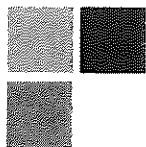


UNITED WAY OF NORTHWEST FLORIDA, INC.

PANAMA CITY, FLORIDA

FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2017



Tipton, Marler, Garner & Chastain

The CPA Group

UNITED WAY OF NORTHWEST FLORIDA, INC.

PANAMA CITY, FLORIDA

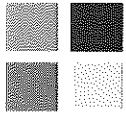
FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2017

UNITED WAY OF NORTHWEST FLORIDA, INC.
PANAMA CITY, FLORIDA
FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2017

CONTENTS

	<u>PAGE</u>
Independent auditor's report	1
Financial statements:	
Statement of financial position	3
Statement of activities	4
Statement of functional expenses	6
Statement of cash flows	7
Notes to financial statements	8



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, 2017, 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, 2017, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Panama City, Florida
September 18, 2018



UNITED WAY OF NORTHWEST FLORIDA, INC.
STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2017

ASSETS

Current Assets:

Cash and cash equivalents	\$ 231,036
Investments - certificates of deposits	140,536
Investments - designated funds	
Cash equivalents	24,354
Equity funds	1,000,912
Pledges receivable - less allowance for doubtful pledges of \$86,513	1,134,950
Total current assets	2,531,788

Net Property and Equipment

547,234

Long-Term Assets:

Investments - designated funds	
Equity funds	150,034

Total Assets

\$ 3,229,056

LIABILITIES AND NET ASSETS

Current Liabilities:

Due to charitable agencies	\$ 342,922
Accrued expenses	29,400
Total current liabilities	372,322

Net Assets:

Unrestricted:	
Campaign Reserve Fund: Designated by Board for emergency, maintenance, and replacement	65,118
Forever Fund: Designated by Board for endowment fund	624,775
Peter Michael Bardach Bequest	550,525
Fixed Assets	547,234
Unallocated Reserve	284,061
Temporarily restricted	785,021
Total net assets	2,856,734

Total Liabilities and Net Assets

\$ 3,229,056

See the accompanying notes.

UNITED WAY OF NORTHWEST FLORIDA, INC.
STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2017

Changes in Unrestricted Net Assets:

Support and Revenue:

Public contributions raised (2016 campaign)	\$ 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)
Net contributions	580,652
Additional prior year pledges received in current period	444,943
Other revenue:	
In-kind revenue	55,842
Interest revenue	825
Investment income	130,327
Gain on sale of assets	116,498
Miscellaneous income	563
Reimbursable funds	34,547
Rental income	16,500
Grants	51,559
Total other revenue	406,661
 Total support and revenue	 1,432,256

Allocations and Expenses:

Gross funds distributed	1,092,350
Less: Estimated funds distributions	(448,233)
Net funds distributions	644,117
Program services:	
Grants and designations	118,778
Other programs	126,762
Total program services	245,540
Support services:	
Fundraising	205,693
Management and general	196,941
Total support services	402,634
 Total allocations and expenses	 1,292,291

Increase in Unrestricted Net Assets

139,965

See the accompanying notes.

UNITED WAY OF NORTHWEST FLORIDA, INC.
STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2017

(Continued)

Changes in Temporarily Restricted Net Assets:

Campaign Revenue Applicable to Next Allocation Period (2017 Campaign):	
Campaign pledges	1,117,907
Campaign pledges to be paid by third party processor	96,549
Less: Amounts designated by donors for specific organizations	(342,922)
Allowance for doubtful pledges	(86,513)
Total campaign revenue applicable to next allocation period	<u>785,021</u>
Campaign Contributions Released from Restriction for Prior Campaign (2016 Campaign):	
Contributions received	(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 contributions released from restriction for prior campaign	<u>(580,652)</u>
Increase in Temporarily Restricted Net Assets	<u>204,369</u>
Increase in Net Assets	344,334
Net Assets at Beginning of Year	<u>2,512,400</u>
Net Assets at End of Year	<u><u>\$ 2,856,734</u></u>

See the accompanying notes.

**UNITED WAY OF NORTHWEST FLORIDA, INC.
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED DECEMBER 31, 2017**

	Program Services			Support Services			Total Expenses
	Grants and Designations	Other Programs	Total Program Services	Fundraising	Management and General	Total Support Services	
Expenses:							
Salaries and wages	\$ 62,909	\$ 20,970	\$ 83,879	\$ 83,879	\$ 83,879	\$ 167,758	\$ 251,637
Pension plan contributions	2,652	884	3,536	3,536	3,536	7,072	10,608
Other employee benefits	7,564	2,521	10,085	10,085	10,085	20,170	30,255
Payroll taxes	5,451	1,817	7,268	7,267	7,267	14,534	21,802
Fees for services	-	-	-	-	38,390	38,390	38,390
Advertising and promotions	-	-	-	33,751	-	33,751	33,751
Office expenses	9,196	3,065	12,261	12,261	12,261	24,522	36,783
Information technology	3,842	1,281	5,123	5,123	5,123	10,246	15,369
Royalties/licenses	105	35	140	140	140	280	420
Occupancy	6,851	2,284	9,135	9,135	9,135	18,270	27,405
Staff development	4,771	1,590	6,361	6,362	6,362	12,724	19,085
Affiliation fees	5,132	1,711	6,843	6,843	6,843	13,686	20,529
Depreciation	4,307	1,436	5,743	5,743	5,743	11,486	17,229
Insurance	2,552	851	3,403	3,402	3,402	6,804	10,207
Campaign events	-	-	-	14,490	-	14,490	14,490
Sales tax	-	-	-	-	1,099	1,099	1,099
Miscellaneous	691	230	921	921	921	1,842	2,763
CFC expenses	2,755	-	2,755	2,755	2,755	5,510	8,265
Subtotal	118,778	38,675	157,453	205,693	196,941	402,634	560,087
2-1-1 of NWFL	-	36,973	36,973	-	-	-	36,973
Community support	-	4,851	4,851	-	-	-	4,851
EFSP	-	8	8	-	-	-	8
Direct services	-	4,249	4,249	-	-	-	4,249
Publix Employee Assistance	-	3,446	3,446	-	-	-	3,446
Dollar \$mart Coalition of NWFL	-	38,560	38,560	-	-	-	38,560
Total expenses	\$ 118,778	\$ 126,762	\$ 245,540	\$ 205,693	\$ 196,941	\$ 402,634	\$ 648,174

See the accompanying notes.

UNITED WAY OF NORTHWEST FLORIDA, INC.
STATEMENT OF CASH FLOWS
YEAR ENDED DECEMBER 31, 2017

Cash Flows From Operating Activities:

Change in net assets	\$ 344,334
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:	
Depreciation	17,229
Interest on investments - certificates of deposits	(300)
Realized gain on investments	(9,593)
Unrealized gain on investments	(81,828)
Gain on sale of assets	(116,498)
(Increase) decrease in assets:	
Pledges receivable	(196,891)
Receivable from Combined Federal Campaign	8,008
Increase (decrease) in liabilities:	
Due to charitable agencies	(105,311)
Accounts payable	(7,077)
Accrued expenses	(4,193)
Net cash used in operating activities	<u>(152,120)</u>

Cash Flows From Investing Activities:

Proceeds from sale of assets	157,066
Purchases of property and equipment	(51,677)
Proceeds from sale of investments	505,171
Purchases of investments	(675,448)
Net cash used in investing activities	<u>(64,888)</u>

Net Decrease in Cash and Cash Equivalents (217,008)

Cash and Cash Equivalents at Beginning of Year 472,398

Cash and Cash Equivalents at End of Year \$ 255,390

Classified as:

Cash and cash equivalents	\$ 231,036
Investments - designated funds	
Cash equivalents	<u>24,354</u>

Total Cash and Cash Equivalents 255,390

See the accompanying notes.

UNITED WAY OF NORTHWEST FLORIDA, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2017

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization:

United Way of Northwest Florida, Inc. (the “Organization”), 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 taxes 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 (“NWFL”) 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 \$mart Coalition of NWFL, hosts the local Volunteer Income Tax Assistance (“VITA”) 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 2,714 free tax returns yearly.

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.

UNITED WAY OF NORTHWEST FLORIDA, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2017

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Expense Allocation:

Expenses are charged to program services and supporting activities on the basis of how resources are utilized. Management and general expenses include those expenses that are not directly identifiable with any other specific function but provide for the overall support and direction of the Organization.

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, 2017 consist of certificates of deposits, fixed income securities, and equity mutual funds. The objective of United Way's investment policy is to ensure the safety of investment principal, provide for liquidity and maximize investment income. The Finance Committee continues to assess investments with a goal of ensuring the safety of the principal by investing with quality financial institutions.

Depreciation:

The Organization capitalizes property and equipment over \$1,000. Lesser amounts are expensed. 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

Pledges and Pledges Receivable:

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. The allowance is applied to the gross campaign, including donor designations,

UNITED WAY OF NORTHWEST FLORIDA, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2017

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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.

Contributions:

In accordance with FASB Accounting Standards contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support depending on the existence and nature of any donor restrictions.

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 Combined Federal Campaign (“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., was the Principal Combined Fund Organization (PCFO) through the 2016 Campaign for the CFC. A separate agreed-upon procedures engagement was conducted annually as set forth by the Office of Personnel Management.

During 2017, the following activity relating to Northwest Florida CFC occurred:

2015 Campaign:		
Pledge receipts	\$	5,143
Pledge disbursements		53,029

UNITED WAY OF NORTHWEST FLORIDA, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2017

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2016 Campaign:	
Pledge receipts	180,221
Interest revenue	7
Pledge disbursements	93,222
Expense reimbursements	48,755
Bank service charges	10

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 have been reflected in the financial statements 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.

Advertising:

The Organization follows the policy of charging the costs of advertising to expense as incurred. Advertising and promotions was \$33,751 for the year ended December 31, 2017.

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 \$40,863 for 2017 of which \$10,608 was pension expense. Employer contributions to each employee's annuity plan are based upon 5% of salaries.

UNITED WAY OF NORTHWEST FLORIDA, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2017

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.

Unrestricted 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, 2017, the balance in this fund is \$65,118.

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, 2017, the balance in this fund is \$624,775.

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, 2017, the balance in this fund is \$550,525.

NOTE 4 – ALLOCATIONS TO AGENCIES

Allocations were distributed to the following agencies for the year ended December 31, 2017:

American Red Cross of NWFL	\$ 23,890
America's Second Harvest of the Big Bend	1,778
AMIkids Panama City Marine Institute	10,769
Anchorage Children's Home of Bay County	20,329
ARC of Washington-Holmes Counties, Inc.	7,581
BASIC Northwest Florida, Inc.	22,487
Bay County Council on Aging	57,749
Bay Education Foundation, Inc.	10,376
Bay Franklin & Gulf Healthy Start	5,563
Big Brothers Big Sisters of Northwest Florida	2,869
Boy Scouts of America, Alabama/Florida	365

UNITED WAY OF NORTHWEST FLORIDA, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2017

NOTE 4 – ALLOCATIONS TO AGENCIES (Continued)

Boy Scouts of America, Gulf Coast Council	7,792
Boys and Girls Clubs of Bay County, Inc.	62,885
Catholic Charities of Northwest Florida	29,407
Chemical Addictions Recovery Effort, Inc.	2,901
Children’s Home Society of Florida, Inc.	21,807
Covenant Hospice, Inc.	18,195
Early Education and Care, Inc.	23,567
Early Learning Coalition of NWFL, Inc.	31,691
Elder Care Services, Inc.	1,727
Epilepsy Association of the Big Bend, Inc.	771
Family Service Agency of Bay County, Inc.	95,560
Feeding the Gulf Coast	6,705
Girl Scout Council of the Florida Panhandle Girls, Inc.	5,377
Growing Minds	46,191
Gulf Coast Childrens Advocacy	1,502
Gulf County Association for Retarded Citizens	51,162
Habilitative Service of North Florida, Inc.	1,508
Habitat for Humanity of Bay County	1,434
Life Management Center of Northwest Florida	28,899
Mental Health America of Bay County, Inc.	16,260
North Florida Child Development, Inc.	31,525
Office of the Public Guardian, Inc.	1,926
Ronald McDonald House Charities of Northwest Florida	2,808
Second Chance of Northwest Florida, Inc.	4,275
St. Andrew Community Medical Center	9,937
The Arc of the Bay	1,779
The Salvation Army	31,350
Tyndall Air Force Base Youth Programs	20,926
Washington County Council on Aging, Inc.	7,143
Other unaffiliated agencies	8,458
Total United Way	<u>84,804</u>
	824,028
Northwest Florida CFC agency distributions	146,251
Paid by third party processor	<u>122,071</u>
Total funds distribution	<u>\$ 1,092,350</u>

UNITED WAY OF NORTHWEST FLORIDA, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2017

NOTE 5 – PROPERTY AND EQUIPMENT

The following is a summary of property and equipment:

Land	\$ 205,639
Building	334,945
Furniture and equipment	81,666
Less: Accumulated depreciation	<u>(75,016)</u>
Net property and equipment	<u>\$ 547,234</u>

Depreciation expense for the year ended December 31, 2017 totaled \$17,229.

NOTE 6 – INVESTMENTS

The Organization invests in various investment securities. Investment securities are exposed to various risks, such as interest rate, market and credit risks. Due to the level of risks associated with certain investment securities, it is at least reasonably possible that material changes in the values of investment securities could occur.

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 equivalents	\$ 22,409	\$ 22,409
Equity funds	<u>540,619</u>	<u>602,366</u>
Total Forever Fund investments	<u>\$ 563,028</u>	<u>\$ 624,775</u>

**UNITED WAY OF NORTHWEST FLORIDA, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2017**

NOTE 6 – INVESTMENTS (Continued)

Changes in unrestricted endowment assets is as follows:

Endowment net assets, beginning of year	<u>\$ 551,032</u>
Investment revenue:	
Interest and dividend revenue	25,787
Realized gains	9,771
Unrealized gains	<u>66,005</u>
Total investment revenue	101,563
Investment fees	(6,227)
Contributions	4,000
Disbursements	<u>(25,593)</u>
Endowment net assets, end of year	<u>\$ 624,775</u>

Return Objectives and Risk Parameters

United Way has adopted investment and spending policies for endowment assets that attempt to maximize long-term results with an acceptable level of risk. Under this policy, as approved by the Board of Directors, the endowment assets are invested to maximize long-term results, consistent with an acceptable level of risk. The goal is to produce a return on the assets to support the programmatic purposes, while also achieving growth of principal in order to maintain real purchasing power. This approach helps assure that the endowment fund keeps pace with inflation and always support the designated activity.

Strategies Employed for Achieving Objectives

To satisfy its long-term rate-of-return objectives, United Way relies on a total return strategy in which the investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends). United Way targets a diversified asset allocation that balances fixed-income and equity-based investments to achieve its long-term return objectives within acceptable risk constraints.

Spending Policy and How the Investment Objectives Relate to It

The Organization records earnings from its endowments in temporarily restricted funds until such time as they are appropriated and released to unrestricted when market conditions allow.

UNITED WAY OF NORTHWEST FLORIDA, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2017

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 equivalents	\$ 1,945	\$ 1,945
Equity funds	<u>531,511</u>	<u>548,580</u>
Total Peter Michael Bardach investments	<u>\$ 533,456</u>	<u>\$ 550,525</u>

Changes in Peter Michael Bardach investments is as follows:

Beginning of year	<u>\$ 427,855</u>
Investment revenue:	
Interest and dividend revenue	13,119
Realized losses	(178)
Unrealized gains	<u>15,823</u>
Total investment revenue	28,764
Investment fees	(6,060)
Contributions	177,966
Disbursements	<u>(78,000)</u>
End of year	<u>\$ 550,525</u>

Certificates of Deposits:

Certificates of deposits earned interest income of \$300 as of December 31, 2017.

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.

UNITED WAY OF NORTHWEST FLORIDA, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2017

NOTE 6 – INVESTMENTS (Continued)

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, 2017.

Fair Value Measurements on a Recurring Basis
As of December 31, 2017

	Level 1	Total
Assets:		
Forever Fund	\$ 624,775	\$ 624,775
Peter Michael Bardach	550,525	550,525
Total investments	\$ 1,175,300	\$ 1,175,300

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

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

Donated materials per program are as follows:

Program Services:	
Office expenses	\$ 1,360
Information technology	1,003
Occupancy	498
Miscellaneous	33
Dollar \$mart Coalition of NWFL	13,240
Total program services	16,134
Fundraising:	
Advertising and promotions	24,233
Office expenses	1,360
Information technology	1,003
Occupancy	498
Campaign events	5,196
Miscellaneous	33
Total fundraising	32,323

UNITED WAY OF NORTHWEST FLORIDA, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2017

NOTE 7 – DONATED MATERIALS (Continued)

Management and General:	
Fees for services	4,491
Office expenses	1,360
Information technology	1,003
Occupancy	498
Miscellaneous	<u>33</u>
Total management and general	<u>7,385</u>
 Total in-kind revenue	 <u>\$ 55,842</u>

NOTE 8 – CONCENTRATION OF CREDIT RISK

The Organization maintains cash balances and certificates of deposits at several financial institutions located in Florida. The balances are insured by the Federal Deposit Insurance Corporation up to \$250,000. At December 31, 2017, the Organization's had no funds in excess of the insured limits.

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 September 18, 2018, which is the date these financial statements were issued.