

LIVE UNITED



United Way of Weld County

UnitedWay-Weld.org

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

**For the Year Ended June 30, 2020
(With Comparative Totals for the Year Ended June 30, 2019)**

UNITED WAY OF WELD COUNTY, INC.

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United Way of Weld County

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Greeley, CO 80631

330 Park Avenue
Fort Lupton, CO 80621

PO Box 1944
Greeley, CO 80632



July 1, 2020

Dear Reader:

United Way of Weld County's fiscal year ending June 30, 2020, is an outstanding example of how our local United Way brings needed services, collaboration, and funding to Weld County. Through the new collective impact model, which began in our prior fiscal year, we are actively engaging agencies, community representatives, and volunteers for collaborative decision-making and goal setting. By creating an environment where everyone works together instead of in relative isolation, we are seeing significant impacts on our community goals. Through collaboration, we have been able to provide increased funding through grants and a broader range of services to those in need.

With that collaborative network already set in place, United Way of Weld County was able to quickly respond to the COVID-19 pandemic during the last quarter of fiscal 2020. The needs of the community were significant as many lost their jobs and some resources became scarce, companies were hurting and many had to close their doors temporarily unsure of when or if they would be able to reopen. During this difficult period in our history, we have experienced some understandable declines in corporate donations, but we have also experienced some increased generosity from those who were less impacted. Through it all, United Way of Weld County continues to be here to support those in need.

United Way of Weld County staff quickly figured out how to work remotely and worked tirelessly to support those in need. Partnering with the Weld Community Foundation, more than \$317,922 in relief funds were raised to support 26 Weld County nonprofits who in turn used the funds to help those in our community. United Way of Weld County worked to collect donations and apply for federal supplies allowing us to distribute around \$95,000 worth of supplies including nearly 120,000 diapers, and countless wipes, masks, cleaning supplies, and other needed items to families and agencies in need. Our Housing Navigation Center's Cold Weather Shelter, along with other non-profit agencies, municipal leaders, faith based organizations and funders, responded to Colorado's COVID 19 Shelter in Place orders by providing safe, 24 hour shelter, to over 100 homeless individuals.

Throughout the year, we have continued to provide our regular services supporting our five priority areas: Early Childhood, Youth Development, Household Stability, Older Adults/Healthy Aging, and Access to services. Through our Housing Navigation Center and Coordinated Assessment and Housing Placement System, we have helped more than 107 veterans, 83 adults, 130 families, and 8 youth find housing in the last year alone. With the help and coordination of over 40 agencies and organizations across northern Colorado, we are actively solving homelessness one person at a time and are quickly closing in on ending veteran homelessness all together. Our Early Education programs continue to support childcare providers and families through resources such as www.unitedway-weld.org/roadmap4kids, funding tutors in our Weld County schools, and encouraging increased education for both childcare providers and family, friend, and neighbor caregivers.

In addition to direct service programming, leading collaboration, and investing in special programs aligned with our priorities, the United Way of Weld County's Board of Directors continues to approve grants to partner agencies. This year's financial statements reflect not only the actual expenses of \$552,484 for our collective impact awards but also the recognized liability for the 20-21 fiscal year as we reaffirm our commitment to Weld County.

If you have additional questions, please contact Alyson Rome, VP of Finance and Administration at 970-304-6164.

Sincerely,

A handwritten signature in blue ink that reads "Jeannine Truswell".

Jeannine Truswell
President & CEO

To improve lives by mobilizing the caring power of our community.



INDEPENDENT AUDITORS' 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, 2020, 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

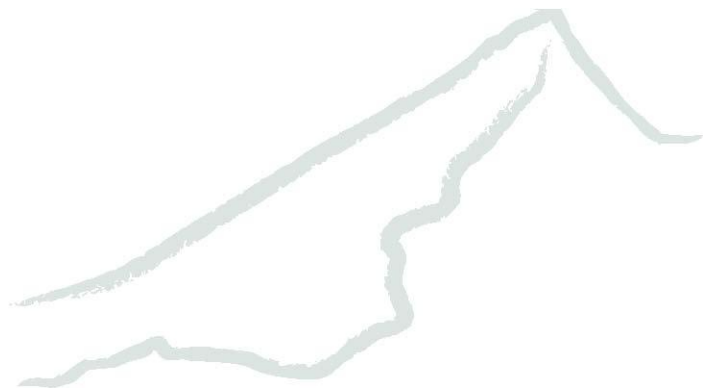
Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and 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, 2020, 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 2019 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated November 11, 2019. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2019, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Other Information

The President's Letter is presented for the purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and relates to the underlying accounting and other records used to prepare the financial statements. The President's Letter has not been subjected to the auditing procedures applied in the audit of the financial statements, and, accordingly, we do not express an opinion or provide any assurance on it.

A handwritten signature in cursive script, appearing to read "RLR", with "LLP" written in smaller letters below the "R".

Evans, Colorado
November 10, 2020

UNITED WAY OF WELD COUNTY, INC.
STATEMENT OF FINANCIAL POSITION
June 30, 2020 (With Comparative Totals for 2019)

	2020	2019
ASSETS		
Current Assets		
Cash and cash equivalents	\$ 1,533,242	\$ 857,031
Receivables:		
Campaign pledges, net of allowance for doubtful pledges of \$159,845 in 2020 and \$147,132 in 2019	261,008	625,677
Grants	394,095	212,629
Other	4,620	27,488
Prepaid expenses	61,140	42,775
Total current assets	2,254,105	1,765,600
Noncurrent assets		
Property and equipment, net	461,471	480,586
Investments	1,525,248	1,442,951
Haefeli Endowment	25,162	-
Legacy Endowment - beneficial interest in investments held by the Weld Community Foundation	398,492	376,644
Total noncurrent assets	2,410,373	2,300,181
Total assets	\$ 4,664,478	\$ 4,065,781
LIABILITIES		
Current liabilities		
Accounts payable	\$ 100,867	\$ 75,984
Accrued community awards liability (Note 4)	616,077	-
Donor designations payable	93,661	82,005
Accrued compensated absences	123,879	100,259
Deferred revenue	526,317	191,235
Total current liabilities	1,460,801	449,483
Noncurrent liabilities		
Note payable - Paycheck Protection Program (Note 7)	307,842	-
Total liabilities	\$ 1,768,643	\$ 449,483
NET ASSETS		
Without donor restrictions		
Investment in property and equipment, net	461,471	480,586
Board designated:		
Legacy endowment	77,676	69,228
Capital reserve	-	39,819
Community awards (Note 4)	-	560,000
Programs	-	62,791
Operating reserve	1,523,214	1,751,715
Total net assets without donor restrictions	2,062,361	2,964,139
With donor restrictions		
Time and/or purpose restricted	487,658	344,743
Perpetual in nature	345,816	307,416
Total net assets with donor restrictions	833,474	652,159
Total net assets	2,895,835	3,616,298
Total liabilities and net assets	\$ 4,664,478	\$ 4,065,781

See accompanying notes to financial statements.

UNITED WAY OF WELD COUNTY, INC.

STATEMENT OF ACTIVITIES

For the Year Ended June 30, 2020 (With Comparative Totals for 2019)

	Without Donor Restrictions	With Donor Restrictions	Total 2020	Total 2019
Revenue				
Annual campaign proceeds	2,993,439	172,203	3,165,642	\$2,824,888
Less:				
Donor designations	(457,129)	-	(457,129)	(301,445)
Adjustment of provision for uncollectible pledges	(235,619)	-	(235,619)	(180,490)
Net campaign revenue	2,300,691	172,203	2,472,894	2,342,953
Other contributions	241,439	38,400	279,839	253,936
Grants and contracts	1,477,261	13,423	1,490,684	1,241,424
Investment income	112,776	162	112,938	115,527
Miscellaneous income	58,034	-	58,034	64,605
Net assets released from restrictions	42,873	(42,873)	-	-
Total other revenue	1,932,383	9,112	1,941,495	1,675,492
Total revenue	4,233,074	181,315	4,414,389	4,018,445
Expense				
Program services:				
Agency support and planning	165,477	-	165,477	148,383
Community impact (Note 4)	1,656,772	-	1,656,772	355,596
VISTA program	141,867	-	141,867	173,434
Welds Way Home	796,393	-	796,393	416,982
Promises for Children	1,298,504	-	1,298,504	1,368,297
2-1-1 InfoLine	205,629	-	205,629	227,118
Volunteer center	68,739	-	68,739	99,657
Total program services	4,333,381	-	4,333,381	2,789,467
Supporting services:				
Fund raising, including in-kind expenses of \$75,779 in 2020 and \$90,673 in 2019	683,055	-	683,055	685,481
General and administrative	118,416	-	118,416	110,155
Total supporting services	801,471	-	801,471	795,636
Total expenses	5,134,852	-	5,134,852	3,585,103
Change in Net Assets (Note 4)	(901,778)	181,315	(720,463)	433,342
Net Assets, Beginning of Year	2,964,139	652,159	3,616,298	3,182,956
Net Assets, End of Year	\$2,062,361	\$833,474	\$2,895,835	3,616,298

See accompanying notes to financial statements.

STATEMENT OF FUNCTIONAL EXPENSES

UNITED WAY OF WELD COUNTY, INC.

STATEMENT OF FUNCTIONAL EXPENSES

For the Year Ended June 30, 2020 (With Comparative Totals for 2019)

	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	\$ -	\$ 1,638,562	\$ -	\$ -	\$ -	\$ -
COVID-19 awards	-	297,922	-	-	-	-
Less: donor designations	-	(457,129)	-	-	-	-
Less: change in community awards liability (Note 4)	-	-	-	-	-	-
Total community award expenses	-	1,479,355	-	-	-	-
Personnel Expenses:						
Salaries	72,932	81,155	40,247	157,243	524,305	46,823
Payroll taxes and employee benefits	15,333	17,213	8,277	31,713	107,033	9,592
Total personnel expenses	88,265	98,368	48,524	188,956	631,338	56,415
Operating Expenses						
Supplies	102	3,440	29	7,134	25,637	-
QIP/client supplies	-	-	-	1,764	214,272	-
Telephone	-	119	750	2,045	368	-
Postage	8	36	8	131	1,283	13
Advertising and printing	610	8,268	957	1,593	33,529	33,401
Conferences and meetings	1,350	4,696	1,760	24,577	33,041	182
Dues, fees and subscriptions	-	82	-	-	2,389	1,357
Insurance	-	-	-	346	-	-
Equipment and maintenance	-	972	-	3,740	180	-
Mileage	351	296	331	2,417	6,911	334
Building and occupancy	5,321	20,695	2,791	5,243	35,980	3,369
Contract and professional services	9,012	13,683	60,918	362,820	107,697	94,649
Rent	-	-	11,795	125,156	-	-
Other expenses	35,821	-	199	13,756	20,989	-
Shared costs	23,545	25,733	13,127	53,101	174,560	15,111
Total operating expenses	76,120	78,020	92,665	603,823	656,836	148,416
Total expenses before depreciation	164,385	1,655,743	141,189	792,779	1,288,174	204,831
Depreciation	1,092	1,029	678	3,614	10,330	798
Total expenses	\$ 165,477	\$ 1,656,772	\$ 141,867	\$ 796,393	\$ 1,298,504	\$ 205,629

Program Services		Support Services						
Volunteer Center	Total Program Services	General and Administrative	Fund Raising	Total Support Services	Shared Expenses	Total 2020	Total 2019	
\$ -	\$ 1,638,562	\$ -	\$ -	\$ -	\$ -	\$ 1,638,562	\$ 983,192	
-	297,922	-	-	-	-	297,922	-	
-	(457,129)	-	-	-	-	(457,129)	(301,445)	
-	-	-	-	-	-	-	(566,071)	
-	1,479,355	-	-	-	-	1,479,355	115,676	
34,823	957,528	58,446	307,545	365,991	63,850	1,387,369	1,363,533	
7,159	196,320	11,768	62,688	74,456	13,149	283,925	283,227	
41,982	1,153,848	70,214	370,233	440,447	76,999	1,671,294	1,646,760	
2,596	38,938	271	8,845	9,116	16,923	64,977	68,594	
-	216,036	-	-	-	-	216,036	136,341	
-	3,282	-	-	-	34,254	37,536	43,340	
6	1,485	24	8,774	8,798	1,365	11,648	15,761	
528	78,886	350	88,525	88,875	108,504	276,265	351,592	
3,576	69,182	1,404	43,245	44,649	34,242	148,073	214,938	
90	3,918	-	200	200	42,156	46,274	52,072	
-	346	-	-	-	25,091	25,437	21,401	
4,775	9,667	-	3,901	3,901	32,792	46,360	55,629	
932	11,572	-	3,696	3,696	1,637	16,905	28,331	
2,376	75,775	4,019	20,753	24,772	(8,480)	92,067	74,747	
-	648,779	22,064	25,139	47,203	71,953	767,935	620,855	
-	136,951	-	-	-	-	136,951	79,270	
-	70,765	-	-	-	1,300	72,065	37,402	
11,307	316,484	18,963	103,289	122,252	(438,736)	-	-	
26,186	1,682,066	47,095	306,367	353,462	(76,999)	1,958,529	1,800,273	
68,168	4,315,269	117,309	676,600	793,909	-	5,109,178	3,562,709	
571	18,112	1,107	6,455	7,562	-	25,674	22,394	
\$ 68,739	\$ 4,333,381	\$ 118,416	\$ 683,055	\$ 801,471	\$ -	\$ 5,134,852	\$ 3,585,103	

See accompanying notes to financial statements.

UNITED WAY OF WELD COUNTY, INC.

STATEMENT OF CASH FLOWS

For the Years Ended June 30, 2020 (With Comparative Totals for 2019)

	2020	2019
Cash flows from operating activities:		
Change in net assets	\$ (720,463)	\$ 433,342
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities:		
Adjustment of provision for uncollectible pledges	235,619	180,490
Depreciation	25,674	22,394
Unrealized/realized (gain) on investments	(86,196)	(90,858)
Change in value of beneficial interest in investments	(25,611)	(23,320)
Change in value of endowment	(162)	-
Decrease (increase) in:		
Campaign pledges receivable	129,050	(315,388)
Grants receivable	(181,466)	(13,959)
Other receivable	22,868	22,297
Prepaid expenses	(18,365)	(5,811)
Increase (decrease) in:		
Accounts payable	24,883	(57,067)
Accrued community awards liability (Note 4)	616,077	(566,071)
Donor designations payable	11,656	(8,905)
Accrued compensated absences	23,620	3,391
Deferred revenue	335,082	137,775
Net cash provided (used) by operating activities	392,266	(281,690)
Cash flows from investing activities:		
Purchase of equipment and improvements	(6,559)	(30,183)
Proceeds from sale of investments	3,899	40,226
Transfer to beneficial interest in investments	(13,400)	(10,000)
Transfer to endowment	(25,000)	-
Distribution from beneficial interest in investments	17,163	28,990
Net cash (used) provided by investing activities	(23,897)	29,033
Cash flows from financing activities:		
Proceeds from note payable - Paycheck Protection Program (Note 7)	307,842	-
Net cash provided by financing activities	307,842	-
Net increase (decrease) in cash and cash equivalents	676,211	(252,657)
Cash and cash equivalents, beginning of year	857,031	1,109,688
Cash and cash equivalents, end of year	\$ 1,533,242	\$ 857,031
Supplemental Disclosures of Non-Cash Operating Activities:		
Contributed goods and services	\$ 241,439	\$ 243,936
In-kind expenses	\$ (241,439)	\$ (243,936)

See accompanying notes to financial statements.

UNITED WAY OF WELD COUNTY, INC.
NOTES TO FINANCIAL STATEMENTS
June 30, 2020 (With Comparative Totals for 2019)

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.

New Accounting Pronouncements:

Accounting Standards Update (ASU) No. 2014-09, *Revenue from Contracts with Customers (Topic 606)* affects contracts with customers to transfer goods or services and contracts for the transfer of non-financial assets (unless those contracts are within the scope of other standards). This standard establishes a new contract and control-based revenue recognition model, changes the basis for deciding when revenue is recognized over time or at a point in time, and expands disclosures about revenue. During the year ended June 30, 2020, FASB issued ASU No. 2020-05, *Revenue from Contracts with Customers (Topic 606) and Leases (Topic 842): Effective Dates for Certain Entities* which delayed the implementation date of ASU No. 2014-09 by one year. United Way has elected early adoption and has implemented Topic 606 and has adjusted the presentation in these financial statements accordingly. The amendments have been applied retrospectively to all periods presented with no effect on previously reported net assets.

In June 2018, FASB issued Accounting Standards Update No. 2018-08, *Not-For-Profit Entities (Topic 958): Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made*. This standard assists entities in evaluating whether transactions should be accounted for as contributions or exchange transactions and determining if a contribution is conditional. During the year ended June 30, 2020, FASB issued ASU No. 2020-05, *Revenue from Contracts with Customers (Topic 606) and Leases (Topic 842): Effective Dates for Certain Entities* which delayed the implementation date of ASU No. 2018-08 by one year. United Way has elected early adoption and has implemented the provisions of ASU 2018-08 applicable to both contributions received and to contributions made in the accompanying financial statements under a retrospective basis. Accordingly, there is no effect on previously reported net assets in connection with our implementation of ASU 2018-08.

Basis of Presentation

The financial statements of the Organization have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States (U.S. GAAP). The Organization reports information regarding its financial position and activities according to two classes of net assets: net assets without donor restriction and net assets with donor restriction.

Net Assets Without Donor Restriction—Net assets that are not subject to or are no longer subject to donor-imposed stipulations.

Net Assets With Donor Restriction—Net assets whose use is limited by donor-imposed time and/or purpose restrictions as well as net assets whose use is restricted in perpetuity due to donor-imposed restrictions.

UNITED WAY OF WELD COUNTY, INC.
NOTES TO FINANCIAL STATEMENTS
June 30, 2020 (With Comparative Totals for 2019)

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

Basis of Presentation (continued)

Revenues are reported as increases in net assets without donor restriction unless use of the related assets is limited by donor-imposed restrictions. Expenses are reported as decreases in net assets without donor restriction. Gains and losses on investments and other assets or liabilities are reported as increases or decreases in net assets without donor restrictions unless their use is restricted by explicit donor stipulation or by law. Expirations of donor restrictions on the net assets (i.e., the donor-stipulated purpose has been fulfilled and/or the stipulated time period has elapsed) are reported as reclassifications between the applicable classes of net assets. The Organization has adopted a policy to classify donor restricted contributions as without donor restrictions to the extent that donor restrictions were met in the year the contribution was received.

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 U.S. GAAP. Accordingly, such information should be read in conjunction with United Way's audited financial statements for the year ended June 30, 2019, 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.

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

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, 2020 (With Comparative Totals for 2019)

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 Weld Community Foundation (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, 2020 and 2019. United Way considers certificates of deposit with original maturities of more than three months to be investments.

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.

UNITED WAY OF WELD COUNTY, INC.
NOTES TO FINANCIAL STATEMENTS
June 30, 2020 (With Comparative Totals for 2019)

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

Fair Value (continued)

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.

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. Conditional promises to give, that is, those with a measurable performance or other barrier, and a right of return, are not recognized until the conditions on which they depend have been substantially met.

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 \$241,439 and \$243,936 of in-kind contributions during the years ending June 30, 2020 and 2019, respectively.

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.

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.

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.

UNITED WAY OF WELD COUNTY, INC.
NOTES TO FINANCIAL STATEMENTS
June 30, 2020 (With Comparative Totals for 2019)

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

Deferred Revenue

United Way considers payments received on grant agreements and conditional contributions in advance of the service being performed or conditions being satisfied 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, 2020 and 2019 was \$526,317 and \$191,235, respectively.

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

United Way allocates its expenses on a functional basis among its various programs including fundraising activities and support services by estimating the relative attention and effort exerted towards specific functional areas. The expenses include personnel, building and occupancy, and certain other expenses. Other expenses and support services that can be identified with a specific function are allocated directly according to their natural expenditure classification.

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, 2020 and 2019.

Advertising

Advertising costs are expensed as incurred. Advertising expense for the years ended June 30, 2020 and 2019 was \$160,039 and \$216,113, respectively. Of those expenses, approximately \$46,432 and \$75,000, respectively, was in-kind advertising expense.

Subsequent Events

Management has evaluated subsequent events through November 10, 2020 the date on which the financial statements were available to be issued.

UNITED WAY OF WELD COUNTY, INC.
NOTES TO FINANCIAL STATEMENTS
June 30, 2020 (With Comparative Totals for 2019)

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:

June 30, 2020				
Campaign	Campaign Proceeds in 2019-20	Pledges Receivable Outstanding	Allowance for Uncollectible Pledges	Net Pledges Receivable
2020-2021	\$ 42,639	\$ 1,251	\$ (2,132)	\$ (881)
2019-2020	3,046,259	419,602	(157,713)	261,889
Prior years	76,744	-	-	-
	\$ 3,165,642	\$ 420,853	\$ (159,845)	\$ 261,008

June 30, 2019				
Campaign	Campaign Proceeds in 2018-19	Pledges Receivable Outstanding	Allowance for Uncollectible Pledges	Net Pledges Receivable
2019-2020	\$ 108,001	\$ 70,642	\$ (5,400)	\$ 65,242
2018-2019	2,713,686	702,167	(141,732)	560,435
Prior years	3,201	-	-	-
	\$ 2,824,888	\$772,809	\$ (147,132)	\$ 625,677

Contributions from one donor represented 14% and 20% of the contributions received during the years ended June 30, 2020 and 2019, respectively.

Note 3. Property and Equipment

At June 30, 2020 and 2019, property and equipment consisted of the following:

	2020	2019
Land	\$ 96,645	\$ 96,645
Building and improvements	529,906	529,906
Equipment and furniture	181,266	196,094
	807,817	822,645
Less: accumulated depreciation	(346,346)	(342,059)
Total property and equipment	\$ 461,471	\$ 480,586

UNITED WAY OF WELD COUNTY, INC.
NOTES TO FINANCIAL STATEMENTS
June 30, 2020 (With Comparative Totals for 2019)

Note 4. Community Awards

During the year ended June 30, 2019, United Way changed its funding model to emulate the United Way Worldwide platform for Collective Impact Funding. Associated with that funding model change, United Way changed how it awards funds to local community agencies. United Way remains committed to allocating awards to local community agencies; however, those allocations were not approved by the United Way Board of Directors for specific agencies prior to the year ended June 30, 2019. Instead, the United Way Board of Directors designated \$560,000 of unrestricted net assets to satisfy the community agency awards to be paid in the subsequent fiscal year. This change from the community awards liability presented for the year ended June 30, 2018 to a board designation of unrestricted net assets for the year ended June 30, 2019 caused total net assets to increase for the fiscal year then ended. On the statement of activities, it also caused total program service expense to decrease.

During the year ended June 30, 2020, the Board of Directors approved a two year cycle of community funding, and allocated the individual awards to community agencies. United Way notes the full amount of the two year cycle of community funding will be considered an expense to United Way in the fiscal year ended June 30, 2020, which will be a significant increase to the expenditure level presented in the statement of activities for the year ended June 30, 2019. United Way remains diligent in providing community support to local agencies.

The community awards accrued and paid during the years ended June 30, 2020 and 2019 consisted of the following:

	2020	2019
Initiatives:		
Health	\$ 6,440	\$ 159,428
Income/financial stability	-	168,000
Education	-	207,936
Early childhood	144,838	-
Youth development	393,030	-
Household stability	359,950	-
Older adults and healthy aging	207,150	-
Weld Recovers – COVID	115,350	-
Special grants	39,200	49,200
Special awards	213,397	97,183
Community awards expense	1,479,355	681,747
Donor designations to specific nonprofit organizations	457,129	301,445
Total community awards	\$ 1,936,484	\$ 983,192

UNITED WAY OF WELD COUNTY, INC.
NOTES TO FINANCIAL STATEMENTS
June 30, 2020 (With Comparative Totals for 2019)

Note 5. Net Assets

At June 30, 2020 and 2019, the board designated and net assets with donor restrictions were as follows:

	2020	2019
Board Designated		
Legacy endowment	\$ 77,676	\$ 69,228
Capital reserve	-	39,819
Community awards	-	560,000
Specific programs	-	62,791
Operating reserve	1,523,214	1,751,715
Total board designated	<u>\$ 1,600,890</u>	<u>\$ 2,483,553</u>
Time and/or Purpose Restricted		
Child tax credit	\$ 245,559	\$ 159,027
Bright by Three	9,906	-
Best Start for Babies	2,075	2,316
PASO -FFN	4,850	3,000
Children’s Festival	2,353	-
CAHPS	23,495	-
Colorado Reading Corps	-	42,631
Welds Way Home	98,788	82,729
Navigation Center Laundry	1,430	-
Weld Project Connect	818	-
Weld Recovers	55,551	55,040
Cold Weather Shelter	7,758	-
NoCo Continuum of Care	22,001	-
Haefeli Endowment Interest	162	-
COVID-19	12,912	-
Total time and/or purpose restricted	<u>\$ 487,658</u>	<u>\$ 344,743</u>
Perpetual in Nature Restricted – Endowments	<u>\$ 345,816</u>	<u>\$ 307,416</u>

Note 6. Endowment Funds and Investments

Legacy Endowment Fund

The United Way Board of Directors has established the United Way of Weld County Legacy Endowment with the Weld Community Foundation (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, 2020 and 2019, the Legacy Endowment Fund consisted of \$398,492 and \$376,644, 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.
NOTES TO FINANCIAL STATEMENTS
June 30, 2020 (With Comparative Totals for 2019)

Note 6. Endowment Funds 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, 2020 and 2019:

	Board Designated	With Donor Restrictions	Total
Balance, June 30, 2018	\$ 74,898	\$ 297,416	\$ 372,314
Contributions	-	10,000	10,000
Investment income	29,866	-	29,866
Administrative fees	(6,546)	-	(6,546)
Distributions	(28,990)	-	(28,990)
Balance, June 30, 2019	69,228	307,416	376,644
Contributions	-	13,400	13,400
Investment income	32,622	-	32,622
Administrative fees	(7,011)	-	(7,011)
Distributions	(17,163)	-	(17,163)
Balance, June 30, 2020	<u>\$ 77,676</u>	<u>\$ 320,816</u>	<u>\$ 398,492</u>

UNITED WAY OF WELD COUNTY, INC.
NOTES TO FINANCIAL STATEMENTS
June 30, 2020 (With Comparative Totals for 2019)

Note 6. Legacy Endowment Fund and Investments (continued)

The fair value of beneficial interest in investments held in the Legacy Endowment Fund as of June 30, 2020 and 2019 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, 2020	\$ 398,492	\$ -	\$ -	\$ 398,492
June 30, 2019	\$ 376,644	\$ -	\$ -	\$ 376,644

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.

Haefeli Endowment for Youth

During the year ended June 30, 2020, the Haefeli Endowment for Youth was established. In accordance with ASC 958-205-20, *Endowments and Board Designated Endowments*, the principal portion of the Haefeli Endowment for Youth 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 Haefeli Endowment for Youth are externally restricted for the Rodarte Community Center and the Boys and Girls Club of Weld County. Therefore the earnings are classified as net assets with restrictions.

At June 30, 2020, the balance of the Haefeli Endowment for Youth was \$25,162 and is presented as Haefeli Endowment on the statement of financial position.

The following are the changes in the Haefeli Endowment for Youth net assets for the year ended June 30, 2020:

	With Donor Restrictions
Balance, June 30, 2019	\$ -
Contributions	25,000
Investment income	162
Balance, June 30, 2020	<u>\$ 25,162</u>

The fair value of the Haefeli Endowment for Youth as of June 30, 2020 was determined using level 2 inputs of the fair value hierarchy.

UNITED WAY OF WELD COUNTY, INC.
NOTES TO FINANCIAL STATEMENTS
June 30, 2020 (With Comparative Totals for 2019)

Note 6. Legacy Endowment Fund and Investments (continued)

Unrestricted Investments

Investments at June 30, 2020 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	\$ 559,624	\$ 542,001	\$ 17,623
Domestic corporate equities	679,797	455,410	224,387
Domestic mutual funds	99,978	94,102	5,876
International pooled equity funds	185,849	181,978	3,871
	\$ 1,525,248	\$ 1,273,491	\$ 251,757

The fair value of investments as of June 30, 2020 and 2019 were determined using the following inputs of the fair value hierarchy:

Investments	Fair Value Measurement at Reporting Date		2020	2019
	Level 1	Level 2	Total	Total
Domestic corporate bonds	\$ -	\$ 559,624	\$ 559,624	\$ 495,582
Domestic corporate equities	679,797	-	679,797	702,256
Domestic mutual funds	-	99,978	99,978	44,109
International pooled equity funds	-	185,849	185,849	201,004
	\$ 679,797	\$ 845,451	\$1,525,248	\$1,442,951

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, 2020 and 2019.

Investment Income

Earnings on investments and bank accounts, net of related fees, consist of the following:

	2020	2019
Investment income on unrestricted funds	\$ 87,165	\$ 92,207
Earnings on endowment and beneficial interest	25,773	23,320
Total investment income	\$ 112,938	\$ 115,527

UNITED WAY OF WELD COUNTY, INC.
NOTES TO FINANCIAL STATEMENTS
June 30, 2020 (With Comparative Totals for 2019)

Note 7. Note Payable

During the year ended June 30, 2020, United Way received funds from the Federal Paycheck Protection Program through the CARES Act in the amount of \$307,842. The Act provided initial funds as an unsecured loan agreement that bears interest of 1% per year. United Way intends to apply for loan forgiveness in accordance with the terms of the Paycheck Protection Program, which will require review and approval by the Small Business Administration and the financial institution.

Note 8. 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. During the year ended June 30, 2019, the Plan was amended to increase the contribution rate from 1% to 2% of the annual salary of eligible employees for the first and second years of eligibility, and no change was made to the contribution rate for the third year and after. Actual contribution percentages may change annually with Board action. During the years ended June 30, 2020 and 2019, United Way's contributions to the plan totaled \$53,431 and \$52,431, respectively.

Note 9. Lease, Reimbursement Agreements, and Subsequent Events

United Way has a lease for a building which 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 of \$5,173 through April 2021. United Way's minimum lease payment obligation is \$51,730 for the fiscal year ending June 30, 2021.

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 in the statement of functional expenses.

Subsequent to June 30, 2020, United Way entered into a new lease agreement for additional cold weather shelter facility space. The agreement requires six monthly payments of \$24,751 through April 2021. United Way's minimum lease payment obligation is \$148,503 for the fiscal year ending June 30, 2021. Subsequent to June 30, 2020, United Way also secured additional funding to offset the cost of the additional lease expense.

Note 10. Service Agreement and Subsequent Event

During the year ended June 30, 2019, United Way entered into a service agreement with Mile High United Way, Inc. to share delivery associated with the 2-1-1 Program and services provided for the community. Under the service agreement, the 2-1-1 Program information will continue to be updated by the local United Way for the Weld County area. Mile High United Way, Inc. will answer calls for the 2-1-1 Program, and assist callers using the information updated by the local United Way. The service agreement is effective from January 1, 2019 to June 30, 2020 and requires quarterly payments from United Way to Mile High United Way ranging from \$31,840 to \$35,387. For the years ended June 30, 2020 and 2019, United Way recognized expense under this service agreement of \$127,358 and \$70,774, respectively.

UNITED WAY OF WELD COUNTY, INC.
NOTES TO FINANCIAL STATEMENTS
June 30, 2020 (With Comparative Totals for 2019)

Note 10. Service Agreement and Subsequent Event (continued)

Subsequent to June 30, 2020, United Way extended the services for the 2-1-1 Program with Mile High United Way through June 30, 2023. United Way's obligations for this service contract are as follows:

Year Ending June 30,	<u>Amount</u>
2021	\$ 146,435
2022	150,828
2023	155,353
	<u>\$ 452,616</u>

Note 11. Liquidity and Availability of Financial Assets

United Way monitors its liquidity so that it is able to meet its operating needs and other contractual commitments while maximizing the investment of its excess operating cash. United Way has the following financial assets that could readily be made available within one year of the statement of financial position date to fund expenses without limitations:

	<u>2020</u>	<u>2019</u>
Cash and cash equivalents	\$ 1,533,242	\$ 857,031
Pledges receivable, net	261,008	625,677
Grant receivables	394,095	212,629
Other receivables	4,620	27,488
	<u>\$ 2,192,965</u>	<u>\$ 1,722,825</u>

In addition to the liquid balances above, United Way also has a board designated endowment with available funds of \$77,676 and \$69,228 held by the Community Foundation, and additional funds of \$1,525,248 and \$1,442,951 in long term investments to satisfy up to six months of operating expenses that may be drawn from the investment portfolio if necessary for the years ending June 30, 2020 and 2019, respectively. These resources are invested for long-term appreciation and current income, but may be spent at the discretion of the Board. See Note 6 for further information about United Way's investments and endowment funds.

In addition to financial assets available to meet general expenditures over the year, United Way operates with a balanced budget and uses and anticipates covering its general expenditures by collecting sufficient campaign pledges and other revenues, by utilizing donor-restricted resources from current and prior years gifts, and by appropriating the investment return on its board-designated endowment, as needed. The statement of cash flows identifies the sources and uses of United Way's cash, and shows net cash and cash equivalents provided (used) by operations of \$392,266 and (\$281,690) for fiscal years ending June 30, 2020 and 2019, respectively.

Note 12. Trends and Uncertainties

In 2020, domestic and international economies face uncertainty related to the impact of the COVID-19 disease. United Way may be adversely affected through lack of employee availability, interruptions in operations and ability to serve program participants, and decreases in revenue. Management is currently evaluating the impact it will have on future operations and is taking steps to reduce overall operational expenses in anticipation of any negative impacts on overall revenue, as outlined in Note 11 above.

UNITED WAY OF WELD COUNTY, INC.
NOTES TO FINANCIAL STATEMENTS
June 30, 2020 (With Comparative Totals for 2019)

Note 13. Subsequent Event

Subsequent to June 30, 2020, United Way opened a \$800,000 line of credit that is collateralized by investments. Advances made on the line of credit carry a variable interest rate of 0.25% under the Wall Street Journal U.S. Prime Rate. The line of credit matures in September 2021, at which time all unpaid principal and interest are due.