

**LIVE UNITED**



**Pikes Peak United Way**  
ppunitedway.org

**FINANCIAL STATEMENTS**

**JUNE 30, 2022 AND 2021**

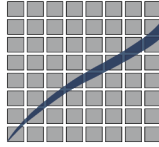
**AND**

**INDEPENDENT AUDITOR'S REPORT**

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**BiggsKofford**

CERTIFIED PUBLIC ACCOUNTANTS

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**INDEPENDENT AUDITOR'S REPORT**

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Board of Directors  
**Pikes Peak United Way**  
Colorado Springs, Colorado

**Opinion**

We have audited the accompanying financial statements of Pikes Peak United Way (a nonprofit organization), which comprise the statements of financial position as of June 30, 2022 and 2021, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

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, 2022 and 2021, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

**Basis for Opinion**

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of the report. We are required to be independent of Pikes Peak United Way and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. 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 Pikes Peak United Way's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

## **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 auditing standards generally accepted in the United States of America 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 auditing standards generally accepted in the United States of America, 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 Pikes Peak United Way'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 Pikes Peak United Way'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.

## **Report on Summarized Comparative Information**

We have previously audited the Organization's 2021 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated January 7, 2022. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2021, is consistent, in all material respects, with the audited financial statements from which it has been derived.

## Supplementary Information

Our audit was conducted for the purposes of forming an opinion on the financial statements as a whole. The accompanying supplementary 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  
March 24, 2023

**PIKES PEAK UNITED WAY**  
**STATEMENTS OF FINANCIAL POSITION**  
**JUNE 30, 2022 (WITH COMPARATIVE TOTALS FOR 2021)**

	<b>2022</b>	<b>2021</b>
<b><u>ASSETS</u></b>		
Current assets:		
Cash and cash equivalents	\$ 3,797,373	\$ 2,503,418
Cash and cash equivalents, restricted	65,418	65,418
Pledges receivable, net	573,430	651,713
Grants and other receivables	101,453	88,794
Prepaid expenses and other assets	81,943	44,635
<b>Total current assets</b>	<b>4,619,617</b>	<b>3,353,978</b>
Property and equipment, net	1,315,029	1,355,820
Endowments	1,932,641	2,299,279
<b>Total assets</b>	<b>\$ 7,867,287</b>	<b>\$ 7,009,077</b>
<b><u>LIABILITIES AND NET ASSETS</u></b>		
Current liabilities:		
Accounts payable	\$ 129,680	\$ 148,357
Accrued expenses	43,401	47,957
Allocations and designations payable	1,041,015	1,154,461
Deferred contributions	1,618,085	95,500
Forgivable Paycheck Protection Program loan	-	212,500
Current portion of notes payable	26,203	25,355
<b>Total current liabilities</b>	<b>2,858,384</b>	<b>1,684,130</b>
Notes payable, net of current portion	206,915	233,731
<b>Total liabilities</b>	<b>3,065,299</b>	<b>1,917,861</b>
Net assets:		
Without donor restrictions:		
Equity in property and equipment, net	1,081,911	1,096,734
Board-designated reserve	591,264	590,317
Operating	801,632	708,630
<b>Total net assets without donor restrictions</b>	<b>2,474,807</b>	<b>2,395,681</b>
With donor restrictions	2,327,181	2,695,535
<b>Total net assets</b>	<b>4,801,988</b>	<b>5,091,216</b>
<b>Total liabilities and net assets</b>	<b>\$ 7,867,287</b>	<b>\$ 7,009,077</b>

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, 2022 (WITH COMPARATIVE TOTALS FOR 2021)**

	<b>2022</b>		<b>2021</b>	
	<b>Without Donor Restrictions</b>	<b>With Donor Restrictions</b>	<b>Total</b>	<b>Total</b>
<b><u>PUBLIC SUPPORT AND REVENUE</u></b>				
Gross campaign revenue	\$ 3,165,139	\$ 497,775	\$ 3,662,914	\$ 3,846,256
Less donor designations to agencies	(1,040,952)	-	(1,040,952)	(1,008,742)
Less provision for uncollectible contributions	(172,465)	-	(172,465)	(204,296)
Net campaign revenue	1,951,722	497,775	2,449,497	2,633,218
Contributions and grants	525,429	503,937	1,029,366	1,476,592
Other revenue	189,868	-	189,868	265,045
Special events, net	(10,752)	-	(10,752)	3,285
Investment income (loss)	18,703	(293,046)	(274,343)	508,018
In-kind contributions	256,262	-	256,262	12,144
Net assets released from restrictions	1,077,020	(1,077,020)	-	-
Total public support and revenue	4,008,252	(368,354)	3,639,898	4,898,302
<b><u>EXPENSES</u></b>				
Program services:				
Gross funds awarded	1,976,491	-	1,976,491	2,299,958
Less donor designations to agencies	(1,040,952)	-	(1,040,952)	(1,008,742)
Net funds awarded	935,539	-	935,539	1,291,216
Other program services	1,463,425	-	1,463,425	1,371,043
Total program services	2,398,964	-	2,398,964	2,662,259
Supporting services:				
Fundraising	592,097	-	592,097	591,434
General and administrative	938,065	-	938,065	356,856
Total expenses	3,929,126	-	3,929,126	3,610,549
Change in net assets	79,126	(368,354)	(289,228)	1,287,753
Net assets, beginning of year	2,395,681	2,695,535	5,091,216	3,423,632
Net assets, end of year	<u>\$ 2,474,807</u>	<u>\$ 2,327,181</u>	<u>\$ 4,801,988</u>	<u>\$ 4,711,385</u>

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should be read with these financial statements.

**PIKES PEAK UNITED WAY**  
**STATEMENTS OF FUNCTIONAL EXPENSES**  
**YEAR ENDED JUNE 30, 2022 (WITH COMPARATIVE TOTALS FOR 2021)**

	PROGRAM SERVICES						SUPPORTING SERVICES			2022 Totals	2021 Totals
	Net Funds Awarded	Community Impact	2-1-1 Info & Referral	Education	Family Success	Total	Fund - raising	General & Administrative	Total		
Gross distributions to agencies	\$ 1,976,491	\$ -	\$ -	\$ -	\$ -	\$ 1,976,491	\$ -	\$ -	\$ -	\$ 1,976,491	\$ 2,299,958
Less donor designations to agencies	(1,040,952)	-	-	-	-	(1,040,952)	-	-	-	(1,040,952)	(1,008,742)
Net allocations granted to agencies	935,539	-	-	-	-	935,539	-	-	-	935,539	1,291,216
Salaries	-	322,610	328,839	52,731	61,872	766,052	372,688	316,391	689,079	1,455,131	1,282,238
Payroll taxes	-	23,530	23,384	4,298	4,447	55,659	27,225	22,714	49,939	105,598	92,112
Employee benefits	-	35,488	52,866	55	10,792	99,201	50,124	48,339	98,463	197,664	207,841
<b>Total</b>	<b>935,539</b>	<b>381,628</b>	<b>405,089</b>	<b>57,084</b>	<b>77,111</b>	<b>1,856,451</b>	<b>450,037</b>	<b>387,444</b>	<b>837,481</b>	<b>2,693,932</b>	<b>2,873,407</b>
Programs	-	81,953	2,000	62,409	575	146,937	14,600	5,000	19,600	166,537	69,113
Facilities and occupancy	-	41,904	89,005	1,492	4,431	136,832	44,462	87,041	131,503	268,335	280,489
Insurance	-	4,662	5,205	-	434	10,301	4,771	11,517	16,288	26,589	23,905
Contract services	-	65,246	48,261	-	54,158	167,665	45,846	104,100	149,946	317,611	249,284
United Way Worldwide dues	-	10,055	11,224	-	935	22,214	10,289	24,838	35,127	57,341	59,566
Other dues	-	-	11,733	-	-	11,733	2,288	2,614	4,902	16,635	10,600
Supplies	-	3,372	3,092	-	55	6,519	4,501	6,502	11,003	17,522	14,244
Printing and promotion	-	1,492	28,509	-	-	30,001	-	-	-	30,001	12,215
In-kind advertising and promotion	-	-	-	-	-	-	-	250,060	250,060	250,060	-
Postage and shipping	-	99	9	19	-	127	4,965	1,106	6,071	6,198	6,879
Staff development	-	2,192	706	-	300	3,198	-	13,475	13,475	16,673	3,356
Meetings	-	1,316	131	69	-	1,516	4,466	32,985	37,451	38,967	4,110
Travel	-	2,040	11	110	1,929	4,090	5,620	2,710	8,330	12,420	2,045
Miscellaneous	-	1,380	-	-	-	1,380	252	8,673	8,925	10,305	1,336
<b>Total</b>	<b>-</b>	<b>215,711</b>	<b>199,886</b>	<b>64,099</b>	<b>62,817</b>	<b>542,513</b>	<b>142,060</b>	<b>550,621</b>	<b>692,681</b>	<b>1,235,194</b>	<b>737,142</b>
<b>Total operating expenses</b>	<b>\$ 935,539</b>	<b>\$ 597,339</b>	<b>\$ 604,975</b>	<b>\$ 121,183</b>	<b>\$ 139,928</b>	<b>\$ 2,398,964</b>	<b>\$ 592,097</b>	<b>\$ 938,065</b>	<b>\$ 1,530,162</b>	<b>\$ 3,929,126</b>	<b>\$ 3,610,549</b>
Percentage of total expenses	24%	16%	15%	3%	4%	62%	15%	23%	38%	100%	

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, 2022 (WITH COMPARATIVE TOTALS FOR 2021)**

	<b>2022</b>	<b>2021</b>
<b><u>CASH FLOWS FROM OPERATING ACTIVITIES</u></b>		
Change in net assets	\$ (289,228)	\$ 1,287,753
Adjustments to reconcile change in net assets to net cash flows from operating activities:		
Depreciation	63,918	66,136
Realized and unrealized (gains)/losses on investments	286,382	(516,675)
Forgiveness of Paycheck Protection Program loan	(212,500)	-
Changes in operating assets and liabilities:		
Pledges receivable	78,283	(132,811)
Grants and other receivables	(12,659)	(72,711)
Prepaid expenses and other assets	(37,308)	(10,869)
Accounts payable and accrued expenses	(23,233)	49,933
Allocations and designations payable	(113,446)	107,462
Deferred revenue	1,522,585	(240,662)
Net cash flows from operating activities	<u>1,262,794</u>	<u>537,556</u>
<b><u>CASH FLOWS FROM INVESTING ACTIVITIES</u></b>		
Purchases of property and equipment	(23,127)	(46,162)
Proceeds from sales of investments	93,469	-
Purchases of investments	(13,213)	(200,122)
Net cash flows from investing activities	<u>57,129</u>	<u>(246,284)</u>
<b><u>CASH FLOWS FROM FINANCING ACTIVITIES</u></b>		
Payments on notes payable	(25,968)	(23,920)
Net cash flows from financing activities	<u>(25,968)</u>	<u>(23,920)</u>
Net change in cash and cash equivalents	1,293,955	267,352
Cash and cash equivalents (including restricted cash), beginning of year	<u>2,568,836</u>	<u>2,227,696</u>
Cash and cash equivalents (including restricted cash), end of year	<u>\$ 3,862,791</u>	<u>\$ 2,568,836</u>
<b><u>SUPPLEMENTARY DISCLOSURE</u></b>		
Interest paid	<u>\$ 7,524</u>	<u>\$ 9,571</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, 2022 AND 2021**

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**1. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Organization

Pikes Peak United Way ("PPUW" or "Organization") is a nonprofit organization incorporated in the State of Colorado, with a mission to improve the quality of life in our community. Our vision statement states, "Through strengthened collaboration, we will achieve measurable improvements in education, income stability, and health for the residents of El Paso and Teller Counties," and our values statement states, "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 \$57,341 and \$59,566 for the years ended June 30, 2022 and 2021, respectively.

Basis of accounting

The accompanying financial statements have been prepared using the accrual basis of accounting in accordance with the accounting principles 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, 2022 AND 2021**

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

Cash and cash equivalents

For purposes of the statements of cash flows, 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, 2022 and 2021, restricted cash and cash equivalents totaled \$65,418 for both years then ended.

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. Pledges receivable are recorded net of an allowance for uncollectible pledges totaling \$218,752 and \$204,296 as of June 30, 2022 and 2021, respectively.

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 lives of the assets, which range from three to 40 years.

See independent auditor's report.

**PIKES PEAK UNITED WAY**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2022 AND 2021**

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

Deferred revenue

Deferred revenue consists of conditional grant funding for programs in which the expenses will be incurred in a future period or for sponsorships of future fundraising events. The Organization recognizes income when the related expenses are incurred or when the event takes place.

Net assets

The financial statements present information regarding the financial position and 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. Board-designated net assets as of June 30, 2022 and 2021 consist of a board reserve to be used for potential disasters or other unforeseen events.

Donor designations

The Organization 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 the Organization only. The Organization acts as a federation-level entity for the CCC, in which donors designate their gifts to a wide variety of charitable organizations, and the Organization distributes the campaign proceeds accordingly to those agencies that are members of the Organization's federation.

Certain contributions and 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 at 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, 2022 AND 2021**

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**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 2021-2022**

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<b>Level</b>	<b>Donor</b>	<b>Amount</b>
Pinnacle Level	The Anschutz Foundation El Pomar Foundation Rampart Supply	\$50,000 - \$100,000
Mesa Level	Blazer Electric Ent Credit Union El Paso County Scheels UC Health	\$15,000 - \$49,999
Red Rocks Level	Amazon Kaiser Permanente Health Plan U.S. Bank	\$10,000 - \$14,999
Canyon Level	ANB Bank	\$5,000 - \$9,999

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

See independent auditor's report.

**PIKES PEAK UNITED WAY**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2022 AND 2021**

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

Donor designations (continued)

The Family Success Center offers companies and individuals the opportunity to support families and empower community members to become financially stable, grow, and accomplish their goals. The Family Success Center is a place where community partners join together in one convenient location to remove barriers, such as transportation and childcare. The Family Success Center will begin welcoming families early in 2023.

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**Family Success Center Supporters 2021-2022**

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**Donor**

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Anschutz Foundation  
Betsy & Vance Brown  
City of Colorado Springs  
Colorado Springs Health Foundation  
El Paso County  
Ent Credit Union  
Jim & Karen Campbell  
Kent & Stephanie Fortune  
Larry H. Miller Charities  
Luther T. McCauley Charitable Trust  
Mari Wiseman Deminiski  
Mountain Springs Church  
Pam & David Keller  
Target Community Engagement Fund  
USAA

Contributions and grants

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 is 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, 2022 AND 2021**

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**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 statements 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.

Many individuals volunteer their time and perform a variety of tasks that assist the Organization. The Organization received approximately 13,561 and 20,198 volunteer hours during the years ended June 30, 2022 and 2021, respectively, with an estimated fair value of approximately \$387,031 and \$549,386, 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 contractors, which are allocated based upon the average departmental full-time employees (i.e., headcount); depreciation is allocated on a square footage basis; as well as salaries, benefits, payroll taxes, and professional fees, which are allocated on the basis of estimates of time and effort. Other expenses 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, 2022 AND 2021**

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**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.

Accounting pronouncements adopted

On July 1, 2020, the Organization adopted ASU No. 2020-07, *Not-for-Profit Entities: Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets* ("ASC Topic 958") on a retrospective basis. These amendments increase the transparency of contributed nonfinancial assets for not-for-profit entities through enhancements to presentation and disclosure. The amendments in this update also require not-for-profit entities to present contributed nonfinancial assets as a separate line item in the statements of activities.

New accounting pronouncements – future adoption

In February 2016, the FASB issued ASU 2016-02, *Leases*, which supersedes existing guidance on accounting for leases and generally requires all leases to be recognized on the statement of financial position. This guidance also requires disclosures about the amount, timing and uncertainty of cash flows arising from leases. The provisions of the new guidance will be effective for the Organization for the period ending June 30, 2023. Management is currently evaluating the potential impact of this new standard on the Organization's financial statements.

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**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 of the following as of June 30,:

	<b>2022</b>	<b>2021</b>
Cash and cash equivalents	\$ 3,797,373	\$ 2,503,418
Cash and cash equivalents, restricted	65,418	65,418
Pledges receivable, net	573,430	651,713
Grants and other receivables	101,453	88,794
Endowments	1,932,641	2,299,279
 Total financial assets	 6,470,315	 5,608,622
 Less amounts unavailable for general expenditures within one year due to:		
Donor restrictions	(2,327,181)	(2,695,535)
Board-designated reserve	(591,264)	(590,317)
 Financial assets available to meet cash needs for general expenditures within one year	 <u>\$ 3,551,870</u>	 <u>\$ 2,322,770</u>

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.

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**3. PROPERTY AND EQUIPMENT**

Property and equipment consist of the following as of June 30,:

	<u>2022</u>	<u>2021</u>
Land	\$ 511,992	\$ 511,992
Land improvements	82,840	78,706
Building and improvements	1,494,179	1,465,844
Furniture and equipment	814,210	814,210
Projects in progress	-	9,343
	<hr/>	<hr/>
Total	2,903,221	2,880,095
Accumulated depreciation	<u>(1,588,192)</u>	<u>(1,524,275)</u>
	<hr/>	<hr/>
Net property and equipment	<u>\$ 1,315,029</u>	<u>\$ 1,355,820</u>

Depreciation expense totaled to \$63,918 and \$66,136 for the years ended June 30, 2022 and 2021, respectively.

**4. FAIR VALUE MEASUREMENTS**

The Organization's endowments are reported at fair value in the accompanying statements 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, 2022 and 2021.

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

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**4. FAIR VALUE MEASUREMENTS (CONTINUED)**

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 is 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 is classified as Level 1.

Beneficial interest in perpetual trusts - The Organization's beneficial interest in perpetual trusts is reported at the fair value based on the present value of the estimated future cash receipts from the trusts. The Organization will never have the ability to redeem its investment with the investee at net asset value per share (or its equivalent). Accordingly, the Organization's investments in the trusts are classified as Level 3.

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,:

	<b>2022</b>			
	Level 1	Level 2	Level 3	Total
Money market funds	\$ 73,582	\$ -	\$ -	\$ 73,582
Equity and fixed-income mutual funds	1,466,276	-	-	1,466,276
Beneficial interest in perpetual trusts	-	-	392,783	392,783
	<u>\$ 1,539,858</u>	<u>\$ -</u>	<u>\$ 392,783</u>	<u>\$ 1,932,641</u>

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**4. FAIR VALUE MEASUREMENTS (CONTINUED)**

	2021			Total
	Level 1	Level 2	Level 3	
Money market funds	\$ 77,191	\$ -	\$ -	\$ 77,191
Equity and fixed-income mutual funds	1,749,125	-	-	1,749,125
Beneficial interest in perpetual trusts	-	-	472,963	472,963
	\$ 1,826,316	\$ -	\$ 472,963	\$ 2,299,279

Beneficial interest in perpetual trusts

The Organization's endowment consists of a beneficial interest in perpetual trusts. The Organization is an 11% beneficiary of the income of the Donald A. and Phyllis F. Hibbard Charitable Trust and a 10% beneficiary of the income of the Florence S. Knight Charitable Trust (collectively, "Trusts"), for which both Trusts' principal must be held in perpetuity. The Organization reports the fair value as endowment assets in the statements of financial position. Distributions received and changes in the value of the Trusts are included in investment income (losses) in the statements of activities.

Changes in the value of the Trusts are as follows for the years ended June 30,:

	2022	2021
Beneficial interest in perpetual trusts, beginning of year	\$ 472,963	\$ 386,099
Contributions	-	-
Share of the appreciation/(depreciation)	(98,883)	70,905
Distributions received	18,703	15,959
Beneficial interest in perpetual trusts, end of year	\$ 392,783	\$ 472,963

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**4. FAIR VALUE MEASUREMENTS (CONTINUED)**

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

	<b>2022</b>	<b>2021</b>
Interest and dividends	\$ 25,403	\$ 3,765
Net realized and unrealized gains/(losses)	(286,382)	516,675
Investment fees	(13,364)	(12,422)
Total	\$ (274,343)	\$ 508,018

**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 statements of activities.

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

	<b>2022</b>	<b>2021</b>
Allocations approved by the finance committee	\$ 757,500	\$ 897,742
Designations payable	283,515	256,719
Total	\$ 1,041,015	\$ 1,154,461

**6. 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 chose to account for the proceeds as debt. The loan was forgiven during the year ended June 30, 2022, and the proceeds were included in contributions and grants in the accompanying statement of activities.

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**7. NOTES PAYABLE**

On May 28, 2020, the Organization refinanced the previously issued bond/swap, which was refinanced with a note payable in the amount of \$285,000. The note bears interest at a fixed rate of 3.25% per annum and is secured by the Organization's building. The ten-year note payable matures on May 28, 2030. The note is payable in monthly installments of \$2,791 with one irregular final payment of \$2,847. The note payable balance was \$233,118 and \$259,086 as of June 30, 2022 and 2021, respectively.

Aggregate annual maturities of the note payable are as follows:

<u>Years Ending</u> <u>June 30,</u>	
2023	\$ 26,203
2024	27,062
2025	27,985
2026	28,921
2027	29,889
Thereafter	<u>93,058</u>
Total	<u>\$ 233,118</u>

**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, 2022 and 2021.

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**9. LEASES**

The Organization has several noncancelable operating leases from unrelated parties expiring on various dates through September 2023. Monthly lease payments range from \$75 to \$850.

As of June 30, 2022, future minimum lease payments under these leases are as follows:

<u>Years Ending June 30,</u>	
2023	\$ 12,870
2024	8,307
2025	5,366
2026	<u>4,844</u>
Total	<u>\$ 31,387</u>

Total rent expense under these lease agreements for the years ended June 30, 2022 and 2021 totaled \$13,314 and \$12,310, 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, 2022 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.

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.

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**10. ENDOWMENT FUNDS (CONTINUED)**

Changes in endowments with donor restrictions are as follows for the years ended June 30,:

	<u>2022</u>	<u>2021</u>
Endowment net assets, beginning of year	\$ 2,299,279	\$ 1,850,898
Investment return, net	(293,046)	425,490
Contributions	-	-
Appropriation for expenditure:		
Emergency Grant Fund	(73,592)	(73,788)
Other changes	<u>-</u>	<u>96,679</u>
Endowment net assets, end of year	<u>\$ 1,932,641</u>	<u>\$ 2,299,279</u>

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, 2022 and 2021.

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.

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**10. ENDOWMENT FUNDS (CONTINUED)**

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.

**11. NET ASSETS WITH DONOR RESTRICTIONS**

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

El Pomar Emergency Grant Fund, held in perpetuity	\$ 1,000,000	\$ 1,000,000
El Pomar Emergency Grant Fund	539,858	826,316
Beneficial interest in perpetual trusts	392,783	472,963
Family Success Center	252,907	-
CS Promise	105,081	94,607
Dolly Parton Imagination Library	25,906	-
Women United	8,731	6,227
Backpack Supply Drive	1,915	-
2-1-1 Info & Referral	-	237,109
Military Family Support	-	29,757
Peak Progress (QLI)	-	27,376
Emerging Leaders	-	1,180
	<u>                    </u>	<u>                    </u>
Total	<u>\$ 2,327,181</u>	<u>\$ 2,695,535</u>

**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 \$24,823 and \$22,713 to the defined contribution plan for the years ended June 30, 2022 and 2021, respectively.

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**13. CONTRIBUTED SUPPLIES AND SERVICES**

The value of donated supplies and services included in the financial statements as contributions and the corresponding expenses consist of the following for the years ending June 30,:

	<b>2022</b>	<b>2021</b>
Décor	\$ 1,307	\$ -
Donated media coverage	250,060	-
Food and beverages	3,499	-
Supplies and other	1,396	12,144
 Total	 \$ 256,262	 \$ 12,144

The Organization recognized the above contributed nonfinancial assets in the accompanying statements of activities and functional expenses for the years ended June 30, 2022 and 2021. If the contributed nonfinancial assets had a donor restriction, the amounts were released as of year-end, and there are no in-kind contributions with donor restrictions as of June 30, 2022 and 2021.

Contributed décor, food and beverages, supplies, and other items are utilized for the Organization's various programs. Contributed media coverage is utilized for management development matters.

The Organization uses an estimate of fair value to measure contributed nonfinancial assets. The Organization measures contributed décor, food and beverages, supplies, and other items at the value that would have been paid had the Organization purchased the nonfinancial assets, based on comparable sales prices. The Organization measures contributed media coverage based on the standard hourly rates as provided by the news station.

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See independent auditor's report.

## **SUPPLEMENTARY INFORMATION**

**PIKES PEAK UNITED WAY**  
**SCHEDULE OF FUNDS AWARDED**  
**YEARS ENDED JUNE 30, 2022 AND 2021**

<b>Allocations to Partner Agencies</b>	<b>2022</b>	<b>2021</b>
Assistance League	\$ 10,000	\$ 10,000
Big Brothers & Big Sisters - Pikes Peak	35,000	15,000
Care and Share Food Banks	-	10,000
Casa of Pikes Peak Region	30,000	10,170
Catamount Institute	-	10,000
Catholic Charities of Central Colorado	20,000	105,000
Children's Hospital	-	10,000
Colorado Springs Conservatory	5,000	10,000
Comm. Partnership for Child Develop.	-	101,700
Community of Caring Foundation	20,000	23,000
Court Care of Pikes Peak Region	20,000	13,221
CPCD - Early Head Start	100,000	-
CPCD - 2Gen	20,000	-
Crossfire Ministries	15,000	30,000
Dream Centers	3,000	-
Early Connections - Early Care and Education	125,000	-
Early Connections - Home Network	40,000	-
Early Connections Learning Centers	-	145,804
Energy Resource Center	-	10,000
Envida	3,000	-
First Tee	-	10,000
Forge Evolution	15,000	-
Fostering Hope Foundation	30,000	21,764
Greccio Housing Unlimited	12,500	15,000
Homeward Pikes Peak	12,500	15,000
Interfaith Hospitality Network	15,000	74,000
Joint Initiative	-	10,000
Junior Achievement	7,500	-
Kids on Bikes	-	10,000
Lutheran Family Services - Rocky Mtn.'s	40,000	20,340
Mt. Carmel Center of Excellence	-	25,000
Mt Carmel Veterans Service Center	20,000	-
Partners in Housing	20,000	51,979
Peak Education	20,000	15,000
Ronald McDonald House of Charities	5,000	-
Safe Passage	16,000	-
Silver Key	20,000	10,000
TESSA	5,000	35,000
The Place (Formally Urban Peak)	40,000	12,254
The Resource Exchange, Inc.	10,000	30,510
The Salvation Army	8,000	10,000
Tri-Lakes Cares	15,000	28,000
<b>Total partner allocations</b>	<b>\$ 757,500</b>	<b>\$ 897,742</b>

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**PIKES PEAK UNITED WAY**  
**SCHEDULE OF FUNDS AWARDED**  
**YEARS ENDED JUNE 30, 2022 AND 2021**

<b>Other Gross Funds Awarded</b>	<b>2022</b>	<b>2021</b>
Catholic Charities, Siemer Grants and Match	\$ 137,500	\$ -
Designation, partner agencies	252,190	227,919
Designation, non-partner agencies	532,555	531,062
Designation, pass through	256,207	249,761
El Pomar Emergency Grants	31,900	46,706
Military Family Assistance	-	16,473
RightGift, Inc. Basic Needs	6,139	-
Healthy Cities Partnership	-	-
Safe Spaces Initiative	-	270,000
Rally for Restaurants	-	8,645
Siemer Family/Kaiser Grants	-	50,000
Lyda Hill Foundation Grant	-	1,650
US Association of Blind Athletes, General Support	2,500	-
Total other gross funds awarded	<u>1,218,991</u>	<u>1,402,216</u>
Total gross funds awarded to agencies	1,976,491	2,299,958
Less designation	<u>(1,040,952)</u>	<u>(1,008,742)</u>
Net funds awarded	<u>\$ 935,539</u>	<u>\$ 1,291,216</u>

See independent auditor's report