

**GREATER GALLATIN UNITED WAY, INC.**

**AUDITED FINANCIAL STATEMENTS**

**June 30, 2019 and 2018**



**AMATICS**  
CPA GROUP

**GREATER GALLATIN UNITED WAY, INC.  
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## INDEPENDENT AUDITORS' REPORT

Board of Directors  
Greater Gallatin United Way, Inc.  
Bozeman, MT

We have audited the accompanying financial statements of Greater Gallatin United Way, Inc. (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.

### Auditors' 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 auditors' 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 Organization'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 Organization'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 Greater Gallatin United Way, Inc., 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.

*Amatics CPA Group*  
Bozeman, Montana  
January 31, 2020



**GREATER GALLATIN UNITED WAY, INC.  
STATEMENTS OF FINANCIAL POSITION**

**ASSETS**

	<b>June 30</b>	
	<b>2019</b>	<b>2018</b>
<b>CURRENT ASSETS</b>		
Cash and cash equivalents	\$ 74,047	\$ 50,339
Investments	165,741	250,505
Accounts receivable	25,230	22,616
Grants receivable	141,665	77,097
Pledges receivable, net of uncollectible allowance of \$15,000 for 2019 and \$22,000 for 2018	149,657	168,992
	<u>556,340</u>	<u>569,549</u>
<b>OTHER ASSETS</b>		
Endowment investments	507,529	483,221
Beneficial interest in agency endowment	43,991	44,829
Prepays and deposits	3,460	9,259
	<u>554,980</u>	<u>537,309</u>
Total assets	<u>\$ 1,111,320</u>	<u>\$ 1,106,858</u>

**LIABILITIES AND NET ASSETS**

<b>CURRENT LIABILITIES</b>		
Accrued liabilities	\$ 160,586	\$ 112,001
Accrued compensated absences	14,089	20,997
Accrued allocations	335,000	340,500
Accrued designations	6,676	1,355
	<u>516,351</u>	<u>474,853</u>
<b>NET ASSETS</b>		
Without donor restrictions	(40,733)	28,955
With donor restrictions	635,702	603,050
	<u>594,969</u>	<u>632,005</u>
Total liabilities and net assets	<u>\$ 1,111,320</u>	<u>\$ 1,106,858</u>

See notes to financial statements.

**GREATER GALLATIN UNITED WAY, INC.**  
**STATEMENT OF ACTIVITIES**  
**Year ended June 30, 2019**

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Totals</u>
<b>SUPPORT</b>			
Contributions	\$ 637,172	\$ 31,806	\$ 668,978
Grants	113,308	60,000	173,308
Less: uncollected pledges	(7,801)	-	(7,801)
Special events, net of \$10,304 in expenses	8,146	-	8,146
Less: designations	<u>(5,321)</u>	<u>-</u>	<u>(5,321)</u>
Total support	<u>745,504</u>	<u>91,806</u>	<u>837,310</u>
<b>REVENUE</b>			
kidsLINK parent fees	654,589	-	654,589
Other income	1,247	-	1,247
Proceeds from Montana Community Foundation	14,221	-	14,221
Change in FMV of beneficial interest in agency endowment	-	(838)	(838)
In-kind donations	22,680	-	22,680
Investment return, net	<u>7,123</u>	<u>24,308</u>	<u>31,431</u>
Total revenue	<u>699,860</u>	<u>23,470</u>	<u>723,330</u>
<b>SATISFACTION OF PROGRAM RESTRICTIONS</b>	<u>82,624</u>	<u>(82,624)</u>	<u>-</u>
<b>TOTAL SUPPORT, REVENUE, AND SATISFACTION OF RESTRICTIONS</b>	<u>1,527,988</u>	<u>32,652</u>	<u>1,560,640</u>
<b>EXPENSES</b>			
Allocations	328,876	-	328,876
Functional expenses			
Program	960,244	-	960,244
Fundraising	204,191	-	204,191
Management	<u>104,365</u>	<u>-</u>	<u>104,365</u>
Total expenses	<u>1,597,676</u>	<u>-</u>	<u>1,597,676</u>
<b>CHANGE IN NET ASSETS</b>	(69,688)	32,652	(37,036)
Net assets at beginning of year	<u>28,955</u>	<u>603,050</u>	<u>632,005</u>
<b>NET ASSETS AT END OF YEAR</b>	<u>\$ (40,733)</u>	<u>\$ 635,702</u>	<u>\$ 594,969</u>

See notes to financial statements.

**GREATER GALLATIN UNITED WAY, INC.**  
**STATEMENT OF ACTIVITIES**  
**Year ended June 30, 2018**

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Totals</u>
<b>SUPPORT</b>			
Contributions	\$ 576,060	\$ 60,000	\$ 636,060
Grants	293,495	-	293,495
Less: uncollected pledges	(14,347)	-	(14,347)
Special events, net of \$32,673 in expenses	287	-	287
Less: designations	<u>(3,550)</u>	<u>-</u>	<u>(3,550)</u>
Total support	<u>851,945</u>	<u>60,000</u>	<u>911,945</u>
<b>REVENUE</b>			
kidsLINK parent fees	527,044	-	527,044
Other income	225	-	225
Proceeds from Montana Community Foundation	14,157	-	14,157
Change in FMV of beneficial interest in agency endowment	-	799	799
In-kind donations	28,459	-	28,459
Investment return, net	<u>27,651</u>	<u>37,943</u>	<u>65,594</u>
Total revenue	<u>597,536</u>	<u>38,742</u>	<u>636,278</u>
<b>SATISFACTION OF PROGRAM RESTRICTIONS</b>	<u>162,531</u>	<u>(162,531)</u>	<u>-</u>
<b>TOTAL SUPPORT, REVENUE, AND SATISFACTION OF RESTRICTIONS</b>	<u>1,612,012</u>	<u>(63,789)</u>	<u>1,548,223</u>
<b>EXPENSES</b>			
Allocations	503,769	-	503,769
Fiscal sponsorship funds transfer	52,839	-	52,839
Functional expenses			
Program	1,009,903	-	1,009,903
Fundraising	152,104	-	152,104
Management	<u>97,801</u>	<u>-</u>	<u>97,801</u>
Total expenses	<u>1,816,416</u>	<u>-</u>	<u>1,816,416</u>
<b>CHANGE IN NET ASSETS</b>	(204,404)	(63,789)	(268,193)
Net assets at beginning of year	<u>233,359</u>	<u>666,839</u>	<u>900,198</u>
<b>NET ASSETS AT END OF YEAR</b>	<u>\$ 28,955</u>	<u>\$ 603,050</u>	<u>\$ 632,005</u>

See notes to financial statements.

**GREATER GALLATIN UNITED WAY, INC.**  
**STATEMENT OF FUNCTIONAL EXPENSES**  
**Year ended June 30, 2019**

	<u>Programs</u>			<u>Fundraising</u>	<u>Management</u>	<u>Total Expenses</u>
	<u>kidsLINK Program</u>	<u>Community Support</u>	<u>Total Programs</u>			
Bank charges	\$ 18,724	\$ -	\$ 18,724	\$ 2,703	\$ 824	\$ 22,251
Contract services	21,206	8,970	30,176	7,684	2,640	40,500
Curriculum	-	2,512	2,512	11	-	2,523
Fair share	3,897	1,310	5,207	3,750	502	9,459
Insurance	788	1,276	2,064	1,051	639	3,754
KidsLINK program expense	550,639	-	550,639	-	-	550,639
Marketing	1,258	667	1,925	53,223	201	55,349
Meetings	484	1,290	1,774	262	1,616	3,652
Personnel costs	122,700	121,226	243,926	88,769	74,942	407,637
Postage	13	10	23	1,383	25	1,431
Professional development	9,514	161	9,675	424	147	10,246
Professional fees	10,803	17,490	28,293	14,404	9,746	52,443
Rent and utilities	10,163	14,594	24,757	12,018	7,297	44,072
Supplies	6,711	3,741	10,452	1,938	4,131	16,521
Technology and maintenance	13,484	12,802	26,286	15,085	1,460	42,831
Travel and training	<u>1,665</u>	<u>2,146</u>	<u>3,811</u>	<u>1,486</u>	<u>195</u>	<u>5,492</u>
	<u>\$ 772,049</u>	<u>\$ 188,195</u>	<u>\$ 960,244</u>	<u>\$ 204,191</u>	<u>\$ 104,365</u>	<u>\$ 1,268,800</u>

See notes to financial statements.

**GREATER GALLATIN UNITED WAY, INC.**  
**STATEMENT OF FUNCTIONAL EXPENSES**  
**Year ended June 30, 2018**

	<b>Programs</b>				<b>Fundraising</b>	<b>Management</b>	<b>Total Expenses</b>
	<b>Montana Afterschool Alliance</b>	<b>kidsLINK Program</b>	<b>Community Support</b>	<b>Total Programs</b>			
Bank charges	\$ -	\$ 15,172	\$ -	\$ 15,172	\$ 2,905	\$ 985	\$ 19,062
Contract services	9,344	30,818	24,991	65,153	5,891	5,749	76,793
Curriculum	-	10,013	34	10,047	83	-	10,130
Fair share	612	1,318	1,519	3,449	4,903	775	9,127
Insurance	200	965	1,055	2,220	663	331	3,214
KidsLINK program expense	-	492,389	-	492,389	-	-	492,389
Marketing	869	545	171	1,585	17,254	507	19,346
Meetings	113	750	5,476	6,339	328	2,089	8,756
Personnel costs	1,132	147,103	139,962	288,197	67,382	64,940	420,519
Postage	-	135	80	215	1,417	284	1,916
Professional development	4,662	20,143	1,005	25,810	2,646	1,749	30,205
Professional fees	5,656	18,657	15,130	39,443	3,567	3,480	46,490
Rent and utilities	-	13,997	15,309	29,306	9,623	4,811	43,740
Supplies	148	9,381	2,670	12,199	648	8,604	21,451
Technology and maintenance	20	10,923	870	11,813	34,095	3,120	49,028
Travel and training	2,534	1,355	2,677	6,566	699	377	7,642
	<u>\$ 25,290</u>	<u>\$ 773,664</u>	<u>\$ 210,949</u>	<u>\$ 1,009,903</u>	<u>\$ 152,104</u>	<u>\$ 97,801</u>	<u>\$ 1,259,808</u>

See notes to financial statements.



**GREATER GALLATIN UNITED WAY, INC.  
STATEMENTS OF CASH FLOWS**

	<b>Years ended June 30</b>	
	<b>2019</b>	<b>2018</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Receipts from donors and grantors	\$ 789,463	\$ 990,655
Other cash receipts	660,862	536,672
Payments for allocations and designations	(329,055)	(514,578)
Payments for salaries and related costs	(414,545)	(415,330)
Payments to vendors	(784,099)	(874,445)
Net cash used by operating activities	(77,374)	(277,026)
<b>CASH FLOWS PROVIDED BY INVESTING ACTIVITIES</b>		
Net proceeds from (purchases of) investments	101,082	126,717
<b>NET CHANGE IN CASH AND CASH EQUIVALENTS</b>	23,708	(150,309)
Cash and cash equivalents at beginning of year	50,339	200,648
<b>CASH AND CASH EQUIVALENTS AT END OF YEAR</b>	\$ 74,047	\$ 50,339

See notes to financial statements.

**GREATER GALLATIN UNITED WAY, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2019 and 2018**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Organization and Nature of Operations:**

Greater Gallatin United Way, Inc. (the Organization) is a nonprofit agency organized to identify and prioritize human service issues; to garner and distribute resources to make an impact on those issues. *Greater Gallatin United Way fights for the health, education, and financial stability of every person in the greater Gallatin community.* The Organization takes a collective approach to community problem solving and serves people in Park, Madison, Meagher and Gallatin County, Montana. The Agency was incorporated with the State of Montana on December 19, 1978. The governing board consists of an elected board chair, and elected members of the board of directors. The Organization is supported primarily through contributions from an annual campaign, as well as grant funds.

**Program Services**

**ONE Organization, UNITED Effort, GREAT Results**

Greater Gallatin United Way (GGUW) is local, well-governed by volunteers, and has been an essential and vibrant supporter of the community. *Greater Gallatin United Way fights for the health, education, and financial stability of every person in the greater Gallatin community.* GGUW is a community leader in collective impact-driven work. To achieve our mission, we...

- identify priority community issues around **Health, Education and Income**
- utilize a strategic plan that directs GGUW to listen to the community and to provide leadership when warranted
- secure resources through an annual fundraising campaign, grant writing, utilizing existing community assets and developing innovative partnerships
- convene individuals, businesses, nonprofits and government to work collectively targeting root causes
- provide essential funding through our Community Investment/Impact process to vetted partner programs, ensuring donors that their dollars are wisely invested to make the most impact
- mobilize community members, businesses and their workforce to get involved by giving, advocating and/or volunteering

As a centralized philanthropy, we believe that real long-term change is best generated by a **united** effort, working collectively through a common agenda. When nonprofits are equipped to effectively collaborate, duplication is reduced and each partner's contribution multiplies to deliver greater results for the community.

**Greater Gallatin United Way works on tough issues because...**

- - Poverty is not a distant issue. It exists right here.
- - Mental illness is not a distant issue. It exists right here.
- - Illiteracy is not a distant issue. It exists right here.

**GREATER GALLATIN UNITED WAY, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2019 and 2018**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

No one organization alone in isolation can solve complex community problems. The only way we can create real, lasting change is by working together through Collective Impact. Collective Impact requires that everyone work together in partnership – businesses, cities, government, schools, faith communities, foundations, and non-profit organizations – to tackle our most pressing challenges and develop lasting solutions.

**Greater Gallatin United Way focuses on 4 Community Impact Areas:**

- I. Basic Needs - Ensuring basic needs are met
- II. Children and Youth Success – Ensuring all children have the opportunity to reach their full potential
- III. Senior Stability – Promoting healthy aging
- IV. Mental Well-Being – Ensuring every individual realizes his or her own potential and can contribute to the community

**Our strategies to ensure Basic Needs are met:**

- - End homelessness and advance affordable housing options (U.S. Government defines affordable housing as housing that consumes 30% or less of a household's income)
- - Eliminate food insecurity
- - Access to affordable health care
- - Promote 2-1-1 / Suicide and Crisis Hotline + resource coordination and access to resources

**Our strategies for Children and Youth Success:**

- - Early literacy; children entering kindergarten ready learn
- - Grade level reading by 3rd grade (a key measure of a child's academic success, and a strong predictor of high school graduation)
- - Access to quality affordable early child care, 0-5 years (Child care is considered affordable if it is less than 10% of total income)
- - Access to quality affordable out-of-school-time care / summer programming, 5+ years

**Our strategies for Senior Stability:**

- - Enhance senior mental and physical well-being
- - Help seniors remain independent as long as possible
- - Promote end-of-life education and support for seniors and care givers

**Our strategies around Mental Health and Well-Being:**

- - Community outreach, education and awareness about mental health, mental well-being and mental illness
- - Combat human trafficking and abuse and support for survivors
- - Quality professional development for care providers
- - Access to mental health resources and services

We believe that no problem is so big that we can't solve it together, but it takes all of us: fundraisers, hand-raisers, change-makers, partners, and each of our donors to create lasting change through advocacy, fundraising, and volunteerism.

**GREATER GALLATIN UNITED WAY, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2019 and 2018**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**GGUW Program Services Successes**

- **Community Investment/Impact** - Funds raised in GGUW's annual fundraising campaign are invested, "Community Investment/Impact", into over 60 local partner programs aimed at combating poverty and supporting education and health initiatives. Supporting seniors to reduce isolation and loneliness and supporting basic needs to lift up all those who are homeless, hungry or struggling financially are prioritized areas for GGUW funding. Centralized fundraising benefits our community by allowing donors to easily support multiple well-vetted organizations with one donation; providing local organizations an efficient method to access community dollars through an open and stringent grant process; and, mobilizing businesses, their workforce and community members to get involved. The community participates at all levels through giving, advocating, and volunteering.
- **kidsLINK Afterschool** – A GGUW initiative that was established in 1997 in response to an identified need in our rural communities; to keep children safe while their parents finished their work day. Today, in concert with school districts, this school-based/linked program operates in 33 locations across 4 counties and serves over 1,600 children daily. The program is a fun, safe environment for K-8th graders that provides rich opportunities for learning, personal growth, and building relationships. With autonomy provided so that each school or district may use their community or neighborhood assets, the overall initiative objectives are to support working families, enhance children’s emotional/social well-being, improve children’s physical well-being, supplement children’s academic success, and spark their interest in learning through varied enrichment activities offered through the program. kidsLINK Afterschool is the result of partnerships with school districts, MSU, libraries, non-profits and other local organizations and businesses.
- **Gallatin Early Childhood Community Council (ECCC)** - GGUW serves as the convener and fiscal agent for ECCC, which is a community-wide collaborative effort providing leadership to community partners with the goal of creating an efficient, effective and comprehensive system of early childhood services in the Greater Gallatin area to ensure that every child has a healthy and enriched beginning. Currently, GGUW and ECCC aim to increase access to affordable, quality child care and help parents prepare their children for a successful transition to Kindergarten.
- **Dolly Parton Imagination Library (DPIL)** – GGUW launched DPIL in partnership with Dolly Parton’s foundation to provide free books to children to promote childhood early literacy skills-development and a love reading and learning. Children 0-4 years old may enroll and receive 1 book delivered to their mailbox each month; for children starting at birth they build a personal library of 60 books by the time they enter Kindergarten. GGUW promotes recruitment of the program for all children in Gallatin County and raises funds for the costs of shipping the books to each child with a goal of reaching a minimum of 2,000 children annually by 2023. GGUW also promotes parent engagement and activities to help children and our community reach our early literacy goals: 85% of incoming Kindergartners score 530 or above on STARS Early Literacy Assessment by 2022 and 90% of third-graders are reading at grade level by the end of the 2025 school year.

**GREATER GALLATIN UNITED WAY, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2019 and 2018**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

- **The Resilience Project** – The Resilience Project is a behavioral health and mental wellbeing initiative of Greater Gallatin United Way. Launched in 2016, The Resilience Project of Greater Gallatin United Way aims to build a healthier and more resilient community through a shift to a new collective mindset about behavioral health and mental well-being and how to improve whole-person health. The Resilience Project is a collaboration of nonprofits, schools, government agencies, foundations, law enforcement, medical professionals, businesses, faith organizations, and individuals working together to improve lives and strengthen communities through learning opportunities that facilitate the following outcomes:
  - Normalization of mental health as a component of whole-person health
  - Recognition of the signs and symptoms of mental health and illness
  - Willingness and acceptance for seeking support
  - Awareness of how to access help
  - Improvement of the quality, breadth and availability of mental healthcare
  - Knowledge and adoption of resilience-building and healthy coping skills
  - Willingness to contribute to others' well-being

The efforts and activities for realizing these outcomes include:

- Advocating for behavioral health at local, state, and federal levels
  - Deploying a multi-media campaign to build awareness of behavioral health
  - Building broad awareness and utilization of Help Center 2-1-1
  - Delivering resilience workshops to broad and diverse audiences
- **Elevating Behavioral Health (EBH)** - GGUW partners with several community coalitions (Gallatin County Mental Health Local Advisory Committee, LiveWell49, and EBH) to address concerns around behavioral health. The Community Health Needs Assessment (CHNA) and Community Health Improvement Plan (CHIP) community focus groups consistently identify the mental health system and substance abuse as major causes of concern. Residents and practitioners point to a long list of problems, including:
    - Lack of access to affordable mental health and substance abuse services, including specialized services such as detox and inpatient psychiatric care;
    - A system that struggles to keep up with the demand of serving those in crisis;
    - Funding cuts that have decimated core case management services for those with serious and persistent mental health conditions
    - A persistent stigma associated with even basic mental health care.

In 2017, several organizations joined together to create the Elevating Behavioral Health (EBH) steering committee – a coalition of health and human service organizations that together serve virtually every resident of Gallatin County. Together, EBH has worked to build community awareness and understanding of current challenges and ongoing efforts to serve people who need behavioral health services. This work has included two major community symposiums to raise awareness and gather community input, as well as more targeted work groups focused on crisis services, coordination of the mental health system, and efforts to improve community awareness and education around behavioral health.

**GREATER GALLATIN UNITED WAY, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2019 and 2018**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

- **Elevating Behavioral Health (EBH) (Continued)**

From this work, the EBH steering committee has identified three main goal areas around which it will focus its work over the next several months. Those areas are:

- Create and disseminate a community-wide education and awareness campaign, with messaging related to suicide prevention, stigma reduction, and awareness of behavioral health resources and challenges;
- Support and improve the community-wide system for serving people in mental health crisis or at risk of moving into crisis;
- Increase access to behavioral health services by integrating behavioral health services into non-traditional settings.

GGUW serves as the fiscal sponsor and a key partner/leader for the EBH community-wide education and awareness campaign which partners with [www.ManTherapy.org](http://www.ManTherapy.org).

- **Volunteer Connections / Volunteermt.org** - This GGUW initiative is to build volunteer engagement by providing a central resource for non-profit organizations to share quality volunteer opportunities with community members. The goals are to build the capacity for local volunteering, raise awareness of the value volunteers bring to our communities, and to mobilize volunteers to effectively and efficiently meet local needs.
- **Earth Day Festival** – GGUW serves as the fiscal sponsor for the Gallatin Valley Earth Day Festival Committee which aims to celebrate the 50th Anniversary of Earth Day in April 2020. Building on the 50-year legacy of promoting clean air, clean water, and a healthier world, the Earth Day Celebration will be historic and will unite billions of citizens around the world to inspire communities to be part of the solution to the challenges and opportunities we face from a changing climate.

**To learn more, visit [www.greatergallatinunitedway.org](http://www.greatergallatinunitedway.org).**

**Use of Estimates:**

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

**Basis of Accounting:**

The financial statements of the Organization have been prepared on the accrual basis of accounting in accordance with generally accepted accounting principles. The basis of accounting recognizes revenues and related receivables when they are earned and expenses and related liabilities when incurred.

**GREATER GALLATIN UNITED WAY, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2019 and 2018**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**Net Assets:**

Net assets, revenues, gains, and losses are classified based on the existence or absence of donor or grantor imposed restrictions. Accordingly, net assets and changes therein are classified and reported as follows:

- *Net Assets Without Donor Restrictions* – Net assets available for use in general operations and not subject to donor (or certain grantor) restrictions.
- *Net Assets With Donor Restrictions* – Net assets subject to donor- (or certain grantor-) imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. Gifts of long-lived assets and gifts of cash restricted for the acquisition of long-lived assets are recognized as revenue when the assets are placed in service. Donor-imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both.

**Income Taxes:**

The Organization is exempt from income taxes under Internal Revenue Code Section 501(c)(3) and therefore, has made no provision for income taxes in the accompanying financial statements. The Organization has also been classified as an entity that is not a private foundation within the meaning of Section 509(a) and qualifies for deductible contributions as provided in Section 170(b)(1)(A)(ii). The Organization's tax returns are open for examination by taxing authorities, generally, for three years after the due date of the return or the date the return was filed, whichever is later.

**Cash and Cash Equivalents:**

For purposes of the cash flow statement, cash and cash equivalents includes amounts held in checking and savings accounts as well as certificates of deposit with an original maturity of three months or less. Account balances held in financial institutions are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000 per bank, per depositor.

**Donated Services, Materials, and Facilities:**

The financial statements of the Organization reflect in-kind donations as revenues in the period received and as assets, expenses, or decreases of liabilities depending on the type of benefit received. Donations are measured at estimated fair market values. Donations received with donor restrictions for future periods are reported as an increase in net assets with donor restrictions.

Contributions of services are recognized in the financial statements if the services enhance or create nonfinancial assets or require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation.

**GREATER GALLATIN UNITED WAY, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2019 and 2018**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**Contributions and Pledges Receivable:**

Pledges receivable are recognized when the donor makes a promise to give to the Organization that is, in substance, unconditional. All donor-restricted contributions are reported as increases in net assets with donor restrictions and are reclassified to net assets without donor restrictions upon satisfaction of restrictions. The Organization uses an allowance method to estimate uncollectible pledges receivable. The allowance is based on prior years' experience and management's analysis of specific promises made. All campaign pledges receivable are expected to be received within one year from the end of the campaign year. Receivables still outstanding after that period are written off one year after the campaign year has ended.

**Property and Equipment:**

Property and equipment are recorded at their historical cost, or if donated, at the estimated fair market values at the date of donation based on independent appraisals. Such donations are reported as unrestricted contributions unless the donor has restricted the donated asset to a specific purpose. The Organization capitalizes assets purchased with a useful life of more than one year and purchase price greater than \$2,500. Property and equipment is depreciated using the straight-line method over their estimated useful lives.

**Compensated Absences:**

The Organization accrues annual leave based upon the employees anniversary date. An employee which separates from the Organization is paid for all granted and unused annual leave.

**Investments:**

Investments at Northfork Financial, LLC in marketable securities with readily determinable fair values and all investments in debt securities are reported at their fair values in the statement of financial position. Unrealized gains and losses are included in the change in net assets. Investment income and gains restricted by a donor are reported as increases in net assets without donor restrictions if the restrictions are met (either by passage of time or by use) in the reporting period in which the income and gains are recognized.

**Functional Expenses:**

The financial statements report certain categories of expenses that are attributed to more than one program or supporting function. Therefore, expenses require allocation on a reasonable basis that is consistently applied. The Organization tracks and allocates all direct expenses (including staff time and efforts) to specific programs, projects, and funding sources (where appropriate) and has an Indirect Cost Allocation (IDC) policy which is updated annually for all indirect expenses. Indirect costs (such as rent, utilities, office supplies, insurance, accounting, audit, and technology services) are determined on the basis of staff time and effort. GGUW's Indirect Cost Allocation is approved by the GGUW Board of Directors at the same time as the budget approval.

**Change in Accounting Principle (or Adoption of ASU 2016-14):**

In fiscal year 2019, the Organization retroactively adopted the requirements in FASB Accounting Standards Update (ASU) 2016-14, Presentation of Financial Statements of Not-for-Profit Entities, which amends the requirements for financial statements and notes in ASC Topic 958, Not-for-Profit Entities. The main provisions of this update include net asset terminology and category changes, revised disclosures related to liquidity and availability of financial resources, functional expense allocation methodology descriptions, investment return presentation, and treatment of underwater endowments.



**GREATER GALLATIN UNITED WAY, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2019 and 2018**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**Reclassifications:**

Certain reclassifications of amounts previously reported have been made to the accompanying financial statements to maintain consistency between periods presented. These reclassifications had no impact on previously reported net assets. Additionally, a prior period adjustment was reported in fiscal year 2018 (see Note 12), which did affect previously reported net assets.

**2. CONCENTRATION OF CREDIT RISK**

The Organization receives a significant portion of its annual revenue from several local entities. If the funds from those groups were not provided it would adversely affect the operations of the Organization. However, the Organization does not feel the support will be withheld based on the positive ongoing relationships.

**3. LIQUIDITY AND AVAILABILITY**

Financial assets available for general expenditure, that is, without donor restrictions or other restrictions limiting their use, within one year of the statement of financial position date, comprise the following:

Financial assets			
Cash and cash equivalents	\$	74,047	
Investments		165,741	
Accounts receivable		25,230	
Grants receivable		141,665	
Pledges receivable		149,657	
Endowment investments		<u>507,529</u>	
Financial assets, at year end			\$ 1,063,869
Unavailable for general expenditure in one year			
Contractual or donor-imposed restrictions			
Purpose restriction by donors		(24,182)	
Endowment investments		<u>(507,529)</u>	
			<u>(531,711)</u>
Total financial resources available for general expenditure			\$ <u><u>532,158</u></u>

Greater Gallatin United Way accepts and honors various kinds of donor-restricted funds to GGUW-specified and promoted campaigns throughout the year. All donor-restricted funds are spent according to the specified wishes of the donor/grantor and are considered “unavailable to support general expenditures” with the exception of GGUW’s Community Impact funds. GGUW Community Impact funds are typically allocated each year through our funded-partner grants allocations process.

GGUW aims to maintain a minimum of three months of operating reserves, largely held in the Organization’s investment accounts. After a significant financial loss in the kidsLINK Afterschool Program in 2017-2018, the Board decided it was the financial priority of the Organization to ensure the kidsLINK Afterschool Program ended all future years in the net positive. A budget and operating plan were approved to ensure adequate funding and careful tracking of expenditures, with the goal of covering annual costs and building a modest reserve for kidsLINK.

**GREATER GALLATIN UNITED WAY, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2019 and 2018**

**3. LIQUIDITY AND AVAILABILITY (Continued)**

Typically within any given year, the Organization does not have excess cash because as many funds as possible are invested back into the community. The Organization aims to maintain a strong financial position to ensure continuity of operations and long term sustainability. To that effect, net assets without donor restrictions will accumulate based on both current and historical performance. On an annual basis, the Finance Committee assesses the Organization's liquidity, financial position, and long term strategies, as well as the community's on-going needs.

GGUW has the following resources/lines of credit available:

- Operating Investment Account – Donations and transfers have accumulated in this account. These funds are used periodically to support GGUW cash flow or Board identified expenditures.
- Legacy Investment Account – Donations collected in honor of outgoing, past CEO Carol Townsend in 2014, these funds are intended to be used for supporting community needs identified by the Board and CEO. They have not been utilized to date.
- Endowment Investment Account – Permanent endowment funds have been invested, maintained, and grown since its original investment with minimal transfers out. The Organization's investment policy allows for the option to consider transferring funds from the endowment's accumulated earnings to the operating account.
- Three investment accounts managed by the Montana Community Foundation for GGUW
- Credit Card - GGUW has an available line of credit of \$13,100 on its credit card account.

**4. INVESTMENTS**

Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 820, *Fair Value Measurements and Disclosures* defines fair value, establishes a framework for measuring fair value in generally accepted accounting principles, and enhances disclosures about fair value measurements. Fair value is defined under ASC 820 as the exchange price that would be received for an asset or paid to transfer a liability in an orderly transaction between market participants on the measurement date. Valuation techniques used to measure fair value under ASC 820 must maximize the use of observable inputs and minimize the use of unobservable inputs.

The standard describes a fair value hierarchy based on three levels of inputs, of which the first two are considered observable, and the last unobservable, that may be used to measure fair value, which are the following:

Level 1 - Quoted market prices in active markets for identical assets or liabilities.

Level 2 - Inputs other than Level 1 that are observable, either directly or indirectly, such as quoted market prices for similar assets or liabilities; quoted prices in markets that are not active; or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities.

Level 3 - Unobservable inputs for the asset or liability. Unobservable inputs shall be used to measure fair value to the extent that the observable inputs are not available, thereby allowing for situations in which there is little, if any, market activity for the asset or liability at the measurement date.

**GREATER GALLATIN UNITED WAY, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2019 and 2018**

**4. INVESTMENTS (Continued)**

Cost and fair market value of investments as of June 30, 2019 are as follows:

	<u>Cost</u>	<u>Unrealized Gains (Losses)</u>	<u>Fair Value (Level 1)</u>
Marketable securities - Operating:			
Bank insured deposit	\$ 8,664	\$ -	\$ 8,664
Mutual bond funds	41,596	1,286	42,882
Mutual large value equity funds	24,983	4,032	29,015
Mutual small blend funds	7,533	746	8,279
Mutual large blend funds	<u>20,390</u>	<u>7,220</u>	<u>27,610</u>
	<u>103,166</u>	<u>13,284</u>	<u>116,450</u>
Marketable securities - Legacy Fund:			
Bank insured deposit	241	-	241
Mutual bond funds	14,562	295	14,857
Mutual large value equity funds	13,574	2,014	15,588
Mutual small blend funds	5,683	308	5,991
Mutual large blend funds	<u>9,398</u>	<u>3,216</u>	<u>12,614</u>
	<u>43,458</u>	<u>5,833</u>	<u>49,291</u>
Marketable securities - Endowment:			
Bank insured deposit	1,051	-	1,051
Mutual bond funds	133,986	3,164	137,150
Mutual large value equity funds	142,390	21,988	164,378
Mutual small blend funds	59,633	3,165	62,798
Mutual large blend funds	<u>105,483</u>	<u>36,669</u>	<u>142,152</u>
	<u>442,543</u>	<u>64,986</u>	<u>507,529</u>
Total Level 1 marketable securities	<u>\$ 589,167</u>	<u>\$ 84,103</u>	<u>\$ 673,270</u>

**GREATER GALLATIN UNITED WAY, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2019 and 2018**

**4. INVESTMENTS (Continued)**

Cost and fair market value of investments as of June 30, 2018 are as follows:

	<u>Cost</u>	<u>Unrealized Gains (Losses)</u>	<u>Fair Value (Level 1)</u>
Marketable securities - Operating:			
Bank insured deposit	\$ 4,004	\$ -	\$ 4,004
Mutual bond funds	82,030	(1,527)	80,503
Mutual large value equity funds	42,195	8,014	50,209
Mutual medium blend funds	5,808	1,569	7,377
Mutual small blend funds	8,042	2,091	10,133
Mutual large blend funds	38,675	10,659	49,334
Publicly traded stocks	<u>2,000</u>	<u>(26)</u>	<u>1,974</u>
	<u>182,754</u>	<u>20,780</u>	<u>203,534</u>
Marketable securities - Legacy Fund:			
Bank insured deposit	59	-	59
Mutual bond funds	10,659	(326)	10,333
Mutual large value equity funds	14,589	2,781	17,370
Mutual medium blend funds	1,550	397	1,947
Mutual small blend funds	3,000	745	3,745
Mutual large blend funds	<u>10,726</u>	<u>2,791</u>	<u>13,517</u>
	<u>40,583</u>	<u>6,388</u>	<u>46,971</u>
Marketable securities - Endowment:			
Bank insured deposit	513	-	513
Mutual bond funds	130,667	(2,275)	128,392
Mutual large value equity funds	132,585	24,745	157,330
Mutual medium blend funds	11,508	3,057	14,565
Mutual small blend funds	43,053	8,294	51,347
Mutual large blend funds	<u>103,121</u>	<u>27,953</u>	<u>131,074</u>
	<u>421,447</u>	<u>61,774</u>	<u>483,221</u>
Total Level 1 marketable securities	<u>\$ 644,784</u>	<u>\$ 88,942</u>	<u>\$ 733,726</u>

**GREATER GALLATIN UNITED WAY, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2019 and 2018**

**5. ENDOWMENT**

As required by generally accepted accounting principles, net assets associated with endowment funds are classified and reported based on the existence or absence of donor-imposed restrictions. During the years ended June 30, 2019 and 2018, fees paid for management of endowment funds were \$0 and \$1,519, respectively.

*Interpretation of Relevant Law*

The Board of Directors has interpreted the Montana Uniform Prudent Management of Institutional Funds Act ("MUPMIFA") as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary. As a result of this interpretation, the Organization retains in perpetuity (a) the original value of gifts donated to the endowment, (b) the original value of subsequent gifts to the endowment, and (c) any accumulations to the endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund.

Donor restricted amounts not retained in perpetuity are subject to appropriation for expenditure by us in a manner consistent with the standard of prudence prescribed by MUPMIFA. In accordance with MUPMIFA, the Organization considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

- (1) The duration and preservation of the fund;
- (2) The purposes of the Organization and the donor-restricted endowment fund;
- (3) General economic conditions;
- (4) The possible effect of inflation and deflation;
- (5) The expected total return from income and the appreciation of investments;
- (6) Other resources of the Organization; and
- (7) The investment policies of the Organization.

As of June 30, 2019 and 2018, endowment net asset composition by type of fund is as follows:

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
June 30, 2019:			
Donor-restricted endowment funds			
Original donor-restricted gift amounts to be maintained in perpetuity	\$ -	\$ 283,149	\$ 283,149
Accumulated investment earnings	<u>-</u>	<u>224,380</u>	<u>224,380</u>
	<u>-</u>	<u>507,529</u>	<u>507,529</u>
Beneficial interest in agency endowment			
Original donor-restricted gift amounts to be maintained in perpetuity	-	35,251	35,251
Accumulated investment earnings	<u>-</u>	<u>8,740</u>	<u>8,740</u>
	<u>-</u>	<u>43,991</u>	<u>43,991</u>
	<u>\$ -</u>	<u>\$ 551,520</u>	<u>\$ 551,520</u>

**GREATER GALLATIN UNITED WAY, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2019 and 2018**

**5. ENDOWMENT (Continued)**

As of June 30, 2018, endowment net asset composition by type of fund is as follows:

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
June 30, 2018:			
Donor-restricted endowment funds			
Original donor-restricted gift amounts to be maintained in perpetuity	\$ -	\$ 283,149	\$ 283,149
Accumulated investment earnings	<u>-</u>	<u>200,072</u>	<u>200,072</u>
	<u>-</u>	<u>483,221</u>	<u>483,221</u>
Beneficial interest in agency endowment			
Original donor-restricted gift amounts to be maintained in perpetuity	-	35,251	35,251
Accumulated investment earnings	<u>-</u>	<u>9,578</u>	<u>9,578</u>
	<u>-</u>	<u>44,829</u>	<u>44,829</u>
	<u>\$ -</u>	<u>\$ 528,050</u>	<u>\$ 528,050</u>

*Funds with Deficiencies*

From time to time, the fair value of assets associated with individual donor-restricted endowment funds may fall below the level that the donor of MUPMIFA requires the Organization to retain as a fund of perpetual direction. As of June 30, 2019 and 2018, the endowment fund had no such deficiency.

*Return Objectives and Risk Parameters*

The Organization has adopted investment and spending policies for endowment assets that attempt to provide a predictable stream of funding to operations while seeking to maintain the purchasing power of the endowment assets. Endowment assets include those assets of donor-restricted funds that the Organization must hold in perpetuity or for a donor-specified period(s).

The Organization expects its endowment funds, over time, to provide a reasonable level of current income to support the spending policy authorized by the Board of Directors and to grow equity assets. Actual returns in any given year may vary from this amount.

*Strategies Employed for Achieving Objectives*

To satisfy its long-term rate-of-return objectives, the Organization relies on a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends). The Organization targets a diversified asset allocation including cash equivalents, fixed income, and equity securities to achieve its long-term return objectives within prudent risk constraints.

**GREATER GALLATIN UNITED WAY, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2019 and 2018**

**5. ENDOWMENT (Continued)**

*Spending Policy and How the Investment Objectives Relate to Spending Policy*

The Endowment and Investment Committee shall review the fiscal year end account statements and returns of the endowment account and may transfer, to the general operating account, so much of the net income, but not more than five percent (5%) of the total portfolio balance of the account as valued on the last business day of the fiscal year, as they deem necessary and appropriate. Income shall be defined as dividends from stocks and interest from bond funds. In addition, the Board may set aside and transfer to the general operating account or can designate for a project so much of the net appreciation, realized and unrealized, in fair market value of the assets of the endowment funds over historic value. The historic value is the value of all gifts and transfer to the fund as of the date of such transfer. In establishing this policy, the Organization considered the long-term expected return on its endowment. Accordingly, over the long term, the Organization expects the current spending policy to allow its endowment to grow. This is consistent with the Organization's objective to preserve the fair value of the endowment assets held in perpetuity or for a specified term as well as to provide additional real growth through new gifts and investment return.

Changes in endowment net assets for the years ended June 30, 2019 and 2018 are as follows:

	<b>Without Donor Restrictions</b>	<b>With Donor Restrictions</b>	<b>Total</b>
Endowment net assets, June 30, 2017	\$ -	\$ 489,308	\$ 489,308
2018 investment return:			
Change in FMV of beneficial interest in agency endowment	-	799	799
Investment return, net	<u>-</u>	<u>37,943</u>	<u>37,943</u>
Endowment net assets, June 30, 2018	<u>-</u>	<u>528,050</u>	<u>528,050</u>
2019 investment return:			
Change in FMV of beneficial interest in agency endowment	-	(838)	(838)
Investment return, net	<u>-</u>	<u>24,308</u>	<u>24,308</u>
Endowment net assets, June 30, 2019	<u>\$ -</u>	<u>\$ 551,520</u>	<u>\$ 551,520</u>

The beneficial interest in agency endowment (agency fund) is held at the Montana Community Foundation (the Foundation). The agency fund is comprised of funds contributed by the Organization to the Foundation. This fund is reflected on the accompanying financial statements as an asset and related earnings are included in revenue. The amount held by the Montana Community Foundation in the agency fund as of June 30, 2019 and 2018 was \$43,991 and \$44,829, respectively.

The Organization has additional endowments held by the Foundation in a donor advised fund. The donor advised fund is comprised of contributions from third-party donors to the Foundation. This fund does not qualify to be recorded on the Organization's Statement of Financial Position. However, earnings from this fund are reported on the statement of activities. The amount held by the Montana Community Foundation in the donor advised fund as of June 30, 2019 and 2018 was \$318,253 and \$324,281, respectively.

**GREATER GALLATIN UNITED WAY, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2019 and 2018**

**6. LEASES**

The Organization leases office space under a five-year agreement, which was extended for three years through June 30, 2022. The monthly lease obligation for the fiscal year ended June 30, 2019 was \$2,819. The future noncancellable lease payments are \$43,368 for the fiscal year ending June 30, 2020, \$44,664 for fiscal year 2021, and \$46,008 for fiscal year 2022.

**7. DONATED SERVICES, MATERIALS, AND FACILITIES**

The fair value of donated services and goods included as contributions in the financial statements for the year ended June 30, 2019, are as follows:

	<u>Programs</u>	<u>Fundraising</u>	<u>Management</u>	<u>Total</u>
Contract services	\$ 4,500	\$ -	\$ -	\$ 4,500
Curriculum	600	-	-	600
Legal and professional	-	-	1,000	1,000
Marketing	-	16,340	-	16,340
Supplies	<u>-</u>	<u>-</u>	<u>240</u>	<u>240</u>
	<u>\$ 5,100</u>	<u>\$ 16,340</u>	<u>\$ 1,240</u>	<u>\$ 22,680</u>

The fair value of donated services and goods included as contributions in the financial statements for the year ended June 30, 2018, are as follows:

	<u>Programs</u>	<u>Fundraising</u>	<u>Management</u>	<u>Total</u>
Contract services	\$ 10,833	\$ -	\$ 1,500	\$ 12,333
Marketing	-	7,000	-	7,000
Meetings	4,350	-	-	4,350
Special events	-	-	300	300
Supplies	-	-	2,500	2,500
Technology and maintenance	<u>-</u>	<u>-</u>	<u>1,976</u>	<u>1,976</u>
	<u>\$ 15,183</u>	<u>\$ 7,000</u>	<u>\$ 6,276</u>	<u>\$ 28,459</u>

**8. RETIREMENT PLAN**

In January 2004, with revisions in 2015, the Organization adopted an employer invested Savings Incentive Match Plan for Employees (SIMPLE) retirement plan with eligibility beginning the 1st day of the month following employment (amended 1/15/15). This plan was incorporated into the fully revised and updated GGUW Personnel Policy and Procedures Manual which was approved by the GGUW BOD on April 6, 2017. Full-time employees are eligible to participate in the plan pursuant to the terms of the plan. The employer contribution is a dollar for dollar match of the employee's salary deferral, up to 3% of compensation. The 3% employer match can be reduced to no less than 1% for two out of five years. Notification of the reduction must be given to the employees. The employer cannot contribute more than what is outlined above. Participants may direct their investments among the funds offered by the plan. During the years ended June 30, 2019 and 2018, the Organization made a matching contribution of \$6,357 and \$7,818, respectively, to the SIMPLE plan.



**GREATER GALLATIN UNITED WAY, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2019 and 2018**

**9. NET ASSETS WITH DONOR RESTRICTIONS**

The Organization's Board of Directors may choose to place limitations on a portion of the net assets without donor restrictions. Net assets with donor restrictions is comprised of the following as of June 30:

	<b>2019</b>	<b>2018</b>
Subject to expenditure for specific purpose:		
kidsLINK	\$ 309	\$ 15,000
ECCC	23,873	10,000
Gilhousen Family Foundation	60,000	50,000
	84,182	75,000
Endowments:		
Accumulated income on donor-restricted endowment funds	224,380	200,072
Donor-restricted investments held in perpetuity	283,149	283,149
	507,529	483,221
Not subject to spending policy or appropriation:		
Beneficial interest in assets held by community foundation	43,991	44,829
	\$ 635,702	\$ 603,050

**10. OVERHEAD RATIO**

The following overhead (fundraising) ratio is equal to fundraising, management, and general expenses divided by total campaign support and all other revenue sources. The ratio is calculated below using the net method recommended in functional expenses and overhead reporting guidelines for United Ways, United Way of America, 2003.

	<b>2019</b>	<b>2018</b>
Numerator: Fundraising and management expense, including payments to affiliates	\$ 308,556	\$ 249,905
Denominator: Total support and revenue, excluding in-kind donations and unrealized gains (losses) on investments	\$ 1,538,563	\$ 1,498,536
Add: Designations	5,321	3,550
	\$ 1,543,884	\$ 1,502,086
Numerator/denominator expressed as a percentage	20.0 %	16.6 %

**GREATER GALLATIN UNITED WAY, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2019 and 2018**

**11. GRANTS**

21st Century Community Learning Centers Grant

During the year ending June 30, 2019 the Organization received a grant of \$100,000 from the Montana Office of Public Instruction to fund staff and support for kidsLINK Afterschool, in partnership with Bozeman School District #7 (\$45,000), Belgrade Public Schools District (\$45,000), and Gallatin Valley YMCA (\$10,000).

During the year ending June 30, 2018 the Organization received a grant of \$92,427 from the Montana Office of Public Instruction to fund staff and support for kidsLINK Afterschool, in partnership with Bozeman School District #7. The Organization received a similar grant award during the year ending June 30, 2018 in the amount of \$115,874 to fund staff and support for kidsLINK Afterschool, in partnership with Belgrade Public Schools District.

The 21<sup>st</sup> CCLC grant awards are expense reimbursement grants and all funds were claimed in 2018-19 and 2017-18 for Bozeman and Belgrade.

AMB West Philanthropies (formerly Mountain Sky Guest Ranch Fund, affiliate of the Arthur M. Blank Family Foundation)

During the year ending June 30, 2019 the Organization received a grant award of \$5,000 to support kidsLINK Afterschool program direct costs - specified by the grantor for the program "ELEVATE Shields Valley". The funds were expended in accordance with the grant awards.

No funds were received for FY 2018-19 for the Organization's Early Childhood Community Council.

During the year ending June 30, 2018, the Organization received \$20,000 from MSGRF for the Early Childhood Community Council - \$10,000 to support the ECCC Coordinator's position (salary and benefits) and \$10,000 for ECCC trainings, ACES, Resilience, and special events. The funds were expended in accordance with the grant awards.

Dennis & Phyllis Washington Foundation

During the year ending June 30, 2019 the Organization received a grant award of \$4,500 for GGUW's Community Impact Fund and \$2,500 for GGUW's Community Impact Fund specified for Park County. The funds were allocated through GGUW's Community Impact grant allocation process in accordance with the grant awards.

Emergency Food and Shelter National Board

During the year ending June 30, 2019 the Organization received a grant award of \$43 for GGUW's administrative costs associated with managing the Emergency Food and Shelter Program (EFSP) grant allocations process locally for Gallatin and Park Counties. The funds were spent in accordance with the grant award.

First Interstate Bank

During the year ending June 30, 2019 the Organization received a grant award of \$3,000 to support kidsLINK Afterschool program direct costs at program sites. The funds were expended in accordance with the grant awards.

**GREATER GALLATIN UNITED WAY, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2019 and 2018**

**11. GRANTS (Continued)**

First Interstate Bank Foundation

During the year ending June 30, 2019 the Organization received a grant award of \$3,000 to support kidsLINK Afterschool program direct costs at program sites. The funds were expended in accordance with the grant awards.

First Security Bank Foundation

During the year ending June 30, 2019, the Organization received a grant award in the amount of \$10,000, to support the kidsLINK Afterschool Program Scholarship Fund. The funding was spent in accordance with the grant award. There was no award for the year ending June 30, 2018.

During the year ending June 30, 2019 the Organization received a grant award of \$5,000 for GGUW's Community Impact Fund. The funds were allocated through GGUW's Community Impact grant allocation process in accordance with the grant awards.

Gilhousen Family Foundation

During the years ending June 30, 2019 and 2018 the Organization received grants in the amount of \$40,000 and \$30,000 respectively from the Gilhousen Family Foundation for kidsLINK Afterschool, the afterschool program initiative. The funds were expended for direct program expenses, in accordance with the grant each year. Each year the grant award stipulated a \$10,000 match requirement which GGUW met. The funding was spent in accordance with the grant.

During the years ending June 30, 2019 and 2018, the Organization received a grant for \$60,000 and \$50,000 per year respectively with a stated purpose to use the funds to support the administrative overhead expenses for the 2019-2020 and 2018-2019 fiscal years, so other donors' contributions could support the program services of Greater Gallatin United Way. For FY 2018-19 the grant award stipulated a \$10,000 match requirement which GGUW met. Funds are being held for and/or were expended in accordance with their contribution.

LAUNCH (Linking Actions with Unmet Needs of Children's Health)

During the years ending June 30, 2019 and 2018, the Organization received funding from the MT Department of Public Health and Human Safety – through the Gallatin City-County Health Department (acting as local fiscal agent) as follows.

2018-19 Project LAUNCH funding: \$40,275 for ECCC to support the ECCC Coordinator position and \$9,588.84 for kidsLINK Afterschool for the purpose of providing mental health consultation in the kidsLINK Afterschool Program.

2017-18 Project LAUNCH funding: \$27,998 for Project LAUNCH work + \$10,000 for ECCC to support the ECCC Coordinator position + \$5,453 for kidsLINK Afterschool for the purpose of providing mental health consultation in the kidsLINK Afterschool Program.

The Project LAUNCH funding aims to identify and support the social-emotional/mental health needs of young children (0-8 year olds) and their families through a systems-approach over a 5-year period. Grant funds were federal (from SAMHSA – Substance Abuse and Mental Health Services Administration) and were expense reimbursable. Allowable expenses for the Organization were claimed and reimbursed in accordance with the grant award.

**GREATER GALLATIN UNITED WAY, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2019 and 2018**

**11. GRANTS (Continued)**

Montana Department of Public Health and Human Services (DPHHS)

During the year ending June 30, 2019 the Organization received Strengthening Montana's Early Childhood Systems Grant award funding from DPHHS in the amount of \$21,586 for the Organization's Gallatin Early Childhood Community Council initiative. The award was an expense reimbursement grant and all funds were claimed in accordance with the grant award. This was a first pilot year for the grant.

No award was received from Montana Children's Trust Fund grant awards through Montana Department of Public Health and Human Services (DPHHS) in 2018-19.

During the year ending June 30, 2018, the Organization received Montana Children's Trust Fund grant awards for \$25,000 from the Montana Department of Public Health and Human Services (DPHHS) for the Organization's Gallatin Early Childhood Community Council initiative. The award was an expense reimbursement grant and all funds were claimed in accordance with the grant award.

During the year ending June 30, 2019 the Organization received Montana Preschool Development Grant award funding from DPHHS in the amount of \$1,816 for the Organization's Gallatin Early Childhood Community Council initiative. The award was an expense reimbursement grant and all funds were claimed in accordance with the grant award.

During the year ending June 30, 2018 the Organization received Montana Preschool Development Grant award funding from DPHHS in the amount of \$10,178 for the Organization's Gallatin Early Childhood Community Council initiative. The award was an expense reimbursement grant and all funds were claimed in accordance with the grant award.

US Bank Foundation

During the year ending June 30, 2019 the Organization received a grant award of \$3,500 for GGUW's Community Impact Fund. The funds were allocated through GGUW's Community Impact grant allocation process in accordance with the grant awards.

Wells Fargo Foundation

During the year ending June 30, 2019 the Organization received a grant award of \$7,500 for GGUW's Community Impact Fund. The funds were allocated through GGUW's Community Impact grant allocation process in accordance with the grant awards.

Yellowstone Club Community Foundation

No funds were received for FY 2018-19 for kidsLINK Afterschool from the Yellowstone Club Community Foundation.

During the year ending June 30, 2018, the Organization received a grant award in the amount of \$11,000 respectively from the Yellowstone Club Community Foundation for kidsLINK Afterschool, restricted for Ophir School in Big Sky. The former grant has been expended in accordance with the grant.

**GREATER GALLATIN UNITED WAY, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
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**12. PRIOR PERIOD ADJUSTMENT**

Subsequent to the fiscal year ended June 30, 2018, the Organization discovered that it underreported parent fee revenues and receivables during the fiscal year ended June 30, 2018 by \$22,616. The correction of this error increased accounts receivable at June 30, 2018 by \$22,616 and fiscal year 2018 kidsLINK parent fees revenues by \$22,616.

**13. SUBSEQUENT EVENTS**

Date of Management Evaluation

Management has evaluated subsequent events through January 31, 2020, the date on which the financial statements were available to be issued.