transactions entered into by United Way of Laramie County during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimate(s) affecting the financial statements was:

- Management's estimate of the uncollectible allowance provision for pledges receivable is based on historical collection experience. We evaluated the key factors and assumptions used to develop the uncollectible allowance provision for pledges in determining that it is reasonable in relation to the financial statements taken as a whole.

Certain financial statement disclosures are particularly sensitive because of their significance to financial statement users. The most sensitive disclosures affecting the financial statements were:

- The disclosure of Pledges Receivable in Note 3 to the financial statements.

Difficulties Encountered in Performing the Audit

We encountered no difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are trivial, and communicate them to the appropriate level of management. We did not identify any misstatements as a result of audit procedures that were material, either individually or in the aggregate, to the financial statements taken as a whole.

Disagreements with Management

For purposes of this letter, professional standards define a disagreement with management as a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated June 19, 2019.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the Organization's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. Management has informed us that they consulted with a former Board member from McGee, Hearne & Paiz, LLP regarding the treatment of a contract with the City of Cheyenne in the prior year, and that treatment continues to be reflected in the recently issued financial statements. To our knowledge, there were no other consultations with other accountants.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the Organization's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

Other Information in Documents Containing Audited Financial Statements

With respect to the supplementary information accompanying the financial statements, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with U.S. generally accepted accounting principles, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

This information is intended solely for the use of the Board of Directors and management of United Way of Laramie County and is not intended to be and should not be used by anyone other than these specified parties.



Cheyenne, Wyoming
June 19, 2019

UNITED WAY OF LARAMIE COUNTY

**FINANCIAL STATEMENTS AND
INDEPENDENT AUDITORS' REPORT**

For the Years Ended December 31, 2018 and 2017

UNITED WAY OF LARAMIE COUNTY

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors of
United Way of Laramie County
Cheyenne, Wyoming

We have audited the accompanying financial statements of the United Way of Laramie County, which comprise the statements of financial position as of December 31, 2018 and 2017, 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 audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America, as established by the Auditing Standards Board. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of 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 Laramie County as of December 31, 2018 and 2017, 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 Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The supplemental schedules of direct allocations paid to agencies (cash basis) on page 17, supplemental schedules of special allocations (cash basis) on page 17, supplemental schedules of support and revenue (excluding in-kind contributions) on page 18, and supplemental schedules of expenses (less in-kind expenses and annual sponsorships) on page 19 are presented for purposes of additional analysis and are not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

A handwritten signature in cursive script, appearing to read "RLR", with "LLP" written in smaller letters below the end of the signature.

Cheyenne, Wyoming
June 19, 2019

UNITED WAY OF LARAMIE COUNTY
STATEMENTS OF FINANCIAL POSITION
December 31, 2018 and 2017

	2018	2017
ASSETS		
Current Assets		
Cash and cash equivalents	\$ 646,779	\$ 582,809
Certificate of deposits (Note 2)	280,492	497,514
Other receivables	6,279	1,449
Pledges receivable, net (Note 3)	376,260	428,797
Prepaid expenses	3,305	3,011
Donated rent receivable, net of discounts, current portion (Note 3)	9,068	9,112
Total current assets	<u>1,322,183</u>	<u>1,522,692</u>
Non-Current Assets		
Security deposit	2,748	2,748
Cash surrender value of life insurance (Note 11)	49,270	38,757
Donated rent receivable, net of discounts and current portion (Note 3)	44,675	53,742
Property and equipment, net of accumulated depreciation (Note 9)	126,658	143,025
Total non-current assets	<u>223,351</u>	<u>238,272</u>
Total assets	<u>\$ 1,545,534</u>	<u>\$ 1,760,964</u>
LIABILITIES		
Current Liabilities		
Accounts payable	\$ 26,943	\$ 29,248
Designations and distributions payable (Note 8)	817,942	823,949
Deferred revenue	80,000	79,872
Accrued expenses, current portion	5,130	8,323
Total current liabilities	<u>930,015</u>	<u>941,392</u>
Non-Current Liabilities		
Deferred revenue	141,583	221,583
Accrued expenses, net of current portion (Note 11)	44,975	36,199
Total non-current liabilities	<u>186,558</u>	<u>257,782</u>
Total liabilities	<u>1,116,573</u>	<u>1,199,174</u>
NET ASSETS		
Net assets without donor restrictions	424,174	556,202
Net assets with donor restrictions (Note 7)	4,787	5,588
Total net assets	<u>428,961</u>	<u>561,790</u>
Total liabilities and net assets	<u>\$ 1,545,534</u>	<u>\$ 1,760,964</u>

See accompanying notes to financial statements.

UNITED WAY OF LARAMIE COUNTY

STATEMENT OF ACTIVITIES

For the Year Ended December 31, 2018

	Without Donor Restrictions	With Donor Restrictions	Total
Public support and revenue			
Gross public support	\$ 840,371	\$ 100	\$ 840,471
Donor contributions for specific organizations	(12,868)	-	(12,868)
Adjustment of provision for uncollectible pledges	(43,436)	-	(43,436)
Net campaign revenue	784,067	100	784,167
Special event revenue, net of direct benefit to donors (\$18,274)	80,991	-	80,991
Total special event revenue	80,991	-	80,991
Other revenue			
Investment income	5,881	-	5,881
Grants and contracts	111,667	-	111,667
Other income	58,670	-	58,670
5th penny overage	183,500	-	183,500
In-kind income (Note 4)	93,603	-	93,603
Net assets released from restrictions	901	(901)	-
Total other revenue	454,222	(901)	453,321
Total public support and revenue	1,319,280	(801)	1,318,479
Allocations, distributions and expenses			
Funds allocated to the community:			
Gross funds awarded	863,070	-	863,070
Less amounts designated by donors for specific organizations	(12,868)	-	(12,868)
Total funds allocated to the community	850,202	-	850,202
Program services - community investment	287,499	-	287,499
Total program services	287,499	-	287,499
Supporting services			
Organizational administration	105,783	-	105,783
Fund raising	196,506	-	196,506
United Way Worldwide dues	11,318	-	11,318
Total supporting services	313,607	-	313,607
Total allocations, distributions and expenses	1,451,308	-	1,451,308
Change in net assets	(132,028)	(801)	(132,829)
Net assets, beginning of year	556,202	5,588	561,790
Net assets, end of year	\$ 424,174	\$ 4,787	\$ 428,961

See accompanying notes to financial statements.

UNITED WAY OF LARAMIE COUNTY

**STATEMENT OF ACTIVITIES
For the Year Ended December 31, 2017**

	Without Donor Restrictions	With Donor Restrictions	Total
Public support and revenue			
Gross public support	\$ 948,161	\$ 3,000	\$ 951,161
Donor contributions for specific organizations	(12,854)	-	(12,854)
Adjustment of provision for uncollectible pledges	(43,000)	-	(43,000)
Net campaign revenue	892,307	3,000	895,307
Investment income	3,081	-	3,081
Grants and contracts	75,724	-	75,724
Other income	49,447	-	49,447
5th penny overage	183,500	-	183,500
In-kind income (Note 4)	78,457	-	78,457
Net assets released from restrictions	749	(749)	-
Total other revenue	390,958	(749)	390,209
Total public support and revenue	1,283,265	2,251	1,285,516
Allocations, distributions and expenses			
Funds allocated to the community:			
Gross funds awarded	829,805	-	829,805
Less amounts designated by donors for specific organizations	(12,854)	-	(12,854)
Total funds allocated to the community	816,951	-	816,951
Program services			
Community investment	251,394	-	251,394
Total program services	251,394	-	251,394
Supporting services			
Organizational administration	126,493	-	126,493
Fund raising	200,818	-	200,818
United Way Worldwide dues	11,967	-	11,967
Total supporting services	339,278	-	339,278
Total allocations, distributions and expenses	1,407,623	-	1,407,623
Change in net assets	(124,358)	2,251	(122,107)
Net assets, beginning of year	680,560	3,337	683,897
Net assets, end of year	\$ 556,202	\$ 5,588	\$ 561,790

See accompanying notes to financial statements.

UNITED WAY OF LARAMIE COUNTY
STATEMENT OF FUNCTIONAL EXPENSES
For the Year Ended December 31, 2018

	Funds Allocated to the Community	Community Investment	Organizational Administration	Fund Raising	United Way Worldwide Dues	Total
Funds allocated to the community	\$ 850,202	\$ -	\$ -	\$ -	\$ -	\$ 850,202
United Way Worldwide dues	-	-	-	-	11,318	11,318
Credit card fees	-	-	-	3,649	-	3,649
Depreciation	-	11,990	4,178	5,199	-	21,367
Dues and fees	-	-	968	-	-	968
Equipment maintenance	-	6,149	2,144	2,666	-	10,959
Events	-	-	-	27,291	-	27,291
Insurance	-	976	340	423	-	1,739
Marketing	-	-	-	45,104	-	45,104
Meetings	-	-	38	-	-	38
Mileage	-	-	39	-	-	39
Miscellaneous	-	1,186	1,022	4,475	-	6,683
Payroll taxes and benefits	-	28,242	8,438	10,496	-	47,176
Postage	-	-	139	4,998	-	5,137
Printing	-	-	-	8,000	-	8,000
Professional fees	-	-	21,654	-	-	21,654
Publications	-	87	30	38	-	155
Rent, net	-	22,921	7,990	9,938	-	40,849
Salaries and wages	-	209,957	56,574	70,371	-	336,902
Software	-	3,348	-	1,748	-	5,096
Supplies	-	-	992	483	-	1,475
Telephone	-	2,643	1,237	1,627	-	5,507
Total expenses	\$ 850,202	\$ 287,499	\$ 105,783	\$ 196,506	\$ 11,318	\$ 1,451,308

See accompanying notes to financial statements.

UNITED WAY OF LARAMIE COUNTY
STATEMENT OF FUNCTIONAL EXPENSES
For the Year Ended December 31, 2017

	Funds Allocated to the Community	Community Investment	Organizational Administration	Fund Raising	United Way Worldwide Dues	Total
Funds allocated to the community	\$ 816,951	\$ -	\$ -	\$ -	\$ -	\$ 816,951
United Way Worldwide dues	-	-	-	-	11,967	11,967
Credit card fees	-	-	-	3,506	-	3,506
Depreciation	-	10,597	5,144	5,684	-	21,425
Dues and fees	-	-	972	-	-	972
Equipment maintenance	-	5,632	2,734	3,021	-	11,387
Events	-	-	-	30,723	-	30,723
Insurance	-	1,203	584	645	-	2,432
Marketing	-	-	-	32,863	-	32,863
Meetings	-	-	4,154	-	-	4,154
Miscellaneous	-	3,376	525	2,245	-	6,146
Payroll taxes and benefits	-	23,918	10,925	12,071	-	46,914
Postage	-	38	304	2,218	-	2,560
Printing	-	-	-	8,004	-	8,004
Professional fees	-	6,390	11,245	-	-	17,635
Publications	-	118	58	64	-	240
Rent, net	-	20,198	9,804	10,833	-	40,835
Salaries and wages	-	172,442	76,742	84,796	-	333,980
Software	-	4,062	-	1,366	-	5,428
Supplies	-	932	1,947	1,118	-	3,997
Telephone	-	2,488	1,355	1,661	-	5,504
Total expenses	\$ 816,951	\$ 251,394	\$ 126,493	\$ 200,818	\$ 11,967	\$ 1,407,623

See accompanying notes to financial statements.

UNITED WAY OF LARAMIE COUNTY
STATEMENTS OF CASH FLOWS
For the Years Ended December 31, 2018 and 2017

	2018	2017
Reconciliation of change in net assets to net cash provided (used) by operating activities:		
Change in net assets	\$ (132,829)	\$ (122,107)
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities:		
Depreciation	21,367	21,425
Decrease in pledges receivable and donated rent receivable	61,649	97,693
(Increase) decrease in other receivables, net	(4,830)	14,892
(Increase) decrease in prepaid expenses	(294)	935
(Increase) in cash surrender value of life insurance	(10,513)	(9,931)
Increase (decrease) in accounts payable	(2,306)	27,151
(Decrease) in designations and distributions payable	(6,007)	(94,249)
(Decrease) in funds held for others, related party	-	(20,559)
Increase (decrease) in deferred revenue	(79,872)	283,955
Increase in accrued expenses	5,583	11,308
Net cash provided (used) by operating activities	<u>(148,052)</u>	<u>210,513</u>
Cash flows from investing activities:		
Purchase of property and equipment	(5,000)	(1,658)
Net (purchase) redemption of certificates of deposits	217,022	(92,396)
Net cash provided (used) by investing activities	<u>212,022</u>	<u>(94,054)</u>
Net increase in cash and cash equivalents	63,970	116,459
Cash and cash equivalents, beginning of year	582,809	466,350
Cash and cash equivalents, end of year	<u>\$ 646,779</u>	<u>\$ 582,809</u>
Non-cash items		
Donation of materials, facilities and services - operating activities	<u>\$ 93,603</u>	<u>\$ 78,457</u>

See accompanying notes to financial statements.

UNITED WAY OF LARAMIE COUNTY
NOTES TO FINANCIAL STATEMENTS
December 31, 2018 and 2017

Note 1. Organization Operations and Significant Accounting Policies

Organization Operations

United Way of Laramie County (United Way) (a non-profit organization) was organized for the purpose of uniting and organizing fund-raising campaigns in Laramie County by voluntary, non-profit, charitable, health and welfare organizations and to provide fair, equitable and efficient allocations of the funds collected to the purposes for which such funds were given.

United Way of Laramie County plays a unique role as both a community resource and a non-profit sector leader that builds trust and transparency throughout the community. By uniting people with resources to solve defined problems and improve their quality of life, United Way advances the common good by improving education, helping people achieve financial stability, and promoting healthy lives throughout the community.

The majority of the organization's funds are public support from the campaign and in-kind donations.

New Accounting Pronouncement

In August 2016, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) No. 2016-14, Not-for-Profit Entities (Topic 958): Presentation of Financial Statements of Not-for-Profit Entities. United Way has adjusted the presentation of its financial statements accordingly, applying the changes retrospectively to the comparative period presented. The new standard changes the following aspects of United Way's financial statements:

- The temporarily restricted and permanently restricted net asset classes have been combined into a single net asset class called net assets with donor restrictions.
- The unrestricted net asset class has been renamed net assets without donor restrictions.
- The financial statements include a new disclosure about liquidity and availability of resources (Note 12) .

Basis of Presentation

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America.

Net assets of United Way and changes therein are classified and reported as follows:

Net Assets Without Donor Restrictions – Net assets that are not subject to donor-imposed restrictions.

Net Assets With Donor Restrictions – Net assets subject to donor-imposed restrictions that will be met either by actions of United Way and/or the passage of time. There were \$4,787 and \$5,588 of net assets with donor restrictions as of December 31, 2018 and 2017, respectively.

Revenues are reported as increases in net assets without donor restrictions unless use of the related assets is limited by donor-imposed restrictions. Expenses are reported as decreases in net assets without donor restrictions. Gains and losses on assets or liabilities are reported as increases or decreases in net assets without donor restrictions unless their use is restricted by explicit donor stipulation or by law. Expirations of donor restrictions on net assets (i.e., the donor-imposed purpose has been fulfilled and/or the stipulated time period has elapsed) are reported as net assets released from donor restrictions.

UNITED WAY OF LARAMIE COUNTY
NOTES TO FINANCIAL STATEMENTS
December 31, 2018 and 2017

Note 1. Organization Operations and Significant Accounting Policies (continued)

Cash and Cash Equivalents

For purposes of financial statement presentation, United Way considers all investments with an original maturity of three months or less from the time of purchase to be cash equivalents.

United Way maintains its cash balances at several financial institutions which, at times, may exceed federally insured limits. United Way has not experienced any losses in these accounts and believes it is not exposed to any significant credit risk on cash accounts.

Contributions

Contributions received and unconditional promises to give are measured at their fair values and are reported as an increase in net assets. United Way reports gifts of cash and other assets as restricted support if they are received with donor stipulations that limit the use of the donated assets, or if they are designated as support for future periods.

When a donor restriction expires, that is when a stipulated time restriction ends or purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statements of activities as net assets released from restrictions. Donor-restricted contributions whose restrictions are met in the same reporting period are reported as unrestricted support.

United Way reports gifts of goods as unrestricted support unless explicit donor stipulations specify how the donated assets must be used. Gifts of long-lived assets with explicit restrictions that specify how the assets are to be used and gifts of cash and other assets that must be used to acquire long-lived assets are reported as restricted support. Absent explicit donor stipulations about how long those long-lived assets must be maintained, United Way reports expirations of donor restrictions when the donated or acquired long-lived assets are placed in service.

In accordance with ASC 958-605, when a donor specifically designates an organization to receive his or her campaign contribution other than the United Way organization, United Way is not permitted to include these designated pledges in their campaign revenue. United Way includes them in their gross campaign results on the statements of activities and the donor designations are then deducted from gross campaign results to arrive at net campaign revenue.

Donated Services

Contributions of services are recognized in the financial statements if the services enhance or create non-financial assets or require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation. Volunteer services are not recorded in the financial statements as these contributions do not meet the requirements to be recorded as revenue and expense.

Accounts and Pledges Receivable

United Way considers accounts receivable to be fully collectible: accordingly, no allowance for doubtful accounts has been established. Pledges receivable represent pledges made by donors, which have not yet been received in cash. United Way estimates the amounts of pledges which will not be paid by donors and provides a collection allowance for uncollectible pledges. Factors which impact the allowance for uncollectible pledges include historical collection experience, local economic conditions, and various attributes pertaining to the donor base.

UNITED WAY OF LARAMIE COUNTY
NOTES TO FINANCIAL STATEMENTS
December 31, 2018 and 2017

Note 1. Organization Operations and Significant Accounting Policies (continued)

Property and Equipment

Property and equipment is carried at cost. Repairs and maintenance, which neither materially add to the value of the property nor appreciably prolong its life, are charged to expense as incurred. Gains or losses on dispositions of property and equipment are included in income. Donated equipment is recorded as a contribution at its estimated fair value at the date of donation.

Depreciation and amortization of property and equipment are provided on the straight-line method over the following estimated useful lives:

Equipment	5 – 7 years
Software	3 years
Leaschold improvements	10 years

Deferred Revenue

United Way considers payments received on grant agreements and service contracts in advance of the services being performed to be deferred revenue. Revenue relating to service contracts and grants is recognized as the terms of grant agreements are met or as services outlined in contracts are performed. There was \$221,583 and \$301,455 in deferred revenue as of December 31, 2018 and 2017, respectively.

Income Taxes

United Way is a nonprofit corporation and qualifies as a tax-exempt organization under Section 501(c)(3) of the Internal Revenue Code. Accordingly, no provision is made in these financial statements for income taxes.

United Way has adopted the recognition requirements for uncertainty in income taxes as required by ASC 740-10. The standard prescribes a comprehensive model for how an organization should recognize, measure, present and disclose in the financial statements uncertainty in income taxes of the organization. United Way's income tax filings are subject to audit by various taxing authorities.

In evaluating United Way's tax provisions and accruals, interpretations and tax planning strategies are considered. United Way believes their estimates are appropriate based on current facts and circumstances and have not recorded any reserves, or related accruals for interest and penalties for uncertainty in income taxes at December 31, 2018 and 2017.

Functional Allocation of Expenses

United Way allocates its expenses on a functional basis among its various programs including fundraising activities and support services by estimating the relative attention and effort exerted towards specific functional areas. The expenses include compensation, occupancy, and certain other expenses. Other expenses and support services that can be identified with a specific function are allocated directly according to their natural expenditure classification.

UNITED WAY OF LARAMIE COUNTY
NOTES TO FINANCIAL STATEMENTS
December 31, 2018 and 2017

Note 1. Organization Operations and Significant Accounting Policies (continued)

Fair Value

Fair value is the price that would be received from the sale of an asset or settlement of a liability in an orderly transaction between market participants at the measurement date. When determining the fair value measurements for assets and liabilities which are required to be recorded at fair value, United Way considers the principal or most advantageous market in which a hypothetical sale or transfer would take place and consider assumptions that market participants would use when pricing the asset or liability, such as inherent risk, transfer restrictions, and risk of non-performance.

The fair value hierarchy is made up of three levels of inputs which may be used to measure fair value: Level 1—observable inputs such as quoted prices for identical instruments in active markets; Level 2—observable inputs such as quoted prices for similar instruments in active markets, quoted prices for identical or similar instruments in markets that are not active and model derived valuations in which all significant inputs are observable in active markets; and Level 3—unobservable inputs for which there is little or no market data and which require us to develop our own assumptions. United Way categorizes fair value measurements within the fair value hierarchy based upon the lowest level of the most significant inputs used to determine such fair value measurement.

Advertising

Advertising costs are expensed as incurred. Advertising expense for the years ended December 31, 2018 and 2017 were \$45,104 and \$32,863, respectively.

Included in these amounts were in-kind advertising contributions of \$42,096 and \$30,116 for the years ended December 31, 2018 and 2017, respectively.

Annual Sponsorships

Annual sponsorships are funds from corporate sponsors to cover fundraising costs and events. Annual sponsorships for years ended December 31, 2018 and 2017 were \$50,750 and \$46,000, respectively, included in other income on the statements of activities.

Use of Estimates in the Preparation of Financial Statements

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Subsequent Events

Management has evaluated subsequent events through June 19, 2019, the date on which the financial statements were available to be issued.

Note 2. Certificates of Deposit

Investments in certificates of deposit are reported at fair value using Level 2 inputs of the fair value hierarchy, which equals cost in the statements of financial position. United Way purchases their certificates of deposit from numerous local financial institutions and limits the amount of credit exposure to any one financial institution. Investments in certificates of deposit were \$280,492 and \$497,514 as of December 31, 2018 and 2017, respectively.

UNITED WAY OF LARAMIE COUNTY
NOTES TO FINANCIAL STATEMENTS
December 31, 2018 and 2017

Note 3. Pledges Receivable and Donated Rent Receivable

Campaign pledges receivable at December 31, 2018 are related to the Fall 2017 and 2018 campaigns.

The donated rent receivable relates to the commitment by the landlord of the leased property, which is a multi-year pledge commitment that began in 2016. The unconditional promise to give due in more than one year is reflected at the present value of estimated future cash flows using a discount rate of 0.48%.

	2018	2017
Campaign pledges:		
Pledges receivable in less than one year	\$ 420,260	\$ 473,797
Less: allowance for uncollectible pledges	(44,000)	(45,000)
	\$ 376,260	\$ 428,797
Donated Rent:		
Donated rent receivable in less than one year	\$ 9,200	\$ 9,200
Donated rent receivable in one year or more	46,000	55,200
Less: unamortized discount to present value	(1,457)	(1,546)
	\$ 53,743	\$ 62,854

Note 4. Donated Goods and Services

Donated goods and services, such as advertising, special meeting and event space, and printing, are characterized as underwriting sponsorships. Donated goods and services are reported at fair value using Level 3 inputs of the fair value hierarchy. The following in-kind gifts are included in the financial statements:

	2018	2017
Underwriting sponsorships	\$ 80,451	\$ 65,304
Rent	13,152	13,153
	\$ 93,603	\$ 78,457

Note 5. Pension Plan

United Way has a defined contribution pension plan, which covers substantially all of its employees. Employees are eligible for participation upon reaching 21 years of age and meeting certain other employment requirements. Effective January 1, 2016 United Way offers an employer match up to 3% of employee wages. During the years ended December 31, 2018 and 2017, United Way's contributions to the plan totaled \$9,020 and \$9,693, respectively.

Note 6. Service Contracts

United Way has a service contract with the Human Services Advisory Council (HSAC), made up of the Laramie County Board of Commissioners, the City of Cheyenne and the Board of Directors of the United Way. The basic purpose of the HSAC is to provide a review and hearing process to assess human service needs and recommend funding priorities for eligible human service agencies. Each entity provides approximately one-third of the financial support to fund staff support for administering the operations of the HSAC. The current agreement will terminate on August 31, 2020.

UNITED WAY OF LARAMIE COUNTY
NOTES TO FINANCIAL STATEMENTS
December 31, 2018 and 2017

Note 7. Net Assets with Donor Restrictions

Net assets in the amount of \$4,787 and \$5,588 have donor restrictions for the Emerging Leaders programs as of December 31, 2018 and 2017, respectively.

Note 8. Commitments

The Board of Directors of United Way of Laramie County has approved future direct agency allocations, emergency grants, training and community development in the following amounts:

	2018	2017
Direct agency allocations	\$ 770,000	\$ 770,000
Goal Connect Initiative	30,815	40,000
Designations payable	17,127	13,949
	\$ 817,942	\$ 823,949

These commitments are recorded in the statements of financial position as liabilities.

Note 9. Property and Equipment

Property and equipment consisted of the following at December 31:

	2018	2017
Equipment	\$ 27,366	\$ 27,366
Software	9,999	4,999
Leasehold improvements	171,797	171,797
	209,162	204,162
Less accumulated depreciation	(82,504)	(61,137)
	\$ 126,658	\$ 143,025

Note 10. Operating Lease

During the year ended December 31, 2015, United Way entered into a 10 year lease agreement for office space. The lease commenced on August 1, 2015 and requires monthly payments of \$2,748 through July 2025. Lease expenses, net of sublease income and in-kind rent, for the years ending December 31, 2018 and 2017 was \$27,696 and \$27,682, respectively, and is included in the statements of functional expenses as rent. The lease is below fair market value and the fair market value adjustment of \$13,152, determined using Level 3 inputs of the fair value hierarchy, is included in in-kind revenue and rent expense for each of the years ending December 31, 2018 and 2017, respectively.

During the year ended December 31, 2015, United Way entered into an agreement to sublease office space to a tenant. The sublease commenced on September 1, 2015 and requires the tenant to pay United Way \$440 per month through July 2025. United Way received \$5,280 in sublease payments in each of the years ending December 31, 2019 and 2018, which is netted against rent expense in the statements of functional expenses.

UNITED WAY OF LARAMIE COUNTY
NOTES TO FINANCIAL STATEMENTS
December 31, 2018 and 2017

Note 10. Operating Lease (continued)

The net future minimum lease payments for United Way are as follows:

December 31,	Rent to be paid	Rent to be received	Net Rent
2019	32,976	(5,280)	27,696
2020	32,976	(5,280)	27,696
2021	32,976	(5,280)	27,696
2022	32,976	(5,280)	27,696
2023	32,976	(5,280)	27,696
Thereafter	52,212	(8,360)	43,852
	<u>\$ 217,092</u>	<u>\$ (34,760)</u>	<u>\$ 182,332</u>

Note 11. Deferred Compensation Agreement

During the year ended December 31, 2013, United Way entered into a supplemental executive compensation agreement with its Executive Director (the Executive). In accordance with the terms of the agreement, United Way will pay the Executive a sum of \$125,000 in equal annual installments of \$25,000 beginning in the year ending December 31, 2025, contingent upon the Executive continuing full-time employment with United Way until reaching the age of 64. The Executive does not vest in any percentage of the benefit and must continue employment until age 64, with the exception of certain death and disability provisions stated in the agreement.

In accordance with ASC 710-10-55, *Nonvesting Deferred Compensation Contracts*, United Way has determined it is appropriate to accrue the cost of the future benefits to be provided to the Executive over the period of the employee's service. Accordingly, United Way has accrued deferred compensation in the amount of \$44,975 and \$36,199 for 2018 and 2017, respectively, included in accrued expenses on the statements of financial position at December 31, 2018 and 2017.

United Way has elected to fund the deferred compensation liability, in part, through a life insurance policy purchased during the year ending December 31, 2013. The policy insures the life of the Executive, and United Way is responsible for all annual premiums, and is at all times the owner of the policy. The policy shall in no event be deemed to constitute a fund or collateral security for the benefits to the Executive pursuant to the supplemental executive compensation agreement. At December 31, 2018 and 2017, the cash surrender value of the life insurance policy was \$49,270 and \$38,757, respectively.

Note 12. Liquidity and Availability of Financial Assets

United Way monitors its liquidity so that it is able to meet its operating needs and other contractual commitments while maximizing the investment of its excess operating cash. United Way has the following financial assets that could readily be made available within one year of the statements of financial position dates to fund expenses without limitations at December 31:

	2018	2017
Cash and cash equivalents	\$ 646,779	\$ 582,809
Certificates of deposit	280,492	497,514
Pledge receivables, net	376,260	428,797
Other receivable	6,279	1,449
	<u>\$ 1,309,810</u>	<u>\$ 1,510,569</u>

UNITED WAY OF LARAMIE COUNTY
NOTES TO FINANCIAL STATEMENTS
December 31, 2018 and 2017

Note 12. Liquidity and Availability of Financial Assets (continued)

Although not expected to be needed, United Way also has liquidity in the cash surrender value of life insurance in the amount of \$49,270 and \$38,757 for the years ending December 31, 2018 and 2017, respectively (Note 11). In addition to financial assets available to meet general expenditures over the year, United Way operates with a balanced budget and anticipates covering its general expenditures by collecting sufficient contributions and other revenues, and by utilizing donor-restricted resources from current and prior years gifts as needed. The statement of cash flows identifies the sources and uses of United Way's cash and shows net positive cash and cash equivalents generated by operating and investing activities of \$63,970 and \$116,459 for the years ending December 31, 2018 and 2017, respectively.

SUPPLEMENTAL SCHEDULES

UNITED WAY OF LARAMIE COUNTY
SUPPLEMENTAL SCHEDULES OF
DIRECT ALLOCATIONS PAID TO AGENCIES (CASH BASIS)
Years Ended December 31, 2018 and 2017

	2018	2017
After School for Kids	\$ 25,000	\$ 25,000
American Red Cross of Wyoming	16,500	1,000
Bethel Outreach	7,200	7,200
Boys and Girls Club of Cheyenne	70,000	70,000
CASA - Caring Program for Children	25,300	20,300
Cheyenne Health and Wellness Center (Healthworks)	117,000	152,000
CLIMB Wyoming	41,250	40,000
COMEA, Inc.	43,250	80,000
Family Promise	25,000	35,000
Foster Grandparent Program	44,255	45,500
Funding the Future	7,500	-
Green Path	10,000	16,000
Habitat for Humanity	15,000	-
Homeless Youth Shelter	-	40,000
Kinship Support	3,500	7,000
Meals on Wheels of Cheyenne, Inc.	25,000	-
Needs, Inc.	110,000	120,000
Recover Wyoming	20,000	15,000
Safe Harbor	9,000	9,000
Safe House/ Sexual Assault Services	37,000	35,000
Salvation Army	5,045	-
Southeast Wyoming Mental Health - Peak Wellness	41,900	23,410
Special Friends of Cheyenne	42,000	42,000
Wyo Citizens Review Panel	2,500	2,660
Wyoming 2-1-1	15,000	15,000
Wyoming Family Home Ownership	5,000	20,000
Wyoming Senior Companion Program	6,800	9,800
	<u>\$ 770,000</u>	<u>\$ 830,870</u>

SUPPLEMENTAL SCHEDULES OF
SPECIAL ALLOCATIONS (CASH BASIS)
Years Ended December 31, 2018 and 2017

	2018	2017
Goal Connect Initiative	\$ 35,000	\$ 40,000
	<u>\$ 35,000</u>	<u>\$ 40,000</u>

See accompanying notes to financial statements.

UNITED WAY OF LARAMIE COUNTY
SUPPLEMENTAL SCHEDULES OF SUPPORT AND REVENUE
(EXCLUDING IN-KIND CONTRIBUTIONS)
For the Years Ended December 31, 2018 and 2017

	2018		2017	
Public Support				
United Way Campaign **	\$ 797,035	63.5%	\$ 908,161	74.4%
Special Event	99,265	7.9%	-	0.0%
Other Support				
Investment income	5,881	0.5%	3,081	0.3%
Community Schools Initiative	90,667	7.2%	54,724	4.5%
HSAC service contract - city	10,500	0.8%	10,500	0.9%
HSAC service contract - county	10,500	0.8%	10,500	0.9%
Other income	58,670	4.7%	49,447	4.1%
5th penny overage	183,500	14.6%	183,500	15.0%
	359,718	28.6%	311,752	25.6%
Total Public Support and Revenue	\$ 1,256,018	100.0%	\$ 1,219,913	100.0%

** Total United Way campaign revenue includes donor contributions designated to specific agencies.

See accompanying notes to financial statements.

UNITED WAY OF LARAMIE COUNTY
SUPPLEMENTAL SCHEDULES OF EXPENSES
(LESS IN-KIND EXPENSES AND ANNUAL SPONSORSHIPS)
For the Years Ended December 31, 2018 and 2017

	2018				
	Return to Community	Organizational Administration	Fund Raising	United Way Worldwide Dues	Total
Total expenses	\$ 1,137,701	\$ 105,783	\$ 196,506	\$ 11,318	\$ 1,451,308
Less: in-kind expenses	(22,332)	(4,916)	(58,755)	-	(86,003)
Less: annual sponsorships	-	-	(50,750)	-	(50,750)
Expenses excluding in-kind and annual sponsorships	<u>\$ 1,115,369</u>	<u>\$ 100,867</u>	<u>\$ 87,001</u>	<u>\$ 11,318</u>	<u>\$ 1,314,555</u>
Percentage	84.85%	7.67%	6.62%	0.86%	100.00%

** Return to the community expenses exclude donor designated distributions.

	2017				
	Return to Community	Organizational Administration	Fund Raising	United Way Worldwide Dues	Total
Total expenses	\$ 1,068,345	\$ 126,493	\$ 200,818	\$ 11,967	\$ 1,407,623
Less: in-kind expenses	(8,442)	(8,088)	(61,927)	-	(78,457)
Less: annual sponsorships	-	-	(46,000)	-	(46,000)
Expenses excluding in-kind and annual sponsorships	<u>\$ 1,059,903</u>	<u>\$ 118,405</u>	<u>\$ 92,891</u>	<u>\$ 11,967</u>	<u>\$ 1,283,166</u>
Percentage	82.60%	9.23%	7.24%	0.93%	100.00%

** Return to the community expenses exclude donor designated distributions.

See accompanying notes to financial statements.