

UNITED WAY OF MESA COUNTY, INC.

FINANCIAL STATEMENTS

Years Ended June 30, 2015 and 2014

CONTENTS

	Page
INDEPENDENT AUDITORS' REPORT	1
STATEMENTS OF FINANCIAL POSITION	3
STATEMENTS OF ACTIVITIES	4
STATEMENTS OF FUNCTIONAL EXPENSE	6
STATEMENTS OF CASH FLOWS	8
NOTES TO FINANCIAL STATEMENTS	10

To the Board of Directors
United Way of Mesa County, Inc.
Grand Junction, Colorado

Independent Auditors' Report

We have audited the accompanying statements of financial position of United Way of Mesa County, Inc. (a nonprofit organization) as of June 30, 2015 and 2014 and the related statements of activities, functional expense and cash flows for the years then ended. These financial statements are the responsibility of United Way of Mesa County, Inc.'s management. 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 of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of United Way of Mesa County, Inc. as of June 30, 2015 and 2014 and the changes in net assets and cash flows for the years then ended, in conformity with accounting principles generally accepted in the United States of America.



JEFF WENDLAND, CPA, LLC
Fruita, CO

October 13, 2015

UNITED WAY OF MESA COUNTY, INC
STATEMENTS OF FINANCIAL POSITION

As of June 30, 2015 and 2014

ASSETS	<u>2015</u>	<u>2014</u>
Cash and cash equivalents	\$ 445,178	\$ 328,879
Certificates of deposit	142,984	242,263
Unconditional promises to give, unrestricted, and due within one year, net of allowance for uncollectables of \$31,500 and \$30,500	264,120	295,145
Prepaid expense	8,238	4,630
Property and equipment, net of accumulated depreciation	13,195	1,732
Endowment fund invested with Western Colorado Community Foundation	<u>24,322</u>	<u>24,322</u>
Total assets	<u>\$ 898,037</u>	<u>\$ 896,971</u>
LIABILITIES AND NET ASSETS		
Liabilities		
Accrued liabilities	\$ 12,944	\$ 20,352
Allocations and designations payable	430,828	434,578
Combined Campaigns	<u>10,096</u>	<u>8,645</u>
Total liabilities	453,868	463,575
Net Position		
Unrestricted		
Board designated for operating reserves	173,000	173,000
Board designated endowment	15,622	15,622
Undesignated	246,847	236,074
Temporarily restricted		-
Permanently restricted in endowment	<u>8,700</u>	<u>8,700</u>
Total net assets	<u>444,169</u>	<u>433,396</u>
Total liabilities and net assets	<u>\$ 898,037</u>	<u>\$ 896,971</u>

The accompanying notes are an integral part of these financial statements.

UNITED WAY OF MESA COUNTY, INC.
STATEMENTS OF ACTIVITIES AND CHANGE IN NET POSITION

For the years ended June 30, 2015 and 2014

	2015			Total
	Unrestricted	Temporarily Restricted	Permanently Restricted	
Operating Activities				
Support				
Contributions	\$ 807,540	\$ -	\$ -	\$ 807,540
Less provision for uncollectible contributions	(47,213)	-	-	(47,213)
Less donor designated contributions	(149,478)	-	-	(149,478)
Total support	<u>610,849</u>	<u>-</u>	<u>-</u>	<u>610,849</u>
Revenue				
Earnings on investments	4,311	-	-	4,311
Special events	31,040	-	-	31,040
Service fees - donor designations	42,358	-	-	42,358
Other	4,108	-	-	4,108
Contributed services	53,224	-	-	53,224
Total revenue	<u>135,041</u>	<u>-</u>	<u>-</u>	<u>135,041</u>
Total support and revenue	<u>745,890</u>	<u>-</u>	<u>-</u>	<u>745,890</u>
Released from restriction				
Released by passage of time	-	-	-	-
Earnings on investments	-	-	-	-
Change in terms of endowment	-	-	-	-
Program services expense				
Distributions				
Allocations to agencies	437,578	-	-	437,578
Less donor designations	(107,120)	-	-	(107,120)
Total distributions	<u>330,458</u>	<u>-</u>	<u>-</u>	<u>330,458</u>
Community Funding Expense	126,501	-	-	126,501
Total program services	<u>456,959</u>	<u>-</u>	<u>-</u>	<u>456,959</u>
Support services expense				
General and administrative	114,007	-	-	114,007
Fundraising	154,565	-	-	154,565
Unallocated United Way of America dues	9,586	-	-	9,586
Total support services	<u>278,158</u>	<u>-</u>	<u>-</u>	<u>278,158</u>
Total distributions and expenses	<u>735,117</u>	<u>-</u>	<u>-</u>	<u>735,117</u>
Change in net assets from operating activities	<u>10,773</u>	<u>-</u>	<u>-</u>	<u>10,773</u>
Net position at beginning of year	<u>409,680</u>	<u>-</u>	<u>23,716</u>	<u>433,396</u>
Net position at end of year	<u>\$ 420,453</u>	<u>\$ -</u>	<u>\$ 23,716</u>	<u>\$ 444,169</u>

The accompanying notes are an integral part of these financial statements.

2014

Unrestricted	Temporarily Restricted	Permanently Restricted	Total
\$ 856,485	\$ -	\$ -	\$ 856,485
(27,747)	-	-	(27,747)
(226,318)	-	-	(226,318)
<u>602,420</u>	<u>-</u>	<u>-</u>	<u>602,420</u>
2,155	1,035	-	3,190
36,461	-	-	36,461
31,744	-	-	31,744
10,140	-	-	10,140
33,998	-	-	33,998
<u>114,498</u>	<u>1,035</u>	<u>-</u>	<u>115,533</u>
<u>716,918</u>	<u>1,035</u>	<u>-</u>	<u>717,953</u>
1,291	(1,291)	-	-
1,035	(1,035)	-	-
-	-	-	-
458,578	-	-	458,578
(194,574)	-	-	(194,574)
<u>264,004</u>	<u>-</u>	<u>-</u>	<u>264,004</u>
<u>116,437</u>	<u>-</u>	<u>-</u>	<u>116,437</u>
<u>380,441</u>	<u>-</u>	<u>-</u>	<u>380,441</u>
102,280	-	-	102,280
128,810	-	-	128,810
4,737	-	-	4,737
<u>235,827</u>	<u>-</u>	<u>-</u>	<u>235,827</u>
<u>616,268</u>	<u>-</u>	<u>-</u>	<u>616,268</u>
<u>102,976</u>	<u>(1,291)</u>	<u>-</u>	<u>101,685</u>
<u>306,704</u>	<u>1,291</u>	<u>23,716</u>	<u>331,711</u>
<u>\$ 409,680</u>	<u>\$ -</u>	<u>\$ 23,716</u>	<u>\$ 433,396</u>

UNITED WAY OF MESA COUNTY, INC.
STATEMENTS OF FUNCTIONAL EXPENSE

For the years ended June 30, 2015 and 2014

	2015					Total
	Program Services	Supporting Services			Supporting Services Total	
	Community Funding	General and Admin.	Fund- Raising	UWA Dues		
Allocations to agencies	\$ 430,828	\$ -	\$ -	\$ -	\$ -	\$ 430,828
Less donor designations	(107,120)	-	-	-	-	(107,120)
Other grants	6,750	-	-	-	-	6,750
Subtotal	<u>330,458</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>330,458</u>
Personnel						
Salaries & wages	75,417	71,449	51,602	-	123,051	198,468
Payroll taxes	6,247	5,918	4,274	-	10,192	16,439
Employee benefits	14,056	13,316	9,617	-	22,933	36,989
Workers' compensation	-	-	-	-	-	-
	<u>95,720</u>	<u>90,683</u>	<u>65,493</u>	<u>-</u>	<u>156,176</u>	<u>251,896</u>
Professional services						
Audit	2,048	2,240	2,112	-	4,352	6,400
Office expenses						
Bank service charges	499	545	514	-	1,059	1,558
Postage	129	141	133	-	274	403
Printing	380	415	392	-	807	1,187
Telephone & utilities	1,205	1,318	1,243	-	2,561	3,766
Technology & equipment	1,286	1,407	1,327	-	2,734	4,020
Other	351	385	362	-	747	1,098
Supplies	-	-	-	-	-	-
	<u>3,850</u>	<u>4,211</u>	<u>3,971</u>	<u>-</u>	<u>8,182</u>	<u>12,032</u>
Property expense						
Rent	10,877	11,897	11,217	-	23,114	33,991
Insurance	1,566	1,713	1,615	-	3,328	4,894
Service contracts	1,341	1,467	1,383	-	2,850	4,191
	<u>13,784</u>	<u>15,077</u>	<u>14,215</u>	<u>-</u>	<u>29,292</u>	<u>43,076</u>
Campaign and marketing						
Campaign supplies	-	-	21,724	-	21,724	21,724
Publicity and promotion	-	-	16,491	-	16,491	16,491
Special events	-	-	28,170	-	28,170	28,170
Postage	-	-	695	-	695	695
	<u>-</u>	<u>-</u>	<u>67,080</u>	<u>-</u>	<u>67,080</u>	<u>67,080</u>
Staff development						
Dues and subscriptions	76	84	79	-	163	239
Travel and meetings	846	925	873	-	1,798	2,644
Training and conferences	208	227	214	-	441	649
	<u>1,130</u>	<u>1,236</u>	<u>1,166</u>	<u>-</u>	<u>2,402</u>	<u>3,532</u>
Community funding	9,457	-	-	-	-	9,457
Depreciation	512	560	528	-	1,088	1,600
United Way of America Dues	-	-	-	9,586	9,586	9,586
Total	<u>\$ 456,959</u>	<u>\$ 114,007</u>	<u>\$ 154,565</u>	<u>\$ 9,586</u>	<u>\$ 278,158</u>	<u>\$ 735,117</u>

The accompanying notes are an integral part of these financial statements.

2014

Program Services	Supporting Services				Total
	General and Admin.	Fund- Raising	UWA Dues	Supporting Services Total	
Community Funding					
\$ 434,578	\$ -	\$ -	\$ -	\$ -	\$ 434,578
(194,574)	-	-	-	-	(194,574)
24,000	-	-	-	-	24,000
<u>264,004</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>264,004</u>
65,256	61,822	44,649	-	106,471	171,727
4,847	4,591	3,316	-	7,907	12,754
12,343	11,695	8,446	-	20,141	32,484
256	243	176	-	419	675
<u>82,702</u>	<u>78,351</u>	<u>56,587</u>	<u>-</u>	<u>134,938</u>	<u>217,640</u>
2,656	2,905	2,739	-	5,644	8,300
363	397	374	-	771	1,134
112	123	116	-	239	351
453	496	468	-	964	1,417
1,146	1,253	1,182	-	2,435	3,581
1,052	1,150	1,085	-	2,235	3,287
151	164	156	-	320	471
262	287	271	-	558	820
<u>3,539</u>	<u>3,870</u>	<u>3,652</u>	<u>-</u>	<u>7,522</u>	<u>11,061</u>
11,123	12,165	11,470	-	23,635	34,758
1,519	1,661	1,566	-	3,227	4,746
1,367	1,495	1,410	-	2,905	4,272
<u>14,009</u>	<u>15,321</u>	<u>14,446</u>	<u>-</u>	<u>29,767</u>	<u>43,776</u>
-	-	6,040	-	6,040	6,040
-	-	26,560	-	26,560	26,560
-	-	16,608	-	16,608	16,608
-	-	450	-	450	450
-	-	<u>49,658</u>	<u>-</u>	<u>49,658</u>	<u>49,658</u>
47	51	49	-	100	147
1,097	1,200	1,131	-	2,331	3,428
20	22	20	-	42	62
<u>1,164</u>	<u>1,273</u>	<u>1,200</u>	<u>-</u>	<u>2,473</u>	<u>3,637</u>
11,855	-	-	-	-	11,855
<u>512</u>	<u>560</u>	<u>528</u>	<u>-</u>	<u>1,088</u>	<u>1,600</u>
-	-	-	4,737	4,737	4,737
<u>\$ 380,441</u>	<u>\$ 102,280</u>	<u>\$ 128,810</u>	<u>\$ 4,737</u>	<u>\$ 235,827</u>	<u>\$ 616,268</u>

UNITED WAY OF MESA COUNTY, INC.

STATEMENTS OF CASH FLOWS

For the years ended June 30, 2015 and 2014

	2015	2014
Cash provided (used) by continuing operating activities		
Cash received from contributors and grants	\$ 641,874	\$ 614,216
Donor designated receipts	149,478	226,318
Other receipts	88,372	80,599
	<u>879,724</u>	<u>921,133</u>
Cash paid to vendors and suppliers	(154,771)	(132,510)
Cash paid to employees	(259,304)	(223,024)
Allocations and grants paid	(332,757)	(467,285)
Designated agencies	(107,120)	(174,659)
	<u>(853,952)</u>	<u>(997,478)</u>
Net cash provided (used) by operating activities	25,772	(76,345)
Cash provided (used) in investing activities		
Purchase of fixed assets	(13,063)	-
Earnings from investments	4,311	3,190
Certificates of deposit redeemed	99,279	(1,675)
Total cash provided (used) by investing activities	<u>90,527</u>	<u>1,515</u>
Total cash provided (used)	116,299	(74,830)
Cash at beginning of year	<u>328,879</u>	<u>403,709</u>
Cash at end of year	<u>\$ 445,178</u>	<u>\$ 328,879</u>
Non cash transactions include donated goods and services totalling \$53,224 and \$33,998 in 2015 and 2014		
Reconciliation of change in net assets to net cash provided by operations		
Change in net assets from operations	\$ 10,773	\$ 101,685
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	1,600	1,599
Bad debts expense	47,213	27,747
(Increase) decrease in:		
Unconditional promises to give	(16,188)	(15,951)
Prepaid expense	(3,608)	515
(Decrease) increase in:		
Current liabilities	(7,408)	(5,384)
Allocations payable	(3,750)	(183,142)
Due to combined campaigns	1,451	(224)
Earnings from investments	(4,311)	(3,190)
Net cash provided (used) by operating activities	<u>\$ 25,772</u>	<u>\$ (76,345)</u>

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UNITED WAY OF MESA COUNTY, INC.

NOTES TO FINANCIAL STATEMENTS

June 30, 2015 and 2014

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

1. Organization

United Way of Mesa County, Inc. (the Organization) is a local not-for-profit organization located in Grand Junction, Colorado, supported primarily by pledges from the surrounding community. Annual campaigns are conducted to raise funds which help support local programs whose task is to better the life and welfare of those in the community who need help.

2. Basis of Accounting

The financial statements of the Organization are presented using the accrual basis of accounting which records income when earned and expenses when incurred. Contributions received or made, including unconditional promises to give, are recognized in the period received or made, respectively, at fair value. Amounts are classified based on the presence or absence of donor-imposed restrictions as described below.

3. Annual Campaign and Revenue Recognition

Contributions received are recorded as unrestricted, temporarily restricted or permanently restricted support, depending on the existence and/or nature of any donor restrictions.

Support that is restricted by the donor is reported as an increase in unrestricted net assets if the restriction expires in the reporting period in which the support is recognized. All other donor-restricted support is reported as an increase in temporarily or permanently restricted net assets, depending on the nature of the restriction. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), temporarily restricted net assets are reclassified to unrestricted net assets and reported in the Statement of Activities as net assets released from restrictions. The organization and private donors have made contributions to an endowment fund held by the Western Colorado Community Foundation. These amounts are classified as permanently restricted net assets.

Unconditional promises to give receivable are due within one year of the end on the Organization's fiscal year.

UNITED WAY OF MESA COUNTY, INC.

NOTES TO FINANCIAL STATEMENTS

June 30, 2015 and 2014

NOTE A - SUMMARY OF SIGNFICANT ACCOUNTING POLICIES - CONTINUED

4. Designated and Allocated Pledges

The Organization allows donors to designate their contributions to any qualifying Section 501(c)(3) agency. Undesignated contributions are allocated to agencies by the Organization's volunteer committees based on approved budgets, requests, and community needs. Allocations are recognized in the year the pledge is made to the agency. Designations are not considered support revenue or expense to the Organization. The amounts designated are presented in the statement of activities as reductions of gross contributions and allocations.

5. Recognition of contributions income and allocations expense

Contributions are recognized as income in the same fiscal year that the annual fund raising campaign that results in the contribution is held. Allocations to agencies/programs are recognized as expense in the fiscal year those allocations are approved.

6. Cash and Cash Equivalents

The Organization considers all highly liquid investments with a maturity of three months or less to be cash equivalents. Certain funds are required to be held in separate bank accounts. Cash Equivalents held in mutual funds are reported at their fair values in the statement of financial position. Unrealized gains and losses are included in the change in net assets.

7. Property and Equipment

Office furniture and equipment are recorded at cost or at estimated value at the date of gift if donated. It is the Organization's policy to capitalize expenditures for these items in excess of \$5,000. Lesser amounts are expensed. Furniture and equipment depreciation is computed on a straight line basis over estimated useful lives of 3 to 10 years. Leasehold improvements are being amortized over the shorter of the lease term or useful life. The Organization does not recognize an implied time restriction on contributions of long lived assets.

8. Tax Status

The Organization has been granted an exemption from federal income taxes under section 501(c)(3) of the Internal Revenue Code. Tax returns prior to 2011 are no longer subject to review by the Internal Revenue Service.

UNITED WAY OF MESA COUNTY, INC.

NOTES TO FINANCIAL STATEMENTS

June 30, 2015 and 2014

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

9. Contributed Services and Property

A significant number of volunteers have donated their time to the Organization and its fund raising campaigns. Support arising from these contributed services is not recorded in the financial statements, as no objective basis is available to measure the value of the services performed. Certain contributed services that require specialized skills are recognized as contribution revenue and expense. The Organization believes this recognition is preferable in the circumstances and will better reflect the contribution and cost of such services. These contributed services, consisting of accounting and audit services, rent, advertising and other goods and services are valued at \$53,224 and \$33,998, and have been recorded as revenue and expense for 2015 and 2014, respectively.

10. Functional Allocation of Expenses

Costs are allocated by management based on the best available estimate of the percentage of each cost element applicable to each functional area.

11. Use of Estimates

The Organization has prepared these financial statements in conformity with generally accepted accounting principles, which require the use of management's estimates. Actual results could differ from the estimates used.

UNITED WAY OF MESA COUNTY, INC.

NOTES TO FINANCIAL STATEMENTS

June 30, 2015 and 2014

NOTE B – CASH AND CASH EQUIVALENTS

The cash and cash equivalents held by the Organization at June 30, 2014 and 2013 are summarized as follows:

	<u>Fair Value</u>		<u>Quoted Prices in Active Markets for Identical Assets (Level 1)</u>	
	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>
Cash in checking accounts	\$149,563	\$165,113	N/A	N/A
Cash Equivalents:				
Money market accounts	<u>295,615</u>	<u>163,766</u>	N/A	N/A
Total	<u>\$445,178</u>	<u>\$328,879</u>		

All of the Organization's deposits with financial institutions are guaranteed by the Federal Deposit Insurance Corporation or collateralized.

NOTE C – ALLOWANCE FOR DOUBTFUL ACCOUNTS

The organization provides for an allowance for uncollectable pledges which is estimated based upon the organization's actual collection experience over the prior three years.

NOTE D – ENDOWMENT FUND

The Organization maintains an endowment fund with the Western Colorado Community Foundation. In accordance with WCCF's policies the principal of the fund can only be withdrawn in extraordinary circumstances. Annual earnings may be withdrawn, however, it is the Organization's policy to reinvest some of those earnings in the endowment fund. Investment policies are established by WCCF.

UNITED WAY OF MESA COUNTY, INC.

NOTES TO FINANCIAL STATEMENTS

June 30, 2015 and 2014

NOTE E - COMBINED FEDERAL AND COLORADO CAMPAIGNS

Monies are held by the Organization, as Trustee, for the Combined Federal Campaign (CFC), and the Combined Colorado Campaign (CCC). United Way collects and disburses the money as directed by CFC and CCC policy. Summarized activity is as follows:

	<u>2015</u>	<u>2014</u>
Cash, beginning of year	\$ 8,645	\$ 8,869
Receipts	41,457	38,161
Disbursements	<u>(40,006)</u>	<u>(38,385)</u>
Cash, end of year (due to CFC and CCC)	<u>\$ 10,096</u>	<u>\$ 8,645</u>

NOTE F - BENEFIT PLAN AND TRUST

The Organization provides a cafeteria plan for substantially all of its employees. The flexible benefit plan is a salary reduction plan providing the employee with an opportunity to use pre-tax dollars to pay for benefits.

After completing ninety days of service, employees who work a minimum of thirty hours per week are eligible to participate in the plan. Plan options include:

- Work related dependent care expense reimbursement
- Health premium benefits
- Uninsured medical and dental expense reimbursement
- Taxable cash payments in the form of regular salary

A maximum of \$1,800 in medical and dental expense and \$5,000 for dependent care expense are available in any plan year. The Organization, acts as administrator for the plan. The funds are maintained in a separate bank account insured by Federal Depository Insurance (FDIC). During the years ended June 30, 2015 and 2014 the Organization's contributions to this plan were \$32,836 and \$27,982, respectively.

NOTE G – DEFINED CONTRIBUTION RETIREMENT PLAN

The Organization maintains a SIMPLE IRA plan for its employees. The Organization matches eligible employee contributions up to 3% of the employee's covered compensation. During the years ended June 30, 2015 and 2014 the Organization's contributions to this plan were \$4,152 and \$4,502, respectively.

UNITED WAY OF MESA COUNTY, INC.

NOTES TO FINANCIAL STATEMENTS

June 30, 2015 and 2014

NOTE H - PROPERTY AND EQUIPMENT

Office furniture and equipment and leasehold improvements, at cost, and accumulated depreciation at June 30, 2014 and 2013 are summarized as follows:

	<u>2,015</u>	<u>2,014</u>
Office equipment and furniture	\$ 46,109	\$ 33,048
Leasehold improvements	61,790	61,790
Less accumulated depreciation	<u>(94,704)</u>	<u>(93,106)</u>
	<u>\$ 13,195</u>	<u>\$ 1,732</u>

NOTE I - RENT EXPENSE

The facilities used by the Organization are rented from U.S. Bank. Rent expense totaled \$33,990 and \$34,621 respectively for the years ended June 30, 2015 and 2014. The Organization recorded in-kind contributions from U.S. Bank of \$15,442 and \$17,311 as revenue and as rent expense for 2015 and 2014. Minimum annual rent payments for future years are as follows:

June 30, 2016	18,548
June 30, 2017	6,183

NOTE J- ADVERTISING

The Organization incurred \$16,491 and \$26,560 in advertising and promotional costs for continuing operations for the years ended June 30, 2015 and 2014, respectively. Included in those amounts are \$6,248 and \$15,935 respectively, in contributed advertising. The Organization's policy is to expense advertising as it is incurred.

UNITED WAY OF MESA COUNTY, INC.

NOTES TO FINANCIAL STATEMENTS

June 30, 2015 and 2014

NOTE K – PROCESSING CHARGES

The expenses associated with processing all pledges including donor designated pledges are recovered by an assessment for both fundraising and management and general fees based on actual historical costs in accordance with United Way of America Membership Standards as outlined in their publication titled *United Way of America Cost Deduction Requirements for Membership Standard M*.

NOTE L – SUBSEQUENT EVENTS

The Organization has considered subsequent events through October 13, 2015 (the date of financial statement issuance) which may have an effect on these financial statements.

NOTE M – CONCENTRATIONS

The Organization conducts its operations and fundraising principally in Mesa County, Colorado. Changes in local economic conditions can have significant effects on those operations and the Organization's fundraising.

NOTE O – COMMITMENTS

As of June 30, 2015 the Organization had committed to \$14,638 of training, conversion and licensing costs in connection with a software upgrade project.