

LIVE UNITED



United Way of Weld County

UnitedWay-Weld.org

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

For the Year Ended June 30, 2017

(With Comparative Totals for the Year Ended June 30, 2016)

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, 2017, 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, 2017, 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 the United Way of Weld County, Inc.'s 2016 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated October 27, 2016. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2016, 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.

Greeley, Colorado
November 7, 2017

UNITED WAY OF WELD COUNTY, INC.
STATEMENT OF FINANCIAL POSITION
June 30, 2017 (With Comparative Totals for 2016)

	2017	2016
ASSETS		
Cash and cash equivalents	\$ 1,466,536	\$ 1,259,397
Receivables:		
Campaign pledges, net of allowance for doubtful pledges of \$150,874 in 2017 and \$106,459 in 2016	481,892	507,076
Grants	199,904	223,168
Other	22,399	7,805
Prepaid expenses	37,021	25,541
Property and equipment, net	96,445	121,433
Investments	1,029,467	647,157
Investments - quasi endowment	-	260,629
Beneficial interest in Legacy Endowment investments held by the Community Foundation Serving Greeley and Weld County (Note 6)	344,487	331,554
Total assets	\$ 3,678,151	\$ 3,383,760
LIABILITIES		
Accounts payable	\$ 97,185	\$ 108,530
Accrued awards liability	566,071	616,213
Donor designations payable	152,588	101,400
Accrued compensated absences	76,373	69,326
Deferred revenue	107,041	104,582
Total liabilities	999,258	1,000,051
NET ASSETS		
Unrestricted:		
Investment in property and equipment, net	96,445	121,433
Board designated:		
Legacy Endowment (Note 6)	54,071	47,138
Quasi endowment	-	260,629
Specific programs reserve	117,036	-
Operating reserve	1,695,044	1,092,831
Undesignated	333,780	518,862
Total unrestricted	2,296,376	2,040,893
Temporarily restricted	92,101	58,400
Permanently restricted - Legacy Endowment (Note 6)	290,416	284,416
Total net assets	2,678,893	2,383,709
Total liabilities and net assets	\$ 3,678,151	\$ 3,383,760

See accompanying notes to financial statements.

UNITED WAY OF WELD COUNTY, INC.

STATEMENT OF ACTIVITIES

For the Year Ended June 30, 2017 (With Comparative Totals for 2016)

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total 2017	Total 2016
Revenue					
Annual campaign proceeds	\$ 2,979,927	\$ 37,553	\$ -	\$ 3,017,480	\$ 3,041,701
Less:					
Donor designations	(379,097)	-	-	(379,097)	(456,526)
Adjustment of provision for uncollectible pledges	(173,212)	-	-	(173,212)	(133,147)
Net campaign revenue	2,427,618	37,553	-	2,465,171	2,452,028
Other contributions	243,850	-	6,000	249,850	201,077
Grants and contracts	1,218,876	-	-	1,218,876	1,117,009
Investment income	126,924	-	-	126,924	27,581
Miscellaneous income	62,810	-	-	62,810	49,834
Net assets released from restrictions	3,852	(3,852)	-	-	-
Total other revenue	1,656,312	(3,852)	6,000	1,658,460	1,395,501
Total revenue	4,083,930	33,701	6,000	4,123,631	3,847,529
Expense					
Program services:					
Agency support and planning	144,615	-	-	144,615	564,252
Community impact	425,634	-	-	425,634	463,857
VISTA program	170,169	-	-	170,169	146,581
Welds Way Home	242,328	-	-	242,328	14,645
Promises for Children	1,199,320	-	-	1,199,320	1,068,190
2-1-1 InfoLine	227,077	-	-	227,077	237,283
Volunteer engagement	38,598	-	-	38,598	49,799
Community awards	601,471	-	-	601,471	714,192
Total program services	3,049,212	-	-	3,049,212	3,258,799
Supporting services:					
Fund raising	655,194	-	-	655,194	591,804
General and administrative	124,041	-	-	124,041	105,370
Total supporting services	779,235	-	-	779,235	697,174
Total expenses	3,828,447	-	-	3,828,447	3,955,973
Change in Net Assets	255,483	33,701	6,000	295,184	(108,444)
Net Assets, Beginning of Year	2,040,893	58,400	284,416	2,383,709	2,492,153
Net Assets, End of Year	<u>\$ 2,296,376</u>	<u>\$ 92,101</u>	<u>\$ 290,416</u>	<u>\$ 2,678,893</u>	<u>\$ 2,383,709</u>

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, 2017 (With Comparative Totals for 2016)

	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	77,011	154,250	34,012	25,299	444,156	109,610
Payroll taxes and employee benefits	19,152	30,877	6,803	5,232	89,361	27,366
Total personnel expenses	96,163	185,127	40,815	30,531	533,517	136,976
Operating Expenses						
Supplies	40	12,182	2,050	212	34,418	124
Flood relief	860	-	-	-	-	-
QIP/client supplies	40	7,692	110	1,023	117,153	-
Telephone	-	-	900	-	467	-
Postage	59	106	18	523	1,513	14
Advertising and printing	78	8,822	737	4,889	42,024	246
Conferences and meetings	2,362	22,548	3,008	8,116	67,406	833
Dues, fees and subscriptions	-	90	-	-	2,156	175
Insurance	-	-	-	-	-	-
Equipment and maintenance	-	10,345	-	-	7,505	3,452
Mileage	-	1,620	1,747	1,891	14,809	820
Occupancy	3,590	6,932	1,573	1,195	19,848	5,129
Contract and professional services	4,293	98,539	80,173	159,851	146,009	25,526
Rent	-	-	23,002	19,248	2,163	-
Other expenses	-	2,992	209	188	6,742	-
Shared costs	34,908	64,878	14,745	13,209	191,655	50,323
Total operating expenses	46,230	236,746	128,272	210,345	653,868	86,642
Total expenses before depreciation	142,393	421,873	169,087	240,876	1,187,385	223,618
Depreciation	2,222	3,761	1,082	1,452	11,935	3,459
Total expenses	\$ 144,615	\$ 425,634	\$ 170,169	\$ 242,328	\$ 1,199,320	\$ 227,077

Program Services		Total Program Services	Support Services		Total Support Services	Shared Expenses	Total 2017	Total 2016
Volunteer Engagement	Community Awards		General and Administrative	Fund Raising				
\$ -	\$ 980,568	\$ 980,568	\$ -	\$ -	\$ -	\$ -	\$ 980,568	\$ 1,170,718
-	(379,097)	(379,097)	-	-	-	-	(379,097)	(456,526)
-	601,471	601,471	-	-	-	-	601,471	714,192
20,995	-	865,333	47,655	260,694	308,349	-	1,173,682	1,056,189
4,158	-	182,949	12,135	64,687	76,822	-	259,771	256,152
25,153	-	1,048,282	59,790	325,381	385,171	-	1,433,453	1,312,341
4,452	-	53,478	827	9,690	10,517	29,798	93,793	74,270
-	-	860	-	-	-	-	860	412,412
-	-	126,018	-	-	-	-	126,018	185,797
-	-	1,367	-	-	-	47,382	48,749	51,070
142	-	2,375	3	8,287	8,290	6,876	17,541	21,806
2,436	-	59,232	61	83,670	83,731	178,047	321,010	372,664
597	-	104,870	1,684	65,330	67,014	46,796	218,680	131,204
-	-	2,421	-	440	440	40,934	43,795	36,246
-	-	-	-	386	386	14,725	15,111	12,655
-	-	21,302	-	8,311	8,311	76,678	106,291	79,359
371	-	21,258	-	6,252	6,252	3,013	30,523	22,118
908	-	39,175	2,238	12,063	14,301	-	53,476	45,925
-	-	514,391	35,790	13,064	48,854	66,875	630,120	432,345
-	-	44,413	-	-	-	600	45,013	16,329
-	-	10,131	-	-	-	8	10,139	3,456
4,373	-	374,091	22,105	115,536	137,641	(511,732)	-	-
13,279	-	1,375,382	62,708	323,029	385,737	-	1,761,119	1,897,656
38,432	601,471	3,025,135	122,498	648,410	770,908	-	3,796,043	3,924,189
166	-	24,077	1,543	6,784	8,327	-	32,404	31,784
\$ 38,598	\$ 601,471	\$ 3,049,212	\$ 124,041	\$ 655,194	\$ 779,235	\$ -	\$ 3,828,447	\$ 3,955,973

See accompanying notes to financial statements.

UNITED WAY OF WELD COUNTY, INC.

STATEMENT OF CASH FLOWS

For the Year Ended June 30, 2017 (With Comparative Totals for 2016)

	2017	2016
Cash flows from operating activities:		
Cash received from campaign	\$ 2,490,355	\$ 2,419,198
Cash received from grants and contracts	1,230,005	1,039,478
Cash received from bequests	6,000	7,500
Other cash receipts	24,821	67,620
Interest received	73,079	4,766
Cash paid to employees and suppliers	(3,566,926)	(3,756,711)
Net cash provided (used) by operating activities	257,334	(218,149)
Cash flows from investing activities:		
Purchase of equipment and improvements	(7,415)	-
Release of investments - quasi endowment	260,629	5,575
Purchase of investments	(264,847)	(68,552)
Reinvestment of interest in investments - quasi endowment	-	(6,124)
Reinvestment of interest in investments	(25,628)	-
Transfer to beneficial interest in investments	(6,000)	(7,500)
Net decrease in beneficial interest in investments	(6,934)	3,853
Net cash (used) by investing activities	(50,195)	(72,748)
Net increase (decrease) in cash and cash equivalents	207,139	(290,897)
Cash and cash equivalents, beginning of year	1,259,397	1,550,294
Cash and cash equivalents, end of year	<u>\$ 1,466,536</u>	<u>\$ 1,259,397</u>
Reconciliation of increase (decrease) in net assets		
Change in net assets	\$ 295,184	\$ (108,444)
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Adjustment of provision for uncollectible pledges	173,212	133,147
Depreciation	32,403	31,784
Unrealized (gain) on investments	(91,834)	(5,029)
Decrease (increase) in:		
Campaign pledges receivable	(148,028)	(165,977)
Other receivables	8,670	(139,691)
Prepaid expenses	(11,480)	6,321
Increase (decrease) in:		
Accounts payable	(11,345)	(4,867)
Accrued awards liability	(50,142)	(6,434)
Donor designations payable	51,188	(17,536)
Accrued compensated absences	7,047	(3,583)
Deferred revenue	2,459	62,160
Net cash provided (used) by operating activities	\$ 257,334	\$ (218,149)

See accompanying notes to financial statements.

UNITED WAY OF WELD COUNTY, INC.
NOTES TO FINANCIAL STATEMENTS
June 30, 2017 (With Comparative Totals for 2016)

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, 2016, 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, 2017 (With Comparative Totals for 2016)

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, 2017 and 2016. United Way considers certificates of deposit with original maturities of more than three months to be investments.

UNITED WAY OF WELD COUNTY, INC.
NOTES TO FINANCIAL STATEMENTS
June 30, 2017 (With Comparative Totals for 2016)

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

Investments – Quasi Endowment

United Way's quasi endowment implements the Board of Directors' decision to convert previously spendable assets to invested assets that will produce 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. As disclosed in Note 6, the Board of Directors released the designation in its entirety during the year ended June 30, 2017.

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.

Contributed Services

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.

UNITED WAY OF WELD COUNTY, INC.
NOTES TO FINANCIAL STATEMENTS
June 30, 2017 (With Comparative Totals for 2016)

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

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.

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, 2017 and 2016 was \$107,041 and \$104,582, 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 the organization 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, 2017 and 2016.

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.

UNITED WAY OF WELD COUNTY, INC.
NOTES TO FINANCIAL STATEMENTS
June 30, 2017 (With Comparative Totals for 2016)

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

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.

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, the organization 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 and model derived valuations in which all significant inputs are observable in active markets; and Level 3—unobservable inputs for which there is little or no market data and which require us to develop our own assumptions. The organization 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.

Subsequent Events

Management has evaluated subsequent events through November 7, 2017, the date on which the financial statements were available to be issued.

Advertising

Advertising costs are expensed as incurred. Advertising expense for the years ended June 30, 2017 and 2016 was \$177,131 and \$231,173, respectively.

UNITED WAY OF WELD COUNTY, INC.
NOTES TO FINANCIAL STATEMENTS
June 30, 2017 (With Comparative Totals for 2016)

Note 2. Annual Campaign Pledges

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

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

June 30, 2016				
Campaign	Campaign Proceeds in 2015-16	Pledges Receivable Outstanding	Allowance for Uncollectible Pledges	Net Pledges Receivable
2016-2017	\$ 29,020	\$ 12,000	\$ -	\$ 12,000
2015-2016	2,938,427	601,535	(106,459)	495,076
Prior years	74,254	-	-	-
	\$ 3,041,701	\$ 613,535	\$ (106,459)	\$ 507,076

Contributions from one donor represented 25% and 24% of the contributions received during the years ended June 30, 2017 and 2016, respectively.

Note 3. Community Awards

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

Years Ended June 30	2017	2016
Initiatives:		
Health	\$ 164,619	\$ 215,385
Income/financial stability	164,950	216,806
Education	216,302	215,782
Special grants	33,600	36,219
Special awards	22,000	30,000
Community awards expense	601,471	714,192
Donor designations to specific nonprofit organizations	379,097	456,526
Total community awards	\$ 980,568	\$ 1,170,718

UNITED WAY OF WELD COUNTY, INC.
NOTES TO FINANCIAL STATEMENTS
June 30, 2017 (With Comparative Totals for 2016)

Note 4. Property and Equipment

At June 30, 2017 and 2016, property and equipment consisted of the following:

	2017	2016
Land	\$ 23,045	\$ 23,045
Building and improvements	188,179	188,179
Equipment and furniture	248,895	241,480
	<u>460,119</u>	<u>452,704</u>
Less: accumulated depreciation	(363,674)	(331,271)
Total property and equipment	<u>\$ 96,445</u>	<u>\$ 121,433</u>

Note 5. Net Assets and Subsequent Event

At June 30, 2017 and 2016, the board designated and donor restricted net assets were as follows:

	2017	2016
Board Designated		
Legacy Endowment	\$ 54,071	\$ 47,138
Quasi endowment	-	260,629
Specific programs	117,036	-
Operating reserve	1,695,044	1,092,831
Total board designated	<u>\$ 1,866,151</u>	<u>\$ 1,400,598</u>
Temporarily Restricted		
Child tax credit	\$ 33,568	\$ -
Best Start for Babies	374	-
Young Leaders Society	3,611	-
Weld Recovers	54,548	58,400
Total temporarily restricted	<u>\$ 92,101</u>	<u>\$ 58,400</u>
Permanently Restricted		
Legacy Endowment	<u>\$ 290,416</u>	<u>\$ 284,416</u>

Subsequent to June 30, 2017, 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 \$406,071, using Level 3 inputs of the fair value hierarchy. The building will be reported as an unrestricted net asset, designated by the Board of Directors to provide office space to local non-profits.

UNITED WAY OF WELD COUNTY, INC.
NOTES TO FINANCIAL STATEMENTS
June 30, 2017 (With Comparative Totals for 2016)

Note 6. Quasi Endowment, Legacy Endowment Fund and Investments

Quasi Endowment

The United Way Board of Directors had established a quasi endowment fund with designations of available financial resources to be invested in the fund. Resources designated by the board for investment in the quasi endowment fund carry no legal or external restrictions, and the principal of the fund is designated by the board to not be expended. During the year ending June 30, 2017, the Board of Directors voted to release the designation for the quasi endowment and move those funds to the operating reserve.

At June 30, 2016, quasi endowment funds consisted of the following:

	2016
United Way investment account (First National Bank)	\$ 258,173
United Way operating bank account (Cache Bank and Trust)	2,456
Total quasi endowment investments	\$ 260,629

The following are the changes in the quasi endowment net assets for the years ended June 30, 2017 and 2016:

	Board Designated Unrestricted
Balance, July 1, 2015	\$ 260,080
Investment income	6,124
Administrative fees	(5,575)
Balance, June 30, 2016	260,629
Release of designation	(260,629)
Balance, June 30, 2017	\$ -

The fair value of investments held in the quasi endowment as of June 30, 2016 were determined using the following inputs of the fair value hierarchy:

	Fair Value Measurement at Reporting Date		2016 Total
	Level 1	Level 2	
Investments and Endowment			
Cash and money market	\$ 30,261	\$ -	\$ 30,261
Domestic corporate bonds	-	76,907	76,907
Domestic corporate equities	135,044	-	135,044
Alternative investments	-	18,417	18,417
Total investments and endowment	\$ 165,305	\$ 95,324	\$ 260,629

UNITED WAY OF WELD COUNTY, INC.
NOTES TO FINANCIAL STATEMENTS
June 30, 2017 (With Comparative Totals for 2016)

Note 6. Quasi Endowment, Legacy Endowment Fund and Investments (continued)

Quasi Endowment (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. The Organization has determined that the bond pricing models utilized by the custodians provide reasonable estimations of the fair values of the securities. There were no investments classified as Level 3 investments as of June 30, 2017 and 2016.

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, 2017 and 2016, the Legacy Endowment Fund consisted of \$344,487 and \$331,554, 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.

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 OF WELD COUNTY, INC.
NOTES TO FINANCIAL STATEMENTS
June 30, 2017 (With Comparative Totals for 2016)

Note 6. Quasi Endowment, Legacy Endowment Fund and Investments (continued)

Legacy Endowment Fund (continued)

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, 2017 and 2016:

	Board Designated Unrestricted	Donor Permanently Restricted	Total
Balance, July 1, 2015	\$ 50,991	\$ 276,916	\$ 327,907
Investment income	16,690	-	16,690
Contributions	-	7,500	7,500
Administrative fees	(7,070)	-	(7,070)
Distributions	(13,473)	-	(13,473)
Balance, June 30, 2016	47,138	284,416	331,554
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	<u>\$ 54,071</u>	<u>\$ 290,416</u>	<u>\$ 344,487</u>

The fair value of beneficial interest in investments held in the Legacy Endowment Fund as of June 30, 2017 and 2016 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, 2017	<u>\$ 344,487</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 344,487</u>
June 30, 2016	<u>\$ 331,554</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 331,554</u>

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.

UNITED WAY OF WELD COUNTY, INC.
NOTES TO FINANCIAL STATEMENTS
June 30, 2017 (With Comparative Totals for 2016)

Note 6. Quasi Endowment, Legacy Endowment Fund and Investments (continued)

Unrestricted Investments

Investments at June 30, 2017 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	\$ 334,853	\$ 337,292	\$ (2,439)
Domestic corporate equities	510,534	427,204	83,330
International pooled equity funds	121,525	111,668	9,857
International mutual funds	62,555	61,469	1,086
	<u>\$ 1,029,467</u>	<u>\$ 937,633</u>	<u>\$ 91,834</u>

The fair value of investments as of June 30, 2017 and 2016 were determined using the following inputs of the fair value hierarchy:

Investments	Fair Value Measurement at Reporting Date		2017 Total	2016 Total
	Level 1	Level 2		
Domestic corporate bonds	\$ -	\$ 334,853	\$ 334,853	\$ 216,050
Domestic corporate equities	510,534	-	510,534	379,371
International pooled equity funds	-	121,525	121,525	-
International mutual funds	-	62,555	62,555	-
Alternative investments	-	-	-	51,736
	<u>\$ 510,534</u>	<u>\$ 518,933</u>	<u>\$1,029,467</u>	<u>\$ 647,157</u>

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. The Organization 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, 2017 and 2016.

UNITED WAY OF WELD COUNTY, INC.
NOTES TO FINANCIAL STATEMENTS
June 30, 2017 (With Comparative Totals for 2016)

Note 6. Quasi Endowment, Legacy Endowment Fund and Investments (continued)

Investment Income

Earnings on investments and bank accounts consist of the following:

	2017	2016
Investment income on unrestricted funds	\$ 98,707	\$ 4,767
Investment gain (loss) on Quasi endowment fund	-	6,124
Earnings on Community Foundation fund	28,217	16,690
Total investment income	\$ 126,924	\$ 27,581

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, 2017 and 2016, United Way's contributions to the plan totaled \$37,998 and \$32,872, respectively.