

**UNITED WAY OF NORTHERN ARIZONA, INC.**

**Financial Statements  
and  
Supplementary Information  
June 30, 2022  
(with comparative totals for 2021)**

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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**

#### **Opinion**

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, 2022, and the related statements of activities and cash flows for the year 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 UWNA as of June 30, 2022, and the changes in net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

#### **Basis for Opinion**

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of UWNA and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

#### **Responsibilities of Management for the Financial Statements**

Management is responsible for the preparation and fair presentation of these 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 UWNA's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

## **Auditors' 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 generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of UWNA'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 UWNA'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 UWNA's 2021 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated December 2, 2021. 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.

## **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 community investment payments 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 3, 2023

UNITED WAY OF NORTHERN ARIZONA, INC.

STATEMENT OF FINANCIAL POSITION

June 30, 2022

(with comparative financial information as of June 30, 2021)

	<u>2022</u>	<u>2021</u>
ASSETS		
Current assets:		
Cash	\$ 1,569,465	\$ 1,462,998
Investments	659,029	397,191
Grants receivable		54,018
Pledges receivable, net	<u>774,638</u>	<u>706,128</u>
Total current assets	3,003,132	2,620,335
Land, building and equipment, net	<u>324,066</u>	<u>338,525</u>
Total assets	<u><u>\$ 3,327,198</u></u>	<u><u>\$ 2,958,860</u></u>
LIABILITIES AND NET ASSETS		
Current liabilities:		
Accounts payable	\$ 254,809	\$ 241,437
Payroll and related liabilities	31,350	26,718
Refundable advances	465,794	103,225
Fiscal agent payable	148,844	283,711
Out-of-area pledges payable	59,391	110,910
Amounts designated by donors for specific organizations, net of administration fees retained	<u>258,036</u>	<u>250,431</u>
Total current liabilities	1,218,224	1,016,432
Net assets:		
Without donor restrictions:		
Undesignated	1,127,410	1,016,700
Board designated reserves	156,926	169,600
Board designated community emergency fund	<u>50,000</u>	<u>50,000</u>
Total without donor restrictions	1,334,336	1,236,300
With donor restrictions	<u>774,638</u>	<u>706,128</u>
Total net assets	<u>2,108,974</u>	<u>1,942,428</u>
Total liabilities and net assets	<u><u>\$ 3,327,198</u></u>	<u><u>\$ 2,958,860</u></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, 2022

(with comparative financial information for the year ended June 30, 2021)

	<u>2022</u>			
	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>	<u>2021</u>
Public support and revenue:				
Total campaign results		\$ 1,408,317	\$ 1,408,317	\$ 1,464,479
Less: amounts designated by donors		<u>(394,985)</u>	<u>(394,985)</u>	<u>(470,770)</u>
Net contributions		1,013,332	1,013,332	993,709
Uncollectible pledges		(10,293)	(10,293)	(54,348)
Grants and contributions revenue	\$ 421,661		421,661	469,500
Initiative contributions	174,398		174,398	369,233
Administrative fees - designated by donors	46,644		46,644	45,982
Rent	<u>25,200</u>		<u>25,200</u>	<u>25,200</u>
Total public support and revenue	667,903	1,003,039	1,670,942	1,849,276
Net assets released from restrictions:				
Satisfaction of pledge restrictions	<u>934,529</u>	<u>(934,529)</u>		
Total public support, revenue and net assets released	1,602,432	68,510	1,670,942	1,849,276
Expenses:				
Program services	1,204,588		1,204,588	1,383,790
Management and general	100,481		100,481	121,158
Fundraising	<u>115,488</u>		<u>115,488</u>	<u>132,804</u>
Total expenses	1,420,557		1,420,557	1,637,752
Other (loss) gain:				
Net investment (loss) gain	<u>(83,839)</u>		<u>(83,839)</u>	<u>107,459</u>
Total other (loss) gain	<u>(83,839)</u>		<u>(83,839)</u>	<u>107,459</u>
Change in net assets	98,036	68,510	166,546	318,983
Net assets, beginning of year	<u>1,236,300</u>	<u>706,128</u>	<u>1,942,428</u>	<u>1,623,445</u>
Net assets, end of year	<u>\$ 1,334,336</u>	<u>\$ 774,638</u>	<u>\$ 2,108,974</u>	<u>\$ 1,942,428</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, 2022

(with comparative financial information for the year ended June 30, 2021)

	2022			Total	2021
	Program Services	Management and General	Fundraising		
Community investment payments	\$1,010,590			\$1,010,590	\$1,290,387
Less: Payments funded by donor designations	<u>(340,736)</u>			<u>(340,736)</u>	<u>(446,702)</u>
Net community investment payments	669,854			669,854	843,685
Salaries	195,001	\$ 42,812	\$ 44,720	282,533	359,735
Consulting fees	38,025	9,945	10,530	58,500	60,880
Employee benefits	38,984	6,800	8,601	54,385	64,331
Payroll taxes	15,673	3,356	3,395	22,424	29,589
Printing, publishing and postage	288	53	70	411	683
Professional fees	24,925	4,985	5,697	35,607	33,325
Campaign expenses	1,208	19	22	1,249	150
Travel	451	65	225	741	192
Advertising and promotion	34,223	6,844	7,923	48,990	39,231
Rent					2,000
United Way Worldwide fee	35,221	5,892	6,734	47,847	26,984
Information technology	21,602	4,320	4,938	30,860	25,172
Repair and maintenance	15,173	3,035	3,468	21,676	14,775
Telephone	6,463	1,292	1,477	9,232	10,857
Conferences, committees, and community education	704	102	117	923	398
Utilities	5,111	1,022	1,168	7,301	7,038
Supplies	61,281	2,355	6,930	70,566	59,217
Insurance	8,638	1,728	1,974	12,340	11,699
Dues and subscriptions	<u>19,257</u>	<u>2,339</u>	<u>3,982</u>	<u>25,578</u>	<u>23,867</u>
Total expenses before depreciation	1,192,082	96,964	111,971	1,401,017	1,613,808
Depreciation	<u>12,506</u>	<u>3,517</u>	<u>3,517</u>	<u>19,540</u>	<u>23,944</u>
Total expenses, year ended June 2022	<u>\$1,204,588</u>	<u>\$ 100,481</u>	<u>\$ 115,488</u>	<u>\$1,420,557</u>	<u>\$1,637,752</u>
Total expenses, year ended June 2021	<u>\$1,383,790</u>	<u>\$ 121,158</u>	<u>\$ 132,804</u>	<u>\$1,637,752</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, 2022

(with comparative financial information for the year ended June 30, 2021)

	<u>2022</u>	<u>2021</u>
Cash flows from operating activities:		
Change in net assets	\$ 166,546	\$ 318,983
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	19,540	23,944
Net loss (gain) on investments	83,839	(101,872)
Uncollectible pledges	10,293	54,348
Change in:		
Grants receivable	54,018	(33,009)
Pledges receivable	(78,803)	(12,775)
Accounts payable	13,372	74,849
Payroll and related liabilities	4,632	(8,685)
Refundable advances	362,569	(209,402)
Fiscal agent payable	(134,867)	283,711
Out-of-area pledges payable	(51,519)	110,910
Amounts designated by donors for specific organizations	<u>7,605</u>	<u>(21,913)</u>
Net cash provided by operating activities	457,225	479,089
Cash flows from investing activities:		
Purchases equipment	(5,081)	(2,244)
Net purchases of investments	<u>(345,677)</u>	<u>(2,741)</u>
Net cash used by investing activities	<u>(350,758)</u>	<u>(4,985)</u>
Net change in cash	106,467	474,104
Cash, beginning of year	<u>1,462,998</u>	<u>988,894</u>
Cash, end of year	<u>\$ 1,569,465</u>	<u>\$ 1,462,998</u>

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

UNITED WAY OF NORTHERN ARIZONA, INC.

NOTES TO FINANCIAL STATEMENTS

June 30, 2022

(with comparative financial information as of and for the year ended June 30, 2021)

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.

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.

Investments: Investments are recorded at estimated fair value. Unrealized gains and losses are accounted for as investment income. See Note 5.

UNITED WAY OF NORTHERN ARIZONA, INC.

NOTES TO FINANCIAL STATEMENTS

June 30, 2022

(with comparative financial information as of and for the year ended June 30, 2021)

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. No allowance for grants receivable has been recorded as management considers balances to be fully collectible.

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. See Note 6.

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 conditional contributions 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.

Fiscal Agent Payable: UWNA, acting as an agent, receives contributions and grants from individuals, small businesses, large corporations and government agencies. These amounts are transferred to designated recipients based on the wishes of the donor or grantor. UWNA does not have variance power over these funds.

Out-of-Area Pledges Payable: UWNA has agreed to process pledges for donors that are paid to other United Way chapters. Payroll deductions and employer matching contributions are forwarded to UWNA where these funds are distributed on a quarterly basis. No administrative fee is charged, however, the short-term income earned on the funds while they reside in UWNA's accounts is used to offset the cost of providing the service.

UNITED WAY OF NORTHERN ARIZONA, INC.

NOTES TO FINANCIAL STATEMENTS

June 30, 2022

(with comparative financial information as of and for the year ended June 30, 2021)

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

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 revenue with donor restrictions. As pledges are collected and expended for operations and community investment payments, in accordance with donor stipulations, the restrictions on net assets are released.

Functional Expenses: The costs of providing the various programs and other activities are presented on a functional basis in the Statements of Activities and Functional Expenses. Accordingly, certain costs have been allocated among the programs and supporting services benefited. Salaries, employee benefits and payroll taxes are allocated based on time and effort. Depreciation is allocated based on employee usage of facilities devoted to each function. All other expenses excluding travel, rent and supplies are allocated based on salaries.

Advertising: Advertising costs are expensed in the period incurred. Advertising and promotion expenses for the years ended June 30, 2022 and 2021, were \$48,990 and \$39,231, 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, 2021 from which the summarized information was derived.

UNITED WAY OF NORTHERN ARIZONA, INC.

NOTES TO FINANCIAL STATEMENTS

June 30, 2022

(with comparative financial information as of and for the year ended June 30, 2021)

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>2022</u>	<u>2021</u>
Financial assets included in current assets:		
Cash	\$ 1,569,465	\$ 1,462,998
Investments	659,029	397,191
Grants receivable		54,018
Pledges receivable, net	<u>774,638</u>	<u>706,128</u>
Total financial assets included in current assets	3,003,132	2,620,335
Less amounts unavailable for general expenditure within one year:		
Fiscal agent payable	148,844	283,711
Out-of-area pledges payable	59,391	110,910
Amounts designated by donors for specific organizations	258,036	250,431
Board-designated reserves	156,926	169,600
Board-designated community emergency fund	50,000	50,000
Donor restricted net assets	<u>774,638</u>	<u>706,128</u>
Total financial assets available to meet cash needs for general expenditures within one year	<u>\$ 1,555,297</u>	<u>\$ 1,049,555</u>

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. The Board can release designated amounts with a majority vote in the case of unanticipated liquidity needs.

NOTE 3 - CONCENTRATION OF CREDIT RISK

UWNA maintains its cash 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.

UNITED WAY OF NORTHERN ARIZONA, INC.

NOTES TO FINANCIAL STATEMENTS

June 30, 2022

(with comparative financial information as of and for the year ended June 30, 2021)

NOTE 4 - CONCENTRATION OF REVENUES

UWNA raised gross campaign contributions from two companies and their employees representing 68% and 66% of their campaign revenues during the years ended June 30, 2022 and 2021, respectively. These contributions comprised 57% and 52% of UWNA's total public support and revenue for the years ended June 30, 2022 and 2021, 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.

Level 3 inputs are significant observable inputs for assets or liabilities. At June 30, 2022 and 2021 UWNA did not have any financial instruments it valued based on Level 3 inputs.

The asset's or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

The following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in the methodologies used at June 30, 2021 and 2020.

*Exchange traded funds, common stocks and mutual funds:* Valued at the net asset value (NAV) of shares on the last trading day of the fiscal year, which is the basis for transactions at that date.

*Pooled investments:* Valued at the net asset value (NAV) of shares held by UWNA at year end.

UNITED WAY OF NORTHERN ARIZONA, INC.

NOTES TO FINANCIAL STATEMENTS

June 30, 2022

(with comparative financial information as of and for the year ended June 30, 2021)

NOTE 5 - INVESTMENTS AND FAIR VALUE MEASUREMENTS (CONTINUED)

Fair value of assets measured on a recurring basis at June 30, 2022, was as follows:

	<u>Total</u>	<u>Level 1</u>	<u>Level 2</u>
Exchange traded funds	\$ 71,835	\$ 71,835	
Common stocks	8,500	8,500	
Mutual funds	421,768	421,768	
Investment pool - Arizona Community Foundation	<u>156,926</u>		\$ 156,926
	<u>\$ 659,029</u>	<u>\$ 502,103</u>	<u>\$ 156,926</u>

Fair value of assets measured on a recurring basis at June 30, 2021, was as follows:

	<u>Total</u>	<u>Level 1</u>	<u>Level 2</u>
Exchange traded funds	\$ 218,658	\$ 218,658	
Common stocks	8,933	8,933	
Investment pool - Arizona Community Foundation	<u>169,600</u>		\$ 169,600
	<u>\$ 397,191</u>	<u>\$ 227,591</u>	<u>\$ 169,600</u>

NOTE 6 - PLEDGES RECEIVABLE

Pledges made during the 2021-2022 campaign were \$1,408,317, of which \$532,718 had been received as of June 30, 2022. The balance is reflected as pledges receivable of \$774,638, which is net of an allowance for uncollectible pledges of \$100,961. These funds were reserved for 2021-2022 operations and community investment payments, and are reflected as net assets with donor restrictions until the pledges are received.

Pledges made during the 2020-2021 campaign were \$1,464,479, of which \$657,390 had been received as of June 30, 2021. The balance is reflected as pledges receivable of \$706,128, which is net of an allowance for uncollectible pledges of \$100,961. These funds were reserved for 2020-2021 operations and community investment payments, 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, 2022

(with comparative financial information as of and for the year ended June 30, 2021)

NOTE 7 - LAND, BUILDING AND EQUIPMENT, NET

Land, building and equipment at June 30, 2022 and 2021, is as follows:

	<u>2022</u>	<u>2021</u>
Land	\$ 55,090	\$ 55,090
Building	445,724	445,724
Building improvements	181,433	181,433
Office equipment and software	102,750	97,669
Furniture	1,611	1,611
Less: accumulated depreciation	<u>(462,542)</u>	<u>(443,002)</u>
Land, building and equipment, net	<u>\$ 324,066</u>	<u>\$ 338,525</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 \$394,985 and \$470,770 for the years ended June 30, 2022 and 2021, 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, 2022 and 2021, were \$46,644 and \$45,982, respectively.

NOTE 9 - 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, 2022 and 2021, was \$11,355 and \$13,712, respectively.

NOTE 10 - NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions at June 30, 2022 and 2021, were time-restricted for campaign pledges and totaled \$774,638 and \$706,128, respectively.



UNITED WAY OF NORTHERN ARIZONA, INC.

NOTES TO FINANCIAL STATEMENTS

June 30, 2022

(with comparative financial information as of and for the year ended June 30, 2021)

NOTE 11 - OPERATING LEASE

Rental income of \$2,100 per month is received under an operating lease for the use of a portion of UWNA's offices which expires in August 2024. Future minimum payments for the remaining lease term are as follows:

2023	\$	25,200
2024		25,200
2025		<u>4,200</u>
	\$	<u><u>54,600</u></u>

NOTE 12 – CONDITIONAL CONTRIBUTIONS AND GRANTS

UWNA received conditional contributions and grants during the fiscal years ending June 30, 2022 and 2021. Conditional contributions and grants are recorded when the donor-imposed conditions are substantially met.

Certain conditions are required to be met by the UWNA in order to earn and receive these amounts. As of June 30, 2022 and 2021, amounts awarded but not yet received or earned totaled \$784,000 and \$0, respectively. While management believes that the UWNA will meet these conditions, they had not been met as of the years ended June 30, 2022 and 2021. Accordingly, no amounts have been recorded for these conditional contributions and grants in these financial statements.

NOTE 13 - SUBSEQUENT EVENTS

UWNA evaluated all events or transactions that occurred after June 30, 2022, through January 3, 2023, the date UWNA issued these financial statements and has determined that there are no additional adjustments or disclosures required.

SUPPLEMENTARY INFORMATION

UNITED WAY OF NORTHERN ARIZONA, INC.

OVERHEAD RATIO

Years Ended June 30, 2022 and 2021

	<u>2022</u>	<u>2021</u>
Numerator: Management and general	\$ 100,481	\$ 121,158
Fundraising	<u>115,488</u>	<u>132,804</u>
Total overhead	215,969	253,962
Denominator: Public support and revenue	1,670,942	1,849,276
Add amounts designated by donors	394,985	470,770
Less administrator fees - designated by donors	<u>(46,644)</u>	<u>(45,982)</u>
Amounts raised and other revenue	\$ 2,019,283	\$ 2,274,064
Overhead ratio expressed as a percentage	10.70%	11.17%

UNITED WAY OF NORTHERN ARIZONA, INC.

COMMUNITY INVESTMENT PAYMENTS

Years Ended June 30, 2022 and 2021

	<u>2022</u>	<u>2021</u>
Alice's Place	\$ 6,550	\$ 5,000
American Red Cross - Flagstaff	5,400	7,709
American Red Cross - Northeast		1,500
Arizona Girl Scouts Cactus Pine - Flagstaff		8,400
Arizona Girl Scouts Cactus Pine - Page		2,500
Association for Supportive Child Care		10,352
Big Brothers/Big Sisters of Flagstaff	32,500	25,739
Boy Scouts of America	10,000	8,400
Boys and Girls Club of Flagstaff	28,875	22,400
Bread of Life Mission	1,950	3,000
Cancer Support Community - Arizona		5,600
Catholic Charities	32,500	31,429
Chicanos Por Las Causa, Inc.	8,135	
CUDDLE Outreach Ministry		3,400
DNA People's Legal Services	8,531	8,895
Feeding Northern Arizona's Future		
Flagstaff Family Food Center	50,360	67,640
Flagstaff Shelter Services	32,500	17,790
Friends of Camp Colton	15,000	13,000
Girl Scouts - Arizona Cactus Pine Flag	10,000	
Grand Canyon Youth	3,250	2,800
Habitat for Humanity of Northern Arizona	8,800	
Homeless Youth Connection, Inc.	3,250	
Housing Solutions of Northern Arizona	22,750	18,976
Hozhoni Foundation	3,750	8,895
Literacy Volunteers of Coconino County	8,000	14,000
Native Americans for Community Action		14,100
NAU Civic Service - Flagstaff		18,930
NAU Foundation	8,250	
North Country HealthCare, Inc.	3,250	6,933
Northland Family Help Center	80,000	66,934
Northland Hospice & Palliative Care	9,750	
Parenting Arizona Flagstaff		7,705
Plaza Vieja Neighborhood Association	4,000	4,000

UNITED WAY OF NORTHERN ARIZONA, INC.

COMMUNITY INVESTMENT PAYMENTS

Years Ended June 30, 2022 and 2021

	<u>2022</u>	<u>2021</u>
Quality Connections	\$ 20,520	\$ 4,594
Round Valley Senior Center	6,550	10,000
Sage Home		11,860
Salvation Army Flagstaff Chapter	9,750	8,895
Southside Community Foundation	4,000	4,000
Sun Sounds Radio Reading Service		4,744
Sunnyside Neighborhood Association	10,935	20,562
Tynkertopia, Inc.	27,500	19,500
University of Arizona 4-H		11,312
Victim Witness Services for Coconino County	23,000	13,660
Vista Hospice (fka Northland Hospice and Palliative Care)		14,343
YMCA - Flagstaff		2,800
Contract Agreements and Community Initiative Projects	159,700	279,343
Donor Designated	<u>351,284</u>	<u>478,747</u>
Total community investment payments	<u>\$ 1,010,590</u>	<u>\$ 1,290,387</u>