



United Way of Johnson County

Financial Statements

Years Ended June 30, 2017 and 2016

UNITED WAY OF JOHNSON COUNTY, INC.

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors,
United Way of Johnson County, Inc.
Franklin, Indiana

We have audited the accompanying financial statements of United Way of Johnson County, Inc. (United Way) which comprise the statements of financial position as of June 30, 2017 and 2016, and the related statements of activities, functional expenses and cash flows for the years 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 audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free 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 United Way'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 United Way'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 the United Way as of June 30, 2017 and 2016, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Report on Summarized Comparative Information

We have previously audited the United Way's financial statements for the year ended June 30, 2016 and we expressed an unmodified opinion on the financial statements dated December 1, 2016. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2016, is consistent in all material respects, with the audited financial statements from which it has been derived.

Humphrey CPA Group, L.L.C.

Indianapolis, Indiana

December 7, 2017

UNITED WAY OF JOHNSON COUNTY, INC.

STATEMENTS OF FINANCIAL POSITION June 30, 2017 and 2016

	2017	2016
<u>ASSETS</u>		
CURRENT ASSETS		
Cash and cash equivalents	\$ 254,173	\$ 129,026
Cash held on behalf of others	0	24,964
Short-term investments	180,192	160,815
Pledges receivable-current campaign, net of allowance	641,206	595,577
Pledges receivable-prior campaign, net of allowance	6,970	6,984
Prepaid expense	64,234	33,732
TOTAL CURRENT ASSETS	1,146,775	951,099
NON-CURRENT ASSETS		
Office equipment, net of depreciation	17,185	14,161
Investments	116,787	111,468
Beneficial interest in assets held by Community Foundation	40,511	38,256
TOTAL NON-CURRENT ASSETS	174,483	163,884
TOTAL ASSETS	\$ 1,321,258	\$ 1,114,983
<u>LIABILITIES AND NET ASSETS</u>		
LIABILITIES		
Accrued expenses	\$ 17,664	\$ 16,701
Allocations payable	680,440	632,317
Designations payable-current campaign	35,861	24,437
Designations payable - prior year campaign	6,131	15,469
Amounts held on behalf of another organization	0	24,964
TOTAL CURRENT LIABILITIES	740,096	713,889
TOTAL LIABILITIES	740,096	713,889
NET ASSETS		
Unrestricted		
Board designated	159,883	209,267
Unappropriated	164,998	14,054
Total unrestricted net assets	324,881	223,321
Temporarily restricted	226,281	147,773
Permanently restricted	30,000	30,000
TOTAL NET ASSETS	581,162	401,094
TOTAL LIABILITIES AND NET ASSETS	\$ 1,321,258	\$ 1,114,983

See accompanying notes and independent auditor's report.

UNITED WAY OF JOHNSON COUNTY, INC.

STATEMENTS OF ACTIVITIES

For the Years Ended June 30, 2017 and 2016 (Comparative purposes only)

	2017				2016
	Unrestricted	Temporarily Restricted	Permanently Restricted	Total	Memo Only
SUPPORT AND REVENUE					
Support					
Gross campaign results	\$ 1,211,218	\$ 5,473	\$ 0	\$ 1,216,691	\$ 1,183,671
Donor designations to member agencies	(90,092)	0	0	(90,092)	(87,378)
Donor designations to other agencies	(51,137)	0	0	(51,137)	(42,091)
Provision for uncollectible pledges	(73,237)	0	0	(73,237)	(85,691)
Net campaign results	996,752	5,473	0	1,002,225	968,513
Revenue					
Designations from other United Ways	266,391	0	0	266,391	264,084
Grants	24,964	189,766	0	214,730	148,200
Other contributions	40,557	0	0	40,557	41,223
Campaign related events	6,079	0	0	6,079	8,037
In-kind contributions	0	226,692	0	226,692	196,768
Investment income	5,497	0	0	5,497	5,113
Unrealized gains (losses) on investments	(104)	2,255	0	2,151	(859)
Received from Community Foundation	1,282	1,574	0	2,856	2,748
Other income	7,573	0	0	7,573	6,111
Total revenue	352,240	420,288	0	772,527	671,425
Total Support and Revenue	1,348,993	425,760	0	1,774,753	1,639,938
Other revenue					
Net assets released from restrictions	347,252	(347,252)	0	0	0
TOTAL SUPPORT AND REVENUE	1,696,245	78,508	0	1,774,753	1,639,938
EXPENSES					
Program services					
Gross distributions	867,666	0	0	867,666	864,103
Special project distributions	49,265	0	0	49,265	74,000
Donor designations to members	(90,092)	0	0	(90,092)	(87,378)
Donor designations to other agencies	(51,137)	0	0	(51,137)	(42,091)
Net funds distributed	775,703	0	0	775,703	808,634
Homeless Initiative Program	116,987	0	0	116,987	0
Net supporting expenses	892,690	0	0	892,690	808,634
Noncash items distributed	213,932	0	0	213,932	196,768
Other program services	186,653	0	0	186,653	176,526
Total Program Services	1,293,275	0	0	1,293,275	1,181,928
Management and general	144,026	0	0	144,026	152,265
Fundraising	144,355	0	0	144,355	142,787
Unallocated United Way Worldwide dues	13,028	0	0	13,028	11,857
TOTAL EXPENSES	1,594,684	0	0	1,594,684	1,488,837
CHANGE IN NET ASSETS	101,561	78,508	0	180,069	151,101
NET ASSETS, BEGINNING	223,321	147,773	30,000	401,094	249,994
NET ASSETS, ENDING	\$ 324,881	\$ 226,281	\$ 30,000	581,162	\$ 401,095

See accompanying notes and independent auditor's report.

UNITED WAY OF JOHNSON COUNTY, INC.

STATEMENTS OF FUNCTIONAL EXPENSES

For the Years Ended June 30, 2017 and 2016 (Comparative purposes only)

	2017				2016	
	Program Services	Management & General	Fundraising	Unallocated UWW Dues	Total Expenses	Total (Memo Only)
Gross Distributions	\$ 867,666	\$ 0	\$ 0	\$ 0	\$ 867,666	\$ 864,103
Special Project distributions	49,265	0	0	0	49,265	74,000
Donor designations to members	(90,092)	0	0	0	(90,092)	(87,378)
Donor designations to other agencies	(51,137)	0	0	0	(51,137)	(42,091)
Net Funds distributed	775,703	0	0	0	775,703	808,634
Homeless Initiative expenses	116,987	0	0	0	116,987	0
Net Supporting expenses	892,690	0	0	0	892,690	808,634
Noncash items distributed	213,932	0	0	0	213,932	196,768
Salaries, wages, and consulting	93,946	62,896	66,378	0	223,220	228,847
Payroll taxes and benefits	19,767	14,375	14,483	0	48,625	47,823
Total personnel	113,713	77,271	80,861	0	271,845	276,670
Program expenses	18,090	0	0	0	18,090	24,816
Accounting and professional fees	8,471	16,059	5,945	0	30,475	33,677
Fees charged by other United Ways	0	0	16,730	0	16,730	26,767
Rent	10,006	16,117	9,641	0	35,764	25,920
Marketing	1,771	1,267	6,607	0	9,645	10,960
Moving expenses	14,791	1,032	617	0	16,440	0
Printing and publications	1,730	2,707	6,048	0	10,485	7,303
Office expense	1,744	1,610	4,457	0	7,811	7,041
Travel	322	281	1,392	0	1,995	1,969
Telephone	2,314	2,552	1,527	0	6,393	5,100
Equipment purchases and maintenance	5,637	4,098	3,975	0	13,710	10,323
Insurance	2,952	2,111	2,071	0	7,134	6,394
Food, meetings and conferences	684	13,795	773	0	15,252	20,415
Dues and subscriptions	2,118	1,514	1,486	0	5,118	6,958
Depreciation	1,990	3,206	1,918	0	7,114	4,670
Miscellaneous	320	406	307	0	1,033	2,597
Subtotal	186,653	144,026	144,355	0	475,034	471,580
United Way Worldwide Dues	0	0	0	13,028	13,028	11,857
Total functional expenses	<u>\$ 1,293,275</u>	<u>\$ 144,026</u>	<u>\$ 144,355</u>	<u>\$ 13,028</u>	<u>\$ 1,594,684</u>	<u>\$ 1,488,839</u>

See accompanying notes and independent auditor's report.

UNITED WAY OF JOHNSON COUNTY, INC.

STATEMENTS OF CASH FLOWS For the Years Ended June 30, 2017 and 2016

	2017	2016
RECONCILIATION OF CHANGE IN NET ASSETS TO NET CASH PROVIDED BY OPERATING ACTIVITIES		
Change in net assets	\$ 180,069	\$ 151,101
Non-cash items		
Depreciation	7,114	4,670
Unrealized (gain) loss on value of investments	(2,151)	859
Provision for uncollectible pledges	73,237	85,691
(Increase) decrease in assets:		
Pledges receivable	(118,852)	(123,204)
Grants receivable	0	70,333
Prepaid expenses	(30,502)	(33,365)
Increase (decrease) in liabilities:		
Allocations payable	48,123	71,977
Designations payable	2,085	2,921
Accrued expenses	963	(566)
NET CASH PROVIDED BY OPERATING ACTIVITIES	160,086	230,419
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property and equipment	(10,138)	(14,005)
Net proceeds (purchase) of investments	(24,801)	(54,206)
NET CASH USED IN INVESTING ACTIVITIES	(34,939)	(68,211)
NET INCREASE IN CASH AND CASH EQUIVALENTS	125,147	162,206
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	129,026	80,711
CASH AND CASH EQUIVALENTS, END OF YEAR	\$ 254,173	\$ 242,917
Interest paid during the year	\$ 0	\$ 0

See accompanying notes and independent auditor's report.

UNITED WAY OF JOHNSON COUNTY, INC.

NOTES TO FINANCIAL STATEMENTS

For the Years Ended June 30, 2017 and 2016

(1) Nature of operations

The United Way of Johnson County (United Way) was formed on May 9, 1961, as a voluntary nonprofit organization benefiting the Johnson County, Indiana community. The mission of the United Way is to organize caring people to identify and meet human needs in our community. The United Way is governed by a board of directors. The United Way solicits donations from the public in Johnson County and grants funding to various nonprofit agencies.

(2) Summary of significant accounting policies

The significant accounting policies followed by the United Way are summarized below.

Method of accounting

The United Way uses the accrual method of accounting. Revenue is recorded in the period earned and support is recorded in the period the contribution is made (when cash is received or ownership of assets is transferred). Expenses are reported in the period incurred.

Basis of presentation

The United Way's financial statement presentation follows the requirements of the Financial Account Standards Board in its FASB ASC 958 for the years ended June 30, 2017 and 2016. Under FASB ASC 958, the United Way is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets.

Unrestricted net assets

Unrestricted net assets are all assets over which the United Way and the board of directors can determine the use in accordance with its bylaws. The Board may designate unrestricted net assets for future use or specific purposes.

Temporarily restricted net assets

Temporarily restricted net assets include net assets whose use by the United Way is limited by donor-imposed restrictions that either expire by the passage of time or as they are fulfilled by the United Way. As the restrictions are met, the net assets are released from restrictions and included in unrestricted net assets.

Permanently restricted net assets

Permanently restricted net assets, if any, include net assets subject to donor-imposed stipulations that neither expire by the passage of time nor can be fulfilled or otherwise removed by the action of the United Way.

Statement of Cash Flows,

For purposes of the Statement of Cash Flows, the United Way considers all liquid investments with a maturity of three months or less to be cash equivalents.

UNITED WAY OF JOHNSON COUNTY, INC.

NOTES TO FINANCIAL STATEMENTS

For the Years Ended June 30, 2017 and 2016

(2) Summary of significant accounting policies (continued)

Contributed services

The United Way's mission could not be fully achieved without the dedicated efforts of many volunteers. These contributed services are not reported as they do not meet the requirements under the current accounting standards.

Property and Equipment

Property and equipment are recorded at cost and depreciated using the straight-line method over estimated useful lives of three to seven years. Donated items are reported at their fair market value on the date of the gift. The United Way's policy is to capitalize equipment purchases over \$500 with useful lives of more than one year. Depreciation is allocated to the various program services and supporting activities.

Use of estimates

The presentation 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 reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Tax Status

The United Way has been determined to be exempt from state and federal income taxes under the provisions of Section 501(c)(3) of the Internal Revenue Code. The United Way is classified as a publicly supported organization rather than a private foundation. There were no payments for penalties and interest related to taxes during the year ended June 30, 2017.

U.S. generally accepted accounting principles require United Way to examine its tax positions for uncertain tax positions. United Way is not aware of any tax positions that are more likely than not to change in the next twelve months, or that would not sustain an examination by applicable taxing authorities.

Functional allocation of expenses

The costs of providing the various program services and supporting activities have been summarized on a functional basis in the statement of activities. Accordingly, certain costs have been allocated among the program services and supporting activities benefited based on the best estimate of the United Way's management.

UNITED WAY OF JOHNSON COUNTY, INC.

NOTES TO FINANCIAL STATEMENTS

For the Years Ended June 30, 2017 and 2016

(2) Summary of significant accounting policies (continued)

Support, Revenue and Pledges

All contributions are considered to be available for unrestricted use unless specifically restricted by the donor. Pledges for contributions are recorded as receivable when the pledge is received. Allowances for uncollectible pledges are determined on an annual basis, when amounts are estimated to be uncollectible. Amounts received that are restricted for future periods or donor-restricted for specific purposes are reported as temporarily-restricted or permanently-restricted support that increases those net asset classifications.

When a donor-stipulated time restriction ends or a purpose restriction is accomplished, the restricted net assets are reported in the statement of activities as net assets released from restrictions.

Designated pledges payable consist of pledges designated by the donor to be paid to other United Ways, specific United Way agencies, or organizations that are not agencies of United Way of Johnson County, Inc.

The provision for uncollectible pledges is computed based upon a three-year historical average adjusted by management's estimates of current economic factors, applied to gross campaign results, including donor designations. The allowance is increased by a provision for uncollectible pledges, which is charged against gross revenue and reduced by charge-offs, net of recoveries.

In kind donations, including donations of assets, are recorded at fair market value at the date of the donation. The United Way reports these gifts as unrestricted net assets unless the donor imposes a restriction, in which case, it is recorded as a temporarily restricted donation, following the policy as stated above.

Allocations

The organization's policy in determining allocations and designations to member agencies is to apply the "first dollar in" to the member agencies. The Board of Directors approves the allocation amount in August. This approval is based on the recommendations of the volunteer allocation panels which review each agency.

The campaign goal for the fall campaign is based on the allocation amounts presented to the board in August. If the campaign goal is met and the agencies have signed their funding agreements, then the agencies are paid their allocations in eight installments beginning in March of the following year. If any agency receives designations over the amount that was approved by the United Way board, that agency will receive the additional amount designated to their agency. Beginning in March 2016, the board voted to pay the allocations out over a twelve (12) month schedule.

Special events

Revenue for special fundraising events is presented on the statement of activities, net of the cost of direct expenses and is recognized once the event has occurred. Receipts in advance of the event are treated as deferred revenue. Expenses related to the events are recognized in the year of the event.

UNITED WAY OF JOHNSON COUNTY, INC.

NOTES TO FINANCIAL STATEMENTS

For the Years Ended June 30, 2017 and 2016

(2) Summary of significant accounting policies (continued)

Cost Deduction

The United Way is committed to compliance with the United Way Worldwide cost deduction requirements for recovering actual costs associated with processing and transferring designated funds.

Investments

Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 820, Fair Value Measurements and Disclosures, provides the framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1 measurements) and the lowest priority to unobservable inputs (level 3 measurements). The three levels of the fair value hierarchy under FASB ASC 820 are described as follows:

- Level 1: Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the plan has the ability to access.
- Level 2: Inputs to the valuation methodology include quoted prices for similar assets or liabilities in active markets; quoted prices for identical or similar assets or liabilities in inactive markets; inputs other than quoted prices that are observable for the asset or liability; inputs that are derived principally from or corroborated by observable market data by correlation or other means. If the asset or liability has a specified (contractual) term, the level 2 input must be observable for substantially the full term of the asset or liability
- Level 3: Inputs to the valuation methodology are unobservable and significant to the fair value measurement

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

The listing of assets by level is more fully described in Note 6.

Advertising costs

The United Way expenses all advertising costs in the period incurred.

Agency allocations and designations payable

All outstanding agency allocations and designations are expected to be paid in less than one year.

Subsequent events

Subsequent events have been evaluated as of the date of the report, the date the financial statements were approved for release.

UNITED WAY OF JOHNSON COUNTY, INC.

NOTES TO FINANCIAL STATEMENTS

For the Years Ended June 30, 2017 and 2016

(3) Concentrations

The United Way of Johnson County receives the majority of its funding from the general public in the Johnson County, Indiana. There are no individual donors that collectively pledge more than 20% of the total revenue during the years ended June 30, 2017 and 2016.

The United Way also maintains investments in securities that are covered under the SIPC. However, management feels the exposure to loss is minimal, due to the nature of the investments.

(4) Property and Equipment

Fixed assets consist of the following:

	2017	2016
Office Equipment	\$ 81,599	\$ 71,461
less accumulated depreciation	64,414	57,300
	<u>\$ 17,185</u>	<u>\$ 14,161</u>

Depreciation expense totaled \$7,114 and \$4,670 for the year ended June 30, 2017 and 2016, respectively.

(5) Beneficial interest in assets held by Community Foundation

On August 26, 1996, the United Way transferred funds to establish the United Way of Johnson County Fund at the Greater Johnson County Community Foundation, Inc. (Foundation) under a designated endowment fund agreement. The agreement and all contributions made to the fund are irrevocable. Under the agreement, the Foundation maintains variance authority over the funds, though the United Way is specified as the beneficiary. The Accounting Standards require that in such a case the revenue and net assets not be considered as revenue or assets of the expected beneficiary, the trust, except for the portion created by the trust. Earnings, net of fees and expenses, will be distributed to the United Way on an annual basis in accordance with the Foundation's disbursement policy. The beneficial interest, reported an asset of \$40,511 and \$38,256 as of June 30, 2017 and 2016, respectively, and represents the present value as determined by the Community Foundation. Any change in the value of the beneficial interest in the fund is reported as an increase or decrease in permanently restricted net assets.

Due to the lack of trading in this area and heavy reliance on management assumptions to determine value, this asset is considered a Level 3 input with regards to Investments held. The value reported, as determined by the income approach, did not fluctuate from June 30, 2014 to June 30, 2015, resulting in no gains or losses being reflected in the financial statements. As of June 30, 2017, the United Way had \$2,872 available to be distributed in the form of grants from the Foundation.

UNITED WAY OF JOHNSON COUNTY, INC.

NOTES TO FINANCIAL STATEMENTS

For the Years Ended June 30, 2017 and 2016

(6) Investments

The United Way's financial instruments consists of Vanguard mutual funds whose fair value was \$147,093 and \$139,782 as of June 30, 2017 and 2016 respectively. The United Way has also invested in common stock and short-term investments in money funds at Ameritrade (PNC Investments as of June 30, 2016), whose fair value was \$149,886 and \$132,502 as of June 30, 2017 and 2016, respectively.

The Vanguard Mutual Funds and the common stock held are considered Level 1 investments. Fair values of the money funds are considered Level 2 input as defined by FASB ASC 820, as the values for the assets are other than quoted prices from active markets with Level 1, but are observable for the assets, either directly or indirectly. Values of the United Way's Level 2 inputs under the cost approach were determined through examination of the month statements provided to the United Way. Market risk could occur and is dependent on the future changes in market prices of the various investments held. The following schedule summarizes the investments held at June 30, 2017 and 2016.

In addition, the United Way has investments held at the Johnson County Community Foundation, as described in Note 5 above. This investment has been classified as level 3 input as discussed in Note 5. The reconciliation of activity for this level 3 asset is as follows:

Balance as of 6/30/2016	\$38,256
Net earnings	<u>2,255</u>
Ending balance at fair value	<u>\$40,511</u>

	<u>Fair Value</u>	<u>Quoted Prices in Active Markets for Identical Assets Level 1</u>	<u>Significant Other Observable Inputs Level 2</u>	<u>Significant Unobservable Inputs Level 3</u>
<u>2017</u>				
Vanguard Capital Development Fund- Mutual Funds	\$ 30,307	\$ 30,307	\$ 0	\$ 0
Vanguard Operating Reserves Fund- Mutual Funds	116,787	116,787	0	0
Securities held at Ameritrade	12,650	12,650	0	0
Ameritrade Money Funds	137,236	0	137,236	0
Beneficial interest held at Johnson County Community Foundation	<u>40,511</u>	<u>0</u>	<u>0</u>	<u>40,511</u>
Total	<u>\$ 337,491</u>	<u>\$ 159,744</u>	<u>\$ 137,236</u>	<u>\$ 40,511</u>

UNITED WAY OF JOHNSON COUNTY, INC.

NOTES TO FINANCIAL STATEMENTS For the Years Ended June 30, 2017 and 2016

(6) Investments(continued)

2016	Fair Value	Quoted Prices in Active Markets for Identical Assets Level 1	Significant Other Observable Inputs Level 2	Significant Unobservable Inputs Level 3
Vanguard Capital Development Fund- Mutual Funds	\$ 28,313	\$ 28,313	\$ 0	\$ 0
Vanguard Operating Reserves Fund- Mutual Funds	111,468	111,468	0	0
Securities held at PNC Investments	20,346	20,346	0	0
PNC Money Funds	112,156	0	112,156	0
Beneficial interest held at Johnson County Community Foundation	38,000	0	0	38,000
Total	\$ <u>310,284</u>	\$ <u>160,128</u>	\$ <u>112,156</u>	\$ <u>38,000</u>

(7) Net Assets

Net assets consist of the following as of June 30, 2017 and 2016:

Unrestricted net assets

Unrestricted net assets consist of the following as of June 30, 2017 and 2016:

	<u>2017</u>	<u>2016</u>
Board designated		
Community Initiatives Fund	\$ 1,370	\$ 1,370
Fast Track	8,211	14,191
IT Fund	3,208	51
Operating Reserves Fund	116,787	111,468
Capital Development Fund	30,307	28,313
Total board designated	159,883	155,394
Unappropriated	164,998	14,054
Total unrestricted net assets	\$ <u>324,881</u>	\$ <u>169,448</u>

UNITED WAY OF JOHNSON COUNTY, INC.

NOTES TO FINANCIAL STATEMENTS For the Years Ended June 30, 2017 and 2016

(7) Net Assets(continued)

Temporarily restricted net assets

Temporarily restricted net assets as of June 30, 2017 and 2016 consist of the following:

	<u>2017</u>	<u>2016</u>
1213 Needs Assessment	\$ 983	\$ 23,731
1213 IRIS Helpline software	6,050	6,050
Homeless Initiative	186,766	92,700
Future Needs Assessment	16,498	13,536
Beneficial interest at Community Foundation	10,511	8,256
Time restriction for future campaigns	<u>5,473</u>	<u>3,500</u>
Total temporarily restricted net assets	<u>\$ 226,281</u>	<u>\$ 147,773</u>

Net assets released from donor restrictions by incurring expenses satisfying the purpose or time restrictions specified by donors are as follows:

	<u>2017</u>	<u>2016</u>
Fast Track grants and contributions	\$ 0	\$ 31,464
Helpline	3,000	3,000
Needs Assessment	19,786	805
Expiration of time restrictions	3,500	5,950
In-kind contribution for OBU	18,800	15,220
In-kind contribution for Christmas Angels	161,400	164,900
In-kind contribution for Fast Track	46,492	16,648
No Place to Call Home	92,700	0
Community Foundation	<u>1,574</u>	<u>1,502</u>
Total restrictions released	<u>\$ 347,252</u>	<u>\$ 239,489</u>

UNITED WAY OF JOHNSON COUNTY, INC.

NOTES TO FINANCIAL STATEMENTS For the Years Ended June 30, 2017 and 2016

(8) Campaign results by campaign year

Net campaign results by campaign year are as follows:

Year ended June 30, 2017	2017	2016	2015	Prior	Total
	<u>Campaign</u>	<u>Campaign</u>	<u>Campaign</u>	<u>Campaigns</u>	<u>Total</u>
Gross campaign results	\$ 5,473	\$ 1,194,845	\$ 14,290	\$ 2,083	\$ 1,216,691
Donor designations to members	0	(90,092)	0	0	(90,092)
Donor designations to other agencies	0	(51,137)	0	0	(51,137)
(Provision for) Recovery of uncollectible pledges	<u>0</u>	<u>(74,200)</u>	<u>963</u>	<u>0</u>	<u>(73,237)</u>
Total	<u>\$ 5,473</u>	<u>\$ 979,416</u>	<u>\$ 15,253</u>	<u>\$ 2,083</u>	<u>\$ 1,002,225</u>
Year ended June 30, 2016	2016	2015	2014	Prior	Total
	<u>Campaign</u>	<u>Campaign</u>	<u>Campaign</u>	<u>Campaigns</u>	<u>Total</u>
Gross campaign results	\$ 3,500	\$ 1,149,103	\$ 25,711	\$ 5,359	\$ 1,183,673
Donor designations to members	0	(87,378)	0	0	(87,378)
Donor designations to other agencies	0	(42,091)	0	0	(42,091)
(Provision for) Recovery of uncollectible pledges	<u>0</u>	<u>(76,097)</u>	<u>(9,594)</u>	<u>0</u>	<u>(85,691)</u>
Total	<u>\$ 3,500</u>	<u>\$ 943,537</u>	<u>\$ 16,117</u>	<u>\$ 5,359</u>	<u>\$ 968,513</u>

United Way Worldwide Reporting Standards require that designations from other United Ways be excluded in the presentation of campaign results. If designations and out-of-area contributions were added to the above campaign results, gross income from pledges would total \$1,483,082 and \$1,447,756, respectively for the year ended June 30, 2017 and 2016.

UNITED WAY OF JOHNSON COUNTY, INC.

NOTES TO FINANCIAL STATEMENTS

For the Years Ended June 30, 2017 and 2016

(9) Functional expenses

The breakdown of program expense by program for the years ended June 30, 2017 and 2016 is as follows:

	2017	2016
Community Impact	\$ 780,149	\$ 773,422
Operation Bundle Up	25,268	22,246
Economic Assistance Plan	49,979	74,846
Christmas Angels	178,134	183,025
Fast Track	49,295	36,769
Helpline	39,398	39,230
Day of Caring	17,187	14,428
Needs Assessment	253	11,830
Charity Tracker	3,410	2,566
Volunteers	14,666	12,218
Homeless Initiative	135,508	11,095
Flood Relief	12	198
Other	16	55
Totals	\$ 1,293,275	\$ 1,181,928

(10) Operating leases

The United Way leases office space under a non-cancelable operating lease agreement that expired on July 31, 2016, at a rate of \$2,400 per month. Beginning in September 2016, the United Way entered into a new lease agreement to an unrelated party for a 10-year period, ending August 2026. Rent expense under these agreements was \$28,800 and \$28,800 for the years ended June 30, 2017 and 2016, respectively. Future minimum lease payments under this lease for each of the next five years are \$38,938 for the years ended June 30, 2016 and \$40,967 for the years ended June 30, 2017 through June 30, 2020.

The United Way also leases a digital copier at the rate of \$121 per month through March 2020. This lease has a basic fixed fee each month plus overage charges based on the number of copies. The copier expense for the year ended June 30, 2017 and 2016 was \$1,498 and \$1,498 and is included in printing and publications expense. Future minimum lease payments total \$1,498 for each of the years ended June 30, 2018 through June 30, 2019 and \$968 for the year ended June 30, 2020.

UNITED WAY OF JOHNSON COUNTY, INC.

NOTES TO FINANCIAL STATEMENTS

For the Years Ended June 30, 2017 and 2016

(11) Employee benefits

The United Way has a 401 (k) retirement plan that provides retirement benefits to all employees who have completed one year of service and are age 21 or older. Employer matching percentage and discretionary contributions are determined by the United Way on an annual basis. The United Way contributed \$12,046 and \$11,780 for the years ended June 30, 2017 and 2016, respectively.

(12) Donated materials and services

For Christmas Angels program, for the years ended June 30, 2017 and 2016, the United Way recognized \$161,400 and \$164,900, respectively, in gifts that were collected on behalf of the United Way's program and distributed to children in the Johnson County area at Christmas.

For the Operation Bundle Up program, an additional \$18,880 and \$15,220 in donated goods is reflected in the financial statements for the years ended June 30, 2017 and 2016, respectively, for coats that were collected, cleaned and distributed to those who may otherwise be without a winter coat.

Fast Track school supplies totaling \$17,741 and \$16,648 is reflected in the financial statements for the year ended June 30, 2017 and 2016, respectively, for noncash contributions given out by that program.

(13) No Place to Call Home Grant

The United Way has received funds to develop the Homeless Initiative Program in Johnson County. Grants received during the year ended June 30, 2017 and 2016 totaled \$186,766 and \$92,065, and is included as an increase to temporarily restricted net assets under "Grant Revenue". Expenses recorded for the year restricted for this purpose and reported on the statement of functional expenses as "Homeless Initiative Program" totaled \$116,987, of which \$26,343 represents amounts contributed by the United Way to the program, and \$90,644 from restricted resources. Amounts available to be spent in future years, as of June 30, 2017 are \$135,508.