

United Way of Enid and Northwest Oklahoma, Inc.
Enid, Oklahoma

***REPORT ON AUDIT OF FINANCIAL STATEMENTS
AND SUPPLEMENTAL INFORMATION***

For the Year Ended December 31, 2018

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UNITED WAY OF ENID AND NORTHWEST OKLAHOMA, INC.
Enid, Oklahoma

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
United Way of Enid and Northwest Oklahoma, Inc.

We have audited the accompanying financial statements of United Way of Enid and Northwest Oklahoma, Inc. (a nonprofit organization), which comprise the statement of financial position as of December 31, 2018, 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

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit 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 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 United Way of Enid and Northwest Oklahoma, Inc.'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 United Way of Enid and Northwest Oklahoma, Inc.'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 Enid and Northwest Oklahoma, Inc. as of December 31, 2018, 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.

Report on Summarized Comparative Information

We have previously audited United Way of Enid and Northwest Oklahoma, Inc.'s December 31, 2017 financial statements and our report dated March 29, 2018, expressed an unmodified opinion on those audited financial statements. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2017, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Saunders & Associates, PLLC

SAUNDERS & ASSOCIATES, PLLC
Certified Public Accountants
Ada, Oklahoma

February 25, 2019

FINANCIAL STATEMENTS

UNITED WAY OF ENID AND NORTHWEST OKLAHOMA, INC.
Enid, Oklahoma

STATEMENT OF FINANCIAL POSITION

December 31, 2018
(With Comparative Totals as of December 31, 2017)

| | 2018 | 2017 |
|---------------------------------------|------------------|------------------|
| <u>ASSETS</u> | | |
| Cash and cash equivalents | \$ 297,663 | \$ 325,023 |
| Investments | 665,579 | 675,294 |
| Unconditional promises to give | 418,890 | 411,166 |
| Less allowance for cancellations | (53,000) | (72,725) |
| Equipment | 24,373 | 24,373 |
| Accumulated depreciation | (24,358) | (24,268) |
| TOTAL ASSETS | \$ 1,329,147 | \$ 1,338,863 |
| <u>LIABILITIES AND NET ASSETS</u> | | |
| Liabilities: | | |
| Accounts payable | \$ 1,597 | \$ 866 |
| Payroll liabilities | 3,259 | 4,073 |
| Allocations payable | 454,426 | 517,474 |
| Total Liabilities | 459,282 | 522,413 |
| Net Assets: | | |
| Net assets with donor restrictions | 0 | 0 |
| Net assets without donor restrictions | | |
| Designated by the board for: | | |
| Building Capital | 60,898 | 60,898 |
| Emergency Reserves | 50,000 | 50,000 |
| Undesignated | 758,967 | 705,552 |
| Total Net Assets | 869,865 | 816,450 |
| TOTAL LIABILITIES AND NET ASSETS | \$ 1,329,147 | \$ 1,338,863 |

* The accompanying notes are an integral part of the financial statements

UNITED WAY OF ENID AND NORTHWEST OKLAHOMA, INC.
Enid, Oklahoma

STATEMENT OF ACTIVITIES

For the Year Ended December 31, 2018
(With Comparative Totals as of December 31, 2017)

| | <u>Without</u> | <u>With</u> | <u>2018</u> | <u>2017</u> |
|---|---------------------|---------------------|--------------|--------------|
| | <u>Donor</u> | <u>Donor</u> | <u>Total</u> | <u>Total</u> |
| | <u>Restrictions</u> | <u>Restrictions</u> | | |
| <u>REVENUES AND SUPPORT</u> | | | | |
| Contributions | \$ 726,721 | \$ 0 | \$ 726,721 | \$ 731,792 |
| Allowance for cancellations | (25,000) | 0 | (25,000) | (30,000) |
| Special events | 96,287 | 0 | 96,287 | 70,220 |
| Less costs of special events | (31,357) | 0 | (31,357) | (27,593) |
| Coach-a-Kid program | 2,500 | 0 | 2,500 | 2,384 |
| Less costs of Coach-a-Kid Program | 0 | 0 | 0 | (2,559) |
| Americorps revenue | 8,400 | 0 | 8,400 | 10,500 |
| Other | 0 | 0 | 0 | 0 |
| Net assets released from restrictions - Satisfaction of restriction requirements | 0 | 0 | 0 | 0 |
| Total revenues and support | 777,551 | 0 | 777,551 | 754,744 |
| <u>EXPENSES</u> | | | | |
| Program services: | | | | |
| Grants to agencies and others | 490,295 | 0 | 490,295 | 534,705 |
| Community support services | 110,833 | 0 | 110,833 | 101,829 |
| Americorps program | 24,930 | 0 | 24,930 | 25,095 |
| Supporting services: | | | | |
| Admin. and fundraising | 89,561 | 0 | 89,561 | 91,023 |
| Total Expenses | 715,619 | 0 | 715,619 | 752,652 |
| Change in net assets before other income and losses | 61,932 | 0 | 61,932 | 2,092 |
| <u>OTHER INCOME AND LOSSES</u> | | | | |
| Realized gain (loss) on investments | 10,865 | 0 | 10,865 | 0 |
| Unrealized gain (loss) on investments | (179,215) | 0 | (179,215) | 67,986 |
| Investment earnings, net of expenses | 159,833 | 0 | 159,833 | 10,330 |
| Change in net assets | 53,415 | 0 | 53,415 | 80,408 |
| Net assets, beginning | 816,450 | 0 | 816,450 | 736,042 |
| NET ASSETS, ENDING | \$ 869,865 | \$ 0 | \$ 869,865 | \$ 816,450 |

* The accompanying notes are an integral part of the financial statements.

UNITED WAY OF ENID AND NORTHWEST OKLAHOMA, INC.
Enid, Oklahoma

STATEMENT OF FUNCTIONAL EXPENSES

For the Year Ended December 31, 2018
(With Comparative Totals as of December 31, 2017)

| | Program Services | | | Total Program Services | Admin. | Fundraising | Total 2018 | Total 2017 |
|---------------------------------|------------------------|----------------------------------|------------------|------------------------------|------------------|------------------|-------------------|-------------------|
| | Grants to Others | Community Support Services | Americorps | | | | | |
| <u>EXPENSES</u> | | | | | | | | |
| Grants to agencies and others | \$ 490,295 | \$ 0 | \$ 0 | \$ 490,295 | \$ 0 | \$ 0 | \$ 490,295 | \$ 534,705 |
| Salaries and wages | 0 | 69,863 | 24,930 | 94,793 | 20,858 | 20,857 | 136,508 | 134,449 |
| Payroll taxes | 0 | 5,462 | 0 | 5,462 | 2,517 | 2,517 | 10,496 | 9,862 |
| Employee benefits | 0 | 12,238 | 0 | 12,238 | 875 | 876 | 13,989 | 16,316 |
| Retirement contributions | 0 | 0 | 0 | 0 | 1,668 | 1,667 | 3,335 | 1,419 |
| Professional fees | 0 | 0 | 0 | 0 | 9,083 | 9,082 | 18,165 | 17,513 |
| Supplies | 0 | 0 | 0 | 0 | 1,781 | 1,781 | 3,562 | 4,244 |
| Telephone | 0 | 0 | 0 | 0 | 1,584 | 1,583 | 3,167 | 3,255 |
| Postage and shipping | 0 | 0 | 0 | 0 | 976 | 977 | 1,953 | 1,528 |
| Insurance | 0 | 5,488 | 0 | 5,488 | 0 | 0 | 5,488 | 4,840 |
| Equipment maintenance & repairs | 0 | 1,689 | 0 | 1,689 | 0 | 0 | 1,689 | 1,689 |
| Printing | 0 | 0 | 0 | 0 | 1,900 | 1,901 | 3,801 | 574 |
| Travel/training | 0 | 0 | 0 | 0 | 712 | 713 | 1,425 | 1,486 |
| Conferences and meetings | 0 | 3,308 | 0 | 3,308 | 0 | 0 | 3,308 | 1,857 |
| IT and software licenses | 0 | 0 | 0 | 0 | 2,614 | 2,614 | 5,228 | 5,148 |
| Miscellaneous expenses | 0 | 663 | 0 | 663 | 168 | 167 | 998 | 532 |
| Dues and subscriptions | 0 | 9,998 | 0 | 9,998 | 0 | 0 | 9,998 | 10,145 |
| Discretionary giving | 0 | 2,124 | 0 | 2,124 | 0 | 0 | 2,124 | 3,000 |
| Depreciation | 0 | 0 | 0 | 0 | 45 | 45 | 90 | 90 |
| Bad debt expense | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| TOTAL EXPENSES | \$ 490,295 | \$ 110,833 | \$ 24,930 | \$ 626,058 | \$ 44,781 | \$ 44,780 | \$ 715,619 | \$ 752,652 |

* The accompanying notes are an integral part of the financial statements.

UNITED WAY OF ENID AND NORTHWEST OKLAHOMA, INC.
Enid, Oklahoma

STATEMENT OF CASH FLOWS

For the Year Ended December 31, 2018
(With Comparative Totals as of December 31, 2017)

| | 2018 | 2017 |
|--|------------|------------|
| <u>CASH FLOWS FROM OPERATING ACTIVITIES</u> | | |
| Increase (decrease) in net assets | \$ 61,932 | 2,092 |
| Adjustments to reconcile change in net assets to net cash provided (used) by operating activities: | | |
| Depreciation | 90 | 90 |
| (Increase) decrease in pledges receivable | (7,724) | (32,649) |
| (Increase) decrease in allowance for cancellation | (19,725) | 2,725 |
| Increase (decrease) in accounts payable | 731 | (368) |
| Increase (decrease) in payroll liabilities payable | (814) | (1,810) |
| Increase (decrease) in venture grants & contracts payable | (66,745) | 25,729 |
| Increase (decrease) in allocations authorized | 3,697 | 19,966 |
| Net cash from operating activities | (28,558) | 15,775 |
| <u>CASH FLOWS FROM INVESTING ACTIVITIES</u> | | |
| Acquisition/disposition of investments | 20,580 | (34,590) |
| Purchase of fixed assets | 0 | 0 |
| Gain/loss on investments | (179,215) | 67,986 |
| Interest earnings | 167,498 | 16,154 |
| Investment fees | (7,665) | (5,824) |
| Net cash from investing activities | 1,198 | 43,726 |
| <u>CASH FLOWS FROM FINANCING ACTIVITIES</u> | 0 | 0 |
| Net increase (decrease) in cash | (27,360) | 59,501 |
| Cash and cash equivalents, beginning | 325,023 | 265,522 |
| CASH AND CASH EQUIVALENTS, ENDING | \$ 297,663 | \$ 325,023 |

* The accompanying notes are an integral part of the financial statements.

UNITED WAY OF ENID AND NORTHWEST OKLAHOMA, INC.
Enid, Oklahoma

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2018

NOTE 1: ORGANIZATION

Organization

United Way of Enid and Northwest Oklahoma, Inc. (United Way) is a nonprofit organization whose purpose is to impact the community by identifying, prioritizing and facilitating the meeting of human service needs. It accomplishes this purpose by raising funds and allocating them to various human service agencies and programs and by collaborating with the business, government, and non-profit sectors.

NOTE 2: SIGNIFICANT ACCOUNTING POLICIES

New Accounting Pronouncement

On August 18, 2016, the FASB issued ASU 2016-14, *Not-for-Profit Entities (Topic 958)- Presentation of Financial Statements of Not-for-Profit Entities*, United Way has adjusted the presentation of its financial statements accordingly. The new standards change the following aspects of United Way's financial statements.

- The temporarily restricted net assets class has been renamed net assets with donor restrictions.
- The unrestricted net asset class has been renamed net assets without donor restrictions.
- The financial statements include a new disclosure about liquidity and availability of resources (Note 3).

The changes have the following effect on net assets at December 31, 2107.

| | <u>As Originally Presented</u> | <u>After Adoption of ASU 2016-14</u> |
|---------------------------------------|------------------------------------|--|
| <u>Net Asset Class</u> | | |
| Unrestricted | \$ 816,450 | \$ 0 |
| Temporarily Restricted | 0 | 0 |
| Net Assets Without Donor Restrictions | 0 | 816,450 |
| Net Assets With Donor Restrictions | <u>0</u> | <u>0</u> |
| Total Net Assets | <u>\$ 816,450</u> | <u>\$ 816,450</u> |

Basis of Accounting

The financial statements of United Way are prepared using the accrual basis of accounting and accordingly reflect all significant receivables, payables, and other liabilities.

Basis of Presentation

The United Way is required to report information regarding its financial position and activities according to two classes of net assets: net assets with donor restrictions and net assets without donor restrictions. Accordingly, net assets of United Way and changes therein are classified and reported as follows:

- Net assets with donor restrictions – net assets subject to donor imposed restrictions
- Net assets without donor restrictions – net assets not subject to donor-imposed restrictions.

United Way has no net assets with donor-imposed restrictions at this time.

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2018

NOTE 2: SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

Use of 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.

The most significant estimate in the financial statements relates to pledges receivable which is based on amounts committed to by businesses and individuals and experience in collecting on past pledges, as well as an analysis of the current economic condition overall. The allowance for cancellations has been established at approximately 5% of total pledges for the campaign year, which is consistent with United Way of Enid and Northwest Oklahoma, Inc.'s cancellation average over the past ten years and is consistent with United Way National standards. Management believes that the current allowance is sufficient based on prior history.

Property and Equipment

Purchases of equipment with useful lives exceeding one year are capitalized at cost. Depreciation is recorded using the straight-line method over estimated useful lives ranging from 3 to 7 years.

Cost Allocation

The statement of functional expenses presents the cost of raising funds and allocating them to the various service agencies and programs in Enid and Northwest Oklahoma. Accordingly, certain costs have been allocated among program and supporting services.

All costs other than salary and benefits are considered direct. Personnel costs are allocated as follows:

- a) Personnel costs related to the Executive Director and Program Director for Coach-A-Kid are allocated to the community services function;
- b) Personnel costs related to the Administrative Assistant are allocated to the administrative function. Administrative function expenses are then allocated 50:50 between administration and fundraising.

Public Support and Revenue

Annual campaign contributions without donor restrictions are generally available for use in the related campaign year unless specifically restricted by the donor. Unconditional promises to give are recorded as received. Unconditional promises to give due in the next year are reflected as current promises to give and are recorded at their net realizable value. The majority of the promises to give are received from a broad base of Enid and Northwest Oklahoma contributors as a result of the annual campaign. An allowance for uncollectible promises is provided based on management's evaluation of potential uncollectible promises receivable at year-end.

Grants and other contributions of cash and other assets are reported as support with donor restrictions if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, that is, when a stipulated restriction ends or purpose restriction is accomplished, donor restricted net assets are reclassified to net assets without donor restriction and reported in the statement of activities as net assets released from restrictions.

UNITED WAY OF ENID AND NORTHWEST OKLAHOMA, INC.
Enid, Oklahoma

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2018

NOTE 2: SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

Comparative Financial Statements

The financial statements include certain prior-year summarized comparative information in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with generally accepted accounting principles. Accordingly, such information should be read in conjunction with United Way's financial statements for the year ended December 31, 2017, from which the summarized information was derived.

Income Taxes and Uncertain Tax Positions

Income Tax Status – United Way of Enid and Northwest Oklahoma, Inc. qualifies as an organization exempt from income taxes under Section 501(c)(3) of the *Internal Revenue Code* and is subject to a tax on income from any unrelated business, as defined by Section 509(a)(1) of the Code. United Way currently has no unrelated business income. Accordingly, no provision for income taxes has been recorded.

United Way has adopted the recognition requirements for uncertain income tax positions as required by generally accepted accounting principles. Income tax benefits are recognized for income tax positions taken or expected to be taken in a tax return only when it is determined that the income tax position will more-likely-than-not be sustained upon examinations by taxing authorities. United Way has analyzed tax positions taken for filing with the Internal Revenue Service and all state jurisdictions where it operates. United Way believes that income tax filing positions will be sustained upon examination and does not anticipate any adjustments that would result in a material adverse effect on their financial condition, results of operations, or cash flows. Accordingly, United Way has not recorded any reserves, or related accruals for interest and penalties for uncertain income tax positions at December 31, 2018.

Federal and state income tax statutes dictate that tax returns filed in any of the previous three reporting periods remain open to examination. Currently, United Way has no open examinations with the Internal Revenue Service or the Oklahoma Tax Commission.

NOTE 3: LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS

The following reflects United Way's financial assets as of the statement of financial position date, reduced by amounts not available for general use because of contractual or donor-imposed restrictions within one year of the statement of financial position date. Donor-restricted resources are available to support general expenditures to the extent that restrictions on those resources will be met by conducting the normal activities of United Way's programs in the coming year.

| | |
|--|---------------------|
| Financial Assets at year-end | \$ 1,329,132 |
| Less those unavailable for general expenditures within one year, due to: | |
| Board Designations: | |
| Designated for Building Capital | (60,898) |
| Designated for Emergency Reserves | (50,000) |
| Financial Assets available to meet cash needs for general expenditures within one year | <u>\$ 1,218,234</u> |

As part of United Way's liquidity management plan, cash in excess of daily requirements is invested in short-term investments and money market funds. At December 31, 2018, the operating reserve was \$50,000. This reserve, established by the board of trustees, may be drawn upon if necessary to meet unexpected liquidity needs or in the event of financial distress.

UNITED WAY OF ENID AND NORTHWEST OKLAHOMA, INC.
Enid, Oklahoma

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2018

NOTE 4: CASH AND CASH EQUIVALENTS

Cash and cash equivalents consist of cash on hand, demand deposits, and certificates of deposit maintained at financial institutions insured by the Federal Deposit Insurance Corporation (FDIC). Deposits are carried at cost. Bank balances at year-end are categorized as follows to give an indication of the level of risk assumed by United Way of Enid and Northwest Oklahoma, Inc.

| <u>Category</u> | <u>Carrying Amount</u> | |
|---|------------------------|-------------------|
| | <u>2018</u> | <u>2017</u> |
| 1) Insured or collateralized with securities held by the organization or by its agent in organization's name. | \$ 425,372 | \$ 440,205 |
| 2) Collateralized with securities held by the pledging financial institution's trust department. | 0 | 0 |
| 3) Uncollateralized | <u>0</u> | <u>0</u> |
| TOTAL BANK BALANCES | <u>\$ 425,372</u> | <u>\$ 440,205</u> |

NOTE 5: INVESTMENTS

United Way has the following investments:

- A 24-month certificate of deposit in the amount of \$134,435 which bears an interest rate of 1.6%. Maturity date is December 4, 2019.
- Investment account with a local bank in the amount of \$172,342. The account's portfolio consists of:

| | |
|--------------------|-------------------|
| Balanced Funds | \$ 24,921 |
| Cash Equivalents | 204 |
| Equity Funds | 92,184 |
| Fixed Income Funds | <u>55,033</u> |
| Total | <u>\$ 172,342</u> |

- A beneficial interest in assets held by others which consists of funds transferred from United Way to the Enid Community Foundation for Excellence dba Cherokee Strip Community Foundation, (the Foundation), and funds transferred to the Foundation to be used by United Way for events coordinated with the Oklahoma Center for Non-profits. Current year activity in the Agency funds held by the Foundation on behalf of United Way of Enid and N.W. Okla. consisted of the following at December 31, 2018.

| | <u>United Way of Enid & NW Oklahoma</u> | <u>United Way/OK OK Center for Nonprofits</u> | <u>Total</u> |
|---------------------------|---|---|-------------------|
| Balance December 31, 2017 | \$ 364,004 | \$ 2,673 | \$ 366,677 |
| Principal Deposits | 0 | 0 | 0 |
| Distributions | 0 | 0 | 0 |
| Earnings, Net of Expenses | 124,175 | 1,015 | 125,190 |
| Unrealized Gain (Loss) | <u>(132,040)</u> | <u>(1,025)</u> | <u>(133,065)</u> |
| Balance December 31, 2018 | <u>\$ 356,139</u> | <u>\$ 2,663</u> | <u>\$ 358,802</u> |

Investment expenses on these funds equaled \$5,855 for the year ended December 31, 2018 and \$5,823 for the year ended December 31, 2017.

UNITED WAY OF ENID AND NORTHWEST OKLAHOMA, INC.
Enid, Oklahoma

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2018

NOTE 5: INVESTMENTS, CONTINUED

Donor-Designated Endowments

In addition, the Foundation receives donations designated for United Way by other donors. The Foundation, however, has the authority to distribute those donations as they see fit; therefore, they are not reflected in United Way's financial statements. Endowment funds held by the Foundation for the benefit of United Way equaled \$36,640 at December 31, 2018 and \$39,524 at December 31, 2017. The Foundation has been granted variance power. The corpus of the funds may not be withdrawn; however, income distributed to United Way of Enid and Northwest Oklahoma, Inc. by the funds may be used for any purpose. The interest in the endowment funds is recorded in the financial statements in accordance with generally accepted accounting principles and relevant funding agreements.

NOTE 6: FAIR VALUE MEASUREMENT

The definition of fair value for financial reporting, establishes a framework for measuring fair value, and requires additional disclosure about the use of fair value measurements in an effort to make the measurement of fair value more consistent and comparable.

SAS 157 defines fair value as the amount that would be received from the sale of an asset or paid for the transfers of a liability in an orderly transaction between market participants, i.e. an exit price. To estimate an exit price, a three-tier hierarchy is used to prioritize the inputs.

Level 1: Quoted Prices in active markets for identical securities.

Level 2: Other significant observable inputs (including quoted prices for similar securities, interest rates, prepayment spread and credit risk).

Level 3: Significant unobservable inputs (including the organization's own assumptions in determining the fair value of investments).

Fair value of assets measured at December 31, 2018 and 2017 are as follows:

| | 2018 Total | Quoted Prices in Active Markets for Identical Assets (Level 1) | Significant Other Observable Inputs (Level 2) | Significant Unobservable Inputs (Level 3) | Total Gains (Losses) |
|------------------------|-------------------|--|---|--|----------------------------|
| Certificate of Deposit | \$ 134,435 | \$ 134,435 | \$ 0 | \$ 0 | \$ 0 |
| Money Market Account | 204 | 204 | 0 | 0 | 0 |
| Balanced Funds | 24,921 | 24,921 | 0 | 0 | (2,074) |
| Equity Funds | 92,184 | 92,184 | 0 | 0 | (42,329) |
| Fixed Income | 55,033 | 55,033 | 0 | 0 | (1,746) |
| Endowment Funds | <u>358,802</u> | <u>358,802</u> | <u>0</u> | <u>0</u> | <u>(133,066)</u> |
| Total | <u>\$ 665,579</u> | <u>\$ 665,579</u> | <u>\$ 0</u> | <u>\$ 0</u> | <u>\$ (179,215)</u> |

UNITED WAY OF ENID AND NORTHWEST OKLAHOMA, INC.
Enid, Oklahoma

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2018

NOTE 6: FAIR VALUE MEASUREMENT, CONTINUED

| | 2017 <u>Total</u> | Quoted Prices in Active Markets for Identical Assets (Level 1) | Significant Other Observable Inputs (Level 2) | Significant Unobservable Inputs (Level 3) | Total Gains (Losses) |
|------------------------|----------------------|--|---|--|----------------------------|
| Certificate of Deposit | \$ 132,318 | \$ 132,318 | \$ 0 | \$ 0 | \$ 0 |
| Money Market Account | 175 | 175 | 0 | 0 | 0 |
| Balanced Funds | 25,840 | 25,840 | 0 | 0 | 1,590 |
| Equity Funds | 95,025 | 95,025 | 0 | 0 | 13,464 |
| Fixed Income | 55,259 | 55,259 | 0 | 0 | 8,191 |
| Endowment Funds | <u>366,677</u> | <u>366,667</u> | <u>0</u> | <u>0</u> | <u>44,741</u> |
| Total | <u>\$ 675,294</u> | <u>\$ 675,294</u> | <u>\$ 0</u> | <u>\$ 0</u> | <u>\$ 67,986</u> |

NOTE 7: FIXED ASSETS

Changes in fixed assets for the current fiscal year are as follows:

| <u>Equipment</u> <u>12/31/17</u> | <u>Additions</u> | <u>Retirements</u> | <u>Equipment</u> <u>12/31/18</u> |
|-------------------------------------|------------------|--------------------|-------------------------------------|
| <u>\$ 24,373</u> | <u>\$ 0</u> | <u>\$ 0</u> | <u>\$ 24,373</u> |

Depreciation expense equaled \$90 each year for 2018 and 2017, and total accumulated depreciation equaled \$24,358 at December 31, 2018 and \$24,268 at December 31, 2017.

NOTE 8: CONCENTRATIONS OF CREDIT RISK DUE TO TEMPORARY CASH INVESTMENTS AND PROMISES TO GIVE

Financial instruments that potentially subject United Way to concentrations of credit risk consist principally of temporary cash investments and promises to give receivables. United Way places its temporary cash investments with numerous financial institutions and limits the amount of credit exposure at any one financial institution. Concentrations of credit risk with respect to promises to give receivables are limited due to the large number of contributors and the differences in industries they represent. In addition, an allowance account has been established to mitigate the risk related to uncollectible pledges.

UNITED WAY OF ENID AND NORTHWEST OKLAHOMA, INC.
Enid, Oklahoma

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2018

NOTE 9: PROMISES TO GIVE

United Way conducts annual fund raising campaigns for allocation to participating agencies in the subsequent year. The promises to give at December 31, are unconditional and due as follows:

| | <u>2018</u> | <u>2017</u> |
|---|-------------------|-------------------|
| Receivable in less than one year | \$ 418,890 | \$ 411,166 |
| Pledges receivable in one to two years | 0 | 0 |
| Less Allowances for Uncollectible Pledges | <u>(53,000)</u> | <u>(72,725)</u> |
| Net Receivables | <u>\$ 365,890</u> | <u>\$ 338,441</u> |

NOTE 10: IN-KIND DONATIONS

United Way is the recipient of donated office space and utilities which are provided by OnviSource. The estimated value of these facilities is \$11,000.

NOTE 11: RETIREMENT PLAN

United Way's employees participate in a Simple IRA plan. Under the Simple IRA plan, United Way contributes 3% of the employees' gross wages. Contributions made by United Way on behalf of employees equaled \$3,330 on a gross payroll of \$136,508 in 2018 and \$3,070 on a gross payroll of \$128,035 in 2017.

NOTE 12: GRANTS AUTHORIZED BUT UNPAID

Grants authorized but unpaid at year-end are reported as liabilities. The following is a list of allocations and grants to qualifying tax-exempt organizations authorized and payable at year-end.

| <u>Annual Allocations:</u> | <u>2018</u> | <u>2017</u> |
|---|-------------------|-------------------|
| Loaves and Fishes | \$ 25,000 | \$ 25,000 |
| Salvation Army | 30,000 | 33,322 |
| YWCA | 50,000 | 58,803 |
| Red Cross | 9,000 | 9,207 |
| Girl Scouts | 3,500 | 4,000 |
| Boy Scouts | 25,000 | 28,669 |
| Enid Metro Commission | 4,000 | 8,500 |
| Hedges Regional Speech and Hearing Center | 20,000 | 27,060 |
| Community Development Support Association | 40,000 | 50,000 |
| Retired Senior Volunteer Program | 25,000 | 30,303 |
| YMCA | 50,000 | 51,280 |
| Booker T. Washington Community Center | 40,000 | 41,823 |
| Consumer Credit Counseling | 0 | 7,000 |
| Garfield County Child Advocacy | 35,000 | 40,000 |
| Catholic Charities | 18,500 | 20,918 |
| Youth & Family Services | 50,000 | 55,860 |
| Lincoln Academy | 3,000 | 0 |
| CDSA – PAT | <u>26,426</u> | <u>25,729</u> |
| Total Allocations Payable | <u>\$ 454,426</u> | <u>\$ 517,474</u> |

UNITED WAY OF ENID AND NORTHWEST OKLAHOMA, INC.
Enid, Oklahoma

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2018

NOTE 13: COMPENSATED ABSENCES

United Way of Enid and Northwest Oklahoma, Inc. does not accrue a liability for compensated absences. Due to the limited number of personnel, management does not feel that any such liability would be material to the financial statements.

NOTE 14: SUBSEQUENT EVENTS

Management has evaluated subsequent events through February 25, 2019, which is the date the financial statements were available to be issued.