

**UNITED WAY OF MESA COUNTY, INC.**

**FINANCIAL STATEMENTS**

Years Ended June 30, 2011 and 2010

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To the Board of Directors  
United Way of Mesa County, Inc.  
Grand Junction, Colorado

Independent Auditors' Report

We have audited the accompanying statements of financial position of United Way of Mesa County, Inc. (a nonprofit organization) as of June 30, 2011 and 2010 and the related statements of activities, functional expense and cash flows for the years then ended. These financial statements are the responsibility of United Way of Mesa County, Inc.'s management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of United Way of Mesa County, Inc. as of June 30, 2010 and 2009 and the changes in net assets and cash flows for the years then ended, in conformity with accounting principles generally accepted in the United States of America.

 Jeff Wendland, CPA, LLC

JEFF WENDLAND, CPA, LLC  
Fruita, CO

September 28, 2011

UNITED WAY OF MESA COUNTY, INC  
STATEMENTS OF FINANCIAL POSITION

As of June 30, 2011 and 2010

	2011	2010
<b>ASSETS</b>		
Cash and cash equivalents, Note B	\$ 668,146	\$ 848,760
Certificates of deposit	162,237	60,000
Unconditional promises to give, unrestricted, net of allowance for uncollectables of \$51,000 and \$53,000	280,417	298,899
Property and equipment, net of accumulated depreciation, Note F	6,566	284
Endowment fund invested with Western Colorado Community Foundation	24,576	22,347
<b>Total assets</b>	<b>\$ 1,141,942</b>	<b>\$ 1,230,290</b>
<b>LIABILITIES AND NET ASSETS</b>		
<b>Liabilities</b>		
Accounts payable	\$ -	\$ 10,970
Accrued liabilities	21,507	20,092
Allocations and designations payable	694,810	683,223
Combined Campaigns, Note C	12,301	15,558
<b>Total liabilities</b>	728,618	729,843
<b>Net Assets</b>		
Unrestricted	-	-
Board designated for operating reserves	173,000	183,000
Undesignated	209,633	227,139
Temporarily restricted	6,115	67,961
Permanently restricted	24,576	22,347
<b>Total net assets</b>	<b>413,324</b>	<b>500,447</b>
<b>Total liabilities and net assets</b>	<b>\$ 1,141,942</b>	<b>\$ 1,230,290</b>

See accompanying notes

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UNITED WAY OF MESA COUNTY, INC.

STATEMENTS OF ACTIVITIES

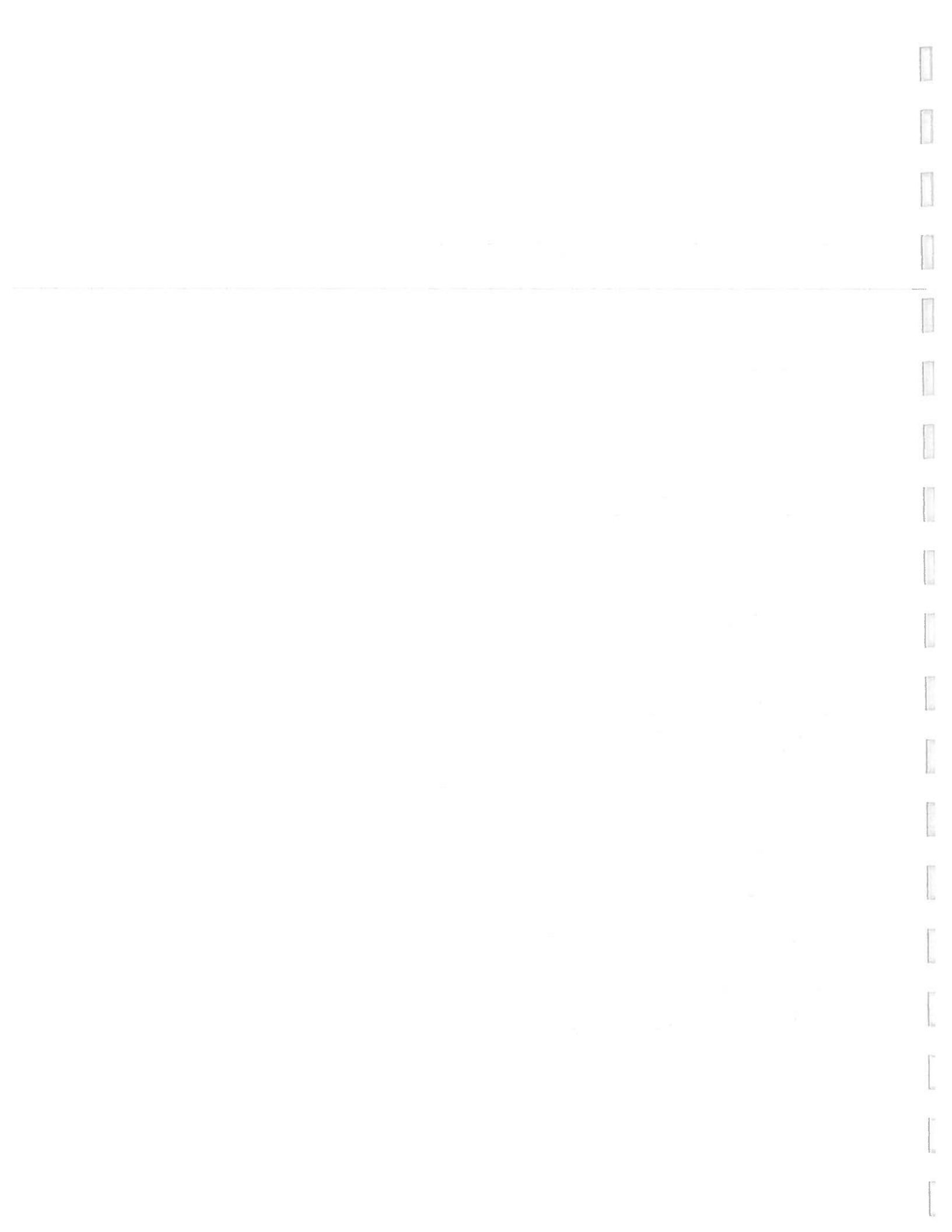
For the years ended June 30, 2011 and 2010

	2011			Total
	Unrestricted	Temporarily Restricted	Permanently Restricted	
Operating Activities				
Support				
Contributions	\$ 1,027,151	\$ 6,115	\$ -	\$ 1,033,266
Less provision for uncollectible contributions	(29,492)	-	-	(29,492)
Less donor designated contributions	(217,767)	-	-	(217,767)
Total support	779,892	6,115	-	786,007
Revenue				
Earnings on investments	9,048	-	2,229	11,277
Special events	35,197	-	-	35,197
Service fees - donor designations	47,306	-	-	47,306
Other	4,851	-	-	4,851
Contributed services	79,131	-	-	79,131
Total revenue	175,533	-	2,229	177,762
Total support and revenue	955,425	6,115	2,229	963,769
Distributions				
Allocations to agencies	730,400	-	-	730,400
Less donor designations	(170,461)	-	-	(170,461)
Unallocated United Way of America dues	5,242	-	-	5,242
Total distributions	565,181	-	-	565,181
Functional expenses				
Community funding	109,576	-	-	109,576
General and administrative	114,842	-	-	114,842
Fundraising	193,332	-	-	193,332
Total functional expenses	417,750	-	-	417,750
Total distributions and expenses	982,931	-	-	982,931
Change in net assets from operating activities	(27,506)	6,115	2,229	(19,162)
Discontinued Operations - WC 211				
Grant income		50,515	-	50,515
Restrictions satisfied by payments	118,476	(118,476)	-	-
Operating expenses	(22,032)	-	-	(22,032)
Transferred to Mesa County	(96,444)	-	-	(96,444)
Change in net assets from discontinued operations	-	(67,961)	-	(67,961)
Total change in net assets	(27,506)	(61,846)	2,229	(87,123)
Net assets at beginning of year	410,139	67,961	22,347	500,447
Net assets at end of year	\$ 382,633	\$ 6,115	\$ 24,576	\$ 413,324

See accompanying notes

2010

Unrestricted	Temporarily Restricted	Permanently Restricted	Total
\$ 1,048,209	\$ -	\$ -	\$ 1,048,209
(28,569)	-	-	(28,569)
(177,543)	-	-	(177,543)
<u>842,097</u>	<u>-</u>	<u>-</u>	<u>842,097</u>
6,504	14	2,501	9,019
35,487	-	-	35,487
29,750	-	-	29,750
3,833	-	-	3,833
76,443	-	-	76,443
<u>152,017</u>	<u>14</u>	<u>2,501</u>	<u>154,532</u>
994,114	14	2,501	996,629
693,223	-	-	693,223
(147,793)	-	-	(147,793)
10,485	-	-	10,485
<u>555,915</u>	<u>-</u>	<u>-</u>	<u>555,915</u>
95,483	-	-	95,483
101,595	-	-	101,595
194,700	-	-	194,700
391,778	-	-	391,778
947,693	-	-	947,693
<u>46,421</u>	<u>14</u>	<u>2,501</u>	<u>48,936</u>
-	49,254	-	49,254
112,828	(112,828)	-	-
(112,828)	-	-	(112,828)
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
-	(63,574)	-	(63,574)
<u>46,421</u>	<u>(63,560)</u>	<u>2,501</u>	<u>(14,638)</u>
<u>363,718</u>	<u>131,521</u>	<u>19,846</u>	<u>515,085</u>
<u>\$ 410,139</u>	<u>\$ 67,961</u>	<u>\$ 22,347</u>	<u>\$ 500,447</u>



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UNITED WAY OF MESA COUNTY, INC.  
STATEMENTS OF FUNCTIONAL EXPENSE

For the years ended June 30, 2011 and 2010

	2011							Total
	Program Services			Supporting Services				
	Community Funding	Discontinued WC211 Referral	Program Services Total	General and Admin.	Fund- Raising	UWA Dues	Supporting Services Total	
Allocations to agencies	\$ 725,400	\$ -	\$ 725,400	\$ -	\$ -	\$ -	\$ -	\$ 725,400
Less donor designations	(170,461)	-	(170,461)	-	-	-	-	(170,461)
Other grants	5,000	-	5,000	-	-	-	-	5,000
Subtotal	<u>559,939</u>	<u>-</u>	<u>559,939</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>559,939</u>
Personnel								
Salaries & wages	61,392	9,340	70,732	70,249	57,948	-	128,197	198,929
Payroll taxes	4,432	-	4,432	5,069	4,181	-	9,250	13,682
Employee benefits	8,758	-	8,758	10,018	8,263	-	18,281	27,039
HR administration	-	2,824	2,824	-	-	-	-	2,824
Workers' compensation	181	-	181	207	171	-	378	559
	<u>74,763</u>	<u>12,164</u>	<u>86,927</u>	<u>85,543</u>	<u>70,563</u>	<u>-</u>	<u>156,106</u>	<u>243,033</u>
Professional services								
Audit	2,032	-	2,032	2,325	1,918	-	4,243	6,275
Office expenses								
Bank service charges	219	-	219	250	206	-	456	675
Postage	186	-	186	213	176	-	389	575
Printing	304	-	304	348	287	-	635	939
Telephone & utilities	1,266	734	2,000	1,448	1,194	-	2,642	4,642
Technology & equipment	6,145	-	6,145	7,030	5,798	-	12,828	18,973
Other	61	2,307	2,368	68	57	-	125	2,493
Supplies	681	910	1,591	779	643	-	1,422	3,013
	<u>8,862</u>	<u>3,951</u>	<u>12,813</u>	<u>10,136</u>	<u>8,361</u>	<u>-</u>	<u>18,497</u>	<u>31,310</u>
Property expense								
Rent	10,115	-	10,115	11,571	9,544	-	21,115	31,230
Insurance	1,119	-	1,119	1,280	1,056	-	2,336	3,455
Service contracts	1,748	-	1,748	2,000	1,649	-	3,649	5,397
	<u>12,982</u>	<u>-</u>	<u>12,982</u>	<u>14,851</u>	<u>12,249</u>	<u>-</u>	<u>27,100</u>	<u>40,082</u>
Campaign and marketing								
Campaign supplies	-	-	-	-	5,213	-	5,213	5,213
Publicity and promotion	-	4,920	4,920	-	77,391	-	77,391	82,311
Special events	-	-	-	-	14,868	-	14,868	14,868
Postage	-	-	-	-	1,131	-	1,131	1,131
	<u>-</u>	<u>4,920</u>	<u>4,920</u>	<u>-</u>	<u>98,603</u>	<u>-</u>	<u>98,603</u>	<u>103,523</u>
Staff development								
Dues and subscriptions	53	-	53	61	50	-	111	164
Travel and meetings	997	893	1,890	1,140	941	-	2,081	3,971
Training and conferences	132	104	236	151	124	-	275	511
	<u>1,182</u>	<u>997</u>	<u>2,179</u>	<u>1,352</u>	<u>1,115</u>	<u>-</u>	<u>2,467</u>	<u>4,646</u>
Community funding	9,200	-	9,200	-	-	-	-	9,200
Depreciation	555	-	555	635	523	-	1,158	1,713
Subtotal	<u>109,576</u>	<u>22,032</u>	<u>131,608</u>	<u>114,842</u>	<u>193,332</u>	<u>-</u>	<u>308,174</u>	<u>439,782</u>
United Way of America Dues	-	-	-	-	-	5,242	5,242	5,242
Total	<u>\$ 669,515</u>	<u>\$ 22,032</u>	<u>\$ 691,547</u>	<u>\$ 114,842</u>	<u>\$ 193,332</u>	<u>\$ 5,242</u>	<u>\$ 313,416</u>	<u>\$ 1,004,963</u>

See accompanying notes.

2010							
Program Services			Supporting Services				
Community Funding	Discontinued WC211 Referral	Program Services Total	General and Admin.	Fund-Raising	UWA Dues	Supporting Services Total	Total
\$ 683,223	\$ -	\$ 683,223	\$ -	\$ -	\$ -	\$ -	\$ 683,223
(147,793)	-	(147,793)	-	-	-	-	(147,793)
10,000	-	10,000	-	-	-	-	10,000
545,430	-	545,430	-	-	-	-	545,430
57,509	39,656	97,165	62,901	59,306	-	122,207	219,372
4,234	-	4,234	4,631	4,366	-	8,997	13,231
9,016	-	9,016	9,861	9,297	-	19,158	28,174
-	4,936	4,936	-	-	-	-	4,936
249	-	249	272	256	-	528	777
71,008	44,592	115,600	77,665	73,225	-	150,890	266,490
2,107	-	2,107	2,302	2,173	-	4,475	6,582
359	-	359	393	370	-	763	1,122
279	54	333	305	288	-	593	926
100	-	100	110	103	-	213	313
1,191	1,298	2,489	1,302	1,228	-	2,530	5,019
587	1,964	2,551	642	606	-	1,248	3,799
562	3,699	4,261	615	579	-	1,194	5,455
1,384	3,703	5,087	1,514	1,428	-	2,942	8,029
4,462	10,718	15,180	4,881	4,602	-	9,483	24,663
10,397	407	10,804	11,372	10,722	-	22,094	32,898
1,397	-	1,397	1,528	1,441	-	2,969	4,366
1,530	-	1,530	1,674	1,578	-	3,252	4,782
13,324	407	13,731	14,574	13,741	-	28,315	42,046
-	-	-	-	6,337	-	6,337	6,337
-	51,253	51,253	-	77,794	-	77,794	129,047
-	-	-	-	13,561	-	13,561	13,561
-	-	-	-	1,219	-	1,219	1,219
-	51,253	51,253	-	98,911	-	98,911	150,164
266	1,000	1,266	291	274	-	565	1,831
1,024	3,175	4,199	1,121	1,056	-	2,177	6,376
403	1,683	2,086	440	415	-	855	2,941
1,693	5,858	7,551	1,852	1,745	-	3,597	11,148
2,595	-	2,595	-	-	-	-	2,595
294	-	294	321	303	-	624	918
95,483	112,828	208,311	101,595	194,700	-	296,295	504,606
-	-	-	-	-	10,485	10,485	10,485
<u>\$ 640,913</u>	<u>\$ 112,828</u>	<u>\$ 753,741</u>	<u>\$ 101,595</u>	<u>\$ 194,700</u>	<u>\$ 10,485</u>	<u>\$ 306,780</u>	<u>\$ 1,060,521</u>



UNITED WAY OF MESA COUNTY, INC.

STATEMENTS OF CASH FLOWS

For the years ended June 30, 2011 and 2010

	2011	2010
Cash provided (used) by continuing operating activities		
Cash received from contributors and grants	\$ 804,490	\$ 853,988
Donor designated receipts	217,767	177,543
Other receipts	40,049	39,320
	<u>1,062,306</u>	<u>1,070,851</u>
Cash paid to vendors and suppliers	(122,250)	(93,549)
Cash paid to employees	(229,454)	(216,866)
Allocations and grants paid	(551,609)	(572,531)
Designated agencies	(170,461)	(147,793)
	<u>(1,073,774)</u>	<u>(1,030,739)</u>
Net cash provided (used) by operating activities	(11,468)	40,112
Cash used in financing activities		
Purchase of fixed assets	(7,995)	-
Cash used in continuing investing activities		
Earnings from investments	9,048	6,518
Purchase of certificates of deposit	(102,237)	(60,000)
Total cash provided (used) by investing activities	<u>(93,189)</u>	<u>(53,482)</u>
Total cash provided (used) by continuing activities	(112,652)	(13,370)
Cash provided (used ) by discontinued operations		
Operating activities	28,482	(63,574)
Financiang activities	(96,444)	-
Total cash used by discontinued operations	<u>(67,962)</u>	<u>(63,574)</u>
Total cash provided (used)	(180,614)	(76,944)
Cash at beginning of year	848,760	925,704
Cash at end of year	<u>\$ 668,146</u>	<u>\$ 848,760</u>

See accompanying notes.

UNITED WAY OF MESA COUNTY, INC.  
RECONCILIATION OF CHANGE IN NET ASSETS  
TO NET CASH PROVIDED BY OPERATING ACTIVITIES

For the years ended June 30, 2011 and 2010

	2011	2010
Change in net assets	\$ (87,123)	\$ (14,638)
Change in net assets from discontinued operations	67,962	63,574
Change in net assets from continuing activities	(19,161)	48,936
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	1,713	918
(Increase) decrease in:		
Unconditional promises to give	18,482	11,891
(Decrease) increase in:		
Current liabilities	(9,555)	14,487
Allocations payable	11,587	(26,716)
Due to combined campaigns	(3,257)	(385)
Permanently restricted contributions	(2,229)	(2,501)
Earnings from investments	(9,048)	(6,518)
Net cash provided (used) by operating activities	<u>\$ (11,468)</u>	<u>\$ 40,112</u>

See accompanying notes.

UNITED WAY OF MESA COUNTY, INC.

NOTES TO FINANCIAL STATEMENTS

June 30, 2011 and 2010

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**NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

1. Organization

United Way of Mesa County, Inc. (the Organization) is a local not-for-profit organization located in Grand Junction, Colorado, supported primarily by pledges from the surrounding community. Annual campaigns are conducted to raise funds which help support local programs whose task is to better the life and welfare of those in the community who need help.

2. Basis of Accounting

The financial statements of the Organization are presented using the accrual basis of accounting which records income when earned and expenses when incurred. Contributions received or made, including unconditional promises to give, are recognized in the period received or made, respectively, at fair value. Amounts are classified based on the presence or absence of donor-imposed restrictions as described below.

3. Annual Campaign and Revenue Recognition

Contributions received are recorded as unrestricted, temporarily restricted or permanently restricted support, depending on the existence and/or nature of any donor restrictions.

Support that is restricted by the donor is reported as an increase in unrestricted net assets if the restriction expires in the reporting period in which the support is recognized. All other donor-restricted support is reported as an increase in temporarily or permanently restricted net assets, depending on the nature of the restriction. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), temporarily restricted net assets are reclassified to unrestricted net assets and reported in the Statement of Activities as net assets released from restrictions. The organization and private donors have made contributions to an endowment fund held by the Western Colorado Community Foundation. These amounts are classified as permanently restricted net assets. Unexpended receipts to be used for the WC 211 program are classified as temporarily restricted net assets (See Note L).

UNITED WAY OF MESA COUNTY, INC.

NOTES TO FINANCIAL STATEMENTS

June 30, 2011 and 2010

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**NOTE A - SUMMARY OF SIGNFICANT ACCOUNTING POLICIES - CONTINUED**

4. Designated and Allocated Pledges

The Organization allows donors to designate their contributions to any qualifying Section 501(c)(3) agency. Undesignated contributions are allocated to agencies by the Organization's volunteer committees based on approved budgets, requests, and community needs. Allocations are recognized in the year the pledge is made to the agency. Designations are not considered support revenue or expense to the Organization. The amounts designated are presented in the statement of activities as reductions of gross contributions and allocations.

5. Recognition of contributions income and allocations expense

Contributions are recognized as income in the same fiscal year that the annual fund raising campaign that results in the contribution is held. Allocations to agencies/programs are recognized as expense in the fiscal year those allocations are approved.

6. Cash and Cash Equivalents

The Organization considers all highly liquid investments with a maturity of three months or less to be cash equivalents. Certain funds are required to be held in separate bank accounts. Cash Equivalents held in mutual funds are reported at their fair values in the statement of financial position. Unrealized gains and losses are included in the change in net assets.

7. Property and Equipment

Office furniture and equipment are recorded at cost or at estimated value at the date of gift if donated. It is the Organization's policy to capitalize expenditures for these items in excess of \$5,000. Lesser amounts are expensed. Furniture and equipment depreciation is computed on a straight line basis over estimated useful lives of 3 to 10 years. Leasehold improvements are being amortized over the shorter of the lease term or useful life. The Organization does not recognize an implied time restriction on contributions of long lived assets.

8. Tax Status

The Organization has been granted an exemption from federal income taxes under section 501(c)(3) of the Internal Revenue Code.

UNITED WAY OF MESA COUNTY, INC.  
NOTES TO FINANCIAL STATEMENTS

June 30, 2011 and 2010

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**NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED**

9. Contributed Services and Property

A significant number of volunteers have donated their time to the Organization and its fund raising campaigns. Support arising from these contributed services is not recorded in the financial statements, as no objective basis is available to measure the value of the services performed. Certain contributed services that require specialized skills are recognized as contribution revenue and expense. The Organization believes this recognition is preferable in the circumstances and will better reflect the contribution and cost of such services. These contributed services, consisting of accounting and audit services, rent, advertising and other goods and services are valued at \$79,131 and \$76,443, and have been recorded as revenue and expense for 2011 and 2010, respectively.

10. Functional Allocation of Expenses

Costs are allocated by management based on the best available estimate of the percentage of each cost element applicable to each functional area.

11. Use of Estimates

The Organization has prepared these financial statements in conformity with generally accepted accounting principles, which require the use of management's estimates. Actual results could differ from the estimates used.

UNITED WAY OF MESA COUNTY, INC.

NOTES TO FINANCIAL STATEMENTS

June 30, 2011 and 2010

**NOTE B – CASH AND CASH EQUIVALENTS**

The cash and cash equivalents held by the Organization at June 30, 2011 and 2010 are summarized as follows:

	<u>Fair Value</u>		<u>Quoted Prices in Active Markets for Identical Assets (Level 1)</u>	
	<u>2011</u>	<u>2010</u>	<u>2011</u>	<u>2010</u>
Cash in checking accounts	\$374,950	761,436	N/A	N/A
Cash Equivalents:				
Money market accounts	220,204	20,004	N/A	N/A
Franklin Low Duration Total Return Fund	72,992	0	\$72,992	
Franklin Floating Rate Daily Access A	<u>0</u>	<u>\$67,320</u>	<u>0</u>	<u>\$67,320</u>
Total	\$668,146	\$848,760	\$72,992	\$67,320

All of the Organization's deposits with financial institutions are guaranteed by the Federal Deposit Insurance Corporation. More information Franklin Low Duration Total Return Fund (CUSIP: FLDAX) and on Franklin Floating Rate Daily Access A (CUSIP: FAFRX) can be found at [www.franklintempleton.com](http://www.franklintempleton.com).

**NOTE C – ALLOWANCE FOR DOUBTFUL ACCOUNTS**

The organization provides for an allowance for doubtful accounts which is estimated based upon the organization's actual collection experience over the prior three years.

**NOTE D – ENDOWMENT FUND**

The Organization maintains an endowment fund with the Western Colorado Community Foundation. In accordance with WCCF's policies the principal of the fund can only be withdrawn in extraordinary circumstances. Annual earnings may be withdrawn, however, it is the Organization's policy to reinvest some of those earnings in the endowment fund. Investment policies are established by WCCF.

UNITED WAY OF MESA COUNTY, INC.

NOTES TO FINANCIAL STATEMENTS

June 30, 2011 and 2010

**NOTE E - COMBINED FEDERAL AND COLORADO CAMPAIGNS**

Monies are held by the Organization, as Trustee, for the Combined Federal Campaign (CFC), and the Combined Colorado Campaign (CCC). United Way collects and disburses the money as directed by CFC and CCC policy. Summarized activity is as follows:

	<u>2011</u>	<u>2010</u>
Cash, beginning of year	\$ 15,558	\$ 15,943
Receipts	52,847	60,902
Disbursements	<u>(56,104)</u>	<u>(61,287)</u>
Cash, end of year (due to CFC and CCC)	<u>\$ 12,301</u>	<u>\$ 15,558</u>

**NOTE F - BENEFIT PLAN AND TRUST**

The Organization provides a cafeteria plan for substantially all of its employees. The flexible benefit plan is a salary reduction plan providing the employee with an opportunity to use pre-tax dollars to pay for benefits.

After completing ninety days of service, employees who work a minimum of thirty hours per week are eligible to participate in the plan. Plan options include:

- Work related dependent care expense reimbursement
- Health premium benefits
- Uninsured medical and dental expense reimbursement
- Taxable cash payments in the form of regular salary

A maximum of \$1,800 in medical and dental expense and \$5,000 for dependent care expense are available in any plan year. The Organization, acts as administrator for the plan. The funds are maintained in a separate bank account insured by Federal Depository Insurance (FDIC). During the years ended June 30, 2011 and 2010 the Organization's contributions to this plan were \$27,039 and \$23,922, respectively.

**NOTE G – DEFINED CONTRIBUTION RETIREMENT PLAN**

The Organization maintains a SIMPLE IRA plan for its employees. The Organization matches eligible employee contributions up to 3% of the employee's covered compensation. During the years ended June 30, 2011 and 2010 the Organization's contributions to this plan were \$4,200 and \$4,252, respectively.

UNITED WAY OF MESA COUNTY, INC.

NOTES TO FINANCIAL STATEMENTS

June 30, 2011 and 2010

**NOTE H - PROPERTY AND EQUIPMENT**

Office furniture and equipment and leasehold improvements, at cost, and accumulated depreciation at June 30, 2011 and 2010 are summarized as follows:

	<u>2,011</u>	<u>2,010</u>
Office equipment and furniture	\$ 33,048	\$ 44,318
Leasehold improvements	61,790	61,790
Less accumulated depreciation	<u>(88,272)</u>	<u>(105,824)</u>
	<u>\$ 6,566</u>	<u>\$ 284</u>

**NOTE I - OPERATING LEASES**

On June 20, 2005, the Organization renewed a lease for a postage machine. The lease is treated as an operating lease. New lease payments are made quarterly into 2011. Also, on August 14, 2006 the Organization entered into a lease for copying equipment. The lease is treated as an operating lease and payments are to be made monthly through June 2011. Below are the minimum lease payments, which include insurance.

2010	4,873
2011	<u>4,081</u>
	<u>\$ 8,954</u>

**NOTE J - RENT EXPENSE**

The facilities used by the Organization are rented from U.S. Bank. Rent expense totaled \$31,230 and \$32,898 respectively for the years ended June 30, 2011 and 2010. The Organization recorded in-kind contributions from U.S. Bank of \$14,420 and \$16,274 as revenue and as rent expense for 2011 and 2010. Minimum annual rent payments for future years are as follows:

June 30, 2012	17,314
June 30, 2013	17,833
June 30, 2014	18,368
June 30, 2015	<u>6,183</u>
Total	\$76,508

UNITED WAY OF MESA COUNTY, INC.

NOTES TO FINANCIAL STATEMENTS

June 30, 2011 and 2010

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**NOTE K- ADVERTISING**

The Organization incurred \$77,391 and \$77,794 in advertising and promotion costs for continuing operations for the years ended June 30, 2011 and 2010, respectively. Included in those amounts are \$45,481 and \$54,026 respectively, in contributed advertising. The Organization's policy is to expense advertising as it is incurred.

**NOTE L – WESTERN COLORADO 211 CONSORTIUM (discontinued)**

During the year ended June 30, 2008 the Organization entered into a memorandum of understanding with the Mesa County, Colorado Department of Human Services and Hilltop Community Resources to jointly provide information and referral services to the local community. Mesa County's principal contribution to the Consortium was office space and computer and telephone services. Hilltop provided personnel and grant funding. The Organization provided financial management, accounting and grant writing services. Funds received by the Organization for this program are classified as temporarily restricted until expended.

The Organization ceased to be the fiscal agent for the Consortium on December 31, 2010. At that time unspent revenues totaling \$96,444 were turned over to Mesa County Department of Human Services, the new fiscal agent. Revenues and expenses for this operation have been segregated in these statements as "Discontinued Operations" and amounts for 2010 have been restated to reflect this segregation.

**NOTE M – PROCESSING CHARGES**

The expenses associated with processing all pledges including donor designated pledges are recovered by an assessment for both fundraising and management and general fees based on actual historical costs in accordance with United Way of America Membership Standards as outlined in their publication titled *United Way of America Cost Deduction Requirements for Membership Standard M*.

UNITED WAY OF MESA COUNTY, INC.

NOTES TO FINANCIAL STATEMENTS

June 30, 2011 and 2010

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**NOTE N – SUBSEQUENT EVENTS**

The Organization has considered subsequent events through September 28, 2011 (the date of financial statement issuance) which may have an effect on these financial statements.

**NOTE O – CONCENTRATIONS**

The Organization conducts its operations and fundraising principally in Mesa County, Colorado. Changes in local economic conditions can have significant effects on those operations and the Organization's fundraising.

**NOTE P – RELATED PARTY**

Matthew Breman is a member of the Organization's board of directors and a principal in the firm Cranium 360. Cranium 360 provides computer, graphic and printing services to the Organization. The Organization paid Cranium 360 \$5,576 and \$5,869 for those services in the years ended June 30, 2011 and 2010, respectively.