

LIVE UNITED



Pikes Peak United Way
ppunitedway.org

Financial Statements

For the Years Ended June 30, 2013 and 2012

and

Independent Auditor's Report

PIKES PEAK UNITED WAY

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Dear Pikes Peak United Way Stakeholder:

We are pleased to provide the attached 2013 Audit for your review.

For 91 years now, Pikes Peak United Way has advanced the common good by not only providing a safety net for basic needs, but by working to prevent tomorrow's problems by addressing issues today.

Although the issues have changed over time....and will likely continue to change.....our mission has remained steadfast. Today our focus is on education, family stability and safety net services - - the building blocks for a good quality of life.

One constant though throughout our 91 years of community service has been our commitment to the highest standards of stewardship, accountability, transparency, and impact. We believe our recent Waldo Canyon and Black Forest fire efforts and this audit reflect that commitment and, equally important, our consistent fulfillment of that commitment.

We are pleased to enter our 92nd year of community service, and as Jason Wood assumes the CEO leadership role on our team, we look forward to continuing to improve the quality of life within the Pikes Peak region.

Respectfully,



Jay Alexander
Pikes Peak United Way Board Chair



JD Dallager
Pikes Peak United Way CEO



Jason Wood
Pikes Peak United Way CEO (successor)



BiggsKofford
CERTIFIED PUBLIC ACCOUNTANTS
BUSINESS SPECIALISTS

INDEPENDENT AUDITOR'S REPORT

Board of Trustees
Pikes Peak United Way
Colorado Springs, Colorado

Report on the Financial Statements

We have audited the accompanying financial statements of Pikes Peak United Way which comprise the statement of financial position as of June 30, 2013 and the related statement of activities and of cash flows for the year then ended, and the related notes to the financial statements. The prior year summarized information has been derived from the organization's June 30, 2012 financial statements and, in our report dated October 9, 2012, we expressed an unqualified opinion on those financial statements.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Pikes Peak United Way as of June 30, 2013 and the changes in its net assets and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Report on Supplemental Information

Our audits were conducted for the purpose of forming an opinion on the financial statements as a whole. The supplemental schedules as listed in the table of contents are presented for 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.

BiggsKofford, P.C.

Colorado Springs, Colorado
September 25, 2013

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PIKES PEAK UNITED WAY
STATEMENT OF FINANCIAL POSITION
JUNE 30, 2013 (with comparative totals for 2012)

| | 2013 | 2012 |
|--|---------------------|---------------------|
| <u>ASSETS</u> | | |
| Current assets: | | |
| Cash and cash equivalents | \$ 1,486,826 | \$ 1,957,258 |
| Contributions receivable - net | 1,494,634 | 1,637,432 |
| Grants and other receivable | 280,438 | 44,297 |
| Investments | 441,525 | 327,518 |
| Prepaid expenses and other | 28,526 | 48,603 |
| Total current assets | 3,731,949 | 4,015,108 |
| Property and equipment - net | 1,653,150 | 1,689,225 |
| Investments - long-term | 1,000,000 | 1,000,000 |
| Beneficial interest in perpetual trust | 109,963 | 102,630 |
| Total assets | \$ 6,495,062 | \$ 6,806,963 |
| <u>LIABILITIES AND NET ASSETS</u> | | |
| Current liabilities: | | |
| Accounts payable | \$ 10,070 | \$ 33,241 |
| Accrued expenses | 187,476 | 206,074 |
| Allocations and designations payable | 2,237,183 | 2,284,272 |
| Current portion of note payable | 52,000 | 192,000 |
| Deferred revenue | 369,861 | 428,067 |
| Total current liabilities | 2,856,590 | 3,143,654 |
| Note payable - net of current portion | 472,334 | 524,334 |
| Total liabilities | 3,328,924 | 3,667,988 |
| Net assets: | | |
| Unrestricted: | | |
| Undesignated | 435,764 | 333,905 |
| Board designated | 750,000 | 750,000 |
| Total unrestricted | 1,185,764 | 1,083,905 |
| Temporarily restricted | 870,411 | 952,440 |
| Permanently restricted | 1,109,963 | 1,102,630 |
| Total net assets | 3,166,138 | 3,138,975 |
| Total liabilities and net assets | \$ 6,495,062 | \$ 6,806,963 |

The accompanying notes and independent auditor's report
should be read with this financial statement.

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PIKES PEAK UNITED WAY
STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS
FOR THE YEAR ENDED JUNE 30, 2013 (with comparative totals for 2012)

| | 2013 | | | 2012 | |
|--|---------------------|---------------------------|---------------------------|---------------------|---------------------|
| | Unrestricted | Temporarily Restricted | Permanently Restricted | Total | Total |
| PUBLIC SUPPORT AND REVENUE | | | | | |
| Gross campaign results | \$ 5,716,324 | \$ - | \$ - | \$ 5,716,324 | \$ 5,644,359 |
| Less donor designations | (2,051,797) | - | - | (2,051,797) | (1,812,149) |
| Less provision for uncollectible contributions | (332,109) | - | - | (332,109) | (329,877) |
| Net campaign revenue | 3,332,418 | - | - | 3,332,418 | 3,502,333 |
| Other contribution and grant revenue | - | 1,527,356 | - | 1,527,356 | 1,046,844 |
| Other revenue | 45,515 | - | - | 45,515 | 38,105 |
| Special events revenue, net | 13,280 | - | - | 13,280 | 8,195 |
| Legacies and bequests | 21,933 | - | - | 21,933 | 34,016 |
| Investment income (loss) | 35,920 | 177,286 | 7,333 | 220,539 | (112,407) |
| In-kind contributions | 6,248 | - | - | 6,248 | 7,405 |
| Net assets released from restrictions | 1,786,671 | (1,786,671) | - | - | - |
| Total revenue | 5,241,985 | (82,029) | 7,333 | 5,167,289 | 4,524,491 |
| EXPENSES | | | | | |
| Program services: | | | | | |
| Gross funds awarded | 4,977,708 | - | - | 4,977,708 | 3,810,808 |
| Less donor designations | (2,051,797) | - | - | (2,051,797) | (1,812,149) |
| Net funds awarded | 2,925,911 | - | - | 2,925,911 | 1,998,659 |
| Other program services | 1,271,309 | - | - | 1,271,309 | 1,372,216 |
| Total program services | 4,197,220 | - | - | 4,197,220 | 3,370,875 |
| Fundraising | 557,619 | - | - | 557,619 | 578,895 |
| General and administrative | 385,287 | - | - | 385,287 | 399,493 |
| Total expenses | 5,140,126 | - | - | 5,140,126 | 4,349,263 |
| Change in net assets | 101,859 | (82,029) | 7,333 | 27,163 | 175,228 |
| Net assets, beginning of period | 1,083,905 | 952,440 | 1,102,630 | 3,138,975 | 2,963,747 |
| Net assets, end of period | <u>\$ 1,185,764</u> | <u>\$ 870,411</u> | <u>\$ 1,109,963</u> | <u>\$ 3,166,138</u> | <u>\$ 3,138,975</u> |

The accompanying notes and independent auditor's report
should be read with this financial statement.

PIKES PEAK UNITED WAY
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2013 (with comparative totals for 2012)

| | 2013 | 2012 |
|---|--------------|--------------|
| <u>OPERATING ACTIVITIES</u> | | |
| Cash received from annual fundraising campaign | \$ 5,859,122 | \$ 5,667,665 |
| Cash received from other income | 1,371,943 | 1,419,484 |
| Cash paid for community fund | (1,500,000) | (1,500,000) |
| Cash paid for designations | (2,098,886) | (1,876,799) |
| Cash paid to other facilitated community programs | (1,271,309) | (1,086,431) |
| Cash paid for PPUW community programs and operating expenses | (2,602,003) | (2,251,820) |
| Cash paid for interest | (33,565) | (40,362) |
| Net cash provided by (used in) operating activities | (274,698) | 331,737 |
| <u>INVESTING ACTIVITIES</u> | | |
| Purchases of property and equipment | (36,138) | (311,545) |
| Purchases of investments | (157,699) | (43,692) |
| Proceeds from the sale of investments | 190,103 | 356,235 |
| Net cash provided by (used in) investing activities | (3,734) | 998 |
| <u>FINANCING ACTIVITIES</u> | | |
| Payments on note payable | (192,000) | (52,000) |
| Net cash used in financing activities | (192,000) | (52,000) |
| Net increase (decrease) in cash and cash equivalents | (470,432) | 280,735 |
| Cash and cash equivalents, beginning of period | 1,957,258 | 1,676,523 |
| Cash and cash equivalents, end of period | \$ 1,486,826 | \$ 1,957,258 |

The accompanying notes and independent auditor's report
should be read with this financial statement.

PIKES PEAK UNITED WAY
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2013 (with comparative totals for 2012)

| | <u>2013</u> | <u>2012</u> |
|---|---------------------|-------------------|
| RECONCILIATION OF CHANGE IN NET ASSETS TO NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES | | |
| Change in net assets | \$ 27,163 | \$ 175,228 |
| Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities: | | |
| Depreciation | 72,213 | 79,555 |
| Net realized and unrealized (gains) losses on investments | (146,411) | 103,461 |
| (Gain) loss on beneficial interest in perpetual trust | (7,333) | 10,687 |
| Changes in operating assets and liabilities: | | |
| Contributions receivable | 142,798 | 23,306 |
| Grants and other receivable | (236,141) | 292,324 |
| Prepaid expenses and other | 20,077 | 13,036 |
| Accounts payable and accrued expenses | (41,769) | 51,261 |
| Allocations and designations payable | (47,089) | (446,215) |
| Deferred revenue | (58,206) | 29,094 |
| Net cash provided by (used in) operating activities | <u>\$ (274,698)</u> | <u>\$ 331,737</u> |

SUPPLEMENTAL DISCLOSURE OF NON-CASH ACTIVITIES

The Organization purchased assets through the issuance of debt as follows:

| | | |
|--|-----------------|-------------------|
| Cost of equipment and fixtures purchased | \$ 36,138 | \$ 451,545 |
| Less cash paid | <u>(36,138)</u> | <u>(311,545)</u> |
| Debt incurred | <u>\$ -</u> | <u>\$ 140,000</u> |

The accompanying notes and independent auditor's report should be read with this financial statement.

PIKES PEAK UNITED WAY
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED JUNE 30, 2013 AND 2012

1. NATURE OF OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Operations — Pikes Peak United Way ("PPUW" or "Organization") is a not-for-profit organization incorporated in the State of Colorado. PPUW's mission is to mobilize and grow the caring power of the community, to create the best quality of life possible for all of its citizens. PPUW operates primarily in El Paso and Teller Counties, Colorado.

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, the work of PPUW 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. Included in these are compliance in the areas of governance, accounting standards and presentation. In 2010, The United Way network raised \$5.09 billion making United Way the largest private nonprofit in the world. PPUW is governed by its own volunteer Board of Trustees and pays annual dues to United Way Worldwide based upon campaign results. Annual dues to United Way Worldwide totaled \$55,657 and \$55,420 for the years ended June 30, 2013 and 2012, respectively.

Basis of Presentation — The accompanying financial statements have been prepared in accordance with the accounting principals generally accepted in the United States of America ("US GAAP"), and with the financial statement standards of United Way Worldwide. United Way Worldwide standards are required for membership and fully comply with US GAAP applicable for not-for-profit organizations.

Use of Estimates — The preparation of the financial statements in conformity with US GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Significant estimates include the provision for uncollectible pledges, useful lives of property and equipment and allocation of functional expenses. Actual results could differ from those estimates.

Cash and Cash Equivalents — For purposes of the statement of cash flows, the Organization considers cash, amounts due from banks and highly liquid investments purchased with original maturities of three months or less to be cash and cash equivalents.

See independent auditor's report

PIKES PEAK UNITED WAY
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED JUNE 30, 2013 AND 2012

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

Contributions Receivable — Contributions 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 contributions, which is based upon management's periodic review of outstanding receivables, historical collection information and existing economic conditions. Contributions receivable are recorded net of an allowance for uncollectible pledges of \$332,109 and \$329,877 as of June 30, 2013 and 2012, 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 \$500 with lesser amounts expensed in the year purchased. Depreciation is provided using the straight-line method over the estimated useful life of the asset, which ranges from three to 40 years.

Investments — Investments in equity and fixed income mutual funds are carried at fair value. Investment income, gains and losses are reflected in the statement of activities and changes in net assets as unrestricted, temporarily restricted or permanently restricted based upon the existence and nature of any donor or legally imposed restrictions.

Deferred Revenue — Deferred revenue consists of unspent contracts. The Organization recognizes revenues upon their completion. All unexpended revenues are deferred and recognized when the related expenditure occurs.

Unrestricted Net Assets — Assets and liabilities that are associated with the principal mission of the Organization not otherwise restricted by donors, whether or not designated for specific purposes by the Board of Trustees. The presence of a surplus or deficit for this net asset category is the primary measure of the economic performance of the Organization in the short and long term.

Temporarily Restricted Net Assets — Assets and liabilities that include donations and other inflows of assets whose use by the Organization is restricted by donor imposed stipulations that either expire by passage of time or other specified future event, or can be fulfilled and removed by actions of the Organization pursuant to those stipulations. Typically this balance consists of restricted grants for which spending has not been completed, or campaign revenues restricted at a given point in time. This category can be subject to timing differences that can result in material short-term increases or decreases that can significantly impact the change in total net assets in ways that are inconsistent with the true economic performance of the Organization as measured by unrestricted net assets.

See independent auditor's report

PIKES PEAK UNITED WAY
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED JUNE 30, 2013 AND 2012

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

Permanently Restricted Net Assets — Assets and liabilities that include gifts and other inflows of assets which require by donor restriction that the asset principal be invested in perpetuity and only the income be made available for current operations in accordance with donor stipulations as to the specific purpose for which the income may be expended.

Total Net Assets — This is the total of the balances of all three categories of the net assets and is the amount reported on the Organization's tax return and audit reports and is used for reporting to the public. The misleading impact in material short-term changes in Temporarily Restricted Net Assets on the Total Net Assets makes it critical to understand the underlying factors associated with changes in Total Net Assets as a result of these factors.

Contributions — Revenues include contributions from the fundraising campaign conducted each year to help support agency allocations, program services and operations of the Organization. Contributions are considered available for unrestricted use unless they are specifically restricted by the donor. Contributions received are recorded in the year the related commitments are received as either unrestricted, temporarily restricted or permanently restricted revenue. As restrictions on temporarily restricted net assets are satisfied, temporarily restricted net assets are reclassified to unrestricted net assets and reported as net assets released from restriction in the statement of activities.

Donor Designations — Certain contributions/pledges received in fundraising campaigns are designated by individuals for specific agencies or for United Way organizations in areas other than the Pikes Peak Region. To promote philanthropy, 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 and are deducted from gross campaign results to arrive at contribution revenue. In accordance with United Way Worldwide membership requirements, these designations are presented as part of gross campaign results and gross agency distributions on the statement of activities, but are then deducted to arrive at the Organization's actual revenue and expense under US GAAP.

The United Way also participates in local campaigns in the Metropolitan Colorado Springs area on behalf of the Combined Federal Campaign and the Colorado Combined Campaign. Through these campaigns, donors designate their gifts to a wide variety of charitable organizations, and the United Way distributes the campaign proceeds accordingly. The United Way acts as a federation level entity for these campaigns, and distributes the campaign proceeds to those agencies that are members of our federation.

See independent auditor's report

PIKES PEAK UNITED WAY
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED JUNE 30, 2013 AND 2012

**1. NATURE OF OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(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 2012-2013

| Level | Amount | Donor |
|-----------------|---------------------|--|
| Summit Level | \$100,000+ | El Pomar Foundation |
| Pinnacle Level | \$50,000 - \$99,000 | Agilent Technologies, Inc. The Anschutz Foundation Rampart Supply |
| Vista Level | \$25,000 - \$49,000 | Deluxe-Direct Checks Unlimited Wells Fargo Foundation |
| Mesa Level | \$15,000 - \$24,999 | Current, Inc. Ent Federal Credit Union T. Rowe Price Associates |
| Red Rocks Level | \$10,000 - \$14,999 | United Parcel Service |
| Canyon Level | \$5,000 - \$9,999 | Aeroflex Black Hills Energy Blazer Electric Supply Company Classic Companies Comcast Corporation Enterprise Leasing Company FedEx First Bank GE Johnson Construction Hewlett Packard Kaiser Permanente Neumann Systems Group Target U.S. Bancorp Wal-Mart Stores, Inc. |

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

See independent auditor's report

PIKES PEAK UNITED WAY
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED JUNE 30, 2013 AND 2012

1. NATURE OF OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

During the years ended June 30, 2013 and 2012, the Organization received in-kind professional consulting fees and supplies of \$6,248 and \$7,405 respectively.

Many individuals volunteer their time and perform a variety of tasks that assist the Organization. The Organization received approximately 7,350 and 12,800 volunteer hours during the years ended June 30, 2013 and 2012, respectively, with an estimated fair value of approximately \$165,000 and \$281,600, 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 — PPUW is a qualifying tax-exempt organization under Section 501(c)(3) of the Internal Revenue Code (Code) and has been classified as an organization that is not a private foundation under Section 509(a)(2) of the Code.

The Organization did not have net unrelated business income for the years ended June 30, 2013 and 2012. No tax accrual for uncertain tax positions was recorded as management believes there are no uncertain tax positions for the Organization.

Functional Allocation of Expense — The costs of providing various program and supporting services have been summarized on a functional basis in the statement of activities and changes in net assets. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

Hedge Accounting — In order to reduce the risk to variability in interest rates relative to its variable rate note payable, the Organization entered into an interest rate swap agreement. Changes to the fair value of the interest rate swap agreement are accounted for as increases or decreases in general and administrative expense (see Note 6).

Reclassification — Certain prior year amounts have been reclassified to conform with current year presentation.

See independent auditor's report

PIKES PEAK UNITED WAY
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED JUNE 30, 2013 AND 2012

2. INVESTMENTS

Investments consist of the following at June 30:

| | <u>2013</u> | <u>2012</u> |
|--|---------------------|---------------------|
| Equity mutual funds – domestic and international | \$ 1,129,433 | \$ 1,024,328 |
| Fixed income mutual funds | 312,092 | 303,190 |
| Beneficial interest in perpetual trust | <u>109,963</u> | <u>102,630</u> |
| Total | <u>\$ 1,551,488</u> | <u>\$ 1,430,148</u> |

These amounts are included in the statement of financial position as follows:

| | | |
|--|---------------------|---------------------|
| Investments – current | \$ 441,525 | \$ 327,518 |
| Investments – long-term | 1,000,000 | 1,000,000 |
| Beneficial interest in perpetual trust | <u>109,963</u> | <u>102,630</u> |
| Total | <u>\$ 1,551,488</u> | <u>\$ 1,430,148</u> |

Investment income (loss) consists of the following for the year ended June 30:

| | | |
|---|-------------------|---------------------|
| Interest and dividends | \$ 31,726 | \$ 35,827 |
| Net realized and unrealized gains (losses) | 146,411 | (103,461) |
| Gain (loss) on beneficial interest in perpetual trust | 7,333 | (10,687) |
| Derivative financial instrument | <u>35,069</u> | <u>(34,086)</u> |
| Total | <u>\$ 220,539</u> | <u>\$ (112,407)</u> |

See independent auditor's report

PIKES PEAK UNITED WAY
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED JUNE 30, 2013 AND 2012

3. PROPERTY AND EQUIPMENT

Property and equipment consists of the following at June 30:

| | <u>2013</u> | <u>2012</u> |
|----------------------------|---------------------|---------------------|
| Land | \$ 511,992 | \$ 511,993 |
| Land improvements | 78,706 | 45,151 |
| Building | 1,345,627 | 1,345,627 |
| Furniture and equipment | <u>503,148</u> | <u>500,565</u> |
| Total | 2,439,473 | 2,403,336 |
| Accumulated depreciation | <u>(786,323)</u> | <u>(714,111)</u> |
| Net property and equipment | <u>\$ 1,653,150</u> | <u>\$ 1,689,225</u> |

Depreciation expense was \$72,213 and \$79,555 for the years ended June 30, 2013 and 2012, respectively.

4. ALLOCATIONS AND DESIGNATIONS PAYABLE

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

Allocations and designations consist of the following at June 30:

| | <u>2013</u> | <u>2012</u> |
|---|---------------------|---------------------|
| Allocations approved by Board of Trustees | \$ 1,500,000 | \$ 1,500,000 |
| Designations payable | <u>737,183</u> | <u>784,272</u> |
| Total | <u>\$ 2,237,183</u> | <u>\$ 2,284,272</u> |

See independent auditor's report

PIKES PEAK UNITED WAY
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED JUNE 30, 2013 AND 2012

5. LINE OF CREDIT

The Organization has a commitment from a financial institution for a line of credit in the amount of \$350,000 which matures on August 30, 2013. Borrowings under the line of credit bear interest at the greater of a floating rate equal to the Index plus 1.00% or the floor rate of 5.00% per annum and is secured by personal property, pledges and grants. There is no balance due at June 30, 2013. The line of credit was renewed on August 12, 2013 and extended the maturity to October 30, 2014 (see Note 13).

6. NOTE PAYABLE

The Organization has a note payable with a balance of \$524,334 and \$576,334 at June 30, 2013 and 2012, respectively, payable in monthly installments of \$4,333 plus interest. The note bears interest at the London Interbank Offered Rate (LIBOR) plus 0.80% per annum, is collateralized by real estate and is due in July of 2023.

Aggregate annual maturities of these notes payable are as follows as of June 30, 2013:

| <u>Years Ending June 30,</u> | |
|------------------------------|-------------------|
| 2014 | \$ 52,000 |
| 2015 | 52,000 |
| 2016 | 52,000 |
| 2017 | 52,000 |
| 2018 | 52,000 |
| Thereafter | <u>264,334</u> |
| Total | <u>\$ 524,334</u> |

The Organization holds an interest rate swap agreement to fix the interest rate on the note at 5.59% per annum for the term of the note. The swap agreement was issued with a notional principal amount equivalent to the outstanding note. The estimated fair value of the swap agreement was a liability of \$77,154 and \$112,222 as of June 30, 2013 and 2012, respectively. The Organization incurred a gain of \$35,068 and a loss of \$34,086 due to changes in the fair value of the interest rate swap agreement during the years ended June 30, 2013 and 2012, respectively. Total interest expense for the years ended June 30, 2013 and 2012 was \$33,565 and \$40,362, respectively.

See independent auditor's report

PIKES PEAK UNITED WAY
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED JUNE 30, 2013 AND 2012

7. FAIR VALUE OF FINANCIAL INSTRUMENTS

US GAAP defines fair value as 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. Therefore, the term "price" refers to the exit price as opposed to the entry price, which is the price paid to acquire the asset or received to assume the liability. US GAAP also establishes a fair value hierarchy, which requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. The standard describes three levels of inputs that may be used to measure fair value:

Level 1: Unadjusted quoted prices in active markets for identical assets or liabilities that the Organization has the ability to access.

Level 2: Prices determined using significant other observable inputs. Inputs to the valuation methodology include:

- Quoted prices for similar assets or liabilities in active markets;
- Quoted prices for identical or similar assets or liabilities in inactive markets;
- Inputs other than quoted prices that are observable for the asset or liability;
- Inputs that are derived principally from or corroborated by observable market data by correlation or other means.

If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.

Level 3: Prices determined using significant unobservable inputs.

See independent auditor's report

PIKES PEAK UNITED WAY
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED JUNE 30, 2013 AND 2012

7. FAIR VALUE OF FINANCIAL INSTRUMENTS (CONTINUED)

The investment'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 table sets forth, by level within the fair value hierarchy, the Organization's financial instruments at fair value as of June 30:

| | 2013 | | | |
|--------------------------------------|---------------------|---------------------|-------------------|----------------|
| | <u>Fair Value</u> | <u>Level 1</u> | <u>Level 2</u> | <u>Level 3</u> |
| ASSETS | | | | |
| Equity and fixed income mutual funds | \$ 1,441,525 | \$ 1,441,525 | \$ - | \$ - |
| Beneficial interest in perpetual | 109,963 | - | 109,963 | - |
| | <u>\$ 1,551,488</u> | <u>\$ 1,441,525</u> | <u>\$ 109,963</u> | <u>\$ -</u> |
| LIABILITIES | | | | |
| Interest rate swap (Note 6) | <u>\$ 77,154</u> | <u>\$ -</u> | <u>\$ 77,154</u> | <u>\$ -</u> |
| | | | | |
| | 2012 | | | |
| | <u>Fair Value</u> | <u>Level 1</u> | <u>Level 2</u> | <u>Level 3</u> |
| ASSETS | | | | |
| Equity and fixed income mutual funds | \$ 1,327,518 | \$ 1,327,518 | \$ - | \$ - |
| Beneficial interest in perpetual | 102,630 | - | 102,630 | - |
| | <u>\$ 1,430,148</u> | <u>\$ 1,327,518</u> | <u>\$ 102,630</u> | <u>\$ -</u> |
| LIABILITIES | | | | |
| Interest rate swap (Note 6) | <u>\$ 112,222</u> | <u>\$ -</u> | <u>\$ 112,222</u> | <u>\$ -</u> |

See independent auditor's report

PIKES PEAK UNITED WAY
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED JUNE 30, 2013 AND 2012

8. BOARD DESIGNATED UNRESTRICTED NET ASSETS

To be good stewards with donor dollars, the Board of Trustees adopted a cash reserve policy to maintain a cash reserve of Seven Hundred Fifty Thousand dollars (\$750,000). The purpose of this reserve is for emergency cash flows for operating expenses. These board designated reserves are separately accounted for on the general ledger as a cash balance and separately reported in its internal financial statements. No monies held as reserves may be transferred from the reserve account or used for any purpose other than as reserves without the approval of the Board of Trustees of PPUW. The Board of Trustees reserves the right to make withdrawals should the circumstances warrant such action.

9. TEMPORARILY RESTRICTED NET ASSETS

As of June 30, 2013 and 2012, temporarily restricted net assets are available for the following purposes:

| | <u>2013</u> | <u>2012</u> |
|--|-------------------|-------------------|
| El Pomar Emergency Fund | \$ 457,593 | \$ 330,307 |
| Colorado Springs Housing and Community Development | 359,349 | 371,879 |
| Women's Leadership Council | 22,983 | 23,120 |
| Community Information Systems contracts | 16,100 | 20,908 |
| Military Family Assistance Program | 7,643 | 51,107 |
| 2-1-1 contracts | 3,743 | 5,624 |
| Community celebration | 3,000 | - |
| Waldo Canyon Fire Assistance Fund | - | 149,495 |
| | <u> </u> | <u> </u> |
| Total | <u>\$ 870,411</u> | <u>\$ 952,440</u> |

10. PERMANENTLY RESTRICTED NET ASSETS

Permanently restricted net assets consist of investments in perpetuity, the income from which is expendable to support the Organization's programs as follows:

| | <u>2013</u> | <u>2012</u> |
|--|---------------------|---------------------|
| Emergency relief | \$ 1,000,000 | \$ 1,000,000 |
| Beneficial interest in perpetual trust | 109,963 | 102,630 |
| | <u> </u> | <u> </u> |
| Total | <u>\$ 1,109,963</u> | <u>\$ 1,102,630</u> |

See independent auditor's report

PIKES PEAK UNITED WAY
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED JUNE 30, 2013 AND 2012

10. PERMANENTLY RESTRICTED NET ASSETS (CONTINUED)

In a previous year, a donor established an irrevocable, perpetual trust with a bank, naming the Organization as one of its beneficiaries. Under the terms of the trust agreement, the Organization is to receive a stated percentage of the interest earned on the corpus of the trust assets, at the date of the donor's death, in perpetuity for its unrestricted use. The Organization's percentage of the assets held in the trust totaled \$109,963 and \$102,630 as of June 30, 2013 and 2012, respectively, and is reported at fair market value in the Organization's statement of financial position.

11. ENDOWMENT FUNDS

The Organization's endowment consists of two individual funds established for a variety of purposes. Its endowment includes both donor-related endowment funds and funds designated by the Board of Trustees to function as endowments. As required by US GAAP, net assets associated with endowment funds, including funds designated by the Board of Trustees to function as endowments, are classified and reported based on the existence or absence of donor-imposed restrictions.

During 2008, the State of Colorado adopted the Uniform Prudent Management of Institutional Funds Act (UPMIFA). The Organization has interpreted UPMIFA as requiring the preservation of the original fair value of the 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 as permanently restricted net assets (a) the original value of gifts donated to the permanent endowment, and (b) accumulations to the permanent endowment made in accordance with the direction of the applicable donor gift instrument. The remaining portion of the donor-restricted endowment fund that is not classified in permanently restricted net assets is classified as temporarily restricted net assets until those amounts are appropriated for expenditure by the Organization in a manner consistent with the standard of prudence prescribed by UPMIFA.

In accordance with UPMIFA, the Organization considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

- 1) The duration and preservation of the fund
- 2) The purposes of the Organization and the donor-restricted endowment fund
- 3) General economic conditions
- 4) The possible affect of inflation and deflation
- 5) The expected total return from income and the appreciation of investments
- 6) Other resources of the Organization
- 7) The investment policies of the Organization.

See independent auditor's report

PIKES PEAK UNITED WAY
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED JUNE 30, 2013 AND 2012

11. ENDOWMENT FUNDS (CONTINUED)

Endowment net asset composition by type of fund as of June 30, 2013, is as follows:

| | <u>Unrestricted</u> | <u>Temporarily Restricted</u> | <u>Permanently Restricted</u> | <u>Total</u> |
|-------------------------------------|---------------------|-----------------------------------|-----------------------------------|---------------------|
| Donor-restricted endowment funds | \$ - | \$ 441,525 | \$ 1,109,963 | \$ 1,551,488 |
| Board-designated endowment funds | <u>528,488</u> | <u>-</u> | <u>-</u> | <u>528,488</u> |
| Total funds | <u>\$ 528,488</u> | <u>\$ 441,525</u> | <u>\$ 1,109,963</u> | <u>\$ 2,079,976</u> |

Changes in endowment net assets for the year ended June 30, 2013, are as follows:

| | <u>Unrestricted</u> | <u>Temporarily Restricted</u> | <u>Permanently Restricted</u> | <u>Total</u> |
|---|---------------------|-----------------------------------|-----------------------------------|---------------------|
| Endowment net assets, beginning of year | \$ 538,558 | \$ 327,518 | \$ 1,102,630 | \$ 1,968,706 |
| Investment return: | | | | |
| Investment income | - | 7,333 | - | 7,333 |
| Net depreciation (realized and unrealized) | <u>-</u> | <u>146,411</u> | <u>-</u> | <u>146,411</u> |
| Total investment return | <u>-</u> | <u>153,744</u> | <u>-</u> | <u>153,744</u> |
| Contributions | 17,206 | - | - | 17,206 |
| Appreciation (Depreciation) of endowment | <u>(27,276)</u> | <u>(39,737)</u> | <u>7,333</u> | <u>(59,680)</u> |
| Endowment net assets, end of year | <u>\$ 528,488</u> | <u>\$ 441,525</u> | <u>\$ 1,109,963</u> | <u>\$ 2,079,976</u> |

Permanently Restricted Net Assets

The portion of perpetual endowment funds that is required to be retained permanently either by explicit donor stipulation or by UPMIFA

\$ 1,109,963

See independent auditor's report

PIKES PEAK UNITED WAY
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED JUNE 30, 2013 AND 2012

11. ENDOWMENT FUNDS (CONTINUED)

Temporarily Restricted Net Assets

The portion of perpetual endowment funds subject to a time restriction under UPMIFA:

| | |
|--------------------------|-------------------|
| With purpose restriction | <u>\$ 441,525</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, 2013 and 2012.

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

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

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

See independent auditor's report

PIKES PEAK UNITED WAY
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED JUNE 30, 2013 AND 2012

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 base contribution consists of 6.00% of eligible employee gross salaries with an additional 2.00% matching contribution based on participating employee individual contributions. Due to the economy, employer contributions were suspended and there were no contributions in either 2013 or 2012.

13. SUBSEQUENT EVENTS

Black Forest Wildfire - Less than one year after the Waldo Canyon Fire, the Black Forest Wildfire erupted and became the most destructive wildfire in Colorado history. More than 38,000 people were evacuated, 18,500 acres were burned, 379 homes destroyed resulting in two deaths. In keeping with PPUW's high standards of accountability, transparency and Community, PPUW jumped into action. A page on the United Way website was set up for information, 211 was activated, employees manned the Disaster Assistance Center. Volunteers were coordinated, and PPUW is represented on the allocations committee for fund distributions.

Line of Credit - The Organization has a commitment from a financial institution for a line of credit in the amount of \$350,000 which matured on August 30, 2013. The line was renewed on August 12, 2013, and extended the availability of this line of credit to October 30, 2014. The line of credit bears interest at prime plus 1.00% per annum and is secured by personal property, pledges and grants.

* * * * *

See independent auditor's report

PIKES PEAK UNITED WAY

SUPPLEMENTAL INFORMATION

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**PIKES PEAK UNITED WAY
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2013**

| | PROGRAM SERVICES | | | | | | | | SUPPORTING SERVICES | | | 2013 Totals | |
|---------------------------------|---------------------|-------------------------|---------------------|-------------------|-------------------------------|---------------------------------|----------------------------|-------------------|---------------------|-------------------|-------------------------------|-------------------|---------------------|
| | Net Funds Awarded | 2-1-1 Info and Referral | Allocation Services | Community Impact | Community Information Systems | Success By 6 - School Readiness | Quality of Life Indicators | Other Programs | Total | Fundraising | Organizational Administration | | Total |
| Net funds awarded | \$ 2,925,911 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 2,925,911 | \$ - | \$ - | \$ - | \$ 2,925,911 |
| Salaries | - | 178,875 | 137,800 | 159,076 | 46,373 | 57,428 | 12,329 | 87,242 | 679,123 | 347,621 | 271,676 | 619,297 | 1,298,420 |
| Payroll taxes | - | 12,770 | 9,837 | 11,356 | 3,310 | 4,100 | 880 | 6,228 | 48,481 | 24,816 | 19,394 | 44,210 | 92,691 |
| Employee benefits | - | 27,018 | 20,814 | 24,028 | 7,004 | 8,674 | 1,862 | 13,178 | 102,578 | 52,506 | 41,035 | 93,541 | 196,119 |
| Total | 2,925,911 | 218,663 | 168,451 | 194,460 | 56,687 | 70,202 | 15,071 | 106,648 | 3,756,093 | 424,943 | 332,105 | 757,048 | 4,513,141 |
| Occupancy | - | 48,012 | 37,072 | 8,076 | 10,495 | 9,446 | 7,385 | 64,253 | 184,739 | 18,556 | 11,749 | 30,305 | 215,044 |
| Contract services | - | 52,534 | 53,689 | 16,944 | 6,309 | 5,536 | 9,189 | 11,511 | 155,712 | 36,393 | 22,310 | 58,703 | 214,415 |
| United Way Worldwide dues | - | 7,913 | 6,096 | 7,037 | 2,051 | 2,540 | 545 | 3,859 | 30,041 | 15,378 | 10,235 | 25,613 | 55,654 |
| Printing | - | 1,809 | 247 | 383 | 71 | 270 | 19 | 1,339 | 4,138 | 18,526 | 355 | 18,881 | 23,019 |
| Supplies | - | 946 | 1,964 | 870 | 448 | 14,486 | 90 | 4,558 | 23,362 | 8,479 | 1,103 | 9,582 | 32,944 |
| Staff development | - | 1,523 | 1,025 | 5,038 | 226 | 560 | 60 | 2,461 | 10,893 | 8,304 | 1,130 | 9,434 | 20,327 |
| Insurance | - | 3,208 | 2,471 | 2,853 | 832 | 1,030 | 221 | 2,961 | 13,576 | 6,234 | 4,150 | 10,384 | 23,960 |
| Postage and shipping | - | 929 | 685 | 797 | 280 | 284 | 61 | 2,284 | 5,320 | 13,408 | 1,144 | 14,552 | 19,872 |
| Meeting expense | - | 1,100 | 810 | 1,520 | 290 | 387 | 892 | 578 | 5,577 | 2,524 | 742 | 3,266 | 8,843 |
| Travel | - | 1,753 | 1,286 | 732 | 196 | 365 | 43 | 478 | 4,853 | 4,367 | 86 | 4,453 | 9,306 |
| Miscellaneous | - | 138 | 106 | 122 | 1,816 | 44 | 9 | 681 | 2,916 | 507 | 178 | 685 | 3,601 |
| Total | - | 119,865 | 105,451 | 44,372 | 23,014 | 34,948 | 18,514 | 94,963 | 441,127 | 132,676 | 53,182 | 185,858 | 626,985 |
| TOTAL OPERATING EXPENSES | \$ 2,925,911 | \$ 338,528 | \$ 273,902 | \$ 238,832 | \$ 79,701 | \$ 105,150 | \$ 33,585 | \$ 201,611 | \$ 4,197,220 | \$ 557,619 | \$ 385,287 | \$ 942,906 | \$ 5,140,126 |

See independent auditor's report.

PIKES PEAK UNITED WAY
SCHEDULE OF FUNDS AWARDED
FOR THE YEAR ENDED JUNE 30, 2012 AND 2011

| Allocations to Partner Agencies and Affiliates | 2013 | 2012 |
|--|------------------|------------------|
| American Red Cross Pikes Peak Chapter | \$ 4,499 | \$ 4,499 |
| The ARC of the Pikes Peak Region | 10,460 | 10,460 |
| AspenPointe Health Services | 39,667 | 39,667 |
| AspenPointe Youth Directions | 15,617 | 15,617 |
| BethHaven, Incorporated | 16,449 | 16,449 |
| Big Brothers Big Sisters of Colorado, Inc. - Pikes Peak | 31,812 | 31,812 |
| Boys & Girls Club of the Pikes Peak Region | 25,479 | 25,479 |
| Care and Share Food Bank for Southern Colorado | 39,736 | 39,736 |
| * CASA of the Pikes Peak Region | 56,374 | 56,374 |
| Catholic Charities of Central Colorado | 126,731 | 126,731 |
| The Center for Hearing, Speech and Language | 4,945 | 4,945 |
| Cheyenne Village, Inc. | 60,131 | 60,131 |
| * Child Care Connections | 13,536 | 13,536 |
| Colorado Legal Services | 14,848 | 14,848 |
| Community Partnership for Child Development | 139,290 | 139,290 |
| * Diakonia | 7,498 | 7,498 |
| Amblicab (formerly Disability Services, Inc.) | 32,069 | 32,069 |
| Early Connection Learning Centers | 167,197 | 167,197 |
| Energy Resource Center | 29,005 | 29,005 |
| Franciscan Community Counseling, Inc. | 6,980 | 6,980 |
| Griffith Centers for Children / CHINS UP | 1,634 | 1,634 |
| * Joint Initiaves for Youth and Families / Alliance for Kids | 10,263 | 10,263 |
| LULAC National Education Service Centers, Inc. | 3,420 | 3,420 |
| Lutheran Family Services - Rocky Mountains | 16,617 | 16,617 |
| Partners in Housing | 33,226 | 33,226 |
| Peak Vista Community Health Centers | 100,112 | 100,112 |
| Pikes Peak Community Action Agency, Inc. | 49,926 | 49,926 |
| Pikes Peak Habitat for Humanity, Inc. | 16,114 | 16,114 |
| * Pikes Peak Library District Foundation | 9,689 | 9,689 |
| The Resource Exchange, Inc. | 47,002 | 47,002 |
| The Salvation Army, El Paso County | 189,241 | 189,241 |
| Silver Key Senior Services, Inc. | 35,784 | 35,784 |
| Southern Colorado AIDS Project | 11,424 | 11,424 |
| TESSA | 78,420 | 78,420 |
| Tri-Lakes Cares | 35,762 | 35,762 |
| Women's Resource Agency, Inc. | 19,043 | 19,043 |
| Total Partner and Affiliates Allocations | 1,500,000 | 1,500,000 |

See independent auditor's report.

PIKES PEAK UNITED WAY
SCHEDULE OF FUNDS AWARDED
FOR THE YEAR ENDED JUNE 30, 2012 AND 2011

| Allocations to Partner Agencies and Affiliates (continued) | 2013 | 2012 |
|---|---------------------|---------------------|
| Other Gross Funds Awarded | | |
| Designations, Partner Agencies | \$ 872,454 | \$ 872,798 |
| Designations, Non-Partner Agencies | 1,179,343 | 939,351 |
| Waldo Canyon Fire | 940,300 | - |
| Colorado Springs Housing and Community Development | 381,396 | 394,959 |
| El Pomar Emergency Grants | 50,000 | 30,000 |
| Military Family Assistance | 44,465 | 69,700 |
| Sponsorships | 9,750 | 4,000 |
| Total Gross Funding to Agencies | 4,977,708 | 3,810,808 |
| Less Designation | (2,051,797) | (1,812,149) |
| Net Funds Awarded | \$ 2,925,911 | \$ 1,998,659 |

* Affiliates

See independent auditor's report.

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PIKES PEAK UNITED WAY

**SUPPLEMENTAL INFORMATION
PROVIDED BY MANAGEMENT**

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PIKES PEAK UNITED WAY
DESCRIPTION OF OTHER PROGRAM SERVICES
FOR THE YEARS ENDED JUNE 30, 2013 AND 2012

| | <u>2013</u> | <u>2012</u> |
|---|---------------------|---------------------|
| 2-1-1 Information and Referral | \$ 338,528 | \$ 381,718 |
| Community Information Systems | 273,903 | 342,613 |
| Community Impact | 238,832 | 231,586 |
| Success By 6 | 105,150 | 112,125 |
| Community Investment / Allocation Services | 79,701 | 119,727 |
| Volunteer Center | 63,887 | 45,330 |
| Waldo Canyon Fire Assistance | 41,100 | - |
| Community Rooms | 35,976 | 35,932 |
| Quality of Life Indicators Report for the Pikes Peak Region | 33,585 | 45,501 |
| Center for Nonprofit Excellence | 27,483 | 26,096 |
| Homeward Pikes Peak | 16,586 | 18,454 |
| Women's Leadership Council | 13,146 | 10,591 |
| Federal Emergency Management Agency | 3,432 | 2,543 |
| Total | <u>\$ 1,271,309</u> | <u>\$ 1,372,216</u> |

2-1-1 Information and Referral

Pikes Peak United Way 2-1-1 is a free, confidential, and easy to remember number that offers information and referral for basic health and human service needs Monday through Friday, 8am to 5pm. The hotline serves 11 counties: El Paso, Teller, Chafee, Cheyenne, Lincoln and Park, in addition to the San Luis Valley counties of Alamosa, Conejos, Costilla, Rio Grande and Saguache.

Information and referrals are made from a call center staffed with experienced bilingual operators (access to additional translation services is available). Community specialists assess the critical needs and potential eligibility of each caller to provide referrals to appropriate agencies and services. Callers are provided with detailed information about each referral agency including hours of operation, intake/document requirements, directions and more. By directing people to the right resources and preparing them for their visit, 2-1-1 promotes higher assistance success and decreases frustrations. Last year, Pikes Peak United Way 2-1-1 provided life changing information and referrals to 28,041 individuals and families in crisis.

See independent auditor's report.

2-1-1 Information and Referral (continued)

Finally, working in tandem with the City of Colorado Springs (City) and El Paso County (County) Offices of Emergency Management, 2-1-1 staffed the County Emergency Operations Center during the Waldo Canyon fire, ensuring the public received up-to-date information and freeing up the 9-1-1 system, which allowed 9-1-1 to focus on true emergency calls. 2-1-1 also produced the Relief and Recovery Guide used throughout the region by fire victims. Pikes Peak United Way has formal memoranda of understanding with the City and County Offices of Emergency Management to use 2-1-1 as a resource for emergency preparedness and response. The benefit to citizens is a single source of information on evacuation routes, road closures, and shelters for people and their animals.

Partnering with the City and County Offices of Emergency Management for disaster/emergency response, Pikes Peak United Way 2-1-1 provides the public with up-to-date information on shelters, road closures, evacuation areas, service providers, etc., freeing up the 9-1-1 system to focus on true emergency calls. Pikes Peak United Way 2-1-1 also manages the emergency evacuation registry, works with Pikes Peak United Way's Volunteer Center and state-wide volunteer management entities to manage and mobilize volunteers, and produces the Relief and Recovery Guide, which is a comprehensive directory of resources for those directly and indirectly affected by a disaster/emergency to provide a single source of information.

Typical referral services provided by Pikes Peak United Way 2-1-1 include:

- Basic human needs resources: food, clothing, shelters, rent assistance, utility assistance and housing.
- Physical and mental health resources: medical information lines, crisis intervention services, support groups, counseling, drug and alcohol intervention, rehabilitation, health insurance programs, Medicaid and Medicare, maternal health, children's health insurance programs, health and immunization fairs and screenings.
- Employment support: unemployment benefits, financial assistance, job training, transportation assistance, employment assistance and education programs.
- Support for older adults and persons with disabilities: Area Agencies on Aging, caregiver support, in-home health care, adult day care, congregate meals, Meals on Wheels, respite care, transportation and homemaker services.
- Support for children, youth and families: quality childcare, preschool programs, family resources, mentoring, tutoring, protective services and school supplies.

See independent auditor's report.

2-1-1 Information and Referral (continued)

Funding partners include:

- Pikes Peak Area Council of Governments Area Agency on Aging for the handling of senior and adult disability calls;
- Piton Foundation for ongoing support for tax related calls; and
- Colorado Springs Utilities for requests for assistance with utility bills.

Community Information Systems

The Community Information Systems program manages a computerized data collection application designed to capture client-level information on the characteristics of program and service needs of adults and children experiencing homelessness or at risk of homelessness. The U.S. Department of Housing and Urban Development (HUD) requires communities receiving federal funding to have a local system which they refer to as Homeless Management Information System (HMIS). In El Paso County, this is referred to as the Client Management System (CMS). It provides the required reporting tool for 18 agencies and 85 programs, and covers several entitlement programs: Continuum of Care Homeless Assistance Program (CoC), Emergency Solutions Grants (ESG), Supportive Services for Veterans with Families (SSVF), and Veterans Administration Supportive Housing (VASH).

CMS implementation presents the community with an opportunity to re-examine how homeless services are provided, to make informed decisions and to develop appropriate action steps. CMS also allows community stakeholders to build new alliances, strengthen services, meet consumer needs in a more streamlined manner and obtain information to guide future planning. CMS is used for the Homeless Persons Point in Time and Housing/Bed Inventory surveys, two more HUD requirements. CMS is also used to generate required agency-specific and community wide reports such as the Annual Performance Reports required for each program, and the Annual Homeless Assessment Report covering the entire community.

In 2012-2013, a formal Strategic Planning Committee was formed and several sub-committees to address the planning, priority-setting, and execution of the Continuum of Care Work. One important element of this effort was the establishment of performance goals for individual programs and for the community. Future plans call for the performance measurement to come directly from CMS.

Without this program, our community could forfeit \$2M annually in CoC funding, \$500K in City and State ESG funds, \$1M in SSVF funds, and \$1M for the housing portion of the VASH funds. The program also supports the grant-writing efforts required to cover the remainder of the cost of these programs. As the federal funding represents approximately 25% of program funding, the leveraged amount is about \$18M annually.

See independent auditor's report.

Community Impact

In all that Pikes Peak United Way undertakes, collaboration and collective impact are critical. None of our programs would have the impact that they do without our community partners. Conversely, when our agencies and organizations are developing initiatives, Pikes Peak United Way is often asked to participate or manage community efforts. Critical community initiatives and collaborations have included:

- Alliance for Kids
- Balance of State Continuum of Care
- Calhan Coalition
- Center for Nonprofit Excellence, Professional Volunteer Roundtable
- City of Colorado Springs and El Paso County Offices of Emergency Management
- City of Colorado Springs, Housing & Community Development
- Colorado Coalition for the Homeless
- Colorado College
- Colorado Community Information Systems
- Colorado Springs Fine Arts Center
- Colorado Springs Regional Business Alliance
- Colorado Springs Together
- Colorado Volunteer Center Network
- Colorado Volunteer Organizations Active in Disasters (CO-VOAD)
- Colorado 2-1-1 Collaborative
- Community Roundtable Luncheon
- Comprehensive Homeless Assistance Providers (CHAP)
- El Paso County, Economic Development Division
- El Pomar - Emerging Leaders Development Program
- Imagination Celebration Leadership Council
- Indy Give! Board
- Joint Initiatives For Youth and Families
- Leadership Pikes Peak, Experience The Springs
- Leadership Pikes Peak, Women's Community Leadership Initiative
- Long-Term Disaster Recovery Group
- Metro Denver Homeless Initiative - Continuum of Care
- Network of Care
- "Not One More" Initiative
- Pikes Peak Area Agency on Aging
- Pikes Peak Volunteer Organizations Active in Disasters (PP-VOAD)
- Pikes Peak Safe Schools Coalition
- Piton Foundation Tax Initiative
- University of Colorado at Colorado Springs

See independent auditor's report.

Success By 6

Pikes Peak United Way's Success By 6 program was established in 2008 with the goal that every child in our community is prepared to succeed when he/she starts school. This initiative is rooted in the understanding that the earliest years of life are critical to human development. Ensuring that all of our children are prepared for kindergarten requires a long-term commitment from families, service providers, policymakers, business, educators and civic leaders. Success By 6 provides a structure to encourage people and organizations to work together for the benefit of children. The unique opportunities for collaboration and partnerships among the public and private sectors that this initiative offers represent our collective commitment to doing what it takes to help the youngest members of our community achieve success.

Working with community experts and stakeholders, Success By 6 narrowed its focus to specific objectives that will have a more immediate and direct impact: Early Literacy and Education, Parent Education and Home Visitation programs in the geographic area of Harrison School District 2 and Colorado Springs School District 11. These school districts were identified as strategic priorities for our current two-year funding cycle due to our ability to reach the highest number of impoverished children and families in the Pikes Peak region. Beginning in July 2012, 13 programs that are focused on Success By 6's strategic imperatives will be allocated \$510,000 (per year) from the Pikes Peak United Way Community Fund through our volunteer-directed allocation process. Pikes Peak United Way supports those programs and others like it in our community through training, networking opportunities and collaboration possibilities.

Success By 6 advocacy and volunteer efforts are focused on educating parents about how to advocate for their children in the realms of education and healthcare. In addition, business alliances are being forged in an effort to harness the political and financial capital of the Pikes Peak region's most influential economic drivers. Business leaders also provide a venue to connect with their employees to facilitate public awareness around issues of quality care and education, early literacy, family stability and health for the youngest of our citizens to succeed in school and life.

Community Investment / Allocation Services

Pikes Peak United Way staff and volunteers spend thousands of hours annually to understand the ever-changing health and human service needs in our community. Every other year, nonprofit partner agencies and affiliates are invited to submit two-year funding requests to the Pikes Peak United Way Community Fund. In 2013, each funded agency had a mid-cycle review. See pages 27-28; Schedule of Funds Awarded for the years ended June 30, 2013 and 2012. More than 75 high-level volunteers representing businesses and organizations from throughout the community received extensive training to participate on one of three committees that scrutinize these grant requests: Stewardship, Community Impact and Fund Allocations. These committees provide insight and recommendations regarding the agencies' and/or programs' financial viability and stability, the fund allocations process and the distribution of funds.

See independent auditor's report.

Community Investment / Allocation Services (continued)

In addition to the Pikes Peak United Way Community Fund, volunteer committees also distribute monies from the: El Pomar Emergency Grant Fund, City of Colorado Springs and Community Development Block Grant (CDBG) funds, and Pikes Peak United Way Women's Leadership Council Jewel Fund. In conjunction with El Pomar Foundation, Pikes Peak United Way also distributes funds through the Military Family Assistance Program to military families in need.

Volunteer Center

Pikes Peak United Way's Volunteer Center (Center) is the resource for volunteerism in the Pikes Peak region. It plays the critical role of encouraging professional development and promoting community service by connecting individuals and groups with volunteer opportunities that utilize a wide-range of skills and interests. The impact is mutually beneficial to the volunteers, nonprofits, corporate sector and the community at large. The Center fills a significant gap that exists between the needs of the community and the resources available to meet them. Volunteers looking for ongoing opportunities and/or date specific projects can visit the Center website at www.ppuwvolunteercenter.org, while agencies are provided ongoing volunteer recruitment and support, training and best practices to effectively manage their volunteer programs and opportunities. In FY 2012-2013, nearly 2,300 individuals contributed 20,820 hours of volunteer time to more than 100 community projects, equating to approximately \$453,700 in manpower service.

Pikes Peak United Way provides opportunities for members of the community to get involved through a myriad of events. One such event is Make a Difference Month, which is an annual community-wide volunteer effort. Each October, thousands of individuals and groups from the corporate, military, nonprofit and faith-based sectors gather to address local needs. Activities may include reclamation of community parks, reading to children or weatherizing the homes of seniors and individuals with disabilities.

Pikes Peak United Way also hosted a follow-up to last year's Volunteer Symposium with the Center for Nonprofit Excellence and the Leighty Foundation. The event brought together executive directors, volunteer managers and board members from more than 20 local nonprofits to share ideas and plans for capacity building with volunteers, and assess progress and challenges.

Additionally, Pikes Peak United Way collaborates with the Center for Nonprofit Excellence on two other events: Volunteer Day which is an annual event recognizing outstanding volunteers and Nonprofit Day which convenes community nonprofits around a day of educational workshops and seminars related to their sector.

See independent auditor's report.

Waldo Canyon Fire Assistance

The Waldo Canyon Fire Assistance Fund was established with a seed grant of \$125,000 from El Pomar Foundation in the aftermath of one of the most destructive wildfires in Colorado history in June 2012. More than 32,000 people were displaced, 18,247 acres were burned and 346 homes were destroyed resulting in two deaths. Tremendous support from the community grew, a telethon featuring the Colorado Springs Philharmonic, Michael Martin Murphy and other local celebrities was aired live on the 4th of July. At the call center, nearly \$300,000 was pledged in the first four hours of the telethon. Subsequently, the fund grew to more than \$940,000 by the end of September. In keeping with PPUW's standards of stewardship, accountability, transparency, and impact, PPUW purposefully selected a Community Advisory Board comprised of Teller and El Paso County individuals who were both experienced in the difficult and critical responsibility of fund allocations and intimate with the needs of those impacted by the Waldo Canyon Fire. The allocation of these funds went directly to El Paso and Teller County non-profit organizations working in the relief and recovery efforts for families and individuals affected by the fire and for the community as a whole. Grant applications were available on our website. All of the funds were distributed by December 31, 2012 to meet near and intermediate-term needs. No fees were charged by PPUW to either the donors or the funded agencies. Reports regarding fund allocations have been made public on a regular basis.

Community Rooms

The Pikes Peak United Way building has become a gathering place for community groups. The Community Room and the Cornerstone Room are popular meeting places not just for United Way staff but also for nonprofit boards and committees, networking events and community task forces. Our central downtown location, ample parking and availability of meeting rooms at no cost create opportunities for people coming together to help others. In fiscal year 2012-2013, 770 community meetings were held at Pikes Peak United Way.

Quality of Life Indicators Report for the Pikes Peak Region

The sixth edition of the Quality of Life Indicators Report for the Pikes Peak Region is scheduled for release in October 2013. The purpose of the Report is to be a trusted, unbiased source of strategically-relevant information for our region. It features data-driven themes and trends identified from quantitative information across 11 sectors reflecting various aspects of the community: Arts, Build Environment, Community Engagement, Economy, Education, Health, Natural Environment, Recreation, Safety, Social Wellbeing and Transportation. Each section has a Vision Council that determines the critical and relevant indicators to that sector and establishes the narrative to reflect what is illustrated in the indicators' charts/graphs. Other committees supporting the Report overall include Advisory, Executive, Marketing and Reviewers. More than 150 regional volunteers worked to create the document.

See independent auditor's report.

Center for Nonprofit Excellence

Housed at Pikes Peak United Way, the Center for Nonprofit Excellence (CNE) is an association of nonprofit organizations, individuals and corporate partners in southern Colorado. Its mission is to strengthen the nonprofit sector through leadership and resource development, advocacy and collaboration primarily through workshops, trainings, events, professional development, consulting and networking. CNE is a recognized leader in promoting operational effectiveness and efficiency through its many programs, including the Standards for Excellence, a licensed program of the nationally acclaimed Standards for Excellence Institute.

Homeward Pikes Peak

Homeward Pikes Peak (HPP), which is also housed at Pikes Peak United Way, is an organization that coordinates homeless services in the Pikes Peak region. HPP works with community agencies and homeless advocates to efficiently and effectively help those in need by coordinating, facilitating and monitoring a local Continuum of Care for this population's services and resource utilization. It also manages four programs for the Continuum of Care: Temporary/Emergency Housing (Aztec Motel), Transitional Residential Treatment Program, Housing First Permanent Supportive Housing, and Harbor House Collaborative Clinical Services.

Women's Leadership Council

The Women's Leadership Council (WLC) is a philanthropic network led and supported by successful, purposeful women committed to bringing about long-lasting change in the community. Grounded in the idea that addressing the most critical local needs lifts the community as a whole and creates a better life for us all. The mission helps fund lifelong learning efforts carried out by local area non-profits. To be a member of the WLC, one must be a female "Leader in Giving", and contribute an additional \$250 to the WLC Jewel Fund. In the last two years, the WLC has allocated \$17,500 and \$15,000, respectively, toward these efforts.

Federal Emergency Management Agency (FEMA) Emergency Food and Shelter Program

This program provides for emergency food, shelter and homelessness prevention for people in need in El Paso and Teller Counties. Pikes Peak United Way administers these funds for the federal government, managing the local board, the allocations process and follow-up accountability.

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See independent auditor's report.

