

UNITED WAY OF
NORTH CENTRAL FLORIDA, INC.

FINANCIAL STATEMENTS
AND
INDEPENDENT AUDITOR'S REPORT

JUNE 30, 2017 AND 2016

United Way of North Central Florida, Inc.

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We are pleased to submit the United Way of North Central Florida's audited financial statements for the fiscal year ended June 30, 2017. Our Independent auditors, Kattell and Company, P.L., issued an unqualified opinion on the United Way's financials statements. Enclosed is a copy of Kattell and Company's report.

OUR MISSION

The mission of United Way of North Central Florida is to find and fund data-driven solutions and create community connections that change lives. As the single largest private funder of human services and non-governmental funder of education initiatives in our community, we improve lives by leading and convening experts and recruiting people and organizations from across our community who bring the expertise and resources needed to create lasting impact in our community.

The United Way of North Central Florida Community Investment Fund supports 34 local Community Impact Partner programs that improve the education, financial stability and health of our residents. In addition, the United Way funded programs procured an additional \$2,942,999 in state and federal matching grants. Impact to the community also includes:

EDUCATION:

- **ReadingPals** is an early literacy program in partnership with United Way of North Central Florida, Carol and Barney Barnett and the Children's Movement of Florida. ReadingPals volunteers commit to reading with a 2nd or 3rd grade student for an hour a week for the entire school year. The goal of the initiative is to increase 3rd grade reading proficiency. During the 2016-17 school year, UWNCF's ReadingPals program was rated in the Top Three in the state for volunteer engagement with 65% of volunteers reading more than 25 hours with their student and 72% read over 19 hours, an increase of 14% from last year. ReadingPals was offered in nine Alachua County Public Schools where 156 ReadingPals volunteers were paired with more than 165 students with 2,676 hours of literacy mentoring generated.

Special Thanks to Our Academy Sponsors



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- The Book Nook Project ended in June 2017. As a result of our collective impact efforts, we supported a total of 24 sites with 75% becoming sustainable and continuing to offer free books to children and adults throughout the community.

FINANCIAL STABILITY:

- The Volunteer Income Tax Assistance (VITA) program is an IRS-funded program. It provides free tax preparation to low-moderate community members in United Way's six-county area and is UWNCF's sole Internal Community Impact Income program. VITA has been present at UWNCF for six years through IRS grant sponsorship and around 11 years in the Gainesville community. Prior to this time, VITA belonged to East Gainesville Development. VITA has successfully leveraged many community resources to provide tax preparation, including partnerships with UF Levin College of Law, Santa Fe College, Buchholz Academy of Finance, and Alachua County Library District. We served at 10 sites and with the help of more than 141 VITA volunteers, United Way of North Central Florida was able to complete 1,327 returns, provide \$1,773,183 in refunds and \$532,677 in Earned Income Credit, save taxpayers \$310,553 in paid fees for a total impact of \$2,083,736. The average refund was \$1,237 and average EITC was \$472 (saving an average tax fee for preparations of \$261). This year we also participated in United Way of Florida's Tax Assistance Program receiving \$10,826 to expand our work into the rural communities and served as a pass through for \$2,598.82 to United Way of Suwannee for providing income tax preparation to residents of Columbia, Hamilton, Lafayette and Suwannee Counties.
- The MyFreeTaxes program is a free supplemental online tax program provided to the local community by United Way of North Central Florida. During the 2016-2017 tax season, the website provided free tax software to 225 residents.



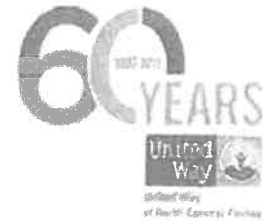
OTHER AREAS OF IMPACT:

In addition to funding programs in the community, United Way of North Central Florida provides program monitoring, financial stewardship and oversight, health and human services planning and collaboration, outcome measurement training and tracking, community partnerships, and community outreach including advocacy, volunteerism, disaster planning and response, and other activities, such as:

- 2-1-1 is a free service provided by United Way of North Central Florida connecting the community to critical health and social service resources. For the fiscal year 2017, 13,624 local residents called 2-1-1. The top five reasons local residents called 2-1-1 were housing assistance (26%), utility assistance (24%), tax-prep assistance (10%), food (10%), and healthcare (6%).
- Toys for Tots Alachua County was a local initiative in partnership with the United Way of North Central Florida, US Marine Corps Reservists and Partnership for Strong Families' Resource Centers Library Partnership and Cone Park. Last year, United Way provided over 8,183 brand new toys to 1,161 needy children in the community.
- FamilyWize® Prescription Drug Program provides affordable access to prescription drugs to help keep families healthy. In fiscal year 2017, the prescription drug discount was used over 21,000 times with a total local savings on prescription drugs of \$584,293.46.

The community investment allocations to United Way Impact partners are determined by June each year. The program allocations are paid monthly from July to June. As an extension to our mission, United Way allows its donors to direct part or all of their contributions to other 501c(3) non-profit organizations. The donor choice funding is paid quarterly following the annual campaign:

The funding allocations and donor choice contributions attributable to the 2017 campaign are shown in the following table.



Fiscal Year End June 30, 2017			
Agency	Community investment	Donor Designation	Total
Alachua County 4-H (UWC-Unaff.)		135	135
Alachua County Coalition for the Homeless and Hungry, Inc.	15,000	254	15,254
Alachua County Organization for Rural Needs (ACORN) Clinic	45,000	17,071	62,071
Boy Scouts of America, NFC (Unaff.)	-	13,925	13,925
Boys & Girls Club of Alachua Co.	45,000	9,615	54,615
Bread of the Mighty Food Bank, Inc.	21,000	37,218	58,218
Central Florida Community Action Agency	-	173	173
Child Advocacy Center	52,450	16,133	68,583
Children's Home Society	-	5,265	5,265
Early Learning Coalition of Alachua County	110,000	9,832	119,832
ElderCare of Alachua County	68,381	37,761	106,142
Family Promise	-	2,208	2,208
Florida Institute for Workforce Innovation	27,500	555	28,055
Friends of Micanopy Library	16,000	628	16,627
Gainesville Agency Catholic Charities	140,916	66,603	207,519
Gainesville Area Community Tennis Association	10,000	417	10,417
Gilchrist County School Board	40,000	111	40,111
Girls Place, Inc.	60,000	18,170	78,170
Guardian Foundation, Inc.	-	3,821	3,821
Health Services, Inc. (CDS)	19,950	755	20,705
UF Healthy Families Alachua	46,812	6	46,818
Kids Count in Alachua County, Inc.	20,000	2,898	22,898
North Central Florida YMCA	-	1,978	1,978
PACE Center for Girls	-	7,799	7,799
Partnership for Strong Families	21,000	1,399	22,399
Peaceful Paths	103,803	26,982	130,785
Reichert House	12,188	600	12,788
Saint Francis House	93,000	29,218	122,218
Suwannee River Area Health Education Center	-	398	398
The Arc of Alachua County	12,000	4,752	16,752
The Education Foundation of Alachua County Inc.	10,000	7,199	17,199
The Salvation Army of Gainesville	-	5,652	5,652
Three Rivers Legal Services	10,000	8,435	18,434
Vetspace, Inc.	-	4,430	4,430
Total Partners Program Investment	1,000,000	342,394	1,342,394
Other Agencies		620,498	620,498
Total Agencies Payments	1,000,000	962,893	1,962,893

November 3, 2017
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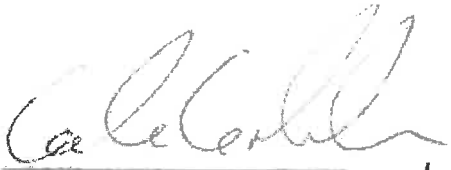


Distribution of Donor Designations were made in the fiscal year ended June 30, 2017, and include payments from both the 2015 and 2016 campaigns.

For a more in-depth look into United Way of North Central Florida's work in education, financial stability and health, please visit us at www.unitedwayncfl.org.

We hereby certify that we have reviewed the financial statements and based on our knowledge, these financial statements do not contain any untrue statements of a material fact or omit a material fact necessary to make the statements, in light of the circumstances under which such statements were made, not misleading; and, based on our knowledge, the financial statements and other financial information included in this report, fairly present, in all material respect, the financial condition, results of operations and cash flows of the United Way of North Central Florida, Inc. as of and for the year ended June 30, 2017.


Deborah V. Bowie, CCE, IOM
President and Chief Executive Officer


Carlos G. Molina
Chief Financial Officer
11/13/2017



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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of
United Way of North Central Florida, Inc.

We have audited the accompanying financial statements of United Way of North Central Florida, Inc. (a nonprofit organization), which comprise the statement of financial position as of June 30, 2017 and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the 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 financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of United Way of North Central Florida, Inc. as of June 30, 2017 and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters – Other Information

Our audit was conducted for the purpose of forming an opinion on the basic financial statements as a whole. Information on program accomplishments included in the transmittal letter is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on it.

Prior Period Financial Statements

The financial statements of United Way of North Central Florida, Inc. as of June 30, 2016, were audited by other auditors whose report dated November 3, 2016, expressed an unmodified opinion on those statements.

Cary Riggs & Ingram, L.L.C.

Gainesville, Florida
January 2, 2018

Statements of Financial Position
June 30, 2017 and 2016
United Way of North Central Florida, Inc.
Gainesville, Florida

	<u>2017</u>	<u>2016</u>
Assets		
Assets:		
Cash	\$ 667,245	\$ 604,848
Investments	488,593	452,559
Endowment Investments	52,783	52,783
Unconditional Promises to Give: Campaign Pledges (net of allowance for uncollectable pledges of \$110,159 and \$106,244 for 2017 and 2016 respectively)	1,430,789	1,402,834
Other Receivables	4,647	14,172
Prepaid Expenses	30,907	8,871
Property and Equipment	414,959	425,729
Total Assets	<u>\$ 3,089,923</u>	<u>\$ 2,961,796</u>
Liabilities and Net Assets		
Liabilities:		
Accounts Payable	\$ 55,995	\$ 54,046
Accrued Compensated Absences	29,977	22,120
Partner Program Investments Payable	962,188	1,000,000
Donor Choice Payable	641,415	638,577
Total Liabilities	1,689,575	1,714,743
Net Assets:		
Unrestricted	1,182,909	1,108,301
Temporarily Restricted	164,656	85,969
Permanently Restricted	52,783	52,783
Total Net Assets	<u>1,400,348</u>	<u>1,247,053</u>
Total Liabilities and Net Assets	<u>\$ 3,089,923</u>	<u>\$ 2,961,796</u>

Statement of Activities
For the Year Ended June 30, 2017
United Way of North Central Florida, Inc.
Gainesville, Florida

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Support and Revenues:				
Campaign Contributions	\$ 3,108,288	\$ 130,509	\$ -	\$ 3,238,797
Less Donor Designations	(1,033,676)	-	-	(1,033,676)
Loss on Uncollectible Promises to Give	(41,065)	-	-	(41,065)
Grants	86,933	24,250	-	111,183
In-Kind Contributions	62,496	-	-	62,496
Transfer Fees	77,814	-	-	77,814
Investment Income	43,773	-	-	43,773
Sponsorships and Other Revenues	80,210	810	-	81,020
Net Asset Reclassification				
Satisfaction of Restrictions	76,882	(76,882)	-	-
TOTAL SUPPORT AND REVENUES	2,461,655	78,687	-	2,540,342
Expenses:				
Program Services:				
Community Impact	2,287,618	-	-	2,287,618
Less Donor Designations	(1,033,676)	-	-	(1,033,676)
2-1-1	141,181	-	-	141,181
Grants	135,585	-	-	135,585
Supporting Services:				
Fundraising	476,163	-	-	476,163
Management and General	380,176	-	-	380,176
Total Expenses	2,387,047	-	-	2,387,047
Change In Net Assets	74,608	78,687	-	153,295
Net Assets, Beginning of Period	1,108,301	85,969	52,783	1,247,053
Net Assets, End of Period	\$ 1,182,909	\$ 164,656	\$ 52,783	\$ 1,400,348

Statement of Activities
For the Year Ended June 30, 2016
United Way of North Central Florida, Inc.
Gainesville, Florida

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Support and Revenues:				
Campaign Contributions	\$3,106,731	\$ 59,044	\$ -	\$ 3,165,775
Less Donor Designations	(1,089,374)	-	-	(1,089,374)
Loss on Uncollectible Promises to Give	(42,977)	-	-	(42,977)
Grants	60,733	6,646	-	67,379
In-Kind Contributions	77,591	-	-	77,591
Transfer Fees	71,629	-	-	71,629
Investment Income	7,144	-	-	7,144
Sponsorships and Other Revenues	61,864	21,121	-	82,985
Net Asset Reclassification				
Satisfaction of Restrictions	222,831	(222,831)	-	-
TOTAL SUPPORT AND REVENUES	2,476,172	(136,020)	-	2,340,152
Expenses:				
Program Services:				
Community Impact	2,327,510	-	-	2,327,510
Less Donor Designations	(1,089,374)	-	-	(1,089,374)
2-1-1	151,769	-	-	151,769
Grants	277,848	-	-	277,848
Supporting Services:				
Fundraising	515,618	-	-	515,618
Management and General	352,029	-	-	352,029
Total Expenses	2,535,400	-	-	2,535,400
Change In Net Assets	(59,228)	(136,020)	-	(195,248)
Net Assets, Beginning of Period	1,167,529	221,989	52,783	1,442,301
Net Assets, End of Period	\$ 1,108,301	\$ 85,969	\$ 52,783	\$ 1,247,053

Statement of Functional Expenses
For the Year Ended June 30, 2017
United Way of North Central Florida, Inc.
Gainesville, Florida

	Program Services				Supporting Services			Total Expenses
	Community	Impact 2-1-1	Impact	Total	Fundraising	Mgmt &	Total	
	Impact		Grants			General		
Community Impact Program Funding	\$1,983,676	\$ -	\$ 51,942	\$2,035,618	\$ -	\$ -	\$ -	\$2,035,618
Less Donor Designations	(1,033,676)	-	-	(1,033,676)	-	-	-	(1,033,676)
Net Community Impact Program Funding	950,000	-	51,942	1,001,942	-	-	-	1,001,942
Community Impact Special Initiatives	58,296	-	-	58,296	-	-	-	58,296
Other Grant Expenses	-	-	11,953	11,953	-	-	-	11,953
Personnel Expense	138,664	32,950	61,615	233,229	275,026	225,937	500,963	734,192
Contract Labor	6,780	-	-	6,780	10,866	8,926	19,792	26,572
Professional Fees	7,688	98,053	-	105,741	12,320	10,121	22,441	128,182
Back-Room Operations Fees	15,051	-	-	15,051	24,121	19,815	43,936	58,987
Bank Charges	4,751	-	-	4,751	7,615	6,255	13,870	18,621
Federated Campaign Expenses	-	-	-	-	13,383	-	13,383	13,383
Insurance	1,613	383	-	1,996	3,199	2,628	5,827	7,823
Dues & Subscriptions	1,138	270	-	1,408	2,257	1,854	4,111	5,519
Occupancy & Office Expenses	22,186	5,272	-	27,458	44,004	36,150	80,154	107,612
Marketing & Communications	16,041	3,812	8,570	28,423	31,816	26,137	57,953	86,376
Transportation	1,856	441	1,505	3,802	3,682	3,025	6,707	10,509
Organization/Business Meetings	7,923	-	-	7,923	12,695	10,429	23,124	31,047
Staff Development	1,717	-	-	1,717	2,751	2,260	5,011	6,728
United Way of FL/Worldwide Dues	11,912	-	-	11,912	19,088	15,681	34,769	46,681
Depreciation	4,129	-	-	4,129	6,616	5,435	12,051	16,180
Employee Appreciation Fund	320	-	-	320	511	420	931	1,251
Special Events	3,579	-	-	3,579	5,735	4,711	10,446	14,025
Other Expenses	298	-	-	298	478	392	870	1,168
Total Expenses	\$1,253,942	\$141,181	\$135,585	\$1,530,708	\$476,163	\$380,176	\$856,339	\$2,387,047

**Statement of Functional Expenses
For the Year Ended June 30, 2016
United Way of North Central Florida, Inc.
Gainesville, Florida**

	Program Services				Supporting Services			Total Expenses
	Community Impact	2-1-1	Impact Grants	Total	Fundraising	Mgmt & General	Total	
	Community Impact Program Funding	\$2,047,707	\$ -	\$ 68,158	\$2,115,865	\$ -	\$ -	
Less Donor Designations	(1,089,374)	-	-	(1,089,374)	-	-	-	(1,089,374)
Net Community Impact Program Funding	958,333	-	68,158	1,026,491	-	-	-	1,026,491
Community Impact Special Initiatives	35,468	-	-	35,468	-	-	-	35,468
Other Grant Expenses	-	-	16,730	16,730	-	-	-	16,730
Personnel Expense	132,556	40,397	177,117	350,070	290,597	205,211	495,808	845,878
Contract Labor	11,990	-	-	11,990	20,145	14,226	34,371	46,361
Professional Fees	5,329	98,053	-	103,382	8,954	6,323	15,277	118,659
Back-Room Operations Fees	13,871	-	-	13,871	23,306	16,458	39,764	53,635
Bank Charges	5,009	-	-	5,009	8,415	5,943	14,358	19,367
Federated Campaign Expenses	-	-	-	-	17,113	-	17,113	17,113
Insurance	1,589	484	-	2,073	3,484	2,460	5,944	8,017
Dues & Subscriptions	1,082	330	-	1,412	2,373	1,675	4,048	5,460
Occupancy & Office Expenses	20,686	6,304	-	26,990	45,350	32,025	77,375	104,365
Marketing & Communications	16,663	5,420	11,092	33,175	34,820	24,589	59,409	92,584
Transportation	2,562	781	4,751	8,094	5,616	3,966	9,582	17,676
Organization/Business Meetings	9,921	-	-	9,921	16,670	11,772	28,442	38,363
Staff Development	5,148	-	-	5,148	8,649	6,108	14,757	19,905
United Way of FL/Worldwide Dues	11,243	-	-	11,243	18,890	13,340	32,230	43,473
Depreciation	4,517	-	-	4,517	7,590	5,360	12,950	17,467
Employee Appreciation Fund	406	-	-	406	683	482	1,165	1,571
Special Events	1,549	-	-	1,529	2,603	1,838	4,441	5,990
Other Expenses	214	-	-	214	360	253	613	827
Total Expenses	\$1,238,136	\$151,769	\$277,848	\$1,667,753	\$515,618	\$352,029	\$867,647	\$2,535,400

Statements of Cash Flows
For the Years Ended June 30, 2017 and 2016
United Way of North Central Florida, Inc.
Gainesville, Florida

	<u>2017</u>	<u>2016</u>
Cash Flows from Operating Activities:		
Contributions From All Sources	\$ 3,213,012	\$ 3,138,410
Interest and Dividend Revenues	8,233	9,022
Other Revenues	168,359	85,749
Payments on Allocations to Agencies	(987,812)	(858,333)
Payments from Donor Choice Contributions	(962,893)	(960,512)
Compensation and Related Expenses	(726,333)	(842,687)
Vendors and Suppliers	(644,265)	(637,688)
Net Cash Provided (Used) By Operating Activities	<u>68,301</u>	<u>(66,039)</u>
Cash Flows from Investing Activities:		
Purchases of Furniture and Equipment	(5,410)	(5,824)
Purchases of investments	(217,865)	(163,204)
Sales/Redemptions of Investments	217,371	162,796
Net Cash Provided (Used) by Investing Activities	<u>(5,904)</u>	<u>(6,232)</u>
Net Increase (Decrease) In Cash	62,397	(72,271)
Cash, Beginning of Period	<u>604,848</u>	<u>677,119</u>
Cash, End of Period	<u>\$ 667,245</u>	<u>\$ 604,848</u>

**RECONCILIATION OF CHANGE IN NET ASSETS TO NET CASH PROVIDED (USED) BY
OPERATING ACTIVITIES**

Change in Net Assets	\$ 153,295	\$ (195,248)
Adjustments to Reconcile Change in Net Assets to Net Cash Provided (Used) by Operating Activities:		
Depreciation	16,180	17,467
Net (Gain) Loss on Investments	(35,540)	1,878
Change In:		
Unconditional Promises to Give	(27,955)	101,525
Other Receivables	9,525	12,262
Prepaid Expenses	(22,036)	6,564
Accounts Payable	1,949	(8,121)
Accrued Compensated Absences	7,857	3,193
Partner Program Investments Payable	(37,812)	100,000
Donor Choice Payable	2,838	(105,559)
Net Cash Provided (Used) By Operating Activities	<u>\$ 68,301</u>	<u>\$ (66,039)</u>

Notes to Financial Statements
June 30, 2017 and 2016
United Way of North Central Florida, Inc.
Gainesville, Florida

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Activities

The United Way of North Central Florida, Inc. (“United Way”) is a Florida nonprofit corporation organized for the purpose of advancing the common good by focusing on education, income, and health. United Way leads the community to focus on issues and build solutions through giving, advocating, and volunteering.

Basis of Presentation

The financial statements of United Way have been prepared on the accrual basis of accounting.

Cash

For purposes of the statement of cash flows, United Way considers all cash and money market accounts to be cash equivalents.

Investments

United Way carries investments in mutual funds and exchange-traded funds at their fair values in the Statement of Financial Position. Unrealized gains and losses are included in the change in net assets in the accompanying Statement of Activities.

Promises to Give

Unconditional promises to give are recognized at net realizable value in the period received. Based on historical collection rates, United Way expects 95% of promises to be fulfilled, all within the coming fiscal year. Collections in excess of this estimate are reported as additional contributions. Collections less than this estimate are reported as Losses on Uncollectable Promises to Give.

Conditional promises to give, if any, are recognized when the conditions on which they depend are substantially met.

Property and Equipment

Property and equipment are recorded at cost or, in the case of donated items, at fair value on the date received. United Way capitalizes all fixed assets with a cost or fair value of greater than \$500 and an estimated useful life greater than one year. Depreciation is provided using the straight-line method over the anticipated useful lives of the assets, which range from three to thirty-nine years.

Program Partner Investments Payable

United Way notifies Community Impact Partners near the end of each fiscal year of the funding allocations from the recent campaign. Program Partner Investments Payable represents that funding commitment at year end. These amounts are scheduled to be paid out by the end of the next fiscal year.

Notes to Financial Statements
June 30, 2017 and 2016
United Way of North Central Florida, Inc.
Gainesville, Florida

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Donor Designations

United Way offers its donors the opportunity to designate the whole or part of their contributions to specific agencies described in Section 501(c)(3), Internal Revenue Code.

These are contributions over which United Way has little or no discretion in determining how funds are to be used and therefore are considered an agency relationship. These transactions are reported in the statements of activities as part of the United Way annual campaign and amounts designated to others are then deducted to arrive at net campaign revenue. Amounts deducted are carried as liabilities until paid to the designated agencies. No allowance for uncollectible is recorded against these pledges as donor choice contributions are not paid until the related pledges have been collected from the donors; any uncollected receivable is written off against the corresponding liability.

Accounting for Net Assets

Net assets, the excess of assets over liabilities, are reported in three mutually exclusive classes:

Permanently Restricted – Those net assets resulting from inflows of assets whose use is limited by donor-imposed restrictions which do not expire by passage of time.

Temporarily Restricted – Those net assets resulting from inflows of assets whose use is limited by donor-imposed restrictions which expire by passage of time or are fulfilled by actions of the United Way.

Unrestricted – Those net assets that are not subject to donor imposed restrictions.

Designation of Unrestricted Net Assets

It is the policy of United Way's Board of Directors to review its plans for future property improvements and special projects from time to time and to designate sums of unrestricted net assets to assure adequate financing of such improvements and projects.

Contributions

United Way records contributions as unrestricted, temporarily restricted, or permanently restricted support, depending on the existence and nature of donor restrictions. Contributions are recorded at fair value.

United Way reports gifts of cash and other assets as restricted support if they are received with donor stipulations that limit the use of the donated assets. However, donor-restricted contributions whose restrictions are met within the same fiscal year are reported as unrestricted support. When a donor 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.

Notes to Financial Statements
June 30, 2017 and 2016
United Way of North Central Florida, Inc.
Gainesville, Florida

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Expense Allocation

Expenses are summarized by function based on the guidelines prescribed by the United Way Worldwide. Salaries and related expenses are distributed based on the estimated portion of time spent by respective employee for each function. Direct costs are charged to the function to which they relate. All other expenses are allocated among program and supporting service classifications on the same basis as staff time. The following is a summary description of United Way's functional expense categories:

Community Impact – Those costs associated with agency review and allocations and those costs associated with programs such as:

Success by 6™ (SB6) - Raises awareness of the importance of early childhood development, improves access to services, and offers grants to improve young children's lives.

ReadingPals Initiative – Provides materials to help students become strategic and independent readers that love to read.

2-1-1 – Those costs associated with the operation of the 2-1-1 information and referral service, and the maintenance and publication of a human services directory.

Grants – Those costs associated with programs funded by foundation, corporation, or government funding.

Fundraising – Those costs associated with all fundraising, including the annual campaign and grant writing.

Management and General – Those costs associated with administration of United Way, including accounting, personnel, staff supervision, and board operations.

Tax Exemption

United Way is tax exempt under Section 501(c)(3) of the Internal Revenue Code and does not earn any unrelated business income. Therefore, no provision for income taxes is reflected in the accompanying financial statements. In addition, United Way qualifies for the charitable contributions deduction and has been classified by the Internal Revenue Service as an organization that is not a private foundation. The United Way holds no uncertain tax positions and, therefore, has no policy for evaluating them.

Notes to Financial Statements
June 30, 2017 and 2016
United Way of North Central Florida, Inc.
Gainesville, Florida

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Donated Goods and Services

A substantial number of unpaid volunteers have made significant contributions of their time to support United Way’s campaign and allocation processes. The value of this time is not recorded in the accompanying financial statements since it does not meet the criteria for recognition under generally accepted accounting principles. Some donated goods and professional services did meet the criteria, and the value of these were recognized as revenue and corresponding expense.

Credit Risk Concentration

The unconditional promises to give amount is composed of corporate and individual pledges from residents of North Central Florida and the surrounding communities. Unconditional promises to give are unsecured. Promises to give are billed by United Way or directly deducted from employees’ paychecks by employers, who in turn remit them to United Way. The probability of the promises to give being honored is significantly influenced by the general economic conditions of the area.

United Way maintains cash balances at a commercial bank. These accounts are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000. At June 30, 2017, and 2016, United Way held \$408,624 and \$353,347, respectively, in excess of FDIC coverage.

Accounting Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

NOTE 2 – CASH AND INVESTMENTS

Cash and investments consist of the following at June 30:

	<u>2017</u>		<u>2016</u>	
	Cash Equivalents	Investments	Cash Equivalents	Investments
Checking Accounts	\$ 649,114	\$ -	\$ 594,456	\$ -
Money Market Account	18,131	-	10,392	-
Certificates of Deposit	-	163,614	-	163,205
Exchange-traded funds	-	377,762	-	342,137
Total Cash and Investments	\$ 667,245	\$ 541,376	\$ 604,848	\$ 505,342

Notes to Financial Statements
June 30, 2017 and 2016
United Way of North Central Florida, Inc.
Gainesville, Florida

NOTE 2 – CASH AND INVESTMENTS (CONTINUED)

United Way determines the fair value of investments as follows:

- Money Market Funds: Determined by the published net asset value per unit at the end of the last trading day of the year, which is the basis for transactions at that date.
- Exchange-traded funds: Determined by the published closing price on the last business day of the fiscal year.

United Way is required to report its fair value measurements in one of three levels, which are based on the ability to observe in the marketplace the inputs to the organization's valuation techniques.

- Level 1, the most observable level of inputs, is for investments measured at quoted prices in active markets for identical investments as of the measurement date.
- Level 2 is for investments measured using inputs such as quoted prices for similar assets, quoted process for the identical asset in inactive markets, and for investments measure at net asset value that can be redeemed in the near term.
- Level 3 is for investments measured using inputs that are unobservable, and is used in situations for which there is little, if any, market activity for the investment.

All fair value measurements are determined with reference to level 1 inputs.

United Way invests in a portfolio of investment securities. Investment securities are exposed to various risks such as interest rate, market, and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect the United Way's financial position and the amounts reported in the statements of activities.

Components of investment income for the year ended June 30:

	<u>2017</u>	<u>2016</u>
Earnings on Cash and Investments:		
Interest and Dividends	\$ 8,233	\$ 9,022
Net Increase (Decrease) in Fair Value	35,540	(1,878)
Total Investment Income	\$ 43,773	\$ 7,144

NOTE 3 – PROPERTY AND EQUIPMENT

Land, building and equipment consist of the following at June 30:

	<u>2017</u>	<u>2016</u>
Land	\$ 136,000	\$ 136,000
Building	455,583	455,583
Office Furniture and Equipment	79,657	74,247
Accumulated Depreciation	(256,281)	(240,101)
Total	\$ 414,959	\$ 425,729

Notes to Financial Statements
June 30, 2017 and 2016
United Way of North Central Florida, Inc.
Gainesville, Florida

NOTE 4 – NET ASSETS

The following is a summary of net assets at June 30:

Unrestricted Net Assets:	<u>2017</u>	<u>2016</u>
Net Investment in Property and Equipment	\$ 414,959	\$ 425,729
Designations:		
Emergency/Disaster Fund	68,700	68,700
Catalyst Fund	-	-
Reading Pals	5,712	12,862
Operating Reserve	559,548	559,549
Unrealized/Realized Net Gains	77,001	41,461
Undesignated	56,989	-
Total Unrestricted Net Assets	<u>1,182,909</u>	<u>1,108,301</u>
Temporarily Restricted Net Assets:		
Pledges Restricted for Future Campaigns	118,637	9,750
Purpose Restricted Pledges	23,363	69,572
Purpose Restricted Grants		
Available Currently	-	-
Available in Subsequent Year	<u>22,656</u>	<u>6,647</u>
Total Temporarily Restricted Net Assets	<u>164,656</u>	<u>85,969</u>
Permanently Restricted Net Assets	<u>52,783</u>	<u>52,783</u>
Total Net Assets	<u>\$ 1,400,348</u>	<u>\$ 1,247,053</u>

Permanently Restricted Net Assets

United Way created an endowment fund to provide donors gift planning opportunities that will add stability to the annual campaign, ensure resources for long-term growth and increase the ability to meet changing community needs. The endowment fund comprises donor-restricted contributions designed to function as an endowment. Earnings of investments of the endowment fund are unrestricted.

Endowment fund assets are included in investments and are not segregated. United Way has interpreted Florida Law governing the management of endowment funds to require the maintenance of the historic dollar value of permanently restricted donations; therefore, United Way ensures the value of investments exceeds the amount of permanently restricted gifts. United Way's primary investment objective is the preservation of endowment capital in keeping with a moderate tolerance for risk. For the years ended June 30, 2017 and 2016, there was no activity in the endowment fund.

Notes to Financial Statements
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United Way of North Central Florida, Inc.
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NOTE 5 – RETIREMENT PLAN

United Way's retirement plan is an elective 403(b) defined-contribution retirement plan with elective employer contributions. An employee is eligible to participate in the plan after the completion of one year of eligibility service. An employee is credited with a year of eligibility service by completing at least 1,000 hours of service by the first anniversary of the hire date. The employee's vested interest in employer contributions is based on a graded schedule. For the plan years ended June 30, 2017 and 2016, the United Way elected to contribute to all eligible participants a maximum of six percent of annual compensation. For the years ended June 30, 2017 and 2016, the United Way expense was \$27,960 and \$24,818, respectively.

NOTE 6 – DONATIONS OF GOODS AND SERVICES

Donated goods and services consist of the following:

	<u>2017</u>	<u>2016</u>
Community Impact Goods and Services	\$ 51,942	\$ 68,427
Events	750	625
Marketing & Media	5,328	5,380
Services	1,176	-
Tax Return Preparation	<u>3,300</u>	<u>3,159</u>
Totals	<u>\$ 62,496</u>	<u>\$ 77,591</u>

NOTE 7 – SUBSEQUENT EVENTS

In preparing these financial statements, United Way has evaluated events and transactions for potential recognition or disclosure through January 2, 2018, the date the financial statements were available to be issued.