

GUADALUPE COUNTY UNITED WAY, INC.
FINANCIAL STATEMENTS

FOR THE YEAR ENDED
DECEMBER 31, 2020

GUADALUPE COUNTY UNITED WAY, INC.

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Independent Auditor's Report

To the Board of Directors of
Guadalupe County United Way

I have audited the accompanying financial statements of Guadalupe County United Way, (not-for-profit organization), which comprise the statement of financial position as of December 31, 2020, 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. 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 Guadalupe County United Way as of December 31, 2020, 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.

San Marcos, Texas
May 21, 2021

GUADALUPE COUNTY UNITED WAY, INC.
STATEMENT OF FINANCIAL POSITION
AS OF DECEMBER 31, 2020

ASSETS	
ASSETS	
Cash and cash equivalents	\$ 342,270
Pledge receivables	152,122
TOTAL ASSETS	<u>\$ 494,392</u>
LIABILITIES AND NET ASSETS	
CURRENT LIABILITIES	
Payroll liabilities	\$ 1,236
TOTAL CURRENT LIABILITIES	<u>1,236</u>
NET ASSETS	
Without donor restrictions	<u>493,156</u>
TOTAL NET ASSETS	<u>493,156</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 494,392</u>

The accompanying notes are an integral part of this financial statement.

GUADALUPE COUNTY UNITED WAY, INC.
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2020

	Without Donor Restrictions
REVENUE AND SUPPORT	
Contributions-campaign drives	\$ 328,719
PPP proceeds	9,300
Interest income	2,293
TOTAL REVENUE AND SUPPORT	\$ 340,312
EXPENSES	
Program services	\$ 293,022
Supporting services	
Management and general	53,898
Fundraising	16,724
TOTAL EXPENSES	\$ 363,644
CHANGE IN NET ASSETS	\$ (23,332)
NET ASSETS, BEGINNING OF YEAR (Restated)	516,488
NET ASSETS, END OF YEAR	\$ 493,156

The accompanying notes are an integral part of this financial statement.

GUADALUPE COUNTY UNITED WAY, INC.
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2020

	Program Services	Supporting Services		Total	Total
	Agency Allocations	Management and General	Fundraising	Supporting Services	
Agency support	\$ 275,060	\$ -	\$ -	\$ -	\$ 275,060
Advertising	-	4,538	-	4,538	4,538
Board meeting expenses	-	154	-	154	154
Campaign expenses	-	-	2,978	2,978	2,978
Dues and subscriptions	-	4,523	-	4,523	4,523
Health insurance	-	267	-	267	267
Liability insurance	-	1,747	-	1,747	1,747
Office expenses	-	6,270	-	6,270	6,270
Payroll expenses	13,746	27,493	13,746	41,239	54,985
Postage	-	515	-	515	515
Professional fees	-	4,150	-	4,150	4,150
Rent	2,094	2,094	-	2,094	4,188
Training	241	-	-	-	241
Travel	1,881	-	-	-	1,881
Supplies	-	1,046	-	1,046	1,046
Telephone	-	1,101	-	1,101	1,101
	<u>\$ 293,022</u>	<u>\$ 53,898</u>	<u>\$ 16,724</u>	<u>\$ 70,622</u>	<u>\$ 363,644</u>

The accompanying notes are an integral part of this financial statement.

GUADALUPE COUNTY UNITED WAY, INC.
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2020

CASH FLOWS FROM OPERATING ACTIVITIES	
Change in net assets	\$ (23,332)
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities:	
Change in pledges	94,052
Change in liabilities	(225)
NET CASH PROVIDED BY OPERATING ACTIVITIES	<u>70,495</u>
NET CHANGE IN CASH AND CASH EQUIVALENTS	70,495
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	<u>271,775</u>
CASH AND CASH EQUIVALENTS, END OF YEAR	<u><u>\$ 342,270</u></u>
Supplementary information	
Interest paid	\$ -
Income taxes paid	\$ -

The accompanying notes are an integral part of this financial statement.

GUADALUPE COUNTY UNITED WAY, INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020

NOTE A - ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization

Guadalupe County United Way, Inc. (the organization) is a non-profit organization established for the purpose of appealing to the general public for charitable contributions. Funding is derived from individuals and business contributions received during community-wide fund drives. Contributions are allocated to local nonprofit agencies based on their annual applications to United Way. Allocations are limited to the success of United Way's fund drives.

Basis of presentation

The financial statements of Guadalupe County United Way, Inc. have been prepared in accordance with U.S. generally accepted accounting principles (U.S. GAAP), which require the organization to report information regarding its financial position and activities to the following net asset classifications:

Net assets without donor restrictions: Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the organization. These net assets may be used at the discretion of Guadalupe County United Way, Inc.'s management and the board of directors.

Net assets with donor restrictions: Net assets subject to stipulations imposed by donors, and grantors. Some donors' restrictions are temporary in nature; those restrictions will be met by actions of Guadalupe County United Way, Inc. or by the passage of time or other events specified by the donor. Donor-imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purposes for which the resource was restricted has been fulfilled, or both.

Cash and cash equivalents

For purposes of the statements of cash flows, the organization considers all highly liquid investments available for current use with an initial maturity of three months or less to be cash equivalents. As of December 31, 2020, the organization's cash and cash equivalents totaled \$342,270.

Fair Value Measurements

The organization reports its fair value measures using a three-level hierarchy that prioritizes the inputs used to measure fair value. The hierarchy, established by GAAP, requires that entities maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. The three levels of inputs used to measure fair value are as follows:

GUADALUPE COUNTY UNITED WAY, INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020

NOTE A - ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES-CONTINUED

Level 1 Inputs that are quoted prices in active markets for identical assets or liabilities that the reporting entity has the ability to access at the measurement date.

Level 2 Inputs other than quoted prices included in level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3 Inputs that are unobservable for the asset or liability.

The organization's current assets and liabilities are presented in the statement of financial position are Level 1. The organization has no Level 2 or Level 3 assets or liabilities. The carrying amounts reported in the statements of financial position approximate fair values because of the short maturities of those instruments.

Revenue Recognition

The organization recognizes contributions when cash, securities or other assets; an unconditional promise to give; or a notification of a beneficial interest is received. Conditional promises to give, contributions with a measurable performance or other barrier and a right of return, are not recognized until the conditions on which they depend have been met.

Accounting for Contributions

Contributions received are recorded as net assets without donor restrictions or net assets with donor restrictions, depending on the existence and/or nature of any donor-imposed restrictions. Contributions that are restricted by the donor are reported as an increase in net assets without donor restrictions if the restriction expires in the reporting period in which the contribution is recognized. All other donor restricted contributions are reported as an increase in net assets with donor restrictions, depending on the nature of restriction. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statements of activities as net assets released from restrictions.

Contributed property and equipment are recorded at fair value at the date of donation. Contributions with donor-imposed stipulations regarding how long the contributed assets must be used are recorded as net assets with donor restrictions; otherwise, the contributions are recorded as net assets without donor restrictions.

Revenue and support

The organization receives the majority of its revenues from local businesses, agencies and individuals through its annual campaign drives.

GUADALUPE COUNTY UNITED WAY, INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020

NOTE A - ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES-CONTINUED

Expense Recognition and Allocation

The costs of providing the services and other activities of the organization have been summarized on a functional basis in the statement of activities. Accordingly, certain costs have been allocated among the programs and supporting services benefited. These expenses require allocation on a reasonable basis that is consistently applied. The expenses that are allocated include payroll expenses and rental expenses.

Use of Estimates

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of revenues and expenses during the reporting period and the reported amounts of assets and liabilities at the date of the financial statements. On an ongoing basis, the organization's management evaluates the estimates and assumptions based upon historical experience and various other factors and circumstances. The organization's management believes that the estimates and assumptions are reasonable in the circumstances; however, the actual results could differ from those estimates.

Tax Status

The organization is incorporated exempt from federal income taxation under Section 501(c)(3) of the Internal Revenue Code (IRC), though it would be subject to tax on income unrelated to its exempt purposes. The tax year is still open to audit for both federal and state purposes.

Property and Equipment

Property and equipment are stated at cost at date of acquisition or fair value at date of donation in the case of gifts. As of December 31, 2020 the organization reported property and equipment of \$1,409 is fully depreciated.

New Accounting Pronouncement

In 2014, the Financial Accounting Standards Board (FASB) issued a new accounting pronouncement regarding revenue recognition effective for reporting periods beginning after December 15, 2019. Management is currently evaluating the effect this new standard will have on its financial position, results of operations and related disclosures.

In 2016, the FASB issued a new accounting pronouncement regarding lease accounting for reporting periods beginning after December 15, 2021. A lessee will be required to recognize on the statement of financial position the assets and liabilities for lease with lease terms of more than twelve months. Management is currently evaluating the effect this pronouncement will have on the financial statements and related disclosures.

GUADALUPE COUNTY UNITED WAY, INC.
 NOTES TO FINANCIAL STATEMENTS
 FOR THE YEAR ENDED DECEMBER 31, 2020

NOTE B - PLEDGE RECEIVABLES

The organization hosts an annual year campaign drive to raise support for participating agencies in the subsequent fiscal year. Unconditional promises to give are recorded at fair value if expected to be collected in one year. Receivables from contributions are recorded as revenue when the pledge is received. As of December 31, 2020, outstanding pledge receivables were \$152,122. Based on historical collections, management believes that all outstanding pledges are collectible in full; therefore, no allowances for uncollectible pledges have been provided.

NOTE C - LEASES

Guadalupe County United Way leases a two room office space for which the administrative office is located in downtown Seguin, Texas. Lease terms are on a month-to-month basis. Total monthly cost of the office space lease was \$4,537 for the year ended December 31, 2020.

NOTE D - CONCENTRATION AND CREDIT RISK

Guadalupe County United Way maintains its cash and cash equivalents in one bank. Cash account balances are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000 per bank. Uninsured cash balances totaled \$92,270 as of December 31, 2020.

NOTE E - LIQUIDITY AND AVAILABILITY OF FINANCIAL RESOURCES

The following reflects the organization's financial assets as of the financial position date, reduced by amounts not available for general use due to donor-stipulated restrictions.

	2020
Cash and cash equivalents	\$ 342,270
Pledges	152,122
Total financial assets	494,392
Donor restrictions	-
Financial assets available to meet cash needs for expenditures within one year	\$ 494,392

The organization's primary sources of cash flows during the year from donor pledges identified in preceding year during its annual campaign drive. These revenue sources provide a consistent inflow of cash throughout the year.

NOTE F - PRIOR PERIOD RESTATEMENT

During the year ended December 31, 2020, a review of pledge receivables and revenue collections revealed an overstatement of \$121,580 in pledge receivables, revenues and net assets as of December 31, 2019. Correction of this misstatement resulted in a decrease of \$121,580 in pledge receivables, revenues, and net assets at December 31, 2019.

GUADALUPE COUNTY UNITED WAY, INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020

NOTE G - SUBSEQUENT EVENTS

The organization has evaluated subsequent events through May 21, 2021, which is the date the financial statements were available to be issued.

Due to COVID-19, Guadalupe County United Way, Inc. had to limit its campaign events, which impacted the organization pledges and fundraising activities. Guadalupe County United Way, Inc. is evaluating the current economic conditions. The related financial impact cannot be reasonably estimated at this time.