

REPORT OF
GREATER LONGVIEW
UNITED WAY, INC.

AUGUST 31, 2019

JOHN LEE USSERY

Certified Public Accountant

A PROFESSIONAL CORPORATION

2020 BILL OWENS PARKWAY
SUITE 160
LONGVIEW, TEXAS 75604

TEL (903) 295-8017
FAX (903) 295-8019
EMAIL: JLU@BENCHMARKCPA.COM

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of
Greater Longview United Way, Inc.:

I have audited the accompanying financial statements of Greater Longview United Way, Inc. (a nonprofit organization), which comprise the statement of financial position as of August 31, 2019, and the related statements of activities, functional expenses, and cash flows for the year 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

My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that I 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, I 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.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

OPINION

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Greater Longview United Way, Inc. as of August 31, 2019, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

February 10, 2020
Longview, Texas



John Lee Ussery, CPA

GREATER LONGVIEW UNITED WAY, INC.
STATEMENT OF FINANCIAL POSITION
August 31, 2019

ASSETS

| | | | |
|---|----|---------------|----------------------|
| Current Assets | | | |
| Cash | | \$ | 550,235 |
| Investments | | | 204,339 |
| Pledges Receivable | | | |
| 2018-2019 Campaign | \$ | 411,701 | |
| Less: Reserve for Uncollectable Pledges | | (69,642) | |
| 2019-2020 Campaign | | <u>42,544</u> | 384,603 |
| Accounts Receivable - Other | | | 9,950 |
| Accrued Interest | | | 2,947 |
| Prepaid Expenses | | | <u>21,700</u> |
| Total Current Assets | | | 1,173,774 |
| Property and Equipment | | | |
| Land | | | 12,500 |
| Building | | | 121,992 |
| Equipment | | | 75,997 |
| Less: Accumulated Depreciation | | | <u>(120,159)</u> |
| Total Property and Equipment (Net) | | | <u>90,330</u> |
| TOTAL ASSETS | | \$ | <u>1,264,104</u> |

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

GREATER LONGVIEW UNITED WAY, INC.
STATEMENT OF FINANCIAL POSITION
August 31, 2019

LIABILITIES AND NET ASSETS

Current Liabilities

| | | |
|---------------------------------|----|--------------|
| Accounts Payable | \$ | 8,362 |
| Accrued Payable - Other | | 6,750 |
| Accrued Wages | | 7,484 |
| Accrued Compensated Absences | | 2,688 |
| Accrued Retirement | | 7,195 |
| Deferred Revenue | | 145,217 |
| Donor Designated Agency Payable | | <u>2,101</u> |

TOTAL LIABILITIES 179,797

Net Assets

Net Assets Without Donor Restrictions 1,084,307

TOTAL LIABILITIES AND NET ASSETS \$ 1,264,104

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

GREATER LONGVIEW UNITED WAY, INC.
STATEMENT OF ACTIVITIES
FOR THE TWELVE MONTHS ENDING AUGUST 31, 2019

| | <u>WITHOUT DONOR RESTRICTIONS</u> | <u>WITH DONOR RESTRICTIONS</u> | <u>TOTAL</u> |
|--|---------------------------------------|------------------------------------|---------------------|
| <u>Support</u> | | | |
| Contributions | \$ 1,188,159 | \$ | \$ 1,188,159 |
| Grants | | 39,400 | 39,400 |
| Net Investment Income | 20,856 | | 20,856 |
| Special Events | | 27,885 | 27,885 |
| Other Income | 575 | | 575 |
| Inkind Donations | 7,933 | 15,163 | 23,096 |
| Fundraising Events net of \$10,363 | 24,647 | | |
| Funds Released from Temporary Restriction | <u>82,448</u> | <u>(82,448)</u> | <u> </u> |
| Total Support | 1,324,618 | | 1,324,618 |
| <u>Expenses</u> | | | |
| Info Line | 37,534 | | 37,534 |
| VITA | 48,799 | | 48,799 |
| Program Services | <u>835,586</u> | | <u>835,586</u> |
| Total Program Expenses | 921,919 | | 921,919 |
| <u>Supporting Services</u> | | | |
| General and Administrative | 145,325 | | 145,325 |
| Fundraising | <u>63,522</u> | | <u>63,522</u> |
| Total Expenses | <u>1,130,766</u> | | <u>1,130,766</u> |
| Increase (Decrease) in Net Assets | 193,852 | | 193,852 |
| Net Assets (September 1, 2018) | <u>890,455</u> | | <u>890,455</u> |
| Net Assets (August 31, 2019) | \$ <u>1,084,307</u> | \$ | \$ <u>1,084,307</u> |

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

**GREATER LONGVIEW UNITED WAY, INC.
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE TWELVE MONTHS ENDED AUGUST 31, 2019**

| | <u>INFO</u> <u>LINE</u> | <u>VITA</u> | <u>PROGRAM</u> <u>SERVICES</u> | <u>TOTAL</u> <u>PROGRAM</u> <u>SERVICES</u> | <u>MGT</u> <u>AND</u> <u>GENERAL</u> | <u>FUND</u> <u>RAISING</u> | <u>TOTALS</u> |
|--------------------------|----------------------------|------------------|-----------------------------------|---|--|-------------------------------|---------------------|
| Accounting & Auditing | \$ 1,705 | \$ 853 | \$ 853 | \$ 3,411 | \$ 5,115 | \$ | 8,526 |
| Bank Charges | | | | 0 | 12 | 482 | 494 |
| Campaign Event Expense | | | | 0 | 31 | 6,876 | 6,907 |
| Campaign Supplies | | | 7,535 | 7,535 | 25 | 1,265 | 8,825 |
| Conferences | 39 | 283 | 19 | 341 | 113 | | 454 |
| Consulting | 430 | 272 | 234 | 936 | 1,405 | | 2,341 |
| Depreciation | 291 | 358 | 1,104 | 1,753 | 2,845 | | 4,598 |
| Equipment & Software | 14 | | 15 | 29 | 87 | 29 | 145 |
| Agency Distributions | | | 701,542 | 701,542 | | | 701,542 |
| Uncollectable Pledges | | | 69,642 | 69,642 | | | 69,642 |
| Insurance | 834 | 585 | 920 | 2,339 | 3,509 | | 5,848 |
| Insurance - Group Health | 6,574 | 3,287 | 3,287 | 13,148 | 19,722 | | 32,870 |
| Miscellaneous | | | | 0 | 123 | | 123 |
| Office Supplies | 161 | 17 | 119 | 297 | 367 | 25 | 689 |
| Affiliations | 1,671 | 836 | 836 | 3,343 | 5,014 | | 8,357 |
| Payroll Taxes | 1,480 | 1,419 | 2,597 | 5,496 | 6,385 | 2,501 | 14,382 |
| Postage | 248 | 246 | 124 | 618 | 826 | 116 | 1,560 |
| Printing | 514 | 6 | 5,204 | 5,724 | 519 | 710 | 6,953 |
| Community Outreach | 21 | 87 | 98 | 206 | 63 | | 269 |
| Community Initiatives | | | 3,500 | 3,500 | | | 3,500 |
| Promotion | 0 | 9,264 | | 9,264 | 30 | 15,456 | 24,750 |
| Rent | | 5,544 | | 5,544 | | | 5,544 |
| Repairs and Maintenance | 580 | 284 | 370 | 1,234 | 1,923 | 40 | 3,197 |
| Retirement | 1,062 | 1,086 | 2,083 | 4,231 | 4,846 | 1,873 | 10,950 |
| Supplies | | 4,893 | | 4,893 | | | 4,893 |
| Wages | 19,009 | 18,044 | 33,788 | 70,841 | 81,795 | 32,559 | 185,195 |
| Dues and Subscriptions | 902 | 184 | 410 | 1,496 | 1,068 | 1,531 | 4,095 |
| Telephone | 1,080 | 540 | 540 | 2,160 | 3,241 | | 5,401 |
| Travel | | 252 | 307 | 559 | 91 | 59 | 709 |
| Utilities | 919 | 459 | 459 | 1,837 | 2,756 | | 4,593 |
| Investment Expenses | | | | | <u>3,414</u> | | <u>3,414</u> |
| | \$ <u>37,534</u> | \$ <u>48,799</u> | \$ <u>835,586</u> | \$ <u>921,919</u> | \$ <u>145,325</u> | \$ <u>63,522</u> | \$ <u>1,130,766</u> |

GREATER LONGVIEW UNITED WAY, INC.
STATEMENT OF CASH FLOWS
FOR THE TWELVE MONTHS ENDING AUGUST 31, 2019

| | |
|--|-------------------|
| Cash Flows from Operating Activities | |
| Increase (Decrease) in Unrestricted Net Assets | \$ 193,852 |
| Adjustments to Reconcile Change in Net Assets To Net Cash Provided by Operating Activities: | |
| Depreciation | 4,598 |
| Increase (Decrease) in Operating Activities: | |
| (Increase) Decrease in Pledges Receivable | (69,253) |
| (Increase) Decrease in Allowance for Uncollectable | 11,099 |
| (Increase) Decrease in Accounts Receivable | (5,265) |
| (Increase) Decrease in Accrued Interest | (2,946) |
| (Increase) Decrease in Prepaid Expenses | 3,465 |
| Increase (Decrease) in Donor Designated Agencies | 2,028 |
| Increase (Decrease) in Accounts Payable | 532 |
| Increase (Decrease) in Accrued Wages | 194 |
| Increase (Decrease) in Deferred Revenue | (14,559) |
| Increase (Decrease) in Accrued Compensated Absences | (2,496) |
| Increase (Decrease) in Accrued Retirement Plan Payable | <u>619</u> |
| Cash Provided By Operating Activities | 121,868 |
| Cash Flows from Investing Activities: | |
| Increase in investments | (7,640) |
| Acquisition of Fixed Assets | <u>(4,862)</u> |
| Net Cash Used in Investing Activities | <u>(12,502)</u> |
| Net Change in Cash and Cash Equivalents | 109,366 |
| Cash and Cash Equivalents (September 1, 2018) | <u>440,869</u> |
| Cash and Cash Equivalents (August 31, 2019) | \$ <u>550,235</u> |

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

**NOTES TO THE
FINANCIAL STATEMENTS**

GREATER LONGVIEW UNITED WAY, INC.
NOTES TO THE FINANCIAL STATEMENTS
August 31, 2019

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

This summary of significant accounting policies of Greater Longview United Way, Inc. is to assist in understanding the Organization's financial statements. The financial statements and notes are representations of the Organization's management who is responsible for their integrity and objectivity. These accounting policies conform to generally accepted accounting principles and have been consistently applied in the preparation of the financial statements.

Nature of the Organization

The Greater Longview United Way, Inc. is operated for the charitable purpose of securing and disbursing funds to health and human services agencies in the greater Longview, Texas area. The mission is to improve the quality of life for people in the community. Several programs are operated by the Greater Longview United Way. INFOline of Gregg County provides free and confidential information and referrals to over a hundred local organizations providing programs to meet the needs of the community. FamilyWize is a discount prescription drug program available to families without prescription drug coverage or those that are under-insured. The Greater Longview United Way distributes the FamilyWize cards which are accepted by most pharmacies. The Greater Longview United Way also partners with the Internal Revenue Service to assist low income families with free preparation of their income tax returns through the Volunteer Income Tax Assistance Program. The Volunteer Income Tax Assistance Program helps local residents who earn less than about \$60,000 a year to access credits for which they are eligible, including the earned income tax credit. The VITA program utilizes IRS trained community volunteers to provide this free service to local residents. English and Spanish speaking volunteers are available. The annual fund-raising campaign provides the funding for the activities for both the Greater Longview United Way and its partner agencies throughout the year.

Revenue and Revenue Recognition

For financial reporting purposes, The Greater Longview United Way Inc. uses the accrual basis of accounting. Unconditional promise to give are recorded as received. Contributions are considered to be available for unrestricted use unless specifically restricted by the donor. In connection with its annual campaign, donors may designate specific United Way agencies as pass-through recipients. Since such specific designations have historically been less than actual agency allocations, these designations are accounted for in net assets with donor restrictions and are not separately identified b pass through recipient agencies. Revenue is recognized when earned. Revenue received in advanced is deferred to the applicable period in which the related services are performed or expenditures are incurred, respectively. Contributions are recognized when cash, securities or other assets, an unconditional promise to give or notification of a beneficial interest is received. Conditional promised to give are not recognized until the conditions on which they depend have been substantially met.

Net Assets

The Organization follows Financial Accounting Standards Board (FASB) Accounting Standards Update (ASU) 2016-14, Not for Profit Entities in preparing the financial statements. Under ASU 2016-14 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.

Accordingly, net assets and changes therein are classified, reported and described as follows:

Net Assets Without Donor Restrictions – Net assets available for use in general operations and not subject to donor (or certain grantor) restrictions. The governing board has designated, from net assets without donor restrictions, net assets for an operating reserve and board-designated endowment.

Net Assets With Donor Restrictions – Net assets subject to donor (or certain grantor) 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.. Gifts of long-lived assets and gifts of cash restricted for the acquisition of long-lived assets are recognized as revenue when the assets are placed in service. Donor-imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which he resource was restricted has been fulfilled, or both. As of August 31, 2019, there were no net assets with donor restrictions.

Revenues are reported as increases in net assets without donor restrictions unless use of the related asset is limited to donor imposed restrictions. Expenses are reported as decreases in net assets without donor restrictions.

Cash and Cash Equivalents

Greater Longview United Way, Inc. considers all highly liquid investments with an initial maturity of one year or less to be cash equivalents. Deposits are insured at each institution with the FDIC at a maximum of \$250,000 in the aggregate per institution.

Pledges Receivable

Pledges receivable represent prior and current year pledges, net of an allowance for uncollectible amounts. Pledges not actually collected are charged to this reserve in the subsequent years. The reserve is based on historical experience and an evaluation of the individual pledges receivable.

Capital Expenditures

Costs incurred in excess of \$1,000 for the purchase or construction of general fixed assets are recorded as additions to the unrestricted fund land, building and equipment accounts. Donated assets are capitalized at their fair market value. Expenditures or maintenance and repairs are charged to expense as incurred. Upon the sale or retirement of assets, the cost and related depreciation are eliminated from the respective accounts, and the resulting gain or loss is included in current income.

Investments

Investments include marketable securities with readily determinable fair values which are carried at fair value in the statement of financial position. Realized and unrealized gains and losses are included in the change in net assets. Additionally certain investments are being held at East Texas Communities Foundation for the benefit of the Greater Longview United Way. The assets have been reported at current fair value in the accompanying financial statements.

Investment securities are exposed to various risks, such as interest rate, market and credit risks. Due to the level of risk associated with certain investment securities, it is possible that changes in values of investment securities could occur in the near term and such changes could materially affect the investment value.

Depreciation

Depreciation is provided in the unrestricted net assets fund in amounts sufficient to relate the cost of depreciable assets to operations over their estimated service lives. The accumulated depreciation is computed either on the straight-line method or an accelerated method, using estimated useful lives as follows:

| | |
|----------------------------|---------------|
| Buildings and Improvements | 40 years |
| Equipment | 5 to 10 years |
| Furniture and Fixtures | 5 to 10 years |

Grants

Greater Longview United Way, Inc. records income from grants in the period designated by the grantor.

Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires the use of management's estimates. These estimates and assumptions may affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the report period. Actual results may differ from these estimates.

Functional Allocation of Expenses

The costs of providing the various programs and other activities have been summarized on a functional basis in the statement of activities. The Organization allocates expenses on a functional basis among its various programs and support services. Expenses that can be identified with a specific program or support service are allocated according to their natural expenditure classification and based on an analysis of personnel time and space utilized for the related activities. Other expense that are common to several functions are allocated as deemed appropriate.

Accordingly, costs have been allocated by an appropriate method among the programs and supporting services benefited.

Federal Income Tax

The Greater Longview United Way, Inc. is a non-profit corporation under Section 501(c)(3) of the Internal Revenue Code and therefore is not subject to income tax. There was no unrelated business income for the fiscal year ending August 31, 2019.

In-Kind Support

The Greater Longview United Way, Inc. records various types of in kind support including professional services and materials. Contributed professional services are recognized if the services received creates or enhances a long-lived asset or requires specialized skills that 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 support are offset by like amounts included in expenses. The in-kind support is valued on the financial statements in the amount of \$23,096.

Additionally, the Organization receives a significant amount of contributed time which does not meet the two recognition criteria described above. Accordingly, the value of this contributed time has not been determined and is not reflected in the accompanying financial statements.

Recent Accounting Guidance

In June 2018, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) 2018-08, Not-for-Profit Entities (Topic 958): Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made. The amendments in this ASU clarify and improve current guidance about whether a transfer of assets (or the reduction, settlement, or cancellation of liabilities) is a contribution or an exchange transaction and provide additional guidance on determining whether a contribution is conditional or unconditional. This ASU could impact the timing of revenue recognition and the financial statement disclosures related to such transactions. United Way is required to apply the amendments in its August 31, 2020 financial statements. The amendments should be applied on a modified prospective basis, but retrospective application also is permitted. Management does not expect this adoption will have a material impact on the financial statements.

In February 2016, the FASB issued ASU 2016-02, Leases (Topic 842). Under this ASU, a lessee should recognize in the statement of financial position a lease liability and a lease asset representing its right to use the underlying asset for the term of the lease for both finance and operating leases. An entity may make an accounting policy election not to recognize lease assets and lease liabilities for leases with a term of 12 months or less. Recognition, measurement, and presentation of expenses and cash flows arising from a lease by a lessee have not changed significantly. Qualitative and quantitative disclosures are required by lessees and lessors to enable users of financial statements to assess the amount, timing and uncertainty of cash flows arising from leases. The ASU is effective for fiscal periods beginning after December 15, 2020. United Way plans to adopt this ASU for fiscal year ending August 31, 2022.

Management has not yet determined the impact adoption of this ASU will have on the financial statements.

On August 18, 2016, FASB issued Accounting Standards Update (ASU) 2016-14, Not-for-Profit Entities (Topic 958) – *Presentation of Financial Statements of Not-for-Profit Entities*. The update addresses the complexity and understandability of net asset classification, deficiencies in information about liquidity and availability of resources, and the lack of consistency in the type of information provided about expenses and investment return. The Organization has implemented ASU 2016-14 and have adjusted the presentation in these financial statements accordingly.

NOTE B – FIXED ASSETS

A summary of changes in General Fixed Assets are as follows:

| | September 1, <u>2018</u> | <u>Additions</u> | <u>Deletions</u> | August 31, <u>2019</u> |
|------------------------|-----------------------------|-------------------|-------------------|---------------------------|
| Land | \$ 12,500 | \$ | \$ | \$ 12,500 |
| Building | 121,992 | | | 121,992 |
| Equipment | <u>71,135</u> | <u>4,862</u> | _____ | <u>75,997</u> |
| Total Fixed Assets | \$ <u>205,627</u> | \$ <u>-0-</u> | \$ <u>-0-</u> | \$ <u>210,489</u> |

Depreciation expense charged during for the fiscal year ending August 31, 2019 was \$ 4,598. The balance in the accumulated depreciation account at August 31, 2019 was \$120,159.

NOTE C – INVESTMENTS

At August 31, 2019, the Greater Longview United Way, Inc. held the following investments:

| | <u>Cost</u> | <u>Market Value</u> |
|---------------------------------|-----------------------|-----------------------|
| East Texas Community Foundation | \$ <u>125,240</u> | \$ <u>204,339</u> |
| Total | \$ <u>125,240</u> | \$ <u>204,339</u> |

Certificates of deposit are due in less than one year and are held as follows through Wells Fargo.

| | <u>Cost</u> | <u>Market Value</u> |
|------------------------------------|-----------------------|-----------------------|
| Bank of America 2.65% due 11/21/19 | \$ 100,000 | \$ 100,156 |
| Comenity Bank 2.4% due 6/12/2020 | <u>106,000</u> | <u>106,535</u> |
| Total | \$ <u>206,000</u> | \$ <u>206,691</u> |

The following schedule summarizes the investment return in the statement of activities for the twelve months ending August 31, 2019:

| | | |
|-----------------------------|----|---------------|
| Interest Income | \$ | 15,371 |
| Realized Gains and Losses | | 4,162 |
| Unrealized Gains and Losses | | <u>1,323</u> |
| Total Investment Return | \$ | <u>20,856</u> |

Investment expenses for the twelve months ending August 31, 2019 were \$3,414.

The Organization follows the provisions of the accounting standard which defines fair value, establishes a framework for measuring fair value and enhances fair value measurement disclosure. Under these provisions, fair value is defined as the price that would be received to sell an asset or paid to transfer a liability (the exit price) in an orderly transaction between market participants at the measurement date.

The standard establishes a hierarchy for inputs used in measuring fair value that maximizes the use of observable inputs and minimizes the use on unobservable inputs by requiring that the most observable inputs be used when available. Observable inputs are inputs that market participants would use in pricing the asset or liability developed based on market data obtained from sources independent of the Organization. Unobservable inputs are inputs that reflect the Organization's assumptions about the assumptions market participants would use in pricing the asset or liability developed based on the best information available in the circumstances. The hierarchy is described below:

Level 1: Quoted prices (unadjusted) in active markets that are accessible at the measurement date for assets or liabilities. The fair value hierarchy gives the highest priority to Level 1 inputs.

Level 2: Obtainable prices that are based on inputs not quoted on active markets, but corroborated by market data.

Level 3: Unobservable inputs are used when little or no market data is available. The fair value hierarchy gives the lowest priority to Level 3 inputs.

Values were determined using Level 1 considerations.

NOTE D – PLEDGES RECEIVABLE

Pledges receivable at August 31, 2019 consisted of the following Campaigns:

| | | |
|---|----|-----------------|
| 2018-2019 Fundraising Campaign | \$ | 411,701 |
| 2019-2020 Fundraising Campaign | | 42,544 |
| Less: Allowance for Uncollectible Pledges | | <u>(69,642)</u> |

Pledges Receivable \$ 384,603

The Organization receives approximately 45% of its total pledges from five local employers and their employees.

NOTE E – AGENCY ALLOCATIONS

During the fiscal year ending August 31, 2019, the Greater Longview United Way allocated the following funding to its participating agencies:

| <u>AGENCY</u> | | <u>AMOUNT</u> |
|-----------------------------------|----|----------------|
| American Red Cross | \$ | 18,892 |
| Boy Scouts | | 24,665 |
| Boys and Girls Club | | 31,375 |
| Children's Advocacy Center | | 7,084 |
| DORS | | 37,404 |
| Friends of Partners in Prevention | | 28,759 |
| East Texas Child Advocacy | | 38,790 |
| East Texas Literacy | | 31,113 |
| ETCADA | | 33,173 |
| Pathstone Counseling Center | | 9,349 |
| Girl Scouts | | 14,782 |
| Longview Child Development | | 85,609 |
| Longview Community Ministries | | 120,256 |
| Longview Habitat for Humanity | | 35,060 |
| Parenting Resources | | 19,104 |
| Salvation Army | | 28,338 |
| See - Saw Children's Place | | 47,220 |
| Lone Star Legal Aide | | 9,446 |
| Twelve Way Foundation | | 16,500 |
| Family Promise of Longview | | 14,170 |
| Fredonia Women and Children | | 12,280 |
| Women's Center of East Texas | | <u>38,173</u> |
| | | |
| TOTAL ALLOCATION | \$ | <u>701,542</u> |

NOTE F – ACCUMULATED UNPAID VACATION

After three months service, full and part time employees accumulate vacation based on their years of service. Employees can accrue up to a maximum of 80 hours. These compensated absences have been accrued at August 31, 2019 in the amount of \$2,688.

NOTE G – AGENCY PAYABLES

During the 2017-2018 campaign and the 2018-2019 campaign, contributors designated part of their pledge to go to other United Way agencies. At August 31, 2019, the amount remaining to be paid to participating agencies was \$2,101.

NOTE H– BENEFICIAL INTEREST

The Greater Longview United Way, Inc. participates with the East Texas Communities Foundation to maintain a nonprofit endowment fund known as the Greater Longview United Way Endowment Fund. This foundation made matching contributions of \$20,000 in 2001 and \$5,000 in 2002, with an additional contribution in 2002 of \$2,395. Also, in 2002, a private donation of \$5,000 was made to the fund.

The Organization may elect to withdraw up to 5% of the value of the fund annually. Unused withdrawals accumulate and may be withdrawn in a subsequent year. Additionally, with Foundation approval, the Board could request to withdraw these funds at any time. During the fiscal year ending 2019, the Board did not request any grant income from the Foundation.

At August 31, 2019, the fair market value of the balance held with the East Texas Communities Foundation was \$77,744.

NOTE I – DESIGNATED UNRESTRICTED NET ASSET

It is the practice of the Greater Longview United Way to maintain a cash reserve at all times. The amount of the required reserve will be no less than three months operating expenses and one allocation payment, and no more than five months operating expenses and two allocation payments. Cash and investment balances in excess of this required reserve will be available for use as recommended by related committees and authorized by the Board of Directors.

The Board of Directors may approve expenditures that exceed unreserved cash and spend all or a portion of the prescribed reserve. These expenditures may be approved only in critical situations that involve the community's wellbeing or United Way's capacity to serve the public. In critical circumstances, the Board of Directors will authorize no more than 25% of the surplus between the minimum and maximum reserve to be depleted at one time.

NOTE J – RETIREMENT PLAN

The Greater Longview United Way adopted a Prototype Simplified Employee Pension Plan dated October 4, 2001 and adopted the calendar year end as the plan year. The adoption agreement provides that all employees earning at least \$300 during the plan year for which the contribution is being made and who has attained age twenty one and has worked for the Organization for one out of the immediately preceding five years is eligible to participate. This agreement provides for contributions of 6% of each participant's compensation. During the fiscal year ending August 31, 2019, the Organization expensed \$10,950 in employer contributions to the plan. The Greater Longview United Way also provides as a benefit to full time employees health insurance coverage. During the fiscal year ending August 31, 2019, the Organization paid \$32,870 on behalf of the employees.

NOTE K – LIQUIDITY AND AVAILABILITY

The Greater Longview United Way regularly monitors liquidity required to meet its operating needs while also striving to maximize the investment of its available funds. The Organization has various sources of liquidity at its disposal including cash and cash equivalents.

In addition to financial assets available to meet general expenditures and allocations over the next twelve months, the Greater Longview United Way anticipates collecting sufficient revenue to cover general expenditures.

Financial assets available for general expenditures, that is without donor or other restrictions limiting their use, within one year of the balance sheet date comprise the following:

Financial Assets at Year End

| | | |
|--------------------------------|----|----------------|
| Cash | \$ | 550,235 |
| Pledges (Net of Uncollectable) | | 384,603 |
| Account Receivable | | 9,950 |
| Long Term Investments | | <u>204,339</u> |

Financial assets available to meet general expenditures over the next twelve months

\$ 1,149,127

NOTE L– SUBSEQUENT EVENTS

Management has evaluated subsequent events through February 10, 2020 the date the financial statements were available to be issued.