

Financial Statements



United Way of the Big Bend, Inc.

*Years ended June 30, 2018 and 2017
with Report of Independent Auditors*

 **Thomas Howell
Ferguson P.A.**
Certified Public Accountants

United Way of the Big Bend, Inc.

Financial Statements

Years ended June 30, 2018 and 2017

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Report of Independent Auditors

The Board of Directors
United Way of the Big Bend, Inc.

Report on the Financial Statements

We have audited the accompanying financial statements of United Way of the Big Bend, Inc. (UWBB) which comprise the statements of financial position as of June 30, 2018 and 2017, the related statements of activities and changes in net assets, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the 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.

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Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of United Way of the Big Bend, Inc. as of June 30, 2018 and 2017, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Report on Summarized Comparative Information

We have previously audited United Way of the Big Bend, Inc.'s 2017 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated October 31, 2017. In our opinion, the summarized comparative information presented in the statement of activities and changes in net position as of and for the year ended June 30, 2017, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Thomas Howell Ferguson P.A.

Tallahassee, Florida
October 31, 2018

United Way of the Big Bend, Inc.

Statements of Financial Position

	June 30,	
	2018	2017
Assets		
Cash and cash equivalents	\$ 475,013	\$ 129,252
Investments	1,202,077	1,368,127
Pledges receivable, net of allowance for uncollectibles of \$205,041 and \$211,225, respectively	1,329,877	1,740,906
Accounts receivable	104,206	283,288
Deposits and other assets	35,310	32,365
Property and equipment, net	639,996	643,583
Total assets	<u>\$ 3,786,479</u>	<u>\$ 4,197,521</u>
Liabilities and net assets		
Liabilities:		
Allocations payable	\$ 2,841,057	\$ 3,109,404
Accounts payable and accrued expenses	109,823	105,860
Line of credit	-	200,000
Deferred revenue	43,282	74,386
Total liabilities	<u>2,994,162</u>	<u>3,489,650</u>
Net assets:		
Unrestricted:		
Designated	480,837	410,032
Temporarily restricted	201,480	187,839
Permanently restricted	110,000	110,000
Total net assets	<u>792,317</u>	<u>707,871</u>
Total liabilities and net assets	<u>\$ 3,786,479</u>	<u>\$ 4,197,521</u>

See accompanying notes.

United Way of the Big Bend, Inc.

Statements of Activities and Changes in Net Assets

	Unrestricted	Temporarily Restricted	Permanently Restricted	Totals	
				Year ended June 30, 2018	2017
Changes in net assets:					
Revenues and other support:					
Annual campaign:					
Current year campaign contributions	\$ 3,700,232	\$ -	\$ -	\$ 3,700,232	\$ 3,906,080
Campaign contributions received in prior years	48,168	(48,168)	-	-	-
Less: donor designations	(373,552)	-	-	(373,552)	(395,500)
Less: provision for uncollectible pledges	(213,767)	-	-	(213,767)	(213,473)
Total annual campaign, net	<u>3,161,081</u>	<u>(48,168)</u>	<u>-</u>	<u>3,112,913</u>	<u>3,297,107</u>
Campaign contributions received for future years	-	61,809	-	61,809	67,163
Net campaign revenue	3,161,081	13,641	-	3,174,722	3,364,270
Non-campaign fundraising, net	52,493	-	-	52,493	21,351
Investment gains, net	123,740	-	-	123,740	99,805
Other income	836,242	-	-	836,242	594,729
Total revenues and other support	<u>4,173,556</u>	<u>13,641</u>	<u>-</u>	<u>4,187,197</u>	<u>4,080,155</u>
Functional expenses:					
Allocations:					
Member agencies in the Big Bend	2,225,618	-	-	2,225,618	2,469,340
Non-member agencies outside of the Big Bend	14,607	-	-	14,607	15,412
Community initiatives	184,968	-	-	184,968	183,623
Special grants	111,295	-	-	111,295	115,434
Less: designated allocations	(373,552)	-	-	(373,552)	(395,500)
Total allocations	<u>2,162,936</u>	<u>-</u>	<u>-</u>	<u>2,162,936</u>	<u>2,388,309</u>
Program	669,379	-	-	669,379	761,500
Fundraising	425,291	-	-	425,291	390,186
Management and general	845,145	-	-	845,145	494,933
	<u>1,939,815</u>	<u>-</u>	<u>-</u>	<u>1,939,815</u>	<u>1,646,619</u>
Total functional expenses	<u>4,102,751</u>	<u>-</u>	<u>-</u>	<u>4,102,751</u>	<u>4,034,928</u>
Change in net assets	70,805	13,641	-	84,446	45,227
Net assets at beginning of year	410,032	187,839	110,000	707,871	662,644
Net assets at end of year	<u>\$ 480,837</u>	<u>\$ 201,480</u>	<u>\$ 110,000</u>	<u>\$ 792,317</u>	<u>\$ 707,871</u>

See accompanying notes.

United Way of the Big Bend, Inc.

Statement of Functional Expenses

Year ended June 30, 2018

	Allocations	Program	Fundraising	Management and General	Total Expenses
Allocations					
Agency allocations	\$ 1,866,673	-	-	-	\$ 1,866,673
Community initiatives	184,968	-	-	-	184,968
Special grants	111,295	-	-	-	111,295
Total allocations	<u>2,162,936</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,162,936</u>
Functional Expenses					
Salaries and related benefits	-	591,231	287,869	384,861	1,263,961
Insurance	-	5,113	5,888	7,871	18,872
Miscellaneous	-	6,650	155	211	7,016
Professional fees	-	3,970	4,572	6,112	14,654
Office expenses, telephone, postage	-	5,106	5,880	7,861	18,847
Advertising	-	1,113	1,281	1,713	4,107
Printing, awards, and other direct campaign	-	-	54,931	-	54,931
Travel	-	1,095	1,261	1,685	4,041
Conferences, meetings, and training	-	1,821	2,097	2,804	6,722
Dues and subscriptions	-	14,954	17,221	23,023	55,198
Contract services	-	8,190	9,432	362,609	380,231
Banking, investment, and credit card fees	-	7,823	9,009	12,044	28,876
Building and equipment expenses:					
Equipment depreciation	-	6,999	8,060	10,774	25,833
Other building expense	-	9,980	11,493	15,365	36,838
Other equipment expense	-	5,334	6,142	8,212	19,688
Total functional expenses	<u>-</u>	<u>669,379</u>	<u>425,291</u>	<u>845,145</u>	<u>1,939,815</u>
Total allocations and functional expenses	<u>\$ 2,162,936</u>	<u>\$ 669,379</u>	<u>\$ 425,291</u>	<u>\$ 845,145</u>	<u>\$ 4,102,751</u>

See accompanying notes.

United Way of the Big Bend, Inc.

Statement of Functional Expenses

Year ended June 30, 2017

	Allocations	Program	Fundraising	Management and General	Total Expenses
Allocations					
Agency allocations	\$ 2,089,252	\$ -	\$ -	\$ -	\$ 2,089,252
Community initiatives	183,623	-	-	-	183,623
Special grants	115,434	-	-	-	115,434
Total allocations	<u>2,388,309</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,388,309</u>
Functional Expenses					
Salaries and related benefits	-	673,178	247,682	385,415	1,306,275
Insurance	-	5,928	4,750	7,391	18,069
Miscellaneous	-	1,955	1,567	2,438	5,960
Professional fees	-	4,829	3,869	6,020	14,718
Office expenses, telephone, postage	-	6,867	5,497	8,552	20,916
Advertising	-	472	378	588	1,438
Printing, awards, and other direct campaign	-	-	71,743	-	71,743
Travel	-	1,406	1,127	1,753	4,286
Conferences, meetings, and training	-	(492)	(394)	(613)	(1,499)
Dues and subscriptions	-	19,718	15,798	24,582	60,098
Contract services	-	12,434	9,962	15,502	37,898
Banking, investment, and credit card fees	-	6,860	5,496	8,552	20,908
Building and equipment expenses:					
Equipment depreciation	-	8,202	6,572	9,640	24,414
Other building expense	-	12,192	9,768	15,200	37,160
Other equipment expense	-	7,951	6,371	9,913	24,235
Total functional expenses	<u>-</u>	<u>761,500</u>	<u>390,186</u>	<u>494,933</u>	<u>1,646,619</u>
Total allocations and functional expenses	<u>\$ 2,388,309</u>	<u>\$ 761,500</u>	<u>\$ 390,186</u>	<u>\$ 494,933</u>	<u>\$ 4,034,928</u>

See accompanying notes.

United Way of the Big Bend, Inc.

Statements of Cash Flows

	Years ended June 30,	
	2018	2017
Operating activities		
Change in net assets	\$ 84,446	\$ 45,227
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:		
Depreciation	25,833	24,414
Unrealized losses (gains) on investments	49,963	(46,834)
Realized gains and other investment changes, net	(163,250)	(42,933)
Changes in operating assets and liabilities:		
Pledges receivable	411,029	(189,752)
Accounts receivable	179,082	(152,483)
Deposits and other assets	(2,945)	(5,105)
Allocations payable	(268,347)	(193,492)
Accounts payable and accrued expenses	3,963	(28,241)
Deferred revenue	(31,104)	24,146
Net cash provided by (used in) operating activities	<u>288,670</u>	<u>(565,053)</u>
Investing activities		
Proceeds from sales and maturities of investments	821,630	412,620
Purchases of investments, including reinvestments	(542,293)	(607,445)
Purchases of property and equipment	(22,246)	-
Net cash provided by (used in) investing activities	<u>257,091</u>	<u>(194,825)</u>
Financing activities		
Repayment of line of credit	(200,000)	-
Proceeds from line of credit	-	200,000
Net cash (used in) provided by financing activities	<u>(200,000)</u>	<u>200,000</u>
Net increase (decrease) in cash and cash equivalents	345,761	(559,878)
Cash and cash equivalents at beginning of year	129,252	689,130
Cash and cash equivalents at end of year	<u>\$ 475,013</u>	<u>\$ 129,252</u>
Supplemental disclosure of cash flow information:		
Cash paid during the year for interest	\$ 5,126	\$ 496

See accompanying notes.

United Way of the Big Bend, Inc.

Notes to Financial Statements

Years ended June 30, 2018 and 2017

1. Summary of Significant Accounting Policies

Nature of Operations

The United Way of the Big Bend, Inc. (UWBB) is a not-for-profit corporation organized under the laws of the state of Florida. Its primary purpose is to raise money and mobilize resources to meet priority human needs.

Through the 2016 campaign year, UWBB and its local government partners participated in a joint planning and funding distribution process known as the Community Human Service Partnership. On August 2, 2016, UWBB's Board of Directors approved modifications to how UWBB allocates funding to its 38 agency partners in Leon County beginning in the fiscal year ending June 30, 2018. The Board's action allows UWBB to continue to share one online funding application and information with its government partners but independently direct funding to its agency partners. Further changes to the allocation process are expected.

Basis of Accounting

UWBB uses the accrual basis of accounting. The financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America. The significant accounting policies are described below.

Cash and Cash Equivalents

Cash and cash equivalents consist of deposits with a financial institution and deposits in highly liquid money market funds. Deposits with financial institutions are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000 per depositor. Bank deposits at times may exceed federally insured limits. UWBB has not experienced any losses in such accounts.

For purposes of the statements of cash flows, UWBB considers all highly liquid debt instruments purchased with an original maturity of three months or less to be cash equivalents.

Investments

Investments consist of various bonds, equities, and mutual funds, as well as an endowment fund. Investments are carried at their market values. The values of bonds, equities, and mutual funds are estimated based on their quoted market values for the specific investment. The value of an endowment fund held by the Community Foundation of North Florida (CFNF) is determined based on information received from CFNF.

United Way of the Big Bend, Inc.

Notes to Financial Statements

1. Summary of Significant Accounting Policies (continued)

Concentration of Credit Risk

The financial instruments exposed to concentrations of credit risk consist primarily of cash, cash equivalents, and investments. All investment transactions have credit exposure to the extent that a counterparty may default on an obligation to UWBB. Credit risk is a consequence of carrying investment positions. To manage credit risk, UWBB focuses primarily on higher quality, fixed income securities, limits its exposure in any one investment, and monitors quality.

Accounts and Pledges Receivable

Pledges receivable consist of amounts pledged for current year campaign revenues and are presented net of an allowance for uncollectible amounts. The allowance is calculated based on the average actual uncollectible rate for the preceding three years.

Property and Equipment

Property and equipment is stated at cost, net of accumulated depreciation. Depreciation is computed using the straight-line method over the estimated useful lives of the related assets ranging from 3 to 40 years. Assets with an original cost of \$500 or more and a useful life of at least one year are capitalized.

Contributions

Annual campaigns are conducted to raise support for allocation to not-for-profit agencies that provide direct health or social welfare services. Contributions made specifically to UWBB or to a particular county or area of need are considered undesignated and will be allocated according to UWBB's policies and procedures. When the donor makes a contribution to UWBB and designates a named charity as the beneficiary, the donor is generating an agent transaction and the donation is not considered revenue to UWBB. These designations are called "donor designations" and "designated allocations" in the statements of activities and changes in net assets and are deducted from gross campaign revenue and a designated pledges liability account is recognized.

Contributions and grants of cash and other assets are reported as temporarily restricted support if they are received with donor stipulations that limit the use and duration of the donated assets. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose of restriction is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statements of activities and changes in net assets as net assets released from restrictions. Donor contributions and grants received with restrictions that expire during the fiscal year are recorded as unrestricted contributions on the statements of activities and changes in net assets.

United Way of the Big Bend, Inc.

Notes to Financial Statements

1. Summary of Significant Accounting Policies (continued)

Contributions (continued)

Fundraising that is not related to the annual campaign is presented net of related expenses in the accompanying statements of activities and changes in net assets.

Donated services are recognized as contributions if the services (a) create or enhance nonfinancial assets or (b) require specialized skills, are performed by people with those skills, and would otherwise be purchased by UWBB. Contributed services recognized as revenue during the years ended June 30, 2018 and 2017, included professional services required to fulfill program and general management responsibilities. Volunteers, including Board members, also provided general support services throughout the year that are not recognized as contributions in the financial statements since the recognition criteria were not met.

Donated Services

A significant portion of UWBB's functions are conducted by unpaid volunteers. As noted above, the value of this contributed time is not reflected in the accompanying financial statements since the volunteers' time does not meet the requirements for recognition. However, donated contract services valued by UWBB at \$350,000 were recognized as a component of management and general expense, and other income, during the year ended June 30, 2018.

Functional Allocation of Expenses

The costs of providing the various programs and supporting services have been summarized on a functional basis. Accordingly, certain costs have been allocated among the programs benefited on the basis of estimates made by management.

Income Taxes

Pursuant to a determination letter received from the Internal Revenue Service, UWBB is exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code, and as such is liable for tax only on business income unrelated to the purpose for which it is exempt. No provision for income taxes has been recorded in the accompanying financial statements.

With few exceptions, UWBB is no longer subject to examinations by major tax jurisdictions for years ended June 30, 2014 and prior.

Subsequent Events

The UWBB has evaluated subsequent events through October 31, 2018, the date the financial statements were available to be issued. During the period from June 30, 2018 to October 31, 2018, the UWBB did not have any material recognizable subsequent events.

United Way of the Big Bend, Inc.

Notes to Financial Statements

1. Summary of Significant Accounting Policies (continued)

Use of Estimates

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 amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the reporting period. Accordingly, actual results could differ from those estimates.

2. Investments

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

Level 1: Quoted market prices in active markets for identical assets or liabilities.

Level 2: Observable market-based inputs or unobservable inputs that are corroborated by market data.

Level 3: Unobservable inputs that are not corroborated by market data.

UWBB utilizes valuation techniques that maximize the use of observable inputs and minimize the use of unobservable inputs.

Fair Value on a Recurring Basis

The table below presents the balances of assets and liabilities measured at fair value on a recurring basis.

Investments consist of the following at June 30, 2018:

	<u>Cost</u>	<u>Unrealized Gains (Losses)</u>	<u>Fair Market Value</u>	<u>Level 1</u>	<u>Level 2</u>
Equities	\$ 552,724	\$ (177)	\$ 552,547	\$ 552,547	\$ -
Bonds	574,200	(9,271)	564,929	564,929	-
Endowment fund*	70,000	14,601	84,601	-	84,601
Total	<u>\$ 1,196,924</u>	<u>\$ 5,153</u>	<u>\$ 1,202,077</u>	<u>\$ 1,117,476</u>	<u>\$ 84,601</u>

United Way of the Big Bend, Inc.

Notes to Financial Statements

2. Investments (continued)

Investments consist of the following at June 30, 2017:

	<u>Cost</u>	<u>Unrealized Gains (Losses)</u>	<u>Fair Market Value</u>	<u>Level 1</u>	<u>Level 2</u>
Equities	\$ 557,740	\$ 38,049	\$ 595,789	\$ 595,789	\$ -
Bonds	619,375	68,007	687,382	687,382	-
Endowment fund*	<u>70,000</u>	<u>14,956</u>	<u>84,956</u>	<u>-</u>	<u>84,956</u>
Total	<u>\$ 1,247,115</u>	<u>\$ 121,012</u>	<u>\$ 1,368,127</u>	<u>\$ 1,283,171</u>	<u>\$ 84,956</u>

*The endowment fund is comprised of funds held at the Community Foundation of North Florida (CFNF). Fair value is determined based on information received from CFNF. UWBB understands the CFNF is invested in mutual funds, although CFNF has not disclosed the level used to determine the fair value of those investments.

Investment income consists of the following:

	Years ended June 30,	
	<u>2018</u>	<u>2017</u>
Interest and dividends	\$ 49,969	\$ 33,100
Realized gains on investments sold	<u>123,734</u>	<u>19,871</u>
Net realized investment gain	173,703	52,971
Change in unrealized gains during the year	<u>(49,963)</u>	<u>46,834</u>
	<u>\$ 123,740</u>	<u>\$ 99,805</u>

3. Property and Equipment

Property and equipment, net, consists of the following:

	June 30,	
	<u>2018</u>	<u>2017</u>
Land	\$ 313,803	\$ 313,803
Building and improvements	827,374	827,374
Automobiles	46,255	24,009
Furniture and equipment	81,356	81,356
Computer equipment	<u>54,945</u>	<u>54,945</u>
	1,323,733	1,301,487
Less accumulated depreciation	<u>683,737</u>	<u>657,904</u>
	<u>\$ 639,996</u>	<u>\$ 643,583</u>

United Way of the Big Bend, Inc.

Notes to Financial Statements

4. Unrestricted Net Assets

Unrestricted net assets consists of funds designated by the Board of Directors for the following purposes at June 30:

	<u>2018</u>	<u>2017</u>
Land, building, and equipment reserves	\$ 322,250	\$ 322,250
Management reserves	13,060	13,060
Community reserves	<u>145,527</u>	<u>74,722</u>
	<u>\$ 480,837</u>	<u>\$ 410,032</u>

The intent of the land, building, and equipment reserve is to fund major maintenance, replacement, or repair on UWBB facilities and equipment as well as to fund building replacement or renovation.

Management reserves are intended to maintain the operation of the organization in the event that UWBB is unable to conduct a community campaign or to collect pledges on a previous campaign.

Community reserves are intended to maintain the organization's ability to support the community, to reduce the portion of UWBB's annual administrative costs charged to the campaign, to provide emergency assistance, and to provide non-annual grant support to worthwhile activities in the community.

The various Board-designated reserves described above shall be adjusted in those years when the results of operations and the related annual campaign show an increase in unrestricted net assets. Decreases in designated net assets are charged to management reserves or community reserves.

5. Temporarily Restricted Net Assets

Temporarily restricted net assets consist of pledge revenue received for the subsequent year's campaign, funds received with donor restrictions, and previously allocated funds that were not disbursed due to a lack of continuing agency participation. The net assets are reclassified to unrestricted in the year the restriction is fulfilled. Transfers are made between net asset classifications as needed due to changes in agency participation.

Temporarily restricted net assets consist of the following at June 30:

	<u>2018</u>	<u>2017</u>
Campaign pledge revenue received in advance	\$ 32,200	\$ 36,873
Publix - Special Project Fund	76,752	58,438
Previously allocated community investment funds	<u>92,528</u>	<u>92,528</u>
Total temporarily restricted net assets	<u>\$ 201,480</u>	<u>\$ 187,839</u>

United Way of the Big Bend, Inc.

Notes to Financial Statements

6. Permanently Restricted Net Assets

UWBB established an endowment fund during 1994. The fund was established to make it possible for UWBB to help social services agencies sustain current programs and develop new ones, as needed.

All endowment funds are classified as permanently restricted net assets in accordance with donor stipulations. UWBB does not have a formally adopted endowment spending policy. However, no investment income has been recognized related to these funds as of June 30, 2018. UWBB's endowment investment policies limit its investments to certain types of investments and limits the amount invested in any one financial institution or issuer to 95% of the FDIC coverage. The overall objectives of the investment policy are production of sufficient income to meet the goals of the account and to provide for growth of assets to meet future objectives.

Contributions to the endowment of \$110,000 have been received as of June 30, 2018. Total surplus of \$14,601 has been recognized as of June 30, 2018.

Changes in endowment net assets for the fiscal year ended June 30, 2018, are as follows:

	<u>Unrestricted</u>	<u>Permanently Restricted</u>
Endowment net assets, beginning of year	\$ 14,956	\$ 110,000
Investment return	<u>(355)</u>	<u>-</u>
Endowment net assets, end of year	<u>\$ 14,601</u>	<u>\$ 110,000</u>

7. Government Agency Campaigns

Employee campaigns for certain governmental agencies are subject to specific regulations issued by the agency.

For the years ended June 30, 2018 and 2017, UWBB conducted one such campaign; the Leon County Schools Combined Charities Drive (LCS).

This campaign allows donors to designate contributions to specific approved agencies listed in the current year campaign brochure, or to make undesignated contributions for the LCS. Designated contributions are paid to the specific agencies quarterly. Payment is based on the pledge amount less an allowance for uncollectibles and an appropriate agreed upon administrative fee. Undesignated contributions go to UWBB's Community Care Fund to be distributed as approved by Community Human Service Partnership volunteers.

United Way of the Big Bend, Inc.

Notes to Financial Statements

8. Program Expenses

Program expenses consist of the following grant and UWBB administered program costs:

	Year ending June 30,	
	<u>2018</u>	<u>2017</u>
21st Century grant	\$ 420,782	\$ 483,843
Reading Pals program	43,350	40,496
Smile United program	16,552	16,380
Math Pals	5,600	-
Other UWBB programs	<u>183,095</u>	<u>220,781</u>
	<u>\$ 669,379</u>	<u>\$ 761,500</u>

9. Administrative Fees

UWBB withholds 17.5 percent of campaign contributions to support its fundraising activities and general and administrative expenses. UWBB also supports these activities through a variety of other revenue sources such as special events, grants, and private foundation funds. The following is an allocation of these expenses based on the funding source for the years ended June 30:

	<u>2018</u>	<u>2017</u>
17.5 percent from campaign contributions	\$ 655,970	\$ 696,313
Other revenue sources, including in-kind	<u>614,466</u>	<u>188,806</u>
Total fundraising and general and administrative expense	<u>\$ 1,270,436</u>	<u>\$ 885,119</u>

10. Employees Pension Plan

Full-time permanent employees may participate in a Simplified Employee Pension Plan (the Plan) after being employed for one year. UWBB contributes an amount equal to 9% of an eligible employee's gross wages. Contributions to the Plan for the years ended June 30, 2018 and 2017, were \$45,011 and \$54,462, respectively.

11. Line of Credit

To supplement cash flow requirements, UWBB entered into a line of credit with Capital City Bank effective July 17, 2009. The maximum principal that can be borrowed on the line is \$350,000, which is payable on demand. As of June 30, 2018 and 2017, there was \$0 and \$200,000, respectively, outstanding. Interest payments on the line of credit are due monthly at a rate of 5%. The line of credit is not secured.