MESA UNITED WAY AND SUBSIDIARY

CONSOLIDATED FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2015

MESA UNITED WAY AND SUBSIDIARY
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CliftonLarsonAllen LLP
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INDEPENDENT AUDITORS' REPORT

Board of Directors
Mesa United Way and Subsidiary
Mesa, Arizona

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of Mesa United Way and Subsidiary (Organization) which comprise the consolidated statement of financial position as of June 30, 2015, and the related consolidated statements of activities, functional expenses and cash flows for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated 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 consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these consolidated 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 consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the consolidated 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 consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the consolidated 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 consolidated financial statements referred to above present fairly, in all material respects, the financial position of Mesa United Way and Subsidiary as of June 30, 2015, and the changes in their net assets and cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters - Report on Summarized Comparative Information

We have previously audited the Organization's 2014 consolidated financial statements, and we expressed an unmodified audit opinion of those audited consolidated financial statements in our report dated December 31, 2014. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2014, is consistent, in all material respects, with the audited consolidated financial statements which it has been derived.

Report on Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The consolidating statement of financial position and the consolidating statement of activities are presented for purposes of additional analysis and is not a required part of the consolidated 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 consolidated financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated 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 consolidated financial statements as a whole.

CliftonLarsonAllen LLP

CliftonLarsonAllen LLP

Phoenix, Arizona
January 11, 2016

MESA UNITED WAY AND SUBSIDIARY
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
JUNE 30, 2015
(WITH SUMMARIZED INFORMATION AS OF JUNE 30, 2014)

	2015	2014
ASSETS		
Cash and Cash Equivalents	$ 362,689	$ 182,616
Cash Held in Trust	428,347	437,461
Investments	2,234,591	2,086,205
Unconditional Promises Receivable, Net	558,386	572,861
Donor Designated Promises Receivable	237,192	229,374
Grants Receivable	65,685	22,540
Building Receivable	-	1,140,000
Prepaid Expenses	19,863	27,461
Other Assets	22,798	-
Beneficial Interest in Charitable Remainder Trusts	97,698	105,207
Property and Equipment, Net	1,477,811	615,168
Total Assets	$ 5,505,060	$ 5,418,893
LIABILITIES AND NET ASSETS		
LIABILITIES		
Accounts Payable and Accrued Expenses	$ 83,088	$ 74,992
Cash Held in Trust	428,347	437,461
Donor Designated Payables	436,531	332,093
Agency Allocations Payable	777,231	940,207
Capital Lease Obligations	21,113	28,604
Total Liabilities	1,746,310	1,813,357
NET ASSETS		
Unrestricted	2,699,342	1,583,844
Temporarily Restricted	508,226	1,470,510
Permanently Restricted	551,182	551,182
Total Net Assets	3,758,750	3,605,536
Total Liabilities and Net Assets	$ 5,505,060	$ 5,418,893

See accompanying Notes to Consolidated Financial Statements.

MESA UNITED WAY AND SUBSIDIARY
CONSOLIDATED STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2015
(WITH SUMMARIZED INFORMATION FOR THE YEAR ENDED JUNE 30, 2014)

	Unrestricted	Temporarily Restricted	Permanently Restricted	Totals 2015	Totals 2014
SUPPORT AND REVENUES					
Campaign Contributions:					
Annual Campaign	$ 3,427,788	$ 388,389	$ -	$ 3,816,177	$ 3,401,489
Less: Provision for Uncollectible Promises to Give	(86,519)	-	-	(86,519)	(86,790)
Less: Donor Designated Contributions	(1,351,748)	-	-	(1,351,748)	(1,173,659)
Other Contributions	4,590	-	-	4,590	44,378
Total Campaign Contributions, Net	1,994,111	388,389	-	2,382,500	2,185,418
Special Program Grants	331,669	411,055	-	742,724	590,466
Special Events Income, Net	9,066	-	-	9,066	11,759
Investment Income	21,813	9,609	-	31,422	157,486
Total Support and Revenues	2,356,659	809,053	-	3,165,712	2,945,129
NET ASSETS RELEASED FROM RESTRICTIONS	1,763,828	(1,763,828)	-	-	-
EXPENSES					
Program Services:					
Agency Allocations	618,000	-	-	618,000	684,110
Community Impact	320,493	-	-	320,493	321,259
Grant Programs	1,439,875	-	-	1,439,875	1,296,016
Community Awareness	85,422	-	-	85,422	65,862
Total Program Services	2,463,790	-	-	2,463,790	2,367,247
Supporting Activities:					
Administrative	196,147	-	-	196,147	204,158
Fundraising	296,572	-	-	296,572	271,805
Total Supporting Activities	492,719	-	-	492,719	475,963
Total Expenses	2,956,509	-	-	2,956,509	2,843,210
CHANGE IN OPERATING NET ASSETS	1,163,978	(954,775)	-	209,203	101,919
NONOPERATING REVENUE AND EXPENSE					
Loss on Disposal of Property and Equipment	(48,480)	-	-	(48,480)	-
Building Donation	-	-	-	-	1,140,000
Change in Value of Interest in Charitable Remainder Trusts	-	(7,509)	-	(7,509)	(2,445)
Total Nonoperating Revenue and Expense, Net	(48,480)	(7,509)	-	(55,989)	1,137,555
CHANGE IN NET ASSETS	1,115,498	(962,284)	-	153,214	1,239,474
NET ASSETS - Beginning of Year	1,583,844	1,470,510	551,182	3,605,536	2,366,062
NET ASSETS – END OF YEAR	$ 2,699,342	$ 508,226	$ 551,182	$ 3,758,750	$ 3,605,536

See accompanying Notes to Consolidated Financial Statements.

MESA UNITED WAY AND SUBSIDIARY
CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED JUNE 30, 2015
(WITH SUMMARIZED INFORMATION FOR THE YEAR ENDED JUNE 30, 2014)

	Program Services					Supporting Activities			Totals	
	Agency Allocations	Community Impact	Grant Programs	Community Awareness	Total Program Services	Administrative	Fundraising	Total Supporting Activities	2015	2014
Salaries	$ -	$ 177,598	$ 159,987	$ 41,933	$ 379,518	$ 89,998	$ 162,565	$ 252,563	$ 632,081	$ 578,868
Employee Benefits	-	29,029	19,097	7,200	55,326	14,425	25,239	39,664	94,990	91,385
Payroll Taxes	-	13,818	12,572	3,330	29,720	7,079	13,029	20,108	49,828	50,666
Retirement Plans	-	9,436	5,968	2,601	18,005	4,616	3,795	8,411	26,416	29,610
Campaign Supplies	-	326	1,737	64	2,127	49	2,847	2,896	5,023	3,564
Conferences and Training	-	940	4,202	-	5,142	-	80	80	5,222	10,735
Contracted Services	-	4,865	38,667	6,000	49,532	-	2,054	2,054	51,586	70,575
AmeriCorps Personnel	-	-	217,683	-	217,683	-	-	-	217,683	230,053
Depreciation	-	15,545	106	15,545	31,196	15,545	15,545	31,090	62,286	43,760
Dues and Subscriptions	-	125	352	-	477	2,745	176	2,921	3,398	17,070
Insurance	-	7,249	1,479	570	9,298	1,521	2,567	4,088	13,386	13,605
Marketing	-	-	-	-	-	-	-	-	-	20
Meetings	-	3,499	4,611	80	8,190	980	589	1,569	9,759	7,811
Occupancy/Utilities/Parking	-	6,781	10,689	571	18,041	2,544	4,611	7,155	25,196	22,396
Office Expense	-	912	8,300	62	9,274	1,839	1,599	3,438	12,712	15,692
Postage and Shipping	-	781	3,051	83	3,915	737	3,155	3,892	7,807	5,321
Processing Fees	-	2,131	3,506	494	6,131	1,020	9,827	10,847	16,978	23,103
Professional Fees	-	5,984	7,638	614	14,236	6,711	1,978	8,689	22,925	20,344
Property Tax	-	-	-	-	-	7,730	-	7,730	7,730	5,627
Printing	-	890	5,020	15	5,925	228	7,400	7,628	13,553	17,539
Repairs and Maintenance	-	20,401	11,417	2,804	34,622	10,226	10,576	20,802	55,424	44,049
Telephone	-	5,441	2,431	663	8,535	2,846	3,041	5,887	14,422	14,260
Travel	-	995	15,270	-	16,265	(1,026)	2,534	1,508	17,773	20,611
United Way of America Dues	-	-	-	-	-	25,708	-	25,708	25,708	26,838
Equipment Leases	-	2,016	-	175	2,191	626	1,069	1,695	3,886	4,487
Agency Initiatives	-	11,731	46,930	-	58,661	-	-	-	58,661	80,997
Agency Allocations	618,000	-	-	-	618,000	-	-	-	618,000	684,110
In-Kind Expenses										
Marketing	-	-	-	2,618	2,618	-	22,296	22,296	24,914	15,890
Initiative - Direct Assistance	-	-	831,162	-	831,162	-	-	-	831,162	646,224
Building Lease	-	-	28,000	-	28,000	-	-	-	28,000	48,000
Total	$ 618,000	$ 320,493	$ 1,439,875	$ 85,422	$ 2,463,790	$ 196,147	$ 296,572	$ 492,719	$ 2,956,509	$ 2,843,210

See accompanying Notes to Consolidated Financial Statements.

MESA UNITED WAY AND SUBSIDIARY
CONSOLIDATED STATEMENT OF CASH FLOWS
YEAR ENDED JUNE 30, 2015
(WITH SUMMARIZED INFORMATION FOR THE YEAR ENDED JUNE 30, 2014)

	2015	2014
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in Net Assets	$ 153,214	$ 1,239,474
Adjustments to Reconcile Change in Net Assets to Net Cash Provided By Operating Activities:		
Depreciation	62,286	43,760
Loss on Disposal of Property and Equipment	48,480	-
Donated Property and Equipment	-	(13,000)
Change in Allowance for Uncollectible Promises Receivable	(32,968)	(8,653)
Change in Value of Beneficial Interest in Charitable Remainder Trusts	7,509	525,285
Net Unrealized (Gain) Loss on Investments	65,619	(78,292)
Net Realized Gain on Investments	(57,425)	(42,253)
(Increase) Decrease in:		
Cash Held in Trust	9,114	(60,861)
Unconditional Promises Receivable and Donor Designated Promises Receivable	39,625	28,491
Grants Receivable	(43,145)	10,303
Prepaid Expenses	7,598	38,608
Other Assets	(22,798)	-
Building Receivable	-	(1,140,000)
Decrease in:		
Accounts Payable and Accrued Expenses	8,096	19,758
Cash Held in Trust	(9,114)	60,861
Donor Designated and Agency Allocations Payable	(58,538)	(319,401)
Net Cash Provided by Operating Activities	177,553	304,080
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of Property and Equipment	(90,909)	(14,120)
Proceeds on Sale of Property and Equipment	257,500	-
Proceeds from Sale of Investments	1,045,214	615,837
Purchases of Investments	(1,201,794)	(1,182,279)
Net Cash Provided (Used) by Investing Activities	10,011	(580,562)
CASH FLOWS FROM FINANCING ACTIVITIES		
Payments on Capital Leases	(7,491)	(7,157)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	180,073	(283,639)
Cash and Cash Equivalents - Beginning of year	182,616	466,255
CASH AND CASH EQUIVALENTS - END OF YEAR	$ 362,689	$ 182,616
SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION		
Property and Equipment Acquired through Capital Lease	$ -	$ 6,762

See accompanying Notes to Consolidated Financial Statements.

NOTE 1 OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Operations

Mesa United Way (the Organization) was officially established in November 1966 as a non-profit philanthropic corporation under the laws of the State of Arizona. The Organization conducts the annual United Way Campaign on behalf of itself and its agency programs. The Organization also assesses and prioritizes critical human care needs in Mesa, Arizona. The Organization addresses these needs through allocations to social service agencies and community organizations.

The Organization is dependent upon undesignated contributions from corporate and individual donors to support its program services. The level of such contributions can be affected by economic conditions. In addition, the choice on the part of some donors to designate their gifts to specific agencies can result in reduced funding available for distributions and allocations. A decrease in undesignated contributions could adversely affect the Organization’s ability to provide services and to invest funds in social service agency programs.

Helen’s Hope Chest is a fully-owned subsidiary organization to Mesa United Way. This subsidiary organization provides clothing, school supplies, and other basic needs items to foster children.

These consolidated financial statements include the activities of Mesa United Way and Helen’s Hope Chest. Helen’s Hope Chest began operations in conjunction with Mesa United Way in 2009 and was organized as a separate entity in fiscal year 2014. All material intercompany accounts and transactions have been eliminated in the consolidation.

The Organization has the following programs:

Agency Allocations

Mesa United Way’s Community Investment Process empowers people who live or work in Mesa to help invest community care contributions where they matter most. Volunteers from Mesa schools, companies, churches, and neighborhoods work in teams, visiting each agency in their area of interest to see first-hand how lives are being changed. They ask in-depth questions about the organization to determine its financial health, client outcomes and areas in need of improvement. Once the visits have been completed, the teams make recommendations for funding to the Mesa United Way Board of Directors. Sometimes, however, the volunteers determine that the money would be better spent in a different program or agency, and recommend reducing or eliminating funding. The result is an assurance that donor contributions are spent wisely, and in a manner that has maximum positive impact on the people of Mesa. With community care dollars, over 34 social service agencies are able to carry out 49 programs. Included are programs that enable children to live in a safe environment, succeed in school and become responsible, contributing adults; programs that provide safe shelter, food and other services to Mesa residents facing unforeseen hardships; programs that enable people with special needs and disabilities to live up to their fullest potential; programs that help frail elderly people and those suffering from Alzheimer’s or other forms of dementia.

NOTE 1 OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Community Impact

The Community Impact program is responsible for carrying out Mesa United Way's mission. This program brings Mesa United Way staff together with volunteers, agencies, and companies in Mesa to help members of our community lead better, more self-sufficient lives. Community Impact is accomplished through funding agency and grant programs, developing and executing initiatives and building relationships between community members. Current initiatives are: 55+ More for Mesa, a program designed to link willing, skilled, experienced adults with city, school, and non-profit needs at a compensation level that is either well-below market rate or is entirely "pro-bono". Also, Kids In Philanthropy, which introduces fifth and sixth grade children to the importance of charitable giving and the important work being performed by local agencies.

Grant Programs

The Volunteer Income Tax Assistance (VITA) Program

The VITA program is a free tax preparation service for low and moderate income people in the community. Mesa United Way has supported VITA for many years, but for the last five years has been the lead agency for the Mesa program. Volunteers are provided with training to prepare tax returns and then must pass an IRS certification test. During the 2014 tax season, 75 Mesa VITA volunteers contributed over 3,900 hours of their time to complete more than 4,900 tax returns. Due to their efforts, over $5.0 million tax dollars were returned to the members of our community who need it the most. These figures each represent a growth of approximately 14% over those for the 2013 tax season. Over 480 hours of tax preparation services were provided at seven different sites covering all areas of Mesa. The facilities for VITA sites are provided by non-profit Mesa VITA coalition partners.

Americorps "Operation Second Wind"

AmeriCorps is often referred to as the domestic Peace Corps. Mesa United Way has teamed up with AmeriCorps, a federal program that encourages national and community service while providing valuable job training. Operation Second Wind places Mesa residents, most of whom are over 55 years of age, as direct service delivery professionals within non-profit agencies that provide services to the needy in our community. All positions are part-time. During this past year, 43 Operation Second Wind members served over 28,000 hours at 15 separate programs operated by 10 different non-profit agencies within Mesa. This program has been renewed for a sixth year and with 55 members serving members of the community.

Community Awareness (Communications)

The Marketing and Communications program is responsible for developing ideas and concepts that will educate the community about Mesa United Way with the intention of inspiring people to volunteer and donate. This is done through the creation of marketing materials that explain Mesa United Way's vision, mission, accomplishments, and goals.

NOTE 1 OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Gross Campaign Contribution Summary

A summary of the gross campaign contributions for the year ended June 30, 2015 is as follows:

Annual Campaign (Gross)	$	3,816,177
Special Program Grants		742,724
Special Event Income, Net		9,066
Other Contributions		4,590
Gross Campaign Contributions	$	4,572,557

Functional overhead for a non-profit organization is defined as the expenses incurred in the administrative and fundraising supporting activities. These costs are detailed in the accompanying statement of functional expenses under the column titled “Total Supporting Activities.” The administrative and fundraising costs for the fiscal year ended June 30, 2015 totaled approximately $493,000, or 10.78% of gross campaign contributions.

Basis of Presentation

The financial statement are presented in accordance with the established standards for external financial reporting by not-for-profit organizations and requires that information regarding its financial position and activities be classified into three net asset categories. Descriptions of the three net asset categories are as follows:

Unrestricted Net Assets

Includes amounts not restricted by donors, whether or not designated for specific purposes by the Board of Directors.

Temporarily Restricted Net Assets

Includes amounts whose use by the Organization is restricted by donor imposed stipulations that either expire by passage of time or other specified future events, or can be fulfilled and removed by actions of the Organization pursuant to those stipulations.

Permanently Restricted Net Assets

Includes amounts which require, by donor restriction, that the asset principal be invested in perpetuity and the income be used in accordance with donor stipulations.

Measure of Operations

In its statement of activities, the Organization includes in its definition of operations all revenues and expenses that are an integral part of its programs and supporting activities. Nonoperating activity consists primarily of gains and losses on disposals of property and equipment, building receivable donations and changes in the Organization’s interest in charitable remainder trusts.

NOTE 1 OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Prior Year Summarized Information

The financial statements include certain prior-year summarized comparative information in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with accounting principles generally accepted in the United States of America. Accordingly, such information should be read in conjunction with the Organization's financial statements for the year ended June 30, 2014, from which the summarized information was derived.

Cash and Cash Equivalents

The Organization considers all highly liquid debt instruments with a remaining maturity of three months or less at date of acquisition to be cash equivalents.

Cash Held in Trust

The Organization acts as an agent for various donors. These funds will be released when donors request them to be transferred to various charitable organizations. As the agent for these funds, the Organization does not record contribution revenue or expense for activity in these funds.

Investments

Securities consist primarily of equity and fixed income mutual funds and certificates of deposit. Mutual funds are recorded at fair value as determined by quoted market prices. Certificates of deposit are recorded at cost which approximates fair value. Investment income or loss (including realized and unrealized gains and losses on investments, interest and dividends) is included in the change of net assets in the accompanying statement of activities.

Contributions

Contributions received are recorded as unrestricted, temporarily restricted or permanently restricted support depending on the existence and/or nature of any donor restrictions. All donor-restricted support is reported as an increase in temporarily or permanently restricted net assets in the statement of activities 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. However, if a restriction is fulfilled in the same time period in which the contribution is received, the Organization reports the support as unrestricted.

NOTE 1 OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Contributions (Continued)

Unconditional promises to give designated by donors to specific not-for-profit organizations are segregated as such in the accompanying financial statements as donor designated receivables and donor designated payables. Donors may choose to designate all or part of their contributions to be distributed to specific charitable organizations. These transactions are reported in the statement of activities as part of the current year Mesa United Way Annual Campaign and are then deducted as amounts designated to other organizations to arrive at net campaign revenue. Amounts deducted are carried as liabilities until received and then paid to the designated charitable organization.

Contributions of donated non-monetary assets are recorded at their fair values in the period received. Contributions of donated services that create or enhance nonfinancial assets or that require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation, are recorded at their fair values in the period received. In-kind contributions include printing, clothing, food for receptions, rent, and advertising. In-kind contributions in the amount of $910,830 for the year ended June 30, 2015, are included in annual campaign, other contributions revenue and special events income.

The in-kind contributions above as well as $8,000 of in-kind rent recognized as revenue in a prior year are reflected in the accompanying financial statements as follows:

Statement of Financial Position:		
Other Assets	$	22,798
Statement of Activities:		
Special Events		11,955
Statement of Functional Expenses:		
Program Services:		
Community Awareness		2,618
Grant Programs		859,162
Supporting Activities:		
Fundraising		22,296
Total Statement of Functional Expenses		884,076
Total	$	918,829

NOTE 1 OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Interest in Charitable Remainder Trusts

Interests in charitable remainder trusts are recorded at the trusts' fair value. Changes in the valuation of this receivable are recorded in the accompanying financial statements as a change in the value of interest in charitable remainder trusts. Because of inherent uncertainties in estimating the value of these agreements, it is at least reasonably possible that these estimates will change within the near future.

Property and Equipment

Acquisitions of property and equipment in excess of $1,500 are capitalized. Property and equipment are stated at cost, or, if donated, at the approximate fair value at the date of donation. Depreciation of property and equipment is provided on a straight-line basis over the estimated useful lives of the respective assets.

Major additions and improvements are capitalized. Maintenance and repairs are expensed as incurred. When assets are retired or otherwise disposed of, the related costs and accumulated depreciation are removed from the accounts and gains and losses are included in the statement of activities.

Agency Allocations Payable

Agency allocations payable are recorded when the Board of Directors has approved and communicated allocations to the recipient agencies as recommended by a review panel.

Income Taxes

Mesa United Way and Helen's Hope Chest are exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code and, therefore, have no provision for federal income taxes. In addition, Mesa United Way and Helen's Hope Chest qualify for the charitable contribution deduction under Section 170 of the Code and have been classified as organizations that are not private foundations. Income determined to be unrelated business taxable income (UBTI) would be taxable.

Mesa United Way and Helen's Hope Chest follow the accounting standard for uncertain tax positions. Mesa United Way and Helen's Hope Chest's policy with respect to the standard prescribes a recognition threshold and measurement principles for the financial statement recognition and measurement of tax positions taken or expected to be taken on a tax return that are not certain to be realized. This policy had no impact on Mesa United Way and Helen's Hope Chest's financial statements.

Mesa United Way and Helen's Hope Chest file as tax-exempt organizations.

NOTE 1 OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates.

Fundraising Costs

The Organization expenses all fundraising costs as they are incurred.

Functional Allocation of Expenses

The costs of providing the Organization’s programs and supporting activities have been summarized in the statement of functional expenses. Accordingly, certain costs have been allocated among the programs and supporting activities. These costs are allocated by the actual cost incurred, by estimated costs based on per hour rate of the employee who performed the service, or by estimates of benefits derived.

Market Value Risk

The Organization provides for investment in a variety of investment funds. In general, investments are exposed to various risks, such as interest rate, credit and overall market volatility risk. Due to the level of risk associated with certain investments, it is reasonably possible that changes in the values of the investments will occur in the near term and that such changes could materially affect investment balances and the amounts reported in the statement of financial position.

Fair Value Measurements

The Organization categorizes its assets and liabilities measured at fair value into a three level hierarchy based on the priority of the inputs to the valuation technique used to determine fair value. The fair value hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3). If the inputs used in the determination of the fair value measurement fall within different levels of the hierarchy, the categorization is based on the lowest level input that is significant to the fair value measurement. Assets and liabilities valued at fair value are categorized based on the inputs to the valuation techniques as follows:

Level 1 – Inputs that utilize quoted prices (unadjusted) in active markets for identical assets or liabilities that the Organization has the ability to access.

Level 2 – Inputs that include quoted prices for similar assets and liabilities in active markets and inputs that are observable for the asset or liability, either directly or indirectly, for substantially the full term of the financial instrument. Fair values for these instruments are estimated using pricing models, quoted prices of securities with similar characteristics, or discounted cash flows.

NOTE 1 OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Fair Value Measurements (Continued)

Level 3 – Inputs that are unobservable inputs for the asset or liability, which are typically based on an entity's own assumptions, as there is little, if any, related market activity.

Professional standards allow entities the irrevocable option to elect to measure certain financial instruments and other items at fair value for the initial and subsequent measurement on an instrument-by-instrument basis. The Organization has not elected to measure any existing financial instruments at fair value. However, it may elect to measure newly acquired financial instruments at fair value in the future.

Fair values are measured using independent pricing models or other model-based valuation techniques such as appraised values, adjusted for the security's credit rating, prepayment assumptions, and other factors such as credit loss assumptions. The Organization does not have any assets or liabilities that are valued using Level 2 inputs.

Subsequent Events

In preparing these financial statements, the Organization has evaluated events and transactions for potential recognition or disclosure through January 11, 2016, the date the financial statements were available to be issued.

NOTE 2 INVESTMENTS

Investments consisted of the following at June 30, 2015:

Operating	
Mutual Funds:	
Equities and Equity Funds	$ 303,474
Fixed Income Obligations and Funds	271,033
Board Designated Unrestricted	
Mutual Funds:	
Equities and Equity Funds	634,878
Fixed Income Obligations and Funds	406,022
Cash and Money Market Funds	42,162
Hostetler Endowment	
Mutual Funds:	
Equities and Equity Funds	337,246
Fixed Income Obligations and Funds	216,478
Cash and Money Market Funds	23,298
Total	$ 2,234,591

NOTE 2 INVESTMENTS (CONTINUED)

Investment income consisted of the following for the year ended June 30, 2015:

Interest and Dividends	$ 62,769
Investement Fees	(23,153)
Net Realized and Unrealized Gains and Losses	(8,194)
Total Investment Income	$ 31,422

NOTE 3 UNCONDITIONAL PROMISES RECEIVABLE

A summary of annual campaign contributions, uncollected promises receivable, and allowance for uncollectible promises receivable at June 30, 2015 are as follows:

	Original Amount of Contributions	Uncollected Promises Receivable	Allowance for Uncollectible Promises Receivable	Net Promises Receivable
Unconditional Promises Receivable:				
2014 Campaign		$ 633,006	$ (86,519)	$ 546,487
Prior Campaigns		96,369	(84,470)	11,899
Total Unconditional Promises Receivable		729,375	(170,989)	558,386
Donor Designated Promises Receivable:				
2014 Campaign		211,827	-	211,827
Prior Campaigns		25,365	-	25,365
Total Donor Designated Promises Receivable		237,192	-	237,192
Total	$ 3,816,177	$ 966,567	$ (170,989)	$ 795,578

As of June 30, 2015, unconditional promises receivable reflect those amounts not collected from the two annual campaigns conducted from July 2013 through June 2015. Promises include both unrestricted funds and donor-designated funds. When contemplating a reserve for uncollectible amounts, the Organization monitors factors such as employee layoff activities of organizations that participate in its donation campaigns as well as historical collection rates.

NOTE 4 INTEREST IN CHARITABLE REMAINDER TRUSTS

The Organization has been designated as an irrevocable beneficiary of various charitable remainder trusts, in accordance with its agreement with Ameritrust Network, Inc. These trusts are expected to be realized over approximately the next 15 years at their present value, using a discount rate of 6%, and an expected date of distribution based on trust stipulations and mortality tables.

NOTE 5 PROPERTY AND EQUIPMENT

Property and equipment consisted of the following at June 30, 2015:

		Estimated Useful Lives
Land	$ 6,475	
Buildings and Improvements	1,522,000	20-27.5 years
Furniture and Equipment	323,021	3-7 years
Leasehold Improvements	233,478	27.5 years
Total Property and Equipment	2,084,974	
Less: Accumulated Depreciation	(607,163)	
Property and Equipment, Net	$ 1,477,811	

NOTE 6 BUILDING DONATION

In a prior year, the Organization has entered into an agreement for the usage and eventual receipt of a building for Helen's Hope Chest. The agreement calls for a base rent payment of $100 for a lease term through January 2, 2029. Upon termination of the lease, subject to certain terms, the building shall be conveyed to the Organization for the sum of $1. The Organization recorded an asset and revenue at the time the agreement was entered into.

NOTE 7 RETIREMENT PLANS

Defined Contribution Plan

The Organization sponsors a defined contribution plan in which employees are eligible to participate after completing a full year of service and are at least 21 years of age. The plan provides for discretionary employer contributions, subject to limitations of the Internal Revenue Code. These discretionary contributions, determined by the Board of Directors, are allocated among participants based on annual compensation.

Employer contributions to the plan amounted to $23,905 for the year ended June 30, 2015.

NOTE 8 AGENCY ALLOCATIONS

Agency allocations payable and donor designated payables, as noted in the statement of financial position, were as follows, at June 30, 2015:

A New Leaf, Inc.	$ 160,720
Aid to Adoption of Special Kids - Arizona	2,244
Alzheimer's Disease Association Desert SW	4,540
American Red Cross - Grand Canyon Chapter	4,516
Arizona Brainfood, Inc.	6,816
Arizona Literacy and Learning	4,164
Boy Scouts of America	18,836
Boys and Girls Club of the East Valley	8,192
Child Crisis Center	14,692
Community Bridges, Inc.	10,004
Community Legal Services, Inc.	11,708
Desert Sounds Performing Arts, Inc.	2,164
East Valley Adult Resources, Inc.	27,572
Foundation for Blind Children	9,148
Girl Scouts - Arizona Cactus-Pine Council, Inc.	13,460
House of Refuge, Inc.	9,836
Kids Need to Read	2,164
Los Niño's Hospital, an affiliate of Hacienda HealthCare	2,244
Lutheran Social Services of the Southwest	13,732
Marc Community Resources, Inc.	46,096
Mesa Community Action Network, Inc.	71,400
Oakwood Creative Care	21,956
Paz de Cristo Community Center	8,528
Salvation Army - Mesa Citadel Corps	24,528
Save the Family Foundation of Arizona	40,160
St. Joseph the Worker	9,164
Sunshine Acres Children's Home Inc.	19,220
United Food Bank	46,660
Veterans for Veterans	3,536
Agency Allocations Payable - FY 2014-15	618,000
Agency Allocations Payable - FY 2013-14	159,231
Total Allocations Payable	777,231
Donor Designated Payable	436,531
Total	$ 1,213,762

NOTE 9 CAPITAL LEASE OBLIGATIONS

The Organization leases certain office equipment under capital leases. The economic substance of these leases is that the Organization is financing the acquisition of the equipment through the lease and, accordingly, the equipment is recorded as an asset and the lease is recorded as a liability. The total cost and accumulated depreciation of the equipment under the capital leases are as follows:

Equipment	$ 37,262
Less: Accumulated Depreciation	(12,317)
	$ 24,945

Future lease payments under the capital leases are as follows:

Year Ending June 30,	Amount
2016	$ 10,445
2017	10,445
2018	5,837
2019	2,061
Total Payments	28,788
Less: Amount Representing Interest	(7,675)
Present Value of Net Minimum Lease Payments	$ 21,113

Subsequent to year-end the Organization entered into a capital lease commencing on September 1, 2015 and expiring on August 31, 2020 with monthly payments of $382.

NOTE 10 NET ASSETS

Temporarily Restricted Net Assets

Temporarily restricted net assets released from program restrictions during the year ended June 30, 2015 consisted of the following:

Special Program Grants	$ 1,539,480
Helen's Hope Chest - Foster Care Initiative	224,348
Total Net Assets Released from Restrictions	$ 1,763,828

NOTE 10 NET ASSETS (CONTINUED)

Temporarily Restricted Net Assets (Continued)

Temporarily restricted net assets were available for the following purposes at June 30, 2015:

Purpose Restriction:		
Read On Mesa	$	813
Mesa Partnership for Children with Special Needs		3,397
Operation Second Wind		9,478
Walmart/UWA - VITA Earned Income Tax Credit		10,502
Make it Mesa: Unite Against Hunger		25,234
Endowment Income - Health and Human Service Programs		25,840
Helen's Hope Chest - Foster Care Initiative		335,264
Time Restriction:		
Charitable Remainder Trusts		97,698
Total Temporarily Restricted Net Assets	$	508,226

Permanently Restricted Net Assets

The earnings on the permanently restricted net assets are to be used for the benefit of health and human service programs.

NOTE 11 ENDOWMENT

Net assets of the endowment fund are classified and reported based on the existence or absence of donor-imposed restrictions. The board of the Organization has interpreted the Uniform Prudent Management of Institutional Funds Act (UPMIFA) as requiring the preservation of the fair value of the original gift as of the gift date of the donor restricted endowment funds absent explicit donor stipulations to the contrary. As a result of this interpretation, the Organization classifies as permanently restricted net assets the original value of the gifts to the permanent endowment and the value of subsequent gifts to the permanent endowment. 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.

NOTE 11 ENDOWMENT (CONTINUED)

The Organization has adopted an investment policy which includes the diversification of asset investment into U.S. and foreign equity and fixed income accounts. The assets are managed by one portfolio manager. The asset allocation is determined by the Investment Committee with guidance from the portfolio manager. The policy transfers assets to the Organization's operating fund, annually, up to 4% of a trailing three year average of the fund's total asset value, with the understanding that this spending rate plus inflation will not normally exceed total return from investment. However, it is understood that this total return basis for calculating spending is sanctioned by UPMIFA, under which guidelines the organization is permitted to spend an amount in excess of the current yield (interest and dividends earned), including realized or unrealized appreciation. The composition of endowment net assets by type of fund for 2015 was as follows:

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Donor-Restricted Endowment Funds	$ -	$ 25,840	$ 551,182	$ 577,022

The change in endowment net assets for 2015 was as follows:

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Endowment Net Assets, Beginning	$ -	$ 39,287	$ 551,182	$ 590,469
Contributions	-	-	-	-
Appropriation	23,056	(23,056)	-	-
Withdrawal	(23,056)	-	-	(23,056)
Investment Income	-	9,609	-	9,609
Endowment Net Assets, Ending	$ -	$ 25,840	$ 551,182	$ 577,022

NOTE 12 OPERATING LEASES

The Organization leases certain office equipment under various operating lease agreements, which expire at various times through January 2019. Minimum future rental payments under these non-cancelable operating leases are as follows:

Year Ending June 30,	Amount
2016	$ 10,102
2017	7,310
2018	5,914
2019	3,450
Total Minimum Operating Lease Payments	$ 26,776

NOTE 13 RELATED PARTY TRANSACTIONS

The Organization was required to pay monthly dues to United Way of America, its national affiliate, in the amount of $25,385 for the year ended June 30, 2015.

The Organization received various contributions during the year from both employees and members of the board of directors. Total contributions (including in-kind donations) received during the year ended June 30, 2015 amounted to $47,265.

The Organization also made various vendor payments to companies that employ members of the board of directors. Total amounts paid to these vendors during the year ended June 30, 2015 amounted to $19,122.

NOTE 14 CONCENTRATION OF CREDIT RISK

Financial instruments that subject the Organization to potential concentrations of credit risk consist principally of cash and cash equivalents and receivables. The Organization maintains its cash in bank accounts, which at times may exceed federally insured limits. The Organization has not experienced any losses in such accounts and believes it is not exposed to any significant credit risk on cash balances.

Concentrations of credit risk with respect to receivables are limited due to the large number of donors comprising the Organization's receivable base.

NOTE 15 FAIR VALUE MEASUREMENTS

The following table presents the fair value hierarchy for the balances of the assets of the Organization measured at fair value on a recurring basis as of June 30, 2015:

	Level 1	Level 2	Level 3	Total
Investments				
Mutual Funds:				
Equities and Equity Funds	$ 1,275,598	$ -	$ -	$ 1,275,598
Fixed Income Obligations and Funds	893,533	-	-	893,533
Cash and Money Markets	-	-	-	65,460
Total Investments	2,169,131	-	-	2,234,591
Interest in Charitable Remainder Trusts	-	-	97,698	97,698
Total	$ 2,169,131	$ -	$ 97,698	$ 2,332,289

NOTE 15 FAIR VALUE MEASUREMENTS (CONTINUED)

Level 3 Assets

The following table provides a summary of changes in fair value of the Organization's Level 3 financial assets for the year ended June 30, 2015.

Balances as of July 1, 2014	$	105,207
Change in Value of Interest in Charitable Remainder Trusts		(7,509)
Balances as of June 30, 2015	$	97,698

MESA UNITED WAY AND SUBSIDIARY
CONSOLIDATING STATEMENT OF FINANCIAL POSITION
JUNE 30, 2015

	Mesa United Way	Helen's Hope Chest	Eliminations	Total
ASSETS				
Cash and Cash Equivalents	$ 110,432	$ 252,257	$ -	$ 362,689
Cash Held in Trust	428,282	65	-	428,347
Investments	2,234,591	-	-	2,234,591
Unconditional Promises Receivable, Net	558,386	-	-	558,386
Donor Designated Promises Receivable	237,192	-	-	237,192
Grants Receivable	65,685	-	-	65,685
Prepaid Expenses	19,559	304	-	19,863
Other Assets	-	22,798	-	22,798
Beneficial Interest in Charitable Remainder Trusts	97,698	-	-	97,698
Property and Equipment, Net	1,414,139	63,672	-	1,477,811
Total Assets	$ 5,165,964	$ 339,096	$ -	$ 5,505,060
LIABILITIES				
Accounts Payable and Accrued Expenses	$ 79,321	$ 3,767	$ -	$ 83,088
Cash Held in Trust	428,282	65	-	428,347
Donor Designated Payables	436,531	-	-	436,531
Agency Allocations Payable	777,231	-	-	777,231
Capital Lease Obligations	21,113	-	-	21,113
Total Liabilities	1,742,478	3,832	-	1,746,310
NET ASSETS				
Unrestricted	2,699,341	1	-	2,699,342
Temporarily Restricted	172,963	335,263	-	508,226
Permanently Restricted	551,182	-	-	551,182
Total Net Assets	3,423,486	335,264	-	3,758,750
Total Liabilities and Net Assets	$ 5,165,964	$ 339,096	$ -	$ 5,505,060

MESA UNITED WAY AND SUBSIDIARY
CONSOLIDATING STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2015

	Mesa United Way	Helen's Hope Chest	Eliminations	Total
CHANGES IN UNRESTRICTED RESTRICTED NET ASSETS				
SUPPORT AND REVENUES				
Campaign Contributions:				
Annual Campaign	$ 3,092,793	$ 334,995	$ -	$ 3,427,788
Less: Provision for Uncollectible Promises to Give	(86,519)	-	-	(86,519)
Less: Donor Designated Contributions	(1,351,748)	-	-	(1,351,748)
Other Contributions	4,590	23,056	(23,056)	4,590
Total Campaign Contributions, Net	1,659,116	358,051	(23,056)	1,994,111
Special Program Grants	9,133	322,536	-	331,669
Special Events Income, Net	9,066	-	-	9,066
Investment Income	21,813	-	-	21,813
Total Support and Revenues	1,699,128	680,587	(23,056)	2,356,659
Net Assets Released from Purpose Restriction	1,539,480	224,348	-	1,763,828
Total Unrestricted Support and Revenues	3,238,608	904,935	(23,056)	4,120,487
EXPENSES				
Program Services:				
Agency Allocations	641,056	-	(23,056)	618,000
Community Impact	320,493	-	-	320,493
Grant Programs	534,943	904,932	-	1,439,875
Community Awareness	85,422	-	-	85,422
Total Program Services	1,581,914	904,932	(23,056)	2,463,790
Supporting Activities:				
Administrative	196,147	-	-	196,147
Fundraising	296,572	-	-	296,572
Total Supporting Activities	492,719	-	-	492,719
Total Expenses	2,074,633	904,932	(23,056)	2,956,509
NONOPERATING REVENUE AND EXPENSE UNRESTRICTED				
Loss on Disposal of Property and Equipment	(48,480)	-	-	(48,480)
Change in Unrestricted Net Assets	1,115,495	3	-	1,115,498
CHANGES IN TEMPORARILY RESTRICTED NET ASSETS				
Donations Restricted	420,664	388,389	-	809,053
Net Assets Released from Purpose Restrictions	(1,539,480)	(224,348)	-	(1,763,828)
Change in Temporarily Restricted Net Assets	(1,118,816)	164,041	-	(954,775)
NONOPERATING REVENUE AND EXPENSE TEMPORARILY RESTRICTED				
Change in Value of Interest in Charitable Remainder Trusts	(7,509)	-	-	(7,509)
Total Non Operating Revenue	(7,509)	-	-	(7,509)
Change in Temporarily Restricted Net Assets	(1,126,325)	164,041	-	(962,284)
Change in Net Assets	(10,830)	164,044	-	153,214
Net Assets - Beginning of Year	3,434,316	171,220	-	3,605,536
NET ASSETS – END OF YEAR	$ 3,423,486	$ 335,264	$ -	$ 3,758,750

CliftonLarsonAllen
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Board of Directors
Mesa United Way and Subsidiary
Mesa, Arizona

We have audited the consolidated financial statements of Mesa United Way and Subsidiary for the year ended June 30, 2015, and have issued our report thereon dated January 11, 2016. We have previously communicated to you information about our responsibilities under auditing standards generally accepted in the United States of America, as well as certain information related to the planned scope and timing of our audit. Professional standards also require that we communicate to you the following information related to our audit.

Significant audit findings

Qualitative aspects of accounting practices

Accounting policies

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by Mesa United Way and Subsidiary are described in Note 1 to the consolidated financial statements.

No new accounting policies were adopted and the application of existing policies was not changed during 2015.

We noted no transactions entered into by the Organization during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the consolidated financial statements in the proper period.

Accounting estimates

Accounting estimates are an integral part of the consolidated financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the consolidated financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimates affecting the consolidated financial statements are:

- Management's estimate of the present value of charitable remainder trust is based on the trusts' fair value. We evaluated the key factors and assumptions used to develop the present value in determining that it is reasonable in relation to the consolidated financial statements taken as a whole.
- Management's estimate of the allowance for doubtful accounts is based on historical sales, historical loss levels, and an analysis of the collectibility of individual accounts. We evaluated the key factors and assumptions used to develop the allowance in determining that it is reasonable in relation to the consolidated financial statements taken as a whole.

Qualitative aspects of accounting practices (continued)

<u>*Accounting estimates (continued)*</u>

- Management's estimate of depreciation is based on the estimated useful lives of the buildings, leasehold improvements, equipment, and furniture. We evaluated the key factors and assumptions used to develop depreciation in determining that it is reasonable in relation to the consolidated financial statements taken as a whole.
- Management's estimate of the functional allocation of expenses shared between programs, management and general, and fundraising is based on a reasonable and consistent basis using factors such as direct payroll allocation, square footage, full time equivalents within each department, and total direct expenses. We evaluated the key factors and assumptions used to develop the allocation in determining that it is reasonable in relation to the consolidated financial statements taken as a whole.

<u>*Financial statement disclosures*</u>

Certain financial statement disclosures are particularly sensitive because of their significance to financial statement users. There were no particularly sensitive financial statement disclosures.

The financial statement disclosures are neutral, consistent, and clear.

Difficulties encountered in performing the audit

We encountered no difficulties in dealing with management in performing and completing our audit.

Uncorrected misstatements

Professional standards require us to accumulate all misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. Management did not identify and we did not notify them of any uncorrected financial statement misstatements.

Corrected misstatements

Management did not identify and we did not notify them of any financial statement misstatements detected as a result of audit procedures.

Disagreements with management

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the consolidated financial statements or the auditors' report. No such disagreements arose during our audit.

Management representations

We have requested certain representations from management that are included in the management representation letter dated January 11, 2016.

Management consultations with other independent accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a “second opinion” on certain situations. If a consultation involves application of an accounting principle to the Organization’s consolidated financial statements or a determination of the type of auditors’ opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Significant issues discussed with management prior to engagement

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to engagement as the Organization’s auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our engagement.

Audits of group financial statements

We noted no matters related to the group audit that we consider to be significant to the responsibilities of those charged with governance of the group.

Other information in documents containing the audited financial statements

Our auditors’ opinion, the audited financial statements, and the notes to financial statements should only be used in their entirety. Inclusion of the audited financial statements in a document you prepare, such as an annual report, should be done only with our prior approval and review of the document.

With respect to the consolidating statement of financial position and the consolidating statement of activities (collectively, the supplementary information) accompanying the financial statements, on which we were engaged to report in relation to the financial statements as a whole, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with accounting principles generally accepted in the United States of America, the method of preparing it has not changed from the prior period or the reasons for such changes, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves. We have issued our report thereon dated January 11, 2016.

* * * * * *

This communication is intended solely for the information and use of the board of directors and management of Mesa United Way and Subsidiary and is not intended to be, and should not be, used by anyone other than these specified parties.

CliftonLarsonAllen LLP

CliftonLarsonAllen LLP

Phoenix, Arizona
January 11, 2016