

UNITED WAY OF NORTHERN ARIZONA, INC.

**Financial Statements
and
Supplementary Information
June 30, 2019
(with comparative totals for 2018)**

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Independent Auditors' Report

To the Board of Directors of
United Way of Northern Arizona, Inc.
Flagstaff, Arizona

Report on the Financial Statements

We have audited the accompanying financial statements of United Way of Northern Arizona, Inc. (UWNA, a nonprofit corporation), which comprise the statement of financial position as of June 30, 2019, 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.

Auditors' 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 from 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 auditors' 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 UWNA as of June 30, 2019, 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 UWNA's 2018 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated December 19, 2018. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2018, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Emphasis of Matter

As discussed in Note 1 to the financial statements, in the year ended June 30, 2019, UWNA adopted new accounting guidance Financial Accounting Standards Board (FASB) Accounting Standard Update (ASU) No. 2016-14, *Not-for-Profit Entities (Topic 958) - Presentation of Financial Statements of Not-for-Profit Entities*, which requires various presentation changes to not-for-profit financial statements. Our opinion is not modified with respect to this matter.

Other Matter

Other Information

Our audits were conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying overhead ratio and agency allocations schedules are presented for the purposes of additional analysis and are 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 audits 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.

Fester & Chapman, PLLC

January 29, 2020

UNITED WAY OF NORTHERN ARIZONA, INC.

STATEMENT OF FINANCIAL POSITION

June 30, 2019

(with comparative financial information as of June 30, 2018)

	<u>2019</u>	<u>2018</u>
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 168,575	\$ 119,929
Investments	292,859	277,613
Grants receivable	30,630	30,798
Pledges receivable, net	<u>885,604</u>	<u>658,999</u>
Total current assets	1,377,668	1,087,339
Land, building and equipment, net	<u>385,644</u>	<u>413,013</u>
Total assets	<u>\$ 1,763,312</u>	<u>\$ 1,500,352</u>
LIABILITIES AND NET ASSETS		
Current liabilities:		
Accounts payable	\$ 286,836	\$ 71,474
Payroll and related liabilities	44,715	43,295
Deferred revenue	8,083	8,083
Amounts designated by donors for specific organizations, net of administration fees retained	<u>289,581</u>	<u>218,194</u>
Total current liabilities	629,215	341,046
Net assets:		
Without donor restrictions:		
Undesignated	62,218	316,493
Board designated reserves	136,275	133,814
Board designated community emergency fund	<u>50,000</u>	<u>50,000</u>
Total without donor restrictions	248,493	500,307
With donor restrictions	<u>885,604</u>	<u>658,999</u>
Total net assets	<u>1,134,097</u>	<u>1,159,306</u>
Total liabilities and net assets	<u>\$ 1,763,312</u>	<u>\$ 1,500,352</u>

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

UNITED WAY OF NORTHERN ARIZONA, INC.

STATEMENT OF ACTIVITIES

Year Ended June 30, 2019

(with comparative financial information for the year ended June 30, 2018)

	2019			2018
	Without Donor Restrictions	With Donor Restrictions	Total	
Public support and revenue:				
Total campaign results		\$ 1,681,925	\$ 1,681,925	\$ 1,518,706
Less: amounts designated by donors		<u>(609,595)</u>	<u>(609,595)</u>	<u>(491,732)</u>
Net contributions		1,072,330	1,072,330	1,026,974
Uncollectible pledges				(20,884)
Grants and contributions revenue	\$ 484,338		484,338	459,667
In-kind donations	35,025		35,025	47,080
Initiative contributions	180,660		180,660	187,426
Administrative fees - designated by donors	53,172		53,172	34,469
Sponsorships and events	<u>23,945</u>		<u>23,945</u>	<u>23,026</u>
Total public support and revenue	777,140	1,072,330	1,849,470	1,757,758
Net assets released from restrictions:				
Satisfaction of pledge restrictions	<u>845,725</u>	<u>(845,725)</u>		
Total public support, revenue and net assets released	1,622,865	226,605	1,849,470	1,757,758
Expenses:				
Program services	1,647,551		1,647,551	1,824,107
Management and general	84,187		84,187	56,152
Fundraising	<u>161,863</u>		<u>161,863</u>	<u>147,079</u>
Total expenses	1,893,601		1,893,601	2,027,338
Other income:				
Net investment income	<u>18,922</u>		<u>18,922</u>	<u>27,446</u>
Total other income	<u>18,922</u>		<u>18,922</u>	<u>27,446</u>
Change in net assets	(251,814)	226,605	(25,209)	(242,134)
Net assets, beginning of year	<u>500,307</u>	<u>658,999</u>	<u>1,159,306</u>	<u>1,401,440</u>
Net assets, end of year	<u>\$ 248,493</u>	<u>\$ 885,604</u>	<u>\$ 1,134,097</u>	<u>\$ 1,159,306</u>

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

UNITED WAY OF NORTHERN ARIZONA, INC.

STATEMENT OF FUNCTIONAL EXPENSES

Year Ended June 30, 2019

(with comparative financial information for the year ended June 30, 2018)

	2019			Total	2018
	Program Services	Management and General	Fundraising		
Allocation to agencies	\$1,363,426			\$1,363,426	\$1,421,607
Less: Allocations funded by donor designations	<u>(485,036)</u>			<u>(485,036)</u>	<u>(469,060)</u>
Net allocations	878,390			878,390	952,547
Salaries	376,312	\$ 43,728	\$ 69,668	489,708	494,384
Consulting fees	24,889	3,678	5,811	34,378	6,033
Employee benefits	70,815	7,439	11,087	89,341	96,420
Payroll taxes	28,544	3,218	5,157	36,919	38,128
Printing, publishing and postage	3,832	494	1,563	5,889	4,796
Professional fees	23,280	3,421	5,405	32,106	41,566
Campaign expenses	9,801	1,147	12,616	23,564	45,061
Travel	2,736		995	3,731	7,398
Advertising and promotion	21,911	3,198	6,199	31,308	60,499
Rent	25,695			25,695	32,540
United Way Worldwide fee	15,940	2,356	3,721	22,017	22,947
Information technology	22,750	3,211	5,073	31,034	27,985
Repair and maintenance	11,442	1,691	2,671	15,804	6,108
Telephone	10,410	1,309	2,068	13,787	14,134
Conferences, committees, and community education	3,136	226	742	4,104	7,372
Utilities	7,006	1,035	1,635	9,676	9,398
Supplies	63,941	1,199	16,651	81,791	83,427
Insurance	8,672	1,281	2,024	11,977	8,402
Dues and subscriptions	<u>10,069</u>	<u>1,421</u>	<u>2,245</u>	<u>13,735</u>	<u>30,777</u>
Total expenses before depreciation	1,619,571	80,052	155,331	1,854,954	1,989,922
Depreciation	<u>27,980</u>	<u>4,135</u>	<u>6,532</u>	<u>38,647</u>	<u>37,416</u>
Total expenses, year ended June 2019	<u>\$1,647,551</u>	<u>\$ 84,187</u>	<u>\$ 161,863</u>	<u>\$1,893,601</u>	<u>\$2,027,338</u>
Total expenses, year ended June 2018	<u>\$1,824,107</u>	<u>\$ 56,152</u>	<u>\$ 147,079</u>	<u>\$2,027,338</u>	

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

UNITED WAY OF NORTHERN ARIZONA, INC.

STATEMENT OF CASH FLOWS

Year Ended June 30, 2019

(with comparative financial information for the year ended June 30, 2018)

	<u>2019</u>	<u>2018</u>
Cash flows from operating activities:		
Change in net assets	\$ (25,209)	\$ (242,134)
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities:		
Depreciation	38,647	37,416
Net gains on investments	(11,895)	(13,574)
Uncollectible pledges		(20,884)
Change in:		
Grants receivable	168	49,015
Pledges receivable	(226,605)	19,593
Accounts payable	215,362	(28,263)
Payroll and related liabilities	1,420	(3,522)
Refundable advances		(13,008)
Amounts designated by donors for specific organizations	<u>71,387</u>	<u>(11,797)</u>
Net cash provided (used) by operating activities	63,275	(227,158)
Cash flows from investing activities:		
Purchases of land, building and equipment	(11,278)	(16,056)
Net purchases of investments	<u>(3,351)</u>	<u>(9,074)</u>
Net cash used by investing activities	(14,629)	(25,130)
Net change in cash and cash equivalents	48,646	(252,288)
Cash and cash equivalents, beginning of year	<u>119,929</u>	<u>372,217</u>
Cash and cash equivalents, end of year	<u>\$ 168,575</u>	<u>\$ 119,929</u>

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

UNITED WAY OF NORTHERN ARIZONA, INC.

NOTES TO FINANCIAL STATEMENTS

June 30, 2019

(with comparative financial information as of and for the year ended June 30, 2018)

NOTE 1 - BACKGROUND AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

United Way of Northern Arizona, Inc. (UWNA) is an Arizona nonprofit corporation, exempt from income tax under Internal Revenue Code Section 501(c)(3). UWNA is a local nonprofit organization that brings the community together and focuses resources on the most critical human-care needs in Northern Arizona. Although UWNA is part of the network of United Ways across the country, UWNA is governed by a local volunteer Board of Directors. UWNA has partnerships with local governments, businesses, the faith community, educational organizations, other nonprofits and individuals.

Since 1967, UWNA has been a trusted community leader because UWNA sets high standards for conduct - not just for themselves, but also for their partners and collaborators. UWNA maximizes donor investments by combining contributions and strategically supporting local programs.

Basis of Presentation: Financial statement presentation follows the recommendations of the Financial Accounting Standards Board Accounting Standards Codification (FASB ASC) topic of *Not-for-Profit Entities*, requiring the UWNA to report information regarding its financial position and activities according to two classes of net assets: net assets without donor restrictions and net assets with donor restrictions.

Net Assets Without Donor Restrictions – Net assets available for use in general operations and not subject to donor (or certain grantor) restrictions. The governing board has designated, from net assets without donor restrictions, net assets for an operating reserve and a community emergency fund.

Net Assets With Donor Restrictions – Net assets subject to donor- (or certain grantor-) imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Donor-imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both.

Cash and Cash Equivalents: For purposes of the statement of cash flows, UWNA considers all highly liquid investments purchased with an original maturity of three months or less to be cash equivalents.

Investments: Investments are recorded at estimated fair value. Unrealized gains and losses are accounted for as investment income.

UNITED WAY OF NORTHERN ARIZONA, INC.

NOTES TO FINANCIAL STATEMENTS

June 30, 2019

(with comparative financial information as of and for the year ended June 30, 2018)

NOTE 1 - BACKGROUND AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(CONTINUED)

Grants Receivable: Grants receivable are stated at unpaid balances, less an allowance for doubtful accounts as necessary. UWNA provides for losses on grants receivable using the allowance method. The allowance is based on experience, third-party contracts, knowledge of the grantors and the industry and other circumstances, which may affect the ability of the grantors to meet their obligations. It is UWNA's policy to charge off grants receivable against the allowance when management determines the receivable will not be collected. The allowance for grants receivable at June 30, 2019 and 2018, was \$0.

Pledges Receivable, Net: Pledges receivable consist of amounts due from companies and individuals for charitable giving campaigns, net of an allowance for doubtful accounts. The allowance for doubtful accounts is estimated based upon collection rates in previous years and current circumstances. Once a campaign has been completed, remaining balances in pledges receivable, net of allowances for doubtful accounts and estimated future collections or distributions, are netted with campaign results revenue.

Land, Building and Equipment, Net: Land, building and equipment costing \$500 or more is stated at cost, or if donated, at the estimated fair value on the date received. UWNA depreciates its property and equipment over the estimated useful lives of the assets using the straight-line method as follows:

Building and improvements	10 - 40 years
Furniture, equipment and software	5 - 10 years

Refundable Advances: UWNA records funds received from grant awards classified as exchange transactions as refundable advances until the related funds are expended and/or the services related to the awards are performed, at which time funds are recognized as revenue.

Revenue Recognition: The annual campaign is conducted in the fall of each year to obtain funds for member agencies and operating expenses for the coming year. Campaign pledges are recognized in the accompanying statement of financial position at the time of the pledge as temporarily restricted revenue. As pledges are collected and expended for operations and allocations, in accordance with donor stipulations, the restrictions on net assets are released.

Income Taxes: UWNA is exempt from federal and state income taxes as an organization other than a private foundation under Section 501(c)(3) of the Internal Revenue Code and similar state provisions.

UNITED WAY OF NORTHERN ARIZONA, INC.

NOTES TO FINANCIAL STATEMENTS

June 30, 2019

(with comparative financial information as of and for the year ended June 30, 2018)

NOTE 1 - BACKGROUND AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(CONTINUED)

Functional Expenses: The costs of providing program, supporting, and fundraising activities have been presented on a functional basis in the statements of activities and functional expenses. Directly identifiable expenses are charged to programs and supporting services. Certain costs have been allocated among the program and supporting services benefited based on management's estimate of employee hours and other factors devoted to each activity.

In-kind Contributions/Expenses: Donated goods and services are recorded at their estimated fair value at the date of contribution, and shown as revenues and expenses in the financial statements. Donated services are recognized in the financial statements at their estimated fair value if the following criteria are met:

- i) The services require specialized skills and the services are provided by individuals possessing those skills, and the services would typically need to be purchased if not donated, or
- ii) The services enhance or create an asset.

Advertising: Advertising costs are expensed in the period incurred. Advertising and promotion expenses for the years ended June 30, 2019 and 2018, were \$31,308 and \$60,499, respectively.

Use of Estimates in Preparation of Financial Statements: The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Prior Year Summarized Information: The financial statements include certain prior year summarized comparative information in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with accounting principles generally accepted in the United States of America. Accordingly, such information should only be read in conjunction with UWNA's financial statements for the year ended June 30, 2018 from which the summarized information was derived.

Reclassifications: Certain reclassifications were made to the 2018 presentation in order to conform to the 2019 presentation. Specifically, community initiatives totaling \$168,299 for the year ended June 30, 2018, were reclassified to allocation to agencies on the statement of functional expenses, which is consistent with the 2019 presentation.

UNITED WAY OF NORTHERN ARIZONA, INC.

NOTES TO FINANCIAL STATEMENTS

June 30, 2019

(with comparative financial information as of and for the year ended June 30, 2018)

NOTE 1 - BACKGROUND AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(CONTINUED)

Change in Accounting Principle: On August 18, 2016, FASB issued Accounting Standards Update (ASU) 2016-14, *Not-for-Profit Entities (Topic 958) – Presentation of Financial Statements of Not-for-Profit Entities*. The update addresses the complexity and understandability of net asset classifications, deficiencies in information about liquidity and availability of resources, and the lack of consistency in the type of information provided about expenses and investment returns. A key change required by ASU 2016-14 is the net asset classes used in these financial statements. Amounts previously reported as unrestricted net assets are now reported as net assets without donor restrictions and amounts previously reported as temporarily restricted net assets and permanently restricted net assets are now reported as net assets with donor restrictions. A footnote on liquidity has also been added (Note 2).

Subsequent Events: UWNA evaluated all events or transactions that occurred after June 30, 2019, through January 29, 2020, the date UWNA issued these financial statements and has determined that there are no additional adjustments or disclosures required.

NOTE 2 - LIQUIDITY AND AVAILABILITY

UWNA monitors its liquidity so that it is able to meet its operating needs and other contractual commitments while maximizing the investment of its excess operating cash. UWNA has the following financial assets that could readily be made available within one year of each fiscal year end to fund expenses without limitations:

	<u>2019</u>	<u>2018</u>
Financial assets included in current assets:		
Cash and cash equivalents	\$ 168,855	\$ 119,929
Investments	292,859	277,613
Grants receivable	30,630	30,798
Pledges receivable, net	<u>885,604</u>	<u>658,999</u>
Total financial assets included in current assets	1,377,948	1,087,339
Less amounts unavailable for general expenditure within one year:		
Board-designated reserves	136,275	133,814
Board-designated community emergency fund	50,000	50,000
Donor restricted net assets	<u>885,604</u>	<u>658,999</u>
Total financial assets available to meet cash needs for general expenditures within one year	<u>\$ 306,069</u>	<u>\$ 244,526</u>

UNITED WAY OF NORTHERN ARIZONA, INC.

NOTES TO FINANCIAL STATEMENTS

June 30, 2019

(with comparative financial information as of and for the year ended June 30, 2018)

NOTE 2 - LIQUIDITY AND AVAILABILITY (CONTINUED)

In addition to financial assets available to meet general expenditures over the year, UWNA operates with a balanced budget and anticipates covering its general expenditures by collecting contributions, grants, and other revenues; and by utilizing donor-restricted resources from current and prior years gifts. UWNA has board-designated net assets (included in net assets without donor restrictions) set aside for operating needs and community emergencies.

NOTE 3 - CONCENTRATION OF CREDIT RISK

UWNA maintains its cash and cash equivalents and investment balances, other than those held at Arizona Community Foundation, at financial institutions which are insured by Federal Deposit Insurance Corporation (FDIC) and covered by the Securities Investor Protection Corporation (SIPC). At times the balances may exceed the federally insured or SIPC-covered limits. UWNA believes it is not exposed to any significant credit risk on its cash and investment balances.

NOTE 4 - CONCENTRATION OF REVENUES

UWNA raised gross campaign contributions from two companies and their employees representing 55% of their campaign revenues during the years ended June 30, 2019 and 2018. These contributions comprised 50% and 48% of UWNA's total public support and revenues for the years ended June 30, 2019 and 2018, respectively.

NOTE 5 - INVESTMENTS AND FAIR VALUE MEASUREMENTS

Generally accepted accounting principles establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets and liabilities (Level 1 measurements) and the lowest priority to measurements involving significant unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy are as follows:

Level 1 inputs are unadjusted quoted market prices in active markets for similar or identical assets or liabilities that the organization has the ability to access at the measurement date.

Level 2 inputs are based on significant observable inputs, including unadjusted quoted market prices for similar assets and liabilities in active markets, unadjusted quoted prices for identical or similar assets or liabilities in markets that are not active, or inputs other than quoted prices that are observable for the asset or liability.

UNITED WAY OF NORTHERN ARIZONA, INC.

NOTES TO FINANCIAL STATEMENTS

June 30, 2019

(with comparative financial information as of and for the year ended June 30, 2018)

NOTE 5 - INVESTMENTS AND FAIR VALUE MEASUREMENTS (CONTINUED)

Level 3 inputs are significant observable inputs for assets or liabilities. UWNA currently does not have any financial instruments it values based on Level 3 inputs.

The level of the fair value hierarchy within which a fair value measurement in its entirety falls is based on the lowest level input that is significant to the fair value measurement in its entirety.

Fair value of assets measured on a recurring basis at June 30, 2019, was as follows:

	<u>Total</u>	<u>Level 1</u>	<u>Level 2</u>
Domestic equity mutual funds	\$ 152,905	\$ 152,905	
Domestic common stocks	3,679	3,679	
Investment pool - Arizona Community Foundation	<u>136,275</u>		<u>\$ 136,275</u>
	<u>\$ 292,859</u>	<u>\$ 156,584</u>	<u>\$ 136,275</u>

Fair value of assets measured on a recurring basis at June 30, 2018, was as follows:

	<u>Total</u>	<u>Level 1</u>	<u>Level 2</u>
Domestic equity mutual funds	\$ 140,170	\$ 140,170	
Domestic common stock	3,629	3,629	
Investment pool - Arizona Community Foundation	<u>133,814</u>		<u>\$ 133,814</u>
	<u>\$ 277,613</u>	<u>\$ 143,799</u>	<u>\$ 133,814</u>

NOTE 6 - PLEDGES RECEIVABLE

Pledges made during the 2018-2019 campaign were \$1,681,925, of which \$772,301 had been received as of June 30, 2019. The balance is reflected as pledges receivable of \$885,604, which is net of an allowance for uncollectible pledges of \$24,020. These funds were reserved for 2018-2019 operations and allocations, and are reflected as net assets with donor restrictions until the pledges are received.

Pledges made during the 2017-2018 campaign were \$1,518,706, of which \$798,959 had been received as of June 30, 2018. The balance is reflected as pledges receivable of \$658,999, which is net of an allowance for uncollectible pledges of \$60,748. These funds were reserved for 2017-2018 operations and allocations, and are reflected as net assets with donor restrictions until the pledges are received.

UNITED WAY OF NORTHERN ARIZONA, INC.

NOTES TO FINANCIAL STATEMENTS

June 30, 2019

(with comparative financial information as of and for the year ended June 30, 2018)

NOTE 7 - LAND, BUILDING AND EQUIPMENT, NET

Land, building and equipment at June 30, 2019 and 2018, is as follows:

	<u>2019</u>	<u>2018</u>
Land	\$ 55,090	\$ 55,090
Building	445,724	445,724
Building improvements	181,433	174,168
Office equipment and software	88,814	84,801
Furniture	1,611	1,611
Less: accumulated depreciation	<u>(387,028)</u>	<u>(348,381)</u>
Land, building and equipment, net	<u>\$ 385,644</u>	<u>\$ 413,013</u>

NOTE 8 - AMOUNTS DESIGNATED BY DONORS FOR SPECIFIC ORGANIZATIONS

Donor specified pledges are recorded as a receivable and as a liability to the designated beneficiary until paid. Donor designated pledge revenue was \$609,595 and \$491,732 for the years ended June 30, 2019 and 2018, respectively. Administrative fees retained on donor designated pledges are recognized as revenue and a contra-liability. Administrative fees retained for the years ended June 30, 2019 and 2018, were \$53,172 and \$34,469, respectively.

NOTE 9 - IN-KIND DONATIONS

UWNA received in-kind donations in the form of facilities and supplies. Details of in-kind donations for the years ended June 30, 2019 and 2018, are as follows:

	<u>2019</u>	<u>2018</u>
Facilities	\$ 25,285	\$ 32,540
Supplies	<u>9,740</u>	<u>14,540</u>
Total in-kind donations	<u>\$ 35,025</u>	<u>\$ 47,080</u>

NOTE 10 - PENSION PLAN

UWNA sponsors a 401(k) plan for its employees. Under the plan agreement, UWNA matches employee contributions up to 4% of their salaries. Matching expense for the years ended June 30, 2019 and 2018, was \$16,382 and \$16,196, respectively.

UNITED WAY OF NORTHERN ARIZONA, INC.

NOTES TO FINANCIAL STATEMENTS

June 30, 2019

(with comparative financial information as of and for the year ended June 30, 2018)

NOTE 11 - NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions at June 30, 2019 and 2018, were time-restricted for campaign pledges and totaled \$885,604 and \$658,999, respectively.

SUPPLEMENTARY INFORMATION

UNITED WAY OF NORTHERN ARIZONA, INC.

OVERHEAD RATIO

Years Ended June 30, 2019 and 2018

	<u>2019</u>	<u>2018</u>
Numerator: Management and general	\$ 84,187	\$ 56,152
Fundraising	<u>161,863</u>	<u>147,079</u>
Total overhead	246,050	203,231
Denominator: Public support and revenue	1,849,470	1,757,758
Add amounts designated by donors	609,595	491,732
Less administrator fees - designated by donors	<u>(53,172)</u>	<u>(34,469)</u>
Amounts raised and other revenue	\$ 2,405,893	\$ 2,215,021
Overhead ratio expressed as a percentage	10.23%	9.18%

UNITED WAY OF NORTHERN ARIZONA, INC.

AGENCY ALLOCATIONS

Years Ended June 30, 2019 and 2018

	2019	2018
	<u>\$</u>	<u>\$</u>
Alice's Place	3,000	2,926
American Red Cross - Flagstaff	12,309	16,283
American Red Cross - Northeast	2,375	2,375
American Red Cross - Page	2,955	3,955
Arizona Girl Scouts Cactus Pine - Flagstaff	8,046	9,048
Arizona Girl Scouts Cactus Pine - NC	2,000	1,900
Arizona Girl Scouts Cactus Pine - Page	1,000	952
Association for Supportive Child Care	10,164	11,429
Big Brothers/Big Sisters of Flagstaff	43,559	49,703
Boys and Girls Club of Flagstaff	9,782	11,000
Bread of Life Mission	2,000	3,057
Catholic Charities	52,419	56,338
ChangePoint Integrated Health	(6,986)	6,986
Circle of Page	1,000	
Coconino County Community Services	6,624	7,449
Coconino County - Teen Wellness Clinics	7,239	8,140
Community Information and Referral	6,231	7,007
CUDDLE Outreach Ministry	4,000	3,190
DNA People's Legal Services	10,256	13,568
Feeding Northern Arizona's Future	7,612	
Flagstaff Family Food Center	65,736	69,607
Flagstaff Shelter Services	29,373	42,467
Friends of Camp Colton	12,424	13,583
Grand Canyon Youth	1,601	2,000
The Guidance Center	6,776	15,810
Habitat for Humanity of Northern Arizona	10,256	13,568
Housing Solutions of Northern Arizona	31,441	36,117
Hozhoni Foundation	15,284	17,186
The Literacy Center	12,669	14,246
Native Americans for Community Action	16,940	19,048
NAU Civic Service - Flagstaff	19,856	21,707
NAU Civic Service - Northeast	3,600	3,420
New Hope Ranch	1,250	7,733
North Country HealthCare, Inc.	21,235	23,743
Northland Family Help Center	77,676	84,916
Page Regional Domestic Violence Services	10,000	9,847

UNITED WAY OF NORTHERN ARIZONA, INC.

AGENCY ALLOCATIONS

Years Ended June 30, 2019 and 2018

	<u>2019</u>	<u>2018</u>
Parenting Arizona - Flagstaff	14,481	15,830
Parenting Arizona - Winslow	5,000	4,750
Plaza Vieja Neighborhood Association	5,230	5,881
Quality Connections	1,779	
Round Valley Senior Center	8,000	6,987
Salvation Army Flagstaff Chapter	15,433	
Salvation Army White Mountain		4,323
SEDI Sustainable Economic Development	4,447	5,000
Southside Community Foundation	8,403	10,250
Sun Sounds Radio Reading Service	3,740	
Sunnyside Neighborhood Association	37,808	45,228
Victim Witness Services for Coconino County	18,295	20,000
Vista Hospice (fka Northland Hospice and Palliative Care)	21,285	23,269
White Mountain S.A.F.E. House		4,366
Winslow Council on Aging	2,000	2,935
YMCA - Flagstaff	6,642	8,787
Community Initiative Support/Program Development	174,462	186,439
Donor Designated	<u>514,719</u>	<u>467,258</u>
Total allocations	<u>\$ 1,363,426</u>	<u>\$ 1,421,607</u>