

UNITED WAY OF MESA COUNTY, INC.

FINANCIAL STATEMENTS
And
INDEPENDENT AUDITORS' REPORT

Years Ended June 30, 2019 and 2018

CONTENTS

	Page
INDEPENDENT AUDITORS' REPORT	1
STATEMENTS OF FINANCIAL POSITION	3
STATEMENTS OF ACTIVITIES AND CHANGES IN NET POSITION	4
STATEMENTS OF FUNCTIONAL EXPENSE	6
STATEMENTS OF CASH FLOWS	8
NOTES TO FINANCIAL STATEMENTS	9

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, 2019 and 2018, 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, 2019 and 2018 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
November 14, 2019

This page intentionally left blank

UNITED WAY OF MESA COUNTY, INC
STATEMENTS OF FINANCIAL POSITION

As of June 30, 2019 and 2018

	<u>2019</u>	<u>2018</u>
ASSETS		
Current Assets		
Cash and cash equivalents	\$ 72,316	\$ 163,275
Certificates of deposit	157,350	146,426
Unconditional promises to give, unrestricted, and due within one year, net of allowance for uncollectables of \$35,000 and \$33,000	263,899	255,546
Prepaid expense	<u>10,373</u>	<u>1,369</u>
Total current assets	503,938	566,616
Property and equipment, net of accumulated depreciation	10,268	18,392
Other assets		
Funds held in agency	523	8,046
Cash restricted for use in the following year	22,120	13,870
Cash designated by the board of directors	140,811	147,248
Beneficial interest in endowment fund held at the Western Colorado Community Foundation	<u>14,811</u>	<u>15,248</u>
Total other assets	<u>178,265</u>	<u>184,412</u>
Total assets	<u><u>\$ 692,471</u></u>	<u><u>\$ 769,420</u></u>
 LIABILITIES AND NET ASSETS		
Liabilities		
Current liabilities		
Accrued liabilities	\$ 23,390	\$ 20,972
Allocations and designations payable	488,408	469,902
Combined campaigns	<u>523</u>	<u>3,615</u>
Total current liabilities	<u>512,321</u>	<u>494,489</u>
Net Position		
With donor restriction for use in the following period	22,120	13,870
Without donor restriction		
Board designated for operating reserves	86,000	92,000
Board designated for nonoperating reserves	40,000	40,000
Board designated endowment	14,811	15,248
Undesignated	<u>17,219</u>	<u>113,813</u>
Total without donor restriction	<u>158,030</u>	<u>261,061</u>
Total net assets	<u>180,150</u>	<u>274,931</u>
Total liabilities and net assets	<u><u>\$ 692,471</u></u>	<u><u>\$ 769,420</u></u>

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, 2019 and 2018

	2019		
	Without Donor Restriction	With Donor Restriction	Total
Operating Activities			
Support			
Contributions	\$ 788,198	\$ 22,120	\$ 810,318
Less provision for uncollectible contributions	(35,453)	-	(35,453)
Less donor designated contributions	(155,392)	-	(155,392)
Total support	597,353	22,120	619,473
Revenue			
Earnings on investments	1,897	-	1,897
Special events	51,365	-	51,365
Service fees - donor designations	50,977	-	50,977
Other	1,173	-	1,173
Contributed services	34,703	-	34,703
Total revenue	140,115	-	140,115
Total support and revenue	737,468	22,120	759,588
Released from restriction			
By passage of time	13,870	(13,870)	-
Program services expense			
Distributions			
Allocations and designations to agencies	516,141	-	516,141
Less donor designations	(104,415)	-	(104,415)
Total distributions	411,726	-	411,726
Community Funding Expense	143,426	-	143,426
Total program services	555,152	-	555,152
Support services expense			
General and administrative	139,816	-	139,816
Fundraising	150,861	-	150,861
Unallocated United Way Worldwide dues	8,540	-	8,540
Total support services	299,217	-	299,217
Total distributions and expenses	854,369	-	854,369
Change in net assets from operating activities	(103,031)	8,250	(94,781)
Net position at beginning of year	261,061	13,870	274,931
Net position at end of year	\$ 158,030	\$ 22,120	\$ 180,150

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

2018

Without Donor Restriction	With Donor Restricted	Total
\$ 780,365	\$ 13,870	\$ 794,235
(46,432)	-	(46,432)
<u>(163,362)</u>	<u>-</u>	<u>(163,362)</u>
570,571	13,870	584,441
2,162	-	2,162
58,507	-	58,507
53,049	-	53,049
10,783	-	10,783
30,702	-	30,702
<u>155,203</u>	<u>-</u>	<u>155,203</u>
725,774	13,870	739,644
10,330	(10,330)	-
481,092	-	481,092
<u>(110,313)</u>	<u>-</u>	<u>(110,313)</u>
370,779	-	370,779
149,327	-	149,327
<u>520,106</u>	<u>-</u>	<u>520,106</u>
142,589	-	142,589
155,603	-	155,603
8,441	-	8,441
<u>306,633</u>	<u>-</u>	<u>306,633</u>
826,739	-	826,739
<u>(90,635)</u>	<u>3,540</u>	<u>(87,095)</u>
351,696	10,330	362,026
<u>\$ 261,061</u>	<u>\$ 13,870</u>	<u>\$ 274,931</u>

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

For the years ended June 30, 2019 and 2018

	2019					Total
	Program Services	Supporting Services			Supporting Services Total	
	Community Funding	General and Admin.	Fund- Raising	UWA Dues		
Allocations and designations to agencies	\$ 488,409				\$ -	\$ 488,409
Less donor designations	(104,415)				-	(104,415)
Other grants	27,732				-	27,732
Subtotal	<u>411,726</u>	-	-	-	-	<u>411,726</u>
Personnel						
Salaries & wages	76,195	81,485	57,959	-	139,444	215,639
Payroll taxes	7,604	7,953	4,370	-	12,323	19,927
Employee benefits	14,545	15,213	8,360	-	23,573	38,118
Workers' compensation	113	117	65	-	182	295
	<u>98,457</u>	<u>104,768</u>	<u>70,754</u>	-	<u>175,522</u>	<u>273,979</u>
Professional services						
Audit	2,919	3,053	1,678	-	4,731	7,650
Office expenses	9,972	10,429	5,731	-	16,160	26,132
Property expense						
Rent	13,626	14,251	7,830	-	22,081	35,707
Insurance	1,710	1,788	983	-	2,771	4,481
Service contracts	-	-	-	-	-	-
	<u>15,336</u>	<u>16,039</u>	<u>8,813</u>	-	<u>24,852</u>	<u>40,188</u>
Campaign and marketing						
Campaign supplies	-	-	4,742	-	4,742	4,742
Publicity and promotion	-	-	28,429	-	28,429	28,429
Special events	-	-	26,601	-	26,601	26,601
Other	-	-	1,076	-	1,076	1,076
	-	-	<u>60,848</u>	-	<u>60,848</u>	<u>60,848</u>
Staff and Board development	2,184	2,285	1,255	-	3,540	5,724
Community funding	11,458	-	-	-	-	11,458
Depreciation	<u>3,100</u>	<u>3,242</u>	<u>1,782</u>	-	<u>5,024</u>	<u>8,124</u>
United Way Worldwide Dues	-	-	-	8,540	8,540	8,540
Total	<u>\$ 555,152</u>	<u>\$ 139,816</u>	<u>\$ 150,861</u>	<u>\$ 8,540</u>	<u>\$ 299,217</u>	<u>\$ 854,369</u>

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

2018

Program Services	Supporting Services				
Community Funding	General and Admin.	Fund- Raising	UWA Dues	Supporting Services Total	Total
\$ 469,902			\$ -	\$ -	\$ 469,902
(110,313)			-	-	(110,313)
11,190			-	-	11,190
<u>370,779</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>370,779</u>
79,256	79,297	46,758	-	126,055	205,311
14,788	15,467	8,498	-	23,965	38,753
15,548	16,261	8,935	-	25,196	40,744
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>
2,976	3,113	1,711	-	4,824	7,800
4,582	4,996	2,631	-	7,627	12,209
13,364	13,976	7,680	-	21,656	35,020
2,147	2,244	1,234	-	3,478	5,625
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>
-	-	5,807	-	5,807	5,807
-	-	28,265	-	28,265	28,265
-	-	39,562	-	39,562	39,562
-	-	547	-	547	547
<u>-</u>	<u>-</u>	<u>74,181</u>	<u>-</u>	<u>74,181</u>	<u>74,181</u>
2,247	2,352	1,292	-	3,644	5,891
9,750	-	-	-	-	9,750
2,928	3,062	1,683	-	4,745	7,673
<u>-</u>	<u>-</u>	<u>-</u>	<u>8,441</u>	<u>8,441</u>	<u>8,441</u>
<u>\$ 520,106</u>	<u>\$ 142,589</u>	<u>\$ 155,603</u>	<u>\$ 8,441</u>	<u>\$ 306,633</u>	<u>\$ 826,739</u>

UNITED WAY OF MESA COUNTY, INC.

STATEMENTS OF CASH FLOWS

For the years ended June 30, 2019 and 2018

	2019	2018
Cash provided (used) by continuing operating activities		
Cash received from contributors and grants	\$ 611,120	\$ 610,991
Donor designated receipts	155,392	163,362
Other receipts	34,491	51,243
	<u>801,003</u>	<u>825,596</u>
Cash paid to vendors and suppliers	(110,098)	(102,225)
Cash paid for employee services	(271,929)	(282,333)
Allocations and grants paid	(393,220)	(321,231)
Designated agencies	(104,415)	(110,313)
	<u>(879,662)</u>	<u>(816,102)</u>
Net cash provided (used) by operating activities	(78,659)	9,494
Cash provided (used) in investing activities		
Purchase of fixed assets	-	(4,505)
Invested in certificates of deposit	(10,924)	(618)
Withdrawn from (invested in) endowment fund	437	(1,338)
Total cash provided (used) by investing activities	<u>(10,487)</u>	<u>(6,461)</u>
Total cash provided (used)	(89,146)	3,033
Cash at beginning of year	324,393	321,360
Cash at end of year	<u>\$ 235,247</u>	<u>\$ 324,393</u>
Balances per Statements of Financial Position		
Cash and cash equivalents	\$ 72,316	\$ 163,275
Cash restricted for use in the following year	22,120	13,870
Cash designated by the board of directors	140,811	147,248
	<u>\$ 235,247</u>	<u>\$ 324,393</u>

The accompanying notes are an integral part of these financial statements

UNITED WAY OF MESA COUNTY, INC.

NOTES TO FINANCIAL STATEMENTS

June 30, 2019 and 2018

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 with donor restriction or without donor restriction, depending on the existence and/or nature of any donor restrictions.

Support that is restricted by the donor is reported as an increase in net assets with donor restriction 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 net assets with donor restrictions, depending on the nature of the restriction. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the Statement of Activities as net assets released from restrictions.

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, 2019 and 2018

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, 2019 and 2018

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 summarized below.

	<u>2019</u>	<u>2018</u>
Related to special events	\$ 19,944	\$ 20,441
General revenues and expenses	<u>34,703</u>	<u>30,702</u>
Total donated goods and services	<u>\$ 54,647</u>	<u>\$ 51,143</u>

10. Functional Allocation of Expenses

The costs of providing the various programs and other activities have been summarized on a functional basis in the statements of activities and changes in net position and the statements of functional expense, accordingly, certain costs have been allocated among program and supporting services benefitted on a reasonable basis that is consistently applied. The expenses that are allocated include compensation and benefits which are allocated on the basis of time and effort. All other expenses are allocated based on management's estimate of usage among the functions.

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, 2019 and 2018

NOTE B – CASH AND CASH EQUIVALENTS

The cash and cash equivalents held by the Organization at June 30, 2019 and 2018 are summarized as follows:

	<u>Fair Value</u>	
	<u>2019</u>	<u>2018</u>
Petty Cash	\$ 25	\$ 25
Cash in checking - without restriction	136,053	178,672
Cash Equivalents:		
Money market accounts	<u>77,049</u>	<u>131,826</u>
Total without restriction	213,127	310,523
Cash in checking – restricted for use in the following year	<u>22,120</u>	<u>13,870</u>
Total Cash	<u>\$ 235,247</u>	<u>\$ 324,393</u>

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

NOTE C – LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS

The following reflects the Organization’s financial assets as of June 30, 2019, reduced by amounts not available for use by donor-imposed restrictions and board designations.

Financial assets at June 30, 2019 available to meet cash
Needs for expenditure within one year consist of:

Cash - without restriction	\$ 213,127
Certificates of deposit	157,350
Unconditional promises to give	263,899
Cash restricted for use in the following year	<u>22,120</u>
Total financial assets	\$ 656,496
Less cash designated by the board	<u>(140,811)</u>
Total financial resources available to meet cash needs within one year	<u>\$ 515,685</u>

The Organization’s obligation to fund allocations and designations in the following year is \$488,500 and cash operating expenses approximate \$380,000 per year. These cash needs for the following year approximate \$868,500. Cash needs in excess of resources available at June 30, 2019 will be met by pledged contributions in the following year.

UNITED WAY OF MESA COUNTY, INC.

NOTES TO FINANCIAL STATEMENTS

June 30, 2019 and 2018

NOTE D – 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 E – 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.

NOTE F - COMBINED COLORADO CAMPAIGN

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

	<u>2019</u>	<u>2018</u>
Cash, beginning of year	\$ 3,615	\$ 9,756
Receipts	7,451	30,974
Disbursements	<u>(10,543)</u>	<u>(37,115)</u>
Cash, end of year (due to CFC and CCC)	<u>\$ 523</u>	<u>\$ 3,615</u>

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, 2019 and 2018 the Organization's contributions to this plan were \$3,459 and \$4,076, respectively.

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

UNITED WAY OF MESA COUNTY, INC.

NOTES TO FINANCIAL STATEMENTS

June 30, 2019 and 2018

NOTE H - 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:

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, 2019 and 2018 the Organization's contributions to this plan were \$34,658 and \$36,660 respectively.

NOTE I - PROPERTY AND EQUIPMENT

Office furniture and equipment and leasehold improvements, at cost, and accumulated depreciation at June 30, 2019 and 2018 are summarized as follows:

	<u>2,019</u>	<u>2,018</u>
Office equipment and furniture	\$ 29,558	\$ 29,558
Software and installation	36,115	36,115
Leasehold improvements	61,790	61,790
Less accumulated depreciation	<u>(117,195)</u>	<u>(109,071)</u>
	<u>\$ 10,268</u>	<u>\$ 18,392</u>

NOTE J - RENT EXPENSE

The facilities used by the Organization are rented from U.S. Bank. Rent expense totaled \$35,707 and \$35,020 respectively for the years ended June 30, 2019 and 2018. The Organization recorded in-kind contributions from U.S. Bank of \$14,420 and \$14,420 as revenue and as rent expense for 2019 and 2018. Minimum annual rent payments for future years are as follows:

June 30, 2020	\$ 22,317
June 30, 2021	<u>7,553</u>
Total	<u>\$ 29,870</u>

UNITED WAY OF MESA COUNTY, INC.

NOTES TO FINANCIAL STATEMENTS

June 30, 2019 and 2018

NOTE L- ADVERTISING

The Organization incurred \$28,429 and \$28,265 in advertising and promotional costs for the years ended June 30, 2019 and 2018, respectively. Included in those amounts are \$17,108 and \$14,080 respectively, in contributed advertising. The Organization's policy is to expense advertising as it is incurred.

NOTE M – 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 N – SUBSEQUENT EVENTS

The Organization has considered subsequent events through November 14, 2019. (the date of financial statement issuance) which may have an effect on these financial statements.

NOTE O – RESTATEMENT OF PRIOR YEAR BALANCES

In order to comply with generally accepted accounting principles for endowment funds the Organization has removed donor provided funds held at the Western Colorado Community Foundation from its statements of financial position and has restated amounts for the year ended June 30, 2018. Those restatements are summarized below.

	As originally <u>Reported</u>	As <u>Restated</u>	<u>Difference</u>
Beneficial interest in endowment fund held at the Western Colorado Community Foundation	\$ 27,084	\$ 15,248	\$ (11,836)
Net assets with donor restrictions	\$ 25,706	\$ 13,870	\$ (11,836)
Earnings on investments – with donor restrictions	\$ 1,016	-0-	\$ (1,016)

None of these restatements are material to the financial statements taken as a whole, either individually or in the aggregate.