

UNITED WAY OF WEST CENTRAL MINNESOTA

FINANCIAL STATEMENTS

As of June 30, 2019 and 2018

WESTBERG EISCHENS, PLLP
Certified Public Accountants
Willmar, Minnesota 56201

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INDEPENDENT AUDITOR'S REPORT

Board of Directors
United Way of West Central Minnesota
Willmar, Minnesota

We have audited the accompanying financial statements of United Way of West Central Minnesota (a nonprofit organization), which comprise the statements of financial position as of June 30, 2019 and 2018, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from 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, 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 West Central Minnesota as of June 30, 2019 and 2018, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matters

As discussed in note B to the financial statements, United Way adopted Accounting Standards Update (ASU) No. 2016-14, *Not-for-Profit Entities (Topic 958): Presentation of Financial Statements of Not-for-Profit Entities*. Our opinion is not modified with respect to this matter.

Westberg Eischens, PLLP

Westberg Eischens, PLLP
Willmar, Minnesota
October 17, 2019

UNITED WAY OF WEST CENTRAL MINNESOTA
STATEMENTS OF FINANCIAL POSITION
June 30, 2019 and 2018

	<u>2019</u>	<u>2018</u>
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	\$ 183,509	\$ 218,009
Investments	109,322	107,224
Cash held for others	118,417	132,058
Receivables:		
Pledges receivable, net of allowance for uncollectable pledges	145,994	159,335
Prepaid expenses and other assets	<u>3,494</u>	<u>1,580</u>
Total Current Assets	<u>560,736</u>	<u>618,206</u>
EQUIPMENT		
Office equipment	24,102	24,044
Vehicles	50,070	50,070
Less accumulated depreciation	<u>(43,090)</u>	<u>(38,625)</u>
Net Equipment	<u>31,082</u>	<u>35,489</u>
TOTAL ASSETS	<u>\$ 591,818</u>	<u>\$ 653,695</u>
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Accounts payable	\$ 19,964	\$ 17,942
Deferred revenue	-	6,000
Accrued payroll and related liabilities	10,603	12,154
Accrued compensated absences	2,092	3,206
Agency funding payable	310,000	350,161
Fiscal sponsorship payable	<u>118,417</u>	<u>132,058</u>
Total Current Liabilities	<u>461,076</u>	<u>521,521</u>
NET ASSETS		
Without donor restrictions	36,602	51,323
With donor restrictions	<u>94,140</u>	<u>80,851</u>
Total Net Assets	<u>130,742</u>	<u>132,174</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 591,818</u>	<u>\$ 653,695</u>

See accompanying notes to financial statements.

UNITED WAY OF WEST CENTRAL MINNESOTA
STATEMENTS OF ACTIVITIES
June 30, 2019 and 2018

	2019		Total
	Without Donor Restrictions	With Donor Restrictions	
REVENUE AND OTHER SUPPORT			
Contributions	\$ 573,857	\$ 159,100	\$ 732,957
Special events	42,622	-	42,622
Investment income	3,805	-	3,805
In kind contributions	45,859	-	45,859
Net assets released from restrictions	<u>145,811</u>	<u>(145,811)</u>	<u>-</u>
TOTAL REVENUE AND OTHER SUPPORT	<u>811,954</u>	<u>13,289</u>	<u>825,243</u>
EXPENSES			
Program	650,079	-	650,079
Fundraising	118,490	-	118,490
General and administrative	<u>58,106</u>	<u>-</u>	<u>58,106</u>
TOTAL EXPENSES	<u>826,675</u>	<u>-</u>	<u>826,675</u>
CHANGE IN NET ASSETS	(14,721)	13,289	(1,432)
NET ASSETS - BEGINNING OF YEAR	<u>51,323</u>	<u>80,851</u>	<u>132,174</u>
NET ASSETS - END OF YEAR	<u>\$ 36,602</u>	<u>\$ 94,140</u>	<u>\$ 130,742</u>

See accompanying notes to financial statements.

UNITED WAY OF WEST CENTRAL MINNESOTA
STATEMENTS OF ACTIVITIES
June 30, 2019 and 2018

	2018		
	Without Donor Restrictions	With Donor Restrictions	Total
REVENUE AND OTHER SUPPORT			
Contributions	\$ 621,644	\$ 124,829	\$ 746,473
Special events	31,912	-	31,912
Investment income	2,457	-	2,457
In kind contributions	48,087	-	48,087
Net assets released from restrictions	<u>133,808</u>	<u>(133,808)</u>	<u>-</u>
TOTAL REVENUE AND OTHER SUPPORT	<u>837,908</u>	<u>(8,979)</u>	<u>828,929</u>
EXPENSES			
Program	668,749	-	668,749
Fundraising	106,857	-	106,857
General and administrative	<u>66,836</u>	<u>-</u>	<u>66,836</u>
TOTAL EXPENSES	<u>842,442</u>	<u>-</u>	<u>842,442</u>
CHANGE IN NET ASSETS	(4,534)	(8,979)	(13,513)
NET ASSETS - BEGINNING OF YEAR	<u>55,857</u>	<u>89,830</u>	<u>145,687</u>
NET ASSETS - END OF YEAR	<u>\$ 51,323</u>	<u>\$ 80,851</u>	<u>\$ 132,174</u>

See accompanying notes to financial statements.

UNITED WAY OF WEST CENTRAL MINNESOTA
STATEMENTS OF FUNCTIONAL EXPENSES
Years Ended June 30, 2019 and 2018

	2019			Totals
	Program	Fundraising	General and Administrative	
Direct Community Investments				
Agency and small grant funding	\$ 338,286	\$ -	\$ -	\$ 338,286
Imagination Library	67,786	-	-	67,786
Growmobile program	7,999	-	-	7,999
Empower initiatives	<u>27,457</u>	<u>-</u>	<u>-</u>	<u>27,457</u>
Sub-total	<u>441,528</u>	<u>-</u>	<u>-</u>	<u>441,528</u>
Salaries				
Salaries and wages	115,756	48,452	33,068	197,276
Payroll taxes	9,528	3,986	2,938	16,452
Employee benefits	<u>12,812</u>	<u>5,522</u>	<u>3,755</u>	<u>22,089</u>
Sub-total	<u>138,096</u>	<u>57,960</u>	<u>39,761</u>	<u>235,817</u>
Other Expenses				
Publicity and marketing	14,525	30,205	901	45,631
Travel and training	3,003	540	135	3,678
Professional fees	-	-	7,800	7,800
Postage	380	291	97	768
Occupancy	11,521	5,849	354	17,724
Telephone and internet	2,424	2,171	782	5,377
Printing and copying	5,001	840	371	6,212
Office	1,382	1,311	5,430	8,123
Insurance	473	203	675	1,351
Depreciation	5,007	-	1,800	6,807
Contributed material, facilities, and services	<u>26,739</u>	<u>19,120</u>	<u>-</u>	<u>45,859</u>
Sub-total	<u>70,455</u>	<u>60,530</u>	<u>18,345</u>	<u>149,330</u>
TOTAL EXPENSES	<u>\$ 650,079</u>	<u>\$ 118,490</u>	<u>\$ 58,106</u>	<u>\$ 826,675</u>

See accompanying notes to financial statements.

UNITED WAY OF WEST CENTRAL MINNESOTA
STATEMENTS OF FUNCTIONAL EXPENSES
Years Ended June 30, 2019 and 2018

	2018			Totals
	Program	Fundraising	General and Administrative	
Direct Community Investments				
Agency and small grant funding	\$ 366,093	\$ -	\$ -	\$ 366,093
Imagination Library	61,741	-	-	61,741
Growmobile program	11,455	-	-	11,455
Empower initiatives	16,133	-	-	16,133
Sub-total	<u>455,422</u>	<u>-</u>	<u>-</u>	<u>455,422</u>
Salaries				
Salaries and wages	121,779	42,649	37,100	201,528
Payroll taxes	10,026	3,491	3,034	16,551
Employee benefits	14,661	4,321	2,892	21,874
Sub-total	<u>146,466</u>	<u>50,461</u>	<u>43,026</u>	<u>239,953</u>
Other Expenses				
Publicity and marketing	10,746	25,439	541	36,726
Travel and training	2,202	505	474	3,181
Professional fees	-	-	7,500	7,500
Postage	110	874	440	1,424
Occupancy	11,331	5,849	354	17,534
Telephone and internet	2,727	1,510	683	4,920
Printing and copying	3,194	1,527	864	5,585
Office	745	803	9,452	11,000
Insurance	1,832	769	1,699	4,300
Depreciation	5,007	-	1,803	6,810
Contributed material, facilities, and services	28,967	19,120	-	48,087
Sub-total	<u>66,861</u>	<u>56,396</u>	<u>23,810</u>	<u>147,067</u>
TOTAL EXPENSES	<u>\$ 668,749</u>	<u>\$ 106,857</u>	<u>\$ 66,836</u>	<u>\$ 842,442</u>

See accompanying notes to financial statements.

UNITED WAY OF WEST CENTRAL MINNESOTA
STATEMENTS OF CASH FLOWS
June 30, 2019 and 2018

	<u>2019</u>	<u>2018</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ (1,432)	\$ (13,513)
Adjustments to reconcile change in net assets to net cash used by operating activities:		
Depreciation	6,807	6,810
(Increase) decrease in current assets:		
Pledges receivable	13,341	22,514
Prepaid and other assets	(1,914)	9,707
Increase (decrease) in current liabilities:		
Accounts payable	2,022	9,694
Accrued payroll and related liabilities	(1,551)	1,299
Accrued compensated absences	(1,114)	(807)
Agency funding payable	(40,161)	16
Deferred revenue	<u>(6,000)</u>	<u>6,000</u>
NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES	<u>(30,002)</u>	<u>41,720</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of investments	(2,100)	(107,224)
Acquisition of equipment	<u>(2,398)</u>	<u>-</u>
NET CASH USED IN INVESTING ACTIVITIES	<u>(4,498)</u>	<u>(107,224)</u>
NET DECREASE IN CASH AND CASH EQUIVALENTS	(34,500)	(65,504)
CASH AND EQUIVALENTS - BEGINNING OF YEAR	<u>218,009</u>	<u>283,513</u>
CASH AND EQUIVALENTS - END OF YEAR	<u>\$ 183,509</u>	<u>\$ 218,009</u>

See accompanying notes to financial statements.

UNITED WAY OF WEST CENTRAL MINNESOTA
NOTES TO FINANCIAL STATEMENTS
June 30, 2019 and 2018

NOTE A: NATURE OF ACTIVITIES

United Way of West Central Minnesota (United Way) is a not-for-profit organization that responds to most pressing challenges facing communities in west central Minnesota. United Way's mission is to improve people's lives by mobilizing the caring power of their communities to create lasting change. They envision communities where everyone has equitable access to the basic necessities of life, where people are inspired to act, and where organizations have the resources to effectively support the people who need it the most. United Way works to improve conditions in education, health, and basic needs supporting more than 50 programs across west central Minnesota. United Way achieves its mission through direct investments in proven and innovative social service programs, networking with and engaging local organizations, businesses and community members to give, advocate and volunteer. United Way serves Kandiyohi county and portions of Meeker, Renville, Chippewa and Swift counties of Minnesota.

NOTE B: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with generally accepted accounting principles. Net assets, revenues, expenses, gains, and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets of United Way and changes there in, are classified and reported as follows:

Net assets without donor restrictions

Net assets that are not subject to donor-imposed restrictions and may be spent for any purpose in performing United Way's objectives. Net assets without donor restrictions, designated net assets are a self-imposed limit by the Board of Directors available to the organization to carry out the mission, programs and community support of our region.

Net assets with donor restrictions

Net assets subject to stipulations imposed by donors. These net assets may be restricted specifically for certain time periods or purpose. Other restrictions are perpetual in nature, where by the donor has stipulated the funds be maintained in perpetuity.

Contributions

Contributions are recognized as revenues in the period received. Unconditional promises to give are recognized as revenue when the promise is made. Conditional promises to give are recognized when the conditions on which they depend are substantially fulfilled. Contributed materials, fixed assets, or investments are recorded at fair value when received.

All contributions are available for use unless specifically restricted by the donor. Contributions with donor-imposed conditions are recorded as donor restricted net assets. When donor-imposed time conditions expire or purpose restriction is fulfilled, donor restricted net assets are reclassified to without donor restriction net assets.

Cash and Cash Equivalents

For purposes of the statement of cash flows, United Way considers all cash and other highly liquid investments with initial maturities of three months or less to be cash equivalents.

UNITED WAY OF WEST CENTRAL MINNESOTA
NOTES TO FINANCIAL STATEMENTS
June 30, 2019 and 2018

NOTE B: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Investments

Investments consist of certificates of deposit with maturities ranging from 9 months to 3 years are reported at fair value. The intent of the investment is to preserve a 3-month operational reserve fund.

For management efficiency, investments of the donor restricted and without donor restricted net assets are pooled, except for certain net assets that the board of directors or the donors has designated to be segregated and maintained separately.

Cash Held for Others

United Way entered into fiscal sponsorship agreements with local community organizations to provide fiscal management services. The agreements require United Way to maintain separate bank accounts for receiving and disbursing funds on behalf of the organizations.

Equipment

United Way has a capitalization policy of \$1,000. Equipment is stated at cost. Donated items received are recorded at estimated fair value. Depreciation is computed on a straight-line basis over the estimated useful lives of the respective assets. Depreciation expense for the years ended June 30, 2019 and 2018, were \$6,807 and \$6,810, respectively.

<u>Useful Lives</u>	<u>Years</u>
Office Equipment	5-7
Software	3
Vehicles	5

Fair Value of Financial Instruments

The carrying amounts of cash, other receivables, and accounts payable approximate fair value because of the short maturity of these instruments. Investments are reported at fair value as described above. Pledges receivable are reported at approximate fair value.

Concentrations

Substantially all of United Way's revenue comes from an annual community pledge drive from businesses and individuals throughout west central Minnesota.

In Kind Contributions

Contributed materials, facilities, and services represent the estimated fair value of materials, facilities, and services provided. The contribution of services is recognized if the services received (a) create or enhance nonfinancial assets or (b) require specialized skills that are provided by individuals possessing those skills and would typically need to be purchased if not provided by donation.

Contributed services consist primarily of advertising services, including advertising time on television and radio stations, and advertisements placed in newspapers.

UNITED WAY OF WEST CENTRAL MINNESOTA
NOTES TO FINANCIAL STATEMENTS
June 30, 2019 and 2018

NOTE B: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

United Way recognized the following amounts for contributed materials, facilities, and services for the years ended June 30, 2019 and 2018:

	<u>2019</u>	<u>2018</u>
Services	\$ 33,464	\$ 33,464
Facility rent	1,200	1,200
Program supplies	<u>11,195</u>	<u>13,423</u>
Total	<u>\$ 45,859</u>	<u>\$ 48,087</u>

In addition to the previously described services, volunteers have donated significant amounts of time in support of United Way's activities. These contributions have not been recorded as revenue and expenses as they do not meet the criteria for recognition under generally accepted accounting principles. 6,058 volunteer hours were donated to United Way of West Central Minnesota during this fiscal year. Volunteers worked a variety of jobs such as committee work, event preparation, packing backpacks, board of directors, community review, and various projects throughout our region. At an estimated value of \$24.69 per hour, as determined from the Independent Sector, this is worth over \$149,500.

Income Taxes

United Way of West Central Minnesota is classified as a tax-exempt organization under Minnesota Statute 290.05 and Section 501(c)(3) of Internal Revenue Code. The organization is also classified as an entity that is not a private foundation within the meaning of IRC Section 509(a) and qualifies to receive tax deductible contributions. United Way is subject to taxes on net unrelated business income. For the years ended June 30, 2019 and 2018, United Way did not have any unrelated business income. The organization's accounting policy provides that a tax expense/benefit from an uncertain tax position may be recognized when it is more likely than not that the position will be sustained upon examination, including resolutions of any related appeals or litigation processes, based on the technical merits. United Way has no uncertain tax positions resulting in an accrual of tax expense or benefit.

United Way's Forms 990, *Return of Organization Exempt from Income Tax*, are subject to examination by the IRS, generally for three years after they were filed.

Functional Allocation of Expenses

The costs of providing United Way's various programs and supporting services have been summarized on a functional basis in the statement of activities. Expenses which are easily and directly associated with a particular program or supporting services are charged directly to that functional area. Certain categories of expenses are attributable to multiple supporting activities. The expenses that require allocation include payroll and benefits and utilities are allocated based on estimates of time and effort.

Concentrations of Credit Risk

Financial instruments that potentially subject United Way to concentrations of credit risk consist principally of temporary cash investments and pledges receivable. United Way maintains its cash balances and temporary investments at two financial institutions. Each institution is insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000. United Way's policy is to require collateral pledges to cover balances in excess of FDIC limits. Substantially all pledges receivable are from business and individuals located within West Central Minnesota and are unsecured. For the years ended June 30, 2019 and 2018, United Way had unsecured cash balances of \$-0- and \$-0-, respectively.

UNITED WAY OF WEST CENTRAL MINNESOTA
NOTES TO FINANCIAL STATEMENTS
June 30, 2019 and 2018

NOTE B: SUMMARY OF 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 the reported amounts of assets, liabilities, disclosures in the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

New Accounting Pronouncement

In August 2016, FASB issued ASU 2016-14, Not-for-Profit Entities (Topic 958) – *Presentation of Financial Statements of Not-for-Profit Entities*. The update addressed 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. United Way has adjusted the presentation of these statements accordingly. The ASU has been applied retrospectively to all periods presented.

NOTE C: AVAILABILITY AND LIQUIDITY

The following represents the United Way's financial assets at June 30, 2019 and 2018:

	<u>2019</u>	<u>2018</u>
Financial assets at year end:		
Cash and cash equivalents	\$ 183,509	\$ 218,009
Investments	109,322	107,224
Cash held for others	118,417	132,058
Pledges receivable	<u>145,994</u>	<u>159,335</u>
Total financial assets	<u>557,242</u>	<u>616,626</u>
Less amounts unavailable for general expenditures within one year:		
Restricted by donor with time or purpose restrictions	94,140	80,851
Cash held for others	118,417	132,058
Agency funding payable	<u>310,000</u>	<u>350,161</u>
	<u>522,557</u>	<u>563,070</u>
Financial assets available to meet general expenditures within one year	<u>\$ 34,685</u>	<u>\$ 53,556</u>

United Way receives significant contributions each year from donors which are available to meet annual cash needs for general expenditures. The agency funding is paid monthly over a 12-month period. Over that same 12-month period, additional contributions are received from donors.

UNITED WAY OF WEST CENTRAL MINNESOTA
NOTES TO FINANCIAL STATEMENTS
June 30, 2019 and 2018

NOTE D: PLEDGES RECEIVABLE

Pledges receivable for June 30, 2019 and 2018, consist of unconditional promises to give for the January 1 to December 31, 2019 and 2018, campaign years. A breakdown of the pledges receivable and the allowance for doubtful accounts is as follows:

	<u>2019</u>	<u>2018</u>
Contributions collectible in:		
Less than one year	\$ 164,036	\$ 178,354
Allowance for doubtful accounts	<u>(18,042)</u>	<u>(19,019)</u>
Net receivable	<u>\$ 145,994</u>	<u>\$ 159,335</u>

At June 30, 2019 and 2018, the discount to net realizable value for long-term pledges receivable was not significant for pledges expected to be collected over future periods of greater than one year.

NOTE E: ACCRUED COMPENSATED ABSENCES

The accompanying financial statements include a liability for unused Paid Time Off (PTO) that has vested. United Way's personnel policy provides that full and part-time employees earn PTO determined by years of service and hours worked.

Unused PTO

PTO benefits are to be used during the calendar year in which they are earned. If an employee had earned but unused PTO hours available as of December 31, the employee has the following options:

1. Carry over up to 80 PTO hours (prorated for part time employees) into the next calendar year; and/or
2. Transfer a maximum of 40 PTO hours on January 1st to his or her Leave of Absence Bank (LOAB), provided that the employee's LOAB does not exceed the maximum allowable accumulation. Unused Leave of Absence Bank Benefits are not paid out upon termination, and therefore PTO hours transferred to an employee's LOAB will also be forfeited upon termination.
3. On December 31 of each year, any earned and unused PTO hours not carried over in the next calendar year or transferred to the employee's LOAB will be forfeited.

Leave of Absence Bank

After three continuous work days of absence due to illness or injury and with a physician's notice, an employee can draw from their Leave of Absence Bank (LOAB) to cover days off beyond the initial three days. A first-time contribution on the date of hire to LOAB account will be 40 hours. On January 1st of each year, each employee receives 20 hours in their LOAB. Amount will be prorated for part-time employees and full-time staff hired 39-32 hours. The maximum accrual in the LOAB cannot exceed 160 hours, prorated for part time employees and full-time staff hired 39-32 hours. Unused LOAB hours are not paid out upon termination.

Upon voluntary separation from United Way, PTO is paid out on a percentage basis based on years of service. Full payout occurs after six years of service. As of June 30, 2019 and 2018, United Way reported a liability for compensated absences of \$2,092 and \$3,206, respectively.

UNITED WAY OF WEST CENTRAL MINNESOTA
NOTES TO FINANCIAL STATEMENTS
June 30, 2019 and 2018

NOTE F: LEASES

United Way entered into a lease for office space with Engan & Associates. The initial term began January 1, 2009 and ended January 1, 2014. The most current lease period is from January 1, 2019 to December 31, 2024, with monthly installment payments of \$1,477. Total rent expense amounted to \$17,724 and \$17,534 for the years ended June 30, 2019 and 2018, respectively.

Future minimum payments under the terms of the lease agreement are as follows:

<u>Year Ending June 30</u>	
2020	\$ 17,724
2021	\$ 17,724
2022	\$ 17,724
2023	\$ 17,724
2024	\$ 8,862

NOTE G: RETIREMENT PLAN

United Way offers a Simple IRA plan to all employees upon hire. United Way matches employee contributions up to 3% of the employee's compensation. Employer contributions for June 30, 2019 and 2018, were \$5,013 and \$5,606, respectively.

NOTE H: LINE OF CREDIT

United Way had a \$100,000 revolving line of credit at Bremer Bank that expired on October 21, 2017. The balances of which \$-0- and \$-0- were outstanding at June 30, 2019 and 2018, respectively. Bank advances on the credit line were payable on demand and carried an interest rate of 1% plus prime rate. The credit line was secured by inventory, chattel paper, accounts, equipment and general intangibles and pledges.

NOTE I: NET ASSETS

Summary of Net Assets Without Donor Restrictions

At June 30, 2019 and 2018, all net assets without donor restrictions are undesignated as to their use.

Summary of Net Assets With Donor Restrictions

Net assets with donor restrictions are available for the following purposes or periods as of June 30, 2019 and 2018, respectively:

	<u>2019</u>	<u>2018</u>
Empower Fund	\$ 24,050	\$ 54,796
Empower Fund - Litchfield	-	12,583
Grant - Willmar Community Foundation	5,090	13,472
Grant - Cardinal Food Backpacks	65,000	-
	<u>\$ 94,140</u>	<u>\$ 80,851</u>

UNITED WAY OF WEST CENTRAL MINNESOTA
NOTES TO FINANCIAL STATEMENTS
June 30, 2019 and 2018

NOTE I: NET ASSETS (continued)

Net assets released from restrictions during the years ended June 30, 2019 and 2018, respectively, were as follows:

	<u>2019</u>	<u>2018</u>
Empower Fund	\$ 104,846	\$ 128,929
Empower Fund - Litchfield	12,583	4,879
Grant - Willmar Community Foundation	<u>28,382</u>	<u>-</u>
	<u>\$ 145,811</u>	<u>\$ 133,808</u>

NOTE J: FINANCIAL STATEMENT PRESENTATION

Certain accounts in prior year financial statements have been reclassified for comparative purposes to conform to the presentation in the current year financial statements. There was no effect on net assets.

NOTE K: SUBSEQUENT EVENTS

In preparing these financial statements, management of United Way of West Central Minnesota has evaluated events and transactions for potential recognition or disclosure through October 17, 2019, the date the financial statements were available to be issued.