



**UNITED WAY OF WELD COUNTY  
AUDITED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2023**

Dear Weld County Neighbor,

I am pleased to share the United Way of Weld County financial audit for the fiscal year ending June 30, 2023. This report encapsulates our commitment to transparency, accountability and community impact.

The 2022-23 fiscal year included significant growth and accomplishment for United Way. The increase in activity has been noteworthy, as evidenced by an almost doubling of revenue over the past four years, from \$4 million in 2018-19 to \$7.5 million in 2022-23. This tremendous growth can be attributed to the generosity of our donors, the effectiveness of our fundraising efforts, an increase in government and foundation funding and the careful management of resources.

United Way expenses were allocated strategically last year, with 86% of total expenditures being used for program services. This allocation underscores United Way's dedication to maximizing the impact of every donated dollar. Administrative and fundraising expenses accounted for only 14%, reflecting our commitment to operational efficiency and fiscal responsibility.

In the past fiscal year, United Way has continued to make a meaningful difference in the lives of individuals and families throughout our community. Our programs have touched various aspects of community life, including education, financial stability, basic needs and more.

One of our initiatives, Reading Great by 8, has seen remarkable success in ensuring that children have access to quality early childhood education. Through partnerships with local child care providers and schools, we have increased school readiness and academic achievement. This is accomplished by supporting parents with basic needs, helping child care providers increase quality of care and grow their businesses, and assisting parents and child care providers in accessing Universal Preschool.

Furthermore, the Weld's Way Home initiative has provided vital support to individuals and families facing economic hardship. Through access to resources, housing supports and workforce readiness training, hundreds of families have been empowered to achieve stability and self-sufficiency. An example of one of the most impactful community efforts that United Way leads is the Housing Navigation Center's cold weather shelter. During the 2022-23 fiscal year the cold weather shelter provided 10,231 nights of stay and served nearly 12,000 meals to 503 guests throughout the cold weather season. The shelter saved lives and allowed guests access to much needed resources provided by United Way and many partner agencies.

Results like this exemplify the tangible difference that United Way of Weld County is making. They underscore the importance of our mission and the power of collective action in creating positive change.

I express my gratitude to our donors, volunteers, staff, and community partners for their unwavering support and dedication. Together, we are building a stronger, more vibrant community where every individual has the opportunity to thrive. Thank you for your continued partnership and support.

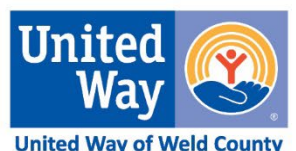
Sincerely,

A large, stylized graphic of a hand with fingers spread, rendered in shades of blue and yellow, positioned behind the signature and contact information.

*Melanie Woolman*

Melanie Woolman  
President & CEO

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UNITED WAY OF WELD COUNTY

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## INDEPENDENT AUDITOR'S REPORT

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

### **Report on the Audit of the Financial Statements**

#### ***Opinion***

We have audited the financial statements of United Way of Weld County, which comprise the statement of financial position as of June 30, 2023, 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 accompanying financial statements present fairly, in all material respects, the financial position of United Way of Weld County as of June 30, 2023, 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 (GAAS) 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 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 opinion.

#### ***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's ability to continue as a going concern for one year after the date of the report.

### ***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 GAAS 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 GAAS 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'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'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 consolidated financial statements as a whole. The 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 consolidated 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 consolidated financial statements. The information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the consolidated financial statements as a whole.

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 May 3, 2024 on our consideration of United Way of Weld County'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'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's internal control over financial reporting and compliance.

*Pettit & Company, LLC*

Indianapolis, Indiana

May 3, 2024

**UNITED WAY OF WELD COUNTY**  
**STATEMENT OF FINANCIAL POSITION**  
**AS OF JUNE 30, 2023**

**Assets**

**Current assets**

Cash and cash equivalents	\$ 1,412,383
Pledges receivable	61,055
Grants receivable	869,183
Other receivables	17,779
Prepaid expenses	54,438

<b>Total current assets</b>	<b>2,414,838</b>
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**Property and equipment**

Buildings	649,412
Leasehold improvements	334,454
Furniture and fixtures	182,771

Total property and equipment	1,166,637
Accumulated depreciation	(466,774)

<b>Net property and equipment</b>	<b>699,863</b>
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**Other assets**

Operating lease right-of-use asset	299,901
Investments	1,838,452
Haefeli endowment	56,233
Legacy endowment - beneficial interest in investments the Weld Community Foundation	482,569

<b>Total other assets</b>	<b>2,677,155</b>
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<b>Total assets</b>	<b>\$ 5,791,856</b>
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**UNITED WAY OF WELD COUNTY**

**STATEMENT OF FINANCIAL POSITION (CONTINUED)  
AS OF JUNE 30, 2023**

<b>Current liabilities</b>	
Current portion of right-of-use operating lease liabilities	\$ 92,175
Accounts payable - operations	299,238
Accrued awards liability	600,000
Donor designations payable	32,690
Accrued compensated absences	103,160
Deferred revenue	<u>337,378</u>
<b>Total current liabilities</b>	<u>1,464,641</u>
<b>Long-term liabilities</b>	
Right-of-use operating lease liabilities, net of current portion	<u>207,726</u>
<b>Total long-term liabilities</b>	<u>207,726</u>
<b>Total liabilities</b>	<u>1,672,367</u>
<b>Net assets</b>	
Without donor restrictions	
Undesignated	706,394
Board designated	1,888,406
With donor restrictions	
Time and/or purpose restricted	1,144,608
Perpetual in nature	<u>380,081</u>
<b>Total net assets</b>	<u>4,119,489</u>
<b>Total liabilities and net assets</b>	<u><u>\$ 5,791,856</u></u>

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



**UNITED WAY OF WELD COUNTY**

**STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2023**

	<u>Without donor restrictions</u>	<u>With donor restrictions</u>	<u>Total</u>
<b>Support and revenue</b>			
Annual campaign proceeds	\$ 2,844,758	\$ -	\$ 2,844,758
Less			
Donor designations	(166,126)	-	(166,126)
Adjustment of provision for uncollectible pledges	<u>(99,832)</u>	<u>-</u>	<u>(99,832)</u>
<b>Net campaign revenue</b>	2,578,800	-	2,578,800
Grants and contracts	1,190,690	3,090,211	4,280,901
Investment income	242,746	16,229	258,975
In-kind contributions	436,578	-	436,578
Miscellaneous income	130,901	-	130,901
<b>Net assets released from restrictions</b>			
Satisfaction of program requirements	<u>3,258,216</u>	<u>(3,258,216)</u>	<u>-</u>
Total other revenue	<u>5,259,131</u>	<u>(151,776)</u>	<u>5,107,355</u>
<b>Total support and revenue</b>	<u>7,837,931</u>	<u>(151,776)</u>	<u>7,686,155</u>
<b>Expenses</b>			
Program services:			
Reading great by 8	2,165,714	-	2,165,714
Aging well	55,390	-	55,390
Welds Way home	3,026,111	-	3,026,111
Connecting weld	478,763	-	478,763
Agency and community support	<u>857,303</u>	<u>-</u>	<u>857,303</u>
<b>Total program expenses</b>	<u>6,583,281</u>	<u>-</u>	<u>6,583,281</u>
Supporting services:			
Fund raising	598,264	-	598,264
General and administrative	<u>449,696</u>	<u>-</u>	<u>449,696</u>
<b>Total supporting services</b>	1,047,960	-	1,047,960
<b>Total expenses</b>	7,631,241	-	7,631,241
<b>Change in net assets</b>	<u>206,690</u>	<u>(151,776)</u>	<u>54,914</u>
<b>Net assets - beginning of year</b>	<u>2,388,110</u>	<u>1,676,465</u>	<u>4,064,575</u>
<b>Net assets - end of year</b>	<u>\$ 2,594,800</u>	<u>\$ 1,524,689</u>	<u>\$ 4,119,489</u>

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

**UNITED WAY OF WELD COUNTY**

**STATEMENT OF FUNCTIONAL EXPENSES  
FOR THE YEAR ENDED JUNE 30, 2023**

	<u>Reading Great by 8</u>	<u>Aging Well</u>	<u>Welds Way Home</u>	<u>Connecting Weld</u>	<u>Agency and Community Support</u>	<u>Total Program</u>
Awards	\$ 100,000	\$ -	\$ 504,566	\$ -	\$ 662,000	\$ 1,266,566
Salaries	496,874	23,751	861,878	116,098	91,295	1,589,896
Payroll taxes	81,770	4,288	140,440	19,929	15,973	262,400
Supplies	27,158	-	64,676	15,545	912	108,291
QIP/client supplies	671,619	-	2,751	-	362	674,732
Telephone	2,771	-	10,677	50	-	13,498
Postage	2,206	-	234	71	8	2,519
Advertising and printing	11,751	7,897	13,298	45,708	1,451	80,105
Conferences and meetings	44,323	513	8,333	2,706	578	56,453
Dues, fees and subscriptions	1,192	-	531	765	20	2,508
Insurance	-	-	-	460	-	460
Equipment and maintenance	3,419	-	72,208	5,181	1,556	82,364
Mileage	3,353	-	1,816	595	-	5,764
Building and occupancy	22,680	849	43,441	5,149	3,929	76,048
Contract and professional services	269,894	1,019	621,875	180,039	26,494	1,099,321
Rent	147,031	-	124,366	-	-	271,397
Other expenses	2,147	-	204,365	17,405	-	223,917
Shared costs	265,700	16,608	303,928	64,718	51,178	702,132
In-kind donations	-	-	-	2,000	-	2,000
Depreciation	11,826	465	46,728	2,344	1,547	62,910
<b>Total expenses</b>	<b>\$ 2,165,714</b>	<b>\$ 55,390</b>	<b>\$ 3,026,111</b>	<b>\$ 478,763</b>	<b>\$ 857,303</b>	<b>\$ 6,583,281</b>

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

**UNITED WAY OF WELD COUNTY**

**STATEMENT OF FUNCTIONAL EXPENSES (CONTINUED)  
FOR THE YEAR ENDED JUNE 30, 2023**

<u>Management and General</u>	<u>Fund Raising</u>	<u>Total Support Services</u>	<u>Shared Expenses</u>	<u>Total</u>
\$ -	\$ -	\$ -	\$ -	\$ 1,266,566
29,366	264,037	293,403	339,670	1,883,299
12,853	43,720	56,573	30,920	318,973
1,383	2,694	4,077	13,789	112,368
-	1,886	1,886	-	676,618
464	-	464	33,017	13,962
72	3,924	3,996	2,226	6,515
257	51,156	51,413	77,164	131,518
1,670	63,813	65,483	23,581	121,936
740	843	1,583	63,595	4,091
788	-	788	34,556	1,248
(8,462)	1,046	(7,416)	38,935	74,948
-	293	293	295	6,057
21,803	11,170	32,973	4,785	109,021
58,593	13,347	71,940	202,220	1,171,261
-	-	-	-	271,397
15,795	-	15,795	326	239,712
25,996	134,450	160,446	(865,079)	862,578
287,547	-	287,547	-	289,547
831	5,885	6,716	-	69,626
<u>\$ 449,696</u>	<u>\$ 598,264</u>	<u>\$ 1,047,960</u>	<u>\$ -</u>	<u>\$ 7,631,241</u>

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

**UNITED WAY OF WELD COUNTY**  
**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED JUNE 30, 2023**

<b>Cash flows from operating activities</b>	
Change in net assets	\$ 54,914
Adjustments to reconcile change in net assets to net cash provided by operating activities	
Adjustment for provision of uncollectable pledges	99,832
Depreciation	69,626
Investment income	(252,909)
(Increase) decrease in assets	
Pledges receivable	22,872
Grants receivable	300,645
Other receivables	(2,269)
Prepaid expenses	9,673
Increase (decrease) in liabilities	
Accounts payable - operations	(336,149)
Donor designations payable	(93,519)
Accrued compensated absences	(17,761)
Deferred revenue	86,117
<b>Net cash provided by (used in) operating activities</b>	<u>(58,928)</u>
<b>Cash from investing activities</b>	
Transfer to Legacy endowment	(64,250)
Proceeds from sale of investments	462,220
Purchase of property and equipment	(321,341)
<b>Net cash provided by (used in) investing activities</b>	<u>76,629</u>
<b>Net increase (decrease) in cash and cash equivalents</b>	17,701
<b>Cash and cash equivalents, beginning of year</b>	<u>1,394,682</u>
<b>Cash and cash equivalents, end of year</b>	<u>\$ 1,412,383</u>

## UNITED WAY OF WELD COUNTY

### NOTES TO THE FINANCIAL STATEMENTS

#### NOTE 1 – NATURE OF OPERATIONS

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, government grants and is governed by a local volunteer Board of Directors consisting of business professionals and community leaders.

##### **Basis of accounting**

The accompanying financial statements are presented on the accrual basis of accounting.

##### **Basis of presentation**

These financial statements have been prepared to focus on the entity as a whole and to present transactions according to the existence or absence of donor-imposed restrictions in conformity with accounting principles generally accepted in the United States of America. This has been done by classification of fund transactions and balances into two categories of net assets:

*Net assets without donor restrictions:* These net assets generally result from revenues generated by receiving contributions that have no donor restrictions, providing services, and receiving interest from operating investments, less expenses incurred in providing program-related services, raising contributions, and performing administrative functions.

*Net assets with donor restrictions:* These net assets result from gifts of cash and other assets that are received with donor stipulations that limit the use of the donated assets, either temporarily or permanently, until the donor restriction expires, that is until the stipulated time restriction ends or the purpose of the restriction is accomplished, the net assets are restricted.

##### **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.

## UNITED WAY OF WELD COUNTY

### NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### **Property and equipment**

Fixed assets are stated at cost. United Way follows the policy of providing depreciation on the straight-line method for financial reporting purposes over the estimated useful lives of the related assets. Fixed assets with an item cost of \$5,000 or more and a useful life of one year or more are capitalized when acquired. Long-lived assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. For assets held and used, an impairment is recognized if circumstances indicate that the carrying amount may not be recoverable. For assets held and used, an impairment charge is recognized if projected undiscounted cash flows are not adequate to cover the carrying value of the assets. For assets held for disposal, an impairment charge is recognized if the carrying value of the assets exceeds the fair value less costs to sell. No impairment losses were recognized during the year ended June 30, 2023.

#### **Investments and Beneficial Interest in Investments**

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

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

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

## UNITED WAY OF WELD COUNTY

### NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### **Investments and Beneficial Interest in Investments** (Continued)

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, 2023. 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.

#### **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.

## UNITED WAY OF WELD COUNTY

### NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### Leases

Effective July 1, 2022, the United Way adopted the provisions of ASC Topic 842, Leases. The standard requires lessees to recognize most leases on their statement of financial position as a right-of-use ("ROU") asset representing the right to use an underlying asset and a lease liability representing the obligation to make lease payments over the lease term, measured on a discounted basis; however, the effect of using the discounted basis is not material to the financial statements for the year ended June 30, 2023. Topic 842 also requires additional disclosure of key quantitative and qualitative information for leasing arrangements. Similar to the previous lease guidance, the standard retains a distinction between finance leases (similar to capital leases in Topic 840, Leases) and operating leases, with classification affecting the pattern of expense recognition in the income statement. United Way adopted Topic 842, Leases, on July 1, 2022, using the optional transition method as provided by Accounting Standards Update ("ASU") No. 2018-11, which eliminates the requirement to restate the prior-period financial statements. Under this transition provision, the United Way has applied Topic 842 to reporting periods beginning on July 1, 2022, while prior periods continue to be reported and disclosed in accordance with the United Way's historical accounting treatment under ASC Topic 840, Leases.

United Way elected the "package of practical expedients" under the transition guidance within Topic 842, in which the United Way does not reassess (1) the historical lease classification, (2) whether any existing contracts at transition are or contain leases, or (3) the initial direct costs for any existing leases. The United Way has not elected to adopt the "hindsight" practical expedient, and therefore will measure the ROU asset and lease liability using the remaining portion of the lease term upon adoption of ASC 842 on July 1, 2022.

The United Way determines if an arrangement is or contains a lease at inception, which is the date on which the terms of the contract are agreed to, and the agreement creates enforceable rights and obligations. A contract is or contains a lease when (i) explicitly or implicitly identified assets have been deployed in the contract and (ii) the United Way obtains substantially all of the economic benefits from the use of that underlying asset and directs how and for what purpose the asset is used during the term of the contract. The United Way also considers whether its service arrangements include the right to control the use of an asset.

The United Way made an accounting policy election available under Topic 842 not to recognize ROU assets and lease liabilities for leases with a term of 12 months or less. For all other leases, ROU assets and lease liabilities are measured based on the present value of future lease payments over the lease term at the commencement date of the lease, or July 1, 2022, for existing leases upon the adoption of Topic 842. The ROU assets also include any initial direct costs incurred and lease payments made at or before the commencement date and are reduced by any lease incentives. Absent an implicit rate to determine the present value of lease payments, the United Way made an accounting policy election available to non-public companies to utilize a risk-free borrowing rate, which is aligned with the lease term at the lease commencement date, or remaining term for leases existing upon the adoption of Topic 842, or uses an incremental borrowing rate.



## UNITED WAY OF WELD COUNTY

### NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### **Leases** (Continued)

Future lease payments may include fixed rent escalation clauses or payments that depend on an index (such as the consumer price index), which is initially measured using the index or rate at lease commencement. Subsequent changes of an index and other periodic market-rate adjustments to base rent are recorded in variable lease expense in the period incurred. Residual value guarantees or payments for terminating the lease are included in the lease payments only when it is probable they will be incurred.

The United Way has made an accounting policy election to account for lease and non-lease components in its contracts as a single lease component for its real estate asset class. The non-lease components typically represent additional services transferred to the Organization, such as common area maintenance for real estate, which are variable in nature and recorded in variable lease expense in the period incurred.

Adoption of Topic 842 resulted in the recording of additional ROU assets and lease liabilities related to the United Way's operating leases of approximately \$416,178 and \$416,178, respectively, at July 1, 2022. The adoption of the new lease standard did not materially impact net earnings or cash flows and did not result in a cumulative-effect adjustment to the opening balance of net assets.

#### **In-Kind Contributed Gifts**

United Way's policy related to gifts-in-kind is to utilize the assets given to carry out the mission of United Way. If an asset is provided that does not allow United Way to utilize it in its normal course of business, the asset will be sold at its fair market value as determined by appraisal or specialist depending on the type of asset.

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 \$436,578 of in-kind contributions during the year ending June 30, 2023.

#### **In-Kind 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.

#### **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.

## UNITED WAY OF WELD COUNTY

### NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### **Accrued Awards Liability**

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

#### **Deferred Revenue**

United Way considers payments received on grant agreements and 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, 2023 was \$337,378.

#### **Advertising Costs**

Advertising costs are expensed as incurred. Advertising costs expensed for the year ended June 30, 2023 totaled \$119,844.

#### **Tax Status**

United Way has received a determination from the U.S. Treasury Department stating that it qualifies under the provisions of Section 501(c)(3) of the Internal Revenue Code as a tax-exempt organization. Accordingly, no accounting for federal or state income taxes is required in the accompanying financial statements.

United Way recognizes a tax benefit only if it is more likely than not the tax position would be sustained in a tax examination, with a tax examination being presumed to occur. The amount recognized will be the largest amount of tax benefit that is greater than 50% likely of being realized on examination. For tax positions not meeting the more-likely-than-not test, no tax benefit will be recorded. United Way of Weld County has examined this issue and has determined there are no material contingent tax liabilities at June 30, 2023.

United Way files the required federal and state information returns. Whenever tax returns are filed, the filing organization must evaluate the merits of its tax positions and determine if they will be ultimately sustained. Those tax positions for the organization include maintaining their tax-exempt status and the taxability of any unrelated business income. United Way believes these positions are sustainable. Although the United Way has not incurred any interest and penalties associated with these positions, it is their policy to expense them in the statement of activities. With few exceptions, the United Way is generally no longer subject to examination by taxing authorities for years before June 30, 2020.

#### **Use of Estimates**

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

## UNITED WAY OF WELD COUNTY

### NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### Functional 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.

#### Management's review of subsequent events

Management has performed an analysis of the activities and transactions subsequent to June 30, 2023, to determine the need for any adjustments to and/or disclosures within the audited financial statements for the year ended June 30, 2023. Management has performed their analysis of subsequent events through May 3, 2024, the date the financial statements were available to be issued.

### NOTE 3 – 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:

Cash and cash equivalents	\$ 1,412,383
Pledges receivable, net	61,055
Grants receivable	869,183
Other receivables	17,779
Investments	1,838,452
Haefeli endowment	56,233
Legacy endowment - beneficial interest in investments the Weld Community Foundation	<u>482,569</u>
Total financial assets	<u>4,737,654</u>
Less amounts not available to be used within one year:	
Board designated restrictions	(1,888,406)
Investments held for donor restricted endowment	(380,081)
Donor imposed restrictions	<u>(1,144,608)</u>
Total financial assets without donor restrictions	<u>\$ 1,324,559</u>

In addition to the liquid balances above, United Way also has a board designated endowment with available funds of \$148,615 held by the Community Foundation, and additional funds of \$1,838,452 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 year ending June 30, 2023. These resources are invested for long-term appreciation and current income, but may be spent at the discretion of the Board. See Note 5 for further information about United Way's investments and endowment funds.

**UNITED WAY OF WELD COUNTY**

**NOTE 4 – ANNUAL CAMPAIGN PLEDGES AND REVENUE CONCENTRATION**

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

Campaign	Pledges Receivable Outstanding	Allowance for Uncollectible Pledges	Net Pledges Receivable
2023-2024	\$ 925	\$ -	\$ 925
2022-2023	<u>251,380</u>	<u>(191,250)</u>	<u>60,130</u>
	<u>\$ 252,305</u>	<u>\$ (191,250)</u>	<u>\$ 61,055</u>

Contributions from one donor represented 15% of the contributions received during the year ended June 30, 2023.

**NOTE 5 - 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, 2023, the Legacy Endowment Fund consisted of \$482,569 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**

**NOTE 5 - ENDOWMENT FUNDS AND INVESTMENTS (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 year ended June 30, 2023:

	<u>Board Designated</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Balance, June 30, 2022	\$ 60,793	\$ 330,081	\$ 390,874
Contributions	64,250	-	64,250
Investment income, net of fees of \$7,289	1,186	-	1,186
Unrealized gain	<u>22,386</u>	<u>-</u>	<u>22,386</u>
Balance, June 30, 2023	<u>\$ 148,615</u>	<u>\$ 330,081</u>	<u>\$ 478,696</u>

The fair value of beneficial interest in investments held in the Legacy Endowment Fund as of June 30, 2023 were determined using the following inputs of the fair value hierarchy:

	<u>Fair Value</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
June 30, 2023	\$ <u>478,696</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>478,696</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.

**Haefeli Endowment for Youth**

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 Boys and Girls Club of Weld County. Therefore, the earnings are classified as net assets with donor restrictions.

At June 30, 2023, the balance of the Haefeli Endowment for Youth was \$56,233, and is presented as Haefeli Endowment on the statement of financial position.

**UNITED WAY OF WELD COUNTY**

**NOTE 5 - ENDOWMENT FUNDS AND INVESTMENTS (CONTINUED)**

The following are the changes in the Haefeli Endowment for Youth net assets for the year ended June 30, 2023:

Balance, June 30, 2022	\$ 50,864
Investment income	2,537
Unrealized gain	<u>2,832</u>
Balance, June 30, 2023	<u>\$ 56,233</u>

The fair value of the Haefeli Endowment for Youth as of June 30, 2023 was determined using Level 2 inputs of the fair value hierarchy.

**Unrestricted Investments**

Investments at June 30, 2023 are presented in the statements of financial position at fair value and composed of the following:

Balance, June 30, 2022	\$ 2,105,933
Distributions	(491,449)
Investment income, net of fees of \$13,256	31,999
Unrealized gain	<u>191,969</u>
Balance, June 30, 2023	<u>\$ 1,838,452</u>

The fair value of investments as of June 30, 2023 were determined using the following inputs of the fair value hierarchy

<u>Investments</u>	<u>Fair Value</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
Domestic corporate equities	\$ 861,156	\$ 861,156	\$ -	\$ -
Domestic mutual funds	823,990	-	823,990	-
Alternative investments	<u>153,306</u>	<u>-</u>	<u>153,306</u>	<u>-</u>
	<u>\$ 1,838,452</u>	<u>\$ 861,156</u>	<u>\$ 977,196</u>	<u>\$ -</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. 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, 2023.

**NOTE 6 – 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.

## UNITED WAY OF WELD COUNTY

### NOTE 6 – COMMUNITY AWARDS (CONTINUED)

The community awards accrued during the year ended June 30, 2023 consisted of the following:

Initiatives:

Early childhood	\$ 78,500
Youth development	184,000
Household stability	207,500
Older adults and healthy aging	<u>130,000</u>
	<u>\$ 600,000</u>

### NOTE 7 – LINE OF CREDIT

United Way entered into a new line of credit agreement for \$800,000 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 0.50%. The agreement matures on November 15, 2023, at which time all unpaid principal and interest are due. As of June 30, 2023, there was no balance on the line of credit.

### 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, 2023, United Way has accrued a liability in the amount of \$26,354 for its contribution to the plan.

### NOTE 9 – LEASE AND REIMBURSEMENT AGREEMENTS

During the year ended June 30, 2022, United Way entered into a verbal month-to-month agreement to lease a storage facility, which does not require United Way to pay rent. As such, United Way recognized an in-kind contribution of \$147,031 for the year ended June 30, 2023.

During the year ended June 30, 2022, 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. Rent expense for this lease was \$87,544 during the year ended June 30, 2023. The lease assets and liabilities were calculated utilizing the risk-free discount rate, according to the Organization's elected policy.

**UNITED WAY OF WELD COUNTY**

**NOTE 9 – LEASE AND REIMBURSEMENT AGREEMENTS (CONTINUED)**

The total right-of-use assets and liabilities at June 30, 2023 are classified as follows in the statement of financial position:

Lease assets -	
Operating lease right-of-use assets	<u>\$ 299,901</u>
Lease liabilities -	
Operating lease liabilities	<u>\$ 299,901</u>

Cash paid for amounts included in the measurement of lease liabilities:

Operating cash flows from operating leases	\$ 92,175
Right-of-use assets obtained in exchange for new operating lease liabilities	\$ 371,553

The following summarizes the weighted-average discount rate and remaining lease terms as of June 30, 2023:

Weighted Average Remaining Lease Term	3.5 Years
Weighted Average Discount Rate	4.13%

2024	\$ 92,175
2025	92,175
2026	92,175
2027	<u>46,088</u>
Total lease	322,613
Less imputed interest	<u>(22,712)</u>
Total lease obligations	<u>\$ 299,901</u>

**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. 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 year ended June 30, 2023, United Way recognized expense under this service agreement of \$155,353.

Subsequent to June 30, 2023, United Way entered into a new service agreement with Mile High United Way, Inc. which obligates United Way to annual fees ranging from \$192,047 to \$207,718, due in quarterly installments, for the years ending June 30, 2024, 2025 and 2026.



## UNITED WAY OF WELD COUNTY

### 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, 2023.

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, 2023, United Way had revenues with one major grantor in excess of 10% of total revenues. Approximately 50% of total revenue was received from the grantor during the year ended June 30, 2023. The current level of United Way's operations and program services may be impacted if the funding is not renewed.

### NOTE 12 – IN-KIND CONTRIBUTIONS

For the year ended June 30, 2023, contributions of nonfinancial assets recognized within the statement of activities included the following:

Rent	\$ 147,031
Laptops and IT maintenance	52,000
Advertising	99,080
Bus passes	68,400
Products for events	37,951
Other expenses	<u>32,116</u>
	<u>\$ 436,578</u>

### NOTE 13 – NET ASSETS WITHOUT DONOR RESTRICTIONS WITH BOARD DESIGNATIONS

Net assets with board designation at June 30, 2023 consist of the following:

Legacy endowment	\$ 55,411
Operating reserve	<u>1,832,995</u>
	<u>\$ 1,888,406</u>

**UNITED WAY OF WELD COUNTY**

**NOTE 14 – NET ASSETS WITH DONOR RESTRICTIONS**

Net assets with donor restrictions at June 30, 2023 are available for the following purposes:

Purpose or time restricted:	
Child tax credit	\$ 549,288
Diaper bank	121,245
Community health workers	33,041
Navigation center	50,555
Navigation center laundry	19,300
Disaster response	56,701
Cold weather shelter	24,739
Weideman trust – cws	82,731
Noco continuum of care	178,320
Haefeli endowment invest activity	6,233
COVID-19	22,455
Perpetual in nature:	
Endowments	<u>380,081</u>
	<u>\$ 1,524,689</u>

**UNITED WAY OF WELD COUNTY**

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED JUNE 30, 2023**

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Federal Listing number	Pass-Through Entity Identifying Number	Passed Through to Sub-recipients	Total Federal Expenditures
<b>U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT</b>				
Continuum of Care Program (Planning Grant)	14.267	CO0173L8T052000	\$	12,953
Continuum of Care Program (Coordinated Entry)	14.267	CO0185D8T052100		28,968
<b>Total Direct from U.S. Department of Housing and Urban Development</b>				<u>41,921</u>
<b>Passed through the State of Colorado Department of Local Affairs</b>				
COPVID-19 Emergency Solutions Grants Program (DOLA - ESG CV2.2 - UWWC)	14.231	H1ESG91266, CMS#198722		39,909
COPVID-19 Emergency Solutions Grants Program (DOLA ESG CV2.3 UWWC)	14.231	H1ESG91221, CMS#173580		58,328
COPVID-19 Emergency Solutions Grants Program (DOLA - ESG CV2 - CoC)	14.231	H1ESG91221, CMS# 166404	\$ 91,071	94,514
COPVID-19 Emergency Solutions Grants Program (DOLA - ESG CV2.3 CoC)	14.231	H1ESG91221, CMS# 173580	358,765	421,164
COPVID-19 Emergency Solutions Grants Program (DOLA - ESG CV1 - CoC)	14.231	H1ESG90034, CMS# 163883	7,434	7,434
COPVID-19 Emergency Solutions Grants Program (DOLA ESG 21 NoCo CoC)	14.231	H2ESG31967	94,474	98,910
COPVID-19 Emergency Solutions Grants Program (DOLA ESG CV2 UWWC)	14.231	H1ESG91266		<u>13,572</u>
<b>Total Passed Through the State Colorado Department of Local Affairs</b>				733,830
<b>Passed through the City of Greeley:</b>				
Community Development Block Grants Program (City of Greeley CDBG-CV21-22)	14.218	Not Provided		745,885
<b>TOTAL U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT</b>			<u>101,908</u>	<u>1,521,637</u>
<b>U.S. DEPARTMENT OF TREASURY</b>				
<b>Passed through the Sate of Colorado, Colorado Department of Early Childhood</b>				
Coronavirus State and Local Fiscal Recovery Funds Program (CDEC Emerging and Expanding Base)	21.027	23 QAAA 178800		4,934
<b>Passed through City of Ft. Collins</b>				
Coronavirus State and Local Fiscal Recovery Funds Program (ARPA)	21.027	Not Provided		13,984
<b>TOTAL U.S. DEPARTMENT OF THE TREASURY</b>				<u>18,918</u>
<b>U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES</b>				
<b>Passed through the Colorado Department of Human Services</b>				
Child Care and Development Block Grant (CDHS Systems Building 22-23 WCECC)	93.575	21 IHIA 159854, 23 QAAA 175663		133,882
Child Care and Development Block Grant (CDHS Colorado Shines Base CSQI 22-23)	93.575	21 IHIA 159854, 23 QAAA 175663		21,808
Child Care and Development Block Grant (CDHS CCR&R 22-23)	93.575	21 IHIA 159854, 23 QAAA 175663		75,249
Child Care and Development Block Grant (CDHS FCCH 22-23)	93.575	21 IHIA 159854, 23 QAAA 175663		77,818
Child Care and Development Block Grant (CDEC UPK Local Coordinating Organization)	93.575	23 QAAA 1758550		142,367
Child Care and Development Block Grant (CDHS EQIT 22-23)	93.575			<u>45,826</u>
<b>Total passed through Colorado Department of Human Services</b>				496,950
<b>Passed through the Weld County Department of Human Services</b>				
Child Care and Development Block Grant (Weld DHS Child Care Provider Recruitment)	93.575	2022-1789		18,209
Child Care Mandatory & Matching Funds of the Child Care and Development Fund (Weld DHS Child Care Provider Recruitment)	93.596	2022-1789		18,209
Low-Income Home Energy Assistance Program (Weld DHS LEAP 22-23)	93.568	2022-3409		46,422
Community Services Block Grant (Weld DHS CONTRACT Covering Weld Diaper Bank)	93.569	2022-1456		45,945
<b>Total Passed through Weld County Department of Human Services</b>				128,785
<b>Passed through the Weld County Department of Health and Environment</b>				
Emerging Infections Programs (Emergency Housing)	93.317	2022-0716		3,697
<b>TOTAL U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES</b>				<u>629,433</u>
<b>CORPORATION FOR NATIONAL AND COMMUNITY SERVICE</b>				
Americorps Volunteers in Service to America	94.013	20VSWCO003		44,589
<b>U.S. DEPARTMENT OF HOMELAND SECURITY</b>				
<b>Direct from U.S. Department of Homeland Security</b>				
Emergency Food and Shelter National Board Program (Phase 39)	97.024	LRO Phase 39 - 18		3,555
Emergency Food and Shelter National Board Program (Phase ARPA)	97.024	LRO ARPA - 18		33,529
<b>TOTAL U.S. DEPARTMENT OF HOMELAND SECURITY</b>				<u>37,084</u>
<b>TOTAL EXPENDITURES OF FEDERAL AWARDS</b>			\$ 653,651	\$ 2,251,660

## UNITED WAY OF WELD COUNTY

### NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

#### NOTE 1 – BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards (the "SEFA") includes the federal award activity of United Way of Weld County (the "Organization") under programs of the federal government for the year ended June 30, 2023. The information in this schedule is presented in accordance with the 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"). Because the SEFA 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 the Organization.

#### NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the SEFA are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Negative amounts shown on the SEFA represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years.

#### NOTE 3 – INDIRECT COST RATE

United Way of Weld County has elected use the 10% de minimis indirect cost rate as allowed under the Uniform Guidance.

**UNITED WAY OF WELD COUNTY**  
**SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS**  
**FOR THE YEAR ENDED JUNE 30, 2022**

**SECTION II: FINANCIAL STATEMENT FINDING**

Finding 2022-1: 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:

Various audit adjustments were identified, proposed and recorded in order for the financial statements to be presented in accordance with U.S. GAAP. The audit adjustments identified were material, both individually and in the aggregate, to the financial statements as a whole.

Cause:

It is our understanding United Way continued to experience significant turnover of key positions in the accounting department during the period under audit.

Status:

Cleared.

Finding 2022-2: Tracking of Federal and Non-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:

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

Cause:

It is our understanding United Way continued to experience significant turnover of key positions in the accounting department during the period under audit.

Status:

Cleared.

Finding 2022-3: 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.

**UNITED WAY OF WELD COUNTY**

**SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS (CONTINUED)  
FOR THE YEAR ENDED JUNE 30, 2022**

Finding 2022-3: Segregation of Duties (Continued)

Condition:

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.

Status:

Cleared.

**SECTION III: FEDERAL AWARD FINDINGS AND QUESTIONED COSTS**

Finding 2022-4: Late Submission of Audit to the Federal Audit Clearinghouse

Criteria:

The Uniform Guidance requires the audit must be completed and the data collection form and reporting package must be submitted within the earlier of 30 calendars after receipt of the auditors' report(s), or nine months after the end of the audit period.

Condition:

United Way's June 30, 2022 audit, data collection form and reporting package were not submitted to the Federal Audit Clearinghouse within nine months after the end of the period under audit.

Cause:

It is our understanding United Way continued to experience significant turnover of key positions in the accounting department during the period under audit.

Status:

Cleared.



**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**

**INDEPENDENT AUDITOR'S REPORT**

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

We have audited in accordance with 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, which comprise the statement of financial position as of June 30, 2023, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related consolidated notes to the financial statements and have issued our report thereon dated May 3, 2024.

**Internal Control over Financial Reporting**

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

*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. 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.

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. Given these limitations, during our audit, we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

**Compliance and Other Matters**

As part of obtaining reasonable assurance about whether United Way of Weld County'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 financial statements. 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 entity'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 entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*Pettit & Company, LLC*

Indianapolis, Indiana  
May 3, 2024





**REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM  
AND ON INTERNAL CONTROL OVER COMPLIANCE  
REQUIRED BY THE UNIFORM GUIDANCE**

**INDEPENDENT AUDITOR'S REPORT**

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

**Report on Compliance for Each Major Federal Program**

***Opinion on Each Major Federal Program***

We have audited United Way of Weld County'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 of United Way of Weld County's major federal programs for the year ended June 30, 2023. United Way of Weld County'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 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, 2023.

***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 (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*); 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 United Way of Weld County 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'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 to United Way of Weld County'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'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 GAAS, *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 about United Way of Weld County's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with GAAS, *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'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'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'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. 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.

*Pettit & Company, LLC*

Indianapolis, Indiana  
May 3, 2024

UNITED WAY OF WELD COUNTY

SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED JUNE 30, 2023

Section I – Summary of Auditor’s Results

Financial Statements

Type of auditor’s report issued:	Unmodified
Going concern explanatory paragraph included?	No
Internal control over financial reporting:	
Material weakness(es) identified?	No
Significant deficiency(ies) identified that are not considered to be material weaknesses?	None Reported
Noncompliance material to financial statements noted?	No

Federal Awards

Internal control over major federal programs:	
Material weakness(es) identified?	No
Significant deficiency(ies) identified that are not considered to be material weaknesses?	None Reported
Type of auditor’s report issued on compliance for major federal programs:	Unmodified
Any audit findings disclosed that are required to be reported in accordance with Section 200.516 of OMB Uniform Guidance?	No

Identification of major programs tested:

<u>Federal Assistance Listing Number</u>	<u>Name of Federal Program or Cluster</u>
14.218	CDBG-Entitlement Grants Cluster
93.575	CCDF Cluster

Dollar threshold used to distinguish between Type A and Type B programs \$750,000.

Auditee qualified as low-risk auditee?	No
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**UNITED WAY OF WELD COUNTY**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)  
FOR THE YEAR ENDED JUNE 30, 2023**

**Section II Financial Statement Findings**

No financial statement findings for the year ended June 30, 2023.

**Section III Federal Award Findings**

No federal award findings for the year ended June 30, 2023.