

**UNITED WAY OF JOHNSON  
& WASHINGTON COUNTIES, INC.**

Financial Statements

March 31, 2017 and 2016

# UNITED WAY OF JOHNSON & WASHINGTON COUNTIES, INC.

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## CPAs and Advisors

### Independent Auditors' Report

Board of Directors  
United Way of Johnson & Washington Counties, Inc.  
Coralville, Iowa

#### **Report on the Financial Statements**

We have audited the accompanying financial statements of United Way of Johnson & Washington Counties, Inc., which comprise the statements of financial position as of March 31, 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.

#### **Auditors' 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 of 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 auditors' 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 Johnson & Washington Counties, Inc., as of March 31, 2017 and 2016, and the changes in its net assets and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

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**Report on Supplementary Information**

Our audits were performed for the purpose of forming an opinion on the comparative 2017 and 2016 financial statements of United Way of Johnson & Washington Counties, Inc. as a whole. The accompanying supplementary information for the year ended March 31, 2017 (pages 19-24) and for the years ended March 31, 2017 and 2016 (pages 25 and 26) is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the 2017 and 2016 financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the financial statements for the years ended March 31, 2017 and 2016 as a whole.

*TDE&T CPAs and Advisors, P.C.*

Cedar Rapids, Iowa  
August 28, 2017

UNITED WAY OF JOHNSON & WASHINGTON COUNTIES, INC.

Statements of Financial Position  
March 31, 2017 and 2016

<u>Assets</u>	<u>2017</u>	<u>2016</u>
Current assets:		
Cash and cash equivalents	\$ 1,784,674	1,571,488
Campaign pledges receivable:		
2017/2018 campaign	1,159	-
2016/2017 campaign	1,053,588	6,918
2015/2016 campaign	6,616	993,072
2014/2015 campaign	-	9,792
Campaign pledges receivable, net of allowance of \$60,714 and \$61,000 in 2017 and 2016, respectively	1,061,363	1,009,782
Bequests receivable	-	167,000
Grant receivable	-	953
Other current assets	4,912	2,984
Total current assets	<u>2,850,949</u>	<u>2,752,207</u>
Leasehold improvements and equipment:		
Computer equipment	63,692	63,692
Computer software	35,405	35,405
Office equipment	13,407	13,407
Campaign materials	2,814	2,814
Leasehold improvements	4,008	4,008
	<u>119,326</u>	<u>119,326</u>
Less accumulated depreciation	113,516	109,778
	<u>5,810</u>	<u>9,548</u>
Beneficial interest in assets held by community foundation	<u>486,603</u>	<u>453,415</u>
Total assets	<u>\$ 3,343,362</u>	<u>3,215,170</u>

See accompanying notes to financial statements.

UNITED WAY OF JOHNSON & WASHINGTON COUNTIES, INC.

Statements of Financial Position  
 March 31, 2017 and 2016

	<u>2017</u>	<u>2016</u>
	<u>Liabilities and Net Assets</u>	
Current liabilities:		
Campaign allocations payable	\$ 1,477,488	1,454,412
Campaign designations payable	266,759	279,567
Grants payable	29,108	34,627
Accounts payable	6,880	4,188
Accrued expenses	32,945	37,639
Total current liabilities	<u>1,813,180</u>	<u>1,810,433</u>
Total liabilities	<u>1,813,180</u>	<u>1,810,433</u>
Net assets:		
Unrestricted	892,699	745,788
Temporarily restricted	637,483	658,949
Total net assets	<u>1,530,182</u>	<u>1,404,737</u>
Total liabilities and net assets	<u>\$ 3,343,362</u>	<u>3,215,170</u>

See accompanying notes to financial statements.

UNITED WAY OF JOHNSON & WASHINGTON COUNTIES, INC.

Statements of Activities  
For the Years Ended March 31, 2017 and 2016

	2017			2016		
	Unrestricted	Temporarily Restricted	Total	Unrestricted	Temporarily Restricted	Total
Revenue:						
Campaign results:						
2017 - 2018 campaign	-	9,228	9,228	-	-	-
2016 - 2017 campaign	-	2,107,209	2,107,209	-	26,885	26,885
2015 - 2016 campaign	-	-	-	-	2,080,243	2,080,243
2014 - 2015 campaign	-	-	-	-	83	83
Provision for uncollectible pledges	-	(56,489)	(56,489)	-	(32,003)	(32,003)
Total funds raised	-	2,059,948	2,059,948	-	2,075,208	2,075,208
Less amounts raised for others:						
Donor designations to nonaffiliated organizations	-	83,564	83,564	-	111,253	111,253
Donor designations to affiliated agencies	-	184,195	184,195	-	184,773	184,773
Total funds raised for others	-	267,759	267,759	-	296,026	296,026
Net revenue	-	1,792,189	1,792,189	-	1,779,182	1,779,182
Other revenue (expense):						
Noncampaign contributions	15,632	-	15,632	19,914	2,728	22,642
Bequest revenue	90,536	-	90,536	267,000	-	267,000
Interest and dividends	11,285	-	11,285	9,844	-	9,844
Special events	19,738	-	19,738	24,633	-	24,633
In-kind contributions	86,121	-	86,121	71,319	-	71,319
(Loss) on sale of securities	(381)	-	(381)	(279)	-	(279)
Change in beneficial interest in assets held by community foundation	44,317	-	44,317	(18,351)	-	(18,351)
Grants	13,693	-	13,693	2,490	4,200	6,690
Total other revenue	280,941	-	280,941	376,570	6,928	383,498
Net assets released from restrictions	1,813,655	(1,813,655)	-	1,845,926	(1,845,926)	-
Total campaign results and revenue	2,094,596	(21,466)	2,073,130	2,222,496	(59,816)	2,162,680
Expenses:						
Program services	1,574,386	-	1,574,386	1,510,301	-	1,510,301
Supporting activities:						
Fundraising	208,337	-	208,337	225,197	-	225,197
Management and general	164,962	-	164,962	183,303	-	183,303
Total supporting activities	373,299	-	373,299	408,500	-	408,500
Total expenses	1,947,685	-	1,947,685	1,918,801	-	1,918,801
Change in net assets	146,911	(21,466)	125,445	303,695	(59,816)	243,879
Beginning net assets	745,788	658,949	1,404,737	442,093	718,765	1,160,858
Ending net assets	892,699	637,483	1,530,182	745,788	658,949	1,404,737

See accompanying notes to financial statements

# UNITED WAY OF JOHNSON & WASHINGTON COUNTIES, INC.

## Statement of Functional Expenses For the Year Ended March 31, 2017

	Program Services	Supporting Activities			Total Functional Expenses
		Fund- Raising	Management and General	Total	
Allocations	\$ 1,179,624	-	-	-	1,179,624
Book drive grants (in-kind)	3,176	-	-	-	3,176
Community priority grants	-	-	-	-	-
2-1-1	3,000	-	-	-	3,000
Salaries	173,543	81,082	100,997	182,079	355,622
Payroll taxes	12,594	5,884	7,329	13,213	25,807
Employee benefits	20,612	9,630	11,996	21,626	42,238
Professional service fees	8,572	4,005	4,988	8,993	17,565
Bank fees	-	5,457	-	5,457	5,457
Campaign supplies and events	-	21,642	-	21,642	21,642
Campaign supplies and events (in-kind)	-	12,140	-	12,140	12,140
Communications	509	238	295	533	1,042
Community assessment	-	-	-	-	-
Computer service	17,995	12,967	3,341	16,308	34,303
Depreciation	1,828	848	1,062	1,910	3,738
Grants of Summerships	19,481	-	-	-	19,481
Insurance	2,820	1,318	1,641	2,959	5,779
Investment management services	-	-	7,163	7,163	7,163
Marketing	625	291	364	655	1,280
Marketing (in-kind)	29,517	2,120	2,642	4,762	34,279
Meeting expense	454	212	265	477	931
Mileage and travel	2,536	915	241	1,156	3,692
Miscellaneous	-	-	-	-	-
Money Smart grants	8,700	-	-	-	8,700
Office supplies	4,708	2,200	2,740	4,940	9,648
Other grant related expense	40,614	-	-	-	40,614
Postage and shipping	990	1,528	576	2,104	3,094
Printing	1,359	635	791	1,426	2,785
Printing (in-kind)	-	1,017	-	1,017	1,017
Rent	17,427	8,142	10,143	18,285	35,712
Special events	-	5,135	-	5,135	5,135
Special events (in-kind)	5,000	24,198	-	24,198	29,198
Subscriptions	6	3	3	6	12
Telephone	1,206	564	702	1,266	2,472
Training and development	3,599	92	118	210	3,809
<b>Total forward:</b>	<b>1,560,495</b>	<b>202,263</b>	<b>157,397</b>	<b>359,660</b>	<b>1,920,155</b>

See accompanying notes to financial statements.

(continued)



UNITED WAY OF JOHNSON & WASHINGTON COUNTIES, INC.

Statement of Functional Expenses (continued)  
For the Year Ended March 31, 2017

	Program Services	Supporting Activities		Total	Total Functional Expenses
		Fund- Raising	Management and General		
Total forwarded:	1,560,495	202,263	157,397	359,660	1,920,155
Utilities	1,279	598	744	1,342	2,621
United Way Worldwide	11,720	5,476	6,821	12,297	24,017
Volunteer center	892	-	-	-	892
Total functional expenses	\$ <u>1,574,386</u>	<u>208,337</u>	<u>164,962</u>	<u>373,299</u>	<u>1,947,685</u>

See accompanying notes to financial statements.

# UNITED WAY OF JOHNSON & WASHINGTON COUNTIES, INC.

## Statement of Functional Expenses For the Year Ended March 31, 2016

	Program Services	Supporting Activities			Total Functional Expenses
		Fund- Raising	Management and General	Total	
Allocations	\$ 1,147,226	-	-	-	1,147,226
Community priority grants	14,000	-	-	-	14,000
2-1-1	6,000	-	-	-	6,000
Salaries	163,410	95,930	105,414	201,344	364,754
Payroll taxes	12,258	7,196	7,908	15,104	27,362
Employee benefits	23,851	14,001	15,386	29,387	53,238
Professional service fees	7,625	4,476	4,919	9,395	17,020
Bank fees	-	5,375	-	5,375	5,375
Campaign supplies and events	1,714	12,542	1,106	13,648	15,362
Campaign supplies and events (in-kind)	-	11,250	-	11,250	11,250
Communications	466	274	301	575	1,041
Community assessment	16,266	-	-	-	16,266
Computer service	14,291	9,779	3,050	12,829	27,120
Depreciation	2,179	1,279	1,406	2,685	4,864
Grants of Summerships	18,360	-	-	-	18,360
Insurance	2,442	1,433	1,575	3,008	5,450
Investment management services	-	-	6,657	6,657	6,657
Marketing	560	329	361	690	1,250
Marketing (in-kind)	7,986	4,688	5,151	9,839	17,825
Meeting expense	412	242	265	507	919
Mileage and travel	4,363	1,187	432	1,619	5,982
Miscellaneous	1,972	1,158	1,273	2,431	4,403
Money Smart grants	15,500	-	-	-	15,500
Office supplies	3,267	1,918	2,107	4,025	7,292
Other grant related expense	2,757	-	-	-	2,757
Postage and shipping	1,198	1,706	772	2,478	3,676
Printing	1,243	729	801	1,530	2,773
Printing (in-kind)	-	1,428	-	1,428	1,428
Rent	15,999	9,392	10,321	19,713	35,712
Special events	-	3,454	-	3,454	3,454
Special events (in-kind)	4,480	26,677	2,890	29,567	34,047
Subscriptions	185	109	307	416	601
Telephone	1,108	649	715	1,364	2,472
Training and development	4,199	-	1,400	1,400	5,599
Total forward:	1,495,317	217,201	174,517	391,718	1,887,035

See accompanying notes to financial statements.

(continued)

# UNITED WAY OF JOHNSON & WASHINGTON COUNTIES, INC.

## Statement of Functional Expenses (continued) For the Year Ended March 31, 2016

Total forwarded:	1,495,317	217,201	174,517	391,718	1,887,035
Utilities	1,123	659	724	1,383	2,506
United Way Worldwide	12,497	7,337	8,062	15,399	27,896
Volunteer center	1,364	-	-	-	1,364
	<u>1,495,317</u>	<u>217,201</u>	<u>174,517</u>	<u>391,718</u>	<u>1,887,035</u>
Total functional expenses	\$ <u>1,510,301</u>	<u>225,197</u>	<u>183,303</u>	<u>408,500</u>	<u>1,918,801</u>

See accompanying notes to financial statements.

# UNITED WAY OF JOHNSON & WASHINGTON COUNTIES, INC.

## Statements of Cash Flows For the Years Ended March 31, 2017 and 2016

	2017	2016
Cash flows from operating activities:		
Change in net assets	\$ 125,445	243,879
Adjustments to reconcile change in net assets to cash provided by (used in) operating activities:		
Depreciation	3,738	4,864
Noncash contributions and grants	(11,000)	(16,483)
Change in beneficial interest in assets held by community foundation	(44,317)	18,351
Effects of changes in operating assets and liabilities:		
Campaign pledges receivable	(51,581)	49,008
Grants receivable	953	110
Bequests receivable	167,000	(167,000)
Other current assets	(1,928)	(252)
Campaign allocations payable	23,076	(72,272)
Campaign designations payable	(12,808)	(29,708)
Grants payable	(5,519)	(373)
Accounts payable	2,692	(975)
Accrued expenses	(4,694)	5,467
Net cash provided by (used in) operating activities	191,057	34,616
Cash flows from investing activities:		
Grants received from beneficial interest in assets held by community foundation	22,129	23,811
Net cash provided by (use in) investing activities	22,129	23,811
Net increase (decrease) in cash and cash equivalents	213,186	58,427
Cash and cash equivalents at beginning of year	1,571,488	1,513,061
Cash and cash equivalents at end of year	\$ 1,784,674	1,571,488

See accompanying notes to financial statements.

# UNITED WAY OF JOHNSON & WASHINGTON COUNTIES, INC.

## Notes to Financial Statements March 31, 2017 and 2016

### Note 1 – Summary of Significant Accounting Policies

Nature of activities: United Way of Johnson & Washington Counties, Inc. (United Way) conducts an annual campaign in the fall of each year that concludes in February. Contributors may designate all or a portion of their contributions to United Way agencies or to nonaffiliated 501(c)(3) organizations, churches, and other governmental agencies. The volunteer Community Impact Council of the United Way receives funding requests from qualified partner agencies and makes funding recommendations based on the funding requests, site visits and community needs. The Board of Directors approves the agency allocations each April and United Way distributes agency allocations monthly (July – June). Donor designations to agencies are distributed (April and October) as requested by the donors, less an amount representing administration, fund-raising, uncollectible pledge (shrinkage) costs, and reserves.

Use of estimates in preparing financial statements: The preparation 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 amount of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues, expenses, gains, losses and other changes in net assets during the reporting period. Actual results could differ from those estimates.

Cash and cash equivalents: Cash and cash equivalents consist of cash on hand, checking and savings accounts and all highly liquid investments purchased with a maturity of three months or less. United Way maintains its cash accounts with commercial banks and credit unions, which at times will exceed the insurance limits of the Federal Deposit Insurance Corporation or the National Credit Union Administration.

Allowance for uncollectible pledges: The allowance for uncollectible pledges is an estimate based upon a review of outstanding pledge receivables. The allowance is based upon historical experience, adjusted for economic conditions expected to affect the historical factors. An overall loss factor is applied to the campaign to determine the amount of pledges deemed uncollectible. Pledge receivables are written off when deemed uncollectible. Recoveries of pledge receivables previously written off are recorded when received.

Leasehold improvements and equipment: Leasehold improvements and equipment are recorded at cost or at estimated fair market value at the date of gift, if donated. The organization has adopted a policy for capitalizing leasehold improvements and equipment items which are \$1,000 or greater and have a useful life of more than one year. Depreciation is provided on a straight-line basis over the estimated useful lives of the assets, which range from 3 to 15 years.

Beneficial interest in assets held by community foundation: United Way has an interest in two accounts it established with a community foundation, which represent assets transferred to the Community Foundation of Johnson County (Foundation) under a reciprocal agreement; therefore, the value of the assets held by the Foundation are recognized at fair value.

(continued)

# UNITED WAY OF JOHNSON & WASHINGTON COUNTIES, INC.

## Notes to Financial Statements (Continued) March 31, 2017 and 2016

### Note 1 – Summary of Significant Accounting Policies (Continued)

Net assets: Net assets are classified in one of three classes of net assets based on the existence or absence of donor-imposed restrictions. The following is a description of each class:

Unrestricted net assets: Include all net assets which are neither temporarily nor permanently restricted.

Temporarily restricted net assets: Include contributed net assets for which donor-imposed time and purpose restrictions have not been met and the ultimate purpose of the contribution is not permanently restricted.

Permanently restricted net assets: Include contributed net assets which require, by donor restriction, that the corpus be invested in perpetuity and that distributions are limited to prudent annual limits.

Contributions received: Donor contributions, including the uncollected portion of pledges receivable, are treated as contributions when the pledge is received. Substantially all contributions are temporarily restricted by the donors to be contributed to qualified agencies and to provide community-building, fundraising and administrative support to United Way for the next fiscal year. Temporary restrictions are removed upon the allocation of contributions and designated amounts to agencies and by the passage of time. All pledges receivable are due within the next fiscal year.

Bequests: Bequests are recognized and recorded when they have a determinable value and are declared valid by the court.

Contributions made: Allocations to United Way agencies are accrued in the period the allocations are approved by the Board of Directors and supported by the results of the campaign completed during the period.

Agency transactions: Certain funds can be designated by donors to United Way agencies, nonaffiliated organizations, churches or other governmental agencies. United Way has adopted a policy of reflecting these contributions in the campaign results in the statements of activities. These contributions are then deducted to reflect the amount of revenue recognized under accounting principles generally accepted in the United States of America. The total amount raised on behalf of others for the years ended March 31, 2017, and 2016 was \$266,589 and \$295,636, respectively.

(continued)

# UNITED WAY OF JOHNSON & WASHINGTON COUNTIES, INC.

## Notes to Financial Statements (Continued) March 31, 2017 and 2016

### Note 1 – Summary of Significant Accounting Policies (Continued)

Contributed goods and services: Contributed services of campaign volunteers are not reflected in the financial statements. Contributions of specialized services are recognized if the services contributed by individuals possessing those skills would have been purchased if not provided by donations. Contributed services were \$-0- and \$11,250 for the years ended March 31, 2017 and 2016, respectively.

Contributed services are provided by members of the Board of Directors, members of the internal operations, executive, community investment, resource development and strategic planning committees, campaign volunteers and individuals who volunteer administrative assistance.

In-kind contributions of goods are recorded as contributions and expenses based upon the fair value of goods received.

Income taxes: United Way is exempt from income taxes under provisions of Section 501(c)(3) of the Internal Revenue Code. As such, United Way is taxed only on its unrelated business income. Management has determined United Way did not receive any significant unrelated business income for the years ended March 31, 2017 and 2016.

When tax returns are filed, it is highly certain that some positions taken would be sustained upon examination by the taxing authorities, while others are subject to uncertainty about the merits of the position taken or the amount of the position that would ultimately be sustained. The benefit of a tax position is recognized in the financial statements in the period during which, based upon all available evidence, management believes it is more likely than not that the position will be sustained upon examination, including the resolution of appeals or litigation processes, if any. United Way had no unrecognized tax benefits as of and for the years ended March 31, 2017 and 2016.

Reclassifications: Certain amounts in the prior year financial statements have been reclassified for comparative purposes to conform with the presentation in the current year financial statements. These reclassifications did not affect total net assets.

Date of Management's Review: Management has evaluated subsequent events through August 28, 2017, the date which the financial statements were available to be issued.

### Note 2 – Beneficial Interest in Assets Held by Community Foundation and Endowments

United Way has established two board-designated endowments at the Community Foundation of Johnson County (Foundation). The endowments are administered by the Foundation for the benefit of United Way. Control over the investment or reinvestment of these funds is exercised by the Foundation. United Way has not granted variance power to the Foundation, so United Way continues to recognize its interest in the net assets held by the Foundation, and these endowments are classified as unrestricted net assets.

(continued)

# UNITED WAY OF JOHNSON & WASHINGTON COUNTIES, INC.

## Notes to Financial Statements (Continued) March 31, 2017 and 2016

### Note 2 – Beneficial Interest in Assets Held by Community Foundation and Endowments (Continued)

United Way has adopted investment and spending policies for these endowments that may provide future supplemental funding while seeking to maintain the purchasing power of these assets. To satisfy its long-term rate-of-return objectives, United Way relies on a total return strategy in which investments returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends). The Foundation establishes guidelines for the minimum and maximum percentages of cash, fixed income and equity securities, and an investment committee monitors and adjusts the allocations periodically.

The changes in funds for the years ended March 31, 2017 and 2016 were as follows:

	2017		
	Endowment Fund	Entrepreneurial Fund	Total
Beginning of year	\$ 177,980	275,435	453,415
Investment return:			
Investment income	3,241	4,856	8,097
Net realized and unrealized appreciation (depreciation)	17,830	26,487	44,317
Total investment return	21,071	31,343	52,414
Unrestricted contributions	11,000	-	11,000
Distributions	(9,051)	(14,007)	(23,058)
Investment fees	(2,850)	(4,318)	(7,168)
End of year	\$ 198,150	288,453	486,603
Total unrealized gains included in change in net assets	\$ 13,181	19,571	32,752
	2016		
	Endowment Fund	Entrepreneurial Fund	Total
Beginning of year	\$ 178,242	300,852	479,094
Investment return:			
Investment income	3,000	4,864	7,864
Net realized and unrealized appreciation (depreciation)	(7,000)	(11,351)	(18,351)
Total investment return	(4,000)	(6,487)	(10,487)
Unrestricted contributions	15,150	125	15,275
Distributions	(8,890)	(14,921)	(23,811)
Investment fees	(2,522)	(4,134)	(6,656)
End of year	\$ 177,980	275,435	453,415
Total unrealized gains included in change in net assets	\$ (13,396)	(21,538)	(34,934)



UNITED WAY OF JOHNSON & WASHINGTON COUNTIES, INC.

Notes to Financial Statements (Continued)  
March 31, 2017 and 2016

Note 3 – Accrued Expenses

Accrued expenses consist of the following as of March 31, 2017 and 2016:

	<u>2017</u>	<u>2016</u>
Vacation	\$ 10,529	11,453
Payroll taxes	4,789	5,650
Membership fees	17,427	20,363
Benefits payable	200	173
Total	<u>\$ 32,945</u>	<u>37,639</u>

Note 4 – Leases and Rent Expense

United Way leases office space under an agreement that expires April 30, 2019. The lease requires monthly rentals of \$2,450 as well as payments for utilities, repairs and maintenance. Rent expense under this lease totaled \$29,400 for the years ended March 31, 2017 and 2016.

Future minimum lease payments under the above operation lease are as follows:

Year ending March 31:	
2018	\$ 29,400
2019	29,400
2020	2,450

Conference room and storage space is contributed to United Way. Rent expense and associated in-kind donation was recorded at fair market value of \$4,932 and \$6,312 for the years ended March 31, 2017 and 2016, respectively.

Note 5 – Nature and Amount of Temporary Restrictions

Temporarily restricted net assets at March 31, 2017 and 2016 are available for the following purposes:

	<u>2017</u>	<u>2016</u>
Disaster relief	\$ 17,074	\$ 17,074
Reading program	18,000	18,000
Hunger event	3,500	-
Programs for the protection of children and advocacy on the behalf of children	7,844	7,844
Software	-	6,000
Summerships	10,489	12,075
Fundraising and administrative support through next fiscal year	<u>580,576</u>	<u>597,956</u>
Total	<u>\$ 637,483</u>	<u>658,949</u>

(continued)

UNITED WAY OF JOHNSON & WASHINGTON COUNTIES, INC.

Notes to Financial Statements (Continued)  
 March 31, 2017 and 2016

Note 5 – Nature and Amount of Temporary Restrictions (Continued)

During the year ended March 31, 2017 and 2016, the following temporarily restricted net assets were released to unrestricted net assets:

	2017	2016
Prior year net assets previously time restricted to provide fundraising and administrative support	\$ 597,956	667,815
Reading program	18,000	-
Software	6,000	-
Summerships	12,075	30,885
Campaign contributions allocation for distributions	1,179,624	1,147,226
	\$ 1,813,655	1,845,926

Note 6 – Fair Value Measurement

FASB ASC Topic 820 establishes 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 Topic 820 are described below:

Basis of Fair Value Measurement

- Level 1 Quoted prices (unadjusted) for identical assets or liabilities in active markets that the entity has the ability to access as of the measurement date;
- Level 2 Significant other observable inputs other than level 1 prices such as quoted prices for similar assets or liabilities; quoted prices in markets that are not active; or other inputs that are observable or can be corroborated by observable market data;
- Level 3 Valuations derived from valuation techniques in which one or more significant inputs or significant value drivers are unobservable, such as pricing models, discounted cash flow models and similar techniques not based on market, exchange, dealer or broker-traded transactions.

Following is a description of the valuation methodologies used for instruments measured at fair value and their classification in the valuation hierarchy. There have been no changes in the techniques and inputs used as of March 31, 2017 and 2016.

Beneficial interest in assets held by community foundation: Valued at the estimated pro-rata share of the community foundation’s investment pool.

# UNITED WAY OF JOHNSON & WASHINGTON COUNTIES, INC.

## Notes to Financial Statements (Continued) March 31, 2017 and 2016

### Note 6 – Fair Value Measurement (Continued)

Assets held by the Foundation are primarily invested in level 1 investments including bonds, fixed income funds, equities and equity funds that have quoted prices in active markets. The Foundation also holds an investment in a limited partnership that is recorded at cost. United Way adjusts its interest in the assets held by the Foundation similar to the equity method of accounting, which results in the asset being carried at fair value. The interest in the assets held by the Foundation is measured using level 3 inputs within the fair value hierarchy. The fair value of these assets totaled \$486,603 and \$453,415 as of March 31, 2017 and 2016, respectively. See Note 2 for roll forwards on these level 3 assets.

There were no transfers into or out of level 3 of the fair value hierarchy during the years ended March 31, 2017 and 2016. United Way does not have any redemption restrictions or unfunded commitments.

### Note 7 – Fees to Other Organizations

United Way is a member of United Way Worldwide with full membership rights. Under an agreement with United Way Worldwide, 1 percent of the United Way's campaign production amounts is paid as a fee to United Way Worldwide. The fees totaled \$24,017 and \$27,896 for the years ended March 31, 2017 and 2016, respectively.

### Note 8 – Retirement Plan

United Way provides retirement benefits to eligible employees under a simplified retirement plan whereby United Way annually determines the amount of contribution. Contributions to the plan totaled \$13,968 and \$16,143 for the years ended March 31, 2017 and 2016, respectively.

UNITED WAY OF JOHNSON & WASHINGTON COUNTIES, INC.

Supplementary Information

March 31, 2017

# UNITED WAY OF JOHNSON & WASHINGTON COUNTIES, INC.

## Board of Directors, Management and Staff March 31, 2017

### **Board of Directors**

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Gary Barta	Board Chair
Michael Pugh	Past Chair
Ken Kates	Treasurer & Internal Operations Chair
Ben Clark	Resource Development Chair
Patricia Heiden	Strategic Planning Chair
Mark Nolte	Community Investment Chair
Gabe Aguirre	Director
Matt Degner	Director
Georgina Dodge	Director
Eadie Fawcett-Weaver	Director
Kelly Hayworth	Director
LaShonda Kennedy	Director
Lynette Marshall	Director
Steve Olson	Director
Ed Raber	Director
Marten Roorda	Director
Ryan Schlabaugh	Director
Jon Weih	Director
Jeff Kellbach	Ex-Officio, Agency Representative

### **Management and Staff**

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Katie Knight	President & CEO
Patti Fields	VP for Community Impact & Engagement
Terri Anderson	Director of Finance & Operations
Deidra Richardson	Director of Development, Marketing & Communications
Carol Rowland	Finance & Pledge Services Coordinator
Wendy Nolan	Community Strategies Coordinator
Amy Schaefer	Administrative Assistant

# UNITED WAY OF JOHNSON & WASHINGTON COUNTIES, INC.

## Donor Designations to Nonaffiliated Organizations For the Year Ended March 31, 2017

Other United Ways:	
Cedar Valley United Way	\$ 3,360
Chenango United Way	324
Greater Twin Cities United Way	117
Mile High United Way	304
United Way of Central Iowa	1,640
United Way of Clinton County Iowa	101
United Way of East Central Iowa	8,835
United Way for Greater Austin	203
United Way of Greater Chattanooga	234
United Way of Jasper County, IA	507
United Way of Muscatine	242
United Way of the Quad Cities Area	284
United Way of Rock River Valley	156
United Way of Santa Cruz County	2,028
United Way of Spencer	41
United Way of Wilton, Iowa	491
Total to other United Ways	\$ <u>18,867</u>
Other nonaffiliated organizations:	
Academia America	\$ 78
Alburnett Community School District Fd.	900
Alzheimer's Association of East Central Iowa	1,430
American Cancer Society	203
American Cancer Society-Atlanta	507
American Heart Association	250
American Red Cross	183
Animal Rescue League	507
Animal Welfare Foundation of Iowa	1,788
The Arc of East Central Iowa	58
The Arc of Story County	203
Birthright of Muscatine	203
Boys & Girls Clubs of the Cedar Valley	39
Camp Courageous of Iowa	362
Camp Eastman Development Assoc. Inc.	2,241
Camp Hertko Hollow	278
Campus Crusade for Christ	975
Carnegie Mellon University	390
The Carter Center	273
Total forward:	\$ <u>10,868</u>

(continued)

# UNITED WAY OF JOHNSON & WASHINGTON COUNTIES, INC.

## Donor Designations to Nonaffiliated Organizations (Continued)

For the Year Ended March 31, 2017

Other nonaffiliated organizations (continued):

Total forwarded:	\$ 10,868
Catholic Charities - Davenport	655
Cedar County Public Health	123
Cedar Manor Nursing Home Cedar Foundation	390
Cedar Valley Humane Society	1,831
Christian Church	180
Coe College	117
Community Foundation of Johnson County	3,250
Coralville Community Food Pantry	406
CPC Pregnancy Resources	468
Dave Thomas Foundation for Adoption	390
Disability Enterprise Foundation	39
Dreamwell Theatre	406
Durant Community Chest	183
Emma Goldman Clinic	162
Faith Baptist Church	351
First United Methodist Church	1,950
Friends of the Animal Center Foundation	905
Friends of Coralville Lake	47
Girls on the Run of Eastern Iowa	78
Give Directly	195
Grandview Community Bible Church	406
Greater Cedar Rapids Foundation	2,363
HACAP - Washington County	187
Hawkeye Area Boy Scouts	3,221
Heart to Home Hospice, Inc.	390
Hospice Home of Johnson County	94
Hospice of Keokuk County	41
Hospice of Washington County	119
Housing Trust Fund of Johnson County	334
The Hun School of Princeton	78
ICCSA Foundation	78
Informed Choice of Iowa	2,227
Iowa City Eels Swim Club	318
Iowa City Hospice	4,305
Iowa City Parks & Recreation Foundation	1,268
Iowa City Ronald McDonald House	405
Iowa County Food Bank	61
Total forward:	\$ <u>38,889</u>

(continued)

# UNITED WAY OF JOHNSON & WASHINGTON COUNTIES, INC.

## Donor Designations to Nonaffiliated Organizations (Continued) For the Year Ended March 31, 2017

Other nonaffiliated organizations (continued):

Total forwarded:	\$ 38,889
Iowa County Health Department	62
Iowa Donor Network	58
Iowa Public Radio	195
Iowa Women's Foundation	350
Isle of Iowa Parrot Head Club Community Partnership Fund	390
JDRF - Eastern Iowa Branch	468
Johnson County Humane Society	1,014
Johnson County SEATS	156
Junior Achievement	585
Junior Achievement of Eastern Iowa, Inc.	1,248
Kalona Food Pantry	183
Keota Education Foundation	203
Kids Corral	468
The Kirkwood Foundation	858
Last Hope Animal Rescue	913
Life 107.1	406
Local Foods Connection	195
Lutherans for Life	152
Mainstream Living, Inc.	203
MCSA	203
Meals on Wheels - Cedar Rapids	156
Mercy Hospital Foundation	1,747
Miracles In Motion	289
Moose Charities	234
Multiple Sclerosis Association of America	47
Multiple Sclerosis Society Iowa Chapter	94
MYEP	101
National Multiple Sclerosis Society Upper Midwest Chapter	47
The New Hampshire Food Bank	78
Nichols Fire Department	390
North English Community Center	203
Parkview Evangelical Free Church	786
PAWS & More Animal Shelter	78
Pet Rescue of Mercer	78
Planned Parenthood of Greater IA Iowa City Center	361
Planned Parenthood of the Heartland	78
Preucil School of Music	234
Total forward:	\$ <u>52,200</u>

(continued)



# UNITED WAY OF JOHNSON & WASHINGTON COUNTIES, INC.

## Donor Designations to Nonaffiliated Organizations (Continued)

For the Year Ended March 31, 2017

Other nonaffiliated organizations (continued):

Total forward:	\$ 52,200
Princeton Junior School	78
Rare	273
Red Oak Grove Church & Cemetery	223
Regina Foundation	1,207
The SAFE Alliance	203
Safe Haven Farms	195
Safe Haven of Iowa County	1,556
The Salvation Army	132
The Salvation Army - Cedar Rapids	182
Sea Turtle Conservancy	195
Sigma Nu Educational Foundation	78
Sigourney Fire Department	39
Sisters of St. Francis	507
South Tama Food Pantry	393
Southeast Linn Community Center	393
Spirit Inc.	507
St. Michael Catholic School	101
St. Patrick's Catholic Church	156
Starmont High School	390
Successful Living	390
Systems Unlimited, Inc.	460
TAKO (Take a Kid Outdoors)	203
Tanager Place	47
Tipton United Fund	169
Trenton Soup Kitchen (TASK)	78
United Fund of Columbus Junction	101
University of Iowa Foundation	574
Vinton-Shellsburg Scouts Pack 43	41
Waypoint	101
West Branch Community Day Care	61
West Liberty Fire Department	831
West Liberty Youth Sports, Inc.	41
Whitman-Walker Health Clinic	203
Willis Dady Emergency Shelter	315
World Resources Institute	273
Wounded Warrior Project (Jacksonville, FL)	101
Wounded Warrior Project (Topeka, KS)	649
Total forward:	\$ <u>63,646</u>

(continued)

UNITED WAY OF JOHNSON & WASHINGTON COUNTIES, INC.

Donor Designations to Nonaffiliated Organizations (Continued)  
For the Year Ended March 31, 2017

Other nonaffiliated organizations (continued):	
Total forward:	\$ 63,646
YMCA of the Cedar Rapids Metro. Area	39
YMCA of Greater Des Moines	468
YMCA of Washington County	544
Total to other nonaffiliated organizations	<u>64,697</u>
Total donor designations to nonaffiliated organizations	\$ <u><u>83,564</u></u>

# UNITED WAY OF JOHNSON & WASHINGTON COUNTIES, INC.

## Donor Designations to Affiliated Agencies For the Year Ended March 31, 2017

4 Cs Community Coordinated Child Care	\$	1,718
Abbe Center for Community Mental Health		4,607
The Arc of Southeast Iowa		5,929
Big Brothers Big Sisters of Johnson County		13,030
The Crisis Center of Johnson County		19,531
Domestic Violence Intervention Program		13,151
Elder Services, Inc.		7,089
Four Oaks Iowa City		1,929
Free Lunch Program		11,629
Geriatric & Special Needs Dental Program		1,201
Girl Scouts of Eastern Iowa & Western Illinois		3,092
Goodwill of the Heartland		732
HACAP - Iowa City		1,905
Handicare, Inc.		2,651
Healthy Kids: School-Based Health Clinics		10,561
Hillcrest Family Services		638
The Housing Fellowship		1,576
Iowa City Free Medical & Dental Clinic		11,590
Iowa Legal Aid		2,799
Iowa Valley Habitat for Humanity		6,044
Joan Buxton School Children's Aid		1,968
National Alliance on Mental Illness - Johnson County		5,369
Neighborhood Centers of Johnson County		4,455
North Liberty Community Pantry		7,110
Pathways Adult Day Health Center		2,994
Prelude Behavioral Services		2,114
RVAP		4,237
Shelter House		15,053
Table to Table		7,625
United Action for Youth		7,560
Visiting Nurse Association		4,308
Total donor designations to affiliated agencies	\$	<u>184,195</u>

# UNITED WAY OF JOHNSON & WASHINGTON COUNTIES, INC.

## Allocations and Grants to Agencies For the Years Ended March 31, 2017 and 2016

	2017	2016
Affiliated allocations:		
4Cs Community Coordinated Child Care	\$ 29,856	29,856
Abbe Center for Community Mental Health	30,000	27,000
The Arc of Southeast Iowa	29,100	29,100
Big Brothers Big Sisters of Johnson County	48,779	48,779
The Crisis Center of Johnson County	108,000	102,531
Domestic Violence Intervention Program	68,000	64,531
Elder Services, Inc.	36,129	41,256
Four Oaks Iowa City	11,563	11,563
Free Lunch Program	7,200	7,200
Geriatric & Special Needs Dental Program	9,250	9,250
Girl Scouts of Eastern Iowa & Western Illinois	6,750	6,750
Goodwill of the Heartland	22,500	22,500
HACAP - Iowa City	19,691	19,691
Handicare, Inc.	27,750	27,750
Healthy Kids: School-Based Health Clinics	49,439	47,106
Hillcrest Family Services	5,250	4,725
The Housing Fellowship	20,350	20,350
Iowa City Free Medical Clinic	110,000	101,750
Iowa Legal Aid	34,471	34,471
Iowa Valley Habitat for Humanity	14,338	14,338
Joan Buxton School Children's Aid	12,000	10,000
National Alliance on Mental Illness - Johnson County	4,500	4,500
Neighborhood Centers of Johnson County	120,000	116,400
North Liberty Community Pantry	25,000	24,250
Pathways Adult Day Health Center	27,500	26,056
Prelude Behavioral Services	37,170	37,170
RVAP	24,413	24,413
Shelter House	72,000	69,840
Table to Table	40,000	37,530
United Action for Youth	68,500	66,445
Visiting Nurse Association	60,125	60,125
Total affiliated allocations:	1,179,624	1,147,226

(continued)

UNITED WAY OF JOHNSON & WASHINGTON COUNTIES, INC.

Allocations and Grants to Agencies (Continued)  
For the Years Ended March 31, 2017 and 2016

	<u>2017</u>	<u>2016</u>
Special allocations/Community Priority Grants:		
MoneySmart Grants	8,700	15,500
Summerships	<u>19,481</u>	<u>18,360</u>
 Total special allocations/Community Priority Grants	<u>28,181</u>	<u>33,860</u>
Total allocations and grants to agencies	\$ <u><u>1,207,805</u></u>	<u><u>1,181,086</u></u>