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GREAT RIVERS UNITED WAY, INC.

**FINANCIAL STATEMENTS
WITH INDEPENDENT AUDITOR'S REPORT**

DECEMBER 31, 2018 AND 2017

GREAT RIVERS UNITED WAY, INC.

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Great Rivers United Way, Inc.

We have audited the accompanying financial statements of Great Rivers United Way, Inc. (a nonprofit organization), which comprise the statements of financial position as of December 31, 2018 and 2017, 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 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 audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain 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 Great Rivers United Way, Inc. 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.

Emphasis of Matter

As discussed in Note 1 to the financial statements, effective January 1, 2018, Great Rivers United Way, Inc. adopted provisions of FASB issued Accounting Standards Update No. 2016-14, *Presentation of Financial Statements of Not-for-Profit Entities*. Our opinion is not modified with respect to this matter.

Report on Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The schedule of agency allocations and payments on page 15 is presented for purposes of additional analysis and is 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.

Johnson Block & Company, Inc.

Johnson Block & Company, Inc.
May 23, 2019

GREAT RIVERS UNITED WAY, INC.
STATEMENTS OF FINANCIAL POSITION
DECEMBER 31, 2018 AND 2017

	DECEMBER 31,	
	2018	2017
<u>ASSETS</u>		
CURRENT ASSETS		
Cash and cash equivalents	\$ 862,746	\$ 960,025
Certificates of deposit	532,944	531,416
Accounts receivable	10,625	10,339
Pledges receivable - net	1,431,035	1,355,242
Prepaid expense	17,100	11,158
TOTAL CURRENT ASSETS	2,854,450	2,868,180
PROPERTY AND EQUIPMENT		
Land	172,200	172,200
Building and improvements	457,182	452,751
Furniture and equipment	87,224	79,632
	716,606	704,583
Less accumulated depreciation	(302,590)	(287,545)
NET PROPERTY AND EQUIPMENT	414,016	417,038
OTHER ASSETS		
Assets whose use is limited		
Cash and cash equivalents	332,872	348,951
TOTAL OTHER ASSETS	332,872	348,951
TOTAL ASSETS	\$ 3,601,338	\$ 3,634,169
<u>LIABILITIES AND NET ASSETS</u>		
CURRENT LIABILITIES		
Accounts payable - trade	\$ 2,060	\$ 4,036
Security deposit	1,875	1,875
Agency allocations and designations	1,444,886	1,504,689
Prior year agency designations	1,688	1,600
Deferred revenue	-	1,000
Accrued and other liabilities	14,706	11,475
TOTAL CURRENT LIABILITIES	1,465,215	1,524,675
NET ASSETS		
Net assets without donor restrictions		
Unappropriated	196,096	93,396
Board-designated	57,568	74,021
Board-appropriated	1,206,183	1,302,633
Net assets with donor restrictions	676,276	639,444
TOTAL NET ASSETS	2,136,123	2,109,494
TOTAL LIABILITIES AND NET ASSETS	\$ 3,601,338	\$ 3,634,169

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

GREAT RIVERS UNITED WAY, INC.
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2018

	YEAR ENDED DECEMBER 31, 2018		
	WITHOUT DONOR RESTRICTIONS	WITH DONOR RESTRICTIONS	TOTAL
REVENUE, GAINS, AND OTHER SUPPORT			
Gross campaign results (2018)	\$ 178,616	\$ -	\$ 178,616
Gross campaign results (2019)	-	1,880,833	1,880,833
Less: Allowance for uncollectible pledges	-	(91,500)	(91,500)
Less: Donor agency designations	-	(10,429)	(10,429)
Total gross campaign results released from restrictions	<u>1,435,500</u>	<u>(1,435,500)</u>	<u>-</u>
Net campaign revenue	<u>1,614,116</u>	<u>343,404</u>	<u>1,957,520</u>
State of WI Race to the Top grant	-	-	-
Better Together income	82,988	-	82,988
Great Rivers HUB income	-	214,512	214,512
sparks! income	-	500	500
Bequest	12,365	-	12,365
Designations from other United Ways	12,209	-	12,209
Service fees	1,043	-	1,043
Interest income	4,814	-	4,814
Rent income	25,529	-	25,529
Other income	32,045	-	32,045
Net assets released from restrictions	<u>521,584</u>	<u>(521,584)</u>	<u>-</u>
TOTAL REVENUE, GAINS, AND OTHER SUPPORT	<u>2,306,693</u>	<u>36,832</u>	<u>2,343,525</u>
EXPENSES			
Program Services			
Agency allocations	1,445,929	-	1,445,929
Donor agency designations	(10,429)	-	(10,429)
Special agency allocations	69,785	-	69,785
State of WI Race to the Top expense	-	-	-
Great Rivers HUB expense	195,145	-	195,145
Better Together expense	102,466	-	102,466
Community problem solving	178,654	-	178,654
Volunteer center	8,246	-	8,246
Fund distribution	19,624	-	19,624
Labor relations	1,138	-	1,138
Supporting Services			
Resource development	240,212	-	240,212
Administration and finance	<u>66,126</u>	<u>-</u>	<u>66,126</u>
TOTAL EXPENSES	<u>2,316,896</u>	<u>-</u>	<u>2,316,896</u>
CHANGE IN NET ASSETS	(10,203)	36,832	26,629
NET ASSETS AT BEGINNING OF YEAR	<u>1,470,050</u>	<u>639,444</u>	<u>2,109,494</u>
NET ASSETS AT END OF YEAR	<u>\$ 1,459,847</u>	<u>\$ 676,276</u>	<u>\$ 2,136,123</u>

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

GREAT RIVERS UNITED WAY, INC.
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2017

	YEAR ENDED DECEMBER 31, 2017		
	WITHOUT DONOR RESTRICTIONS	WITH DONOR RESTRICTIONS	TOTAL
REVENUE, GAINS, AND OTHER SUPPORT			
Gross campaign results (2017)	\$ 118,671	\$ -	\$ 118,671
Gross campaign results (2018)	-	1,888,632	1,888,632
Less: Allowance for uncollectible pledges	-	(91,500)	(91,500)
Less: Donor agency designations	-	(15,904)	(15,904)
Total gross campaign results released from restrictions	1,490,735	(1,490,735)	-
Net campaign revenue	1,609,406	290,493	1,899,899
State of WI Race to the Top grant	24,272	-	24,272
Better Together income	106,882	-	106,882
Great Rivers HUB income	-	435,124	435,124
sparks! income	-	100,000	100,000
Bequest	10,316	-	10,316
Designations from other United Ways	7,742	-	7,742
Service fees	1,590	-	1,590
Interest income	4,466	-	4,466
Rent income	26,669	-	26,669
Other income	50,743	-	50,743
Net assets released from restrictions	601,407	(601,407)	-
TOTAL REVENUE, GAINS, AND OTHER SUPPORT	2,443,493	224,210	2,667,703
EXPENSES			
Program Services			
Agency allocations	1,506,639	-	1,506,639
Donor agency designations	(15,904)	-	(15,904)
Special agency allocations	78,036	-	78,036
State of WI Race to the Top expense	24,272	-	24,272
Great Rivers HUB expense	131,792	-	131,792
Better Together expense	135,376	-	135,376
Community problem solving	146,771	-	146,771
Volunteer center	12,277	-	12,277
Fund distribution	53,928	-	53,928
Labor relations	1,213	-	1,213
Supporting Services			
Resource development	210,996	-	210,996
Administration and finance	46,448	-	46,448
TOTAL EXPENSES	2,331,844	-	2,331,844
CHANGE IN NET ASSETS	111,649	224,210	335,859
NET ASSETS AT BEGINNING OF YEAR	1,358,401	415,234	1,773,635
NET ASSETS AT END OF YEAR	\$ 1,470,050	\$ 639,444	\$ 2,109,494

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

GREAT RIVERS UNITED WAY, INC.
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2018

	Program Services							Support Services			Total	
	Community Impact	Great Rivers HUB	Better Together	Community Problem Solving	Volunteer Center	Fund Distribution	Labor Relations	Subtotal	Resource Development	Administration and Finance		Subtotal
Allocations	\$ 1,445,929	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,445,929	\$ -	\$ -	\$ -	\$ 1,445,929
Less: Donor agency designations	(10,429)	-	-	-	-	-	-	(10,429)	-	-	-	(10,429)
Special agency allocations	69,785	-	-	-	-	-	-	69,785	-	-	-	69,785
Net Allocations	1,505,285	-	-	-	-	-	-	1,505,285	-	-	-	1,505,285
Salaries and wages	-	73,081	63,659	81,727	2,476	12,219	728	233,890	135,056	52,342	187,398	421,288
FICA/Medicare	-	5,398	4,702	6,036	183	903	54	17,276	9,975	3,866	13,841	31,117
Wisconsin unemployment tax	-	408	356	456	14	68	4	1,306	754	292	1,046	2,352
Employee health benefit plan	-	5,145	3,357	13,126	262	1,432	40	23,362	13,661	4,646	18,307	41,669
Workers' compensation	-	208	190	287	21	43	3	752	585	181	766	1,518
Retirement plan	-	765	287	1,992	149	410	-	3,603	5,895	2,999	8,894	12,497
Total Salaries and Related Expenses	-	85,005	72,551	103,624	3,105	15,075	829	280,189	165,926	64,326	230,252	510,441
Professional fees and contract services	-	-	-	-	-	-	-	-	-	6,141	6,141	6,141
Board liability	-	-	-	-	-	-	-	-	-	1,424	1,424	1,424
Postage	-	488	445	673	51	101	8	1,766	1,373	426	1,799	3,565
Telephone	-	1,235	1,125	1,700	129	255	20	4,464	3,470	1,076	4,546	9,010
Utilities	-	794	723	1,093	83	164	13	2,870	2,231	692	2,923	5,793
Real estate taxes	-	274	250	378	29	57	4	992	771	239	1,010	2,002
Publications purchased	-	65	59	89	7	13	1	234	182	56	238	472
Building janitorial and supplies	-	1,306	1,190	1,799	136	270	21	4,722	3,670	1,138	4,808	9,530
Repairs and maintenance	-	4,246	3,869	5,848	443	876	67	15,349	11,934	3,701	15,635	30,984
Staff and board development	-	370	337	509	39	76	7	1,338	1,040	323	1,363	2,701
Printing, stationery, and office supplies	-	786	717	1,084	82	162	13	2,844	2,200	686	2,886	5,730
Insurance	-	537	489	739	56	111	9	1,941	1,509	468	1,977	3,918
Membership fees and dues	-	140	58	1,273	96	191	15	1,773	2,598	806	3,404	5,177
United Way dues	-	3,048	2,735	4,821	365	722	55	11,746	9,837	3,051	12,888	24,634
Conferences and travel (out of town)	-	143	59	1,305	99	195	15	1,816	2,664	826	3,490	5,306
Local meals and mileage	-	173	71	1,569	119	235	18	2,185	3,202	992	4,194	6,379
Campaign expense	-	-	-	-	-	-	-	-	19,743	-	19,743	19,743
Volunteer center	-	-	-	-	3,128	-	-	3,128	-	-	-	3,128
Volunteer recognition	-	-	-	-	-	-	-	-	353	-	353	353
Agency and community resources	-	-	-	-	-	570	-	570	-	-	-	570
Bad debt expense - net of recoveries	-	-	-	-	-	-	-	-	-	(28,069)	(28,069)	(28,069)
Bank service charges	-	-	-	-	-	-	-	-	-	3,663	3,663	3,663
Depreciation	-	2,672	2,434	3,680	279	551	43	9,659	7,509	2,329	9,838	19,497
Compass expense	-	-	-	9,225	-	-	-	9,225	-	-	-	9,225
Behavioral Health Project expense	-	-	15,354	-	-	-	-	15,354	-	-	-	15,354
Great Rivers HUB expense	-	93,863	-	-	-	-	-	93,863	-	-	-	93,863
sparks! Early Childhood expense	-	-	-	35,050	-	-	-	35,050	-	-	-	35,050
Miscellaneous	-	-	-	4,195	-	-	-	4,195	-	1,832	1,832	6,027
Total Other	-	110,140	29,915	75,030	5,141	4,549	309	225,084	74,286	1,800	76,086	301,170
TOTALS	\$ 1,505,285	\$ 195,145	\$ 102,466	\$ 178,654	\$ 8,246	\$ 19,624	\$ 1,138	\$ 2,010,558	\$ 240,212	\$ 66,126	\$ 306,338	\$ 2,316,896

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

GREAT RIVERS UNITED WAY, INC.
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2017

	Program Services								Support Services			Total	
	Community Impact	Race to the Top	Great Rivers HUB	Better Together	Community Problem Solving	Volunteer Center	Fund Distribution	Labor Relations	Subtotal	Resource Development	Administration and Finance		Subtotal
Allocations	\$ 1,506,639	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,506,639	\$ -	\$ -	\$ -	\$ 1,506,639
Less: Donor agency designations	(15,904)	-	-	-	-	-	-	-	(15,904)	-	-	-	(15,904)
Special agency allocations	78,036	-	-	-	-	-	-	-	78,036	-	-	-	78,036
Net Allocations	1,568,771	-	-	-	-	-	-	-	1,568,771	-	-	-	1,568,771
Salaries and wages	-	13,823	46,917	74,023	56,266	4,786	34,740	757	231,312	128,692	49,237	177,929	409,241
FICA/Medicare	-	1,011	3,431	5,413	4,114	350	2,540	55	16,914	9,411	3,600	13,011	29,925
Wisconsin unemployment tax	-	110	372	586	446	37	275	6	1,832	1,020	390	1,410	3,242
Employee health benefit plan	-	1,237	3,213	15,273	4,740	499	3,706	95	28,763	12,217	3,839	16,056	44,819
Workers' compensation	-	-	176	174	236	16	119	3	724	470	153	623	1,347
Retirement plan	-	233	632	529	1,027	252	331	8	3,012	5,246	2,819	8,065	11,077
Total Salaries and Related Expenses	-	16,414	54,741	95,998	66,829	5,940	41,711	924	282,557	157,056	60,038	217,094	499,651
Professional fees and contract services	-	54	-	-	-	-	-	-	54	-	5,729	5,729	5,783
Board liability	-	-	-	-	-	-	-	-	-	-	1,422	1,422	1,422
Postage	-	99	440	434	489	40	297	8	1,807	1,172	381	1,553	3,360
Telephone	-	345	1,123	1,107	1,155	103	759	20	4,612	2,993	974	3,967	8,579
Utilities	-	241	756	746	770	69	511	13	3,106	2,016	656	2,672	5,778
Real estate taxes	-	-	261	257	348	24	176	4	1,070	694	226	920	1,990
Publications purchased	-	-	65	65	88	6	44	1	269	174	57	231	500
Building janitorial and supplies	-	320	1,000	987	1,018	91	676	18	4,110	2,667	867	3,534	7,644
Repairs and maintenance	-	555	3,629	3,581	4,296	332	2,453	64	14,910	9,676	3,148	12,824	27,734
Staff and board development	-	-	205	203	274	19	139	4	844	548	178	726	1,570
Printing, stationery, and office supplies	-	111	945	933	1,152	86	639	17	3,883	2,520	820	3,340	7,223
Insurance	-	-	456	450	610	42	308	8	1,874	1,216	395	1,611	3,485
Membership fees and dues	-	-	603	595	806	55	407	11	2,477	1,607	523	2,130	4,607
United Way dues	-	-	3,197	3,154	4,274	292	2,161	57	13,135	8,524	2,773	11,297	24,432
Conferences and travel (out of town)	-	-	299	295	399	27	202	5	1,227	796	259	1,055	2,282
Local meals and mileage	-	-	832	820	1,111	76	563	15	3,417	2,217	722	2,939	6,356
Campaign expense	-	-	-	-	-	-	-	-	-	10,779	-	10,779	10,779
Volunteer center	-	-	-	-	-	3,057	-	-	3,057	-	-	-	3,057
Volunteer recognition	-	-	-	-	-	-	-	-	-	665	-	665	665
Agency and community resources	-	-	-	-	-	-	1,219	-	1,219	-	-	-	1,219
Bad debt expense - net of recoveries	-	-	-	-	-	-	-	-	-	-	(41,433)	(41,433)	(41,433)
Bank service charges	-	-	-	-	-	-	-	-	-	-	4,740	4,740	4,740
Depreciation	-	-	2,371	2,339	3,169	217	1,602	42	9,740	6,321	2,056	8,377	18,117
Compass expense	-	-	-	-	4,300	-	-	-	4,300	-	-	-	4,300
Race to the Top expense	-	6,133	-	-	40	-	-	-	6,173	-	-	-	6,173
Behavioral Health Project expense	-	-	-	23,322	-	-	-	-	23,322	-	-	-	23,322
Great Rivers HUB expense	-	-	60,779	-	-	-	-	-	60,779	-	-	-	60,779
sparks! Early Childhood expense	-	-	-	-	32,783	-	-	-	32,783	-	-	-	32,783
Kyle's Run expense	-	-	-	-	13,427	-	-	-	13,427	-	-	-	13,427
Miscellaneous	-	-	90	90	9,433	1,801	61	2	11,477	(645)	1,917	1,272	12,749
Total Other	-	7,858	77,051	39,378	79,942	6,337	12,217	289	223,072	53,940	(13,590)	40,350	263,422
TOTALS	\$ 1,568,771	\$ 24,272	\$ 131,792	\$ 135,376	\$ 146,771	\$ 12,277	\$ 53,928	\$ 1,213	\$ 2,074,400	\$ 210,996	\$ 46,448	\$ 257,444	\$ 2,331,844

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

GREAT RIVERS UNITED WAY, INC.
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2018 AND 2017

	<u>YEAR ENDED DECEMBER 31,</u>	
	<u>2018</u>	<u>2017</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ 26,629	\$ 335,859
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities		
Depreciation	19,497	18,117
Changes in operating assets and liabilities		
Accounts receivable	(286)	1,792
Pledges receivable	(75,793)	146,708
Prepaid expenses	(5,942)	2,765
Accounts payable - trade	(1,976)	1,772
Agency allocations and designations	(59,715)	4,276
Deferred revenue	(1,000)	(2,875)
Accrued and other liabilities	3,231	(1,716)
NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES	<u>(95,355)</u>	<u>506,698</u>
 CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property and equipment	(16,475)	(41,437)
Net change in investment of certificates of deposit	(1,528)	(51,519)
NET CASH PROVIDED BY (USED IN) INVESTING ACTIVITIES	<u>(18,003)</u>	<u>(92,956)</u>
 NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(113,358)	413,742
 CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	<u>1,308,976</u>	<u>895,234</u>
 CASH AND CASH EQUIVALENTS AT END OF YEAR	<u>\$ 1,195,618</u>	<u>\$ 1,308,976</u>
 RECONCILIATION OF CASH AND EQUIVALENTS TO STATEMENTS OF FINANCIAL POSITION		
Cash and cash equivalents	\$ 862,746	\$ 960,025
Cash and cash equivalents whose use is limited	332,872	348,951
TOTAL	<u>\$ 1,195,618</u>	<u>\$ 1,308,976</u>

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

GREAT RIVERS UNITED WAY, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2018 AND 2017

NOTE 1 – Nature of Organization and Significant Accounting Policies

Nature of Organization – The mission of Great Rivers United Way, Inc. (the “Organization”) is to unite people and resources to improve lives and strengthen our communities. The vision of the Organization is that all individuals and families in our communities will achieve their full potential through education, income stability, and healthy lives. The Organization serves the communities in the Wisconsin counties of La Crosse, Monroe, Vernon, Trempealeau, Buffalo, and Crawford, as well as Houston County in Minnesota. The Organization was incorporated on June 27, 1949, and is governed by a volunteer board of directors. The Organization pledges to comply with the United Way of America Cost Deduction Requirements for Membership Standard M.

Basis of Accounting – The Organization utilizes the accrual method of accounting, whereby revenue is recognized when earned and expenses are recognized when incurred.

Basis of Presentation – The Organization’s financial statements are prepared in accordance with professional standards. Under generally accepted accounting principles (GAAP), the Organization is required to report information regarding its financial position and activities according to two classes of net assets: net assets without donor restrictions and net assets with donor restrictions:

Net assets without donor restrictions consist of investments and otherwise unrestricted amounts that are available for use in carrying out the mission of the Organization and include those expendable resources which have been designated for special use by the Organization’s Board of Directors.

Net assets with donor restrictions consist of net assets that are subject to either donor-imposed time restrictions or donor-imposed purpose restrictions. These restrictions limit the Organization’s choices of when to use these resources.

Income Tax Status – The Organization is exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code. In addition, the Organization has been classified as an organization that is not a private foundation under Section 509(a)(2).

In accordance with professional standards, the Organization follows the statutory requirements for their income tax accounting and generally avoids risks associated with potentially problematic tax positions that may be challenged upon examination. Management believes any liability resulting from taxing authorities imposing additional income taxes from activities deemed to be unrelated to the Organization’s tax-exempt status would not have a material effect on the accompanying financial statements.

The Organization’s federal exempt organization returns for 2018, 2017, and 2016, are subject to examination by the IRS, generally for three years after they were filed.

Use of Estimates – The preparation of financial statements in conformity with generally accepted accounting principles require management to make estimates and assumptions that affect certain reported amounts and disclosures. Actual results could differ from those estimates.

Cash and Cash Equivalents – The Organization considers all unrestricted highly liquid investments with an initial maturity of three months or less to be cash equivalents.

Concentrations of Credit Risk – The Federal Deposit Insurance Corporation and the National Credit Union Administration currently insure up to \$250,000 of substantially all depository accounts held at each financial institution. At various times during the year, the Organization’s cash deposits may exceed the federally insured limits. At December 31, 2018 and 2017, its uninsured deposits totaled \$471,754 and \$542,431, respectively. The Organization has not experienced any losses in such accounts and management believes it is not exposed to any significant credit risk on its cash and cash equivalents.

GREAT RIVERS UNITED WAY, INC.
NOTES TO FINANCIAL STATEMENTS – Continued
DECEMBER 31, 2018 AND 2017

NOTE 1 – Nature of Organization and Significant Accounting Policies – Continued

Pledges Receivable – Pledges receivable are stated at the amount management expects to collect from outstanding balances. Management provides for uncollectible amounts through a charge to earnings and a credit to a valuation allowance based on its assessment of the current status of individual accounts. Balances that are still outstanding after management has used reasonable collection efforts are written off through a charge to the allowance expense. Changes to the valuation allowance have not been material to the financial statements.

Contributions Receivable – Contributions are recognized when the donor makes a pledge to give that is, in substance, an unconditional promise. The Organization will not recognize a conditional promise to give until the conditions on which the promise depends are substantially met. A promise that calls for specific outcomes to be achieved will be treated as a conditional promise to give. Donor-restricted contributions are reported as increases in net assets with donor restrictions. When the restriction is met the amount is shown as a reclassification of net assets with donor restrictions to net assets without donor restrictions.

Property and Equipment – Equipment is recorded at cost or at estimated fair value at date of gift if donated. Expenditures for assets of \$1,000 or more, with at least a one-year useful life, are capitalized. Minor replacements and repairs and maintenance costs are charged to operations as incurred. Property and equipment are depreciated using the straight-line method over the estimated useful lives of the assets ranging from 5 to 40 years. Depreciation expense was \$19,497 and \$18,117 for the years ended December 31, 2018 and 2017, respectively.

Agency Allocations and Designations – Agency allocations and designation are stated at the amount of resources management expects to distribute to respond to identified needs of their approved agencies. All amounts were approved for distribution by the Board of Directors of the Organization.

Allocation of Functional Expenses – The Organization allocates functional expenses based on the time spent by employees on program and supporting services. Timesheets are used for hourly employees and various time studies are used for salaried employees.

Recently Issued Accounting Standards – In 2016, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) No. 2016-14, *Presentation of Financial Statements of Not-for-Profit Entities*. The Organization adopted the provisions of this new standard during the year ended December 31, 2018. The Organization has updated the presentation of its financial statements in accordance with the new standard and has applied the changes retrospectively to the comparative period.

The new standard changes affect the Organization's financial statements as follows:

- The unrestricted net asset class has been renamed *net assets without donor restrictions*.
- The temporarily restricted and permanently restricted net assets classes have been combined and the combined net asset class has been named *net assets with donor restrictions*.
- The notes to the financial statements include a new disclosure describing the liquidity and availability of financial assets (Note 5).
- Disclosures related to the allocation of functional expenses have been expanded.

GREAT RIVERS UNITED WAY, INC.
NOTES TO FINANCIAL STATEMENTS – Continued
DECEMBER 31, 2018 AND 2017

NOTE 1 – Nature of Organization and Significant Accounting Policies – Continued

Recently Issued Accounting Standards (Continued) – The new standard changes have the following effect on net assets at December 31, 2017:

	<u>As Originally Presented</u>	<u>After Adoption of ASU 2016-14</u>
NET ASSET CLASS:		
Unrestricted net assets:		
Unappropriated	\$ 93,396	\$ -
Board-designated	74,021	-
Board-appropriated	1,302,633	-
Temporarily restricted	639,444	-
Net assets without donor restrictions:		
Unappropriated	-	93,396
Board-designated	-	74,021
Board-appropriated	-	1,302,633
Net assets with donor restrictions	-	639,444
TOTAL NET ASSETS	<u>\$ 2,109,494</u>	<u>\$ 2,109,494</u>

In addition, certain amounts have been reclassified in the prior year financial statements to conform with the current year financial statement presentation. The reclassifications have no effect on the total change in net assets for the prior year.

Subsequent Events – The Organization has evaluated subsequent events through May 23, 2019, the date which the financial statements were available to be issued.

NOTE 2 – Pledges Receivable

	<u>Total</u>	<u>Pledged for the Operating Year</u>	
		<u>2019</u>	<u>2018</u>
Balance at December 31, 2018	\$ 1,522,535	\$ 1,418,569	\$ 103,966
Allowance for uncollectible amounts	91,500	91,500	-
Net Pledges Receivable at December 31, 2018	<u>\$ 1,431,035</u>	<u>\$ 1,327,069</u>	<u>\$ 103,966</u>

	<u>Total</u>	<u>Pledged for the Operating Year</u>	
		<u>2018</u>	<u>2017</u>
Balance at December 31, 2017	\$ 1,446,742	\$ 1,350,997	\$ 95,745
Allowance for uncollectible amounts	91,500	91,500	-
Net Pledges Receivable at December 31, 2017	<u>\$ 1,355,242</u>	<u>\$ 1,259,497</u>	<u>\$ 95,745</u>

GREAT RIVERS UNITED WAY, INC.
NOTES TO FINANCIAL STATEMENTS – Continued
DECEMBER 31, 2018 AND 2017

NOTE 3 – Retirement Plan

The Organization contributes to a Simplified Employee Pension Plan for all eligible employees. Contributions for the years ended December 31, 2018 and 2017, totaled \$12,497 and \$11,077, respectively.

NOTE 4 – Net Assets

Board-Appropriated – The Organization’s board has appropriated net assets equal to six months of the current agency allocations and designations and six months of the future year operating expense budget. Board-appropriated net assets total \$1,206,183 and \$1,302,633 for the years ended December 31, 2018 and 2017, respectively.

Board-Designated – Board-designated net assets consist of use restrictions on assets related to Venture and Emergency grants and those designated for future projects.

Board-designated net assets consist of the following at December 31:

	2018	2017
Board-designated net assets:		
Venture and Emergency grants	\$ 38,767	\$ 38,767
Future projects	18,801	35,254
Total board-designated net assets	\$ 57,568	\$ 74,021

Net Assets with Donor Restrictions – Net assets with donor restrictions consist of time restrictions on assets related to contributions pledged or received during the fall campaign, net of agency allocations applicable to those pledges that are payable in the following year, and use restrictions on contributions received for the Great Rivers HUB and sparks! programs.

Net assets with donor restrictions consist of the following at December 31:

	2018	2017
Net assets with donor restrictions:		
Great Rivers HUB	\$ 332,872	\$ 289,234
sparks!	-	59,717
Annual campaign	343,404	290,493
Total net assets with donor restrictions	\$ 676,276	\$ 639,444

NOTE 5 – Liquidity and Availability of Financial Assets

The Organization monitors its liquidity so that it is able to meet its operating needs. The following table reflects the Organization’s financial assets as of December 31, 2018 and 2017, reduced by amounts not available for general expenditure within one year. Financial assets are considered unavailable when not liquid or not convertible into cash within one year, assets held for others, assets restricted by donors for specific uses, perpetual endowments and accumulated earnings net of appropriations within one year, or because the board of directors has designated funds for specific reserves or long-term investments such as board-designated quasi-endowments. The board-designated and board-appropriated amounts could be used within one year if approved by the Board of Directors.

GREAT RIVERS UNITED WAY, INC.
NOTES TO FINANCIAL STATEMENTS – Continued
DECEMBER 31, 2018 AND 2017

NOTE 5 – Liquidity and Availability of Financial Assets – Continued

	December 31,	
	2018	2017
Financial assets:		
Cash and cash equivalents	\$ 1,195,618	\$ 1,308,976
Certificates of deposit	532,944	531,416
Accounts receivable, net	10,625	10,339
Pledges receivable, net	1,431,035	1,355,242
Total financial assets	3,170,222	3,205,973
Less those unavailable for general expenditure within one year due to:		
Purpose restrictions:		
Great Rivers HUB	(332,872)	(289,234)
sparks!	-	(59,717)
Board-designations:		
Venture and Emergency grants	(38,767)	(38,767)
Future projects	(18,801)	(35,254)
Board-appropriations for allocations	(717,750)	(745,368)
Financial assets available to meet cash needs for		
general expenditures within one year	\$ 2,062,032	\$ 2,037,634

Financial assets available to meet cash needs for general expenditures within one year include those to be used to fund board approved allocations payable of \$1,444,886 and \$1,504,689 at December 31, 2018 and 2017, respectively, as stated in the statements of financial position.

NOTE 6 – Effect of New Accounting Standards on Current Period Financial Statements

The Financial Accounting Standards Board (FASB) has approved the following:

- Accounting Standards Update (ASU) No. 2016-02, (Topic 842): *Leases*. For most entities, the amendments in this Update are effective for fiscal years beginning after December 15, 2019.
- Accounting Standards Update (ASU) No. 2014-09, (Topic 606): *Revenue from Contracts with Customers*. The implementation date for this new revenue recognition standard for nonpublic entities is for annual reporting periods beginning after December 15, 2018.
- Accounting Standards Update (ASU) No. 2018-08, (Topic 958): *Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made*. For most entities, the amendments in this Update are effective for fiscal years beginning after December 15, 2018.

When they become effective, application of these standards may restate portions of these financial statements.

SUPPLEMENTAL INFORMATION

GREAT RIVERS UNITED WAY, INC.
AGENCY ALLOCATIONS AND PAYMENTS
DECEMBER 31, 2018 AND 2017

	2019	2018		2017			
	Allocations	Allocations	Payments/ Adjustments	Under Expended (*)	Allocations	Payments/ Adjustments	Under Expended (*)
American Red Cross	\$ 56,430	\$ 56,273	\$ 56,273	\$ -	\$ 56,289	\$ 56,289	\$ -
Big Brother/Big Sister	55,564	56,225	55,991	234	56,375	56,263	112
Bluff County Family Resources	27,155	27,224	27,224	-	27,429	27,429	-
Boy Scouts - Gateway Area Council	39,647	39,771	39,771	-	40,070	40,070	-
Boys & Girls Club of La Crosse	134,359	138,086	138,086	-	136,639	136,297	342
Boys & Girls Club of West Central Wisconsin	52,238	52,370	52,370	-	50,131	50,131	-
Boys & Girls Club of Sparta	26,992	27,061	27,061	-	27,655	27,655	-
CouleeCap	93,033	93,265	93,265	-	98,052	98,052	-
Coulee Children's Center	146	49,626	49,626	-	50,000	50,000	-
Coulee Council on Addictions	47,047	47,166	47,166	-	47,684	47,549	135
YWCA of the Coulee Region	82,124	84,313	84,313	-	85,103	84,878	225
Families First of Monroe County	43,313	43,424	43,424	-	43,750	43,750	-
Family and Children's Center	186,330	186,800	186,800	-	186,878	186,878	-
The Parenting Place	34,502	34,588	34,588	-	36,071	36,071	-
Family Service Association	9,300	9,324	9,324	-	9,993	9,993	-
Girl Scouts - Badgerland Council	39,561	39,660	39,660	-	39,960	39,960	-
Independent Living Services	63,108	63,267	63,267	-	63,590	63,590	-
Hunger Task Force	28,501	29,224	28,932	292	28,678	28,678	-
La Crescent Area Healthy Community	18,513	18,558	18,558	-	18,526	18,526	-
La Crosse Promise	-	-	-	-	919	784	135
Mobile Meals of La Crosse	10,074	10,098	10,098	-	10,426	10,314	112
New Horizons	105,136	105,428	105,428	-	106,621	106,441	180
Essential Health	60,940	61,096	61,096	-	61,616	61,616	-
Salvation Army	112,192	112,737	112,620	117	115,666	115,666	-
Scenic Bluffs Community Health Centers	26,730	26,798	26,798	-	27,000	27,000	-
Western Dairyland Economic Opportunity Council	14,850	14,888	14,888	-	-	-	-
WAFER	72,811	72,995	72,995	-	72,825	72,825	-
Designations for other United Ways	4,290	6,074	5,029	1,045	3,473	3,114	359
Total	\$ 1,444,886	\$ 1,506,339	\$ 1,504,651	\$ 1,688	\$ 1,501,419	\$ 1,499,819	\$ 1,600

* amounts were paid in February 2019 and 2018, respectively