

**UNITED WAY OF MESA COUNTY, INC.**

FINANCIAL STATEMENTS  
And  
INDEPENDENT AUDITORS' REPORT

Years Ended June 30, 2020 and 2019

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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, 2020 and 2019, 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**

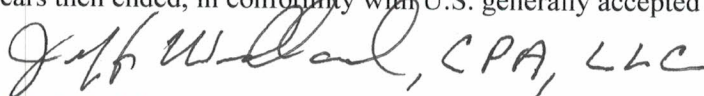
Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about 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, 2020 and 2019 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  
December 7, 2020

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UNITED WAY OF MESA COUNTY, INC  
STATEMENTS OF FINANCIAL POSITION

As of June 30, 2020 and 2019

ASSETS	<u>2020</u>	<u>2019</u>
Current Assets		
Cash and cash equivalents	\$ 126,350	\$ 72,316
Certificates of deposit	147,679	157,350
Unconditional promises to give, unrestricted, and due within one year, net of allowance for uncollectables of \$42,000 and \$35,000	239,573	263,899
Prepaid expense	<u>10,373</u>	<u>10,373</u>
Total current assets	523,975	503,938
Property and equipment, net of accumulated depreciation	2,390	10,268
Other assets		
Funds held in agency	1,465	523
Cash restricted for use in the following year	22,915	22,120
Cash designated by the board of directors	126,000	140,811
Beneficial interest in endowment fund held at the Western Colorado Community Foundation	<u>13,722</u>	<u>14,811</u>
Total other assets	<u>164,102</u>	<u>178,265</u>
Total assets	<u><u>\$ 690,467</u></u>	<u><u>\$ 692,471</u></u>
<b>LIABILITIES AND NET ASSETS</b>		
Liabilities		
Current liabilities		
Accrued liabilities	\$ 15,729	\$ 23,390
Allocations and designations payable	371,100	488,408
Combined campaigns	883	523
Paycheck Protection Program loan	<u>44,962</u>	<u>-</u>
Total current liabilities	<u>432,674</u>	<u>512,321</u>
Net Position		
With donor restriction for use in the following period	22,915	22,120
Without donor restriction		
Board designated for operating reserves	86,000	86,000
Board designated for nonoperating reserves	40,000	40,000
Board designated endowment	13,722	14,811
Undesignated	<u>95,156</u>	<u>17,219</u>
Total without donor restriction	<u>234,878</u>	<u>158,030</u>
Total net assets	<u>257,793</u>	<u>180,150</u>
Total liabilities and net assets	<u><u>\$ 690,467</u></u>	<u><u>\$ 692,471</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, 2020 and 2019

	2020		
	Without Donor Restriction	With Donor Restriction	Total
Operating Activities			
Support			
Contributions	\$ 803,815	\$ 22,915	\$ 826,730
Less provision for uncollectible contributions	(52,380)	-	(52,380)
Less donor designated contributions	(141,596)	-	(141,596)
Total support	<u>609,839</u>	<u>22,915</u>	<u>632,754</u>
Revenue			
Earnings on investments	1,005	-	1,005
Special events	40,830	-	40,830
Service fees - donor designations	45,989	-	45,989
Other	2,069	-	2,069
Contributed services	56,950	-	56,950
Total revenue	<u>146,843</u>	<u>-</u>	<u>146,843</u>
Total support and revenue	<u>756,682</u>	<u>22,915</u>	<u>779,597</u>
Released from restriction			
By passage of time	22,120	(22,120)	-
Program services expense			
Distributions			
Allocations and designations to agencies	376,550	-	376,550
Less donor designations	(95,607)	-	(95,607)
Total distributions	<u>280,943</u>	<u>-</u>	<u>280,943</u>
Community Funding Expense	145,765	-	145,765
Total program services	<u>426,708</u>	<u>-</u>	<u>426,708</u>
Support services expense			
General and administrative	91,900	-	91,900
Fundraising	174,585	-	174,585
Unallocated United Way Worldwide dues	8,761	-	8,761
Total support services	<u>275,245</u>	<u>-</u>	<u>275,245</u>
Total distributions and expenses	<u>701,954</u>	<u>-</u>	<u>701,954</u>
Change in net assets from operating activities	<u>76,848</u>	<u>795</u>	<u>77,643</u>
Net position at beginning of year	<u>158,030</u>	<u>22,120</u>	<u>180,150</u>
Net position at end of year	<u>\$ 234,878</u>	<u>\$ 22,915</u>	<u>\$ 257,793</u>

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

2019

Without Donor Restriction	With Donor Restricted	Total
\$ 788,198	\$ 22,120	\$ 810,318
(35,453)	-	(35,453)
(155,392)	-	(155,392)
<u>597,353</u>	<u>22,120</u>	<u>619,473</u>
1,897	-	1,897
51,365	-	51,365
50,977	-	50,977
1,173	-	1,173
34,703	-	34,703
<u>140,115</u>	<u>-</u>	<u>140,115</u>
<u>737,468</u>	<u>22,120</u>	<u>759,588</u>
13,870	(13,870)	-
516,141	-	516,141
(104,415)	-	(104,415)
<u>411,726</u>	<u>-</u>	<u>411,726</u>
143,426	-	143,426
<u>555,152</u>	<u>-</u>	<u>555,152</u>
139,816	-	139,816
150,861	-	150,861
8,540	-	8,540
<u>299,217</u>	<u>-</u>	<u>299,217</u>
<u>854,369</u>	<u>-</u>	<u>854,369</u>
(103,031)	8,250	(94,781)
<u>261,061</u>	<u>13,870</u>	<u>274,931</u>
<u>\$ 158,030</u>	<u>\$ 22,120</u>	<u>\$ 180,150</u>

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

For the years ended June 30, 2020 and 2019

	2020					Total
	Program Services	Supporting Services			Supporting Services Total	
	Community Funding	General and Admin.	Fund- Raising	UWA Dues		
Allocations and designations to agencies	\$ 371,100	\$ -	\$ -	\$ -	\$ -	\$ 371,100
Less donor designations		-	-	-	-	-
Other grants	5,450	-	-	-	-	5,450
Subtotal	<u>376,550</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>376,550</u>
Personnel						
Salaries & wages	78,157	55,768	64,305	-	120,073	198,230
Payroll taxes	6,088	4,343	5,009	-	9,352	15,440
Employee benefits	12,507	8,924	10,291	-	19,214	31,722
Workers' compensation	170	121	140	-	261	431
	<u>96,922</u>	<u>69,156</u>	<u>79,745</u>	<u>-</u>	<u>148,900</u>	<u>245,823</u>
Professional services						
Audit	3,016	2,152	2,482	-	4,634	7,650
Office expenses	7,637	5,448	6,283	-	11,731	19,368
Property expense						
Rent	14,079	10,044	11,583	-	21,627	35,706
Insurance	2,059	1,469	1,694	-	3,163	5,222
Service contracts	1,352	965	1,112	-	2,077	3,429
	<u>17,490</u>	<u>12,478</u>	<u>14,389</u>	<u>-</u>	<u>26,867</u>	<u>44,357</u>
Campaign and marketing						
Campaign supplies	-	-	3,782	-	3,782	3,782
Publicity and promotion	-	-	29,376	-	29,376	29,376
Special events	-	-	34,896	-	34,896	34,896
Other	-	-	557	-	557	557
	<u>-</u>	<u>-</u>	<u>68,611</u>	<u>-</u>	<u>68,611</u>	<u>68,611</u>
Staff and Board development	630	450	519	-	969	1,599
Community funding	16,964	-	-	-	-	16,964
Depreciation	3,106	2,216	2,556	-	4,772	7,878
United Way Worldwide Dues	<u>-</u>	<u>-</u>	<u>-</u>	<u>8,761</u>	<u>8,761</u>	<u>8,761</u>
Total	<u>\$ 522,315</u>	<u>\$ 91,900</u>	<u>\$ 174,585</u>	<u>\$ 8,761</u>	<u>\$ 275,245</u>	<u>\$ 797,561</u>

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



2019

Program Services	Supporting Services				
Community Funding	General and Admin.	Fund- Raising	UWA Dues	Supporting Services Total	Total
\$ 488,409	\$ -	\$ -	\$ -	\$ -	\$ 488,409
-	-	-	-	-	-
27,732	-	-	-	-	27,732
<u>516,141</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>516,141</u>
76,195	81,485	57,959	-	139,444	215,639
7,604	7,953	4,370	-	12,323	19,927
14,545	15,213	8,360	-	23,573	38,118
113	117	65	-	182	295
<u>98,457</u>	<u>104,768</u>	<u>70,754</u>	<u>-</u>	<u>175,522</u>	<u>273,979</u>
2,919	3,053	1,678	-	4,731	7,650
9,972	10,429	5,731	-	16,160	26,132
13,626	14,251	7,830	-	22,081	35,707
1,710	1,788	983	-	2,771	4,481
-	-	-	-	-	-
<u>15,336</u>	<u>16,039</u>	<u>8,813</u>	<u>-</u>	<u>24,852</u>	<u>40,188</u>
-	-	4,742	-	4,742	4,742
-	-	28,429	-	28,429	28,429
-	-	26,601	-	26,601	26,601
-	-	1,076	-	1,076	1,076
-	-	60,848	-	60,848	60,848
2,184	2,285	1,255	-	3,540	5,724
11,458	-	-	-	-	11,458
<u>3,100</u>	<u>3,242</u>	<u>1,782</u>	<u>-</u>	<u>5,024</u>	<u>8,124</u>
-	-	-	8,540	8,540	8,540
<u>\$ 659,567</u>	<u>\$ 139,816</u>	<u>\$ 150,861</u>	<u>\$ 8,540</u>	<u>\$ 299,217</u>	<u>\$ 958,784</u>

UNITED WAY OF MESA COUNTY, INC.

STATEMENTS OF CASH FLOWS

For the years ended June 30, 2020 and 2019

	2020	2019
Cash provided (used) by continuing operating activities		
Cash received from contributors and grants	\$ 657,080	\$ 611,120
Donor designated receipts	141,596	155,392
Other receipts	23,960	34,491
	<u>822,636</u>	<u>801,003</u>
Cash paid to vendors and suppliers	(90,630)	(110,098)
Cash paid for employee services	(253,852)	(271,929)
Allocations and grants paid	(398,251)	(393,220)
Designated agencies	(95,607)	(104,415)
	<u>(838,340)</u>	<u>(879,662)</u>
Net cash provided (used) by operating activities	(15,704)	(78,659)
Cash provided (used) in investing activities		
Withdrawn from (invested in) certificates of deposit	9,671	(10,924)
Withdrawn from (invested in) endowment fund	1,089	437
Proceeds from Pacheck Protection Program loan	44,962	-
Total cash provided (used) by investing activities	<u>55,722</u>	<u>(10,487)</u>
Total cash provided (used)	40,018	(89,146)
Cash at beginning of year	<u>235,247</u>	<u>324,393</u>
Cash at end of year	<u><u>\$ 275,265</u></u>	<u><u>\$ 235,247</u></u>
Balances per Statements of Financial Position		
Cash and cash equivalents	\$ 126,350	\$ 72,316
Cash restricted for use in the following year	22,915	22,120
Cash designated by the board of directors	126,000	140,811
	<u><u>\$ 275,265</u></u>	<u><u>\$ 235,247</u></u>

The accompanying notes are an integral part of these financial statements

UNITED WAY OF MESA COUNTY, INC.

NOTES TO FINANCIAL STATEMENTS

June 30, 2020 and 2019

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**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.

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.

UNITED WAY OF MESA COUNTY, INC.

NOTES TO FINANCIAL STATEMENTS

June 30, 2020 and 2019

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**NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED**

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.

9. 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.

UNITED WAY OF MESA COUNTY, INC.  
NOTES TO FINANCIAL STATEMENTS

June 30, 2020 and 2019

**NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED**

10. 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>2020</u>	<u>2019</u>
Related to special events	\$ 27,801	\$ 18,440
General revenues and expenses	<u>29,150</u>	<u>16,263</u>
Total donated goods and services	<u>\$ 56,950</u>	<u>\$ 34,703</u>

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.

**NOTE B – LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS**

The following reflects the Organization's financial assets as of June 30, 2020 and 2019, reduced by amounts not available for use by donor-imposed restrictions and board designations.

Financial assets available to meet cash needs for expenditure within one year consist of:

	<u>2020</u>	<u>2019</u>
Cash - without restriction	\$ 252,350	\$ 213,127
Certificates of deposit	147,679	157,350
Unconditional promises to give	239,573	263,899
Cash restricted for use in the following year	<u>22,915</u>	<u>22,120</u>
Total financial assets	662,517	656,496
Less cash designated by the board	<u>(126,000)</u>	<u>(140,811)</u>
Total financial resources available to meet cash needs within one year	<u>\$ 536,517</u>	<u>\$ 515,685</u>

UNITED WAY OF MESA COUNTY, INC.

NOTES TO FINANCIAL STATEMENTS

June 30, 2020 and 2019

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**NOTE B – LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS - CONTINUED**

The Organization’s obligation to fund allocations and designations in the following year as of June 30, 2020, and 2019 are \$371,000 and \$488,500 respectively and cash operating expenses approximate \$400,000 per year. Cash needs in excess of resources available at June 30, 2020 and 2019 will be met by pledged contributions in the following year.

**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 – BENEFICIAL INTEREST IN 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 E - PROPERTY AND EQUIPMENT**

Office furniture and equipment and leasehold improvements, at cost, and accumulated depreciation at June 30, 2020 and 2019 are summarized as follows:

	<u>2020</u>	<u>2019</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>(125,073)</u>	<u>(117,195)</u>
	<u>\$ 2,390</u>	<u>\$ 10,268</u>

UNITED WAY OF MESA COUNTY, INC.

NOTES TO FINANCIAL STATEMENTS

June 30, 2020 and 2019

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**NOTE F – PAYCHECK PROTECTION PLAN LOAN**

On April 29, 2020 the Organization was granted a loan of \$44,962 pursuant to the Paycheck Protection Plan under Division A, Title I of the CARES Act which was enacted March 27, 2020. The Loan, which was in the form of a Note dated April 6, 2020 issued by the Borrower, matures on April 29, 2022 and bears interest at a rate of 1% per annum, payable in 18 monthly commencing on October 29, 2020. The Note may be prepaid by the Borrower at any time prior to maturity with no prepayment penalties. Funds from the Loan may only be used for payroll costs, costs used to continue group health care benefits, mortgage payments, rent, utilities, and interest on other debt obligations incurred before February 15, 2020. The Company intends to use the entire Loan amount for qualifying expenses. Under the terms of the PPP, certain amounts of the Loan may be forgiven if they are used for qualifying expenses as described in the CARES Act.

**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, 2020 and 2019 the Organization's contributions to this plan were \$2,071 and \$3,459, 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

**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, 2020 and 2019 the Organization's contributions to this plan were \$29,651 and \$34,658 respectively.

UNITED WAY OF MESA COUNTY, INC.

NOTES TO FINANCIAL STATEMENTS

June 30, 2020 and 2019

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**NOTE I - RENT EXPENSE**

The facilities used by the Organization are rented from U.S. Bank. Rent expense totaled \$35,707 for each of the years ended June 30, 2020 and 2019. The Organization recorded in-kind contributions from U.S. Bank of \$14,420 as revenue and as rent expense for each of the years ended June 30, 2020 and 2019. Minimum annual rent payments for future years are as follows:

June 30, 2021	\$ 7,553
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**NOTE J – 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 K - ADVERTISING**

The Organization incurred \$56,720 and \$28,429 in advertising and promotional costs for the years ended June 30, 2020 and 2019, respectively. Included in those amounts are \$31,944 and \$17,108 respectively, in contributed advertising. The Organization’s policy is to expense advertising as it is incurred.

**NOTE L – 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 M – SUBSEQUENT EVENTS**

The Organization has considered subsequent events through December 7, 2020 (the date of financial statement issuance) which may have an effect on these financial statements.