

UNITED WAY OF NORTHWEST FLORIDA, INC.

PANAMA CITY, FLORIDA

FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2015



Tipton, Marler, Garner & Chastain
The CPA Group

UNITED WAY OF NORTHWEST FLORIDA, INC.

PANAMA CITY, FLORIDA

FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2015

UNITED WAY OF NORTHWEST FLORIDA, INC.

PANAMA CITY, FLORIDA

FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2015

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of
United Way of Northwest Florida, Inc.

We have audited the accompanying financial statements of United Way of Northwest Florida, Inc. (a nonprofit organization), which comprise the statement of financial position as of December 31, 2015, 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.

Board of Directors
United Way of Northwest Florida, Inc.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of United Way of Northwest Florida, Inc. as of December 31, 2015, 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.

A handwritten signature in black ink that reads "Robert M. Cameron, CPA, Chartered". The signature is written in a cursive style with a large initial "R" and "M".

Panama City, Florida
August 9, 2016

UNITED WAY OF NORTHWEST FLORIDA, INC.
STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2015

ASSETS

Cash and cash equivalents	\$ 501,844
Investments - certificates of deposits	140,098
Investments - designated funds	
Cash equivalents	353,730
Equity funds	1,091,466
Pledges receivable - less allowance for doubtful pledges of \$75,028	843,532
Receivable from Combined Federal Campaign	11,951
Net property and equipment	<u>44,647</u>
Total Assets	<u><u>\$ 2,987,268</u></u>

LIABILITIES AND NET ASSETS

Liabilities:

Due to charitable agencies	\$ 379,364
Accounts payable and accrued expenses	<u>29,899</u>
Total liabilities	<u><u>409,263</u></u>

Net Assets:

Unrestricted:

Campaign Reserve Fund: Designated by Board for emergency, maintenance and replacement	72,364
Building Fund: Designated by Board for new equipment and improvements to real property	472
Forever Fund: Designated by Board for endowment fund	493,972
Disaster Relief Fund: Designated by Board after Hurricane Opal for similar disasters	38,067
Peter Michael Bardach Bequest	951,224
Fixed assets	46,422
Unallocated Reserve	449,761
Temporarily restricted	<u>525,723</u>
Total net assets	<u><u>2,578,005</u></u>

Total Liabilities and Net Assets	<u><u>\$ 2,987,268</u></u>
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See the accompanying notes.

UNITED WAY OF NORTHWEST FLORIDA, INC.
STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2015

Changes in Unrestricted Net Assets:

Support and Revenue:

Public contributions raised (2014 campaign)	\$ 920,362
Less: Amounts designated by donors for specific organizations	(269,063)
Allowance for doubtful pledges	(91,532)
Net contributions	559,767
Additional prior year pledges received in current period	413,880
Other revenue:	
In-kind revenue	47,976
Interest revenue	354
Investment income	13,933
Estate and trust income	905,304
Miscellaneous income	1,010
Reimbursable funds	27,142
Grants	27,140
Total other revenue	1,022,859
Total support and revenue	1,996,506

Allocation and Expenses:

Gross funds distributed	721,872
Less: estimated funds distribution	(269,063)
Net funds distributions	452,809
Program Services	
Grants and designations	108,493
Other programs	118,174
Total program services	226,667
Support Services	
Fundraising	205,989
Management and general	177,687
Total program services	383,676
Total allocation and expenses	1,063,152

Increase in Unrestricted Net Assets **933,354**

See the accompanying notes.

UNITED WAY OF NORTHWEST FLORIDA, INC.
STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2015

(Continued)

Changes in Temporarily Restricted Net Assets:

Campaign Revenue Applicable to Next Allocation Period (2015 Campaign):

Campaign pledges	884,586
Campaign pledges to be paid by third party processor	95,529
Less: Amounts designated by donors for specific organizations	(379,364)
Allowance for doubtful pledges	(75,028)
Total campaign revenue for next allocation period	<u>525,723</u>

**Campaign Contributions Released from Restriction
for Prior Campaign (2014 Campaign):**

Contributions received	(920,362)
Less: Amounts designated by donors for specific organizations	269,063
Allowance for doubtful pledges	91,532
Total campaign contributions released from restriction for prior campaign	<u>(559,767)</u>

Decrease in Temporarily Restricted Net Assets (34,044)

Increase in Net Assets 899,310

Net Assets at Beginning of Year 1,678,695

Net Assets at End of Year \$ 2,578,005

See the accompanying notes.

UNITED WAY OF NORTHWEST FLORIDA, INC.
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED DECEMBER 31, 2015

	<u>Program Services</u>			<u>Support Services</u>			Total Expenses
	<u>Grants and Designations</u>	<u>Other Programs</u>	<u>Total Programs</u>	<u>Fundraising</u>	<u>Management and General</u>	<u>Total Support</u>	
Expenses:							
Salaries and wages	\$ 58,640	\$ 19,546	\$ 78,186	\$ 78,185	\$ 78,185	\$ 156,370	\$ 234,556
Pension plan contributions	2,573	858	3,431	3,431	3,431	6,862	10,293
Other employee benefits	7,659	2,553	10,212	10,212	10,212	20,424	30,636
Payroll taxes	4,889	1,630	6,519	6,519	6,519	13,038	19,557
Fees for services	-	-	-	-	35,110	35,110	35,110
Advertising and promotions	-	-	-	35,350	-	35,350	35,350
Office expenses	8,354	2,785	11,139	11,139	11,139	22,278	33,417
Information technology	5,616	1,872	7,488	7,487	7,487	14,974	22,462
Royalties/licenses	103	34	137	137	137	274	411
Occupancy	1,872	624	2,496	2,496	2,496	4,992	7,488
Staff development	5,460	1,820	7,280	7,280	7,280	14,560	21,840
Affiliation fees	3,819	1,273	5,092	5,092	5,092	10,184	15,276
Depreciation	443	148	591	592	592	1,184	1,775
Insurance	2,590	863	3,453	3,454	3,454	6,908	10,361
Campaign events	-	-	-	28,062	-	28,062	28,062
Miscellaneous	234	78	312	312	312	624	936
CFC expenses	6,241	-	6,241	6,241	6,241	12,482	18,723
Subtotal	<u>108,493</u>	<u>34,084</u>	<u>142,577</u>	<u>205,989</u>	<u>177,687</u>	<u>383,676</u>	<u>526,253</u>
2-1-1 of NWFL	-	62,292	62,292	-	-	-	62,292
Direct services	-	2,294	2,294	-	-	-	2,294
Publix Employee Assistance	-	8,218	8,218	-	-	-	8,218
ALICE	-	1,971	1,971	-	-	-	1,971
Dollar Smart Coalition of NWFL	-	9,315	9,315	-	-	-	9,315
Total Expenses	<u>\$ 108,493</u>	<u>\$ 118,174</u>	<u>\$ 226,667</u>	<u>\$ 205,989</u>	<u>\$ 177,687</u>	<u>\$ 383,676</u>	<u>\$ 610,343</u>

See the accompanying notes.

UNITED WAY OF NORTHWEST FLORIDA, INC.
STATEMENT OF CASH FLOWS
YEAR ENDED DECEMBER 31, 2015

Cash Flows From Operating Activities:

Change in net assets	\$ 899,310
Adjustments to reconcile change in net assets to net cash used by operating activities:	
Depreciation	1,775
Interest on investments - certificates of deposits	(148)
Realized gain on investments	(46,319)
Unrealized loss on investments	60,360
Changes in:	
Decrease in pledges receivable	73,538
Decrease in receivable from Combined Federal Campaign	150
Increase in due to charitable agencies	110,301
Increase in accounts payable and accrued expenses	4,477
Net cash provided by operating activities	1,103,444

Cash Flows From Investing Activities:

Proceeds from sale of investments	269,801
Purchase of investments	(914,245)
Net cash used by investing activities	(644,444)

Net Increase in Cash and Cash Equivalents 459,000

Cash and Cash Equivalents at Beginning of Year 396,574

Cash and Cash Equivalents at End of Year \$ 855,574

See the accompanying notes.

UNITED WAY OF NORTHWEST FLORIDA, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2015

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization:

United Way of Northwest Florida, Inc., a nonprofit organization, was established in 1976 to provide local fundraising for various social service agencies. The Organization is dependent on contributions received from businesses and individuals in Northwest Florida. The Organization is exempt from income tax under Section 501(c)(3) of the Internal Revenue Code. Accordingly, no provision for income taxes has been made.

Annual campaigns are conducted July 1st through November 30th to raise support for allocation to participating agencies in the subsequent calendar year. A plan of allocation to agencies is formulated based on campaign pledges, but actual distribution of allocations to agencies is distributed according to collections and judgment of the volunteer Board of Directors.

Mission:

United Way of Northwest Florida, Inc.'s mission is to enrich lives by fostering and uniting resources with those in need. Their vision is a community in which there is significant lasting change whereby all individuals and families achieve their human potential.

Description of Program Service Accomplishments:

2-1-1 of Northwest Florida is a free public information service line that links human needs to available local direct service providers. This resource and referral service can provide information on housing options, medical services, budget counseling, support groups, civic clubs, adoption services, community offices, employment services, transportation, financial assistance, legal services and much more.

Dollar Smart Coalition United Way of Northwest Florida, Inc. hosts the local VITA (Volunteer Income Tax Assistance) site each tax season. VITA is an IRS sanctioned program that trains volunteers to prepare simple tax returns for individuals and families with low to moderate income. The VITA site program processed 2,700 free tax returns.

Community Impact Fundraiser United Way of Northwest Florida, Inc. serves as the premier local workplace campaign fundraising agent for our member agencies. United Way of Northwest Florida, Inc. does not charge dues and the only fees withheld from direct designations are a three year average of actual administration expenses, fundraising expenses and pledge attrition. Groups of local community volunteers meet annually to determine the community needs and award grant funding to the charities that are best able to serve our local population.

UNITED WAY OF NORTHWEST FLORIDA, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2015

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Basis of Accounting and Financial Statement Presentation:

The accompanying financial statements have been prepared on the accrual basis of accounting. The financial statement presentation is in accordance with FASB Accounting Standards Codification 958-205, *Presentation of Financial Statement of Not-for-Profit Entities*, (formerly Statement of Financial Accounting Standards No. 117, *Financial Statements of Not-for-Profit Organizations*). Under FASB Accounting Standards Codification 958-205, *Presentation of Financial Statements of Not-for-Profit Entities*, United Way of Northwest Florida, Inc. is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted, temporarily restricted, and permanently restricted.

Investments:

Investments are stated at fair values, and for the year ended December 31, 2015, consist of certificates of deposit, fixed income securities, and equity mutual funds.

Depreciation:

Property and equipment are stated at cost or fair market value when donated and depreciated by the straight-line method over the estimated useful life. Estimated useful lives are generally as follows:

Building	39 years
Furniture and equipment	3 – 5 years

Equipment valued at less than \$500 is expensed at the time of purchase.

Pledges:

Pledges are recorded in the year made and an allowance for doubtful pledges is also recorded at that time. All pledges are receivable within two years of pledge. The allowance for doubtful pledges is based on a three year average of historical collection experience and management's evaluation of collectability of outstanding pledges.

Contributions:

Contributions are presented in accordance with the requirements of FASB Accounting Standards Codification 958-605-25, *Contributions Received* and 958-720-25, *Contributions Made* (formerly SFAS No. 116, *Accounting for Contributions Received and Contributions Made*). In accordance with FASB Accounting Standards Codification 958-605-25 and 958-720-25, contributions made and received are recorded as unrestricted, temporarily restricted, or permanently restricted support depending on the existence and nature of any donor restrictions.

**UNITED WAY OF NORTHWEST FLORIDA, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2015**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Donor-Imposed Restrictions:

All contributions are considered to be available for unrestricted use unless specifically restricted by the donor. Amounts received that are restricted for future periods or donor-restricted for specific purposes are reported as temporarily restricted or permanently restricted support that increase those net asset classes. United Way of Northwest Florida, Inc. honors all designations made to each member organization by distributing a proportionate share of receipts based on donor designations. There are no dues charged to charities by United Way of Northwest Florida, Inc. The only fees withheld from donor designations is made up of a combination of the allowance for doubtful pledges and an administrative/fundraising expense allowance, both based on a three year average of actual historical data. In regard to CFC expenses and allowance for doubtful pledges, United Way of Northwest Florida, Inc. follows rules set forth by the federal regulations of Title 5, Chapter 1, Part 950, CFC regulations and OPM guidance memoranda.

When a donor-stipulated time restriction ends or a purpose restriction is accomplished, then the restricted net assets are reclassified to unrestricted net assets and are reported in the statement of activities as net assets released from restriction. If a restriction is fulfilled in the same time period in which the contribution is received, the contribution is reported as unrestricted.

Governmental Campaign Details:

United Way of Northwest Florida, Inc., is the Principal Combined Fund Organization (PCFO) for the Combined Federal Campaign (CFC). A separate agreed-upon procedures engagement is conducted annually as is set forth by the Office of Personnel Management. CFC solicitation begins September 1 and ends December 15.

During 2015, the following activity relating to CFC occurred:

2013 Campaign:	
Pledge receipts	\$ 9,579
Pledge disbursements	63,015
2014 Campaign:	
Pledge receipts	173,240
Interest income	8
Pledge disbursements	83,034
Expense reimbursements	59,139
Bank service charges	8
2015 Campaign:	
Total pledges	209,976
Pledge receipts	14,046

UNITED WAY OF NORTHWEST FLORIDA, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2015

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Estimates:

Management uses estimates and assumptions in preparing these financial statements in accordance with generally accepted accounting principles. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported revenues and expenses. Actual results could vary from the estimates that were used.

Cash and Cash Equivalents:

For purposes of the statement of cash flows, the Organization considers all highly liquid instruments purchased with a maturity of three months or less to be cash equivalents.

Donated Services:

No amounts are recorded for donated services, since no objective basis is available to measure the value of such services, nor is a quantitative record of such services available. Nevertheless, a substantial number of volunteers donate a significant amount of time to the Organization's annual fundraising campaign.

Pledges Receivable:

Unconditional promises to give that are expected to be collected within one year are recorded at their net realizable value. Conditional promises to give are not included as support until such time as the conditions are substantially met. There were no conditional promises made to United Way of Northwest Florida, Inc.

NOTE 2 – EMPLOYEE BENEFITS

Employee benefits consist of health insurance coverage, for each full-time employee and, after completing one year of service, an annuity contract. The employee benefits expense was \$40,929 for 2015. Employer contributions to each employee's annuity plan are based upon 5% of salaries.

NOTE 3 – NET ASSETS

Temporarily restricted net assets represent undesignated campaign pledges, net of advance cash amounts received on campaign pledges during the year, and an allowance for uncollectible pledges. Temporary restrictions are released in the year cash is received from the donor reflecting the implicit donor intent that funds are restricted for the period when the cash is scheduled to be available. Temporarily restricted net assets also include amounts restricted by donors for specific purposes that have not yet been accomplished.

UNITED WAY OF NORTHWEST FLORIDA, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2015

NOTE 3 – NET ASSETS

The Board of Directors designates a campaign reserve fund for a portion of the net assets equal to 10% of the adjusted United Way Campaign total to cover unforeseen shortfalls in the campaign contributions or pledge collections. This reserve may be used to make regular agency payments or for an emergency, maintenance, or replacement of capital facilities of the Organization and the member agencies. At December 31, 2015, the balance in this fund is \$72,364.

The Board designated a building fund in the amount of \$472 in 2005 to provide for the purchase of new equipment or to make improvements to real property. As of December 31, 2015, none of these funds have been used.

The Board established a disaster relief fund after Hurricane Opal in 1995. It is made up of United Way of Northwest Florida, Inc. insurance proceeds. It is designated for disasters similar to hurricanes. Interest earned on these funds will flow into the building fund. At December 31, 2015, the balance in this fund is \$38,067.

In 1998, the Board established an endowment fund called the Forever Fund to help meet future community human service needs. The Board intends to maintain the principal portion of this fund and expend only the investment earnings of this fund, the principal can be used with two-thirds vote of the Board of Directors. In 2001, the amount designated for disaster relief was combined with the endowment fund. At December 31, 2015, the balance in this fund is \$493,972.

In 2015, the estate of Peter Michael Bardach bequeathed a gift in the amount of \$951,527. This gift is unrestricted and will be utilized at the direction of the Board. At December 31, 2015, the balance in this fund is \$951,224.

NOTE 4 – ALLOCATION TO AGENCIES

The allocations were distributed to the following agencies for the year ended December 31, 2015:

American Red Cross of Northwest Florida	\$ 20,659
America's Second Harvest of the Big Bend	1,027
AMIkids Panama City Marine Institute	2,794
Anchorage Children's Home of Bay County	10,056
ARC of Washington-Holmes Counties, Inc.	7,892
BASIC Northwest Florida, Inc.	9,305
Bay County Council on Aging	38,850
Bay Education Foundation, Inc.	10,521
Bay Franklin & Gulf Healthy Start	3,635
Big Brothers Big Sisters of Northwest Florida	2,673
Boy Scouts of America, Alabama/Florida	517

UNITED WAY OF NORTHWEST FLORIDA, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2015

NOTE 4 – ALLOCATION TO AGENCIES (Continued)

Boys and Girls Clubs of Bay County, Inc.	49,388
Boy Scouts of America, Gulf Coast Council	2,475
Calhoun County Senior Citizens Association	1,364
Catholic Charities of Northwest Florida	18,140
Chemical Addictions Recovery Effort, Inc.	3,405
Children’s Home Society of Florida, Inc.	14,382
Chipola Healthy Start	596
Covenant Hospice, Inc.	26,326
Disability Resource Center	484
Early Education and Care, Inc.	22,513
Early Learning Coalition of NWFL, Inc.	26,590
Elder Care Services, Inc.	1,349
Epilepsy Association of the Big Bend, Inc.	756
Family Service Agency of Bay County, Inc.	82,564
Girls, Inc.	33,413
Girl Scout Council of the Florida Panhandle	9,127
Gulf Coast Childrens Advocacy	24,680
Gulf County Association of Retarded Citizens	3,597
Habilitative Service of North Florida, Inc.	1,994
Habitat for Humanity of Bay County	1,942
Habitat for Humanity of Jackson County	1,245
Jackson County Senior Citizens Organization	291
Life Management Center of Northwest Florida	11,840
Legal Services of North Florida, Inc.	143
Mental Health America of Bay County, Inc.	21,061
North Florida Child Development, Inc.	2,770
Office of Public Guardian, Inc.	1,482
Ronald McDonald House Charities of Northwest Florida	3,968
Salvation Army	11,104
Second Chance of Northwest Florida, Inc.	8,141
Science & Discovery Center of Northwest Florida	758
St. Andrew Bay Center, Inc.	24,673
St. Andrew Community Medical Center	2,086
Tri-County Community Council	6,379
Tyndall Youth Programs	5,838
Washington County Council on Aging	8,463
Other unaffiliated agencies	<u>32,567</u>
Total United Way	575,823
Northwest Florida CFC Agency distributions	<u>146,049</u>
Total funds distribution	<u><u>\$ 721,872</u></u>

**UNITED WAY OF NORTHWEST FLORIDA, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2015**

NOTE 5 – PROPERTY AND EQUIPMENT

The following is a summary of property and equipment:

Land	\$ 11,507
Building	61,988
Furniture and equipment	55,777
Less accumulated depreciation	<u>(84,625)</u>
Net property and equipment	<u>\$ 44,647</u>

Depreciation expense for the year ended December 31, 2015, totaled \$1,775.

NOTE 6 – INVESTMENTS

Forever Fund:

The Endowment Fund (Forever Fund) investments are stated at fair value and consist of growth funds and fixed income funds. These funds represent a long-term commitment to establish a permanent endowment to help meet future community human service needs.

Investments are summarized as follows:	<u>Cost</u>	<u>Fair Value</u>
Cash and cash equivalents (net)	\$ 29,800	\$ 29,800
Mutual funds equity	<u>426,630</u>	<u>464,172</u>
Total Forever Fund investments	<u>\$ 456,430</u>	<u>\$ 493,972</u>

Investment return is summarized as follows:

Interest and dividend income	\$ 6,403
Realized gains	46,319
Capital gain distributions	20,132
Unrealized loss	<u>(61,908)</u>
Total unrestricted investment income	<u>\$ 10,946</u>

UNITED WAY OF NORTHWEST FLORIDA, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2015

NOTE 6 – INVESTMENTS (Continued)

Peter Michael Bardach Bequest:

The Peter Michael Bardach investments are stated at fair value and consist of growth funds and fixed income funds. These funds will be utilized at the direction of the Board.

Investments are summarized as follows:	<u>Cost</u>	<u>Fair Value</u>
Cash and cash equivalents (net)	\$ 323,930	\$ 323,930
Mutual funds equity	<u>625,745</u>	<u>627,294</u>
Total Peter Michael Bardach investments	<u>\$ 949,675</u>	<u>\$ 951,224</u>

Investment return is summarized as follows:

Interest and dividend income	\$ 1,439
Unrealized gain	<u>1,548</u>
Total unrestricted investment income	<u>\$ 2,987</u>

Certificates of Deposits:

Certificates of deposits earned interest income of \$148 as of December 31, 2015.

Fair Value Measurement:

Generally accepted accounting principles define fair value, establish a framework for measuring fair value, and establish a fair value hierarchy that prioritizes the inputs to valuation techniques. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. A fair value measurement assumes that the transaction to sell the asset or transfer the liability occurs in the principal market for the asset or liability or, in the absence of a principal market, the most advantageous market. Valuation techniques that are consistent with the market, income, or cost approach are used to measure fair value.

The fair value hierarchy prioritizes the inputs to valuation techniques used to measure fair value into three broad levels:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities the Organization has the ability to access.
- Level 2 inputs (other than quoted prices included within level 1) that are observable for the asset or liability, either directly or indirectly.

UNITED WAY OF NORTHWEST FLORIDA, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2015

NOTE 6 – INVESTMENTS (Continued)

- Level 3 are unobservable inputs for the asset or liability and rely on management’s own assumptions about the assumptions that market participants would use in pricing the asset or liability. (The unobservable inputs should be developed based on the best information available in the circumstances and may include the Organization’s own data.)

The following table presents the Organization’s fair value hierarchy for those assets and liabilities measured at fair value on a recurring basis as of December 31, 2015.

Fair Value Measurements on a Recurring Basis
As of December 31, 2015

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Assets				
Forever Fund	\$ 493,972	-	-	\$ 493,972
Peter Michael Bardach	951,224	-	-	951,224
Total investments	<u>\$ 1,445,196</u>	<u>-</u>	<u>-</u>	<u>\$ 1,445,196</u>

NOTE 7 – DONATED MATERIALS AND FACILITIES

Significant materials and facilities are donated to the Organization by various individuals and organizations. Donated materials and facilities were recorded at fair market value at the date of donation, and have been included in revenue and expenses for the year.

Donated materials and facilities per program are as follows:

Fundraising:

Advertising	\$ 23,767
Campaign events	10,756
Information technology	2,454
Occupancy	105
Office expenses	14
Staff development	<u>522</u>
Total fundraising	37,618

Total Programs:

Direct services	800
Dollar \$mart Coalition of NWFL	1,552
Information technology	2,454
Occupancy	105
Office expenses	14
Staff development	<u>522</u>
Total programs	5,447

UNITED WAY OF NORTHWEST FLORIDA, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2015

NOTE 7 – DONATED MATERIALS AND FACILITIES (Continued)

Management and General:

Fees for services	1,815
Information technology	2,454
Occupancy	105
Office expenses	15
Staff development	<u>522</u>
Total management and general	<u>4,911</u>
Total in-kind revenue	<u>\$ 47,976</u>

NOTE 8 – CONCENTRATION OF CREDIT RISK

The Organization maintains cash balances and certificates of deposit at several financial institutions located in Florida. The balances are insured by the Federal Deposit Insurance Corporation up to \$250,000. At December 31, 2015, the Organization's uninsured cash balances totaled \$301,844.

NOTE 9 – SUBSEQUENT EVENTS

United Way of Northwest Florida, Inc. did not have any subsequent events requiring disclosure or recording in the financial statements through August 9, 2016, which is the date these financial statements were issued.