

UNITED WAY OF SOUTHWEST MINNESOTA

MARSHALL, MINNESOTA

FINANCIAL STATEMENTS

JUNE 30, 2019 AND 2018

UNITED WAY OF SOUTHWEST MINNESOTA
MARSHALL, MINNESOTA
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**DANA F. COLE
& COMPANY_{LLP}**
CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITORS' REPORT

To the Board of Directors
United Way of Southwest Minnesota
Marshall, Minnesota

We have audited the accompanying financial statements of United Way of Southwest Minnesota (a nonprofit organization), which comprise the statements of financial position as of June 30, 2019 and 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 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 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 Southwest Minnesota as of June 30, 2019 and 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.

Emphasis of Matter

As discussed in Note 1 to the financial statements, in fiscal year 2019, the Organization adopted Financial Accounting Standards Board (FASB) Accounting Standard Update (ASU) No. 2016-14, *Presentation of Financial Statements of Not-for-Profit Entities*. Our opinion is not modified with respect to this matter.

Other Matter

Report on Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The supplementary information on page 19 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.

Dana F Cole + Company, LLP

Marshall, Minnesota
October 14, 2019

UNITED WAY OF SOUTHWEST MINNESOTA
MARSHALL, MINNESOTA
STATEMENTS OF FINANCIAL POSITION
JUNE 30, 2019 AND 2018

ASSETS	2019	2018
CURRENT ASSETS		
Cash	87,899	278,531
Investments - short-term	581,785	278,826
Contributions receivable (net of allowance for uncollectible accounts of \$21,058 for 2019 and \$21,796 for 2018)	112,511	111,414
Prepaid expenses	7,524	7,685
Inventory	1,159	2,190
Total current assets	<u>790,878</u>	<u>678,646</u>
 PROPERTY AND EQUIPMENT, net of accumulated depreciation of \$13,925 for 2019 and \$11,036 for 2018	 <u>5,184</u>	 <u>8,073</u>
 TOTAL ASSETS	 <u><u>796,062</u></u>	 <u><u>686,719</u></u>
 LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Accounts payable and accrued liabilities	2,331	
Distributions to charities payable	<u>227,716</u>	<u>238,585</u>
Total current liabilities	<u>230,047</u>	<u>238,585</u>
 NET ASSETS		
Net assets without donor restrictions	453,504	336,720
Net assets with donor restrictions		
Restricted by purpose or time	<u>112,511</u>	<u>111,414</u>
Total net assets	<u>566,015</u>	<u>448,134</u>
 TOTAL LIABILITIES AND NET ASSETS	 <u><u>796,062</u></u>	 <u><u>686,719</u></u>

See accompanying notes to financial statements.

UNITED WAY OF SOUTHWEST MINNESOTA
MARSHALL, MINNESOTA
STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2019

	Without Donor Restrictions	With Donor Restrictions	Total
REVENUES AND OTHER SUPPORT			
Net campaign results	522,970	112,511	635,481
Satisfaction of restrictions: time	111,414	(111,414)	
Investment income	8,161		8,161
Reimbursements	8,698		8,698
Unclaimed/forfeited funds	14,375		14,375
In-kind contributions	3,335		3,335
Internal program income	10		10
Miscellaneous income	100		100
Total revenues and other support	<u>669,063</u>	<u>1,097</u>	<u>670,160</u>
EXPENSES			
Program			
Distributions to charities	338,979		338,979
Other program expenses	107,360		107,360
Total program	<u>446,339</u>		<u>446,339</u>
Supporting services			
Management and general	35,338		35,338
Fundraising	70,602		70,602
Total supporting services	<u>105,940</u>		<u>105,940</u>
Total expenses	<u>552,279</u>		<u>552,279</u>
CHANGE IN NET ASSETS	116,784	1,097	117,881
NET ASSETS, beginning of year	<u>336,720</u>	<u>111,414</u>	<u>448,134</u>
NET ASSETS, end of year	<u>453,504</u>	<u>112,511</u>	<u>566,015</u>

See accompanying notes to financial statements.

UNITED WAY OF SOUTHWEST MINNESOTA
MARSHALL, MINNESOTA
STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2018

	Without Donor Restrictions	With Donor Restrictions	Total
REVENUES AND OTHER SUPPORT			
Net campaign results	499,380	111,414	610,794
Satisfaction of restrictions: time	111,876	(111,876)	
Investment income	4,659		4,659
Reimbursements	12,755		12,755
In-kind contributions	3,336		3,336
Internal program income	150		150
Total revenues and other support	<u>632,156</u>	<u>(462)</u>	<u>631,694</u>
EXPENSES			
Program			
Distributions to charities	372,146		372,146
Other program expenses	124,528		124,528
Total program	<u>496,674</u>		<u>496,674</u>
Supporting services			
Management and general	33,174		33,174
Fundraising	68,816		68,816
Total supporting services	<u>101,990</u>		<u>101,990</u>
Total expenses	<u>598,664</u>		<u>598,664</u>
CHANGE IN NET ASSETS	33,492	(462)	33,030
NET ASSETS, beginning of year	<u>303,228</u>	<u>111,876</u>	<u>415,104</u>
NET ASSETS, end of year	<u>336,720</u>	<u>111,414</u>	<u>448,134</u>

See accompanying notes to financial statements.

UNITED WAY OF SOUTHWEST MINNESOTA
MARSHALL, MINNESOTA
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED JUNE 30, 2019 AND 2018

	2019	2018
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	<u>117,881</u>	<u>33,030</u>
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	2,889	2,831
(Increase) decrease in:		
Receivable from United Way Worldwide		1,380
Contributions receivable	(1,097)	462
Prepaid expenses	161	(116)
Inventory	1,031	(2,190)
Increase (decrease) in:		
Accounts payable and accrued liabilities	2,331	(3,108)
Distributions to charities payable	<u>(10,869)</u>	<u>(22,974)</u>
Net adjustments	<u>(5,554)</u>	<u>(23,715)</u>
Net cash provided by operating activities	<u>112,327</u>	<u>9,315</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of equipment		(1,618)
Proceeds from sale of investments	282,466	344,209
Purchase of investments	<u>(585,425)</u>	<u>(446,378)</u>
Net cash used in investing activities	<u>(302,959)</u>	<u>(103,787)</u>
NET DECREASE IN CASH	(190,632)	(94,472)
CASH, beginning of year	<u>278,531</u>	<u>373,003</u>
CASH, end of year	<u>87,899</u>	<u>278,531</u>

See accompanying notes to financial statements.

UNITED WAY OF SOUTHWEST MINNESOTA
MARSHALL, MINNESOTA
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2019

	<u>Support Services</u>			Total
	Program Services	Management and General	Fundraising	
Distributions to charities	338,979			338,979
Wages and employee expenses	76,570	24,560	43,341	144,471
Promotions			13,653	13,653
Telephone	1,231	307	541	2,079
Rent	13,432	2,273	4,102	19,807
Insurance	1,390	446	787	2,623
Services and professional fees	2,279	4,571	1,007	7,857
Postage/box rent	184	28		212
Memberships and dues	933	298	529	1,760
Payments to affiliates	3,261	1,046	1,846	6,153
Travel/meals/conferences	2,193	641	1,475	4,309
Depreciation/maintenance	1,531	491	867	2,889
Supplies	1,754	275	551	2,580
Advertising	535	220		755
Miscellaneous	2,067	182	1,903	4,152
Total costs	<u>446,339</u>	<u>35,338</u>	<u>70,602</u>	<u>552,279</u>

United Way of Southwest Minnesota's overhead ratio, computed using the net method, is 15.81%.

See accompanying notes to financial statements.

UNITED WAY OF SOUTHWEST MINNESOTA
MARSHALL, MINNESOTA
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2018

	Program Services	Support Services		Total
		Management and General	Fundraising	
Distributions to charities	372,146			372,146
Wages and employee expenses	92,064	23,810	42,857	158,731
Promotions			12,350	12,350
Telephone	1,292	302	543	2,137
Rent	14,181	1,969	3,663	19,813
Insurance	1,170	302	544	2,016
Services and professional fees	1,858	4,008	734	6,600
Postage/box rent	89	18		107
Memberships and dues	896	231	417	1,544
Payments to affiliates	3,449	892	1,606	5,947
Travel/meals/conferences	2,835	590	1,903	5,328
Depreciation/maintenance	1,642	425	764	2,831
Supplies	2,190	272	490	2,952
Advertising	515	136	1,000	1,651
Miscellaneous	2,347	219	1,945	4,511
Total costs	496,674	33,174	68,816	598,664

United Way of Southwest Minnesota's overhead ratio, computed using the net method, is 16.15%.

See accompanying notes to financial statements.

UNITED WAY OF SOUTHWEST MINNESOTA
MARSHALL, MINNESOTA
NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Organization

United Way of Southwest Minnesota is a Minnesota nonprofit corporation. It is a local autonomous 501(c)(3) organization working to create lasting changes in people's lives and the communities in Lincoln, Lyon, Murray, Yellow Medicine, and portions of Cottonwood, Lac qui Parle, Nobles, and Redwood counties of Minnesota.

New Accounting Pronouncement

Effective July 1, 2018, the Organization adopted FASB Accounting Standards Update 2016-14, *Not-for-Profit Entities (Topic 958): Presentation of Financial Statements of Not-for-Profit Entities*, (ASU 2016-14). The provisions of ASU 2016-14 are intended to simplify and improve the presentation of net assets, as well as provide information regarding liquidity, financial performance, and cash flows. The provisions of ASU 2016-14 that significantly change the Organization's financial statements are as follows:

- Revises the net assets classification structure to two classes (net assets with donor restrictions and net assets without donor restrictions) instead of the previous three classes;
- Enhances disclosures for self-imposed limits on the use of resources both with and without donor-imposed restrictions; and
- Requires quantitative and qualitative disclosures on liquidity and the availability of resources to fund operations.

The financial statements for the year ended June 30, 2018, have been retrospectively restated for the effects of the adoption of ASU 2016-14, which resulted in temporarily and permanently restricted net assets being reported as net assets with donor restrictions, and unrestricted net assets being reported as net assets without donor restrictions. There was no change in total net assets, nor was there an effect on the change in net assets in the accompanying statements of activities for the year ended June 30, 2018.

Financial Statement Presentation

The financial statements report amounts by class of net assets, as required by ASU 2016-14, *Not-for-Profit Entities (Topic 958): Presentation of Financial Statements of Not-for-Profit Entities*. As such, net assets, revenues, gains, and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets and changes therein are classified and reported as follows:

UNITED WAY OF SOUTHWEST MINNESOTA
MARSHALL, MINNESOTA
NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Financial Statement Presentation (Continued)

Net Assets Without Donor Restrictions

Net assets without donor restrictions are resources available to support operations and not subject to donor restrictions. The governing board has designated, from net assets without donor restrictions, net assets for an operating reserve, as well as net assets for various other purposes as detailed in Note 9.

Net Assets With Donor Restrictions

Net assets with donor restrictions are resources that are subject to donor-imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. Donor-imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both, and are reported in the statements of activities as net assets released from restrictions.

Contributions restricted by donors received in the same period when the associated stipulated time or purpose restriction is accomplished are reported as increases in net assets without donor restrictions. All other donor-restricted contributions are reported as increases in net assets with donor restrictions, depending on the nature of the restrictions.

Contributions

The Organization utilizes FASB ASC 958-605, *Not-for-Profit Entities Revenue Recognition*. FASB ASC 958-605 requires that unconditional promises to give (pledges) be recorded as receivables and revenues and requires the Organization to distinguish between contributions received for each net asset category in accordance with donor-imposed restrictions. Conditional promises to give are recognized only when the conditions on which they depend are substantially met and the promises become unconditional.

Contributed Materials and Services

The Organization records various types of in-kind contributions. Contributed services are recognized at fair market value if the services received (a) create or enhance long-lived assets or (b) require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation. Contributions of tangible assets are recognized at fair market value when received. The amounts reflected in the accompanying financial statements as in-kind contributions are offset by like amounts included in expenses or additions to property and equipment.

UNITED WAY OF SOUTHWEST MINNESOTA
MARSHALL, MINNESOTA
NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Contributions (Continued)

Volunteers

Many individuals volunteer their time and perform a variety of tasks that assist the Organization with its operations. Management estimates that it receives the equivalent in volunteer hours of two full-time workers. The volunteer hours have not been recorded in the financial statements since those services do not meet the criteria for recognition.

Use of Estimates

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

Cash and Cash Equivalents

For purposes of the statements of cash flows, the Organization considers all highly liquid investments purchased with a maturity of three months or less to be cash equivalents. At June 30, 2019 and 2018, the Organization had no cash equivalents.

Contributions Receivable

The Organization uses the allowance method to account for uncollectible contributions receivable.

Inventory

Inventories are valued at the lower of cost or net realizable value. Cost is determined using the first-in, first-out (FIFO) method. Net realizable value is based on the selling price.

Certificate of Deposit

The Organization invests cash in excess of its immediate needs in certificates of deposit which are reported as short-term investments in the statement of financial position. The certificates of deposit are reported at cost plus accrued interest, which closely approximates fair value, due to the short-term nature of these investments.

UNITED WAY OF SOUTHWEST MINNESOTA
MARSHALL, MINNESOTA
NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Property and Equipment

Property and equipment are stated at cost, if purchased, or fair value, if donated. The Organization's equipment is comprised of software and office equipment. Major expenditures for property and those which substantially increase useful lives are capitalized. Maintenance, repairs, and minor renewals are expensed as incurred. When assets are retired or otherwise disposed of, their costs and related accumulated depreciation are removed from the accounts and resulting gains or losses are included in income.

Depreciation

The Organization provides for depreciation of property and equipment using annual rates which are sufficient to amortize the cost of depreciable assets using the straight-line method over their estimated useful lives, which range from 3 to 5 years.

Income Taxes

The Organization is exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code. However, income from certain activities not directly related to the Organization's tax-exempt purpose is subject to taxation as unrelated business income. In addition, the Organization qualifies for the charitable contribution deduction under Section 170(b)(1)(A) and has been classified as an organization other than a private foundation under Section 509(a)(2).

The Organization utilizes the provisions of FASB ASC 740-10, *Accounting for Uncertain Tax Positions*. The Organization continually evaluates expiring statutes of limitations, audits, proposed settlements, changes in tax law, and new authoritative rulings. The Organization believes that it has appropriate support for any tax positions taken, and as such, does not have any uncertain tax positions that would be material to the financial statements.

Compensated Absences

All year-round employees are entitled to paid vacation. Accrued vacation pay was deemed immaterial and not accrued.

Advertising

Advertising costs are expensed as incurred. Advertising expense was \$755 and \$1,651 for the years ended June 30, 2019 and 2018, respectively.

UNITED WAY OF SOUTHWEST MINNESOTA
MARSHALL, MINNESOTA
NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Functional Expenses

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

Directly identifiable expenses are charged to programs, fundraising, or management and general depending on the reason the expenses were incurred. Expenses related to more than one function are charged to the functional classifications on the basis of periodic time and expense studies. Management and general expenses include those expenses that are not directly identifiable with any other specific function but provide for the overall support and direction of the Organization.

Reclassification

In certain instances, amounts from the prior year have been reclassified to place them on a basis comparable with the current year.

NOTE 2. CONCENTRATION OF CREDIT RISK

The Organization has deposits at several financial institutions insured up to the \$250,000 federally insured limit by the Federal Deposit Insurance Corporation. At June 30, 2019 and 2018, the Organization's cash balances were fully insured.

Financial instruments which potentially subject the Organization to concentrations of credit risk consist principally of promises to give receivable. Such credit risk with respect to promises receivable are limited due to the large number of contributions comprising the Organization's contributor base and their dispersion across different industries and geographic areas. As of June 30, 2019 and 2018, the Organization had no significant concentrations of credit risk.

Approximately 22% of the Organization's funding is provided from contributions from Schwan's Corporate Giving Foundation and Schwan's Company subsidiary employees. Approximately 16% of the Organization's funding is provided from contributions from U.S. Bank Foundation and U.S. Bank employees. If these major funding sources were lost, the Organization could not continue the level of services currently provided.

UNITED WAY OF SOUTHWEST MINNESOTA
MARSHALL, MINNESOTA
NOTES TO FINANCIAL STATEMENTS

NOTE 3. LIQUIDITY AND AVAILABILITY OF RESOURCES

The Organization's financial assets available to meet cash needs for general expenditures within one year of the balance date are as follows:

	2019	2018
Cash	87,899	278,531
Short-term investments	<u>581,785</u>	<u>278,826</u>
	<u>669,684</u>	<u>557,357</u>

The Organization is substantially supported by restricted contributions. Because a donor's restriction requires resources to be used in a particular manner or in a future period, the Organization must maintain sufficient resources to meet those responsibilities to its donors. Thus, financial assets may not be available for general expenditure within one year. As part of the Organization's liquidity management, it has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due. In addition, the Organization invests cash in excess of daily requirements in short-term investments.

NOTE 4. RECOGNITION OF CONTRIBUTIONS

Contributions, whether in the form of cash, unconditional promises to give, other assets or expenses, or the settlement of a liability, are recognized as revenue or gains in the period received, net of expected pledge loss and net of contributions designated to different agencies by the donor. They are recognized as assets, decreases of liabilities, or expenses depending on the form of the benefit received. The detail of the contribution revenue is as follows:

	2019	2018
2017 campaign contributions		583,904
2018 campaign contributions	554,862	38,033
2019 campaign contributions	<u>89,902</u>	
Gross contributions	644,764	621,937
Less: expected pledge loss	(21,058)	(21,796)
Add: prior year expected pledge loss in excess of actual write-offs	<u>11,775</u>	<u>10,653</u>
Net contribution revenue	<u>635,481</u>	<u>610,794</u>

Actual contribution receivable write-offs for 2019 and 2018 were \$10,021 and \$10,772, respectively.

UNITED WAY OF SOUTHWEST MINNESOTA
MARSHALL, MINNESOTA
NOTES TO FINANCIAL STATEMENTS

NOTE 5. CONTRIBUTIONS RECEIVABLE

Promises to give, net of allowance for doubtful accounts, are due to be collected as follows:

	2019	2018
Within one year	133,569	133,210
One to five years	- 0 -	- 0 -
More than five years	- 0 -	- 0 -
	133,569	133,210
Less: allowance for uncollectible contributions	(21,058)	(21,796)
Total contributions receivable	112,511	111,414

NOTE 6. INVENTORY

Inventory consists of the following at June 30, 2019 and 2018:

	2019	2018
Wild About Kindergarten Activity Books	1,159	2,190

NOTE 7. LEASE COMMITMENTS

In July 2014, the Organization entered into a 5-year lease for a copier and printer. The lease runs from August 2014 through July 2019 with monthly payments of \$147.

In June 2015, the Organization entered into a 5-year lease for office space in Marshall, Minnesota. The lease runs from August 1, 2015 through July 31, 2020, with monthly payments of \$1,500. There is an option of an additional five years with rent to be determined at that time.

At June 30, 2019, a schedule of the future minimum rental payments required under the above is as follows:

Year Ending	
June 30,	
2020	18,147
2021	1,500
	19,647

Total rent expense for 2019 and 2018 was \$19,808 and \$19,813, respectively.

UNITED WAY OF SOUTHWEST MINNESOTA
MARSHALL, MINNESOTA
NOTES TO FINANCIAL STATEMENTS

NOTE 8. NET ASSETS

Net assets consist of:

	2019	2018
Net assets without donor restrictions		
Undesignated	110,573	39,347
Board-designated (see Note 9)	337,747	289,300
Net investment in property and equipment	5,184	8,073
Total net assets without donor restrictions	453,504	336,720
Net assets with donor restrictions		
Subject to the passage of time:		
Contributions receivable	112,511	111,414
	566,015	448,134

NOTE 9. BOARD-DESIGNATED NET ASSETS

The Organization's Board of Directors has established the following reserves of board-designated net assets:

Funded Depreciation Reserve - To serve as a source for future purchases of equipment. The maximum amount permitted by the Board is \$7,500.

Self-insurance Reserve - To cover deductibles, loss, claims, or costs which are not covered by other insurance.

Office Operating Expense Reserve - To provide stability for operating expenses of the United Way office. The minimum amount for this is three months of operating expenses and the maximum is six months of operating expenses.

Strategic Planning Reserve - To provide funds for any upcoming costs related to the work of the 2018 - 2020 Strategic Plan.

Community Impact Reserve - To provide stability in the level of funding for community impact grants. The minimum amount for this is three months of program grants and the maximum is six months of program grants.

Special Projects Reserve - To provide funds for any upcoming special projects as determined by the Board.

UNITED WAY OF SOUTHWEST MINNESOTA
MARSHALL, MINNESOTA
NOTES TO FINANCIAL STATEMENTS

NOTE 9. BOARD-DESIGNATED NET ASSETS (Continued)

Internal Program Reserve - To provide stability in funding for programs sponsored/co-sponsored by United Way of Southwest Minnesota, and to provide flexible funding for proposals that, through a collaborative process, would address high-priority community issues. The minimum for this is three months of Imagination Library and other internal program expenditures and the maximum is six months of Imagination Library and other internal program expenditures.

Board-designated net assets consist of the following as of June 30, 2019 and 2018, respectively:

	2019	2018
Internal Program Reserve		
General Reserve	60,703	35,925
Imagination Library	20,090	19,016
Subtotal internal program reserve	<u>80,793</u>	<u>54,941</u>
Office Operating Expense Reserve	101,246	85,206
Self-insurance Reserve	5,000	5,000
Special Projects Reserve	19,556	
Strategic Planning Reserve	913	3,270
Community Impact Reserve	122,739	133,383
Funded Depreciation Reserve	7,500	7,500
	<u>337,747</u>	<u>289,300</u>

NOTE 10. IN-KIND CONTRIBUTIONS

The Organization received in-kind contributions which were characterized as follows:

	2019	2018
<u>Statement of Activities</u>		
Program		
Advertising	500	500
Services and professional fees	720	900
Supplies	82	103
Total program	<u>1,302</u>	<u>1,503</u>
Management and general		
Services and professional fees	255	195
Supplies	29	22
Total management and general	<u>284</u>	<u>217</u>

UNITED WAY OF SOUTHWEST MINNESOTA
MARSHALL, MINNESOTA
NOTES TO FINANCIAL STATEMENTS

NOTE 10. IN-KIND CONTRIBUTIONS (Continued)

	2019	2018
<u>Statement of Activities</u> (Continued)		
Fundraising		
Advertising		1,000
Services and professional fees	525	405
Supplies	59	46
Promotions	<u>1,165</u>	<u>165</u>
Total fundraising	<u>1,749</u>	<u>1,616</u>
Total statement of activities	<u>3,335</u>	<u>3,336</u>
Total in-kind contributions	<u>3,335</u>	<u>3,336</u>

NOTE 11. SUBSEQUENT EVENTS

In preparing the financial statements, the Organization has evaluated events and transactions for potential recognition or disclosure through October 14, 2019, the date the financial statements were available to be issued.

SUPPLEMENTARY INFORMATION

UNITED WAY OF SOUTHWEST MINNESOTA
MARSHALL, MINNESOTA
SUPPLEMENTARY INFORMATION - SCHEDULES OF DISTRIBUTIONS TO CHARITY
FOR THE YEARS ENDED JUNE 30, 2019 AND 2018

	2019	2018
	Distributions	Distributions
	to Charities	to Charities
Program Services - Distribution to Charities		
Adult Community Center		3,000
American Red Cross serving Southwest Minnesota		3,000
Canby Area Food Shelf		1,000
Junior Achievement	9,500	8,000
Living at Home/Block Nursing Program		7,500
Loaves and Fishes - Marshall Community Meal Program	4,000	2,500
Marshall Area Farmer's Market	1,000	1,000
Marshall Area YMCA		13,000
Marshall Food 4 Kids	6,000	5,000
Neighbors United - Granite Falls Food Shelf	13,896	12,000
New Horizons Crisis Center - Crime Victims Support	35,000	35,000
New Horizons Crisis Center - Parenting Times	15,000	8,000
Prairie Five Senior Nutrition	5,000	6,000
Redwood County Children's Advocacy Center		12,500
Safe Avenues		12,000
Sanford Health		2,800
ServeMinnesota	13,000	6,000
Service Enterprises, Inc. of Minnesota	2,000	4,500
United Community Action Partnership - Kitchen Table Food Shelves	40,000	35,000
United Community Action Partnership - Tax Preparation Clinic	15,000	10,000
United Community Action Partnership - The Refuge	19,000	17,000
United Community Action Partnership - Youth Development	12,500	
Project - Social Wellness	2,000	3,000
WoMen's Rural Advocacy Program (WRAP)	20,000	20,000
Small Projects Grants	15,205	31,900
1000 Books B4K		100
Imagination Library	64,926	67,156
Little Red Bookshelves	183	990
Other Internal Program Grants and Expenses	5,282	14,048
Special Projects	2,470	2,122
Stuff the Bus	12,643	10,027
Wild About Kindergarten	10,555	7,218
School Emergency Grants	13,331	9,495
Designated for another United Way	1,488	1,290
	<u>338,979</u>	<u>372,146</u>