

LIVE UNITED



Pikes Peak United Way
ppunitedway.org

FINANCIAL STATEMENTS

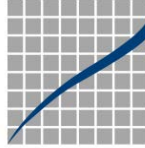
JUNE 30, 2021 AND 2020

AND

INDEPENDENT AUDITOR'S REPORT

TABLE OF CONTENTS

Independent auditor's report	1
<u>Financial statements</u>	
<u>Statements of financial position</u>	3
<u>Statements of activities</u>	4
<u>Statements of functional expenses</u>	5
<u>Statements of cash flows</u>	6
<u>Notes to financial statements</u>	7
<u>Supplemental information</u>	
<u>Schedule of funds awarded</u>	22



BiggsKofford
CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT

Board of Directors
Pikes Peak United Way
Colorado Springs, Colorado

We have audited the accompanying financial statements of Pikes Peak United Way (a not-for-profit organization), which comprise the statements of financial position as of June 30, 2021 and the related statements of activities, functional expenses and cash flows for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Pikes Peak United Way as of June 30, 2021 and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Report on Summarized Comparative Information

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

Supplemental Information

Our audit was conducted for the purposes of forming an opinion on the financial statements as a whole. The accompanying supplemental schedule of funds awarded is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the financial statements as a whole.

BiggsKofford, P.C.

Colorado Springs, Colorado
January 7, 2022

PIKES PEAK UNITED WAY
STATEMENTS OF FINANCIAL POSITION
JUNE 30, 2021 (WITH COMPARATIVE TOTALS FOR 2020)

	2021	2020
<u>ASSETS</u>		
Current assets:		
Cash and cash equivalents	\$ 1,839,269	\$ 1,192,086
Cash and cash equivalents, restricted	65,418	65,418
Pledges receivable, net	651,713	518,902
Grants and other receivables	88,794	16,083
Prepaid expenses and other assets	44,635	33,766
<u>Total current assets</u>	<u>2,689,829</u>	<u>1,826,255</u>
Property and equipment, net	1,355,820	1,375,795
Endowments	2,963,428	2,246,631
<u>Total assets</u>	<u>\$ 7,009,077</u>	<u>\$ 5,448,681</u>
<u>LIABILITIES AND NET ASSETS</u>		
Current liabilities:		
Accounts payable	\$ 148,357	\$ 92,704
Accrued expenses	47,957	53,677
Allocations and designations payable	1,154,461	1,046,999
Deferred revenue	95,500	336,162
Forgivable PPP loan	212,500	212,500
Current portion of notes payable	25,355	24,534
<u>Total current liabilities</u>	<u>1,684,130</u>	<u>1,766,576</u>
Notes payable, net of current portion	233,731	258,473
<u>Total liabilities</u>	<u>1,917,861</u>	<u>2,025,049</u>
Net assets:		
Without donor restrictions:		
Equity in property and equipment, net	1,096,734	1,092,788
Board-designated endowment	664,150	395,733
Operating	634,797	(291,675)
<u>Total net assets without donor restrictions</u>	<u>2,395,681</u>	<u>1,196,846</u>
With donor restrictions	2,695,535	2,226,786
<u>Total net assets</u>	<u>5,091,216</u>	<u>3,423,632</u>
<u>Total liabilities and net assets</u>	<u>\$ 7,009,077</u>	<u>\$ 5,448,681</u>

The accompanying notes and independent auditor's report
should be read with these financial statements.

PIKES PEAK UNITED WAY
STATEMENTS OF ACTIVITIES
YEAR ENDED JUNE 30, 2021 (WITH COMPARATIVE TOTALS FOR 2020)

	2021		2020	
	Without Donor Restrictions	With Donor Restrictions	Total	Total
<u>PUBLIC SUPPORT AND REVENUE</u>				
Gross campaign revenue	\$ 3,846,256	\$ -	\$ 3,846,256	\$ 3,609,181
Less donor designations to agencies	(1,008,742)	-	(1,008,742)	(1,168,405)
Less provision for uncollectible contributions	(204,296)	-	(204,296)	(273,163)
Net campaign revenue	2,633,218	-	2,633,218	2,167,613
Contribution and grants	1,230,385	246,207	1,476,592	777,833
Other revenue	265,045	-	265,045	214,511
Special events revenue, net	3,285	-	3,285	3,340
Legacies and bequests	379,831	-	379,831	13,838
Investment income (loss)	82,534	425,484	508,018	(3,508)
In-kind contributions	12,144	-	12,144	182,957
Net assets released from restrictions	202,942	(202,942)	-	-
Total revenue	4,809,384	468,749	5,278,133	3,356,584
<u>EXPENSES</u>				
Program services:				
Gross funds awarded	2,299,958	-	2,299,958	2,119,892
Less donor designations to agencies	(1,008,742)	-	(1,008,742)	(1,168,405)
Net funds awarded	1,291,216	-	1,291,216	951,487
Other program services	1,371,043	-	1,371,043	1,457,266
Total program services	2,662,259	-	2,662,259	2,408,753
Supporting services:				
Fundraising	591,434	-	591,434	499,300
General and administrative	356,856	-	356,856	311,328
Total expenses	3,610,549	-	3,610,549	3,219,381
Change in net assets	1,198,835	468,749	1,667,584	137,203
Net assets, beginning of year	1,196,846	2,226,786	3,423,632	3,286,429
Net assets, end of year	<u>\$ 2,395,681</u>	<u>\$ 2,695,535</u>	<u>\$ 5,091,216</u>	<u>\$ 3,423,632</u>

The accompanying notes and independent auditor's report
should be read with these financial statements.

PIKES PEAK UNITED WAY
STATEMENTS OF FUNCTIONAL EXPENSES
YEAR ENDED JUNE 30, 2021 (WITH COMPARATIVE TOTALS FOR 2020)

	PROGRAM SERVICES				SUPPORTING SERVICES			2021 Totals	2020 Totals	
	Net Funds Awarded	Community Impact	2-1-1 Info & Referral	Education	Total	Fundraising	General and Administrative			Total
Gross distributions to agencies	\$ 2,299,958	\$ -	\$ -	\$ -	\$ 2,299,958	\$ -	\$ -	\$ -	\$ 2,299,958	\$ 2,119,892
Less donor designations to agencies	(1,008,742)	-	-	-	(1,008,742)	-	-	-	(1,008,742)	(1,168,405)
Net allocations granted to agencies	1,291,216	-	-	-	1,291,216	-	-	-	1,291,216	951,487
Salaries	-	396,206	395,181	686	792,073	308,411	181,754	490,165	1,282,238	1,195,634
Payroll taxes	-	28,399	29,591	50	58,040	23,339	10,733	34,072	92,112	96,985
Employee benefits	-	31,847	75,209	-	107,056	65,335	35,450	100,785	207,841	165,091
Total	1,291,216	456,452	499,981	736	2,248,385	397,085	227,937	625,022	2,873,407	2,409,197
Programs	-	6,439	-	62,674	69,113	-	-	-	69,113	107,586
Occupancy	-	49,679	111,105	-	160,784	39,338	80,367	119,705	280,489	276,361
Contract services	-	57,795	59,067	-	116,862	104,205	28,217	132,422	249,284	305,054
United Way Worldwide dues	-	15,923	22,600	-	38,523	15,655	5,388	21,043	59,566	40,870
Printing and publications	-	3,326	1,058	-	4,384	6,409	1,422	7,831	12,215	9,501
Supplies	-	493	573	-	1,066	12,039	1,139	13,178	14,244	3,278
Staff development	-	423	665	-	1,088	581	1,687	2,268	3,356	5,542
Insurance	-	4,502	7,182	-	11,684	4,395	7,826	12,221	23,905	22,533
Other dues	-	1,418	4,887	-	6,305	2,697	1,598	4,295	10,600	6,749
Postage and shipping	-	31	-	-	31	6,189	659	6,848	6,879	6,299
Meeting expense	-	2,232	286	-	2,518	1,281	311	1,592	4,110	12,894
Travel	-	1,154	146	-	1,300	586	159	745	2,045	5,625
Miscellaneous	-	92	124	-	216	974	146	1,120	1,336	7,892
Total	-	143,507	207,693	62,674	413,874	194,349	128,919	323,268	737,142	810,184
Total operating expenses	\$ 1,291,216	\$ 599,959	\$ 707,674	\$ 63,410	\$ 2,662,259	\$ 591,434	\$ 356,856	\$ 948,290	\$ 3,610,549	\$ 3,219,381
Percentage of total expenses	35.76%	16.62%	19.60%	1.76%	73.74%	16.38%	9.88%	26.26%	100.00%	

The accompanying notes and independent auditor's report should be read with these financial statements.

PIKES PEAK UNITED WAY
STATEMENTS OF CASH FLOWS
YEAR ENDED JUNE 30, 2021 (WITH COMPARATIVE TOTALS FOR 2020)

	2021	2020
<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>		
Change in net assets	\$ 1,667,584	\$ 137,203
Adjustments to reconcile change in net assets to net cash flows from operating activities:		
<u>Depreciation</u>	66,136	66,410
<u>Net realized and unrealized gains on investments</u>	(516,675)	(7,876)
Changes in operating assets and liabilities:		
<u>Pledges receivable</u>	(132,811)	124,459
<u>Grants and other receivables</u>	(72,711)	43,615
<u>Prepaid expenses and other assets</u>	(10,869)	(74)
<u>Accounts payable and accrued expenses</u>	49,933	(27,628)
<u>Allocations and designations payable</u>	107,462	(97,732)
<u>Deferred revenue</u>	(240,662)	227,599
Net cash flows from operating activities	<u>917,387</u>	<u>465,976</u>
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>		
<u>Purchases of property and equipment</u>	(46,162)	(19,755)
<u>Purchases of investments</u>	(200,122)	149,199
Net cash flows from investing activities	<u>(246,284)</u>	<u>129,444</u>
<u>CASH FLOWS FROM FINANCING ACTIVITIES</u>		
<u>Proceeds from notes payable</u>	-	497,500
<u>Payments on notes payable</u>	(23,920)	(214,327)
Net cash flows from financing activities	<u>(23,920)</u>	<u>283,173</u>
Net change in cash and cash equivalents	647,183	878,593
Cash and cash equivalents (including restricted cash), beginning of year	<u>1,257,504</u>	<u>760,014</u>
Cash and cash equivalents (including restricted cash), end of year	<u>\$ 1,904,687</u>	<u>\$ 1,257,504</u>
<u>SUPPLEMENTAL DISCLOSURE</u>		
<u>Interest paid</u>	<u>\$ 9,571</u>	<u>\$ 10,740</u>

The accompanying notes and independent auditor's report
should be read with these financial statements.

PIKES PEAK UNITED WAY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021 AND 2020

1. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Organization

Pikes Peak United Way ("PPUW" or "Organization") is a not-for-profit organization incorporated in the State of Colorado. PPUW's Mission Statement is to improve the quality of life in our community. Our Vision Statement: Through strengthened collaboration, we will achieve measurable improvements in education, income stability and health for the residents of El Paso and Teller Counties. Our Values Statement: Community Focused, Inclusive, Collaborative.

In 1922, the Pikes Peak Social Welfare Fund was established. In 1924, it became the Community Chest. In 1962, the United Fund of the Pikes Peak Region was incorporated and in 1973 was renamed Pikes Peak United Way. Since 1922, the Organization's name and the needs of the community have changed, but its ability to reach out and provide a helping hand has not.

United Way Worldwide

As part of our commitment to community excellence and measurable impact, our work is guided by United Way Worldwide's Standards of Excellence. These standards are designed to enhance the effectiveness of the approximately 1,800 United Way affiliates in 41 countries through shared best practices and benchmarks. The Organization is certified in compliance with all Membership Requirements, including compliance in the areas of governance, accounting standards and presentation. PPUW is governed by its own volunteer Board of Directors and pays annual dues to United Way Worldwide based upon campaign results. Annual dues to United Way Worldwide totaled \$59,566 and \$40,870 for the years ended June 30, 2021 and 2020, respectively.

Basis of accounting

The accompanying financial statements have been prepared using the accrual basis of accounting in accordance with the accounting principals generally accepted in the United States of America ("US GAAP") and with the financial statement standards of United Way Worldwide. United Way Worldwide standards are required for membership and fully comply with US GAAP.

Use of estimates

The preparation of financial statements in accordance with US GAAP requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Actual results could differ from these estimates.

See independent auditor's report.

PIKES PEAK UNITED WAY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021 AND 2020

**1. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(CONTINUED)**

Cash and cash equivalents

For purposes of the financial statements, management considers all highly liquid investments with original maturities of three months or less to be cash equivalents.

The Organization maintains its cash and equivalents in financial institutions that, at times, may exceed federally insured limits. Accounts are guaranteed by the Federal Deposit Insurance Corporation ("FDIC") up to \$250,000. At times during the year, cash may exceed the federally insured amount. This risk is managed by maintaining deposits with high-quality financial institutions. The Organization does not anticipate nonperformance by these institutions.

Restricted cash and cash equivalents

The nature of limitations on the Organization's use of cash and cash equivalents are donor-imposed restrictions. As of June 30, 2021 and 2020, restricted cash and cash equivalents totaled to \$65,418 and \$65,418, respectively.

Pledges receivable

Pledges receivable, all of which are due within one year, are unconditional and are recognized as assets and support in the period made. The Organization provides an allowance for uncollectible pledges, which is based upon management's periodic review of outstanding receivables, historical collection information and existing economic conditions. Contributions receivable are recorded net of an allowance for uncollectible pledges of \$204,296 and \$273,163 as of June 30, 2021 and 2020, respectively.

Grants and other receivables

Grants and other receivables consist of promises to give and other contributions. Management believes all amounts to be fully collectible, thus an allowance for doubtful accounts has not been recorded. The Organization does not require collateral to support its grants and other receivables.

Property and equipment

Property and equipment are stated at cost or, if donated, at the fair value at the date of the donation. The Organization capitalizes purchases in excess of \$1,000 with lesser amounts expensed in the year purchased. Depreciation is provided using the straight-line method over the estimated useful live of the asset, which ranges from three to forty years.

See independent auditor's report.

PIKES PEAK UNITED WAY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021 AND 2020

**1. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(CONTINUED)**

Deferred revenue

Deferred revenue consists of conditional grant funding. The Organization recognizes income upon when all conditions have been satisfied. All unexpended funds are deferred and recognized when the related expenditure occurs.

Net assets

The financial statements present information regarding the financial position and statements of activities according to two classes of net assets: net assets without donor restrictions; and net assets with donor restrictions, which represent resources restricted by donors as to purpose or by the passage of time.

Donor designations

The United Way also participates in local campaigns in the metropolitan Colorado Springs area on behalf of the Combined Federal Campaign ("CFC") and the Colorado Combined Campaign ("CCC"). Through the CFC, the Organization is listed as an Independent Local Agency and receives funds designated to United Way only. The United Way acts as a federation level entity for the CCC, in which donors designate their gifts to a wide variety of charitable organizations, and the United Way acts as a federation level entity and distributes the campaign proceeds accordingly to those agencies that are members of the United Way federation.

Certain contributions/pledges received in fundraising campaigns are designated by individuals for specific agencies or for United Way organizations in areas other than the Pikes Peak Region. To promote philanthropy, the Board policy allows donors to designate to any qualified 501(c)(3) organization in the United States. Annual campaign gifts, in which the Organization agrees to transfer the gift to another beneficiary as designated by the donor, are deducted from gross campaign results to arrive to net campaign results. In accordance with United Way Worldwide Membership Requirements, these designations are presented as part of gross campaign results and gross agency distributions in the statements of activities, but are then deducted to arrive at the Organization's profits under US GAAP.

See independent auditor's report.

PIKES PEAK UNITED WAY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021 AND 2020

**1. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(CONTINUED)**

Donor designations (continued)

The Cornerstone Program offers companies the opportunity to help underwrite the administrative and fundraising costs of PPUW, allowing individual donors to contribute to their most cherished causes without the burden of a fee.

Cornerstone Members 2020-2021

<u>Level</u>	<u>Amount</u>	<u>Donor</u>
Pinnacle Level	\$50,000 - \$100,000	The Anschutz Foundation El Pomar Foundation El Paso County Rampart Supply
Mesa Level	\$15,000 - \$49,999	Ent Credit Union
Red Rocks Level	\$10,000 - \$14,999	Amazon U.S. Bank
Canyon Level	\$5,000 - \$9,999	5 Star Bank

(Plus several additional contributors under the \$5,000 level.)

Contribution and grant income

Contribution and grant income includes contributions and grants from the fundraising campaign conducted each year to help support agency allocations, program services and operations of the Organization. Contribution and grant income is recorded when cash is received, when unconditional promises are made, or when ownership of contributed assets are transferred to the Organization. In accordance with US GAAP, contributions received are recorded as without donor restrictions or with donor restrictions depending on the existence and/or nature of donor restrictions.

See independent auditor's report.

PIKES PEAK UNITED WAY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021 AND 2020

**1. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(CONTINUED)**

Donated services and materials

Donated services and materials are recorded as both revenues and expenditures in the accompanying statement of activities at their estimated fair values. Contributions of services are recognized if the services received (a) create or enhance nonfinancial assets or (b) require specialized skills, are provided by individuals possessing those skills and would typically need to be purchased if not provided by donations.

During the years ended June 30, 2021 and 2020, the Organization received in-kind professional services and supplies of \$12,144 and \$182,957, respectively.

Many individuals volunteer their time and perform a variety of tasks that assist the Organization. The Organization received approximately 20,198 and 32,085 volunteer hours during the years ended June 30, 2021 and 2020, respectively, with an estimated fair value of approximately \$549,386 and \$815,922, respectively. These donated services are not reflected in the accompanying financial statements since they do not meet the criteria for recognition under US GAAP.

Income taxes

The Organization is exempt from income tax under Section 501(c)(3) of the Internal Revenue Code ("Code") and is not a private foundation under Section 509(a)(2) of the Code. The Organization evaluates the effect of uncertain tax positions, if any, and provides for those positions in accordance with the provisions of FASB ASC 450, *Contingencies*. No tax accrual for uncertain tax positions has been recorded as management believes there are no uncertain tax positions for the Organization. The Organization has no unrelated business taxable income. Accordingly, no provision for income taxes is made in the financial statements.

Functional allocation of expenses

Expenses are recognized when incurred in accordance with the accrual basis of accounting. The financial statements report certain categories of expenses that are attributable to one or more program or supporting function. Therefore, these expenses require allocation on a reasonable basis that is consistently applied. The expenses that are allocated include occupancy and state contract services costs, which are allocated based upon the average departmental full-time employees (i.e. headcount); depreciation allocated on a square footage basis; as well as salaries and wages, benefits, payroll taxes, professional services, insurance, and other, which are allocated on the basis of estimates of time and effort. Any costs that could be directly assigned to a specific function are allocated to that function.

See independent auditor's report.

PIKES PEAK UNITED WAY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021 AND 2020

**1. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(CONTINUED)**

Reclassification

Certain prior year amounts have been reclassified to conform with the current year presentation. There was no impact on the change in net assets due to these reclassifications.

Subsequent events

Management has evaluated subsequent events through the date of the attached independent auditor's report, the date on which the financial statements were available to be issued.

2. LIQUIDITY AND AVAILABILITY OF RESOURCES

Financial assets available to meet cash needs for general expenditures, that is, without donor or other restrictions limiting their use, within one year of the statement of financial position date consist the following as of June 30,:

	2021	2020
Cash and cash equivalents	\$ 1,839,269	\$ 1,192,086
Cash and cash equivalents, restricted	65,418	65,418
Pledges receivable, net	651,713	518,902
Grants and other receivables	88,794	16,083
Endowments	2,963,428	2,246,631
 Total financial assets	 5,608,622	 4,039,120
 Less amounts unavailable for general expenditures within one year due to:		
Donor restrictions	(2,695,535)	(2,226,786)
 Financial assets available to meet cash needs for general expenditures within one year	 \$ 2,913,087	 \$ 1,812,334

As part of the Organization's liquidity management plan, it has a policy to structure its financial assets to be available as its general expenditures, liabilities and other obligations come due. In addition to the above, the Organization operates in accordance with a board-approved budget and anticipates collecting sufficient revenue to cover general expenditures.

See independent auditor's report.

PIKES PEAK UNITED WAY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021 AND 2020

3. FAIR VALUE MEASUREMENTS

The Organization's endowments are reported at fair value in the accompanying statement of financial position. The methods used to measure fair value may produce amounts that may not be indicative of realizable value or reflective of future fair values. The use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in different fair value measurements at the reporting date. There have been no changes in the methodologies used between June 30, 2021 and 2020.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Fair value measurements must maximize the use of observable inputs and minimize the use of unobservable inputs. There is a hierarchy of three levels of inputs that may be used to measure fair value:

Level 1—Quoted prices in active markets that the Organization has the ability to access at the measurement date for assets or liabilities.

Level 2—Observable prices that are based on inputs not quoted in active markets, but corroborated by market data.

Level 3—Unobservable inputs in which there is little or no market data and that require the Organization to develop its own assumptions about fair value.

The valuation methodologies used for assets measured at fair value are as follows:

Money market funds—Valued at the daily closing price as reported by the fund. Money market funds are registered with the Security Exchange Commission. These funds are required to publish their daily net asset value and transact at that price. The money market funds held by the Organization are deemed to be actively traded. Accordingly, the Organization's investment in the money market funds are classified as Level 1.

Equity and fixed-income mutual funds—Valued at the daily closing price as reported by the fund. Mutual funds are registered with the Security Exchange Commission. These funds are required to publish their daily net asset value and transact at that price. The mutual funds held by the Organization are deemed to be actively traded. Accordingly, the Organization's investment in the mutual funds are classified as Level 1.

Beneficial interest in perpetual trusts—The Organization's investment in the beneficial interest in perpetual trusts is stated at the fair value provided by the Charitable Trust. Certain alternative investments in the Charitable Trust are stated at the estimated net asset values of the underlying investments. Accordingly, the Organization's investment in the trusts are classified as Level 2.

See independent auditor's report.

PIKES PEAK UNITED WAY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021 AND 2020

3. FAIR VALUE MEASUREMENTS (CONTINUED)

The determination of where assets and liabilities fall within this hierarchy is based upon the lowest level of input that is significant to the fair value measurement. These classifications are intended to reflect the quality and character of the inputs used in valuation and are not necessarily an indication of risk or liquidity. The following presents the fair value measurements of assets recognized in the accompanying statement of financial position as of June 30,:

	2021			
	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Money market funds	\$ 667,552	\$ -	\$ -	\$ 667,552
Equity and fixed-income mutual funds	1,822,913	-	-	1,822,913
Beneficial interest in perpetual trusts	-	472,963	-	472,963
	<u>\$ 2,490,465</u>	<u>\$ 472,963</u>	<u>\$ -</u>	<u>\$ 2,963,428</u>
	2020			
	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Money market funds	\$ 381,103	\$ -	\$ -	\$ 381,103
Equity and fixed-income mutual funds	1,479,429	-	-	1,479,429
Beneficial interest in perpetual trusts	-	386,099	-	386,099
	<u>\$ 1,860,532</u>	<u>\$ 386,099</u>	<u>\$ -</u>	<u>\$ 2,246,631</u>

Investment income consists of the following for the years ended June 30,:

	<u>2021</u>	<u>2020</u>
Interest and dividends	\$ 3,765	\$ 571
Net realized and unrealized gains	516,675	7,876
Investment fees	(12,422)	(11,955)
Total	<u>\$ 508,018</u>	<u>\$ (3,508)</u>

See independent auditor's report.

PIKES PEAK UNITED WAY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021 AND 2020

3. FAIR VALUE MEASUREMENTS (CONTINUED)

Beneficial interest in Perpetual Trusts

The Organization is an 11% beneficiary of the income of the Donald A. and Phyllis F. Hibbard Charitable Trust, for which the principal must be held in perpetuity. The Organization's share of the fair market value of this trust totaled \$330,244 and \$270,809 as of June 30, 2021 and 2020, respectively. The Organization received distributions of \$10,900 and \$0 for the years ended June 30, 2021 and 2020, respectively.

The Organization is a 10% beneficiary of the income of the Florence S. Knight Charitable Trust, for which the principal must be held in perpetuity. The Organization's share of the fair market value of this trust totaled \$142,719 and \$115,290 as of June 30, 2021 and 2020, respectively. The Organization received distributions of \$5,059 and \$601 for the years ended June 30, 2021 and 2020, respectively.

4. PROPERTY AND EQUIPMENT

Property and equipment consists of the following as of June 30;:

	<u>2021</u>	<u>2020</u>
Land	\$ 511,992	\$ 511,992
Land improvements	78,706	78,706
Building and improvements	1,465,844	1,462,758
Furniture and equipment	814,210	780,480
Projects in progress	<u>9,343</u>	<u>-</u>
Total	2,880,095	2,833,936
Accumulated depreciation	<u>(1,524,275)</u>	<u>(1,458,141)</u>
Net property and equipment	<u>\$ 1,355,820</u>	<u>\$ 1,375,795</u>

Depreciation expense totaled to \$66,136 and \$66,409 for the years ended June 30, 2021 and 2020, respectively.

5. ALLOCATIONS AND DESIGNATIONS PAYABLE

Allocations approved by the Organization's Finance Committee are recorded as an expense and a payable. Annual fundraising campaign revenue includes amounts designated by donors for specified agencies. The amounts raised on behalf of others are reflected as reductions of gross campaign results in the statement of activities.

See independent auditor's report.

PIKES PEAK UNITED WAY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021 AND 2020

5. ALLOCATIONS AND DESIGNATIONS PAYABLE (CONTINUED)

Allocations and designations payable consist of the following as of June 30;:

	2021	2020
Allocations approved by the Finance Committee	\$ 897,742	\$ 747,000
Designations payable	256,719	299,999
Total	\$ 1,154,461	\$ 1,046,999

6. NOTES PAYABLE

The Organization has a note payable with a balance of \$259,086 and \$283,007 as of June 30, 2021 and 2020, respectively. The original note bears interest at the London Interbank Offered Rate (LIBOR) plus 0.80% per annum, and is collateralized by real estate. On May 28, 2020, this note payable was refinanced with another financial institution under the terms of a ten-year note bearing interest at a fixed rate of 3.25% and maturing on May 28, 2030. The note is payable in monthly installments of \$2,791 with one irregular final payment of \$2,847.

Aggregate annual maturities of the note payable are as follows:

<u>Years Ending June 30,</u>	
2022	\$ 25,355
2023	26,203
2024	27,062
2025	27,985
2026	28,921
Thereafter	123,560
Total	\$ 259,086

7. PAYCHECK PROTECTION PROGRAM LOAN

During the year ended June 30, 2020, the Organization applied for and received a \$212,500 forgivable loan from the Small Business Administration ("SBA") as part of the Paycheck Protection Program ("PPP"), which is part of the federal government's Coronavirus Aid, Relief, and Economic Security ("CARES") Act. The Organization has chosen to account for the proceeds as debt under ASC 470. The note is not collateralized and the principal and any accrued interest are expected to be fully forgiven. The balance outstanding on this note was \$212,500 as of June 30, 2021 and 2020, respectively.

See independent auditor's report.

PIKES PEAK UNITED WAY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021 AND 2020

8. LINE OF CREDIT

The Organization has available a revolving line of credit with a financial institution in the amount of \$300,000. Borrowings under the line of credit bear interest at the institution's index less 0.50% with a floor of 3% per annum and is secured by the Organization's building. The line of credit matures on June 1, 2025. There was no balance outstanding on the line of credit as of June 30, 2021 and 2020.

9. LEASES

The Organization has several noncancelable operating leases from unrelated parties expiring on various dates through September 2023. Monthly lease payments range from \$326 to \$549.

As of June 30, 2021, future minimum lease payments under these leases are as follows:

<u>Years Ending June 30,</u>	
2022	\$ 14,976
2023	8,388
2024	7,407
2025	4,466
2026	<u>4,466</u>
	<u>\$ 39,703</u>

Total rent expense under these lease agreements for the years ended June 30, 2021 and 2020 totaled \$12,310 and \$11,124, respectively.

10. ENDOWMENT FUNDS

During 2008, the state of Colorado passed the Uniform Prudent Management of Institutional Funds Act ("UPMIFA"). Effective September 1, 2008, UPMIFA provides statutory guidance for management, investment and expenditures of endowment funds held by not-for-profit organizations.

Net assets with donor restrictions as of June 30, 2021 include two endowment funds for which the total investment return on such net assets may be used for the purposes of the Organization. As required by US GAAP, net assets associated with endowment funds are classified and reported based on the existence or absence of donor-imposed restrictions.

See independent auditor's report.

PIKES PEAK UNITED WAY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021 AND 2020

10. ENDOWMENT FUNDS (CONTINUED)

The Organization has interpreted the state of Colorado's UPMIFA as permitting preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds, absent explicit donor stipulations to the contrary. As a result of this interpretation, the Organization classifies the original value of the gift donated to the permanent endowment as restricted net assets.

The Organization has investment and spending policies for endowment assets that emphasize long-term growth and income. The Organization's endowment assets are invested in a manner that is intended to produce future income and stabilized returns.

Endowment net asset composition by type of fund as of June 30, 2021 is as follows:

	<u>Without donor restrictions</u>	<u>With donor restrictions</u>	<u>Total</u>
Donor-restricted endowment funds	\$ -	\$ 2,299,278	\$ 2,299,278
Board-designated endowment funds	<u>664,150</u>	<u>-</u>	<u>664,150</u>
Total funds	<u>\$ 664,150</u>	<u>\$ 2,299,278</u>	<u>\$ 2,963,428</u>

Changes in endowment net assets for the year ended June 30, 2021 are as follows:

	<u>Without donor restrictions</u>	<u>With donor restrictions</u>	<u>Total</u>
Endowment net assets, beginning of year	<u>\$ 395,733</u>	<u>\$ 1,850,898</u>	<u>\$ 2,246,631</u>
Investment return, net	5,178	425,490	430,668
Contributions	295,623	-	295,623
Appropriation for expenditure:			
Emergency Grant Fund	73,788	(73,788)	-
Other changes	<u>(106,172)</u>	<u>96,678</u>	<u>(9,494)</u>
Endowment net assets, end of year	<u>\$ 664,150</u>	<u>\$ 2,299,278</u>	<u>\$ 2,963,428</u>

See independent auditor's report.

PIKES PEAK UNITED WAY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021 AND 2020

10. ENDOWMENT FUNDS (CONTINUED)

From time to time, the fair value of assets associated with individual donor-restricted endowment funds may fall below the level that the donor or UPMIFA requires the Organization to retain as a fund of perpetual duration. In accordance with US GAAP, deficiencies of this nature are reported in unrestricted net assets. There were no such deficiencies as of June 30, 2021 and 2020.

The Organization has adopted investment and spending policies for endowment assets that attempt to provide a predictable stream of funding to programs supported by its endowment while seeking to maintain the purchasing power of the endowment assets. Endowment assets include those assets of donor-restricted funds that the Organization must hold in perpetuity or for a donor-specified period as well as board-designated funds. Under this policy, the endowment assets are invested in a manner that is intended to produce maximum results while assuming a moderate level of investment risk. The Organization expects its endowment funds, over time, to provide an average rate of return of approximately the sum of 5.00% plus the Consumer Price Index (CPI) annually. Actual returns in any given year may vary from this amount.

To satisfy its long-term rate-of-return objectives, the Organization relies on a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends). The Organization targets a diversified asset allocation that places a great emphasis on equity-based investments to achieve its long-term return objectives within prudent risk constraints.

The Organization has a policy of appropriating for distribution each year 5.00% of its board-designated endowment fund's end-of-year fair value. The Organization also has a policy that suspends distribution from its donor-restricted funds to allow the fund to grow to a critical mass. In establishing these policies, the Organization considered the long-term expected return on its endowment. This is consistent with the Organization's objective to maintain the original fair value of the endowment assets held in perpetuity or for a specified term as well as to provide additional real growth through new gifts and investment return.

See independent auditor's report.

PIKES PEAK UNITED WAY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021 AND 2020

11. NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions consist of the following as of June 30,:

	2021	2020
El Pomar Emergency Grant Fund - held in perpetuity	\$ 1,000,000	\$ 1,000,000
El Pomar Emergency Grant Fund	826,316	464,800
Beneficial interest in perpetual trusts	472,963	386,098
USAA	150,000	50,000
Military Family Assistance	29,757	46,230
America's Promise (GradNation program grant)	7,657	7,657
Women's Leadership Council	6,227	6,227
ENT Credit Union	50,000	50,000
Walmart Stores	2,109	10,780
Pikes Peak Community College	2,376	5,000
Colorado Springs Chamber & EDC	5,000	5,000
GE Johnson	20,000	20,000
Mile High United Way - Colorado Department of Public Safety	-	87,129
El Pomar Strategic Plan Grant	-	50,000
Colorado Springs Forward	-	9,115
City of Colorado Springs	-	10,000
EM & FE Everett Charitable Trust Fund	-	10,000
University of Colorado	-	2,500
Penrose-St. Francis/Centura Health	-	5,000
Quality of Life Indicators	-	1,250
Anschutz Foundation	65,000	-
Kaiser Permanente	36,950	-
Colorado Springs Health Foundation	20,000	-
Emerging Leaders Council	1,180	-
	\$ 2,695,535	\$ 2,226,786
Total	\$ 2,695,535	\$ 2,226,786

12. PENSION PLAN

The Organization has a defined contribution pension plan (403(b) Thrift Plan) covering all full-time regular employees, who are eligible after one year of service. The Organization's contribution consists of a 4.00% matching contribution of eligible employee gross salaries based on employee individual contributions. The Organization contributed \$22,713 and \$25,705 to the defined contribution plan for the years ended June 30, 2021 and 2020, respectively.

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See independent auditor's report.

SUPPLEMENTAL INFORMATION

PIKES PEAK UNITED WAY
SCHEDULE OF FUNDS AWARDED
YEARS ENDED JUNE 30, 2021 AND 2020

Allocations to Partner Agencies	2021	2020
Assistance League	\$ 10,000	\$ -
Big Brothers & Big Sisters - Pikes Peak	15,000	-
Care and Share Food Banks	10,000	-
Casa of Pikes Peak Region	10,170	10,000
Catamount Institute	10,000	-
Catholic Charities of Central Colorado	105,000	80,000
Children's Hospital	10,000	-
Colorado Springs Conservatory	10,000	-
Comm. Partnership for Child Develop.	101,700	100,000
Community of Caring Foundation	23,000	23,000
Court Care of Pikes Peak Region	13,221	13,000
Crossfire Ministries	30,000	30,000
Early Connections Learning Centers	145,804	143,367
Energy Resource Center	10,000	10,000
First Tee	10,000	-
Fostering Hope Foundation	21,764	21,400
Greccio Housing Unlimited	15,000	15,000
Homeward Pikes Peak	15,000	15,000
Interfaith Hospitality Network	74,000	74,000
Joint Initiative	10,000	-
Kids on Bikes	10,000	-
Lutheran Family Services - Rocky Mtn.'s	20,340	20,000
Mt. Carmel Center of Excellence	25,000	25,000
Partners in Housing	51,979	51,979
Peak Education	15,000	-
Silver Key	10,000	10,000
TESSA	35,000	35,000
The Place (Formally Urban Peak)	12,254	12,254
The Resource Exchange, Inc.	30,510	30,000
The Salvation Army	10,000	-
Tri-Lakes Cares	28,000	28,000
Total partner allocations	\$ 897,742	\$ 747,000

See independent auditor's report

PIKES PEAK UNITED WAY
SCHEDULE OF FUNDS AWARDED
YEARS ENDED JUNE 30, 2021 AND 2020

Allocations to Partner Agencies (continued)	<u>2021</u>	<u>2020</u>
Other Gross Funds Awarded		
Designation, partner agencies	\$ 227,919	\$ 259,386
Designation, non-partner agencies	531,062	523,631
Designation, pass through	249,761	385,388
El Pomar Emergency Grants	46,706	82,110
Military Family Assistance	16,473	23,250
Restauranteurs Who Care Fund	-	15,710
Healthy Cities Partnership	-	10,000
Safe Spaces Initiative	270,000	-
Sponsorships	-	300
Facebook Fundraiser - Family in Need	-	6,000
Rally for Restaurants	8,645	-
Siemer Family/Kaiser Grants	50,000	50,000
Lyda Hill Foundation Grant	1,650	15,318
Other	-	1,799
	<u>1,402,216</u>	<u>1,372,892</u>
Total other gross funds awarded	<u>1,402,216</u>	<u>1,372,892</u>
Total gross funds to agencies	2,299,958	2,119,892
Less designation	<u>(1,008,742)</u>	<u>(1,168,405)</u>
Net funds awarded	<u><u>\$ 1,291,216</u></u>	<u><u>\$ 951,487</u></u>

See independent auditor's report