

INTERFAITH CAREGIVERS
OF WASHINGTON COUNTY, INC.

FINANCIAL STATEMENTS

For the Year Ended December 31, 2019

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Kieckhafer, Dietzler, Hauser, Hanson LLP

INDEPENDENT ACCOUNTANT'S REVIEW REPORT

To the Board of Directors of
Interfaith Caregivers of Washington County, Inc.
West Bend, Wisconsin

We have reviewed the accompanying financial statements of Interfaith Caregivers of Washington County, Inc. (a nonprofit organization), which comprise the statement of assets, liabilities, and net assets – modified cash basis as of December 31, 2019, and the related statements of revenue and expenses - modified cash basis, functional expenses - modified cash basis, and cash flows - modified cash basis for the year then ended, and the related notes to the financial statements. A review includes primarily applying analytical procedures to management's financial data and making inquiries of management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, we do not express such an opinion.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the modified cash basis of accounting; this includes determining that the modified cash basis of accounting is an acceptable basis for the preparation of financial statements in the circumstances. Management is also responsible for 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.

Accountant's Responsibility

Our responsibility is to conduct the review engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. Those standards require us to perform procedures to obtain limited assurance as a basis for reporting whether we are aware of any material modifications that should be made to the financial statements for them to be in accordance with the modified cash basis of accounting. We believe that the results of our procedures provide a reasonable basis for our conclusion.

Accountant's Conclusion

Based on our review, we are not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in accordance with the modified cash basis of accounting.

Basis of Accounting

We draw attention to Note 1 of the financial statements, which describes the basis of accounting. The financial statements are prepared in accordance with the modified cash basis of accounting, which is a basis of accounting other than U.S. generally accepted accounting principles. Our conclusion is not modified with respect to this matter.

Kieckhafer, Dietzler, Hauser, Hanson, LLP

Kieckhafer, Dietzler, Hauser, Hanson LLP
West Bend, Wisconsin

July 16, 2020

INTERFAITH CAREGIVERS OF WASHINGTON COUNTY, INC.
 STATEMENT OF ASSETS, LIABILITIES, AND NET ASSETS -
 MODIFIED CASH BASIS
 December 31, 2019

ASSETS

Cash	\$ 347,472
Certificate of deposit - restricted for unemployment	3,166
Prepaid expense	7,037
Property and equipment - net	<u>120,576</u>
 TOTAL ASSETS	 <u><u>\$ 478,251</u></u>

LIABILITIES AND NET ASSETS

Accrued liabilities	\$ 1,703
 Net assets	
Without donor restrictions	453,298
With donor restrictions	<u>23,250</u>
	<u>476,548</u>
 TOTAL LIABILITIES AND NET ASSETS	 <u><u>\$ 478,251</u></u>

See accompanying notes and accountant's review report

INTERFAITH CAREGIVERS OF WASHINGTON COUNTY, INC.
 STATEMENT OF REVENUE AND EXPENSES - MODIFIED CASH BASIS
 For the Year Ended December 31, 2019

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
NET ASSETS			
Revenue and other support:			
Contributions	\$ 76,938	\$ -	\$ 76,938
United Way	69,597	-	69,597
Grants	280,417	23,250	303,667
Fundraising events	53,360	-	53,360
Less: cost of direct benefit to participants	(7,264)	-	(7,264)
Donated goods and services	8,962	-	8,962
Miscellaneous revenue	752	-	752
Net assets released from restrictions	22,500	(22,500)	-
TOTAL REVENUE AND OTHER SUPPORT	505,262	750	506,012
Expenses:			
Program services			
Supporting services:	332,895	-	332,895
Fundraising	44,176	-	44,176
Management and general	59,332	-	59,332
TOTAL EXPENSES	436,403	-	436,403
INCREASE IN NET ASSETS	68,859	750	69,609
BEGINNING NET ASSETS	384,439	22,500	406,939
ENDING NET ASSETS	\$ 453,298	\$ 23,250	\$ 476,548

See accompanying notes and accountant's review report

INTERFAITH CAREGIVERS OF WASHINGTON COUNTY, INC.
STATEMENT OF FUNCTIONAL EXPENSES - MODIFIED CASH BASIS
For the Year Ended December 31, 2019

	Program Services	Supporting Services		Direct Benefit to Participants	Total
		Fundraising	Management and General		
Employee wages	\$ 156,270	\$ 22,010	\$ 41,819	\$ -	\$ 220,099
Payroll taxes	11,954	1,684	3,199	-	16,837
Automobile expense	49,889	-	-	-	49,889
Conference and travel	9,184	-	-	-	9,184
Depreciation	30,204	250	476	-	30,930
Dues and subscription	-	-	2,098	-	2,098
Employee health insurance	1,270	179	340	-	1,789
Equipment	2,937	367	367	-	3,671
Fundraising events	-	4,198	-	7,264	11,462
H.E.L.P. Corner expense	11,270	-	-	-	11,270
Inkind donations	8,365	597	-	-	8,962
Insurance	4,136	-	-	-	4,136
Internet expense	1,267	158	158	-	1,583
Licenses and permits	-	-	64	-	64
Marketing	-	8,013	-	-	8,013
Miscellaneous expense	734	-	1,308	-	2,042
Office supplies	2,950	1,475	1,475	-	5,900
Personal property tax	-	-	47	-	47
Postage	900	900	900	-	2,700
Printing and publications	2,454	2,454	2,454	-	7,362
Professional fees	7,880	-	2,294	-	10,174
Program expense	936	-	-	-	936
Rent	8,178	1,022	1,022	-	10,222
Repairs	-	-	442	-	442
Telephone	2,834	354	354	-	3,542
Utilities	4,116	515	515	-	5,146
Volunteer recruitment	15,167	-	-	-	15,167
Total expenses	332,895	44,176	59,332	7,264	443,667
Less: expenses that offset revenue	-	-	-	(7,264)	(7,264)
Total expenses per statement of activities	\$ 332,895	\$ 44,176	\$ 59,332	\$ -	\$ 436,403

See accompanying notes and accountant's review report

INTERFAITH CAREGIVERS OF WASHINGTON COUNTY, INC.
 STATEMENT OF CASH FLOWS - MODIFIED CASH BASIS
 For the Year Ended December 31, 2019

CASH FLOWS FROM OPERATING ACTIVITIES	
Increase in net assets	\$ 69,609
Adjustments to reconcile increase in net assets to net cash provided by operating activities	
Depreciation	30,930
Increase in:	
Prepaid expense	(1,540)
Decrease in:	
Accrued liabilities	<u>(3,856)</u>
NET CASH PROVIDED BY OPERATING ACTIVITIES	95,143
CASH FLOWS FROM INVESTING ACTIVITIES	
Increase in restricted certificate of deposit	(488)
Purchases of property and equipment	<u>(44,120)</u>
NET CASH USED IN INVESTING ACTIVITIES	<u>(44,608)</u>
NET INCREASE IN CASH	50,535
BEGINNING CASH	<u>296,937</u>
ENDING CASH	<u><u>\$ 347,472</u></u>

See accompanying notes and accountant's review report

INTERFAITH CAREGIVERS OF WASHINGTON COUNTY, INC.
NOTES TO FINANCIAL STATEMENTS

NOTE 1 - ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The following is a summary of the significant accounting policies affecting the financial statements of Interfaith Caregivers of Washington County, Inc. (the Organization):

a) Nature of Organization

The Organization is a not-for-profit organization exempt from income tax under Section 501(c)(3) of the U.S. Internal Revenue Code and is not a private foundation. The Organization was formed in 2003 for the purpose of providing support for a network of volunteers who assist older adults and those with chronic medical conditions (residents of Washington County) in maintaining their independence through assistance with everyday tasks and through transportation to medical appointments.

b) Basis of Accounting

Generally accepted accounting principles require income to be recognized when earned and expenses to be recognized when incurred. The Organization prepares its financial statements on the modified cash basis of accounting, thus revenue is recognized when received rather than earned and expenses are recognized when paid rather than incurred. Modifications to this are the recognition of depreciation expense and related accumulated depreciation on its property and equipment and recognition of accrued liabilities.

c) Cash

Cash consists of cash in operating checking accounts and savings accounts.

d) Property, Equipment and Depreciation

Property and equipment is stated at cost or, if donated, at the approximate fair market value at the date of donation. Minor additions and repairs are expensed in the year incurred. Major additions and renewals are capitalized and depreciated over their estimated useful lives. Depreciation is computed using the straight-line method over the estimated useful lives of the related assets, which range from 3 to 7 years.

e) Presentation of Net Assets

As required by accounting standards, the Organization reports net assets in one of two categories: net assets without restrictions and net assets with restrictions.

f) Revenue and Expense Classifications

The Organization receives its revenue primarily through contributions from individuals or foundations in Washington County, United Way, grants, and fundraising events. The expenses of providing programs and supporting services have been reported on a functional basis in the statement of revenue and expenses and in the statement of functional expenses. Accordingly, certain costs have been allocated among the programs and supporting services based on estimates made by management.

g) Uncertain Tax Positions

The Organization's current accounting policy is to disclose liabilities for uncertain tax positions when a liability is probable and estimable. Management is not aware of any violation of its tax status as an organization exempt from income taxes, nor is it aware of any exposure to unrelated business income tax.

The Organization files tax returns in the U.S. federal jurisdiction and the state of Wisconsin. The Organization does not have any tax returns currently under examination by a federal or state jurisdiction.

INTERFAITH CAREGIVERS OF WASHINGTON COUNTY, INC.
NOTES TO FINANCIAL STATEMENTS

NOTE 1 - ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

- h) Advertising
Advertising costs are expensed as they are paid.
- i) Uninsured Cash Balances
The Organization maintains cash balances at two financial institutions. These balances may at times exceed the federally insured limit of \$250,000. The Organization has not experienced any losses in such accounts, and believes it is not exposed to any significant credit risk on cash.
- j) Use of Estimates
The preparation of financial statements in conformity with the modified cash basis of accounting requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.
- k) Date of Management Evaluation
Management has evaluated subsequent events through July 16, 2020, the date the financial statements were available to be issued.
- l) Accounting Pronouncement Adopted
The Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) No. 2014-09, *Revenue from Contracts with Customers* (ASC 606). FASB also issued ASU No. 2018-08, *Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made*. ASC 606 replaced most existing revenue recognition guidance in U.S. GAAP. ASU 2018-08 clarified the recognition of revenue from contributions for nonprofit organizations. Both of these standards are adopted by the Organization effective January 1, 2019.

As a result of adopting these standards, revenue for nonprofit organizations is identified as either an exchange of goods and services or as contributions. For the Organization, revenue from contributions, grants, United Way, and fundraising events are covered by ASU 2018-08 and exempt from ASC 606.
- m) New Accounting Pronouncement
The FASB has issued a new standard intended to increase transparency and comparability among organizations by recognizing lease assets and lease liabilities on the balance sheet and disclosing key information about leasing arrangements. The new standard will result in significant changes to the financial reporting and disclosures related to both operating and capital leases. The new standard is effective for the Organization beginning January 1, 2022. The effects of adoption of the new standard have not yet been determined.

NOTE 2 - DONATED SERVICES

A significant portion of the Organization's functions are conducted by unpaid volunteers and board members. The value of this contributed time is not reflected in the accompanying financial statements since the volunteers' time does not meet the criteria necessary for recognition.

The Organization received donations of mileage reimbursement and office supplies. The value of these donations is reflected in the financial statements as an increase in donated goods and services and as an increase in appropriate related expenses, totaling \$8,962 for the year ended December 31, 2019.

INTERFAITH CAREGIVERS OF WASHINGTON COUNTY, INC.
 NOTES TO FINANCIAL STATEMENTS

NOTE 3 - PROPERTY, EQUIPMENT AND DEPRECIATION

The Organization maintains property and equipment at December 31, 2019 as follows:

Vehicles	\$ 281,399
Leasehold improvements	12,678
Computers	6,590
Office equipment	<u>6,318</u>
	306,985
Accumulated depreciation	<u>(186,409)</u>
	<u>\$ 120,576</u>

Depreciation is calculated based on the straight line method over 3-7 years. Depreciation expense was \$30,930 for the year ended December 31, 2019.

NOTE 4 - NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions are available for the following purposes as of December 31, 2019:

Healthy Community Fund for transportation	\$ 23,250
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NOTE 5 - NET ASSETS WITHOUT DONOR RESTRICTIONS

The Organization's net assets without donor restrictions is comprised of undesignated amounts and amounts designated for unemployment at December 31, 2019:

Undesignated	\$ 450,132
Designated for unemployment	<u>3,166</u>
	<u>\$ 453,298</u>

NOTE 6 - LEASES

The Organization receives office and garage space with a lease through October 31, 2025. The monthly fee is as follows: \$922 per month for November 1, 2015 through October 31, 2020 and \$999 per month for November 1, 2020 through October 31, 2025.

Total rent expense was \$10,222 for the year ended December 31, 2019. The minimum required payments at December 31, 2019 are as follows:

2020	\$ 11,218
2021	11,986
2022	11,986
2023	11,986
2024	11,986
2025	9,988

INTERFAITH CAREGIVERS OF WASHINGTON COUNTY, INC.
NOTES TO FINANCIAL STATEMENTS

NOTE 7 - CERTIFICATE OF DEPOSIT FOR UNEMPLOYMENT

The Organization has a certificate of deposit with BMO Harris Bank for \$3,166, which is co-owned by the Organization and the Treasurer of the Wisconsin Unemployment Reserve Fund, State of Wisconsin. This certificate of deposit allows the Organization to only pay unemployment costs when incurred rather than paying the unemployment cost in relation to payrolls.

NOTE 8 - LIQUIDITY AND AVAILABILITY

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the balance sheet date, comprise the following as of December 31, 2019:

Cash	\$ 347,472
Certificate of deposit	3,166
Less: Amounts with donor restrictions	(23,250)
Less: Amount designated for unemployment	<u>(3,166)</u>
	<u>\$ 324,222</u>

The Organization maintains a policy of structuring its financial assets to be available as its general expenditures, liabilities, and other obligations come due.

NOTE 9 – SUBSEQUENT EVENT

On March 11, 2020, the World Health Organization declared the outbreak of a coronavirus (COVID-19) a pandemic. As a result, economic uncertainties have arisen which are likely to negatively impact support and revenue. The COVID-19 outbreak in the United States has resulted in reduced building usage, changes to program delivery, as well as temporary closures where government mandated. At the current time, we are unable to quantify the potential effects of this pandemic on our future financial statements.