

***UNITED WAY OF DODGE CITY, INC.***

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***FINANCIAL STATEMENTS***

***YEARS ENDED DECEMBER 31, 2016***

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**Dechant Unruh & Thomas, Inc**

*Public Accountants*

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**UNITED WAY OF DODGE CITY, INC.**  
(a not-for-profit organization)

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**Dechant Unruh & Thomas**  
Accountants and Financial Advisors

Board of Directors  
United Way of Dodge City, Inc.  
Dodge City, Kansas

We have compiled the accompanying financial statements of United Way of Dodge City, Inc., (a not-for-profit organization) which comprise the statement of financial position as of December 31, 2016, and the related statements of activities, functional expenses, and cash flows for the year then ended and the related notes to the financial statements in accordance with Statements on Standards for Accounting and Review Services adopted by the Public Accountants Association of Kansas.

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.

We have not audited or reviewed the accompanying financial statements, and accordingly do not express an opinion or any other form of assurance on them.

*Dechant, Unruh & Thomas, Inc.*

November 13, 2017

**UNITED WAY OF DODGE CITY, INC.**  
**(a not-for-profit organization)**

**STATEMENT OF FINANCIAL POSITION**

	<u>December 31,</u> <u>2016</u>
<b><u>ASSETS</u></b>	
<b>Current assets:</b>	
Cash and cash equivalents	\$ 182,969
Promises to give (Note A)	<u>279,207</u>
Total current assets	<u>462,176</u>
<b>Property and equipment at cost:</b>	
Office equipment (Note A)	19,740
Less-accumulated depreciation	<u>17,987</u>
Total property and equipment	<u>1,753</u>
<b>Other assets:</b>	
Community Foundation managed assets (Notes A and B)	<u>40,209</u>
<b>Total assets</b>	<b><u>\$ 504,138</u></b>
<b><u>LIABILITIES AND NET ASSETS (DEFICIT)</u></b>	
<b>Current liabilities:</b>	
Payroll tax payable	\$ 1,345
Accounts payable	\$ 9,130
<b>Net assets:</b>	
Unrestricted:	
Undesignated	195,830
Board designated (Note A)	40,209
Temporarily restricted (Note C)	<u>257,624</u>
Total net assets	<u>493,663</u>
<b>Total liabilities and net assets (deficit)</b>	<b><u>\$ 504,138</u></b>

The accompanying notes are an integral part of the financial statements

**UNITED WAY OF DODGE CITY, INC.**  
**(a not-for-profit organization)**

**STATEMENT OF ACTIVITIES**

	Year ended December 31, 2016		
	Unrestricted	Temporarily restricted	Total
Revenues, gains and other support:			
Contributions	\$ 49,618	\$ 257,624	\$ 307,242
Special events	\$ 3,761		3,761
Investment income	3,306	-	3,306
Net realized/unrealized gains (losses) on long-term investments	-	-	-
Miscellaneous	-		-
Net assets released from restrictions	250,311	(250,311)	-
 Total revenues, gains and other support	306,996	7,313	314,309
 Expenses:			
Program services	179,689	-	179,689
Fundraising	47,344	-	47,344
Management and general	78,797	-	78,797
 Total expenses	305,830	-	305,830
 Change in net assets (deficit)	1,166	7,313	8,479
Prior period adjustment	(439)	-	(439)
Net assets (deficit) beginning of year	235,312	250,311	485,623
 Net assets (deficit) end of year	\$ 236,039	\$ 257,624	\$ 493,663

The accompanying notes are an integral part of the financial statements



**UNITED WAY OF DODGE CITY, INC.**  
**(a not-for-profit organization)**

**STATEMENT OF CASH FLOWS**

	<u>December 31,</u> <u>2016</u>
Cash flows from operating activities:	
Cash received from donors	\$ 306,714
Cash received from others	-
Interest income received	3,306
Cash paid for program services	(170,559)
Cash paid for fundraising	(47,794)
Cash paid for management and general	<u>(47,344)</u>
Net cash provided (used) by operating activities	44,323
Cash flows used by investing activities:	
Cashed in investment	-
Board designated investment	(2,260)
Purchases of furniture and office equipment	<u>-</u>
Net cash provided (used) by investing activities	(2,260)
Net increase (decrease) in cash and cash equivalents	42,063
Cash and cash equivalents at beginning of year	<u>140,907</u>
Cash and cash equivalents at end of year	<u><u>\$ 182,970</u></u>

**Reconciliation of Change in Net Assets  
to Net Cash Provided by Operating Activities**

Change in net assets	\$ 8,040
Adjustments to reconcile change in net assets to net cash provided by operating activities:	
Depreciation	945
Net unrealized (gain) loss on investments	-
Write off uncollectible pledges	31,003
Gain (Loss) on sale of investments	-
Decrease (increase) in:	
Pledges receivable	(4,714)
Increase (decrease) in:	
Accounts payable	9,130
Payroll tax payable	<u>(81)</u>
Net cash provided (used) by operating activities	<u><u>\$ 44,323</u></u>

The accompanying notes are an integral part of the financial statements

UNITED WAY OF DODGE CITY, INC.  
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STATEMENT OF FUNCTIONAL EXPENSES

	<u>Year ended December 31</u> <u>2016</u>
Program services:	
Agency allocations	\$ 162,008
Payroll	7,192
Payroll taxes and benefits	1,097
Translators	<u>9,392</u>
Total program service expense	179,689
Fundraising:	
Campaign expense	\$ 9,715
Payroll	32,642
Payroll taxes and benefits	<u>4,987</u>
Total fundraising expense	47,344
Management and general:	
Payroll	7,337
Campaign expense	14,479
Office expense	5,246
Occupancy expense	6,682
Insurance	1,097
Repairs	235
Dues and fees	4,237
Travel	1,827
Pledge loss	31,003
Depreciation	945
Miscellaneous	<u>5,709</u>
Total management and general expense	78,797
Total expenses	<u>\$ 305,830</u>

The accompanying notes are an integral part of the financial statements

**UNITED WAY OF DODGE CITY, INC.**  
**(a not-for-profit organization)**

**NOTES TO FINANCIAL STATEMENTS**  
December 31, 2016

**A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

This Summary of significant accounting policies is presented to assist in the understanding of the Organization's financial statements. The financial statements and notes are representations of management, which is responsible for their integrity and objectivity. These accounting policies conform to accounting principles generally accepted in the United States of America.

**1. Business activity**

UNITED WAY OF DODGE CITY, INC. (the "Organization") is a not for profit corporation which holds membership with the United Way of America. The Organization is dedicated to promoting public financial and volunteer support, in partnership with its member agencies to improve the quality of life and the standard of living for those in the Dodge City area. The Organization's allocation committee approves and allocates grants to twenty local member organizations. The Organization is exempt from income taxes under Internal Revenue Code 501(c)(3).

**2. Basis of presentation**

Financial Statement presentation follows the recommendations of the Financial Accounting Standards Board in its Statement of Financial Accounting Standards (SFAS) No 117, *Financial Statements of Not-for-Profit Organizations*. Under SFAS No. 117, the Organization is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets. The Organization has no permanently restricted net assets. In addition, the Organization is required to present a statement of cash flows.

**3. Net assets**

Net assets of the Organization and changes therein are classified and reported as follows:

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

**Temporarily restricted net assets** – Net assets are subject to donor-imposed stipulations that may or will be met, either by the actions of the United Way of Dodge City, Inc. and/or the passage of time.



UNITED WAY OF DODGE CITY, INC.  
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NOTES TO FINANCIAL STATEMENTS  
December 31, 2016

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES-continued

4. Promises to give

Unconditional promises to give are recognized as revenues or gains in the period received and as assets, decreases of liabilities, or expenses depending on the form of the benefits received. Conditional promises to give are recognized only when the conditions on which they depend are substantially met and the promises become unconditional.

The Organization's management considers all promises to give shown on the financial statements to be collectable and an allowance for uncollectable pledges not to be necessary. If the amounts become uncollectible, they will be charged to operations when that determination is made. All promises to give at year-end are due in less than one year.

5. Property and equipment

Donations of property and equipment are recorded as contributions at their estimated fair value at the date of the donation. Such donations are reported as unrestricted contributions unless the donor has restricted the donated asset to a specific purpose. Assets donated with explicit restrictions regarding their use and contributions of cash that must be used to acquire property and equipment are reported as restricted contributions. Absent donor stipulations, regarding how long those donated assets must be maintained, the Organization reports expirations of donor restrictions when the donated or acquired assets are placed in service as instructed by the donor. The Organization reclassifies temporarily restricted net assets to unrestricted net assets at that time.

All acquisitions of property and equipment and all expenditures for repairs, maintenance, renewals, and betterments that materially prolong the useful lives of assets are capitalized. Property and equipment consists of office furniture and is carried at cost or, if donated, at the approximate fair value at the date of donation. Depreciation is computed using the straight-line method over lives of three to ten years.

**UNITED WAY OF DODGE CITY, INC.**  
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NOTES TO FINANCIAL STATEMENTS  
December 31, 2016

**A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES-continued**

**6. Investments**

The Organization has adopted SFAS No. 124, *Accounting for Certain Investments Held by Not-for-Profit Organizations*. Under SFAS No. 124, investments in marketable securities with readily determinable fair values and all investments in debt securities are reported at their fair values in the statement of financial position. Unrealized gains and losses are included in the change in net assets in the accompanying statement of activities.

**7. Designation of net assets**

The Organization's board of directors currently has designated a portion of unrestricted net assets as a reserve fund in case of a community disaster. The funds are managed by the Community Foundation of Southwest Kansas.

**8. Restricted and unrestricted revenue and support**

Contributions are recognized when the donor makes a promise to give to the Organization that is, in substance, unconditional. Contributions that are restricted by the donor are reported as an increase in unrestricted net assets if the restriction expires in the reporting period in which the support is recognized. All other donor-restricted support is reported as an increase in temporarily or permanently restricted net assets, depending on the nature of the restriction. When a restriction expires, temporarily restricted net assets are reclassified as net assets released from restrictions.

**9. Donated services**

Donated services are recognized as contributions in accordance with SFAS No. 116, *Accounting for Contributions Received and Contributions Made*, if the services (a) create or enhance nonfinancial assets or (b) require specialized skills, are performed by people with those skills, and would otherwise be purchased by the Organization.



**UNITED WAY OF DODGE CITY, INC.**  
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**NOTES TO FINANCIAL STATEMENTS**  
December 31, 2016

**A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES-continued**

*10. Functional allocation of expenses*

Directly identifiable expenses are charged to programs and supporting services. Expenses related to more than one function are charged to programs and supporting services based on an estimate of approximate time spent on each. 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.

*11. Income taxes*

United Way of Dodge City, Inc. is exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code. In addition it 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).

*12. Estimates*

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

*13. Cash and cash equivalents*

For purposes of the statement of cash flows, the Organization considers all unrestricted highly liquid investments with a maturity of three months or less to be cash equivalents.

*14. Accounts receivable*

Accounts receivable are stated at unpaid balances. The Organization uses the direct write-off method for recognizing uncollectible accounts. The Organization's management considers all accounts receivable shown on the financial statements to be collectible and an allowance for uncollectible accounts not to be necessary.

**UNITED WAY OF DODGE CITY, INC.**  
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**NOTES TO FINANCIAL STATEMENTS**  
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**B. COMMUNITY FOUNDATION MANAGED ASSETS**

In a prior year United Way transferred its Community Emergency Fund monies to the Community Foundation of Southwest Kansas for investment. The Community Emergency Fund was established to insure that the community's social service providers would be able to meet community needs should any hardship occur, including loss of a major employer or a devastating act of God in the form of fire or storm such as a tornado or flood. Upon written request to the Foundation, United Way may withdraw earnings and/or principal to be used for the purpose stated above.

Investments in the Community Foundation are stated at fair value at year-end and consist primarily of equity mutual funds and fixed income mutual funds as follows.

Investment expenses for the year ended December 31, 2016 consisted of custodial fees of \$ 619.

**C. TEMPORARILY RESTRICTED NET ASSETS**

The temporarily restricted net assets of \$ 257,624 at December 31, 2016 are to be used to pay agency allocations in the subsequent year.

**D. CONCETRATIONS**

Promises to give include amounts from employees of two corporate donors which comprise 73.42% of the balance at December 31, 2016. Should these sources not be able to meet their obligations, the Organization would have to arrange another source of funding or greatly reduce its allocations to agencies.