

UNITED WAY OF SOUTHWEST COLORADO, INC

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

For the Year Ended June 30, 2022

UNITED WAY OF SOUTHWEST COLORADO, INC.

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INDEPENDENT AUDITOR'S REPORT

Report on the Financial Statements

I have audited the financial statements of the United Way of Southwest Colorado, Inc. (the Organization), which comprise the statement of financial position as of June 30, 2022, and the related statements of activities, cash flows, and functional expenses for the year then ended, and the notes to the financial statements. In my opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the United Way of Southwest Colorado, Inc. as of June 30, 2022, and the changes in its net assets and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

The prior year summarized comparative information has been derived from the Organization's financial statements and, in our report dated November 1, 2021; I expressed an unmodified opinion on those financial statements.

Basis for Opinion

I conducted the audit in accordance with auditing standards generally accepted in the United States of America (GAAS). My responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. I am required to be independent of the United Way of Southwest Colorado, Inc. and to meet other ethical responsibilities. In accordance with the relevant ethical requirements relating the audit. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Key Audit Matters

Key audit matters are those matters that were communicated with those charged with governance and, in my professional judgement, were of most significance in the audit of the financial statements of the current period. These matters were addressed in the context of the audit of the financial statements as whole, and in forming my opinion thereon, and I do not provide a separate opinion on these matters.

Responsibilities of Management for Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error. 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 the United Way of Southwest Colorado's ability to continue as a going concern.

Auditor's Responsibility for the Audit of the Financial Statements

My 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 my 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 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, individual or in the aggregate, they could reasonably be expected to influence the economic decisions of users made on the basis of these financial statements.

In performing an audit in accordance with GAAS, I:

- 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 understating 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 the United Way of Southwest Colorado'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 my judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the United Way of Southwest Colorado's ability to continue as a going concern for a reasonable period of time.

I am 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 I identified during the audit.



Heidi A. Trainor, CPA, PC
October 27, 2022

UNITED WAY OF SOUTHWEST COLORADO, INC.

STATEMENT OF FINANCIAL POSITION
For The Year Ended June 30

	<u>2022</u>	<u>2021</u>
ASSETS		
Cash and Cash Equivalents	\$ 394,962	\$ 449,135
Contributions Receivable, Net	31,605	56,477
Grants Receivable	46,888	23,602
Other Assets	2,677	1,250
Beneficial Interest In Community Foundation	395,687	432,582
Operating Lease Right of Use	64,682	77,779
Property and Equipment, Net	<u>1,739</u>	<u>2,094</u>
TOTAL ASSETS	<u>\$ 938,240</u>	<u>\$ 1,042,919</u>
LIABILITIES		
Current Liabilities		
Accounts Payable and Accrued Liabilities	\$ 10,573	\$ 34,460
Payroll Liabilities	27,654	40,346
Paid Leave	27,486	18,315
Unearned Revenue	12,650	9,250
Community Support Payable	162,211	148,418
Current Portion of Operating Lease	<u>13,448</u>	<u>13,097</u>
TOTAL CURRENT LIABILITIES	254,022	263,886
Long Term Liabilities		
Operating Lease Liability	64,682	77,779
Less Current Portion of Long Term Liability	<u>(13,448)</u>	<u>(13,097)</u>
TOTAL LONG TERM LIABILITIES	51,234	64,682
NET ASSETS		
Without Donor Restriction	302,849	469,738
With Donor Restriction	<u>330,135</u>	<u>244,613</u>
TOTAL NET ASSETS	<u>632,984</u>	<u>714,351</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 938,240</u>	<u>\$ 1,042,919</u>

See accompanying notes to basic financial statements

UNITED WAY OF SOUTHWEST COLORADO, INC.

STATEMENT OF ACTIVITIES
For the Year Ended June 30

	2022			2021
	Without Donor Restriction	With Donor Restriction	Total	Total
OPERATING ACTIVITIES				
Support and Revenue				
Campaign Contributions	\$ 436,152	\$ --	\$ 436,152	\$ 381,956
Less: Donor Designations To Other Organizations	(797)	--	(797)	(5,776)
Provision For Uncollectible Pledges	(15,302)	--	(15,302)	(13,965)
Net Campaign Contributions	420,053	--	420,053	362,215
Grants	--	921,362	921,362	382,495
Other Support and Revenue	253,099	221,048	474,147	859,765
Net Assets Released From Restrictions	1,056,888	(1,056,888)	--	--
Total Support and Revenue	1,730,040	85,522	1,815,562	1,604,475
Expenses				
Program Services				
Allocations To Agencies	395,540	--	395,540	419,195
Special Response	256,602	--	256,602	260,674
Other	906,387	--	906,387	745,831
Total Program Services	1,558,529	--	1,558,529	1,425,700
Supporting Services				
Management and General	98,948	--	98,948	90,492
Fundraising	193,929	--	193,929	146,776
Total Supporting Services	292,877	--	292,877	237,268
Total Expenses	1,851,406	--	1,851,406	1,662,968
CHANGE IN NET ASSETS FROM OPERATING ACTIVITIES				
	(121,366)	85,522	(35,844)	(58,493)
OTHER INCOME (LOSS)				
Unrealized Gain On Investment	(45,523)	--	(45,523)	139,420
CHANGE IN NET ASSETS				
	(166,889)	85,522	(81,367)	80,927
NET ASSETS, Beginning of Year	469,738	244,613	714,351	633,424
NET ASSETS, End of Year	\$ 302,849	\$ 330,135	\$ 632,984	\$ 714,351

See the accompanying notes to financial statements.

UNITED WAY OF SOUTHWEST COLORADO, INC.
STATEMENT OF FUNCTIONAL EXPENSES
For the Year Ended June 30

	2022				2021	
	PROGRAM	MANAGEMENT AND GENERAL	FUNDRAISING	TOTAL SUPPORT SERVICES	TOTAL EXPENSES	TOTAL EXPENSES
COMPENSATION AND RELATED EXPENSES						
Salaries	\$ 419,785	\$ 46,330	\$ 87,734	\$ 134,064	\$ 553,849	\$ 483,835
Payroll Taxes	38,390	3,416	6,758	10,174	48,564	35,995
Employee Benefits	12,570	1,682	14,666	16,348	28,918	33,062
TOTAL COMPENSATION AND RELATED EXPENSES	470,745	51,428	109,158	160,586	631,331	552,892
OTHER						
Agency Allocations	395,540	--	--	--	395,540	430,084
Special Response	256,602	--	--	--	256,602	260,674
2-1-1 Program	2,667	--	--	--	2,667	9,384
Collaborative Impact	382,691	--	--	--	382,691	268,069
Interest Expense	--	--	--	--	--	1,903
Insurance	--	4,010	--	4,010	4,010	2,986
Depreciation	--	355	--	355	355	1,652
Dues and Subscriptions	--	2,585	4,573	7,158	7,158	6,413
United Way World Wide Dues	7,259	7,259	7,259	14,518	21,777	9,270
Marketing	13,610	--	2,357	2,357	15,967	10,833
Office Supplies	7,949	4,196	3,303	7,499	15,448	48,629
Repairs and Maintenance	--	2,446	--	--	2,446	4,730
Postage	365	566	1,929	2,495	2,860	4,474
Professional Fees	--	14,941	--	14,941	14,941	10,300
Rent	12,457	4,866	6,825	11,691	24,148	22,605
Telephone	--	2,520	--	2,520	2,520	2,520
Special Events	--	--	56,591	56,591	56,591	23,124
Training	--	3,417	--	3,417	3,417	--
Travel	8,644	125	1,934	2,059	10,703	3,081
Total Other	1,087,784	47,286	84,771	132,057	1,219,841	1,120,731
TOTAL EXPENSES BEFORE IN-KIND	1,558,529	98,714	193,929	292,643	1,851,172	1,673,623
In-kind	--	234	--	234	234	234
TOTAL EXPENSES	<u>\$ 1,558,529</u>	<u>\$ 98,948</u>	<u>\$ 193,929</u>	<u>\$ 292,877</u>	<u>\$ 1,851,406</u>	<u>\$ 1,673,857</u>

See the accompanying notes to the financial statements

UNITED WAY OF SOUTHWEST COLORADO, INC.

STATEMENT OF CASH FLOWS
For the Year Ended June 30

	<u>2022</u>	<u>2021</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash Received From Contributors	\$ 921,305	\$ 1,202,224
Cash Received From Grantors	898,076	358,893
Cash Received From Interest and Dividends	13,633	22,485
Cash Paid To Agencies	(395,540)	(430,084)
Cash Paid For Program Expenses	(1,171,362)	(905,974)
Cash Paid For Fundraising Expenses	(193,929)	(146,776)
Cash Paid For Administrative Expenses	(126,356)	(90,258)
	<u>(54,173)</u>	<u>10,510</u>
Net Cash Provided By Operating Activities		
NET INCREASE IN CASH, CASH EQUIVALENTS AND RESTRICTED CASH	(54,173)	10,510
CASH, CASH EQUIVALENTS AND RESTRICTED CASH, Beginning of year	<u>449,135</u>	<u>438,625</u>
CASH, CASH EQUIVALENTS AND RESTRICTED CASH, End of year	<u>\$ 394,962</u>	<u>\$ 449,135</u>
RECONCILIATION OF CHANGE IN NET ASSETS TO NET CASH PROVIDED BY OPERATING ACTIVITIES		
Change In Net Assets	\$ (81,367)	\$ 80,927
Adjustments To Reconcile Change In Net Assets To Net Cash Provided By Operating Activities		
Depreciation and Amortization	355	1,652
Other Non-Cash Items	36,895	(157,557)
(Increase) Decrease In:		
Accounts Receivable	1,586	(40,614)
Prepaid Expenses	(1,427)	1,648
Increase (Decrease) In:		
Accounts Payable	(23,887)	29,898
Other Accrued Liabilities	13,672	94,556
	<u>(54,173)</u>	<u>10,510</u>
Net Cash Provided (Used) By Operating Activities	<u>\$ (54,173)</u>	<u>\$ 10,510</u>

See the accompanying notes to the financial statements

UNITED WAY OF SOUTHWEST COLORADO, INC.

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2022

NOTE 1: **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

- (a) **Mission Statement and Activity** - United Way of Southwest Colorado strives to positively impact the community by supporting local agencies and programs that promote education, health and self reliance.
- (b) **New Accounting Pronouncement** – During the year ended December 31, 2018, The United Way adopted the requirements of the Financial Accounting Standards Board’s Accounting Standards Update No. 2016-14-*Not-For-Profit Entities (Topic 958): Presentation of Financial Statements of Not-For-Profit Entities* (ASU2016-14). This Update addresses the complexity and understandability of net asset classification, deficiencies in information about liquidity and availability of resources, and the lack of consistency in the type of information provided about expenses and investment return between not-for-profit entities. A key change required by ASU 2016-14 is the net asset classes used in these financial statements. Amounts previously reported as unrestricted net assets are now reported as net assets without donor restrictions and amounts previously reported as temporarily restricted net assets and permanently restricted net assets are now reported as net assets with donor restrictions. A footnote on liquidity has also been added (Note 11)
- (c) **Basis of Presentation** – The financial statements of the Organization are prepared using the accrual basis of accounting. 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 donor-imposed stipulations.

Net Assets With Donor Restriction - Net assets whose use is limited by donor-imposed time and/or purpose 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 restrictions. Gains and losses on investments and other assets or liabilities are reported as increases or decreased 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.

UNITED WAY OF SOUTHWEST COLORADO, INC.

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2022

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

- (d) **Contributions** – Contributions, which include unconditional promises to give, are recognized as revenues in the period received. Conditional promises to give are not recognized until such time as the conditions are substantially met. Contributions of non-cash assets are recognized at their estimated fair market value on the date of contribution. Contributions to be collected in future years are recorded at fair value when the promise is made.

The Organization receives contributions via its annual fundraising campaigns that are donor-designated for other agencies. These revenues are included in total campaign contributions and are deducted from total campaign contributions under donor designations to other organizations.

An allowance for uncollectible accounts is recorded using an estimated percentage of outstanding contributions receivable. This estimate is compared to historical averages to determine its reasonableness.

A substantial number of volunteers donate significant amounts of time in the furtherance of the Organization's objectives. The value of these services is not recognized in these financial statements as they do not meet the specific criteria for recognition under generally accepted accounting principles.

- (e) **Cash and Cash Equivalents** – The Organization considers all highly liquid assets purchased with an original maturity of three months or less to be cash equivalents. Cash and cash equivalents consist primarily of checking accounts and certificates of deposit that are stated at fair value, which approximates cost. The Organization maintains its cash and cash equivalents in depository institution accounts that are within federally insured limits. The Organization has not experienced any losses in such accounts.
- (f) **Property and Equipment** – Property and equipment are carried at cost or, if donated, at the fair value on the date of donation. The Organization follows a policy whereby it capitalizes purchases of property and equipment greater than \$1,000. Depreciation is recorded using the straight-line MACRS method over the following estimated useful lives:

Furniture, fixtures, and equipment	3 to 10 years
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- (g) **Operating and Non-Operating Activity** – Operating activities represent support and revenue and expenses solely related to the United Way of Southwest Colorado campaigns. Non-operating activities are revenues and expenses related to investment transfers.

UNITED WAY OF SOUTHWEST COLORADO, INC.

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2022

NOTE 1: **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (Continued)

- (h) **Functional Allocation of Expenses** – The costs of providing various programs and other activities have been summarized on a functional basis in the statement of activities and statement of functional expenses. Accordingly, certain costs have been allocated among the programs and supporting services benefited.
- (i) **Income Taxes** – The Organization is exempt from federal income tax as an entity described in Internal Revenue Code (IRC) Section 501(c)(3) except to the extent of unrelated business taxable income as defined under IRC Sections 511 through 515.

The Organization did not incur unrelated business income tax for the year ended June 30, 2019, 2018 and 2017. Accordingly, no provision has been made for federal income tax in the accompanying financial statements.

Forms 990, *Return of Organization Exempt from Income Tax*, for the years ended June 30, 2019, 2018, 2017, 2016 are subject to examination by the Internal Revenue Service, generally for three years after filing.

- (j) **Subsequent Events** – Subsequent events are events or transactions that occur after the statement of financial position date but before financial statements are issued. The Organization recognizes in the financial statements the effects of all subsequent events that provide additional evidence about conditions that existed at the date of the statement of financial position, including the estimates inherent in the process of preparing the financial statements. The Organization's financial statements do not recognize subsequent events that provide evidence about conditions that did not exist at the date of the statement of financial position but arose after the statement of financial position date and before financial statements are available to be issued.
- (k) **Use of Estimates** – 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 SOUTHWEST COLORADO, INC.

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2022

NOTE 2: CONTRIBUTIONS RECEIVABLE

Contributions receivable as of June 30 are expected to be received as follows:

	<u>2022</u>	<u>2021</u>
Within one year	\$ 46,907	\$ 70,441
Less:		
Allowance for uncollectible pledges	<u>(15,302)</u>	<u>(13,964)</u>
Total contributions receivable	<u>\$ 31,605</u>	<u>\$ 56,477</u>

NOTE 3: PROPERTY AND EQUIPMENT

The components of property and equipment as of June 30 are as follows:

	<u>2022</u>	<u>2021</u>
Furniture and equipment	\$ 24,403	\$ 24,403
Less:		
Accumulated depreciation	<u>(22,664)</u>	<u>(22,309)</u>
	<u>\$ 1,739</u>	<u>\$ 2,094</u>

NOTE 4: LEASES

In February 2016, the FASB issued ASU 2016-02, "Leases", which affects any entity that enters into a lease (as that term is defined in ASU 2016-02), with some specified scope exceptions. The main difference between the guidance in ASU 2016-02 and current GAAP is the recognition of lease assets and lease liabilities by lessees for those leases classified as operating leases under current GAAP. Recognition of these assets and liabilities have a material impact to the statement of Financial Position upon adoption. Under ASU 2016-02, lessees are required to recognize and measure leases at the beginning of the earliest period presented using a modified retrospective approach.

UNITED WAY OF SOUTHWEST COLORADO, INC.

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2022

NOTE 4: LEASES (Continued)

The operating lease is effective February 15, 2018 through January 31, 2021 with 3 options to renew for 2 years with each option. Monthly rental for the new lease is \$1,250 and includes utilities. The Organization entered into a new sublease agreement to sublet office space within the new location from February 28, 2021 through February 28, 2022 for \$171 per month. Rent expense during the year ended June 30, 2022 was \$15,000 and 2021 was \$15,000.

The Organization entered into a lease for a location in Cortez, CO starting August 12, 2019 for one year for \$725 per month with the option to extend the term for two one-year periods.

NOTE 5: EMPLOYEE BENEFIT PLANS

Compensated Absences – Compensated absences are those absences for which employees will be paid, such as vacation and sick leave. United Way of Southwest Colorado allows employees to accumulate vacation leave. Vacation is accrued on a pro rata basis per pay period. Sick leave does not carry over to the next year. For the fiscal years ended June 30, 2021 and 2022, accrued vacation was \$18,315 and \$27,486 respectively.

NOTE 6: GRANTS AND OTHER SUPPORT AND REVENUE

Other support and revenue is comprised of the following for the year ended June 30.

	<u>2022</u>		<u>2021</u>	
	Without Donor Restrictions	With Donor Restrictions	Without Donor Restrictions	With Donor Restrictions
City of Durango block grant	\$ 206,800	\$ --	\$ 206,800	\$ --
Special response program	--	181,678	--	368,709
In-kind contributions	234	--	234	--
Grants	--	921,362	--	382,495
Other	32,432	39,370	126,467	135,070
Investment income	13,633	--	22,485	--
	<u>\$ 253,099</u>	<u>\$ 1,142,410</u>	<u>\$ 355,986</u>	<u>\$ 886,274</u>

UNITED WAY OF SOUTHWEST COLORADO, INC.

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2022

NOTE 7: RELATED PARTY TRANSACTIONS

The Organization paid dues to the national organization, United Way Worldwide, of \$9,270 for June 30, 2021 and \$21,777 for the year ended June 30, 2022.

The Organization also received campaign contributions from members of its board of directors of \$2,240 for the year ended June 30, 2021 and \$2,573 for the year ended June 30, 2022.

NOTE 8: BENEFICIAL INTEREST IN ASSETS HELD BY COMMUNITY FOUNDATION

The amount invested in the Community Foundation Serving Southwest Colorado was \$432,582 at June 30, 2021 and \$395,687 at June 30, 2022. United Way is the designated beneficiary of the Community Foundation fund and any net earnings thereon. Accordingly, the asset is reported on United Way's balance sheet as a beneficial interest in assets held by the Community Foundation.

The Community Foundation Serving Southwest Colorado is a not-for-profit organization established to assure that community members donated assets are managed according to the donor's wishes and invested to maximize earning potential. An advisory committee, designated by United Way and approved by the Community Foundation has the authority to recommend distributions from the fund. Distributions may be from the net income and principal of the fund. Title to the fund is held by the Community Foundation and United Way has granted variance power to the Community Foundation, which means that the Community Foundation reserves the right to make the final decision regarding distributions and may direct those distributions elsewhere if they determine that continued distributions to United Way for the specified charitable purpose have become unnecessary, obsolete, incapable of fulfillment, impractical or inconsistent with the community's charitable needs.

United Way's beneficial interest is carried at the market value of the underlying investments, which are mutual funds and money market funds.

The activity in the beneficial interest in the Community Foundation for the year ended June 30 is as follows:

UNITED WAY OF SOUTHWEST COLORADO, INC.

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2022

NOTE 8: **BENEFICIAL INTEREST IN ASSETS HELD BY COMMUNITY FOUNDATION**

(Continued)

	<u>2022</u>	<u>2021</u>
July 1, Beginning balance	\$ 432,582	\$ 275,025
Plus: Interest and dividends	13,150	22,002
Plus: Unrealized gain (loss)	(45,523)	139,420
Less: Administrative fees	<u>(4,522)</u>	<u>(3,865)</u>
June 30	<u>\$ 395,687</u>	<u>\$ 432,582</u>

NOTE 9: **DONOR RESTRICTED NET ASSETS**

Assets with donor restrictions are net assets consisting of the following as of June 30:

	<u>2022</u>	<u>2021</u>
Community Emergency Assistance Coalition	\$ 74,550	\$ 139,301
Pagosa Outreach Connection	89,070	99,509
Ambassador Funds	5,803	5,803
PC's for People	69,015	--
Daniel's Fund	<u>91,697</u>	<u>--</u>
Total temporarily restricted net assets	<u>\$ 330,135</u>	<u>\$ 244,613</u>

NOTE 10: **SIGNIFICANT CONCENTRATION OF CREDIT RISK**

Financial instruments that subject the Organization to concentrations of credit risk consist principally of cash and cash equivalents in financial institutions, which from time-to-time exceed the federal depository insurance coverage limit; that excess is uninsured. Management has placed these funds in high quality institutions in order to minimize the risk.

Cash equivalents are protected by the Federal Deposit Insurance Corporation (FDIC) in the event of bank failure, up to \$250,000 for accounts held at each FDIC insured institution. Cash equivalents insured as of June 30, 2021 and June 30, 2022 were \$449,135 and \$394,962 respectively. Cash equivalents not insured as of June 30, 2021 and June 30, 2022 were \$0.

UNITED WAY OF SOUTHWEST COLORADO, INC.

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2022

NOTE 11: LIQUIDITY and AVAILABILITY of FINANCIAL ASSETS

The United Way's working capital and cash flow vary during the year attributable to various fundraising activities, grant revenue, and public support. Monthly cash outflows are fairly consistent with the exception of individual fundraising events. To manage monthly liquidity the Organization maintains various savings accounts, investments and money market accounts that can be drawn on as needed.

The following reflects the Organization's financial assets as of the balance sheet date, reduced by amounts not available for general use within one year of the balance sheet date because of contractual or donor-imposed restrictions or internal designations.

	<u>2022</u>	<u>2021</u>
Cash and Cash Equivalents	\$ 394,962	\$ 449,135
Grants and Other Receivables		
Net Collected In Less Than One Year	77,493	80,079
Beneficial Interest In Community Foundation	<u>395,687</u>	<u>432,582</u>
 Total Financial Assets	 868,142	 961,796
 Financial Assets Available to Meet Cash Needs for Expenditures Within One Year	 <u>\$ 868,142</u>	 <u>\$ 961,796</u>

NOTE 12: SUBSEQUENT EVENT

United Way of Southwest Colorado (UWSWC) is an independent nonprofit with membership in the United Way Worldwide (UWW) network of over 1,000 United Ways in the United States and a few hundred others outside of the country. Local United Ways pay dues to UWW annually based on a percentage of certain categories of their revenue. In exchange for dues, UWW provides brand support, trainings, and national advocacy efforts on behalf of the network. In recent years the revenue from fundraising campaigns at local United Ways has been decreasing significantly, and UWW responded by expanding the dues requirement to more categories of revenue, including grants, and by increasing the percentage of revenue that must be paid. At the same time that dues have been typically increasing for local United Ways, services provided by United Way Worldwide have been cut back due to financial strain partially caused by large poor strategic investments in recent years, such as Salesforce Philanthropy Cloud, which UWW has now abandoned. United Way Worldwide has a new CEO who is committed to making the changes needed to stabilize the organization. The UWSWC Board has been discussing how the situation at UWW affects our local United Way and is considering all options ranging from stay-the-course, to building stronger partnerships at the state network, to potentially leaving the UWW network entirely. UWSWC is currently staying-the-course as a member of the network.