UNITED WAY OF DODGE CITY, INC.

FINANCIAL STATEMENTS
with
ACCOUNTANT'S REVIEW REPORT

YEAR ENDED DECEMBER 31, 2019

CONTENTS

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INDEPENDENT ACCOUNTANT'S REVIEW REPORT

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

We have reviewed the accompanying financial statements of United Way of Dodge City, Inc., (non-profit corporation), which comprise the statement of financial position as of December 31, 2019 and the related statement of activities and cash flows for the year then ended and the related notes to the financial statements. A review includes primarily applying analytical procedures to management's financial data and making inquiries of management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, we do not express such an opinion.

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.

Accountant's Responsibility

Our responsibility is to conduct the review engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. Those standards require us to perform procedures to obtain limited assurance as a basis for reporting whether we are aware of any material modifications that should be made to the financial statements for them to be in accordance with accounting principles generally accepted in the United States of America. We believe that the results of our procedures provide a reasonable basis for our conclusion.

Accountant's Conclusion

Based on our review, we are not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in conformity with accounting principles generally accepted in the United States of America.

Kennedy McKee & Company LLP

September 22, 2020

UNITED WAY OF DODGE CITY, INC.

STATEMENT OF FINANCIAL POSITION

December 31, 2019

ASSETS

Current assets:	
Cash	$ 113,838
Certificates of deposit	64,372
Pledge receivables	254,087
Total current assets	432,297
Property, plant and equipment (at cost):	
Leasehold improvements	1,692
Office furniture and equipment	17,007
Accumulated depreciation	(17,169)
Total property, plant and equipment	1,530
Other assets:	
Beneficial interest in Community Foundation	49,027
Total assets	$ 482,854

LIABILITIES AND NET ASSETS

Current liabilities:	
Accounts payable	$ 896
Payroll liabilities	1,712
Total current liabilities	2,608
Net assets:	
Without donor restrictions	207,785
With donor restrictions	272,461
Total net assets	480,246
Total liabilities and net assets	$ 482,854

See accompanying notes and independent accountant's review report.

UNITED WAY OF DODGE CITY, INC.

STATEMENT OF ACTIVITIES

Year ended December 31, 2019

	Without donor restrictions	With donor restrictions	Total
Support and revenues:			
Pledge income	$ 6,383	$ 272,461	$ 278,844
Miscellaneous income	10,062	-	10,062
Interest income	944	-	944
Change in beneficial interest in Community Foundation	6,459	-	6,459
Net assets released from restrictions:			
Satisfaction of time restrictions	237,648	(237,648)	-
Total support and revenues	261,496	34,813	296,309
Expenses:			
Program services:			
Agency allocations	133,003	-	133,003
Payroll expense	22,548	-	22,548
Employee benefits	960	-	960
Contract labor	7,795	-	7,795
Pledge loss	22,882	-	22,882
Total program services	187,188	-	187,188
Fund-raising:			
Campaign expense	21,525	-	21,525
Payroll expense	22,547	-	22,547
Employee benefits	960	-	960
Contract labor	3,089	-	3,089
Office supplies	2,235	-	2,235
Occupancy	2,903	-	2,903
Communication	1,184	-	1,184
Travel	1,100	-	1,100
Total fund-raising services	55,543	-	55,543
Management and general:			
Payroll expense	11,274	-	11,274
Employee benefits	480	-	480
Contract labor	3,824	-	3,824
Insurance	1,453	-	1,453
Office supplies	3,086	-	3,086
Occupancy	11,609	-	11,609
Communication	1,569	-	1,569
Dues and fees	2,805	-	2,805
Travel	2,753	-	2,753
Depreciation	739	-	739
Professional fees	9,993	-	9,993
Repairs and maintenance	236	-	236
Miscellaneous	100	-	100
Total supporting services	49,921	-	49,921
Total expenses	292,652	-	292,652
Change in net assets	(31,156)	34,813	3,657
Net assets at beginning of year	238,941	237,648	476,589
Net assets at end of year	$ 207,785	$ 272,461	$ 480,246

See accompanying notes and independent accountant's review report.

UNITED WAY OF DODGE CITY, INC.

STATEMENT OF CASH FLOWS

Year ended December 31, 2019

Cash flows from operating activities:	
Cash received from :	
Cash received from donors	$ 249,997
Cash received from others	10,062
Interest income received	363
Cash paid for:	
Grants paid to other agencies	(133,003)
Cash paid to employees and employee benefits	(58,217)
Cash paid for goods and services	(76,363)
Net cash provided (used) by operating activities	(7,161)
Net increase (decrease) in cash and cash equivalents	(7,161)
Cash and cash equivalents at beginning of year	120,999
Cash and cash equivalents at end of year	$ 113,838

Reconciliation of change in net assets to net cash provided by operating activities:	
Change in net assets	$ 3,657
Adjustments to reconcile change in net assets to net cash provided by operating activities:	
Depreciation	739
Interest compounded on certificates of deposit	(581)
Increase in pledge receivable	(5,965)
Increase in accounts payable	896
Increase in payroll liability	552
Change in beneficial interest in Community Foundation	(6,459)
Net cash provided (used) by operating activities	$ (7,161)

See accompanying notes and independent accountant's review report.

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

This summary of significant accounting policies is presented 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 accounting principles generally accepted in the United States of America.

1. Business activity and organization

   United Way of Dodge City, Inc. is a nonprofit organization 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 the 21 counties it serves in Kansas and Oklahoma.

2. Basis of accounting

   The financial statements of the Organization have been prepared on the accrual basis of accounting and, accordingly, reflect all significant receivables, payables, and other liabilities.

3. Basis of presentation

   The Organization reports information regarding its financial position and activities according to two classes of net assets that are based upon the existence or absence of restrictions on use that are placed by its donors: net assets without donor restrictions and net assets with donor restrictions.

   Net assets without donor restrictions

   Net assets without donor restrictions are resources available to support operations and not subject to donor restrictions. The only limits on the use of net assets without donor restrictions are the broad limits resulting from the nature of the Organization, the environment in which it operates, the purposes specified in its corporate documents and application for tax-exempt status, and any limits resulting from contractual agreements with creditors and others that are entered into in the course of its operations.

   The Organization's beneficial interest in the Community Foundation is classified in net assets without donor restrictions.

   Net assets with donor restrictions

   Net assets with donor restrictions are resources that are subject to donor-imposed restrictions. Some restrictions are temporary in nature, such as those that are restricted by a donor for use for a particular purpose or in a particular future period. Other restrictions may be perpetual in nature; such as those that are restricted by a donor that the resources be maintained in perpetuity.

3. Basis of presentation (continued)

The Organization's unspent contributions are reported in net assets with donor restrictions if the donor limited their use, as are promised contributions that are not yet due. Contributions of property and equipment or cash restricted to acquisition of property and equipment are reported as net assets with donor restrictions if the donor has restricted the use of the property or equipment to a particular program. These restrictions expire when the assets are placed in service.

When a donor's restriction is satisfied, either by using the resources in the manner specified by the donor or by the passage of time, the expiration of the restriction is reported in the financial statements by reclassifying the net assets from net assets with donor restrictions to net assets without donor restrictions.

4. Revenue recognition

Revenue is recognized when earned. Program service fees and payments under cost-reimbursable contracts received in advance are deferred to the applicable period in which the related services are performed, or expenditures are incurred, respectively. Contributions are recognized when cash, or other assets, an unconditional promise to give, or notification of a beneficial interest is received. Conditional promises to give are not recognized until the conditions on which they depend have been substantially met or the donor has explicitly released the restriction.

5. Revenue with and without donor restrictions

Contributions that are restricted by the donor are reported as increases in net assets without donor restrictions if the restrictions expire (that is, when a stipulated time restriction ends, or purpose restriction is accomplished) in the reporting period in which the revenue is recognized. Contributions of property and equipment are reported as net assets with donor restrictions if the donor restricted the use of the property or equipment to a particular program, as are contributions of cash restricted to the purchase of property and equipment. Otherwise, donor restrictions on contributions of property and equipment or assets restricted for purchase of property and equipment are considered to expire when the assets are placed in service. All other donor-restricted contributions are reported as increases in net assets with donor restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the Statement of Activities as net assets released from restrictions.

6. Cash equivalents

For purposes of the Statement of Cash Flows, the Organization considers certificates of deposit purchased with an original maturity of less than 90 days to be cash equivalents. Certificates of deposit with original maturities of 90 days or more are classified as short-term investments. Cash equivalents and short-term investments are stated at cost, which approximates market value.

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

7. Promises to give

Unconditional promises to give are recognized as revenues 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.

8. Property and equipment

The Organization capitalizes all expenditures for property and equipment. Purchased property and equipment are carried at cost. Donated property and equipment are carried at fair value at the date of donation. Depreciation is computed using the straight-line method over the estimated useful lives of the respective assets.

The costs of maintenance and repairs which neither materially add to the value of the property nor appreciably prolong its life are charged to expense as incurred.

9. Income tax status

The Organization is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code and a similar provision of state law. 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 has not identified any uncertainties in federal or state income taxes for any open tax years as of December 31, 2019. The Organization's federal Return of Organization Exempt from Income Tax (Form 990) for December 31, 2019, 2018, and 2017 are subject to examination by the IRS, generally for three years after they were filed.

10. Fair value measurements

Accounting principles generally accepted in the United States of America (GAAP) establish a framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1 measurements) and the lowest priority to unobservable inputs (level 3 measurements). The three levels of the fair value hierarchy are described below:

Level 1: Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Organization has the ability to access.

Level 2: Inputs to the valuation methodology include: quoted prices for similar assets or liabilities in active markets; quoted prices for identical or similar assets or liabilities in inactive markets; inputs other than quoted prices that are observable for the asset or liability; inputs that are derived principally from or corroborated by observable market data by correlation or by other means.

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

10. Fair value measurements (continued)

Level 3: Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

11. Use of estimates

Management uses estimates and assumptions in preparing financial statements. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported revenues and expenses. Actual results could differ from those estimates.

12. Concentrations of support

The Organization received approximately 76% of its total revenues in the form of employee contributions from two local beef packing plants for the year ended December 31, 2019.

13. Donated services

No amounts have been reflected in the financial statements for donated services. The Organization generally pays for services requiring specific expertise. However, many individuals volunteer their time and perform a variety of tasks that assist the Organization with its activities.

14. Expense allocation

Directly identifiable expenses are charged to programs and support services. Expenses related to more than one function are charge to programs and support services on the basis of estimated time and expenses. Management and general include those expenses that are not directly identifiable with any other specific function but provide for the overall support and direction of the Organization.

B. BENEFICIAL INTEREST IN COMMUNITY FOUNDATION

The Organization transferred its Community Emergency Fund monies to the Community Foundation of Southwest Kansas for investment. The Community Emergency Fund was established to ensure 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 nature. Upon written request to the Foundation, the Organization may withdraw earnings and/or principal to be used for the purposes stated above. There were no transfers to the Community Foundation of Southwest Kansas for the year ended December 31, 2019.

Fair values of assets measured on a recurring basis at December 31, 2019 was as follows:

	Fair value	Significant unobservable inputs (Level 3)
Beneficial interest in Community Foundation December 31, 2019	$ 49,027	$ 49,027

B. BENEFICIAL INTEREST IN COMMUNITY FOUNDATION (CONTINUED)

Fair value for the beneficial interest in Community Foundation was obtained from a statement provided by the Community Foundation.

The table below presents information about the changes in the beneficial interest in the Community Foundation, which is measured at fair value on a recurring basis using significant unobservable inputs:

	2019
Balance, January 1	$ 42,568
Contributions to the fund	-
Change in value in beneficial interest	6,459
Balance, December 31	$ 49,027

The change in value in beneficial interest is included in investment income in the Statement of Activities and is related to an asset still held at the Statement of Financial Position date.

C. NET ASSETS

Net assets with donor restrictions are restricted for the following purpose or periods:

	2019
Subject to the passage of time:	
Promises to give, without donor restrictions, but which are unavailable for expenditure until due	$ 272,461

D. ADVERTISING

The Organization uses advertising to promote its programs among the audience it serves. The production costs of advertising are expensed as incurred. During 2019, advertising costs totaled $1,865.

E. LIQUIDITY

The following reflects the Organization's financial assets as of the financial position date, reduced by amounts not available for general use because of contractual or donor-imposed restrictions within one year of the financial position date. The Organization has certain donor-restricted net assets that are available for general expenditures within one year of December 31, 2019, because the restrictions on the net assets are expected to be met by conducting normal activities of programs within the coming year.

	December 31, 2019
Financial assets, at year end	$ 481,324
Less: Beneficial interest in Community Foundation	(49,027)
Financial assets available to meet cash needs for general expenditures within one year	$ 432,297

E. LIQUIDITY (CONTINUED)

As part of the Organization's liquidity management, it invests cash in excess of short-term needs in certificates of deposits.

F. SUSEQUENT EVENTS

Management has evaluated subsequent events through September 22, 2020, the date on which the financial statements were available to be used. Management's evaluation concluded that the following subsequent events are required to be recognized or disclosed in these financial statements:

The COVID-19 outbreak in the United States has caused business disruption through mandated and voluntary closings of businesses. On March 30, 2020, the Organization closed their doors to the public to comply with their respective state's stay-at-home orders. The Organization secured a Payroll Protection Plan loan through the Small Business Administration in the amount of $10,535 in May 2020. The loan will be used to cover payroll and other eligible expenses for a period of eight or twenty-four weeks from the loan origination date. The loan will later be evaluated for loan forgiveness by the local lending institution. Any amount determined not to be eligible for loan forgiveness will be due within two years of the loan origination date and bear an interest rate of 1%. While the disruption is currently expected to be temporary, there is considerable uncertainty around the duration of the closing. Therefore, the Organization expects this matter to negatively impact its operating results. However, the related financial impact and duration cannot be reasonably estimated at this time.