

# **United Way of Skagit County**

Financial Statements with  
Independent Auditor's Report

Year Ended June 30, 2019  
(With Summarized Comparative Totals for the  
Year Ended June 30, 2018)

Larson Gross 

**United Way of Skagit County**

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## Independent Auditor's Report

Board of Directors  
United Way of Skagit County  
Burlington, Washington

### Report on the Financial Statements

We have audited the accompanying financial statements of United Way of Skagit County, which comprise the statement of financial position as of June 30, 2019, the related statement 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 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.

**Emphasis of Matter**

As discussed in Note 1 to the financial statements, during the year ended June 30, 2019, United Way of Skagit County adopted Financial Accounting Standards Board's Accounting Standards Update (ASU) 2016-14, *"Not-for-Profits Entities (Topic 958) – Presentation of Financial Statements for Not-for-Profit Entities."* The update addresses the complexity and understandability of net assets restrictions, deficiencies in information about liquidity and availability of resources, and the lack of consistency in the type of information provided about expenses and investment returns. The ASU has been applied retrospectively to all periods presented. Our opinion is not modified with respect to this matter.

**Opinion**

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of United Way of Skagit County as of June 30, 2019, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

**Report on Summarized Comparative Information**

The financial statements of United Way of Skagit County for the year ended June 30, 2018, were audited by another auditor, who expressed an unmodified audit opinion on those audited financial statements in their report dated December 10, 2018. The summarized comparative information presented herein as of and for the year ended June 30, 2018, is consistent, in all material respects, with the audited financial statements from which it has been derived.

**Report on Supplementary Information**

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The supplementary information included on pages 14 and 15 is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information on page 15 has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information on page 15 is fairly stated in all material respects in relation to the financial statements as a whole. The information on page 16 was a part of the June 30, 2018 audit that was audited by another auditor. The other auditor's report, dated December 10, 2018, stated that the information was subjected to the auditing procedures applied in the audit of the June 30, 2018 financial statements, and, in their opinion, the information was fairly stated in all material respects in relation to the financial statements taken as a whole.

*Larson Gross PLLC*

Bellingham, Washington  
September 26, 2019

United Way of Skagit County

**Statement of Financial Position**

June 30, 2019

(With Summarized Comparative Totals for June 30, 2018)

	<u>2019</u>	<u>2018</u>
<b>Assets</b>		
<b>Assets</b>		
Cash and cash equivalents	\$ 322,587	\$ 267,752
Certificates of deposit	571,698	684,696
Unconditional promises to give, net	241,420	412,021
Property and equipment, net	<u>20,937</u>	<u>7,722</u>
<b>Total assets</b>	<b><u>\$ 1,156,642</u></b>	<b><u>\$ 1,372,191</u></b>
<b>Liabilities and Net Assets</b>		
<b>Liabilities</b>		
Accounts payable	\$ 3,624	\$ 11,819
Accrued liabilities	34,093	16,309
Donor designated allocations payable	31,104	44,409
Capital lease	<u>5,612</u>	<u>-</u>
Total liabilities	74,433	72,537
<b>Net assets</b>		
Without donor restrictions		
Board-designated	265,660	247,197
Undesignated	<u>775,665</u>	<u>1,020,114</u>
Total without donor restrictions	1,041,325	1,267,311
With donor restrictions	<u>40,884</u>	<u>32,343</u>
Total net assets	<u>1,082,209</u>	<u>1,299,654</u>
<b>Total liabilities and net assets</b>	<b><u>\$ 1,156,642</u></b>	<b><u>\$ 1,372,191</u></b>

United Way of Skagit County

**Statement of Activities**

Year Ended June 30, 2019

(With Summarized Comparative Totals for Year Ended June 30, 2018)

	2019			2018 Total
	Without Donor Restrictions	With Donor Restrictions	Total	
<b>Support, revenue and reclassifications</b>				
Results of total campaign efforts	\$ 818,138	\$ -	\$ 818,138	\$1,101,957
Less provision for uncollectible pledges	(21,061)	-	(21,061)	(21,554)
Less direct paid designations	(23,544)	-	(23,544)	(290,686)
Less contributions designated to agencies by donors	(122,674)	-	(122,674)	(64,143)
Net contributions	650,859	-	650,859	725,574
In-kind contributions:				
Advertising and other	34,483	-	34,483	30,920
Total contributions	685,342	-	685,342	756,494
Service fees for designated agency contributions	13,886	-	13,886	9,384
Meals sold at campaign kickoff/board meetings	6,981	-	6,981	7,672
Interest income	9,914	-	9,914	4,677
Program and other sponsorships	54,690	32,698	87,388	109,718
Bequest and other revenue	11,617	-	11,617	133,448
Total support and revenue	782,430	32,698	815,128	1,021,393
Net assets released from restriction	24,157	(24,157)	-	-
Total support, revenue and reclassifications	806,587	8,541	815,128	1,021,393
<b>Expenses</b>				
Program services				
Gross funds awarded	520,218	-	520,218	838,829
(Less donor designations)	(146,218)	-	(146,218)	(354,829)
Net funds awarded	374,000	-	374,000	484,000
Other program services	417,791	-	417,791	354,856
Total program services	791,791	-	791,791	838,856
Resource development	107,166	-	107,166	73,681
Management and general	133,616	-	133,616	118,415
Total expenses	1,032,573	-	1,032,573	1,030,952
<b>Change in net assets</b>	(225,986)	8,541	(217,445)	(9,559)
Net assets – beginning of year	1,267,311	32,343	1,299,654	1,309,213
<b>Net assets – end of year</b>	<u>\$ 1,041,325</u>	<u>\$ 40,884</u>	<u>\$ 1,082,209</u>	<u>\$1,299,654</u>

United Way of Skagit County

**Statement of Functional Expenses**

Year Ended June 30, 2019

(With Summarized Comparative Totals for Year Ended June 30, 2018)

	2019			Total	2018 Total
	Program Services	Resource Development	Management and General		
Gross funds awarded and designated	\$ 520,218	\$ -	\$ -	\$ 520,218	\$ 838,829
Less donor designations	(146,218)	-	-	(146,218)	(354,829)
Net funds awarded	374,000	-	-	374,000	484,000
Salaries, benefits and related taxes	224,233	60,493	103,898	388,624	305,253
Professional fees, contract services	68,335	27,300	12,096	107,731	79,607
In-kind expenses	32,443	1,953	87	34,483	30,920
Occupancy	15,779	4,483	6,612	26,874	26,821
Membership, dues and subscriptions	10,948	3,379	5,211	19,538	18,861
Publications and visual media	18,506	968	-	19,474	5,325
Conferences, travel, staff and volunteer development	10,940	3,253	1,687	15,880	9,433
Events	10,681	2,261	-	12,942	36,010
Advertising and promotion	9,430	432	-	9,862	6,371
Supplies and materials	4,866	635	772	6,273	11,756
Depreciation	2,630	852	1,323	4,805	2,570
Scholarships and awards	3,960	-	-	3,960	4,865
Insurance	2,038	494	773	3,305	3,340
Sponsorships	2,000	-	-	2,000	3,000
Postage and shipping	850	369	472	1,691	1,903
Miscellaneous	152	294	685	1,131	917
	<u>\$ 791,791</u>	<u>\$ 107,166</u>	<u>\$ 133,616</u>	<u>\$ 1,032,573</u>	<u>\$ 1,030,952</u>

United Way of Skagit County

**Statement of Cash Flows**

Year ended June 30, 2019

(With Summarized Comparative Totals for Year Ended June 30, 2018)

	<u>2019</u>	<u>2018</u>
<b>Cash flows from operating activities</b>		
Change in net assets	\$ (217,445)	\$ (9,559)
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities		
Depreciation	4,805	2,570
Loss on disposal of equipment	265	-
Changes in operating assets and liabilities		
Unconditional promises to give	170,601	31,563
Accounts payable and accrued liabilities	9,589	8,386
Donor designated allocations payable	<u>(13,305)</u>	<u>(7,594)</u>
<b>Net cash provided (used) by operating activities</b>	(45,490)	25,366
<b>Cash flows from investing activities</b>		
Net change in certificates of deposit	112,998	(337,515)
Purchase of property and equipment	<u>(11,529)</u>	<u>(7,459)</u>
<b>Net cash provided (used) by investing activities</b>	101,469	(344,974)
<b>Cash flows from financing activities</b>		
Payments on capital lease	<u>(1,144)</u>	-
<b>Net cash used by financing activities</b>	<u>(1,144)</u>	-
Net increase (decrease) in cash and cash equivalents	54,835	(319,608)
Cash and cash equivalents – beginning of year	<u>267,752</u>	<u>587,360</u>
<b>Cash and cash equivalents – end of year</b>	<u><u>\$ 322,587</u></u>	<u><u>\$ 267,752</u></u>
<b>Supplemental Cash Flow Information</b>		
Cash paid during the year for interest	<u>\$ 461</u>	<u>\$ -</u>
Noncash investing and financing activities:		
Property acquisition through capital lease	<u>\$ 6,756</u>	<u>\$ -</u>



**Notes to Financial Statements**

June 30, 2019 and 2018

**Note 1 – Summary of Significant Accounting Policies**

**Organization** – United Way of Skagit County (UWSC) is a Washington non-profit corporation, incorporated June 14, 1963, and governed by a volunteer board of directors. The mission statement is “Uniting Skagit County to build a positive and sustainable quality of life.” UWSC is committed to creating opportunities in the community so that all children and families have the same chances to succeed in school and in life. UWSC envisions a community where all individuals and families achieve their potential and where all children receive a quality education that offers a pathway to a brighter tomorrow.

Working with dozens of cross-sector partnerships, UWSC is focused primarily on early childhood development but also works with families to improve their financial stability. In addition, UWSC provides grants and works with community partners to provide basic needs of food, shelter, health and safety. Basic needs services are vital to individuals with chronic conditions and for individuals and families in crisis needing temporary support.

**Basis of accounting** – UWSC prepares its financial statements in accordance with accounting principles generally accepted in the United States of America, which involves the application of accrual accounting; accordingly, revenues and gains are recognized when earned, and expenses and losses are recognized when incurred.

**New accounting pronouncement** – In August of 2016, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) 2016-14, *“Not-for-Profit Entities (Topic 958) – Presentation of Financial Statements for Not-for-Profit Entities.”* The amendments provided by this update address the complexity and understandability of net asset classification, deficiencies in information about liquidity and availability of resources, and the lack of consistency in the type of information provided about expenses and investment return. The ASU is effective for fiscal years beginning after December 15, 2017, and was applied retrospectively to all periods presented.

**Basis of presentation** – Net assets, revenues, expenses, gains, and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, the net assets of UWSC and changes therein are classified and reported as follows:

**Net assets without donor restrictions** – Net assets that are not subject to donor-imposed restrictions and over which the Board of Directors has discretionary control are classified as net assets without donor restrictions.

**Net assets with donor restrictions** – Net assets subject to donor-imposed restrictions that will be met either by actions of UWSC or the passage of time, including contributions that have been restricted by the donor that stipulate the resources be maintained in perpetuity, but permit the organization to use or expend part of all of the income derived from the donated assets for either specific or unspecific purposes.

**Notes to Financial Statements**

June 30, 2019 and 2018

**Note 1 – Summary of Significant Accounting Policies – (Continued)**

**Basis of presentation** (Continued) – Revenues are reported as increases in net assets without donor restrictions unless use of the related assets is limited by donor-imposed restrictions. Expenses are reported as decreases in net assets without donor restrictions. Gains and losses on investments and other assets or liabilities are reported as increases or decreases in net assets without donor restrictions unless their use is restricted by explicit donor stipulation or by law. Expirations of net assets with donor restrictions (i.e., the donor stipulated purpose has been fulfilled or the stipulated time period has lapsed) are reported as reclassifications between the applicable classes of net assets. Contributions that are restricted by donors are reported as increases in net assets without donor restrictions if the restrictions expire in the reporting period in which the contributions are recognized.

**Cash and cash equivalents** – Cash and cash equivalents consist of cash held in checking and savings accounts, a short-term certificate of deposit, and cash on hand. For purposes of the statement of cash flows, UWSC considers all highly liquid unrestricted investments with an initial maturity of three months or less to be cash equivalents. UWSC maintains its cash in bank accounts that may exceed federal insured limits at times during the year. UWSC has not experienced any losses in these accounts, and management does not believe it is exposed to any significant credit risk.

**Certificates of deposit** – UWSC holds certificates of deposit valued at cost plus accrued interest.

**Unconditional promises to give, net** – Unconditional promises to give, which include contributions and grants, are recognized as revenues in the period the unconditional promise is made. Conditional promises to give are not recognized until such time as the conditions are substantially met. Contributions of noncash assets are recognized at their estimated fair value on the date of contribution. Contributions to be collected in future years are recorded at fair value when the promise is made based on a discounted cash flow model. Amortization of discounts is recorded as additional contribution revenue in accordance with donor-imposed restrictions, if any, on the contributions.

An allowance for uncollectible accounts is recorded using an estimated percentage of outstanding contributions receivable. This estimate is compared to historical averages to determine its reasonableness.

**Gross campaign results** – Consistent with industry practice, UWSC presents gross campaign results and donor designations as supplementary information. Gross campaign results consist of funds raised as a result of UWSC's fundraising efforts during the normal course of its campaigns, including donor designated amounts. This includes pledges processed by third-party processors where the involvement of UWSC in workplace campaigns is considered to be significant. Amounts raised that are designated by the donor to nonprofit organizations other than UWSC, are deducted from total campaign results to arrive at net campaign revenue, as UWSC does not retain variance power. If a workplace which uses a third-party processor elects not to report its total campaign results to UWSC, its designated amounts raised are not included in the UWSC's campaign results.

**Property and equipment** – Property and equipment are recorded at cost or, if acquired as a donation, at fair market value at the date of donation. Assets with a useful life greater than one year and cost over \$1,500 are capitalized. Depreciation is computed using the straight-line method, over the estimated useful lives of the assets (from five to ten years).

**Notes to Financial Statements**

June 30, 2019 and 2018

**Note 1 – Summary of Significant Accounting Policies – (Continued)**

**Donor designated allocations payable** – Funds are distributed for not-for-profit agencies in accordance with donor instructions. To be eligible to receive these funds, a not-for-profit organization must have been granted exemption under sections 501 (c) (3) and 509 (a) of the Internal Revenue Code and must comply with U.S. Patriot Act requirements and not be on the Internal Revenue Service’s Revocation List.

**Federal income tax** – UWSC is a non-profit organization, which is exempt from federal income taxation under Section 501 (c) (3) of the Internal Revenue Code and is classified as an organization that is not a private foundation under Section 509 (a) (20) of the Internal Revenue Code. UWSC’s Form 990 federal information return is subject to audit for a period of three years after filing.

**Donated goods and services** – Donated goods and services are recorded at fair value on the date of receipt. Donated services are recognized at their fair values only if the services received (a) create or enhance non-financial assets or (b) require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation. In addition to donated services recognized, a substantial number of volunteers have donated significant amounts of their time in UWSC’s program services and its fund raising campaigns.

**Advertising** – UWSC’s policy is to expense advertising costs as incurred. Advertising expenses paid were \$9,862 and \$6,371 for the years ended June 30, 2019 and 2018, respectively. Additionally, a significant portion of advertising is received as an in-kind donation.

**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 and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

**Concentrations** – Contributions from one donor made up 14% and 12% of total contributions for the years ended June 30, 2019 and 2018, respectively. A pledge from one donor made up 29% of total unconditional promises to give at June 30, 2019. Pledges from two donors made up 42% of total unconditional promises to give at June 30, 2018.

**Functional allocation of expenses** – Costs of providing programs and activities are summarized by functional category in the accompanying statement of activities and statement of functional expenses. Costs are directly allocated where possible and certain expenses not directly related to a particular function are allocated based upon the percentage of time devoted to the benefited activities or on other appropriate methods. UWSC complies with United Way Worldwide standards established for donor designated deductions.

**Notes to Financial Statements**

June 30, 2019 and 2018

**Note 1 – Summary of Significant Accounting Policies – (Continued)**

**Comparative financial information** – 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 accounting principles generally accepted in the United States of America. Accordingly, such information should be read in conjunction with UWSC’s financial statements for the year ended June 30, 2018, from which the summarized information was derived.

**Reclassifications** – Certain reclassifications have been made to the prior year’s financial statements to conform to the current year’s financial statement presentation.

**Subsequent events** – In preparing these financial statements, UWSC has evaluated events and transactions for potential recognition or disclosure through September 26, 2019, the date the financial statements were available to be issued.

**Note 2 – Liquidity and Availability**

Financial assets available for general expenditures within one year of June 30, 2019, consist of the following:

Financial assets at year-end:	
Cash and cash equivalents	\$ 322,587
Certificates of deposit	571,698
Unconditional promises to give	<u>241,420</u>
Financial assets available to meet general expenditures within one year	<u><u>\$ 1,135,705</u></u>

UWSC has certain assets limited to use for donor-restricted or board-designated purposes, as discussed in Note 5, but which are generally considered available for expenditure in the next year.

As part of UWSC’s liquidity management plan, cash in excess of daily requirements may be invested in certificates of deposit and money market accounts.

**Note 3 – Unconditional Promises to Give**

Unconditional promises to give consist of the following as of June 30:

	<u>2019</u>	<u>2018</u>
Pledges receivable – collectible within one year	\$ 266,619	\$ 440,105
Allowance for uncollectible	<u>(25,199)</u>	<u>(28,084)</u>
Net unconditional promise to give	<u><u>\$ 241,420</u></u>	<u><u>\$ 412,021</u></u>

United Way of Skagit County

**Notes to Financial Statements**

June 30, 2019 and 2018

**Note 4 – Property and Equipment**

Property and equipment consists of the following as of June 30:

	<u>2019</u>	<u>2018</u>
Leasehold improvements	\$ -	\$ 6,038
Furniture & equipment	30,656	36,297
Software	4,750	4,750
	<u>35,406</u>	<u>47,085</u>
Less accumulated depreciation	<u>(14,469)</u>	<u>(39,363)</u>
Land, property and equipment, net	<u>\$ 20,937</u>	<u>\$ 7,722</u>

Depreciation expense totaled \$4,805 and \$2,570 for the years ended June 30, 2019 and 2018, respectively.

**Note 5 – Net Assets**

The governing board has designated, from net assets without donor restrictions, net assets for the following purpose:

	<u>2019</u>	<u>2018</u>
Operating reserves	<u>\$ 265,660</u>	<u>\$ 247,197</u>

As of June 30, 2019 the reserves were at 25% of budget. The operating reserves allow UWSC to manage cash flow interruptions, meet commitments, obligations or other contingencies, minimize the need for short-term borrowing for working capital, provide flexibility for organizational growth, and generate investment income.

Net assets with donor restrictions consist of the following at June 30:

	<u>2019</u>	<u>2018</u>
CHOW program	\$ 19,314	\$ 14,458
Born learning trails program	8,307	9,222
Other programs and events	13,263	8,663
	<u>\$ 40,884</u>	<u>\$ 32,343</u>

**Note 6 – Retirement Plan**

UWSC contributes to the union pension fund for member employees under the provisions of the contract formula and a Simple IRA for non-union employees. UWSC contributions totaled \$14,101 and \$10,795 for the years ended June 30, 2019 and 2018, respectively.

United Way of Skagit County

Notes to Financial Statements

June 30, 2019 and 2018

**Note 7 – Leases**

*Operating*

UWSC entered into a long-term, non-cancellable operating lease for office space commencing June 1, 2016. The lease agreement is for five years, and expires May 31, 2021.

Total rent expense for the years ending June 30, 2019 and 2018, was \$26,874 and 26,821, respectively.

Future minimum lease payments under this non-cancellable operating lease over each year until expiration are as follows:

2020	\$	14,100
2021		<u>13,277</u>
	\$	<u><u>27,377</u></u>

*Capital*

UWSC entered into a capital lease for equipment commencing July 6, 2018. The lease agreement is for five years, and expires July 5, 2024. The economic substance of the lease agreements is that UWSC is financing the acquisition of equipment through the lease, and accordingly, these leases are recorded in UWSC's assets and liabilities.

The capitalized cost and related accumulated depreciation of the leased equipment totaled the following as of June 30:

	<u>2019</u>	<u>2018</u>
Cost	\$ 6,757	\$ -
Accumulated depreciation	<u>(1,351)</u>	<u>-</u>
	<u><u>\$ 5,406</u></u>	<u><u>\$ -</u></u>

Scheduled minimum capital lease payments are as follows for the years ending June 30:

2020	\$	1,640
2021		1,640
2022		1,640
2023		1,640
2024		<u>53</u>
Total minimum lease payments		6,613
Less amount representing interest		<u>(1,000)</u>
Present value of minimum lease payments	\$	<u><u>5,613</u></u>

**Notes to Financial Statements**

June 30, 2019 and 2018

**Note 8 – Related Party Transactions**

UWSC paid dues to the national and regional organizations, United Way Worldwide and United Ways of the Pacific Northwest, of \$16,319 and \$16,034 for the years ended June 30, 2019 and 2018, respectively.

UWSC also received contributions from members of its board of directors totaling \$69,075 and \$58,544 for the years ended June 30, 2019 and 2018, respectively. Outstanding unconditional promises to give from these board members were approximately \$16,091 and \$121,975 as of June 30, 2019 and 2018, respectively, some of which includes multi-year gifts.

**Note 9 – Prospective Accounting Change**

In May 2014, the FASB issued ASU 2014-09, "Revenue from Contracts with Customers", which outlines a single comprehensive model for entities to use in accounting for revenue arising from contracts with customers and supersedes most current revenue recognition guidance, including industry-specific guidance. ASU 2014-09 and subsequent amendments outline a five-step process for revenue recognition that focuses on transfer of control, as opposed to transfer of risk and rewards, and also requires enhanced disclosures regarding the nature, amount, timing and uncertainty of revenues and cash flows from contracts with customers. Major provisions include determining which goods and services are distinct and represent separate performance obligations, how variable consideration (which may include change orders and claims) is recognized, whether revenue should be recognized at a point in time or over time and ensuring the time value of money is considered in the transaction price. This guidance may be adopted using either a full retrospective or modified retrospective approach. Application is required for annual periods beginning after December 15, 2018.

UWSC plans to adopt ASU 2014-09 effective July 1, 2019 using the modified retrospective method. Under this method, the new standard will be applied only to the most current period presented in the financial statements with the cumulative effect recognized as of the date of initial application. UWSC continues to evaluate the impact of the new accounting guidance on its financial statements and disclosures. UWSC's adoption of ASU 2014-09 is not anticipated to have a material impact on the results of operations or financial position; however, UWSC's assessment is not complete.

**Note 10 – Recent Accounting Pronouncement**

In February 2016, the FASB issued ASU 2016-02, "Leases" which requires lessees to record most leases with terms greater than 12 months on their balance sheet by recognizing a liability to make lease payments and an asset representing their right to use the asset during the lease term. For leases with a term of 12 months or less, a lessee is permitted to make an accounting policy election, by class of underlying asset, not to recognize the corresponding assets and lease liabilities. Lessee recognition, measurement, and presentation of expenses and cash flows will not change significantly from existing guidance and lessor accounting is largely unchanged. ASU 2016-02 also changes the definition of a lease and requires qualitative and quantitative disclosures that provide information about the amount, timing, and uncertainty of cash flows arising from leases. Application is required for annual periods beginning after December 15, 2020. UWSC continues to evaluate the impact of the new accounting guidance on its financial statements.

## Supplementary Information



United Way of Skagit County

Supplementary Schedule of Gross Funds Awarded

Year Ended June 30, 2019

<u>Agency</u>	<u>Funds Awarded</u>	<u>Designations</u>	<u>Total</u>
Community Action of Skagit County	\$ 66,000	\$ 1,300	\$ 67,300
Foundation of Dist. #304	57,500	120	57,620
Youthnet	28,500	4,725	33,225
Brigid Collins-Skagit Valley Family Support	26,000	3,706	29,706
Skagit Domestic Violence & Sexual Assault	23,000	4,270	27,270
Skagit Preschool & Resource Center	25,000	560	25,560
Skagit Council on Aging	20,000	5,229	25,229
Foundation for Academic Endeavors	20,000	100	20,100
Camp Fire USA-Samish Council	18,500	1,500	20,000
Washington State University Foundation	20,000	-	20,000
American Red Cross-Mt. Baker	18,500	700	19,200
Volunteers of America WW	13,500	-	13,500
Sea Mar Community Health Centers	11,000	700	11,700
Chinook Enterprises	10,000	500	10,500
Northwest Youth Services	10,000	-	10,000
Skagit County Health Dept	6,500	-	6,500
Third party processed direct paid designations	-	23,544	23,544
UWSC processed other agency designations	-	99,264	99,264
Total funds awarded	<u>\$ 374,000</u>	<u>\$ 146,218</u>	<u>\$ 520,218</u>

United Way of Skagit County

Supplementary Schedule of Gross Funds Awarded

Year Ended June 30, 2018

<u>Agency</u>	<u>Funds Awarded</u>	<u>Designations</u>	<u>Total</u>
Community Action of Skagit County	\$ 89,500	\$ 4,624	\$ 94,124
Foundation of Dist. #304	71,800	-	71,800
Skagit Valley Family YMCA	30,000	1,844	31,844
Skagit Domestic Violence & Sexual Assault	23,000	3,500	26,500
Skagit Preschool & Resource Center	26,000	200	26,200
Skagit Council on Aging	17,500	8,319	25,819
Northwest Youth Services	25,000	-	25,000
Brigid Collins-Skagit Valley Family Support	20,000	3,510	23,510
Volunteer of America WW	23,500	-	23,500
Chinook Enterprises	20,000	930	20,930
Secret Harbor	20,000	510	20,510
Communities in Schools	20,000		20,000
American Red Cross-Mt. Baker	18,500	700	19,200
Youthnet	10,000	6,740	16,740
Boys & Girls Club of Skagit County	10,500	4,994	15,494
Camp Fire USA-Samish Council	14,000	965	14,965
Opportunity Council	10,000	-	10,000
Skagit Valley College Foundation	10,000	-	10,000
Skagit County Health Dept	10,000	-	10,000
Sea Mar Community Health Centers	9,000	700	9,700
Children's Museum	5,000	-	5,000
Other agency grants	700	-	700
Other agency designations	-	26,607	26,607
Third party processed direct paid designations	-	290,686	290,686
	<u>\$ 484,000</u>	<u>\$ 354,829</u>	<u>\$ 838,829</u>