UNITED WAY OF NORTHWEST FLORIDA, INC.

PANAMA CITY, FLORIDA

FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2016
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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, 2016, and the related statement 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 Northwest Florida, Inc. as of December 31, 2016, 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.

Panama City, Florida
July 13, 2017
UNITED WAY OF NORTHWEST FLORIDA, INC.
STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2016

ASSETS

Current Assets:

Cash and cash equivalents $ 382,759
Investments - certificates of deposits 140,236
Investments - designated funds
  Cash equivalents 89,639
  Equity funds 889,248
Pledges receivable - less allowance for doubtful pledges
  of $81,643 938,059
  Receivable from Combined Federal Campaign 8,008
  Total current assets 2,447,949

Net Property and Equipment 553,354

Total Assets $ 3,001,303

LIABILITIES AND NET ASSETS

Current Liabilities:

Due to charitable agencies $ 448,233
Accounts payable and accrued expenses 40,670
  Total current liabilities 488,903

Net Assets:

Unrestricted:
  Campaign Reserve Fund: Designated by Board for
  emergency, maintenance, and replacement 65,846
  Forever Fund: Designated by Board for endowment fund 551,032
  Peter Michael Bardach Bequest 427,855
  Fixed assets 553,354
  Unallocated Reserve 333,661
  Temporarily restricted 580,652
  Total net assets 2,512,400

Total Liabilities and Net Assets $ 3,001,303

See the accompanying notes.
UNITED WAY OF NORTHWEST FLORIDA, INC.  
STATEMENT OF ACTIVITIES  
YEAR ENDED DECEMBER 31, 2016

Changes in Unrestricted Net Assets:

Support and Revenue:
- Public contributions raised (2015 campaign) $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)
  - Net contributions 525,723
- Additional prior year pledges received in current period 454,522

Other revenue:
- In-kind revenue 27,989
- Interest revenue 386
- Investment income 36,414
- Miscellaneous income 228
- Reimbursable funds 22,709
- Rental income 8,400
- Grants 13,370
  - Total other revenue 109,496

Total support and revenue 1,089,741

Allocation and Expenses:
- Gross funds distributed 955,166
- Less: estimated funds distributions (379,364)
  - Net funds distributions 575,802

Program Services:
- Grants and designations 119,826
- Other programs 123,492
  - Total program services 243,318

Support Services:
- Fundraising 195,088
- Management and general 196,067
  - Total support services 391,155

Total allocation and expenses 1,210,275

Decrease in Unrestricted Net Assets (120,534)

See the accompanying notes.
UNITED WAY OF NORTHWEST FLORIDA, INC.
STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2016

(Continued)

Changes in Temporarily Restricted Net Assets:

Campaign Revenue Applicable to Next Allocation Period (2016 Campaign):
   Campaign pledges 988,457
   Campaign pledges to be paid by third party processor 122,071
   Less: Amounts designated by donors for specific organizations (448,233)
       Allowance for doubtful pledges (81,643)
       Total campaign revenue for next allocation period 580,652

Campaign Contributions Released from Restriction for Prior Campaign (2015 Campaign):
   Contributions received (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 contributions released from restriction for prior campaign (525,723)

Increase in Temporarily Restricted Net Assets 54,929

Decrease in Net Assets (65,605)

Net Assets at Beginning of Year 2,578,005

Net Assets at End of Year $ 2,512,400

See the accompanying notes.
## United Way of Northwest Florida, Inc. Statement of Functional Expenses
### Year Ended December 31, 2016

<table>
<thead>
<tr>
<th>Expenses:</th>
<th>Program Services</th>
<th>Support Services</th>
<th>Total Expenses</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Grants and Designations</td>
<td>Other Programs</td>
<td>Total Program Services</td>
</tr>
<tr>
<td>Salaries and wages</td>
<td>$68,204</td>
<td>$22,735</td>
<td>$90,939</td>
</tr>
<tr>
<td>Pension plan contributions</td>
<td>2,414</td>
<td>805</td>
<td>3,219</td>
</tr>
<tr>
<td>Other employee benefits</td>
<td>6,995</td>
<td>2,331</td>
<td>9,326</td>
</tr>
<tr>
<td>Payroll taxes</td>
<td>5,684</td>
<td>1,895</td>
<td>7,579</td>
</tr>
<tr>
<td>Fees for services</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Advertising and promotions</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Office expenses</td>
<td>6,889</td>
<td>2,297</td>
<td>9,186</td>
</tr>
<tr>
<td>Information technology</td>
<td>4,934</td>
<td>1,644</td>
<td>6,578</td>
</tr>
<tr>
<td>Royalties/licenses</td>
<td>103</td>
<td>34</td>
<td>137</td>
</tr>
<tr>
<td>Occupancy</td>
<td>3,071</td>
<td>1,024</td>
<td>4,095</td>
</tr>
<tr>
<td>Staff development</td>
<td>3,645</td>
<td>1,215</td>
<td>4,860</td>
</tr>
<tr>
<td>Affiliation fees</td>
<td>3,511</td>
<td>1,170</td>
<td>4,681</td>
</tr>
<tr>
<td>Depreciation</td>
<td>1,792</td>
<td>597</td>
<td>2,389</td>
</tr>
<tr>
<td>Insurance</td>
<td>4,355</td>
<td>1,452</td>
<td>5,807</td>
</tr>
<tr>
<td>Campaign events</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Sales tax</td>
<td>1,321</td>
<td>440</td>
<td>1,761</td>
</tr>
<tr>
<td>Miscellaneous</td>
<td>714</td>
<td>238</td>
<td>952</td>
</tr>
<tr>
<td>CFC expenses</td>
<td>6,194</td>
<td>-</td>
<td>6,194</td>
</tr>
<tr>
<td><strong>Subtotal</strong></td>
<td><strong>119,826</strong></td>
<td><strong>37,877</strong></td>
<td><strong>157,703</strong></td>
</tr>
</tbody>
</table>

| 2-1-1 of NWFL                      | -                | 62,293           | 62,293         | -            | -                     | -                      | 62,293         |
| EFSP                               | -                | 182              | 182            | -            | -                     | -                      | 182            |
| Direct services                    | -                | 4,670            | 4,670          | -            | -                     | -                      | 4,670          |
| Publix Employee Assistance         | -                | 3,498            | 3,498          | -            | -                     | -                      | 3,498          |
| ALICE                              | -                | 1,976            | 1,976          | -            | -                     | -                      | 1,976          |
| Dollar Smart Coalition of NWFL      | -                | 12,996           | 12,996         | -            | -                     | -                      | 12,996         |
| **Total Expenses**                 | **119,826**      | **123,492**      | **243,318**    | **195,088**  | **196,067**           | **391,155**           | **634,473**    |

See the accompanying notes.
UNITED WAY OF NORTHWEST FLORIDA, INC.  
STATEMENT OF CASH FLOWS  
YEAR ENDED DECEMBER 31, 2016

Cash Flows From Operating Activities:
Change in net assets $ (65,605)
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities:
Depreciation 7,165
Interest on investments - certificates of deposits (138)
Realized gain on investments (49,821)
Unrealized loss on investments 42,102
Changes in:
Increase in pledges receivable (94,527)
Decrease in receivable from Combined Federal Campaign 3,943
Increase in due to charitable agencies 68,869
Increase in accounts payable and accrued expenses 10,771
Net cash used by operating activities (77,241)

Cash Flows From Investing Activities:
Purchase of property and equipment (515,873)
Proceeds from sale of investments 481,163
Purchase of investments (271,225)
Net cash used by investing activities (305,935)

Net Decrease in Cash and Cash Equivalents (383,176)

Cash and Cash Equivalents at Beginning of Year 855,574

Cash and Cash Equivalents at End of Year $ 472,398

See the accompanying notes.

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NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization:

United Way of Northwest Florida, Inc., a nonprofit organization, started under the name The Community Chest, Inc. in 1932 and later was established as United Way of Northwest Florida, Inc. 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 year-round 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 of Northwest Florida, 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 processes approximately 2,700 free tax returns.

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, through the Community Impact Fundraiser, to the charities that are best able to serve our local population.
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. Under FASB Accounting Standards, 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 value, and for the year ended December 31, 2016 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:

<table>
<thead>
<tr>
<th>Asset Type</th>
<th>Useful Life</th>
</tr>
</thead>
<tbody>
<tr>
<td>Building</td>
<td>39 years</td>
</tr>
<tr>
<td>Furniture and equipment</td>
<td>3 – 5 years</td>
</tr>
</tbody>
</table>

Equipment valued at less than $1,000 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:

In accordance with FASB Accounting Standards contributions made and received are recorded as unrestricted, temporarily restricted, or permanently restricted support depending on the existence and nature of any donor restrictions.
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 2016, the following activity relating to CFC occurred:

2014 Campaign:
   Pledge receipts $ 4,988
   Pledge disbursements 55,681

2015 Campaign:
   Pledge receipts 180,139
   Interest income 7
   Pledge disbursements 87,209
   Expense reimbursements 59,083
   Bank service charges 14

2016 Campaign:
   Total pledges 209,076
   Pledge receipts 13,821
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 $37,635 for 2016 of which $9,657 was pension expense. 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.
NOTE 3 – NET ASSETS (Continued)

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, 2016, the balance in this fund is $65,846.

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 in the amount of $264,028 and expend only the investment earnings of this fund, the principal can be used with two-thirds vote of the Board of Directors. At December 31, 2016, the balance in this fund is $551,032.

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, 2016, the balance in this fund is $427,855.

NOTE 4 – ALLOCATION TO AGENCIES

The allocations were distributed to the following agencies for the year ended December 31, 2016:

- American Red Cross of NWFL: $20,701
- America’s Second Harvest of the Big Bend: $1,673
- AIMkids Panama City Marine Institute: $10,837
- Anchorage Children’s Home of Bay County: $14,307
- ARC of Washington-Holmes Counties, Inc.: $6,462
- BASIC Northwest Florida, Inc.: $7,360
- Bay County Council on Aging: $46,717
- Bay Education Foundation, Inc.: $7,591
- Bay Franklin & Gulf Healthy Start: $4,868
- Big Brothers Big Sisters of Northwest Florida: $3,367
- Boy Scouts of America, Alabama/Florida: $1,134
- Boy Scouts of America, Gulf Coast Council: $1,806
- Boys and Girls Clubs of Bay County, Inc.: $59,127
- Catholic Charities of Northwest Florida: $19,922
- Chemical Addictions Recovery Effort, Inc.: $2,896
- Children’s Home Society of Florida, Inc.: $18,651
- Chipola Healthy Start: $703
- Covenant Hospice, Inc.: $23,675
- Early Education and Care, Inc.: $23,057
- Early Learning Coalition of NWFL, Inc.: $26,167
- Elder Care Services, Inc.: $1,451
- Epilepsy Association of the Big Bend, Inc.: $457
NOTE 4 – ALLOCATION TO AGENCIES (Continued)

Family Service Agency of Bay County, Inc. 91,334
Feeding the Gulf Coast 2,922
Girl Scout Council of the Florida Panhandle 9,097
Girls, Inc. 42,269
Gulf Coast Childrens Advocacy 37,376
Gulf County Association of Retarded Citizens 814
Habilitative Service of North Florida, Inc. 2,391
Habitat for Humanity of Bay County 4,834
Jackson County Senior Citizens Organization 1,501
Life Management Center of Northwest Florida 10,995
Mental Health America of Bay County, Inc. 23,322
North Florida Child Development, Inc. 3,108
Office of the Public Guardian, Inc. 2,830
Ronald McDonald House Charities of Northwest Florida 4,599
Second Chance of Northwest Florida, Inc. 9,975
St. Andrew Bay Center, Inc. 26,022
St. Andrew Community Medical Center 2,929
The Salvation Army 15,763
The Science & Discovery Center of Northwest Florida 5,780
Tri-County Community Council, Inc. 6,064
Tyndall Air Force Base Youth Programs 6,009
Washington County Council on Aging, Inc. 7,905
Other unaffiliated agencies 95,978
Total United Way 716,746

Northwest Florida CFC Agency distributions 142,891

Paid by third party processor 95,529

Total funds distribution $ 955,166

NOTE 5 – PROPERTY AND EQUIPMENT

The following is a summary of property and equipment:

<table>
<thead>
<tr>
<th>Asset Description</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Land</td>
<td>$217,146</td>
</tr>
<tr>
<td>Building</td>
<td>358,627</td>
</tr>
<tr>
<td>Furniture and equipment</td>
<td>69,371</td>
</tr>
<tr>
<td>Less accumulated depreciation</td>
<td>(91,790)</td>
</tr>
</tbody>
</table>

Net property and equipment $ 553,354

Depreciation expense for the year ended December 31, 2016 totaled $7,165.
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:

<table>
<thead>
<tr>
<th></th>
<th>Cost</th>
<th>Fair Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash and cash equivalents (net)</td>
<td>$57,275</td>
<td>$57,275</td>
</tr>
<tr>
<td>Mutual funds equity</td>
<td>498,016</td>
<td>493,757</td>
</tr>
<tr>
<td><strong>Total Forever Fund investments</strong></td>
<td><strong>$555,291</strong></td>
<td><strong>$551,032</strong></td>
</tr>
</tbody>
</table>

Investment return is summarized as follows:

<p>| | | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Interest and dividend income</td>
<td>$20,524</td>
<td></td>
</tr>
<tr>
<td>Realized gains</td>
<td>45,592</td>
<td></td>
</tr>
<tr>
<td>Unrealized loss</td>
<td>(41,801)</td>
<td></td>
</tr>
<tr>
<td><strong>Total unrestricted investment income</strong></td>
<td><strong>$24,315</strong></td>
<td></td>
</tr>
</tbody>
</table>

Investment expense for the year ended December 31, 2016 totaled $5,323.

_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:

<table>
<thead>
<tr>
<th></th>
<th>Cost</th>
<th>Fair Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash and cash equivalents (net)</td>
<td>$32,364</td>
<td>$32,364</td>
</tr>
<tr>
<td>Mutual funds equity</td>
<td>394,242</td>
<td>395,491</td>
</tr>
<tr>
<td><strong>Total Peter Michael Bardach investments</strong></td>
<td><strong>$426,606</strong></td>
<td><strong>$427,855</strong></td>
</tr>
</tbody>
</table>

Investment return is summarized as follows:

<p>| | | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Interest and dividend income</td>
<td>$8,171</td>
<td></td>
</tr>
<tr>
<td>Realized gains</td>
<td>4,229</td>
<td></td>
</tr>
<tr>
<td>Unrealized loss</td>
<td>(301)</td>
<td></td>
</tr>
<tr>
<td><strong>Total unrestricted investment income</strong></td>
<td><strong>$12,099</strong></td>
<td></td>
</tr>
</tbody>
</table>

Investment expense for the year ended December 31, 2016 totaled $7,560.
NOTE 6 – INVESTMENTS (Continued)

Certificates of Deposits:

Certificates of deposits earned interest income of $138 as of December 31, 2016.

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 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, 2016.

<table>
<thead>
<tr>
<th>Fair Value Measurements on a Recurring Basis</th>
<th>Level 1</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Assets</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Forever Fund</td>
<td>$ 551,032</td>
<td>$ 551,032</td>
</tr>
<tr>
<td>Peter Michael Bardach</td>
<td>427,855</td>
<td>427,855</td>
</tr>
<tr>
<td>Total investments</td>
<td>$ 978,887</td>
<td>$ 978,887</td>
</tr>
</tbody>
</table>

Investments classified in Level 1 of the fair value hierarchy are valued using prices quoted in active markets for those securities.

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.
NOTE 7 – DONATED MATERIALS AND FACILITIES (Continued)

Donated materials and facilities per program are as follows:

**Fundraising:**
- Advertising and promotions: $4,692
- Campaign events: 9,241
- Information technology: 2,335
- Miscellaneous: 58
- Office expenses: 200
- Staff development: 380
- Total fundraising: 16,906

**Total Programs:**
- Dollar $mart Coalition of NWFL: 1,442
- Information technology: 2,335
- Miscellaneous: 58
- Office expenses: 200
- Staff development: 380
- Total programs: 4,415

**Management and General:**
- Fees for services: 3,695
- Information technology: 2,335
- Miscellaneous: 58
- Office expenses: 200
- Staff development: 380
- Total management and general: 6,668

Total in-kind revenue: $27,989

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, 2016, the Organization’s uninsured cash balances totaled $103,450.

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 July 13, 2017, which is the date these financial statements were issued.