

**LIVE UNITED**



**United Way of Weld County**

[UnitedWay-Weld.org](http://UnitedWay-Weld.org)

**FINANCIAL STATEMENTS AND  
INDEPENDENT AUDITOR'S REPORT**

**For the Year Ended June 30, 2018  
(With Comparative Totals for the Year Ended June 30, 2017)**

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

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## INDEPENDENT AUDITOR'S REPORT

To the Board of Directors  
United Way of Weld County, Inc.  
Greeley, Colorado

We have audited the accompanying financial statements of United Way of Weld County, Inc. (a nonprofit organization), which comprise the statement of financial position as of June 30, 2018, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

### Management's Responsibility for the Financial Statements

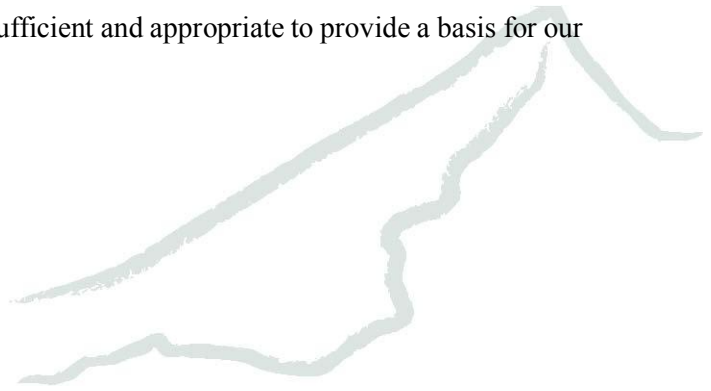
Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and 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, as established by the Auditing Standards Board. 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 United Way of Weld County, Inc. as of June 30, 2018, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## **Report on Summarized Comparative Information**

We have previously audited United Way of Weld County, Inc.'s 2017 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated November 7, 2017. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2017, is consistent, in all material respects, with the audited financial statements from which it has been derived.

A handwritten signature in black ink, consisting of the letters 'RLR' in a cursive style, followed by 'LLP' in a smaller, more formal font.

Evans, Colorado  
October 30, 2018

**STATEMENT OF FUNCTIONAL EXPENSES**

**UNITED WAY OF WELD COUNTY, INC.**  
**STATEMENT OF FINANCIAL POSITION**  
**June 30, 2018 (With Comparative Totals for 2017)**

	<b>2018</b>	<b>2017</b>
<b>ASSETS</b>		
Cash and cash equivalents	\$ 1,109,688	\$ 1,466,536
Receivables:		
Campaign pledges, net of allowance for doubtful pledges of \$150,555 in 2018 and \$150,874 in 2017	490,779	481,892
Grants	198,669	199,904
Other	49,785	22,399
Prepaid expenses	36,964	37,021
Property and equipment, net	472,797	96,445
Investments	1,392,324	1,029,467
Beneficial interest in investments held by the Community Foundation Serving Greeley and Weld County	372,314	344,487
<b>Total assets</b>	<b>\$ 4,123,320</b>	<b>\$ 3,678,151</b>
<b>LIABILITIES</b>		
Accounts payable	\$ 133,053	\$ 97,185
Accrued awards liability	566,071	566,071
Donor designations payable	90,911	152,588
Accrued compensated absences	96,868	76,373
Deferred revenue	53,461	107,041
<b>Total liabilities</b>	<b>940,364</b>	<b>999,258</b>
<b>NET ASSETS</b>		
Unrestricted:		
Investment in property and equipment, net	472,797	96,445
Board designated:		
Legacy endowment	74,897	54,071
Capital reserve	70,000	-
Programs	244,592	117,036
Operating reserve	1,695,375	1,695,044
Undesignated	152,050	333,780
<b>Total unrestricted</b>	<b>2,709,711</b>	<b>2,296,376</b>
Temporarily restricted	175,829	92,101
Permanently restricted - Legacy endowment	297,416	290,416
<b>Total net assets</b>	<b>3,182,956</b>	<b>2,678,893</b>
<b>Total liabilities and net assets</b>	<b>\$ 4,123,320</b>	<b>\$ 3,678,151</b>

See accompanying notes to financial statements.

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

**STATEMENT OF ACTIVITIES**

**For the Year Ended June 30, 2018 (With Comparative Totals for 2017)**

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total 2018	Total 2017
<b>Revenue</b>					
Annual campaign proceeds	\$2,878,476	\$85,592	\$ -	\$2,964,068	\$3,017,480
Less:					
Donor designations	(302,476)	-	-	(302,476)	(379,097)
Adjustment of provision for uncollectible pledges	(114,820)	-	-	(114,820)	(173,212)
<b>Net campaign revenue</b>	<b>2,461,180</b>	<b>85,592</b>	<b>-</b>	<b>2,546,772</b>	<b>2,465,171</b>
Other contributions	244,033	-	7,000	251,033	249,850
Contribution of facility	405,595	-	-	405,595	-
Grants and contracts	1,066,337	-	-	1,066,337	1,218,876
Investment income	133,925	-	-	133,925	126,924
Miscellaneous income	65,068	-	-	65,068	62,810
Net assets released from restrictions	1,864	(1,864)	-	-	-
<b>Total other revenue</b>	<b>1,916,822</b>	<b>(1,864)</b>	<b>7,000</b>	<b>1,921,958</b>	<b>1,658,460</b>
<b>Total revenue</b>	<b>4,378,002</b>	<b>83,728</b>	<b>7,000</b>	<b>4,468,730</b>	<b>4,123,631</b>
<b>Expense</b>					
Program services:					
Agency support and planning	168,569	-	-	168,569	144,615
Community impact	499,413	-	-	499,413	425,634
VISTA program	174,669	-	-	174,669	170,169
Welds Way Home	327,082	-	-	327,082	242,328
Promises for Children	1,015,232	-	-	1,015,232	1,199,320
2-1-1 InfoLine	224,341	-	-	224,341	227,077
Volunteer center	72,245	-	-	72,245	38,598
Community awards	636,940	-	-	636,940	601,471
<b>Total program services</b>	<b>3,118,491</b>	<b>-</b>	<b>-</b>	<b>3,118,491</b>	<b>3,049,212</b>
Supporting services:					
Fund raising, including in-kind expenses of \$90,673 in 2018 and \$76,344 in 2017	699,596	-	-	699,596	655,194
General and administrative	146,580	-	-	146,580	124,041
<b>Total supporting services</b>	<b>846,176</b>	<b>-</b>	<b>-</b>	<b>846,176</b>	<b>779,235</b>
<b>Total expenses</b>	<b>3,964,667</b>	<b>-</b>	<b>-</b>	<b>3,964,667</b>	<b>3,828,447</b>
Change in Net Assets	413,335	83,728	7,000	504,063	295,184
Net Assets, Beginning of Year	2,296,376	92,101	290,416	2,678,893	2,383,709
Net Assets, End of Year	<b>\$2,709,711</b>	<b>\$175,829</b>	<b>\$297,416</b>	<b>\$3,182,956</b>	<b>\$2,678,893</b>

See accompanying notes to financial statements.

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

**STATEMENT OF FUNCTIONAL EXPENSES**

**For the Year Ended June 30, 2018 (With Comparative Totals for 2017)**

	Program Services					
	Agency Support and Planning	Community Impact	VISTA Program	Welds Way Home	Promises for Children	2-1-1 InfoLine
Community Award Expenses:						
Community awards	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Less: donor designations	-	-	-	-	-	-
Total community award expenses	-	-	-	-	-	-
Personnel Expenses:						
Salaries	82,274	205,567	34,225	51,397	394,197	114,701
Payroll taxes and employee benefits	23,170	57,350	9,298	14,165	111,008	32,854
Total personnel expenses	105,444	262,917	43,523	65,562	505,205	147,555
Operating Expenses						
Supplies	282	10,309	773	234	14,887	814
Flood relief	-	-	-	-	-	-
QIP/client supplies	-	25,647	-	750	85,246	-
Telephone	-	246	925	-	104	-
Postage	63	430	-	46	2,171	22
Advertising and printing	558	23,237	397	2,855	36,831	368
Conferences and meetings	15,554	28,114	2,431	11,909	39,831	185
Dues, fees and subscriptions	-	119	-	-	2,472	3,317
Insurance	-	1,660	-	85	-	-
Equipment and maintenance	-	15,786	-	2,998	99	-
Mileage	116	2,454	1,705	2,241	5,121	258
Building and occupancy	3,656	39,350	1,303	2,252	17,286	5,228
Contract and professional services	6,594	14,164	83,536	176,643	117,134	18,930
Rent	-	-	24,908	39,038	-	-
Other expenses	20	108	-	-	1,927	-
Shared costs	33,787	71,817	14,027	20,916	171,977	44,881
Total operating expenses	60,630	233,441	130,005	259,967	495,086	74,003
Total expenses before depreciation	166,074	496,358	173,528	325,529	1,000,291	221,558
Depreciation	2,495	3,055	1,141	1,553	14,941	2,783
<b>Total expenses</b>	<b>\$ 168,569</b>	<b>\$ 499,413</b>	<b>\$ 174,669</b>	<b>\$ 327,082</b>	<b>\$ 1,015,232</b>	<b>\$ 224,341</b>



Program Services			Support Services					
Volunteer Center	Community Awards	Total Program Services	General and Administrative	Fund Raising	Total Support Services	Shared Expenses	Total 2018	Total 2017
\$ -	\$ 939,416	\$ 939,416	\$ -	\$ -	\$ -	\$ -	\$ 939,416	\$ 980,568
-	(302,476)	(302,476)	-	-	-	-	(302,476)	(379,097)
-	636,940	636,940	-	-	-	-	636,940	601,471
21,007	-	903,368	54,805	270,675	325,480	-	1,228,848	1,173,682
5,846	-	253,691	15,370	75,594	90,964	-	344,655	259,771
26,853	-	1,157,059	70,175	346,269	416,444	-	1,573,503	1,433,453
4,071	-	31,370	258	12,922	13,180	28,037	72,587	93,793
-	-	-	-	-	-	-	-	860
-	-	111,643	-	-	-	-	111,643	126,018
-	-	1,275	-	-	-	36,339	37,614	48,749
769	-	3,501	3	5,184	5,187	6,268	14,956	17,541
4,111	-	68,357	592	55,115	55,707	220,526	344,590	321,010
17,262	-	115,286	3,086	70,417	73,503	43,452	232,241	218,680
90	-	5,998	-	100	100	46,263	52,361	43,795
-	-	1,745	-	-	-	17,836	19,581	15,111
-	-	18,883	-	3,483	3,483	28,492	50,858	106,291
527	-	12,422	-	5,828	5,828	2,586	20,836	30,523
920	-	69,995	2,314	11,616	13,930	-	83,925	53,476
8,461	-	425,462	43,526	69,813	113,339	69,002	607,803	630,120
-	-	63,946	-	-	-	410	64,356	45,013
-	-	2,055	1,960	10	1,970	74	4,099	10,139
8,543	-	365,948	22,818	110,519	133,337	(499,285)	-	-
44,754	-	1,297,886	74,557	345,007	419,564	-	1,717,450	1,761,119
71,607	636,940	3,091,885	144,732	691,276	836,008	-	3,927,893	3,796,043
638	-	26,606	1,848	8,320	10,168	-	36,774	32,404
\$ 72,245	\$ 636,940	\$ 3,118,491	\$ 146,580	\$ 699,596	\$ 846,176	\$ -	\$ 3,964,667	\$ 3,828,447

See accompanying notes to financial statements.

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

**STATEMENT OF CASH FLOWS**

**For the Years Ended June 30, 2018 (With Comparative Totals for 2017)**

	<b>2018</b>	<b>2017</b>
Cash flows from operating activities:		
Cash received from campaign	\$ 2,537,885	\$ 2,490,355
Cash received from grants and contracts	986,606	1,230,005
Cash received from bequests	7,000	6,000
Other cash receipts	54,198	28,530
Interest and dividends received	79,049	73,079
Cash paid to employees and suppliers	(3,689,117)	(3,566,926)
<b>Net cash (used) provided by operating activities</b>	<b>(24,379)</b>	<b>261,043</b>
Cash flows from investing activities:		
Purchase of equipment and improvements	(7,531)	(7,415)
Distributions from investments - quasi endowment	-	260,629
Proceeds from sale of investments	454,089	-
Purchase of investments	(723,428)	(268,556)
Reinvestment of interest in investments	(27,772)	(25,628)
Transfer to beneficial interest in investments	(7,000)	(6,000)
Net (increase) in beneficial interest in investments	(20,827)	(6,934)
<b>Net cash (used) by investing activities</b>	<b>(332,469)</b>	<b>(53,904)</b>
Net (decrease) increase in cash and cash equivalents	(356,848)	207,139
Cash and cash equivalents, beginning of year	1,466,536	1,259,397
Cash and cash equivalents, end of year	\$ 1,109,688	\$ 1,466,536
Reconciliation of Increase in Net Assets		
Change in net assets	\$ 504,063	\$ 295,184
Adjustments to reconcile change in net assets to net cash used by operating activities:		
Adjustment of provision for uncollectible pledges	114,820	173,212
Depreciation	36,774	32,403
Contribution of facility	(405,595)	-
Unrealized gain on investments	(65,746)	(88,125)
Decrease (increase) in:		
Campaign pledges receivable	(123,707)	(148,028)
Other receivables	(26,151)	8,670
Prepaid expenses	57	(11,480)
Increase (decrease) in:		
Accounts payable	77,663	(11,345)
Accrued awards liability	-	(50,142)
Donor designations payable	(103,472)	51,188
Accrued compensated absences	20,495	7,047
Deferred revenue	(53,580)	2,459
<b>Net cash (used) provided by operating activities</b>	<b>\$ (24,379)</b>	<b>\$ 261,043</b>

See accompanying notes to financial statements.

**UNITED WAY OF WELD COUNTY, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2018 (With Comparative Totals for 2017)**

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**Note 1. Organization Operations and Significant Accounting Policies**

The accounting and reporting policies of United Way of Weld County, Inc. (United Way) conform to accounting principles generally accepted in the United States of America. The following summary of significant accounting policies is presented to assist the reader in evaluating United Way's financial statements.

Organization

United Way provides services and partners with other nonprofit organizations to improve the lives of people in Weld County, Colorado. United Way is supported primarily through public donations and is governed by a local volunteer Board of Directors consisting of business professionals and community leaders.

Basis of Presentation

Net assets and revenue, expenses, gains and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets of United Way and changes therein are classified and reported as follows:

Unrestricted net assets – Net assets that are not subject to donor-imposed restrictions, and thus represent funds that are fully available, at the discretion of management and the Board of Directors for United Way to utilize in any of its programs or supporting services.

Temporarily restricted net assets – Net assets subject to donor-imposed restrictions that will be met either by actions of United Way and/or the passage of time. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as “net assets released from restrictions.” Donor restrictions that are met in the same reporting period in which the contributions were received are reported as unrestricted revenue.

Permanently restricted net assets – Net assets subject to donor-imposed restrictions that are to be maintained permanently by United Way.

The United Way Board of Directors has directed a portion of unrestricted net assets as a board-designated endowment, specific program reserve and an operating reserve. These board-designated amounts do not represent donor restrictions.

Comparative Financial Information

The accompanying financial statements include certain prior-year summarized comparative information in total, but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with accounting principles generally accepted in the United States of America (GAAP). Accordingly, such information should be read in conjunction with United Way's audited financial statements for the year ended June 30, 2017, from which the summarized information was derived.

Cash and Cash Equivalents

United Way considers all time and demand bank deposits and highly-liquid investments with an original maturity of three months or less to be cash equivalents. United Way maintains its cash balances in several financial institutions located in Weld County, Colorado. The balances at times exceed the insurance coverage limit provided by the Federal Deposit Insurance Corporation (FDIC). United Way has not experienced any losses in these accounts.

**UNITED WAY OF WELD COUNTY, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2018 (With Comparative Totals for 2017)**

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**Note 1. Organization Operations and Significant Accounting Policies (continued)**

Investments and Beneficial Interest in Investments

All investments in marketable securities are recognized at fair value using quoted prices in active markets for identical assets or liabilities with readily determinable fair values. Investment income or loss (including gains and losses on investments, interest and dividends) is included in the statement of activities as an increase or decrease in unrestricted net assets unless the income or loss is restricted by donor or law.

United Way executed an agreement with the Community Foundation Serving Greeley and Weld County (Community Foundation) in April 2001, whereby United Way transferred assets to the Community Foundation in order to establish The Legacy Endowment Fund with the Community Foundation. In accordance with the agreement, the primary purpose of the endowment fund is to provide operating and capital support to United Way to carry out its role and mission as described in its governing documents, and the principal of the fund shall be held by the Community Foundation as an endowment in support of United Way.

Distributions from the endowed portion of the endowment fund are designated to be made available to United Way at an annual rate established by the Community Foundation. The agreement states that the endowment fund is not a separate trust, and that all assets of the fund are assets of the Community Foundation. The agreement also provides that the endowment fund shall continue for as long as United Way continues as a public charity, with the exception that United Way may, upon a vote of two-thirds of its directors present at a directors' meeting at which a quorum is present, direct the distribution to itself of any part or all of the principal from the fund with the effective date of the termination being the close of the Community Foundation's fiscal year within which the Community Foundation receives a certified copy of the resolution adopted by United Way's governing board terminating the agreement. As the agreement provides an option to request the distribution of the entire endowment with a sufficient vote from its directors, United Way has accounted for the endowment fund as an asset in accordance Accounting Standards Codification (ASC) 958-605-25-33, *Transfers that Are Not Contributions Because They Are Revocable, Repayable, or Reciprocal*. The endowment fund is presented as beneficial interest in investments held by the Community Foundation Serving Greeley and Weld County on United Way's statement of financial position.

Through the Community Foundation, United Way invests in a managed portfolio that contains common stocks and bonds of publicly traded companies, U.S. Government obligations, mutual funds and money market funds. Such investments are exposed to various risks such as interest rate, credit and overall market volatility.

Due to the level of risk associated with such investments and the level of uncertainty related to changes in the value of such investments, it is at least reasonably possible that changes in risks in the near term would materially affect investment balances and the amounts reported in the financial statements. The fair value of investments in securities is based on the last reported sales price at June 30, 2018 and 2017. United Way considers certificates of deposit with original maturities of more than three months to be investments.

Investments – Quasi Endowment

United Way's quasi endowment implemented the Board of Directors' decision to convert previously spendable assets to invested assets that produced long-term spendable income. Quasi endowments may be established with legally available, non-appropriated United Way financial resources that are either unrestricted as to their use, or under compatible restrictions, and in situations where the principal of the endowment is designated by the Board of Directors to not be expended. Changes to the quasi endowment, or expenditure of the principal of the quasi endowment, require the approval of the Board of Directors. The Board of Directors released the designation in its entirety during the year ended June 30, 2017.

**UNITED WAY OF WELD COUNTY, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2018 (With Comparative Totals for 2017)**

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**Note 1. Organization Operations and Significant Accounting Policies (continued)**

Receivables

Campaign contributions which have not yet been received in cash are recorded as pledges receivable at the time they are communicated to United Way. Collection of the pledges receivable is anticipated within the succeeding twelve months. An allowance for uncollectible pledges is established based on management's evaluation of pledges outstanding and other factors including historical collection experience, local economic conditions and various attributes pertaining to the donor base.

United Way considers other receivables (related to grants and other reimbursements) to be fully collectible. As such, no allowance for doubtful accounts has been established.

Revenue Recognition

Contributions, which include unconditional pledges, are recorded as revenue in the period received. Campaign contributions are considered available for unrestricted use unless specifically restricted or designated by the donor.

Contributions of securities are recorded at their fair value on the date received. Grant revenue is recognized to the extent that eligible expenses are incurred. Grant funds received that don't meet the criteria for revenue recognition are reported as deferred revenue.

Donor Designations

United Way allows donors to designate their contributions to specific nonprofit organizations. Donor designations are reported as a liability rather than as revenue. In the accompanying statement of activities, the designated funds provided by donors are included in gross campaign proceeds, but are excluded from net campaign revenue. Similarly, the payments to the designated organizations are included as community awards, but excluded from community awards expense.

In-Kind Contributed Services

In-kind contributions consist of donated professional services, supplies, and property and equipment. United Way recognizes contribution revenue for certain services received at the fair value of those services provided when those services create or enhance non-financial assets or require specialized skills that are provided by individuals possessing those skills and would typically need to be purchased if not provided by donation. Materials are recorded at fair value at the date of donation using Level 3 inputs of the fair value hierarchy. United Way recognized \$249,628 and \$243,850 of in-kind contributions during the years ending June 30, 2018 and 2017. In addition, United Way capitalized \$405,595 to property and equipment for a facility during the year ended June 30, 2018.

No amounts have been reflected in the accompanying financial statements for campaign volunteer services since no objective basis is available to measure the value of such services. However, a substantial number of volunteers have donated significant amounts of their time to United Way's program services and its fund-raising campaigns.

Property and Equipment

Property and equipment are valued at cost or fair value at the date of donation. Depreciation of property and equipment is provided on a straight-line basis over estimated useful lives generally ranging from 4 to 39 years. Upon disposal of an item of property and equipment, the difference between the disposal proceeds and its carrying amount is recognized as gain (loss) on disposal of property and equipment in the statement of activities.

**UNITED WAY OF WELD COUNTY, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2018 (With Comparative Totals for 2017)**

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**Note 1. Organization Operations and Significant Accounting Policies (continued)**

Accrued Awards Liability

The liability for community awards is recognized when the awards are approved by United Way's Board of Directors, provided they are not contingent on future campaign results for funding.

Deferred Revenue

United Way considers payments received on grant agreements and service contracts in advance of the services being performed to be deferred revenue. Revenue relating to service contracts and grants is recognized as the terms of grant agreements are met or as services outlined in contracts are performed. Deferred revenue as of June 30, 2018 and 2017 was \$53,461 and \$107,041, respectively.

Income Taxes

United Way is a nonprofit corporation and qualifies as a tax-exempt organization under Section 501(c)(3) of the Internal Revenue Code. Accordingly, no provision is made in these financial statements for income taxes.

United Way has adopted the recognition requirements for uncertainty in income taxes as required by ASC 740-10. The standard prescribes a comprehensive model for how an organization should recognize, measure, present and disclose in the financial statements uncertainty in income taxes United Way has taken or expects to take on a tax return.

In evaluating United Way's tax provisions and accruals, interpretations and tax planning strategies are considered. United Way believes their estimates are appropriate based on current facts and circumstances and have not recorded any reserves or related accruals for interest and penalties for uncertainty in income taxes at June 30, 2018 and 2017.

Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States requires management to make estimates and assumptions that affect certain reported amounts and disclosures. The allowance for uncollectible campaign pledges is a significant estimate. Actual financial results could differ from the estimates, and any adjustment could be significant.

Functional Allocation of Expenses

Expenses are charged to program services and supporting services based on direct expenditures incurred. Any expenditure not directly chargeable is allocated to a program or supporting service in proportion to the direct personnel costs.

Advertising

Advertising costs are expensed as incurred. Advertising expense for the years ended June 30, 2018 and 2017 was \$235,315 and \$177,131, respectively. Of those expenses, approximately \$90,000 and \$61,000, respectively, was in-kind advertising expense.

**UNITED WAY OF WELD COUNTY, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2018 (With Comparative Totals for 2017)**

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**Note 1. Organization Operations and Significant Accounting Policies (continued)**

Fair Value

Fair value is the price that would be received from the sale of an asset or settlement of a liability in an orderly transaction between market participants at the measurement date. When determining the fair value measurements for assets and liabilities which are required to be recorded at fair value, United Way considers the principal or most advantageous market in which a hypothetical sale or transfer would take place and consider assumptions that market participants would use when pricing the asset or liability, such as inherent risk, transfer restrictions, and risk of non-performance.

The fair value hierarchy is made up of three levels of inputs which may be used to measure fair value:

Level 1—observable inputs such as quoted prices for identical instruments in active markets.

Level 2—observable inputs such as quoted prices for similar instruments in active markets, quoted prices for identical or similar instruments in markets that are not active, model derived valuations in which all significant inputs are observable in active markets, and where net asset value (NAV) is equal to fair value.

Level 3—unobservable inputs for which there is little or no market data and which require us to develop our own assumptions.

United Way categorizes fair value measurements within the fair value hierarchy based upon the lowest level of the most significant inputs used to determine such fair value measurement.

Reclassifications

Certain reclassifications have been applied to conform to the current year presentation. These reclassifications have no effect on previously reported results of operations or net assets.

Subsequent Events

Management has evaluated subsequent events through October 30, 2018, the date on which the financial statements were available to be issued.

**Note 2. Annual Campaign Pledges and Revenue Concentration**

A summary of annual campaign pledges, annual campaign pledges receivable, and allowance for uncollectible pledges is as follows:

Campaign	June 30, 2018			
	Campaign Proceeds in 2017-18	Pledges Receivable Outstanding	Allowance for Uncollectible Pledges	Net Pledges Receivable
2018-2019	\$ 121,156	\$ 66,797	\$ (6,058)	\$ 60,739
2017-2018	2,817,397	574,537	(144,497)	430,040
Prior years	25,515	-	-	-
	\$ 2,964,068	\$ 641,334	\$ (150,555)	\$ 490,779

**UNITED WAY OF WELD COUNTY, INC.**  
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**June 30, 2018 (With Comparative Totals for 2017)**

**Note 2. Annual Campaign Pledges and Revenue Concentration (continued)**

Campaign	June 30, 2017			
	Campaign Proceeds in 2016-17	Pledges Receivable Outstanding	Allowance for Uncollectible Pledges	Net Pledges Receivable
2017-2018	\$ 72,550	\$ 51,200	\$ (3,628)	\$ 51,200
2016-2017	2,916,069	581,566	(147,246)	430,692
Prior years	28,861	-	-	-
	\$ 3,017,480	\$ 632,766	\$ (150,874)	\$ 481,892

Contributions from one donor represented 23% and 25% of the contributions received during the years ended June 30, 2018 and 2017, respectively.

**Note 3. Community Awards**

Community awards approved by the United Way Board of Directors consist of the following:

Years Ended June 30	2018	2017
Initiatives:		
Health	\$ 189,146	\$ 164,619
Income/financial stability	179,800	164,950
Education	212,132	216,302
Special grants	30,862	33,600
Special awards	25,000	22,000
	636,940	601,471
Community awards expense	636,940	601,471
Donor designations to specific nonprofit organizations	302,476	379,097
	\$ 939,416	\$ 980,568
Total community awards		

**Note 4. Property and Equipment**

At June 30, 2018 and 2017, property and equipment consisted of the following:

	2018	2017
Land	\$ 96,645	\$ 23,045
Building and improvements	523,458	188,179
Equipment and furniture	188,291	248,895
	808,394	460,119
Less: accumulated depreciation	(335,597)	(363,674)
Total property and equipment	\$ 472,797	\$ 96,445



**UNITED WAY OF WELD COUNTY, INC.**  
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**June 30, 2018 (With Comparative Totals for 2017)**

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**Note 4. Property and Equipment (continued)**

During the year ended June 30, 2018, United Way received a contribution of a building and land located in Fort Lupton, Colorado. United Way has recorded the contributed asset at its estimated fair market value of \$405,595, using Level 3 inputs of the fair value hierarchy.

**Note 5. Net Assets**

At June 30, 2018 and 2017, the board designated and donor restricted net assets were as follows:

	2018	2017
Board Designated		
Legacy endowment	\$ 74,897	\$ 54,071
Capital reserve	70,000	-
Specific programs	244,592	117,036
Operating reserve	1,695,375	1,695,044
Total board designated	\$ 2,084,864	\$ 1,866,151
Temporarily Restricted		
Child tax credit	\$ 109,605	\$ 33,568
Best Start for Babies	5,226	374
Young Leaders Society	1,747	3,611
Navigation Center	4,585	-
Weld Recovers	54,666	54,548
Total temporarily restricted	\$ 175,829	\$ 92,101
Permanently Restricted		
Legacy Endowment	\$ 297,416	\$ 290,416

**Note 6. Legacy Endowment Fund and Investments**

Legacy Endowment Fund

The United Way Board of Directors has established the United Way of Weld County Legacy Endowment with the Community Foundation Serving Greeley and Weld County (Community Foundation). The fund consists of donor-restricted gifts, primarily bequests. In accordance with ASC 958-205-20, *Endowments and Board Designated Endowments*, the principal portion of the Legacy Endowment Fund is comprised of permanently restricted donor gifts and invested as a permanent endowment, which is to provide a permanent source of income. The investment earnings of the Legacy Endowment Fund are not externally restricted, and are therefore classified as unrestricted net assets. The Board of Directors have designated the earnings of the fund to remain invested in the Legacy Endowment Fund with the Community Foundation, until future distributions are necessary.

At June 30, 2018 and 2017, the Legacy Endowment Fund consisted of \$372,314 and \$344,487, respectively, in investments held by the Community Foundation. The endowment investments are presented as beneficial interest in investments held by the Community Foundation Serving Greeley and Weld County on the statement of financial position, as more fully described in Note 1.

**UNITED WAY OF WELD COUNTY, INC.**  
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**Note 6. Legacy Endowment Fund and Investments (continued)**

Legacy Endowment Fund (continued)

Management of endowment funds in Colorado are governed by the Uniform Prudent Management of Institutional Funds Act (UPMIFA). United Way has interpreted UPMIFA as generally requiring the preservation of the fair value of the original gift as of the gift date of the donor gift instrument at the time the accumulation is added to the fund.

In accordance with UPMIFA, the United Way considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

- 1) The duration and preservation of the fund.
- 2) The purposes of the organization and the donor-restricted endowment fund.
- 3) General economic conditions.
- 4) The possible effect of inflation/deflation.
- 5) The expected total return from income and the appreciation of investments.
- 6) Other resources of the organization.
- 7) The investment policies of the organization.

United Way's investment policy goal is to provide a reasonable, predictable, and sustainable amount of funds available for the uses intended by the original endowment. Given United Way's commitment to support both current needs and to provide for future needs, United Way advocates to support both current needs and to provide for future distribution. The long-term investment focus is to meet needs for both distributions in the present and to provide growth in assets and income over time through investment of excess income and capital appreciation.

The following are the changes in the Legacy Endowment Fund net assets for the years ended June 30, 2018 and 2017:

	Board Designated Unrestricted	Donor Permanently Restricted	Total
Balance, July 1, 2016	\$ 47,138	\$ 284,416	\$ 33,554
Investment income	28,217	-	28,217
Contributions	-	6,000	6,000
Administrative fees	(7,080)	-	(7,080)
Distributions	(14,204)	-	(14,204)
Balance, June 30, 2017	54,071	290,416	344,487
Investment income	27,103	-	27,103
Contributions	-	7,000	7,000
Administrative fees	(6,276)	-	(6,276)
Distributions	-	-	-
Balance, June 30, 2018	\$ 74,898	\$ 297,416	\$ 372,314

**UNITED WAY OF WELD COUNTY, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
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**Note 6. Legacy Endowment Fund and Investments (continued)**

Legacy Endowment Fund (continued)

The fair value of beneficial interest in investments held in the Legacy Endowment Fund as of June 30, 2018 and 2017 were determined using the following inputs of the fair value hierarchy:

	Fair Value Measurements at Reporting Date Using			
	Fair Value	Level 1	Level 2	Level 3
June 30, 2018	\$ 372,314	\$ -	\$ -	\$ 372,314
June 30, 2017	\$ 344,487	\$ -	\$ -	\$ 344,487

The fair value of Level 3 beneficial interest in investments held in the Legacy Endowment Fund is determined by assuming a hypothetical transaction at the measurement date, as there is currently no market in which beneficial interests are traded and no observable exit price exists for a beneficial interest. United Way has determined the fair value of the beneficial interest by using the fair value of the assets contributed to the fund, adjusted by the changes in fair value and distribution of the assets held in the fund, as reported to United Way by the Community Foundation.

Unrestricted Investments

Investments at June 30, 2018 are presented in the statements of financial position at fair value and composed of the following:

Investments	Fair Value Measurement at Reporting Date		Unrealized Gain (Loss)
	Fair Value	Cost	
Domestic corporate bonds	\$ 443,831	\$ 456,974	\$ (13,143)
Domestic corporate equities	662,417	509,947	152,470
International pooled equity funds	187,812	168,784	19,028
International mutual funds	98,264	99,039	(775)
	\$ 1,392,324	\$ 1,234,744	\$ 157,580

The fair value of investments as of June 30, 2018 and 2017 were determined using the following inputs of the fair value hierarchy:

Investments	Fair Value Measurement at Reporting Date		2018	2017
	Level 1	Level 2	Total	Total
Domestic corporate bonds	\$ -	\$ 443,831	\$ 443,831	\$ 334,853
Domestic corporate equities	662,417	-	662,417	510,534
International pooled equity funds	-	187,812	187,812	121,525
International mutual funds	-	98,264	98,264	62,555
	\$ 662,417	\$ 729,907	\$1,392,324	\$1,029,467

**UNITED WAY OF WELD COUNTY, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
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**Note 6. Legacy Endowment Fund and Investments (continued)**

Unrestricted Investments (continued)

The fair value of United Way’s investments are determined using Level 1 and Level 2 inputs of the fair value hierarchy because they are comprised of corporate equities traded on an exchange, and open-end and closed-end equity mutual funds with readily determinable fair values based on daily redemption values and quoted market prices. The values of corporate bonds and certificates of deposit are estimated by the custodians of the securities using pricing models based on credit quality, time to maturity, stated interest rates, and market-rate assumptions. The fair value of these investments are determined using Level 2 inputs of the fair value hierarchy. United Way has determined that the bond pricing models utilized by the custodians provide reasonable estimations of the fair values of the securities. There were no unrestricted investments classified as Level 3 investments as of June 30, 2018 and 2017.

Investment Income

Earnings on investments and bank accounts consist of the following:

	2018	2017
Investment income on unrestricted funds	\$ 106,822	\$ 98,707
Earnings on Community Foundation fund	27,103	28,217
Total investment income	\$ 133,925	\$ 126,924

**Note 7. Retirement Plan**

United Way employees who are 21 years of age, have completed one year of service and meet other eligibility requirements are eligible to participate in a defined contribution retirement plan. United Way contributes 1% of the annual salary of eligible employees for the first and second years of eligibility and 5% for the third year and thereafter. Actual contribution percentages may change annually with Board action. During the years ended June 30, 2018 and 2017, United Way’s contributions to the plan totaled \$39,640 and \$37,998, respectively.

**Note 8. Lease and Reimbursement Agreements**

During the year ended June 30, 2018 United Way entered into a lease for a building. The building will operate as a year round navigation center and a temporary cold weather shelter as part of the Weld’s Way Home initiative. The lease requires monthly payments \$5,173 through April 2021. United Way’s minimum lease payment obligation is therefore \$62,076 annually through fiscal year ending June 30, 2020, and \$51,730 through fiscal year ending June 30, 2021.

During the year ended June 30, 2018 United Way entered into a funding agreement with the City of Greeley to assist in monthly lease payments noted above. The agreement offers monthly lease reimbursements from January 2018 through April 2018 at \$5,173, monthly lease reimbursements from May 2018 through April 2019 at \$2,587, and monthly lease reimbursements from May 2019 through April 2021 at \$5,173. Accordingly, the lease reimbursements from the City of Greeley have been presented net of lease expenses above. The net expense recognized by United Way for the year ended June 30, 2018 was \$5,173.