United Way of
St. Lucie County, Inc.

ANNUAL FINANCIAL REPORT

June 30, 2017
United Way of
St. Lucie County, Inc.

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Independent Auditor’s Report

To the Board of Directors
United Way of St. Lucie County, Inc.
Fort Pierce, Florida

Report on the Financial Statements

We have audited the accompanying financial statements of United Way of St. Lucie County, Inc. (the Organization), which comprise of the statement of financial position as of June 30, 2017 and the related statements of activities, cash flows, and functional expenses 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 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 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 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 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 evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.
To the Board of Directors
United Way of St. Lucie County, Inc.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of United Way of St. Lucie County, Inc., as of June 30, 2017, and the activities, cash flows, and functional expenses for the year then ended, in accordance with accounting principles generally accepted in the United States of America.

Berger, Toombs, Elam, Gaines & Frank
Certified Public Accountants PL
Fort Pierce, Florida

October 16, 2017
ASSETS
Current assets
- Cash and cash equivalents $ 590,884
- Promises to give receivable 407,660
- Split interest agreements receivable, current portion 5,809
- Accrued interest receivable 2,974
Investments 2,043,378
  Total Current Assets 3,050,705
Noncurrent assets
- Split interest agreements receivable 82,983
Fixed assets
- Office equipment 46,635
- Less - accumulated depreciation (41,124)
  Total Fixed Assets 5,711
  Total Noncurrent Assets 88,694
  Total Assets $ 3,139,399

LIABILITIES AND NET ASSETS
Current liabilities
- Accrued expenses $ 15,628
- Due to others 40,852
- Promises to give to member agencies 741,072
  Total Current Liabilities 797,552
Net assets
- Temporarily restricted 496,452
- Unrestricted - board designated
  Designated endowment 1,605,560
- Unrestricted 239,835
  Total Net Assets 2,341,847
  Total Liabilities and Net Assets $ 3,139,399

The accompanying notes are an integral part of these financial statements.
United Way of St. Lucie County, Inc.
STATEMENT OF ACTIVITIES
For the Year Ended June 30, 2017

Support and Revenues

<table>
<thead>
<tr>
<th>Description</th>
<th>Unrestricted</th>
<th>Temporarily Restricted</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Campaign results</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Annual campaign</td>
<td>$ 1,164,371</td>
<td>$ 407,660</td>
<td>$1,572,031</td>
</tr>
<tr>
<td>Less: Amounts raised on behalf of others</td>
<td>(243,437)</td>
<td>-</td>
<td>(243,437)</td>
</tr>
<tr>
<td>Less: Provisions for uncollectable pledge losses</td>
<td>(92,280)</td>
<td>-</td>
<td>(92,280)</td>
</tr>
<tr>
<td>Net Campaign Revenues</td>
<td>828,654</td>
<td>407,660</td>
<td>1,236,314</td>
</tr>
<tr>
<td>Special events, net of $23,957 expenses</td>
<td>1,973</td>
<td>-</td>
<td>1,973</td>
</tr>
<tr>
<td>In-kind contributions</td>
<td>34,133</td>
<td>-</td>
<td>34,133</td>
</tr>
<tr>
<td>Investment income</td>
<td>32,808</td>
<td>-</td>
<td>32,808</td>
</tr>
<tr>
<td>Miscellaneous income</td>
<td>13,978</td>
<td>-</td>
<td>13,978</td>
</tr>
<tr>
<td>Net unrealized and realized gains on investments</td>
<td>170,317</td>
<td>-</td>
<td>170,317</td>
</tr>
<tr>
<td>Net assets released from restrictions</td>
<td>395,812</td>
<td>(395,812)</td>
<td>-</td>
</tr>
<tr>
<td>Total Support and Revenues</td>
<td>1,477,675</td>
<td>11,848</td>
<td>1,489,523</td>
</tr>
</tbody>
</table>

Expenses

<table>
<thead>
<tr>
<th>Description</th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Allocations to others</td>
<td>772,225</td>
<td>-</td>
<td>772,225</td>
</tr>
<tr>
<td>Community services</td>
<td>374,096</td>
<td>-</td>
<td>374,096</td>
</tr>
<tr>
<td>Total Program Services</td>
<td>1,146,321</td>
<td>-</td>
<td>1,146,321</td>
</tr>
</tbody>
</table>

Supporting services

<table>
<thead>
<tr>
<th>Description</th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>General and administrative</td>
<td>64,908</td>
<td>-</td>
<td>64,908</td>
</tr>
<tr>
<td>Fundraising</td>
<td>202,852</td>
<td>-</td>
<td>202,852</td>
</tr>
<tr>
<td>Total Supporting Services</td>
<td>267,760</td>
<td>-</td>
<td>267,760</td>
</tr>
<tr>
<td>Total Expenses</td>
<td>1,414,081</td>
<td>-</td>
<td>1,414,081</td>
</tr>
</tbody>
</table>

Change in net assets

<p>| | | | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>63,594</td>
<td>11,848</td>
<td>75,442</td>
</tr>
</tbody>
</table>

Net Assets - July 1, 2016

<p>| | | | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>1,781,801</td>
<td>484,604</td>
<td>2,266,405</td>
</tr>
</tbody>
</table>

Net Assets - June 30, 2017

<p>| | | | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$ 1,845,395</td>
<td>$ 496,452</td>
<td>$2,341,847</td>
</tr>
</tbody>
</table>

The accompanying notes are an integral part of these financial statements.
United Way of St. Lucie County, Inc.
STATEMENT OF CASH FLOWS
For the Year Ended June 30, 2017

Cash Flows from Operating Activities
Change in Net Assets $ 75,442

Adjustments to reconcile net income to net cash used by operating activities:
   Depreciation 5,637
   Net unrealized and realized gains on investments (170,317)
   (Increase)/decrease in assets:
      Promises to give receivable (6,039)
      Accrued interest receivable 345
      Other receivables (5,809)
   Increase/(decrease) in current liabilities:
      Accrued expenses 1,819
      Due to others (3,563)
      Promises to give to member agencies 170,228

Net cash used by operating activities 67,743

Cash Flows from Investing Activities
   Purchases of marketable securities (471,725)
   Proceeds from sales of marketable securities 563,571
Net cash provided by investing activities 91,846

Net change in cash and cash equivalents 159,589

Cash and cash equivalents, July 1, 2016 431,295

Cash and cash equivalents, June 30, 2017 $ 590,884

The accompanying notes are an integral part of these financial statements.
<table>
<thead>
<tr>
<th>Program Services</th>
<th>Supporting Services</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Community</td>
<td></td>
<td></td>
</tr>
<tr>
<td>$913,937</td>
<td>$67,137</td>
<td>$981,074</td>
</tr>
<tr>
<td>Volunteering</td>
<td></td>
<td></td>
</tr>
<tr>
<td>$34,588</td>
<td>$23,682</td>
<td>$58,260</td>
</tr>
<tr>
<td>Center</td>
<td></td>
<td></td>
</tr>
<tr>
<td>$772,225</td>
<td>$772,225</td>
<td>$1,544,444</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Administrative and Fundraising Services</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total</td>
</tr>
<tr>
<td>$243,437</td>
</tr>
<tr>
<td>$243,437</td>
</tr>
</tbody>
</table>

**Total** $1,797,511
NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Activities

United Way of St. Lucie County, Inc. (the Organization) is a nonprofit corporation organized in Florida in 1962, and located in Ft. Pierce, Florida. The Organization’s primary purpose is to bring together, in a united appeal, all possible campaigns of community accepted health, welfare, and recreational agencies, including local, state, and national service organizations. The major source of funding is provided by annual fund-raising campaigns through businesses and individuals.

Financial Statement Presentation

The financial statements are presented in accordance with FASB ASC 958, Not-for-Profit Entities. Under the FASB ASC 958, the United Way of St. Lucie County, Inc. is required to report information regarding its financial position and activities according to three classes of net assets (unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets) based upon the existence or absence of donor-imposed restrictions.

Cash and Cash Equivalents

For purposes of the Statement of Cash Flows, the Organization considers all highly liquid investments available for current use with an initial maturity of three months or less to be cash equivalents.

Promises to Give

Contributions are recognized when the donor makes a promise to give to the Organization that is, in substance, unconditional. The Organization uses the allowance method to determine uncollectible, unconditional promises to give receivable.

Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Actual results could differ from those estimates.

Investments

Investments are reported in accordance with FASB ASC 320, Investments in Debt and Equity Securities. Under this topic, investments are recorded at the fair market value in the Statement of Financial Position. Realized and unrealized gains and losses are reflected in the Statement of Activity. Any donated investments are recorded as contributions equal to their market value at the date of receipt.
NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Fixed Assets

Equipment is recorded at cost or at estimated fair value at the time of the gift. Such donations are reported as unrestricted support unless the donor has restricted the donated asset to a specific purpose. Assets donated with explicit restrictions regarding their use and contributions of cash that must be used to acquire property and equipment are reported as restricted support. Absent donor stipulations regarding how long those donated assets must be maintained, the Organization reports expirations of donor restrictions when the donated or acquired assets are placed in service as instructed by the donor. The Organization reclassifies temporarily restricted net assets to unrestricted net assets at that time. Equipment is depreciated using the straight-line method, over lives of three to ten years. All assets purchased for greater than $1,000 are capitalized.

Net Assets

Contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support, depending on the existence and/or nature of any grantor and donor restrictions. Contributions that are restricted by the donor are reported as increases in unrestricted net assets if the restrictions expire in the fiscal year in which the contributions are recognized. All other donor-restricted contributions are reported as increases in temporarily or permanently restricted net assets depending on the nature of the restrictions. When a restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets.

Contributions

As required by FASB ASC 958-605-15, Revenue Recognition - Contributions, the Organization accounts for contributions received as unrestricted, temporarily restricted, or permanently restricted support, depending on the existence and/or nature of any donor restrictions.

Advertising Costs

Advertising costs are expensed as incurred. Advertising consists primarily of announcements and promotional articles published in local newspapers and public service announcements. Advertising expense was $42,714 for the year ended June 30, 2017.

Donated Services

During the current fiscal year, United Way of St. Lucie County, Inc. received in-kind advertising for the purpose of promoting various program and special events. Donated services with an estimated fair value of $34,133 are included in contributions in the Statement of Activities.

The Organization does not record donated services for any volunteers working in a nonprofessional capacity.
NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Functional Allocation of Expenses

The costs of the various activities have been summarized on a functional basis in the statement of activities. Accordingly, certain costs have been allocated between Program Services and Supporting Services benefited.

Income Taxes

The Organization is exempt from Federal income taxes, under the provisions of the Internal Revenue Code 501(c)(3) and is not considered a private foundation within the meaning of Section 509(a) and qualifies for deductible contributions as provided in Section 170(b)(1)(A)(VI). The tax periods open to examination in which the Organization is subject include the fiscal years ended June 30, 2014, 2015 and 2016. No uncertain tax positions within the scope of ASC 740 Accounting for Uncertainty in Income Taxes, existed as of June 30, 2017.

Fair Value Measurements

The Organization reports its fair value measures using a three-level hierarchy that prioritizes the inputs used to measure fair value. The three levels of inputs used to measure fair value are as follows:

Level 1 – Quoted prices for identical assets or liabilities in active markets to which the Organization has access at the measurement date.

Level 2 – Inputs other than quoted prices included in level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3 – Unobservable inputs for the asset or liability. Unobservable inputs should be used to measure the fair value to the extent that observable inputs are not available.

When available, the Organization measures fair value using level 1 inputs because they generally provide the most reliable evidence of fair value.

The primary uses of fair value measures in the Organization’s financial statements are

- Initial measurement of noncash gifts, including gifts of investment assets and unconditional promises to give.
- Recurring measurement of short term investments.
- Recurring measurement of endowment investments.
- Recurring measurement of beneficial interests in trusts.
NOTE B – CASH

Cash as reported on the Statement of Financial Position, includes the following:

Checking $ 97,946
Money markets 492,738
Cash on hand 200
Total $ 590,884

Cash and cash equivalents are held in various financial institutions. At June 30, 2017, the Organization had $448,800 on deposit in banks, $77,949 of which was uninsured by the Federal Deposit Insurance Corporation. At June 30, 2017, the Organization had money market accounts insured by the SIPC totaling $142,509. The money market accounts are SIPC insured up to $250,000 for cash and $500,000 per customer and the protection provided is only if the brokerage firm ceases doing business and not against losses from fluctuation in the value of the securities.

NOTE C – PROMISES TO GIVE RECEIVABLE

Unconditional promises to give at June 30, 2017 are as follows:

Campaign pledges:
  Receivable, due within one year $ 499,940
  Less allowance for uncollectible promises (92,280)
  Total $ 407,660

NOTE D – INVESTMENTS

Investments consist of corporate stocks. Investments are presented in the financial statements at market value. Investments are composed of the following:

<table>
<thead>
<tr>
<th>Equity securities</th>
<th>Cost</th>
<th>Market</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$1,444,227</td>
<td>$2,043,378</td>
</tr>
</tbody>
</table>

The Organization is required to report its fair value measurements in one of three levels, which are based on the ability to observe in the marketplace the inputs to the Organization’s valuation techniques. Level 1, the most observable level of inputs, is for investments measured at quoted prices in active markets for identical investments as of the June 30, 2017. Level 2 is for investments measured at net asset value that can be redeemed in the near term. Level 3 is for investments measured using inputs that are unobservable, and is used in situations for which there is little, if any, market activity for the investment.

The Organization’s investments at June 30, 2017 as noted above were all level 1 investments.
NOTE D – INVESTMENTS (CONTINUED)

The following is a summary of gains and losses on securities:

Net gains (realized and unrealized) for the year ended June 30, 2017  $ 170,317

Investment income includes interest income of $241, dividend income of $48,637 and is reported net of investment fees of $16,070.

NOTE E – CHANGES IN FIXED ASSETS

A summary of changes in Fixed Assets follows:

<table>
<thead>
<tr>
<th>Beginning Balance</th>
<th>Increases</th>
<th>Decreases</th>
<th>Ending Balance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Office equipment</td>
<td>$ 46,835</td>
<td>$ -</td>
<td>$ 46,835</td>
</tr>
<tr>
<td>Accumulated depreciation</td>
<td>(35,487)</td>
<td>(5,637)</td>
<td>(41,124)</td>
</tr>
<tr>
<td>Fixed Assets, Net</td>
<td>$ 11,348</td>
<td>(5,637)</td>
<td>$ 5,711</td>
</tr>
</tbody>
</table>

NOTE F – PROMISES TO GIVE TO MEMBER AGENCIES

The Organization has made promises to give amounts to member charitable agencies of $741,072 generally to be paid in twelve equal monthly payments beginning in July 2017.

NOTE G – RELEASE OF RESTRICTIONS

Net assets were released from donor or grant restrictions by incurring expenses. For the year ending June 30, 2017, $395,812 in Net Assets were released from restrictions due to the passage of time.

NOTE H – TEMPORARY RESTRICTIONS ON NET ASSETS

Restrictions on assets result from contributions, grants or bequests that have been restricted by the donors. Temporarily restricted assets generally are contributions, grants or bequests that the donor has restricted by promising to pay in a subsequent fiscal year.

Temporary restricted net assets at year-end consisted of the following:

<table>
<thead>
<tr>
<th></th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Time Restriction</td>
<td></td>
</tr>
<tr>
<td>Pledge Receivable</td>
<td>$ 407,660</td>
</tr>
<tr>
<td>Split Interest Receivable</td>
<td>88,792</td>
</tr>
<tr>
<td>Temporarily Restricted Net Assets</td>
<td>$ 496,452</td>
</tr>
</tbody>
</table>
NOTE I – BOARD DESIGNATED UNRESTRICTED NET ASSETS

The Board of Directors has designated amounts received from a bequest as a board designated endowment. Only the income from the funds will be used to support the general purposes of the Organization. As of June 30, 2017, board designated net assets relating to this endowment were $1,605,560.

NOTE J – RETIREMENT PLAN

The Organization has a simplified employee pension plan, which covers substantially all full-time employees. Contributions are based on 5% of each covered employee’s salary. Pension plan expense for the year was $17,025.

NOTE K – SPLIT INTEREST AGREEMENTS

The Organization is also a remainder beneficiary of a charitable remainder trust. A split interest agreement receivable of $88,792 represents the estimated present value of the remainder interest under the trust where the Organization does not hold the assets of the trust. The estimated present value has been computed using a discount rate of 7.00%.

Changes in the value of the split interest agreements of $5,809 during the year are included in unrestricted contributions.

NOTE L – OPERATING LEASES

In March 2017, the Organization entered into a 39 month operating lease agreement for office equipment. In addition, an operating lease for a copier expired during the current year; however, the Organization continued to make payments on this copier through June 30, 2017. The future minimum lease payments for the office equipment are as follows:

<table>
<thead>
<tr>
<th>Year Ending June 30,</th>
<th>Future Minimum Lease Payments</th>
</tr>
</thead>
<tbody>
<tr>
<td>2018</td>
<td>3,768</td>
</tr>
<tr>
<td>2019</td>
<td>3,768</td>
</tr>
<tr>
<td>2020</td>
<td>3,768</td>
</tr>
<tr>
<td>Total</td>
<td>11,304</td>
</tr>
</tbody>
</table>

Lease payments and other lease related expenses totaled $8,525 for the year ended June 30, 2017.

NOTE M – SUBSEQUENT EVENTS

In preparing the financial statements, Management has evaluated events and transactions for potential recognition or disclosure through October 16, 2017, the date that the financial statements were available to be issued.