

UNITED WAY OF MESA COUNTY, INC.

FINANCIAL STATEMENTS
And
INDEPENDENT AUDITORS' REPORT

Years Ended June 30, 2018 and 2017

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INDEPENDENT AUDITORS' REPORT

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

We have audited the accompanying financial statements of the United Way of Mesa County, Inc. (a nonprofit organization), which comprise the statements of financial position as of June 30, 2018 and 2017, and the related statements of activities and changes in financial position, 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.

Auditor's Responsibility


Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the United Way of Mesa County, Inc. June 30, 2018 and 2017 and the changes in its net assets and its cash flows for the years then ended, in conformity with U.S. generally accepted accounting principles.


JEFF WENDLAND, CPA, LLC
Grand Junction, CO
October 8, 2018

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UNITED WAY OF MESA COUNTY, INC
STATEMENTS OF FINANCIAL POSITION

As of June 30, 2018 and 2017

ASSETS	2018	2017
Cash and cash equivalents	\$ 324,393	\$ 321,360
Certificates of deposit	146,426	145,808
Unconditional promises to give, unrestricted, and due within one year, net of allowance for uncollectables of \$31,000 and \$27,000	255,546	282,096
Prepaid expense	1,369	9,480
Property and equipment, net of accumulated depreciation	18,392	21,560
Funds held in agency	8,046	9,756
Endowment fund invested with Western Colorado Community Foundation	27,084	25,746
Total assets	\$ 781,256	\$ 815,806
LIABILITIES AND NET ASSETS		
Liabilities		
Accrued liabilities	\$ 20,972	\$ 12,940
Allocations and designations payable	469,902	420,354
Combined Campaigns	3,615	9,756
Total liabilities	494,489	443,050
Net Position		
Permanently restricted in endowment	11,836	10,730
Temporarily restricted - contributions for future year	13,870	10,330
Unrestricted		
Board designated for operating reserves	92,000	154,000
Board designated for nonoperating reserves	40,000	-
Board designated endowment	15,248	15,016
Undesignated	113,813	182,680
Total unrestricted	261,061	351,696
Total net assets	286,767	372,756
Total liabilities and net assets	\$ 781,256	\$ 815,806

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

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

For the years ended June 30, 2018 and 2017

	2018			Total
	Unrestricted	Temporarily Restricted	Permanently Restricted	
Operating Activities				
Support				
Contributions	\$ 780,365	\$ 13,870	\$ -	\$ 794,235
Less provision for uncollectible contributions	(46,432)	-	-	(46,432)
Less donor designated contributions	(163,362)	-	-	(163,362)
Total support	570,571	13,870	-	584,441
Revenue				
Earnings on investments	2,162	-	1,106	3,268
Special events	58,507	-	-	58,507
Service fees - donor designations	53,049	-	-	53,049
Other	10,783	-	-	10,783
Contributed services	30,702	-	-	30,702
Total revenue	155,203	-	1,106	156,309
Total support and revenue	725,774	13,870	1,106	740,750
Released from restriction				
By passage of time	10,330	(10,330)	-	-
Program services expense				
Distributions				
Allocations to agencies	481,092	-	-	481,092
Less donor designations	(110,313)	-	-	(110,313)
Total distributions	370,779	-	-	370,779
Community Funding Expense	149,327	-	-	149,327
Total program services	520,106	-	-	520,106
Support services expense				
General and administrative	142,589	-	-	142,589
Fundraising	155,603	-	-	155,603
Unallocated United Way Worldwide dues	8,441	-	-	8,441
Total support services	306,633	-	-	306,633
Total distributions and expenses	826,739	-	-	826,739
Change in net assets from operating activities	(90,635)	3,540	1,106	(85,989)
Net position at beginning of year	351,696	10,330	10,730	372,756
Net position at end of year	\$ 261,061	\$ 13,870	\$ 11,836	\$ 286,767

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

2017

Unrestricted	Temporarily Restricted	Permanently Restricted	Total
\$ 802,565	\$ 5,030	\$ -	\$ 807,595
(26,914)	-	-	(26,914)
(164,881)	-	-	(164,881)
<u>610,770</u>	<u>5,030</u>	<u>-</u>	<u>615,800</u>
2,973	-	2,030	5,003
54,095	5,300	-	59,395
52,852	-	-	52,852
13,733	-	-	13,733
36,609	-	-	36,609
<u>160,262</u>	<u>5,300</u>	<u>2,030</u>	<u>167,592</u>
<u>771,032</u>	<u>10,330</u>	<u>2,030</u>	<u>783,392</u>
-	-	-	-
428,193	-	-	428,193
(112,029)	-	-	(112,029)
<u>316,164</u>	<u>-</u>	<u>-</u>	<u>316,164</u>
<u>184,071</u>	<u>-</u>	<u>-</u>	<u>184,071</u>
<u>500,235</u>	<u>-</u>	<u>-</u>	<u>500,235</u>
117,676	-	-	117,676
151,410	-	-	151,410
9,058	-	-	9,058
<u>278,144</u>	<u>-</u>	<u>-</u>	<u>278,144</u>
<u>778,379</u>	<u>-</u>	<u>-</u>	<u>778,379</u>
<u>(7,347)</u>	<u>10,330</u>	<u>2,030</u>	<u>5,013</u>
<u>359,043</u>	<u>-</u>	<u>8,700</u>	<u>367,743</u>
<u>\$ 351,696</u>	<u>\$ 10,330</u>	<u>\$ 10,730</u>	<u>\$ 372,756</u>

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

For the years ended June 30, 2018 and 2017

	2018					Total
	Program Services	Supporting Services			Supporting Services	
	Community Funding	General and Admin.	Fund- Raising	UWA Dues	Total	
Allocations to agencies	\$ 469,902			\$ -	\$ -	\$ 469,902
Less donor designations	(110,313)			-	-	(110,313)
Other grants	11,190			-	-	11,190
Subtotal	<u>370,779</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>370,779</u>
Personnel						
Salaries & wages	79,256	79,297	46,758	-	126,055	205,311
Payroll taxes	14,788	15,467	8,498	-	23,965	38,753
Employee benefits	15,548	16,261	8,935	-	25,196	40,744
Workers' compensation	253	264	145	-	409	662
	<u>109,845</u>	<u>111,289</u>	<u>64,336</u>	<u>-</u>	<u>175,625</u>	<u>285,470</u>
Professional services						
Audit	2,976	3,113	1,711	-	4,824	7,800
Office expenses						
Bank service charges	516	539	296	-	835	1,351
Postage	141	149	81	-	230	371
Printing	289	301	166	-	467	756
Telephone	1,300	1,361	747	-	2,108	3,408
Technology & equipment	2,037	2,130	1,170	-	3,300	5,337
Other	56	262	32	-	294	350
Supplies	243	254	139	-	393	636
	<u>4,582</u>	<u>4,996</u>	<u>2,631</u>	<u>-</u>	<u>7,627</u>	<u>12,209</u>
Property expense						
Rent	13,364	13,976	7,680	-	21,656	35,020
Insurance	2,147	2,244	1,234	-	3,478	5,625
Service contracts	1,488	1,557	855	-	2,412	3,900
	<u>16,999</u>	<u>17,777</u>	<u>9,769</u>	<u>-</u>	<u>27,546</u>	<u>44,545</u>
Campaign and marketing						
Campaign supplies	-	-	5,807	-	5,807	5,807
Publicity and promotion	-	-	28,265	-	28,265	28,265
Special events	-	-	39,562	-	39,562	39,562
Postage	-	-	547	-	547	547
	<u>-</u>	<u>-</u>	<u>74,181</u>	<u>-</u>	<u>74,181</u>	<u>74,181</u>
Staff development						
Dues and subscriptions	99	105	57	-	162	261
Travel and meetings	1,285	1,344	739	-	2,083	3,368
Training and conferences	863	903	496	-	1,399	2,262
	<u>2,247</u>	<u>2,352</u>	<u>1,292</u>	<u>-</u>	<u>3,644</u>	<u>5,891</u>
Community funding	9,750			-	-	9,750
Depreciation	2,928	3,062	1,683	-	4,745	7,673
United Way Worldwide Dues	-	-	-	8,441	8,441	8,441
Total	<u>\$ 520,106</u>	<u>\$ 142,589</u>	<u>\$ 155,603</u>	<u>\$ 8,441</u>	<u>\$ 306,633</u>	<u>\$ 826,739</u>

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

2017

Program Services	Supporting Services				Total
	General and Admin.	Fund- Raising	UWA Dues	Supporting Services Total	
Community Funding					
\$ 420,354	\$ -	\$ -	\$ -	\$ -	\$ 420,354
(112,029)	-	-	-	-	(112,029)
7,839	-	-	-	-	7,839
<u>316,164</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>316,164</u>
99,351	68,265	48,542	-	116,807	216,158
13,492	9,271	6,593	-	15,864	29,356
20,019	13,755	9,782	-	23,537	43,556
682	468	333	-	801	1,483
<u>133,544</u>	<u>91,759</u>	<u>65,250</u>	<u>-</u>	<u>157,009</u>	<u>290,553</u>
3,585	2,463	1,752	-	4,215	7,800
657	452	321	-	773	1,430
227	156	111	-	267	494
495	340	242	-	582	1,077
1,758	1,208	859	-	2,067	3,825
5,406	3,714	2,641	-	6,355	11,761
277	191	137	-	328	605
185	127	91	-	218	403
<u>9,005</u>	<u>6,188</u>	<u>4,402</u>	<u>-</u>	<u>10,590</u>	<u>19,595</u>
16,254	11,169	7,943	-	19,112	35,366
2,006	1,378	980	-	2,358	4,364
1,595	1,096	780	-	1,876	3,471
<u>19,855</u>	<u>13,643</u>	<u>9,703</u>	<u>-</u>	<u>23,346</u>	<u>43,201</u>
-	-	11,049	-	11,049	11,049
-	-	23,192	-	23,192	23,192
-	-	32,654	-	32,654	32,654
-	-	831	-	831	831
<u>-</u>	<u>-</u>	<u>67,726</u>	<u>-</u>	<u>67,726</u>	<u>67,726</u>
88	60	43	-	103	191
1,475	1,014	721	-	1,735	3,210
390	268	191	-	459	849
<u>1,953</u>	<u>1,342</u>	<u>955</u>	<u>-</u>	<u>2,297</u>	<u>4,250</u>
12,809	-	-	-	-	12,809
<u>3,320</u>	<u>2,281</u>	<u>1,622</u>	<u>-</u>	<u>3,903</u>	<u>7,223</u>
<u>-</u>	<u>-</u>	<u>-</u>	<u>9,058</u>	<u>9,058</u>	<u>9,058</u>
<u>\$ 500,235</u>	<u>\$ 117,676</u>	<u>\$ 151,410</u>	<u>\$ 9,058</u>	<u>\$ 278,144</u>	<u>\$ 778,379</u>

UNITED WAY OF MESA COUNTY, INC.

STATEMENTS OF CASH FLOWS

For the years ended June 30, 2018 and 2017

	2018	2017
Cash provided (used) by continuing operating activities		
Cash received from contributors and grants	\$ 610,991	\$ 583,877
Donor designated receipts	163,362	164,881
Other receipts	51,243	56,817
	825,596	805,575
Cash paid to vendors and suppliers	(102,225)	(110,549)
Cash paid to employees	(282,333)	(296,988)
Allocations and grants paid	(321,231)	(349,152)
Designated agencies	(110,313)	(112,029)
	(816,102)	(868,718)
Net cash provided (used) by operating activities	9,494	(63,143)
Cash provided (used) in investing activities		
Purchase of fixed assets	(4,505)	-
Invested in certificates of deposit	(618)	(2,215)
Invested in endowment fund	(1,338)	(1,424)
Total cash provided (used) by investing activities	(6,461)	(3,639)
Total cash provided (used)	3,033	(66,782)
Cash at beginning of year	321,360	388,142
Cash at end of year	\$ 324,393	\$ 321,360
Reconciliation of change in net assets to net cash provided by operations		
Change in net assets from operations	\$ (85,989)	\$ 5,013
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	7,673	7,223
(Increase) decrease in:		
Unconditional promises to give	26,550	(31,923)
Prepaid expense	8,111	(3,959)
Funds held in agency	1,710	-
(Decrease) increase in:		
Current liabilities	8,032	(6,510)
Allocations payable	49,548	(32,988)
Due to combined campaigns	(6,141)	1
Net cash provided (used) by operating activities	\$ 9,494	\$ (63,143)

The accompanying notes are an integral part of these financial statements

UNITED WAY OF MESA COUNTY, INC.

NOTES TO FINANCIAL STATEMENTS

June 30, 2018 and 2017

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 of the Organization's fiscal year.

UNITED WAY OF MESA COUNTY, INC.

NOTES TO FINANCIAL STATEMENTS

June 30, 2018 and 2017

NOTE A - SUMMARY OF SIGNIFICANT 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.

UNITED WAY OF MESA COUNTY, INC.

NOTES TO FINANCIAL STATEMENTS

June 30, 2018 and 2017

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 \$30,702 and \$36,609 and have been recorded as revenue and expense for 2018 and 2017, 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, 2018 and 2017

NOTE B – CASH AND CASH EQUIVALENTS

The cash and cash equivalents held by the Organization at June 30, 2018 and 2017 are summarized as follows:

	<u>Fair Value</u>		<u>Quoted Prices in Active Markets for Identical Assets (Level 1)</u>	
	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>
Cash in checking accounts	\$192,567	\$190,056	N/A	N/A
Cash Equivalents:				
Money market accounts	<u>131,826</u>	<u>131,304</u>	N/A	N/A
Total	<u>\$324,393</u>	<u>\$321,360</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 or reinvested in the fund based on the Board of Directors’ instruction. Investment policy is established by the WCCF.

UNITED WAY OF MESA COUNTY, INC.

NOTES TO FINANCIAL STATEMENTS

June 30, 2018 and 2017

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>2018</u>	<u>2017</u>
Cash, beginning of year	\$ 9,756	\$ 9,755
Receipts	30,974	33,543
Disbursements	<u>(37,115)</u>	<u>(33,542)</u>
Cash, end of year (due to CFC and CCC)	<u>\$ 3,615</u>	<u>\$ 9,756</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 \$2,550 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, 2018 and 2017 the Organization's contributions to this plan were \$36,660 and \$39,801 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, 2018 and 2017 the Organization's contributions to this plan were \$4,076 and \$3,755, respectively.

UNITED WAY OF MESA COUNTY, INC.

NOTES TO FINANCIAL STATEMENTS

June 30, 2018 and 2017

NOTE H - PROPERTY AND EQUIPMENT

Office furniture and equipment and leasehold improvements, at cost, and accumulated depreciation at June 30, 2018 and 2017 are summarized as follows:

	<u>2,018</u>	<u>2,017</u>
Office equipment and furniture	\$ 29,557	\$ 25,052
Software and installation	36,115	36,115
Leasehold improvements	61,790	61,790
Less accumulated depreciation	<u>(109,070)</u>	<u>(101,397)</u>
	<u>\$ 18,392</u>	<u>\$ 21,560</u>

NOTE I - RENT EXPENSE

The facilities used by the Organization are rented from U.S. Bank. Rent expense totaled \$35,020 and \$35,336 respectively for the years ended June 30, 2018 and 2017. The Organization recorded in-kind contributions from U.S. Bank of \$14,420 and \$15,540 as revenue and as rent expense for 2018 and 2017. Minimum annual rent payments for future years are as follows:

June 30, 2019	\$ 6,868
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NOTE J- ADVERTISING

The Organization incurred \$28,264 and \$23,192 in advertising and promotional costs for the years ended June 30, 2018 and 2017, respectively. Included in those amounts are \$14,080 and \$10,398 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, 2018 and 2017

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 8, 2018. (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.