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United Way

United Way of Weld County

UnitedWay-Weld.org

FINANCIAL STATEMENTS AND INDEPENDENT AUDITOR'S REPORT

For the Year Ended June 30, 2021
(With Comparative Totals for the Year Ended June 30, 2020)

UNITED WAY OF WELD COUNTY, INC.

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United Way of Weld County

June 9, 2022

Dear Reader:

United Way of Weld County's fiscal year ending June 30, 2021 is an example of how our local United Way brings needed and essential human services, collaboration and resources to Weld County. It is an example of United Way responding to crisis and changing trends in our community. Through the collective impact business model, 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. We have continued to respond to issues for our residents due to the COVID pandemic.

During this difficult period of COVID, we have experienced understandable declines in corporate and employee donations. We have not had the same access to our workplace donors as we did prior to COVID. We have had to pivot and develop new strategies for working with this fundraising access. Fortunately, we have experienced increased grant opportunities at the federal and state level for supporting people most impacted by COVID. Through it all, United Way of Weld County continues to be here to support those in need.

Throughout the year we have continued to focus on solving problems and achieving results in our 5 focus areas: 1) Early Childhood Literacy and School Readiness (Reading Great by 8); 2) Youth Development and Workforce Readiness (Thrive by 25); 3) Household Stability, Ending and Preventing Homelessness (Weld's Way Home) 4) Services for Older Adults and Healthy Aging (Aging Well) and 5) Helping People Connect to Services and Building Service Capacity (Connecting Weld).

2020-21 was also a year of transition and challenge as we had several staff retire or resign to take on new opportunities in their careers. We are grateful we were a part of their professional path and our organization benefited greatly from their dedication and leadership. However, the transition process for the new staff was a challenge, a very steep learning curve and involved a degree of trial and error.

Despite these challenges, our programs excelled. A few examples include: our 211 handled 16,957 information and referral inquiries; 500 homeless veterans are now in stable housing; 192 children K-3rd grade who were falling behind in their reading proficiency are now back on track; 322 people were served by our Housing Navigation Center; 7,229 nights of shelter were provided in our cold weather months; 94 new volunteers are now working with older adult organizations; and the list goes on and on. Please go to the United Way of Weld County website to see all the great work being done thanks to all of our donors and investors.

For more information please go to our website at www.unitedway-weld or contact me directly at jeannine@unitedway-weld.org.

Sincerely,

Jeannine Truswell
President & CEO
United Way of Weld County

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INDEPENDENT AUDITORS' REPORT

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

Opinion

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, 2021, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the financial statements present fairly, in all material respects, the financial position of United Way of Weld County, Inc. as of June 30, 2021, 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.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America as established by the Auditing Standards Board and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of United Way of Weld County, Inc. and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about United Way of Weld County, Inc.'s ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

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Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 United Way of Weld County, Inc.'s internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about United Way of Weld County, Inc.'s ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated, in all material respects, in relation to the financial statements as a whole.

Supplementary Information (continued)

The accompanying 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.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated June 9, 2022, on our consideration of United Way of Weld County, Inc.'s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of United Way of Weld County, Inc.'s internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering United Way of Weld County, Inc.'s internal control over financial reporting and compliance.

Report on Summarized Comparative Information

We have previously audited United Way of Weld County, Inc.'s 2020 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated November 10, 2020. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2020, is consistent, in all material respects, with the audited financial statements from which it has been derived.

RLR, LLP

Evans, Colorado
June 9, 2022

UNITED WAY OF WELD COUNTY, INC.

STATEMENT OF FINANCIAL POSITION
June 30, 2021 (With Comparative Totals for 2020)

	2021	2020
ASSETS		
Current Assets		
Cash and cash equivalents	$ 1,313,585	$ 1,533,242
Receivables:		
Campaign pledges, net of allowance for doubtful pledges of $149,606 in 2021 and $159,845 in 2020	193,591	261,008
Grants	1,008,671	394,095
Other	38,845	4,620
Prepaid expenses	51,702	61,140
Total current assets	2,606,394	2,254,105
Noncurrent assets		
Property and equipment, net	435,797	461,471
Investments	2,345,327	1,525,248
Haefeli Endowment	31,015	25,162
Legacy Endowment - beneficial interest in investments held by the Weld Community Foundation	476,654	398,492
Total noncurrent assets	3,288,793	2,410,373
Total assets	$ 5,895,187	$ 4,664,478
LIABILITIES		
Current liabilities		
Accounts payable	$ 381,032	$ 100,867
Accrued community awards liability (Note 5)	527,049	616,077
Donor designations payable	88,108	93,661
Accrued compensated absences	110,208	123,879
Deferred revenue	617,095	526,317
Total current liabilities	1,723,492	1,460,801
Noncurrent liabilities		
Note payable - Paycheck Protection Program (Note 7)	-	307,842
Total liabilities	$ 1,723,492	$ 1,768,643
NET ASSETS		
Without donor restrictions		
Investment in property and equipment, net	435,797	461,471
Board designated:		
Legacy endowment	146,573	77,676
Operating reserve	2,320,135	1,523,214
Total net assets without donor restrictions	2,902,505	2,062,361
With donor restrictions		
Time and/or purpose restricted	914,109	487,658
Purpetual in nature	355,081	345,816
Total net assets with donor restrictions	1,269,190	833,474
Total net assets	4,171,695	2,895,835
Total liabilities and net assets	$ 5,895,187	$ 4,664,478

See accompanying notes to financial statements.

UNITED WAY OF WELD COUNTY, INC.

STATEMENT OF ACTIVITIES
For the Year Ended June 30, 2021 (With Comparative Totals for 2020)

	Without Donor Restrictions	With Donor Restrictions	Total 2021	Total 2020
Revenue				
Annual campaign proceeds	2,451,535	563,055	3,014,590	$3,165,642
Less:				
Donor designations	(160,770)	-	(160,770)	(457,129)
Adjustment of provision for uncollectible pledges	(73,736)	-	(73,736)	(235,619)
Net campaign revenue	2,217,029	563,055	2,780,084	2,472,894
Other contributions	362,577	9,265	371,842	279,839
Grants and contracts	3,240,216	12,676	3,252,892	1,490,684
Investment income	437,821	5,853	443,674	112,938
Miscellaneous income	29,267	-	29,267	58,034
Gain on Paycheck Protection Program loan forgiveness	307,842	-	307,842	-
Net assets released from restrictions	155,133	(155,133)	-	-
Total other revenue	4,532,856	(127,339)	4,405,517	1,941,495
Total revenue	6,749,885	435,716	7,185,601	4,414,389
Expenses				
Program services:				
Agency support and planning	269,482	-	269,482	165,477
Community impact (Note 5)	1,304,386	-	1,304,386	1,656,772
VISTA program	81,825	-	81,825	141,867
Welds Way Home	1,798,281	-	1,798,281	796,393
Promises for Children	1,235,015	-	1,235,015	1,298,504
2-1-1 Info Line	249,655	-	249,655	205,629
Volunteer Engagement	57,872	-	57,872	68,739
Total program services	4,996,516	-	4,996,516	4,333,381
Supporting services:				
Fund raising	777,735	-	777,735	683,055
General and administrative	135,490	-	135,490	118,416
Total supporting services	913,225	-	913,225	801,471
Total expenses	5,909,741	-	5,909,741	5,134,852
Change in Net Assets	840,144	435,716	1,275,860	(720,463)
Net Assets, Beginning of Year	2,062,361	833,474	2,895,835	3,616,298
Net Assets, End of Year	$2,902,505	$1,269,190	$4,171,695	2,895,835

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, 2021 (With Comparative Totals for 2020)

	Program Services					
	Agency Support and Planning	Community Impact	VISTA Program	Welds Way Home	Promises for Children	2-1-1 Info Line
Community Award Expenses:						
Awards	$ -	$ 1,239,581	$ -	$ 174,176	$ 89,864	$ -
Less: donor designations	-	(160,770)	-	-	-	-
Total community award expenses	-	1,078,811	-	174,176	89,864	-
Personnel Expenses:						
Salaries	106,811	105,753	35,118	284,727	481,091	36,343
Payroll taxes and employee benefits	21,550	20,524	6,916	56,955	94,150	7,317
Total personnel expenses	128,361	126,277	42,034	341,682	575,241	43,660
Operating Expenses						
Supplies	794	9,044	1,507	73,941	38,250	143
QIP/client supplies	-	-	-	508	108,965	-
Telephone	-	77	650	3,507	1,887	-
Postage	-	11	-	118	3,092	2
Advertising and printing	9,973	4,178	342	1,730	35,158	42,575
Conferences and meetings	290	1,391	567	23,327	35,509	25
Dues, fees and subscriptions	-	-	-	-	3,678	2,783
Insurance	-	-	-	7,800	81	-
Equipment and maintenance	1,343	11,568	-	20,178	6,422	-
Mileage	45	-	-	719	4,029	-
Building and occupancy	4,349	19,911	1,446	5,144	18,949	1,472
Contract and professional services	29,965	13,842	22,073	773,785	101,054	146,552
Rent	-	-	-	235,330	-	-
Other expenses	57,492	3,273	-	36,798	54,412	-
Shared costs	35,778	34,974	12,528	95,924	148,094	11,645
Total operating expenses	140,029	98,269	39,113	1,278,809	559,580	205,197
Total expenses before depreciation	268,390	1,303,357	81,147	1,794,667	1,224,685	248,857
Depreciation	1,092	1,029	678	3,614	10,330	798
Total expenses	$ 269,482	$ 1,304,386	$ 81,825	$ 1,798,281	$ 1,235,015	$ 249,655

		Support Services					
Volunteer Engagement	Total Program Services	General and Administrative	Fund Raising	Total Support Services	Shared Expenses	Total 2021	Total 2020
$ -	$ 1,503,621	$ -	$ -	$ -	$ -	$ 1,503,621	$ 1,936,484
-	(160,770)	-	-	-	-	(160,770)	(457,129)
-	1,342,851	-	-	-	-	1,342,851	1,479,355
31,796	1,081,639	69,197	304,494	373,691	95,474	1,550,804	1,387,369
6,353	213,765	14,905	60,897	75,802	21,300	310,867	283,925
38,149	1,295,404	84,102	365,391	449,493	116,774	1,861,671	1,671,294
1,966	125,645	207	163,648	163,855	12,160	301,660	64,977
-	109,473	-	-	-	-	109,473	216,036
-	6,121	-	-	-	33,027	39,148	37,536
34	3,257	47	3,220	3,267	16,138	22,662	11,648
514	94,470	168	38,541	38,709	29,492	162,671	276,265
178	61,287	726	54,442	55,168	3,925	120,380	148,073
90	6,551	-	400	400	63,673	70,624	46,274
-	7,881	10	188	198	31,829	39,908	25,437
4,600	44,111	1,731	7,855	9,586	28,954	82,651	46,360
194	4,987	-	1,611	1,611	142	6,740	16,905
1,303	52,574	3,188	12,799	15,987	(1,721)	66,840	92,067
-	1,087,271	20,556	9,433	29,989	143,435	1,260,695	767,935
-	235,330	-	-	-	-	235,330	136,951
-	151,975	-	9,877	9,877	(1,089)	160,763	72,065
10,273	349,216	23,648	103,875	127,523	(476,739)	-	-
19,152	2,340,149	50,281	405,889	456,170	(116,774)	2,679,545	1,958,529
57,301	4,978,404	134,383	771,280	905,663	-	5,884,067	5,109,178
571	18,112	1,107	6,455	7,562	-	25,674	25,674
$ 57,872	$ 4,996,516	$ 135,490	$ 777,735	$ 913,225	$ -	$ 5,909,741	$ 5,134,852

See accompanying notes to financial statements.

UNITED WAY OF WELD COUNTY, INC.

STATEMENT OF CASH FLOWS
For the Year Ended June 30, 2021 (With Comparative Totals for 2020)

	2021	2020
Cash flows from operating activities:		
Change in net assets	$ 1,275,860	$ (720,463)
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Adjustment of provision for uncollectible pledges	73,736	235,619
Depreciation	25,674	25,674
Unrealized/realized (gain) on investments	(348,208)	(86,196)
Change in value of beneficial interest in investments	(87,843)	(25,611)
Change in value of endowment	(5,853)	(162)
Gain on Paycheck Protection Program loan forgiveness	(307,842)	-
Decrease (increase) in:		
Campaign pledges receivable	(6,319)	129,050
Grants receivable	(614,576)	(181,466)
Other receivable	(34,225)	22,868
Prepaid expenses	9,438	(18,365)
Increase (decrease) in:		
Accounts payable	280,165	24,883
Accrued community awards liability (Note 5)	(89,028)	616,077
Donor designations payable	(5,553)	11,656
Accrued compensated absences	(13,671)	23,620
Deferred revenue	90,778	335,082
Net cash provided by operating activities	242,533	392,266
Cash flows from investing activities:		
Purchase of equipment and improvements	-	(6,559)
Proceeds from sale of investments	-	3,899
Transfer to beneficial interest in investments	(9,265)	(13,400)
Purchase of investments	(471,871)	-
Transfer to endowment	-	(25,000)
Distribution from beneficial interest in investments	18,946	17,163
Net cash (used) by investing activities	(462,190)	(23,897)
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	(219,657)	676,211
Cash and cash equivalents, beginning of year	1,533,242	857,031
Cash and cash equivalents, end of year	$ 1,313,585	$ 1,533,242
Supplemental Disclosures of Non-Cash Operating Activities:		
Contributed goods and services	$ 362,577	$ 241,439
In-kind expenses	$ (362,577)	$ (241,439)

See accompanying notes to financial statements.

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

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.

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, 2020, from which the summarized information was derived.

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

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 for other receivables.

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.

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.

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

Investments and Beneficial Interest in Investments (continued)

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, 2021 and 2020. 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.

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.

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

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 $362,577 and $241,439 of in-kind contributions during the years ending June 30, 2021 and 2020, 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.

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, 2021 and 2020 was $617,095 and $526,317, 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.

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

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, 2021 and 2020.

Advertising

Advertising costs are expensed as incurred. Advertising expense for the years ended June 30, 2021 and 2020 was $90,334 and $160,039, respectively. Of those expenses, approximately $9,000 and $46,432, respectively, was in-kind advertising expense.

Subsequent Events

Management has evaluated subsequent events through June 9, 2022 the date on which the financial statements were available to be issued.

Note 2. Annual Campaign Pledges and Revenue Concentration

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

	June 30, 2021			
Campaign	Campaign Proceeds in 2020-21	Pledges Receivable Outstanding	Allowance for Uncollectible Pledges	Net Pledges Receivable
2021-2022	$ 63,280	$ 5,688	$ (3,164)	$ 2,524
2020-2021	2,928,845	337,509	(146,442)	191,067
Prior years	22,465	-	-	-
	$ 3,014,590	$ 343,197	$ (149,606)	$ 193,691

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

	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

Contributions from one donor represented 15% and 14% of the contributions received during the years ended June 30, 2021 and 2020, respectively.

Note 3. Property and Equipment

At June 30, 2021 and 2020, property and equipment consisted of the following:

	2021	2020
Land	$ 96,645	$ 96,645
Building and improvements	529,906	529,906
Equipment and furniture	181,266	181,266
	807,817	807,817
Less: accumulated depreciation	(372,020)	(346,346)
Total property and equipment	$ 435,797	$ 461,471

Note 4. 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, 2021 and 2020, the Legacy Endowment Fund consisted of $476,654 and $398,492, 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

Note 4. 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, 2021 and 2020:

	Board Designated	With Donor Restrictions	Total
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	77,676	320,816	398,492
Contributions	-	9,265	9,265
Investment income	95,862	-	95,862
Administrative fees	(8,019)	-	(8,019)
Distributions	(18,946)	-	(18,946)
Balance, June 30, 2021	$ 146,573	$ 330,081	$ 476,654

Note 4. Legacy Endowment Fund and Investments (continued)

The fair value of beneficial interest in investments held in the Legacy Endowment Fund as of June 30, 2021 and 2020 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, 2021	$ 476,654	$ -	$ -	$ 476,654
June 30, 2020	$ 398,492	$ -	$ -	$ 398,492

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, 2021 and 2020, the balance of the Haefeli Endowment for Youth was $31,015 and $25,162, respectively, 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, 2021 and 2020:

	With Donor Restrictions
Balance, June 30, 2019	$ -
Contributions	25,000
Investment income	162
Balance, June 30, 2020	25,162
Investment income	5,853
Balance, June 30, 2021	$ 31,015

The fair value of the Haefeli Endowment for Youth as of June 30, 2021 and 2020 was determined using Level 2 inputs of the fair value hierarchy.

Note 4. Legacy Endowment Fund and Investments (continued)

Unrestricted Investments

Investments at June 30, 2021 are presented in the statements of financial position at fair value and composed of the following:

	Fair Value Measurement at Reporting Date		
Investments	Fair Value	Cost	Unrealized Gain (Loss)
Domestic corporate bonds	$ 761,870	$ 752,206	$ 9,664
Domestic corporate equities	1,035,878	614,208	421,670
Domestic mutual funds	262,193	233,498	28,695
International pooled equity funds	285,386	220,537	64,849
	$ 2,345,327	$ 1,820,449	$ 524,878

The fair value of investments as of June 30, 2021 and 2020 were determined using the following inputs of the fair value hierarchy:

	Fair Value Measurement at Reporting Date			
Investments	Level 1	Level 2	2021 Total	2020 Total
Domestic corporate bonds	$ -	$ 761,870	$ 761,870	$ 559,624
Domestic corporate equities	1,035,878	-	1,035,878	679,797
Domestic mutual funds	-	262,193	262,193	99,978
International pooled equity funds	-	285,386	285,386	185,849
	$ 1,035,878	$ 1,309,359	$ 2,345,327	$ 1,525,248

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 equites 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, 2021 and 2020.

Investment Income

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

	2021	2020
Investment income on unrestricted funds	$ 349,978	$ 87,165
Earnings on endowment and beneficial interest	93,696	25,773
Total investment income	$ 443,674	$ 112,938

Note 5. Community Awards

Each year, the Board of Directors approves community funding, and allocates the individual awards to community agencies. From time to time, the approved individual awards are not fully paid out due to an agency closing or deny the additional funding.

The community awards accrued during the years ended June 30, 2021 and 2020 consisted of the following:

	2021	2020
Initiatives:		
Early childhood	$ 72,419	$ 72,419
Youth development	163,205	183,915
Household stability	192,575	192,575
Older adults and healthy aging	98,850	103,575
Weld Recovers – COVID	-	50,459
Special awards	-	13,134
Total community awards	$ 527,049	$ 616,077

Note 6. Net Assets

At June 30, 2021 and 2020, the board designated and net assets with donor restrictions were as follows:

	2021	2020
Board Designated		
Legacy endowment	$ 146,573	$ 77,676
Operating reserve	2,320,135	1,523,214
Total board designated	$ 2,466,708	$ 1,600,890
Time and/or Purpose Restricted		
Child tax credit	$ 227,413	$ 245,559
Bright by Three	-	9,906
Best Start for Babies	2,041	2,075
PASO -FFN	-	4,850
Children’s Festival	-	2,353
CAHPS	2,438	23,495
Welds Way Home	-	98,788
Navigation Center	61,843	-
Navigation Center Laundry	2,860	1,430
Weld Project Connect	9,259	818
Weld Recovers	56,141	55,551
Cold Weather Shelter	491,558	7,758
NoCo Continuum of Care	29,544	22,001
Haefeli Endowment Interest	6,015	162
COVID-19	24,997	12,912
Total time and/or purpose restricted	$ 914,109	$ 487,658
Perpetual in Nature Restricted – Endowments	$ 355,081	$ 345,816

Note 7. Note Payable, Line of Credit and Subsequent Event

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 bore interest of 1% per year. During the year ended June 30, 2021, United Way applied for loan forgiveness in accordance with the terms of the Paycheck Protection Program, which required the review and approval by the Small Business Administration and the financial institution. The fully forgiven loan is presented as Gain on Paycheck Protection Program loan on the statement of activities.

During the year ended June 30, 2021, 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 the Wall Street Journal U.S. Prime Rate less 0.25%. The line of credit matures in September 2021, at which time all unpaid principal and interest are due. At June 30, 2021, there was no balance on the line of credit. Subsequent to June 30, 2021, United Way renewed the line of credit agreement with the same terms through September 11, 2022.

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. Actual contribution percentages may change annually with Board action. At June 30, 2021, United Way has accrued a liability in the amount $58,640 for its contribution to the plan for the year ended June 30, 2021. During the year ended June 30, 2020, United Way's contributions to the plan totaled $53,431.

Note 9. Lease, Reimbursement Agreements, and Subsequent Event

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 required monthly payments of $5,173 through April 2021. Upon expiration of the lease, the agreement continued on a verbal month to month basis with the same terms.

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 in the statement of functional expenses.

During the year ended June 30, 2021, 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. During the year ended June 30, 2021, United Way also secured additional funding to offset the cost of the additional lease expense. United Way did not renew the lease upon expiration.

Subsequent to June 30, 2021, United Way entered into a five year lease agreement for a year round navigation center. The lease requires a $9,451 security deposit. Annual rent begins at $86,250 and escalates 3% at the beginning of each year. United Way is also required to pay triple net expenses each month which is estimated to be $2,263. The lease includes an option to purchase the premise with a 60 day written notice. United Way has not exercised its purchase option as of the date these financial statements were available to be issued.

Note 10. Service Agreement

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 original service agreement was effective to June 30, 2020 and required quarterly payments from United Way to Mile High United Way of $35,387. During the year ended June 30, 2021, United Way extended the services through June 30, 2023. The extended agreement requires annual fees ranging from $146,435 to $155,353 to be paid in quarterly installments. For the years ended June 30, 2021 and 2020, United Way recognized expense under this service agreement of $146,435 and $127,358, respectively.

United Way's obligations for this service contract are as follows:

Year Ending June 30,	Amount
2022	$ 150,828
2023	155,353
	$ 306,181

Note 11. Grant Contingencies and Concentrations

United Way receives financial assistance from various governmental agencies in the form of grants. The disbursement of funds received under these programs generally requires compliance with term and conditions specified in the grant agreements and is subject to audit by the grantor agencies. Any disallowed claims resulting from such an audit could become a liability of United Way. However, in the opinion of United Way, any such disallowed claims will not have a material effect on the financial statements or on the overall financial position of United Way at June 30, 2021.

A major grantor or vendor is defined as accounting for 10% or more of United Way's revenue or expenses, respectively. Due to the nature of United Way's operations, the major sources of revenue and expenses may change from year to year.

During the year ended June 30, 2021, United Way had revenues with one major grantor in excess of 10% of total revenues. Approximately 13% of total revenue was received from the grantor during the year ended June 30, 2021. At June 30, 2021, 81% of total grants receivable was outstanding from the grantor. The current level of United Way's operations and program services may be impacted if the funding is not renewed.

Note 12. 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:

	2021	2020
Cash and cash equivalents	$ 1,313,585	$ 1,533,242
Pledges receivable, net	193,591	261,008
Grant receivables	1,008,671	394,095
Other receivables	38,845	4,620
	$ 2,554,692	$ 2,192,965

Note 12. Liquidity and Availability of Financial Assets (continued)

In addition to the liquid balances above, United Way also has a board designated endowment with available funds of $146,573 and $77,676 held by the Community Foundation, and additional funds of $2,345,327 and $1,525,248 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, 2021 and 2020, respectively. These resources are invested for long-term appreciation and current income, but may be spent at the discretion of the Board. See Note 4 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 by operations of 242,533 and $392,266 for fiscal years ending June 30, 2021 and 2020, respectively.

Note 13. Trends and Uncertainties

In 2020 and 2021, 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 12 above.

UNITED WAY OF WELD COUNTY, INC.

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended June 30, 2021

Federal Grantor/Pass-Through Grantor/ Program or Cluster Title	Federal CFDA Number	Pass-Through Entity Identifying Number	Passed Through to Sub-recipients	Total Federal Expenditures
U.S. Department of Housing and Urban Development				
Passed through the Colorado Department of Local Affairs				
COVID-19 Emergency Solutions Grants Program	14.231	DOLA ESG CV1 UWWC	$ -	$ 209,352
COVID-19 Emergency Solutions Grants Program	14.231	DOLA ESG CV1 NoCo CoC	273,627	286,397
COVID-19 Emergency Solutions Grants Program	14.231	DOLA ESG CV2 UWWC	-	319,259
COVID-19 Emergency Solutions Grants Program	14.231	DOLA ESG CV2.2 UWWC	-	5,732
COVID-19 Emergency Solutions Grants Program	14.231	DOLA ESG CV2 NoCo CoC	-	2,597
COVID-19 Emergency Solutions Grants Program	14.231	DOLA ESG CV2 NoCO CoC	-	89,417
			273,627	912,754
Passed through the City of Greeley				
Indian Community Development Block Grant	14.862	None Listed	-	51,730
Indian Community Development Block Grant	14.862	None Listed	-	10,888
Indian Community Development Block Grant	14.862	None Listed	-	20,000
			-	82,618
Total U.S. Department of Housing and Urban Development			273,627	995,372
U.S. Department of the Treasury				
Passed through Weld County:				
COVID-19 Coronavirus Relief Funds	21.019	None Listed	-	81,948
Passed through the City of Greeley				
COVID-19 Coronavirus Relief Funds	21.019	None Listed	-	208,398
Passed through the City of Evans				
COVID-19 Coronavirus Relief Funds	21.019	None Listed	-	114,996
Total U.S. Department of the Treasury			-	405,342
U.S. Department of Health and Human Services				
Passed through the Colorado Department of Human Services				
ESSA Preschool Development Grants Birth - Five	93.434	None Listed	-	1,184
Child Care and Development Block Grant	93.575	None Listed	-	125,013
Child Care and Development Block Grant	93.575	None Listed	-	82,547
Child Care and Development Block Grant	93.575	None Listed	-	110,223
Total U.S. Department of Health and Human Services			-	318,967
Corporation for National and Community Service				
Direct from Corporation For National and Community Service				
Volumteers in Service to America	94.013	N/A	-	32,203
U.S. Department of Homeland Security				
Direct from U.S. Department of Homeland Security				
Emergency Food and Shelter National Board Program	97.024		-	10,000
Total Expenditures of Federal Awards			**$ 273,627**	**$ 1,761,884**

UNITED WAY OF WELD COUNTY, INC.

NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
June 30, 2021

General

The accompanying schedule of expenditures of federal awards includes the federal grant activity of United Way of Weld County, Inc. All federal financial assistance received by the reporting entity directly from federal agencies, as well as federal financial assistance passed through other government agencies, is included on the schedule.

Basis of Presentation

The accompanying schedule of expenditures of federal awards is presented using the accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements. As the schedule presents only a selected portion of the operations of United Way of Weld County, it is not intended to, and does not, present the financial position, changes in net assets, or cash flows of United Way of Weld County.

Indirect Cost Rate Election

United Way of Weld County, Inc. elected to utilize the 10% de minimis indirect cost rate during the year ended June 30, 2021.

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INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

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

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited United Way of Weld County, Inc.'s compliance with the types of compliance requirements identified as subject to audit in the OMB Compliance Supplement that could have a direct and material effect on each United Way of Weld County, Inc.'s major federal programs for the year ended June 30, 2021. United Way of Weld County, Inc.'s major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion United Way of Weld County, Inc. complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2021.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the United Way of Weld County, Inc. and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of United Way of Weld County, Inc.'s compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable United Way of Weld County, Inc.'s federal programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on United Way of Weld County, Inc.'s compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, Government Auditing Standards, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance applicable United Way of Weld County, Inc.'s compliance with the requirements of each major federal program as a whole

In performing an audit in accordance with generally accepted auditing standards, Government Auditing Standards and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding United Way of Weld County, Inc.'s compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of United Way of Weld County, Inc.'s internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of United Way of Weld County, Inc.'s internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control over Compliance

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A material weakness in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A significant deficiency in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

Report on Internal Control over Compliance (continued)

However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

RLR LLP

Evans, Colorado
June 9, 2022

INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of United Way of Weld County, Inc. (a nonprofit organization), which comprise the statement of financial position as of June 30, 2021, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated June 9, 2022.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered United Way of Weld County, Inc.'s internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of United Way of Weld County, Inc.'s internal control. Accordingly, we do not express an opinion on the effectiveness of United Way of Weld County, Inc.'s internal control.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as described in the accompanying schedule of findings and questioned costs, we identified certain deficiencies in internal control that we consider to be material weaknesses and significant deficiencies

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. We consider the deficiencies described in the accompanying schedule of findings and questioned costs as items 2021-1, 2021-2 and 2021-3 to be material weaknesses.

A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the deficiency described in the accompanying schedule of findings and questioned costs as item 2021-4 to be a significant deficiency.

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Compliance and Other Matters

As part of obtaining reasonable assurance about whether United Way of Weld County, Inc.'s financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the organization's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the organization's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

RLR, LLP

Evans, Colorado
June 9, 2022

UNITED WAY OF WELD COUNTY, INC.

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
June 30, 2021

A. As required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), the following is a summary of the results of our audit:

Financial Statements

Type of auditors' report issued: Unmodified

Internal control over financial reporting:

• Material weaknesses identified?	X	Yes		No
• Significant deficiencies identified?	X	Yes		None Reported
Noncompliance material to financial statements noted?		Yes	X	No

Federal Awards

Type of auditors' report issued on compliance for major programs: Unmodified

Internal control over major programs:

• Material weaknesses identified?		Yes	X	No
• Significant deficiencies identified?		Yes	X	None Reported
Any audit findings disclosed that are required to be reported in accordance with section 516(a) of the Uniform Guidance?		Yes	X	No

The following program was tested as a major program:

Federal Grantor/Program Name	CFDA Number
U.S. Department of Housing and Urban Development	
Emergency Solutions Grant	14.231

- The threshold for distinguishing Types A and B programs was $750,000.
- The auditee did not qualify as low-risk.

B. Findings – Financial Statement Audit

Current Year Audit Findings:

2021-01: Improper Cash Reconciliations, Other Balances and Supporting Schedules

Criteria: An internal control structure should be designed to provide for the timely and accurate reconciliation of cash and other balances significant to United Way's financial statements prepared in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP) in order to safeguard assets and help prevent loss from system error, dishonesty, or error in computation or processing.

2021-01: Improper Cash Reconciliations, Other Balances and Supporting Schedules (continued)

Condition/Context: During our initial audit procedures, we noted cash balances were not properly reconciled. Upon the correction of the reconciliations, it was discovered that the prior year cash balances had become unreconciled through the process of correcting the current year reconciliations. In addition, we also identified several other asset and liability balances that did not have accurate supporting schedules.

Cause: It is our understanding United Way experienced complete turnover in it's accounting department during the period under audit.

Effect: The condition required significant assistance from us for United Way to develop accurate reconciliations and supporting schedules.

Recommendations: We recommend United Way implement procedures to reconcile cash balances and all other financial statement balances in an accurate and timely manner, and to implement procedures to close prior periods to avoid inadvertent errors or changes in previously audited periods. We also recommend supporting schedules for balances to be prepared and reviewed timely to ensure accuracy.

View of Responsible Official and Planned Correct Action: Management concurs with the finding, and has implemented procedures to ensure accurate and timely reconciliation of cash and other financial statement balances, including the preparation of accurate supporting schedules.

Contact Person: Jeannine Truswell, President

Anticipated Date of Completion: June 30, 2022

2021-02: Audit Adjustments

Criteria: An internal control structure should be designed to identify the adjusting journal entries that are significant to United Way's financial statements prepared in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP).

Condition/Context: Various audit adjustments were identified, proposed and recorded. The most significant of those adjustments include:

- To adjust accrued compensated absences ($13,671)
- To record prepaid expenses ($37,643)
- To adjust deferred revenue ($33,964)
- To adjust accounts payable ($221,016)
- To adjust accrued community awards liability ($25,435)
- To correct the allowance for uncollectible pledges ($53,955)

Cause: It is our understanding United Way experienced complete turnover in the accounting department during the period under audit.

Effect: Various audit adjustments were identified and required to be recorded in order for the financial statements to be presented in accordance with U.S. GAAP.

Recommendations: We recommend United Way continually evaluate its internal controls to ensure that complete and accurate information is available in a timely manner to properly record transactions in accordance with U.S. GAAP.

2021-02: Audit Adjustments (continued)

View of Responsible Official and Planned Correct Action: Management concurs with the finding, and has implemented procedures to ensure that all transactions are recorded in accordance with U.S. GAAP for future periods.

Contact Person: Jeannine Truswell, President

Anticipated Date of Completion: June 30, 2022

2021-03: Tracking of Federal Award Expenditures and Inaccurate Preparation of the Schedule of Expenditures of Federal Awards

Criteria: An internal control structure should be designed to accurately track federal award expenditures on the accrual basis and ensure accurate and timely preparation for the schedule of expenditures of federal awards.

Condition/Context: During our audit procedures we noted the schedule of expenditures of federal awards was not accurately prepared.

Cause: It is our understanding United Way experienced complete turnover in the accounting department during the period under audit.

Effect: The condition required significant assistance from us for the inclusion of all federal expenditures, including the accrual of federal award expenditures.

Recommendations: We recommend United Way implement procedures to accurately track all federal expenditures on a regular and timely basis.

View of Responsible Official and Planned Correct Action: Management concurs with the finding, and has implemented procedures, including the hiring of a grants manager, to ensure that all federal expenditures are accurately tracked on a regular and timely basis for future periods.

Contact Person: Jeannine Truswell, President

Anticipated Date of Completion: June 30, 2022

2021-04: Segregation of Duties

Criteria: The basic premise of a strong system of internal controls is that no one employee should have full user access to all aspects of the accounting system and related records.

Condition/Context: Although United Way has developed a system of internal controls that includes policies and procedures to address segregation of duties within the organization, the Vice President of Finance and Administration has full access to all aspects of the accounting system and related records.

Cause: The structure of United Way's accounting department limits the ability to isolate certain individuals from applying proper segregation of duties relating to accounting records and software.

Effect: The effectiveness of United Way's separation of duties is limited by the Vice President of Finance and Administration's full access to the accounting system and related records.

Recommendations: We recommend United Way continue to evaluate potential procedures to implement for improved separation of duties in this area.

2021-04: Segregation of Duties (continued)

View of Responsible Official and Planned Correct Action: Segregation of duties in a local nonprofit with limited resources is difficult, at best. The Board and Directors and Finance Committee monitor the financial activities of the organization because of the limitations of United Way's staff size and ability to fully separate the accounting duties and access of the position. While aware of the significant deficiency, hiring additional staff to overcome the deficiency is not possible at this time. The Board of Directors will continue to monitor financial activities with this lack of segregation of duties in mind. We believe the increased oversight mitigates the risk arising from the lack of segregation of duties.

Contact Person: Jeannine Truswell, President

Anticipated Date of Completion: Already Implemented.

Prior Year Audit Findings: None

C. Findings and Questions Costs – Major Federal Awards Programs Audit

Current Year Audit Findings: None

Prior Year Audit Findings: Not Applicable